

Integrated Sustainability Report 2021



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Message from the CEO



Clarissa Sadock
CEO of AES Brasil

The year 2021 was marked by intense achievements at AES Brasil on all fronts of operation and management. Our strategy of growth and portfolio diversification proved to be important in responding the challenges of an adverse hydrological scenario. We closed the period with a 24.9% growth in net revenue in the annual comparison, which reinforces our capacity to invest in new businesses and projects.

The positive results also reflect our customer-focused innovation strategy, aimed at creating customized solutions. A successful example was the formatting of our first contract for the purchase and sale of energy backed by U.S. dollars.

This product was built based on a joint effort by all areas of AES Brasil to meet the demand of one of the world's largest aluminum manufacturers, Alcoa, whose revenues are linked to the U.S. dollar exchange rate. This solution manages financial risks and enables the continued production in the state of Maranhão, Brazil, with clean and renewable energy, generated at the Cajuína Wind Power Complex, which we are building in the Brazilian state of Rio Grande do Norte.

The development of a greenfield project such as the one in Cajuína also opens up opportunities for us to have a positive impact on Brazilian communities. While planning this new Wind Power Complex, we went into the field to understand local needs and identify demands that can be met through our social programs and investments.

We thus decided to replicate in Rio Grande do Norte the project to train women to work in the operation and maintenance of wind farms, as successfully completed in Bahia, where we are building the Tucano Wind Power Complex. With this initiative, we have strengthened employability, diversity and gender equity – principles that are part of our culture of social and environmental responsibility.

In terms of corporate governance, we consolidated in 2021 our strategy of corporate reorganization and migration of shares to Novo Mercado, a B3 listing segment that establishes the highest standards of transparency and equity in the relationship with minority shareholders. Thus, we established AES Brasil as the new holding company for our businesses and increased the attractiveness of funds that seek to invest in companies with sustainable business models.

Our sustainability management policies and practices are increasingly acknowledged by the market. For the 15th consecutive year, we have been included in the B3 Corporate Sustainability Index (ISE), achieving maximum ratings in the main ESG ratings among international agencies, including especially the AAA rating from MSCI.



Listing on the Novo Mercado, maximum evaluations in ESG ratings and the certification of 100% of operations in ISO 55001 were highlighted in 2021

With regard to operational performance, we have advanced in efficiency actions and certified the Alto Sertão II Wind Power Complex and the Guaimbê and Ouroeste Solar Power Complexes according to ISO 55001 standards, which ensures the effectiveness of the asset management system. With that, 100% of our generator facilities have their operation certified, as well as having implemented the best practices of the industry.

Safety is a key value of AES Brasil and goes hand in hand with this quality in asset management. The improvement of procedures for assessing and mitigating risks, in addition to training and raising awareness among employees and outsourced service providers, is a continuous commitment.

Regarding the management of our human capital, the year 2021 continued to be challenging due to the COVID-19 pandemic. We have remained focused on promoting people's health and emotional balance while maintaining the safety protocols we adopted in 2020 and strengthening integration and dialogue actions for the well-being of employees throughout the challenging period we have been experiencing.

With the advancement of vaccination and the maintenance of preventive care, we expect to resume part of our face-to-face activities in our administrative offices in 2022. I would like to thank all of our staff, who have remained committed to materializing our purpose of accelerating the future of energy. We will be together again soon!



2021 Highlights

Completion of the acquisition of the
Mandacaru and Salinas Wind Power Complexes



Start of works at the
Cajuína Wind Power Complex



PPAs
signed, totaling 892.8 MW
of installed capacity



Migration
to Novo Mercado (“New Market”),
the B3 segment with the
highest standards of
corporate governance



Completion of the corporate
restructuring, establishing AES Brasil
Operação and generating efficiencies
in the amount of

R\$ 532.6
million



Funding of
R\$ 1.116 billion
in follow-on, with demand
from interested parties three times
greater than the offer (93 million
new common shares)

Only company in Latin America

rated
AAA

by the ESG MSCI rating



ESG performance
rated at
insignificant risk
(grade 9.4) by the
ESG Sustainalytics rating



- Highlights include the electricity sector in the **Prêmio Lugares Incríveis para Trabalhar** (“Incredible Places to Work Award”), promoted by Fundação Instituto de Administração (FIA), in partnership with UOL
- **100% of 2020 direct greenhouse gas** (GHG) emissions neutralized
- **2.9 percentage points** of progress in the organizational climate index, reaching **93%**

- **534** internal employees
- **1,458** outsourced service providers
- **9,533.7 GWh** of gross energy generated (-22.09% compared to 2020)*
- **R\$2.5 billion** in net operating revenue (+24.9% compared to 2020)
- **R\$516.5 million** in net income (-39.1% compared to 2020)

- **18 operational assets** (9 hydropower plants, 3 small hydropower plants, 4 wind farms, and 2 Solar Power Complexes) in 4 Brazilian states
- **4.7 GW** of installed capacity, 41% from non-hydropower sources
- **2 wind projects** under construction (Tucano and Cajuína wind farms)

**For the Salinas and Mandacaru wind assets, considers the gross generation between May and December, given the completion of the acquisition on 04/30/2021.*

Combating Covid-19

In 2021, we have maintained the actions implemented in the previous year to preserve the health of employees and minimize the risk of contamination by the new coronavirus. With the growth of COVID-19 cases in Brazil, only the teams essential for the operation and maintenance of assets continued to work in person, following the protection protocols already consolidated.

Employees in the offices and administrative areas maintained the telework scheme, in the home office mode. With the advancement of vaccination in the country and the decrease in cases of the disease, we began to plan the reopening of offices, with the guidance of the Transition Committee for the Return to Workplaces. We have drafted a manual for hybrid work, in which part of the shift will be carried out at home, starting in 2022.

We have encouraged the vaccination of our employees through internal campaigns and carried out a daily monitoring of the number of immunized people. We have recorded a significant level of adherence among employees and, following the mass vaccination campaign, we no longer have

had any hospitalized patients due to complications from COVID-19.

During the entire period of social isolation, one of the main attentions was with the mental health of our employees. We have strengthened the *Conte com a Gente* (“Count on Us”) program, which benefits employees and their relatives with an open channel for requesting support for aspects regarding personal life. We have also adhered to the *Mente em Foco* (“Focused Mind”) Movement, promoted in partnership with the Global Compact and InPress, establishing six principles for the promotion of mental health in the corporate environment.

Our case count from the beginning of the pandemic to the date of publication of the report was 13 active cases, 2 fatalities (outsourced service providers) and 586 confirmed recovered cases (among our own employees and outsourced service providers).

3,876 tests performed in 2020 and 2021

AES Brasil joined the *Mente em Foco* (“Focused Mind”) Movement



100% of employees with full vaccination cycle (two doses or a single dose) and 51% with the booster dose

93% of outsourced service providers with full vaccination cycle and 31% with the booster dose

*The data presented on this page refer to the closing of this edition.



About us

We are a 100% renewable electricity generation company, offering customized solutions to meet the different demands and needs of our customers. For over 20 years, we have promoted the supply of clean energy across the country, with excellence in asset management, expansion of the generation complex, and development of innovations and complementary solutions for our portfolio.

Guided by the goal of being the top-of-mind choice for customers in the free market (learn more on page 12), we have expanded our set of generation assets and reached, in 2021, an operational and under-construction installed capacity of 4.7 GW of energy*. Our generation park in operation and under development is composed of 9 hydropower plants, 3 small hydropower plants, 6 wind farms, and 2 solar power complexes.

We are part of The AES Corporation (AES Corp), a global energy company present in 14 countries and 4 continents. The alignment of practices

and the exchange of information with AES Corp contributes to the continued evolution of our processes and adoption of management models that are a global benchmark. This exchange is conducted with professionalism while preserving the autonomy and independence of AES Brasil. Since 2021, our shares (AESB3) have been listed on the B3 Novo Mercado, a segment with the highest standards of corporate governance on the São Paulo Stock Exchange.


**In addition to the installed capacities in operation, it considers 478.8 MW under construction (Tucano) and 381.9 MW under development (Cajuína).*



In 2021, AES Brasil became listed on B3 Novo Mercado and expanded its generation portfolio to an installed capacity of 4.7 GW




Mission



Accelerating the future of energy, together.

Purpose




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

Values



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



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



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

Product and solution portfolio

Energy Self-Production: in this mode, consumers are given a concession or authorization to generate their own energy, being able to meet their demand in whole or in part, depending on the size of their plant and their corporate configurations in relation to their project. By being responsible for their own consumption, self-producers can guarantee their energy production in the system, being thus exempt from certain industry-related charges in proportion to their consumption. In addition, like other free and special consumers, a 50% discount is granted on rates for the use of distribution & transmission systems (TUSD; TUST) if the energy generated is derived from a renewable source.

Long-Term Renewable Energy: the PPA (Power Purchase Agreement) is a long-term bilateral power purchase agreement, often linked to a specific generation asset, at a fixed price between a renewable energy generator and a consumer.

In general, customers in these contracts comprise companies with a high energy demand. The main benefit of PPAs is related to predictability and reduction of energy costs in the long term.

Migration to the Free Energy Market: the **Energia+** online platform facilitates the entry of new consumers into the Free Market (or Free Contracting Environment – ACL) and the management of contracts in this environment. The financial savings for the purchase of energy in the Free Market can reach 30% in relation to the Captive Market (or Regulated Contracting Environment – ACR), which is served by energy distributors.



Sale in the Free Market: the Free Energy Market is the contracting environment in which customers and sellers are able to agree on conditions and prices. Customers can choose and buy energy directly from the companies that generate or sell it. That is, buyers and sellers are able to negotiate freely with each other, allowing for a better negotiation of prices, terms, and commercial conditions. Its main benefits are the greater predictability of energy costs, as well as their reduction; the possibility of having a single energy contract for several consumer units; free negotiation, allowing better commercial conditions; and the possibility of contracting energy from renewable sources.

Retail: we offer to small consumers or multi-sites the benefits of the Free Market with the operational facilities of the Captive Market. With this solution, we represent our customers at the Electricity Trading Chamber (CCEE). Thus, in addition to savings, companies served can rely on our expertise and document management, eliminating bureaucracy in migration processes.

Power Management: operating in the ACL can be a challenge for many companies, as the flexibility to choose the purchase of energy also requires planning the energy acquisition strategy, in addition to controlling the procedures and documentation necessary for each operation. We provide this energy management service, contributing with our expertise and optimizing our customers' strategies.

Renewable Energy Certificate (REC): REC is a renewable energy certificate that allows demonstrating that a given energy consumption originates from clean sources and can be traced back to the generation source. This guarantee of the acquisition of proven renewable energy contributes to brand positioning and the fulfillment of our customers' internal sustainability goals.

Strategy

Our strategy of business growth and capacity to generate value was built to enable us to be at the forefront of the transformation of the Brazilian electricity industry. The modernization of our segment and opening of the free market provide a wide variety of options so that customers can choose more sustainable solutions for the purchase and consumption of energy. Additionally, they create

opportunities for us to expand and diversify our portfolio, offering customized products and promoting the best solutions and experience to our customers.

Three pillars support our strategy and will lead us to be the best customer choice in the free energy market:

Our goal

To be the customer's top-of-mind choice in the free energy market, offering resilient, competitive and responsible solutions.

Resilience

We invest in projects for growth and diversification of the portfolio of generation assets, with sources that complement the seasonality between them (hydropower, wind, and solar). We operate with market intelligence to take advantage of opportunities in energy trading and mitigate risks while optimizing increasing the level of contracting of the generation park.

Competitiveness

The continuous search for greater operational and financial efficiency guarantees our leading role in the free energy market. We work with a focus on the customer to develop tailor-made products and solutions that exceed expectations in the provision of carbon-free energy, 24 hours a day, 7 days a week.

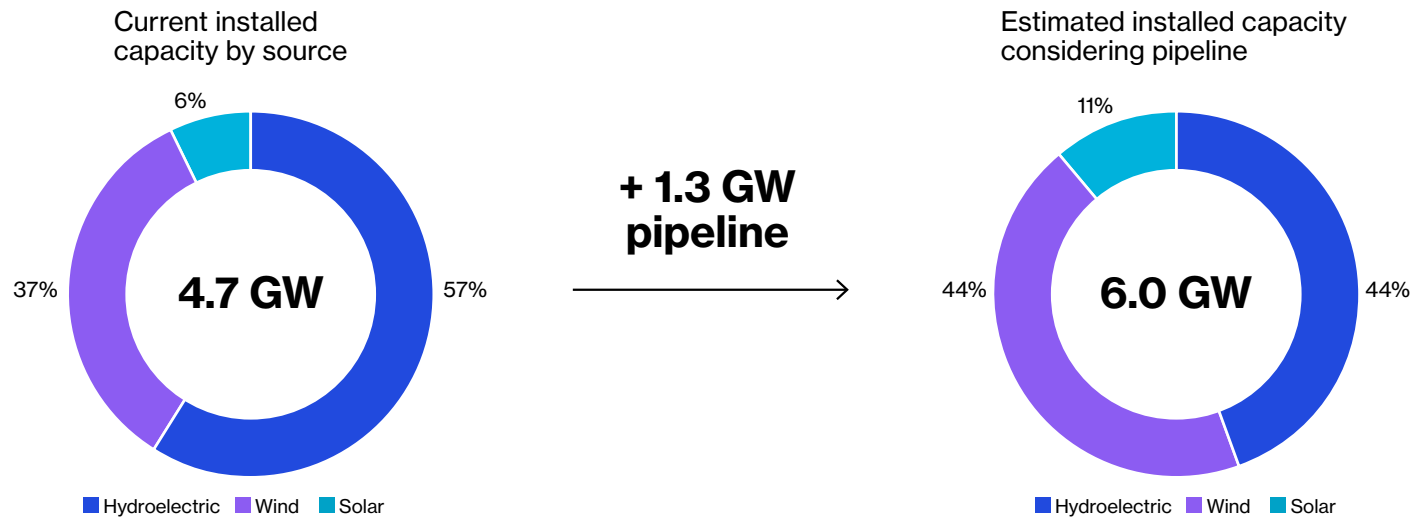
Responsibility

We conduct and develop our business with the aim of promoting positive impacts and avoid or mitigate any negative impacts. With ethics and transparency, our corporate governance and decision-making processes consider the best practices and criteria for the management of social and environmental aspects.



Diversification of AES Brasil's portfolio

<p>2017</p> <p>We started our portfolio diversification strategy with the acquisition of the Alto Sertão II Wind Power Complex, in the state of Bahia (BA), our first wind generation asset, with an installed capacity of 386.1 MW.</p>	<p>We completed the acquisition of the Guaimbê Solar Power Complex, in the state of São Paulo (SP), which began commercial operations in the same year, with an installed capacity of 150.0 MW.</p>	<p>2018</p> <p>We began the commercial operation of the Ouroeste Solar Power Complex (SP), with an installed capacity of 144.1 MW and acquired the Tucano Wind Power Complex (BA), a greenfield project with an estimated capacity of 582.8 MW.</p>	<p>2019</p> <p>We acquired the Ventus Wind Power Complex, in the state of Rio Grande do Norte (RN), adding 187.0 MW to our generation portfolio, and the Cajuína Wind Power Complex (RN), a greenfield project with an estimated total installed capacity of 1.3 GW.</p>	<p>2020</p> <p>We completed the acquisition of the Mandacaru and Salinas Wind Power Complexes, in the States of Ceará (CE) and Rio Grande do Norte (RN), with an additional 158.5 MW of installed capacity.</p>
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2030 ESG Commitments

Along with our business growth and diversification strategy, we have established a plan to move forward in our ESG management – an acronym that stands for the management of environmental (Environmental), social (Social) and corporate governance (Governance) aspects and risks.

The starting point of our ESG 2030 Commitments comprises the Sustainable Development Goals (SDGs) of the Agenda 2030, proposed by the United Nations (UN). Being aware of the shared challenge that this set of goals represents for society as a whole, we recognize the key role of renewable energy for a new economy and the need to develop other cross-cutting topics in business to effectively contribute to the Agenda 2030. Based on that, we have established the targets and commitments that are related to six priority SDGs, and we determined three main themes, establishing our priorities related to the environmental, social and governance aspects: climate change; diversity, equity and inclusion; and ethics and transparency, respectively.

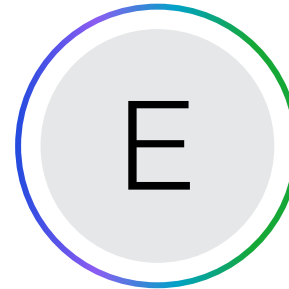
Our company's voluntary participation in the Global Compact Brazilian Network, a multi-sector UN initiative, enhances the integration of the SDGs into our corporate governance. Within this initiative, our CEO, Clarissa Sadock, integrates the Liderança com ImPacto initiative as a spokesperson for SDG 7 – Clean and Affordable Energy.

 Defined in 2021, our goals contribute to advancing the sustainability agenda and aligning with the Sustainable Development Goals

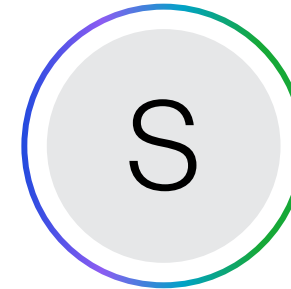


2030 ESG Commitments

The targets, approved by the Board of Directors, were established at the end of 2021, considering 2020 as the base year. The scenario in this period was 18% of women in top leadership and 11% of people from underrepresented groups (considering only ethnic-racial data, as there is no internal mapping of other representatives, an initiative that is in progress). The greenhouse gas emissions baseline scenario can be found on page 58, and the reforestation initiative on page 64.



Climate change




Diversity, equity and inclusion



Ethics and transparency

Priority SDGs	Commitments	Targets
	To promote diversity, equity and inclusion while ensuring equal opportunities at all levels	→ By 2025, to have 30% women in senior leadership positions.
	To contribute to the energy transition by increasing renewable sources in the Brazilian electricity matrix	→ To contribute through the generation of renewable energy so that our customers can prevent the emission of 582,000 tCO ₂ e per year from 2025.
	To transform lives through the local development of communities neighboring our operations and ensuring equal opportunities	→ By 2030, to reach 30% of underrepresented groups (ethnic-racial, gender identity, and sexual diversity) in leading positions. → To hire at least 50% of local labor in the construction of new ventures.
	To positively impact climate change mitigation efforts.	→ By 2030, to reduce Scope 1 and 2 greenhouse gas emissions by 18% tCO ₂ e per MWh generated, compared to 2020. → To maintain neutralization and positive greenhouse gas emissions annually. → By 2025, to offset historical emissions since the beginning of AES Brasil's operations*.
	Conserve, protect and preserve biodiversity.	→ By 2030, to increase reforestation by at least 20% in addition to the commitment to recover occupied areas.

*Considering emissions from 1999 to 2019.

 Our commitments to sustainable development and excellence in ESG management are acknowledged by the market, strengthening our ability to generate value for all stakeholders



- We are the only **AAA**-rated company in Latin America in the MSCI* ESG criteria assessment
- ESG performance rated with **insignificant risk** (grade 9.4) by the ESG Sustainalytics* rating
- The company was selected for the 15th consecutive year to compose the B3 Corporate **Sustainability Index** (ISE) portfolio
- We received a B rating in the **Carbon Disclosure Project** (CDP), in the Water Security and Climate Change questionnaires
- Our **inventory of greenhouse gas emissions** (GHG Protocol) has been awarded with the Gold Seal for five consecutive years
- Third consecutive year with the **Gold Seal by EcoVadis** in the social and environmental assessment
- Awarded with 2nd place in the “Best ESG Small Cap” category by sellside, in the electricity sector, by **Institutional Investor 2021**
- Awarded as one of the **“Incredible Places to Work,”** in the Energy Sector category of the FIA and UOL Awards, in 2021
- Winner in three categories of the **National Asset Management Award** (EGAESE): Strategic Management; Asset Life Cycle Analysis; and International
- Winner in the Electricity category of the 21st edition of the **Valor 1000** rankings
- Among the three companies with a score of 10 in the **Melhores e Maiores ESG** ranking by Exame magazine

**Disclosure statements available on page 117.*

Contribution to the energy transition

The challenging water scenario experienced by Brazil in 2021 highlighted the urgency of growing in renewable electricity generation. The low water levels took reservoirs in several regions of the country to critical levels, and the activation of coal-fired thermal plants became necessary to meet the demand. For us, the moment highlighted the importance of evaluating the impacts of the drought and learning from the experience of the last year. In this context, the national growth movement with diversified and renewable energy sources becomes even more relevant, as it has the potential to avoid and mitigate challenging contexts. According to the Ten-Year Energy Expansion Plan prepared by the Energy Research Company (EPE), the country's installed capacity in wind and solar sources will increase from the current 24.9 thousand MW to 40.7 thousand MW by 2031, being responsible for 14.8% of the total power of the Brazilian generating complex.

In recent years, we have taken a leading role in building this future with renewable energy and security in the supply to consumers. Since 2017, we have been expanding our portfolio with wind and solar assets (learn more on page 13). In 2021, our gross energy generation reached a total of 9,522.79 GWh, with approximately 29% of this total being supplied by wind and solar farms. The complementarity of the generating sources, alongside the high availability of assets, contributes to the stabilization of a more renewable and sustainable electrical system.



Our commitments to economic recovery

Committed to a low-carbon economy and the promotion of sustainable development, we are signatories of the manifestos Uniting Business and Governments to Recover Better and United in the Business of a Better World. The initiatives, launched by the United Nations (UN) in 2020, emerged in the context of the economic recovery following the first wave of impacts from the COVID-19 pandemic. The proposal is to convene the participants of these commitments to building a new economy of sustainability while conducting business in a way that is in line with contemporary challenges, such as global warming, the fight against inequalities, and respect for human rights.

Business model

As pioneers in the adoption of the integrated thinking and reporting framework proposed by the Value Reporting Foundation, we are always attentive to generating financial and non-financial value for all our

stakeholders. The representation of this business model highlights the main inputs in the six capitals, our differentiators for generating value, and the outputs and outcomes of our sustainable management.

Main inputs

- **Natural capital**
Inflow of rivers
Sunlight
Wind incidence
- **Manufacturing capital**
18 operating assets
4.7 GW of installed capacity
- **Human capital**
534 employees
1,458 outsourced service providers
- **Social and relationship capital**
AES Brasil brand association with renewable energy and innovation
- **Financial capital**
R\$983.4 million invested in modernization, maintenance, and expansion
- **Intellectual capital**
R\$11 million invested in research & development

Our differentiators

- 100% portfolio diversification in renewable sources *(page 25)*
- Portfolio management optimization *(page 32)*
- Excellence in asset management *(page 36)*
- Customer focus with customized and innovative solutions *(page 41)*
- Financial strength, robustness and resilience *(page 44)*
- Business strategy with ESG best practices *(page 47)*
- Adoption of best governance, compliance and risk management practices *(page 48)*
- Biodiversity conservation and efficient use of natural inputs *(page 57)*
- Promotion of a diverse, motivating and inclusive work environment with a highly qualified team *(page 72)*
- Positive legacy for local communities *(page 85)*
- Transparency and partnership in the relationship with suppliers *(page 93)*

Value generation

- **Natural capital**
R\$16.4 million in biodiversity investments
251.5 hectares restored
- **Manufacturing capital**
9,533.7 GWh of gross energy generated*
- **Human capital**
14,000 hours of training
Zero fatal accidents
- **Social and relationship capital**
Record results in the customer satisfaction survey, with a Net Promoter Score (NPS) of 75%
R\$1 million aimed at private social investment (100% internal resources)
- **Financial capital**
R\$516.5 million net income
R\$601.9 million in direct economic value generated and distributed
- **Intellectual capital**
2nd consecutive year in the Top 100 Open Corps of open innovation with startups (2nd place in the Electricity category and among the top 50 in the general ranking)

**For the Salinas and Mandacaru wind assets, considers the gross generation between May and December, given the completion of the acquisition on 04/30/2021.*

Innovation

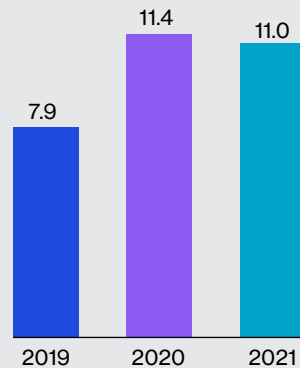
Our investments in innovation are fully aligned with our strategy. The projects we develop in partnership with startups, research institutes and universities focus on the development of new technologies and business models that boost sustainability, efficiency, and the reduction of social and environmental impacts for both our operations and those of our customers.

The resources used by us on this front are part of the Research & Development (R&D) Program regulated by the Brazilian Electricity Regulatory Agency (ANEEL). In 2021, the investment made by us in R&D totaled R\$11 million, an amount 3.8% lower than in 2020, even considering the impacts of the pandemic and Provisional Measure (MP) 998/2020, which reduced the company's mandatory investment by 30%.

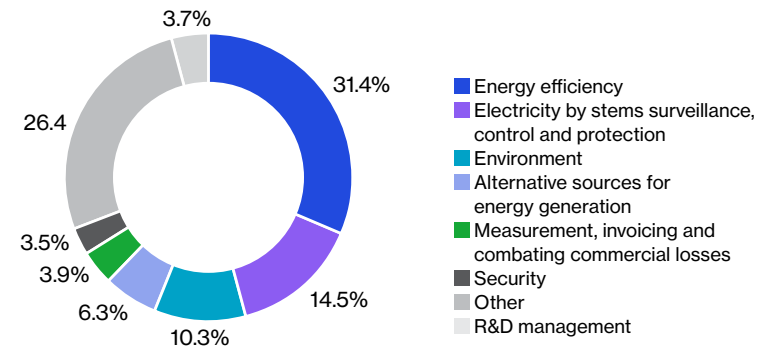
Market acknowledgment

For the second consecutive year, we have been acknowledged as one of the **TOP 100 Open Corps**, ranking second in the Electricity category and among the top 50 in the overall rankings. The award is granted by 100 Open Startups, a pioneering entity and a leader in open innovation in Latin America, which annually recognizes the corporations that have practiced innovation the most with startups in Brazil.

Investment in R&D (R\$ million)



Investment in R&D by line in 2021



Startup acceleration

The Startup Acceleration Program is one of the main initiatives conducted by with the aim of promoting innovation and the development of new solutions. In 2021, the initiative implemented its third edition, in partnership with Liga Ventures – an organization that aims to promote open innovation.

Last year, 290 startups submitted their projects with proposals to respond to the challenges posed by our company. At the end of the cycle, two companies were selected to participate in the acceleration stage, with product prototypes that are able to improve the company's data intelligence and process digitization.



The Startup Acceleration Program

3 challenges proposed in 2021

- Solutions for structuring, analyzing and visualizing data
- Solutions for content curation and market monitoring
- Solutions for managing the legal department and renewing business certificates

Startup selection

- 290 subscribers
 - 31 interviewed
 - 11 finalists
 - 3 selected
- 2 accelerated
 - Crawly
 - Solutions for content curation and market monitoring
 - Oncase
 - Solutions for structuring, analyzing and visualizing data

Top R&D projects in 2021

Microgrids

The project resulted in a product that allows, through a set of hardware and software solutions, the integrated management of sources of generation, storage and energy consumption at a given customer. The solution, tested throughout 2020 at the Energy Generation Operations Center (COGE), was installed in five more pre-selected customer units throughout 2021. The project is expected to be completed in 2022 and has the potential to become one of the first innovation products launched on the market following the R&D development cycle.



Green Hydrogen Project

In 2021, we invested in a market study to evaluate the application of green hydrogen as a high-yield substitute for fossil fuels. With the support of an external consulting firm, we interviewed stakeholders from leading companies in this market and sought subsidies to support the development of a public policy to accelerate this solution. This work resulted in the publication of the book "*Caminhos para a Liderança do Brasil no Mercado Mundial de Hidrogênio Verde*" ("Paths to Brazilian Leadership in the World Green Hydrogen Market"), published at an event held with the newspaper Estado de São Paulo in November 2021. In December, we signed a memorandum of understanding with the

government of the state of Ceará and another with the Port of Pecém to study the feasibility of producing green hydrogen in this region.

Last year, we also completed operational testing of a low-cost electrolyzer capable of generating hydrogen from water. Consequently, we now have subsidies to assess the cost of producing the hydrogen molecule from the solution developed with the startup Hytron. In the last ten years, we have been studying possibilities and ways to use green hydrogen as a cleaner, renewable energy source. The various projects those carried out place our company as a leader in the development of commercial projects in the coming years.



Energy Management Platform (DEMP)

We have developed a tool for managing energy contracts in the free market, comprising an internal solution to customer management in a digital and automated way, in addition to providing a logged area for customers to monitor their own energy consumption. The project was completed in 2021 alongside startup GreenAnt, in the context of the ANEEL R&D program. Subsequently, AES Corp acquired the startup executing the project with the aim of scaling the platform and providing greater replicability to the solution.

Urban greenhouses

The project aims to take advantage of underused urban spaces, such as building rooftops, for the assembly of greenhouses, aiming at the cultivation of organic leafy greens and vegetables. The use of LED lighting is an innovative technology that has the potential to increase the productivity of these installations without environmental impacts. The project is being carried out in partnership with CSEM Brasil and BeGreen, and in 2021, the first crops were harvested and donated to AES Brasil employees.

Blockchain in energy trading

The project offers the first organized energy trading desk using blockchain technology, in addition to enabling the trading of renewable energy certificates on the free market. In 2021, we completed the project after technical validation and we are studying the opportunities, with customers and other companies in the industry, in order to explore it commercially in the future.

Electromobility

In 2021, we promoted five multidisciplinary workshops with different stakeholders, featuring ANEEL, to discuss ways and solutions to accelerate the development of charging infrastructure and boost electromobility in Brazil. The meetings will result in the publication of a book on the topic. We also work on the installation of electric chargers for vehicles in different formats. The objective is to assess the potential of new business models, with different charging points in the country.

Vegetation control in photovoltaic plants

We opened a public notice in 2021 for universities in the interior of the state of São Paulo to develop projects and techniques for controlling vegetation in solar plants. This is a relevant impact for the assets, as the growth of plants can cause the shading of the photovoltaic panels and reduction of energy generation. Additionally, the dry organic matter resulting from pruning creates a fire hazard. The selected university (Centro Universitário de Lins) will be testing three different techniques for vegetation control. The project is expected to be completed by 2023.

Climate change management

We started a project to develop a predictive technology to assess the impacts of extreme weather events on energy generation. We will be using our generator park to simulate, through the technique of digital twins, the possible impacts of climate events on hydropower, solar and wind power plants, based on long-term climate forecasts and models (up to 2030 and 2050) developed by the consulting firms WayCarbon and Enacom.



Chimerism

The initiative, aimed at the reproduction of endangered fish species through the “surrogate belly” technique, advanced in 2021 with the acquisition of equipment for the installation of an in-house laboratory in Promissão HPP. With this structure, we will be able to apply the technique studied and developed in recent years for the repopulation of the reservoirs of hydropower plants.



Resilience

Portfolio expansion

The complementarity of renewable sources increases the resilience and competitiveness of our portfolio. Since 2017, we have moved from a 100% hydropower portfolio to the current 41% non-hydropower sources, with plans underway to ensure a better balance of this set of assets.

In 2021, major milestones strengthened our performance in wind energy. We completed the first full year of operation of the Ventus Wind Power Complex (merged in December 2020) and completed the acquisition of the Mandacaru and Salinas Wind Power Complexes in April. Combined, these three assets added 345.5 MW of installed capacity in operation. One of the

main challenges in these assets for the next two years consists of completing the integration of the Operation and Maintenance practices and reaching the levels of operational excellence achieved in the Alto Sertão II Wind Power Complex (learn more on page 36).



In April 2021, we concluded the acquisition of the Mandacaru and Salinas Wind Complexes, which add up to 158.5 MW of installed capacity





On the greenfield front, we advanced as planned for the construction of the Tucano Wind Complex, with start-up planned for 2022

On the greenfield front, we have made progress as planned in the construction of the Tucano Wind Power Complex, whose startup is planned for 2022. Last year, we completed and energized the 45 kilometers of the transmission line that will connect the complex to the National Interconnected System (SIN) and the substations of the enterprise. Of the 582.8 MW of installed capacity of the asset, 322.4 MW are already contracted.

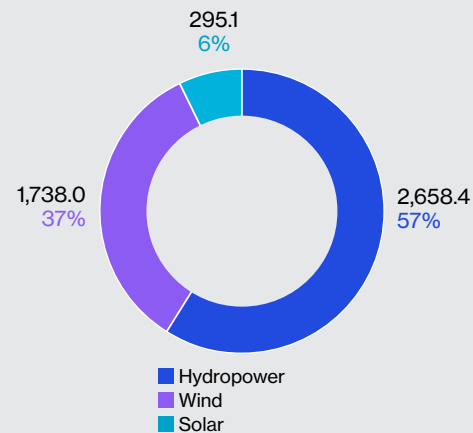
To ensure that there were no delays in the development of the works, particularly in the context of the COVID-19 pandemic, planning and anticipation have made a difference. We contracted the equipment in advance to ensure their installation and to closely monitor the schedule of activities, avoiding disruptions in supply and quickly and assertively circumventing any unforeseen events. Another differentiator in the implementation of the Tucano Wind Power Complex was the structuring of the Social Management System, which consolidated a unique strategy for community engagement in order to manage any possible impacts of the works on the lives of local residents (learn more on page 85).



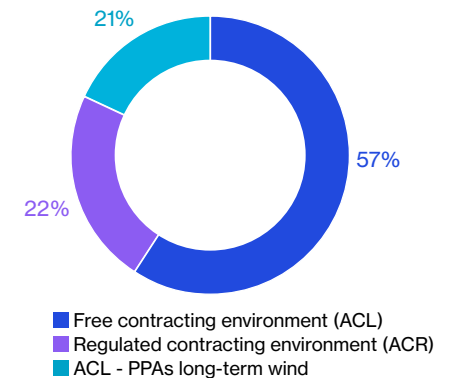
The experience and lessons learned in the construction of the Tucano Wind Power Complex serve as accelerators for the development of the Cajuína Wind Power Complex, located in the state of Rio Grande do Norte, with an estimated installed capacity of 1.3 GW (the largest asset in our generation complex). Throughout 2021 and at

the beginning of 2022, we obtained the main necessary installation licenses, starting works in January. The contracting of 478.8 MW in this complex was secured through long-term contracts, which reinforce the market demand for reliable and renewable energy and demonstrate the preference for AES Brasil in the free market (learn more on page 41).

Installed capacity by source (MW)



Installed capacity by contracting environment (MW)



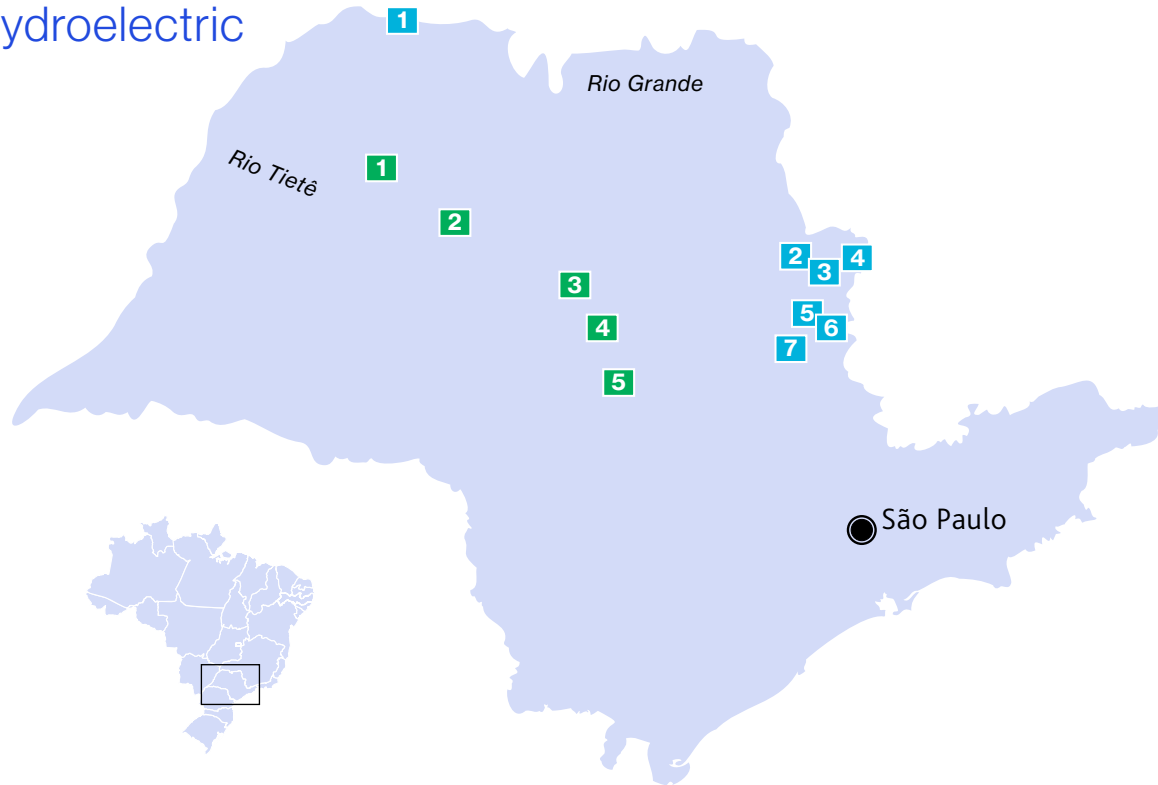


Incentive for renewable sources

Since the enactment of Provisional Measure 998, in September 2020, later converted into Law 14,120/21, the initial requests for grants for new wind and solar generation assets have more than doubled, according to a survey by the National Electric Energy Agency (ANEEL). This is because the law determined a transition period, guaranteeing those grants requested until March 1, 2022, access to subsidies for renewable energies, which reduce energy transmission and distribution costs. The regulatory change heated up the market and increased the demand for equipment and services for the construction of new complexes.

Despite the changes, there is no impact on AES Brasil's appetite for expanding and diversifying its portfolio. Through the active search for merger & acquisition (M&A) opportunities and greenfield projects, our expectation is to advance even further, in the coming years, in expanding our installed capacity.





Plants with gates

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

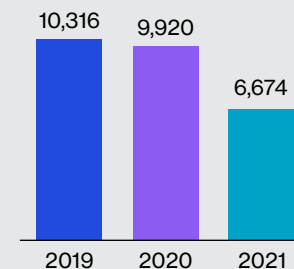
Plants without gates

- 1** HPP Água Vermelha
Start of operation: 1978
Installed power: 1,396.2 MW
- 2** HPP Armando Salles de Oliveira (Limoeiro)
Start of operation: 1958
Installed power: 32.0 MW
- 3** HPP Euclides da Cunha
Start of operation: 1960
Installed power: 108.8 MW
- 4** HPP Caconde
Start of operation: 1966
Installed power: 80.4 MW
- 5** SHP São Joaquim
Start of operation: 2011
Installed power: 3.0 MW
- 6** SHP São José
Start of operation: 2012
Installed power: 4.0 MW
- 7** SHP Mogi Guaçu
Start of operation: 1997
Installed power: 7.2 MW

2.5 million
fingerlings released
into reservoirs

4 plants
improved their average
availability rates during the year:
HPPs Caconde and Ibitinga and
SHPs Mogi Guaçu and São Joaquim

Net energy production from the
hydropower plants (GWh)





Wind farms

Operation

1 Alto Sertão II Wind Power Complex

Installed power: 386.1 MW
 Number of wind turbines: 230
 Number of parks: 15

2 Ventus Wind Power Complex

Installed power: 187.0 MW
 Number of wind turbines: 112
 Number of parks: 3

3 Mandacaru Wind Power Complex

Installed power: 108.1 MW
 Number of wind turbines: 53
 Number of parks: 5

4 Salinas Wind Power Complex

Installed power: 50.4 MW
 Number of wind turbines: 24
 Number of parks: 2

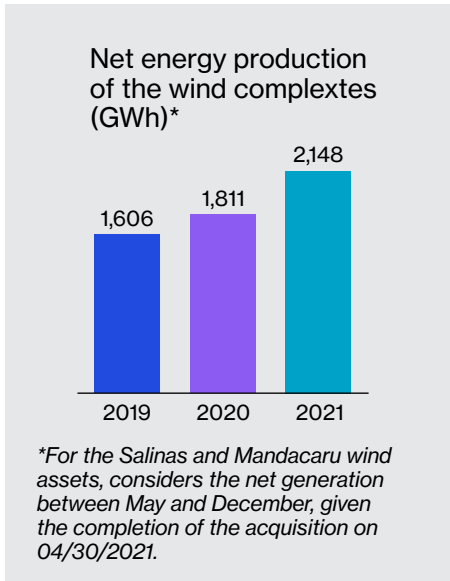
Development/Pipeline

1 Tucano Wind Power Complex

Capacity to be installed: 260.4 MW (pipeline) and 322.4 (development)

2 Cajuína Wind Power Complex

Installed capacity: 858.9 MW (pipeline) and 478.8 (development)



33 metric tons

of wood donated to the surrounding community were reused for furniture, beekeeping and poultry farming at the Tucano Wind Power Complex

28 graduates

in the 1st class of the preparation program for the operation and maintenance of wind farms exclusively for women

R\$ 500 million

issued in green bonds for the Tucano Wind Power Complex



Solar Power Complexes

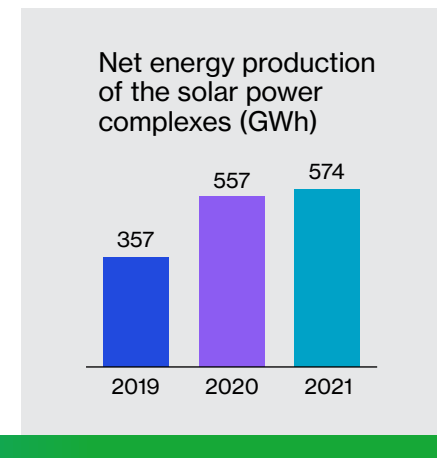
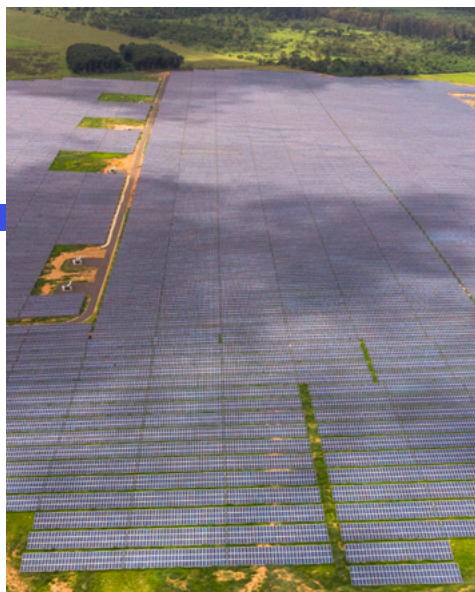
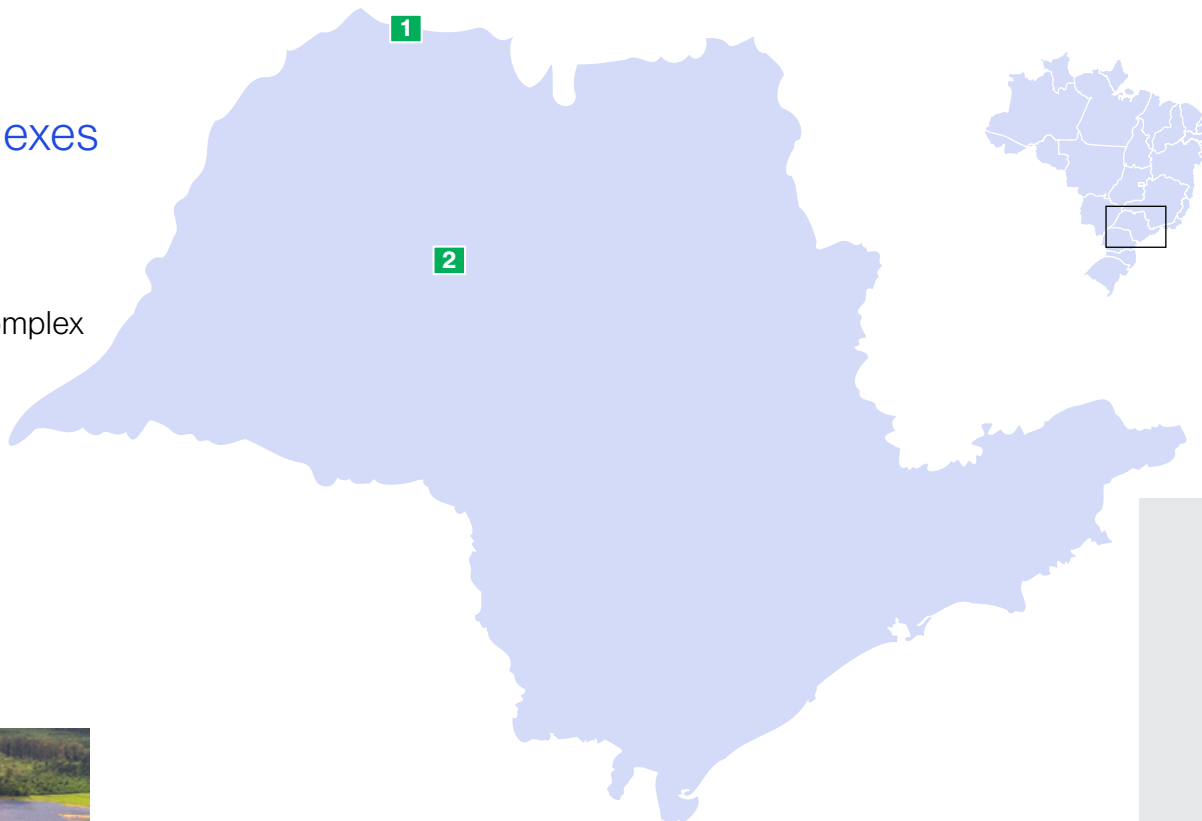
Operation

1 Ouroeste Solar Power Complex

Installed power: 144.1 MW
 Number of solar panels: 522,760
 Number of parks: 6

2 Solar Guaimbê Complex

Installed power: 150.0 MW
 Number of solar panels: 557,490
 Number of parks: 5



44%
 reduction in water consumption for cleaning photovoltaic panels by the use of robots

Improvement
 in the average availability factor of the Guaimbê and Ouroeste Solar Power Complexes compared to 2020

R\$ 100,000
 invested in R&D for vegetation control and generation optimization

Portfolio management


The second lever for the resilience of our business model is the active management of the portfolio, optimizing contracting levels and mitigating risks of hydrological and commercial impacts. In 2021, this management proved to be even more challenging, with the worst water scenario that the entire country has experienced in the last 90 years.

To address this context, we have relied on two competitive advantages: the adequate reading of climate and future market scenarios and agility in decision-making. In these two spheres, the exchange

of knowledge with AES Corp was crucial. This interaction occurs periodically, expanding our access to international information and analysis and the exchange of good practices.

Globally, we hold a Weather Risk Committee once a year, in which long-term projections and expert studies provide an overview to guide all activities. Physical conditions, such as rainfall, affluence of rivers, winds, and solar incidence, as well as market conditions, such as demand behavior and regulatory aspects, are discussed by professionals from all AES units worldwide.



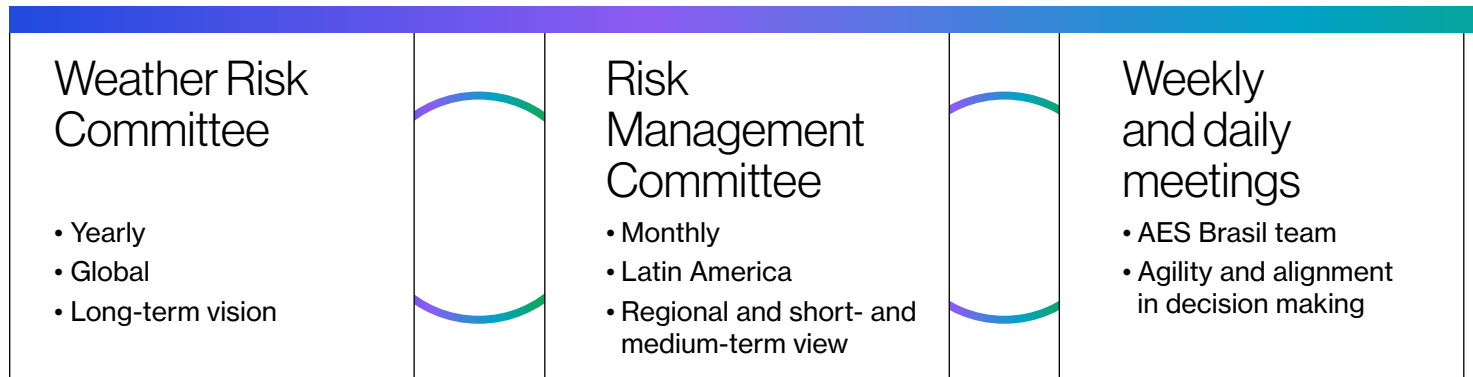

 The ability to predict climate scenarios and the agility in decision-making were fundamental to mitigate the impacts of the challenging water scenario in 2021

Each month, we hold meetings with our Latin American peers at the Risk Management Committee, which evaluates and approves any need to adapt our strategy due to the evolution of the conjuncture in more detail for the local context. In this way, we have a more assertive and specific view of the conditions that will affect our business in the short term.

This management approach is complemented by the weekly and daily schedules of our marketing, portfolio management and risk teams. They define action strategies and align plans for the most immediate activities, such as optimizing the level of contracting in the portfolio and the advance purchase of energy to ensure protection against hydrological risk. The integrated management between the commercial and market intelligence teams allows us to anticipate the effects of hydrology on prices and adjust our energy balance while minimizing exposure levels in the short-term market.



Management of action scenarios



GSF agreement

Brazilian companies that own hydroelectric plants dispatched by the National System Operator (ONS) are exposed to hydrological risk arising from the lack of rainfall. This risk, known by the acronym GSF (Generation Scaling Factor), represents the proportion between the generated energy and the physical guarantee (previously defined in the respective concession agreements) of all plants of the Energy Reallocation Mechanism (MRE). When the GSF is less than 1, hydroelectric power plants are required to compensate for the energy deficit with short-term purchases, usually at higher costs.

In 2015, when the water scenario in Brazil was also under stress and the orders related to thermal power plants outside the order of merit by the ONS increased significantly, the GSF reached unprecedented levels and created unprecedented financial liabilities for all companies in the industry that operated hydroelectric assets. Faced with the imbalance caused, the generators, for the most part, resorted to the Judiciary in 2015, seeking protection against the liquidation of amounts understood by them as undue. As part of the solution to

regularize the market and proceed with the pending settlements by virtue of a court decision, Law 14,052/20 was enacted, later regulated by Aneel, providing for the extension of the concessions in force for the generators that withdrew from the respective actions, according to the factor calculation based on the term and generation of each plant.

In January 2021, our company made a total payment of R\$1.3 billion to settle this debt and, consequently, be entitled to the extension of the concession. Early settlement avoided the adjustment of liabilities according to Brazil's General Market Price Index (IGP-M), which showed an accumulated increase of 17.78% during the year. With this management, we did not record any financial expenses

related to the restatement of the GSF over the period.

Complementarily, in September 2021, with the debt paid off, we reported to ANEEL on the acceptance of the grant extension period and requested its authorization. The process has instructions for approval and awaits deliberation by the Agency's Executive Board.





Competitiveness

Excellence in generation


In 2021, we were pioneers in certifying the Alto Sertão II Wind Power Complex and the Guaimbê and Ouroeste Solar Power Complexes to ISO 55001 (Asset Management System). AES Brasil had already been the first company in the industry in the country to adopt certification in hydroelectric power plants, in 2012, and with the achievement of 2021, it contemplated 100% of the park in operation with the standard.

This recognition of the adoption of best practices strengthens the company's operations management model, centralized in the Energy Generation Operations Center (COGE), located in Bauru (SP). The structure remotely operates the entire generation complex, allowing the coupling of new assets in a short period of time (plug & play). The COGE also allows for the reduction of relative Opex costs thanks to scale gains and cutting-edge technological systems.



In 2021, we certified the Alto Sertão II Wind Complex and the Guaimbê and Ouroeste Solar Complexes to ISO 55001, reaching 100% of AES Brasil's operational park in accordance with the asset management standard



 In four years, we reached an availability peak at Alto Sertão II Wind Complex, with emphasis on the reduction of forced outages

During the year, the Ventus, Mandacaru and Salinas Wind Power Complexes began to be integrated into the COGE. Currently, we already have the remote operation of these projects, the next step being the integration into the COGE standard operating platform. One of the differentiators in the integration of these operational

assets is the experience acquired with the Alto Sertão II Wind Power Complex. As AES Brasil's first wind asset, this unit reached a peak in availability rates: from 90% in August 2017 to 96% at the end of 2021. Additionally, we managed to reduce the Equivalent Forced Outage Factor (EFOF) from 10.2% to 2.9% in the same

period. To obtain these results, we improved the management of Operation and Maintenance (O&M) agreements, intensified preventive maintenance, aligned local practices with AES's levels of excellence, and internalized key activities, such as electrical maintenance, among other actions.

Other initiatives aimed at greater efficiency in our operations were also highlighted in 2021. In terms of solar generation, we started a Research & Development project for vegetation control, evaluating alternatives for ground cover that allow us to optimize maintenance costs (learn more on page 23). In these parks, plant growth may cause panel shading, reducing generation efficiency. Another differentiator in the Solar Power Complexes is the use of robots to clean the photovoltaic panels, contributing to the efficiency of energy generation and reducing water consumption.

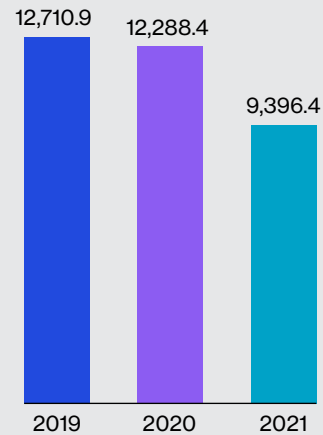
Operating performance



Operational excellence helps us to maintain high levels of asset availability. Given the dynamics of the Brazilian electricity sector, the effective dispatch of the plants for generation is coordinated by the National System Operator (ONS), according to assessments and projections for the Brazilian generation complex as a whole.

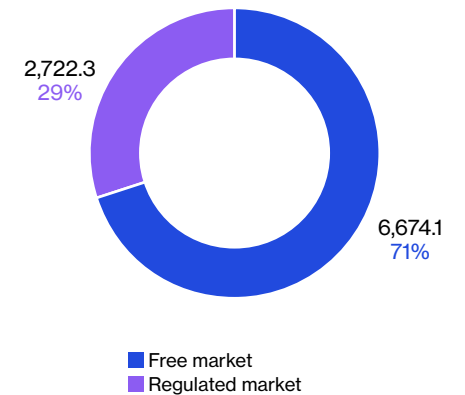
In 2021, AES Brasil's gross energy generation was positively impacted by the entry of new wind assets. In contrast, the lower inflow of rivers has limited hydroelectric generation. Net energy production totaled 9,500 GWh – a 22.49% reduction in the year-on-year comparison.

Net energy production (GWh)*

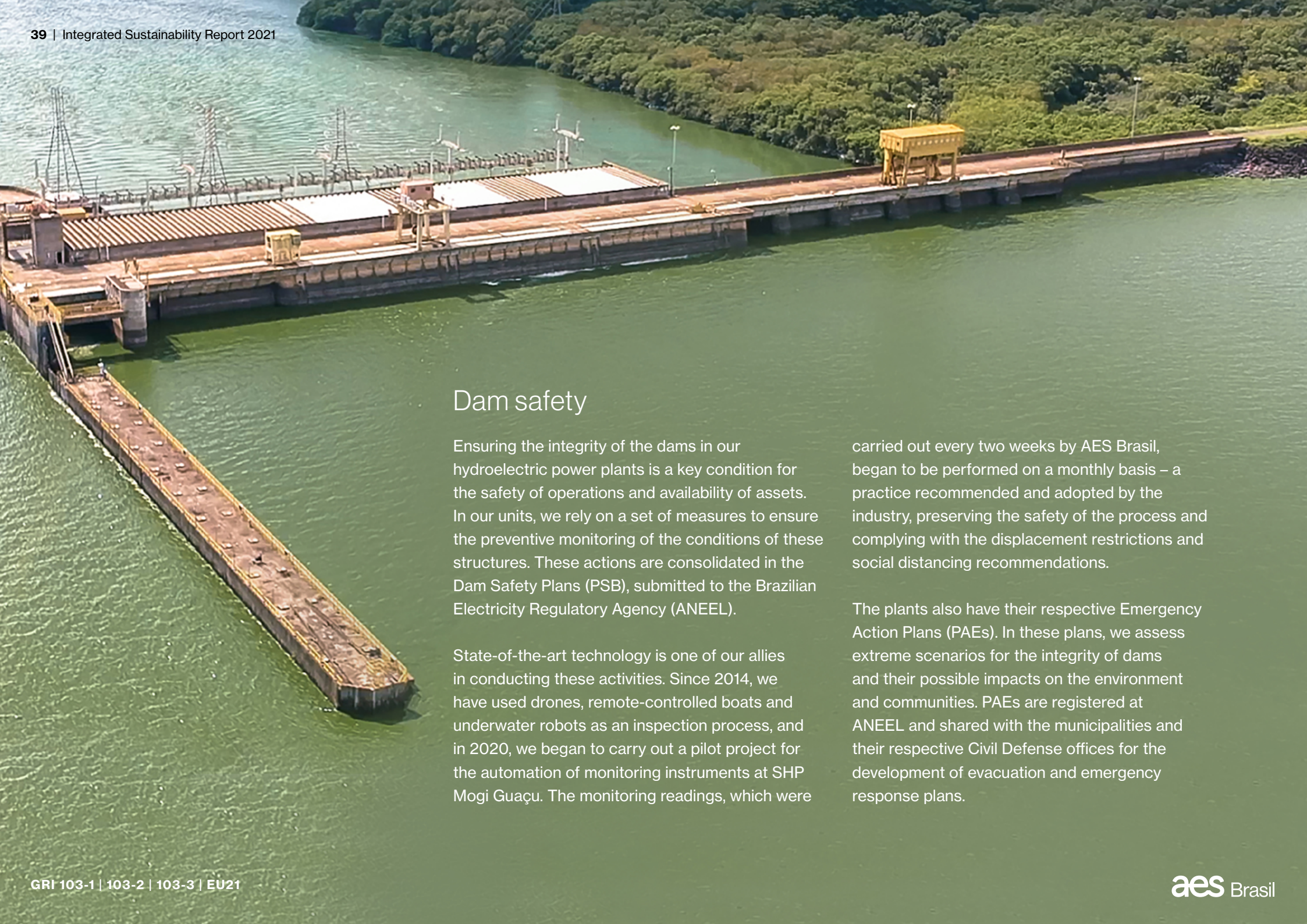


**Information from previous years restated. For the Salinas and Mandacaru wind assets, considers the net generation between May and December, given the completion of the acquisition on 04/30/2021.*

Net energy production in 2021 by regulatory regime (GWh)*



**For the Salinas and Mandacaru wind assets, considers the net generation between May and December, given the completion of the acquisition on 04/30/2021.*



Dam safety


Ensuring the integrity of the dams in our hydroelectric power plants is a key condition for the safety of operations and availability of assets. In our units, we rely on a set of measures to ensure the preventive monitoring of the conditions of these structures. These actions are consolidated in the Dam Safety Plans (PSB), submitted to the Brazilian Electricity Regulatory Agency (ANEEL).

State-of-the-art technology is one of our allies in conducting these activities. Since 2014, we have used drones, remote-controlled boats and underwater robots as an inspection process, and in 2020, we began to carry out a pilot project for the automation of monitoring instruments at SHP Mogi Guaçu. The monitoring readings, which were

carried out every two weeks by AES Brasil, began to be performed on a monthly basis – a practice recommended and adopted by the industry, preserving the safety of the process and complying with the displacement restrictions and social distancing recommendations.

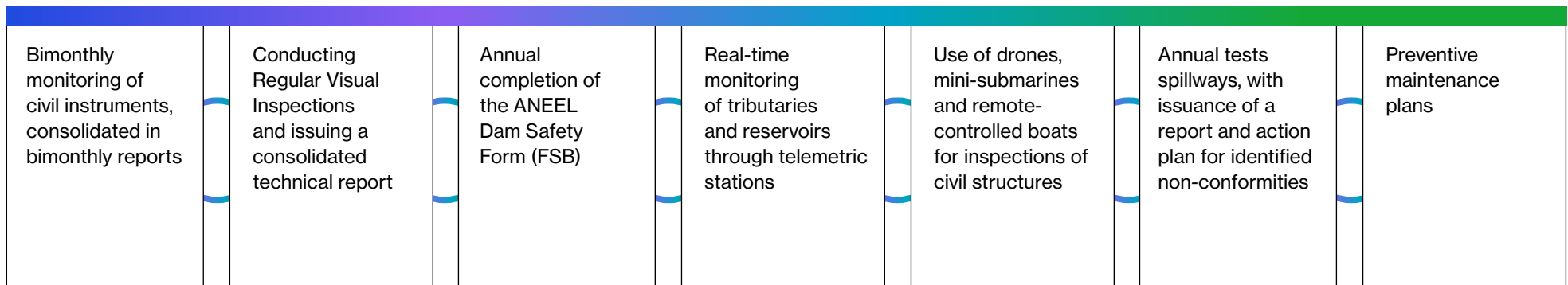
The plants also have their respective Emergency Action Plans (PAEs). In these plans, we assess extreme scenarios for the integrity of dams and their possible impacts on the environment and communities. PAEs are registered at ANEEL and shared with the municipalities and their respective Civil Defense offices for the development of evacuation and emergency response plans.




 Our dam management includes controlling floods in reservoirs and regulating the flow through the Emergency Operation System (SOSEm)

In this context, we continuously promote communication actions with the community and provide guidance on the safe use of the reservoir and its surroundings for leisure and entertainment activities. With this approach, we have not recorded any incidents involving the population at our plants since 2009.

Practices adopted in the Dam Safety Plans



Customer focus

Each day, in all our activities, we seek recognition by the market for being the best choice for customers in the free market. With a 100% renewable generation portfolio, high investment capacity in new projects, operational excellence, and responsible and sustainable management, we operate in a unique way. These attributes strengthen our corporate reputation and our customers' trust in establishing long-term partnerships.

This is evidenced by the 892.8 MW in PPAs (Power Purchase Agreements) signed throughout 2021. In these operations, we have established contracts for energy supply from 2023/2024, with term horizons of 13 to 20 years. In common, all agreements acknowledge the solidity of AES Brasil – and in some of them, innovative differentiators deserve to be highlighted.



	MINASLIGAS	Ferbasa	brf	Alcoa	UNIPAR	Other ³
Installed capacity (MW)	45.6	165.3	165.3	300	91.2	125.4
Contracted energy (MWm)	21	80	80	150	40	57
Start of supply	Jan/23	Jan/24	Jan/24	Jan/24	Jan/24	Between jan/23 and jan/25
Type of contract	Regular PPA	Regular PPA	Selfproduction ¹	Regular PPA	Selfproduction ²	Selfproduction

¹Joint venture with shared control (76% AES Brasil).

²Joint venture with shared control (90% AES Brasil).

³Includes 11.4 MW installed of Copel (4 MWm, regular PPA with beginning of supply in January 2023), in addition to new selfproduction PPAs signed between December 2021 and January 2022 and conditioned to the signing of investment agreements (scheduled for the 1st semester of 2022).

The partnership with Alcoa, signed in November, was established in U.S. dollars, which made it possible to ensure an adequate accommodation of the risks inherent in large-scale, long-term operations. The mode also opens space for new transactions of this type, facilitating service to international conglomerates. The energy supply can be made based on the generation in the Cajuína Wind Power Complex or in the hydroelectric assets and will allow the resumption of aluminum production


by the client in the state of Maranhão, which had been paralyzed in 2015.

In the case of BRF, the highlight was the creation of a joint venture with shared control. With this operation, the client is becoming a partner of AES in a part of the Cajuína Wind Power Complex, framing energy as self-production and sharing risks and opportunities. The agreements with Minasligas, Ferbasa and Unipar also comprise PPAs backed by the Cajuína Wind Power Complex.

Renewable energy certificates

The global decarbonization agenda has boosted companies' search for renewable energy in recent years. In 2021, the marketing of I-RECs, certificates that prove the renewable origin of energy purchased by a customer, became a highlight in this context.

AES Brasil was a pioneer in the country in issuing this type of certificate, with the accreditation of the Água Vermelha Hydroelectric Power Plant in 2017. Since then, we have accredited other solar and wind plants in our portfolio. We believed in the potential of this product for the market and we invested first. In the last year, we were prepared and in a competitive position to meet the growing demand. In 2021, over 1 million certificates were sold (equivalent to 1,255,654 MWh of clean energy) – a 21.3% increase compared to 2020.

 Long-term partnerships signed in the year have differentials, such as dollar-based contracts and terms of up to 20 years



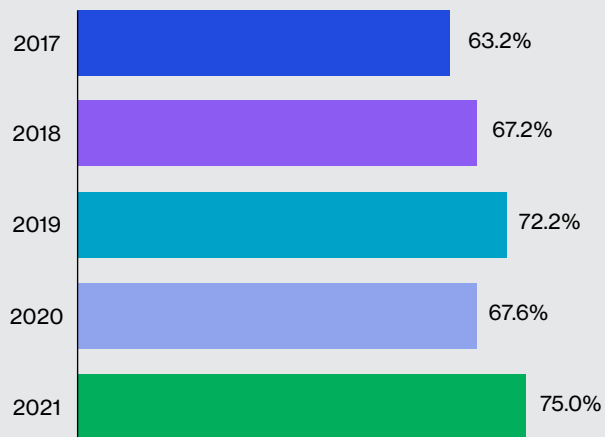
Satisfaction survey

In 2021, we achieved the highest Net Promoter Score (NPS) in our customer satisfaction survey. The NPS evaluates the company’s positioning in relation to this audience on a scale of 0 to 100: the lower the score, the more detractors of the brand; the higher it is, the more customers promote the company, indicating and recommending our solutions. The NPS score is divided into ranges, with the company reaching a level of excellence from the 75-point mark. This was the result we achieved for the year.

With 28 questions in 5 key areas, the questionnaire covered all aspects from commercial negotiation to billing and after-sales service, including the agreement stage and an overview of AES Brasil’s image and reputation. In addition to NPS, the survey measures the Perceived Quality Satisfaction Index (ISQP). In this regard, our score was 94.1, keeping our performance at the highest score level since 2017.



Net Promoter Score (NPS)



We reached the excellence level in our customer satisfaction survey (Net Promoter Score) and maintained the high performance in the Perceived Quality Satisfaction Index (ISQP)

Financial performance


AES Brasil's net operating revenue grew by 24.9% in 2021, despite the effects of a very adverse water scenario, totaling R\$2.5 billion. This advance reflects the growth in operational wind farms and the higher demand for energy, driven by the economic recovery throughout the year. Operating costs, in turn, were also higher in the period, totaling R\$402.4 million, an increase of 18.2% in the annual comparison,

mainly due to investments in the operational evolution of the Mandacaru and Salinas Wind Power Complexes and the increase in inflation rates.

EBITDA was mainly impacted by hydro generation due to the greater need to purchase energy, decreased by 56.2% and was R\$903.9 million in the period. Net income, also impacted by the corporate

restructuring and liquidation of the GSF Agreement, was R\$516.5 million in 2021, 39.1% lower than the previous year.

The gross added value generated and distributed by AES Brasil totaled R\$601.9 million. In distribution, the installments paid to leasers/third parties and shareholders.

 Even in a challenging scenario, our net operating revenue grew 24.9% in 2021, reaching R\$2.5 billion

Added value distribution (R\$ thousand)*

	2021	2020	2019
Employees	104,306	101,576	124,090
Government	-352,140	614,831	285,320
Lenders/third parties	425,161	599,558	440,453
Shareholders	424,564	847,980	300,119
Total	601,891	2,163,945	1,149,982

**Refers to the period from April to December 2021, considering that AES Brasil Energia S.A. had no operations before this period. Data for 2020 (restated) and 2019 refer to AES Tietê Energia S.A. and are being reported for comparative purposes. The total added value distribution of AES Brasil Operações S.A. (formerly AES Tietê Energia S.A.) in 2021 was R\$945.7 million.*

Click here
and access the
company's 4Q20
Earnings Release and
Financial Statements for
more information



Indebtedness

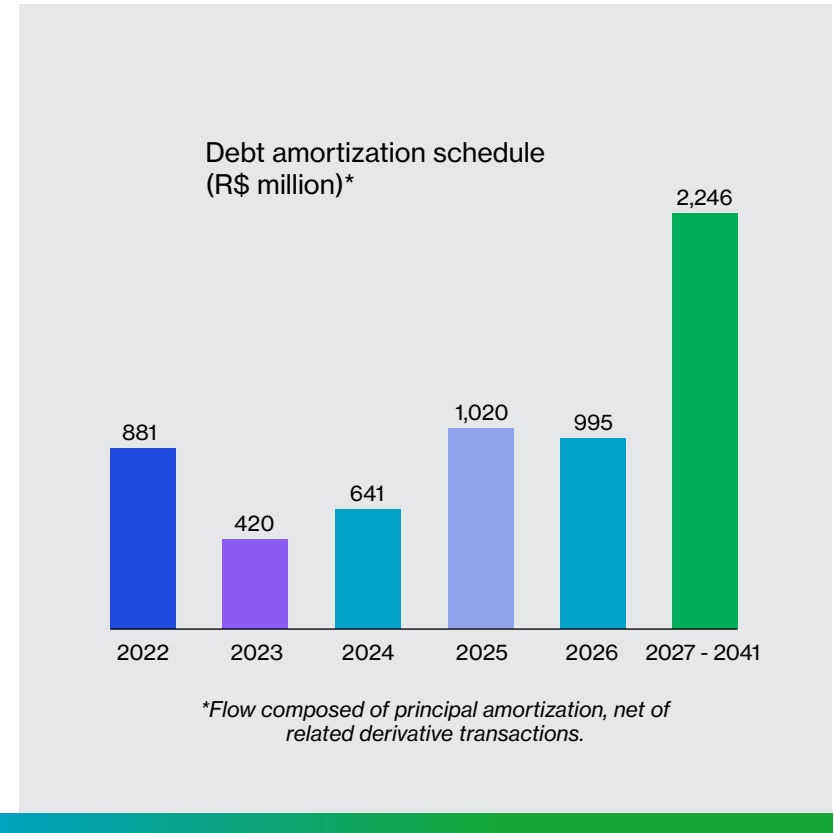
The corporate restructuring completed in March 2021 favored AES Brasil's capital structure for access to financing in new expansion projects. With the creation of the holding company and the separation of the projects into legal entities, the operating assets were consolidated in the subsidiary AES Brasil Operações and the new projects are included in dedicated Special Purpose Entities (SPEs).

Thus, it is possible to guarantee optimal levels of leverage and respect for the limits of covenants for the park in operation while financing up to 80% of the capital in new ventures in the Project Finance mode. Two examples of

this strategy were materialized in 2021 through funding to finance the Tucano Wind Power Complex.

In transactions with the longest-term horizon for a Brazilian electricity generator, we issued R\$500 million in debentures and raised R\$715 million with BNB.

As of late 2021, our consolidated net debt amounted to R\$4.5 billion. The growth of this amount in the annual comparison reflects the funding for new wind farms and disbursements made in the period to complete the purchase of the Mandacaru and Salinas operating assets and settle the GSF Agreement.



The corporate restructuring completed in 2021 allows for the leverage of greenfield investments in the Project Finance mode, preserving the covenants of the operational generation park

Green bonds

The Guaimbê and Ouroeste Solar Power Complexes received investments in 2019 classified as green bonds. Each year, we promote the recertification of these resources in accordance

with the requirements of this green bond and report on the environmental benefits generated by these projects, in particular the emissions avoided by renewable energy generation.

In 2021, the Tucano Wind Power Complex carried out two issuances of debentures classified as green bonds, totaling R\$500 million raised. The debentures have a term of 20 years, and the allocation of resources is expected to occur until

the end of 2022. In order to ensure transparency and in accordance with the reporting requirements of the operations, we present information related to the expected energy generation and avoided emissions.

Green bonds of the solar power complexes	Guaimbê Solar Power Complex	Ouroeste Solar Power Complex
Debenture investment	R\$560 million	R\$260 million
Generation units	557,490	522,760
Installed	150.0 MW	144.1 MW
Physical guarantee and assured energy	29.5 MWm	35.7 MWm
Total area	237 hectares	280 hectares
Energy generated during the year	277.78 GWh	300.02 GWh
Emissions avoided*	17,138.86 tCO ₂ e	18,511.17 tCO ₂ e

**Considers the 2020 emission factor (0.0617 tCO₂e/MWh).*

Green bonds of the Tucano Wind Power Complex	Issued by AES Tucano Holding II S.A.	Issued by Tucano Holding III S.A.
Debenture investment	R\$300 million	R\$200 million
Municipalities covered	Tucano, Araci and Biritinga (BA)	Tucano (BA)
Generation units	27	25
Installed capacity	167.4 MW	155 MW
Assured energy	73.7 MWm	70.4 MWm
Total area	237 hectares	280 hectares
Estimated avoided emissions*	39,834.26 tCO ₂ e	38,050.64 tCO ₂ e

**Considers the 2020 emission factor (0.0671 tCO₂e/MWh).*





Responsibility

Governance

In March 2021, we completed one more step of our corporate restructuring with the creation of AES Brasil Energia S.A. and incorporation of the shares issued by AES Tietê Energia S.A. Subsequently, in October 2021, we concluded the transaction with the merger of AES Tietê Energia S.A. into AES Brasil Operação S.A, the latter succeeding it as the holder of the operating assets of AES Brasil. The change contributes to the flexibility of the growth strategy, through the allocation of new projects and acquisitions in subsidiaries, as well as increasing the leverage potential of these new investments. The new corporate structure will

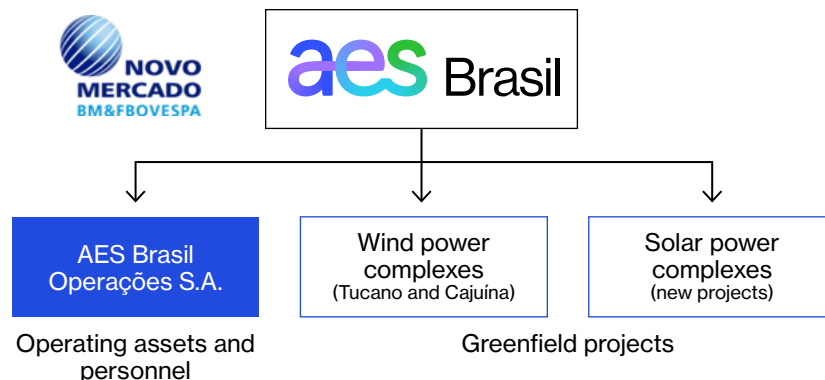
allow for the separation between the operating assets, which make up AES Brasil Operação S.A., and the greenfield projects, structured in Special Purpose Entities (SPEs). AES Brasil Energia S.A. is the holding company for all these companies.

The reorganization also contributed to the evolution of governance practices: We became part of Novo Mercado, a listing segment of the B3 (São Paulo Stock Exchange) that consolidates the highest standard of corporate governance. This new moment also consolidates the good practices adopted by the company for more than a decade. Since 2007, we have participated in

the B3 Corporate Sustainability Index (ISE), which brings together companies with the best sustainability practices.

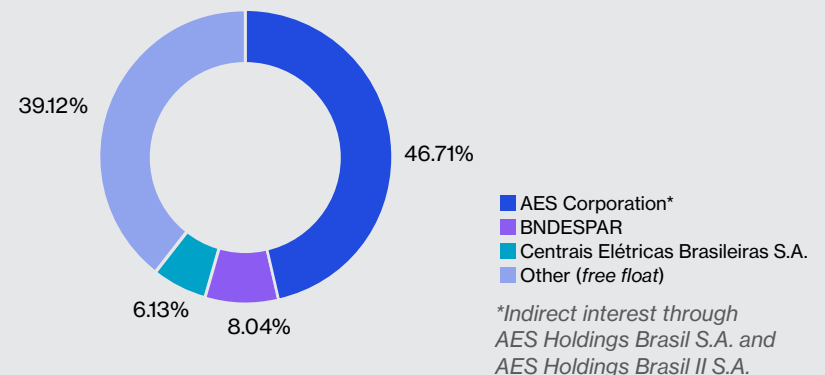
We recently successfully conducted a primary issue to increase the company's share capital by R\$1.116 billion (follow on), with the issuance of 93 million new common shares. The demand from interested parties was three times greater than this offer, reinforcing AES Brasil's reputation and credibility in the capital market. The amount will be fully used to finance the construction of our already contracted growth projects.

Corporate structure*



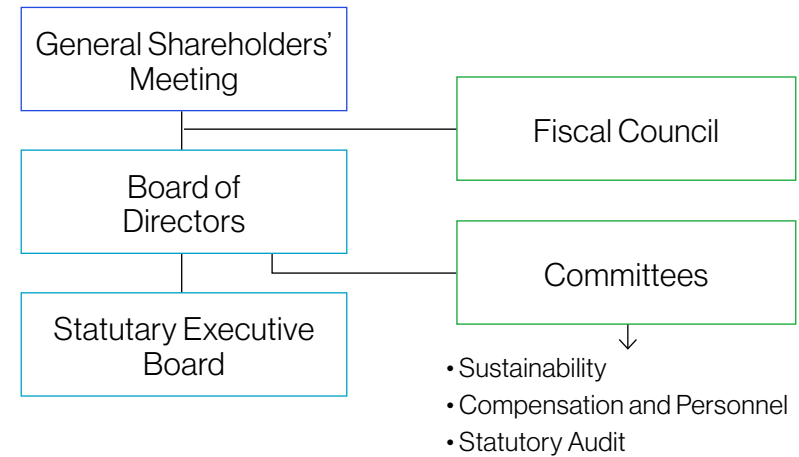
*Simplified organizational chart of the corporate structure.

Shareholding structure of AES Brasil



Our governance structure is in line with the Novo Mercado requirements and includes decision-making and control bodies. The General Shareholders' Meeting is convened ordinarily once a year, in the first four months following the end of each fiscal year, and extraordinarily where necessary. In 2021, the Annual and Extraordinary General Meeting took place in April.

Governance structure



Governance structure

Fiscal Council	Board of Directors (CA)	Committees	Statutory Executive Board
<p>Fiscal Council</p> <p>As Management's supervisory board, our Fiscal Council is a non-permanent body, consisting a minimum of three and a maximum of five effective members, with an equal number of alternates. The members, elected at the General Meeting, have a term of office of one year, reelection being permitted. The Fiscal Council met ten times in 2021.</p>	<p>Board of Directors (CA)</p> <p>Its main attributions are the strategic direction of the business, as well as preservation of the company's interests. The body is composed of a minimum of five and a maximum of 11 effective members, elected and dismissed by the General Meeting. In compliance with Novo Mercado requirements, this body must also have at least two directors or 20% of its members acting as independent members, whichever is greater. At AES Brasil, we have four members with this qualification, representing 36% of the body's composition. Valuing good governance practices and the promotion of diversity, neither our CEO nor any other member of the Board of Directors sits on the Board of Directors, and three women occupy positions as members of the Board. In 2021, the body met 19 times.</p>	<p>Committees</p> <p>Responsible for qualifying the analysis of matters for deliberation by the Board of Directors, our committees are composed of members of the Board of Directors and specialists. Since 2011, we have had a Sustainability Committee, chaired by the company's CEO (until 2020 within the scope of AES Tietê Energia S.A., and since then, at AES Brasil) and with the presence of an external specialist, an independent member and the Chairman of the Board of Directors. The Compensation & Staff Committee features one independent member of the Board and two human resources specialists. The Statutory Audit Committee, established in accordance with the requirements of the Novo Mercado and the Securities Commission of Brazil (CVM), has the role of inspecting AES Brasil's internal controls and risk management system.</p>	<p>Statutory Executive Board</p> <p>Formally responsible for conducting business, it is currently composed of four executives who lead the other Boards and executive bodies of AES Brasil. The statutory directors are elected by the Board of Directors for three-year terms, reelection being permitted.</p>



Our **Manager Appointment and Compensation Policy**, defined in 2021, establishes the parameters for remuneration practices, including strategic social and environmental goals for all leadership. Applicable from the CEO position to the managerial level, these goals cover topics such as safety and growth in renewable generation sources.

In addition to the fixed installment, directors receive payments linked to short-term goals and benefits, while the statutory board is eligible for long-term incentives that strengthen the relationship between individual reward and AES performance over time. For members of the Fiscal Council and the Board of Directors, only fixed compensation is offered. Each year, the

amounts paid to executives and governance members are readjusted according to pre-established criteria.

This management approach ensures the adoption of compensation practices that are in line with the market. Each year, salary surveys guide the definition of ranges for the entire staff. Additionally, 100% of our employees are covered by collective bargaining agreements, which guide, among other aspects, the annual salary adjustment.

Click here
and check the composition of the Fiscal Council, the Board of Directors, the Committees and the Statutory Board on the Investor Relations (IR) website



Click here
and access the policies and internal regulations of the governance bodies on the IR website



In 2021, **40%** of the CEO's variable compensation was linked to ESG criteria

5%
Diversity

5%
Organizational
climate

30%
Growth in
renewables

Ethics and compliance

Our performance in the electricity industry follows the highest standards of ethics, transparency, and compliance. The principles that guide the daily activities of the teams are expressed in the **Values Guide – Code of Conduct**, which was updated in late 2020 to reflect the purpose and ambition to accelerate the future of energy together.

The application of the Values Guide on a daily basis is monitored through the Ethics and Compliance Program, in line with the guidelines of the

Global Compliance Department of The AES Corporation and the Business Pact for Integrity and Against Corruption (Ethos Institute), of which we are signatories. In Brazil, the program is implemented and subordinated to the Vice-Presidency for Legal, Compliance, Regulatory and Audit, being developed in strict compliance with the requirements of the Anti-Corruption Act (12,846/2013) of Brazil and the Foreign Corrupt Practices Act (FCPA) of the United States.



The Ethics and Compliance Program strengthens the culture of employees to always act in line with our Values Guide



One of the pillars of the Ethics and Compliance Program is the training of 100% of direct employees and the communication of our ethical principles and values. When hired, professionals are trained and sign an acknowledgment of the Values Guide. Every two years, everyone undergoes refresher training. The last edition of this cycle took place in January 2021, covering the revision of the Values Guide carried out in the

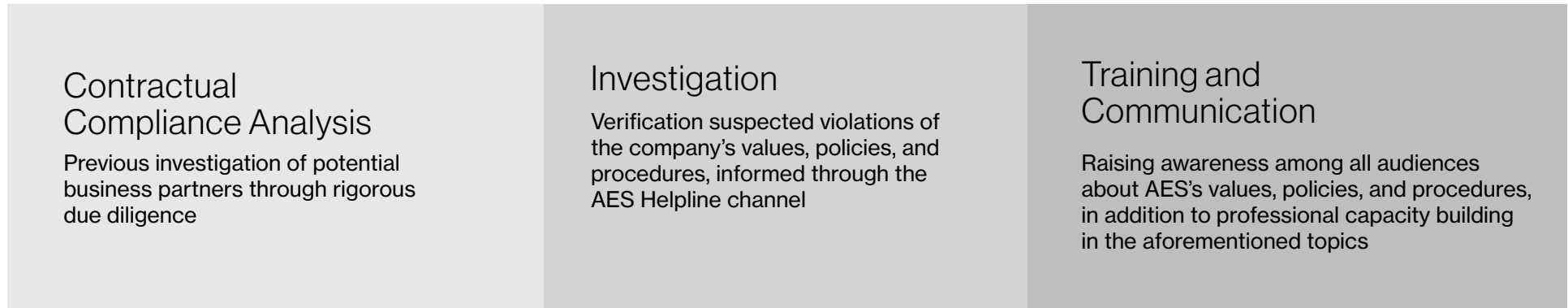
previous year. The members of the Fiscal and Board of Directors will be invited to take this same online course in the first half of 2022.

Weekly communications to employees reinforce the ethical culture on a daily basis. Every year, in the last quarter, the Values Day brings together a special agenda with the participation of executives and external guests to discuss matters related to the AES Brasil Values Guide. For the last two

years, we have held this event in the virtual environment, because of the pandemic.

In 2021, we launched the AES Code of Conduct for Suppliers, which is included as an annex in all contracts entered into since then. Also that year, we conducted specific training for our suppliers on the Values Guide, the Ethics and Compliance Program and the practices we adopt to ensure compliance in our value chain.

Pillars of the Ethics and Compliance Program



Another tool that maintained by us to ensure ethics and compliance is the AES Helpline, a channel aimed at receiving communications on attitudes, behaviors and practices that, in the opinion of the author of the report, may not be in accordance with the Values Guide or the legislation. Claims made on this platform are received and addressed by an external and independent company and, subsequently, investigated by the company's Ethics and Compliance Department, with the possible support of other areas. In 2021, we received 33 complaints through the AES Helpline, none of which were related to suspected corruption.


The channel is also available, through telephone lines and an internet portal, to receive inquiries about our Values Guide and requests for guidance from employees, business partners, communities, and customers. The AES Helpline works free of charge and in several languages, guaranteeing confidentiality and anonymity if the communicator so desires.



How to access the AES Helpline
 24 hours a day,
 7 days a week
www.aeshelpline.com
 0800 891 4167



Claims received by the AES Helpline	2021	2020	2019
Queries	6	0	9
Complaints	27	10	31
Total	33	10	40



AES Helpline is available for free and in different languages, guaranteeing confidentiality and anonymity if the user wishes

Risk management

The management of risks that may impact our business is carried out in an integrated manner, bringing together different areas of the company, in line with the best market practices. The **Risk Management Policy**, approved in 2021 by the Board of Directors, establishes the guidelines that allow us to map, prioritize and establish action plans for the treatment and mitigation of risks.

The risk management process was built based on the COSO ERM (Committee of Sponsoring

Organizations – Enterprise Risk Management) model. The Board of Directors is the highest body responsible for the assessment, monitoring and strategic definition for the management of risk scenarios.

The Statutory Audit Committee, established in 2021, is the body in charge of advising the Board of Directors in the evaluation of internal controls and audit procedures (learn more on page 48).



In 2021, the formation of the Statutory Audit Committee strengthened governance over the risk management model, with the new instance advising the Board of Directors in the assessment of controls and internal audits

At the executive level, the administrative and operating areas develop and execute action plans to respond to mapped and prioritized risks.

The company's Executive Board is responsible for validating the risk management model and monitoring the implementation of the lines of defense in line with the strategy outlined by the Board of Directors. Periodically, we carry out an exposure and

importance level (qualitative) and financial relevance (quantitative) assessment of each risk to our business model.

The Risk Department is responsible for continuously evaluating the effectiveness of the proposed and ongoing action plans, suggesting improvements to leaders in order to improve risk management within the scope of their skills and knowledge.



Risk categories

- **Strategic risk**
Related to the risk of implementing a wrong or ineffective strategy, which harms the company
- **Operational risk**
Loss due to failures or inadequacy of processes, internal systems or external events, and miscellaneous frauds
- **Market risk**
Possibility of a negative impact on the business due to variations in operations that involve fluctuations in the exchange rate
- **Liquidity risk**
Represents the chance of a lack of financial capacity to settle debts, foreseen and unforeseen, current and future
- **Credit risk**
Related to customer default due to lack of ability to make payments
- **Compliance risk**
Possibility of the company being subject to legal sanctions of a regulatory nature or impact on reputation
- **Information risk**
Related to the loss or misuse of confidential information from internal or external shareholders.
- **Technology risk**
Related to losses resulting from system errors, with potential for information leakage, unavailability or fragility of infrastructure, and threats of fraud and cyberattacks
- **Legal risk**
Possibility of losses due to legal or administrative decisions that are unfavorable to the company
- **Regulatory risk**
Related to noncompliance regarding obligations previously stipulated in the legislation
- **Social and environmental risk**
Ability to generate social and environmental damage, due to human interference in nature and in people's well-being

LGPD and cyber risks

Our company complies with the requirements of the General Data Protection Law (LGPD), which was enacted in 2020 and came into force in August 2021. We have updated our [Privacy Policy](#) and disseminated the Privacy Notice to our customers. We also changed the form of access in some of our channels and widely disseminated information about the new legislation related to data protection.

In our corporate structure, we created the position of Data Protection Officer (DPO) and a committee to evaluate information requests or demands for related to LGPD. Management processes and protocols of sensitive data that we improved guarantee the confidentiality of these information and security against leaks.

In addition, we participate in the Cyber Ninja program, developed by AES Corporation and which encompasses initiatives to prevent cyber attacks, prepare incident response plans and ensure the protection of internal data and that of our customers.

[Click here](#)
and access the
LGPD page on our
institutional website



Environmental management

Our Integrated Management System (SGI), which integrates environmental and health & safety management guidelines and processes, has been certified since 2011 in the ISO 14001 and ISO 45001 standards and covers 100% of the assets in operation by AES Brasil for at least one year. The main gains from this management approach are related to the standardization of processes and the search for continuous improvement, ensuring the application of the Precautionary Principle in our operations.

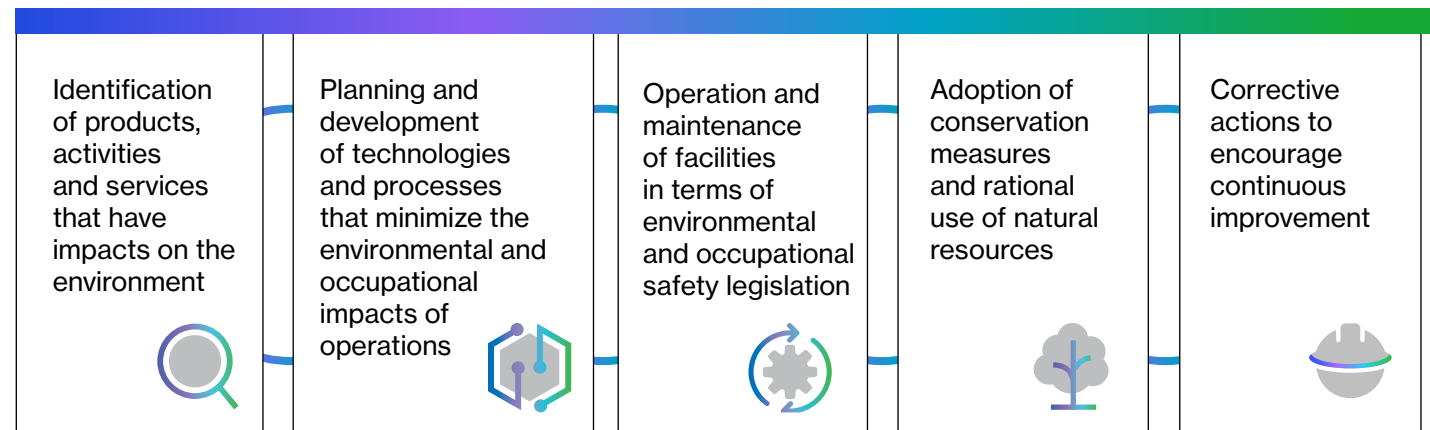
At the administrative level, the Chief Operating Officer (COO) is responsible for the practices developed within the scope of the SGI. The executive participates in the Sustainability Committee, established within the scope of the Board of Directors and chaired by our CEO. This governance structure ensures the SGI's alignment with AES Brasil's **Sustainability Policy** and a strategic vision on topics such as water management, biodiversity & land use, climate change and health & safety.

The SGI is widely disseminated to employees and other stakeholders

through training and communications. The System establishes corporately monitored objectives and goals and centralizes the control of environmental licensing conditions, ensuring the compliance of all our activities with environmental & safety legislation and regulation. The efficiency and effectiveness of this management approach are evaluated annually by internal and third-party audits. Additionally, every three years, we carry out SGI recertification on ISO standards – the same frequency with which we receive audits conducted by AES Corp.



SGI commitments



Climate change

The nature of our business, which is 100% based on the generation of renewable energy, ensures a key role in the energy transition and development of a low-carbon economy. In addition to this condition inherent in the essence of our operations, we make efforts to enhance our contribution in the fight against global warming.

The governance of this topic has matured over the last decade, from the formalization of guidelines and governance to the improvement of controls, accountability and mitigation measures for our greenhouse gas (GHG) emissions. The **Sustainability Policy** and the Declaration of Commitments for Climate Change, both publicly available on our institutional website, guide and formalize management commitments on the subject.

Discussion on the company's strategy and progress on the climate agenda are monitored by the Climate

Change Subcommittee. This forum, established in 2017, defines and monitors the implementation of actions aimed at mitigating and adapting to climate change, qualifying the deliberations on these topics within the scope of the Sustainability Committee, and provides advisory services for the Board of Directors. The executive responsible for the topic in the company is the COO.

Climate scenarios

In 2021, we started an R&D project in partnership with WayCarbon to improve the projections of climate scenarios applied to our operations. The proposal is to adopt the databases and statistical models of the consulting firm, which is one of the leaders on the subject, in the generation planning of hydroelectric, wind and solar assets. The initiative also provides for the simulation of climate risk variables in a digital environment, facilitating the understanding of the conditions imposed by different scenarios (learn more on page 23).

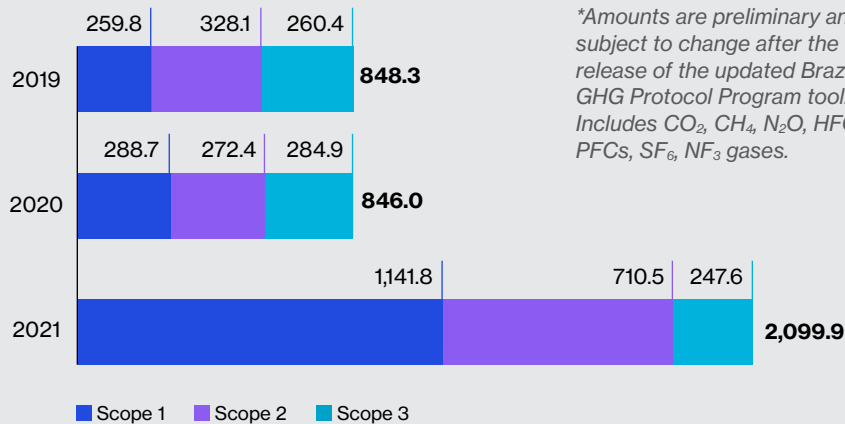


Since 2010, we have annually prepared our GHG inventory based on the guidelines of the Brazilian GHG Protocol Program and the operational control approach. In 2020, our inventory was awarded the Gold Seal for the fifth time, which attests to independent third-party verification. This was the first year that we published the consolidated inventory covering hydroelectric, solar and wind power plants. Our CDP Climate Change accountability began in 2017, evolving from a C score to a B score in the last two reporting cycles.



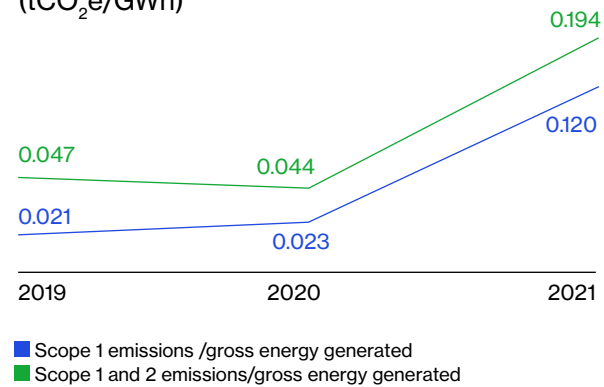
Performance in 2021

Gross GHG emissions (tCO₂e)*



*Amounts are preliminary and subject to change after the release of the updated Brazilian GHG Protocol Program tool. Includes CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ gases.

Intensity of GHG emissions (tCO₂e/GWh)*



*Amounts are preliminary and subject to change after the release of the updated Brazilian GHG Protocol Program tool.

In 2021, our direct GHG emissions associated with operations (scope 1) were four times higher than in the previous year. This is because we suffered a significant leak of sulfur hexafluoride (SF6) in the Ventus Wind Power Complex. To address the leak, we are replacing the power supply cubicles on this unit.

Also in scope 1, fuel consumption in our fleet is one of the main activities

that generate emissions. Whenever possible, we prioritize the use of biofuels, as was the case in 2021 at the Alto Sertão II Wind Power Complex. Due to operational demands, we have increased the fleet of pickup trucks, which are being fueled by Diesel S10, which contains 10% biodiesel in its composition. This is the main factor for the 132% higher consumption of this fuel in the annual comparison.

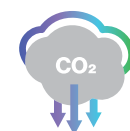
Gross Scope 1 emissions per gas (tCO₂e)*

	2021	2020	2019
CO ₂	200.7	165.0	250.6
CH ₄	2.5	2.3	3.6
N ₂ O	3.9	3.3	5.7
HFCs	0.0	4.2	0.0
PFCs	0.0	0.0	0.0
SF ₆	934.8	114.0	0.0
NF ₃	0.0	0.0	0.0
Total	1,141.8	288.7	259.8

*There was no issuance of PFCs and NFs in the three-year period. No company's GHG emissions are subject to legislation that determines emission limits or reporting obligations.

Energy generated by the use of fuels (GJ)

	2021	2020	2019
Renewable			
Hydrated ethanol	2,663.7	2,638.7	4,573.5
Anhydrous ethanol	179.5	138.0	321.8
Biodiesel	308.6	133.0	253.4
Subtotal	3,151.8	2,909.7	5,148.7
Nonrenewable			
Diesel	3,003.8	1,276.2	2,236.7
Gasoline	958.7	737.1	1,191.9
Subtotal	3,962.5	2,013.3	3,428.6
Total renewable and non-renewable fuels	7,114.3	4,923.0	8,577.3
Percentage of renewable fuels	44.3%	59.1%	60.0%



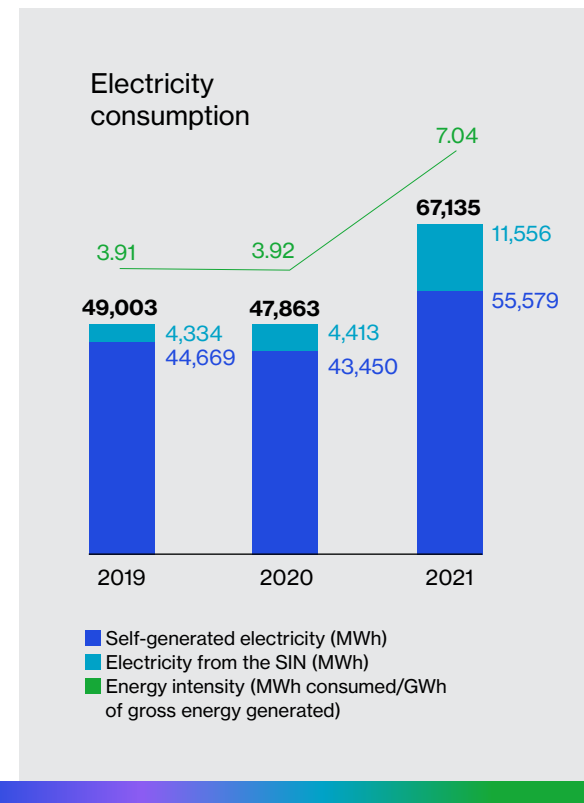
Last year, our inventory was awarded the Gold Seal for the fifth time, which attests to independent third-party verification

Our indirect emissions associated with the purchase of electricity (scope 2) also increased significantly in the period. The 161% growth in the annual comparison is mainly a reflection of the 152% increase in the volume of electricity purchased and the higher emission factor of the National Interconnected System (SIN), as the country needed more energy from thermal plants, raising the carbon footprint of the system as a whole. The increase in the amount of electricity purchased is related to an obligation linked to the concession agreement, which requires us to supply energy, in times of water scarcity, to SHP Itaipuara, located downstream of HPP Caconde and which is not part of AES Brasil. The result was also impacted by the inclusion of the Ventus Wind Power Complex, acquired in December 2020, in the accounting.

We continuously carry out internal awareness campaigns to reduce electricity consumption at the units. Additionally, we have photovoltaic panels at the Energy Generation Operations Center (COGE) and auxiliary systems at the hydroelectric power plants to divert part of the generated energy to the unit's equipment, reducing the demand for energy from the SIN.



The other indirect emissions in our value chain (scope 3) fell by 13% in the period, even with the expansion of the reporting scope. In 2021, emissions related to the purchase of goods & services, capital goods and consumption of fuel and energy not included in scopes 1 and 2 began to be included in the accounting. The main factor for the decrease was the restriction of air travel due to of the context of the pandemic.



Click here
 and access our
 inventory of greenhouse
 gases in the Public
 Registry of Emissions of
 the Brazilian GHG
 Protocol Program

Climate-related risks and opportunities

The management of risks and opportunities associated with climate change takes place in an integrated manner in the corporate processes of risk management, Research, Development & Innovation, strategic planning, and the Environmental Management System. The time horizons evaluated are in line with AES Brasil's commercial contracts and energy planning, from short (up to 1 year) through medium (2 to 5 years) to long term (6 to 20 years). All risk categories (physical, technological, regulatory, market, etc.) are analyzed, considering both direct operations (where scope 1 emissions occur) and the upstream chain.

In 2021, in partnership with WayCarbon, we carried out a study to analyze the additionality of the Tucano Wind Power Complex for the generation of carbon credits under the Clean Development Mechanism (CDM) defined by the Kyoto Protocol. The feasibility study of the project is under analysis and results are expected to be available by 2022. The Mandacaru and Salinas Wind Power Complexes already had a project for the generation and issuance of carbon credits in progress when acquired. The operation was approved in 2021 by the American Carbon Registry, meeting all established international criteria and allowing the trading of carbon credits.



Climate-related risks and opportunities



Key risks identified

	Water scarcity	Extreme weather events	Dam safety
Type	Chronic physical	Acute physical	Acute Physical
Impact	Lower levels of affluence of rivers can harm hydroelectric generation, resulting in costs for the purchase of energy to fulfill agreements	The increase in the frequency and intensity of extreme events, such as cyclones and floods, can compromise the availability of assets for generation	Extreme water events can compromise the integrity of dams, causing overflows or even damage to structures
Management	Diversification of the generation portfolio through the inclusion of complementary energy sources, daily monitoring of the system's evolution and agility in decision-making to optimize the level of contracting of assets and anticipate energy purchases	Geographic and generation source diversification strengthens our resilience to extreme events that may occur in certain locations	The Dam Safety Plan (PSB) and the Emergency Operation System (SOSEm) ensure continuous monitoring of integrity parameters and timely and transparent communication with communities



Key opportunities identified

	R&D for new products	Access to qualified capital	Demand for renewable energy
Type	Products and Services	Products and Services	Market
Impact	The increase in demand for energy efficiency solutions in companies can boost the development of innovative solutions by AES Brasil in this field	The expansion in renewable generation ventures fits into financing criteria with low-carbon requirements, qualifying our company for access to this type of bond, such as green and climate bonds	The energy transition and the expansion of the free market are levers for the growth in demand for renewable energy, which drives our investments in new generation assets
Management	We invest R&D resources in solutions connected to the business, through regulatory funds and startup acceleration, with an emphasis on initiatives such as microgrids	We actively seek funding opportunities, such as the green bonds issued in 2019 for the Guaimbê and Ouroeste Solar Power Complexes, and maintained a benchmark performance in ESG ratings, including especially the maximum scores obtained in 2021 for the MSCI and Sustainalytics ratings	Since 2017, we have diversified and expanded AES Brasil's generation portfolio, both in greenfield projects (Tucano and Cajuína Wind Power Complexes) and in operational M&A opportunities (Ventus, Mandacaru and Salinas Wind Power Complexes)

Click here
to access our
CDP Climate Change
questionnaire and learn more
about our climate risk and
opportunity management

Biodiversity and land use

Our commitment to environmental conservation goes beyond legal compliance and fulfillment of licensing requirements set by regulatory agencies. Our **Biodiversity and Land Use Policy**, approved by the Sustainability Committee, formalizes the guidelines that guide activities based on the conservation, protection and preservation of biodiversity. Corporately, the COO is the executive responsible for the topic of biodiversity and land use at AES Brasil.

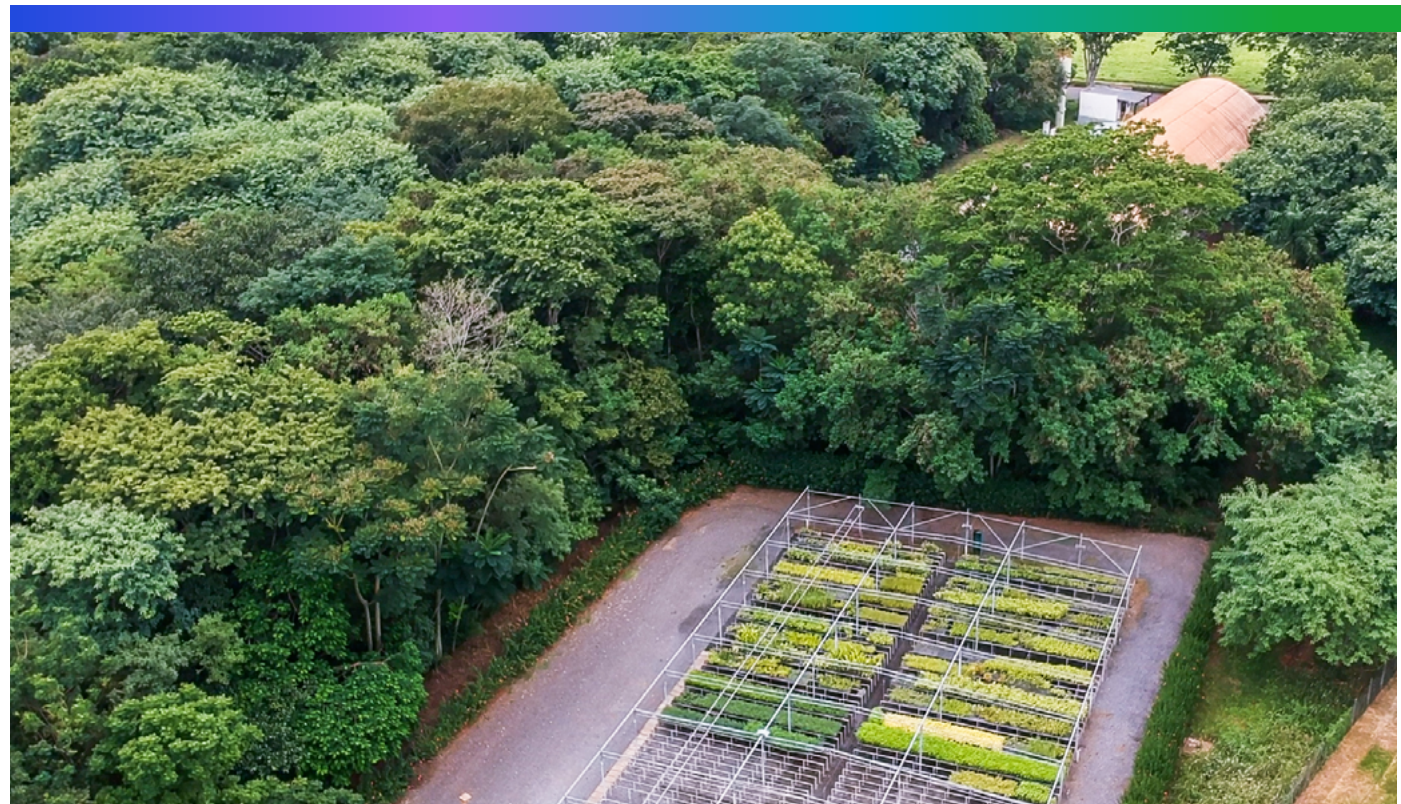
The impacts of our activities on biodiversity and land use are monitored in an integrated manner by the corporate risk management model (learn more on page 54). In the construction phase of the projects, we strictly follow the environmental licensing process, which includes the development of the Environmental Impact Study (known as EIA-RIMA and Simplified Environmental Report - RAS), delivered to the authorities for obtaining the licenses.

Based on these reports, the relevant authorities can define conditions to mitigate the identified impacts. In our case, these requirements are developed

in programs for monitoring fauna, flora, macrophytes and water quality, animal rescue and displacement, reforestation, repopulation of rivers, vegetation control, and environmental education, among others. In all our units, we develop initiatives that are adapted to local realities and in accordance with the requirements of regulators.



In all our units, we assess the impacts of our activities and develop initiatives adapted to local realities and in accordance with the requirements of regulators



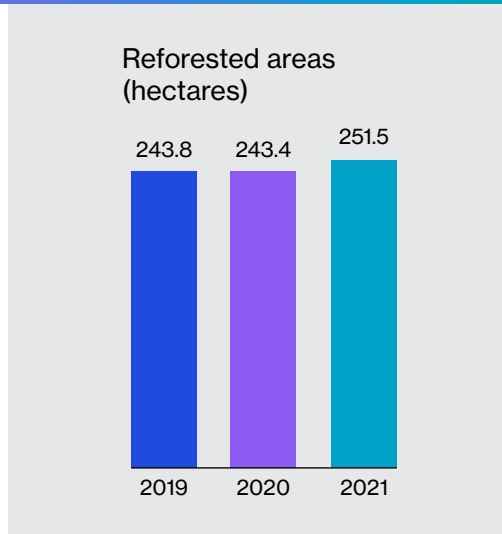


Annually, we release 2.5 million fingerlings in the rivers where our plants are located, contributing to the conservation of aquatic fauna

In the aquatic environment, we have released 2.5 million fingerlings annually through the Fisheries Management Program, with the aim of repopulating AES Brasil's reservoirs. We have a fish farm for fish reproduction and a Research & Development project that allows the reproduction of endangered species through the chimerism technique (learn more on page 23).

Furthermore, we have applied technology to monitor the growth and distribution of macrophytes. These plants form banks in riverbeds when they grow at an accelerated rate and may harm the availability and productivity of plants should they become stuck in the turbines. Through the study of satellite images, we have observed the behavior of these macrophyte banks in order to identify patterns and parameters that allow us to predict their movement.

Reforestation of the edges of the reservoirs is another major action front. In this context, the Mãos na Mata Program is worth mentioning, in which we promote partnerships with other entities. Under the program, 251.5 hectares were restored in 2021, with 1 million seedlings produced. The goal is to recover 1,713 hectares of Atlantic Forest and Cerrado biomes by 2029. One of the innovations of the last year was the joint work proposal with the Federal University of São Carlos (UFSCar), in which two doctoral students from the institution began to work in the field, implementing scientific experiments, monitoring plantations and evaluating best practices to promote ecological restoration.



For 2022, the expectation is to move forward with the Florestas do Tietê project. Created based on the experience with Mãos na Mata, the initiative aims to combine the preservation of the forest with the generation of income for the communities

 R\$16.4 million invested in biodiversity projects in 2021

In partnership with ICMBio's National Center for Research and Conservation of Carnivorous Mammals (CENAP), we promoted projects to study and monitor two species listed as endangered by the International Union for Conservation of Nature (IUCN): the jaguar and the maned wolf. These species hold special relevance for the local fauna, as their presence indicates the effectiveness of environmental protection and recovery efforts. Individuals of these species are monitored by means of collars with GPS

monitoring and photographic cameras with presence sensors installed in the areas surrounding our plants.

Another key partnership is the one we started with SAVE Brasil in 2019, creating the Bare-Faced Curassow Project. The initiative promotes avifauna conservation, local community engagement and research activities in the northeastern region of the state of São Paulo, an area of influence of the Água Vermelha HPP. In addition to the bare-faced curassow, this region is also home to a species that belongs to the same family and is even rarer and unknown to science, the aracuã-guarda-faca (*Ortalis remota*).

Endangered species protection projects

Pardas do Tietê	Maned Wolves	Bare-Faced Curassow	Biodiversity indicators			
<ul style="list-style-type: none"> • 27 jaguars biologically sampled • 13 jaguars monitored with GPS collars • Promissão, Ibitinga and Barra Bonita regions (SP) 	<ul style="list-style-type: none"> • 23 adult maned wolves and 6 sub-adults identified • 8 maned wolves monitored with GPS collars • São José do Rio Pardo, Mococa and Caconde regions (SP) 	<ul style="list-style-type: none"> • 27 bare-faced curassows identified • Northwestern region of the state of São Paulo 	2021	2020	2019	
			Total hectares of Atlantic Forest and Cerrado restored	251.50	243.44	243.78
			Total tree seedlings produced	1,000,000	1,000,000	1,000,000
			Total endangered species conserved through projects	2	3	2
			Investment in biodiversity projects (R\$)	16,412,919.72	12,254,167.00	12,645,328.00




Water

Our performance does not generate significant impacts on the availability of water in the regions where our generation assets are located. Water consumption in our activities is relatively low and is mainly associated with demand for human consumption, cleaning and gardening. Harvesting takes place through artesian wells and, in the case of the Água Vermelha and Barra Bonita hydroelectric power plants, in rivers. For this harvesting process, we rely on grants issued by the respective environmental agencies. Corporately, the COO is the executive responsible for water management at AES Brasil.

In operating activities, the most significant use occurs for cleaning solar panels, maximizing the incidence of the sunlight for energy generation. In 2021, we started a project using robots for this process, optimizing water consumption. Controlled remotely, the equipment allowed a reduction of approximately 44% in consumption for cleaning the 258,795 photovoltaic panels covered by the initiative. The solution is easy to replicate, given the easy transport and assembly of the robots, and should be expanded to other areas of the Guaimbê and Ouroeste Solar Power Complexes.



 Reforestation actions in our own areas and in partnership with surrounding landowners and other organizations contribute to the preservation of springs

In hydroelectric power plants, the water from the rivers passes through the turbines and follows its natural course, without significant impacts on quality and temperature. In the management of the units, we monitor the integrity of the oil pipelines in order to avoid any type of leakage that could cause spillage in water bodies. We also periodically measure the temperature at which

the water is returned to the river to ensure adequate levels for the development of aquatic species. In reservoirs and tributaries, we promote the Water Monitoring Program, which allows us to assess water conditions upstream and downstream of the plants. Furthermore, reforestation actions in our own areas and in partnership with surrounding landowners and other organizations contribute to the preservation of springs.

The shared use of reservoirs with communities and other business segments, such as tourism, is managed through an extensive dialogue and responsibility. In this context, our practices for the safety of the surrounding areas and the integrity of the dams are worth mentioning (learn more on page 39). Currently, we are part of the Management Council for the Corumbataí, Tanquã and Batalha River Environmental Protection Areas, discussing initiatives to protect these habitats alongside other stakeholders.

As with other aspects of environmental management, the assessment of water risks related to our business is integrated into the corporate risk management process. In this context, we evaluate, prioritize and define mitigation measures,

where necessary, for situations such as conflicts related to the use of reservoirs, leaks in operations, emergencies in the integrity of dams and adverse conditions from inflow of rivers and

rainfall. In addition to this model, we study hydrology projections for the short, medium and long terms through the management of our portfolio (learn more on page 32).



We strive for transparency on the subject of water resources management, voluntarily answering the CDP Water Security questionnaire every year. In 2021, we maintained a B grade in the entity's assessment



Performance in 2021

Although our water consumption is relatively low, we calculate the volumes captured monthly, acting quickly in the event of any leakage. We also annually promote an internal campaign to raise awareness of the correct use of water. In 2021, we captured 36,500 cubic meters of water, reaching a 10.4% reduction compared to the previous year.

For monitoring and reporting purposes, we annually assess the status of our units in areas with water stress, using

the Aqueduct Risk Atlas platform, from the World Resources Institute (WRI). In 2021, three HPPs (Caconde, Limoeiro, and Euclides da Cunha) and the Alto Sertão II Wind Power Complex were located in regions with high or extremely high overall water risk, according to the platform parameters. These operations harvested 2,100 cubic meters of water and consumed 0,400 cubic meters during the year, equivalent to 5.8% of the total captured and consumed by AES Brasil assets.

Water consumption (m³)	2021	2020	2019
Surface freshwater harvesting	2,987	5,682	5,072
Groundwater harvesting	32,024	33,428	25,755
Third-party supply (public or private)	1,488	1,610	751
Total harvested	36,499	40,720	31,578
Water discharge (m³)	29,199	32,576	25,262
Water consumption (m³)	7,230	8,144	6,316
Water intensity (m³/GWh generated)	3.83	3.23	2.52

Waste

The Integrated Management System (SGI) consolidates our practices for identifying and evaluating risks and opportunities associated with the topic of waste management, in line with the applicable requirements of ISO 14001. Each year, we carry out internal and external audits of the SGI, emergency drills in the units, and training for our teams on the process of waste management and care for the environment. We also have internal procedures and contracts to respond to environmental emergencies. At the corporate level, the issue of waste is the responsibility of the COO of AES Brasil.

Most of the waste generated in our company is the result of activities related to plant maintenance. Each month, we inspect the volumes generated and their destination through the SGI. Specialized and previously approved companies are responsible for the transport and final disposal of materials.

Several initiatives contribute to reducing generation and improving waste disposal methods. Internally, we promote selective collection at all units, prioritizing the separation of materials for recycling and replacing disposable cups with squeeze bottles and mugs. In reforestation projects, we have started to use ecological tubes for planting seedlings, avoiding the generation of plastic

waste. At the Guaimbê Solar Power Complex, we have developed a pilot initiative to reuse photovoltaic panels in the electrification of fences that demarcate the permanent preservation area (APP) belonging to the Promissão Hydroelectric Power Plant.



In 2021, we disposed of 129.0 metric tons of waste, reaching a 5.4% lower volume than in 2020. Among nonhazardous waste, it is worth mentioning recycling, which represented 80% of the total

Waste destination	2021	2020	2019
Nonhazardous			
Recycling	30.9	18.9	10.9
Landfill	7.6	7.8	12.7
Subtotal	38.5	26.7	23.6
Hazardous			
Recycling	12.8	11.0	0.0
Co-processing (and other forms of burning with energy utilization)	22.8	42.3	25.3
Other forms of waste recovery	0.8	0.0	4.6
Incineration	0.0	0.0	5.6
Landfill	10.2	0.0	1.2
Other forms of final disposal	44.0	56.4	56.2
Subtotal	90.5	109.7	92.8
Consolidated total (non-hazardous + hazardous)	129.0	136.4	116.4

Material donation

During the implementation of the Tucano Wind Power Complex, we donated 33 metric tons of wood to the communities inhabiting the project's area of influence. The materials, originating from the construction works of the complex, were used in activities such as building coops for raising chickens, manufacturing furniture (chairs, tables, shelves, etc.), and building boxes for beekeepers. In addition, through the Environmental Education Program, spaces for coexistence were created in partnership with the communities.

Social action

Diversity, equity and inclusion

The diversity of talents in our team is essential in enabling us to be more innovative and seek solutions to meet the demands and needs of our customers.

The promotion of diversity, a commitment we assume at the corporate level, is guided by the **Diversity and Inclusion Policy**, a document approved in 2021 by the Board of Directors. It establishes guidelines for building a culture of inclusion and respect in all employee selection and development processes, with respect for individual

characteristics and origins, without prejudice or discrimination based on race, gender, age, or sexual orientation.

Our diversity practices are also guided by the Women's Empowerment Principles (WEPs), to which we have been signatories since 2017. This initiative, promoted by UN Women and the Global Compact, defines seven business principles to strengthen the commitment of women companies with gender equity and empowering women in the workplace.



The Diversity and Inclusion Policy, approved by the Board of Directors, establishes the guidelines for a culture of inclusion and respect in our operations





Administratively, the Human Resources Director is responsible for managing the topic of diversity, equity and inclusion and other practices aimed at the qualification and career development of our employees. Corporate goals in diversity and organizational climate and health & safety affect the variable compensation of all leaders and executives. In the 2030 ESG Commitments, defined in 2021 (learn more on page 14), we set goals to increase the presence of women, underrepresented groups and people hired in local communities in our workforce.

Pillars of our Diversity and Inclusion Policy

Culture
 There is no racial or ethnic discrimination in the internal and external processes of the company and subsidiaries.

Gender
 We do not tolerate any type of discriminatory action based on gender, sexual orientation, marital status, or pregnancy.

LGBTQIA+
 We do not accept discrimination based on any sexual orientation, gender identity, or expression.

Persons with Disabilities
 We provide environments that are free of discrimination, with an emphasis on respecting the individual characteristics of each employee.

Origin
 We do not tolerate any discrimination against candidates in selection processes or against employees on our company's premises, due to regionality, socioeconomic status, or religion.

The Diversity and Inclusion Program, started in 2020, covers integrated and concrete actions to promote this topic. The Program involved the creation of Affinity Groups for its five pillars, which bring together employees from different areas to carry out actions aimed at building an increasingly diverse, inclusive and collaborative professional environment.

Throughout 2021, these Groups focused their efforts on four main areas of activity: training & development, recruitment & selection, communication, and security.

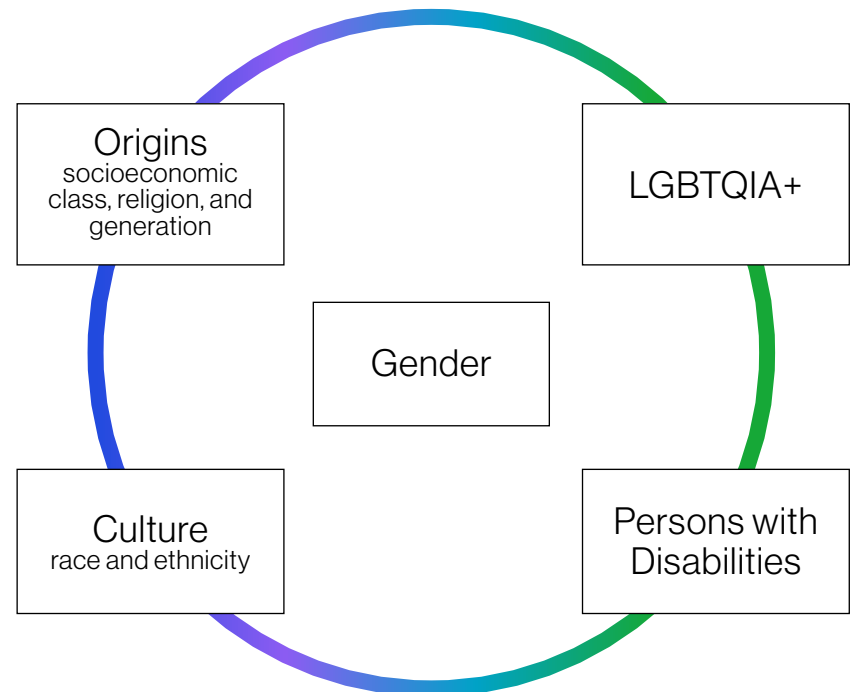
The Program's actions are guided by the results obtained in the Annual Diversity Census, a survey that allows us to map

the diversity profile of our staff and contributes to the prioritization of action plans. In 2021, based on the 2020 survey, we worked primarily in the promotion of gender equity. In this context, the training of women to work in operation of wind farms, training and lectures for the leadership and all employees and the direction of the selection processes to increase the hiring of women are worth mentioning.

Diversity and Inclusion Program



Pillars of action



For the second consecutive year, we carried out the Census and reached 390 respondents, which represents 73% of our workforce and an increase of 23 percentage points in relation to the previous year's participants. This result demonstrates the greater interest and openness of employees regarding the topic, capturing with increasing precision the demographic situation of the company and the opinions of our professionals on diversity. The Census is a key tool to map AES Brasil's current scenario and support decision-making for future actions.

Among the actions carried out in 2021, we highlight training for senior leadership, the DE&I Committee and the Program's ambassadors on the themes of diversity, inclusion, affirmative actions, unconscious biases and good practices for inclusive management. We also promoted lectures for all employees on

topics such as equal opportunities for women in the labor market and racial equality. In all, more than 30 hours of training on the subject were invested for each participant.

We also launched the Diversity and Inclusion Guide, with the objective of aligning the understanding of leaders and teams on the importance of the topic. The focus of action in 2022 will be the issue of racial diversity in organizations.



The representation of women in the company and in leadership positions increased by 32% and 29%, respectively



In the comparison between 2020 and 2021, the representation of women in the company and in leadership positions increased by 32% and 29%, respectively. This is the result of efforts to value female talent in the succession pipeline and in new hires, surpassing the goal of increasing the number of women in the AES Brasil team by 15%. A new gender equality target has been established, which is part of the 2030 ESG Commitments (learn more on page 14).



Women's training program for operating wind farms

In line with the strategic goal of promoting a more inclusive culture and valuing diversity, we invest in the professional development of women in the communities where we operate. In 2021, we trained the first group of women to work in the operation and maintenance of wind farms. The initiative, developed in partnership with Senai Bahia, trained 28 professionals residing near the Tucano Wind Complex.

With the success of this pilot project for online training exclusively aimed at women in the operation of wind farms, we intend to expand the initiative in 2022, reaching the state of Rio Grande do Norte, where we started the construction of the Cajuína Wind Power Complex. This approach of including women in the operational environment through technical qualification exceeds the legal requirements applicable to our businesses and is in line with our strategic objectives, translating the company model that we are building for the future: an increasingly inclusive space that values diversity and invests in the social development of the communities where we operate.



Our workforce

534 employees

1,458 outsourced service providers


8 apprentices



We increased the number of women in our workforce by **32%** at the end of 2021, exceeding the target of 15% for AES units in Latin America



In the succession plan update carried out in the first quarter of 2021, the number of women mapped for future successions grew by **10%**

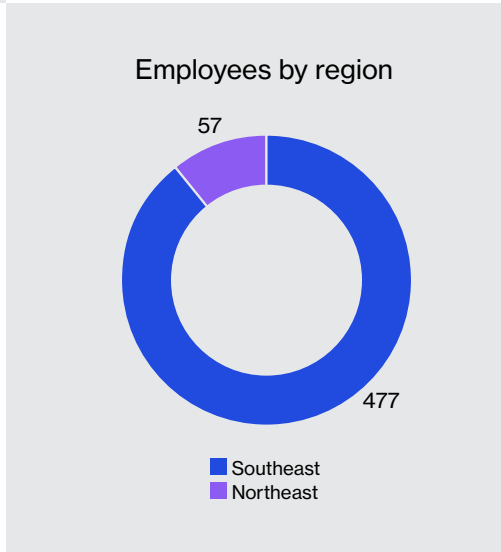
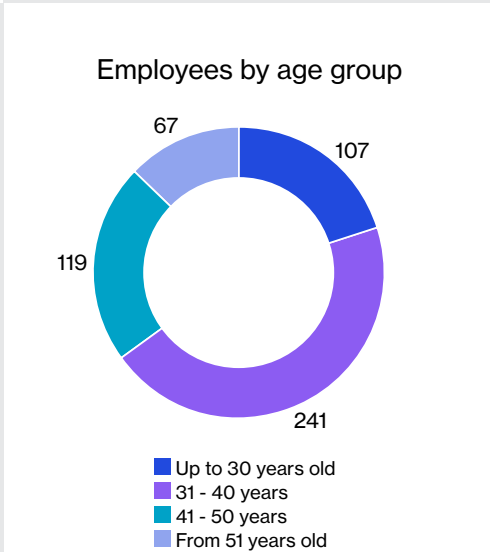


100% of our employees are covered by collective bargaining agreements signed with the unions of the respective professional categories and territorial base (including apprentices, in specific clauses)



23% of leadership positions and **55%** of administrative positions are held by women

10 people with disabilities work in the company, in administrative and operational positions



People development

Our company has a talent management strategy aimed at encouraging employee development in a way that is connected to strategic goals and objectives. Through apprenticeship programs, assessments, career planning and hands-on experience, we create the foundation for people to evolve and lead the future of energy. The management of these topics is the responsibility of the Human Resources Director of AES Brasil

Workday Learning is the leading global platform for empowering employees at all administrative, operational and leadership levels. The Leadership Development Trail, one of the main actions in the field of development and training, offers specific training for professionals in coordination, management and board positions. In 2021, we offered over 14,000 hours of training to our employees, resulting in an average of 26.5 hours per professional.

We also encourage qualification through scholarships for various courses, such as languages and graduate courses, in line with our **Sustainability Policy** and as provided in the collective agreement that covers our employees. In 2021, 42 employees were contemplated with such actions.



Average hours of training per employee	2021	2020	2019
By gender			
Men	33.81	38.98	46.93
Women	6.92	10.12	15.35
By functional level			
Executive Board	2.83	0.45	7.64
Management	7.31	3.07	25.50
Coordination	12.03	9.79	22.66
Administrative	11.79	11.14	23.22
Operational	44.72	65.92	65.74
Consolidated	26.51	31.98	39.24

Organizational climate

In 2021, we received the *Lugares Incríveis para Trabalhar* (“Incredible Places to Work”) Award, promoted by the Fundação Instituto de Administração (FIA) in partnership with UOL, as a highlight of the electricity sector. This award acknowledges Brazilian companies with the top levels of satisfaction among their employees. Among the practices that strengthen our ability to attract and retain talent, the following stand out:



- Compulsory benefits, such as: food allowance, additional food allowance, dental insurance, medical insurance, social security assistance, daycare assistance, babysitting and special individuals, life insurance, assistance for disabled employees, and chartered buses, in addition to hazard pay, transfer bonus, and profit sharing, covering all AES Brasil employees
- Voluntary benefits (not provided by law), such as: Christmas voucher, Collective Agreement Bonus, Christmas bonus anticipation in January, home office, healthcare, and private pension plans, covering all employees, regardless of hierarchical level
- “Conte com a Gente” (“Count on Us”) social assistance program, with 24-hour availability, extended to family members and focusing on legal, behavioral and psychological matters, among others.
- Median market compensation package and low leverage in variable compensation
- Climate survey widely disseminated and with action plan and monitoring by senior leadership
- Scholarship program for undergraduate and graduate programs, MBA, and language courses
- Internship and trainee programs

Our Climate Survey, carried out annually, reached 100% of employees in 2021 and resulted in a satisfaction rate of 93.9%

Performance evaluation

The Annual Performance Management Program aims to assess the individual performance of 100% of our employees. Leaders are evaluated according to the goals established in the Management Agreement, which is the document responsible for encouraging compliance between the individual performance of the employee and the goals of AES Brasil. On issues related to social and environmental issues, 100% of the leadership has goals in their performance evaluation, which are cascaded from the CEO to all

hierarchical levels. The assessment also includes an analysis of the professionals' adherence to the seven competencies defined at the corporate level.

Eligibility for the Program is subject to pre-established criteria. Apprentices, union members and employees with less than three months of experience as of the start date of the assessment cycle cannot participate. As of 2021, only 30 of our 534 employees (5.6%) were not eligible.

Percentage of employees who have undergone performance evaluation

	2021	2020	2019
By gender			
Men	94.9%	95.9%	94.1%
Women	93.1%	98.2%	88.1%
By functional level			
Executive Board	100.0%	90.9%	100.0%
Management	100.0%	100%	91.7%
Coordination	100.0%	97%	93.8%
Administrative	90.9%	96%	89.5%
Operational	95.5%	96.7%	95.9%
Consolidated	94.4%	96.5%	92.6%



7 skills evaluated

- Vision and clarity
- Ownership and responsibility
- Coordination and integration
- Business agility
- Customer and market focus
- Organizational capacity
- Teamwork

Health and safety

Safety is our company's number one value. Care for people, communities, assets, and the environment, with a focus on actions to mitigate risks and avoid accidents, is a strategic pillar and is managed on an ongoing basis.

Our Integrated Management System (SGI), which integrates environmental, health and safety management guidelines and processes, has been certified since 2011 in the ISO 14001 and ISO 45001 standards and covers 100% of the assets in operation by AES Brasil for at least one year. Safety indicators are continuously monitored and regularly followed up by leaders, particularly the COO, who

is formally responsible for the topic of health and safety, and by AES Corp itself (learn more on page 57). Additionally, we carry out internal and external audits at least every three years.

The SGI establishes all processes and procedures for identifying and mitigating risks, with safety protocols to be followed in the various operation and maintenance activities. Before carrying out any activity, workers must document the safety conditions through the Preliminary Risk Assessment (PRA) and, in case of an unsafe scenario, they have the right of refusal assured.



The certification of our SGI to ISO 45001 standard ensures the adoption of best practices for health and safety management in our operations

We also keep the Occupational Risk Prevention Program (PPRA) and the Occupational Health Medical Control Program (PCMSO) constantly updated, both being required by law and contributing to building a safer and healthier work environment, in addition to offering optional examinations at the time of the periodic examination.

The safety culture is also reinforced by the annual Internal Workplace Accident Prevention Week (SIPAT), which is responsible for promoting training on the subject of safety through lectures and awareness-raising actions. The event is organized by the Internal Accident Prevention Committee (CIPA), which represents 100% of our employees. In 2021, SIPAT was held in the form of a podcast, with four sessions covering the following topics: mental and physical health; alcohol and smoking; the power of information to improve occupational safety; and the resumption of face-to-face work and COVID-19.

In addition to actions to ensure the safety of employees and outsourced service providers according to the regulations, AES is investing in the digitalization of security



processes. Among the initiatives, we highlight the implementation of the INTELEX system, a digital platform for health, safety and environmental (HSE) management that offers an online mobile application. The system also allows issuing reports and viewing dashboards. Currently, we have adopted the solution for managing the following processes: HSE incident management, Safety Walks, internal and external audits, and inspections.

Our security beliefs

At AES, we do everything by putting safety first

All incidents can be prevented

Everyone is responsible for their own safety, as well as that of coworkers and the public

Everyone has the right and duty to stop any unsafe activity



Another advance in new technologies has been the beginning of the implementation of ePAs, an electronic work permit system. The solution will enable the control of these permissions and risk assessments prior to activities in a digital environment and should be operational by 2022.

Driven by this vision, we expanded our efforts in 2021 to maintain and ensure safety in greenfield wind farm projects. The construction of these assets is monitored onsite by our company's security technicians, who monitor the implementation and practice of the guidelines and procedures established in the SGI. Good practices are also shared with the Alto Sertão II, Ventus, Mandacaru and Salinas Wind Power Complexes, which are already in operation. It should be noted that there was no record of accidents with lost-time

injuries during the construction of the Tucano Wind Power Complex in 2021.

Nevertheless, in 2021, we recorded a high-severity electricity accident (electric shock) involving an employee at SHP São José, during a maintenance activity. The occurrence impacted our Recordable Rate and LTI Rate, which had been zero in the two previous years for employees.

In the investigation carried out, we identified that a series of steps established in the safety procedures had not been carried out, which could have certainly prevented the accident, such as the performance of the absence of voltage test. Based on the root causes identified, we have implemented several preventive actions, such as strengthening safety beliefs and open and frequent meetings with all employees about the accident.

Furthermore, we conducted a new assessment of our safety culture and implemented improvements in the signaling of SHP São José devices. The structuring of continuous training on teamwork is also planned, reinforcing that the discipline of each one in the safety protocols is a way to take care of each other. The investigation also highlighted the importance of first-aid training, which is essential in ensuring the survival of injured employees.

The training we carry out with an emphasis on health & safety is in line with the Regulatory Standards (NRs) established in the legislation. The training

carried out covers topics on personal protective equipment (PPE), work at height, use of portable machinery, work in confined spaces and services in electricity, and material handling.

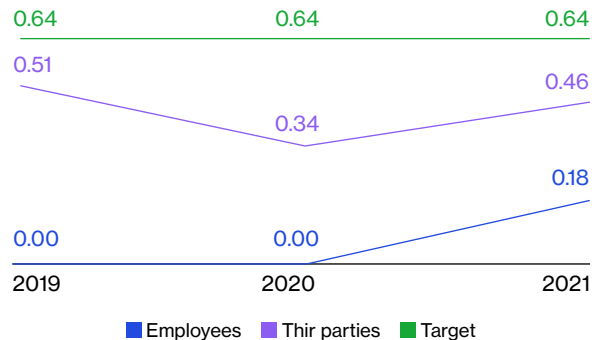
We require all outsourced service providers to have the same type of training for NRs. In the event that an outsourced party fails to comply with these requirements, its entry into the company's premises is vetoed. Each week, outsourced professionals participate in the Safety Meeting, which takes place at all AES Brasil units. At this event, all workers are given updates on the main safety procedures and

are made aware of accident prevention. In 2021, 99% of outsourced service providers who frequently work at AES Brasil units participated in the Safety Meeting.



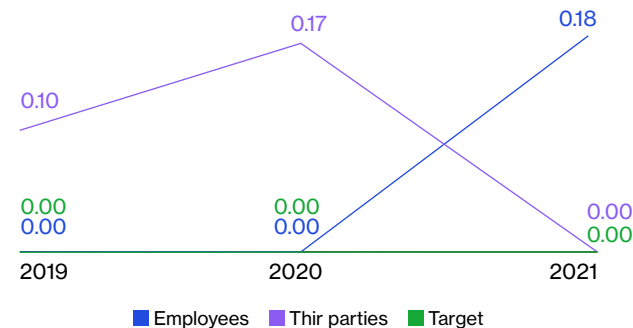
We use the “Tap Root” methodology to investigate accidents and incidents. For each investigation, we form a multidisciplinary committee, responsible for investigating the root causes of the events and preparing a report with action plans to prevent further occurrences

Recordable Rate*



* Calculated on the factor of 200,000 man-hours worked, including LTI accidents and typical accidents without lost time.

LTI Rate*



* Calculated on the factor of 200,000 man-hours worked, including LTI accidents and typical accidents without lost time.

Relationship with communities

Our commitment to sustainability strengthens the relationships established with the communities neighboring our assets. In these locations, we work to identify and map the social and environmental impacts resulting from our activities and invest to promote initiatives that transform the reality of these populations.

The management of this topic is guided by the **Sustainability Policy** and is under the responsibility of the Strategy and Sustainability Director of AES Brasil. This Board coordinates our Sustainability Committee, being led by the CEO and advising the Board of Directors.

In partnership with the Earthworm Foundation, we have created the Social Management System (SGS), which brings together a set of processes to be adopted to promote local development, map risks and provide consulting to communities on an ongoing basis and prior to the construction of new projects, respecting the characteristics and potential of each region. The implementation of the Tucano Wind Power Complex throughout 2021 further strengthened to the SGS.



The Social Management System consolidates our practices for local development, respecting the characteristics and potential of each region

We created direct communication channels to receive complaints, suggestions and questions during the construction processes of the Tucano and Cajuína Wind Power Complexes. We carried out home visits and community meetings with communities in Bahia, with the aim of providing clear information about the project and providing an opportunity for people to ask questions. In Rio Grande do Norte, we established local communication about the Cajuína Wind Power Complex. Consequently, we have established a relationship of proximity and transparency with local communities.

The service providers hired for the works were trained through training and information that emphasized our Values and topics relating to human rights. In these interactions and communication materials, we address topics such as the protection of children and adolescents, sexual abuse, teenage pregnancy, child labor, drug use, and respect for local communities and culture.

Additionally, we strengthened our relationship with local governments, non-governmental organizations, schools, and associations. This integrated approach favors articulated action and alignment with public policies.

The performance of SGS fulfills much more than the obligations stipulated by Brazilian legislation and covers 100% of our assets in operation and construction. One of the main differentiators of the system is the transparent communication with the communities, as well as allowing a wide scope in the management of social projects, which can be conducted through monitoring indicators on the needs of the residents of each region.

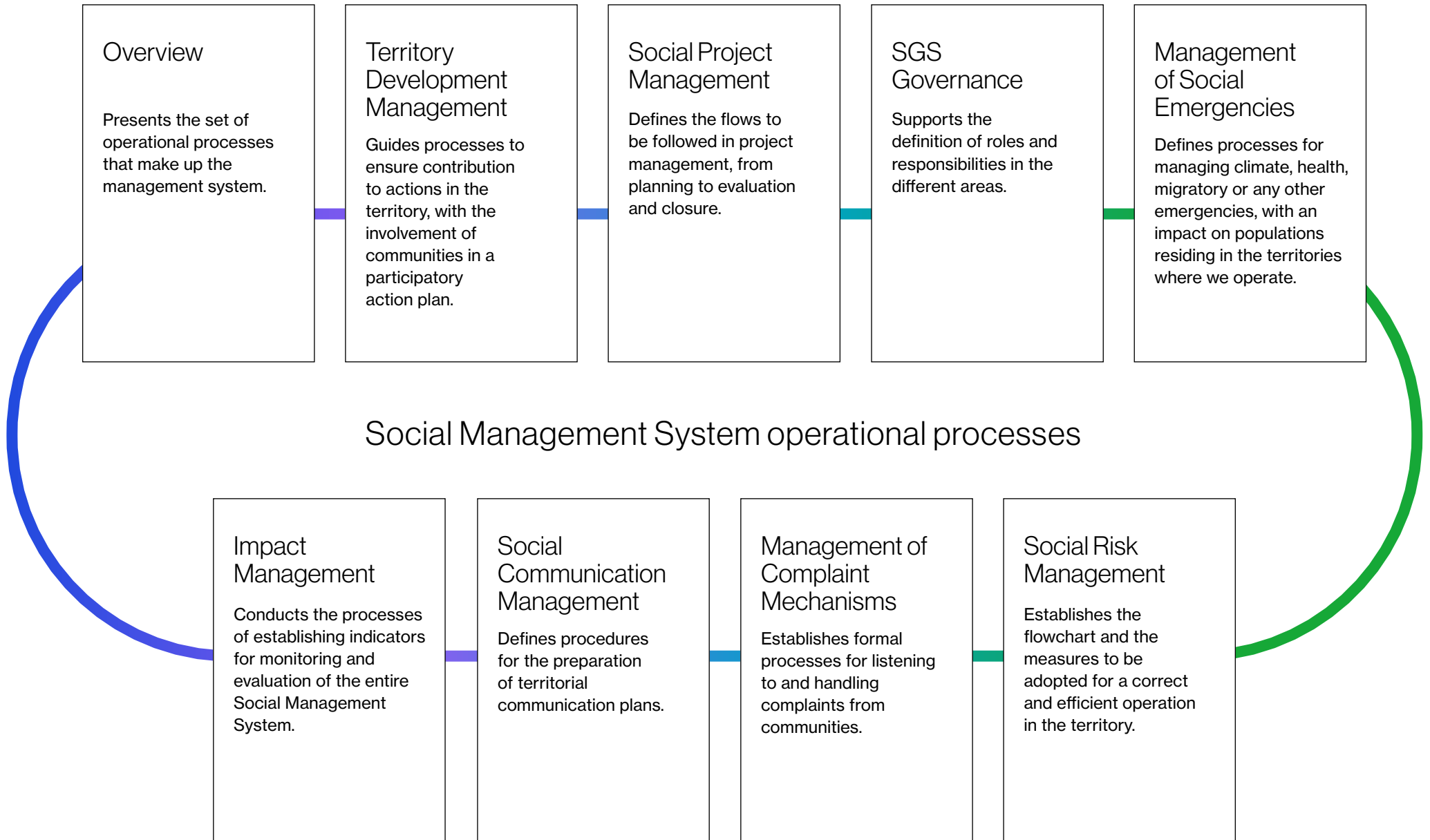
Among the potential negative impacts associated with our assets are the risk of human rights violations, situations of conflict with communities and landowners and environmental impacts related to plant suppression, in addition to the risk of dam failure. To mitigate



them, we have adopted specific procedures for each type of generation enterprise. In hydroelectric plants, the Dam Safety Plan stands out (learn more on page 39). In solar complexes, the main focus is on vegetation and erosion control. In the wind farms, the environmental programs related to the licensing of the units and the performance of the SGS cover the mitigation of the main negative local impacts.

SGS initiatives

- We carried out [campaigns to the general public](#) about safety
- We offered [support for the regularization](#) of private land in the surroundings
- The [ombudsman services](#) were structured to receive queries and complaints from communities neighboring the projects under construction. In addition to the ombudsman, we also have the AES Helpline (learn more on page 51)

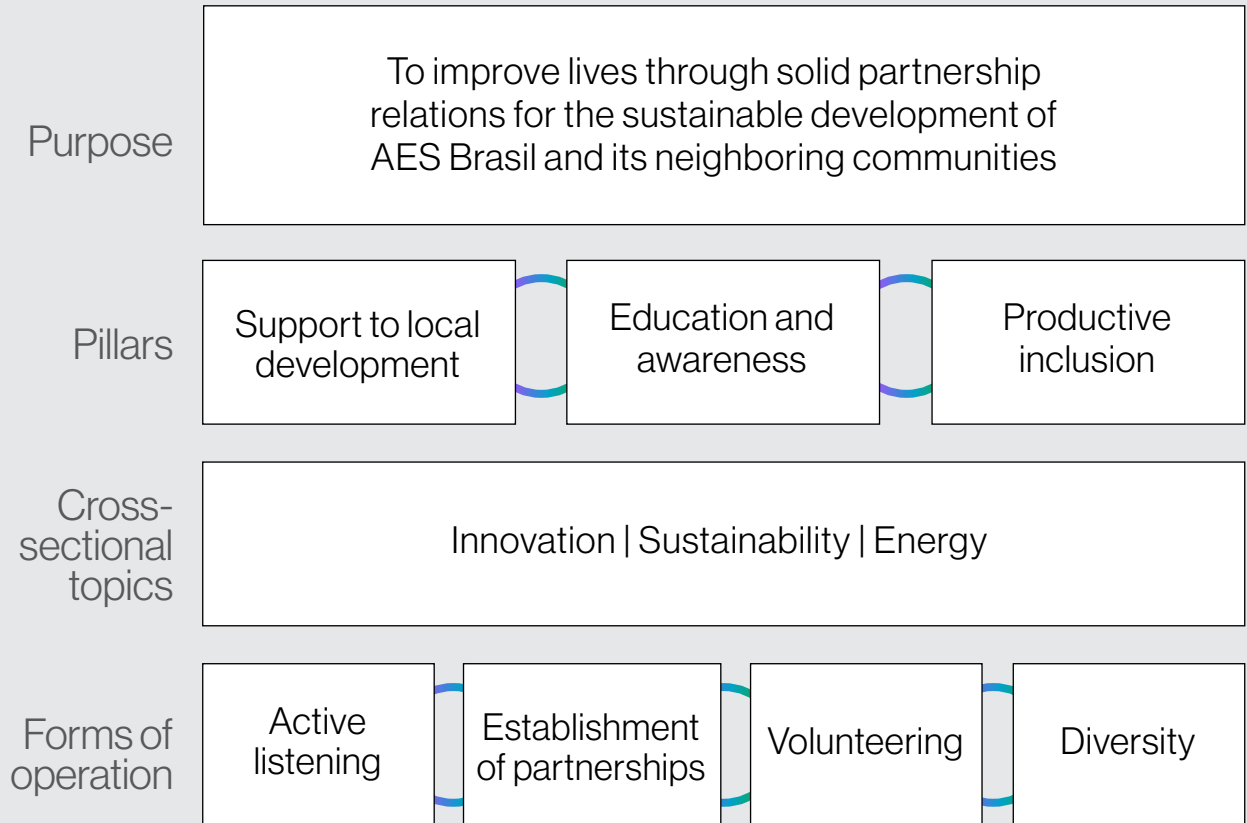


Private social investment

Our **Private Social Investment Policy** defines strategic guidelines and premises for actions aimed at the development of communities. With the goal of promoting positive transformations in people's lives and boost social innovation, we operate on three pillars: support for local development, education & awareness, and productive inclusion.

The supported projects prioritize students from the public school system, local productive groups, and children, adolescents and elderly who are benefited by social organizations. In 2021, our investments were driven exclusively with the company's own resources. During the year, the impact assessment we conducted on the Pulsar and Geração+ projects, with the support of Ideafix, was a major highlight.

Private Social Investment Guidelines





 In 2021, we invested R\$1.05 million in development projects in the communities neighboring our projects

GeraçãO+

Promotes the engagement of students and teachers from public schools in research activities on the topics of fauna and flora, solid waste, electricity, leisure, and safety.

In 2021

- 3,255 students and 220 educators involved
- 13 schools benefited

Pulsar

Enables entrepreneurial education for young students from State Technical Schools (ETECs), through training workshops, for the creation of innovative solutions involving sustainable and clean energy sources.

In 2021

- 53 students and 10 educators involved
- 4 schools benefited





Impulso Empreendedor

Strengthens the management of productive groups, contributing to strategic planning and the development of sustainable business plans. In 2021, we started a diagnosis to survey the production chains in the municipalities of São Pedro, São Manuel, and Anhembi, in the interior of São Paulo, in the area of influence of our hydroelectric power plants.

In 2021

→ 715 members engaged



Oficina de Lâmpiões

Engages children from schools in Guaimbê and Ouroeste (SP) in the construction of lamps for delivery to the communities of Guanambi and Caetité (BA), who participated in workshops on the maintenance of the items donated.

In 2021

→ 73 students and 81 families benefited



Click here
to view our Private
Social Investment
Policy



Volunteering

Our Volunteer Program offers employees the opportunity to work on social projects developed for communities neighboring our assets. Volunteers participate in different activities that are structured according to each project and developed in partnership with schools and local non-governmental organizations. The Volunteering Committee, established in 2020, is composed of employees from different areas and is responsible for planning and monitoring the actions developed in each location.

As of 2021, 5% of our employees were part of the Volunteering Program, whose interactions had to be conducted in the digital environment, ensuring social distancing and preventing the spread of COVID-19. In virtual sessions, the 28 volunteers dedicated 121 hours to participate in recreational activities and conversations with the beneficiaries. One highlight was the interaction at Pulsar, in which the volunteers acted as mentors for the students, sharing experiences and knowledge.



In 2021, our volunteers dedicated 121 hours to participate in online sessions of approved social projects, such as the Pulsar Project mentorships



Social investments in 2021

Pillar	Project	Area of influence	Number of beneficiaries	Invested funds (100% own)
Support for Local Development	Oxygen concentrator donation to Irmandade da Santa Casa	Caconde (SP)	8,300 people	88,000.00
	Donation of basic food baskets to the Municipal Social Welfare Department	Biritinga (BA)	400 families (estimated 1,600 people)*	39,856.00
Productive Inclusion	Access to water through the construction of the reservoir	Pindaí (BA)	50 families (estimated 200 people)*	96,000.00
	Impulso Empreendedor	São Pedro, Anhembi, and São Manuel (SP)	715 members of the productive groups	244,635.86
Education and Awareness	Daycare center remodeling	Tucano (BA)	200 students	93,000.00
	Geração+	Novo Horizonte, Cafelândia, Guaiçara, and Pongai (SP)	3,255 students 220 educators 13 schools	230,474.96
	Pulsar	Mococa, Lins, and São Pedro (SP)	53 students 10 educators 4 schools	165,800.00
	Oficina de Lmpiões (with the NGO Litro de Luz)	Guaimbê and Ouroeste (SP), Guanambi and Caetité (BA)	73 students (SP) 81 families (BA) (estimated 324 people)*	24,700.00
Others	Tool for project public notice			8,300.00
	Structuring of the Social Management System			50,840.00
Volunteering	Development of the Volunteering Program			9,000.00

*Assumption used of an estimated average of four people per family.

Relationship with suppliers

Suppliers play a strategic role in our business model. The companies with which we establish commercial partnerships are responsible for the supply of various materials, equipment, and services. Most of the maintenance activities at the generation units is performed by outsourced workers, hired by companies that are part of our value chain.

The **Supplier Code of Conduct** and the **Sustainability Policy** are the basis for managing our

suppliers, addressing aspects related to human rights and health, safety and environmental practices. Guided by these regulatory instruments, we act to combat any practice of discrimination and to curb and eradicate child labor, as well as forced or compulsory labor – both in our company and at our partners. We also respect and comply with labor rights and guarantee the free right to collective association of 100% of employees and outsourced service providers.



Our publicly available Supplier Code of Conduct and Sustainability Policy formalize our commitment to human rights and good health, safety and environmental practices in our supply chain



Supply chain profile

As of 2021, we had commercial relations with 1,818 suppliers, 94 of which refer to new contracts signed in the period. Most partners (62%) are headquartered in the state of São Paulo, while another 18% are located in the Northeast and 20% in other states in Brazil (only 1% consist of companies headquartered abroad). Whenever possible, we prioritize local procurement of products and services, with a focus on promoting local socioeconomic development. Last year, 26% of contracted suppliers were classified as Individual Microentrepreneurs (MEI) or opted to join the Simples Nacional tax scheme (e.g. microenterprises).

- 1,818 active suppliers during the year
- 62% of supply is based in the state of São Paulo
- 26% of products and services hired in 2021 came from small and medium-sized companies

We have mechanisms and processes in place to track and monitor the performance of our suppliers and the alignment with our values and principles, from pre-qualification to contract execution. In pre-qualification, we carry out an evaluation of various documents that guarantee suppliers' compliance with the applicable legislation. We also analyze, through the Equipo tool, the social and environmental management practices employed by companies, aiming to mitigate social and environmental impacts across our value chain. Finally, for specific groups, we carry out due diligence to assess and mitigate corruption risks. This approach ensures that 100% of the contracted suppliers have undergone some analysis process in terms of social and environmental aspects. Moreover, all agreements have standard clauses related to the environment, health & safety, and corporate social responsibility.

After contracting suppliers, our management assesses both operational performance and legal compliance throughout the execution of the contracts. Companies that



 Pre-contracting assessment, standard clauses in contracts and continuous monitoring by the IDF promote the adoption of good practices by our suppliers

provide critical materials and services for the continuity of the operations are evaluated using the Supplier Performance Index (SPI).

The SPI consists of a customized assessment questionnaire for each type of critical supplier: information technology services; works & maintenance; and administrative services. The assessments

consider aspects related to safety, health, environmental and social aspects and quality, depending on the product or service contracted. Each year, each supplier is informed about its performance in the SPI, and those that fail to reach a score of at least 70 (on a scale of 0 to 100) are invited to develop improvement plans with stipulated goals and deadlines.

In 2021, we identified a case of significant environmental impact. A partner that provided refurbishment and modernization services for turbines and generators received an insufficient grade for the storage of chemicals in December 2021. Based on this analysis, we requested the supplier to provide an action plan, which also included other items with opportunity for technical improvement and began monitoring its effectiveness in 2022.

The average supplier score in the SPI has increased each year. This result reflects the close and trusting relationship we have established with our partners, seeking continuous improvement and operational excellence. In 2021, we maintained the same level of scores, a performance explained in part by the entry of new suppliers: the number of companies evaluated increased from 91 to 118 in the annual comparison.

As part of the Supplier Development Program, we conducted a survey in 2021 in which partners evaluated AES and scored their expectations and needs. The results are being compiled and will support new initiatives to improve the company's relationship and engagement with this audience.





Attachments

Our Integrated Sustainability Report is prepared annually and published in Portuguese and English in order to strengthen our accountability to all our stakeholders. The document follows the GRI Standards issued by the Global Reporting Initiative (GRI) and the integrated reporting framework proposed by the Value Reporting Foundation. This year, we improved the publication with the inclusion of indicators proposed by the Sustainability Accounting Standards Board (SASB) for the Electric Utilities & Power Generators industry.

Considering that AES Brasil Energia S.A. had no operations before March/2021, we inform you that the data relating to previous years are from AES Tietê Energia S.A. and are being reported for comparative purposes. The information presented covers AES Brasil Energia S.A. and all its subsidiaries (consolidated), in the same scope as that covered by our financial statements. Comments, questions and suggestions about the content can be sent to the email address sustainability@aes.com.



In this edition, the practices and results refer to the period from January 1st to December 31st, 2021, having been obtained with the various areas of the company. The Executive Board is responsible for ensuring the integrity of this Report and for recognizing the application of collective thinking in accordance with the IIRC's principles and framework. The Board of Directors and

Fiscal Council, in addition to the Statutory Audit Committee, participate in the review of the document before its publication and carry out adjustment considerations when applicable. No relevant or mandatory data according to the GRI, SASB and IIRC assumptions was omitted. The report was also submitted to external and independent verification, as in previous years (see the assurance report on page 115).

Material topics

Our materiality matrix, which is periodically revised, brings together the topics that guide the content of the Integrated Sustainability Report. AES Brasil's most recent materiality study was conducted in 2019, involving the analysis of studies, scenarios, and industry benchmarks, as well as the engagement of employees, customers, suppliers, and government representatives. In 2022, we will be conducting a new process for the identification of material topics, which will guide the content of the next report.

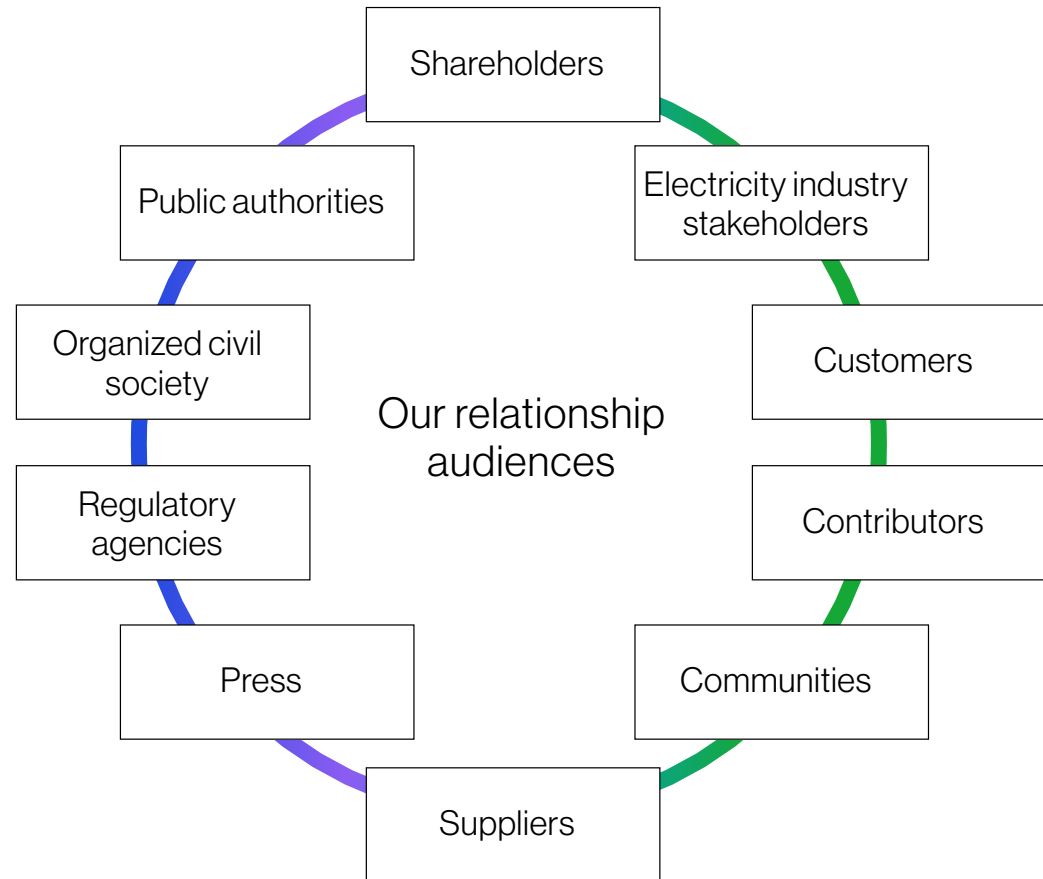
	What it means	Prioritized GRI contents
Economic and operational performance	Ensuring a solid capital structure and asset optimization, with technical and operational excellence in our activities	201-1 201-2 EU6 EU30
Customer satisfaction	Promoting the best experience for our customers, through the safe, sustainable and reliable supply of energy solutions	There is no prioritized GRI content; we only report the way of managing this material topic
Social and environmental impact	Positively impacting local communities and reducing the environmental impact of our operations	302-1 302-3 304-2 304-3 304-4 305-1 305-2 305-3 305-4 413-1 413-2 EU21 EU25
Ethical and responsible management	Creating an ethical, safe and diverse development environment for our employees and suppliers	205-2 205-3 308-1 308-2 403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8 403-9 404-1 404-3 405-1 406-1 EU18
Accessibility	Providing broad and easy access to energy solutions through innovative technologies	There is no prioritized GRI content; we only report the way of managing this material topic
Energy intelligence	Developing solutions that enable smart and efficient energy consumption	EU8



Continuous listening

In routine contacts with our various stakeholders, through meetings, relationship meet-ups, emails, and phone calls, we dynamically identify the main interests and demands of each audience. These expectations are evaluated and prioritized, enabling the preparation of engagement

plans that are specific to each audience, which are then executed and monitored by the teams in their daily activities, always seeking transparency in these relationships and the generation of shared value. We also carry out period satisfaction surveys for employees and customers.



Complement to GRI and SASB contents

GRI 102-8 | Information on employees and other workers

In 2021, the turnover rate was 18.10%, compared to 8.76% in the previous period. We manage and properly evaluate all transactions and identify that, to a large extent, the increase is a reflection of the Retirement Incentive Program

(PIA), in which the company recognizes all the efforts of a solid career together with a dignified and healthy, and also for a more heated market in the Brazilian infrastructure sector. The growth of the team of employees, from 454 in 2020 to 534 in 2021, is a consequence of the acquisitions in the period.

Number of employees by gender and region*

	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Northeast	46	11	57	6	3	9	6	3	9
Southeast	343	134	477	338	107	445	333	106	439
Total	389	145	534	344	110	454	339	109	448

*All professionals are hired for an indefinite period and work in full-time shifts, except for the 8 apprentices (7 men and 1 woman). The data refer to the base date of December 31 of the respective years and do not consider directors, interns, and apprentices, since, according to Brazilian legislation, they do not have an established employment relationship with the company.

GRI 102-13 | Membership of associations

Our participation in industry entities is important for the discussion of relevant topics for the industry, exchange of good practices, and dissemination of our vision of sustainability. Among the associations in which we are engaged, the following stand out as strategic: Brazilian Association of Electricity Generation Companies (ABRAGE); Brazilian Energy Storage and

Quality Association (ABAQUE); Brazilian Wind Energy Association (ABEEÓLICA); Brazilian Photovoltaic Solar Energy Association (ABSOLAR); Brazilian Association of Independent Power Producers (APINE); American Chamber of Commerce (AMCHAM); Global Compact SDGs and Energy & Climate Working Groups; and Energy Industry Union of the State of São Paulo (SindiEnergia).

GRI 102-38 | Annual total compensation ratio

In 2021, the total annual compensation of the highest paid individual in the company was equivalent to 11.4 times the average for other employees (does not consider statutory directors).

GRI 102-54 | Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: Essential option.

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

In 2021, we served 89 customers in the free market.

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

In 2021, the energy sold by AES Brasil totaled 16,782 GWh.

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

In 2021, the energy purchased by AES Brasil totaled 4,518 GWh, 100% of which occurred bilateral agreements.

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

We do not monitor this type of atmospheric emission in our operations.

SASB IF-EU-140a.2 | Number of noncompliance incidents associated with water quantity and/or quality licenses, standards, and regulations

In 2021, we did not report any cases of noncompliance regarding licenses or grants related to the harvesting, consumption and discharge of water.

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

Work safety indicators for employees and outsourced service providers

	2021	2020	2019
Total man-hours worked	3,748,896	2,203,762	2,981,805
Number of recordable accidents	7	2	5
Number of fatal accidents	0	0	0
Number of near misses	27	22	42
Recordable accident frequency rate (TRIR)	0.37	0.18	0.34
Fatality rate	0.00	0.00	0.00
Frequency rate of near misses	1.44	2.00	2.82

GRI 403-9 | Work-related injuries

Health & safety indicators
for own employees by region*

	2021			2020			2019		
	Northeast	Southeast	Total	Northeast	Southeast	Total	Northeast	Southeast	Total
Number of accidents	1	2	3	0	3	3	0	0	0
Number of accidents with leave of more than 15 days	0	1	1	0	1	1	0	0	0
Lost/debited days	7	3,698	3,705	0	141	141	0	0	0
Man-hours worked	68,276	1,051,930	1,120,206	17,645	1,018,158	1,035,803	21,053	983,646	1,004,699
Fatal accidents	0	0	0	0	0	0	0	0	0
Accident frequency rate with and without lost-time injuries	14.65	1.90	2.68	0.00	2.95	2.90	0	0	0
High-severity accident frequency rate**	0.00	0.95	0.89	0.00	0.98	0.97	0	0	0
Fatal accident frequency rate	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
Severity rate	103	3,515	3,307	0.00	138	136	0	0	0

*Rates calculated in accordance with NBR 14,280 on the factor of 1,000,000 man-hours worked.

**Considers accidents with leave of more than 15 days.

Health and safety indicators
for outsourced service providers by region*

	2021			2020			2019		
	Northeast	Southeast	Total	Northeast	Southeast	Total	Northeast	Southeast	Total
Number of accidents	5	2	7	2	4	6	1	15	16
Number of accidents with leave of more than 15 days	0	0	0	0	1	1	NA	NA	NA
Lost/debited days	0	0	0	0	112	112	4,660	142	4,802
Man-hours worked	1,832,293	796,397	2,628,690	196,186	971,773	1,167,959	223,211	1,753,895	1,977,106
Fatal accidents	0	0	0	0	0	0	0	0	0
Accident frequency rate with and without lost-time injuries	2.73	2.51	2.66	10.19	4.12	5.14	4.48	8.55	8.09
High-severity accident frequency rate**	0.00	0.00	0.00	0.00	1.03	0.86	4.48	8.55	8.09
Fatal accident frequency rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate	0	0	0	0	115	96	20,877	81	2,429

*Rates calculated in accordance with NBR 14,280 on the factor of 1,000,000 man-hours worked.

**Considers accidents with leave of more than 15 days.

GRI 405-1 | Diversity of governance bodies and employees

Diversity in the composition of the Board of Directors*

	2021	2020	2019
Number of members by gender			
Men	8	8	9
Women	3	3	2
Number of members by age group			
Up to 30 years old	0	0	0
31 to 40 years old	2	2	1
41 to 50 years old	1	2	3
From 51 years of age	8	7	7

*The Board of Directors of AES Brasil was established in December 2020. Due to the incorporation, in March 2021, of the shares of AES Tietê Energia S.A. and migration to the Novo Mercado, the historical values of 2019 refer to the Board of Directors of AES Tietê Energia, while those for 2020 and 2021 refer to the Board of Directors of AES Brasil Energia.

Number of employees by functional level by gender

	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
Executive Board	11	1	9	2	9	2
Management	25	7	23	6	19	5
Coordination	25	10	27	6	24	8
Administrative	94	115	106	95	116	93
Operational	234	12	179	1	171	1
Total	389	145	344	110	339	109

Number of employees by functional level and age group

	2021				2020				2019			
	Up to 30 years	31-40	41-50	From 50 years	Up to 30 years	31-40	41-50	From 50 years	Up to 30 years	31-40	41-50	From 50 years
Executive Board	0	3	8	1	0	2	8	1	0	3	7	1
Management	4	14	7	7	1	15	5	8	1	15	2	6
Coordination	0	15	15	5	2	14	12	5	4	12	12	4
Administrative	73	97	29	10	59	102	28	12	67	97	30	15
Operational	30	112	60	44	17	65	50	48	22	59	42	49
Total	107	241	119	67	79	198	103	74	94	186	93	75

Number of women in leadership positions

	2021	2020	2019
Board of Directors	1	2	2
Management	7	6	5
Coordination	10	6	8
Total	18	14	17

Number of people with disabilities by functional level

	2021	2020	2019
Board of Directors	0	0	0
Management	0	0	0
Coordination	0	0	0
Administrative	6	6	5
Operational	4	5	5
Total	10	11	10

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

Duration of stops per plant (hours)	2021		2020		2019	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Hydroelectric power plants						
Água Vermelha	1,682.5	297.6	329.9	123.0	620.6	97.8
Bariri	3,649.8	100.4	701.0	399.0	1,684.7	566.2
Barra Bonita	2,513.5	106.7	405.6	251.9	2,008.8	101.2
Caconde	207.6	0.0	912.1	102.5	258.8	93.7
Euclides da Cunha	631.3	278.4	211.7	69.8	1,664.0	122.8
Ibitinga	17.4	82.7	4,128.7	852.5	8,803.1	269.6
Limoeiro	636.2	58.8	255.6	110.9	601.8	248.3
Nova Avanhandava	267.9	85.1	149.3	60.2	1,682.2	229.7
Promissão	1,909.7	44.4	191.9	179.3	154.9	27.4
SHP Mogi	22.9	237.2	264.9	84.5	730.2	126.8
SHP São	81.8	797.4	8,606.0	55.4	8,760.0	0.0
SHP São	2,878.2	1,143.7	142.6	1,091.4	12,587.0	680.6
Subtotal	14,498.9	3,232.4	16,299.1	3,380.1	39,556.0	2,564.1
Alto Sertão II Wind Power Complex						
Da Prata	855.7	1,764.5	4,870.5	1,826.1	591.3	3,834.8
Dos Araçás	874.8	6,988.0	1,042.8	4,517.6	1,276.0	9,865.8
V Nordeste	1,017.5	1,950.5	817.2	962.7	892.3	6,063.5
Tanque	4,562.2	7,017.2	1,105.1	1,913.6	901.7	2,346.8
Morrão	3,301.5	16,296.3	2,649.4	9,249.7	916.3	5,530.4
Seraíma	2,437.2	10,340.0	1,019.3	6,562.4	1,634.6	7,565.6
Maron	1,194.5	1,093.0	787.7	1,083.7	900.4	2,246.5
Pilões	1,086.5	1,612.8	1,069.8	4,976.8	887.9	4,322.4
Ametista	2,237.5	2,243.5	932.8	2,359.0	883.0	2,239.7
Dourados	2,621.5	1,272.8	1,037.5	3,478.8	791.6	2,058.9
Caetité	5,127.3	2,724.2	1,035.2	1,802.4	933.0	4,548.1
S. do Espinhaço	2,430.0	1,843.7	553.6	1,463.5	621.1	6,445.5
Espigão	1,467.2	1,026.2	239.9	573.4	364.0	3,401.5
Borgo	964.3	1,375.7	541.6	1,858.7	546.5	1,049.7
Pelourinho	1,143.3	1,341.3	644.5	2,901.1	699.5	2,213.5
Subtotal	31,321.0	58,889.7	18,346.9	45,529.5	12,839.2	63,732.7

**Duration of stops per plant (hours)
(continuation)**

	2021		2020		2019	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Ventus Wind Power Complex						
Miassaba 3	12,943.3	23,107.0	NA	NA	NA	NA
Rei dos Ventos 1	8,964.0	14,920.9	NA	NA	NA	NA
Rei dos Ventos 3	5,435.3	43,553.3	NA	NA	NA	NA
Subtotal	27,342.5	81,581.3	NA	NA	NA	NA
Mandacaru Wind Power Complex						
Embuaca	0.0	9,222.2	NA	NA	NA	NA
Icarai de Amontada	0.0	10,542.2	NA	NA	NA	NA
Santo Antônio de Pádua	0.0	11,497.7	NA	NA	NA	NA
São Cristóvão	0.0	15,123.1	NA	NA	NA	NA
São Jorge	0.0	23,384.9	NA	NA	NA	NA
Subtotal	0.0	69,770.2	NA	NA	NA	NA
Salinas Wind Power Complex						
Areia Branca	0.0	6,934.7	NA	NA	NA	NA
Mar e Terra	0.0	2,053.4	NA	NA	NA	NA
Subtotal	0.0	8,988.0	NA	NA	NA	NA
Ouroeste Solar Power Complex						
AGV	NA	1,156.3	NA	962.9	NA	NA
Boa Hora	NA	95.5	NA	177.1	NA	544.9
Guaimbê Solar Power Complex	NA	351.3	NA	481.5	NA	248.1
Consolidated total of all assets	73,162.3	224,064.6	34,646.0	50,531.1	52,395.2	67,089.8

**Average availability factor
per plant (%)**

	2021	2020	2019
Hydropower plants			
Água Vermelha	96.1	99.1	98.6
Bariri	85.5	95.8	91.4
Barra Bonita	92.2	98.1	93.9
Caconde	98.6	94.1	98.0
Euclides da Cunha	97.2	99.2	94.9
Ibitinga	99.5	81.1	65.5
Limoeiro	95.5	97.9	95.1
Nova Avanhandava	98.4	99.2	92.7
Promissão	92.0	98.6	99.3
SHP Mogi Guaçu	98.4	98.0	95.1
SHP São Joaquim	89.5	1.4	0.0
SHP São José	75.7	93.0	24.3
Alto Sertão II Wind Power Complex			
Da Prata	97.7	94.1	96.1
Dos Araçás	95.3	96.7	93.3
V Nordeste	97.6	98.6	94.3
Tanque	92.7	98.1	97.9
Morrão	87.6	92.5	95.9
Seraíma	91.9	95.2	94.2
Maron	98.5	98.8	98.0
Pilões	98.3	96.2	96.7
Ametista	97.0	97.8	97.9

	2021	2020	2019
Dourados	97.4	97.0	98.1
Caetité	95.0	98.2	96.5
S. do Espinhaço	95.6	97.9	92.7
Espigão	95.3	98.5	92.8
Borgo	97.8	97.7	98.5
Pelourinho	97.8	96.9	97.4
Ventus Wind Power Complex			
Miassaba 3	82.2	NA	NA
Rei dos Ventos 1	86.3	NA	NA
Rei dos Ventos 3	81.8	NA	NA
Mandacaru Wind Power Complex			
Embuaca	81.7	NA	NA
Icaraí de Amontada	73.7	NA	NA
Santo Antônio de Pádua	59.3	NA	NA
São Cristóvão	74.1	NA	NA
São Jorge	57.3	NA	NA
Salinas Wind Power Complex			
Areia Branca	87.8	NA	NA
Mar e Terra	94.3	NA	NA
Oureste Solar Power Complex			
AGV	86.8	89.0	NA
Boa Hora	98.9	98.0	93.8
Guaimbê Solar Power Complex	96.0	94.5	97.2

GRI content index

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 101 Foundation 2016					
General disclosures					
	Organizational profile				
	102-1 Name of the organization	9	-	-	-
	102-2 Activities, brands, products, and services	9 and 11	-	-	-
	102-3 Location of headquarters	117	-	-	-
	102-4 Location of operations	29, 30 and 31	-	-	-
	102-5 Ownership and legal form	48	-	-	-
	102-6 Markets served	11, 29, 30 and 31	-	-	-
	102-7 Scale of the organization	5 and 6	-	-	-
GRI 102 General disclosures 2016	102-8 Information on employees and other workers	77 and 101	-	6	8 and 10
	102-9 Supply chain	93 and 94	-	-	-
	102-10 Significant changes to the organization and its supply chain	48 and 95	-	-	-
	102-11 Precautionary Principle or approach	7, 57 and 64	-	-	-
	102-12 External initiatives	14, 17, 51 and 72	-	-	-
	102-13 Membership of associations	101	-	-	-
	Strategy				
	102-14 Statement from senior decision-maker	3 and 4	-	-	-
	102-15 Key impacts, risks, and opportunities	12, 13, 14, 15, 32, 33, 34, 54, 55 and 56	-	-	-
Ethics and integrity					
	102-16 Values, principles, standards, and norms of behavior	10, 51 and 52	-	10	16
	102-17 Mechanisms for advice and concerns about ethics	53	-	10	16

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
GRI 102 General disclosures 2016	Governance				
	102-18 Governance structure	49	-	-	-
	102-35 Remuneration policies	50	-	-	-
	102-36 Process for determining remuneration	50	-	-	-
	102-37 Stakeholders' involvement in remuneration	50	-	-	16
	102-38 Annual total compensation ratio	101	-	-	-
	Stakeholder engagement				
	102-40 List of stakeholder groups	99 and 100	-	-	-
	102-41 Collective bargaining agreements	77	-	3	8
	102-42 Identifying and selecting stakeholders	99 and 100	-	-	-
	102-43 Approach to stakeholder engagement	99 and 100	-	-	-
	102-44 Key topics and concerns raised	99 and 100	-	-	-
	Reporting practice				
	102-45 Entities included in the consolidated financial statements	98	-	-	-
	102-46 Defining report content and topic Boundaries	99	-	-	-
	102-47 List of material topics	99	-	-	-
	102-48 Restatements of information	38, 44, 59 and 61	-	-	-
	102-49 Changes in reporting	98	-	-	-
	102-50 Reporting period	98	-	-	-
	102-51 Date of most recent report	98	-	-	-
102-52 Reporting cycle	98	-	-	-	
102-53 Contact point for questions regarding the report	98	-	-	-	
102-54 Claims of reporting in accordance with the GRI Standards	101	-	-	-	
102-55 GRI content index	108, 109, 110, 111 and 112	-	-	-	
102-56 External assurance	98, 115 and 116	-	-	-	
GRI Electric utilities sector supplement 2013	EU1 Installed capacity, broken down by primary energy source and by regulatory regime	27, 29, 30 and 31	-	-	7
	EU2 Net energy output broken down by primary energy source and by regulatory regime	29, 30, 31 and 38	-	-	7 e 14

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Economic and operational performance					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	36, 37, 38, 44, 45, 46 and 99	-	-	-
	103-2 The management approach and its components	36, 37, 38, 44, 45 and 46	-	-	-
	103-3 Evaluation of the management approach	16, 36, 37, 38, 44, 45 and 46	-	-	-
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	44	-	-	8 and 9
	201-2 Financial implications and other risks and opportunities due to climate change	58, 62 and 63	The costs are confidential, so they are no presented in this report	7	13
GRI Electric utilities sector supplement 2013	EU6 Management approach to ensure short and long-term electricity availability and reliability	25, 26, 27, 28, 36 and 37	-	-	7
	EU30 Average plant availability factor by energy source and by regulatory regime	29, 30, 31 and 105	-	-	1 and 7
Material topic Customer satisfaction					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	41, 42, 43 and 99	-	-	-
	103-2 The management approach and its components	41, 42 and 43	-	-	-
	103-3 Evaluation of the management approach	16, 41, 42 and 43	-	-	-
Material topic Energy intelligence					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	19, 20, 21, 22, 23 and 99	-	-	-
	103-2 The management approach and its components	19, 20, 21, 22 and 23	-	-	-
	103-3 Evaluation of the management approach	16, 19, 20, 21, 22 and 23	-	-	-
GRI Electric utilities sector supplement 2013	EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	19, 20, 21, 22 and 23	-	-	7, 9 and 17
Material topic Accessibility					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	25, 26, 27, 28 and 99	-	-	-
	103-2 The management approach and its components	25, 26, 27 and 28	-	-	-
	103-3 Evaluation of the management approach	16, 25, 26, 27 and 28	-	-	-

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Ethical and responsible management					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	51, 52, 53, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 93, 94, 95, 96 and 99	-	-	-
	103-2 The management approach and its components	51, 52, 53, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 93, 94, 95 and 96	-	-	-
	103-3 Evaluation of the management approach	16, 51, 52, 53, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 93, 94, 95 and 96	-	-	-
GRI 205 Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	52	-	10	16
	205-3 Confirmed incidents of corruption and actions taken	53	-	10	16
GRI 308 Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	95	There was no environmental assessment of suppliers in 2021	8	
	308-2 Negative environmental impacts in the supply chain and actions taken	95 and 96		8	
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	81	-	-	8
	403-2 Hazard identification, risk assessment, and incident investigation	82 and 83	-	-	8
	403-3 Occupational health services	82	-	-	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	82	-	-	8 and 16
	403-5 Worker training on occupational health and safety	82 and 84	-	-	8
	403-6 Promotion of worker health	7 and 82	-	-	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7	-	-	8
	403-8 Workers covered by an occupational health and safety management system	81	-	-	8
	403-9 Work-related injuries	83, 84 and 103	-	-	3, 8 and 16
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	78	-	6	4, 5, 8 and 10
	404-3 Percentage of employees receiving regular performance and career development reviews	80	-	6	5, 8 and 10
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	77 and 104	-	6	5 and 8
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-	Information omitted due to confidentiality.	6	5 and 8
GRI Electric utilities sector supplement 2013	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	82 and 84	-	-	8

GRI Standard	Disclosure	Page	Omissions	Global Compact	SDG
Material topic Social and environmental impact					
GRI 103 Management approach 2016	103-1 Explanation of the material topic and its Boundary	39, 49, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 85, 86, 87, 88, 89, 90, 91, 92 and 99	-	-	-
	103-2 The management approach and its components	39, 49, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 85, 86, 87, 88, 89, 90, 91 and 92	-	-	-
	103-3 Evaluation of the management approach	16, 39, 49, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 85, 86, 87, 88, 89, 90, 91 and 92	-	-	-
GRI 302 Energy 2016	302-1 Energy consumption within the organization	60 and 61	-	7 and 8	7, 8, 12 and 13
	302-3 Energy intensity	61	-	8	7, 8, 12 and 13
GRI 304 Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	64, 65, 66 and 67	-	8	6, 14 and 15
	304-3 Habitats protected or restored	66	-	8	6, 14 and 15
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	67	-	8	6, 14 and 15
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	59 and 60	-	7 and 8	3, 12, 13, 14 and 15
	305-2 Energy indirect (Scope 2) GHG emissions	59 and 61	-	7 and 8	3, 12, 13, 14 and 15
	305-3 Other indirect (Scope 3) GHG emissions	59	-	7 and 8	3, 12, 13, 14 and 15
	305-4 GHG emissions intensity	59	-	8	13, 14 and 15
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	85, 86, 88 and 92	-	1	-
	413-2 Operations with significant actual and potential negative impacts on local communities	86	-	1	1 and 2
GRI Electric utilities sector supplement 2013	EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	39 and 40	-	-	1 and 11
	EU25 Number of injuries and fatalities to the public involving company assets including legal judgments, settlements and pending legal cases of diseases	40	-	-	-

SASB content index

Electric Utilities & Power Generators

SASB Topic	SASB Code	Metrics Required by SASB	Page
Greenhouse gas emissions & energy resource planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	59
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	59
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	14, 62 and 63
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Not applicable to Brazilian electric utilities sector.
Air quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	102
Water management	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	70
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	102
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	32, 33, 34, 68 and 69
Coal ash management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Not applicable, because AES does not operate coal generation.
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Not applicable, because AES does not operate in the distribution sector.
Energy affordability	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Not applicable, because AES does not operate in the distribution sector.
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Não se aplica, pois a AES não atua no segmento de distribuição.
		Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Not applicable, because AES does not operate in the distribution sector.
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Not applicable, because AES does not operate in the distribution sector.

SASB Topic	SASB Code	Metrics Required by SASB	Page
Workforce health & safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	102
End-Use efficiency & demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Not applicable to Brazilian electric utilities sector.
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	Not applicable to Brazilian electric utilities sector.
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Not applicable to Brazilian electric utilities sector.
Nuclear safety & emergency management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not applicable, because AES does not operate nuclear generation.
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable, because AES does not operate nuclear generation.
Grid resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	56
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Not applicable, because AES does not operate in the distribution sector.
Activity metrics	IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	102
	IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	102
	IF-EU-000.C	Length of transmission and distribution lines	Not applicable, because AES does not operate in the distribution and transmission sectors.
		Total electricity generated, percentage by major energy source, percentage in regulated markets	29, 30, 31 and 38
	IF-EU-000.E	Total wholesale electricity purchased	102

Assurance report



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Limited assurance report issued by independent auditors

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

Introduction

We were engaged by AES Brasil Operações S.A. (“AES Brasil” or “Company”) to apply limited assurance procedures on the sustainability information disclosed in AES Brasil’s Integrated Sustainability Report 2021 (“Report”), in the accompanying information to this report related to the period ended December 31, 2021.

Responsibilities of AES Brasil’s Management

The Management of AES Brasil is responsible for adequately preparing and presenting the sustainability information in the Integrated Sustainability Report 2021 in accordance with the Standards for Sustainability

Report of Global Reporting Initiative – GRI, with the Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), with the Sustainability Accounting Standard – Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB) and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed

in the Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of AES Brasil and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:



a. engagement planning: considering the material aspects for AES Brasil's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the AES Brasil's Report.

This analysis defined the indicators to be checked in details;

b. understanding and analysis of disclosed information related to material aspects management;

c. analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the Standards for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards), with the Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report, prepared by the The International Integrated Reporting Council (IIRC) and with the Sustainability Accounting Standard – Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB));

d. evaluation of non-financial indicators selected:

- understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;

- application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
- analysis of evidence supporting the disclosed information;

e. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.

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

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual

assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures performed, described in this report, we have not identified any relevant information that leads us to believe that the information in AES Brasil's Integrated Sustainability Report 2021 is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards) with the Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 – Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report prepared by the International Integrated Reporting Council – IIRC) with the Sustainability Accounting Standard – Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB) and with the records and files that served as the basis for its preparation

Sao Paulo, March 3, 2022

KPMG Auditores Independentes
CRC 2SP014428/O-6

Sebastian Yoshizato Soares
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MSCI Disclosure Statement

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Sustainalytics Disclosure Statement

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