2021 SUSTAINABILITY REPORT

norteENERGIA
USINA HIDRELÉTRICA BELO MONTE

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Introduction

Much more than generating and marketing energy, Norte Energia contributes to the conservation and socioeconomic development of the Amazon.

To that end, its management highlighted the ESG aspects in 2021. Focused on sustainability and following the best practices in transparency, the Company presents its initiatives and challenges in this publication.

Enjoy your reading!

Message from the **CEO**

GRI 102-14, 102-15

Perseverance, evolution, and work are three words that summarize Norte Energia's year. Together, we were able to face the difficulties and close the period achieving motivating results – both from a business point of view and in the evolution of our ESG (Environmental, Social, and Governance) journey.

Due to the continuing Covid-19 pandemic, our priority continued to be the preservation of people's health and physical and psychological well-being. For this reason, our operations and activities respected the guidelines of the inspection and intervention agencies, such as the Ministry of Health, Ibama, and Funai. We have defined a gradual plan for returning to the offices – still following all the prevention protocols, despite the progress with vaccination.

Another tool to care for the employees' quality of life was the Happiness at Work program, based on Positive Psychology. The purpose of this program is to provide well-being, improve the organizational climate, retain talent, and develop interpersonal skills, while helping to increase productivity.

Thus, even when faced with an adverse scenario – with the country still affected by the pandemic and also by the greatest water shortage in decades –, the Belo Monte Plant has maintained its operation and the supply of electricity for millions of Brazilians across the country.

When faced with the adverse scenario driven by the pandemic and water shortages, the Belo Monte Plant maintained the supply of electricity for millions of Brazilians

Especially in 2021, our contribution to the HPP alone met more than 5% of the demand of the national energy market, reaching 13% in March, its month of highest generation, thus contributing to the preservation of the country's reservoirs. This energy is now certified as renewable through the INational Interconnected System (SIN) was very significant: the Belo Monte -REC Standard.

When it comes to business performance, Norte Energia totaled R$ 4.8 billion in net revenues in 2021, which represented a 10% increase compared to the previous year. In the same period, EBITDA advanced 26% and return on equity increased 58%. For us, these results represent the completion of a transition cycle that began in 2019.

In parallel with this consolidation stage, our management underwent a profound transformation process in 2021. One of the main purposes of this restructuring was to further emphasize ESG issues, adhering to the Equator Principles referenced by the International Finance Corporation (IFC), making the theme transversal to the business decisions and strategies, reinforcing our performance in a more transparent management aligned with the company's current state. The first step was to broaden the dialogue with our stakeholders, especially the indigenous, fishing, and riverine communities.

Once the cycle of active listening to stakeholders was complete, we renewed and reaffirmed our commitment to operate in line with our positioning: as the operator of the largest 100% Brazilian hydroelectric power plant and a forest company, in addition to producing and marketing renewable energy, we must continue to invest for the benefit of regional communities and indigenous populations, fostering the strengthening of those already working to protect the forest, as well as sustainable initiatives for socioeconomic development and preservation of the Amazon biome, especially in the Xingu river basin.

To that end, a set of initiatives was adopted in 2021, including the creation of the Sustainability Committee, a body linked to the Board of Directors; definition and validation of the Sustainability Policy by senior management; and the structuring of the Sustainability Superintendent, an executive area that, in the period, has already developed an ESG program for Norte Energia, encompassing initiatives and partnerships to strengthen the Company's actions.

There are still many benefits to be reaped from this work, but some seeds have already rendered fruits in 2021, such as the Yãde Project, an initiative that improves communication with indigenous communities through radiophone broadcasts in the region's native languages, which won the Aberje North-Northeast Award, and the installation of satellite antennas by the #Conecta Xingu project, which enabled Internet access and better communication conditions for indigenous peoples.

We are sure that there will be more successful initiatives to come, as well as many challenges to overcome. That is why we rely on the evolution of our Governance, the work of our employees, and the resilience of our investors in this long-term project. We persevere in our purpose of bringing results to investors, sustainable development to the Amazon region and renewable energy to Brazil.

Paulo Roberto Ribeiro Pinto
Chief Executive Officer of Norte Energia

We totaled R$ 4.8 billion in net revenues, which represented a 10% increase compared to 2020

Message from the **Board of Directors**

GRI 102-14, 102-15

We will continue to build a legacy of socioeconomic development and of preservation, respecting indigenous peoples and riverine communities

Looking back on 2021, our assessment is that the year was positive for Norte Energia, because by working together we were able to overcome a combination of adversities. The main one undoubtedly continued to be the pandemic, which we faced with the utmost rigor, placing people – both inside and outside the company – as top priorities. We are convinced, for example, that the set of measures we have adopted, described in this report, has contributed to a reduced number of deaths from Covid-19 among indigenous peoples and fishing and riverine communities. Added to that, the worsening of the water crisis and the volatility of energy prices in the market have affected the entire sector.

Our operational performance, however, was decisive in mitigating the negative impacts of these adversities on our results in the period. We achieved a monthly record with December's production (4,370 GWh) and ended the year with more than 31,795 GWh of energy generated with full availability of the 24 turbines for the National Interconnected System (SIN): the annual Availability Index of the Belo Monte HPP reached an exceptional 99.72% and the Pimental HPP came in at 95.99%. This result shows that, although we are still a very young company, which only began full operations in 2019, we are on an accelerated learning curve, which will be of great value for us to achieve the profitability desired by our shareholders in the future and continue sharing value with the Company's other stakeholders.

In a scenario of transition in the energy matrix and expansion of the free market, the consolidation of our operations in 2021 will give the Board of Directors the opportunity to look to the future, seeking innovative projects such as complementary energy generation from other renewable sources, which will make us more competitive and increase the Company's value. At the same time, the Board has placed new emphasis on Environmental, Social, and Governance (ESG) issues. Created in 2021, the Sustainability Committee and Superintendent defined a new policy for the area, adhering to the Equator Principles and the UN Sustainable Development Goals. Much more than generating and marketing renewable energy, reliably and at a fair price, we will continue to build a legacy in the areas surrounding our operations of socioeconomic development and preservation of fauna and flora biodiversity, respecting the indigenous peoples in their territories and the use of the resources from the Xingu River by the riverine communities.

Advancing beyond the actions already contemplated in the environmental licensing of the Plant and executed since 2011, Norte Energia started to manage even more relevant projects and promote initiatives in favor of this cause, including our first Greenhouse Gas (GHG) Emissions Inventory and the Norte Energia 2021 Sustainability Report. This document presents our present and future ESG vision to all stakeholders.

Enjoy your reading!

Pedro Luiz de Oliveira Jatobá
Chairman of the Board of Directors for Norte Energia

Highlights of the year

31,795+ GWh of renewable energy generated, more than 5% of the energy generated in the country

Receipt of the 2021 **Aberje Award**/North-Northeast Region - **Yãde Project** – Communication for All

Achievement the **I-REC** for Renewable Energy

Recognition of the Pará Culture Seal – Partner Company in Culture

Publication of the book *Natureza do Xingu – Plantas de Corredeiras*

1st Corporate Inventory of GHG Emissions

#Conecta Xingu installation of 79 satellite antennas in communities

Generation of R$ 4.8 billion in net sales revenues

Institution of the Sustainability Policy

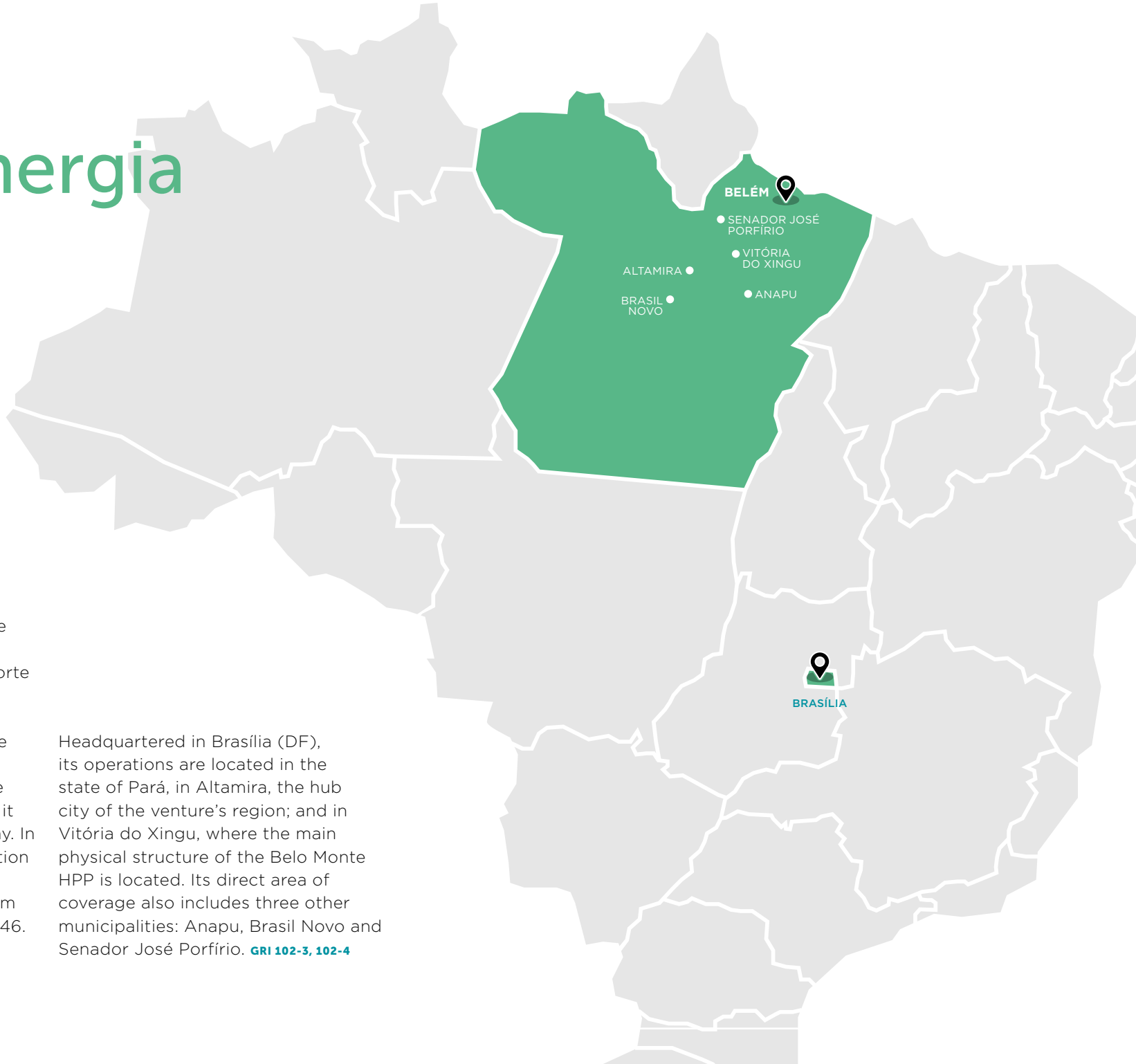
Extension of the power generation concession for 319 days

Execution of the Xingu Regional Sustainable Development Plan

Application for renewal of the Operating License

ABOUT US

Norte Energia



A private company, concessionaire of the Belo Monte Hydroelectric Power Plant (Belo Monte HPP), Norte Energia S.A. was incorporated as a Special Purpose Entity (SPE) in 2010, when it succeeded the Norte Energia Consortium that won the concession auction to manage the plant for 35 years. Ten years later, it became a publicly traded company. In addition, Aneel Normative Resolution 2.932/2021 was published in 2021, which updated the concession term for the Belo Monte HPP to 7/11/2046.

GRI 102-1, 102-2, 102-5

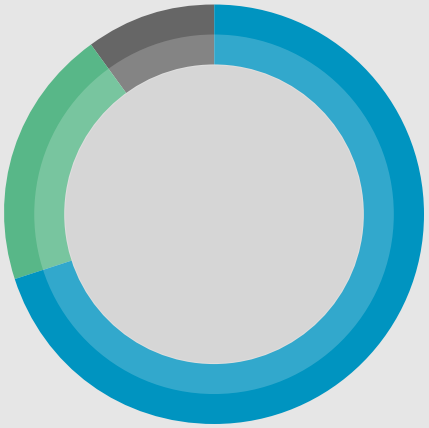
Headquartered in Brasília (DF), its operations are located in the state of Pará, in Altamira, the hub city of the venture's region; and in Vitória do Xingu, where the main physical structure of the Belo Monte HPP is located. Its direct area of coverage also includes three other municipalities: Anapu, Brasil Novo and Senador José Porfírio. **GRI 102-3, 102-4**

The largest 100% Brazilian hydroelectric plant, with 4,571 MW average of physical guarantee, Belo Monte began operating in April 2016. Its installed capacity of 11,233.1 MW was attained in November 2019, when the last of the project's 24 turbines came online. **GRI 102-7, EU1**

n 2021, the complex formed by the Belo Monte HPP and the Pimental HPP produced 31,795 GWh of power, which is equivalent to 5.27% of all power generated in the country in the year. With its seasonal generation regime due to the affluence of the Xingu River, the plant produced more than 13% of all power in the country in the month of March, its generation peak. **GRI EU2**

A member of the National Interconnected System (SIN), the Company supplies power to millions of people all over the country. Its marketing is distributed as shown in the chart below. **GRI 102-6, 102-7**

We produced 31,795 GWh of power in the complex formed by the Belo Monte and Pimental hydroelectric plants, 5.27% of all power generated in the country in 2021



70%
of the power serves 45 distributors through an Energy Commercialization Contract in the Regulated Environment (CCEAR).

20%
are directed to hedge and commercialization in the Free Energy Market.

10%
of the power generated is self-production, allocated to Norte Energia's partners in bilateral purchase and sale agreements.

2021 Power Generation (MWh)	
Belo Monte	30,393,840
Pimental	1,401,240
Total (MWh)	**31,795,080**

Commercialization (MWh)	
Regulated Contracting Environment (ACR)	28,029,372
Free Contracting Environment (ACL)	7,783,956
Total (MWh)	**35,813,328**

Average plant availability factor GRI EU30[1]

Unit	Generation availability	Planned downtime	Unplanned downtime
Belo Monte	99.72%	225	210
Pimental	95.99%	1,893	214

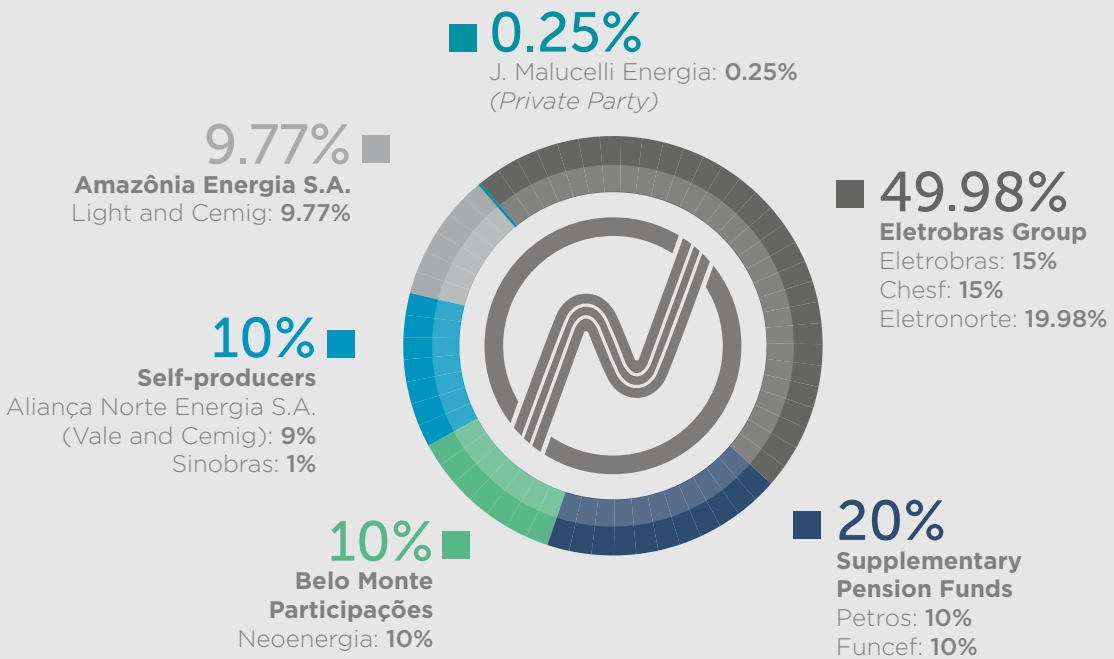
[1] The forced shutdown hours are calculated according to the Operador Nacional do Sistema Elétrico (ONS) Submodule 9.2 grid procedure, which classifies them into: 1) forced shutdown hours, 2) equivalent forced shutdown hours, 3) scheduled shutdown hours, and 4) equivalent scheduled shutdown hours. The indicator considers the sum of classifications 1 and 2 (forced shutdown + equivalent forced shutdown), that is, the indicator represents the nominal power limitations associated with a forced condition.

Shareholder composition

The shareholders of Norte Energia belong to different operating segments, in addition to complementary pension funds. For all purposes, the Shareholders' agreement considers:

- **"Private Party"**, the shareholders Petros, Belo Monte Participações, FUNCEF, J Malucelli Energia, Aliança Norte, Sinobras and Amazônia Energia, collectively considered;
- **"Private"**, the shareholder Amazônia Energia;
- **"Private Self-producers"**, the shareholders Aliança Norte and Sinobras, considered collectively;
- **"Private Institutions"**, the shareholders Petros, of Belo Monte Participações, of Funcef and of J. Malucelli Energia, considered collectively.
- **"Public Party"**, the shareholders Eletrobras, CHESF and Eletronorte, considered collectively.

As of December 31, 2021, the shareholding position of the company was:



Our shareholders are part of different operating segments

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our Norte GRI 102-16

Based on the hydroelectric potential of the Xingu River, Norte Energia operates the largest 100% Brazilian hydroelectric plant and, more than simply generating and marketing renewable, reliable and low-cost energy to the country, it generates wealth and socioeconomic development.

Norte Energia considers the targets of the 2030 Sustainable Development Goals (SDGs) pertinent to its economic, social and environmental performance.

In addition to adhering to the Equator Principles referenced in the International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability, the Company manages its impacts and generates value both with its shareholders and society – in particular the local and indigenous communities, basing its actions on the following precepts.

GRI 102-12, 412-3

Mission

Generate energy and sustainable development for the growth of Brazil.

Vision

To be a respected and admired company in the global electricity sector, which fosters economic and social development and is committed to projects that elevate the quality of life of the population in the region where it operates.

Values

- Ethical behavior
- Respect for people and the environment, as well as the company's assets
- Focus on results
- Courage and perseverance

BUSINESS MODEL

INPUTS

Natural Capital
- Renewable natural resources (water and sunlight for power generation)
- Permanent Preservation Areas

Human Capital
Employees and third parties

Intellectual Capital
Investments in innovation projects related to biodiversity, renewable energy, electric mobility and safety of the plant's structures

Social and Relationship Capital
- Relationship with local communities, indigenous populations, riverine populations, and other stakeholders
- Customers/distributors
- Active listening council

Financial Capital
- Income
- Financing
- Third-party capital

Manufactured Capital
- Belo Monte Hydroelectric Complex
- Photovoltaic plant modules
- Infrastructure, materials, and equipment necessary for the company's operation

MISSION

Generate energy and sustainable development for the growth of Brazil

Business activities

Generation and marketing of electricity to the national system, from renewable sources

Provision of ancillary services to the SIN to guarantee that the national electrical system, from generation to consumption, works adequately

Promote ESG strategies and practices, as well as implement social and environmental actions linked to licensing, regional socioeconomic development and environmental protection

Risk management – External environment

Covid-19 pandemic
Economic and political-institutional scenario
Hydrogram and climate change
Hydrological risk and transmission constraints

VALUE GENERATION

Natural Capital
- Ecosystem restoration and biodiversity conservation
- Interference in natural environments
- Maintenance of the water quality of the Xingu River

Human Capital
- Employee training, development and engagement
- Health and Safety Programs

Intellectual Capital
- R&D and innovation projects
- Investments in forest entrepreneurship startups

Social and Relationship Capital
- More than R$ 6 billion in social and environmental investments
- Belo Monte Social Monitoring Forum (FASBM)
- Interlocução, fortalecimento e viabilização de projetos em indigenous communities
- Belo Monte Community Program
- Dialogue with social and environmental organizations and impact businesses for the development of communities
- Reporting Channel
- Relocation of the affected population
- Recomposition of riverine way of life
- Remediation projects and actions
- Relationship with governments and regulatory agency

Financial Capital
- Revenues from taxes and royalties
- Compensation of own and third-party capital
- Fostering the economy and local development

Manufactured Capital
- Renewable energy generated and certified for supplying the country
- Urban, rural and indigenous infrastructure in the power plant's area of influence, including housing, health, sanitation, public safety, education, social welfare, as well as cultural and institutional facilities

Timeline

The history of the largest 100% Brazilian hydroelectric plant in search of development and sustainability

The origin of the studies for the hydroelectric use of the Xingu River goes back to **1975**, when Eletronorte began studies for the Hydroelectric Inventory of the Xingu River Hydrographic Basin. Since then, the history of the largest 100% Brazilian hydroelectric plant has navigated a winding river and its project was adapted to achieve sustainability.

On this course, born as the Babaquara-Kakaraô Complex, the project would have an installed capacity of about 14,000 MW and a flooded area of more than 7,200 km2, equivalent to over four times the city of São Paulo. The changes to the design were made as the dialogue with communities, civil society organizations, and public authorities expanded.

Several demands from the indigenous populations were met, including the name change to Belo Monte. Social, environmental and cultural studies were adjusted, and the dismemberments created a framework of compensations and mitigations that became, later on, one of the largest environmental licensing processes in Ibama's history.

Along with the studies, the model for structuring the plant was revised with the exclusion of the water regulation and accumulation reservoir, and the displacement of the main dam in order to ensure that the Indigenous Lands would not be flooded.

The implementation of a Deviation Channel and boat and fish transposition systems were also planned, which would guarantee navigation and fish migration in Volta Grande do Xingu.

This format transformed the current Belo Monte HPP into a run-of-the-river power plant that does not require the use of a water regulation reservoir. Although this change resulted in a reduction to the power generation capacity, it certainly gave the project a considerable social and environmental gain by reducing the magnitude of the impacts when compared to the first arrangement. In the current model, a decrease in the flooded area to 478 km2 was achieved, approximately half of which corresponds to the riverbed itself.

Construction began in **2011**, at he first generating unit came online in **2016**, and the venture was completed in **2019.** From source to mouth, some landmarks of this journey are highlighted below.

1975

- Eletronorte begins studies for the Hydroelectric Inventory of the Xingu River Basin
- Conclusion of the first feasibility studies for the Belo Monte HPP

1994

- Revision of the engineering configuration established in the 1989 feasibility study decreases the flooded area to ensure that indigenous lands are not flooded

2000

- Start of the Feasibility Studies for the Upstream Alternative and the EIA for obtaining the Preliminary License

2002

- Conclusion of the Feasibility Studies for the Belo Monte Hydroelectric Complex, without the chapter on Environmental Studies

2005

- National Congress authorizes Eletrobras to complete the feasibility studies

2007

- Term of Reference for the EIA is issued by Ibama

2010

- Ibama grants the Preliminary License, and the Federal Government holds the concession auction, won by the Norte Energia Consortium[1]

2011

- The Installation License is obtained and structural civil work begins

2012

- Norte Energia adheres to the Equator Principles (IFC)

2015

- First Operating License is granted by Ibama

2016

- Start of commercial operation, with three turbines

2017

- Five more turbines come online

2018

- Four more turbines come online

2019

- Official inauguration with all 24 turbines online

2020

- Norte Energia is registered with the CVM as a publicly traded company
- Social responsibility project Belo Monte Community receives the Aberje Award/North-Northeast Region

2021

- Request for renewal of the Operating license with Ibama
- Yãde Project wins Norte Energia the Aberje North-Northeast Award for the second year
- Creation of the Sustainability Committee and the Sustainability Superintendent
- I-REC Standard certification is obtained, attesting to the renewable attribute of the generated energy
- 319-day extension of the concession

[1] Norte Energia was only incorporated in July 2010, following an auction.

Corporate Governance GRI 102-18

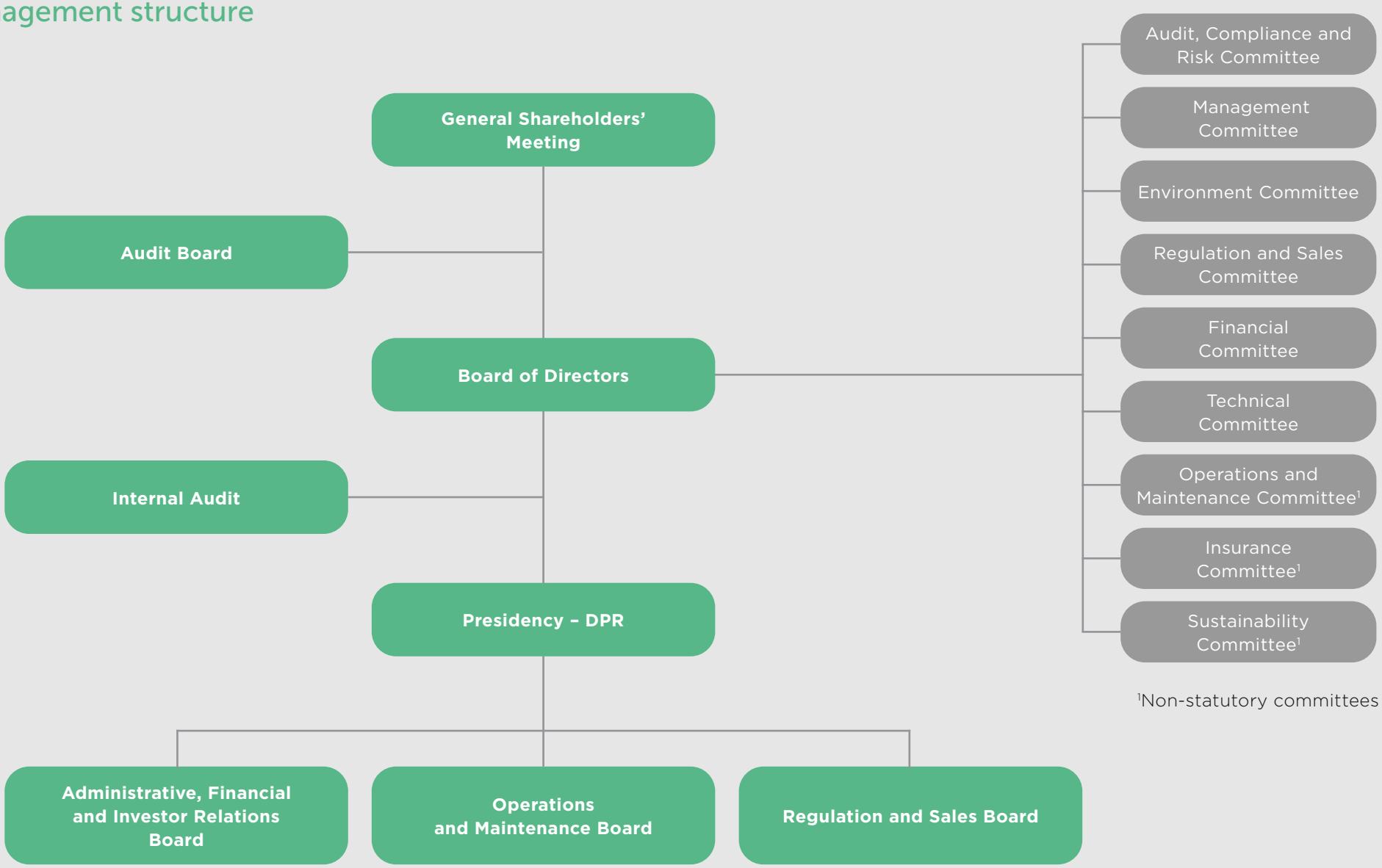
Under a transparent and sustainable management model, Norte Energia is governed by instruments such as Bylaws, Shareholders Agreement, Conflict of Interest Policy, Code of Conduct and Ethics and Consequences Policy, in addition to seeking its continuous improvement in line with the guidelines of the Code of Best Corporate Governance Practices of the Brazilian Institute of Corporate Governance (IBGC). The company also adopts a series of actions to ensure that business is conducted in an ethical manner and decision-making is shared.

Its governance structure consists of a Board of Directors, an Audit Board and an Executive Board, in addition to the General Shareholders' Meeting. The positions of chairman of the Board of Directors and CEO cannot be accumulated by the same professional, and the overall compensation of management and the Audit Board is set by the General Shareholders' Meeting. The compensation policy is described in the Reference Form, between pages 355 and 378. GRI 102-23, 102-35, 102-36

Com relação à composição dos órgãos de governança da empresa em 2021, vale destacar que 76% dos membros eram homens e 24% mulheres; nenhum membro tinha idade inferior a 30 anos, 23% tinha entre 30 e 50 anos e 77% acima de 50 anos de idade. GRI 405-1

In addition to the General Shareholders' Meeting, our governance structure consists of the Board of Directors, the Audit Board and the Executive Board

Management structure



[1]Non-statutory committees

Board of Directors

GRI 102-22, 102-24, 102-26

A collegiate decision-making body, the Board of Directors comprises 12 full members, two of whom are independent members selected in the market, and an equal number of alternates (except for the independent members who do not have alternates), elected and removable by the General Shareholders' Meeting, which also defines its chairman.

The Board of Directors meets ordinarily once a month or extraordinarily whenever called by its chairman or two thirds of its members. Its duties include the establishment of general long-term strategic business guidelines and the selection of the executive board, as well as the supervision of its performance.

At the end of 2021, the Norte Energia's Board of Directors was as follows:

Pedro Luiz de Oliveira Jatobá
Chairman
Fabio Lopes Alves
Board member
José Maria Rabelo
Board member
José Roberto Bueno Júnior
Board member
Leonardo de Paiva Rocha
Independent board member
Luiz Eduardo Batata Ferreira
Board member
Marina Freitas Gonçalves de Araujo Grossi
Independent board member
Nélio Henriques Lima
Board member
Ney Zanella dos Santos
Board member
Ricardo Batista Mendes
Board member
Roberto Parucker
Board member
Solange Maria Pinto Ribeiro
Board member

Learn more about the members of the Board of Directors and their terms of office on this page from Norte Energia's IR website.

Advisory Committees

In 2021, Norte Energia's Board of Directors was assisted by nine committees, six statutory and three non-statutory.

With two-year terms of office that correspond to those of the Board of Directors, the members of the committees must have experience and technical skills related to key topics in order to support the Board in defining strategic and operational guidelines for the subject.

The statutory committees include:

- Audit, Compliance and Risk Committee
- Management Committee
- Environment Committee
- Regulation and Sales Committee
- Financial Committee
- Technical Committee

In 2021, the Board of Directors was also supported by three other non-statutory committees:

- Insurance Committee
- Operations and Maintenance Committee
- Sustainability Committee

With dynamic and strategic operation, the Sustainability Committee is formed exclusively by members of the Board of Directors and its main purpose is to guide the in-depth debate on the topic to ensure that the company can achieve the commitments made in its Sustainability Policy, as well as the incorporation of ESG practices as part of the organizational culture.

Executive Board

Responsible for the management and representation of the company, Norte Energia's statutory executive board, consisting of four executives, is elected by the Board of Directors for a three-year term, with re-election permitted for an equal period of time. The choice is made based on a market recruitment and selection process.

The Board of Directors ended 2021 with executives in the following roles:

Chief Executive Officer:
Paulo Roberto Ribeiro Pinto

Chief Administrative, Financial and Investor Relations Officer:
Luiz Fernando Rolla

Chief Operations and Maintenance Officer:
Wady Charone Júnior

Chief Regulatory and Commercialization Officer:
Franklin Kelly Miguel

Audit Board

Norte Energia's Audit Board is made up of five full members, including a chairman, and five alternates. The meetings are held quarterly or when called by any of its members. As an inspection body of management acts, it analyzes the financial statements and provides an opinion on investment plans, among other duties.

At the end of 2021, the Audit Board included five members and their respective alternates, who are elected and removable by the General Shareholders' Meeting. The term of office of these members ends on the date of the first General Shareholders' Meeting of the fiscal year following their election, and re-election is allowed.

Learn more about who they are, their resumes and terms of office on this page of the Company's IR website.

Duties of the Board of Directors include establishing strategic guidelines, selecting the Executive Board, and supervising performance

Risk Management

GRI 102-11, 102-15

The risk management model adopted by Norte Energia consists of three spheres of action, response and monitoring of risks, in which the managers from each area are directly responsible for the identification and development of strategies for addressing and executing the risk response initiatives:

- The Superintendent of Risks, Internal Controls and Compliance supports the areas in identification and treatment, as well as in monitoring the execution of the initiatives and risk behavior;

- Internal Audit systematically supervises the fulfillment of the activities in the two previous steps;

- The Audit, Compliance and Risk Committee monitors and supervises this model.

The Superintendent of Risks, Internal Controls and Compliance operates in four dimensions:

- **Corporate risk management:** monitors the mitigation actions for strategic risks related to the Company's strategic issues, including Environment, Social and Governance (ESG) topics that may cause damage to its image and reputation. It is noteworthy that the topics of Climate Change and Human Rights are addressed in the Company's risk matrix;
  GRI 103-2, 103-3 | 412, 201-2
- **Internal process controls:** mapping of processes and adoption of actions to reduce or eliminate transactional risks in the Company's daily activities;
- **Compliance/Integrity:** focused on anti-corruption legislation and on the development of an integrity culture;
- **LGPD:** in 2021, the superintendency absorbed the process of adaptation to the Brazilian General Data Protection Law. Internal mapping and diagnosis were conducted to implement a methodology and tool to ensure the security of data captured from individuals. **GRI 412-3**

Risk Management Policy

The policy defines principles, guidelines, and structure for the Company's risk management, guiding the processes of identification, assessment, response, treatment, and monitoring of risks in the corporate environment, enabling the prevention of their impacts on the Company's business strategies.

Adhering to the recommendations of the Sponsoring Organizations of the Treadway Commission ("Coso"), ERM Framework Update and ISO 31000, the policy establishes five fronts of attention to Norte Energia's risk exposure:

- **Business risks –** Uncertainty of the variables intrinsic to the business, such as hydrological risk and the conditions for selling energy in the Free Trade Environment (ACL);
- **Financing Risks –** Uncertainty about contracted financial resources and their sufficiency to finance the venture's operation;
- **Regulatory, legal and political risks –** obligations related to environmental licensing; regulatory, tax, labor and environmental inspection; possible changes in the rules by regulatory agencies; and risks of political changes that may affect the Company's business;
- **Operational risks –** the possibility of losses resulting from inadequate internal processes, technological failures, human or system errors, including environmental, social or fraud-related risks;
- **Reputational risks –** Potential negative impact on the Company's value resulting from conducting activities below the expectations created by stakeholders.

Climate Change GRI 201-2

The generation of 100% renewable energy and the performance of activities with low levels of Greenhouse Gas (GHG) emissions show the company's positive role in combating climate change and in contributing to a clean and renewable energy matrix.

Hydroelectric generation is the basis of our power generation, which exposes the company to hydrological risk. Climate change could result in changes to rainfall patterns, affecting the availability of affluent water from the Xingu River, which could reduce the power plant's generation level. To mitigate this risk, the company acts in protecting the Xingu River basin, with vegetation recomposition actions, environmental education and specific actions, such as the replacement of fossil fuel power generation in the region's communities with photovoltaic energy and financial support to the Kayapó indigenous people, who play a relevant role in the area's environmental protection.

Changes in the generation level of the Belo Monte HPP and other hydroelectric plants in the country could lead to financial risk due to the reduction of hydraulic generation with increased costs of compensation in the Energy Reallocation Mechanism (MRE), worsening of the GSF factor and changes in energy prices. The renegotiation of hydrological risk (GSF) and the management of energy sale, including long-term agreements signed at the time of the plant's auction, aim to mitigate financial risks.

Opportunities include the development of technical knowledge and new products from the allocation of investments in R&D projects to develop solutions in electric mobility adapted to the Amazon region.

The compensation of the Belo Monte plant for its renewable attribute may represent an opportunity for additional revenue from the sale of certificates of origin, I-RECs. Information about this and other projects (Green Energy, Kayapó, and R&D) is detailed throughout the **ESG Strategy** chapter.

Internal assessment GRI 102-30 – Evaluated periodically or whenever there is a significant change in the organizational structure or business environment, Norte Energia's Corporate Risk Matrix has prioritized 11 Corporate Risks, which are monitored and reported monthly to the Audit, Risk and Compliance Committee. In 2021, the Board of Directors started an internal debate on how to include Environment, Social and Governance (ESG) topics in the matrix, which also led to the creation of the Sustainability Committee.

In addition, the Risk Management Policy is already incorporated into the strategic decision-making process, practices and organizational processes of Norte Energia, and the Superintendent of Risks, Internal Controls and Compliance reports directly to the company's CEO.

Security practices

GRI 103-2, 103-3 | 410, EU21, EU25

Norte Energia follows a preventive security strategy, with an integral vision in order to minimize security risks and accidents with the population in the areas close to the operational structures of the Belo Monte HPP, as well as actions of vandalism, theft of materials and equipment, among others.

When necessary, the Crisis Committee is immediately called. This committee makes it possible to centralize, coordinate, define strategies, establish the content of the messages with the different stakeholders, set goals, and direct the actions that should be adopted.

In the year 2021, there were no accidents or deaths among the surrounding population involving the company's assets, nor were there any demands or judicial decisions regarding illnesses.

Dam Safety GRI EU21

As determined by federal law 12334/2010, which provides for dam safety in Brazil, the Belo Monte HPP has a Dam Safety Plan. The actions of this Plan are periodically inspected by the National Electric Energy Agency (ANEEL).

Since 2020, Norte Energia uses Sysdam, which is a computer system to support dam safety management, to organize safety information, support assessments and assist in dam operation, with constant updating of the Dam Safety Plan, Emergency Action Plan, Risk Mitigation Plan and other operational and constructive information relevant to Dam Management.

The monitoring of the structures, one of the preventive measures included in the Dam Safety Plan, is considered one of the best equipped in the country – with 2,640 instruments of 12 different types, which periodically evaluate the performance of the concrete structures (Water Intake, Spillway and the two Powerhouses) and the 28 dikes that make up the Intermediate Reservoir and the Pimental and Belo Monte dams.

Norte Energia has been looking for technical alternatives that provide more precision and reliability to the instrument readings. As such, starting in January 2020 and throughout the year 2021, the use of robotic stations was adopted in the topography services, introducing geodesic monitoring to Belo Monte's dikes, dams, and concrete structures.

Aware of the importance of field inspections, Norte Energia included the fulfillment of the quarterly dam safety inspection schedule in its 2021 Goal Plan, which were conducted on time.

Additionally, the dams are continuously and systematically monitored by means of weekly routine inspections in all of the venture's structures, duly recorded in the Dam Safety Management System, in compliance with paragraph 1 of article 10 of Aneel Normative Resolution No. 696/2015.

Based on the information obtained in the field inspections and instrument readings, a maintenance plan is drawn up for the dikes and dams. The Management System therefore enables the constant evaluation of the safety status of the structures, as it allows for the early detection of the need for the maintenance team to act, also ensuring that most maintenance actions are predictive and preventive, with few occurrences of corrective actions.

Diagnosis reveals that the structures of the Belo Monte Complex's dikes and dams fall under the best category established by Aneel

It is noteworthy that all the dikes and dams of the Belo Monte Complex are at the best level of safety of the structures according to criteria established in Aneel Normative Resolution No. 696/2015.

The Emergency Action Plan (PAE) for the Belo Monte Complex consists of an important tool to identify and compile, in a single document, the procedures and actions that must be implemented to mitigate risks and efficiently respond to emergency situations. The PAE highlights the responsibility of the venture to provide self-protection elements, give theoretical training, and conduct full-scale simulations (evacuation), training the population residing in the Self-Rescue Zone (ZAS) to face a dam safety emergency situation.

With regard to self-protection elements, Norte Energia has deployed 14 sirens in 11 communities, 42 km of "Best Way" routes (escape routes), and 2,000 signs to guide and indicate safe points (meeting points) outside the flooded area. As for the theoretical training and Full-Scale Simulations in the ZAS communities, it is important to emphasize that the first cycle was conducted in 2019 and retraining in 2021, always relying on the active participation of the state and municipal Civil Defense agencies. As for the implementation and management of the PAE, it should be noted that the actions are adherent to the alignments agreed upon with the supervising agency (Aneel).

Compliance GRI 103-2, 103-3 | 205, 406

At Norte Energia, 2021 was the year for consolidating the Integrity Program, which was implemented in 2019, aligned with the best market practices and adherent to anti-corruption legislation. The Program has set up the Ethics and Corporate Integrity Committee composed of the superintendents of the Compliance, Legal, HR, and Internal Audit areas. In addition to fulfilling its role in deploying mechanisms and controls to prevent fraud and combat corruption, according to new guidelines from the Board of Directors, the program's scope is expanding beyond compliance with anti-corruption legislation, also focusing on the generation of social, environmental and sustainable value.

Currently, the focus of compliance is to detect possible violations of laws and/or internal policies, disclose and verify compliance with the Code of Conduct and Ethics, the Conflict of Interest Policy, and other regulations of the Company's Integrity Program framework, which was created based on Law 12.846/13 (Anticorruption Law) and also considered aspects of international treaties to which Brazil is a signatory, such as those from the UN and the Global Forum (OECD).

Throughout 2021, for example, no instances of computed corruption were identified in the Company's environment. In addition, the area is responsible for defining action plans for mitigating and monitoring the related risks and periodically analyzing the processes and their controls. GRI 205-1, 205-3

The dissemination of the compliance culture is also focused on interns, apprentices, outsourced employees, and suppliers. The communication methodology consists of using campaigns and periodic training to disseminate information necessary to ensure that people are up to date as to the importance and criticality of events related to compliance, anti-corruption, ethics, and the Company's guidelines. Interactive training on the topics of the Code of Conduct and Ethics and other standards of the Integrity Program is held annually with the participation of 100% of employees, including interns and apprentices. All employees and members of governance bodies are notified about anti-corruption policies and procedures. GRI 205-2

Provided via an online platform in December 2021, the **Integrity Program Training** was mandatory for all employees. But to encourage quick access to the course, the first ten employees who completed it were rewarded with Nesacoins, the currency used in several internal actions of Norte Energia's corporate social network.

Norte Energia's **Code of Ethical Conduct** establishes behavioral attitudes and practices, as well as values and standards of conduct to be adopted and respected by all. Its principles contribute to all employees acting with integrity, fairness, and respect towards public agencies, suppliers, communities, and the environment. The code is also part of the agreements signed with service and equipment suppliers, as well as energy buyers and sellers. The document rejects practices such as corruption, discrimination, child labor, and forced or compulsory labor. GRI 103-2, 103-3 | 205, 406, 408, 409

Reporting channel

GRI 102-17, 103-2, 103-3 | 205, 406, 408, 409, 412

Independent, confidential and impartial, the Norte Energia Reporting Channel is one of the main mechanisms of the Company's Integrity Program and is managed externally by a specialized company. The channel is made available to the internal and external public in general for reports of any deviations from Norte Energia's Code of Conduct and Ethics.

The entire process of investigating complaints is regulated by the Ethics and Corporate Integrity Committee's Internal Rules, the Consequences Policy, and the Normative Instruction on Accountability. All reports are investigated with the appropriate responses and conclusions posted on the Channel's website.

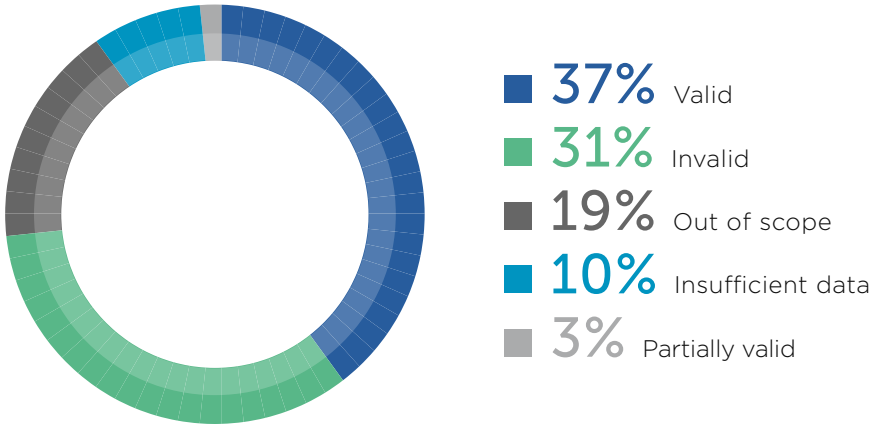
Complaints are investigated by the Risks, Internal Controls and Compliance Superintendent or by the Internal Audit Superintendent, in accordance with the guidance of the Ethics and Corporate Integrity Committee, which may also order investigations by specialized third parties.

Created in 2019, the channel was revised in 2021 to ensure better timeliness in its responses. The tool can be accessed through:

Toll free:
0800 941 9667,
Monday to Friday, 9 a.m. to 5 p.m.
Website: **canalconfidencial.com.br/norteenergia/**

Since the creation of the channel in April 2019, 145 complaints have been received, of which 133 have been completed, with the remaining complaints still being investigated. The following chart shows the types of referrals given to the complaints and the conclusion of the investigations:

Total incidents – by completion type



Norte Energia also maintains other communication channels that seek to broaden the dialogue between stakeholders in the HPP's Area of Direct Influence (AID) and facilitate the mediation of conflicts related to environmental licensing. The main channel is the Belo Monte 24-Hour Service Center, a toll-free phone service (0800-091-2810) managed by Norte Energia. Services are also provided at the Communication Centers in Volta Grande do Xingu (in Vila da Ressaca and the Rio das Pedras community) and with the On-Site Assistance Teams, as well as through the radiophone system that is part of the Indigenous Communication Program (PCI).

Both the activities of this set of communication channels, as well as their results, are monitored by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama), the National Indian Foundation (Funai), and the independent auditors of the funding banks. In practice, these channels function as an instrument to clarify doubts and receive comments and complaints, especially those coming from the communities surrounding the plant. Requests, complaints and/or compliments can be sent remotely or in person, and are registered in a specific system.

The Communication and Press Department and the other areas of Norte Energia are responsible for processing occurrences to ensure their proper handling and feedback to the claimants.

The table to the side includes the number of records from the last three years.

Grievance mechanisms[1] GRI 103-2

Communication Centers in Volta Grande do Xingu (Ressaca and Rio das Pedras)	2019	2020	2021
Number of reports identified through the mechanism	1,670	279	206
Number of reports addressed	1,670	279	206
Number of reports resolved	1,612	129	79
Number of reports registered before the reporting period and resolved during this period	N.D.	N.D.	N.D.

Belo Monte 24-Hour Service Center (0800 091 2810)	2019	2020	2021
Number of reports identified through the mechanism	5,940	4,577	4,830
Number of reports addressed	5,940	4,577	4,830
Number of reports resolved	5,146	3,993	3,304
Number of reports registered before the reporting period and resolved during this period	N.D.	N.D.	N.D.

[1] The Assistance Teams, as a service in a physical space, were discontinued in 2019, and as of 2020, they operated as On-Site Assistance Teams, but had their activities temporarily suspended due to the pandemic.

Belo Monte 24-Hour Service Center (0800 091 2810)

The Indigenous Communication Program (PCI) brings together the service and response mechanisms for the clarification of doubts, comments and complaints from indigenous peoples, as well as facilitating the search for a solution to these demands. Requests, complaints, and compliments are received remotely and/or in person, and they are registered in a specific system, with direct processing by Norte Energia's Indigenous Social and Environmental Department (GSI) for proper handling and feedback to the indigenous peoples.

Since 2020, the PCI has also produced institutional press releases translated into the Tupi and Macro-Jê language branches and those of the Karibe family, as well as Portuguese, aiming to ensure greater access by the indigenous population to the information disclosed by the company.

In the physical structure destined for the installation and operation of the PCI (radiophone system), a team hired by Norte Energia provides on-site and/or remote assistance to the indigenous peoples, according to their demands.

The following is the number of records created by the PCI in the last three years:

Radiophone System GRI 103-2

PCI – Radiophone System	2019	2020	2021
Number of reports identified through the mechanism	3,892	4,236	3,404
Number of reports addressed	3,892	4,236	3,404
Number of reports resolved	3,821	3,730	2,757
Number of reports registered before the reporting period and resolved during this period	N.D.	N.D.	N.D.

Information Center

Information Center	2019	2020	2021
Visits[1]/Assistance	3,404	722	93

[1] Equipment deliveries for repair and use of the space

Institutional press releases are translated into Tupi and Macro-Jê language branches and those of the Karibe family

Our People

GRI 103-2, 103-3 | 401, 402

The multidisciplinary Connecting Our People project updated our organizational structure

With the conclusion of Belo Monte HPP's deployment and consolidation of the operation, the profile of Norte Energia's employees changed, with a redirection to the Operations & Maintenance (DOM) and Regulatory and Commercialization (DRC) boards.

Therefore, it was necessary to update the Company's organizational structure, so Connecting Our People (Conexão Nossa Gente) was created. Divided into four phases, the multidisciplinary project redefined the functions of all areas and the positions that comprise them. From there, for example, the Production and Deployment Board was replaced by the Operations and Maintenance Board; the Administrative and Financial Board also encompassed Investor Relations, and the Sustainability Superintendent, linked to the Presidency, was created.

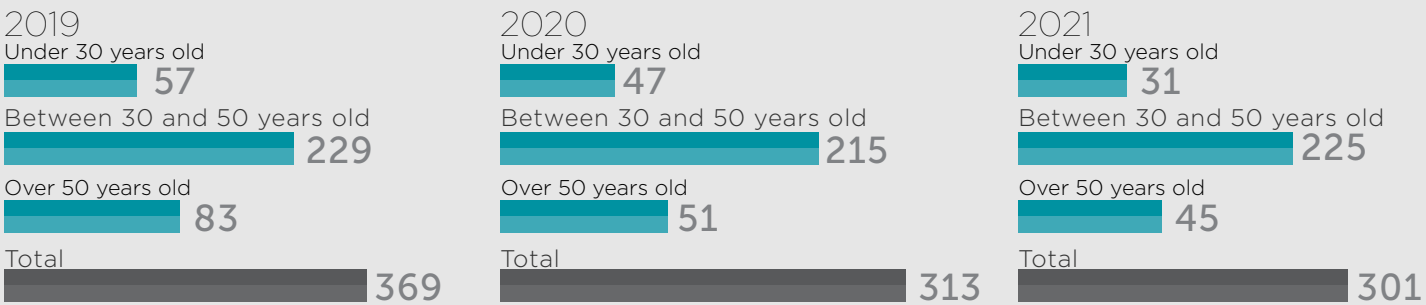
At the end of 2021, Norte Energia had 301 employees, 3.8% less than at the end of 2020. The turnover rate for the year was only 0.17. **GRI 102-8, 401-1**

Employees by employment contract[1] and employment type[2], by region and gender GRI 102-8

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Altamira	202	71	**273**	161	60	**221**	146	52	**198**
Brasília	67	29	**96**	60	32	**92**	72	31	**103**
Total	**269**	**100**	**369**	**221**	**92**	**313**	**218**	**83**	**301**

[1] All Norte Energia employees have indefinite employment contracts. **GRI 401-2**
[2] All Norte Energia employees work full time. **GRI 401-2**

EMPLOYEES BY AGE RANGE GRI 102-8



Happiness at Work

Created in 2021, the Happiness at Work program aims to offer well-being to employees, improve the organizational climate, retain talent, increase productivity, and develop interpersonal skills.

Based on Positive Psychology, which advocates the development of virtues to promote the health and well-being of individuals and corporations, the program has been developing actions based on five pillars:

Pilares	Descrição	Principais iniciativas
1. Positive emotion	Experiencing well-being and happiness in life involves having positive emotions like gratitude, satisfaction, inspiration, hope, curiosity, or love.	Agreements for discounts Employee Day Birthday Day Off[1] GymPass[1] Christmas Present Integration Program
2. Engagement	When we are engaged in a situation, project, or activity, we experience a state of fluidity. The more we experience this type of sensation, the more likely it is that our well-being will increase.	The main communication channel with the internal public, the Digital Integration Platform (PID) contains initiatives with games and a virtual company currency called Nesacoins[1] Workplace exercise[1] You make the difference[1]
3. Relationships	Many surveys have already shown that people with meaningful and positive relationships are happier than others.	People Energy Show Coffee with the CEO Sports Circuit (new bike group edition)[1] Book Club[1] Feedback culture[1]
4. Meaning	Everyone benefits from finding meaning and purpose in their lives, which correlates with well-being, happiness, and growth.	Our People Project Campaign on commitment to Purpose, Mission, Vision and Values[1] Volunteer group[1]
5. Accomplishment	Having explicit goals in life and making efforts to achieve them are important for well-being and happiness. Achievement helps build self-esteem and provides a sense of fulfillment.	Lecture Circuit (live broadcasts) on self-knowledge SodexoPass Health campaigns Mindfulness Safety culture[1] Financial education[1]

[1]Actions planned for 2022.

In a second stage, the program's impacts will be measured starting in 2022

In a second stage, starting in 2022, the impacts of the program will be measured and monitored by the "Happiness at Work" indicator. This is an adaptation of the Gross National Happiness (GNH) indicator, created by the UN to measure the development of happiness in a nation.

Diversity GRI 103-2, 103-3 | 405

Norte Energia believes in diversity as an indispensable value in building an equitable and productive work environment. To that end, the goal of increasing initiatives to ensure diversity in its workforce has been included in its 2022 planning, with strategies that will be outlined throughout its ESG journey, which started in the company in 2021.

With regard to gender diversity, by the end of 2021, the scenario was one of higher availability of male professionals for some sectors, which resulted in a higher number of men hired. However, considering the proportion between the base salary and compensation received by women and that received by men, there is relative similarity in most of the positions.

From the age point of view, there is a concentration of professionals in the 31 to 50 age group, especially qualified senior technicians and mid-level managers, the most qualified labor to meet Norte Energia's needs.

Ratio of basic salary and remuneration of women to men GRI 405-2

Directors	N/A
Superintendents	1.03
Managers	0.96
Coordinators	0.95
Specialist senior professionals	1.06
Senior professionals	1.04
Specialist technicians	N/A
Mid-level professionals	1.11
Administrative	N/A
Advisors	N/A

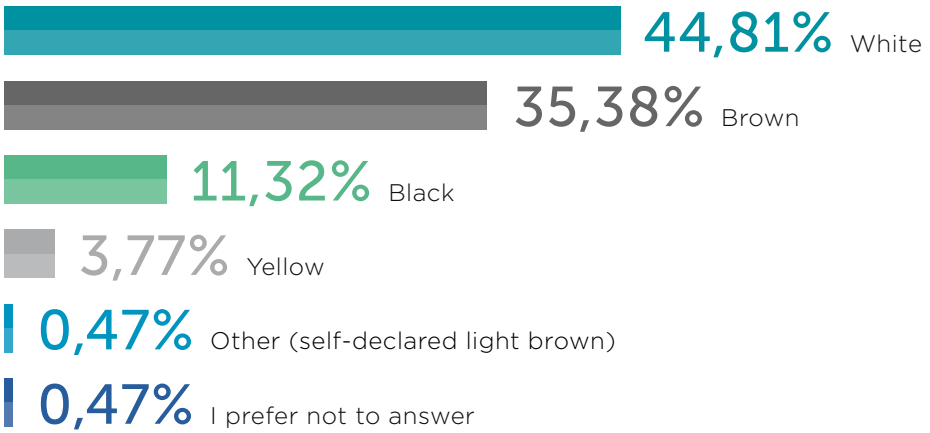
The results show the following: above 1, women's wages are higher than men's; equal to 1, there is no difference; and below 1 means that women's wages are lower than men's. In 2021 there were no women in the director, specialist technician, administrative and advisor positions.

Self-declaration survey

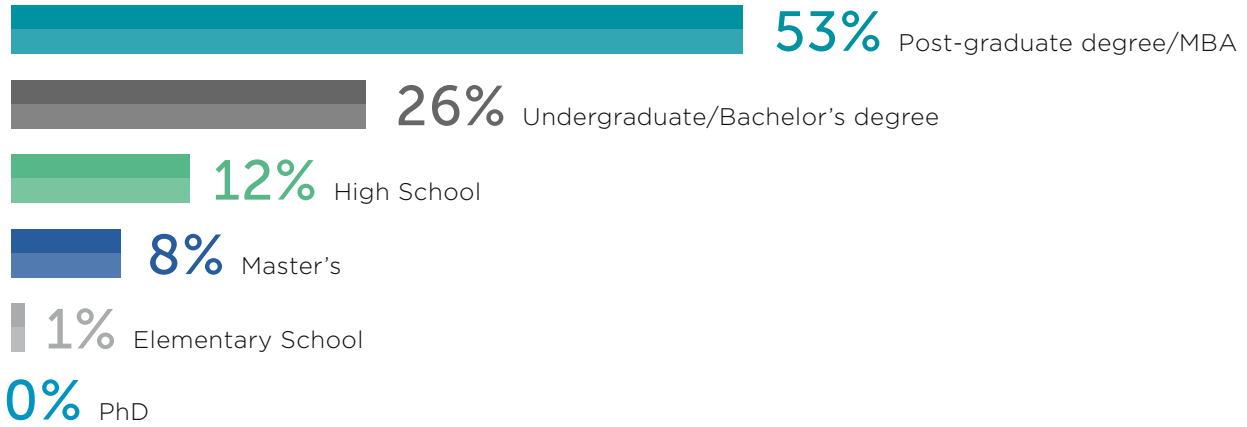
With 70% engagement, a collaborative survey based on self-declaration was conducted in January 2022 and showed a sample x-ray of the employee profile at Norte Energia with regard to racial-ethnic identification, academic background, disabilities and other aspects.

Here are the most relevant results of the survey:

Percentage by ethnicity (color or race)



Percentage by academic background



Occupational safety

GRI 103-2, 103-3 | 403, 403-1, 403-2, 403-4, 403-5, 403-7

A priority for Norte Energia, occupational safety is one of the material topics that direct the content of this report. In addition to seeking to combat all manifestations of slave labor, child labor, and inadequate and harmful conditions for the well-being of its workers, 100% of direct and indirect employees – whether in the plant's operations or in the surrounding works and social and environmental programs – are covered by the company's Occupational Health and Safety System (SST). Developed based on ISO 45001, the system includes compliance with Regulatory Standards; CLT; Protocols of the Equator Principles and other legislation. **GRI 403-8**

In addition to the Daily Safety Dialogues (DDS), the Company ensures the dissemination of this knowledge through the integration of the SST. Intended for all employees, it offers training in regulatory standards (NR-10, 11, 12, 33, 35, etc.) in accordance with the need and with explanations and demonstrations about how the area works. In this case, Norte Energia's Health and Safety management is conducted around five macro topics:

- **Emergency assistance:** an outsourced emergency brigade supports the management of all emergencies at the plant, such as industrial and forest fires, fauna rescue, environmental emergencies, accidents, sudden illnesses, different types of rescues, and medical assistance, among others.
- **Legal compliance:** encompasses questions referring to compliance with regulatory standards, programs, and the entire legal basis regarding the topic.
- **Quality of Life:** includes ergonomics and quality of life programs for employees. In 2021, the company conducted all the ergonomic studies for the structures in Brasília and Pará, which led to an action plan aimed at improving the environments.
- **Occupational Health:** in addition to the inspection of contractors according to the health topic, it also covers the occupational and quality of life exams and manages the outpatient care at the Belo Monte HPP and the Company's absenteeism.
- **Occupational Safety:** addresses compliance with legal requirements, as well as the supervision of contractors and the development of improvements to the activities and work environment in order to reduce the risks involved.

Risks

The risks of the facilities and activities are analyzed in SST inspections, conducted by Safety Technicians who evaluate the activities and the work environment based on current legislation. This includes risks to employees, contractors, suppliers and visitors in all work environments. From there, processes are mapped out and prevention and control measures are established to systematically guide everyone involved.

Hazard assessments are conducted by outside specialists, who issue the Hazard Report. On a daily basis, occupational safety engineers perform the assessment when employees take on a new position.

Workers are free to report risks they identify to the safety technicians who supervise their activities. There is a reporting channel, via an outsourced company, for which the model and tool used ensure that the reports can be made anonymously. In addition, every task has the right of refusal, as provided by legislation.

The participation of workers in risk management is guaranteed through the Internal Commission for Accident Prevention (CIPA), made up of representatives of all contractors as established by NR-05. Its duties, which are driven by the prevention of occupational accidents, include regular inspections focusing on the identification of risks in the work environments of the complex.

The surveys are conducted by teams, subdivided within the commission, managed by the chairman and vice-chairman of the CIPA, who prepare assessment reports and present them at the ordinary monthly meetings. This is when occupational accidents occurring during the month are also discussed, as well as internal procedures and occupational health and safety programs, such as the Risk Management Program (PGR) and the Occupational Health and Medical Control Program (PCMSO), for example.

Accident investigation, on the other hand, is conducted according to an internal procedure, which seeks to discover the causes that led to the occurrences and how to handle them, through action plans that aim at their neutralization and/or elimination.

Occupational health GRI 403-3, 403-6

Norte Energia has an outpatient clinic in its facilities at the Belo Monte HPP with 24-hour medical care for all employees and contractors, both occupational and welfare. The outpatient team tests their pressure for risky activities such as working at height and in confined spaces before the activities begin.

The Company offers a health care plan for its employees with national coverage, and all workers must regularly present the Occupational Health Certificate (ASO). There is a multifunctional team to control and operationalize health-related actions, such as the scheduling of occupational exams, health and vaccination campaigns, among others necessary to fulfill the health programs and ensure the workers' well-being.

During the year, campaigns are held to prevent Breast Cancer, Prostate Cancer, Sexually Transmitted Diseases, Covid-19, and others. The work is conducted through lectures and materials are disseminated by e-mail and the main communication channel with the internal public, the Digital Integration Platform (PID).

Sipat 2021 – Norte Energia's 8th Internal Workplace Accident Prevention Week (Sipat) took place in December, organized by the Internal Commission for Accident Prevention (CIPA). During the week, virtual lectures were held (due to the pandemic) on the following topics: Health and Safety in the Workplace of the Future; Basics of Electricity Safety and Safe Behavior; The Importance of Ergonomics in the Workplace; and The Future of Work Tripod: Digital, Health, and the Environment.

Wellness Survey

In 2021, Norte Energia continued to implement prevention measures for Covid-19, applying the instructions issued by health authorities and inspection and intervention agencies, such as the Ministry of Health.

In order to understand how employees perceive safety in relation to the pandemic, it conducted six editions of the Wellness Survey during the year. The results showed that most participants felt completely safe at the company. In the first rounds, a significant portion of respondents declared themselves more productive when the workdays were performed on-site. For this reason, following the proper protocols for Covid-19 safety and prevention, Norte Energia established a plan to gradually resume on-site activities in its offices, and for some cases, the home office work regime was maintained. The editions of the survey point out that interpersonal relationships were preserved and that the company's communication with its employees was excellent in this work format.

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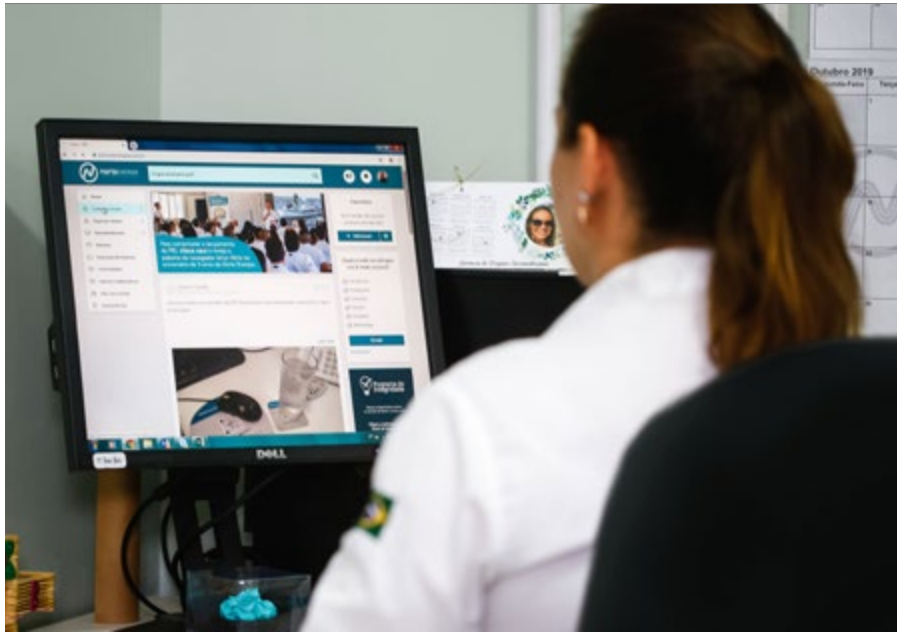
In 2021, we conducted six editions of the Wellness Survey



Work-related injuries GRI 403-9

	Employees	Workers who are not employees
Number of hours worked	771,655	4,062,250
Number of deaths resulting from work-related injuries	0	0
Fatality rate resulting from work-related injuries	0	0
Number of serious work-related injuries (excludes deaths)	0	0
Rate of serious work-related injuries (excludes deaths)	0	0
Number of work-related injuries recorded (includes deaths)[1]	3	8
Rate of work-related injuries recorded (includes deaths)	3.89	1.97

[1] There were no deaths resulting from work-related injuries during 2021.

Training and development

GRI 103-2, 103-3 | 401, 404, 404-2, EU14

In 2021, in addition to defining new positions and functions, the organizational restructuring conducted at Norte Energia established a new methodology for the Company's training. Based on Learning Tracks, the development of the company's professionals will focus on both technical training and soft skills aimed at a succession plan.

Also, for the purpose of properly allocating its investments in human and financial resources, the company structured the Training and Development Program (T&D), organized around the following pillars:

Treinamentos do ano

Manutenção - The employees from the areas of Operations, Maintenance, and Occupational Health and Safety took part in a workshop to discuss improvements in the maintenance and operations processes and procedures for the Belo Monte and Pimental plants. Held in June, the meeting was a moment of interaction and joint construction, in search of excellence in the activities.

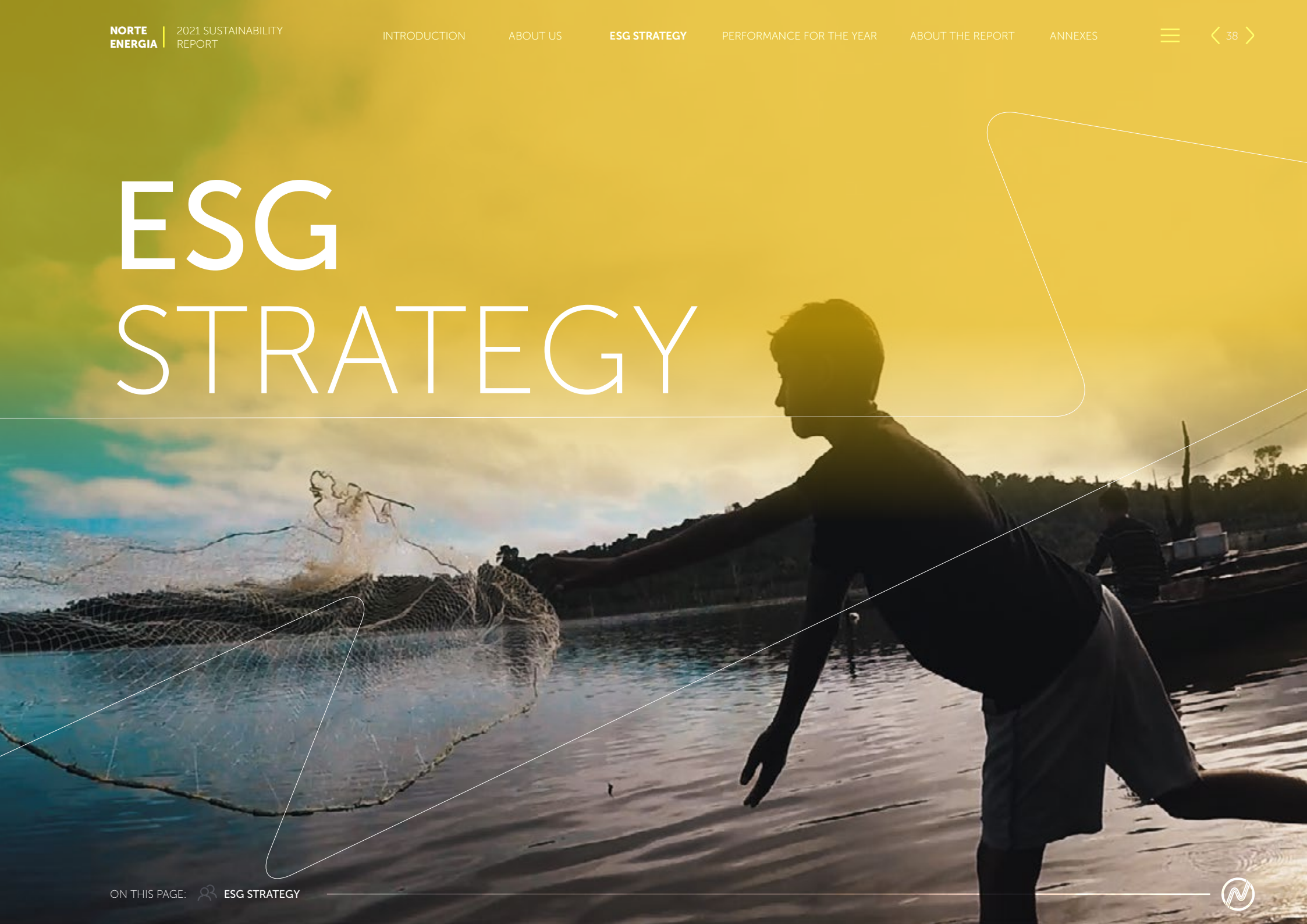
Integrated Management System (SGI) - FFocused on preserving the lives of employees and contractors who work at the Belo Monte HPP, training was held in November on eight Occupational Health and Safety procedures that make up Norte Energia's SGI.

The development of our professionals is based on Learning Tracks

Average hours of training in 2021 GRI 404-1

By gender	
Men	18.96
Women	6.04
Total	**15.40**
By employee category	
Directors	0
Superintendents	21.69
Managers	27.99
Coordinators	23.35
Specialist senior professionals	11.31
Senior professionals	9.73
Specialist technicians	22.78
Mid-level professionals	18.62
Administrative	0.80
Advisors	16.00
Total	**15.40**

ESG STRATEGY



With the conclusion of the construction of the Belo Monte HPP at the end of 2019 and the consolidation of the plant's full operation, Norte Energia has had a fresh approach to the positioning of its business environment and the Company's future. The year 2021 was dedicated to restructuring, strengthening, and creating new governance support structures, mainly to meet the Company's ESG agenda, as it is strongly committed to the region where it operates.

Starting from actively listening to the demands of stakeholders and following the global trend of good corporate practices, the Company has incorporated ESG criteria in a more structured way, moving towards the creation of a culture of environmental, social, and governance integrity, reaching everyone from Norte Energia's highest governance body to employees, third parties, service providers, and other related groups.

The first initiative was hiring an independent member of the Board of Directors with vast experience in sustainability and the creation of a Sustainability Committee under their coordination. This initiative aims to broaden the sustainability agenda in the Company's Senior Management and maintain a continuous dialogue between the Committee, the Board of Directors and the Executive Board.

An executive department was created at the request of the Sustainability Committee to make this management possible: the Sustainability Superintendence. In 2021, the department had already initiated dialogue with social and environmental organizations and impact businesses to enable partnerships that could boost results by joining forces.

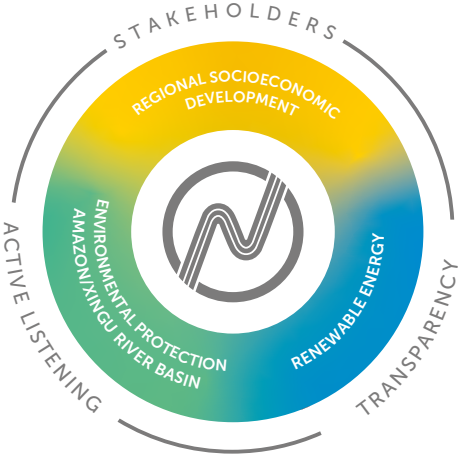
In 2021, the Company developed its operating strategy with the collaboration of an Advisory Board, including independent external stakeholders with complementary profiles and skills. It is an active listening mechanism that seeks to map society's expectations regarding ESG topics.

In addition to fostering partnerships for the exchange of experiences, roles of the new area include establishing ESG focused goals and sustainable development of the region, as well as creating and monitoring indicators that assess the effectiveness and impact of the business.

A highlight of 2021 was the approval of the Company's Sustainability Policy, which defines the guidelines, commitments, and responsibilities of each area and relationship group in handling the main aspects of issues related to the subject.

Another initiative undertaken by Norte Energia in 2021 was the project that developed the company's new position: to operate in fulfillment of the mission to Generate and Market Renewable Energy and Sustainable Development, organized into three strategic pillars as shown below:

The commitments made in our Sustainability Policy correlate to the following SDGs:



Renewable energy

GRI 103-2, 103-3 | 201, 302, 305

When Norte Energia took on the challenge of building and operating the Belo Monte HPP, it engaged in the commitment to contribute to the country's economic and social development by generating renewable, reliable, and low-cost electricity based on Xingu River's hydroelectric potential.

Additionally, looking to decrease the social and environmental impact and keep the indigenous population in their territories, as well as to ensure the use of the river by these peoples and the riverine communities, the main reservoir of Belo Monte HPP, formed in the Xingu river channel, was designed on a run-of-river basis. This configuration not only maintained the physical guarantee of 4,571 MW of energy generation with a 478 km2 reservoir – considered small when compared to other projects of the same magnitude – but prevented indigenous lands to be flooded.

In 2021, with the plant fully operational, its power generation reached 13% of the total energy of the National Interconnected System (SIN) in March, contributing to the preservation of the country's reservoirs. According to the National Electric System Operator (ONS), Belo Monte contributed, on average, more than 5% of the country's total generation for the year, serving millions of people in all Brazilian regions.

Even in the face of a water shortage for the year, the Belo Monte HPP contributed 9% of all hydraulic generation of the Energy Reallocation Mechanism (MRE), a share higher than its 8.25% participation in the physical guarantee of the hydraulic power plants.

Belo Monte's energy reaches its 45 distributors with one of the country's lowest fees, positively impacting the cost of energy and its outcomes for the economy. Furthermore, it allows for competitive prices for this segment in the free market.

As far as climate change is concerned, it is worth noting that changes to the rainfall regime in the country's

Belo Monte represents more than 5% of the country's total generation in 2021

hydrographic basins and the alteration of the flow of the Xingu River may directly impact Norte Energia's business, due to the MRE and the eventual reduction in the amount of water for energy generation.

Norte Energia began integrating measures to mitigate the impacts of climate change that converged with the best practices to reduce GHG emissions as a part of its Strategic Risks in 2021 and has considered them for the 2022 Goal Plan.

Such measures align with the global policy of prevention and adaptation to climate change within the scope of Norte Energia's Sustainability Policy.

Therefore, some initiatives have already been developed in 2021 to meet these commitments, such as the creation of Norte Energia's first Corporate Inventory of Greenhouse Gas (GHG) Emissions. The GHG inventory is a way to identify, quantify and minimize emission sources.

The following are actions included in the 2022 Goal Plan. They are aimed at the ESG agenda and the protection of the Amazon with a focus on the Xingu River basin and will be systematically monitored:

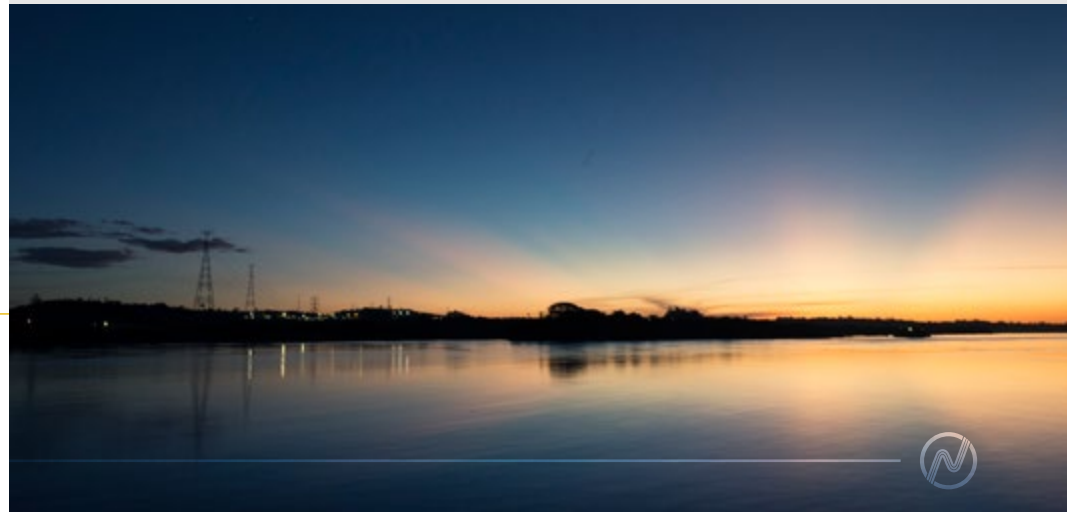
- Board of Directors and Sustainability Committee focused on ESG purposes;
- The collaboration of renowned independent members who compose the Advisory Board;
- ESG strategy and leadership training;
- Information, communication, and transparency in sustainability matters;
- Investment in solar energy;
- Social investment;
- Investments in technology;
- Changes in organizational culture;
- Value chain and supplier traceability;
- Variable compensation tied to ESG results.

Greenhouse Gas Inventory (GHG) GRI 103-2, 103-3 | 305

Norte Energia's first Corporate Inventory of Greenhouse Gas Emissions, which will be verified by independent auditors, has allowed the mapping of the company's greenhouse gas emissions based on the 2006 Guidelines issued by the Intergovernmental Panel on Climate Change (IPCC) and on the GHG Protocol adapted to the Brazilian context.

The company expects to quantify and monitor these emissions once a year, using the GHG Inventory as a management tool for the continuous monitoring of goals and for assessing the performance of investments in actions, technologies, and processes related to the topic.

It is also important to highlight that, aligned with the search for this transition to an increasingly clean and renewable energy matrix, Norte Energia has other initiatives and R&D Projects related to electric mobility that will be better detailed in the scope of indicators. GRI 103-2, 103-3 | 305-3



GHG emissions intensity GRI 305-4

Total emissions (tCO_2 equivalent)	4,065.28
GHG emissions intensity	0.0001

irect and indirect GHG emissions1(tCO2 equivalent)

Scope 1 (direct) GRI 305-1	t CO_2 equivalent
Electricity, heat or steam generation	68.79
Physicochemical Processing	55.01
Materials, products, waste, employee and passenger transportation	521.19
Fugitive emissions	0.00
Total of gross CO_2 emissions	**644.99**
Scope 2 (indirect) GRI 305-2	**57.39**

[1] The calculation considers Carbon dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O) and Sulfur hexafluoride (SF_6).

Other GHG emissions[1] (Scope 3) GRI 305-3

Upstream	(t CO_2 equivalent)
Purchased goods and services	0
Capital Goods	0
Energy and fuel related activities	1,754.49
Upstream transportation and distribution	1,312.352
Waste generated during operations	0
Business travel	243.28
Employee transportation	52.71
Leased assets	0
Other activities	0
Total	**3,362.90**
Biogenic CO_2 emissions	**655,72 tCO_2 equivalent**

[1] The inventory did not detect any downstream emissions

Domestic consumption

GRI 103-2, 103-3 | 302

Computerized systems allow a fast and assertive daily analysis of the data and variations in consumption of Norte Energia's energy for the decision-making process, always seeking to minimize and treat non-conformities. Fuel consumption and fleet management are monitored by the Sofit system and their costs by a software called Guiando.

Energy consumption within the organization (GJ) GRI 302-1

Consumption of fuels from non-renewable sources (GJ)			
	2019	**2020**	**2021**
Fuel from non-renewable source (diesel)	23,068	20,532.00	4,154.32
Fuel from non-renewable source (gasoline)	10,706	6,001.00	7,923.15
Fuel from a non-renewable source (hydrous ethanol)	680	917.00	0
Total	**34,454**	**27,450.00**	**12,077.47**

Energy consumed (GJ)			
	2019	**2020**	**2021**
Electricity	**7,986.13**	**12,001.08**	**3,413.09**

Total energy consumed (GJ)			
	2019	**2020**	**2021**
Fuels from non-renewable sources	34,454	27,450	12,077.47
Energy consumed	7,986.13	12,001.08	3,413.09
Total	**42,440.13**	**39,451.08**	**15,490.56**

I-REC

In 2021, Norte Energia received the I-REC Standard Certification which, in Brazil, is granted by Instituto Totum. This certification attests to the origin of the renewable energy generated by Belo Monte HPP.

Research and Development

Norte Energia's Research and Development Program works with a network of partners such as universities, research institutes, consulting companies, and the industrial sector to exchange knowledge to develop innovative projects, therefore contributing to the country's technological development. Also, the R&D department seeks to support the Company's innovation demands aligned to organizational strategies.

In compliance with Law 9991/2000, Norte Energia must invest 1% of its Net Operating Revenue in the R&D Program. Such investment is segregated as follows:

- 40% allocated to Research and Development Projects, in accordance with regulations established by the National Energy Agency (Aneel);
- 40% reserved for the National Fund for Scientific and Technological Development (FNDCT);
- 20% set aside for the Ministry of Mines and Energy (MME).

Iniciamos cinco novos projetos de P&D em abril de 2021

In 2021, Norte Energia allocated about R$ 31.7 million for the tariff moderation through the resources set aside for the Energy Development Account (CDE) and invested R$ 16.8 million in ten projects of its Research and Development Program regulated by Aneel. Five were already under development in previous years, five started in April 2021, and two were technically completed during the year.

Projects started in 2021

- Biotechnology applied to native fish reproduction in Volta Grande do Xingu: bases for sustainable use.
- Development of innovative ecological restoration methodologies with an emphasis on the nutritional enrichment of the fauna of Belo Monte HPP's reduced flow stretch.
- Strategies based on SHM, Machine and Deep Learning for pattern extraction in critical structures of Belo Monte HPP.
- A reliable system for monitoring the condition of the structures' upstream slopes using ultrasound, blockchain, and machine learning.
- Management Project for the R&D Program for the years 2021 to 2023.

Projects completed in 2021:

- Flow Meter Project – resulted in a 50% cost reduction in relation to imported products
- The Sparhtacus II Project – Optimizes the representation and simulation of individualized power plants without requiring equivalent reservoirs. Among all R&D projects, the following stand out:

Electric Mobility GRI EU8

The Smart System for Efficient Multimodal Electric Mobility Management (Sima) project proposes the development of a sustainable and energy-efficient solution to a modern society's problem,which is multimodal transportation in cities, employing electric mobility technologies.

The proposed solution involves the use of urban and highway electric buses and boats with their own photovoltaic generation which is being developed in the project, constituting one of the innovations to be generated as a result. Integrating the energy infrastructure to support these modes, photovoltaic generation systems, energy storage (in batteries), and electricity stations will be incorporated. Additionally, the data transmission system to be implemented by the project's researchers presents specificities that overcome the difficulties of signal production in forest regions, which constitutes a customized and innovative solution.

The project is being implemented as a pilot to serve the population of the Guamá University Campus of the Federal University of Pará (UFPA), in Belém (PA), on the banks of the Guamá River, and the riverine population of the surrounding area.

In addition to preserving the environment through the use of electric modes, the first green corridor is also being created in Pará. It will connect the Castanhal and Guamá campuses with refueling stations for electric vehicles.

The Sima project obtained the best evaluation among the 38 projects submitted to Aneel's Strategic Call 022/2018 for electric mobility.

The investment's total value is R$ 11.8 million, of which R$ 10.1 million will be the responsibility of Norte Energia. The project is being developed in partnership with the Telecommunications Research and Development Center (CPQD) and the Federal University of Pará (UFPA).

In addition to Norte Energia, UFPA, BYD Energy do Brasil, and ABB Eletrificação are also partners in this initiative, offering resources in return. To learn more go to: https://www.youtube.com/watch?v=1wWonzg2kvA

Methodology for the calculation of GHG emissions

Project to develop a methodology to calculate net emissions of Greenhouse Gases (GHG) from hydroelectric reservoirs, with Belo Monte as the main case study.

The first green corridor for electric mobility is being implemented in Pará

Executed by the Coordination Foundation for Projects, Research and Technological Studies (Coppetec) via the Federal University of Rio de Janeiro (UFRJ) with an estimated investment of R$ 3.3 million, the project will be completed in 2022, and will show the result of GHG emission measurements at different stretches of the Xingu River and phases of the development.

SPARHTACUS II

The R&D project entitled "Stochastic Model of Weekly Policies for the Dispatch Time of the National Interconnected System – SPARHTACUS II", completed in 2021, addressed the improvement of the model that aligns the definition of monthly and weekly policies used to prepare the energy dispatch and price for the following day's operation of the National Interconnected System (SIN).

Conducted in partnership with the Federal University of Santa Catarina's (UFSC) Electric Systems Planning Laboratory (Labplan) and Norus, an electricity sector company of market innovation and intelligence, the project received about R$ 4.9 million in investments from Norte Energia.

The project's objective is to contribute to the optimization of the operator's decisions and the results provided by energy price models. For that, it counted with the implementation of a non-linear simulator that evaluates daily operation schedules, observing the operational consequences of decision-making processes based on the reality of the plants integrated into the SIN.

In July 2021, the results of the work were published in an article by the Institute of Electrical and Electronic Engineers (IEEE), an internationally renowned technical-professional society that fosters practical and theoretical advances in the areas of electricity, electronics, and computing.

For more information visit: https://sparhtacus.com/sobre/

Amazon & Innovation 1

GRI 103-2, 103-3 | 305

Green Energy in Xinguu

In addition to the R&D projects, Norte Energia invested in the Green Energy project in Xingu, which was developed to reduce greenhouse gas emissions and contribute to the fight against climate change. The initiative aims to replace fossil fuel power generation (generators) in the communities of Volta Grande do Xingu, which are isolated from the National Interconnected System, with the renewable energy that will be made available from solar photovoltaic generation, thus contributing to the preservation of the environment in Middle Xingu.

More than 300 indigenous peoples from six villages in the region will benefit from the project's first phase. The energy supply structure of the new modality counts on an autonomous photovoltaic solar energy generation system with storage in lithium batteries, which guarantee the supply of electricity for up to 48 hours without solar radiation.

In 2021, a pilot unit of the Energia Verde project was installed at Pimental HPP, on the right bank of the Xingu River. The photovoltaic plant under test consisted of 124 floating panels of 405 watts (W) each and a lithium-battery ground container with a capacity of 50.22-kilowatt peak (kWp), a remote monitoring and control system, and satellite communication and Internet access.

With the success in testing the pilot unit, we promoted the interaction of the leaders of the communities to be served and started planning the installation of solar plants in the indigenous villages in Volta Grande do Xingu. The first stage of the project considered the villages that do not have electricity supplied by the local concessionaire, depending solely on diesel generators that operate only a few hours/day.

In 2021, the process to install the plants in the villages of Terrawangã and Guary-Duan in the Indigenous Land Arara da Volta Grande started. By 2022, installations are planned for the villages of Itekoun, Jaguá, Reserva Boa Vista, and the communities of Jericoá II and Kaniamã.

Environmental Protection of the Amazon - Xingu Basin

GRI 103-2, 103-3 | 303, 304, 307

Biodiversity GRI 103-2, 103-3 | 304, 302-2, 304-2, 304-3, 304-4, EU13, EU21

Seeking to assess biodiversity conditions and promote its conservation in the Belo Monte HPP region, the Basic Environmental Project (PBA) was conceived and structured to go beyond the measurement of impacts. This conception involved the understanding that the results of the monitoring actions of biotic environment key elements are organized and integrated into an ecosystemic view of both terrestrial and aquatic habitats. The purpose was to identify environmental services and conditions of the ecological systems that were and have been affected by the venture.

Thus, the results of the monitoring carried out in 2021 identified changes in the terrestrial and aquatic ecosystems, but without compromising the environmental condition of the areas affected by the plant.

Concurrently, and in the belief that social engagement is an instrument for the development of actions aimed at the conservation and protection of biodiversity in the Xingu basin, Norte Energia promotes actions in which indigenous and riverine populations actively discuss the activities that will be carried out in their territories.

The Company reaffirms, in its Sustainability Policy, its commitment to act in the conservation of biodiversity and natural environments by maintaining a direct and permanent dialogue.

It is important to highlight that actions were taken within the PBA scope to rescue and conserve both flora and fauna on land and water.

Such actions made it possible to increase the knowledge of regional biodiversity and contributed to conservation actions which were to be carried out by both the Company and appropriate institutions in charge of enforcing the National Biodiversity Policy (Decree 4339, of Aug. 22, 2022).

Thus, since 2011, Norte Energia has developed 35 environmental programs. One of the highlights is the Turtle Conservation and Management Program. To date, this program has allowed for the management of 5.5 million baby turtles who are returned to the wild with the help of people from the communities near the reproduction areas. These volunteers, together with company employees, also manage the nests, including demarcation to protect the area and monitor the natural breeding conditions.

In addition to turtle management, which has enabled the conservation of one of the resources used by traditional populations, another initiative of the Company involves actions included in the National Action Plan for the Conservation of Endangered Fauna Species also promoted by Norte Energia called PAN-Xingu.

Its goals are to ensure the population viability of 21 endangered and endemic species of fauna of the Lower and Middle Xingu, such as supporting the actions of the Harpia Project, which is associated with the National Institute for Amazon Research (INPA) and since 2012 has been monitoring the populations of great Brazilian eagles that live in the Amazon, the Atlantic Forest, and the Cerrado.

The idea is to conserve the habitats and promote the social and environmental development of the regions where the harpy eagle (Harpia harpyja) and other birds are found, such as the crested eagle (Morphnus guianensis) and the hawk-eagle(Spizaetus ornatus), with records in the wild as rare as the harpy eagle.

Due to the ecological and social and environmental importance of this group of fauna, the Ichthyofauna Conservation Program was also established in the scope of the environmental licensing. The program was structured in projects that aim at monitoring the ichthyofauna, technical and scientific knowledge, the creation and development of technological packages for the captive breeding of fish species, as well as actions for the management and conservation of these species in the wild, in addition to monitoring consumer and ornamental fishing. The set of information generated allows for the monitoring of changes in fish populations, in fishing activities of consumption and ornamental fish in the Xingu River, which results in measures to encourage sustainable fishing and the conservation of regional diversity.

Thus, aiming at the maintenance of fish populations, focusing on longitudinal migratory fish, a Fish Transposition

System (STP) was implemented at Belo Monte HPP, which is 1,200 meters long and whose effectiveness is monitored using five different methodologies.

The Program also has two laboratories dedicated to fish conservation at the Federal University of Pará, in Altamira: the Altamira Ichthyology Laboratory (LIA), which studies the fish from the Xingu River basin, and the Xingu Ornamental Fish Aquaculture Laboratory (Laquax), considered an important research center on the ornamental fish of Brazil. Both structures were built and equipped by Norte Energia, which has, for the first time, allowed for the captive reproduction of Xingu's endemic harpy eagle species at a national educational and research institution.

As of 2021, based on the knowledge accumulated by the above-mentioned actions, Norte Energia is adopting an approach to regional biodiversity conservation focusing on endangered species present in official national and international lists and the identification of new species for science.

In all, 87 species are on the list of species relevant for the conservation of the region's biodiversity, distributed among five plants, 37 birds, five reptiles and amphibians, 21 mammals, and 19 fish.

The focus on these species involves assessing the condition of their populations or the habitats in which they occur through a qualified analysis of landscape conditions and resource use in the power plant's area of influence.

Thus, a report will be produced annually pointing out the conditions in which the target species find themselves from the point of view of the pressure on their habitats through the implementation of the venture and other land uses that may require conservation management actions.

It can be said that, once actions are taken to provide opportunities for the conservation of target species (those most endangered, endemic, or new to science), the entire biota associated with the environments where they occur will benefit.

Volta Grande do Xingu

GRI 103-2, 103-3 | 304, 304-3, EU13, EU21

As previously discussed in the Timeline and in other parts of the report, the project for hydroelectric exploitation on the Xingu River has undergone changes since the first proposal, made 40 years ago. There has been a reduction in the size of the flooded area in attention to the riverine and indigenous communities and the ecosystem of the Volta Grande do Xingu. It was a long study and adaptation process for the project to reduce risks and damages. Belo Monte was redesigned to reduce the size of its initial reservoir from about 7.2 km^2 to the current 478 km^2 and to ensure that no indigenous land is flooded.

The plant was then built as a run-of-river, with two reservoirs required for minimum water accumulation and operational management. Starting with the Pimental plant, a Reduced Flow Stretch was established downstream, corresponding to about 100 km of the Xingu River - of its more than 1.8 thousand kilometers of length - which today has its flow shared with power generation during the rainy season every year.

For the Brazilian government to determine the amount of water that would pass through Volta Grande do Xingu, that is, even before Norte Energia became the concessionaire for the Belo Monte HPP, there was a series of inter-institutional discussions and the preparation and approval of feasibility studies.

Finally, a common denominator was reached: during the dry season, the plant's power generation is minimal and the water that reaches the reservoir (water volume flow) is dedicated to Volta Grande do Xingu, where the Reduced Flow Stretch (TVR) is located. During the rainy season, the flow into Volta Grande do Xingu is controlled as determined by the National Water and Sanitation Agency (ANA) and the ONS, and the excess flow is used for power generation. Usage Rules have been established to accommodate life in Volta Grande with the operation of the power plant. These rules are called hydrograph, and the lowest flow rate established for Volta Grande do Xingu is 700 m^3/s. Historical data indicates that even before the plant existed, flows below 700 m^3/s occurred naturally, with even lower flows recorded at least nine times between 1931 and 2007, reaching 380 m^3/s in 1969..

CONSENSUS ECOLOGICAL HYDROGRAPH

The hydrograph established the minimum flows to be allocated to Volta Grande do Xingu, simulating the river's hydrological pulses by reconciling the social and environmental protection of this region with energy generation.

The flows and water levels are informed to the riparian communities and indigenous populations of the Reduced Flow Stretch through the different communication mechanisms (radiophone system, internet, radio spots, among others).

Through this Open Letter, Norte Energia seeks to clarify and ensure its commitments, especially social and environmental ones, to the Amazon region throughout the venture's concession period.

From Monday to Friday it is possible to follow the forecast of Xingu River's hydrological conditions in the Belo Monte HPP's area of influence here.

The operational data of the reservoirs and of the Belo Monte and Pimental plants that make up the National Interconnected System (SIN) are public and available through ANA's Monitoring System (SAR). Just, click here.

Moreover, it is important to highlight that, in relation to the hydrograph, the impact matrix generated during previous environmental studies attesting to the social and environmental viability of the Belo Monte HPP implementation indicated the impacts that could affect the socioeconomic activities of the populations that live on the banks of the TVR, as well as the flora and fauna of Volta Grande do Xingu within this 100-kilometer stretch.

For this reason, six years of hydrograph tests were planned, and the Integrated Management Plan for Volta Grande do Xingu (PGIVGX), which is part of the PBA, and specific projects in the TVR, including those of indigenous component (PBA-CI), are being executed. These measures were planned to monitor the occurrence of such impacts and for the developer to be able to act in a timely manner to mitigate them, with the participation and guidance of the appropriate environmental agency, Ibama, which inspects and monitors the impacts, and directs the way of implementing mitigation and compensation projects and measures.

Another relevant item on the agenda for the Company in 2021 in relation to Volta Grande do Xingu was the signing of the Environmental Commitment Term (TCA) nº 03/2021 with Ibama, which included additional mitigation and compensation measures for the project's impacts, already set forth and observed in the TVR, called "Xingu+".

It is important to point out that these additional mitigation actions were built based on a deeper relationship with the population, bringing the communities into the decision-making process. To this end, participatory workshops were planned and are being held, which, together with the results of the monitoring and actions of social interaction, allowed the community to prioritize the actions.

In effect, Xingu+ is supported by a collective view of the local reality that dialogues with the protagonism, emancipation, and community participation in the sustainable management of the territory for those aspects related to the impacts generated by the venture.

The adoption of actions focused on Biodiversity, Communication, Monitoring, Sanitation, Health, and Social aspects has generated positive results recognized by the communities of the region, a fact confirmed through a satisfaction survey carried out in the second half of 2021.

The advances of Xingu+ in 2021 have materialized from the restoration of approximately 100 hectares in the region, providing an adequate environment for terrestrial fauna recolonization, in addition to the implementation of a seedling nursery and the communities engagement in the development of social and environmental activities.

Otter and giant otter monitoring in Volta Grande do Xingu has also been expanded as these species are directly associated with water bodies. Among the main results, it is observed that there are giant otter groups inhabiting the TVR region, which still offer environments that favor their feeding and reproduction and, consequently, the maintenance of the populations of these two species.

Xingu+ also allowed the population to get involved with the monitoring through the engagement of five Nature Guardians. The guardians are residents of the communities along the Xingu River in the TVR. They were hired to promote environmental education actions, aiming to raise the local population's awareness about protecting the environment and biodiversity.

Community turtle management has also been developed. With the involvement of 40 families between the main reservoir and the TVR, this management with a participatory approach has proven to be strategic for the protection of the yellow-spotted Amazon river turtle spawning grounds during the reproductive period. In addition to this work, the Company uses a satellite monitoring system to track 40 yellow-spotted Amazon river turtles in the Reduced Flow Stretch and the Xingu Reservoir. Each turtle has been registered and carries a device on its hull to track and analyze living and migratory habits to help with the conservation measures for these populations.

Xingu+ help establish partnerships with universities through an R&D project for the development of a reproduction protocol for two species of extreme importance for fishing and subsistence in the TVR: the pacu and the peacock bass. The experiments with animals captured in the TVR started so that techniques for the production of alevins for commercial purposes could be mastered.

Additionally, in 2021, 800 hours of helicopter flights were made available to support Ibama in environmental inspections.

In 2021, antennas were installed in indigenous lands and VGX communities by #Conecta Xingu to provide internet access and expand the population's ability to communicate

Reinforcing our commitment to the development of the region, in the field of communication, 59 satellite internet antennas were installed by #Conecta Xingu in 32 indigenous and non-indigenous communities, ensuring internet access in the communities of Volta Grande do Xingu and enabling the implementation of telemedicine. In addition, two Communication Centers are in operation. The population can participate in meetings, workshops, and training sessions, and register queries related to the Belo Monte HPP and ongoing programs.

The communities also participate via phone and message apps in the Popular Communication Network, a social communication initiative developed by Norte Energia that grew stronger during the pandemic. It also joins territory leaders and residents who act as facilitators in information multiplication.

Sanitation was another reinforcement in 2021: the revitalization of the sewage systems in Belo Monte, Ressaca, Ilha da Fazenda and Garimpo do Galo, and the installation of wells and septic tanks in local communities.

When it comes to Health, Norte Energia invested in infrastructure improvements renovating and equipping two Basic Health Units (UBS), donating three ambulances and providing 42 health professionals dedicated to basic healthcare to support the public health policy of the towns in Volta Grande do Xingu. To ensure broad access to healthcare, in 2021 we will invest in innovation with the implementation of the telemedicine service, installed to assist the local population in the UBS in the several medical specialties.

Similarly, in addition to the actions described above, aiming at improving management techniques and habitat conservation by expanding the flooding of alluvial forest areas and pioneer formations in the TVR, as well as the time they remain underwater, Ibama has been discussing the possibility of implementing physical water containment structures (sills).

It is important to highlight that, in compliance with TCA provisions and in order to communicate in a transparent manner, providing as much information as possible, Norte Energia has been filing monthly reports with Ibama to include evidence of the actions planned for Volta Grande Xingu, as well as publishing and clarifying its position on the website and social media.

It is also worth mentioning that, in 2021, the Company held meetings with the environmental agency, and Ibama issued technical reports, which Norte Energia promptly answered.

The Company is also audited on a quarterly basis by a consulting company independent from the financing banks, and the topic related to the hydrograph and Volta Grande do Xingu is included in compliance reports of Performance Standards on Social and Environmental Sustainability, according to the standard established by the International Finance Corporation (IFC). To learn more about these and other reports, access the link: https://www.norteenergiasa.com.br/pt-br/norte-energia/relatorios-anuais

Notwithstanding the control already exercised by Ibama and the audit, on March 24, 2021, a Public Civil Action was filed by the Public Prosecutor's Office (MPF) against Norte Energia, Ibama and the Federal Government, questioning the legality of the TCA and seeking to review the hydrograph established in the licensing process of Belo Monte HPP, intending for a provisional hydrograph to be applied until technical data is presented to prove the support capacity of the Xingu River and the safety of the flows to be carried out in the Reduced Flow Stretch.

With this, the anticipatory request was authorized, determining, among other matters, that in 2021 Ibama and Norte Energia were to apply an equivalent flow regime, at least as established in the Provisional Hydrograph defined in PT No. 133/2019/Ibama/Cohid. Norte Energia and Ibama appealed the decision and the suspensive effect was granted by the president of the Regional Federal Court (TRF-1), with the TCA signed with Ibama being left untouched. The decision of the president of the TRF-1, who granted the suspensive effect until December 2021, remained in effect.

Thus, in addition to the extensive monitoring carried out for more than 10 years in the area of influence of Belo Monte HPP, Norte Energia conducted and completed, in 2021, complementary studies focused on the current boundary conditions of the TVR. Such studies had been proposed to Ibama since 2019 and were reiterated in the TCA with the main objective of detailing aspects affecting the possible environmental modifications arising from the alteration of the river dynamics related to the TVR flow reduction during the plant's operation. It is worth mentioning that elo Monte's environmental licensing established six years of tests to assess the expected impacts of the hydrograph implementation more precisely.

We undergo quarterly audits by independent consulting companies of funding banks that verify our Performance Standards on Social and Environmental Sustainability

These studies focused on assessing the flooded areas of alluvial and pioneer forests and fish and turtle breeding and feeding areas. Results show that important ecological activities and processes have taken place in the region despite the alterations to the natural environments identified so far. Such changes had been foreseen in the scope of the process that certified the feasibility of the venture.

Finally, in recognition of the complexity of the Reduced Flow Stretch, Norte Energia seeks to contribute so that all aspects of Volta Grande do Xingu can adapt to the new hydrograph flow scenarios recommended in the environmental licenses, associated with continued monitoring and full operation of the Belo Monte HPP. This is fundamental in strategic terms for the entire country's energy scenario, especially regarding a low carbon matrix.

DISCOVER THE REALBELO MONTE

"Discover the Real Belo Monte" clarifies doubts and unveils myths about the largest 100% Brazilian hydroelectric power plant. In a simple and clear way, topics such as the transfer of families who lived in the reservoir area, the hydrograph environmental licensing, and investments in the municipalities of the Xingu region are addressed.

Check it out

CONSERVATION UNITS GRI 304-2

Norte Energia develops actions to contribute to the climate change fight and decrease deforestation in the Amazon region, making environmental compensation resources available for the implementation and strengthening of Nature Conservation Units (UCs) under the management of the Chico Mendes Institute for Biodiversity Conservation (ICMBio).

More than R$ 135 million* have already been deposited to invest in Federal Conservation Units, of which R$ 25 million are available to the Institute to be used primarily for land regularization, preparation of management plans and investments in the infrastructure of these protected areas, focusing on important ecological corridors such as the Ecological Station (Esec) Terra do Meio, the Serra do Prado, Juruena, Amazônia, and Jamanxim National Parks, and the Biological Reserve (Rebio) Nascentes da Serra do Cachimbo - totaling more than 8.4 million hectares in the Legal Amazon area.

Check out the map of the federal conservation units that benefit from Belo Monte's environmental compensation here.

* The Federal Public Prosecutor's Office and the government of Pará questioned in court the reason for Ibama's Federal Environmental Compensation Committee (CCAF) to have allocated 72% of these funds to the Juruena National Park in the state of Mato Grosso, being that it is 800 kilometers from the plant's impact site. Norte Energia issued its position on the matter stating that it should make the resources available and has deposited the amount due in court. The Committee has the final word on its destination. The ICMBio is awaiting the outcome of the lawsuit to allocate the rest of the resources. As for state Conservation Units, Norte Energia is awaiting for the position of the Institute for Forest Development and Biodiversity (IdeflorBio) of the State of Pará to sign the Environmental Compensation Agreement (TCCA).

ENVIRONMENTAL INSPECTION SUPPORT

In 2021, Norte Energia signed an addendum to the commitments of Technical Cooperation Agreement (ACT) No. 03/2011 with IBAMA in order to continue actions for the strengthening, operational support and logistics of inspections to prevent environmental illegalities in the venture's area of influence, such as deforestation and illegal logging, wildlife trafficking and predatory fishing.

ECOLOGICAL RESTORATION GRI 304-2, EU13

Among its environmental commitments, Norte Energia has been working to recover areas that were used for the deployment of the main and auxiliary works. A total of 16.07 km2 has already been recovered, corresponding to more than 95% of the total.

The actions, which are focused on habitat recomposition, correspond to an area where specific practices and technologies were used aiming at the successful restoration of the ecosystem.

Likewise, another important commitment is tied to the maintenance of the Permanent Preservation Areas (APPs). The total APP area around the reservoirs is 264.83 km2, which corresponds to an area significantly larger than the vegetation suppression that occurred for the reservoir formation and deployment of the plant. This strip of APP has an average width of 500 meters and was established as a measure to protect and maintain the water quality and the entire aquatic ecosystem of the two reservoirs.

In this area, Norte Energia's goal is to restore 400 hectares of native forest per year, totaling 6,000 hectares planted by 2045. By the end of 2021, a total of 296,000 seedlings, 123 species native to the Amazon, had been planted in 528 hectares of Permanent Preservation Areas (APP) in the region of the hydroelectric complex.

In addition, 92,000 trees have already been planted in the Reduced Flow Stretch and the streams near the dikes of the Belo Monte HPP, from seedlings cultivated in a nursery located in the region of the plant.

Norte Energia has also been working on the recomposition of islands in the Xingu Reservoir (main), as well as in urban areas. Plant growth and the effect of the planting treatments on the APPs are monitored every six months by means of quantitative and qualitative indicators. The monitoring involves species identification and evaluation of the survival rate, natural regeneration, use by fauna and occurrence of erosive processes, among other technical indicators that can ensure the success of the recomposition conducted.

Thus, considering the set of actions reported, as well as the expected creation of an integral protection Conservation Unit in Volta Grande do Xingu, the biodiversity offsetting calculation, which was conducted for the venture in 2016 and remains in force today, was positive for the gain in biodiversity, amounting to an area of about 175,500 hectares.

PROTECTION OF INDIGENOUS LANDS

With regard to combating deforestation in the region, actions have been conducted in partnership with public institutions. Since the identification, delimitation, demarcation, non-intrusion and surveillance of indigenous lands is a duty of the National Indian Foundation (FUNAI), an agency linked to the Ministry of Justice and Public Safety, complementary actions were defined in the scope of the environmental licensing for the Belo Monte HPP. As such, complementary actions have been conducted since 2010 by the developer in order to strengthen governmental actions in the region, which were reiterated in 2015, through a Cooperation Agreement that sets up the Territorial Protection Program of the Middle Xingu (PPT- MX), currently under development.

With respect to the obligations attributed to the company, highlights include the structuring of the Remote Monitoring Center (CMR), currently installed at the Funai headquarters in Brasilia-DF; the construction of 11 Territorial Protection Units (UPTs) in the Indigenous Lands; the hiring of teams (56 employees) and the structuring of the Regional Coordination of Funai in Altamira with vehicles, vessels, furniture and equipment, as well as the conclusion of the revival of indigenous lands.

Such actions were fulfilled, and only 3 of the 11 planned UPTs have not yet been built, despite Norte Energia's efforts for their execution since 2012. The planned UPTs should be built in the indigenous lands Cachoeira Seca (Transiriri BO and Rio das Pedras PV) and Ituna/Itatá (Ituna/Itatá PV), but due to the land conflicts in the region, support from public security services was planned for these actions.

In 2021, Norte Energia actively maintained its interactions with Funai to overcome the challenges posed to the conclusion of this action, having achieved advances with the indigenous body.

In addition to the construction of the territorial protection units, the commitment made was to deploy a system that would enable the remote surveillance of indigenous lands in the Brazilian Amazon. Considering the effectiveness of the implemented Remote Monitoring Center and the State's need to for surveillance of indigenous lands throughout the national territory, Funai requested Norte Energia to evaluate the possibility of expanding the system to the entire country. After dialogue and negotiations with the agency, Norte Energia, as of 2018, complied with the request from the indigenous body. In 2021, the CMR continued to make it possible for Funai to remotely supervise all indigenous lands in Brazil. To learn more about the CMR, go to: https://cmr.funai.gov.br/

The Kayapó Project

The environmental licensing process for the Belo Monte HPP established conditions for the public authorities and the developer. As one of the government's actions, the obligation was established to support social and environmental projects/programs with the Kayapó people. Although they do not occupy an area affected by the venture, the intervening agency, Funai, considered it necessary to work with the psychosocial impacts that have occurred among these people since the Kararaô Complex project, considering that, for the indigenous peoples of the region, the first project for the HED still persisted in their imagination and system of symbolic representations about the undertaking. To that end, a term of commitment was established between Funai and Eletrobrás to develop complementary actions to the programs for the compensation and mitigation of the social and environmental impacts of the Belo Monte HPP.

Added to this, in the Preliminary License for the venture, in 2010, a specific condition was established to support programs/projects for the protection and recovery of environmentally degraded areas in the Xingu-Iriri river basins and adopt recovery measures indicated as necessary to guarantee water quality and quantity.

R$ 18 million have already been invested in social and environmental projects for the Kayapó people

Therefore, in the period from 2010 to 2012, Eletrobrás contributed resources and monitored social and environmental projects presented and executed by the Floresta Protegida Association and the Kabu Institute, both institutions from the Kayapó people.

In 2013, Norte Energia started its support, through financial contributions, for both indigenous institutions to continue the projects then underway, and Eletrobrás continued their management and monitoring.

Norte Energia's financial contribution through 2021 already totals approximately R$ 18 million, which was allocated to projects related to territorial protection, cultural enhancement, and support for sustainable economic activities. Highlights of the main activities performed include the elaboration of educational material in the Kayapó language; installation of a lighting system in the villages; support in the activity of gathering nuts and planting cocoa; support for territorial surveillance actions with the seizure of miners and illegal loggers by government agencies; construction and approval by the National Civil Aviation Agency (ANAC) of runways; construction of housing; support for the production and commercialization of handicrafts; and the training of indigenous filmmakers.

The Kayapó indigenous lands covered by the projects are: Mekrãngoti and Baú, which constitute the Kayapó D'Oeste lands; and Kayapó, Las Casas and Badjônkore, which constitute the Kayapó do Leste lands. Located in the region known as the "Arc of Deforestation" in southern Pará, the Kayapó have played a key role in protecting the forest's natural resources. In a region where deforestation growth has been recorded systematically, the Kayapó indigenous lands located in this basin have a high rate of preserved area – which is why they became known as "preservation islands". In this sense, the Kayapó people have contributed in a preponderant way to the conservation of the Xingu river basin, and Norte Energia and Eletrobrás have invested and supported their initiatives.

Waste

GRI 103-2, 103-3 | 306, 306-1, 306-2, 306-5

The management of the collection and final disposal of class I waste is conducted at the Belo Monte HPP by a group of specialized companies with which Norte Energia has a service agreement. Because it is an activity of potential risk to health and the environment, all policies, practices and techniques adopted are in legal compliance and aligned with the Sustainable Development Goals (SDGs) defined by the United Nations Organization (UN).

In 2019, the Belo Monte HPP began its full operation phase, with all 24 turbines installed. From 2019 to 2021, the total amount of waste sent for final disposal was reduced by almost nine times, from 2,594.16 to 297.63 metric tons. The company hired to manage this activity operationally controls all waste and records its activities in spreadsheets, keeping constant and effective monitoring of the waste management from collection to delivery at its destination.

Depending on the type of waste and an analysis of economic feasibility, different techniques are adopted for repurposing, recycling, reuse, and disposal.

End of construction and start of full operation of the Belo Monte HPP reduced waste generation by 88% between 2019 and 2021

Total waste directed to disposal by composition, in metric tons (t) GRI 306-5

Composition	2019	2020	2021
Organic	542.62	154.80	45.84
Infectious waste	1.38	0.42	0.16
Contaminated waste	87.74	64.19	45.36
Battery waste	5.16	0.13	0.24
Lightbulb waste	1.36	1.08	0.52
Recyclable waste	108.40	21.14	11.13
ETE Sludge	42.25	7.17	0
Non-recyclable waste	1,805.25	817.66	194.38
Total	**2,594.16**	**1,066.59**	**297.63**

Environmental Education GRI 304-2

Norte Energia also conducts the Belo Monte HPP's Environmental Education Program. GRI 304-2

The Belo Monte HPP's Environmental Education Program (PEA) is based on the guidelines of the Ministry of Environment and Ibama, contained in the National Environmental Education Policy (Pnea, Federal Law 9.795/99) and in a specific normative instruction.

The PEA aims to raise community awareness in general and promote environmental education for different audiences, through a process that allows the construction of knowledge, facilitating reflection on the environment, with a special focus on the Xingu River basin.

In the year 2021, the PEA activities were kept almost exclusively in remote mode, due to the Covid-19 pandemic. With the relaxation of the social distancing and the availability of vaccines, the activities were gradually resumed, coinciding with the conclusion of the Program's restructuring, which generated a remodeling of the indicators and, consequently, a new approach that considers methodologies to strengthen the social organizations via workshops and training sessions, as well as the promotion of participative dialogues to survey the public's perceptions of the socio-educational actions.

Thus, the PEA expanded the range of interfaces to other projects of the PBA and provided support for environmental education actions under the Xingu+ Action Plan, integrating the Regional Center for Environmental Education of the Xingu (Creax) with the resettled riverine population, with educational actions that value sustainability practices.

It is also worth mentioning that, because it is an extensive region with different communities and realities, the activities are adapted to each occasion and social group, according to the discussions raised in the participative processes. Thus, the Program seeks to adapt and improve its practices in the context in which the target audience is inserted, following pedagogical guidelines from the licensing body.

In the year 2021, the program conducted actions in the five urban resettlements, in the two rural resettlements, in the communities of the Reduced Flow Stretch and the Xingu Reservoir Stretch, totaling 261 socio-educational interactions with an audience of 2,516 participants..

2,500 people participated in the environmental education program in 2021

Water Quality

GRI 103-2, 103-3 | 303, 303-1, 303-2

Released in 2021, the book *Natureza do Xingu – Plantas de Corredeiras* gathers knowledge obtained from monitoring the Amazon flora

Aware of its role as a transforming agent for sustainable development and as a company active on the Xingu River, Norte Energia developed the Water Resource Management Plan. With several programs and projects, the plan monitors possible impacts on surface and underground water resources caused by the deployment of the venture, both in the Construction Phase and, currently, in the Operation Phase of the Belo Monte HPP. It also contains initiatives to minimize these impacts.

Since the beginning of the works, more than 57,000 surface water samples were collected for analysis of physical, chemical and bacteriological parameters, both upstream of the Xingu Reservoir and downstream of Belo Monte, in the Xingu River and reservoir, as well as in the Deviation Channel and the Intermediate Reservoir. In addition, of the total number of samples, 1,395 were collected from Altamira's streams.

These collections and analyses are part of the Surface Water Quality Monitoring Program created to evaluate and measure the changes in water quality resulting from the transformations of the environment by the deployment and operation of the venture. An important management tool, the program provides subsidies for decision-making and public policies.

The monitoring shows that the Xingu River has remained, since prior to filling the reservoirs, as Class 2 freshwater – according to the classification of the National Council on the Environment (Conama).

Another result of the work developed by the Company that indicates the environmental quality of the region of the venture is the book Natureza do Xingu – Plantas de Corredeiras. The publication, launched in May 2021, presents the plants of the Podostemaceae family, still unknown to the majority of the population, but with great ecological importance for the Amazon. The work brings together the knowledge accumulated over ten years of the flora monitoring project conducted by the company in the region of the venture.

The plants existing in the region of the Belo Monte Hydroelectric Plant and their relation to the functioning of the aquatic ecosystems in the Amazon are presented throughout the publication. The book also provides details of the Xingu River and its diversity, ecology, and reproduction of the local flora.

The book is available by clicking here.

Consumption – Norte Energia uses natural resources without compromising the environment and preserves their use for future generations. In 2021, the company consumed a total volume of 106.61 megaliters of water, a volume measured by means of a hydrometer and recorded in control sheets for monitoring purposes. **GRI 303-5**

Disposal – Regarding the disposal of sanitary and industrial effluents, Norte Energia follows the standards established by Conama Resolution 430/2011 and by the International Finance Corporation (IFC). **GRI 303-2**

Amazon & Innovation 2

Intelligent recomposition

GRI 304-2, 304-3

In 2021, Norte Energia, in partnership with the company Biocev Serviços de Meio Ambiente LTDA and the Foundation of the Biosciences Institute (Fundibio), continued the R&D project for the development of innovative methodologies to support subsequent actions to restore alluvial forests and pioneer formations in order to promote a greater nutritional contribution for aquatic fauna in the Reduced Flow Stretch (TVR) of the Belo Monte HPP.

With estimated investments of R$ 7,106,610.91, the methodologies to be developed by the project will enable ecological restoration, as well as nutritional enrichment for the fauna of Volta Grande do Xingu, reestablishing its diversity, structure and function.

We send consolidated reports to Ibama and Funai every six months

Regional Socioeconomic Development

With the installation of the Belo Monte HPP, Norte Energia has been investing in regional development through compliance with the environmental licensing conditions, cooperation/commitment agreements signed with the public authorities, as well as through sustainability actions.

In 2021, a set of programs and projects that make up the PBA and PBA-CI continued to be executed in the region made up of 11 municipalities mapped in the areas of Direct Influence – AID (Altamira, Anapu, Brasil Novo, Senador José Porfírio and Vitória do Xingu) and Indirect Influence – AII (Gurupá, Medicilândia, Pacajá, Placas, Porto de Moz and Uruará). In addition, cooperation agreements with public institutions in the municipal and federal spheres are underway.

Regarding the actions developed thus far, Norte Energia issues quarterly reports on compliance with the Performance Standards on Social and Environmental Sustainability, according to the standard established by the International Finance Corporation (IFC). Several topics are addressed in these reports, such as: climate change, gender, human rights, and water resources, which provide guidance on how to identify, avoid, minimize, and manage risks and impacts, as a way to ensure the sustainability of the business.

GRI 103-2, 103-3 | 412

Likewise, Consolidated Reports are sent to Ibama and Funai every six months, which have been providing a systematic follow-up of the mitigating and compensatory actions by the licensing and intervening agencies.

The deployment and operation of Belo Monte established a new dynamic in the regional economy. In municipal taxes alone, it has already contributed more than R$ 840 million since 2011, which makes the venture a vector for the region's socioeconomic development.

In addition, in 2021, the company paid R$ 169 million as Financial Compensation for the Use of Water Resources – CFURH, also known as royalties , with R$ 110 million being allocated to the municipalities of Altamira, Vitória do Xingu and Brasil Novo, R$ 42 million to the state of Pará, and R$ 17 million passed on to the Ministry of the Environment – MMA, MME, and the National Agency for Water and Basic Sanitation – ANA.

Another factor that contributes to the quality of life and development of the region is the commitments of the environmental license in support of public policies for Health, Education, and Social Welfare, for example, as well as the actions focused on sanitation for Altamira.

The investments in mitigation and compensation measures total about R$ 6.3 billion allocated to actions and infrastructure in the five municipalities neighboring the venture. Specifically, approximately R$ 292 million were contributed in 2021.

Throughout the deployment and operation period of the venture, numerous infrastructure works were conducted, as well as actions, programs and projects, including 78 education works (construction, renovation and expansion of educational units, training and donation of furniture); construction and equipping of 31 Basic Health Units (UBSs); and three new hospitals to expand health care for the population in the vicinity of the Plant. On indigenous lands, 31 Basic Indian Health Units (UBSis) and 21 indigenous schools were built.

Artisanal Fishing **GRI 303-1, 304-4**

As one of the commitments of the environmental license, Norte Energia built the Integrated Artisanal Fishing Center (CIPAR) on the banks of the Xingu River, in the city of Altamira. The purpose of this center is to strengthen the fishing chain at the interstate level; contribute to the maintenance of local fishing in a sustainable way; as well as promote the fishing sector in the area of influence of the venture. This Center has a modern and fully equipped structure, with spaces destined for the Fish Market; a fish processing unit compliant with the health standards indicated by the Federal Inspection Service (SIF); as well as factories of ice cubes and chips, built in a total area of 4,979 m^2. The expectation is that the Fish Market – which was inaugurated in May 2021 and received investments of R$ 25.4 million – will benefit the population..

MALARIA CONTROL

Norte Energia has been investing in the Malaria Control Action Plan (PACM) since 2011. The success of the plan in the municipalities of the Belo Monte and Pacajá AID can be measured by the 93.51% reduction in case records of the disease in 2021 compared to 2011, as measured by the Ministry of Health's Epidemiological Monitoring Information System (SIVEP).

In 2021, we invested R$ 169 million in royalties in municipalities in the region, state and federal agencies

XINGU SUSTAINABLE REGIONAL DEVELOPMENT PLAN (PDRSX)

In addition to the actions that make up the PBA and the PBA-CI, Norte Energia has already invested, until the year 2021, more than R$ 300 million in actions and projects allocated for the Xingu Regional Sustainable Development Plan (PDRSX). This plan was created by Presidential Decree 7340/2010 and is linked to the National Policy for Regional Development (PNDR), from the then Ministry of Integration (MI), now the Ministry of Regional Development (MDR). Its main purpose is to contribute to minimizing regional inequalities, through the implementation of actions focused on regional development. Actions under the PDRSX are intended to promote sustainable development and improve quality of life in the Pará municipalities of Altamira, Anapu, Brasil Novo, Gurupá, Medicilândia, Pacajá, Placas, Porto de Moz, São Félix do Xingu, Senador José Porfírio, Uruará and Vitória do Xingu.

Through the PDRSX, Norte Energia finances actions in the following thematic axes:

- Territorial Planning, Land Regularization and Environmental Management
- Infrastructure for Development
- Incentive to sustainable production activities
- Social inclusion and citizenship
- Indigenous Peoples and Traditional Communities
- Health
- Education
- Monitoring and follow-up of the conditioning factors foreseen in Belo Monte's environmental license

Representatives from civil society and federal, state and municipal governments from the Belo Monte HPP region participate in the governance of the PDRSX

With a complex governance model, this Plan relies on the participation of 15 representatives from the federal, state and municipal governments of the Belo Monte HPP region, in addition to 15 representatives from civil society and research institutions, which, through the technical chambers and the Steering Committee (CGDEX), decided how and where the resources were applied, as well as monitored the execution and effectiveness of the PDRSX, promoting its revision and updating whenever necessary.

On May 7, 2019, the Federal Government, through Decree No. 9.784, extinguished the Steering Committee and Technical Chambers, transferring the transitional responsibility for managing the PDRSX to the Ministry of Regional Development, as well as for defining and implementing a new Committee structure.

As a result, Decree No. 10.729 was published on June 23, 2021, creating a new Management Committee, which should be composed of representatives from the Federal Government, the Pará State Government, the Association of Municipalities of the Belo Monte Consortium, Civil Society, and Norte Energia, to be implemented in 2022.

So far, 372 projects have already been approved since 2011. Of these, 145 have already been finalized, 91 are in the process of being completed, 62 remained underway during 2021, 8 to be started, 37 canceled, and 29 stalled.

In 2022, the new Steering Committee format is expected to be instituted, thus marking a new chapter for the PDRSX, the main purpose of which is to promote the region's sustainable development.

With the forecast of other contributions to be distributed from 2022 until the end of the concession (2046), for a total investment of R$ 500 million, Norte Energia's ambition is to broaden its perspective over the territory and use the PDRSX to promote strategic actions and businesses of social and environmental impact that generate sustainable development. Likewise, it is expected to foster biodiversity technology and innovation projects, promote greater access to the basic rights of education, health, and sanitation for local populations and contribute to the conservation and ecological restoration of the Xingu River basin.

To learn more about the PDRSX, click here.

Participation in associations GRI 102-13

Norte Energia is a member of the following class associations and institutions:

- Brazilian Association for Business Communication (Aberje)
- Brazilian Association of Power Generation Companies (Abrage)
- Brazilian Association of Clean Energy Generation (Abragel)
- Brazilian Association of Energy Traders (Abraceel)
- Brazilian Association of Independent Power Producers (Apine)
- Brazilian Association of Investors in Self-Production of Energy (Abiape)
- Federation of Industries of the State of Pará (Fiepa)
- Altamira Commercial, Industrial and Livestock Association (Aciapa)

Engagement

GRI 102-42, 102-43, 102-44

With vaccination progress and the flexibility of measures to control the Covid-19 pandemic, Norte Energia resumed the "Discover Belo Monte" program at the end of 2021, which provides a tour inside the plant and introduces the process to generate clean and renewable energy from the power of the waters of the Xingu River. Since its creation in 2019, about 16,000 visitors have had the opportunity to see the largest 100% Brazilian hydroelectric plant up close.

Under the same name, the special web series Discover Belo Monte was launched in January 2021. There are five episodes, with a new topic each week, telling the stories of residents of Altamira and the region who are involved in Norte Energia's actions to protect the Xingu River and the environment and contribute to the socioeconomic development of the region and innovation in renewable energy generation. Broadcast by TV Mirante (Record Altamira), the episodes are available on Norte Energia's YouTube channel.

This is just one of the Company's initiatives to encourage dialogue with its stakeholders.

It is worth noting that the engagement process also occurs through interaction and social communication actions, such as community meetings, door-to-door visits, reports broadcast on local radio and TV stations, and also through the Popular Communication Network (PCN), a digital communication tool, via messaging application, in which Norte Energia communicates with more than 3,200 spontaneously registered people.

It also occurs through initiatives such as the Belo Monte HPP Social Monitoring Forum (FASBM), a participative space for dialogue created by Norte Energia in 2011 to clarify doubts and exchange information about the Belo Monte HPP. In their periodic meetings, representatives of the communities, civil society, local city halls, Ibama, and other interested parties follow the progress of the work related to the venture.

In 2021, stakeholder concerns and topics were mapped through different initiatives and channels that highlighted the following areas:

Audience	Approach	Topics
Residents of the affected communities and target audience of the mitigation actions Urban Area (Altamira)	Door-to-door visits, community meetings, consultation and complaint mechanism (Belo Monte 24-hour Service Center – toll-free), Popular Communication Network (RCP), WhatsApp and SMS messages, meetings of the Belo Monte HPP Social Monitoring Forum (FASBM).	Mitigation actions conducted in the city of Altamira, such as the expansion of the drinking water supply system and the sewage collection and treatment service; Remediation actions, constructive aspects of the resettlement houses; Disclosure and clarification about actions of the Belo Monte Community social responsibility project.
Residents of Volta Grande do Xingu, in the Reduced Flow Stretch of the Belo Monte HPP	Door-to-door visits, Belo Monte 24 Hour Service Center – toll-free), RCP, WhatsApp and SMS messages, FASBM meetings, in-person meetings, extraordinary meetings, Communication Center in the Ressaca community and Rio das Pedras Communication Center.	River behavior in the Reduced Flow Stretch; Operation of the Belo Monte HPP; Navigability; Environmental monitoring; Access; Water supply; Production projects and income generation; Actions developed under the Environmental Commitment Agreement.
Indigenous Peoples in the venture's area of influence	Radiophone System of the Indigenous Communication Program, Indigenous People's Popular Communication Network (RCP-I), WhatsApp and SMS messages, phone calls, annual maintenance campaigns for the Radiophone System in the villages.	Mitigation actions foreseen in the indigenous component of the venture's environmental licensing, such as production activities and other scheduled subsidies.
Civil Society	Quarterly meetings of the Belo Monte HPP Social Monitoring Forum (FASBM).	Topics related to the commitments of the Belo Monte HPP's environmental license and the voluntary social responsibility actions.

Belo Monte Community

The Belo Monte Community Project develops a set of social responsibility actions of Norte Energy for the benefit of the communities surrounding the Plant. The project reinforces the Company's relationship with the communities through the activation of an environment of mutual commitment to local development.

Effectively contribute to improving the quality of life of the residents of Altamira through citizenship, income generation, health, culture, environmental education, social inclusion, education, and leisure activities. This is the objective of Belo Monte Community, which operates under a vision of social transformation, in the sense of identity and belonging.

Started in 2019 and interrupted in 2020 due to the Covid-19 pandemic, the project was resumed in July 2021. The first of them was the Brazil Cuisine workshop, held in partnership with the Industry Social Service (Sesi) and the Residents' Associations of the neighborhoods built by Norte Energia in Altamira. The workshop addressed the reuse of food, such as fruit peelings and vegetable stalks, to make delicious recipes.

Other outstanding activities conducted in the project in 2021:

Gradual resumption of on-site classes in Social Soccer

A total of 750 vacancies were offered, with 150 vacancies for each of the five new neighborhoods in Altamira.

1st Futsal CUP

The competition between residents of the five new neighborhoods was held in November and 260 children participated.

Professional training courses

Norte Energia invests in activities that motivate professional development of the community, thus facilitating insertion into the job market, development of local labor, and contributing to income generation.

To that end, it held courses for motorcycle maintenance mechanics, bakers, seamstresses of straight and overlock sewing machines, and fruit processing,in addition to make-up, eyebrow design and hairdresser courses.

Supply chain

GRI 102-9, 103-2, 103-3 | 408, 409

By 2021, Norte Energia's supplier base totaled approximately 8,000 product and service suppliers, of which 3,141 are active. In the year, 989 new registrations were made, as well as 3,998 supplier updates. Of the total number of suppliers, 55% are micro-enterprises, 19% are small companies, 4% are medium-sized businesses and 22% are large companies.

Rather than negotiating prices and purchasing conditions, the Supply area aims at the best market practices regarding the contracting and delivery of products and services, including major aspects on social and environmental responsibility, as per the Equator Principles and Norte Energia's Code of Conduct and Ethics – which are mandatory annexes to all contracts. **GRI 412-3**

As part of the policy of prioritizing local hiring, 100 service contracts were signed in 2021 with suppliers from the state of Pará, equivalent to 32% of the year's service hiring.

The remaining contracts are signed with suppliers from the following states: São Paulo (27%), Distrito Federal (10%), and other states (31%).

Due to the large number of suppliers, the Supply area concluded the implementation of the Purchasing Portal (Ariba - SAP) in 2021, which made the contracting process more agile and secure, now addressing topics related to sustainability, in accordance with the company's own Sus https://www.norteenergiasa.com.br/assets/norteenergia-pt-br/Publicacoes/PO-PR-017-2021%20-%20Pol%C3%ADtica%20de%20Sustentabilidade.pdftainability Policy and also the anti-corruption policy. Currently fully functional, the Portal's automated flows integrate Supply with the Company's technical and corporate areas. This enables quick analysis and decision-making regarding suppliers that do not meet the technical, legal, ethical and conduct precepts established by Norte Energia.

We promote technical and administrative training for companies operating in the region

In the 2021 fiscal year, the Supply area worked on 1,656 contracting processes opened across the Company. This represents an increase of 9.2% against the total number of processes handled in 2020 (1,503 processes). The sum of contracts for the year totaled R$ 686 million, down 10.5% from the estimated budget.

Supplier qualification

In partnership with the Networks initiative by the Federation of Industries of the State of Pará (FIEPA), Norte Energia offers technical and administrative training to companies operating in the southwest of Pará, more specifically in the Middle Xingu region. The Supplier Development Program includes training, technical assistance and corporate analysis with a focus on improving performance and preparing local suppliers to conduct new businesses, contributing to local economic growth.

In 2021, 16 suppliers from several markets participated in a workshop within the Supplier Development Program aimed at building capacities in the logistics, marketing, personnel management and processes areas. The top performing companies in the activity cycles of the program were also certified during the event.

Human Rights

GRI 103-2, 103-3 | 411, 412, 412-2

As Norte Energia advanced in the improvement of guidelines and actions in the social, environmental and governance (ESG) realms, in 2021, the Company established its Sustainability Policy and reinforced its approach to Human Rights, which comes about transversally in different instances.

The subject has been addressed in accordance with the company's best governance practices and is included in its corporate risk matrix.

In addition, issues related to Human Rights have been dealt with transversally, since 2013, in the quarterly reports disclosed by the Company to meet the Performance Standards on Social and Environmental Sustainability, as established by the International Finance Corporation (IFC).

With regard to the rights of indigenous peoples, Norte Energia, together with Funai, began negotiations to review the impact matrix and the Basic Environmental Plan of the Indigenous Component, establishing, through its Detailed Work Plan (PTD), that consultation plans will be prepared for each indigenous territory/area.

The PTD was filed with the indigenous body in July 2020 and approved by Funais in July 2021. Norte Energia expects, considering the still necessary precautions due to the Covid-19 pandemic, to begin the work as soon as possible.

Added to this, the Basic Environmental Plan of the Indigenous Component foresees programs and actions aimed at ensuring the rights of these populations. As part of the Communication Program for Non-Indigenous People (PCNI), Norte Energia offers training to direct and indirect professionals on indigenous legislation and good practices for the development of the work on indigenous lands. In 2021, 54 workshops were held and 283 professionals were trained, covering 100% of the employees and third parties who work in Indigenous Lands, totaling 100 hours of training. In 2020, 60 workshops were held and attended by 256 professionals. In 2019, 136 workshops were held and attended by 740 professionals. The lower numbers in 2020 and 2021 were due to the Covid-19 pandemic and the restrictions on access to indigenous lands imposed by FUNAI. **GRI 412-2**

In addition to the programs and training, Norte Energia implemented a radiophone system.

By the end of 2021, 89 radio stations had already been installed on indigenous lands and in Altamira. The Company responded positively to the request of the indigenous populations and Funai for the installation of satellite antennas on indigenous lands, through #ConectaXingu. In 2021, 79 antennas enabled access to the Internet and strengthened such populations' ability to communicate and interact with their families, the company and further interlocutors through uncertain times. Through a service system for indigenous peoples, the Company recorded 350 interactions with this audience. It is noteworthy that the totems supporting the antennas feature USB sockets that allow users to recharge their cell phones.

In 2021, the Company began drafting specific internal regulations to promote and raise awareness on the need to respect the rights of the indigenous populations and riverine and fishing communities.

It is also worthy to underline that, in the list of commitments included

Our Sustainability Policy strengthens the relevance of Human Rights for the Company

in the environmental licensing process, Norte Energia contributed to the development of the education, health, safety, sanitation and social assistance systems, thus enabling the expansion of the population's access to fundamental rights. In 2021, under the Xingu+ program, Norte Energia continued with its actions in basic sanitation, health, education, housing, public safety, social assistance, culture and leisure, with an emphasis on the Volta Grande do Xingu region.

In 2021, Norte Energia remained committed to accomplishing its social and environmental engagements by providing 120 health professionals to Altamira's Special Indigenous Health District (DSEI). With logistical support for vaccination campaigns against Covid-19 and H1N1, construction and maintenance of Basic Health Units, acquisition of vehicles and maintenance and access improvements, as well as the implementation of a telemedicine pilot project in one of the indigenous areas within the venture's region. Norte Energia has been contributing to the good results in healthcare for the indigenous populations of the Middle Xingu through such measures.

According to data released by the Special Secretary for Indigenous Health (Sesai), an agency under the Ministry of Health, although there was a high incidence of Covid-19 cases among the indigenous population in the region in 2021, mortality rates are very low –two unfortunate deaths were registered in the region in 2020 and none in 2021. In turn, the clinical recovery rate stood at 99.8% in 2021 – among the best results nationally. Finally, complete vaccination coverage is the highest in Brazil's North Region at 93.8% for the indigenous population over 18 years old and 79.4% for the population over 12 years old. To learn more, visit Sesai's website: http://www.saudeindigena.net.br/coronavirus/mapaEp.php.

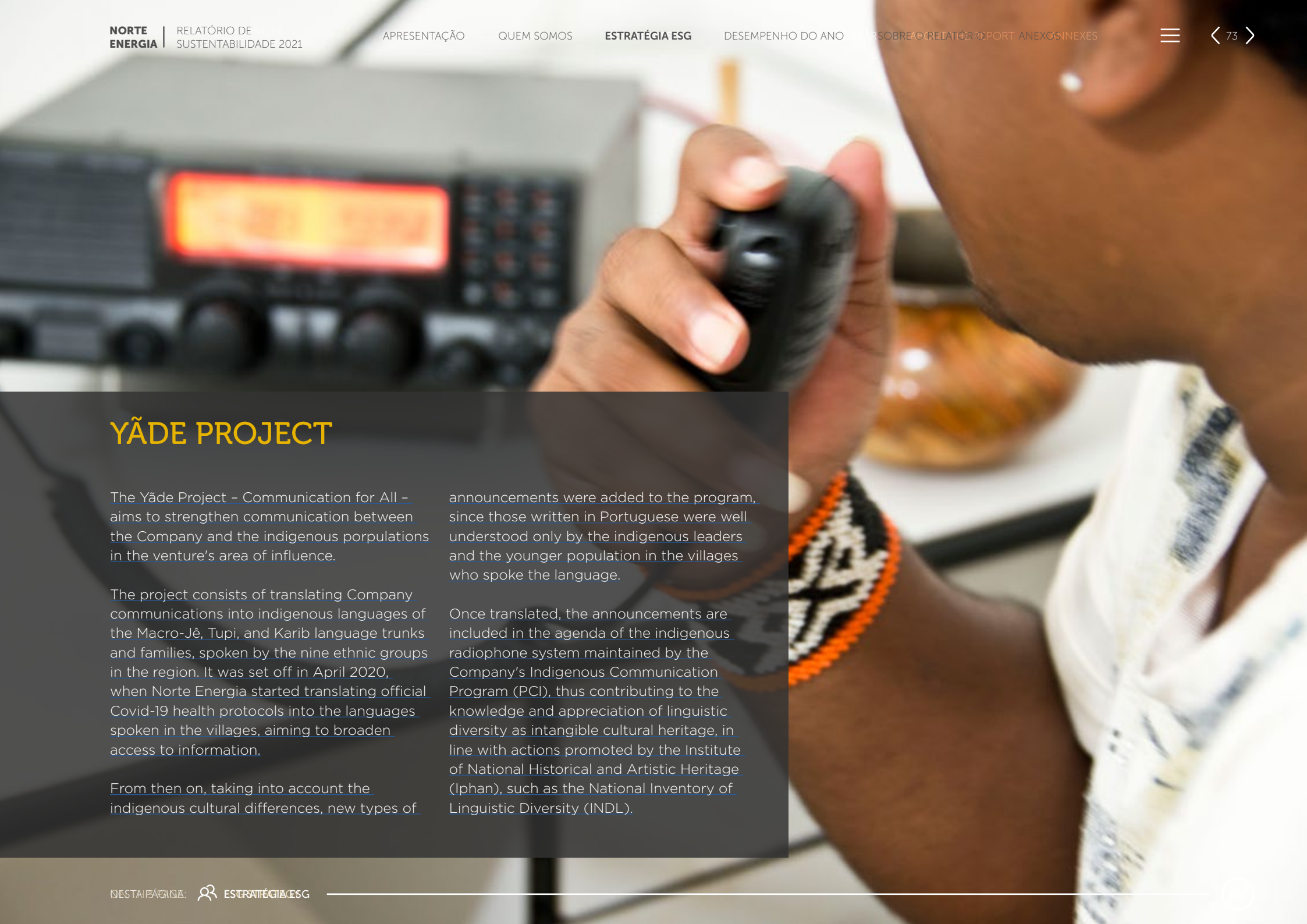
Norte Energia understands that there is still room to advance in the promotion and consolidation of the rights of indigenous peoples, riverine and fishing communities in Brazil. This is a complex issue and requires effective efforts from the state and Brazilian society.

Despite all the actions and investments undertaken by Norte Energia, the Federal Public Prosecutor's Office (MPF), through the Public Civil Action filed before the Single Federal Court of the Altamira/PA Judicial Subsection, claimed that the implementation of the venture would represent alleged destruction of the way of life of indigenous groups of the Middle Xingu. The MPF's claim was refuted by Norte Energia and the Federal Government, by demonstrating that during the environmental licensing process, the impacts perceived by the indigenous communities affected by the venture are duly addressed, with continuous monitoring by Funai and Ibama, without prejudice to the permanent submission by Norte Energia of reports demonstrating the evolution of each program or measure intended to mitigate or compensate such impacts. This lawsuit is still in progress.

The scale of the largest 100% Brazilian hydroelectric power plant matches in magnitude the complexity of the relations, the ethnic diversity and the rights involved for all the riverine and fishing communities and the indigenous populations living in the areas spanned by the venture. It covers nine different indigenous ethnic groups in 12 different areas, with different degrees of contact, each with its own culture, language, and habits. Thus, getting to know these groups, their territories, and different ways of being, living and expressing themselves requires time, listening and changing paradigms.

In this journey, Norte Energia has been investing in its learning process and improvement of the actions concerning Human Rights. For 2022, the Company expects to improve its monitoring and control tools for a better management of the topic in its performance; maintain the goal of responding to 100% of the human rights violation claims; improve the spaces for the engagement of these groups in the execution and discussion of the licensing commitments.

Thus, important steps were taken towards a new structure and approach to the topic in 2021, which will be follow by a period of process implementation and maturation in 2022.



YÃDE PROJECT

The Yãde Project – Communication for All – aims to strengthen communication between the Company and the indigenous porpulations in the venture's area of influence.

The project consists of translating Company communications into indigenous languages of the Macro-Jê, Tupi, and Karib language trunks and families, spoken by the nine ethnic groups in the region. It was set off in April 2020, when Norte Energia started translating official Covid-19 health protocols into the languages spoken in the villages, aiming to broaden access to information.

From then on, taking into account the indigenous cultural differences, new types of announcements were added to the program, since those written in Portuguese were well understood only by the indigenous leaders and the younger population in the villages who spoke the language.

Once translated, the announcements are included in the agenda of the indigenous radiophone system maintained by the Company's Indigenous Communication Program (PCI), thus contributing to the knowledge and appreciation of linguistic diversity as intangible cultural heritage, in line with actions promoted by the Institute of National Historical and Artistic Heritage (Iphan), such as the National Inventory of Linguistic Diversity (INDL).

Local communities GRI 103-2, 103-3 | 413

Since 2011, Norte Energia has been developing a set of mitigating and compensatory actions with urban, rural, riverine and indigenous communities in its area of influence. Such actions are mandatory and have produced multiplying effects in the fields of livelihoods, food security, income generation, basic sanitation, housing, health, education, public safety, culture and leisure.

The programs and activities are foreseen in the Basic Environmental Project (PBA) and in the Basic Environmental Plan for the Indigenous Component (PBA-CI), linked to the venture's environmental license or in terms of cooperation and agreements established throughout its deployment.

Regarding the main policies, goals and initiatives on social issues, it should be reinforced that, in 2021, Norte Energia established its Sustainability Policy, with a strategic pillar – regional economic development achieved from strengthening the local social and economic legacy.

Also in the scope of the social commitments established for the licensing,the Affected Population Support Plan was continued with in 2021 and, in an integrated manner with the foreseen social impacts, sought to mitigate them by choosing solutions compatible with the local reality and with the demands of the different affected social groups.

Therefore, programs and projects were proposed for each situation identified and qualified in the plan. Among the actions in the Affected Population Support Plan, the Land Acquisition and Negotiation and Rural and Urban Area Improvement Programs deserves highlight, specifically with regard to urban and rural resettlement projects, as well as rural and urban remediation projects.

The remediation projects focus on the recovery of collective work practices, neighborhood relations, the organization of families to act upon issues related to political, administrative and social life of the communities, religious ties, social gatherings and leisure activities, in order to consider, especially, the usual survival arrangements of families in the communities of origin. Thus, the actions are aimed at building the ways of life in the current bases, contributing to the improvement of the quality of life and to their stay in the new area.

Specifically for the communities located in the Volta Grande do Xingu (VGX), the main actions are reported throughout this report.

Norte Energia develops social monitoring projects to assess and track indicators to follow up on the impacts expected in the municipalities of the Area of Direct Influence (AID) and the Area of Indirect Influence (AII) of the Belo Monte HPP due to the implementation and operation of the venture. The follow-up carried out allows the development of a database on the changes in the social and economic dynamics in the area of the venture.

Within the context of the Project for Follow-up and Social Monitoring of the Communities Surrounding the Construction Site and Host Communities, regular and systematic follow-up and social monitoring are carried out with the families affected by the operation of Belo Monte HPP.

Its target audience is composed of both urban and rural families, and the follow-up and social monitoring occurs through biannual campaigns since 2013, in which social and economic information is collected on forms specifically developed for this purpose.

Norte Energia, within the scope of the Project for Social and Psychological Assistance of the Affected Population, has already enabled the provision of services and referrals in the areas of health, education, public safety, issuance of documents, besides the structuring of Cras, Creas, Single Registry, Guardianship Council and Rights Guarantee System. Throughout the implementation process, 21,367 consultations have been responded and 5,690 referrals have been made (specifically in 2021, 2,271 consultations and 574 referrals).

Through social monitoring, families and people affected by the venture have been identified, located, and assisted. This has enabled to refer them to social assistance services, as well as follow up on the progress their conditions until its possible resolution.

Partnerships signed with the municipalities of Altamira and Vitória do Xingu allow to complement the assistance provided by the local governments, reinforcing their structures.

As part of the Ribeirinho Project, in August 2016, Norte Energia started the first social and economic monitoring campaign with the families to follow up on the transition of this population to the new houses and the definitive settlement of the family groups in the chosen occupation point, as well as to monitor the living conditions from then on. **GRI EU20**

For those assisted on issues related to the fishing communities, the support, which was the core part of the Transition Family Plan, was scaled based on each fishermen group or typology, adapting the actions to the specific case.

In addition to the above-mentioned programs, monitoring projects are under development with the residents of the Volta Grande do Xingu, with the Project from Monitoring the Living Conditions in Volta Grande standing out. The purpose of this project is to monitor the progress of social, economic and cultural aspects of the population in the deployment and operation stages of the Belo Monte HPP regarding possible changes in their living conditions, especially in relation to the use of the Xingu River and its main tributaries.

The APP Occupation and Use Plan sets out the general rules for the occupation and sustainable use of the reservoir banks and is under discussion with the members of the Riverine Council. The implementation schedule for the Ribeirinho Project was submitted to Ibama and updated in December 2021. Due to the Covid-19 pandemic, the project required adjustments to its schedule, with its implementation stretched to the 2nd quarter of 2023, and consequently, the monitoring and technical assistance actions expanded to the 4th quarter of 2026.

The relationship with this audience occurs through different communication channels, mainly through the Belo Monte 24 -Hour Service Center (0800 091 2810), available for clarification to the owners/holders about the social and economic registration activities for the implementation of the Project.

The number of riverine families resettled in 2021 is found below.

Physically and economically displaced persons and compensation GRI EU22

Altamira (PA)	No. of operations
Number of physically displaced families	13
Number of individuals compensated	0
Amount paid in compensations (R$)	0
Number of people benefited by the project with access to power	0
Number of individuals benefited by the project with jobs	0
Number of individuals directly employed during construction	10
Number of individuals indirectly employed during construction	20

PERFORMANCE FOR THE YEAR

Performance for the year

GRI 103-2, 103-3 | 201

The value generated by Norte Energia's operating activities is shared with shareholders and all other stakeholders.

Operator of the largest 100% Brazilian hydroelectric power plant, a producer of clean and renewable energy, the Company is committed to also work in benefit especially of the regional and local communities, promoting sustainable initiatives for the social and economic development and preservation of the Amazon biome.

In terms of economic performance, the Company's management is based on the monitoring of macro/microeconomic and sectoral conditions (power generation, consumption, load, affluence etc.) and predictive analyses (creation of scenarios, for instance) linked to Norte Energia's risk matrix.

Performance evaluation, monitored by the Audit, Compliance and Risk and Financial Committees, uses tools such as internal portals, where the company's financial, economic, technical, operational and engineering information is gathered, and updated in real time through algorithms. In addition, among other things, it considers internal and external audits and those carried out by shareholders, as well as feedback from the investors themselves.

Financial, economic, technical, operational and engineering information is updated in real time on internal portals

Economic and regulatory scenario

Amidst the persistent crisis due to the Covid-19 pandemic and inflationary pressure (Brazil's Broad Consumer Price Index, or IPCA, ended the year at 10.06%), the Brazilian Development Bank (BNDES) launched an emergency package with measures to support production capacity maintenance and employment and income generation, offering its clients the possibility of suspending operations' interest and principal payments for seven months.

Norte Energia joined the program, obtaining the suspension of the Direct Installment - Finem and the Indirect Installment from January to June 2022, in exchange for not distributing dividends above the mandatory minimum (25% of adjusted net income) in 2022.

It should also be noted that the IPCA services purchased from third parties, and also has a direct impact on the financial cost of the debt contracted with the BNDES.

In addition, 2021 was marked by strong regulatory activity with direct and indirect impacts on Norte Energia's service delivery. Among the main events, the extension of the Company's concession was obtained to compensate for losses caused by non-hydrological factors of the GSF. Brazil's National Energy Agency (ANEEL) ratified the calculations made by the Chamber of Electric Energy Commercialization (CCEE) and the concession term of the plants included in the Energy Reallocation Mechanism (MRE) was extended for due compensation. Thus, Norte Energia's concession was extended by 319 days, which regulates the updates on sale prices of energy and corresponded to R$ 307 million in compensation for the GSF.

Our concession was extended by 319 days to compensate for losses caused by non-hydrological factors

During the period, Norte Energia also contributed in 17 public consultations opened by Aneel, the Ministry of Mines and Energy and the National Water Agency, totally or partially succeding in seven of them, while two were not concluded in 2021. Among other noteworthy points regarding public consultations, the change in Aneel's proposal for the creation of hybrid and associated plants was relevant. Hydroelectric plants are now included in the proposal, which provides favorable conditions for complementary photovoltaic generation projects.

Throughout the year, there were only two non-compliance incidents according to Aneel's inspection, both of which have already been resolved. They involved the mismatch of Belo Monte turbines Nos 16 to 18 with the second bipole (anticipated from December to August 2019) and the obtaining of the Declaration for Provisional Operation (DAPR-D) for turbine No. 3 in Pimental. Norte Energia maps and applies mechanisms to mitigate regulatory risks, maintaining a process of continuous improvement in the area.

Financial Results

GRI 103-2, 103-3 |201, 201-4

Norte Energia's net sales revenues totaled R$4.8 billion in 2021, which accounts for a 10% increase in the year over year comparison. Its financial revenues basically come from investments in fixed income investment funds and securities issued institutions with acceptable risk ratings. Expenses, in turn, comprise debt charges arising from a loan granted by BNDES and debentures issued in 2020, with a ten-year term.

The company was successful in preserving its liquidity, which ensured the fulfillment of its commitments related to the investment program and debt service. The EBITDA of R$3.2 billion accounts for an increase of 26% and the return on equity grew 58% when compared to the results obtained in 2020.

With the significant impact of the reduction of the energy allocated due to the GSF (physical guarantee adjustment factor), the recorded loss decreased by 50% in relation to that of 2020, from R$ 862 million to R$ 432 million in 2021. The raising interest rate (TJLP), which is the basis for calculating the financial charges for loans, also contributed to the negative result – 4% higher than the same period in 2020.

Cash liquidity ensured the fulfillment of our investment program in 2021

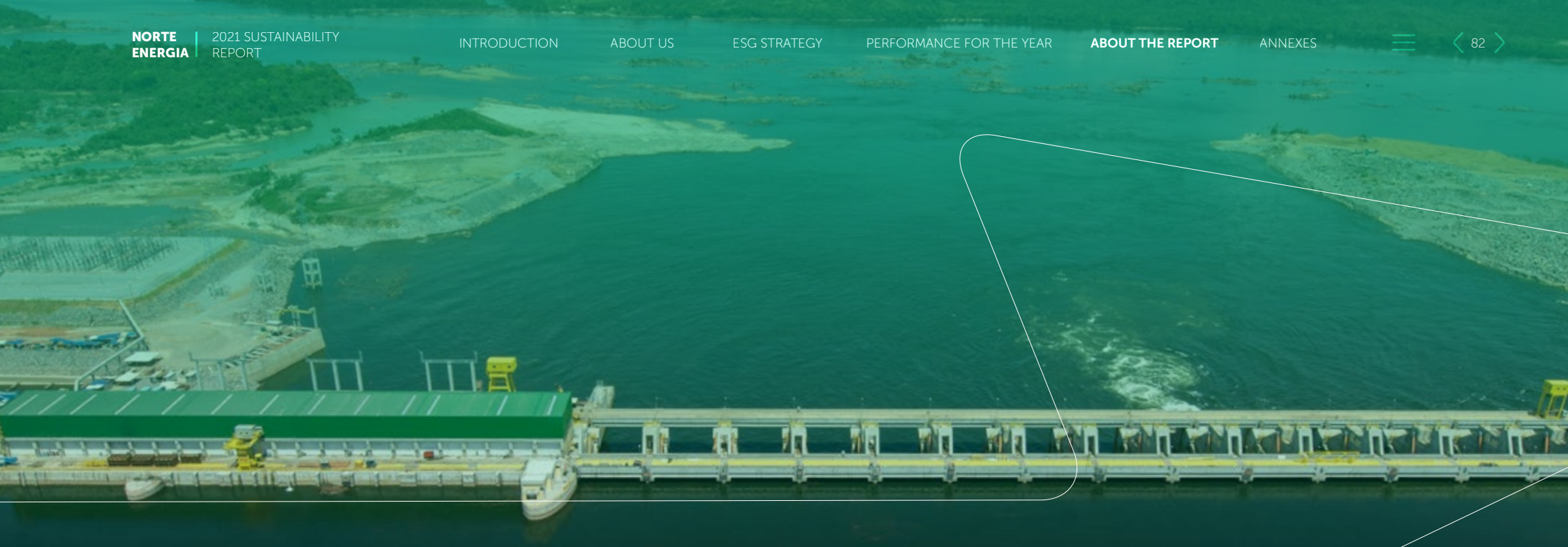
Direct economic value generated and distributed in 2021 GRI 201-1

Direct economic value generated (R$)	
Income	**5,619,421,702.21**

Retained economic value (R$)	
"Direct economic value generated" less "Economic value distributed"	**-862,166,302.74**

Economic value distributed (R$)	
Operating costs	3,210,909,417.06
Employee salaries and benefits	83,207,509.51
Payments to capital providers	2,098,128,078.38
Payments to the government	782,987,000.00
Investments in the community	306,357,000.00
Total	**6,481,589,004.95**

Economic value distributed (%)	
Operating costs	49.54%
Employee salaries and benefits	1.28%
Payments to capital providers	32.37%
Payments to the government	12.08%
Investments in the community	4.73%
Total	**100%**



ABOUT THE **REPORT**

Norte Energia discloses its annual performance in the social, environmental and economic-financial dimensions based on the indicators set forth by the Global Reporting Initiative (GRI), a non-governmental organization with globally recognized standards for corporate performance analyses. **GRI 102-52**

The document reports the Company's governance practices, goals, and challenges for the period from January 1 to December 31, 2021, as well as how it manages sustainability aspects and its relation with its various stakeholders: employees, communities, shareholders and investors, suppliers, regulators, and civil society. The accounting information, which forms the basis of the financial chapter, was submitted for external verification by Ernst & Young Auditores Independentes S.S.
GRI 102-40, 102-50, 102-56

The selection of the content is aligned with the materiality matrix disclosed in the 2020 Report, in a process that involved external consultation with three representatives of six groups of external stakeholders (urban leaders, riverine leaders, indigenous leaders, NGOs/Academia, press and government), five representatives of shareholders and the entire body of employees (270 responses), and led to an initial list of 22 material topics. Reviewed in 2021, based on the drafting of the Company's Sustainability Policy, widely discussed internally and validated by the senior management, the matrix had its topics grouped and summarized in nine subjects that became the core of Norte Energia's ESG agenda.
GRI 102-43, 102-46

Priority and relevant topics, their impacts, risks and opportunities make up the content disclosed in this report. The results of mandatory programs (defined through licensing and other binding mechanisms) and voluntary projects, both those associated with the targets of the 2030 UN Sustainable Development Goals (SDGs) and the topics envisioned in the 10 Equator Principles are some of the information contained herein.

These are topics that helped define the chapters and indicators in this report, as well as the topics presented below: **GRI 102-44, 102-47, 103-1**

- Natural environments: 303-1, 303-2, 303-5 (2018)
- Biodiversity: 304-1, 304-2, 304-3, 304-4,
- Anti-corruption: 205-1, 205- 2, 205-3
- Compliance with applicable legislation in force: 307-2
- Human Rights: 411-1, 412-2, 412-3, 413-1, 413-2
- Local social and economic legacy: 401-1, 401-2, 401-3, 402-1
- Climate change: 305-1, 305-2, 305-3, 305-4, 306-1, 306-2, 306-5
- Occupational safety: 403-1, 403-2, 403-3, 403-4, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 (2018) and 410-1
- Sustainable and shared value: 201-1, 201-2

Questions and further information about this report or the Company's sustainability practices can be requested at sustentabilidade@norteenergiacom.br. **GRI 102-53**

GRI content summary GRI 102-55

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
GENERAL DISCLOSURES						
GRI 101: Foundation 2016						
GRI 101 no Contents available						
Organizational profile						
GRI 102: General Disclosures 2016	102-1 Organization name	10				
	102-2 Activities, brands, products and services	10				
	102-3 Location of headquarters	10				
	102-4 Location of operations	10				
	102-5 Ownership and legal form	10				
	102-6 Markets served	11				
	102-7 Size of the organization	11				EP1
	102-8 Information on employees and other workers	30, 100, 101				
	102-9 Supply chain	70				
	102-10 Significant changes to the organization and its supply chain	No significant changes were identified to the organization and its supply chain.				
	102-11 Precautionary principle or approach	21				
	102-12 External Initiatives	13				
	102-13 Membership in associations	67				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
Energy Sector Supplement – Organizational Profile	EU1 Installed capacity (MW), by primary energy source and regulatory regime	11			IF-EU-240a.4: Discussion on the impact of external factors on customer accessibility to electricity, including economic conditions in the service territory..	
	EU2 Net energy production by primary energy source and regulatory regime	11			IF-EU-000.C: Length of transmission and distribution lines	
Esg						
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	4, 6				EP 2a, b, c
	102-15 Key impacts, risks, and opportunities	4, 6, 21				
Ethics and integrity						
GRI 102: General Disclosures 2016	102-16 Values, principles, standards and norms of behavior	13				
	102-17 Mechanisms for advice and concerns about ethics	27				EP5, EP6
Governance						
GRI 102: General Disclosures 2016	102-18 Governance structure	17				
	102-22 Composition of the highest governance body and its committees	19				
	102-23 Chair of the highest governance body	17				
	102-24 Nominating and selecting the highest governance body	19				
	102-26 Role of highest governance body in setting purpose, values, and strategy	19				
	102-30 Effectiveness of risk management processes	23				EP6
	102-35 Remuneration policies	17				
	102-36 Processes for determining remuneration	17				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
Stakeholder engagement						
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	83				EP6
	102-41 Collective bargaining agreements	100% of the employees are covered by collective .				EP5, EP6
	102-42 dentifying and selecting stakeholders	67				EP5, EP6
	102-43 Approach to stakeholder engagement	67, 83				EP5, EP6
	102-44 Key topics and concerns raised	67, 83				EP5, EP6
Reporting practice						
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	The financial statements comprise Norte Energia S.A's balance sheet, the comprehensive income and the changes in equity.				
	102-46 Defining report content and topic boundaries	83				EP5
	102-47 List of material topics	83				EP5
	102-48 Restatements of information	None.				
	102-49 Changes in reporting	None.				
	102-50 Reporting period	83				
	102-51 Date of most recent report	2021, referring to 2020.				
	102-52 Reporting cycle	83				
	102-53 Contact point for questions regarding the report	83				EP5, EP6
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI in the "Core" option.				
	102-55 GRI content index	84				
	102-56 External Assurance	83				EP7, EP9

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
MATERIAL TOPICS						
GRI 200 ECONOMIC TOPICS						
Economic performance						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 80				
	103-3 Evaluation of the management approach	80				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	81, 83				
	201-2 Financial implications and other risks and opportunities arising from climate change	21, 23, 83			IF-EU-110a.3: Discussion on long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	
	201-4 Financial assistance received from government	Norte Energia receives no financial assistance from the government.				
Anti-corruption						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	26, 27				
	103-3 Evaluation of the management approach	26, 27				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	26, 83				
	205-2 Communication and training about anti-corruption policies and procedures	26				
	205-3 Confirmed incidents of corruption and actions taken	26, 83				
GRI 300 ENVIRONMENTAL TOPICS						
Energy						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 40, 43				
	103-3 Evaluation of the management approach	40, 43				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	43				
Water and effluents						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 47, 62				
	103-3 Evaluation of the management approach	47, 62				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	62, 65, 83			IF-EU-140a.3: Description of water management risks and discussion on strategies and practices to mitigate such risks	
	303-2 Management of water discharge-related impacts	62, 83				
	303-5 Water consumption	62, 83			IF-EU-140a.1: (1) Total water withdrawn, (2) total water consumed % of each in regions with high or extremely high baseline water stress	

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
Biodiversity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	47, 50				
	103-3 Evaluation of the management approach	47, 50				
GRI 304: Biodiversity 2016	304-1 Operational units owned, leased or managed in or adjacent to environmental protection areas and areas of high biodiversity value located outside protected areas	In the Area Directly Affected by the Belo Monte HPP there are two Indigenous Lands (Paquiçamba and Arara da Volta Grande) and two areas of extreme biological importance: AM 179 - Volta Grande do Xingu and AM 183 - Cavernas da Volta Grande (MMA Ordinance No. 9/2007				
	304-2 Significant impacts of activities, products and services on biodiversity	47, 56, 57, 61, 63, 83				
	304-3 Protected or restored habitats	47, 50, 63				
	304-4 Species included in the IUCN red list and in national conservation lists with habitats in areas affected by the organization's operations	47, 65, 83, 105				
Energy Sector – Biodiversity	EU13 Biodiversity of replacement habitats compared to the biodiversity of the affected areas	47, 50, 57				
Emissões						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 40, 41, 46				
	103-3 Evaluation of the management approach	40, 41, 46				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
GRI 305: Emissions 2016	305-1 Direct emissions (Scope 1) of greenhouse gases (GHG)	42, 83			IF-EU-110a.1: Overall gross Scope 1 emissions, percentage covered by (2) emission limiting regulations and (3) emission reporting regulations	
	305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG)	42, 83			IF-EU-110a.2: Greenhouse gas (GHG) emissions associated with power supply	
	305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG)	41, 42, 83				
	305-4 Greenhouse gas (GHG) emissions intensity	42, 83			IF-EU-110a.3: Discussion on long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	
Effluents and waste						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 60				
	103-3 Evaluation of the management approach	60				
GRI 306: Effluents and waste 2016	306-1 Water discharge, broken down by quality and destination	60, 83				
	306-2 Waste, broken down by type and disposal method	60, 83				
	306-5 Water bodies affected by water discharge and/or drainage	60, 83, 106				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
Environmental Compliance						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 47				
	103-3 Evaluation of the management approach	47				
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	No incidents of non-compliances were observed in 2021, considering significant non-monetary sanctions or fines above R$ 5 million.				
GRI 400 SOCIAL TOPICS						
Employment						
GRI 103: FManagement Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	30, 37				
	103-3 Evaluation of the management approach	30, 37				
GRI 401: Employment 2016	401-1 New hires and employee turnover	30, 83, 101, 102				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N.A.				
	401-3 Maternity/Paternity Leave	83, 103				
Energy Sector Supplement – Employment	EU14 Programs and processes that ensure the availability of skilled labor	37				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
Labor Relations						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 30				
	103-3 Evaluation of the management approach	30				
GRI 402: Labor Relations 2016	402-1 Minimum notice period regarding operational changes	Minimum of two weeks, as per the legislation in force.				
Occupational health and safety						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 34				
	103-3 Evaluation of the management approach	34				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	34, 83				
	403-2 Hazard identification, risk assessment, and incident investigation	83				
	403-3 Occupational health services	35, 83				
	403-4 Worker participation, consultation, and communication on occupational health and safety	34, 83				
	403-5 Worker training on occupational health and safety	34, 83				
	403-6 Promotion of worker health	35, 83				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34, 83				
	403-8 Workers covered by an occupational health and safety management system	100% of direct and contracted employe-es are covered by the Company's Occupatio-nal Health and Safety System (OHS).				
	403-9 Work-related incidents	36, 83			IF-EU-320a.1. Near-incident rate Incidents	

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
Training and education						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 37				
	103-3 Evaluation of the management approach	37				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	37				
	404-2 Programs for upgrading employee skills and transition assistance programs	37				
Diversity and equal opportunity						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	32				
	103-3 Evaluation of the management approach	32				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	17, 100, 104				
	405-2 Ratio of basic salary and remuneration of women to men	32				
Non-discrimination						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	26, 27				
	103-3 Evaluation of the management approach	26, 27				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	The reporting channel received no incidents in 2021.				
Child Labor						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	26, 27, 70				
	103-3 Evaluation of the management approach	26, 27, 70				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	The reporting channel received no incidents in 2021.				
Forced or compulsory labor						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	21, 27, 64, 71				
	103-3 Evaluation of the management approach	26, 27, 70				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	The reporting channel received no incidents in 2021.				
Security practices						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	24, 27				
	103-3 Evaluation of the management approach	24				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	100% of the employees and third parties who work in indigenous land underwent training, totaling 100 hours in 2021.				
Rights of indigenous people						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 71				
	103-3 Evaluation of the management approach	71				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violation involving rights of indigenous peoples	The reporting channel received no incidents in 2021.				
Human rights assessment						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	21, 27, 64, 71				
	103-3 Evaluation of the management approach	21, 27, 64, 71				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	The Ethics and Corporate Integrity Committee investigated five complaints of moral harassment and one complaint of sexual harassment, and the Company applied corrective measures.				
	412-2 Employee training on human rights policies or procedures	71, 83				
	412-3 Significant investment agreements and contracts that include human rights clauses or have undergone human rights screening	13, 21, 70				
Local Communities						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	83				
	103-2 Management approach and its components	27, 74				
	103-3 Evaluation of the management approach	74				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	83, 107				
	413-2 Operations with significant actual and potential negative impacts on local communities	No impacts other than those pointed out in the EIA/RIMA phase were detected.				
Energy Sector Supplement – Local Communities	EU20 Approach to managing displacement impacts	75				
	EU22 Number of people physically and economically displaced and compensation, broken down by type of project	76				

GRI Standards	Content	Page	Omission	SDG	SASB Correlation	Equator Principles
Consumer health and safety						
Energy Sector Supplement – Consumer health and safety	EU25 Service user accidents and deaths involving company property	There were no service user accidents or deaths involving company property, and no pending court decisions or claims related to illnesses.				
Research and development						
Energy Sector Supplement – Research and Development	EU8 Research and development activity and expenses aimed at providing reliable electricity and Promoting Sustainable Development	45				
Planning and response for emergencies and disasters						
Energy Sector Supplement – Planning and response for emergencies and disasters	EU21 Contingency planning measures, disaster/ emergency management plans and training programs, and recovery/restoration plans	24, 47, 50				
Acesso						
Energy Sector Supplement – Access	EU30 Average availability factor of the plant, broken down by energy source and regulatory system	11				

ANNEXES

GRI Indicators

People indicators

Workforce by functional category and gender in 2019, 2020 and 2021 GRI 102-8, 405-1

Employees	2019					2020					2021				
	Men		Women		Number Total	Men		Women		Number Total	Men		Women		Number Total
	Number	Percentage	Number	Percentage		Number	Percentage	Number	Percentage		Number	Percentage	Number	Percentage	
Directors	4	100.00%	0	0.00%	**4**	3	100.00%	0	0.00%	**3**	4	100.00%	0	0.00%	**4**
Superintendents	12	70.59%	5	29.41%	**17**	11	78.57%	3	21.43%	**14**	10	76.92%	3	23.08%	**13**
Managers	28	87.50%	4	12.50%	**32**	25	83.33%	5	16.67%	**30**	28	77.78%	8	22.22%	**36**
Coordinators	26	70.27%	11	29.73%	**37**	18	64.29%	10	35.71%	**28**	10	66.67%	5	33.33%	**15**
Senior professionals (specialists)	16	80.00%	4	20.00%	**20**	15	78.95%	4	21.05%	**19**	29	78.38%	8	21.62%	**37**
Senior professionals	71	61.74%	44	38.26%	**115**	63	58.88%	44	41.12%	**107**	73	61.86%	45	38.14%	**118**
Technicians (specialists)	42	95.45%	2	4.55%	**44**	30	96.77%	1	3.23%	**31**	16	100.00%	0	0.00%	**16**
Mid-level professionals	54	67.50%	26	32.50%	**80**	41	66.13%	21	33.87%	**62**	40	74.07%	14	25.93%	**54**
Administrative	14	77.78%	4	22.22%	**18**	14	82.35%	3	17.65%	**17**	5	100.00%	0	0.00%	**5**
Advisors	2	100.00%	0	0.00%	**2**	1	50.00%	1	50.00%	**2**	3	100.00%	0	0.00%	**3**
Total	**269**	**72.90%**	**100**	**27.10%**	**369**	**221**	**70.61%**	**92**	**29.39%**	**313**	**218**	**72.43%**	**83**	**27.57%**	**301**
Workers	**Men**		**Women**		**Number Total**	**Men**		**Women**		**Number Total**	**Men**		**Women**		**Number Total**
	Number	**Percentage**	**Number**	**Percentage**		**Number**	**Percentage**	**Number**	**Percentage**		**Number**	**Percentage**	**Number**	**Percentage**	
Apprentices	3	42.86%	4	57.14%	**7**	2	33.33%	4	66.67%	**6**	3	60.00%	2	40.00%	**5**
Interns	7	43.75%	9	56.25%	**16**	12	63.16%	7	36.84%	**19**	2	66.67%	1	33.33%	**3**
Total	**10**	**43.48%**	**13**	**56.52%**	**23**	**14**	**56.00%**	**11**	**44.00%**	**25**	**5**	**62.50%**	**3**	**37.05%**	**8**

Individuals in the governance bodies GRI 102-8

	2019	2020	2021
Members of the governance bodies	20	19	21

HIRED employees by age group, gender, and region GRI 401-1

Age Group	2019	2020	2021
Under 30 years old	13	1	6
30-50 years old	34	10	36
Over 50 years old	8	0	4
Total	**55**	**11**	**46**
Gender	**2019**	**2020**	**2021**
Men	37	6	32
Women	18	5	14
Total	**55**	**11**	**46**
Region	**2019**	**2020**	**2021**
Altamira (PA)	43	5	30
Brasília (DF)	12	6	16
Total	**55**	**11**	**46**

Employee TURNOVER by age group and gender GRI 401-1

Age Group	2019	2020	2021
Under 30 years old	7	5	9
30-50 years old	26	23	34
Over 50 years old	35	21	113
Total	**68**	**49**	**56**
Gender	**2019**	**2020**	**2021**
Men	51	37	33
Women	17	12	23
Total	**68**	**49**	**56**
Region	**2019**	**2020**	**2021**
Altamira (PA)	58	46	46
Brasília (DF)	10	3	8
Total	**68**	**49**	**56**

Turnover[1] GRI 401-1

Total headcount	2019	2020	2021
	369	313	301
By gender	**2019**	**2020**	**2021**
Men	0,12	0,07	0,11
Women	0,05	0,03	0,6
Total	**0,17**	**0,10**	**0,17**
By age group	**2019**	**2020**	**2021**
Up to 30	0,02	0,01	0,02
31-50 years old	0,08	0,05	0,12
Over 50	0,06	0,03	0,03
Total	**0,17**	**0,10**	**0,17**
By region	**2019**	**2020**	**2021**
Altamira	0,14	0,08	0,13
Brasília	0,03	0,02	0,04
Total	**0,17**	**0,10**	**0,17**

[1] Calculation methodology: [(new hires + dismissed)/²]/total headcount..

Maternity or paternity leave GRI 401-3

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Employees entitled to take the leave	4	5	10	6	3	3
Employees who took the leave	4	5	10	6	3	3
Employees who returned to work during the reporting period, after their leave ended	4	4	10	6	3	3
Employees who returned to work after their leave and remained employed 12 months after returning to work	4	4	9	2	3	2
Return Rate	1	1	1	1	1	1
Retention rate	1	1	0.9	0.33	1	0.67

Workforce diversity in 2021 by age group GRI 405-1

Employees	Under 30 years old	Between 30 and 50 years old	Over 50 years old
Directors	0.00%	25.00%	75.00%
Superintendents	0.00%	53.85%	46.15%
Managers	2.78%	80.56%	16.67%
Coordinators	0.00%	80.00%	20.00%
Senior professionals (specialists)	0.00%	83.78%	16.22%
Senior professionals	15.25%	77.97%	6.78%
Technicians (specialists)	0.00%	62.50%	37.50%
Mid-level professionals	22.22%	68.52%	9.26%
Administrative	0.00%	100.00%	0.00%
Advisors	0.00%	33.33%	66.67%
Total	**10.30%**	**74.75%**	**14.95%**

Employees	Under 30 years old	Between 30 and 50 years old	Over 50 years old
Apprentices	100.00%	0.00%	0.00%
Interns	100.00%	0.00%	0.00%
Total	**10.30%**	**74.75%**	**14.95%**

Environmental indicators

Number of species found in the area where Norte Energia operates and that are included in the IUCN Red List and in national conservation lists, briken down by level of extinction risk[1] GRI 304-4

Extinction risk level	2019	2020	2021
Critically endangered	5	5	6
Endangered	5	11	12
Vulnerable	32	43	61
Near threatened	25	27	26
Least concern	625	638	641

[1] The difference in the number of vulnerable species between 2019 and 2021 is exclusively due to the taxonomic update of species and the status update by the IUCN. In addition, the list was updated for the species raised in the 2020 Report, with the inclusion of the ten fish species classified in any conservation status and that are already considered in the 2019 and 2021 numbers.

Total waste directed for final disposal, per recovery operation, in metric tons (t) GRI 306-5

	2019			2020			2021		
	Within the organization (on site)	Outside the organization (off site)	Total	Within the organization (on site)	Outside the organization (off site)	Total	Within the organization (on site)	Outside the organization (off site)	Total
Hazardous waste									
Incineration with energy recovery	0	0	**0**	0	0	**0**	0	0	**0**
Incineration without energy recovery	0	1.38	**1.38**	0	0.42	**0.42**	0	0.16	**0.16**
Landfill	0	0	**0**	0	0	**0**	0	0	**0**
Blending for co-processing	0	87.74	**87.74**	0	64.19	**64.19**	0	45.36	**45.36**
Reverse logistics	5.16	0	**5.16**	0.13	0	**0.13**	0.24	0	**0.24**
Total	**5.16**	**89.12**	**94.28**	**0.13**	**64.61**	**64.74**	**0.24**	**45.52**	**69.52**
Non-hazardous waste									
Incineration with energy recovery	0	0	**0**	0	0	**0**	0	0	**0**
Incineration without energy recovery	0	0	**0**	0	0	**0**	0	0	**0**
Landfill	2.390.13	0	**2,390.13**	979.63	0	**979.63**	240.22	0	**240.22**
Recycling	108.40	0	**108.40**	21.14	0	**21.14**	11.13	0	**11.13**
Total	**2,498.53**	**0**	**108.4**	**1,000.77**	**0**	**1,000.77**	**251.35**	**0**	**251.35**
Total waste directed for final disposal	**2,503.69**	**89.12**	**2,774.83**	**1,000.9**	**64.61**	**1,129.70**	**251.59**	**45.52**	**251.59**

Social indicators

Operations with local communities GRI 413-1

Item	No. of operations
Environmental impact assessments and ongoing monitoring[1]	8
Public disclosure of results of environmental and social impact assessments[2]	55
Local development programs based on local communities' needs[3]	3
Stakeholder engagement plans based on stakeholder mapping[4]	1
Broad-based local community consultation committees and processes that include vulnerable groups[5]	6
Work councils, occupational health and safety committees and other worker representation bodies to discuss impacts[6]	1
Formal local community grievance processes[7]	4

[1] Refers to the number of social monitoring programs and projects conducted under the environmental licensing scope.
[2] The number refers to meetings of the Volta Grande Cycle, Belo Monte Social Monitoring Forum, and support for meetings of the Dam Safety Plan and Emergency Action Plan.
[3] Number refers to the turtle monitoring and participative management project; actions to strengthen production and subsistence activities; actions of the family transition plan directed to the fishermen group.
[4] Refers to the Project for Strengthening the associations of Collective Urban Resettlement (RUCs).
[5] Number refers to active commissions, committees and collegiate bodies (Main and Intermediate Reservoir Commission; Volta Grande do Xingu Commission; Plan for Serving the Affected Population Commission; Fishing and Aquaculture Commission; Collective Urban Resettlement Project Monitoring Committee; Collegiate Body of the Social Monitoring Forum).
[6] Refers to the Internal Commission for Accident Prevention.
[7] Refers to the communication channels instituted by the company for interaction with the communities. The channels include: Belo Monte 24-hour Service Center (0800), Volta Grande do Xingu Communication Centers, Indigenous Communication Program (radiophone system) and On-site Assistance Teams (the latter, due to the restrictions imposed by the pandemic, did not conduct activities in the year 2021).

Letter from the independent reader

Valeria Café*

INTRODUCTION

Principles are a set of norms or standards of conduct to be followed by a person or institution[1].

Following the GRI principles in developing an annual report is critical to ensure transparency and accountability from a stakeholder perspective in the sustainability reporting process. It also serves as a guide for the evolution of environmental, social, and governance indicators in the company's management instruments and their comparability with the sector in which it operates.

For this reason, this assessment will follow, as a guideline, the GRI principles of content – stakeholder inclusion, sustainability context, materiality, and completeness – and of quality – balance, comparability, accuracy, timeliness, clarity, and reliability – taking into consideration the organization's activities and impacts as well as the substantial expectations and interests of the stakeholders. According to the GRI, stakeholders are organizations or individuals who can be significantly affected by the activities, products, and services of the reporting organization or whose actions can affect the organization's ability to implement its strategies and achieve its goals.

The focus for the analysis of these principles will be based on Norte Energia's mission, which is to generate energy and sustainable development for the growth of Brazil. The company embodies this mission by presenting, in its value generation, the maintenance and restoration of natural capital, investments in intellectual capital for the entrepreneurship of the standing forest, development of projects aimed at the surrounding populations, improving its social and relationship capital, and finally, considering the promotion of the economy and social development in its financial capital, as well as the supply of renewable energy for the country in its manufactured capital.

PRINCIPLES FOR CONTENT DEFINITION

Stakeholder inclusion

Regarding the analysis of whether Norte Energia has taken into account the reasonable expectations and interests of its stakeholders, it is necessary to go back to the 2020 Annual Report to identify how the materiality matrix was built.

The basis for this construction comes from a quantitative external and internal validation conducted in 2019, updated qualitatively in 2020, and amplified internally in 2021 through the development of the Sustainability Policy, which led Norte Energia to reduce the initial list of twenty-two material topics to nine.

One of the recommendations is to conduct a new materiality survey/ validation in order to identify possible changes in the stakeholder perspective regarding the company, since Norte Energia's investments in the region have continued to be significant since then, in addition to two years of a pandemic that transformed the Brazilian society's view of the Amazon, climate issues and the energy sector in the country and in the world.

Even so, the report presents consistent facts and data regarding the company's relationship with stakeholders, with investments in the surrounding communities and in the restoration of biodiversity and forests. A relevant point to highlight that is not in the report, but can be found on the company's website and is mentioned by spokespersons in interviews given to the media, is in the discussions that arose in late 2020 about reducing the water flow at Belo Monte, after Ibama verified an increase in the intensity of the environmental impacts of the venture regarding fish populations and the navigation conditions of the Xingu. Because of these debates, Norte Energia undertook to invest R$ 157 million over three years in the anticipation of social and environmental actions foreseen in the licensing. This issue shows the company's constant participation in the dialogue with stakeholders, even if it does not agree on sensitive matters. The open letter is worth reading: another perspective on Belo Monte (https://www.norteenergiasa.com.br/pt-br/imprensa/carta-aberta-da-norte-energia-100929).

Sustainability context

According to the GRI 101: Foundation document, the objective of this principle is to present the organization's performance based on broader

sustainability concepts. This implies examining its performance in the context of the constraints and demands placed on economic, environmental, or social resources at the industry, local, regional, or global level.

Regarding this principle, Norte Energia brought the entire historical context of the venture to the report, from the studies that began in 1975 and the dialogues with society that led the company to redesign the current Belo Monte HPP as a run-of-the-river power plant.

The plant is located in a region that, for the last decade, has been monitored by stakeholders from all over the world, and its commitment to zero impact has been monitored since the beginning of its activities. Each and every action must be performed with great care, because it causes a global chain reaction. To this end, the definition of clear criteria with respect to environmental and social issues in the surroundings and the construction of assessment tools to provide risk mitigation should be the company's focus and, indeed, when analyzing the annual report, this concern and focus are actually observed and presented with consistent results and progress achieved.

The following aspects are highlighted in this report: the results of the 1st Corporate Inventory of Greenhouse Gas (GHG) Emissions, the new sustainability policy, the I-REC (International REC Standard) certification, and the governance enhancement, with the arrival of a board member specialized in the topic, the creation of the sustainability committee and the sustainability superintendence.

The company's 2022 Goal Plan considers a list of ten measures to mitigate the impacts of climate change, which will be systematically monitored. It is important to emphasize that climate change directly impacts Norte Energia's business.

Materiality and Completeness

The GRI reinforces that, in sustainability reports, materiality is the principle that determines which relevant topics are sufficiently important for their reporting to be essential.

Norte Energia's report mentions that the selection of its content was defined based on the materiality matrix, carried out in 2019. In 2021, these topics were grouped into nine key topics of the company's ESG agenda, redefined and aligned based on the new sustainability policy. The policy's commitments are the materiality topics.

In this edition, unlike the 2020 edition, the materiality matrix was not laid out in the report and its topics were presented only at the end. It is possible to identify an evolution in several aspects of Norte Energia's environmental, social and governance issues, but the change in the structure of the report does not allow the reader to follow this evolution in material topics in a structured manner.

All nine topics were addressed in the report. Regarding the environmental and biodiversity topics, it was possible to identify them in the presentation of the projects focused on the protection of the Xingu Basin, recomposition of vegetation, aquatic ecosystems, biodiversity, conservation units, support for artisanal fishing, protection of indigenous lands, water quality and waste management. The company also acts in the operational and logistical support of surveillance in the area of influence of the venture to curb illicit environmental practices.

Norte Energia needs, due to pressure from regulatory agencies, local communities and investors, to present social and environmental solutions related to the mitigation and compensation of impacts caused by the power sector. The investments in research, development and innovation projects are also focused on sustainable energy and the contribution to climate change control.

The anti-corruption topic is in the report with regard to compliance training, the code of ethics, and the revision of the format of the reporting channel, which has evolved positively. The reporting channel is now managed by an outsourced company, offering more security to the complainant. In this aspect, it is also worth highlighting the transparency given to internal complaints, with the presentation of the total number of complaints and how each internal complaint was forwarded, as well as external complaints, for the purpose of expanding the company's communication with stakeholders.

A drop was noticed in the volume of complaints in the reporting channel from 2019 to 2020. This was due to the closure and discontinuity of the on-site assistance as a physical space, due to the pandemic. It would be necessary to understand if the on-site assistance teams will return to work in a physical space.

The human rights and local social and economic legacy topics are represented in the company's activities in projects aimed at indigenous peoples and riverine communities, residents of the Amazon. The report presents

this grandiosity in numbers: more than 100 social and environmental projects, with resources exceeding R$ 6 billion, approximately 15% of the total investment of the venture.

According to the Science Panel for the Amazon[2], the Pan-Amazon is currently home to about 47 million people. Indigenous peoples and local communities play a critical role in the generation, conservation, and management of the agricultural and biological diversity of the Amazon and its ecosystems. Indigenous peoples are distributed among more than 410 groups, about 80 of which remain in voluntary isolation. The settlement patterns of Amazonian populations are highly complex and dynamic. The mix of rural and urban activities includes periodic urban and rural wage labor; episodic migration; and involvement of their residents in informal and clandestine activities. Amazonian urban areas experience significant crime and violence, reflecting the dynamics of poverty, inequality, and illegal activities.

It is the role of the companies that operate in the Amazon region to help develop the region in an organized and sustainable manner. And Norte Energia supports this perspective: fostering the economic and social development of the region with projects that raise the quality of life of the local population. To this end, it relies on the Xingu sustainable development plan, including governance based on stakeholders, in addition to communication and engagement programs with the community, supplier training, investment in housing, infrastructure, sanitation, healthcare, education, social assistance, culture and leisure for local communities, especially those most impacted by the company's operations in the region.

Regarding compliance with the applicable legislation in force, among the most relevant items are the extension of the company's concession in the process of renegotiation of the hydrological risk with Aneel and Norte Energia's adherence to the package of emergency measures to support the maintenance of production capacity, job and income generation.

Regarding the health, safety and diversity of workers, the company demonstrated strength during the pandemic, with few layoffs and low turnover. It is still necessary to make a relevant effort in relation to diversity in leadership positions. The ratio between the highest and lowest salary in the company should also be presented. In this regard, the report indicates that the Company intends to expand initiatives to ensure diversity among its workforce in 2022, but does not specify how.

In terms of hours of training for its workers, the company is slightly below the Brazilian annual average of 19 hours of training per year[3]. It is important to revisit the training of some positions, which lagged behind others.

Renewable energy is entirely dependent on climate change. This report shows that Norte Energia remains firmly on the journey of putting climate issues in the business strategy, both with regard to operational risks directly linked to the water flow from the Xingu River, as well as with regard to efforts to maintain the standing forest and its residents. In this sense, progress has been made, such as the creation of a corporate inventory of GHG emissions. The next step could be the creation of a carbon neutrality plan with annual targets and indicators.

Norte Energia presents the interaction with regulatory agents, suppliers, workers, the environment and the local community in its report. This is how its business model presents its sustainable and shared value, very well represented in the design of the model, reinforcing its role as a transforming agent of the ecosystem in which it operates.

Furthermore, the report should address the main topics and future challenges for the sector and for the company itself. In an article published in the Valor Econômico newspaper on 08/05/2021, under the title of “Norte Energia sees opportunities with the sale of Eletrobras”, the Company's CEO mentions that, as it is a single asset Company, some growth alternatives would be to diversify the Company's portfolio and add other sources to its generation mix, such as solar energy, or else turn the company into a development agency for the region.

In this sense, it is worth mentioning the importance of corporate governance for Norte Energia's strategic guidance. Advances were made in the Company's corporate governance, including those already mentioned in this letter and which also follow the 8 principles of climate governance[4] developed by the World Economic Forum, such as principle 2, in which the board needs to have embedded experience to effectively debate and make decisions informed by a climate awareness and understanding of climate-related threats and opportunities, and principle 3, where the board should determine the most effective manner to integrate climate considerations into its structure and committees.

Some governance issues should be considered for review, such as alternate board members. According to the 5th edition of the IBGC's Code of Best

Corporate Governance Practices, appointing alternate board members should be avoided. Considering that there is an annual calendar of meetings agreed upon between the members and current technologies that allow remote participation, board members must participate in all meetings, eliminating the need for alternates.

Other important points that could clarify the reader about the support committees are the role of the insurance committee and the operation and maintenance committee, in addition to the presentation, at least on the website, of the names of the members of each of the board's support committees.

PRINCIPLES TO ASSURE QUALITY

Accuracy

The qualitative and quantitative statements contained in the report are consistent with other reported information and the evidence available in the document is compatible with the information on the company's website and in the statements of its spokespersons in the country's main communication outlets. It is true that the breakdown of quantitative data is not accurately described so that these data are reproduced with similar results, as recommended by the GRI, but this is also not an industry practice.

Clarity, Balance and Comparability

The report is accessible, understandable and can be used by all the company's stakeholders. Its language is clear and easy to understand, even for those who are not in the industry. The level of information is correct for the current demands of stakeholders and the recommendation is that, for the near future, historical information and project details are referenced in the detailed document on the website.

A relevant issue that can be considered is the possibility of Norte Energia balancing, in its report, positive aspects and the improvement of the business, allowing the reader to identify and understand the reasons why the Company decided to follow a specific path in its ESG journey.

It is worth mentioning that 2021 is the second year of the report and the first developed by a new superintendence. Thus, the document must continue to evolve until it finds a range of previously defined indicators that can serve as a guide for management so that they are comparable on a yearly basis.

Timeliness and Reliability

This is the second consecutive year that Norte Energia has produced its annual report, within the stipulated period. So far, timeliness has been maintained.

Regarding its reliability, the report is undergoing auditing by a third-party firm, which will certify its reliability.

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[1] Extracted from the website significados.com.br. Available at: <https://www.significados.com.br/principios/>. Accessed on 04/02/2022

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External assurance letter

Independent Auditors' Limited Assurance Report on Norte Energia S.A.'s Annual Sustainability Report, based on the GRI Standards – in accordance with the "Core" option.

To the Shareholders, Board Members and Management of Norte Energia S.A. Brasília-DF

Introduction

We have been engaged by Norte Energia S.A. ("Company" or "Norte Energia" or "NESA") to present our limited assurance report on the indicators contained in the Annual Sustainability Report ("Report"), based on the GRI Standards, for the period from January 1, 2021 to December 31, 2021.

Management and governance responsibilities for the Report

Norte Energia's management is responsible for preparing and fairly presenting the information contained in the Report for the period from January 1, 2021 to December 31, 2021, in accordance with the criteria, assumptions and methodologies of the Global Reporting Initiative – GRI Standards (in accordance with the "Core" option) and for the internal controls it has determined as necessary to enable the preparation of information that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors

Our responsibility is to express a conclusion on the indicators included in Norte Energia's Report, for the period from January 1, 2021 to December 31, 2021, based on the limited assurance engagement conducted in accordance with Ibracon Technical Communication (TC) 07/2012, approved by Brazil's Federal Accounting Council and prepared based on NBC TO 3000 (Assurance Engagements Other than Audits or Reviews), issued by Brazil's Federal Accounting Council (CFC), which is equivalent to the ISAE 3000 international standard, issued by the International Federation of Accountants, and addresses assurance engagements other than audits and reviews of historical financial information. These standards require compliance with ethical requirements, including independence requirements, and that the work be performed with the purpose of obtaining limited assurance that the indicators in Norte Energia's Report for the period from January 1, 2021 to December 31, 2021 are free from material misstatements.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists primarily of making inquiries to management and other Norte Energia professionals who were involved in the preparation of the Report, as well as applying analytical procedures to obtain evidence that enables us to conclude on the Report in the form of limited assurance. A limited assurance engagement also requires the performance of additional procedures, when the independent auditor becomes aware of matters that lead them to believe that the information in the Report may contain material misstatements.

The procedures selected were based on our understanding of the aspects related to the compilation and presentation of the information contained in the Report according to Norte Energia's own criteria, assumptions and methodologies. The procedures comprised:

a) planning the work, considering the relevance, the volume of quantitative and qualitative information and the internal

controls that served as the basis for the preparation of the information contained in the Report for the period from January 1, 2021 to December 31, 2021;

b) understanding the calculation methodology and procedures for the preparation and compilation of the Report, through interviews with the managers responsible for preparing the information;

c) applying analytical procedures and sample verification of certain evidence that supports the data used to prepare the Report;

d) comparing financial data with the financial statements and/or accounting records.

The limited assurance engagements also included adherence to the structure for preparing the disclosures of the Global Reporting Initiative - GRI Standards, applicable in the preparation of the information contained in Norte Energia's Report for the period from January 1, 2021 to December 31, 2021. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion in a limited form.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in a reasonable assurance engagement and, consequently, do not enable us to obtain assurance that we are aware of all matters that would be identified in such an engagement. Additionally, Norte Energia's internal controls were not part of our limited assurance scope.

Non-financial data is subject to more limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, relevance and accuracy of non-financial data are subject to individual assumptions and judgments. Additionally, we did not carry out any work on data reported for previous periods, nor with regard to future projections and targets.

Conclusion

Based on the procedures performed, described in this report, nothing has come to our attention that causes us to believe that the information contained in Norte Energia's Report, for the period from January 1, 2021 to December 31, 2021, has not been prepared, in all material respects, in accordance with the criteria, assumptions and methodologies for preparing the contents of the Global Reporting Initiative – GRI Standards (in accordance with the "Core" option).

São Paulo (SP), June 1, 2022.

Ernst & Young
Independent Auditors S.S
CRC-2SP015199/O-6

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