

The image is a cover for an annual sustainability report. It features a background of a clear blue sky with a gradient from light blue at the top to a pale yellow at the bottom, suggesting a sunrise or sunset. Several high-voltage electrical transmission towers are silhouetted against the sky, with power lines stretching across the frame. On the left side, there are large, overlapping, semi-transparent blue geometric shapes, including triangles and polygons, which add a modern, abstract design element. The text is positioned in the upper right quadrant.

**ANNUAL
SUSTAINABILITY REPORT**

2021

taesa 

Presentation

GRI 102-49 | GRI 102-52

In its 14th edition, the Annual Sustainability Report of Transmissora de Energia Elétrica S.A. (TAESA) discloses the Company's commitment and the maturity it has achieved in sustainability-related topics in a broad manner.

In this document, which gathers the results of the actions developed throughout 2021, the Company presents and consolidates its Materiality Matrix - a tool established in the methodology of the Global Reporting Initiative (GRI) –, which makes it possible to prioritize the topics on which it will be focused in the coming years. This is, after adhering to the standards in 2020, the second stage of a continuously revised process, which allows the company to commit with the goals and report them in accordance with the global best practices. This report is also in line with the Sustainable Development Goals (SDGs) resulting from the United Nations (UN) Global Compact, to which the company has been a signatory since 2019.

The publication is in accordance with the methodologies of the International Financial Reporting Standards (IFRS) and with the standards established by the Brazilian Electricity Regulatory Agency

(ANEEL), in addition to incorporating several benchmarks from other environmental reports adopted by the largest companies in the country.

Aiming to cover the breadth of the topic, the document was prepared according to five main dimensions:

1. General;
2. Corporate Governance;
3. Economic and Financial;
4. Social and Sectorial;
5. Environmental.

It is worth highlighting that the content was prepared under the coordination of the Safety, Environment, Health and Sustainability Executive Management, with the contribution of the respective technical areas of TAESA. It was also approved by the Company's Executive Board, the Committees, the Audit Committee and the Board of Directors.



Questions regarding this document and suggestions are welcome and can be forwarded to the following email: ambiental@taesa.com.br.

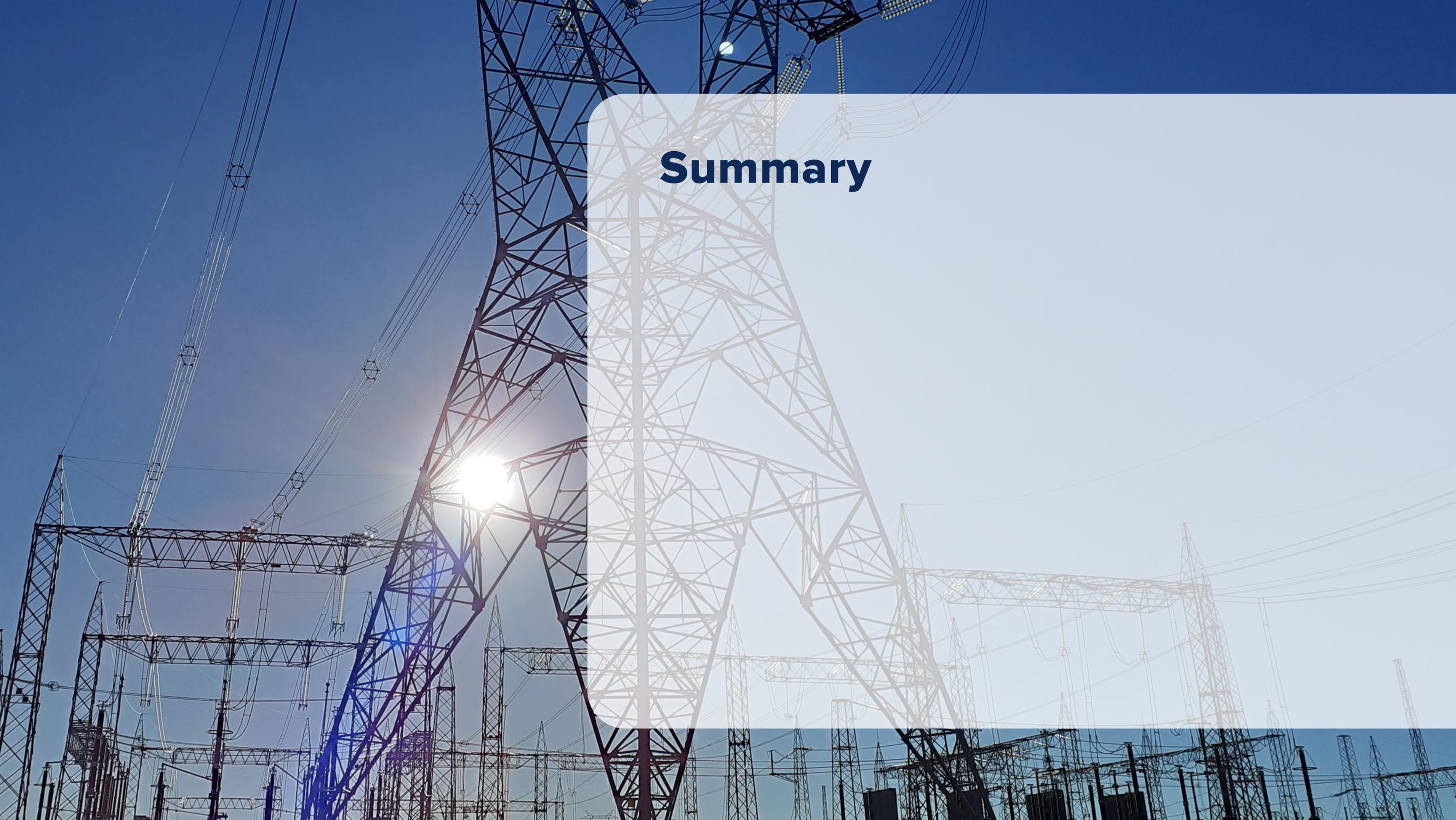
GRI 102-53

List of abbreviations and acronyms

ABCE	Brazilian Association of Electric Power Companies	CIPA	Internal Commission of Prevention of Accidents
ABDIB	Brazilian Association of Infrastructure and Basic Industries	CMP	Predictive Monitoring Center
ABRACONEE	Brazilian Association of Electric Energy Sector Accountants	COC	Operation and Control Center
ABRATE	Brazilian Association of Electric Power Transmission Companies	CPC	Accounting Pronouncements Committee
AIE	Aliança Interligação Elétrica	CPST	Transmission Service Agreement
ANEEL	Brazilian Electricity Regulatory Agency	CUST	Agreements for the Use of the Transmission System
ANEFAC	National Association of Finance, Administration and Accounting Executives	CVM	Brazilian Securities Commission
APR	Preliminary Risk Analysis	DRP	Participatory Rapid Diagnosis
ASG	Environmental, Social and Governance	DUP	Declaration of Public Utility
AvD	Performance Assessment	EaD	Distance Learning
B3	Brasil, Bolsa, Balcão S.A.	EBITDA	Earning Before Interest, Taxes, Depreciation and Amortization
Bovespa	São Paulo Stock Exchange	EIA	Environmental Impact Study
CIER	Brazilian Committee of Regional Electrical Integration Commission	EMATT	Meeting of the Maintaining Entities of TAESA Transmission Assets
CCI/CCT	Sharing Agreements	EPC	Engineering, Procurement and Construction
CDI	Interbank Deposit Certificate	EPE	Empresa de Pesquisa Energética (Energy Research Agency)
CDP	Carbon Disclosure Project	ESG	Environmental, Social and Governance
CEMIG	Companhia Energética de Minas Gerais	FEI	State Fund for the Elderly's Rights
CIGRE	Brazilian National Electricity Production and Transmission	FIA	Childhood and Adolescence Fund

FITT	Technology and Transformation Immersion Forum	IPCA	National Broad Consumer Price Index
FNDCT	National Fund for Scientific and Technological Development	IPCC	Intergovernmental Panel on Climate Change
FNI	National Fund for the Elderly	IPHAN	Institute of National Historical and Artistic Heritage
FUNAI	National Indian Foundation	ISA Investimentos	ISA Investimentos e Participações do Brasil S.A.
GBP	Green Bond Principles	ISO	International Organization for Standardization
GBTP	Green Bond Transparency Platform	JCP	Interest on shareholders' equity
GEE	Greenhouse Gases	LT	Transmission Line
GHE	Homogeneous Exhibition Group	MM360	Corporate Movement for the Economic Development of Women
GHG	GreenHouse Gases	MME	Ministry of Mines and Energy
GHG Protocol	Greenhouse Gas Protocol	MTR	Waste Transport Manifest
GPTW	Great Place to Work	NR	Regulatory standard
GRI	Global Reporting Initiative	ODS	Sustainable Development Goals
GWP	Global Warming Potential	OIT	International Labor Organization
IBAMA	Brazilian Institute of Environment and Renewable Natural Resources	ONS	Electric System National Operator
IBGC	Brazilian Institute of Corporate Governance	ONU	United Nations Organization
ICO₂	Carbon Efficient Index	P&D	Research and Development
IFRS	International Financial Reporting Standards	P, D & I	Research, Development and Innovation
IGP-M	General Price Index - Market	PAE	Emergency Response Plan
IGPTW	Index Great Place to Work	PcD	Person with Disabilities

PCMSO	Occupational Health Control Program	SBTi	Science Based Targets initiative
PCS	Social Communication Program	SE	Substations
PEA	Environmental Education Program	SGIT	TAESA Integrated Management System
PEAT	Environmental Education for the Workers Program	SGSMS	Health, Safety and Environment Management System
PGPA	Archaeological Heritage Management Program	SIN	Interconnected Electric System
PGR	Waste Management Program	SINGTD	Intermunicipal Union of Energy Generation, Transmission and Distribution Companies of the State of Minas Gerais
PIEP	Integrated Heritage Education Project	SMC	Camera Monitoring System
PLR	Profit sharing	SMS	Health, Safety and Environment
PMO	Project Management Office	SMS&S	Safety, Environment, Health and Sustainability
PPRA	Environmental Risk Prevention Program	TAESA	Transmissora Aliança de Energia Elétrica
PRAD	Degraded Area Restoration Program	TBE	Transmissora Brasileira de Energia
RACI	Responsible; Accountable/Approver/Authority; Consulted; Informed	TFCA	Attendance rate with leave
RAP	Annual Permitted Income	TFSA	Attendance rate without leave
RIA	Environmental Impact Report	WRI	World Resources Institute
ROL	Net operating income		



Summary

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Overall Dimension

Message from Management

GRI 102-14

New management, growth and sustainability

After the definition and investiture of TAESA's new Executive Board at the end of 2020, the Company approved, at the beginning of 2021, its long-term strategic planning, guiding its actions for the year. This initiative resulted in improvements in the operating safety and security area, optimizing costs and increasing efficiency. The Executive Board defined a strategic alignment and the execution of the Sustainability Agenda, allowing for a better positioning of TAESA in the transmission sector, as observed in the result of the two auctions of the segment in 2021.

Within the scope of the regulatory result, the year was positively affected by two events: the new cycle of the 2021-2022 RAP, which started on July 1st, and the start-up of Janaúba on September 1st,

the Company's largest greenfield undertaking so far, anticipating its delivery by almost six months and adding the amount of R\$ 213.6 million in the RAP for TAESA. The (Category II) concessions adjusted by the IGP-M index had an inflation adjustment of 37%, and (Category III) concessions adjusted by the IPCA index had an inflation adjustment of 8%. Therefore, the operational RAP of the concessions from TAESA Group in the new 2021-2022 cycle totaled R\$2.9 billion, 32.5% higher than the operational RAP of the previous cycle, already considering a 50% reduction in the RAP of the category II concessions that suffer this effect in the new cycle.

Thus, the Company recorded regulatory net operating income of R\$ 1.8 billion in 2021, accounting for an annual growth of 20.5%. Consequently, regulatory EBITDA totaled R\$ 1.5 billion in the year, recording an increase of 22.8%

over 2020. The EBITDA margin reached 82.5% in 2021, 1.6 percentage higher than the previous year.

Under IFRS, net income for 2021 totaled R\$2.2 billion, recording an annual decrease of 2.2%, mainly due to lower investments in undertakings under construction, as they are in their final stage of completion, as well as higher net financial expenses, as a result of the higher IPCA and CDI rates and increased leverage.

Based on this result, the Board of Directors approved the proposal for allocation of the 2021 profit, which includes the distribution of dividends of R\$ 800.3 M (R\$ 2.32/Unit) and is yet to be submitted to resolution of the Shareholders' Meeting. Once approved, the dividend payout will be 80.9% of net income – and 99.1% excluding the effects of CPC 47 – and a total distribution of R

It is worth highlighting that, on December 29, the Company paid R\$ 523M in dividends and JCP, totaling R\$ 1.6 billion in dividends paid in the year, a volume 40.3% higher than the amount paid in 2020 and equivalent to R\$ 4.50/Unit, recording a dividend yield of 12.4% at the end of 2021.

In the operational field, TAESA maintained its level of operational excellence, recording in 2021 a rate of availability of transmission assets of 99.86% and a Variable Portion of R\$ 20.8 M, equivalent to 1.02% of RAP for the year. Said result demonstrates the execution capacity and efficiency in the operation and maintenance of the Company's transmission assets, one of the main strategic pillars of TAESA.

As of December 17, TAESA was awarded Lot 1 (the largest one) in the ANEEL 02/2021 Transmission Auction, located between the States of São Paulo and Paraná, a 363 km double circuit and with

a planned investment of R\$ 1.75 billion (ANEEL Capex). The new undertaking, called Ananaí, will have a regulatory term of 60 months for completion and will add a RAP of R\$129.9 million to the Company as of its start-up date.

In the Sustainability agenda, the Company made progress in several actions, starting in February 2021 to work on the Integrated Management System (SGIT), whose purpose is to certify the Company in 4 ISO Standards (9001, 14001, 45001 and 55001). Also in February, TAESA became a signatory to the UN Women's Empowerment and joined the MM360, known as +Mulher360. Created the Diversity Committee, comprised of employees and representatives of different classes who work to create a diverse and inclusive environment within the company. There are almost 100 actions mapped and many already implemented, such as the Training of Female Electricians and Training of People with Disabilities. The long-term strategic plan approved in March has five pillars, including the Fundamental Sustainability Pillar.

In May, the Company concluded the 10th issuance of TAESA debentures, and the 2nd series obtained the "green" certification based on the GBP guidelines. In that same month, it published its first Sustainability Report under the GRI standard and in accordance with the principles of the Global Compact and the 2030 Agenda, as well as its Greenhouse Gas Inventory according to the GHG Protocol, both for 2020. It held several training courses and awareness-raising forums throughout the year, such as "Combating domestic violence against women" and "Ethics: the home of human relations" and "Diversity and inclusion". It also launched an e-book on the pillars of diversity. The Continuity Management Program was implemented Business, whose purpose is to increase TAESA's operational resilience and, consequently, its sustainability. In September, the Company achieved a new GPTW Certification, with favorability and climate indicators even better than in previous years.



The Company executed several projects, actions and initiatives aimed at improving its safety performance and strengthening safety as a value in each of its employees and partners.

On the Safety area, TAESA started the 100% Safety Program in 2021 with the purpose of strengthening the safety culture in practice, giving more voice and participation to everyone. The Company executed several projects, actions and initiatives aimed at improving its safety performance and strengthening safety as a value in each of its employees and partners. Among these actions, the implementation of the Security Committee in April; the creation of the TAESA Security Seal in October; the acquisition of a camera surveillance system aimed at monitoring

operational activities, and the development of the “Security Observation” application, are highlighted both in December.

TAESA ended the year with its Unit (TAE11) integrating the portfolios of ICO₂ and the IGPTW of B3 for the year 2022. Adherence to the ICO₂ shows the companies’ commitment to transparency in GHG emissions and anticipates how they are preparing for a low carbon economy. The IGPTW is the newest B3 index that tracks companies certified by the GPTW, being the first GPTW index in the world covering a new ESG bias for the Brazilian market.

Finally, it is worth highlighting the holding of the first Investor Day, fully virtual and live, with over four hours of content. The event, aimed at the individual investor, had the participation of several employees to present their business in a didactic and interactive manner in workshop rooms, in addition to the participation of digital influencers in a dynamic chat and a conversation with an economist to talk about inflation, an important topic for the transmission business. This differentiated and interactive event was designed within the context of the capital market

democratization and the increase of smaller investors in the Stock Exchange, which naturally affected TAESA’s shareholder base, which grew 50% in number of shareholders in 2021 and, currently, it is among the 10 Brazilian stocks with the most individual investors in B3

Considering the accomplishments and achievements of the last year, TAESA stresses its strategic position as one of the largest electric power transmission companies in the country and its focus on the strategic pillars of sustainable growth, value creation, financial discipline and operational efficiency, ratifying its commitment to transmit energy with reliability, transparency and security to the whole society and respecting the environment and all stakeholders.

Our Company

GRI 102-1 | GRI 102-2

One of the largest electric power transmission groups in Brazil in terms of RAP, TAESA is exclusively dedicated to the construction, operation and maintenance of transmission assets that carry high voltage energy over long distances in the country.¹

GRI 102-3 | GRI 102-4

Headquartered in the city center of Rio de Janeiro², TAESA has units in operation and under construction in the five Brazilian regions, distributed in 18 states and the Federal District. Of these, 11,685 km of lines are in operation and 2,329 km are under construction, totaling

¹ The electric sector comprises three important stages until reaching the final consu

² Praça XV de Novembro, 20 - 6º andar - Centro, Rio de Janeiro/RJ.

14,014 km in length and 100 substations. With assets operating at voltage levels between 230 and 525kV, the Company also has a COC and a Laboratory, both located in Brasília (DF).

GRI 102-10

In September 2021, TAESA put Janaúba unit into operation; and on December 17, it won the auction for a new unit: Ananaí. This lot located between the states of São Paulo and Paraná comprises the Ponta Grossa-Assis (500kV) and Baleias-Curitiba Leste (525kV) transmission lines.





GRI 102-7 | GRI 102-8

706

employees



11,685 km

of lines in operation



100

substations



2,329 km

of lines under construction



R\$ 2.3 billion

in net operating income



7,185 km

of fiber optic cables



22,741 MVA

of installed capacity (12,656 MVA TAESA + 10,085 MVA Participações)



8%

of transmission lines in the country



14,014 km

of transmission lines*



99.86%

of availability rate of transmission lines



GRI 102-5

TAESA is a publicly-held corporation controlled by CEMIG and ISA Investimentos.

With a performance based on excellence, ethics and sustainability, the Company is characterized by a high level of technical knowledge and high management standards, aiming to ensure a satisfactory return for shareholders and a motivating work environment for employees.



Access the Shareholders' Agreement here.

TAESA [TSN, Novatrans, ETEO, GTESA, PATESA, Munirah, NTE, STE, ATE and ATE II]

GRI 102-6 | GRI 102-7

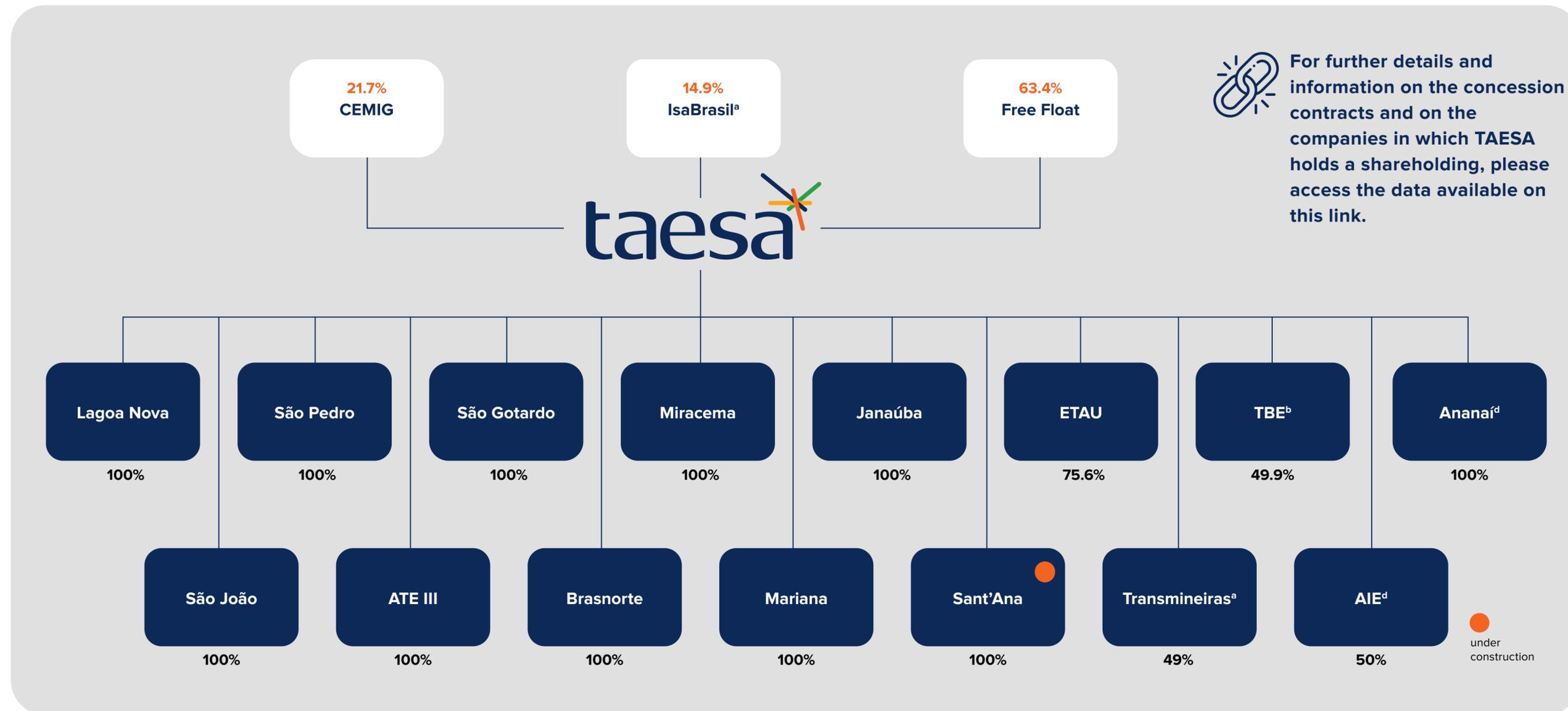
TAESA holds 40 transmission concessions/interests, organized as follows:

10 concessions comprising the holding company (TSN, Novatrans, ETEO, GTESA, PATESA, Munirah, NTE, STE, ATE and ATE II).

11 wholly-owned investees (Brasnorte, ATE III, São Gotardo, Mariana, Miracema, Janaúba, Sant'Ana, São João, São Pedro, Lagoa Nova and Ananaí¹).

Nineteen participations (ETAU, Transmineiras and TBE and AIE Groups).

¹ Still in project.



For further details and information on the concession contracts and on the companies in which TAESA holds a shareholding, please access the data available on this link.

a. Transmineiras is a set of TAESA's ownership interest in three concessions: Transirapé (54.0%), Transleste (54.0%) and Transudeste (54.0%).

b. Transmissora Brasileira de Energia (TBE) is an economic group, result of a partnership with majority shareholders, TAESA and Alupar, currently responsible for 15 concessions.

c. Aliança Interligação Elétrica (AIE) is an economic group in partnership with companies TAESA and ISA CTEEP, currently responsible for implementing three new undertakings.

d. The Ananaí concession was acquired in an auction held in December 2021 and is in the contracting phase with ANEEL.

Strategic Drivers

GRI 102-16

MISSION

We connect Brazil with safe and reliable energy.

VISION

To be the electric energy transmission company of highest Value to the society.

PRINCIPLES AND VALUES

We genuinely care about **people**.

We operate with **integrity** building bonds of trust.

We seek **excellence** in everything we do.

We are TAESA!



In 2022 TAESA updated its strategic drivers, also available on the company's website.



Our Business

GRI 102-2, GRI 102-6

TAESA acts exclusively in one of the three stages necessary for the electric energy to reach the final consumer: the transmission. For this, it is dedicated to the construction, operation and maintenance of assets that allow the transmission of high voltage energy over long distances across the country.



Access TAESA's website and learn how energy reaches your home!



GENERATION

Electricity is generated, almost always far from where we need it. It is produced at medium voltages at the generation plants (15,000 Volts on average) and goes to substations, where voltages are increased to reach the transmission levels.



TRANSMISSION

The transmission system, or transmission network, transports the energy produced in the plants to consumers. This network operates at high voltages (above 230,000 volts). At its end, a "step-down" substation reduces the voltage to connect it to the distribution network or directly with a large consumer, which is the case of a large industry, for example. It is in this stage that the services are rendered by TAESA.



DISTRIBUTION

It is the network in which the voltage is reduced several times by the distribution transformers. This happens so that the energy reaches adequate consumption levels; that is, sufficient for the operation of everything we use in our daily lives at home, in industries, hospitals, schools, companies, etc.

Transmission Sector

All TAESA operations are included in the SIN, responsible for the generation and transmission of large-scale electric energy, operated by public and private companies and managed by the ONS. SIN is responsible for serving about 98% of the Brazilian electric power market and its network reaches approximately 156.8 thousand Km⁴ of lines with voltage greater or equal to 230Kv.

The CPST is signed between ONS and the public service concessionaires in the segment, establishing the technical and commercial terms and conditions for the provision of services. Pursuant to this Agreement, concessionaires assume responsibility for the operation and maintenance of facilities and receive the Annual Permitted (RAP) for making such facilities available, being discounted for any observed unavailability.

Through this instrument, the agents also authorize the ONS to perform all the necessary acts to represent them before the grid users in the CUST.

The transmission assets comprising this network are regulated by the ANEEL, which in turn regulates this sector through a Revenue Cap model. According to this model, the companies that operate the assets receive income based on the availability of the line, and not on the volume of energy transmitted in the system. This management is the responsibility of the ONS, as established in the entity's bylaws: "the activities of coordination and control of the generation and transmission of electric energy of the Interconnected Electric System (SIN) are carried out by the Electric System National Operator (ONS)". Thus, the transmission sector is not exposed to volume risk.

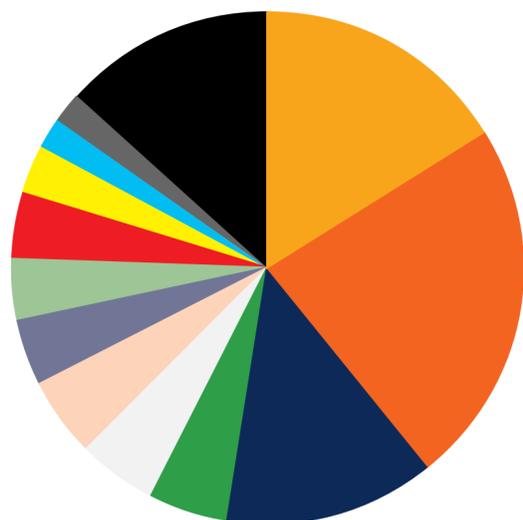
TAESA has never incurred significant losses due to clients' default, which confirms its position in a stable and reliable regulatory environment.

In 2021, TAESA received 14% of the Total Operational RAP for the market (categories 2 and 3 only) – which considers only the undertakings in operation, and the equivalent of 12% of Total RAP, which also considers projects under construction.



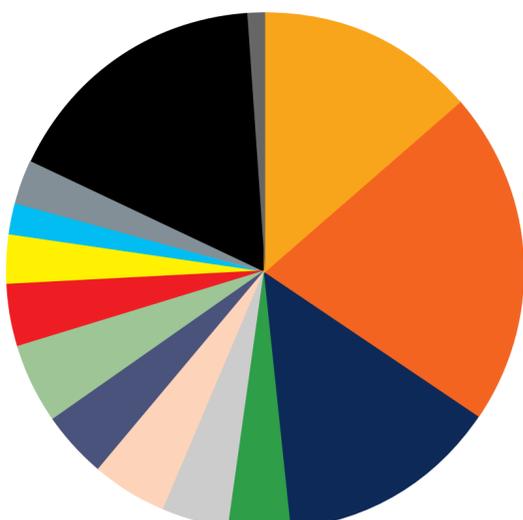
MARKET SHARE - OPERATIONAL RAP (CATEGORIES 2 AND 3 ONLY)

Total: R\$ 15.9 billion (2021-2022 Cycle)



2020

Transmission company	2020	2021
TAESA	16%	14%
State Grid	23%	21%
Furnas	13%	14%
Eletronorte	5%	4%
Chesf	5%	4%
Alupar	5%	5%
Eletrosul	4%	4%
Cteep	4%	5%
Copel	4%	4%
Celeo	3%	3%
Elecnor	2%	2%
TPG	2%	3%
Other (private)	13%	17%
Other (state)	0%	1%

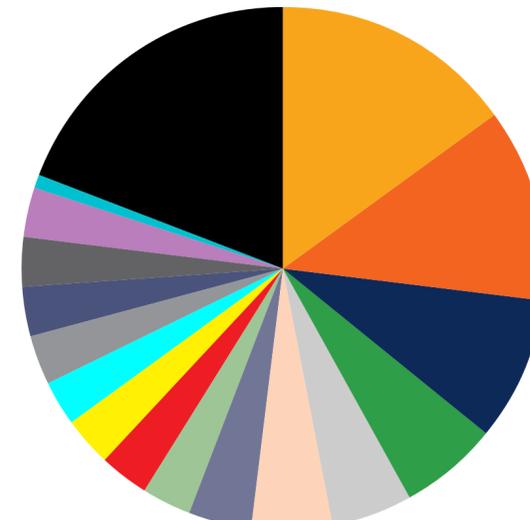


2021

 This and other information is available on the Investor Relations website.

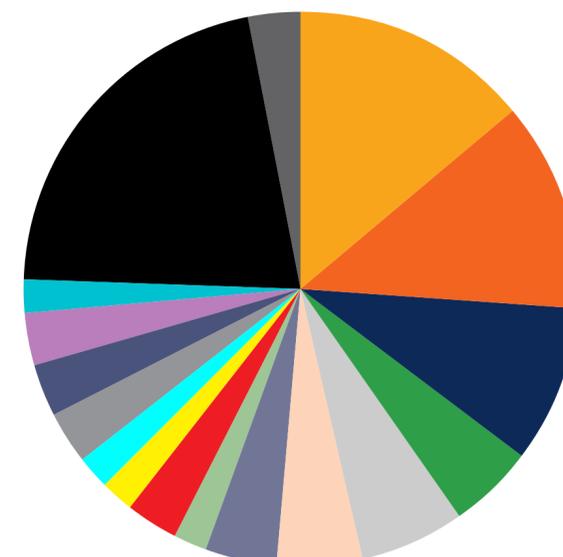
MARKET SHARE – TOTAL RAP* (CATEGORIES 2 AND 3 ONLY)

Total: R\$ 23.5 billion (2021-2022 Cycle)



2020

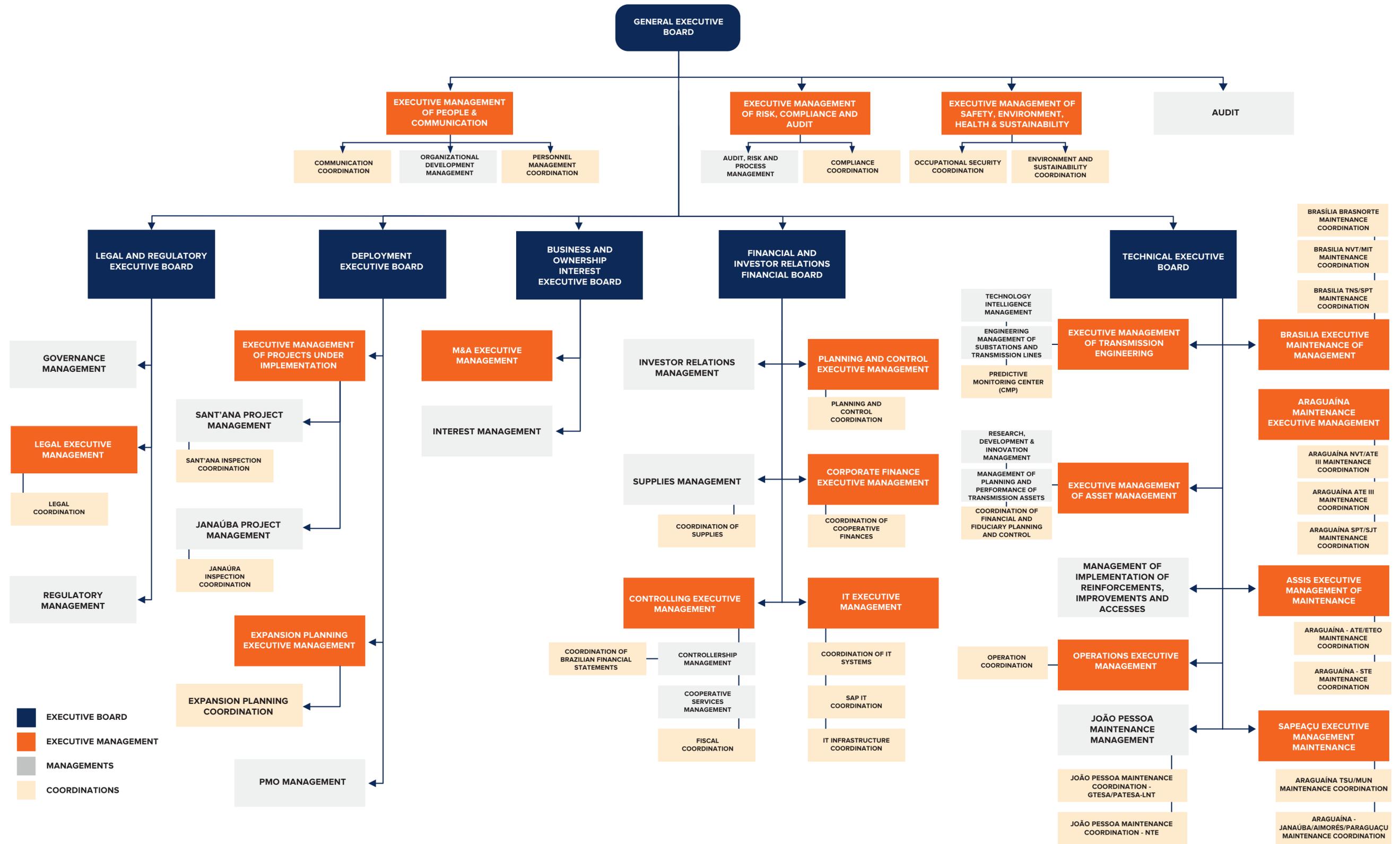
Transmission company	2020	2021
State Grid	15%	14%
TAESA	12%	12%
Furnas	9%	9%
Alupar	6%	5%
Cteep	5%	6%
Equatorial	5%	5%
Neoenergia	4%	4%
Cymi	3%	2%
Eletronorte	3%	3%
Sterlite Power Grid	3%	2%
Chesf	3%	2%
Eletrosul	3%	3%
Celeo	3%	3%
Energies Brazil	3%	0%
Copel	3%	3%
Grupo Energia Bogotá	1%	2%
Other (private)	19%	21%
Other (state)	0%	3%



2021

Organization and Management

The Company is structured according to the following functional organization chart. This model enables the integrated management of the operations of TAESA's assets and of its expansion projects.



Participation in associations

TAESA participates in associations composed mainly of concessionaires and service providers, most of which are electric power transmission companies. In addition, it voluntarily endorses standards and treaties developed by the civil society identified with its values and principles.

The main objectives of participation include:

Represent the legitimate interests of agents before regulatory bodies/entities, adding value to member companies.

Ensure the sustainability, development and attractiveness of the electric power transmission business.

Helping to develop Brazilian infrastructure and industry, key sectors to support the country's economic and social development.

Foster exchange, technical, technological and engineering development in Brazil, in the field of electric power production.

Promote the study of issues of interest to the electricity sector, fostering the exchange of information with other class associations.

GRI 102-13

The entities in which the Company holds interest are listed below:

Brazilian Association of Electric Power Companies (ABCE).

Marco Faria - Board member.

Brazilian Association of Infrastructure and Basic Industries (ABDIB).

There is no representative on the Board/Executive Board.

Brazilian Association of Electric Energy Sector Accountants (ABRACONEE).

There is no representative on the Board/Executive Board.

Brazilian Association of Electric Power Transmission Companies (ABRATE).

Marco Faria – Vice-President of the Steering Committee and Chairman of the Audit Committee.

National Association of Finance, Administration and Accounting Executives (ANEFAC).

There is no representative on the Board/Executive Board.

Brazilian Committee of Regional Electrical Integration Commission (BRACIER).

There is no representative on the Board/Executive Board.

Brazilian National Electricity Production and Transmission Committee (CIGRE).

There is no representative on the Board/Executive Board.

Intermunicipal Union of Energy Generation, Transmission and Distribution Companies of the State of Minas Gerais (SINGTD).

There is no representative on the Board/Executive Board.

**GRI 102-12**

In 2006, TAESA entered into a contract for the Adoption of Differentiated Corporate Governance Practices with Bovespa. By means of this instrument, the Company complied with the “Regulation of Differentiated Level 2 Corporate Governance Practices” and with the “Regulation of the Market Arbitration Chamber”, both issued by B3 S.A.

In 2019, the Company became a signatory of the Global Compact, an initiative proposed by the UN to encourage companies to adopt social responsibility and sustainability policies. Since then, the SDGs guide the actions developed by the company. The documents issued by the IBGC and the CVM also apply to TAESA.

Annually, the Company conducts its Climate Survey with employees, in partnership with GPTW to measure the level of engagement and satisfaction of professionals. In 2021, TAESA was certified with the GPTW seal, being elected 1st in the Energy sector – generation, distribution and transmission category.

Responsibility with stakeholders

GRI 102-40 | GRI 102-42

TAESA understands that maintaining a transparent relationship, with open channels so that all stakeholders may access the Company, is essential for the Sustainability process. Learn the main audiences with whom the company interacts and how this approach takes place:

GRI 102-44

Shareholders and Investors

TAESA is controlled by CEMIG and ISA Investimentos. CEMIG is controlled by the State of Minas Gerais and is one of the most sound and important groups in the electric sector in Brazil. ISA Investimentos is a holding company whose purpose is to consolidate the investments made in Brazil by *ISA Interconexión Eléctrica S.A. E.S.P.*, one of the largest international electric power transmission companies in Latin America.

TAESA holds 63.45% of the shares traded in the market. One of main objectives is to maximize the value for its shareholders assuring the long-term business sustainability, providing a high quality core service and respecting the rules established by Brazilian regulatory authorities

In recent years, the Company's performance in relation to the ESG theme has emerged as a growing demand in meetings with investors and shareholders. In this context, several Sustainability actions have been developed, aimed at expanding the best ESG practices and improving the Company's reports, including the roadshow, a series of meetings held with ten investors, between August and September 2021, in which TAESA presented its Sustainability agenda and collected the feedbacks of those shareholders.

TAESA's main communication channel it is the website (www.taesa.com.br/ri) in addition to the e-mail from the Investor Relations department (investor.relations@taesa.com.br) and the contact telephone number of the IR team (+55 21 2212-6060). Meetings of management bodies are also held (Annual General Meeting) and annual public meeting with analysts.

GRI 102-44

Clients: SIN users

The TAESA Group's customers is comprised by electric power generators, free consumers, distributors (and its captive clients) and other transmission companies that connect or share their facilities with the company.

To identify this audience, the list of users made available by ONS on a monthly basis, in addition to the CCI/CCT, are used as a basis. The relationship is guided by the Quality Policy and by the Code of Ethical Conduct and Compliance.

The forms of communication are usually established directly among the parties, through technical contacts, exchange of emails, meetings, meetings at sectorial events, participation in class associations, and whenever there is a technical issue to be resolved by mutual agreement.

GRI 102-9 | GRI 102-44

Suppliers

The largest suppliers of TAESA are manufacturers of large electrical equipment (transformers, circuit breakers, protective equipment, lightning rods, reactors, measuring transformers, etc.). There are also engineering and environmental advisory companies that provide services, both in projects (civil, electrical and mechanical parts) and in the performance of programs and conditions established by the environmental agencies.

Another branch of activity of suppliers is office supplies, airline ticket and lodging reservations, vehicles, freight and insurance.

In the period covered by this report, no significant changes were recorded in the supply chain, which remained with the same profile and structure. The relationship with suppliers is constant, aiming to update the Company on current demands and the prospect of new hires, especially those inherent to auctions, reinforcements, improvements and other day-to-day operations.

TAESA establishes strict registration and engagement standards for suppliers, aiming to make such processes transparent and auditable. Standards for registration of suppliers for participation in bids, bid process and analysis of proposals were developed. The support base for the Company's supplies area is the SAP tool, as well as the services rendered by a specialized outsourced company whose scope is to certify suppliers.

GRI 102-8 | GRI 102-41 | GRI 102-44

Employees, Unions and Labor Public Bodies

At the end of 2021, based on the list of active employees, the total number of TAESA employees was 706 employees (including young apprentices), with 579 men and 127 women. The number of interns in the period was 32.

The relationship with teams is governed by the Human Resources Policy and by the Code of Ethical Conduct and Compliance, as well as the compliance with labor legislation. Through a collective labor agreement with the unions associated with the company (Sintraindistal, Sinergia and Steet), which covers all employees, topics such as salary readjustment, hour bank, profit sharing and benefits package are covered. The term of the agreement, started on 07/01/2019, after renewal, extends until 2023.

The main communication and relationship channels with employees include: Corporate WhatsApp, emails, intranet, electronic bulletin board, team and Executive Board's meetings, celebration of the month's birthdays, personalized newsletters from the areas, disclosure of corporate policies, annual performance appraisal, etc. The questions sent by the teams include topics such as: electronic time clock, vacation, proof of compensation and benefits package.

Communication with the unions is carried out by email, website publications and correspondence. The main theme involves collective agreements.

For contact with public bodies related to the Secretariat of Labor, linked to the Ministry of Economy, the Brazilian Federal Revenue Service and Social Security, communication via eSocial, e-CAC, Social Security and Caixa websites, correspondence and email is used.

The main purpose of the relationship is the submission of labor and tax obligations and the payment of taxes, as well as compliance with legal quotas.

GRI 102-44

Press

TAESA understands the role of the press as one of the links between the Company and society, and as a means of access to discerning information. Most of the questions and requests from the press are related to the undertakings under construction and the investments made by the company. As each interaction requires specific information, they are collected by the Communication sector with the responsible areas, aiming at total assertiveness in the responses provided to the communication vehicles.

The TAESA Group website provides a specific area with the Press Office's telephone and email contact channels, to facilitate the search for information.

GRI 102-44

Public Bodies

The public bodies with which TAESA most frequently interacts with are as follows: ANEEL, MME, IBAMA, state and municipal environmental agencies, ONS, among others.

Stakeholders are those who have the power to supervise the electricity transmission service in general, with the ability to issue regulatory procedures, resolutions, standards or laws and to elaborate public policies for the electric energy sector.

The relationship with these public bodies occurs in a different way, through various means:

With ANEEL: by sending information and correspondence regarding resolutions issued and corporate information of accounting nature; requests for consent in specific business processes; participation in meetings and public hearings promoted by the Agency; participation in auctions of new transmission lines.

With MME: sending and monitoring correspondence; meetings, when the topic requires it.

With environmental agencies: compliance with its obligations regarding environmental programs; technical meetings, when the topic requires it; clarifications provided.

With ONS: exchange of correspondence and technical information; technical meetings, when the topic requires it; participation in its Board of Directors.

GRI 102-44

Social, Environmental and Community Organizations

The relationship with social, environmental and community organizations occurs since the prospecting of transmission undertakings. It starts with the EPE responsible for the expansion studies of the Basic Network, as well as by TAESA, in its studies and evaluations prior to auctions and acquisitions.

In the licensing process, social and environmental assessment studies are performed to identify communities affected by the undertaking and interested social and environmental organizations.

Regarding topics of public interest, the main issues are related to safe coexistence with the line, permitted uses in the right of way, environmental impacts and compensations, as well as partnerships and support for social and environmental projects.

The company's Related Parties Policy is guided by its Code of Ethical Conduct and Compliance, concession contracts and legislation.

TAESA's institutional website gathers information about the Company's undertakings. It also has a specific page for contact, with a form and phone number for questions and complaints, including a hotline, available at +0800 701 6682. With regard to R, D & I programs, social-cultural and sports projects and sustainability, the relationship takes place through the website or directly with the responsible area. In operation, the communication channel is maintained through initiatives such as the Environmental Education Program and the Social Communication Program, developed throughout the concessions annually.



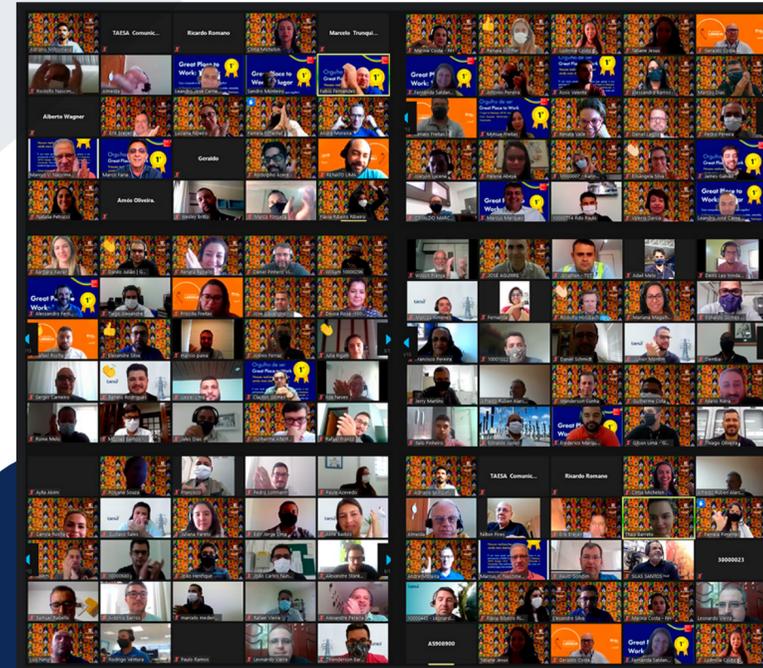
The year's highlights



Strategic planning

Throughout 2021, TAESA carried out its long-term Strategic Planning. For the start of this action, employees were invited, through internal communication channels, to contribute to the construction of the SWOT Analysis by highlighting the strengths, weaknesses, opportunities and threats, considering topics such as: new business; economic and financial; technology, innovation and systems; people management; ESG; legal and regulatory; quality; and undertaking under construction.

The Company received more than 4,100 contributions, which enhanced even more the analysis process. After this assessment, four vectors (Competitiveness, Growth in Transmission, Regulatory Management and Sustainability) that guide the actions of TAESA's Strategic Planning for 2030 were listed.



99%

Believe that TAESA performs an excellent service.

Feel proud to tell other people that they work at the company.

Would recommend TAESA to friends and family as a great place to work

FAVORABILITY INDEX



Great Place to Work

Receiving the GPTW certification and being considered one of the best companies to work for are recognitions that reflect TAESA's concern for people. In 2021, the company won for the second consecutive year the 1st place in the GPTW Energy Highlight – Cut, Generation, Distribution and Transmission.

Annually, the Company applies the organizational climate survey to measure the level of engagement and satisfaction of its team and, this year, the Favorability Index reached 94 points, the highest since the beginning of the questionnaires, which gave to TAESA the certificate of Best Company to Work for.



SGIT
Sistema de Gestão Integrado Taesa
ISO 9001 | ISO 14001 | ISO 45001 | ISO 55001

TAESA Integrated Management System - SGIT

For the Company to qualify for four ISO certifications, in February 2021, with completion scheduled for 2023, the SGIT implementation project began, when TAESA will have the opportunity to obtain ISO 9001 – Quality Management, ISO 14001 – Environmental Management, ISO 45001 – Occupational Health and Safety Management, and ISO 55001 – Asset Management.



Watch the video and learn about Janaúba.



LEARN ABOUT SOME OF THE NUMBERS OF THE UNDERTAKING:

- **545 km** long;
- **Three** substations with a voltage of 500 kV;
- **26** crossings between highways, railways, pipelines and TL;
- **1,095 towers**, of which 906 cable-stayed and 189 self-supporting;
- more than **12.5 thousand** tons of conductor cables;
- **30 thousand m³** of concrete.

Janaúba goes into operation

The biggest greenfield project – that carried out from scratch, that is, without the preexistence of installations and facilities that can be incorporated into the undertaking – carried out by TAESA and opened on September 1, 2021. This is the undertaking Janaúba Transmissora de Energia Elétrica S.A., Janaúba, located in the north of Minas Gerais and formed by the sections of LT Pirapora 2-Janaúba 3 and LT Janaúba 3-Bom Jesus da Lapa II, which represented an investment of approximately R\$ 1 billion by the Company.

With Janaúba, the exchange capacity between the Brazilian Northeast, Southeast and Midwest regions was increased by 25%. The new undertaking is also essential for the adaptation of the transmission system in the south of Bahia, allowing the energy generated from renewable sources, such as wind and solar, to reach the main load centers of the SIN, serving more than 5 million people.

With a length of 545 km, Janaúba started operations six months in advance, and represents less dependence on reservoirs and more reliability to the SIN.



New undertaking auction

In December, ANEEL held the auction of new lots of transmission lines concession on the Stock Exchange (B3). TAESA won the largest lot offered, with a length of 363 km in a double circuit between São Paulo and Paraná, representing an estimated investment of R\$ 1.75 billion. The new undertaking, called Ananaí, will have a regulatory term of 60 months for completion and will add a RAP of R\$129.9 million to the Company as of its start-up date.



Technology and Transformation Immersion Forum – FITT 2021

In its first edition, held by TAESA in September, the theme of FITT 2021 was Digital Transformation. The event was broadcast online to employees and had more than 3,700 interactions.



Recognized company and leaders

Throughout 2021, TAESA received several recognitions, including in the category Best Company in the Public Utilities Sector of the “Melhores da Bolsa” (Best Listed Companies) 2021 award, granted by InfoMoney portal.

The Company’s Information Technology practices were also recognized for the second consecutive year, with first place in the category Utilities in the 100+ Innovative Companies in the Use of IT 2021 award, offered by PwC and IT Media.

The art. “Failure Prediction Methodology through Automated Analysis of Operational Data – SCADA” was one of those recognized with the National Asset Management Award, received in December during the 8th Asset Management Meeting for Electric Sector Companies.

Two projects submitted by the Intelligence & Technology Management were cited as cases of success during the Meeting of Users of the Geographic Information System, the EU ESRI 2021, promoted by Imagem Geosistemas – representative of the North-American company ESRI in Brazil.

TAESA’s Technical Officer, Marco Antônio Resende Faria, was elected one of the 100 Most Influential in Energy, an award granted by the editorial board of Grupo Mídia based on open voting on the website and market survey.





Diversity and adherence to new pacts

One of the most relevant themes in the year for TAESA was diversity, in which age, ethnic, gender and inclusion of people with disabilities were considered.

Showing the relevance of the agenda, the Company became a signatory, in 2021, of the Seven Principles of Empowerment of Women, an initiative of the UN Compact, to promote the development of women and gender equality in all instances of the signatory company, including the value chain and the communities where it operates. In line with the Global Compact and the SDGs, adherence to the document reinforces the company's commitment and practices.

Corroborating its adherence to the UN Women's Compact, TAESA joined +Women 360 Movement, an independent, non-profit association formed by organizations committed to gender equality and the increase of female participation in the corporate environment, communities and in the value chain.

To make the matter a reality, the company created the Diversity Committee, made up of employees and representatives from different classes, who work to create a diverse and inclusive work environment. The Committee brings together representatives from four major themes related to diversity: Disability (PwD), gender, 50+ generation and ethnicity. With its first actions, the Diversity Committee sensitized 85.3% of managers and 92.2% of employees. Another initiative was the publication of an e-book on the various aspects of diversity, which was distributed digitally to the entire team

SEVEN PRINCIPLES OF WOMEN'S EMPOWERMENT:



establish high-level corporate leadership for gender equality;



treat all men and women fairly at work - respect and support human rights and non-discrimination;



guarantee the health, safety and well-being of men and women workers;



promote women's education, training and professional development;



implement business development and supply chain and marketing practices that empower women;



promote equality through community initiatives and defense;



mediate and publish achievements towards gender equality.

Sustainability

The publication of the first Sustainability Report of the Company in accordance with GRI standards and in compliance with the principles of the Global Compact and the 2030 Agenda, reporting 2020 data, was one of the important achievements of 2021, as well as the Greenhouse Gas Inventory according to GHG Protocol.

With focus on sustainability, TAESA adhered to ICO2 and the IGPTW, both from B3. ICO₂ shows the company's commitment with transparency in GHG emissions and anticipates how the Company is preparing for a low-carbon economy.

The IGPTW is the newest index of B3 and monitors the companies certified by the GPTW, being the first index in the world covering a new ESG bias for the Brazilian market. Both indices will come into force in the 1st four months of 2022 and are important achievements, as the submission to both indices shows positive results and effects of TAESA's Sustainability Program.

Another relevant aspect in the period was the reformulation of the pages referring to sustainability on both the Company's website and on the Investor Relations portal, making the information more complete, attractive and periodically updated.



New headquarters: accelerated works

In January 2021, it was possible to perceive the execution of the concrete works in the new headquarters of TAESA, located in Lead Americas Business Center, in Barra da Tijuca (RJ). In April, the phase of construction of the slabs and structures was completed. In July, employees were able to visit the construction site and see their new workplaces. The forecast is that the new headquarters will obtain the occupancy permit (“Habite-se”) in March 2022.

TIMELINE

Dec 2020

Mobilization, assembly of the site and start of the work.

Jan 2021

Execution of concrete structures.

Apr 2021

Completion of the execution of concrete slabs and structures.

Jan 2022

Execution of the facade, glass skin and finishings.

Mar 2022

Forecast to receive the “Habite-se” and start of interior works



Donation campaign “Juntos pelo Bem”

With the continuation of the COVID-19 pandemic and the economic and social effects caused by it, the “Juntos pelo Bem” campaign was created to alleviate the great demand for basic food needs in communities near the Company’s undertakings. Considering the donation of food baskets by employees, TAESA contributed with five times more of what had been collected. Accordingly, more than 2,000 food baskets were distributed in six regions of Brazil.



APAE ARAGUAÍNA



ÍRIS CONCEIÇÃO, 10 ANOS
CASA PEQUENO DAVI



APAE ASSIS



CRECHE ALECRIM

APAE Araguaína

Rua Fesq c/ Av. Tocantins, 85-S., Araguaína (TO)

APAE ASSIS

Rua Ana A. R. de Andrade, 321, bairro Jardim Paulista, Assis (SP)

Casa Pequeno Davi

R. João Ramalho, 195, bairro Baixo Roger, João Pessoa (PB)

Creche Alecrim

Quadra 1, Conjunto 4, Lote 1 - Setor de Oficinas, Estrutural (DF)



100% Security

In order to strengthen the safety culture in practice, giving more voice and participation to all employees, TAESA implemented the 100% Security Program in 2021. Considered as a strategic theme, the program is a set of projects, actions and initiatives aimed at improving the Company's safety performance.

Assumptions of the 100% Security Program:

- security as a value for TAESA as a company and for each of its employees;
- engagement of own teams and contractors;
- equalization of the different security cultures of the contracted companies;
- monitoring of processes with critical analysis of results;
- identification and implementation of improvement actions.

The goals of the 100% Security Program include the achievement of zero accidents, improved performance in the management of undertakings and adherence to sectoral rules and benchmarks for reporting and consolidated ESG reports.

OF THE PROJECTS CARRIED OUT IN 2021, THE FOLLOWING STAND OUT:

Security Note App available on Google Play and Apple Store, the application allows users – TAESA employees and outsourced companies' employees – to contribute to the improvement and strengthening of prevention practices, as well as to recognize good practices in the facilities and projects.

TAESA Security Seal: granted by the Company to companies that provide services to it that meet pre-established requirements, such as compliance with legal standards, and carry out preventive and improvement actions evidenced by performance indicators, among other aspects. Considered as a market differential for partner companies, the seal evidences the weight of safety as a value in the Company.



Camera Monitoring System (SMC): TAESA implemented a new system for monitoring critical activities using cameras. The monitoring of routes, construction, operation and maintenance activities are the goals of this initiative with a focus on improving processes and procedures, as well as strengthening safe behavior.

My family and safe work: drawing contest that invited employees' children to express the importance of security. TAESA received several drawings with relevant and moving messages made by children.

Check out some of these drawings:



Victor Delbons, 5 years old.



Melissa Boone, 5 years old.



Manuela, 7 years old.

About the report

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Corporate Governance

Dimension

About this Report

Energy transmission is a strategic aspect of the electric sector, as it connects the generation and distribution segments in the Interconnected Electric System (SIN), which makes access to electricity possible in the most remote parts of the country.

To evolve in its sustainability strategy and better communicate its performance to stakeholders, TAESA carried out in 2021 the Materiality Process, that is, the identification of the most relevant topics in relation to the economic, environmental and social impacts of the Company, as they influence the decisions of the public with which it relates.

Therefore, in addition to considering the rules of the Global Reporting Initiative (GRI), the Sustainable Development Goals (SDGs) that are part of the United Nations (UN) 2030 Sustainable Development Agenda were observed.

GRI 102-50 | GRI 102-51

GRI 102-52 | GRI 102-54

This Report, prepared annually and in accordance with the GRI Standards - Essential option -, presents data for the period between January 1 and December 31, 2021, considering the concessions merged into TAESA and those in which the Company holds all the shares.

The previous editions of TAESA's Sustainability Report are available on the [company's website](#), including the 2020 edition, published in April 2021.



Previous editions of TAESA's Sustainability Report are available on the company's website, including the 2020 edition, published in April 2021.



TAESA's Materiality Process

To carry out the Materiality Process, TAESA hired a specialized consulting firm. The action took place between November and December 2021 and aimed to determine and update the relevant aspects for TAESA in terms of Sustainability. The methodology was fundamental to identify specific concerns and themes of the organization.

What is extracted from the Materiality Process is a guideline for the construction of this report and an instruction, aligned with the company's strategy, to reach the maturity of the themes related to Environmental, Social and Corporate Governance (ESG).

There were four stages along the way: the identification of themes and stakeholders, the prioritization of these topics by TAESA representatives and stakeholders, the analysis of the results and the preparation of the Company's Materiality Matrix. Check out below how this path was followed:



GRI 103-1

Based on the analysis of this whole set of information, it was possible to draw up a list of 13 topics that were frequent and relevant to the organization, presented in alphabetical order:

1

Diversity and Inclusion

It groups together the initiatives in favor of a diverse and inclusive environment, either through cultural actions and training on diversity, or through specific initiatives for underrepresented groups, to guarantee equal opportunities and professional development.

2

Eco-operational efficiency

It addresses the development of projects that aim to promote eco-operational efficiencies, seeking to reduce the consumption of natural resources and minimize the environmental impacts on TAESA's activities, both through the destination of materials and initiatives for reuse and life extension of inputs generated by the organization's operation.

3

Ethics, transparency and corporate integrity

It brings together the continuous practices of integrity, compliance and anti-corruption, based on ethics and transparency principles in all of TAESA's relationships with its stakeholders. It also considers the governance framework and the evolution of publicly assumed agendas.

4

Suppliers' management

It lists the topics relevant to management and governance concerning the process of suppliers' approval based on compliance and social-environmental criteria with a focus on compliance of the value chain operations with human rights.

5

Risk and crisis management

These are the aspects linked to the management of mechanisms for evaluating, valuing and defining the level of exposure of the business to short, medium and long-term risks, comprising TAESA's decision-making process, as well as the management of potential crises involving the Company and/or its sector of activity. It concerns the organization's ability to map and identify risks before they materialize, directing specific efforts to mitigate their impacts.

6

People management and development

This theme gathers the contents focused on the attention to applicable labor regulations, as well as initiatives to guarantee good working conditions, management of the work environment, performance and compensation, with a focus on the professional development of workers and qualified human capital for the Company's business.

7

Environment and biodiversity

These are environmental compliance practices, and TAESA's initiatives to manage environmental impacts, focused on biodiversity and land use.

8

Mitigation and adaptation to climate changes

It deals with aspects related to the management of actual impacts and the potential of events related to climate changes in the operation, also considering the monitoring of the emission of greenhouse gases and the initiatives for their reduction. This theme has a strong correlation with the energy transition process, which seeks to develop and conduct the generation, transmission and distribution of energy increasingly based on a strongly renewable mix.

9

Research, development and innovation

These are the Company's actions related to the promotion of a culture of innovation and development of innovative solutions for business and electric sector issues. It also covers the compliance of TAESA's performance within the Research and Innovation Program of the Brazilian Electricity Regulatory Agency (ANEEL).

10

Relationship with local communities

It covers the management and mitigation of actual and potential impacts of TAESA's operations in communities established in the vicinity of its operating units, through listening and relationship initiatives, boosting local development, preserving the ecosystem and valuing the material and immaterial heritage of these places.

11

Business model resilience

It involves the definitions of expansion and growth strategies that consider sustainability criteria for the current, as well as for potential or under development businesses and operations.

12

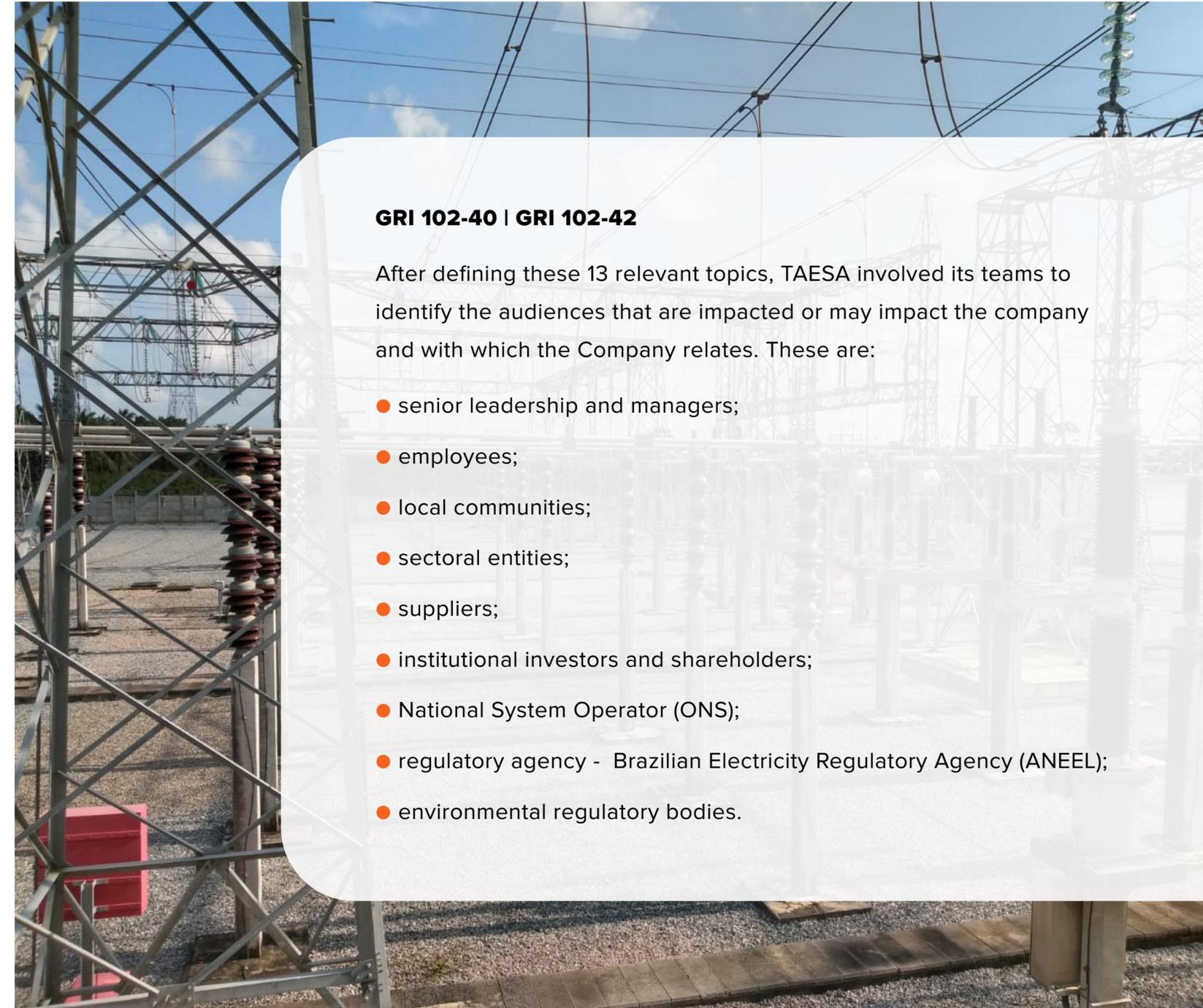
Health, safety and quality of life

It concerns the management of initiatives related to the health and safety of TAESA employees, as well as the benefits offered to workers, aiming at improvements in their quality of life.

13

Infrastructure security and cybersecurity

These are all the aspects related to management and investment in technology, with a focus on information security and protection of internal and third-party data.



GRI 102-40 | GRI 102-42

After defining these 13 relevant topics, TAESA involved its teams to identify the audiences that are impacted or may impact the company and with which the Company relates. These are:

- senior leadership and managers;
- employees;
- local communities;
- sectoral entities;
- suppliers;
- institutional investors and shareholders;
- National System Operator (ONS);
- regulatory agency - Brazilian Electricity Regulatory Agency (ANEEL);
- environmental regulatory bodies.

Influence

groups and individuals that can influence the organization's operational or strategic decision making.

Dependency

groups or individuals who are directly or indirectly dependent on the organization's activities, products, services and/or performance

Tension

groups or individuals who need priority and continuous attention from the organization in relation to economic, social-environmental and reputational issues.

Prioritization

GRI 102-43

The first prioritization process carried out refers to the influence, dependence and tension between each of the stakeholders and the Company. From the mapping of these levels in TAESA's decision making, it was possible to define which of them were more sensitive, as well as the respective engagement actions.

Thus, three approaches had been defined to identify these levels: **interviews, virtual questionnaires and focus group**. Each of the engagement strategies targeted both audience sensitivity and scope for participation and availability.

For the interviews, held through video calls, the representatives of six audiences were invited, both internal and external: senior leadership and managers, institutional investors and shareholders, sectoral entities, ONS, ANEEL and environmental regulatory bodies. In all, 15 interviews were conducted between November 10 and December 10, 2021.

9 interviews with members of senior leadership and managers

6 interviews with representatives of the following institutions: ONS, ANEEL, Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA), Brazilian Association of Electricity Transmission Companies (ABRATE), Energy Research Company (EPE) and an investor.



1 internal focus group with the participation of administrators/managers

Unit representatives and managers were invited to a virtual focus group. Nine TAESA employees participated in this conversation.

The third form of engagement adopted in this process was the sending of **online questionnaires** to suppliers, employees and local communities. This choice was due to the high number of people to be contacted to obtain a considerable sample.

The consultation with suppliers was carried out by e-mail, from the mailing established by the Supplies area. Employees were engaged through the company's internal communication channels, such as WhatsApp, email and newsletter. Local communities, on the other hand, had a broader strategy. The questionnaire was distributed by email and WhatsApp to local leaders and residents in the vicinity of TAESA's operations,

with whom the company already maintains contact through these channels. Therefore, it was not possible to measure how many people were invited to collaborate in this process.

To ensure a harmony between the approaches, regardless of the form, a standard questionnaire was developed and applied to all respondents. In it, the 13 themes listed by the company were presented and only four were asked to be chosen, considered by the respondents to be the most important according to their Sustainability agenda. There was also a space for the inclusion of considerations and aspects deemed relevant to the respondents that were not included in the presented list.

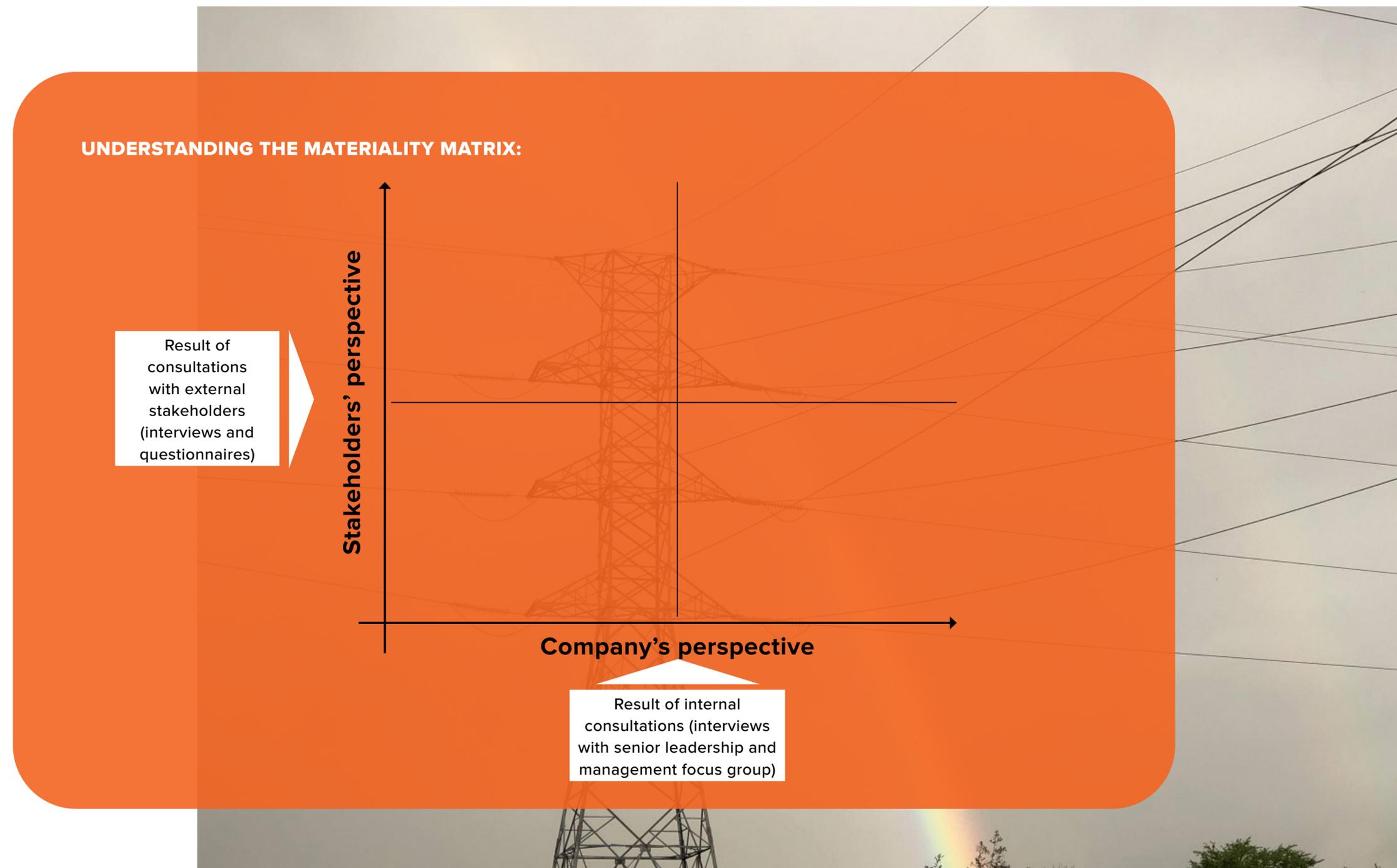
Altogether, during this process, TAESA heard 954 people, some of them in more than one engagement approach.

Analysis

GRI 102-44

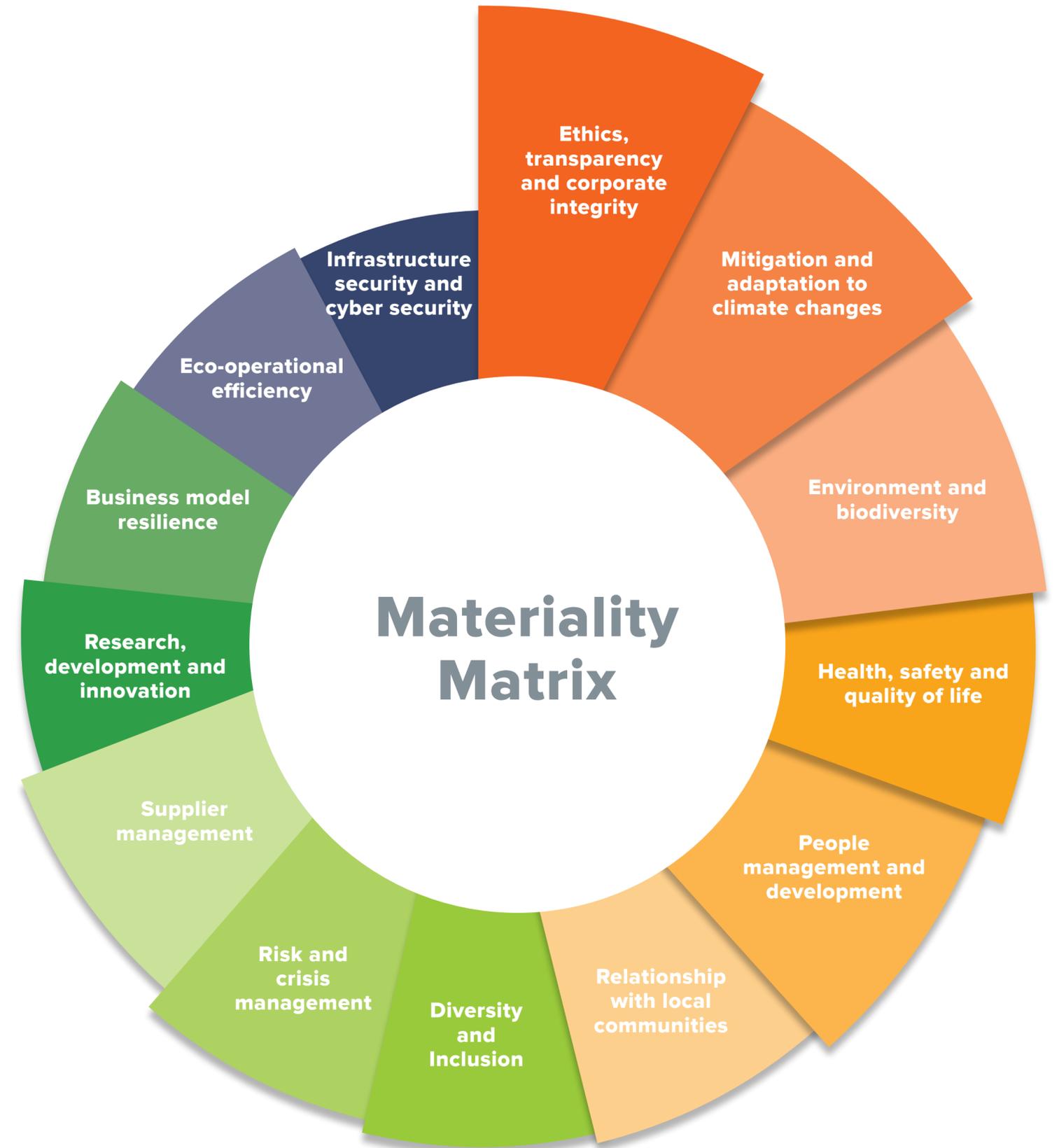
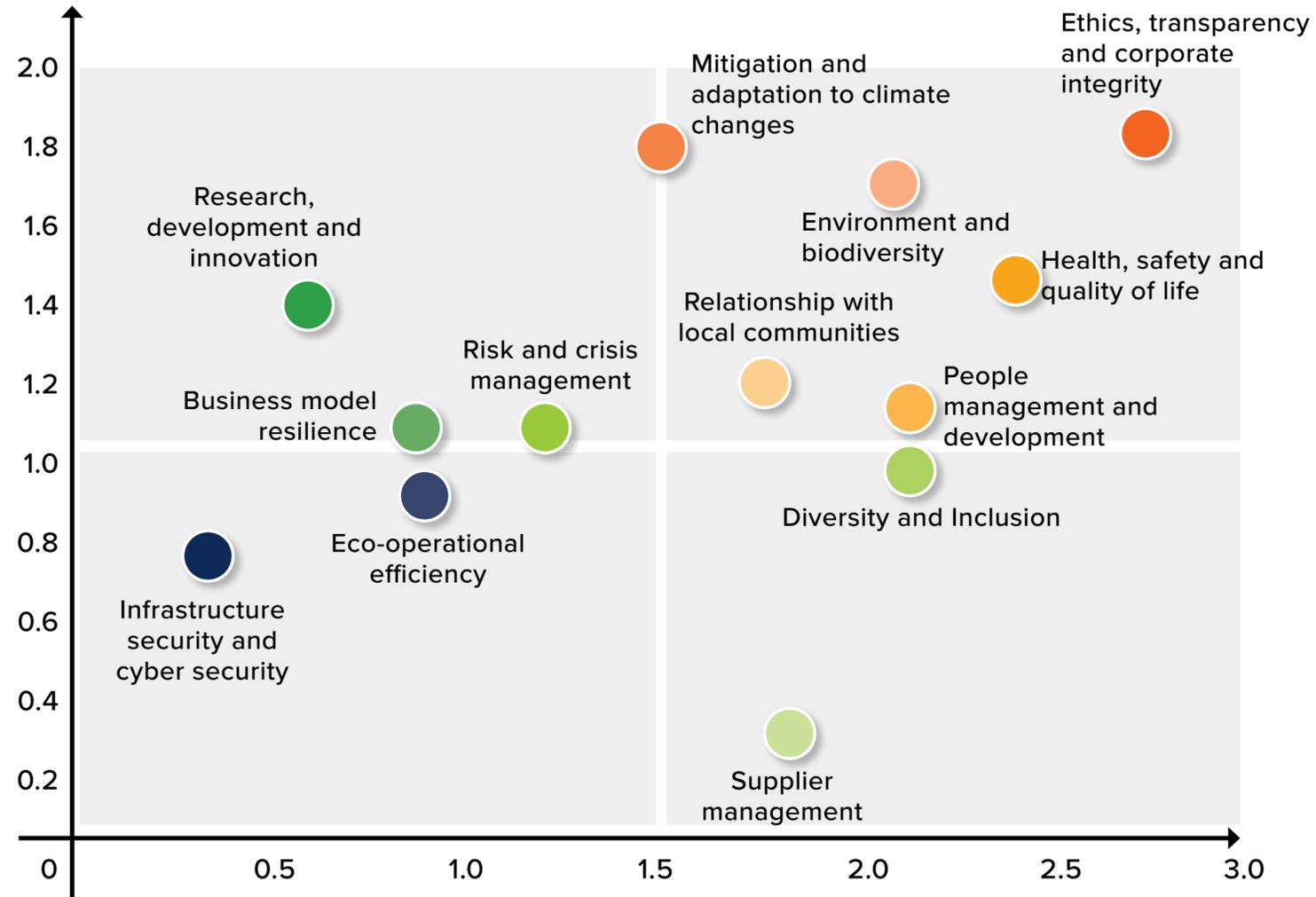
The responses obtained by the Company were analyzed to establish the Materiality Matrix. The Matrix is an instrument recommended by the GRI Standards so that one can visually identify which, among the topics presented, are those considered Material Topics - as they are called, according to the GRI standard, the topics that reflect the most significant economic, environmental and social impacts of an organization or that substantially influence the assessments and decisions of stakeholders.

For the preparation of the Matrix, responses were considered from the company's perspective, obtained from interviews with senior leadership, managers and the focus group, and which aspects were most important for the other audiences with which TAESA relates.



MATERIALITY MATRIX:

The Materiality Matrix, represented by the graph below, indicates, in its upper right quadrant (pink), the topics that received the greatest number of responses, considering internal and external consultations. These were then defined as the Material Topics to be worked on by TAESA in the coming years.



Validation

The last step of this process was the validation of Material Topics, carried out in January 2022 by the Statutory Executive Board. In addition to legitimizing the themes, these two governance bodies instructed that TAESA's Strategic Planning, signed in 2021, should be revised from the perspective of Material Topics, which should occur throughout 2022.



GRI 102-47

Material Topics



**Ethics,
transparency
and corporate
integrity**



**Mitigation and
adaptation to
climate changes**



**Environment
and biodiversity**



**Health,
safety and
quality of
life**



**People
management and
development**



**Relationship
with local
communities**

The material themes and the correlation with the Sustainable Development Goals

GRI 102-12

Since 2019, TAESA has been carrying out actions to achieve sustainable development, in line with the practices of the Brazilian electric sector. Therefore, the Sustainability Project was created that year, which aimed to formalize the processes already carried out by the company and promote

innovation in ESG themes, in addition to making the reports of its actions even more transparent and comparable with other players.

That same year, the Company joined the Global Compact, starting to consider the 17 Sustainable Development Goals (SDGs).

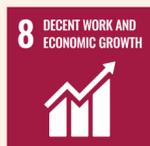
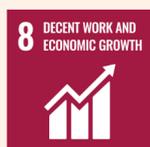
SUSTAINABLE DEVELOPMENT GOALS



In 2020, TAESA produced for the first time a report that also considered the GRI standards, showing an evolution in relation to the theme of Sustainability, following the commitment made.

In this Report, which complies with GRI standards, in addition to including the description of the Materiality Process, the Company adopts the prioritization of the Sustainable Development Goals. Thus, it is possible to establish a relationship between the Material Topics and the SDGs.

Since 2019, TAESA has been carrying out actions to achieve sustainable development, in line with the practices of the Brazilian electric sector.

Topic	SDG
Mitigation and adaptation to climate changes	  
Environment and biodiversity	
Ethics, transparency and corporate integrity	
Health, safety and quality of life	
People management and development	
Relationship with local communities	  



TAESA understands that its initiatives and services have repercussions, to a greater or lesser extent, on all 17 SDGs. However, starting in 2021, it decided to prioritize five of them, with which the Company expects to have a greater contribution to achieve the goals established in the 2030 Agenda.

The adoption of prioritization of SDGs, as well as the identification of the Material Topics, show TAESA's evolution and commitment with the transparency of its Sustainability initiatives in relation to all stakeholders.

PRIORITY SDGS FOR TAESA



GRI 102-5 | GRI 102-12 | GRI 102-16 | GRI 102-54

As a publicly-traded organization, TAESA signed the **Adoption of Differentiated Governance Practices with Bovespa, in October 2006.** Governance Practices with Bovespa, in October 2006. By this instrument, the Company submits to the Regulation of Differentiated Practices of Level

2 of Corporate Governance and to the Market Arbitration Chamber Regulations, both issued by B3. The documents issued by the IBGC and the CVM also apply to TAESA.

The different levels of B3 Corporate Governance are defined as follows:

1	<p>Level 1</p> <p>It requires the disclosure of some additional information beyond that established by law, such as, for example, an annual calendar of corporate events. Maintenance of at least 25% of the outstanding shares in the market (free float).</p>
2	<p>Level 2</p> <p>It is the most similar to the Novo Mercado. The main difference is that organizations can hold preferred shares (PN). It is entitled to tag along and voting on specific matters, such as approving the company's mergers.</p>
new market	<p>Novo Mercado</p> <p>Higher level of Corporate Governance, requiring greater transparency in the information provided by the Company with the exclusive issue of common shares (ON). It is entitled to tag along, and the Board of Directors must consist of at least five members with a unified term of office of two years. At least 20% of the members must be independent board members.</p>

Although it is registered at Level 2 of Corporate Governance, the company adopts several measures included in the New Market (Novo Mercado) level, as follows:

GRI 102-12

NEW MARKET (AS OF 01/02/2018.)

REQUIREMENTS MET BY TAESA

Minimum of 3 members (pursuant to legislation), of which at least 2 or 20% (whichever is greater) must be independent.	Four board members.
Presentation of additional policies, such as: compensation; appointment of members of the Board of Directors, its Advisory Committees and the Statutory Executive Board; risk management; and transaction with related parties.	The Company already has the Related Party and Risk Management Policies
Regulations of the Board of Directors, of its Advisory Committees and of the Audit Committee, when installed.	Existence of the internal regulations of the Board of Directors and Fiscal Council.
Required implementation for duties related to Compliance, internal controls and corporate risks, and the practice of holding multiple operating activities is forbidden.	The Company has a specific area for addressing compliance matters, internal controls and corporate risks, which does not accumulate operating activities.
Installation of audit committee, whether statutory or non-statutory, is mandatory and must meet the requirements stated in the regulation: breakdown and duties.	The Company has an internal audit area with an independent operating arm reporting to the Audit Committee.

ORGANOGRAMA SOCIETÁRIO



*TBE or TBE Group is a group of 15 electric power transmission concessionaires - Indirect Participation.





Statutory Information

Capital

TAESA's capital stock totals three billion, sixty-seven million, five hundred and thirty-five thousand, one hundred and ninety-three reais and twenty-eight centavos (R\$ 3,067,535,193.28), fully subscribed and paid-up. This amount is represented by one billion, thirty-three million, four hundred and ninety-six thousand, seven hundred and twenty-one (1,033,496,721) shares, of which five hundred and ninety million, seven hundred and fourteen thousand and sixty-nine (590,714,069) common shares and four hundred and forty-two million, seven hundred and eighty-two thousand, six hundred and fifty-two (442,782,652) preferred shares. All shares are nominative, book-entry and with no par value.

Agreement to regulate the joint management of the company and establish the rights and obligations of the controlling shareholders, in particular:

- a. The assumptions and principles to be adopted by CEMIG and ISA Investimentos with respect to the Agreement, to the Company and to its subsidiaries.
- b. The exercise of voting rights in the Company and its subsidiaries and associated companies.
- c. The form of administration of TAESA and its subsidiaries.
- d. The capitalization, investment, financing and dividend policies.
- e. The rules applicable to the encumbrance and transfer of shares.
- f. The preemptive right in the subscription of shares and other securities issued by the Company.

The form of dispute settlement.

Shareholders' Agreements

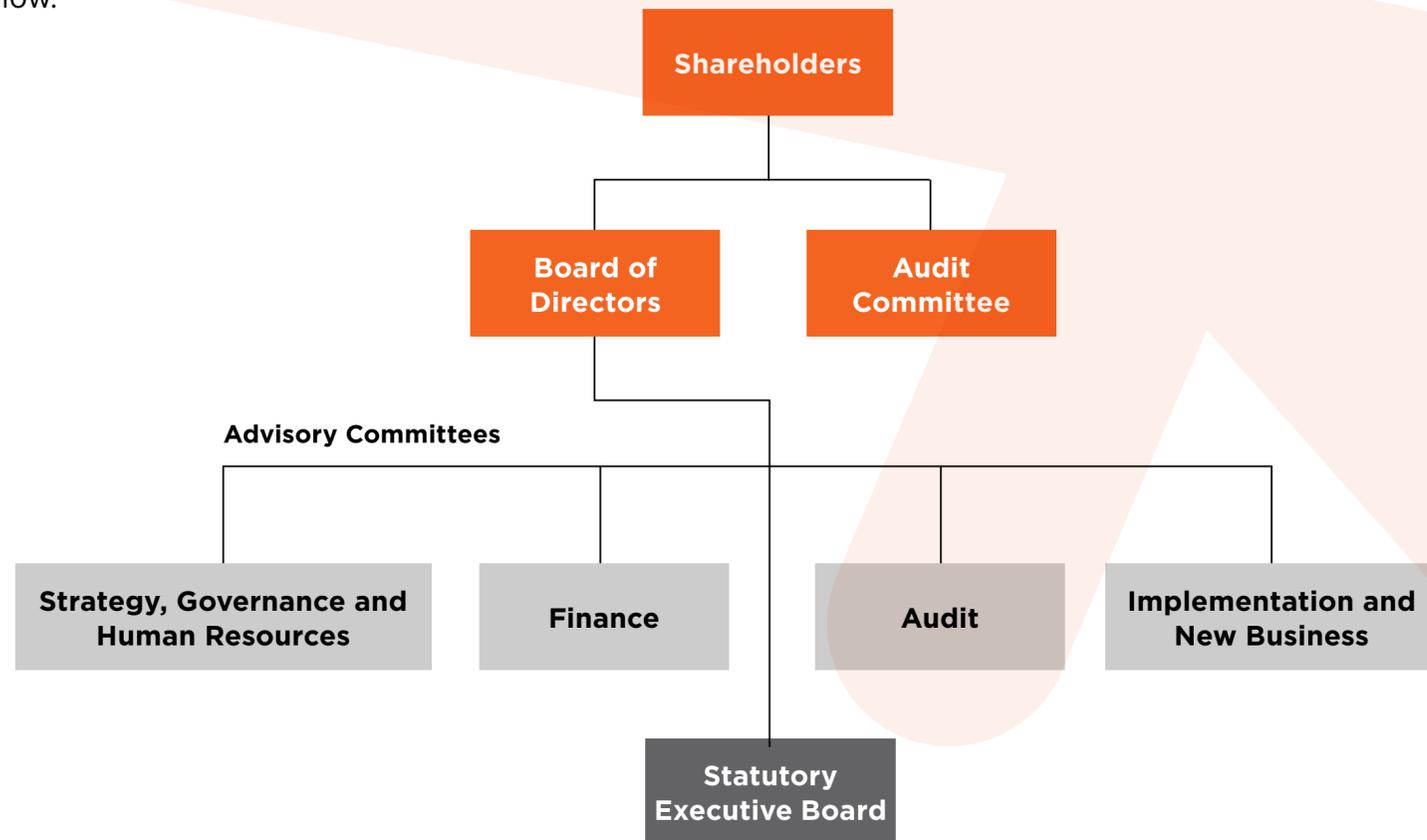
The controlling shareholders of TAESA – CEMIG and ISA Investimentos – have a Shareholders'



The Shareholders' Agreement is available on the Investor Relations website of the Company.

Governance Structure

The main TAESA's governance bodies are structured according to the organization chart below, with their composition and duties detailed below.



Board of Directors

GRI 102-18 | GRI 102-22 | GRI 102-23 | GRI 103-2

The Board of Directors is TAESA's highest governance body. It is comprised by thirteen (13) effective members Brazil residents or residents of other countries, elected by the General Meeting, with a unified term of office of one (1) year, with reelection permitted. ISA Investimentos must appoint 4 (four) members, and CEMIG, the other 5 (five) members. The other members of the Board of directors are elected pursuant to item 5.3 of Corporate Governance Regulation Level 2 of B3.

After the election of the board, the Chairman of the Board of Directors is chosen from among the elected members, having among his or her responsibilities the calling and chairing of the board's meetings. The positions of Chairman of the Board of Directors and Chief Executive Officer of the company cannot be accumulated by the same person.

The Board of Directors acts in accordance with the assignments provided for in TAESA's Bylaws, in its Internal Regulations, and in the applicable

legislation in force, also respecting the provisions of the shareholders' agreement.

Its duties include electing and removing the members of the Executive Board, in addition to overseeing the performance of duties. It is also incumbent upon the Board of Directors to decide on participation in public competitions promoted by ANEEL or by any representative of the Concession Grantor with the authority to do so.

GRI 102-22 | GRI 102-23 | GRI 103-2

Currently, the members of the Board of Directors are all men and do not have executive role in the Company, including the Chairman of the Board of Directors, Mr. Reynaldo Passanezi Filho, elected at the Annual General Meeting held on April 29, 2021. The identification of each member, a brief account of their CVs and information on other roles and important commitments, as well as the nature of those commitments and the Bylaws, are available [on the Company's website](#).



The CVs of the members of other Boards and Committees of TAESA are available on the [Company's website](#).

GRI 102-22 | GRI 102-23

Board of Directors (2021-2022)

Reynaldo Passanezi Filhoa – President

José Reinaldo Magalhães^a

Reinaldo Le Grazie

Jaime Leôncio Singer^a

José João Abdalla Filho^a

Cesar Augusto Ramirez Rojas^b

Fernando Augusto Rojas Pinto^b

Fernando Bunker Gentil^b

Luis Augusto Barcelos Barbosa^c

André Fernandes Berenguer^c

Celso Maia de Barros

Hermes Jorge Chipp^c

*Not independent
- appointed by the
shareholder CEMIG.*

*Not independent
- appointed by the
shareholder ISA.*

Independent.

Audit Committee

GRI 102-18 | GRI 102-22

TAESA's Audit Committee is a permanent body, formed by a minimum of three (3) and a maximum of five (5) sitting members and their respective alternates, whether shareholders or not, elected by the General Meeting.

The aforementioned Board has duties and powers defined by law, and its main responsibilities are to supervise the management's activities, review an opinion on the Company's financial statements and report its conclusions to the shareholders. Its performance is independent from the company's management and is not linked to the independent auditors.

Audit Committee (2021-2022)

Full members

**Manuel Domingues de Jesus e Pinho -
Audit Committee's President**
Custódio Antonio de Mattos
Júlia Figueiredo Goytacaz Sant'Anna
Marcello Joaquim Pacheco
Murici dos Santos

Alternate members

Eduardo José de Souza Luiz
Felipe da Silva Veloso
João Henrique de Souza Brum
Alberto Jorge Oliveira da Costa
Renato Venícius da Silva

Executive Board

GRI 102-18 | GRI 102-22 | GRI 102-23

TAESA's Executive Board is comprised of six (6) board members, shareholders or who are not necessarily shareholders, resident in the country, being one (1) Chief Executive Officer, one (1) CFO and Investor Relations Officer, one (1) Chief Business and Ownership Interest Management Officer, one (1) Chief Legal and Regulatory Officer, one (1) Implementation Officer and one (1) Technical Director.

All members of the Executive Board are elected by the Board of Directors, with an unified mandate of two years, being removable at any time.

The accumulation of positions and the reelection of members, in whole or in part, is allowed, as determined by the Board of Directors. Up to 1/3 (one third) of the Board of Directors members may be elected for the positions of Officer.

Currently, the Chief Executive Officer accumulates the role of Legal and Regulatory Officer.

Members of the Statutory Executive Board

Chief Executive Officer / Legal and Regulatory Officer

André Augusto Telles Moreira

Diretor Financeiro e de CFO and Investor Relations Officer

Erik da Costa Breyer

Chief Business and Ownership Interest Management Officer

Fábio Antunes Fernandes

Implementation Officer

Luis Alessandro Alves

Chief Technical Officer

Marco Antônio Resende Faria

Responsibility for economic, environmental and social topics

GRI 102-18

The Executive Board and the Board of Directors of TAESA deliberate on economic, environmental and social issues. As set forth in the Bylaws, the Executive Board is responsible for Exercising the powers of the general administration and management of the Company's activities, except those reserved to the Board of Directors and/or the General Meeting.

Thus, the topics are initially addressed within the scope of the Executive Board and, depending on their competence, taken to the Board of Directors, with prior transit through the appropriate advisory committees, which guide the Board of Directors on the aforementioned matters.

TAESA's Bylaws does not provide for an executive position with express mention of competence for social topics. However, in 2021 there was a change in the organizational chart in which the Executive Management for Security, Health,

Environment and Sustainability became directly linked to the Chief Executive Officer, reflecting the relevance of these themes and their transversal incorporation in the construction of the Strategic Planning approved in March 2021.

The Chief Technical Officer is responsible for defining, directing and implementing plans and processes related to the Operation and Maintenance of Assets, Engineering, Asset Management, as well as Reinforcements and Improvements areas, ensuring alignment with the requirements and regulations involved, so that TAESA always be in compliance with the environmental policies defined for the sector.

The Chief Business and Ownership Interest Management Officer is responsible for seeking and evaluating growth opportunities through auctions or acquisitions/mergers. His attributions include the provision of relevant information, such as risk and business feasibility analyses, the promotion of technical, economic-financial and environmental feasibility analyses, in interaction with the executive boards related to such businesses. He also defines, together with other Executive Boards, technical specifications for auctions, assumptions and restrictions, investment

amounts, costs, contingencies, environmental licensing conditions, and land management, for attractiveness and feasibility of development of the Company's expansion business.

Also under the terms of the Bylaws, the CFO and Investor Relations Officer is responsible for ensuring the financial management of the company, considering that the economic issues have a greater scope and are decided by the collegiate bodies of the Executive Board and the Board of Directors.

In relation to the officers, the Bylaws provide for that the Chief Executive Officer is accountable for his acts to the Board of Directors. The other Directors, on its turn, render accounts to the Chief Executive Officer and are also subject to supervision by the Board of Directors, pursuant to the Brazilian Corporations Act.

Compensation policies

GRI 102-35

At TAESA, the compensation policies applied to the Board of Directors and the Statutory Executive Board are organized according to the following criteria:

- The Company does not have a specific formalized compensation policy for the Board of Directors and the Executive Board. The compensation of officers and Board Members is ultimately approved by the Company's shareholders annually, considering the proposal of the Management, which, in turn, complies with the opinion of the Strategy, Governance and Human Resources' Committee. On the other hand, the evaluations of the Strategy, Governance and Human Resources' Committee are supported by salary surveys that take into account the comparison of positions with similar duties and responsibilities in companies in the same segment or that have good Human Resources and Corporate Governance practices. The results presented by the surveys are compared to the Company's practices and evaluated by the Strategy, Governance and Human Resources' Committee, which makes its recommendations to the Board of Directors, which is then responsible for approving any change or maintenance of the proposal.
- The variable compensation aims to direct the actions of the Statutory Executive Board to the fulfillment of the purposes strategies of

the company, aiming to meet the interests of its investors, clients and other stakeholders, subject to the achievement of individual and collective goals.

- The Company may, at its sole discretion, indemnify members of the Statutory Executive Board in the event of removal prior to the end of their respective term of office.
- The Santander private pension plan is made available to the Statutory Executive Board, whose employer's contribution is 8.5% of the directors' fees. The beneficiary can opt for an individual contribution without limitation.

Based on these dimensions and their respective objectives, performance indicators are prepared and broken down into challenging goals that bring TAESA closer to its objectives.

The current target model for senior executives is made up of six dimensions based on the Company's long-term strategy. These are: return to shareholder, market and growth, implementation excellence, operational excellence, organizational excellence and sustainability.

Based on these dimensions and their respective objectives, performance indicators are prepared and broken down into challenging goals that bring TAESA closer to its objectives. Among these dimensions, sustainability stands out, which raises the question of whether growth is based on healthy fundamentals of capital structure and impacts on the territories in which TAESA operates.

GRI 102-38

4.97

proportion of the total annual compensation paid to the person with the highest total annual compensation in relation to the average of all the Company's employees in Brazil.

R\$ 1,280,693.35

total annual compensation of the Company's highest paid individual in Brazil.

R\$ 181,649,062.77

total annual compensation of all employees (excluding the highest paid person) of the Company in Brazil.

Code of Ethical Conduct and Compliance

GRI 102-16 | GRI 102-17 | GRI 103-2

The TAESA's Code of Ethical Conduct and Compliance aims to guarantee and establish general guidelines for behavior to be observed and followed in relation to standards of ethical conduct during the performance of professional activities.

All activities, operations, products and services from TAESA must be guided by the guidelines of the Code and comply with the requirements of pertinent internal and external regulations. The document is applicable to all employees, interns, board members, officers, service providers, suppliers and related parties, being mentioned in the contracts.

As the Bylaws of TAESA, the Chief Executive Officer is responsible for ensuring the guidance of the audit (internal and external), risks, controls

and compliance areas, so as to establish the required policies, processes and controls, aiming at ensuring the adherence between the practices adopted and formal requirements that regulate the sector.

The Code of Ethical Conduct and Compliance, developed and approved by the Statutory Executive Board and the Board of Directors, is available on the **Investor Relations website**. It has a digital acceptance term, that can only be signed after reading all the content.

GRI 102-16

TAESA is dedicated to promoting a culture of respect and integrity, and has a communication channel through which it is possible to clarify any doubts about the Code of Ethical Conduct

and Compliance, or even report non-compliance. These means are offered both to the internal public - operated by the Company's own teams - regarding the external public - through an independent company.

The reports are received by the Ethics Committee, and the investigation process is conducted by the Compliance which, in turn, prepares an opinion on what happened. It is incumbent on the Ethics Committee to determine whether there are any disciplinary measures to be applied by the People area.

All reports or requests for information are treated confidentially. The outsourced channels have the option of anonymous reporting, confidentiality of information and non-retaliation, as established in the Code of Ethical Conduct and Compliance.

These channels are widely disclosed in internal communications, on the Company's institutional website and on the Investor Relations website, as well as in the Policies and the Code of Ethical Conduct and Compliance. For new employees, this means of clarifying doubts or making reports is presented in the on-boarding lectures.

Communication Channel

Telephone: 0800 800 6080

Website:
www.contatoseguro.com.br/taesa

Email:
comissao.etica@taesa.com.br

Address:
Comissão de Ética – Praça XV de novembro, 20, 6º andar, Centro – Rio de Janeiro (RJ), CEP: 20010-010.

For cases in which an employee feels uncomfortable with someone else's attitude in the work environment and does not wish to formalize a complaint, there is also the option of taking the matter to the Reconciliation Table. In this approach, the parties involved are brought together, in addition to the Compliance, management of People and witnesses, if necessary, for purpose of conciliation between those involved, preserving a peaceful, healthy and ethical environment.

General ethical principles

GRI 102-16 | GRI 102-3

Negotiations of contracts, agreements and proposals to amend the Bylaws, in addition to all policies that guide the Company, must be based on ethical and integrity principles, such as:

legality

TAESA values compliance with laws and other rules of conduct and rejects the involvement of its employees with people who carry out illegal activities or are financed with capital from illegal sources.

honesty

TAESA does not accept any use of corruption or similar measures in any of its forms.

responsibility

TAESA and its employees must assume the consequences of their actions, considering the impact on the community and the environment, as well as sustaining long-term business growth.





TAESA's Five Principles

GRI 102-16 | GRI 103-2

Good management

Commit itself to lead and manage the company in a balanced and conscious manner at all levels, always providing and aiming for higher quality standards.



Fairness

Maintain a constant balance between the particular and general interests of the individual and the company, of all shareholders and of each supplier.



Loyalty

Do not deprive the company of opportunities, nor take advantage of an opportunity to the detriment of the Company's interests, so as not to agree with third parties if they are in a position to divert a TAESA's opportunity for their own benefit.



Respect

Acting in a compatible manner with the rules of social and corporate interaction, in the best interest and well-being of everybody.



Transparency

Act in a clear, reliable and integral manner in all activities performed within the company.



Conflicts of interest

GRI 102-25

It occurs when a behavior or decision within the scope of the work activity can generate an immediate or deferred advantage for the individual, his/her family members or acquaintances at the expense of the corporate interest.

Conflicts of interest have a direct effect on the person involved, limiting or influencing his/her objectivity of judgment. Anyone who sees or believes to be involved in a conflict of interest, feels constrained to manage a professional situation due to outside influences or if he/she does not feel free in his/her decisions and in the performance of his/her own activities, he/she should inform this to the person responsible or other persons indicated by the corporate procedures.

Therefore, you will receive clarifications on how to behave, regardless of the type of courtesy or benefits received, the degree of kinship and familiarity or other variables.

At TAESA, compliance with the following general rules is mandatory:

- In relation to courtesies or other forms of gifts, the Company prohibits the acceptance of items with an established value greater than US\$ 100 or that are a source of doubt about its purpose, except those received from other companies, suppliers and clients, provided that the estimated commercial value is compatible with the idea of courtesy. To accept gifts over US\$100, the employee must inform his/her manager (at least of managerial level) and the Compliance area.
- The cases of first-degree relatives of employees, suppliers, customers, competitors or sectorial authorities should be indicated when their activity or function may have a reflection on the Company. In such cases, the administrators must take measures to avoid any type of incompatibility arising from this situation.

- Participation in any activity that involves significant time away from the company, or that may otherwise interfere with the efficient performance of normal tasks or represent a conflict of interest, requires written approval by the officers of the area.
- According to the Code of Ethical Conduct and Compliance, aiming to prevent corruption-related behavior or behaviors that may be interpreted as such, the Company establishes a uniform conduct with respect to its own external courtesies. In general, they should aim to promote exclusively the image of the Company and its brand. Due to this reason, TAESA does not accept any form of gift that may be interpreted as being above the ordinary business practices or courtesy, or in any way aimed at obtaining favors in the performance of any activity. Specifically, the Company prohibits any form of gift that may influence the independence of judgment – or induce the obtainment of any advantage – aimed at

public officials, auditors, board members or their respective family members.

- Exceptional situations must be submitted to the General Executive Board of TAESA and reported to the Board of Directors. In any case, the Company refrain from practices not authorized by Law, by commercial uses or by the Codes of Ethics – if any – of the companies or entities with whom it has relations.

In accordance with the policy on the topic, the members of the Board of Directors must monitor and manage potential conflicts of interest of the directors and Board members.

Any director or member of the Board of Directors, Audit Committee or Commission of Ethics that, in a given decision, has a particular interest or conflict with TAESA's must immediately report the existence of the conflict. Furthermore, it is mandatory to voluntarily withdrawing temporarily,

including physically, to refrain from participating in the discussions and deliberations on the matter that is the subject of the conflict. Said temporary withdrawal must be recorded in the minutes, mainly applicable in relation to abuses in transactions between related parties.

If the board member does not speak out about the existing situation, and another individual is aware of the fact, he or she can do so as soon as the conflict of interest is identified. In votes submitted to the General Meeting, if any conflict of interest in relation to the Company's shareholders is proven, the votes cast in conflict must be disregarded by the Chairman, with due recording in the minutes.

Risk Management

GRI 102-30 | GRI 205-2

TAESA's Bylaws assigns to the Executive Board the responsibilities for identifying and monitoring risks inherent to the development of its businesses.

The Board of Directors, in turn, is responsible for establishing the general guidelines for the Company's businesses and overseeing the performance of the officers. Specifically by means of its committees, must analyze and opine on the action plans for correcting the processes and minimizing the risks identified. It also works to assess the consistency of the legal analysis of potential new investments or divestments, addressing corporate, tax, labor and environmental aspects, as well as any other risks arising from the investment and respective strategies or measures to mitigate them. The Board of Directors is also responsible for reviewing and updating the Code of Ethical Conduct and Compliance.

Aiming to meet the requirements of a highly regulated business and offer security to its managers and shareholders, TAESA has the Audit, Risk and Compliance Management, which reports to the Executive Board and is composed of the following structures:

- **Internal Audit** – carries out investigations and works on operational, financial and accounting audits, pursuant to the plan approved by the Audit Committee, in addition to supervising the fraud prevention system. It is an independent structure and reports to the Audit Committee.
- **Risk management** – identifies, analyses, treats and monitors the Company's risks.
- **Internal controls** – implements and monitors the system of internal controls.
- **Compliance** – ensures business compliance with internal policies, resolutions of supervisory and regulatory bodies and national and international laws. The Company provides annual training for all employees, officers and board members on ethical conduct and compliance. This training is mandatory and, together with corporate campaigns related to the Code of Ethical Conduct and Compliance, it is part of the awareness process on the topic.

The Company has a Risk Management Policy, approved by the Executive Board on April 10, 2016 and last revised on July 6, 2021, which aims to establish principles, guidelines and responsibilities to be observed in the corporate risk management process to enable the proper identification, assessment, treatment, monitoring and communication of risks.

It also has a Risk Management and Internal Control Manual, whose purpose is to establish procedures to enable the implementation and adherence to the Risk Management Policy, as well as a Risk Dictionary, containing definitions and classifications of risks inherent to the company's business processes. In TAESA's view, the existing rules and mechanisms are sufficient to ensure an appropriate risk management. These documents are approved by senior management and disclosed to employees through communications by e-mail and on the corporate intranet portal.

Financial indicators

55

Indirect economic impacts

59

Financial instruments

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Economic and financial dimension



Focusing on the Material Topic **Ethics, transparency and administrative integrity**, TAESA sought, in 2021, to get even closer to its investors, assuming transparency and verification commitments. An example of this action was the first Investor Day held on December 3. Live streaming with online participations, the event differed from the traditional annual meetings with investors, and provided an interactive, participatory environment with great representation of the company and the shareholder base. The lectures, talk shows, the presentations of data and messages from the leaders were recorded, as were all other moments, and are available for the shareholders to watch them at any time on the **Investor Relations website**.



Another initiative that shows the Company's commitment with this Material Topic is the adherence, in August, to the GBTP, a platform developed by the IDB to promote transparency in the green bond market in Latin America and the Caribbean. Through GBTP, it is possible to harmonize and standardize the reports on green bonds and allow the market, in general, to analyze the resources of the securities invested and what environmental performance has been achieved. This action provides the capital market with relevant information on the Company's environmental performance, which makes it even more interesting to new and current investors

Financial indicators

The consolidated financial statements are prepared in accordance with the Brazilian accounting practices and with international financial reporting standards (IFRS), issued by the IASB.

GRI 102-45

The entities that are part of the consolidated financial statements are: TAESA, ATE III, Brasnorte, Janaúba, Lagoa Nova, Mariana, Miracema, Sant'Ana, São Gotardo, São João and São Pedro.

The Brazilian accounting practices comprise those established in the Brazilian corporate law and the pronouncements, guidelines and technical interpretations issued by the CPC and approved by the CFC and the CVM.

The consolidated financial statements were approved by the Executive Board, Audit Committee and the Board of Directors on February 17, 2022.

GRI 201-1

Generation of Wealth (R\$ thousand)	2021			2020 (restated)			2019 (restated)		
	R\$ thousand	%	Δ%	R\$ thousand	%	Δ%	R\$ thousand	%	
Operating income (gross income from sales of electric power and services)	3,767,852	95.31	-2.76%	3,874,611	104.32	90.88%	2,029,872	104.88	
(-) Inputs (inputs acquired from third parties): purchase of energy, materials, outsourced services, etc.)	(607,663)	15.37	40.30%	(1,017,919)	-27.41	82.50%	(557,751)	-28.82	
= Gross added value	3,160,189	79.94	10.62%	2,856,692	76.91	94.05%	1,472,121	76.06	
(-) Reintegration quotas (depreciation, amortization)	(22,652)	-0.57	48.25%	(15,280)	-0.41	15.75%	(13,201)	-0.68	
= Net added value	3,137,537	79.37	10.42%	2,841,412	76.5	94.76%	1,458,920	75.38	
+ Added value transferred (financial income, equity in net income of subsidiaries)	815,721	20.63	-6.53%	872,755	23.5	83.14%	476,561	24.62	
= Added value payable	3,953,258	100	6.44%	3,714,167	100	91.90%	1,935,481	100	

Distribution of wealth - by stakeholders	2021		2020 (restated)		2019 (restated)	
	R\$ thousand	%	R\$ thousand	%	R\$ thousand	%
Employees	154,904	3.92	141,055	3.8	114,562	5.92
Government (taxes, rates, contributions and sector charges)	740,248	18.73	795,849	21.43	359,066	18.55
Lenders	844,392	21.36	514,336	13.86	355,736	18.38
Withheld	423,844	10.72	656,553	17.68	449,723	23.24
Shareholders	1,789,870	45.28	1,606,374	43.25	656,394	33.91
= Distributed added value (total)	3,953,258	100	3,714,167	100	1,935,481	100

Distribution of government wealth and sectorial charges	2021		2020 (restated)		2019 (restated)	
	R\$ thousand	%	R\$ thousand	%	R\$ thousand	%
Taxes/rates/contributions	670,481	90.58	728,641	91.56	283,077	78.84
PIS and COFINS	225,269	30.43	245,517	30.85	113,633	31.65
CORPORATE INCOME TAX/SOCIAL CONTRIBUTION	411,431	55.58	456,255	57.33	148,584	41.38
Other	33,781	4.56	26,869	3.38	20,860	5.81
Sectorial charges	69,767	9.42	67,208	8.44	75,989	21.16
RGR	34,808	4.7	38,647	4.86	49,510	13.79
R&D	18,853	2.55	15,308	1.92	13,940	3.88
CDE	5,562	0.75	4,893	0.61	4,041	1.13
Alternative Electricity Sources Incentive Program - PROINFA	3,550	0.48	2,488	0.31	3,157	0.88
Inspection Fee for/on Electricity Service - TFSEE	6,995	0.94	5,872	0.74	5,341	1.49
= Distributed value (total)	740,248	100	795,849	100	359,066	100

Other Indicator	2021		2020 (restated)		2019 (restated)
	R\$ thousand	Δ %	R\$ thousand	Δ %	R\$ thousand
Gross operating income (R\$ thousand)	3,767,852	-2.76%	3,874,611	90.88%	2,029,872
Deductions from income (R\$ thousand)	(295,803)	-5.59%	(313,325)	65.01%	(189,882)
Net operating income (R\$ thousand)	3,472,049	-2.51%	3,561,286	93.55%	1,839,990
Operating costs and expenses for services (R\$ thousand)	(818,234)	-31.84%	(1,200,523)	70.02%	(706,114)
Income (loss) from rendering of services (R\$ thousand)	2,653,815	12.41%	2,360,763	108.20%	1,133,876
Gain (Loss) on acquisitions of companies	-	-	-	100.00%	9,811
Financial income (R\$ thousand)	(810,109)	70.36%	(475,523)	83.74%	(258,797)
Equity in net income of subsidiaries (R\$ thousand)	781,438	-6.30%	833,942	125.50%	369,811
IRPJ/CSSL (R\$ thousand)	(411,430)	-9.82%	(456,255)	207.07%	(148,584)
Net income (R\$ thousand)	2,213,714	-2.17%	2,262,927	104.58%	1,106,117
EBTITDA (R\$ thousand) – adjusted	3,457,905	7.72%	3,209,985	110.26%	1,526,699
EBTITDA (R\$ thousand) – adjusted	2,676,467	12.64%	2,376,043	105.38%	1,156,888
EBITDA Margin (%) - standard	99.59%	10.48%	90.14%	8.64%	82.97%
EBITDA Margin (%) - adjusted	77.09%	15.54%	66.72%	6.12%	62.87%
Current liquidity	1.51	-46.26%	2.81	-21.51%	3.58
General liquidity	1.33	-2.21%	1.36	-4.23%	1.42
Gross margin (net income/gross operating revenue) (%)	58.75%	0.60%	58.40%	7.04%	54.56%
Net Margin (net profit/shareholders' equity) (%)	33.12%	-11.80%	37.55%	69.45%	22.16%
Capital Structure					
Own capital (%)	42.05%	-1.50%	42.69%	-3.39%	44.19%
Third-party capital (%)	57.95%	1.12%	57.31%	2.69%	55.81%
Customer default (accounts overdue up to 90 days / Gross operating income in the last 12 months)	0.000724	-79.62%	0.003552	-50.43%	0.007165

GRI 102-9
Balance sheet

(Amounts expressed in thousands of reais – R\$)

	12/31/2021	12/31/2020 (Restated)	12/31/2019 (Restated)
Assets			
Current assets			
Cash and cash equivalents	384,824	896,031	82,562
Securities	-	-	2,337,228.00
Accounts receivable from concessionaires and permissionaires	212,069	190,378	128,177
Concession contract asset	1,320,728	1,015,498	855,975
Current taxes and social contributions	160,897	124,355	101,782
Dividends and JCP receivable	208	50,332	101
Other accounts receivable and other assets	56,457	83,567	62,605
Total current assets	2,135,183	2,360,161	3,568,430
Non-current assets			
Securities	9,948	9,586	4,586
Accounts receivable from concessionaires and permissionaires	21,332	19,635	18,869
Concession contract asset	9,799,690	8,356,699	5,230,513
Other accounts receivable	35,616	41,526	18,691
Judicial deposits	64,771	44,870	33,176
Derivative financial instruments	207,267	157,169	44,107
Investments	3,436,678	2,952,525	2,239,298
Right-of-use	12,457	28,934	33,772
Property, plant and equipment	73,892	44,742	22,667
Intangible assets	98,801	89,572	78,660
Total non-current assets	13,760,452	11,745,258	7,724,339
Total assets	15,895,635	14,105,419	11,292,769

Liabilities

Current liabilities			
Suppliers	131,622	85,086	91,200
Loans and financing	15,672	121,355	10,395
Debentures	933,841	319,473	724,086
Lease liabilities	8,533	8,911	8,521
Current taxes and social contributions	58,894	55,157	40,731
Regulatory fees	51,679	62,536	68,796
Dividends and JCP payable	147,048	105,931	11
Other accounts payable	69,841	83,194	52,761
Total current liabilities	1,417,130	841,643	996,501
Non-current liabilities			
Loans and financing	614,073	922,669	414,557
Debentures	5,225,510	4,857,916	4,158,834
Derivative financial instruments	33,679	47,061	1,271
Lease liabilities	7,257	22,462	26,811
Deferred taxes and social contributions	1,172,751	763,630	309,000
Deferred taxes	638,209	524,897	334,543
Provision for labor, tax and civil risks	49,126	44,338	31,278
	457	457	461
Other accounts payable	52,687	54,442	29,136
Total non-current liabilities	7,793,749	7,237,872	5,305,891
Total liabilities	9,210,879	8,079,515	6,302,392
Shareholders' equity			
Capital	3,042,035	3,042,035	3,042,035
Capital reserve	598,736	598,736	598,736
Profit reserve	2,368,240	1,944,396	1,287,843
Additional dividends proposed	653,282	456,035	61,763
Other comprehensive income	22,463	(15,298)	-
Total shareholders' equity	6,684,756	6,025,904	4,990,377
Total liabilities and shareholders' equity	15,895,635	14,105,419	11,292,769

Statement of income for the years 2021, 2020 and 2019

	2021	2020 (Restated)	2019 (Restated)
Infrastructure's implementation income, inflation adjustment of the concession contract asset, operation and maintenance contract assets and others, net	2,664,691	2,903,468	1,334,813
Compensation of concession contract assets	807,358	657,818	505,177
Net operating income	3,472,049	3,561,286	1,839,990
Operating costs			
Personnel	(81,657)	(72,654)	(56,069)
Material	(501,811)	(922,080)	(477,662)
Outsourced services	(45,238)	(40,483)	(29,057)
Depreciation and amortization	(8,560)	(7,200)	(5,007)
Other operating costs	(11,722)	(5,562)	(6,223)
	(648,988)	(1,047,979)	(574,018)
Gross income	2,823,061	2,513,307	1,265,972
General and administrative expenses			
Personnel and management	(101,352)	(93,961)	(78,256)
Outsourced services	(40,163)	(32,380)	(32,523)
Depreciation and amortization	(14,092)	(8,080)	(8,194)
Other operating expenses	(13,639)	(18,123)	(13,123)
	(169,246)	(152,544)	(132,096)
Gains on companies' acquisitions	-	-	9,811

Income (loss) before net financial income (expenses), equity accounting, and taxes and contributions	2,653,815	2,360,763	1,143,687
Equity income (loss)	781,438	833,942	369,811
Financial income	34,283	38,813	96,939
Financial expenses	(844,392)	(514,336)	(355,736)
Net financial income (expenses)	(810,109)	(475,523)	(258,797)
Income (loss) before taxes and contributions	2,625,144	2,719,182	1,254,701
Current income tax and social contribution	(21,763)	(27,698)	(4,014)
Deferred income tax and social contribution	(389,667)	(428,557)	(144,570)
Income tax and social contribution	(411,430)	(456,255)	(148,584)
Net income for the year	2,213,714	2,262,927	1,106,117
Interest of Non-controlling Shareholders	2,213,714	2,262,927	1,105,661
Non-controlling interest	-	-	456
Earnings per share			
Earnings per common share - Basic and diluted (in R\$)	2.14196	2.18958	1.07027
Earnings per preferred share - Basic and diluted (in R\$)	2.14196	2.18958	1.07027

Indirect economic impacts

GRI 203

In its relationship with the various stakeholders, TAESA is responsible for producing indirect economic impacts, including:

- **Creating employment opportunities and hiring labor:** positive impact, of local scope and temporary duration (usually during mobilization and construction). For the implementation of the transmission undertakings, direct jobs are generated, either from specialized and mobilized personnel from other regions, or from unskilled labor recruited locally. There may be an increase in indirect jobs, due to the demand for food, lodging and general services.

- **Restriction of land use and occupation:** negative impact, of local and permanent scope. The right of way is the strip of land along the axis of the transmission line, whose domain remains with the owner. However, it has restrictions on use and occupation, necessary to ensure the safety of the transmission line facilities and the neighboring population. The restrictions already occur in the implementation phase and are permanent during all years of operation. Any type of construction is not allowed in the right of way, crops that usually use fires to clean the area, large crops, such as eucalyptus and pine, irrigation systems, colonization grass, among others. Aiming to mitigate this impact, indemnity for the

establishment of the administrative right of way is negotiated, at fair prices and in accordance with the economic value of that land use. However, this can be seen as an economic impact due to the limitation of new uses to be made.

- **Increase in the goods and services market and tax collection:** positive impact, of local scope and temporary duration (generally, during mobilization and construction). The implementation of transmission undertakings tends to positively affect the region's economy, fostering new projects and businesses. In the planning and mobilization phase of the construction infrastructure, the offer of jobs and income begins, with an increase of financial

funds to the local economy. With the start of construction, the demand for goods and services increases and heats up the market. There is also an increase in municipal tax collections, in relation to ISS and ICMS, which are levied on indirect services developed in the context of economic expansion in the region.

- **Real estate devaluation:** negative impact, of local and permanent scope. The presence of high voltage transmission lines in the properties can generate depreciation of the property and real estate devaluation. However, studies show that this devaluation has been insignificant in the sale value of land affected by transmission lines occasionally this only happens on properties where towers are leased.

- Increase in the availability of energy in the SIN:** positive impact on a national and permanent scale, also affecting external references, as it may increase the attractiveness of investments in the country. The quality and expansion of the electricity supply has gained more importance for distributors and consumers. It is through the improvement and security of the electrical system that the different sectors develop, creating products and services that boost economic and social development. It is worth highlighting that the works move the local economy with commerce, housing, inputs, etc. In addition, labor can be hired in the region of the undertaking, according to the supply and training of professionals

GRI 203-2

The works carried out by the Company to implement and maintain the concessions move the local economy and impact commerce, housing, demand for inputs, etc. In addition, labor can be hired in the region of the undertaking, according to the supply and training of professionals, generating wealth and improving the population's quality of life.

To measure the circulation of values, in Mariana, investments in the project in 2021 totaled R\$ 1,533.4M, of which R\$ 173.4M in Janaúba, R\$ 269M in Sant'Ana, R\$ 31.5M in Aimorés, R\$ 81M in Paraguaçu, R\$ 696.9M in Ivaí and R\$ 281.6M in ESTE.

In relation to the Reinforcement and Improvement Projects of the undertakings in operation, the implementation needs are suggested by ANEEL or

identified by the Company, based on possible demands for technical feasibility, according to organizational and systemic criteria. Therefore, said initiatives, in addition to contributing to the supply capacity of the electrical system, may eventually leverage the economy, as they foster local hiring and services.

GRI 203-1

In 2021, investments made in Projects, including 10 reinforcements and 17 improvements, totaled R\$ 72,099,843.00. We highlight below the most relevant initiatives concluded or underway in the last year and the expected effects of their implementation.

In 2021, investments made in Projects, including 10 reinforcements and 17 improvements, totaled R\$ 72,099,843.00.

GRI 203-1

Concession Improvement or reinforcement made

Concession	Improvement or reinforcement made
ATE	<ul style="list-style-type: none"> Replacement of Optical Amplification Systems in Assis-Araraquara.
ATE II	<ul style="list-style-type: none"> Acquisition of the complete medium voltage cubicle (13.8KV), auxiliary service transformer (13.8KV/480Vac) and 900 meters of medium voltage cables. Replacement of Optical Amplification Systems in São João do Piauí-Sobradinho and in Miracema, Gurupi and Colinas substations. Implementation of the SEP N-NE-SE Special Protection System, with the objective of limiting the overload in the transmission system elements to the levels of their maximum emergency overload capacities, as well as avoiding the loss of synchronism between the North, Northeast and Southeast regions of Brazil. Acquisition and installation of cameras positioned to monitor maneuvers in disconnectors, equipment monitoring and perimeter within the COGMA Project – Implementation of Teleassistance.
ATE III	<ul style="list-style-type: none"> Acquisition and installation of cameras positioned to monitor maneuvers in disconnectors, equipment monitoring and perimeter within the COGMA Project – Implementation of Teleassistance.
Brasnorte	<ul style="list-style-type: none"> Replacement of OPGW cable sections of the LT 230 kV Brasnorte-Nova Mutum C2, installed during the construction of the undertaking, due to manufacturing problems.
ETAU	<ul style="list-style-type: none"> Replacement of the OPLAT teleprotection link of the LT 230kv Santa Marta-Lagoa Vermelha 2, of Santa Marta Substation, of the ETA, since the equipment is obsolete and has been discontinued, and there is no spare quantity for eventual repair. The same service was performed at SE BGR and SE LV2, of the same concession, due to the end of the useful life of the material.
GTESA	<ul style="list-style-type: none"> Replacement of the 48 VCC Power System at SE Barra Grande, in the ETA.
Janaúba	<ul style="list-style-type: none"> Modernization of the USCA associated with the emergency GMG of the power supply system of Goianinha and Mussure II substations, in the GTESA.
Munirah	<ul style="list-style-type: none"> Replacement of lightning rod cables 3/8 for OPGW cable of LT 500 kV Camaçari II - Sapeaçu. Replacement of all glass insulators with polymers of LT 500kV CMDSPU due to the environmental conditions, which causes accelerated degradation.
Novatrans	<ul style="list-style-type: none"> Standardization of HMI Supervision System, at level 2, with the replacement of the equipment due to the end of its useful life and obsolete technology. Replacement of the GE/UR D60 Protection System (2), T60 (1) and the 500kV GE/UR (2), F60 (3), and T60 (1) Protection System. Implementation of the SEP N-NE-SE Special Protection System, with the objective of limiting the overload in the transmission system elements to the levels of their maximum emergency overload capacities, as well as avoiding the loss of synchronism between the North, Northeast and Southeast regions of Brazil. Acquisition and installation of cameras positioned to monitor maneuvers in disconnectors, equipment monitoring and perimeter within the COGMA Project – Implementation of Teleassistance.
PATESA	<ul style="list-style-type: none"> Modernization of the USCA associated with the emergency GMG of the substations power system, in Açu II and Paraíso substations.
SPT	<ul style="list-style-type: none"> Reinforcement authorized by ANEEL for the implementation of the second 500/230 kV self-transformer in SE Barreiras II. Acquisition of Fault Locator in LT Rio Grande II-Barreiras 2, Circuit 1, of SPT. The concession did not have in its transmission lines the application that allows the location of faults in its protection, control and supervision systems. Also at SPT, Fault Locators (Traveling Waves) were acquired and installed for the LT 230 kV Gilbués II-Bom Jesus II.
STE	<ul style="list-style-type: none"> Replacement of Optical Amplification Systems at the LT 230kV Maçambará-Santo Ângelo.
TSN	<ul style="list-style-type: none"> Implementation of the SEP N-NE-SE Special Protection System, with the objective of limiting the overload in the transmission system elements to the levels of their maximum emergency overload capacities, as well as avoiding the loss of synchronism between the North, Northeast and Southeast regions of Brazil. Implementation of the SEP Bipolos Xingu, in view of the significant reinforcements in the alternating current transmission system of the North, Northeast and Southeast interconnections, to enable the flow of generation from the North region and the wind potential of the Northeast region. Acquisition and installation of cameras positioned to monitor maneuvers in disconnectors, equipment monitoring and perimeter within the COGMA Project – Implementation of Teleassistance.

Financial instruments

GRI 102-9

CATEGORIES OF FINANCIAL INSTRUMENTS - IN REAIS/THOUSAND

	Consolidated		
	12/31/2021	12/31/2020	12/31/2019
Financial assets			
Fair value through profit or loss:			
- Securities	9,948	9,586	2,341,814
- Cash equivalents - Interest earning bank deposits	380,602	889,348	81,805
Amortized cost:			
- Cash and banks	4,222	6,683	757
- Accounts receivable from concessionaires and permissionaires	233,401	210,013	147,046
- Advance Apportionment and Adjustment Portion	939	4,126	-
	629,112	1,119,756	2,571,422
Financial liabilities			
Fair value through profit or loss:			
- Loans and financing	561,265	508,167	396,154
- Debentures	-	-	2,306
- Derivative financial instruments	-207,267	-157,169	-42,836
Fair value through other comprehensive income:			
- Derivative financial instruments	33,679	47,061	-
Other financial liabilities at amortized cost:			
- Suppliers	131,622	85,086	91,200
- Loans and financing	68,480	535,857	28,798
- Debentures	6,159,351	5,177,389	4,880,614
- Lease liabilities	15,790	31,373	35,332
- Advance Apportionment and Adjustment Portion	25,285	3,432	18,241
	6,788,205	6,231,196	5,409,809

Risk management structure

GRI 102-15

Risk management of the Company and its subsidiaries intends to identify and analyze risks considered relevant by Management, such as market risks (currency, interest rate and other operating risks), credit and liquidity risks. TAESA and its subsidiaries do not contract or trade financial instruments, including derivative financial instruments for speculative purposes.

As detailed in the Corporate Governance Dimension, the Company's Bylaws define the attributions, powers and responsibilities of each of the governance positions to anticipate, identify, monitor and mitigate risks inherent in the development of business. In addition to the governance bodies, documents such as the Code of Ethics and Compliance, the Policies and other

guidelines serve to guide the company and its employees in relation to these risks.

Capital risk management

GRI 102-15

The Company and its subsidiaries manage its capitals to ensure the maintenance of its regular activities and, at the same time, maximize return to all stakeholders or parties involved in its operation, through debt and equity balance optimization. Capital structure is formed by net indebtedness, that is, loans and financing, derivative financial instruments, debentures, and lease liability, less cash and cash equivalents, securities, and shareholders' equity.

Market risk management

GRI 102-15

Taxa de câmbio

On December 31, 2021, the Company had 8.46% (R\$ 561,265 thousand) of its total debt (loans and financing, debentures, financial instruments and lease liability) linked to foreign exchange rate. To mitigate this risk, the Company contracted derivative financial instruments (swap) to protect total principal and interest future payments from fluctuations in US dollar and in interest rate (Libor). The Company intends to settle both instruments on the same date.

Foreign exchange risk is that the fair value of a financial instrument future cash flows changes due to changes in foreign exchange rates. The exposure to risk of changes in foreign exchange rates, refer mainly to the obligations involving borrowings, financing, financial investments and securities, subject to variable exchange rates. In Brazil, the depreciation of Real against Dollar may give rise to a price increase in all economic areas. A scenario of currency instability with eventual

depreciation of the Brazilian real may cause loss to the results of TAESA in future years. The company is subject to exchange rate risk on loans indexed to a currency other than that used in the functional context, the Real (R\$).

GRI 102-15

Interest rate

The Company and its subsidiaries' income is adjusted on a monthly basis at inflation rates. In case of deflation, the concessionaires will have their income reduced. In case of sudden increase of inflation, the concessionaires could not have their income timely adjusted, consequently suffering impacts on income (loss). To minimize the risk of raising insufficient funds with adequate costs and reimbursement periods, TAESA permanently monitors the obligations' payment schedule and cash generation.

There were no changes in Company's market risk nor in the management and measurement method of these risks in relation to the last report. The Company and its subsidiaries are exposed to fluctuations of floating interest rate for loans and

financing, debentures and financial investments. This risk is administered by monitoring changes in interest rates and by maintaining a proper mix of assets and liabilities denominated in floating interest rates.

Moreover, the Company contracts different interest rate swaps, in which the agrees to exchange, at specific intervals, the difference between the amounts of the variable interest rates (CDI) calculated based on the notional principal amount agreed between the parties.

Said swaps are intended to hedge the debenture obligations that are the hedge object. On December 31, 2021, after considering the effect of interest rate swaps, approximately

74.63% of the debentures issued by the Group were subject to inflation adjustment + a fixed rate.

To minimize the risk of raising insufficient funds with adequate costs and reimbursement periods, TAESA permanently monitors the obligations' payment schedule and cash generation.



GRI 102-15
Hedge accounting activities and derivative financial instruments
Derivatives not designated as hedge instruments

In the management of its exposures, the Company raises loans in foreign currency and enters into swap contracts. These forward currency contracts are not designated as cash flow hedges, fair value hedges or net investment hedges, but are entered into for periods consistent with the currency transaction exposures.

TAESA and its subsidiaries contract derivative financial instruments to administer their exposure to risk related to foreign exchange rate, i.e., foreign exchange swap without cash - US\$ versus CDI.

	Citibank foreign exchange swap - Renegotiation
Reference value (notional) as of 12/31/2021	US\$ 98,592
Reference value (Notional) as of 12/31/2020	US\$ 98,592
The company's right to receive (long position)	(3-month Libor + Spread: 0.34%) – ⁽¹⁾ 1.17647
The company's obligation to pay (short position)	106.0% CDI
Maturity on	05/10/2023
Long position - 12/31/2021	561,265
Short position - 12/31/2021	(353,998)
Swap assets (liabilities) as of 12/31/2021 ⁽²⁾	207,267
Swap assets (liabilities) as of 12/31/2020 ⁽²⁾	157,169
Amount receivable (payable) as of 12/31/2021	207,267
Amount receivable (payable) as of 12/31/2020	157,169
Fair value as of 12/31/2021	207,267
Fair value as of 12/31/2020	157,169
Gains (losses) 01/01/2021–12/31/2021	40,533
Gains (losses) 01/01/2020–12/31/2020	110,319

⁽¹⁾ Factor 1.17647 represents gross up of income tax owed upon amortization and interest payments.

⁽²⁾ Unrealized swap gain recorded in the balance sheet.

	Citibank foreign exchange swap - Renegotiation
Reference value (Notional) as of 12/31/2020	US\$ 98,592
Reference value (Notional) as of 12/31/2019	US\$ 98,592
The company's right to receive (long position)	(3-month Libor + Spread: 0.34%) – ⁽¹⁾ 1.17647
The company's obligation to pay (short position)	106.0% CDI
Maturity on	05/10/2023
Long position - 12/31/2020	508,167
Passive end on 12/31/2020	(350,998)
Swap assets (liabilities) as of 12/31/2020 ⁽²⁾	157,169
Swap assets (liabilities) as of 12/31/2019 ⁽²⁾	43,907
Amount receivable (payable) as of 12/31/2020	157,169
Amount receivable (payable) as of 12/31/2019	43,907
Fair value as of 12/31/2020	157,169
Fair value as of 12/31/2019	43,907
Gains (losses) - 01/01/2020–12/31/2020	110,319
Gains (losses) - 01/01/2019–12/31/2019	4,840

The transactions are registered with clearance and custody chambers. There is no margin deposited in guarantee, and the operation has no initial cost.

**Derivatives designated as hedge instruments -
Cash flow hedges**

As of January 2020, the Company designated derivatives in the amount of R\$ 400,000 million, referring to part of the issuance of its debentures, as a hedge instrument for a cash flow hedge structure. The derivatives contracted were swaps that exchange the risk of 108% of the CDI (interest rate on debentures) for the IPCA + fixed rates.

The effect of cash flow hedge on the statement of income and in other comprehensive income is presented in the table below:

<i>Hedge rating</i>	<i>Hedged item</i>	<i>Hedge instrument</i>	<i>Reference value</i>	<i>Index</i>	<i>Maturity</i>	<i>Gain (loss) Other comprehensive income 12/31/2021</i>
Cash flow hedge	Debenture indexed at 108% of CDI	Swaps	50,000	IPCA + 3.94%	05/15/2026	6,983
			50,000	IPCA + 3.91%	05/15/2026	6,946
			100,000	IPCA + 4%	05/15/2026	13,971
			50,000	IPCA + 3.53%	05/15/2026	8,796
			50,000	IPCA + 3.66%	05/15/2026	6,638
			100,000	IPCA + 3.99%	05/15/2026	13,880
						57,214
<i>Hedge rating</i>	<i>Hedged item</i>	<i>Hedge instrument</i>	<i>Reference value</i>	<i>Index</i>	<i>Maturity</i>	<i>Gain (loss) Other comprehensive income 12/31/2020</i>
Cash flow hedge	Debenture indexed at 108% of CDI	Swaps	50,000	IPCA + 3.94%	05/15/2026	2,859
			50,000	IPCA + 3.91%	05/15/2026	2,883
			100,000	IPCA + 4%	05/15/2026	5,491
			50,000	IPCA + 3.53%	05/15/2026	4,115
			50,000	IPCA + 3.66%	05/15/2026	2,302
			100,000	IPCA + 3.99%	05/15/2026	5,530
						23,180

Changes in derivative financial instruments

Lender	12/31/2020	Interest, inflation adjustment and exchange-rate change	Fair value adjustment (Income)	Fair value adjustment (OCI)	(payments) receipts	
SWAP contract (Citibank 4131)	(157,169)	(31,484)	(9,049)	-	(9,565)	(207,267)
SWAP Contract (Santander)	15,460	16,936		(20,518)	(581)	11,297
SWAP contract (BR Partners)	18,155	17,481		(20,917)	(850)	13,869
SWAP Contract (Itaú)	5,946	5,785		(6,983)	(266)	4,482
SWAP LP Agreement (ABC Brasil)	7,500	5,409		(8,796)	(82)	4,031
	(110,108)	14,127	(9,049)	(57,214)	(11,344)	(173,588)

Lender	12/31/2019	Interest, inflation adjustment and exchange-rate change	Fair value adjustment (Income)	Fair value adjustment (OCI)	Hedge accounting adjustments	(payments) receipts	12/31/2020
SWAP contract (Citibank 4131)	(43,907)	(112,295)	1,984	-	-	(2,951)	(157,169)
SWAP Contract (Santander)	128	7,523	-	7,832	826	(849)	15,460
SWAP contract (BR Partners)	995	9,005	-	8,373	826	(1,044)	18,155
SWAP Contract (Itaú)	77	3,014	-	2,860	327	(332)	5,946
SWAP LP Agreement (ABC Brasil)	(129)	3,352	-	4,115	327	(165)	7,500
	(42,836)	(89,401)	1,984	23,180	2,306	(5,341)	(110,108)

Lender	12/31/2018	Interest, inflation adjustment and exchange-rate change	Fair value adjustment (Income)	(payments) Receipts	12/31/2019
SWAP contract (Citibank 4131) ¹	(29,853)	(6,497)	1,657	(9,214)	(43,907)
SWAP contract (Santander) ²	-	1,038	(826)	(84)	128
SWAP contract (BR Partners) ²	-	1,083	(327)	738	995
SWAP contract (Itaú) ²	-	(265)	(327)	669	77
SWAP LP Agreement (ABC Brasil) ²	-	(248)	(327)	446	(129)
	(29,853)	(4,889)	(649)	(7,445)	(42,836)

¹ Derivative financial instrument and loan measured at fair value.

² Financial instrument measured at fair value and debenture at amortized cost

GRI 102-15

Sensitivity analysis on derivative financial instruments

The company and its subsidiaries carried out sensitivity analyses' tests as required by the accounting practices, prepared based on net exposure to variable rates of relevant derivative and non-derivative asset and liability financial instruments outstanding at the end of this report's

period. Thus, it is assumed that the value of assets and liabilities below are outstanding during the entire period, adjusted based on rates estimated for a probable scenario of risk behavior that may generate adverse results, in case it occurs.

The rates used to calculate the probable scenarios are referenced by an independent external source. These scenarios are used as the basis to define two additional scenarios with deterioration of 25% and 50% in risk variable (scenarios A and B, respectively) considered for net exposure, when applicable, as follows:

	Probable scenario	Scenario A (25% deterioration)	Scenario B (50% deterioration)	Realized up to December 31, 2021, annualized
CDI (i)	11.75%	14.69%	17.63%	4.39%
IPCA (i)	5.44%	6.80%	8.16%	10.06%
Libor (ii)	0.3390%	0.4238%	0.5085%	0.2160%
PTAX	5.6000	7.0000	8.4000	5.5805

⁽ⁱ⁾ According to data disclosed by the Central Bank of Brazil (Focus Report - Aggregate Median) on February 4, 2021.

⁽ⁱⁱ⁾ As rates disclosed on Bloomberg website on February 4, 2021.

Sensitivity analysis of the net exposure of financial instruments to an increase in interest rates and/or foreign exchange	Balance at 12/31/2021	Effect on income before taxes - from January to December 2021 – increase (decrease)		
		Probable	Scenario A	Scenario B
Unhedged				
<i>Financial assets</i>				
Cash equivalents and securities				
- CDI	390,550	28,745	40,217	51,689
<i>Financial liabilities</i>				
Financing and debentures				
- CDI	1,576,999	(116,109)	(162,433)	(208,758)
- IPCA	4,768,914	220,324	155,467	90,609
		132,960	33,251	(66,460)
Hedged				
<i>Financial liabilities (protected debt)</i>				
Loans and financing				
- Libor	561,265	(690)	(1,166)	(1,642)
- Dollar	561,265	(1,961)	(142,768)	(283,574)
Derivatives				
Asset leg – Libor	(561,265)	690	1,166	1,642
Asset leg – Dollar	(561,265)	1,961	142,768	283,574
Liability leg – CDI	353,998	(26,064)	(36,462)	(46,861)
Net effect		(26,064)	(36,462)	(46,861)
<i>Financial liabilities</i>				
Debentures				
- CDI	404,272	(29,765)	(41,641)	(53,516)
- IPCA	437,950	20,233	14,277	8,321
Derivatives				
Asset leg - CDI	(404,272)	29,765	41,641	53,516
Short position - IPCA	(437,950)	(20,233)	(14,277)	(8,321)
Net effect		-	-	-

GRI 102-15

Credit Risk Management

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, thus causing the Company to incur financial losses. It is basically from investments held with banks and financial institutions.

Credit risk of funds and derivative financial instruments is limited because counterparties are represented by Banks and financial institutions that have satisfactory credit rating levels, showing great likelihood that no counterparty fails to comply with its obligations.

As regards credit risk deriving from client transactions and concession contract asset, Management understands that it is not necessary to recognize a provision for losses or credit analyses in relation to its clients, as CUST, entered into by ONS and network users, which has the purpose of ensuring receipt of amounts owed by users for transmission companies for the services rendered.

Furthermore, the CUST introduces mechanisms to protect the payment of charges by users, through the CCG or CFB.

It is through CUST that the management of the collection and settlement of charges for the use of transmission and the execution of the guarantee system is carried out, in which ONS acts on behalf of the transmission concessionaires. Main advantages of these protection mechanisms are: diluted risks, as all users have the obligation to pay all the transmission companies; financial guarantees are provided individually by users; and payment discussions take place between transmission companies and users. In case of non-payment, the Company as a transmission agent may request ONS to resort to the user's bank guarantee in connection with the guarantee agreement (CCG) or bank letter of guarantee (CFB).

GRI 102-15

Liquidity risk management

It is related to the risk of the Company and its subsidiaries of being unable to honor their obligations and their financial position. TAESA and its subsidiaries manage liquidity risk by maintaining proper reserves and bank credit

facilities - and they also manage liquidity risk to raise loans - through monitoring cash flows and maturity profiles..

The table below shows in detail the remaining contractual maturity of non-derivative financial liabilities (and the contractual repayments terms of the Company and its subsidiaries). It was prepared in accordance with financial liabilities undiscounted cash flows based on the closest date in which the Company and its subsidiaries shall settle respective obligations. Includes interest and principal cash flows.

Loans, financing and debentures	Up to 1	De 1 a 3 meses	De 3 meses a 1 ano	De 1 a 5 anos	Mais de 5 anos	Total
Floating rate	46,040	1,695	1,158,477	2,993,557	9,346,732	13,546,501
Fixed	773	1,532	6,789	2,014	-	11,108
Derivative financial instruments	-	7,974	73,212	601,629	508,142	1,190,957
	46,813	11,201	1,238,478	3,597,200	9,854,874	14,748,566

GRI 102-15

Management of operating risks

It is the risk of direct or indirect losses arising from different causes related to the Company's processes, personnel, technology and infrastructure and external factors, except credit, market and liquidity risks, as those arising from legal and regulatory requirements and from generally accepted corporate behavior standards.

Main operating risks that TAESA and its subsidiaries are exposed to are the following:

• **Regulatory risks**

Extensive governmental legislation and regulation issued by the following bodies: MNE, ANEEL, ONS, MMA and CVM. If the Company infringes any provisions of applicable law or regulation, such infringement may result in the imposition of sanctions by the competent authorities.

• **Insurance Risk**

Hiring of operating risk and civil responsibility insurance for their substations. Despite the adoption criteria for obtaining insurance against operating risks and civil liability with the purpose of employing practices adopted by other representative companies in the activity, damage to transmission lines such as losses due to fire, lightning, explosions, short-circuits, and electricity outage are not covered by this insurance, which may give rise to significant costs and additional investments.

• **Risk of Construction and Development of Infrastructures**

In the event TAESA and its subsidiaries shall expand business by constructing new transmission installations, it may incur in risks inherent to the construction activity, delays in the execution of the work, and potential environment damages that may result in costs not provided for and/or penalties. If any delay or environmental damage occurs in connection with the construction and development of infrastructures, such events may adversely affect the operating performance of the Company and its subsidiaries or delay their expansion programs, in which case the financial performance of the Company or its subsidiaries could suffer an adverse impact. Since the Company and its subsidiaries may depend on third parties to provide the equipment used in their facilities, they are subject to price increases and failures on the part of such suppliers, including delays or delivery of damaged equipment. Such failures could adversely affect the activities and have an adverse effect adverse to the results. Additionally, due to the technical specifications of equipment used in the facilities, some suppliers are at disposal and for certain items, only one is at disposal. If a

supplier discontinues the production or stop the sale of any equipment purchased, they may not be able to acquire them with other suppliers. In this case, the provision of electricity transmission service provided may be materially affected, and the Company may be obliged to make not expected investments in order to develop or fund the development of new technology to replace the unavailable equipment, which may negatively impact the financial condition and operating income.

• **Risk of Interruption in Services**

In case of interruption in services, the TAESA and its subsidiaries are subject to reduction in their income due to application of certain penalties, depending on the type, level and duration of service unavailability, as rules established by regulatory body. In case of extended interruptions, the effects may be relevant.

• **Technical Risk**

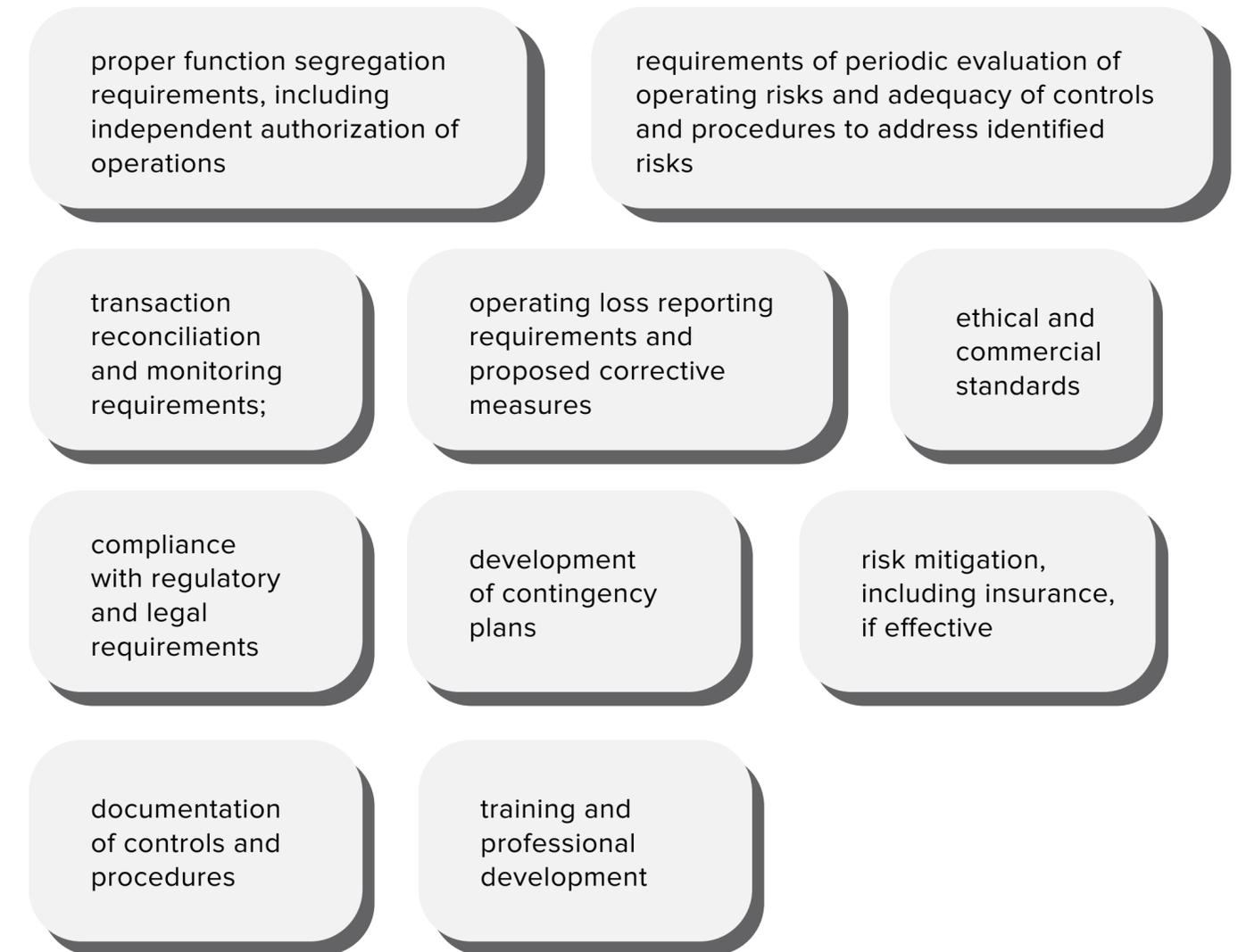
Events related to Act of God or force majeure may cause economic and financial impacts bigger than those provided for in the original project. In such cases, the costs necessary to replace installations in operating conditions should be supported by the Company and its subsidiaries. If such risks materialize, the Company's financial and operating performance could be adversely affected.

• **Litigation Risk**

TAESA and its subsidiaries are parties to certain lawsuits and administrative proceedings, followed-up by legal advisors. The Company periodically analyzes information made available by its legal advisors to conclude on likelihood of obtaining success in lawsuits, avoiding financial losses and damage in reputation and seeking for cost effectiveness

GRI 102-20

Top Management is responsible for developing and implementing controls to mitigate operating risks:operacionais:



Fair value hierarchy of derivative and non-derivative financial instruments

The different levels are defined as follows:

Level 1

Prices quoted (not adjusted) in active markets for identical assets and liabilities.

Level 2

Inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

Level 3

Assumptions, for assets or liabilities, which are not based on observable market data (non-observable inputs).

There was no change in the level of these financial instruments in the year ended December 31, 2021.

Financial instruments stated at fair value through profit or loss - Reais/Thousand

	12/31/2021	12/31/2020	Fair value hierarchy
Securities	9,948	9,586	Level 2
Cash equivalents - Interest earning bank deposits	380,602	889,348	Level 2
Financial assets	390,550	898,934	
Loans and financing	561,265	508,167	Level 2
Derivative financial instruments	(207,267)	(157,169)	Level 2
Financial liabilities	353,998	350,998	

Financial instruments not measured at fair value through profit or loss (however, fair value disclosures are required)

Except as detailed in table below, Management considers that accounting values of other financial assets and liabilities not measured at fair value and recognized in this financial information approximate their fair values.

	12/31/2021		12/31/2020		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
Debentures - financial liabilities	6,159,351	5,933,954	5,177,389	5,325,196	Level 2

Debentures

Management considers that debentures' accounting balances, classified as "other financial liabilities at amortized cost" approximate their fair values, except when these debentures have PU in secondary market close to report period whose fair value were measured based on quotation. Except for the 9th issuance of debentures by the Company and its subsidiary Janaúba, other issuances presented negotiations in secondary market on December 31, 2019 and 2020, whose fair values were measured based on these quotations.

As regards other financial assets and liabilities not measured at fair value, Management considers that book values approximate fair values, as: they have average receipt/payment period of less than 60 days; they are concentrated on fixed income securities remunerated at CDI rate; and there are no similar instruments with comparable maturities and interest rates.

Dimension Social and Sectorial

Dimension

People Management

73

External Social Indicators

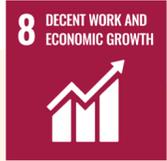
92

Electric Sector Indicators

101



People Management



GRI 401

Among the six Material Topics chosen by TAESA, three of them are directly linked to People Management: **Health, safety and quality of life; People management and development; and Ethics, transparency and corporate integrity.**

GRI 102-8

The Company applies the same Human Resources Policy to all its employees, which guides the procedures for recruiting and selecting professionals hired by TAESA and the other subsidiaries.

The employee development process must be understood as a relevant aspect of the company's strategy and as an integral part of its management model.

The strategic objective of every investment related to this matter is to ensure, in the present and in the future, availability of the competences required to provide business leadership. Continuous investment in development will result in professionals more prepared to create and deliver the best results to the Company.

TAESA ensures to all employees, in an ethical and transparent way that respects diversity, to equal opportunities and to the possibility of pursuing a solid career, receiving compensation compatible with that offered on the market and attractive fringe benefits in a motivating and challenging work environment. Acts as facilitator of the knowledge flow, promoting two-way objective and direct communication, in a respectful and honest manner.

Due to its nationwide operations, the Company has workers distributed throughout the five regions of Brazil.

PROFILE OF TAESA PROFESSIONALS ON 12/31/2021

GRI 102-8

By type of contract



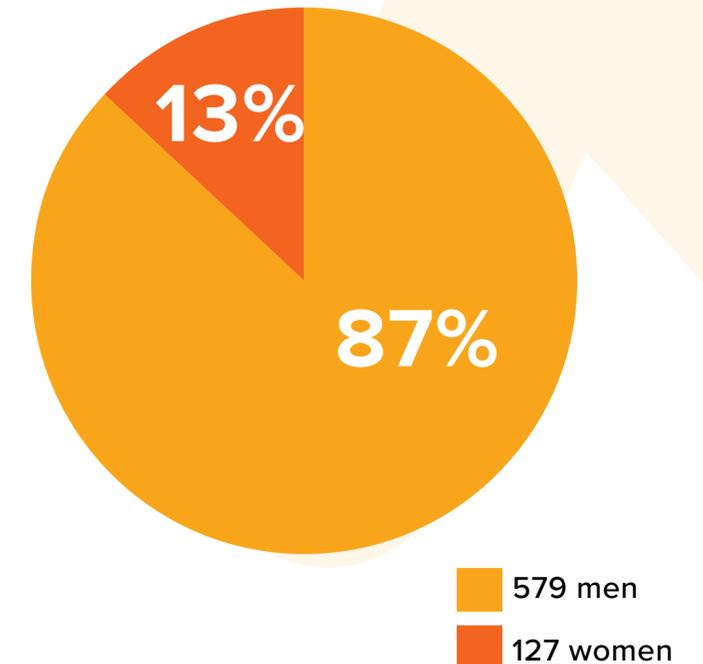
GRI 102-8

By gender vs. type of contract



GRI 102-8

By gender



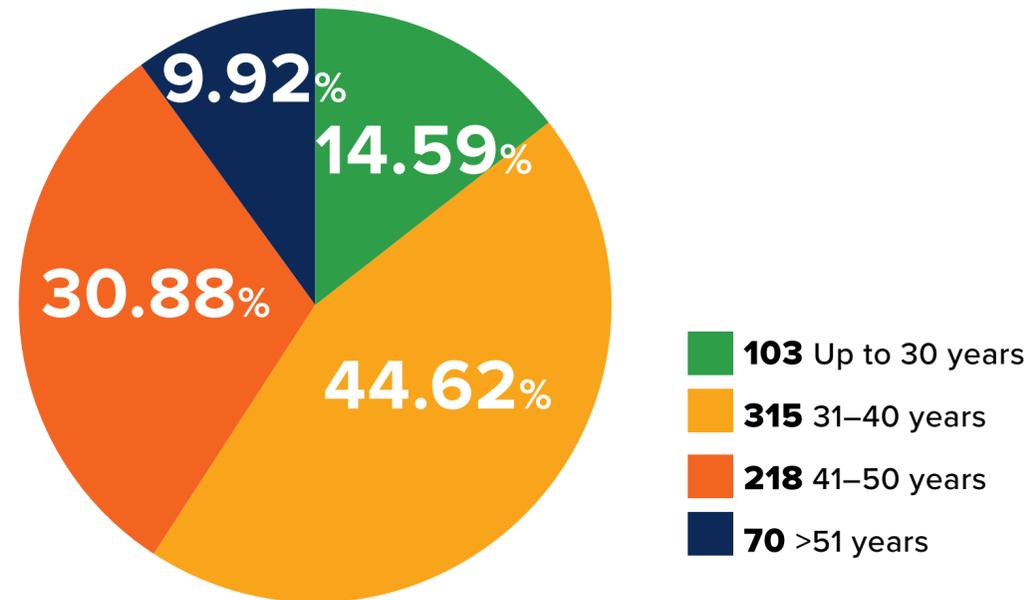
GRI 102-8

TYPE OF CONTRACT BY REGION

		Midwest	Northeast	North	Southeast	South	Total
Own employees	Men	91	165	72	202	49	579
	Women	9	5	0	109	4	127
Interns	Men	1	2	3	9	0	15
	Women	3	0	0	14	0	17

*All TAESA employees and interns are hired on a full-time basis.

BY AGE RANGE



* Percentage of total employees.

BY LEVEL OF EDUCATION

Education Level	Men	Women	Total	Percentage*
Elementary School	57	2	59	8.36%
High School	273	19	292	41.36%
Higher Education	178	77	255	36.12%
Post-Graduation	71	29	100	14.16%
Total	579	127	706	100%

* Percentage of total employees.

BY ETHNICITY

	Men	Percentage*	Women	Percentage*	Total
Black	26	3.68%	12	1.70%	5.38%
Brown	174	24.65%	26	3.68%	28.33%
Caucasians (white)	374	52.97%	86	12.18%	65.16%
Asians	1	0.14%	2	0.28%	0.42%
Indigenous	2	0.28%	0	0.00%	0.28%
Not informed	2	0.28%	1	0.14%	0.42%
Total	579		127		

* Percentage of total employees.

Talent attraction

The human being is TAESA's greatest asset. The Company constantly invests in the safety and development of its employees, as it understands that these elements are drivers – both for people and for the company – and indispensable to its constant renovation in an environment of change and challenges.

By attracting the best professionals in the market, passionate about what they do and identified with their Values, TAESA provides the opportunity to make a difference in the energy transmission scenario in Brazil, through transparent recruitment, based on its Code of Ethical Conduct and Compliance, with respect to the diversity of profiles and equal opportunities for all.

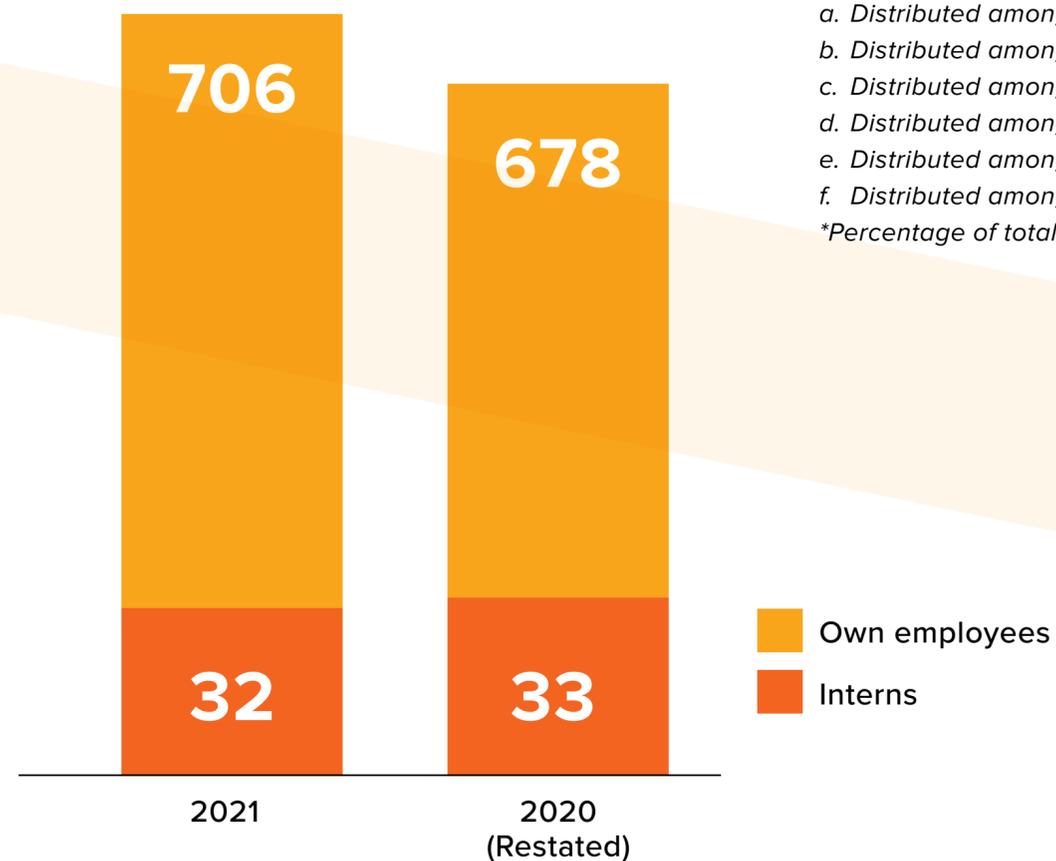
In addition, it adopts Internal Recruitment, which aims to make opportunities available to its employees before seeking new professionals in the market. This practice promotes real chances of growth, provides expectations for the future, retains talent and values human capital.

GRI 401-1

In 2021, the number of TAESA employees increased, from 678 in 2020 to 706 people, that is, an increase of 5%.

GRI 401-1

HIRING COMPARISON



GRI 401-1

NEW HIRES BY REGION, GENDER AND AGE RANGE

Age range	Men	Percentage*	Women	Percentage*
Up to 30 years	20 ^a	2.83%	13 ^b	1.84%
31–50 years	59 ^c	8.36%	13 ^d	1.84%
> 51 years	2 ^e	0.28%	2 ^f	0.28%
Total	81	11.47%	28	3.97%

a. Distributed among the Midwest (6), Northeast (1), North (5), Southeast (6) and South (2) regions.
 b. Distributed among the Midwest (4), Northeast (1), Southeast (7) and South (1) regions.
 c. Distributed among the Midwest (7), Northeast (18), North (2), Southeast (23) and South (9) regions.
 d. Distributed among the Northeast (2) and Southeast (11) regions.
 e. Distributed among the Midwest (1) and Southeast (1) regions.
 f. Distributed among the Southeast (1) and South (1) regions.
 *Percentage of total employees.

GRI 401-1

It is also necessary to consider the turnover of employees, that is, those employees who left the Company voluntarily or because of dismissal, retirement or death. The turnover concept adopted by TAESA considers the sum of admissions made in 2021 (109), employee dismissals (80), deducted by the number of employees who were hired and had their contracts terminated within the same year (12). In 2021, this represented the turnover of 177 people.

GRI 401-1

TURNOVER BY REGION, GENDER AND AGE RANGE

Age range	Men	%	Women	%
Up to 30 years	29 ^a	2.05%	20 ^b	1.42%
31–50 years	94 ^c	6.66%	19 ^d	1.35%
>51 years	12 ^e	0.85%	3 ^f	0.21%
Total = 12.54%	135	9.56%	42	2.98%

- a. Distributed among the Midwest (7), Northeast (3), North (7), Southeast (9) and South (3) regions.
- b. Distributed among the Midwest (6), Northeast (2), North (1), Southeast (10) and South (1) regions.
- c. Distributed among the Midwest (13), Northeast (30), North (6), Southeast (36) and South (9) regions.
- d. Distributed among the Northeast (2) and Southeast (17) regions.
- e. Distributed among the Midwest (4), Northeast (2), Southeast (5) and South (1) regions.
- f. Distributed among the Midwest (1), Southeast (1) and South (1) regions.



To obtain qualified professionals for existing jobs in the market, TAESA held, in 2021, two qualification courses that support the Diversity Program.

- **Training of Female Electricians:** basic qualification course offered throughout the Brazilian territory, aiming at the qualification of professionals for the energy transmission market, in a position of electrician, a segment where workers are predominantly men. The three-week course, equivalent to 74 class hours, was taught by TAESA employees based on internally applied content. It is worth mentioning that, although only 20 positions were initially offered, the demand for the course was greater than expected by the Company, resulting in 236 enrollments. Thus, there were two groups, the first with 38 participants and the second with 44 female students. The course was held remotely and enabled TAESA to hire its first woman electrician, who currently works at the Maintenance Department of João Pessoa.

- **Preparatory course for the labor market for PwD:** qualification offered to professionals with disabilities who are seeking replacement or improvement. This qualification course includes how to write a CV, corporate etiquette, Labor Law, etc. Taught by TAESA employees, this qualification course had 18 participants, in August 2021, with total of 20 hours.

Recruitment and Selection Policy

Aiming at establishing guidelines to carry out employee selection processes in an assertive and efficient way, TAESA implemented in 2014 the Recruitment and Selection Policy, applied to the Company and other subsidiaries that need to hire employees. Approved by the People manager and by the CEO, the guideline is constantly renewed, with its most recent update on April 30, 2020.

People management is responsible for conducting the company's selection processes, including the application of instruments, tools and

methodologies, profile analysis and predetermined tests. Together with the requesting area, it must ensure that the specific behavioral and technical requirements of the position, established in the job structure, are met.

Identification with TAESA's culture is a relevant aspect in the recruitment and selection of talents, as well as the contribution in a satisfactory manner and in accordance with the Organizational Competencies that each candidate can deliver. The Recruitment and Selection process must be carried out on a transparent manner, providing opportunities for all candidates, as long as they fulfill the requirements for the position.

The area responsible for this activity is formed of two analysts and an intern. In general, the deadline for closing a vacancy in recruitment is 30 days. However, depending on the complexity of the selection process or the opportunity to be filled, in addition to the availability of the manager for appointments, this period may be longer.

To measure the efficiency and effectiveness of the strategies adopted, an evaluation is carried out by the contract manager 60 days after the employee's admission, to measure their performance and effectiveness at the end of the trial period provided for by law. After hiring, the new professional will have their performance evaluated annually according to organizational skills, informed on the admission of each one.

Since 2020, the Recruitment and Selection process is automated using SAP's tool Recruiting Management, an integrated management system used by most of the Company. The use of this software optimized stages and deadlines, generating more assertive information through a CV database for TAESA and easily accessible to those involved.



Candidates can access the opportunities and register their resume on this page.

Training

GRI 404

To promote and provide learning actions and strategies that contribute to the acquisition and improvement of skills, abilities and knowledge of employees, Qualification is a fundamental aspect of People Management and Development, one of the Material Topics listed by TAESA. It reflects the appreciation of the individual and responds to the quality and productivity standards required to meet the company's Mission, Vision and Values.

Aiming to be a benchmark in the transmission market, TAESA is attentive to the best initiatives in the area of organizational development. Partnerships with large institutions and consulting firms provide a differential in the qualification and development of professionals.

GRI 404-3

All material used for training is customized, sometimes in partnership with consulting firms/educational institutions and, in other situations, prepared by TAESA's own employees responsible for the multiplication of knowledge.

In 2021, TAESA invested R\$ 1,180,979.30 (one million, one hundred and eighty thousand, nine hundred and seventy-nine reais and thirty cents) in professional development of its employees, an amount that includes the professional development initiatives carried out internally by Company and the amount allocated to educational incentive. On average, 30.85 hours were invested in the improvement of these employees.



Learn about some of the Company's initiatives focused on the development of its professionals

GRI 404-2

- **Education Incentive:** the company invests annually in this benefit, which, in 2021, reached the total amount of R\$ 242,376.03. According to the Internal Policy, employees who meet the prerequisites to apply to the program, usually at the beginning of the year, undergo a series of stages of analysis of their request until the final selection of the applicants. In addition to fostering the search for knowledge and training, the objective is to assist in retaining these professionals, who can receive the benefit for the entire duration of the requested course (be it technical, undergraduate or graduate/ master's), limited to five years. The company reimburses the employee 70% of the monthly fee paid for the entire period of the course. In 2021, 7 new benefits were granted. In total, 40 employees participated in the Educational Incentive in that year.

GRI 404-2

- **Annual Performance Assessment Cycle:** annually, all TAESA employees (up to the Management level) go through the AvD annual cycle, which consists of an employee assessment, carried out by the immediate manager, and a self-assessment carried out by the employees themselves. This volume represents 80% of the Company's employees. **Annually, the company carries out a review of its functional and organizational competencies, for the consistency with the organizational chart of strategic growth and evolution of complexity and responsibility.** In 2021, during this review process, an improvement was implemented in the Performance module, which led to an improvement in the method of evaluation and adequacy of the period of the cycle. This change will start to be applied in April 2022. The Annual Competence Assessment reviews the five Organizational Competencies (common to all employees) and at least one more Functional Competency (related to their current role), which may include a cross competency (which is not mandatory, but important for the role, such as

Workplace Safety, Management of Projects and Administrative). Management levels are assessed by Organizational Competencies and three more Management-related Competencies. After the analysis via the system, there is a Calibration Committee, in which the direct manager has the opportunity to listen to the perception of his peers in relation to the appraised person and, if necessary, make any change in the grade. The performance appraisal history is used for consultations for participation in development programs, assessment for possible transfers/promotions and monitoring of employees in the company, in addition to serving as a basis for salary adjustments.

GRI 404-2

- **Corporate Training Trail:** based on the Organizational Competencies, on the result of the Annual Performance Assessment and on the need of the areas, the Organizational Development defines topics to be covered in short-term training courses, focusing on the behavioral aspect. In 2021, the training agenda is aligned with the Strategic Planning and TAESA competencies, also

considering issues that have been frequently addressed and practiced in the market, including:

- collaboration and diversity;
- time management and productivity;
- agile mindset as a way of planning the routine;
- solution of problems;
- processes of change and continuous learning

GRI 404-2

- **LearningFlix:** it is a digital platform comprised of webseries available to all employees with the aim to facilitate the learning and development of Organizational Competencies. The contents, in video, were developed in an attractive, didactic and illustrative way, enabling the understanding of the subjects covered. Through this video platform, the Company seeks to provide access to qualified information, with a focus on professional development, in particular to those who work in the field and in external projects.



GRI 404-2

- **Career Trails:** consists of a map of possibilities presented to the employee, so that he understands the dimensions of each position and the possibility of evolving his career within a specific area. This makes it easier to understand the professional's growth through transfers and internal career transition. Accordingly, TAESA makes development possible and transparent to all employees. In 2021, the Career Track was revised and updated, adapting to the changes to the company's organizational chart. After validation, the document was shared with all professionals at the end of the year.

GRI 404-2

- **Survey of training needs:** in partnership, People management and managers evaluate gaps and points for development of each employee, identified mainly in the AvD. Based on this analysis, the themes of the training to be carried out are defined, always with the purpose of developing TAESA's Competencies and Values and providing employees with the most recent and qualified training available in the market.

GRI 404-1

AVERAGE TRAINING HOURS PERFORMED BY THE ORGANIZATION'S EMPLOYEES

Functional category	Men	Women
Technical category	31.82 hours	24.37 hours
Organizational category	7.33 hours	8.6 hours
Organizational category at distance*	8.94 hours	8.52 hours

*Considering each Distant Learning (EaD) of 2 hours.

External and Internal Training Policy

TAESA has an Internal and External Training Policy, which describes the guidelines and criteria related to training granted and applied to the Company's employees and other group companies. The People Management is responsible for preparing and updating this policy and is committed to providing the best options of organizational development, and supporting managers in its implementation. The Executive Board is responsible for approving the External and Internal Training Policy, which was issued on 12/14/2017 and updated on 04/17/2020.

Job and Salary Plan

The aim of TAESA's compensation policy is to define and maintain equitable criteria for valuation and development, aiming at reaching an internal and external competitive balance in its structures of positions and salaries, as well as benefit plan.

Therefore, the Company counts on its own professional structure for executive support, in addition to the external consulting support, which is independent and renowned in the market when required. Job structure is in line with the salaries offered in the industry.

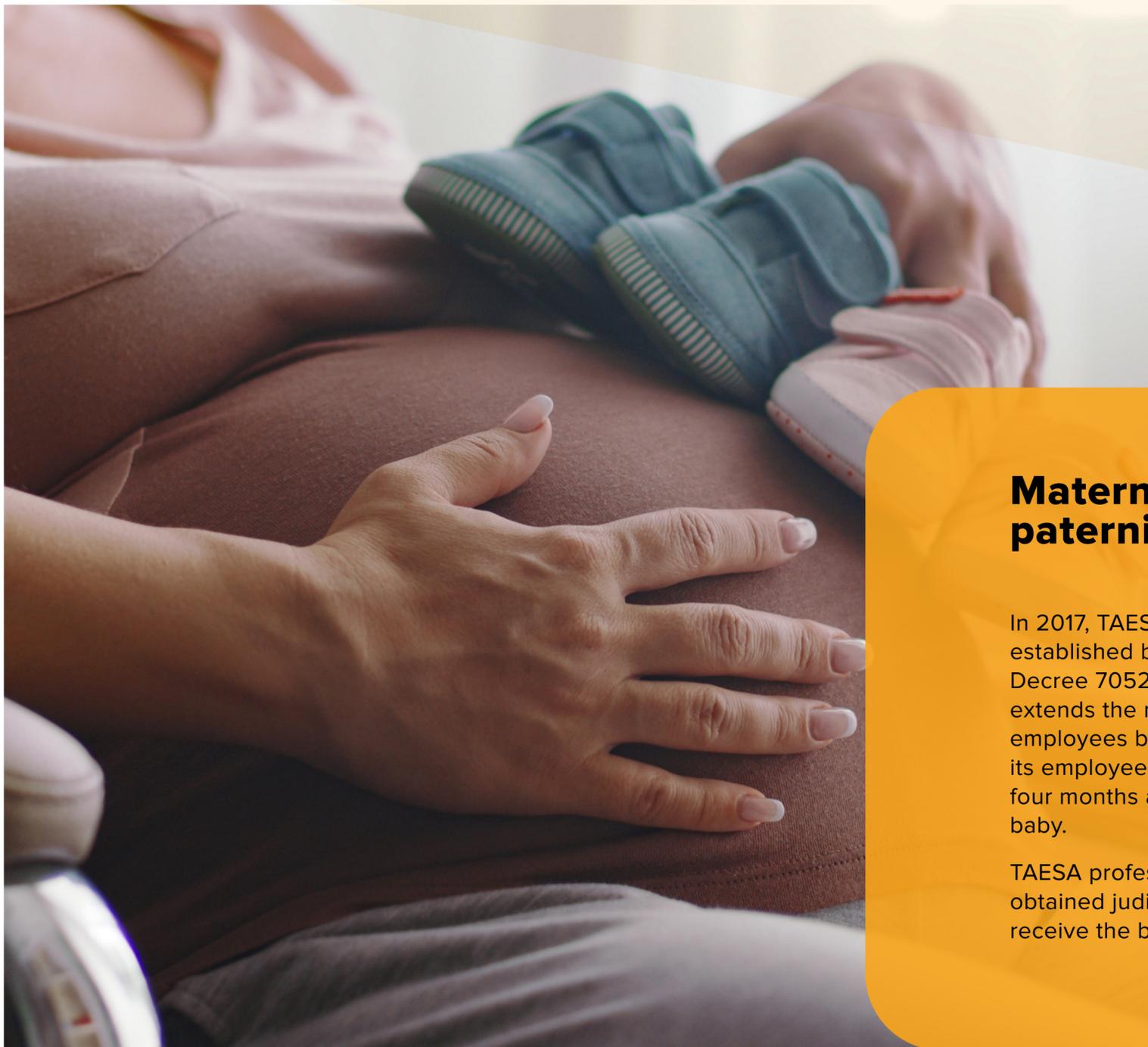
Furthermore, employees are entitled to a variable compensation, aligned with the Company's financial results, together with the achievement of levels above those expected for the responsibilities established for their positions.

Therefore, the Company counts on its own professional structure for executive support, in addition to the external consulting support, which is independent and renowned in the market when required.

GRI 401-2

Benefits:

- healthcare;
- dental care;
- life insurance;
- food/meal voucher;
- private pension;
- transportation voucher;
- Christmas voucher;
- profit sharing;
- childcare assistance;
- gympass;
- discount program;
- online labor gymnastics and relaxation;
- flexible hours;
- adherence to the citizen company program (extension of maternity leave and paternity leave)



Maternity leave and paternity leave

In 2017, TAESA adhered to the Citizen Company Program, established by Federal Law 11770/2008 and regulated by Decree 7052/2009. Through this initiative, the Company extends the maternity leave period for its women employees by 60 days and the paternity leave period for its employees by 15 days. By law, the leave for women is four months and for men, five days, after the birth of the baby.

TAESA professionals who have adopted a child or even obtained judicial custody for adoption purposes, also receive the benefit of the leave period extension.

Communication Processes

TAESA believes that effective communication is one of the most important aspects of the success of large organizations. With the purpose of being closer to its employees, it invests in processes that allow for the strengthening of the bond and trust between the Company and its employees, creating a culture of information sharing at all levels.

In 2021, in addition to the publication TAESA em Foco – newsletter sent to employees by e-mail –, the Company published a digital book on diversity, carried out vaccination campaigns and solidarity actions.

Occupational Health and Safety

GRI 102-11 | GRI 403 | GRI 403-1 | GRI 410

In carrying out its activities of implantation, operation and maintenance of electric energy transmission assets, TAESA considers the HSE&S management to be a value to be cultivated and maintained as part of its culture. This was also identified as a Material Topic during the Materiality Process. The Company operates in a preventively manner to protect and preserve employees, suppliers, third parties, visitors and stakeholders, maintaining safe and healthy work environments, as provided for in its **HSE Policy** and **Biodiversity Policy**. The concept of preventive attitude defines that no activity can be performed without considering these aspects.

The existing internal regulations were assigned at the directive level and establish general guidelines to be observed by all employees, managers, senior management and service providers. **Constantly reviewed, they were adopted to comply with legal requirements, as they are considered good management practices and in compliance with other commitments assumed by TAESA, such as the Global Compact and ISO certificates.**

Know these guidelines:

GRI 403-2

- **Process procedure:** it is established for the continuous identification of hazards, risk assessment and determination of the necessary controls in the Company's activities and facilities is established, implemented and maintained. The application and scope of this procedure extends to all units related to the operation and maintenance of transmission assets and other departments related to the business. Workers are trained to know and interpret risk analyses and can contribute to their improvement, as well as identifying possible conditions that prevent the performance of services.

GRI 403-2

- **Process standard:** it is a document that lists the attitudes related to the safety, health and well-being of each employee, contractor or service provider. The document describes the exercise, ultimately, of the right to refuse or paralyze the performance of tasks when incomplete or nonexistent risk control actions and danger to the safety, the environment and the health of people and facilities are identified. All events that cause incidents, accidents or non-conformities must be properly reported and investigated according to their impact and scope. Record, treatment, responsibilities, cause analysis, determination of corrective actions, verification of the implementation of actions

and assessment of effectiveness follow the established in the Procedure for Analysis of Events and treatment of non-conformities with HSE.

GRI 403-3

- The management of the PCMSO establishes the system for the preparation of the program and manages the occupational examinations of employees. This procedure applies to all units concerning the operation and maintenance of TAESA's transmission assets and other departments related to the business

GRI 403-4

- The process of participation of workers in the HSE Management System is carried out through the CIPA, in addition to involvement in other related activities. When no Commission is assembled, at least one employee is assigned to the function, in compliance with the NR5 standard.

GRI 403-5

- The HSE&S area uses the HEG as a basis for assessing occupational risks. Through an analysis of the employees' job description, the risks, examinations and mandatory training for each role and related activities are listed. After this survey, the employee is placed in a specific GHE, ratified by filling out the Job Exposure to Occupational Risks form. From this analysis, the training and exams of each employee are monitored, observing the recycling periodicities established by norm or internal guideline of the training matrix.

GRI 403-7

- For the prevention and mitigation of impacts on occupational safety and health, a methodology of the Hazard Identification Matrix, Risk Assessment and Determination of Control Measures is applied. The following steps are followed: consider the method defined to list the activities to be analyzed; identify dangers of all listed activities; assess the risks according to the defined method (pure risk); set control measures appropriate to the criticality of the

assessed risks; implement the defined control measures; evaluate the effectiveness of the implemented measures; reassess the risks considering the control measures; complete the hazard identification and risk assessment process in matrix format; approve the matrix with those responsible for the activities; and make employees aware of the approved hazards and risks matrix. In order to ensure compliance with the application of the method, all areas must consider the Responsibility Matrix (RACI) associated with this procedure.

GRI 403-8

- All TAESA employees are under HSE&S management for Health and Safety controls, which, at the end of 2021, referred to 706 professionals. As for outsourced workers, the documentary management of all, with the requirement of training and environment compatible with the activities that will be carried out in the installation, according to the risks identified for that purpose. Environmental hazards and risks are identified and managed based on the PPRA, APR,

PCMSO and the hazard and risk matrix. The methodologies used are defined by the NR.

- The HSE Policy is disclosed internally to all employees, in email communications, on the intranet and with the use of specific campaigns and resources. It is also available to the public on the Company's Investor Relations website. The Health and Safety management has been successful due to the participation of workers, who contribute from the conception to the implementation of the initiatives, which results in better assertiveness in the results. With the objective of providing constant improvement, the area seeks to make this process even more efficient and sustainable.

Occupational accident records

In the event of an accident, incident or near accident, an analysis is carried out in order to identify all the factors that contributed directly and indirectly to the occurrence, building an action plan in order to implement the best practices and solutions to eliminate recurrence or similar situations.

In accordance with the HSE Policy, the Company works to reduce the existing risk to acceptable levels. The goal is to eliminate accidents of any nature, therefore, in 2021, the Company implemented the **100% Security program**, a set of projects, actions and initiatives aimed at improving the company's security performance, in addition to strengthening it as a value to each of its employees. TAESA is also attentive and vigilant so that suppliers, third parties, visitors and stakeholders maintain safe and healthy work behaviors and practices.

For the measurement of these records, the rates are calculated in accordance with NBR 14280 - Work Accident Register. All TAESA's workers and providers linked to the assets in operation are considered.

Throughout 2021, the development of Janaúba and Sant'Ana implementation projects entered a phase of exposure to the risk of accidents with an increase in hours/men of exposure to risks, which resulted in a slight increase in the number of accidents with leave of contractors in relation to 2020, already as a result of the campaigns developed under the 100% Security program.

GRI 403-9

Indicators consider company's and third party employees		2021	2020	2019
Number of occupational accidents without lost time	Own employees	0	0	0
	TFSA* Accomplished	0	0	0
	Contractors	9	14	3
	TFSA* Accomplished	1.64	2.55	1.73
	Total	9	14	3
Number of occupational accidents with lost time	Own employees	0	1	3
	TFCA** Accomplished	0	0.62	2.25
	Contractors	19	17	9
	TFCA** Accomplished	3.33	3.10	3.46
	Total Number	19	18	12
Number of work-related deaths (not considered commuting)	Own employees	0	0	0
	Contractors	0	1	0
	Total	0	1	0

*TFSA: Attendance rate without leave.

**TFCA: Attendance rate with leave.

GRI 403-9

The types of accidents that occurred were injuries to hands, feet, trunk and lower and upper limbs, which received medical and hospital care according to the PAE. There was no case of death of own employees or contractors. There was a case of death of one outsourced worker. On his way to the company where he worked, he suffered a sudden illness, which led to his hospitalization and death.

To identify the hazards that can result in occupational diseases, TAESA prepares a hazard and risk matrix for all the processes carried out.

GRI 403-10

In 2021, neither TAESA nor the companies whose employees work in the Company’s undertakings recorded cases of death or occupational diseases that require notification. To identify the factors that can result in health problems, TAESA prepares a hazard and risk matrix for all processes carried out. To contribute with prevention, the company also carried out basic training on the main safety standards, such as NR-10 – Safety in Electricity Installations and Services and NR-10 SEP – Electric Power System.

Health Promotion

GRI 403-6

The Quality of Life Program “Viva com Energia” aims to promote the health and well-being of employees and their dependents.

Find out about some of these initiatives:

- **Fitness Classes at Work:** offered three times a week at six different times online, so that the whole family can participate.
- **Relaxation:** self-massage classes of 15 minutes each, online, on two days of the week at two different times, so that the employee and his dependents can participate.
- **Loyalty Program:** the employee that participates in Viva com Energia activities, accumulates points and exchanges for prizes, such as sporting goods, travel, books and self-care and beauty products. You can earn points by participating in Workplace Gymnastics, lectures, blood donation campaigns, races and even

participating in the Nutritional Program. The employee has to download the “Viva com Energia” application on AppStore or GooglePlay, to monitor the record of his activities, his accrued points and to redeem these points.

- **Nutritional Program:** launched in partnership with a consulting firm from the health area, it helps employees and their dependents in the search for a balanced diet. From the results obtained with the research carried out internally in 2019, the program started to offer a nutritional monitoring (remote) was carried out with vacancies directed to the identified risk group (degree of obesity and overweight). The lectures held every two months, with tips on food, menu and recipes, focus on the specificities of each region of Brazil, with the invitation extended to the family members of the employees.
- **“Alô TAESA”:** the Company offers emotional, social, legal and financial support for employees and their dependents, 24 hours a day, through 0800 number. In this channel, operated by specialized professionals, employees may get free assistance, with security and confidentiality.



- **Ergonomics Awareness Program:** in bimonthly lectures, held online, tips and guidelines on best practices are disseminated to combat posture vices, helping to carry out work with health and efficiency.
- **TAESA's colors:** following the Ministry of Health's calendar, TAESA offers lectures on the topic of prevention and awareness of the month. In 2021, the White January, Yellow July, Pink October and Blue November campaigns were carried out. These events are disclosed in internal communications sent to the employees' e-mails, along with information detailing the theme of each month.
- **Mother's Love:** qualified professionals closely monitor the health of the pregnant women participants, whether they are employees or spouses of TAESA employees, to provide guidance throughout the pregnancy period. The assistance comprises a schedule of exams and tests, immunizations and prevention of diseases.

At the end of the program, the Company gives the TAESA Baby kit, with products for the newborn.

- **Chronic Program:** monitors employees with chronic diseases, such as cardiovascular diseases, arterial hypertension, diabetes and chronic obstructive pulmonary disease. Carried out by specialists, the service aims to provide access to guidelines that help and speed up the stabilization of the health situation. It is offered to the employees and their dependents.
- **Vaccination Campaign:** annually, TAESA offers to its employees vaccination against Influenza. In 2021, the Company encouraged its employees to take the vaccine against Covid-19 offered throughout the country, free of charge, by the Ministry of Health.

Diversity

GRI 405

In 2021, TAESA's Diversity and Inclusion Program began its activities, following the company's strategic direction. Diversity and Inclusion are strategic themes for the Company, and since 2020 it has been working on the preparation of this initiative. **Respect and valuation of differences are central objectives of the Program.**



Based on five pillars, the program carried out the first diversity survey in the Company through an online questionnaire, in which, for a week, employees were invited to answer questions about their perceptions about inclusion and diversity in the company's daily routine.



The pillars of Diversity and Inclusion are:

Gender

aims to treat gender equity with respect and with equal treatment, without discrimination regardless of sexual orientation;

Women's Empowerment

aims to encourage the hiring of women in mostly male areas, with equal pay and duties. This pillar aims to increase the number of TAESA women employees from 19% to 30% in 2030. The hirings will be gradual, respecting the Company's Strategic Planning. Another relevant goal is to increase the number of women leaders from 15% to 20% over the next three years;

50+

the purpose of this pillar is the development of strategies to attract professionals over 50 years old who are in career transition, have been laid off with little time left for retirement, or have not adapted to the retired life and are in search

Racism

to foment the hiring of different races, especially blacks, including for management and leadership positions, actions and debates are developed in relation to this pillar;

PcD

encourages the hiring and training of people with disabilities within the Quotas Law.

Based on this survey, TAESA formalized its **Diversity and Inclusion Policy**, backed by the Code of Ethics and Compliance and applied to all employees of TAESA and other associated companies with 100% of the capital stock. Developed by the People Management and approved by the Executive Board, this Policy was a symbolic gesture of adherence. After the disclosure of the document, an adherence term was sent to all the Company's employees and was digitally signed by 90% of them. In addition to being an initiative to engage the teams on relevant topics, it reinforced the importance of each one's participation and commitment to these topics.

The establishment of the Diversity Committee in March 2021 was the third step of the Program. Comprised of seven employees, from all regional units, the Committee holds monthly meetings of two hours, in which topics such as sexual orientation and gender, customs and habits, nationality and place of birth, age, ethnicity and race are discussed.



All pillars aim to increase the hiring and retention of diverse employees, as well as raise awareness among employees concerning inclusion, equality and respect.

In 2021, 18 actions were developed, which resulted in 94 activities, focused on inclusion and diversity in line with the established pillars.

- **Diversity and Inclusion:** to raise managers and employees' awareness through lectures was the starting point of the Program, highlighting how important it is to discuss these topics. The lectures were recorded and are available on TAESA's Online Training Portal, on the intranet, allowing new hires to also be sensitized. In the material available at LearningFlix, there is a trail of mandatory training on Inclusion and Diversity since October 2021.

- **Gender:** in partnership with specialists on the subject, TAESA developed a distance learning course on Domestic Violence, available on online platform. The training, which lasts approximately two hours, must be carried out by all the company's contractors. This qualification complies with Law 8587/2019, in force in Rio de Janeiro, which determines that large companies headquartered in that state, whose staff consists of at least 60% of men, should hold annual lectures on domestic violence.
- **Women's Empowerment:** adherence to the UN Women through the Women's Empowerment Principles. Likewise, TAESA joined +Women360 Movement involving business organizations. Women's Empowerment Forum, held remotely in March 2021, aimed at female employees and guests. The Qualification of Women Electricians was another action developed by the Program.
- **50+:** based on the 50+ Internship Program, the company's goal is that by 2023, 10% of new interns will belong to this age range.
-

- **Racism:** the Company had a goal that 30% of all interns hired until December 2021 should be black. This goal was surpassed, as the hiring exceeded 50% of new interns. In addition, in November, Black Awareness month, the company held lectures on fight against racism.
- **PCD:** in partnership with the training area, the Company offered to disable and low-income people a preparatory course for the labor market. The Talent attracts Talent program allows TAESA employees to appoint people with disabilities to jobs offered by the company. This appointment grants a bonus to the employee, in the amount of R\$ 150.00, for each hiring. The amount is paid after completion of the new employee's probationary period.

GRI 405-1
DIVERSITY IN GOVERNANCE BODIES BY AGE RANGE AND GENDER

	Up to 30 years		31–50 years		> 51 years		Total		Total
	M	W	M	W	M	W	M	W	
	Board of Directors	-	-	-	-	12	-	12	
Members of the Strategy, Governance and Human Resources' Committee	-	-	1 (17%)	-	5 (83%)	-	6	-	6
Finance Committee	-	-	-	1 (20%)	4 (80%)	-	4	1	5
Audit Committee	-	-	-	-	6 (100%)	-	6	-	6
Implementation and New Business Committee	-	-	2 (33%)	-	4 (67%)	-	6	-	6
Audit Committee Sitting Members	-	-	1 (20%)	1 (20%)	3 (60%)	-	4	1	5
Executive Board Members	-	-	1 (20%)	-	4 (80%)	-	5	-	5

* Percentage in relation to the total number of members of each of the governance bodies.

GRI 405-1
DIVERSITY IN FUNCTIONAL CATEGORIES BY GENDER AND AGE RANGE

	Up to 30 years		31–50 years		> 51 years		Total		Total 706
	M	W	M	W	M	W	M	W	
	Administrative Management	-	1 (0.14%)	20 (2.83%)	10 (1.42%)	2 (0.28%)	2 (0.28%)	22	
Operational Management	-	-	25 (3.54%)	1 (0.14%)	10 (1.42%)	-	35	1	36
Administrative Support	24 (3.4%)	25 (3.54%)	68 (9.63%)	64 (9.07%)	11 (1.56%)	4 (0.57%)	103	93	196
Operational Support	32 (4.53%)	4 (0.57%)	347 (49.15%)	15 (2.12%)	40 (5.67%)	1 (0.14%)	419	20	439

* Percentage of total employees.

GRI 405-2
COMPENSATION BY CATEGORY AND GENDER

Functional category ¹	Base salary and compensation of women	Base salary and compensation of men	Ratio between women's compensation and men's compensation
Administrative Management	R\$ 5,843,368	R\$ 12,724,626	2,18
Operational Management ²	R\$ 329,450	R\$ 24,101,472	73,16
Administrative Support	R\$ 15,252,831	R\$ 16,647,003	1,09
Operational Support	R\$ 5,489,037	R\$ 102,541,968	18,68

* Percentage of total employees.

¹ The positions of manager and coordinators are considered in the administrative and operational management. All other positions are in Administrative and Operational Support. Officers are not included in the functional categories.

² In 2021, the Company started to have a woman in Operational Management, a fact that was not present in previous years.

* It must be considered that, in 2020, the company had ten women in management positions, of which four managers and six coordinators. In 2021, this number increased to 14 professionals, of which seven managers and seven coordinators.



PEOPLE WITH DISABILITY

15

man



6

women



21

total



GRI 406

In 2021, there were no reported cases of discrimination based on race, color, gender, religion, political opinion, nationality or social origin, as defined by the ILO, in the period covered by this report. This shows that the culture of respect to diversity is present in the daily routine of the Company.

External Social Indicators

GRI 411 | GRI 413

For TAESA, in addition to performance and economic-operational excellence, the development of related parties is considered as a fundamental indicator of the Company's success. Accordingly, the company is concerned with the economic aspects integrated to the quality of life, health and prosperity, with social justice for all people impacted by its operations.

By promoting well-being with equitably distributed social-economic conditions, TAESA is helping the communities nearby its facilities, regional units and operations, indigenous peoples and

the Company's suppliers to experience real income growth per capita, improvement in health conditions, nutrition, qualified education, fair income distribution and the achievement of basic freedoms.

Focused on the impacts generated by its core activity, the company develops a series of actions to identify and mitigate these effects, especially those related to the Material Topics **Ethics, Corporate transparency and integrity and Relationship with local communities.**



4.2.1 Communities

GRI 413

TAESA prepares diagnoses of social and environmental issues to consult and engage stakeholders related to its undertakings, with the aim of identifying impacts and opportunities, as well as defining programs and actions for control and mitigation. The survey, called DRP, provides information on the reality of the communities or institutions surrounding the undertaking, from the point of view of their members. It complies with IBAMA Normative Instruction 002 of 2012.

Some actions established after the DRP are, for example, the Social Responsibility projects linked to culture, sports and health, the contracting of partnerships with institutions to develop local labor and suppliers and the constant evaluation of the level of satisfaction of the population of areas surrounding transmission lines based on opinion polls.

In 2017, the Company carried out DRP in four communities, two in GTESA, one in ATE II and one in NTE. In 2019, the workshops registered in the Environmental Education Program established in 2017 for these communities were applied.



In 2021, DRPs were not carried out for reasons of health security due to the Covid-19 pandemic. In July, with the relaxation of social distancing measures, it was possible to carry out a firefighting training, offered to the residents of Fazenda Santa Clara, located in the municipality of Canto do Buriti (PI), where the LT 500 kV Ribeiro Gonçalves-São João do Piauí, of ATE II, passes.

The workshop, which is part of the environmental education actions related to the DRP carried out in 2017 in the communities surrounding the

ATE II, was supported by the Multiprofessional Cooperative of Civil Firefighters of Brazil and **qualified 25 nearby residents to fight forest fire outbreaks.**

In addition to the instruction, TAESA donated 14 anti-fire backpack pumps and 14 dampers so that the community can maintain a voluntary forest fire brigade, as the area is considered as environmental vulnerability and with frequent episodes of fire in the forest.

GRI 413-1

The community surrounding the TSN was heard in 2019, in a DRP in the region where the undertaking operates. The development of these actions is regularly monitored to monitor the results, in order to contribute to the evolution of the communities. The management of the Company's relationship with communities is evaluated by the following performance indicators:

In 2021, with the relaxation of the circulation restriction measures imposed due to the COVID-19 pandemic, it was possible to resume some on-site work with the community, and the digital mean was adopted as a complement. The Company believes that, in the coming years, the digital mean will become a priority.

- 1 number of graphic material produced per number of material distributed;
- 2 number of lectures delivered;
- 3 hours of campaign awareness training;
- 4 evolution of the amount of waste collected under the transmission line;
- 5 level of satisfaction of the population in the area surrounding the TL assessed by means of an opinion poll.
- 6 Adjustments are made through periodic meetings with the coordination and field technicians.



The company's three pillars of Social Responsibility are:

valuation of citizenship

inclusion

social development

Social Responsibility Projects

Make the best use of resources so as to enable allocation to Social Responsibility Projects is one of TAESA guidelines. Accordingly, priority is given to initiatives governed by sustainability and which contribute to the valuation of citizenship, inclusion and social development.

By carrying out educational and cultural projects in communities located near its transmission lines, the Company generates value for its shareholders, employees and strengthens the society.

In 2021, for the first time, TAESA opened a **Notice of Selection of Projects Approved in Tax Incentive Laws**, for which applications took place between July 19 and August 23. To participate in this selection process, the actions should be framed in at least one of the company's three pillars of Social Responsibility and bring lasting results to the community, in addition to being geographically close to the Company's facilities.

In this first public call, resources were made available through four of the main Brazilian incentive laws: Federal Incentive Law to Culture, Sports Incentive Law, National Fund for the Elderly and Fund for Children and Adolescents. The amount contributed by the Company to the projects through tax incentives reached R\$ 2,464,480.69 (two million, four hundred and sixty-four thousand, four hundred and eighty reais and sixty-nine cents).

Find out about the selected projects:

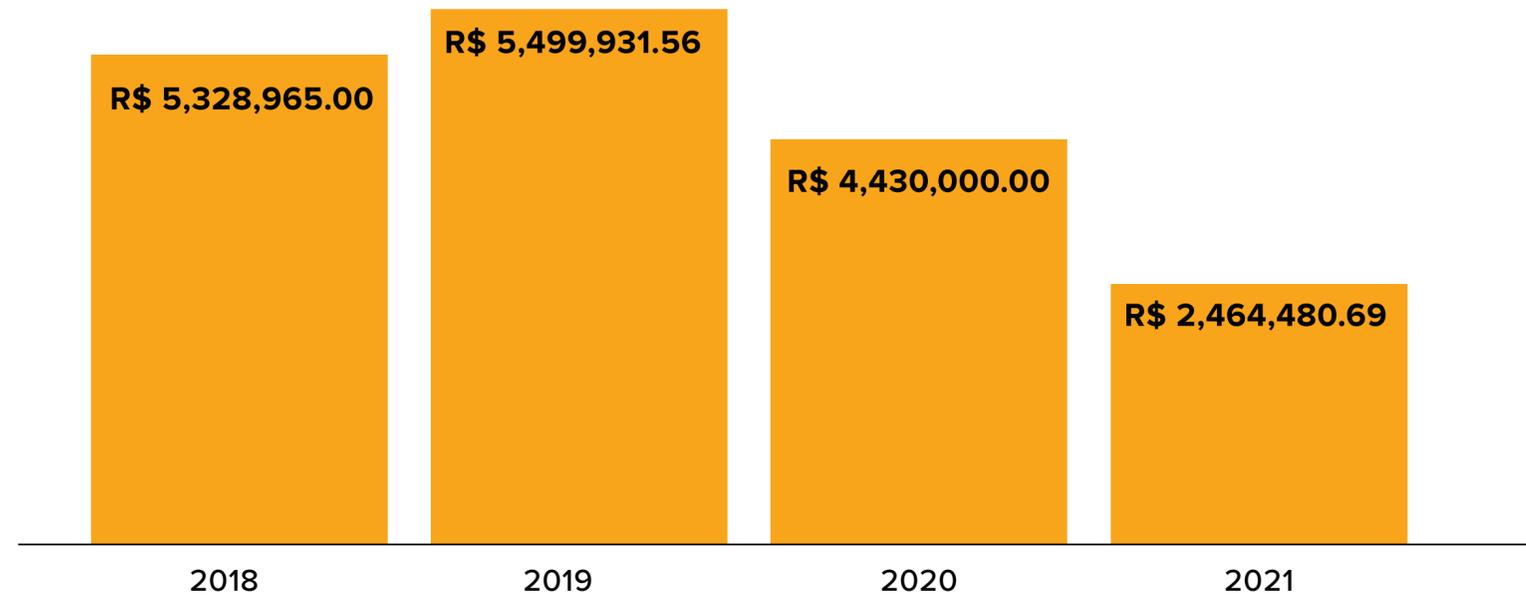
Culture Incentive Law Law 8.313/1991

INHOTIM

The Institute's Activities and Maintenance Plan, headquartered in Brumadinho (MG), aims to preserve the cultural collection, activate and display art content, qualification in cultural areas for young people, seminars and festivals. Cultural actions also include environmental education themes, publication of books and videos, with free distribution to municipal and state schools, as a means of democratizing access to content, in addition to free and qualified access by the local community.



TOTAL AMOUNT INVESTED BY TAESA IN A SOCIAL RESPONSIBILITY PROJECT



Note: The reduction in the amount invested in Social Responsibility in 2021 is due to the income tax actually paid. Because this value is proportional, there is also a lower value for investment in projects with tax incentives.

MAM – RIO

The Annual Plan of the Museum of Modern Art of Rio de Janeiro (RJ) comprises the production and maintenance of exhibitions and collections, education and cultural mediation actions, cinema programming and maintenance of the space. Guided visits are also planned, including actions including accessibility, teacher training and cultural workshops. Through the project, we seek to facilitate, to everyone, the means for free access to sources of culture and the full exercise of cultural rights.



wikipedia

Sports Incentive Law – Law 11438/2006

CITIZEN ATHLETE

The project aims to promote soccer, taekwondo and capoeira workshops for children and adolescents. Associated to the project goal of 80% of participants having satisfactory school performance, pedagogical activities are also developed with a focus on reading, writing and mathematics, in addition to actions with the community, aiming to enable networks for the protection, promotion and defense of the rights of children and adolescents.

ROCINHA’S STARS (“CRAQUES DA ROCINHA”)

The project includes children and adolescents in sports activities aimed at the practice of futsal. Sports materials and pedagogical equipment are made available for the development of the sport, providing opportunities to contribute to the technical, human and citizen formation of children and adolescents included in the project, with the goal of reducing school dropout by up to 70%.

National Fund for the Elderly Law 12213/2010

MOXOTÓ

Aiming to guarantee the right to active and protagonist aging of elderly farmers, the project works in the Microregion of Sertão do Moxotó, in Sertão Pernambucano, through support for the implementation of productive backyards and social ecotechnologies to guarantee food and nutritional security, encouraging income generation and the role of the elderly in rural areas. At the same time, they are monitored concerning physical, psychological and economic issues, with access to public policies.





Childhood and adolescence fund - Law 8069/1990

ESSENTIAL STIMULATION

Developed by APAE of Santa Maria (RS), it aims at the maintenance of assistance of children with physical and intellectual disabilities, from 0 to 5 years, mostly from low-income families. In addition to activities aimed at physical development, cognitive, affective and biopsychosocial development are also stimulated with exercises and techniques under the guidance of a multidisciplinary team, including therapeutic and informational groups for parents and family members.

TRAINING OF ADOLESCENT RURAL ENTREPRENEURS IN FAMILY AGRICULTURE

The project aims to make adolescents from rural areas of Presidente Tancredo Neves (BA) become future businessmen, by offering the Technical Farming Course, free of charge, integrated to high school. Through educational-productive projects, the purpose is to share knowledge that, when applied, strengthens family farming, aiming at staying in the rural area. As a working methodology, the Pedagogy of Alternation is adopted. During school hours, the adolescent remains in the educational institution full time, with theoretical and practical classes. During community time, the study plan and the application of acquired knowledge are developed.

Suppliers

Regarding suppliers and partners, TAESA is constantly seeking to be close and interact with the parties. The Company makes the Engineering and HSE&S areas available as technical cooperation to validate the service capacity of suppliers and the security of services and materials to be purchased, aiming to mitigate possible risks in the deployment of its projects.

GRI 414

Materials and Services Purchasing policy aims to establish the rules and guidelines for acquiring material/services for TAESA and its subsidiaries in order to:

- ensure transparency, equality, control and compliance of the process;
- optimize the process of meeting the needs for the acquisition of material and services, seeking the best balance between cost, quality and time.
- ensure the quality of the suppliers base and compliance with regulatory bodies in all tasks of this process.

The Purchasing Process addresses sensitive information from suppliers, such as price and technical solutions, and can be carried out in a centralized or decentralized manner with the participation of employees from different areas.

Accordingly, those directly or indirectly involved in this process must strictly follow the **Code of Ethics and Compliance** and other Company policies. This includes acting with clarity and equality with all suppliers, with equal opportunities, and having a responsible and rigorous approach to information, avoiding leaks or inadequate access to this data.

Aiming to ensure the compliance with the contractual requirements assumed, the Company relies on the support of a specialized outsourced company, whose scope is to certify suppliers.

After opening quotation process, this company analyzes the labor, social security, tax and social situation of participants, generating a risk note. Feedback passed on to TAESA and case evaluation are registered in the system by contract management areas. Those suppliers that, for legal or technical reasons, do not meet requirements are designated as inactive for new hires for a certain period, until they prove necessary adjustments.

GRI 412-3

Attention when contracting suppliers is focused on these companies' respect for human rights, as TAESA does not tolerate and does not support any form of adult or child labor exploitation.

This commitment is in the Code of Ethics and Compliance. The company is also a signatory to the United Nations Global Compact, whose purpose includes the elimination of all forms of forced or compulsory labor and the effective abolition of child labor. In all contracts in which products or services are acquired, TAESA includes a clause where the contracted party undertakes not to violate Human Rights and not to use child or slave labor.

GRI 408 | GRI 409

In 2021, no cases of slavery or conditions analogous to slavery were identified in the company. There was also no report of child labor.

GRI 412

HSE&S and People departments carry out audits on the Company's main contracts, analyzing them from the perspective of good compliance practices. Workplace Safety and Environment team also carries out field inspections related to conditions of undertakings' facilities and construction sites. For mobilization of construction work, specifically when incorporating employees, everybody participates in the process of adaptation to and integration into the workplace. The working conditions are checked according to the frequency defined in the planning of internal inspections. Contractor has the contractual obligation of providing conditions to its employees, such as accommodation, chemical toilets, ambulance, etc.

GRI 408 | GRI 409 | GRI 412

Regarding supplies, in contracts of greater complexity, - especially those for new assets in EPC auction, as well as supply of cables, structures and compensators - a clause on forced labor or conditions similar to slavery is provided for. All service contracts, including land and environmental contracts, signed by the Company, have clauses with assumptions on Human Rights, child labor or slave-like labor and must also comply with the guidelines set out in the HSE Policy.

GRI 412

Note that there was no stoppage due to Human Rights violation in TAESA's undertaking.

GRI 414-1

100%

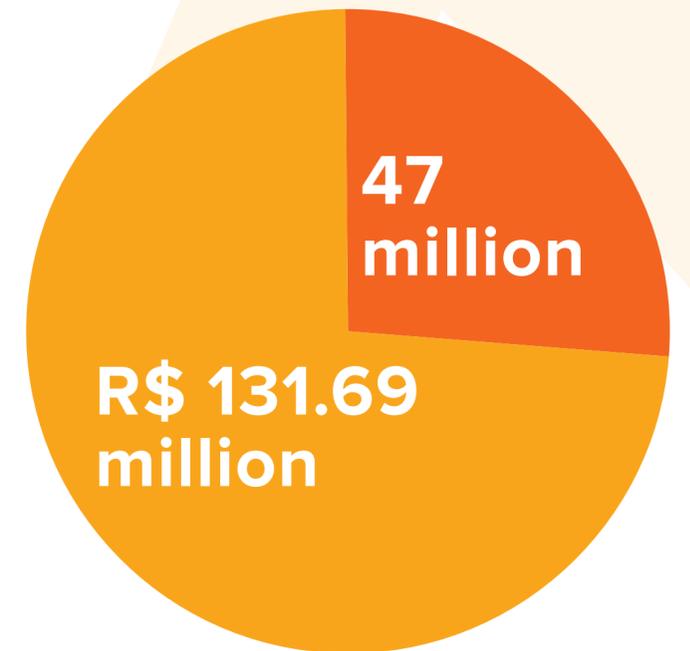
of the contracts signed by TAESA include clauses and/or assumptions regarding respect for Human Rights and the prohibition of child labor.

100%

of drawn up service contracts comply with HSE Policy.

73.64%

of all the value contracted by the company occurred through formalization via contract.*



* This difference (26.36%) refers to contracting made as a "purchase order", with no need of a contract.

73.64% Contracts
26.36% Purchase orders

Indigenous and traditional people

GRI 411

Power transmission undertakings occupy a long territory and, eventually, can generate direct or indirect interference in an indigenous community. Therefore, part of the licensing process carried out by TAESA assesses not only the environmental impact, but also the possible implications for these people. When this possibility is identified, the company adopts social-environmental actions, together with FUNAI, seeking a better harmonization between the undertaking and the traditional culture.

GRI 411-1

In 2021, the Company did not record any violation of the rights of indigenous peoples.





Electric Sector Indicators

The purpose of TAESA's R, D&I is to boost projects that contribute to sustainable technological development through relevant technical-scientific gains that aim at generating good results for the Company, the environment, and society.

In 2021, 15 projects were developed. Investments ad by the Company up to December 31, 2021 are detailed below:

Description	2021	2020
Amount of Net Operating Income (NOR)	R\$ 1,860,728,326.14	R\$ 1,545,924,432.62
Investment Right in R, D & I	R\$ 7,369,221.09	R\$ 6,122,473.00
Applied in R, D & I	R\$ 10,366,950.15	R\$ 12,475,046.46

0045 - Inspection of Tie Rods**ANEEL Code: PD-07130-0045/2016***Status: closed on 03/19/2021*

- **Full title:** Diagnosis and development of predictive and non-destructive inspection methodology of corrosion on electricity transmission tower guy lines.
- **Result:** methodology for the diagnosis of corrosive processes occurring in the tie rods of towers, based on the combination of electrochemical techniques and impulse reflectometry, aiming to obtain reliable information about the right maintenance moment. Software in artificial neural network that classifies the risk of the likelihood of system failure; aiming at using it on site by maintenance teams was developed.
- **Investment made until 12/31/2021:** R\$ 5,444,647.61.

0047 - IoT Traction Monitoring**ANEEL Code: PD-07130-0047/2019***Status: closed on 12/31/2021*

- **Full title:** Smart monitoring of cable-stayed towers using IoT-based sensor fusion.
- **Result:** technology for online monitoring of cable pulls on the towers and the publication of their data on a georeferenced basis, consisting of low-cost load cell sensors, data concentrators and computer system, which allows the installation of the system in all the towers to identify structural stability failures.
- **Investment made until 12/31/2021:** R\$ 5,058,105.70.

0048 - Automatic Analysis of Occurrences**ANEEL Code: PD-07130-0048/2019***Status: closed on 04/30/2021*

- **Full title:** Methodology and tool for automatic analysis of occurrences using machine-learning algorithms.
- **Result:** system capable of automatically analyzing oscillographs of outages occurring in transmission lines, identifying their causes and assisting in the decision-making of real-time operators, maintenance and engineering technicians, based on the availability of information such as fault location and its electrical characteristics, using artificial intelligence techniques.
- **Investment made until 12/31/2021:** R\$ 1,851,700.63.

0049 - Automated Operational Climatology**ANEEL Code: PD-07130-0049/2017****Status: closed on 01/31/2021**

- **Full title:** 0049-Tool for predicting the risk of occurrence of weather-related phenomena and optimized allocation of resources for emergency maintenance of networks.
- **Result:** system that will permit the forecast of fires and lightnings aiming at guiding those responsible for the operation and maintenance of the transmission network, through information arising from georeferenced systems and specialized systems that monitor meteorological events.
- **Investment made until 12/31/2021:** R\$ 2,713,204.47.

0051 - Support and Spacer System**ANEEL Code: PD-07130-0051/2020****Status: in progress**

- **Full title:** Mechanical support and damping device for conductor cables in Transmission Lines (TL) subject to operation overload.
- **Expected outcome:** development of computer simulations and specification of modular spacers and applicable to several configurations of conductor cables or anchoring system for existing spacers supported by a high mechanical capacity insulating cable, anchored between the towers of transmission lines. All physical interactions, new and existing, must be considered in the modeling, for instance: change in the cable vibration frequency; need to change the suspension/vibration attenuation system; tower anchoring etc. Modeling and computer simulation to determine the ideal distance between devices along a transmission line span; modeling and computer simulation of the dynamics of cables and devices in the installed environment (wind, vibration, mechanical loading, temperature, etc.); and other necessary simulations that prove the feasibility of installation of the equipment.
- **Investment made until 12/31/2021:** R\$ 957,202.39.

0053 – Teleprotection in IEC-61850**ANEEL Code: PD-07130-0053/2018****Status: in progress**

- **Full title:** 0053-Teleprotection in IEC-61850.
- **Expected outcome:** a high performance communication solution between substations based on the IEC-61850 Standard, providing quality of service (QoS) and security. Prototypes will be developed for a SDN controller (Software-Defined Networks) and a packet generator according to IEC-61850 Standard.
- **Investment made until 12/31/2021:** R\$ 4,112,298.50.

0057 - Route Analysis

ANEEL Code: PD-07130-0057/2019
Status: in progress

- **Full title:** Public multicriteria optimization tool for investment analysis in new transmission undertakings, using artificial intelligence techniques.
- **Expected outcome:** development of a computer tool that allows the analysis of tracings of transmission lines and the impact of optimizations in the investment estimated for construction of new undertakings with agility and to assist in defining the minimum bid in the auction. It is also expected impact of the tool on offers in future auctions, preventing bids that are far below the market.
- **Investment made until 12/31/2021:** R\$ 3,617,852.00

0058-New Methodology for Measurement

ANEEL Code: PD-04835-0058/2018
Status: in progress

- **Full title:** New Methodology to Measure the Performance of Transmission Lines facing Atmospheric Discharges, based on measurement of Impulsive Impedance of Tower Basis and its Application to a Real Line.
- **Expected outcome:** new methodology for measuring the tower's response to discharges, through its impulsive impedance of the tower's foot to the first-discharge current, which does not require long lengths of measurement cables or even disconnection of shield cables.
- **Investment made until 12/31/2021:** R\$ 298,800.00.

0059 - Semi-Autonomous Inspection with Drone

ANEEL Code: PD-07130-0059/2020
Status: in progress

- **Full title:** Semi-autonomous drone inspection on transmission line towers.
- **Expected outcome:** development of a monitoring system for transmission tower assets, consisting of a low-cost drone, software for semi-autonomous flight, software for detection of transmission tower assets and software for update of the asset database.
- **Investment made until 12/31/2021:** R\$ 1,321,161.20.

0060 - Intelligent Gas Relay

ANEEL Code: PD-07130-0060/2019
Status: closed on 07/31/2021

- **Full title:** Protection relay with active oil and gas monitoring, and a smart system for diagnosing and monitoring high-voltage power transformers and reactors.
- **Result:** development of an intelligent gas relay prototype with real-time oil and gas monitoring, integrated into the concessionaire's supervisory system, for installation in power transformers and reactors. Among the functions of the smart relay are the identification of the type and rate of formation of gases inside it, as well as the level, density and temperature of the insulating oil.
- **Investment made until 12/31/2021:** R\$ 3,099,049.60.

0062 - Predictive Failure Analysis by AI

ANEEL Code: PD-07130-0062/2020
Status: in progress

- **Full title:** System for the identification and prediction of faults in power equipment based on networks of sensors and Artificial Intelligence ("AI").
- **Expected outcome:** prototype of a system (hardware and software) capable of identifying and predicting failures in electrical power equipment based on pre-existing statistics and historical data (existing in Company's database), as well as data obtained in the field through sensors installed close to monitored equipment. Through the results of the research, companies of the electric energy transmission segment will be able to adopt low-cost sensor devices in SEs and reduce or even eliminate specific inspections, in addition to minimizing the risk of accidents. In addition to reducing the costs of specific inspections, the SEs will be monitored on a full-time basis, and the violation of any safety condition (for operation and people) will allow to the maintenance teams the dispatch to perform the required corrective or preventive/predictive maintenance. In addition to direct monitoring, changes in magnitudes may explain correlated dynamic events, such as, for example, the relation between bad weather and changes in SE components or the presence of people/wild animals and changes in SE components.
- **Investment made until 12/31/2021:** R\$ 3,551,907.07.

6047-Intelligent Monitoring of Towers

ANEEL Code: PD-07130-6047/2021
Status: in progress

- **Full title:** Smart monitoring of cable-stayed towers using IoT-based sensor fusion – Phase LP.
- **Expected outcome:** technology for online monitoring of cable pulls on the towers and the publication of their data on a georeferenced basis, consisting of low-cost load cell sensors, data concentrators and computer system, which allows the installation of the system in all the towers to identify structural stability failures.
- **Investment made until 12/31/2021:** R\$ 1,309,351.48.

6060-Protection Relay

ANEEL Code: PD-07130-6060/2021

Status: in progress

- **Full title:** Protection relay with active oil and gas monitoring, and a smart system for diagnosing and monitoring high-voltage power transformers and reactors – Phase LP.
- **Expected outcome:** preparation of an improved system project, aiming at industrial scale production, production of a pioneer lot with 2 RPMA units, installation of 2 relays in energized transformers, refinement of manuals and training, certification of equipment for safe use and scale production and preparation of economic feasibility study.
- **Investment made until 12/31/2021:** R\$ 1,599,617.12.

9190 - R&D Management

ANEEL Code: PD-07130-2019/2019

Status: closed on 03/31/2021

- **Full title:** Management Project for the R&D Program (Year 2019).
- **Result:** the project aims at managing the R&D Program's activities of carried out in the period from April 2019 to March 2021 based on the development of computational tools to improve management and provide conditions for efficient controls on resources used in the R, D&I Program.
- **Investment made until 12/31/2021:** R\$ 640,573.94.

9210 - R&D Management

ANEEL Code: PD-07130-2021/2021

Status: in progress

- **Full title:** 9210-Management Project for the R&D Program in 2021.
- **Expected outcome:** the project aims at managing the activities carried out in the period from April 2021 to March 2023 based on the development of computational tools to improve management and provide conditions for efficient controls on resources used in the R, D&I Program.
- **Investment made until 12/31/2021:** R\$ 218,194.78.



Mandatory Payments

In accordance with Law 9991, companies of the electric energy sector eligible under the law must allocate 0.4% of their NOR to the FNDCT and 0.2% of their NOR to the MME.

Regarding these payment and investment determinations, TAESA confirms that if made investments with the FNDCT and MME in compliance with the provisions of the regulation in force. The following is the statement of payments in the year and their comparison with the previous year:

Description	2021	2020
Amount of net operating income	R\$ 1,860,728,326.14	R\$ 1,545,924,432.62
Obligation payable to FNDCT	R\$ 7,369,221.09	R\$ 6,322,294.36
Amount paid to FNDCT	R\$ 6,907,034.49	R\$ 6,224,894.03
Obligation payable to MME	R\$ 3,684,610.55	R\$ 3,161,903.44
Amount paid to MME	R\$ 3,453,517.22	R\$ 3,113,203.30

**Data does not consider ETAU.*

Environmental Dimension

Environmental Licensing	109
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Environmental Licensing

Inserted in different locations in the Brazilian territory, TAESA's assets relate to different social-environmental contexts and different dynamics of occupation and land use. For this reason, even in the project preparation phases, the Company carries out detailed studies of the potential impacts of each undertaking.

Conducted in accordance with the Brazilian law, the process complies with environmental licensing requirements, and is carried out by responsible agencies existing at the federal, state and municipal levels, depending on undertaking's scope. Environmental licensing in Brazil generally has three phases:

Preliminary Permit

it is issued at the preliminary phase of the undertaking planning. Its emission certifies the environmental feasibility and provides for the basic requirements and conditions to be met by the project.

Installation Permit

It is granted after the initial project meets all the basic requirements, and authorizes the beginning of the works to install the undertaking.

Operating Permit

it is obtained after the end of construction and verification of compliance with the requirements established by previous licenses. It determines control methods and the proper operating conditions.





GRI 103-2

To obtain the preliminary permit, the EIA and the respective RIMA are prepared, with the support of specialists from different areas. In some cases and in accordance with the licensor, Brazilian legislation has made the licensing modality more flexible, so that certain types of undertakings, including transmission lines, can obtain a joint license, which represents the unification of phases, allowing a faster deployment.

Environmental licensing represents more than a requirement: it is an opportunity to have the best definition, implementation and operation of each concession, respecting the specificities of the territories. Thus, it is possible to promote the generation of value for society in harmony with the areas of influence of the undertakings, ensuring

the sustainability of businesses.

Social-environmental aspects and their impacts are relevant topics for TAESA and its stakeholders, as shown in the Materiality Matrix. **The theme is transversal to four of the six Material Topics: Mitigation and adaptation to climate changes; Environment and biodiversity; Health, safety and quality of life; and Relationship with local communities**

As of December 31, 2021, the Company obtained 30 operating licenses, eight installation licenses and approximately 500 license conditions for its assets.

Health, Safety and Environment Policy

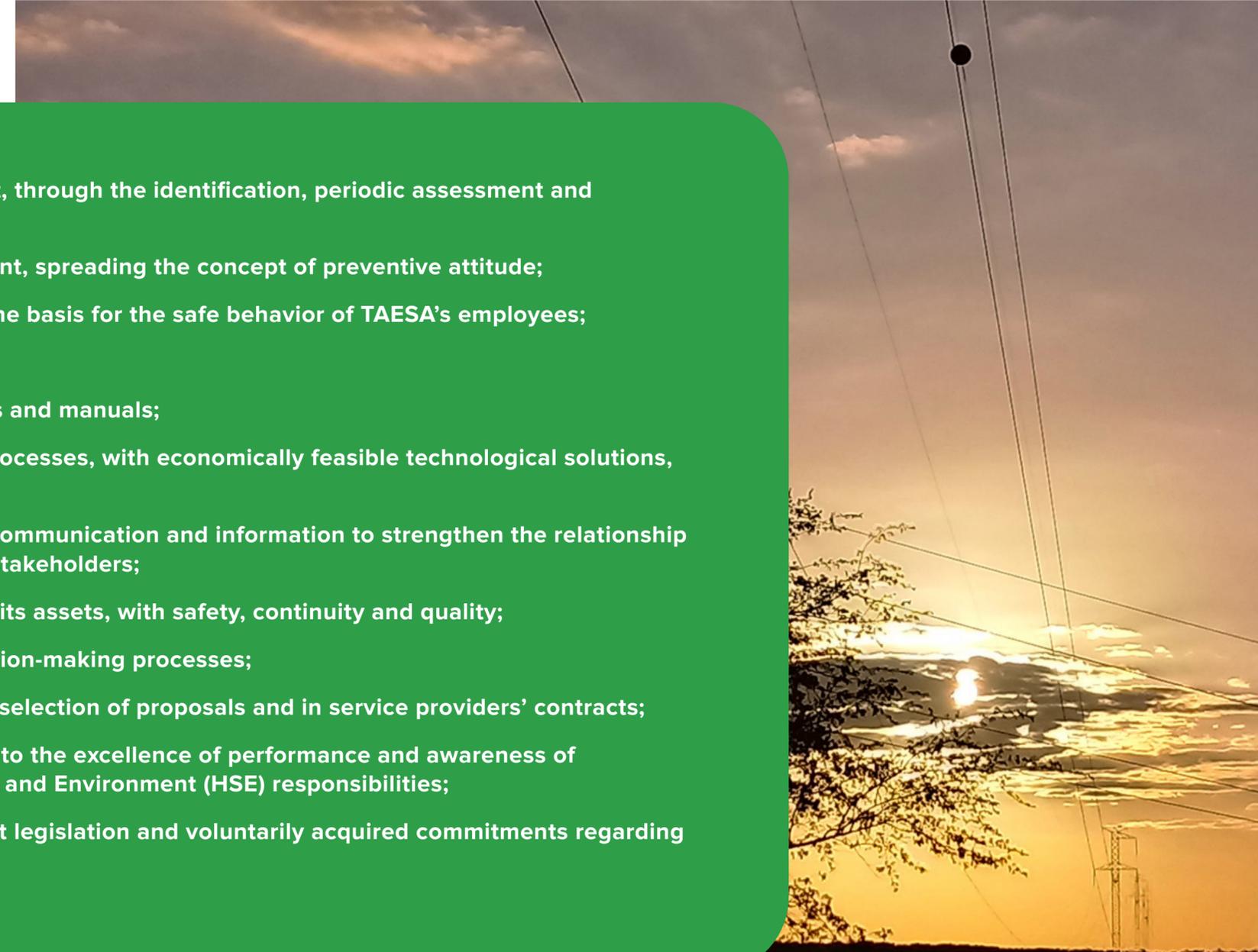
GRI 403-1

TAESA has a **HSE Policy** to contribute for the safety and health of their employees and subcontractors, and also to improve the quality of life of population, regarding the environment and sustainable development. The most recent review of this guideline was on September 4, 2020.

With a broad vision, which goes beyond the economic-operational focus, the Company understands that its organizational success is also linked to social-environmental performance, which is why it considers the management of such aspects as strategic.

HSE Policy is considered as the core document of the Management System, from which all managerial and operational actions related to the social and environmental aspects of the business are derived. Among the main commitments are:

- protect Health, Safety and the Environment, through the identification, periodic assessment and prevention of risks, dangers and impacts;
- provide a safe and healthy work environment, spreading the concept of preventive attitude;
- respect the Golden Rules that summarize the basis for the safe behavior of TAESA's employees;
- establish the SGSMS;
- deploy and observe the System's processes and manuals;
- periodically review, update and adapt its processes, with economically feasible technological solutions, seeking continuous improvement;
- develop effective processes of education, communication and information to strengthen the relationship with communities and the participation of stakeholders;
- fulfill the concession-related obligations of its assets, with safety, continuity and quality;
- ensure integration of HSE issues with decision-making processes;
- list social and environmental criteria in the selection of proposals and in service providers' contracts;
- promote a leadership operation committed to the excellence of performance and awareness of stakeholders regarding their Health, Safety and Environment (HSE) responsibilities;
- respect and ensure compliance with current legislation and voluntarily acquired commitments regarding health, safety and environment.



Management Systems

GRI 403

The TAESA's Management System is comprised by HSE and Biodiversity policies, by the Management Manual, and the theme-related programs.

Such documents allow the identification of risks and impacts and establish the objectives and targets to be reached, action plans, criteria, performance indicators, management, evaluation, monitoring and review processes. Applied to the entire Company, the System covers employees, contractors and partners subject to the Company's guidelines, improving tasks' fulfillment.

To continuously improve effectiveness and efficiency of TAESA's services and environmental performance, the System must provide solutions for minimizing environmental needs through planning, resource allocation, attribution of responsibilities and evaluation of practices, procedures and adopted processes, on

a continuous basis. It is an uninterrupted, participative and transversal process that affects several areas of the Company and is focused, first, on ensuring that all legal requirements related to the Company's operations performance are met and, subsequently, improved.

The review is an inherent process, based on the evaluations from the monitoring of the activities carried out, as well as on situations differentiated during the year, such as incidents or changes in the legislation. The processes are reviewed and, where appropriate, adjusted to achieve the goals and targets set forth.

TAESA, in the preparation of its processes, aims at the quality of the relationship with its employees, outsourced collaborators and partners. To this end, behavioral guidelines are set forth to continually improve the organizational climate, thus contributing to increased satisfaction and individual performance,



based on environmental, social, operational and economic aspects.

In 2021, the Company started the process of migration to the new and improved SGIT, which will allow the identification, monitoring and fulfillment of goals. This same tool, whose implementation should be completed in 2023, will give TAESA the opportunity to obtain ISO 9001 – Quality Management certifications; ISO 14001 - Environmental Management; ISO 45001 - Occupational Health and Safety Management; and ISO 55001 – Asset Management.

The following items show some of the Company's performance indicators.



Greenhouse gas emissions

GRI 305

Climate changes regulated by the greenhouse effect have been occurring since the Industrial Revolution. Since then, the use of fossil fuels has caused a considerable increase in GHG emissions, intensifying global warming in recent decades with consequences observed nowadays.

This climate emergency, evidenced by the reports of the **IPCC**¹, from the UN, signals forecasts of risks and impacts resulting from global warming and is one of the most relevant challenges that humanity must deal with in the 21st century.

TAESA recognizes that integrating climate change issues, in preparation for a low carbon economy, is essential to ensure its long-term

¹ Intergovernmental Panel on Climate Change (IPCC) is translated into Portuguese as Painel Intergovernamental sobre Mudanças Climáticas. Created by the UN in 1988, it assesses data and provides reliable scientific evidence for climate action negotiations. The Panel also points out causes, risks and consequences of the climate crisis for humanity and nature and indicates ways to combat and mitigate the escalating climate changes.

sustainability. To this end, it aims to align and articulate the strategy of its business model based on the assessment of climate risks and opportunities, informing the society and its investors of the efforts and lines of action adopted by the Company.

In accordance with the principles established by the UN Global Compact, of which TAESA is a signatory, and its alignment with the Paris Agreement and the agenda of Sustainable Development Goals, the company adopts a unified strategy of management of emissions.

This occurs through the systematic and continuous realization of a GHG inventory, management of these emissions and establishment of actions for reduction, adaptation and compensation.

For the Company, promoting communication and education on the theme, fomenting this agenda for suppliers, developing R, D & I projects and contributing to the integration of clean and sustainable energy concessions to the SIN are complementary actions to the unified strategy of management of emissions.

The 9th edition of EMATT held in 2021 is an example of the promotion of communication and education. Over three days, aspects related to sustainability, diversity and strategy of the Company were discussed in 41 lectures, totaling more than 24 hours of content and activities. Another example is Janaúba undertaking that came into operation, which is part of the energy transmission systems of the states of Minas Gerais and Bahia, and will also allow the flow of energy produced from wind and solar plants, which are considered clean and sustainable sources.

In 2021, for the second consecutive year, TAESA carried out the GHG inventory by operational control, meeting the specifications of the Brazilian Program GHG Protocol² and its format of Public Record of Emissions. The principles of relevance, completeness, consistency, transparency and accuracy,

² GHG Protocol is a tool used to understand, quantify and manage GHG emissions that was originally developed in the United States in 1998 by the WRI. It is now the method mostly used worldwide by companies and governments for carrying out GHG inventories. It is also compatible with ISO 14064 standard and with quantification methods of the IPCC.



as well as the reporting requirements to the **CDP Climate Change**.³ were considered.

As defined by the GRI 305 standard, GHG emissions are divided into two groups. The first group, called Scope 1, refers to direct emissions whose sources belong to or are controlled by the organization. Scope 2 refers to indirect emissions resulting from the generation of electricity, heating, cooling, among others, purchased or consumed by the organization.

³ CDP is a non-profit organization that operates the global system of disclosure for investors, companies, cities, states and regions to manage their environmental impacts.

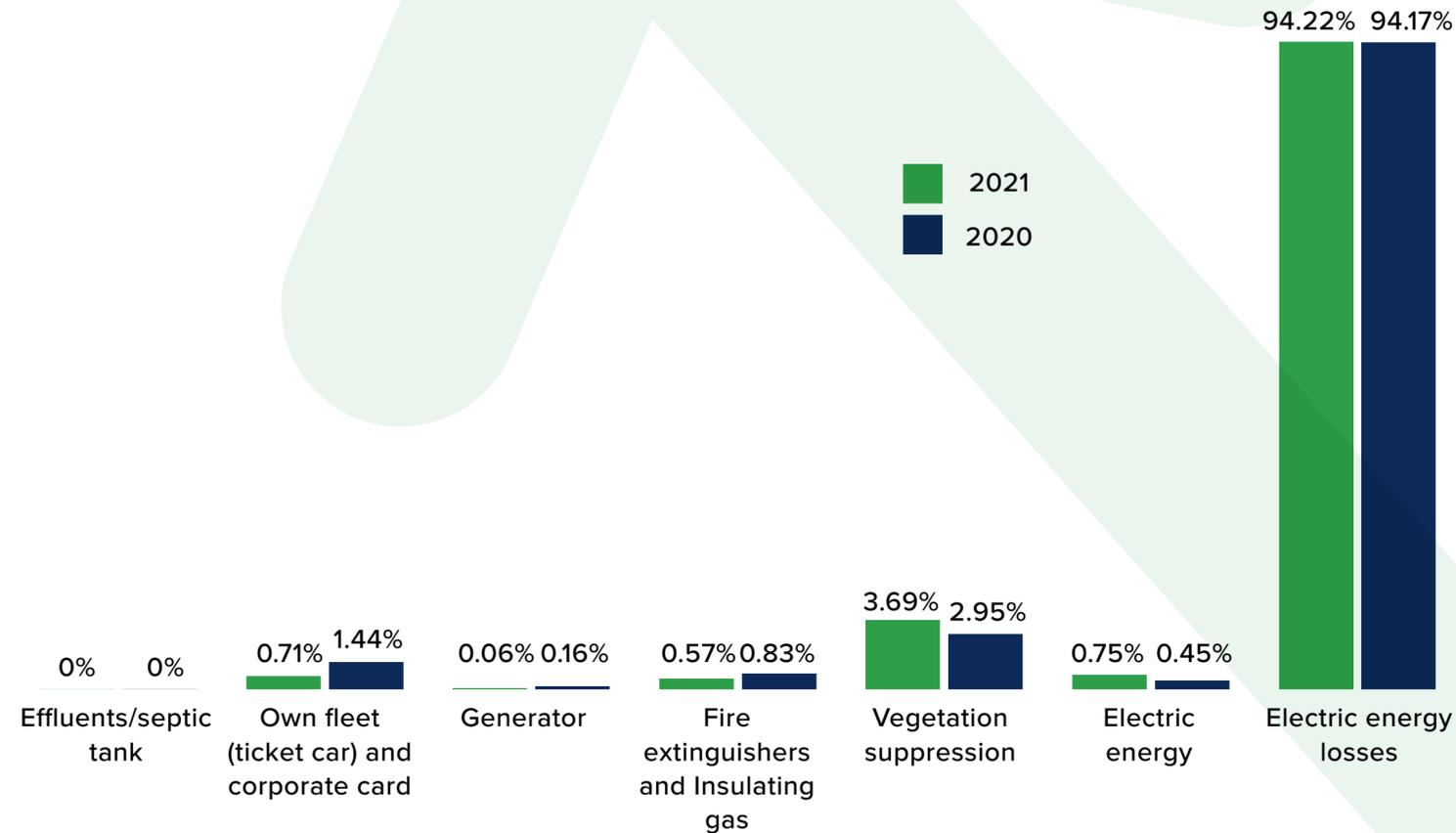
GRI 305-1 | GRI 305-2

Based on this definition, the 2021 Inventory identified that in Scope 1, emissions related to processes of land use change, such as the suppression of vegetation, mobile combustion due to the company's own fleet and the replacement of SF6 insulating gas. In addition to identifying the percentage of contribution of each scope within TAESA's total emissions, the analysis presents the GWP, that is, its global warming potential. This value describes the impact of the radioactive forcing of a unit of a given GHG in relation to a CO₂ unit, as detailed in the following tables.

GRI 305-1 | GRI 305-2
GREENHOUSE GAS INVENTORY

Scope	Hierarchy	GHG Inventory 2021 tCO ₂ e					GHG Inventory 2020 tCO ₂ e				
		Scope 1	Scope 2	Total	Total	%	Scope 1	Scope 2	Total	Total	%
1	Effluents/septic tank	1.86	-	1.86	1.86	0	1.61	-	1.61	1.61	0
	Own fleet (Ticket car)	1,097.64	-	1,109.64	1,113.58	0.67	1,170.48	-	1,170.48	1,205.57	1.44
	Corporate card	3.94	-	3.94			35.09	-	35.09		
	Generator	124.68	-	124.68	126.28	0.08	130.4	-	130.4	130.4	0.16
	Fire extinguishers	0.63	-	0.63	942.83	0.57	1.52	-	1.52	698.06	0.83
	Insulating gas	946.2	-	946.2			696.54	-	696.54		
	Vegetation suppression	6,085.59	-	6,085.59	6,085.59	3.69	2,462.95	-	2,462.95	2,462.95	2.95
2	Electric energy	-	1,243.94	1,243.94	1,243.94	0.75	-	373.03	373.03	373.03	0.45
	Electric energy losses	-	155,551.67	155,551.67	155,551.67	94.24	-	78,740.55	78,740.55	78,740.55	94.17
Total		8,274.14	156,796.61	165,069.75	165,065.75	100	4,498.59	79,113.59	83,612.18	83,612.18	100

Concessions are responsible for managing the infrastructure of facilities and equipment, as well as ensuring the availability of the transmission lines.



GRI 305-1

GHG EMISSIONS - SCOPE 1

Gas Family	Gas	GWP	Scope 1	
			2021	2020
CH4	CH4	25 tCO ₂	5.63 tCO ₂	5.57 tCO ₂
CO ₂	CO ₂	1 tCO ₂	7,282.71 tCO ₂	3,768.71 tCO ₂
N2O	N2O	298 tCO ₂	39.6 tCO ₂	28.31 tCO ₂
SF6	SF6	22,800 tCO ₂	946.2 tCO ₂	696.54 tCO ₂
Total			8,303.87	4,500.18

GRI 305-1

CO2 EMISSIONS FROM RENEWABLE SOURCE - SCOPE 1

Gas	Scope 1	
	2021	2020
Renewable CO ₂	288.12 tCO ₂	192.29 tCO ₂
Total	288.12 tCO₂	192.19 tCO₂

GRI 305-2

GHG EMISSIONS - SCOPE 2

Gas Family	Gas	GWP	Scope 2	
			2021	2020
CO ₂	CO ₂	1 tCO ₂	156,795.61 tCO ₂	79,113.59 tCO ₂
Totais			156,795.61 tCO₂	79,113.59 tCO₂

The ONS, by coordinating and controlling the operation of electric energy generation and transmission facilities in the SIN, imposes restrictions on the establishment of mitigation actions and targets in relation to Scope 2, that is, to the loss of energy during the transmission process.

This occurs because the concessions are responsible for managing the infrastructure of facilities and equipment, as well as ensuring the availability of transmission lines. The volume and/or source of energy that is transmitted in the assets, or even the technical characteristics of the materials and assets comprising the facilities, are the responsibility of the ONS.

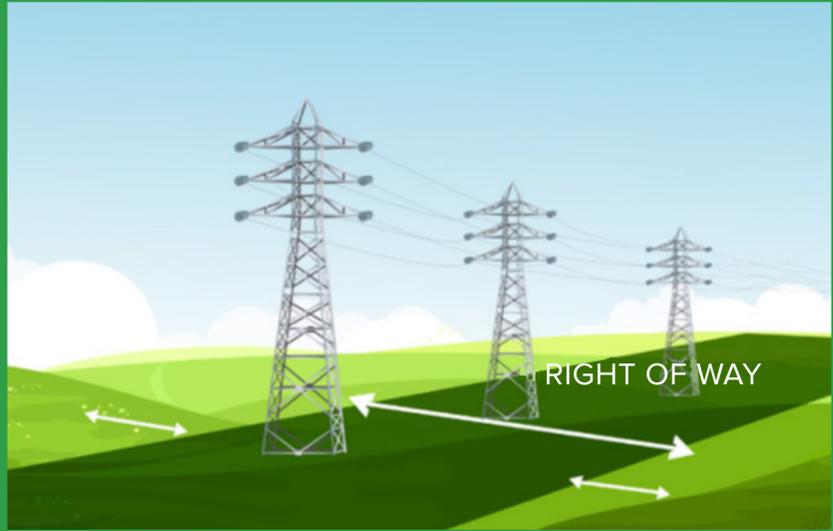
Due to this specific context of the Brazilian electric sector, there is a challenge on how to set goals aligned with SBTi initiatives, Race to Zero, Business Ambition for 1.5 °C and NET ZERO Ambition by the Global Compact, designed to comply with and adhere to the Paris Agreement, which the Company supports. **Thus, TAESA monitors all these initiatives and participates in working groups that discuss how to adapt the Brazilian reality to these technologies so as to be able to establish goals and contribute to the agenda.**

Among the current possibilities considering these impediments, the company adopts other actions that contribute to strengthen this agenda, such as:

- social-environmental and educational campaigns;
- fire fight and fire reduction;
- forest restoration;
- nursery cultivation and distribution of seedlings;
- internal qualifications on the theme, such as the one held at the 9th EMATT, in August 2021.

Rights of Way

The Company manages the cleaning and maintenance of continuous right of way – as the land along the transmission lines that belong to a third-party owner and have land use restrictions are called - focused on making the least possible interference in the vegetation. Larger suppression volumes may occur during the construction phase of the undertaking.



The right of way is an extension of land along a transmission line that can vary from 40 to 70 meters in width. Considering the electromagnetic waves generated by the lines, it is important to emphasize that the focus of restrictions on the use of the right of way is the safety of TAESA employees and of the population that lives in the surroundings.

In 2020, when the first GHG Emissions Inventory was prepared, TAESA acquired the concessions of Lagoa Nova, located in Rio Grande do Norte, São João (SJT), in the state of Piauí, and São Pedro (SPT), located between the states of Bahia and Piauí, and identified the need to adapt the right of way according to ABNT NBR 5422, of 1985. In Lagoa Nova it was necessary to readjust the right of way after its merger. For SPT and SJT concessions, the right of way was adjusted in accordance with the current legislation (ABNT

NBR 5422) during the first half of 2021, which generated a total increase in the vegetation suppression volume and respective emission of GHG compared to 2020.

Also in 2020, there was a selective cutting of trees outside the right of way in ETAU concessions, located between Rio Grande do Sul and Santa Catarina, and in ATE III, between Tocantins and Pará, which jeopardized availability due to the proximity of the line.

Own fleet

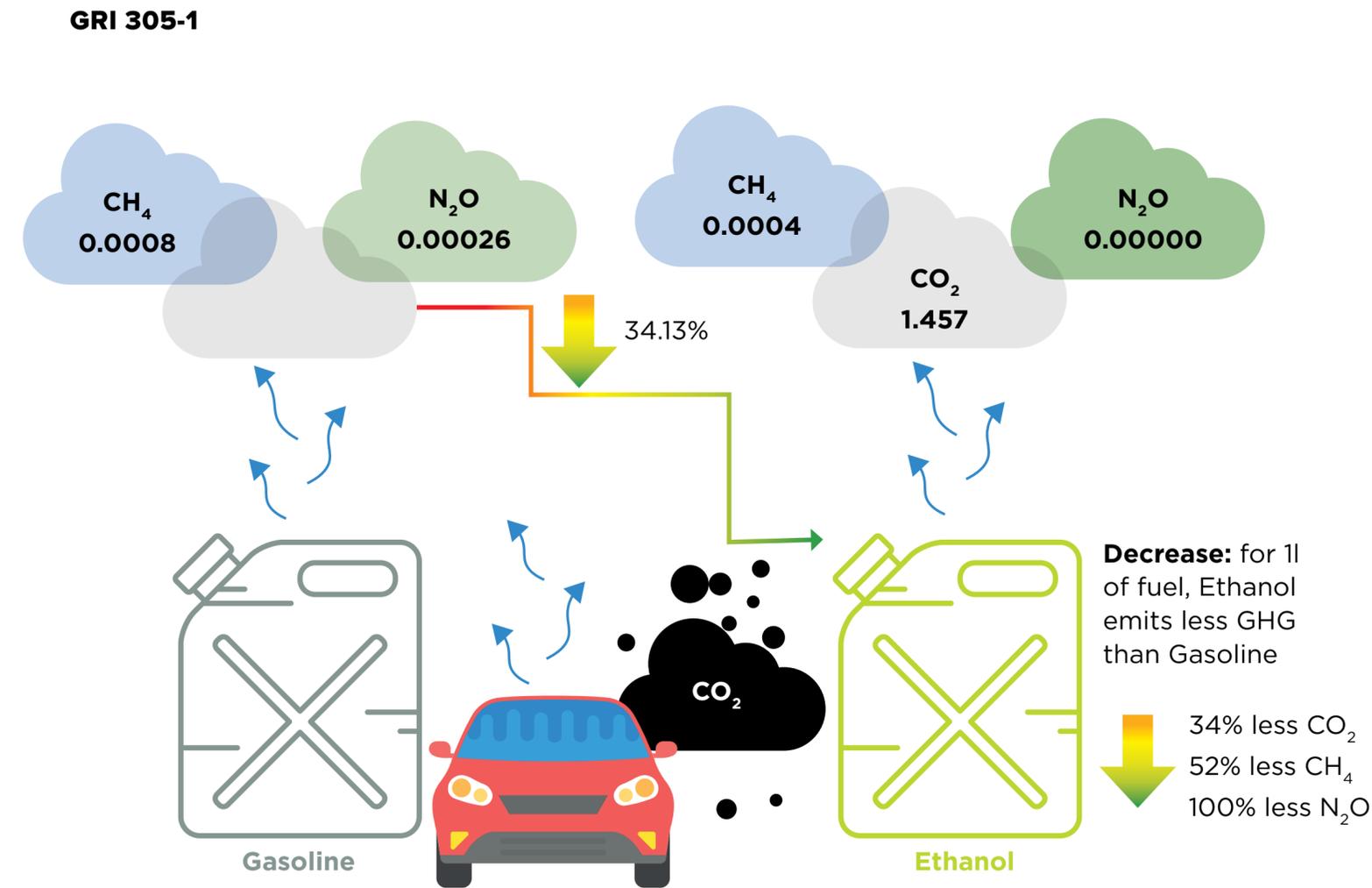
At the end of 2020, the Executive Board approved the proposal to reduce gasoline consumption in the flex-fuel fleet, replacing the fuel used by ethanol. Based on the historical consumption, which in 2019 was 91% gasoline and 9% ethanol, a proportion target was set for 2021: 70% for gasoline and 30% for ethanol. By targeting this change, TAESA intended to reduce the emission of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) resulting from the burning of the fuel.

It should be noted that of the total emissions related to gasoline consumption, in 2020, 92.7% was generated by vehicles of the flex-fuel fleet. Among all the fuels used by TAESA, gasoline represented 12.8% of consumption in 2020.

Another relevant aspect is that the target established for 2021 was relative, as there was an increase in the number of kilometers traveled and also of concessions.

Due to the COVID-19 pandemic, which restricted the circulation of people as a way of preventing contagion, the 2020 data were not used as a parameter. Thus, the company chose to use the year 2019 as the basis for the proposal.

To achieve the objective, TAESA carried out an awareness process of employees throughout 2021. As a result, the target was exceeded. In 2021, 67% of the fuel used in the flex-fuel fleet was ethanol, and only 33% was gasoline.



Proposal: Prioritize ethanol consumption

2019	Meta	2021
Gasoline/Ethanol > 91%/09%	Gasoline/Ethanol > 70%/30%	Gasoline/Ethanol > 33%/67%

In addition to the goal to reduce gasoline consumption, the Company plans other actions to mitigate GHG emissions:

- review of operational processes and procedures, seeking greater eco-efficiency, in line with the implementation of the SGIT, in accordance with ISO standards;
- efficiency in the maintenance of assets that contain SF₆ insulating gases;
- review of operational procedures for cleaning and maintenance of right of way;
- priority for the consumption of biofuel and improvement of the fleet with hybrid vehicles – which use electric and combustion engines.

Water and energy

GRI 302 | GRI 303-1

Most of TAESA's units are supplied by local energy and water networks or by underground wells for access to water resources, and do not use these resources in their production process. The use of energy and water is limited to employees in offices, warehouses and substations, to building cleaning and maintenance and, occasionally, to reinforcement and improvement work in substations.

The Company is engaged in avoiding waste and encouraging the conscious use of resources by its employees. Monthly data on energy and water consumption is collected for monitoring with those responsible for each unit, together with other environmental indicators.

Stimulating and identifying initiatives developed by some units that can be expanded to others, such as rainwater collection, reuse of air conditioners' water and installation of consumption reduction devices in taps and toilets.

GRI 303-1

In 2021, TAESA's Plan for the Use of Water Resources was improved, with the guidance of a specialized company and in compliance with art. 11 of Federal Law 9433/1997, which introduced the National Water Resources Policy. The Plan covered 48% of the units with the identification and improvement of the facilities (tubular wells and water meters), which resulted in a reduction of consumption in cubic meters (m³) in 2021 compared to 2020.

GRI 302-4

In relation to energy eco-efficiency, some initiatives are developed at the units, such as replacing light bulbs by LED ones, awareness campaigns for efficient use of equipment, and solar energy pilot projects.



GRI 302-1
ENERGY CONSUMPTION IN THE ORGANIZATION (GJ)

Group of precursors	Precursor	2021			2020		
		Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Non-renewable fuels	Diesel / Brazil	16,901.80		16,901.80	17,245.70		17,245.70
	Gasoline/Brazil	1,333.04		1,333.04	2,877.64		2,877.64
Renewable fuels	Biodiesel				3.89		3.89
	Hydrous ethanol	1,892.75		1,892.75	319.63		319.63
Purchased electric power	Electricity/Brazil		4,609,931.24	4,609,931.24		4,577,607.06	4,577,607.06
Total		20,127.59	4,609,931.24	4,630,058.82	20,446.86	4,577,607.06	4,598,053.91

Note: This panel considers energy consumption in sources categorized as Scope 1 and 2. Although conservatively categorized as non-renewable fuels, "Gasolina-Brasil" and "Diesel-Brasil" contain added renewable fuels (that is, ethanol and biodiesel, respectively).

GRI 302-1
CONSUMO ENERGÉTICO NA ORGANIZAÇÃO (MWH)

Grupo de precursores	Precursor	2021			2020		
		Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Non-renewable fuels	Diesel / Brazil	4,694.85		4,694.95	4,790.47		4,790.47
	Gasoline/Brazil	370.29		370.29	799.35		799.35
Renewable fuels	Biodiesel				1.08		1.08
	Hydrous ethanol	525.76		525.76	88.78		88.78
Purchased electric power*	Electricity/Brazil		1,280,536.45	1,280,536.45		1,271,557.52	1,271,557.52
Total		5,591.00	1,280,536.45	1,286,127.45	5,679.68	1,271,557.52	1,277,237.20

Note: This panel considers energy consumption in sources categorized as Scope 1 and 2. Although conservatively categorized as non-renewable fuels, "Gasolina-Brasil" and "Diesel-Brasil" contain added renewable fuels (that is, ethanol and biodiesel, respectively).

* This data considers energy losses.

Environmental indicators

Environmental indicators	2018	2019	2020	2021
Fossil fuels (liters)	583,051.47	390,696.68	581,884.32	604,958,531
Total energy consumption (MWh) 1	2,664.15	2,948.18	5,674.63	8,654,551
Total water consumption (megaliters)2	70.50	3.08	12.84	8.942
Total water consumption in water stress areas (megaliters)3	s/d	s/d	1.48	0.994
Occurrences of degraded areas due to fires	13	12	23	52
Occurrence of oil leakage	8	5	2	1

1. Increase due to new assets for operation and maintenance (Janaúba, São João, São Pedro, Lagoa Nova, Brasnorte and part of ETAU, as well as support for project under construction: Santana).
2. Reduction of total consumption as a result of TAESA's Plan for the Use of Water Resources. The 2020 data (12.84 megaliters) considers the total water uptake in all areas, totally fresh water ($\leq 1,000$ mg/L of total dissolved solids).
3. To identify the water stress areas, the mapping of the Aqueduct Water Risk Atlas from the WRI, was considered, which in 2020 covered the total water intake from GTESA, Lagoa Nova, NTE, TSN, (2 SEs) and ATE II (2 SEs) concessions. In 2021, this same mapping included Janaúba (2 SEs) and Munirah (2 SEs) concessions. There are no water catchment points under the lines, only at the facilities (substations, warehouses and offices).





Conservation and Biodiversity

GRI 102-11 | GRI 304

Since 2020, TAESA has a **Biodiversity Policy**, published on its Investor Relations website and shared internally with the employees. Fully complying with environmental standards, including the development of sustainability actions, it establishes guidelines related to the Biodiversity Management and Conservation in the planning and execution of the activities of installation, operation and maintenance of transmission assets.

The Company also maintains a series of programs suitable for each phase of an undertaking to avoid and minimize its interference with the environment, presented as follows:

Use and Occupation of Right of Way

Under the transmission line, a Right of Way is established, whose area allows the performance all the activities required for the construction, operation and maintenance of the undertaking. The Right of Way is legally established through the DUP issued by the Executive Power in favor of the entrepreneur, without, however, undergoing an expropriation process. The calculation of the Right of Way varies based on the project and is standardized by ABNT NBR 5422, which specifies the minimum safety distances between the conductors and the ground or the obstacles along the line, such as trees, buildings and rivers. It also considers the balance of the conducting cables due to the action of the wind, the electric field, radio interference, noise and the positioning of the support foundations.

The Management for Use and Occupation of Right of Way consists of reporting, encouraging and establishing a better use of the right of way. The general guideline is to develop uses that prevent or minimize the occurrence of fires in the area inside the spans of the right of way or invasions by people or farm animals that generate risk situations for the safety of the transmission system, the surrounding communities and the environment.

For example, the following situations are not safe uses: the planting of species that reach high altitudes and plating of certain crops, such as sugarcane and eucalyptus.

Maintenance of the right of way and access routes

The Program for Maintenance of Access Routes and Right of Way aims at the preventive verification and identification of environmental non-conformities in the access roads, in the towers' region and in the right of way. For this purpose, annual preventive inspections are carried out by the Operation and Maintenance teams, inspecting the transmission lines along their entire length.

The access routes to the towers must be in adequate conditions for the traffic of people, equipment and other vehicles for maintenance, especially in cases of emergency. Vegetation in the right of way, such as tabocas, grasses and the like that can cause the line shutdown due to fires, and must be pruned and removed to the side.

Selective cutting and pruning of vegetation

Much of the interference with vegetation occurs within the right of way. Thus, the goal is to reduce the impact on vegetation to the minimum necessary. Selective cutting consists of removing only larger species, the crown of which can interfere with the safety distance - that must always be ensured between the canopy of vegetation and the height of the conducting cable.

In addition, whenever possible, replacement of total removal of a tree by pruning is considered. Depending on the height of the towers, the vegetation present in a right of way can be completely preserved. Another procedure to minimize the suppression of vegetation during the construction of transmission lines, and that TAESA has been adopting in its recent projects under deployment, is the use of drones to launch the cables.

With this methodology, it is possible to avoid or mitigate interference in vegetation, ensuring environmental preservation.

In 2021, routine selective cuttings were made in ATE, ETEO, NOVATRANS, SPT and SJT concessions. The increase in relation to previous years is due to the preventive maintenance of the vegetation that presented a reduction in the minimum distance between cable and vegetation established in ABNT NBR 5422 standard. All wood material above 10 cm in diameter (DAP) was delivered to the owner for use, and the thin branches are chopped and spread out of the right of way to accelerate biocycling.

Selective cutting	2019	2020	2021
Volume of waste generated in m ³	493	763*	1,886

**In 2020, it was reported that the volume of selective cutting had been 86 m³. However, the cuts made in Lagoa Nova and ETAU were not considered in the calculation. Therefore, TAESA corrects this information in this report and apologizes for what happened.*

Fauna and Flora

So that interventionist activities resulting from implementation and operation of an undertaking is carried out in an environmentally sustainable manner, actions aimed at maintenance, preservation of remaining natural vegetation and protection of fauna are employed by the Company.

Particularly for transmission lines, the main impacts are related to the construction period, despite dynamic and concentrated on a short period. Therefore, the installation phase of this type of undertaking is carefully monitored by TAESA by performing actions to mitigate its impacts on fauna and flora as far as possible. Programs are developed to:

- chase fauna species away from the area to be suppressed and rescue those who are unable to move out of the suppression area, releasing them in suitable regions, close to the place of origin;

- fauna monitoring with the characterization of the composition, wealth and conservation status of the target groups in the areas of direct and indirect influence of the undertakings;
- saving of germplasm, aiming to preserve genetic variability of populations of target and native species affected, for future use in the conservation of local biodiversity and in scientific research.

Moreover, it is known that during the process of laying cables there is an increased risk of bird collisions, not yet adapted to these new obstacles.

As a mitigating measure, signs are installed in strategic stretches on the lightning rod cables, between the tower spans, for a better visual orientation of the birds.



Degraded Area Restoration Program

GRI 304-3

The PRAD's main purpose is to promote the recovery of areas impacted by the construction activities of TAESA's assets. In this action, techniques for recomposing these sites are defined and specified, as well as the indication of corrective measures to be used for their reintegration into the original landscape.

In the operation phase of the transmission lines, the actions related to the PRADs are based on the correction of environmental non-conformities observed in the annual inspections of the Maintenance Program for Access Routes and Right of Way.

The recovery of degraded area can be accomplished by deploying surface drainage, energy dissipation elements and re-vegetation with species of the region itself.

In general, PRAD is developed in four distinct stages: planning, implementation, monitoring and maintenance, presented in chart below. These activities are carried out to provide conditions for reconstitution of areas with ecological and socio-cultural solutions, allowing greater integration of transmission lines with community in undertaking's region.



Forest restoration and recovery

GRI 304-3

Brazilian law provides for compensatory forest replacement when there is suppression of native vegetation cover and species threatened with extinction or protected by law. **Forest replacement is an important action to compensate for direct and indirect impacts on fauna and flora. Based on the gradual forest reconstruction, its biodiversity, ecological function and sustainability are restored over time.**

In 2021, TAESA continued the execution of its reforestation project due to the impact caused by Mariana undertaking. In Serra do Sobrado State Park, in the Metropolitan Region of Belo Horizonte, 51,524 seedlings were planted in an area of 24.42 hectares. The Company also started a reforestation project for ATE and ETEO concessions with the planting of 25,575 seedlings in the municipality of Lutécia, in the southwest of the state of São Paulo.

In relation to other projects being implemented, forest replacement only begins, in general, after the undertaking's construction. Total reforestation and enrichment planting techniques are being used. The total planting includes the complete covering of areas without vegetation. On the other hand, the enrichment planting consists of introducing species, mainly in the final stages of ecological succession, in areas that have native vegetation, but with low diversity.

Much of the interference with vegetation occurs within the right of way. Thus, the goal is to reduce the impact on vegetation to the minimum necessary. As already detailed in this report, selective cutting consists of removing only larger species, the crown of which can interfere with the safety distance between the canopy of vegetation and the height of the conducting cable.



QUANTITATIVE OF PLANTING AREAS AND SYSTEMS OF THE TECHNICAL PROJECT FOR RECOVERY OF THE FLORA OF SERRA DO SOBRADO STATE PARK – MARIANA (MG)

Area	Total area	Execution period	Estimated*	Realized*
PT1	4.8 ha.	December 2019 (part 1)	10,128	12,133
	0.95 ha.	January 2021 (part 2)	2,005	
PT2	1.86 ha.	January 2021	3,925	3,925
PT3	2.40 ha.	January 2021	5,064	5,064
PT4	8.43 ha.	January 2021	17,787	17,787
PT5	10.78 ha.	August 2021	22,743	22,743
Total	29.22 ha.		61,652	61,652

*Seedling units.

Waste Management

GRI 306

The PGR intends to eliminate or reduce waste in the processes of implementation, operation and maintenance of TAESA's assets, properly disposing of waste or tailings that may cause damages to the environment. It is carried out in accordance with regulatory instruction on Waste Control and Management, in compliance with current environmental laws and good practices underway.

For this, generated waste is collected, segregated, stored, treated, transported, destined and properly disposed of, in addition to undergoing routine inspections to identify non-conformities that are recorded on specific monthly forms. The Company also carries out actions to raise employees' awareness about the importance and environmental gains of the correct handling of solid waste, through training and lectures.

GRI 306-1 | GRI 306-2

Before disposing of any material, possibility of reuse, recovery or recycling is verified. For non-hazardous waste, when applicable, recyclables are sent to recycling cooperatives or to voluntary delivery points in municipalities according to the unit's local context. For hazardous waste, collection and disposal services – that are environmentally adequate - are contracted according to waste type.

In addition to legal implications, inadequate management causes soil degradation/contamination and springs and air pollution, in addition to risks to population's health and quality of life. For this reason, waste generated by TAESA receives adequate treatment in compliance with rules and standards required by official environmental agencies, HSE Policy, and Waste Management Program (PGR).

To corroborate the reduction of waste production, in 2021 the Company started to adopt the tool Docusign for signing documents in general.

This innovation allowed savings in paper, ink and cartridges, in addition to a reduction in time in the processes of collecting signatures, without compromising the security of information and the validity of documents. In addition to these reductions, the adoption of digital signatures also reduced the number of envelopes sent.

GRI 306-1 | GRI 306-2

Implementation of an energy transmission system implies the execution of several activities in the fronts of construction works and sites, which generate different types of waste and effluents. Civil construction phase is the one that generates the largest and most significant waste volume.

BETWEEN THE PERIOD OF ADOPTION OF THE DOCUSIGN THE FOLLOWING WAS SPARED:



7,661 kg
of wood



Equivalent to **51** trees.



188.258l
of water



Same as the consumption of **36** washing machines.



17,983 kg
of CO₂ emission



Which corresponds to that generated by **four** passenger vehicles.



1,245 kg



That would fill **46** trash cans.

There are concrete, wood, metal pile and iron bar leftovers, among others. For this reason, PGR (waste management program) is implemented on a systemic manner, aiming at minimizing generation and maximizing reuse and reprocessing, so as not to characterize damage to the environment.

Waste from this phase is managed by the contractor but is monitored and inspected by TAESA. When contracting third parties, PGR and its guidelines are required for management actions - collection, handling and packaging, temporary storage, transportation, treatment and final disposal of generated solid waste and effluents.

GRI 306-1 | GRI 306-2

While in operation, main potential impacts are in relation to (mineral, fuel and lubricant) oils and similar substances in substations, in case of leaks and splashes. During operation and maintenance of a transmission line, there is less generation of waste, which is, mainly, the result of vegetation pruning in right of way, whose waste is laid out on soil for decomposition or delivered to the owner to use it as wood material.

GRI 306-1 | GRI 306-2

TAESA substations have temporary storage bays or deposits for adequate storage for all classes of hazardous and non-hazardous waste. The facilities follow the standards by colors, types and segregation provided for the current legislation.

In the specific case of substations, it is pertinent to monitor and manage operational processes that involve waste handling, mainly oils and the like.

The purpose is to prevent impacts on environment in cases of leaks and spills and to minimize them promptly in case of an event of this nature.

When carrying out the external transport of the waste, companies with the proper environmental authorization and adequate structures to serve the undertaking are selected. TAESA keeps a record of the documentation sent by these companies, together with a certificate of final disposal or destruction of the waste in question and the MTR.



GRI 306-3

	2021	2020
Class IIA and Class IIB waste – non-hazardous	122,08t	110,49t
Class I waste – hazardous	9,01756t	10,60t
Total	131,09t	121,08t
Class I waste – hazardous	29.985,88l	26.163,25l
Total	29.985,88l	26.163,25l

In 2021, an increase of 10.48% was observed in the generation of solid waste, especially Class IIA and Class IIB - non-hazardous, due to Janaúba undertaking that came into operation. Despite this increase, there was a reduction of 14.92% in the generation of Class I waste – hazardous. Thus, it is estimated that the total amount of waste generated was not greater due to the improvement of processes and training and instructions to employees and third parties. The impact of the Covid-19 pandemic in this aspect must also be considered.

Social Communication and Environmental Education

The PCS and the PEA seek to maintain conditions to facilitate the process of integrating communities to the new conditions created by the transmission line. The environmental technical team carries out campaigns covering all the concessions operated by TAESA annually, aiming to guarantee the population's access to information and implement awareness initiatives actions on the necessary care for safe integration with the undertaking, in addition to actions to protect and improve the environment.

In the campaigns, educational, informative and recreational materials are distributed. There are also contacts with the community and public bodies, in addition to thematic lectures and activities in partnership with schools.

The Company seeks to learn the demands of communities through participatory diagnoses and opinion polls, to redirect its actions, specifying audiences, themes and actions to be carried out by the PEA, according to local interests and problems.

With the relaxation of circulation restriction measures due to the Covid-19 pandemic and the adoption of health protocols in 2021, it was possible to gradually return to face-to-face activities. This close and direct contact with the communities represents a gain in the quality of the collection and disclosure of information, in addition to allowing members of these communities to become multipliers of the precautions to be taken.



Another aspect of these initiatives occurs is within the scope of the Environmental Education for the PEAT, aimed at TAESA's own staff and at the teams of contractors working in the field. The purpose is to implement educational actions to raise awareness of professionals allocated to line and substation construction, operation and maintenance on socioenvironmental aspects involved.

Among the main topics addressed, we highlight the procedures for suppressing vegetation and selective cutting, the management of solid waste and effluents, fires, the conditions of licenses that depend directly or indirectly on performance in the field, the relationship with the community and the owners within the area of influence of the undertaking, as well as issues related to the safety and health of the worker. Furthermore, HSE lectures are given to employees in the following events: Electricians Training Course, EMATT, New Employees Onboarding Program and Environment Week.

ENVIRONMENTAL EDUCATION AND AWARENESS

Environmental Education - Within the organization	2018	2019	2020	2021
Number of employees trained in environmental education programs	47	152	44	60
Number of employees trained in Environmental Education programs	14%	26%	6%	21%
Environmental Education and Social Community*				
Cities visited	96	102	56	154
Owners visited	1,785	2,109	818	1,135
Primary and secondary education units served	16	27	8	11
Percentage of schools served in relation to what was planned	100%	100%	70%	95%
Number of teachers trained	105	141	0*	68
Total listeners - target audience	5,323	7,509	2,546	6,676

*Due to COVID-19 scenario, which demanded social distancing, TAESA did not carry out interactive training activities with school teachers; alternatively, it maintained only the sharing of instructions and materials on topics frequently addressed.

Archeology

The archaeological sites and occurrences hold important information on the human groups that inhabited the currently occupied territory. Therefore, they are considered cultural assets and protected by laws. During the licensing phase, new undertakings undergo studies to assess the potential and impact on archaeological heritage, which are approved and analyzed by IPHAN.

In the event of potential archaeological occurrences in the area of influence of the undertaking, the PGPA and the PIEP are prepared. In these cases, archaeological monitoring is carried out - daily monitoring by the archaeologist at the works, as well as the archaeological rescue - research performed by archaeologists to identify, record and collect the traces found.

The training of employees is necessary for the preservation and conservation of findings. Thus, the Archeology team interacts with construction workers informing them about the care taken regarding the existence of archaeological material.

Environmental Compensation

Public service concessions are usually subject to mandatory Environmental Compensation, established by Federal Law 9985/2000 and regulated by Decree 4340/2002, applicable to all undertakings with significant environmental impact.

The entrepreneurs are obliged to support the implementation and maintenance of the Conservation Unit through the investment of corresponding funds in up to 0.5% (modified by Federal Decree 6848/2009) of the total costs foreseen for the implementation of the undertaking.

All TAESA's concessions under this obligation had their investment percentages evaluated and approved by the Environmental Bodies indicated on the next page: It is worth highlighting that, despite being a legal obligation resulting from licensing, TAESA proposes, together with the units benefited by the funds, actions that bring sustainable results to the community.

An example of these compensations carried out by TAESA was the construction of the Health Center for Avá Canoeiro Indigenous Community (canoe warriors), in Minaçu (GO). The work, completed in 2021, because of environmental compensation for Novatrans concession, provides medical care to the community.

Before the construction, residents needed to travel 50 km to the nearest location for health services. As it is a protected area and away from urban centers, therefore lacking water, sewage and electricity infrastructure, it was necessary for the building to be self-sustainable, with energy generated from photovoltaic panels and rainwater collectors for the health unit supply.



ENVIRONMENTAL COMPENSATION - SUM OF RESOURCES INVESTED UNTIL 2021

Concession	Benefited institutions	Investment	Investment status
TSN	Parque Nacional da Chapada Diamantina (BA)	R\$ 5,681,000.00	100%
	APA de Pouso Alto (GO)	R\$ 125,000.00	98%*
	Parque Municipal do Lavapés (GO)	R\$ 499,888.76	99% ¹
MUNIRAH	Secretaria Estadual do Meio Ambiente da Bahia (Sema/BA)	R\$280,201.25	100%
PATESA	IDEMA's Management and Conservation Units Center.	R\$177,707.35	100%
GTESA	Fernando de Noronha Marine National Park (PE)	R\$105,850.00	100%
NOVATRANS	Reserva Biológica de Gurupi - Maranhão	R\$ 6,042,000.00	100%
	Estação Ecológica Serra Geral do Tocantins (TO)		
	Nascente do Rio Parnaíba National Park (PI, MA, TO and BA)		
	Parque Nacional da Chapada dos Veadeiros (GO)		
	Descoberto Environmental Protection Area (DF)		
	Parque Nacional do Itatiaia (RJ)		
	Funai - Comunidade Indígena Avá Canoeiro (GO)	R\$ 1,200,000.00	100%
ETEO	Environmental and Experimental Unit of Assis (SP)	Recovery of an area of 68.44 ha with the planting of 116,348 seedlings	100%
ATE III	Sema/PA - Parque Ambiental De Belém (PA)	R\$ 1,261,793.00	100%
	IBAMA - To be defined by the agency	R\$ 1,731,893.78	82% ¹

ATE	Ilha Grande National Park (PR)	R\$ 1,849,446.95	100%
	Mata dos Godoy State Park (PR)		
	APA Estadual do Rio Batalha (SP)		
	Sebastião Aleixo da Silva Ecological Station (SP)		
	Ibiporã State Park (PR)		
	Caetetus Ecological Station (SP)		
	Assis Ecological Station (SP)		
ATE II	APA Municipal Água Parada - Bauru (SP)	R\$ 2,420,535.00	100%
	Arthur Tomas Municipal Park - Londrina - (PR)		
	Instituto Chico Mendes de Conservação da Biodiversidade - ICMBio		
	Serra das Confusões National Park (PI)		
NTE	Serra das Capivaras National Park (PI)	R\$ 400,000.00	100%
	Ecological Station of Uruçuí-Uma (MT)		
	Mirador State Park (MA)		
STE	Saltinho Biological Reserve (PE)	R\$ 293,950.52	100%
	Pedra Talhada Biological Reserve (AL)	R\$ 577,179.00	100%
SJT	Work Plan by Fundação Estadual de Proteção Ambiental (FEPAM/RS) – Moreno Fortes Biological Reserve in the Municipality of Dois Irmãos das Missões (RS)	R\$ 181,046.13	100%
SPT	Environment Department of Piauí (PI)	R\$ 1,026,167.70	100%
SPT	Environment Department of Piauí (PI)	R\$ 335,092.86	100%

1. Compensations that are not fully invested are justified because the licensing agency is in the stage of defining the form of investment for the benefited units

2. Investment actions in progress - expected to be completed in 2020.

Sustainability

The year 2021 marked the Sustainability journey by carrying out more mature processes, based on the experience acquired in recent years, mainly due to the soundness achieved with the Sustainability Project.

As a reference company in the Electric Power Transmission sector in Brazil, TAESA has sought to establish goals and standards so that continuous improvement is a living process intrinsic to the practices adopted by all employees and suppliers. Main actions to promote evolution of ESG topics inside and outside the Company in 2021 include:

- preparation of the second GHG Emissions Inventory according to the methodology GHG Protocol;
- exceeding targets for reducing the consumption of fossil fuels in its fleet and readjustment;
- improvement of environmental and social clauses/assumptions in contracts with suppliers;

- implementation of the Materiality Process and definition of the Material Topics based on the GRI assumptions;
- preparation of this social-environmental report based on the GRI guidelines and the UN Global Compact SDGs;
- consolidation of the Diversity Program through the creation of the Diversity and Inclusion Committee and Policy;
- GPTW certification;
- adherence to the Seven Women's Empowerment Principles, of the UN Women;
- association with the +Women 360 Movement;
- ESG indicators dashboard available on the Investors Relations (IR) website.

Based on these actions, it was possible to list the relevant themes presented in the report. It is important to point out that this was the second

year that the Sustainability report used the GRI regulations, indicating not only the advance in ESG practices but also an evolution in the registration of its processes, impacts and its mitigation actions. Through GRI Standards and the selection of the SDGs that are aligned with the Material Topics identified in 2021, the Company shows its search for maturity in this journey and its commitment with the best international sustainability practices.

As it is a record, it is expected that over the next few years TAESA will improve this journey, starting to establish goals that will allow to express and evaluate the result of this commitment.





In 2019, the Company obtained four Green Bonds, and, in 2021, a fifth Green Bond, which are bonds issued to raise funds for investments in projects focused on sustainability. As required by the GBP, these bonds' target projects need frequent monitoring of socio-environmental activities, which occurred throughout 2021, thus reaching the comfortable level according to the second opinion.

It is worth emphasizing that the GBP recognizes that energy transmission is a category eligible for green bonds, as they observe that the segment in the country contributes to the flow and transmission of renewable energy in the SIN. Some conclusions regarding the 4 issues of Greens Bonds:

- the TAESA assets evaluated under implementation bring environmental benefits, since contributes to the increase of availability of the National Interconnected System (SIN) for renewable energy;
- the projects are in line with Company's strategy and offer tangible environmental benefits;
- the procedures for managing the funds raised through the debenture were clearly defined by the issuer, through a documented and transparent process;
- the company has an ESG performance, with comfortable performance in the three dimensions analyzed: Environmental, Social and Governance policy;
- the Company has comfortable ESG practices and technical know-how of their activities;
- the company is involved in isolated cases of controversies and its level of responsiveness is considered adequate to resolve and mitigate these issues;
- the Company is fully capable of measuring, preventing, mitigating and compensating for possible negative impacts of its projects and sustaining the conditions that classify the debenture as a Green Bond.

Guided by its values, and constantly improving its corporate practices, TAESA reinforces the transmission of electricity with excellence, in a continuous and efficient way, ensuring profitability and sustainability.

In 2019, the Company obtained four Green Bonds, and, in 2021, a fifth Green Bond, which are bonds issued to raise funds for investments in projects focused on sustainability.

Annexes

GRI Content Summary

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GRI Content Summary

GRI 102-55

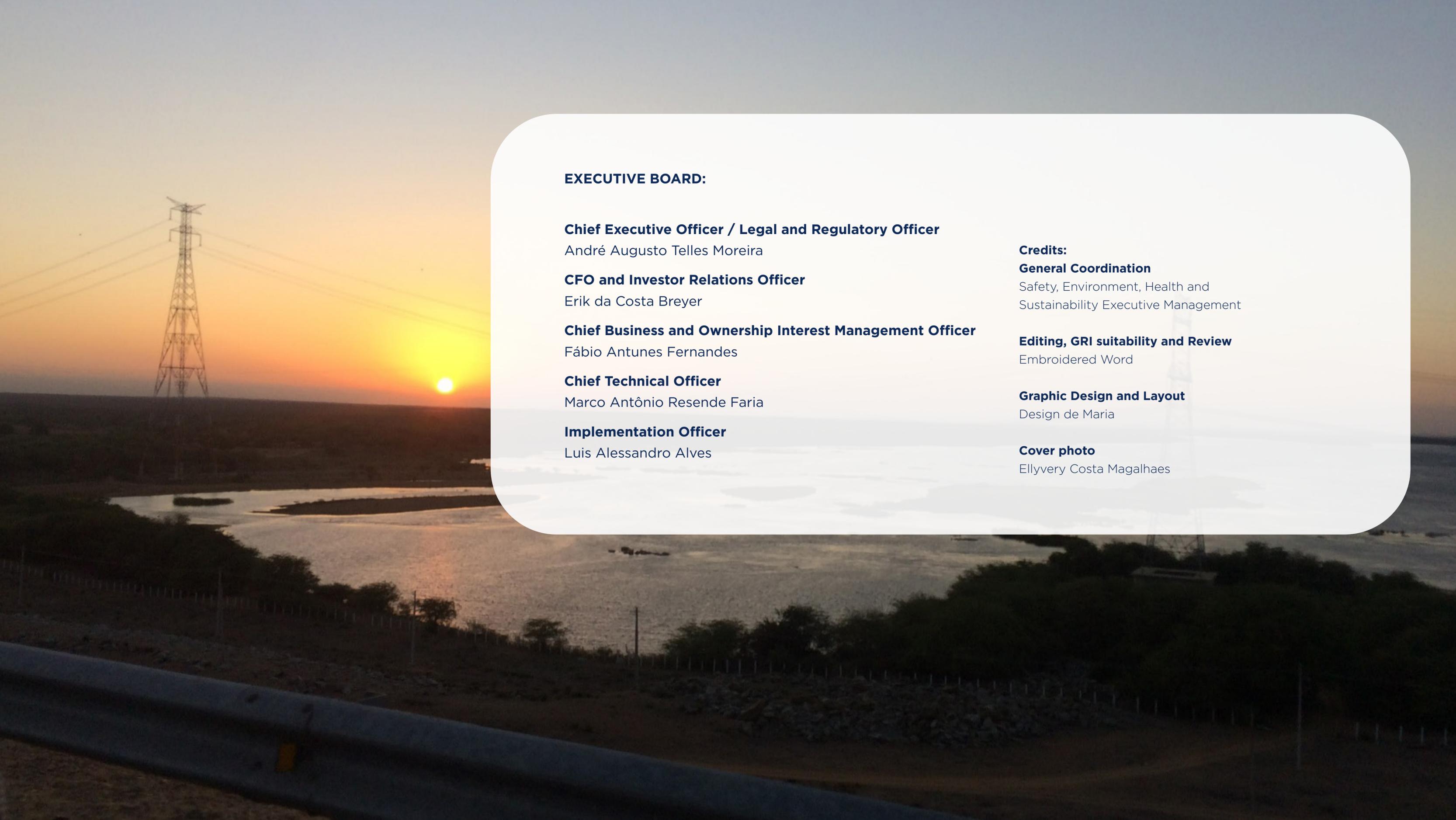
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CFO and Investor Relations Officer

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Chief Technical Officer

Marco Antônio Resende Faria

Implementation Officer

Luis Alessandro Alves

Credits:

General Coordination

Safety, Environment, Health and
Sustainability Executive Management

Editing, GRI suitability and Review

Embroidered Word

Graphic Design and Layout

Design de Maria

Cover photo

Ellyvery Costa Magalhaes



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