

Eletrobras

Annual Report 2021



Eletrobras

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Annual report 2021

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Foreword

Welcome to our 2021 Annual Report, an account of our initiatives, results and achievements in the previous year, and our vision for the future.

We have again prepared the report in accordance with the Eletrobras Group Sustainability Framework, covering economic, environmental, social and governance (EESG) aspects. The report has been organized into four integrated pillars: Principles of governance, Planet, People and Prosperity.

If you have any questions or feedback about this report, please write to sustentabilidade@eletrobras.com

GRI 102-53

This report is signposted with icons referencing the methods used in compiling disclosures, including:

- Material topics
- GRI disclosures
- Integrated Reporting capitals*
- The SDGs within the UN’s 2030 Agenda



Formulated by the **International Integrated Reporting Council (IIRC), the capitals framework describes a set of resources and competencies that are the basis of an organization’s value creation*



Natural capital:
natural resources



Financial capital:
financial resources



Manufactured capital:
the buildings, equipment
and infrastructure used
by the business



**Human capital: the skills and
competencies
of people in the organization**



Social and relationship capital:
relationships within and outside the
organization



Intellectual capital:
knowledge created

Message from management

GRI 102-14

As we approach our 60th anniversary, each of the previous years in our journey has borne witness to our achievements and to our ability to surmount challenges. And 2021 was no different. Having achieved new milestones that are now inscribed in our six decades of history, in this report we describe our results in the previous year and, as importantly, the plans that will enable us to achieve even more going forward.

Amid a pandemic that is still ongoing in parts of the world, Eletrobras again illustrated the valuable role we play in Brazilian society—both by providing power supply throughout the period, and by donating oxygen cylinders to the state of Amazonas as COVID-19 took its severest toll in the state. Within the organization, we continued to mature our governance and the effectiveness of our processes. With a significant proportion of our workforce working from home, we maintained our focus on the health and safety of those working on site.

Following progress on our capitalization program throughout 2021, we are now better positioned to deliver even better results over the coming years. This transformation will support sustained leadership in the power sector, as a leading player in the generation and transmission segment, building on a successful history and world-class governance.

The Eletrobras Group Strategic Plan 2020-2035, in a scenario that factors in our capitalization program, projects investments in excess of R\$ 12 billion per year.



Rodrigo Limp. Photo: Cláudio Ribeiro



Ruy Flaks Schneider. Photo: Eletrobras Archives

We further **matured** our governance and the **effectiveness** of our processes

The projected investment takes account of the loss of entitlement (*descontização*) for power plants whose concessions were extended under Law no. 12 783/2013, and the conclusion of new independent-producer generation concessions that will support continued EBITDA growth. In a non-capitalization scenario, with the quota system maintained, investment capacity would be reduced by half, at R\$ 6 billion per year.

Our Strategic Plan is translated into annually updated Business & Management Master Plans (PDNG) with a horizon of five years. PDNG 2021-2025, with its focus on operational excellence and financial discipline, underpinned our results of operations in the year. We continued to optimize our interests in Special-Purpose Entities, and to build operational, financial and corporate synergies across the Eletrobras Group through the corporate reorganization of Eletronorte and Amazonas GT. We also took important steps toward the completion of Angra 3, a nuclear project that is crucially important for the reliability of the National Grid.

Launched in December 2021, our new Business & Management Master Plan for the period 2022-2026 incorporates our capitalization vision and plans for total investments of R\$ 48.3 billion. The higher investment will support resumed growth in generation and transmission, but with financial discipline. To prepare for this new chapter for the company, the new plan incorporates two strategic initiatives around electricity trading.

Throughout our history, Eletrobras has shown that as important as preparing for the future is actively working to shape the future by creating new and better ways of doing business, in line with our purpose, vision and values. In 2021, in collaboration with the Brazilian Development Bank (BNDES), Eletrobras submitted to the UN an energy pledge titled “Decarbonizing island-

ed grids in the Amazon by replacing diesel generators with clean, renewable and affordable energy sources.” Combining sustainability with innovation, this initiative demonstrates how the Sustainable Development Goals have been embedded in Eletrobras’s strategy.

As a signatory of the Global Compact, Eletrobras is proud of the recognition we have received from the market for our ongoing efforts, including improved scores for our *Carbon Disclosure Project* (CDP) questionnaires and Bronze Class distinction in S&P’s Sustainability Yearbook, an annual publication listing companies with outstanding sustainability management practices. 2021 also saw the launch of an ambitious corporate education program on business sustainability and strengthening leadership.

We have continued to prioritize, and have made significant progress on, stakeholder engagement and transparency—we received a Pró-Ética Mark from the Office of the Federal Comptroller General (CGU); the top compliance rating in an assessment within the National Anti-Corruption Program of the Federal Audit Court (TCU); the top score in our IG-SEST certification for excellence in governance; and a Transparency Trophy, awarded to companies that demonstrate best practices in financial reporting.

In a year disrupted by the water crisis, Eletrobras’s

high-performing assets played a crucial role as we continued to generate and transmit electricity and transform the lives of millions of Brazilians. We would like to extend our thanks to our workforce for their dedication and excellence, and pay a respectful tribute to the employees who lost their lives as a result of the pandemic.

We would also like to thank each of our shareholders and other stakeholders for your partnership and recognition throughout our 60-year history. It is this trust that gives us the credibility for our next steps—we recognize that a promising tomorrow can only be achieved by reconciling environmental, social, economic and governance performance. The future of Brazil and the wider power sector can rely on Eletrobras’s full energy.

Rodrigo Limp
CEO of Eletrobras

Ruy Flaks Schneider
Chair of the Board of Directors

We continued to prioritize and made significant progress on stakeholder **engagement** and transparency in 2021

2021 at a glance



On July 1, 2021, we completed the **merger** of Amazonas GT into Eletronorte ([page 12](#))



We invested **R\$ 508.5 million** in an extensive pipeline of technology and innovation projects across Elektrobras Group, a year-on-year **increase of 8%**



21 employees received accolades in the first edition of the Elektrobras Group Innovation Awards, a program created to recognize innovative solutions developed in-house



Greenhouse gas emissions rose by **37%** as a result of increased dispatching of thermal power plants



We launched our first Call for Social and Environmental Projects. Ten projects were selected to receive total funding of **R\$ 3 million**

We also allocated **R\$ 9 million** to culture projects, **R\$ 3.9 million** to sporting initiatives, and **R\$ 1.3 million** to science and innovation projects



Launched the Global Alliance for Sustainable Energy as a co-founder



Elektrobras was certified in 2021 to issue green bonds to fund transmission projects, and has issued its first green bonds for **R\$ 185 million**



For the sixth consecutive year we linked senior management's variable compensation to a set of ESG targets, including targets on climate change, energy efficiency, health and safety, research and development, supplier due diligence, and gender equity

2021 at a glance



44%

EBITDA growth on 2020, to R\$ 15,132 million



Net income of
R\$ 5.7 billion
in 2021 and
R\$ 37.7 billion
over the last four years



Eletrobras Group companies generated
R\$ 10.1 billion
in federal, state and municipal taxes,
equivalent to 20% of total Group revenues



We further enhanced transparency around sustainability: we implemented a dedicated channel to improve stakeholder engagement around EESG issues, and launched a tool on our website that reports on our sustainability performance against different frameworks, including the: GRI Standards, SASB, TCFD, Integrated Reporting Framework, Global Compact, and 2030 Agenda



We launched an ambitious Corporate Education program, called the “Sustainability Pathway”, to develop our employees’, leaders’ and senior management’s EESG skills



We received a Bronze Class distinction in S&P’s Sustainability Yearbook, a publication listing companies with outstanding sustainability governance.

We submitted to the UN, along with the Brazilian Development Bank (BNDES), an energy pledge titled “Decarbonizing islanded grids in the Amazon by replacing diesel generators with clean, renewable and affordable energy sources.”

We received a *Pró-Ética* Mark 2020-2021 from the Federal Audit Court for our parent company, Eletronorte and Furnas. The certification recognizes top management’s commitment to integrity and compliance policies and procedures

We were recognized for the first time with a Transparency Trophy 2021 presented by the Brazilian Association of Finance, Business Management and Accounting Executives (ANEFAC)

Our business dimension





GOVERNANCE

MATERIAL TOPICS

- Governance, integrity and ethics
- Risk management

CAPITALS



IN THIS CHAPTER:

- **About Eletrobras**
- **Integrity Program**
- **Risk management**
- **Sustainability Management System**
- **Strategic planning**

Governance

The definition of Governance is evolving as organizations are increasingly expected to define and embed their purpose at the center of their business. Governance is foundational to achieving long-term value, by aligning and driving financial, environmental and societal performance, as well as by ensuring accountability and building legitimacy with stakeholders.



Integrity Week. Photo: Cláudio Ribeiro

GRI 103-2, 103-3

As a publicly traded company, Eletrobras operates to high standards of corporate governance in line with the requirements of the markets in which we operate. Senior management works continuously to ensure that our policies are up to date and in line with industry best practices and applicable laws and regulations, such as the Government-Owned Companies Act (Law no. 13 303/16) and Decree no. 8 945/16.

Through this journey we have developed a well-structured, robust governance framework to ensure the long-term sustainability of the business. We see ethics as overarching the foundational principles of our governance practices: transparency, equity, accountability and corporate responsibility.

In 2021 we continued to pursue our cultural transformation at Eletrobras—integrating our operations and processes, and bringing our teams closer together Group-wide so they are aligned with our identity while preserving their inherent diversity.

We have ensured our policies are kept up to date: in 2021 we revised our Rules of Procedure for Shareholders' Meetings and our Related-Party Transactions Policy. After being revised toward the end of 2020, the new version of our Bylaws was published in January 2021, introducing a number of important amendments. The primary goal in these amendments was to align our Bylaws with the master bylaws for Federal Government-owned corporations, as published by the Office for Coordination and Governance of State-

Owned Enterprises (SEST), and with the Organization for Economic Cooperation and Development's (OECD) Guidelines on Corporate Governance of State-Owned Enterprises.

The most significant changes introduced by these guidelines include: appropriate handling of conflicts of interest involving members of management; greater transparency around activities carried out in the public interest; and an enhanced process for selecting key executives, including a new succession plan implemented by the People, Eligibility, Succession & Remuneration Committee, which advises the Board of Directors in managing succession for key executives.

We published a new version of our **Bylaws** with important amendments

About Eletrobras

8 10

Eletrobras (Centrais Elétricas Brasileiras S/A) has a nation-wide presence and accounts for 28% of installed generation capacity in Brazil. Most (approximately 97%) of our installed capacity derives from low-carbon energy sources: hydro, wind, solar and nuclear. This helps to make Brazil's energy mix one of the cleanest in the world. Coal, natural gas and diesel power plants account for just 3.01% of our installed capacity.

GRI 102-1, 102-6

In transmission, Eletrobras operates 74,088 kilometers of transmission lines¹, including 66,556 kilometers of corporate transmission lines and 7,532 kilometers operated through our stakes in Special Purpose Entities (SPEs). Within the Backbone Grid only (voltage ≥ 230 kV), we operate 68,359 kilometers of transmission lines, corresponding to 40.2% of the National Grid.

GRI 102-2

Created by Law no. 3 890-A/1962, Eletrobras is currently the leading generation and transmission company in Latin America. We are a publicly traded company majority-owned by the Brazilian Federal Government. In 2021 we supported 13,433 direct jobs. GRI 102-5, 102-7, 102-8

¹ Across all voltage levels (corporate and SPE transmission lines)

² Sources with low greenhouse gas (GHG) emissions

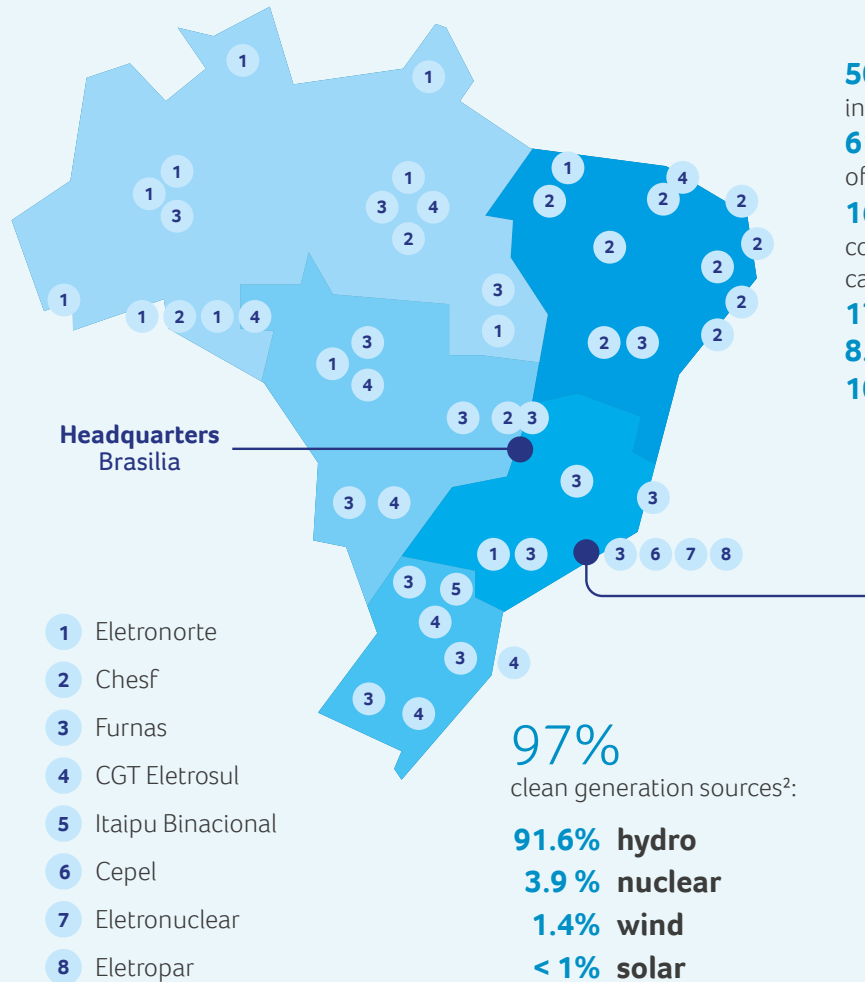
³ The Teles Pires and São Manoel hydropower plants are deemed to be in the North region and the Itumbiara hydropower plant is deemed to be in the Southeast. These three dams are located on the border between regions.

⁴ Across all voltage levels (corporate and SPE transmission lines)

Our presence by the numbers

EU 1, 2 e 4, GRI 102-4, 102-6, 102-7

7



50,515.2 MW⁴
in installed capacity in 2021

61%
of assets wholly owned

16%
co-owned, including half of the installed capacity of Itaipu Binacional (7,000 MW)

178,812 GWh generated⁴

8.4% < 2020

105 power plants in operation

97%
clean generation sources²:

- 91.6% hydro**
- 3.9% nuclear**
- 1.4% wind**
- < 1% solar**

28%³
of Brazil's capacity:

- 39% North**
- 21% Northeast**
- 20% Southeast**
- 16% South**
- 3% Midwest**

3.0%
of our installed capacity derives from conventional thermal power plants

(coal, diesel and natural gas), representing a relatively small share of non-renewable sources in our installed capacity

Transmission
74,088¹ km of transmission lines
66,556 km of corporate transmission lines and
7,532 km operated via stakes in Special-Purpose Entities

A Brazilian company with a Latin American presence

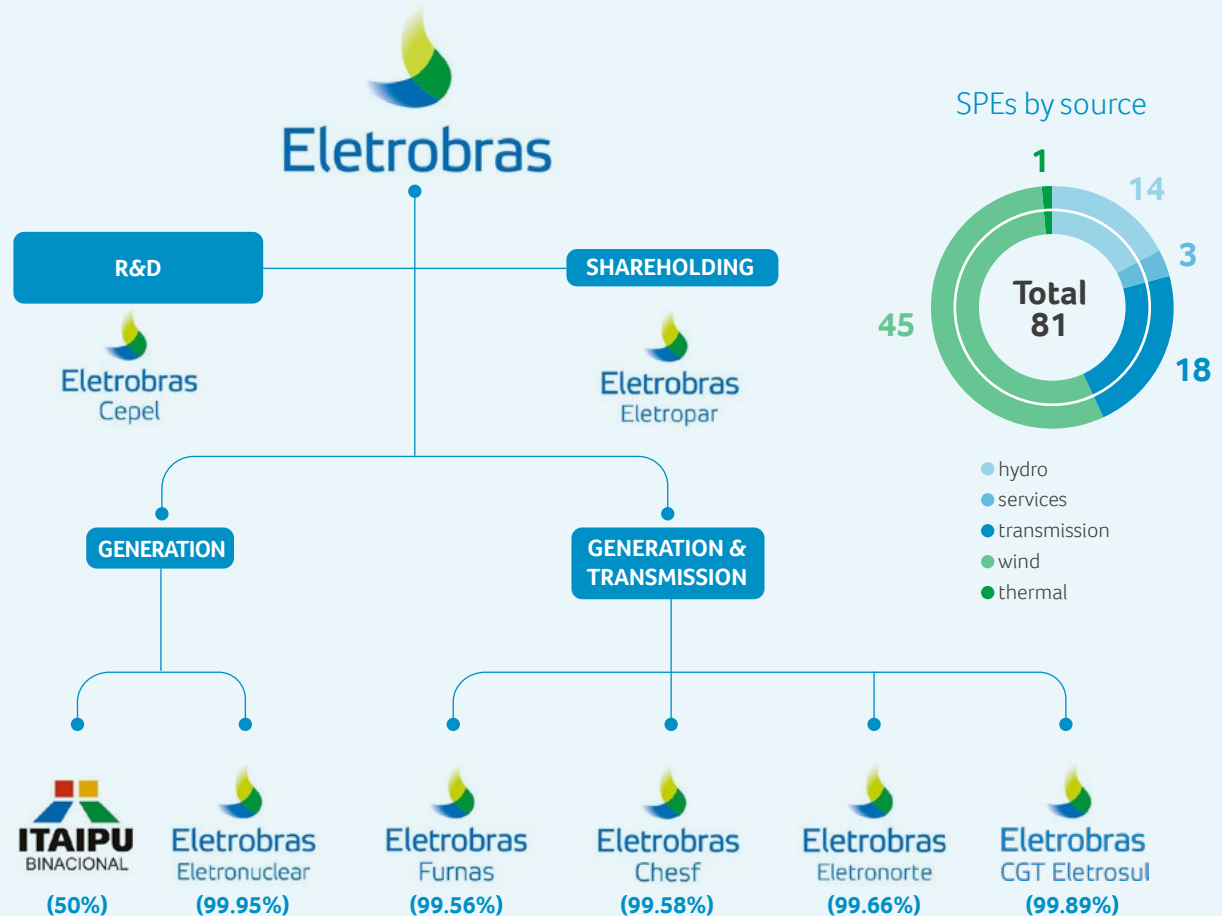
Electrobras was founded in Rio de Janeiro in 1962. In 2022 we celebrated our 60th anniversary amid a series of transformations and with a commitment to pursuing even more robust investments.

We currently majority-own five subsidiaries, CGT Eletrosul, Chesf, Eletronorte, Eletronuclear and Furnas. On July 1, 2021, Amazonas GT was merged into Eletronorte.

We are also the lead sponsors of Cepel and owners of Eletropar. We additionally own, on behalf of the Brazilian Government, 50% of Itaipu Binacional.

In 2008 we launched an internationalization program focused on the electrical integration of Latin American countries, with each of our projects aligned with the Electrobras approach of using clean, renewable energy and continuously minimizing and mitigating environmental risks. We ended 2021 with eight international generation assets totaling 4.7 GW in installed capacity. In the transmission segment, we operate a total of 1,500 kilometers of transmission lines connecting countries such as Argentina, Uruguay and Venezuela. We have also continued to progress on studies toward the development of the Arco Norte Project, a 1,900 kilometer transmission system traversing Brazil, Guyana, Suriname and French Guiana.

Electrobras group ownership structure



81 SPEs,
including 2 in the process of being merged, 14 being wound up and 1 put up for sale. We have stakes in 17 SPEs in Brazil and two outside Brazil—18 in generation and 1 in transmission.

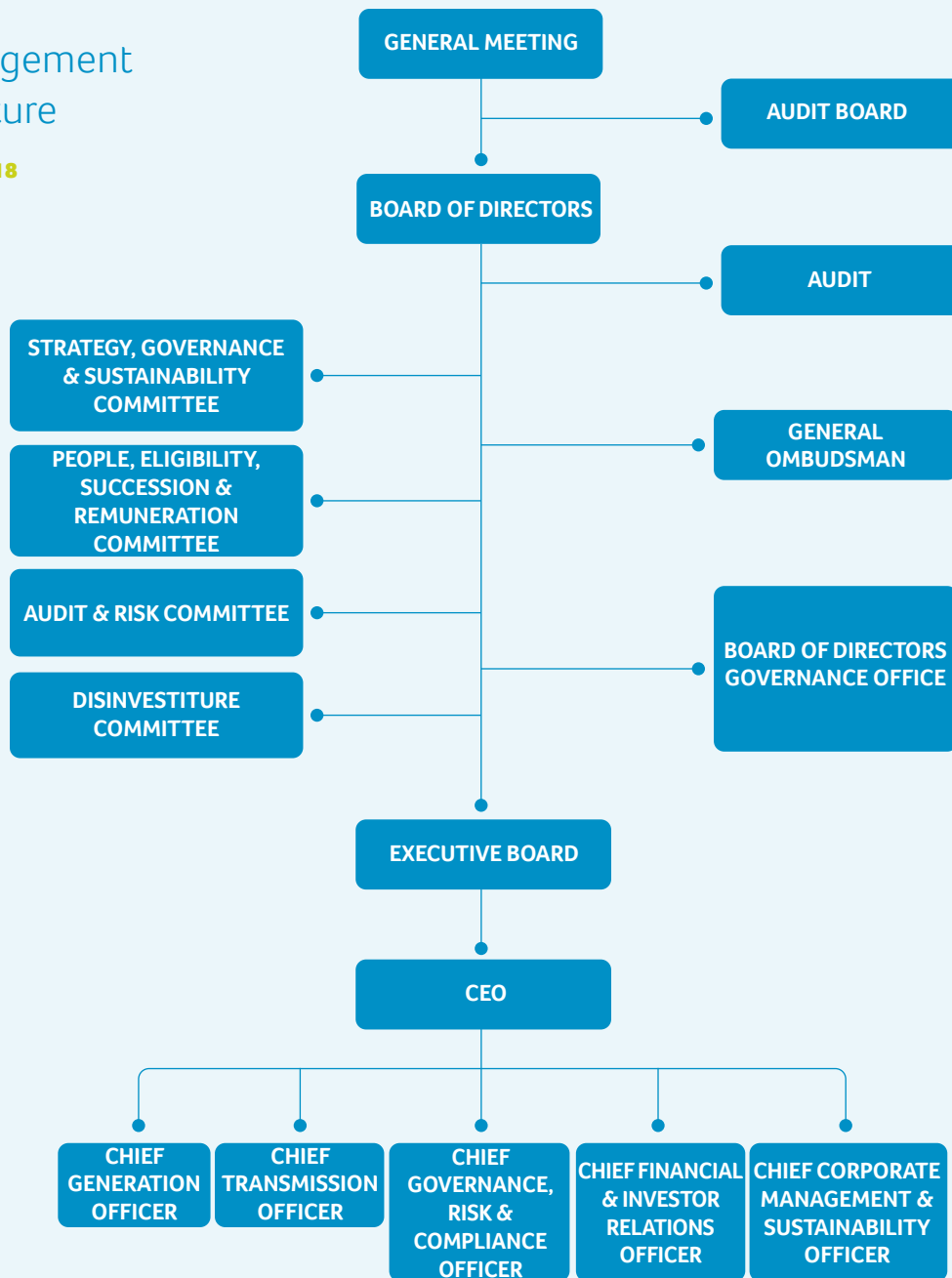
Ownership structure

SHAREHOLDERS	COMMON	%	PREFERRED. "A"	%	PREFERRED. "B"	%	TOTAL	%
Controlling Shareholder								
Federal Government	667,888,884	51.82	0	0	494	0.00	667,889,378	42.57
BNDESpar	141,757,951	11.00	0	0	18,691,102	6.68	160,449,053	10.23
BNDES	74,545,264	5.78	0	0	18,262,671	6.52	92,807,935	5.92
FND	45,621,589	3.54	0	0	0	0.00	45,621,589	2.91
FGHAB	1,000,000	0.08	0	0	0	0.00	1,000,000	0.06
Other	358,028,908	27.78	146,920	100.00	242,987,127	86.80	601,162,955	38.31
Non-controlling shareholder								
CLBC Custody								
Resident	187,430,365	14.54	83,512	56.84	140,131,240	50.06	327,645,117	20.88
Non-Resident	118,452,220	9.19	1	0.00	86,130,684	30.77	204,582,905	13.04
ADR Program	52,065,112	4.04	0	0.00	5,340,887	1.91	57,405,999	3.66
Other								
Resident	80,965	0.01	20,929	14.25	9,348,108	3.34	9,450,002	0.60
Non-Resident	246	0.00	27	0.02	213	0.00	486	0.00
Total	1,288,842,596	100	146,920	100	279,941,394	100	1,568,930,910	100

Management structure

GRI 102-18

16



General Stockholders' Meeting

In 2021 we held one Annual General Meeting (AGM) and one Extraordinary General Meeting (EGM). Eletrobras's 176th EGM addressed the transfer of all shares in Amazonas GT to Eletronorte; the 177th EGM addressed the approval of a capital increase and the amendment of our Bylaws; the 178th EGM was concurrent with the 60th AGM and addressed amendments to our Bylaws; and the 179th EGM discussed the disposal of interests in SPEs. In all four EGMs, we provided shareholders the option to vote by absentee ballot, supporting substantial quorums of respectively 86.22%; 85.22%; 83.21 and 82.07%.

In 2021 **100% of shares** in Amazonas GT were transferred to Eletrobras Eletronorte

Board of Directors

GRI 102-22, 102-23, 405-1

8 16

Click on the name of each Board member for a short biography.

Chair
Ruy Flaks Schneider



Daniel Alves Ferreira



● Independent members

Felipe Villela Dias



Jerônimo Antunes



Rodrigo Limp Nascimento



Marcelo de Siqueira Freitas



11 members*
4 independent



Carlos Eduardo Rodrigues Pereira
(Employee representative)



Bruno Eustáquio Ferreira Castro de Carvalho



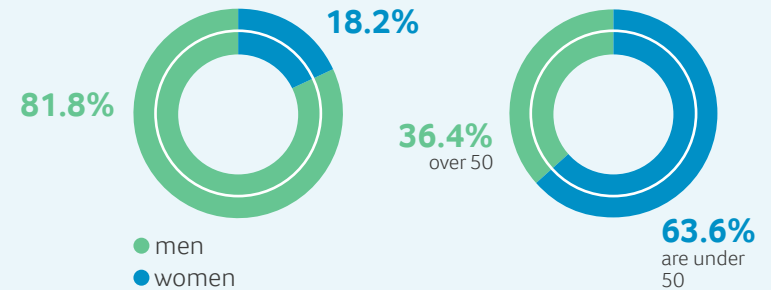
Armando Casado de Araújo*



Ana Silvia Corso Matte



Ana Carolina Tannuri Laferté Marinho



100% white

A UNIFIED TERM OF 2 YEARS, renewable for an additional 3 consecutive terms

1.61-YEAR AVERAGE TENURE of Board members

Length of service

Up to 1 year **54.5%**
1 to 3 **45.5%**

DIVERSIFIED ACADEMIC BACKGROUNDS in fields such as business management, accounting, law, electrical engineering, production engineering, mechanical engineering and civil engineering.

THE CHAIRMAN OF THE BOARD OF DIRECTORS is appointed by members.

- Seven members appointed by the Minister of Mines & Energy
- One member appointed by the Minister of the Economy
- One member appointed by minority shareholders holding common stock
- One member appointed as a representative of employees
- One member appointed by minority shareholders holding preferred stock

*As announced to the market on 1/13/2022, Director Armando Casado de Araújo has resigned.

Committees

Since 2018 the Board of Directors has been advised by three committees: the Strategy, Governance & Sustainability Committee; the People, Eligibility, Succession & Remuneration Committee; and the Audit & Risk Committee, all of which are currently contemplated in our Bylaws. Active Board member participation on these committees has supported sound decision-making. Each ordinary Board meeting includes a dedicated session in which committee representatives deliver a presentation on committee activities.

Statutory Audit & Risk Committee

The Audit & Risk Committee advises and provides recommendations to the Board on matters such as the internal audit, financial reporting and independent audit; oversight and risk appetite; internal controls; and risk management and financial management, increasing the effectiveness and quality of Board decisions.

People, Eligibility, Succession & Remuneration Committee

The People, Eligibility, Succession & Remuneration Committee advises and provides recommendations to the Board on risks and strategies regarding the nomination, performance assessment, succession and compensation of members of the Board of Directors, the Fiscal Board, the Audit & Risk Committee, external members of the People, Eligibility, Succession & Remuneration Committee and the Strategy, Governance & Sustainability Committee, enhancing the effectiveness and quality of Board decisions.

Statutory Audit & Risk Committee

NAME	START OF TENURE	POSITION
Jerônimo Antunes	5/17/2021	Coordinator
Felipe Villela Dias	5/28/2021	Member
Daniel Alves Ferreira	6/01/2021	Member
Luiz Carlos Nannini	5/11/2020	External member
Luis Henrique Bassi Almeida	2/22/2021	External member

People, Eligibility, Succession & Remuneration Committee

NAME	START OF TENURE	POSITION
Marcelo de Siqueira Freitas	4/27/2021	Coordinator and member
Ruy Flaks Schneider	4/27/2021	Member
Ana Maria Corso Matte	4/27/2021	Member

Strategy, Governance & Sustainability Committee

The Strategy, Governance & Sustainability Committee advises and provides recommendations to the Board on planning, guidelines, goals, strategic indicators and targets, innovation initiatives, and sustainability and governance practices, increasing the effectiveness and quality of Board decisions.

NAME	START OF TENURE	POSITION
Bruno Eustáquio Ferreira Castro de Carvalho	4/27/2021	Coordinator
Carlos Eduardo Rodrigues Pereira	4/27/2021	Member
Armando Casado de Araújo	4/27/2021	Member*

* As announced to the market on 2/13/2022, Director Armando Casado de Araújo has resigned.

Fiscal Board

The Fiscal Board consists of five members and an equal number of alternates who are elected in the General Meeting for a term of two years, renewable for a maximum of two consecutive terms.

NAME	START OF TENURE	POSITION
Domingos Romeu Andreatta	4/27/2021	Chairman and member
Ricardo Takemitsu Simabuku	4/27/2021	Substitute
Antonio Emilio Bastos de Aguiar Freire	4/27/2021	Member
Giuliano Barbato Wolf	4/27/2021	Substitute
Carlos Eduardo Teixeira Taveiros	4/27/2021	Member
Robert Juenemann	4/27/2021	Substitute
Rafael Rezende Brigolini	4/27/2021	Member
Rafael Souza Pena	4/27/2021	Substitute
Thaís Márcia Fernandes Matano Lacerda	4/27/2021	Member
Ingrid Palma Araújo	4/27/2021	Substitute

Executive Board

The Executive Board is composed of a CEO and up to six officers appointed by the Board of Directors, serving a unified term of two years, renewable for a maximum of three consecutive terms in accordance with the Government-Owned Companies Act (Law no. 13 303/2016).



CEO
Rodrigo Limp Nascimento



Chief Governance, Risk & Compliance Officer
Camila Gualda Sampaio Araújo



Chief Generation Officer
Pedro Luiz de Oliveira Jatobá



Chief Transmission Officer
Marcio Szechtman



Chief Financial & Investor Relations Officer
Elvira Baracuh Cavalcanti Presta



Chief Corporate Management & Sustainability Officer
Luiz Augusto Pereira de Andrade Figueira

Independent assessment of governance bodies

GRI 102-28

All members of the Board of Directors, the Fiscal Board and all advisory committees are assessed individually and collectively on performance. Assessment results are compiled into a report, and respondents receive feedback in meetings on actions to address identified opportunities for improvement. Since 2018, these performance assessments have been conducted by independent consultants at all Eletrobras Group companies.

The assessment process also includes structured interviews, self assessment and customized assessments for the chairpersons of the Fiscal Board and the Board of Directors, and for all CEOs, who also attend a feedback meeting to discuss assessment results. The assessment criteria cover three pillars: skills, results, and roles and responsibilities.

The **assessment criteria** for the Board of Directors include skills, results, and roles and responsibilities

Selecting senior leadership and assessing performance

GRI 102-24

16

Candidates for membership of the Board of Directors are required to meet certain prerequisites outlined in Law no. 6 404/76, Law no.13 303/16, Decree no. 8 945/16, our Bylaws and other applicable legal and regulatory requirements. The selection process includes searches on sanctions databases by our ethics committees, pursuant to article 22 of Decree no. 6 029/2007; searches on the websites of the Brazilian Securities Commission (CVM), the Federal Audit Court (TCU), the Higher Electoral Court (TSE) and State Audit Courts (TCEs); searches on the databases of our internal Ombudsman departments; and consultation with the People, Eligibility, Succession & Remuneration Committee, in accordance with Decree no. 8 945/16. Consolidated information from the integrity function's assessment is submitted for approval by the Executive Board and, where applicable, the Board of Directors, depending on the workflow outlined in the Nomination Rules.

Minutes of meetings to elect members to the Board of Directors and executives are required to describe the qualifications of each appointee and their term.

Where applicable law requires that certain requirements be met for a particular management position at Eletrobras, then that position may only be filled by a person demonstrated to meet those requirements.

Members are appointed to advisory committees to the Board of Directors following an Annual General Meeting, and their roles and responsibilities and rules on committee composition are described in those committees' rules of procedure.

Initiatives to improve the director and officer nominations process are outlined in the Eletrobras Group Board of Directors and Executive Board Nominations Policy.

Members are appointed to advisory committees to the Board of Directors only after an **Annual General Meeting**

Management training

GRI 102-27, EU 14

8

Every year, the members of our Board of Directors, Fiscal Board and Executive Board attend a wide range of group-specific training activities, including ESG training. The goal is to ensure the consistent and continuous development of members of our governance bodies.

In 2021, the Eletrobras Senior Leadership Development Program organized lectures on a variety of topics, including compliance, corporate affairs, good governance practices, climate change, cyber risks, ESG disruption, and third-party integrity assessments. We also provided Diversity & Inclusion training to members of the Gender, Race and Diversity Committees of the Ministry of Mines & Energy and agencies under it.

Due to the COVID-19 pandemic, training was administered via videoconferencing. Some of the training topics addressed in the year included: risks and opportunities in the power sector; SOX; welcoming new board members; related-party transactions; cyber risks in the power sector; climate change; compliance and governance; corporate affairs; third-party integrity assessments; and ethics and integrity.

Roles and responsibilities of senior management

GRI 102-18, 102-19

The Board of Directors (BoD) and the Executive Board are responsible for the overall management of Eletrobras, and their roles and responsibilities are outlined in Eletrobras's Bylaws and internal rules, and are in accordance with applicable law.

The BoD is responsible for establishing management guidelines for the Executive Board, as recommended by or proposed to BoD members from time to time. The BoD is also responsible for exercising high-level oversight of Eletrobras, enforcing compliance with BoD guidelines, monitoring execution of approved programs, and assessing results. Guidelines are established on the basis of proposal submitted by members of the BoD or the Executive Board. Our Strategy, Governance & Sustainability Committee, which reports directly to the Board of Directors, is responsible for monitoring and overseeing performance against our climate-related targets, the 2030 Agenda and our Sustainability Policy. Monthly BoD meetings include an ESG session and a technology session, in which these topics are addressed.

The Executive Board is responsible for the overall management of Eletrobras in accordance with the guidelines laid down by the Board of Directors. The CEO is appointed from among members of the Board of Directors, and may not be concurrently serve as chair of the Board of Directors.

The Executive Board may establish working groups as needed to conduct in-depth assessments on management-related matters. Eletrobras has internal rules on delegating powers and limits of authority to authorize expenditure and sign contracts and other documents.

The **Fiscal Board** exercises oversight of management's performance of its duties under applicable law and our bylaws.

The **Internal Audit** assesses the adequacy, efficiency and effectiveness of our internal controls, compliance with applicable laws and regulations and internal and external standards, and adherence to our plans, targets, goals and policies. The Internal Audit reports to the Board of Directors and submits to it an Annual Internal Audit Program outlining a schedule of internal audit activities conforming to applicable regulations. This plan is also submitted to the Office of the Federal Comptroller General (CGU). The Fiscal Board oversees the development of the Annual Internal Audit Program, and recommends action to address any nonconformities.

The roles and responsibilities of the Board of Directors and Executive Board are outlined in our **Bylaws**

Remuneration policies for the Board of Directors, Audit Board and committees

GRI 102-35 and 102-36

The annual remuneration of the Executive Board is approved in an Annual Stockholders Meeting and is consistent with guidelines issued by the Office for Coordination and Governance of State-Owned Enterprises (SEST), under the Ministry of the Economy (ME). All members of the Eletrobras Executive Board are entitled to fixed monthly remuneration consisting of management fees plus benefits. Severance payments for governance-body members and senior executives differ from those paid to other employees as executives are employed under special employment contracts.

Members of the Executive Board are also entitled to Variable Annual Remuneration depending on the extent to which targets agreed annually between Eletrobras and its subsidiaries are met. These targets are derived from the Business & Management Master Plan (PDNG) and individual Group companies' business plans. In addition to approval by the Board of Directors, executive remuneration is required to be approved by the Ministry of Mines & Energy (MME) and SEST. Our parent company has a share-based variable

Remuneration earned by BoD and Audit Board members from 2019 to 2021

	2019	2020	2021
Board of Directors	597,351.44	582,336.02	548,932.25
Fiscal Board	358,410.82	327,690.95	356,778.75
Executive Board	5,707,520.05	6,310,871.99	7,437,033.72
Statutory Audit & Risk Committee ²	1,694,564.52	2,177,886.47 ¹	2,283,211.91

1. Three members elected to receive remuneration for their participation in the committee.

2. The BoD composition changed from four members in 2019 to five members in 2020.

remuneration program in which cash payments are calculated based on the number of reference shares held by executives. This, however, does not make them shareholders of the company. The variable remuneration program is structured based on three groups of indicators: financial matters, public policies (including sustainability aspects) and governance, and compliance

and transparency. Variable remuneration is subject to a five-year clawback, with payments in the second to fifth year contingent on sustained financial performance (net income). These clawback rules increases executive's commitment to business sustainability by entitling Eletrobras to partially or fully recover the remaining installments of variable remuneration.

Managers and employees are entitled to profit sharing linked to their performance on three groups of indicators: economic and financial, public policies (including sustainability aspects) and operational. The program thus addresses financial, environmental and social issues.

Remuneration for members of the Board of Directors and Fiscal Board is fixed at 10% of the average remuneration received by members of the Executive Board (CEO and Executive Officers), excluding direct and indirect benefits to which those members are entitled, pursuant to applicable legislation (Law no. 9 292/96).

Remuneration for members of the Audit & Risk Committee is fixed at 60% of the average remuneration received by members of the Executive Board (CEO and Executive Officers), excluding vacation pay and direct and indirect benefits to which those members are entitled.

Eletrobras managers and employees are eligible to **profit sharing**

The Eletrobras identity

Purpose

We put all our energy into the sustainable development of society.

Vision

To be an innovative, clean energy company, recognized for excellence and sustainability.

Values GRI 102-16

- Respect for people and life
- Ethics and transparency
- Excellence
- Innovation
- Collaboration and recognition

Furnas's Luiz C. B. Carvalho Hydropower Dam. Photo: Roberto Rosa



Integrity program

GRI 103-2, 103-3, 205-1, 205-2

16

The Eletrobras 5 Dimensions Integrity Program, created in 2016, comprises a set of ongoing initiatives to ensure compliance with the laws and regulations applicable to our industry and improve the procedures in place for preventing, detecting and addressing misconduct. Program guidelines are outlined in a set of integrity policies and rules covering all Eletrobras Group companies, and are based on requirements contained in the Brazilian Anti-Corruption Act, the Government-Owned Corporations Act and its related decrees, the Conflict of Interests Act, and the US Foreign Corrupt Practices Act (FCPA).

A unified program

The Eletrobras 5 Dimensions program is a standardized program spanning all Eletrobras Group companies. The program's five dimensions are centered around creating a business management environment focused on compliance; periodic risk assessment; development and implementation of policies and procedures; internal communications and training; continuous program monitoring; and remediation action and penalties. *(Learn more about each of the dimensions in the figure on [page 26](#)).*

Since the program was created, we have implemented a range of integrity mechanisms in order to detect, prevent and address fraud and corruption risks, including mechanisms to: identify the risks to which Eletrobras Group companies are exposed and take appropriate measures to address them; directly assess the integrity

of third parties, such as suppliers, business partners, sponsors, donees and members of corporate governance bodies at companies in which Eletrobras holds equity interests; and provide communications and training to specific audiences, including external audiences such as suppliers and partners.

One of the strategic guidelines under our PDNG 2021-2025 is improving governance and business integrity in line with the goal under our Strategic Plan 2020-2035 to achieve excellence in Governance, Risk Management and Internal Controls (GRC), consistent with international benchmarks. Eletrobras also supports the United Nations (UN) 2030 Agenda and, as a priority, SDG 16 – Peace, Justice and Strong Institutions.

During the year we implemented several improvements to the

Eletrobras 5 Dimensions program, including:

- newly approved Rules on Integrity Assessments at Eletrobras Group Companies;
- improvements to the process for vetting members of governance bodies at Eletrobras Group—a total of 322 were vetted;
- program monitoring automation using Key Performance Indicator (KPI) tools;
- improvements to the whistleblowing management and investigation process, and reorganization of the



An employee attending an event at an Eletrobras auditorium. Photo: Cláudio Ribeiro

remediation and disciplinary action process under a new function to improve transparency and efficiency in handling reports on misconduct.

Integrity Communication and Training Plan

We developed, and the Executive Board approved, our Integrated Integrity Communication and Training Plan 2021-2023. The plan has been standardized across all Eletrobras Group companies to ensure a structured and systematic set of communications and training initiatives for both internal and external audiences, helping to further cement our culture of ethics and integrity. As part of the plan, we launched a range of training and awareness initiatives in the year:

- Distance learning courses on integrity and ethics for all Eletrobras Group employees, as part of a BR GDPR and Anti-corruption web series;
- Distance learning courses on contract integrity for all contract managers dealing with suppliers, sponsors and supported social programs across Eletrobras Group companies;
- Training for report investigation teams across Group companies, with a focus on internal investigations;
- Senior management training on our Integrity Program processes, with an emphasis on our Integrity Assessment Policy;
- Courses on related-party transactions for senior management and managers at all Eletrobras Group companies;
- “Eletrobras Group Integrity & Ethics Week”, with daily online sessions broadcast concurrently to all Group companies, with guest speakers including internal and external experts on anti-corruption behaviors and internationally recognized best-practice compliance tools;
- Podcasts about our whistleblowing channel and investigation and disciplinary processes;
- Integrity quick-guides for suppliers, sponsors and SPE partners.

Monitoring and key performance indicators

12 16

The Integrity Program is monitored by tracking indicators of the effectiveness of integrity mechanisms, including: the number of employees who have been trained on ethics and integrity policies and procedures; the number of suppliers deemed critical for integrity purposes that have undergone due diligence and received training on the policies and practices adopted by Eletrobras Group companies; the number of business partners addressed by awareness raising initiatives; and the number of whistleblowing reports received.

In 2021, we implemented improvements to our supplier integrity assessment system, including updates to the due diligence form and implementation on the Eletrobras Group Supplier Portal, automating the integrity risk rating process.

At our parent company, 55 critical suppliers, 12 sponsors and 13 donation recipients and social projects were assessed on integrity. Across the Eletrobras Group, a total of 451 critical suppliers were assessed on integrity (99.6%), excluding Itaipu, which as a bi-national corporation has its own integrity guidelines and procedures. **GRI 205-1**

Suppliers are classified on the basis of integrity risk into four levels – low, medium, high and very high. The classification is based on information provided in an integrity due diligence form that asks suppliers whether they or any members of their management have been accused of, investigated for, proceeded against or indicted for fraud or corruption in the last ten years, whether and the extent to which

they engage in dealings with government officials, whether they have an Integrity Program in place and the level of program maturity, and the nature of their relationships with third parties. Suppliers are classified automatically based on the completed forms, and for suppliers classified as posing a high or very high integrity risk, the assessment is supplemented by a background check and review to confirm the veracity of the information they have provided, using an automated tool. The result from this process is a report describing issues and areas for attention regarding the relevant supplier, and recommended monitoring during onboarding and throughout the term of the contract.

For employees, on a quarterly basis senior management reviews key performance indicators for training on anti-corruption policies and procedures and industry best practices. Any sensitive issues involving the personal and business relationships between our employees and their managers are identified in a due diligence questionnaire, as part of a preventive approach to employee orientation and remediation. Controls are also tested at the entity level in accordance with the Sarbanes-Oxley Act, ensuring that reliable audit mechanisms are in place for processes such as assessing the integrity of nominees to governance bodies at Eletrobras Group. Another tool we use is a map of interactions with government officials, among other integrity indicators.

Our Integrity Program is monitored by our Compliance Steering Committee, a technical body with representatives from all Eletrobras Group compa-

Senior management is responsible for monitoring the Eletrobras Integrity Program with Support from the Compliance Steering Committee

panies, led by the parent company; the Statutory Audit & Risk Committee; and the boards of directors of Group companies, based on quarterly reports on the effectiveness of internal control systems, and recommendations for improvement. The Governance, Risk & Compliance department works to align our integrity processes with corporate governance, risk management, fraud and internal controls processes.

The Eletrobras 5 Dimensions program is also regularly audited to inform continuous improvement based on audit recommendations.

In 2021 we received recognition from the leading Brazilian agencies responsible for oversight of government-owned corporations, a testament to our commitment to anti-corruption and efforts to enhance the maturity of our integrity program. We were recognized by the Office of the Federal Comptroller General (CGU) with a **Pró-Ética Mark 2020-2021**, following an extensive assessment of our Integrity Program by a CGU committee, in which we were required to provide evidence of practices regarding tone from the top; compliance policies and procedures; training and communications initiatives; whistleblowing channels; risk assessment and monitoring; transparency; and social responsibility. In this edition of the **Pró-Ética** program, more than 300 companies were assessed, with 67 passing the



Eletrobras representatives receiving *Pró-Ética* certification on behalf of the company in Brasilia (DF). Photo: Public release

assessment. In addition to our parent company, Eletrobras Eletronorte and Eletrobras Furnas also received a **Pró-Ética** Mark.

During the year we also joined the **National Corruption Prevention Program's (PNPC)** e-prevention initiative, launched by the **Federal Audit Court** and other agencies as a platform for assessing an organization's performance in implementing good practices for preventing, detecting, investigating, remediating and monitoring fraud and corruption. We achieved the most advanced level of compliance.

Action against corruption

GRI 103-2, 103-3

16

Since March 2021, Eletrobras has spearheaded initiatives on the Global Compact Network Brazil's Anti-corruption Platform, enhancing engagement around its guiding principles. The platform brings together a group of companies that are highly engaged around disseminating a culture of ethics and integrity in the corporate world. The Anti-corruption Platform provides a tool for developing programs, delivering training and sharing experience to influence people and companies and provide a better understanding of risks and opportunities in fighting corruption.

The platform also has committees that brainstorm and develop anti-corruption initiatives for the value chain, helping to identify and deploy new technologies to aid the fight against corruption, and conduct surveys on companies' culture of integrity and anti-corruption communications initiatives.

Platform activities primarily support Sustainable Development Goal (SDG) 16, to build peaceful, just and inclusive societies. The platform's overarching goals are to substantially reduce corruption in all its forms and develop effective, responsible and accountable institutions at all levels.

Among the benefits of the platform are its collective anti-corruption initiatives, which demonstrate an organization's commitment to corporate social responsibility principles and effective compliance programs that disseminate a culture of ethics and integrity among stakeholders and encourage the market, including the supply chain, to follow suit.

Among the Global Compact Network Brazil's initiatives is the **100% Transparency Movement**, which Eletrobras has recently joined. The movement aims to champion institutional and public commitments around transparency, creating a virtuous cycle of self-assessments and outreach across the value chain. Eletrobras has pledged to achieve progress toward five targets by 2030: 100% transparency in dealings with government officials; 100% integrity in top management compensation; 100% of the high-risk value chain trained on integrity; 100% transparent compliance and governance structure; 100% transparent whistleblowing channels.

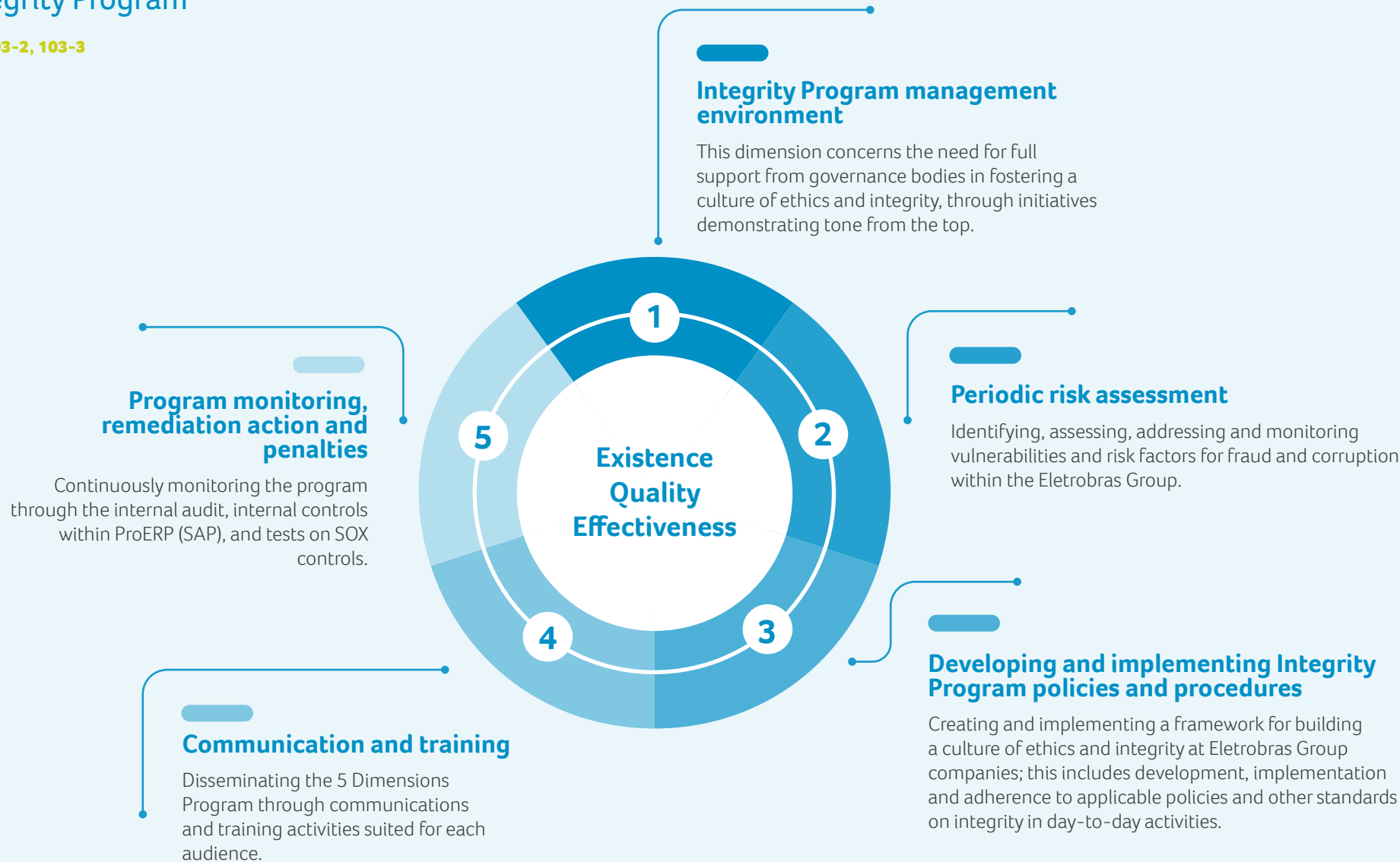


Managers and employees during an event at our parent company. Photo: Cláudio Ribeiro

Since March 2021, Eletrobras has spearheaded initiatives on the Global Compact Network Brazil's **Anti-corruption Platform**

The Five Dimensions of the Eletrobras Group Integrity Program

GRI 103-2, 103-3



Our integrity policies GRI 102-16, 103-2, 205-1

16

- 1) Eletrobras Group Code of Ethical Conduct & Integrity
- 2) Eletrobras Group Anti-Corruption Policy
- 3) Eletrobras Group Conflict of Interest Policy
- 4) Integrity Program Rules

- 5) Integrity Assessment Rules
- 6) Integrity Monitoring Rules
- 7) Eletrobras Group Consequences Policy
- 8) Rules on Managing and Addressing Reports and Violations

Other documents also incorporate corporate integrity requirements to ensure that our 5 Dimensions Integrity Program guidelines are implemented in activities subject to a heightened level of risk for fraud and corruption. Among these documents is our Sponsorship Policy, Procurement Policy, the Eletrobras Group Board of Directors and Executive Board Nominations Policy, and our Bidding and Contracting Rules.

Anti-corruption training and communication* GRI 205-2

YEAR	CORPORATE GOVERNANCE BODIES		MIDDLE-MANAGEMENT EMPLOYEES		EMPLOYEES IN UNIVERSITY-LEVEL POSITIONS		EMPLOYEES IN NON-UNIVERSITY LEVEL POSITIONS		SPEs	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Total (members/employees/business partners)	142	122	1,090	1,125	4,192	4,048	7,245	6,953	54	49
Total informed about Eletrobras's anti-corruption policies and procedures	142	119	1,085	1,125	4,187	4,048	7,230	6,953	53	49
Percentage informed about Eletrobras's anti-corruption policies and procedures	100%	97.54%	99.54%	100%	99.88%	100%	99.79%	100%	98.1%	100%
Total that received anti-corruption training	125	109	1,074	1,092	3,937	3,921	6,794	6,538	-	-
Percentage that received anti-corruption training**	88.03%	89.34%	98.53%	97.07%	93.92%	96.86%	93.78%	94.03%	-	-

* Data for Itaipu have been presented separately as the company is subject to dual legislation as a bi-national corporation, and has its own anti-corruption policies and procedures.

** Only members of governance bodies and employees undergo anti-corruption training. Employee training data includes Sustainability Pathway distance learning courses on Integrity & Ethics, delivered to all employees in 2021; **ad hoc** training such as contract integrity training delivered to contract managers at all Eletrobras Group companies; and lectures during Ethics & Integrity Week.

Ethics GRI 102-33

16

Eletrobras has a Code of Ethical Conduct & Integrity (revised in 2020) that is disseminated to all employees, contractors and suppliers. Questions about the Code can be addressed by email to eticaevoce@eletrobras.com. Eletrobras works constantly to perfect its processes for improving engagement with different stakeholders.

The Ombudsman's Office ([click here](#)) is the primary channel for interaction between Eletrobras and stakeholders. It is responsible for receiving and processing all types of reports and concerns, including whistleblowing reports, from both internal and external stakeholders. The Ombudsman's Office works toward a goal of improving processes and enhancing transparency around Eletrobras's activities, by identifying risks and opportunities for improvement in corporate management.

Submissions to the Ombudsman's Office can be made via our website, by telephone (during business hours), in person (except in 2021 due to the COVID-19 Pandemic), by snail mail, and by email (ouvidoria@eletrobras.com). Submissions can be made both by internal stakeholders (employees, contractors, interns) and external (consumers, partners, suppliers, customers) stakeholders. Reports can be made on an identified basis, confidentially or anonymously. In all three situations, reports are addressed in the same fashion. In July 2021 the whistleblowing channel was placed under the management of an independent firm.

Reports on whistleblowing activity were previously submitted on a monthly basis to the Fiscal Board and since July 2021 have been submitted on a quarterly basis, as with the Statutory Audit Committee and Board

of Directors. These reports are also submitted to other parties involved in the whistleblowing management process, including the Investigation, Ethics and Disciplinary Action Committee (created this year within the holding company) and the Integrity System Committee. Also in 2021, the Ombudsman's Office at the holding company was tasked with ensuring active transparency by publishing information on the Information Access Portal ([visit the portal here](#)).

The Ombudsman's Office also reports on its activities on a monthly basis to internal stakeholders; reports with statistics on concerns received and addressed are published on the intranet and distributed to all employees and the Executive Board. Every six months, the Ombudsman's Office submits a report on results to the Executive Board.

On an annual basis, the General Ombudsman's Office publishes a report with key performance indicators, available [here](#).

We have worked to improve the process for managing and addressing whistleblowing reports and remediation action, including those involving members of senior management. We are also structuring a new approach to disciplinary action for individuals and legal entities.

Pursuant to Law no. 13 460/17 (on the participation, protection and rights of public services users), reports received by the Ombudsman System must be responded to within 30 days, extendable once by an additional 30 days.

In 2021, Eletrobras Group companies launched a program, called **Conecta Ouvidoria** ("Connected Ombudsman"), designed to connect to stakeholders, build closer relationships and strengthen communications channels. Two meetings were held with internal stakeholders in the year. The first was in August to introduce attendees to the communications channels, provide guidance on their purpose and contact methods, and increase engagement with attending stakeholders. During the first meeting, we launched a survey on the Ombudsman's Office and Whistleblowing Hotline. The second meeting was held in December to present the results of the survey and provide additional pointers about the whistleblowing channels, based on the results from the initial assessment. In the second meeting, delegates agreed to develop and submit an action plan for improving the Ombudsman's Office and Whistleblowing Hotline, and to organize a **Conecta Ouvidoria** event in the first half of 2022 and another edition for suppliers.

Eletrobras Group companies launched a program, called **Conecta Ouvidoria**, designed to further connect to stakeholders



Our Ethics & Integrity channels

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GRI 102-17, GRI 103-2, 103-3

Whistleblowing Hotline

Handles reports on misconduct, made anonymously or otherwise. Managed by an independent third-party firm.

<http://www.eletrobras.com/canaldedenuncias>

General Ombudsman's Office

For general requests, including request for information about the Eletrobras Group Integrity Program and Code of Ethics & Conduct. This channel is also used to submit suggestions, complaints or compliments.

<https://eletrobras.com/en/Paginas/Ombudsman.aspx>

Eletrobras Ethics Committee

For queries relating to the Code of Ethical Conduct & Integrity. eticaevoce@eletrobras.com

Eletrobras Integrity Department

For queries relating to the Integrity (compliance) Program and related policies and practices. dcgi@eletrobras.com

In 2021 GRI 102-33, 102-34

The Whistleblowing Hotline received

377

substantiated reports (excluding out-of-scope reports*) and all reports were processed. As of 12/31/2021, 109 of 377 cases received had been resolved.

As of 1/31/2021, a total of **321** whistleblowing reports received in previous years had been resolved, of which 211 were deemed unsubstantiated; these included cases closed as: unsubstantiated, insufficient data or non-conclusive.

*Only substantiated whistleblowing reports are considered to be within the scope of the Whistleblowing Channel. Complaints, suggestions and compliments are considered to be out of the scope of the Whistleblowing Channel, and are instead entered in the Ombudsman System (SOU).

Most prevalent whistleblowing concerns in 2021

Violations of internal rules	63
Health and safety	44
Ethics deviations	31
Favoritism	30
Workplace harassment	28
Contract irregularities	23
Bidding irregularities	23
Misappropriation of property and funds	14
False statements or documentation	12
Violation of labor laws	12
Other	97
Grand Total	377

Whistleblowing reports and other concerns submitted to the **Ombudsman's Office** are kept confidential

Handling concerns GRI 205-1

All cases (except whistleblowing reports) are documented at the Ombudsman’s Office using a dedicated system, and are then forwarded to the relevant department for resolution and/or response. After receiving feedback from the relevant department, the Ombudsman’s Office conveys the response to the party who submitted the concern ([here](#)).

Reports received via the Whistleblowing Hotline are classified by level of priority and by subject. The Ombudsman’s Office then conducts a preliminary assessment to determine whether the report satisfies the minimum requirements to proceed with an investigation. If minimum requirements are met, the

report is submitted to the ethics committee (for cases involving violations of our Code of Ethical Conduct & Integrity) or to the Investigation function (where classified as potential violations of our Integrity Program or of applicable laws and regulations).

The investigation results are submitted to the Integrity System Committee (ISC) for a decision. Case investigations have five possible outcomes: substantiated, partly substantiated, not substantiated, insufficiently substantiated (when insufficient information is available for an investigation) or inconclusive. Whistleblowers receive information on the outcomes of the investigation.

A control panel at Chesf. Photo: Chesf Archives



Critical concerns

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GRI 102-34

Critical concerns reported via the General Ombudsman’s Office include concerns and reports about potential violations of our Integrity Program (Eletrobras 5 Dimensions) and the Eletrobras Group Code of Business Conduct and Ethics.

Concerns by Type

	2021
Compliment	60
Suggestion	111
Report*	377
Request	1,698
Complaint	1,380
Total	3,249

*Only substantiated whistleblowing reports are considered to be within the scope of the Whistleblowing Channel. Complaints, suggestions and compliments are considered to be out of the scope of the Whistleblowing Channel, and are instead entered in the Ombudsman System (SOU).

98%
of concerns received in 2021
(other than whistleblowing reports) were resolved within the year

Conflict of interests

GRI 102-25

Different governance policies and tools are in place to help prevent and mitigate conflicts of interests at Eletrobras, whether involving members of senior management or employees and contractors. The Eletrobras Group Conflict of Interest Policy is one example. Developed in line with applicable laws and regulations, and drawing guidance from documents such as the Eletrobras Bylaws and Code of Ethical Conduct & Integrity, this policy sets out guidelines on preventing and identifying potential conflicts of interest. It also provides guidance on what to do in the event of a conflict of interests to ensure our actions are guided by the principles of ethics, integrity and transparency and aligned with our values.

The members of the Board of Directors are responsible for monitoring and managing any conflicts of interests involving executives, other members of the Board or shareholders, in order to prevent misappropriation of assets or misconduct in related-party transactions.

To prevent potential conflicts of interest and insider trading, the chair of the Board of Directors and executive officers are not permitted to act in an executive, management or consulting capacity at any private companies, electric utilities or law firms linked to the power sector. This does not apply to subsidiaries, affiliates, Special Purpose Entities (SPEs) and state-owned electric utilities in which Eletrobras has an equity interest. At these entities, executives may hold seats on boards of directors and fiscal boards.

Before assuming senior management positions, appointees undergo an assessment on integrity, includ-

ing, among other aspects, whether there are any existing or potential conflicts of interest. This information is submitted to the Management, People & Eligibility Committee, which is responsible for issuing an opinion on the eligibility of appointees to senior management positions at both Eletrobras Group companies and other companies in which the Group has an equity interest, majority or otherwise.

The Eletrobras Group Board of Directors and Executive Board Nominations Policy, which sets out these and other guidelines and requirements on vetting appointees to senior management positions, also requires a review of all statements on conflicts of interest made by the relevant appointee.

Employees use the Brazilian Office of the Comptroller General's (CGU) Conflict of Interest Prevention System (SeCi) to submit queries and requests for permission to engage in private business activities. Employees can access the SeCi system, which is common across all government agencies, via the Internet or by email ([see here](#)).

Eletrobras's integrity function also operates an internal channel, called *Proj-Conflito de Interesses* (conflitodeinteresses@eletrobras.com). Employees can submit questions about whether a given situation, such as receiving gifts and hospitality, involves a conflict of interests.

Where a conflict of interests is identified, it is communicated to the stakeholders involved in line with our culture of transparency.

In December 2021 we approved an amended version of the Eletrobras Group Related Party Transaction Policy, which establishes guidelines on protecting the interests of the company and its stakeholders, and on making disclosures in accordance with securities laws and regulations in Brazil and other jurisdictions. During the year, training was provided to all members of governance bodies and managers. Related-party transactions are disclosed to the market and on the Eletrobras Investor Relations webpage.

The Board of Directors is also responsible for monitoring and managing any **conflicts of interests involving executives**

Risk management

GRI 102-15, 102-29, 102-30, 103-2

Eletrobras Group's Integrated Risk Management System aims to prevent events from materializing which could adversely affect our strategic objectives and our ability to generate and preserve value, and to provide transparent information to the market and shareholders.

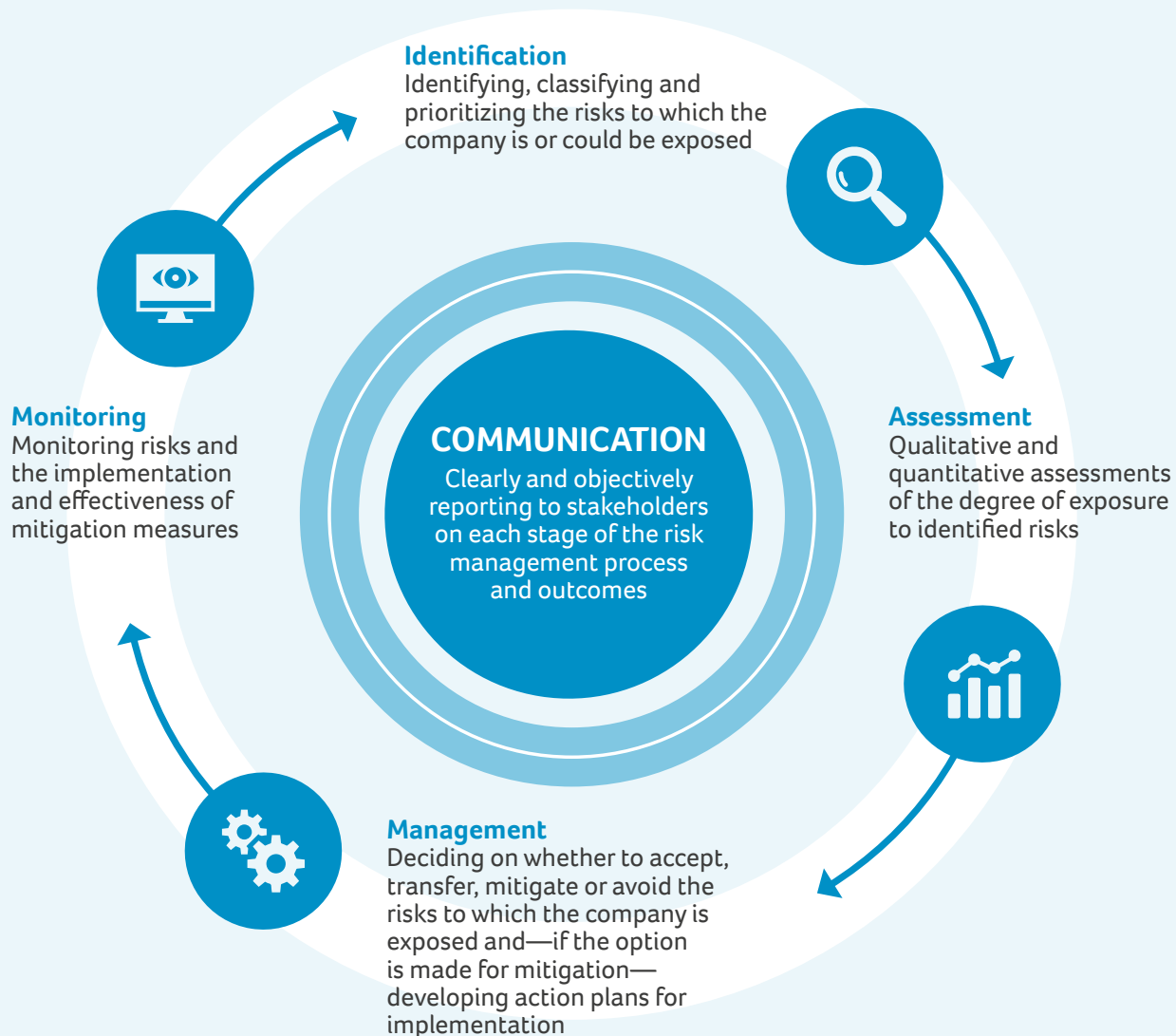
The risk management process is governed by our unified Corporate Risk Management Policy, whose most recent edition was approved by the Board of Directors in June 2021 and is available on our *website*. The most significant changes in the new edition were adjustments for compliance with the COSO 2017 ERM Framework, the Brazilian Corporate Governance Institute's (IBGC) Code of Best Practice for Corporate Governance, and the *Institute of Internal Auditors'* (IIA) Three Lines Model 2020.

Risk management is coordinated at the parent-company level in order to provide an integrated view of and standardize the process across Group subsidiaries, and is implemented on the ground by risk management and internal controls functions and risk committees at each Eletrobras Group company. Group-wide guidance is provided top-down by the parent company, and risk management results are reported back to the Executive Board and Board of Directors via the Statutory Audit & Risk Committee (CAE).

Within our risk management model, we identify and compile a matrix of all business, operational, financial and compliance risks to which Group companies are exposed, and then address and monitor those risks under action plans developed by the relevant risk owners. Our risk management model uses a five-step process, as shown opposite.

Risk management model

GRI 103-2, 103-3



To support the risk management process, the Internal Controls function assists managers in building controls and developing and tracking progress on action plans to address weaknesses. As an issuer of Level II American Depositary Receipts (ADRs) registered with the US Securities and Exchange Commission (SEC), our controls environment is required to be certified for compliance with the Sarbanes-Oxley Act, meaning we are required to review and seek independent assurance of our existing internal controls. In addition, we are required to file Form 20-F Annual Reports containing our Management's assessment of the effectiveness of internal control across the Eletrobras Group that are deemed material.

Internally, the Audit & Risk Committee is responsible for managing related filings and compliantly implementing relevant action plans. Our independent auditors issue reports to the Committee on a monthly basis.

The **risk matrices** at all Eletrobras Group companies were revisited in 2021

Prioritizing risks



Macaé-Campos Transmission Lines I, II and III. Photo: Daniela Monteiro

Risks are prioritized based on risk appetite as defined by senior management. Issues related to social and environmental sustainability are included in the criteria for determining whether the company is exposed to identified risks.

In 2021, we further developed the risk management process within the SAP-RM system, allowing managers to independently complete risk tracking information in the system. In 2022 we will continue to perfect this process and will carry out a review of our internal risk management standard.

In the most recent annual revision of our risk matrix, each subsidiary was tasked with identifying business-specific risks, rather than having a common risk matrix applying to all Group companies, including the parent company. Each subsidiary can now build its

own risk matrix, but including a set of common core risks—business, financial, operational and compliance. The individual risk matrices of each subsidiary are then compiled into a common corporate risk matrix.

With these changes, monitored risks are now business-specific. This, combined with the use of a new risk management system since October 2021, has enabled comprehensive risk reporting on a quarterly basis to senior management. Previously, only prioritized risks were reported quarterly, and other risks only annually.

GRI 102-31

The Eletrobras Group's consolidated risk matrix

GRI 103-2, 103-3, 102-11, 102-15, 102-29, 102-31

BUSINESS

G&T Businesses

Electricity market

New businesses

Governance

Associates

FINANCIAL

Liquidity

Credit

Market

OPERATIONAL

Human capital

Social and environmental

Legal

Business continuity

COMPLIANCE

Ethics and integrity

Laws and regulations

The role of the Board in risk management

GRI 102-29, 102-30

Under the Eletrobras Group Risk Management Policy, the Board of Directors' responsibilities in the risk management process are to:

1. Approve risk management policies, risk matrices, prioritized risks, risk reporting schedules, and revisions thereof, as proposed by the Executive Board.
2. Determine risk appetite.
3. Oversee the risk management process on the basis of regular reporting from the Executive Board, ensuring our risk management and risk response are effective.

The Board is supported by subject-matter advisory committees. One is the Statutory Audit & Risk Committee, which is responsible for assisting the Board in its duty to monitor the risk management process on a quarterly basis, and to report on the most significant risk management findings. It also reviews, and issues a preliminary opinion on, the risk management materials submitted to the Board.

Risk Appetite Statement

Value creation is an imperative for the Eletrobras Group. Building industry leadership through Generation & Transmission investments focused on clean energy is at the core of our approach to sustainable expansion.

We reject decisions which could undermine our profitability, financial discipline, corporate social and environmental sustainability, ethics and compliance standards, operational safety, or the health and safety of our direct or outsourced employees.

We recognize the importance of innovating and investing in other segments in order to build a diversified portfolio of businesses and services that are synergistic and aligned with our strategy.

Based on the Eletrobras Group's risk appetite, we classify risks as material if they can affect the company's ability to achieve its business objectives, whether they be financial, operational or management risks. Having identified our material risks, we then determine whether any changes in macroeconomic or industry conditions or any differences between our guidance and assumptions and actual results could affect management's expectations regarding the successful delivery of its strategic plan.

We classify risks as material if they can affect the company's ability to achieve its **business objectives**, whatever their nature

Operations Center. Photo: Ari Soares



Material risks

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We consider the following risks to be the most critical.

G&T Businesses

Regulatory changes introduced by different government bodies could create risks for the generation business.

Regulatory developments as part of the Brazilian power sector regulator, ANEEL's regulatory agenda could have material impacts, including impact on the financial position and results of operation of Eletrobras and our subsidiaries. Based on the topics dealt with in the 2021-2022 Regulatory Agenda for the Generation segment, one of the most significant uncertainties is related to Law no. 14 182/2021, which supports Eletrobras's capitalization process through newly formulate guaranteed capacity values for hydro plants operating under the quota scheme: Tucuruí, Curuá-Una and Mascarenhas de Moraes. Although Eletrobras has regularly consulted the Ministry of Mines and Energy on how the provisions of the new law would be applied, the guaranteed capacity review process, including the parameters to be used, have been designed without inputs from Eletrobras and would only be applied if our capitalization process is completed. Another significant uncertainty relates to the transmission rate-setting review in 2023 (for concessions that have been extended under Law no. 12 783/13), now that a public consultation has been launched in 2022 to revise the approach to calculating operating costs. This creates a risk that coverage of operating costs could be reduced in the rate-setting review for the transmission assets of extended concessions. Eletrobras is closely monitoring

developments, will prepare and submit to ANEEL an opinion prepared jointly with subsidiaries, and is considering other action.

Information security

Eletrobras's business processes and operations are heavily dependent on implementing and maintaining information technology infrastructure and systems and telecommunications services. Interruptions in these systems, caused by obsolescence, technical failures, intentional acts or discontinuity in the implementation, maintenance and evolution of technological solutions such as the SAP ERP system, can disrupt or even paralyze our business and adversely impact our operations and reputation. In addition, security failures related to sensitive information due to intentional or unintentional actions, such as cyberterrorism, or internal actions, including negligence or misconduct of our employees, may have a negative impact on our reputation, our relationship with government agencies, regulators, partners and suppliers, among others, our strategic positioning in relation to our competitors, and our results of operations.

Eletrobras already has several mitigation measures in place, including encryption of all mobile devices, intrusion testing, backups, incident logging and vulnerability testing, implementation of a Security Operation Center (SOC), and reviews of access permissions.

With the entry into effect of the Brazilian General Data Protection Regulation (BR GDPR), Eletrobras could be held liable for the improper handling of the personal data of employees, executives and other stakeholders.



Environmental Monitoring Laboratory. Eletronuclear Archives

Any data breach or inappropriate use of personal data could result in material sanctions for the company.

Eletrobras has taken action to mitigate **climate change-related risks**, and further action is planned for the near future

Climate Change Adaptation

Lack of information, methods, official standards, studies and or/data to enable us to incorporate future climate-change scenarios into our strategic planning and in project design/reviews in the power sector, is the primary risk relating to climate change adaptation.

There are also significant technical, regulatory and methodological challenges, both in Brazil and internationally, in implementing measures to reduce our vulnerability to and mitigate impacts from climate change on Group companies' generation and transmission operations.

The primary impacts from this risk include temporary unavailability or loss of assets, and a consequent loss of revenues, market share and competitiveness.

Several mitigation measures are in place or planned, including:

- Conducting studies to identify and assess business vulnerability to climate change;
- Funding R&D projects to assess climate services affecting Eletrobras Group infrastructure;
- Including climate change adaptation as a factor in strategic planning;
- Including vulnerability data when reviewing generation and transmission projects and designs;
- Creating a working group to review and compile vulnerability data to be factored in project design/reviews;
- Developing action plans to inform measures to minimize the vulnerability of our operations to climate change.

Our exposure to this risk is critical, primarily because of the enormous potential impacts in the event that it materializes, estimated to be approximately R\$ 2 billion in revenue (as calculated by our trading division based on the Grid Scaling Factor (GSF)), and not because of any failure to implement mitigation measures.

Climate change mitigation

GRI 201-2

13

Failing to incorporate greenhouse gas emissions management in our strategic planning and in project design/reviews, and failing to implement emissions monitoring and mitigation/offsetting measures in our generation, transmission and administrative activities, are the primary climate change mitigation risks for Eletrobras Group companies.

This risk has been classified as regulatory and related impacts include financial losses; disinvestment; fines and sanctions; and loss of competitiveness.

A number of initiatives have been implemented or are planned to mitigate this risk, including:

- GHG inventories
- Targets to reduce/maintain GHG emissions levels
- Action plans and measures to manage GHG emissions
- Sponsoring research on and exploring new technologies, including technologies to reduce transmission losses
- Fostering discussion, primarily at the regulatory level, to improve management of transmission losses
- Implementing initiatives to offset emissions via carbon credits, I-RECs and/or forest offsets

- Keeping up to date on methodologies, standards and regulations relating to GHG management
- Monitoring future emissions-related regulatory developments to inform our strategic planning
- Establishing GHG emissions criteria for inclusion in our methodology for selecting and ranking new generation and transmission projects
- Including GHG emissions data in developing and reviewing generation and transmission projects and designs



Environmental Monitoring Laboratory. Eletronuclear Archives

Eletrobras ensures that its suppliers adhere to industry best practices in dealing with **human rights** issues

Contingency plans

EU21

Our Emergency Response Plans outline roles and responsibilities and measures to effectively respond to an emergency.

Each project has its own Emergency Response Plan, addressing social and environmental aspects in the event of natural disasters, spills, fires, security breaches, strikes, reputational crises, and other events.

Emergency responder teams and employees working in high-risk areas are trained on how to respond in the event of an emergency. At Eletrobras Eletronuclear, for example, annual drills are conducted under the oversight of the appropriate authorities.

13

Human Rights Violations

GRI 103-2, 103-3

In human rights, we pay special attention to any conduct by our suppliers or by SPEs in which we or our subsidiaries have an interest that violates basic human rights and, in particular, the United Nations' (UN) Framework on Business and Human Rights (Global Compact).

Eletrobras needs to ensure that its suppliers adhere to industry best practices in dealing with human rights issues. And our suppliers need to be aware that, in order to do business with us, they must implement/ follow best practices. Eletrobras has contractual clauses on upholding best practices; we conduct supplier due diligence; we provide human rights training to contract managers; and we conduct due diligence on all Tier 1 Critical Suppliers.

In relation to SPEs, any human rights violations would not only affect the relevant SPE's operations through

delays in or inability to secure environmental licenses or its "social license to operate", due to problems in its relations with stakeholders and licensing bodies, but would also damage Eletrobras's own reputation.

To ensure our SPEs adhere to industry best practices in addressing human rights issues, Eletrobras has implemented a range of mitigation measures, such as recommending and encouraging the adoption / implementation of good practices at operational SPEs; and conducting due diligence on SPEs under development. Eletrobras engages constantly with SPEs' ESG functions to discuss human rights commitments, practices and any issues, and to recommend related action.

11 16

Sustainability Management System

In 2020, the World Economic Forum (WEF), in a collaboration with the Big Four auditors, launched a proposed framework for corporate sustainability reporting that reflects the interdependencies between economic, environmental, social and governance (EESG) aspects. In accordance with this framework, Eletrobras reports are now organized into four integrated pillars:

- **Principles of Governance**
- **Prosperity**
- **People**
- **Planet**

Each pillar comprises a set of metrics and disclosures, referred to as “Stakeholder Capitalism Metrics”. The WEF framework draws from existing standards and disclosures, such as the Global Reporting Initiative (GRI) and International Integrated Reporting Framework. In 2021 we again used the WEF framework as a basis for developing our own sustainability framework and for preparing our Annual Report.



The five pillars

The Eletrobras Group Sustainability Management System is structured into five pillars:

1

Eletrobras Group Sustainability Policy

Our [Sustainability Policy](#) guides our initiatives to promote sustainable business and sustainable development. The policy was first launched in 2010 and revised in 2019, and is synergistic with other corporate policies, such as our Environmental Policy and Corporate Social Responsibility Policy.

2

Executive Sustainability Management Committee

This Committee brings together the heads of sustainability at Group companies, under the oversight of our parent company. The Executive Sustainability Management Committee is responsible for disseminating sustainability initiatives and coordinating the three other pillars in the Management System: Corporate Sustainability Disclosures System, Value Creation Model, and Integrated Reporting.

3

Corporate Sustainability Disclosures System (IGS System)

Developed by Eletrobras Cepel in collaboration with and with sponsorship from Eletrobras Group companies, the IGS System is a strategic tool for managing sustainability disclosures ([see here](#)).

4

Value Creation Model

Supporting the stakeholder capitalism principles. Our Value Creation Model shows how sustainability is embedded in every business process across the Eletrobras Group, and how we prioritize value creation for all stakeholders. This model, coupled with integrated action Group-wide, has helped to drive best practices and the sustainability of the business.



A seedling for a protected area. Photo: Alexandre Marchetti

5

Integrated Reporting

Eletrobras Group companies have used the Integrated Reporting framework in developing annual reports since 2018, supplementing the GRI Standards. An integrated report provides information on both tangible and intangible aspects across the financial, manufactured, intellectual, human, social and relationship, and natural capital.

ESG initiatives in 2021

8

Sustainability Pathway

To develop our employees, leaders and senior management on EESG aspects, we have launched an ambitious Corporate Education program, called the “Sustainability Pathway”, designed to provide knowledge and skills that are essential for our business, and a better understanding of global priorities.

The new Pathway also includes training on integrity and our culture of ethics, the Brazilian General Data Protection Regulation (BR GDPR), diversity and inclusion, workplace and sexual harassment, our environmental policy, energy efficiency, human rights, and climate change.

The training program was developed in line with the Eletrobras Group sustainability framework, and is structured into four pillars: Prosperity, Planet, People and Governance. It also supports our Group’s commitment to the Sustainable Development Goals (SDGs). The goal of these training and induction activities is to take employees, middle managers, senior managers and business partners on a journey to achieve the company’s purpose by developing the skill sets (knowledge, skills and behaviors) needed to better connect Eletrobras Group companies to global sustainable development priorities.

During the event we also launched the 3rd edition of Eletrobras Group’s online Ethics & Integrity program.



Sustainability Program 4.0

Integral to the PDNG is our Sustainability Program 4.0, a set of 12 projects related to the four economic, environmental, social and governance (EESG) dimensions. The Program is the result from a benchmarking assessment of trends and industry best practices related to corporate sustainability, and materializes the Eletrobras Group's efforts to meet the expectations of all stakeholders.

Progress is monitored on a quarterly basis by the Strategy, Governance & Sustainability Committee, which reports directly to the Board of Directors.

See below some of the program highlights in 2021:

8 9 13 16

Developed **an integrated risk matrix for supplier management**

ESG due diligence introduced on the Supplier Space Portal

Revisited the prioritized SDGs, adding new disclosures and targets

Launched an Environmental Policy web series to effectively communicate the policy

Expanded our ESG Journey, by connecting it to six frameworks: GRI Standards, SASB, TCFD, Integrated Reporting, Global Compact, 2030 Agenda/SDGs

Rolled out a **development program for small businesses**

Human Rights: engagement with Special Purpose Entities (SPEs) through human rights due diligence

Launched the **Sustainability Pathway** – a set of training and induction activities supporting the company's purpose

Provided a **Sustainability Channel** dedicated to addressing requests for ESG information

Revised the general guidance on action plans to **reduce GHG emissions, electricity consumption, and the use of fossil fuels for vehicles**

I-RECs used to offset our parent company's scope 2 greenhouse gas emissions

Synergy with Industry 4.0: a spinoff from the SOMA project: Asset Monitoring System – Transmission (SOMA TR)

Delivered benefits from zero-based budgeting (ZBB) initiatives: met **320.3%** of the target for our parent company and **145.4%** of the target for the broader Group

Collaboratively organized the first **Eletrobras Group Call for Social and Environmental Projects**, including projects related to environmental education, conservation of biodiversity and ecosystem services, and water resources

Eletrobras Group Decarbonization Solutions Policies under development

Optimization of ownership interests: number of **SPEs reduced by 13** in 2021

Optimized our debt structure: concluded fundraising in the capital market with an effective focus on liability management

16

Sustainability Channel

GRI 103-2

Also in 2021 we launched a Sustainability Channel to address EESG matters and requests for information about sustainability concerns. The new channel will support the Eletrobras Group in addressing growing demand from stakeholders—such as investors, shareholders, analysts and rating agencies—for information about sustainability.

It is also a way to enhance transparency and symmetry in disclosing ESG information, and is aligned with SDG 16.

The channel, available on the Eletrobras Sustainability Portal ([see here](#)), allows users to view the status of their request and read the responses to requests for information, when available. The channel is also integrated with the Investor Relations Ombudsman.



A Floating Solar Platform at Sobradinho. Photo: André Schuler

We implemented a Sustainability Channel to address EESG concerns

An expanded EESG Journey

In 2021 we expanded the number of economic, environmental, social and governance disclosures compiled into our EESG Journey. In addition to the 12 topics originally launched in 2020, based on the framework developed by the World Economic Forum, sustainability disclosures will now also be responsive to an additional six frameworks: *GRI Standards*; *Sustainability Accounting Standards Board (SASB)*; *Task Force on Climate-Related Financial Disclosures (TCFD)*; *Integrated Reporting*;

Global Compact; and *2030 Agenda/Sustainable Development Goals (SDGs)*.

Using a polyhedron concept of sustainability—where each face represents a reporting framework—the Eletrobras Group now uses a more dynamic approach to report on its sustainability initiatives, investments and performance.

VALUE CREATION MODEL

Learn about how the Eletrobras Group transforms inputs, through its business activities, into outputs and outcomes and how they create value for the business and society.

Equipment and facilities

Stakeholders

Financial resources

Main inputs

Natural resources

Research and knowledge

Workforce



Manufactured capital



Financial capital



Social capital



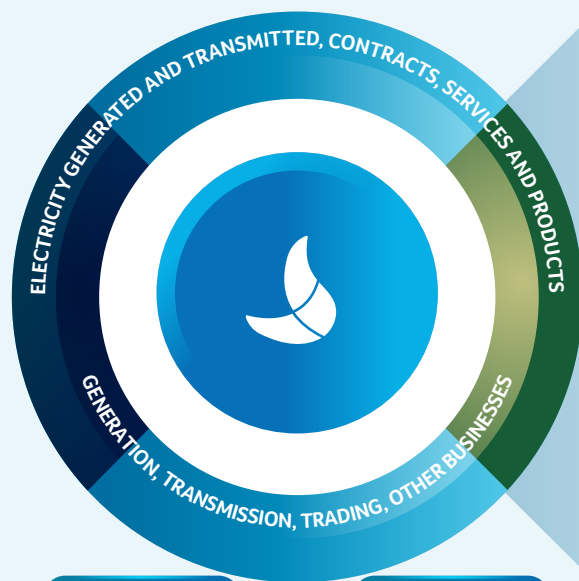
Intellectual capital



Human capital



Natural capital



PURPOSE

We put all our energy into the sustainable development of society.

VISION

To be an innovative, clean energy company, recognized for excellence and sustainability.

VALUES

- ⚡ Collaboration and recognition
- ⚡ Innovation
- ⚡ Ethics and transparency
- ⚡ Excellence
- ⚡ Respect for people and life

Value creation aspirations

- Supplier development [SDG 4, 5, 8, 10, 12, 13, 16](#)
- Revenue reliability [SDG 7, 9](#)
- Conservation of biodiversity [SDG 9, 13, 15](#)
- Energy savings [SDG 7, 13](#)
- Fairly priced (sustainable) contracts [SDG 7, 9](#)
- Contribution to sustainable development [SDG 1 a 17](#)
- Professional growth/training [SDG 4, 8](#)
- Participatory dialog [SDG 11, 16](#)
- Access to electricity for all, with a reduced risk for social and environmental impacts [SDG 1 a 3, 7, 9, 10, 13 a 15](#)
- Dividends [SDG 8](#)
- A more sustainable supply chain [SDG 5, 8, 10, 12, 16](#)
- Respect for human rights [SDG 8, 9, 10, 16](#)
- Jobs and income [SDG 1 a 3, 8, 9, 10, 12](#)
- Integrity (ethical, lawful and transparent conduct) [SDG 16](#)
- Private social investment [SDG 1, 3, 4, 7 a 9, 13, 15](#)
- Improvements to national infrastructure [SDG 7, 9, 11](#)
- Better living conditions in affected communities [SDG 1, 3, 9, 11, 16](#)
- Affordable electricity [SDG 3, 7 a 9](#)
- Partnership in managing government programs [SDG 1 a 3, 7 a 9, 12, 13, 17](#)
- Participation in structuring projects [SDG 7, 9](#)
- Research, development and innovation [SDG 7 a 9](#)
- Procurement predictability [SDG 8, 12, 16](#)
- Sponsorship of culture, sports and events [SDG 3, 4, 8, 9, 13](#)
- Greater diversity [SDG 5, 8, 10, 12, 16](#)

Stakeholders

Partners, sponsors and suppliers

Media and opinion makers

Society

Customers

Communities

Governments, congress and regulators

Employees and their families

Investors, shareholders and market analysts



Strategic planning

GRI 102-31

Our strategic plan, which was developed in 2020 to articulate our long-term vision, identifies trends, risks and uncertainties affecting our business over the 15-year period 2020-2035. The estimates and assumptions informing our strategic planning reflect our expectations about current and future events and financial and non-financial trends. The Board of Directors plays a key role in formulating business strategy, beginning at the early steps of exploring opportunities in the energy market, assessing potential within the Eletrobras Group and gaging shareholders' aspirations.

GRI 102-26

The Strategic Plan is subdivided into Business & Management Master Plans (PDNG) with a short/medium-term horizon of five years. PDNG 2022-2026 sets out guidelines, goals and initiatives related to the nine Sustainable Development Goals (SDGs) and the 2030 Agenda, to which Eletrobras has voluntarily subscribed ([read more on page 165](#)).

Total capital expenditure of R\$ 48.3 billion is planned for the period 2022-2026, up 17.5% on the previous PDNG (2021-2025).



Eletrobras Chesf's Casa Nova wind farm. Photo: André Schuler

Our **strategic plan** articulates our long-term vision for 2020-2035

Strategic materiality PDNG 2022–2026 GRI 102-31

LOCAL AND GLOBAL TRENDS	GUIDELINES	PERFORMANCE INDICATORS	ADDED VALUE	IMPACT ON THE BUSINESS	RELATED SDGS
<ul style="list-style-type: none"> • Widespread digitization of the economy and society • Knowledge and innovation as economic drivers • Changes in consumer patterns and empowered customers • Climate change and shifts in rainfall patterns • Expansion of the low carbon economy; • Growing demand for electricity; • An expanding and increasingly complex electric power grid • Shifts in the power sector requiring new business models 	<p>VALUE AND INVESTMENT Enhance value creation and strengthen our capacity for investment</p>	<p><i>Enterprise Value / EBITDA</i> – Position in Electric Power Index (IEE)</p>	<ul style="list-style-type: none"> • Contribution to sustainable development • Returns on invested capital • A stronger brand and reputation • Dividends 	<p>Risks</p> <ul style="list-style-type: none"> • Shareholder divestments <p>Costs</p> <ul style="list-style-type: none"> • Higher debt service costs 	<p>9</p>
<ul style="list-style-type: none"> • Knowledge and innovation as economic drivers • Widespread digitization of the economy and society • Shifts in the power sector requiring new business models • Fast-paced technological change 	<p>CULTURE & PEOPLE Develop a meritocratic culture of high performance and excellence in people management</p>	<p>SAFETY: Lost-Time Injury Frequency Rate (Employees) SAFETY: Lost-Time Injury Frequency Rate (Contractors) PEOPLE: Average hours of training per employee PEOPLE: Employee Satisfaction Rate (as measured in a survey, with a target set for 2022)</p>	<ul style="list-style-type: none"> • A stronger brand and reputation • Jobs and income • Health and safety • Quality of life • Respect for human rights • Professional development and training 	<p>Risks</p> <ul style="list-style-type: none"> • Low productivity • Talent flight <p>Costs</p> <ul style="list-style-type: none"> • Injury and sick leave • Labor claims • High investment but low returns on training and education initiatives 	<p>8 10</p>

LOCAL AND GLOBAL TRENDS	GUIDELINES	PERFORMANCE INDICATORS	ADDED VALUE	IMPACT ON THE BUSINESS	RELATED SDGS
<ul style="list-style-type: none"> • Shifts in the power sector requiring new business models • Calls for greater transparency • Implementation of more effective controls that inspire market confidence • Preventive risk management • A zero-tolerance approach to corruption 	<p>GOVERNANCE Achieve excellence in Governance Risk management and internal controls (GRC)</p>	<p>GOVERNANCE: ELB's listing tier on B3</p>	<ul style="list-style-type: none"> • Returns on invested capital • A stronger brand and reputation • Integrity (ethical, lawful and transparent conduct) 	<p>Risks</p> <ul style="list-style-type: none"> • Reputational • Shareholder divestments <p>Costs</p> <ul style="list-style-type: none"> • Loss of enterprise value • Higher debt service costs • Fines and penalties for Eletrobras and our management 	<p>16</p>
<ul style="list-style-type: none"> • Widespread digitization of the economy and society • Knowledge and innovation as economic drivers; • Changes in consumer patterns and empowered customers • Growing demand for electricity; • Shifts in the power sector requiring new business models 	<p>MANAGEMENT Focus management on value creation and increasing competitiveness</p>	<p>Recurring EBITDA / Headcount</p>	<ul style="list-style-type: none"> • Dividends • A stronger brand and reputation • Returns on invested capital • A stronger brand and reputation 	<p>Risks</p> <ul style="list-style-type: none"> • Low efficiency (slow to respond) <p>Costs</p> <ul style="list-style-type: none"> • Higher operating costs 	<p>9 12</p>
<ul style="list-style-type: none"> • Widespread digitization of the economy and society • Knowledge and innovation as economic drivers • Changes in consumer patterns and empowered customers • Fast-paced technological change 	<p>INNOVATION & DIGITAL TRANSFORMATION Achieve leadership in innovation and advance a digital transformation of business and management processes</p>	<p>Investment in technology and innovation / NOR</p>	<ul style="list-style-type: none"> • Returns on invested capital • Dividends • A stronger brand and reputation • Increased research and development investment 	<p>Risks</p> <ul style="list-style-type: none"> • Reduced competitiveness <p>Costs</p> <ul style="list-style-type: none"> • Higher costs with the state-of-the-art technologies needed for sustainable operations 	<p>9 12 13</p>
<ul style="list-style-type: none"> • Growing demand for electricity; • Systemic improvements in energy efficiency • Shifts in the power sector requiring new business models • Fast-paced technological change • Lower costs on critical inputs 	<p>G&T EFFICIENCY Create value through more efficient G&T assets</p>	<p>PMSO / Efficient PMSO GENERATION-ASSET AVAILABILITY: GRA-VAILAB TRANSMISSION-ASSET AVAILABILITY: TLAVAILAB</p>	<ul style="list-style-type: none"> • Contribution to sustainable development • Returns on invested capital • Dividends • Energy savings • A stronger brand and reputation • Operational safety and reliability (energy security) 	<p>Risks</p> <ul style="list-style-type: none"> • Failure to reduce emissions through sustainable development <p>Costs</p> <ul style="list-style-type: none"> • Higher operating costs 	<p>9 12 15</p>

LOCAL AND GLOBAL TRENDS	GUIDELINES	PERFORMANCE INDICATORS	ADDED VALUE	IMPACT ON THE BUSINESS	RELATED SDGS
<ul style="list-style-type: none"> • Expansion of the low carbon economy • Growing demand for electricity; • An expanding and increasingly complex electric power grid • Diversification of Brazil's energy mix • Expansion of distributed generation • Lower costs on critical inputs • Spatial shifts in economic activities and minor city growth 	<p>G&T EXPANSION Achieve leadership in G&T, with a focus on clean energy</p>	<p>GENERATION EXPANSION: Added Generation Capacity (MW) TRANSMISSION EXPANSION: Added Transmission Capacity (km TL)</p>	<ul style="list-style-type: none"> • Dividends • Contribution to sustainable development • Returns on invested capital • Access to electricity for all, with a reduced risk for social and environmental impacts • Affordable electricity • Energy savings • Operational safety and reliability (energy security) • Improvements to national infrastructure • Jobs and income 	<p>Risks</p> <ul style="list-style-type: none"> • Stakeholder scrutiny; • Impacts on biodiversity • Impacts on livelihoods in surrounding communities • Displacement of residents in surrounding communities • Shareholder divestments • Human rights issues 	<p>7 11 13 15</p>
<ul style="list-style-type: none"> • Changes in consumer patterns and empowered customers • Growing demand for electricity; • Shifts in the power sector requiring new business models • Demand for high performance 	<p>TRADING Achieve leadership in electricity trading, with attractive margins and efficient risk management</p>	<p>MARGIN: Margin over benchmark price in the loss-of-entitlement (<i>descontização</i>) process (RS/MWh)</p>	<p>Revenues:</p> <ul style="list-style-type: none"> • Dividends <p>Value:</p> <ul style="list-style-type: none"> • Increased shareholder attractiveness • Growth in enterprise value • Returns on invested capital • A stronger brand and reputation 	<p>Risks</p> <ul style="list-style-type: none"> • Shareholder divestments <p>Revenue</p> <ul style="list-style-type: none"> • Reduced Operating Revenue 	<p>9</p>
<ul style="list-style-type: none"> • Market demand for a renewable, clean energy mix • Demand for increased energy efficiency • Greater attention to the risk of climate change and impacts on biodiversity • Demand for innovation and development of new technologies 	<p>NEW BUSINESS Invest in new businesses, especially in energy, participating in the current consolidation in the industry (M&A)</p>	<p>REVENUE: New-Business Revenue / ROL</p>	<ul style="list-style-type: none"> • Dividends • Contribution to sustainable development • Returns on invested capital • Access to electricity for all, with a reduced risk for social and environmental impacts • Affordable electricity • Energy savings • A stronger brand and reputation • Improvements to national infrastructure • Jobs and income 	<p>Risks</p> <ul style="list-style-type: none"> • Failure to capture new business and portfolio expansion opportunities <p>Revenue</p> <ul style="list-style-type: none"> • Failure to increase operating revenue 	<p>9 13</p>

Challenge 24 – Sustainable excellence

Initiative

• Optimization of ownership interests

Key achievement

Concluded the merger of 11 SPEs within the Pindaí Wind Cluster. CGT Eletrosul merged with FOTE¹ and acquired TSLE². Eletronorte concluded the sale of its interest in NBTE³.

Initiative

Reputation and engagement

Key achievement

Completed the development of human rights training to be delivered to the entire Eletrobras workforce.

Initiative

Debt structure optimization

Key achievement

Concluded fundraising in the capital market with an effective focus on liability management.



Strategic initiatives PDNG 2022-2026

Initiative

Sale of interests in associates

Key achievement

Approved a plan for the disposal of equity interests held by Eletronorte in associates.

Initiative

Distribution receivables

Key achievement

The ANEEL board completed its due diligence on the distribution companies disposed of by Eletrobras. We will receive R\$ 2.67 billion (as of August 2021) in 60 installments beginning in 2022, indexed to the Broad Consumer Price Index (IPCA).

Initiative

Sustainability 4.0

Key achievement

Developed an integrated risk matrix for the supplier management process, and a Supplier Conduct Handbook for Eletrobras Group companies. Provided a Sustainability Channel dedicated to addressing requests for ESG information

¹ Fronteira Oeste Transmissora de Energia

² Transmissora Sul Litorânea de Energia

³ Norte Brasil Transmissora de Energia

Changes in Guideline-related disclosures in 2021

STRATEGIC GUIDELINES	DISCLOSURES	2021 ACTUAL	2021 TARGET	2022 TARGET
Value and investment	Enterprise Value/EBITDA	13 th	TOP 3 in IEE	TOP 3 in IEE
G&T Efficiency	Efficiency: Recurring PMSO / Efficient PMSO	1.17	1.00	1.18
	Generation-asset availability: GRAVAILAB	1.06	1.00	1.00
	Transmission-asset availability: TLAVAILAB	99.93	99.88	99.90
G&T Expansion	Generation expansion: added generation capacity (MW)*	15	166	164
	Transmission expansion: added transmission capacity (km TL)**	205	772	193
Trading	Margin: margin over benchmark price in the loss-of-entitlement (<i>descontização</i>) process (R\$/MWh)	N/A	N/A	N/A
New businesses	Revenue: New-business revenue / Recurring ROL	ND	2.00%	3.47%
Culture and people	Safety: injury frequency rate (employees)	2.35	2.61	1.92
	People: Average hours of training per employee	44.67	35	35
	People: employee satisfaction rate	78%	74%	≥74.7%
Governance	Governance: ELB's listing tier on B3	Level 1	Level 1	<i>Novo Mercado</i>
Management	Productivity: Recurring EBITDA / Headcount	1.65	*	*
Innovation and digital transformation	Innovation: Investment in technology and innovation/ NOR	1.5	1.2%	1.3%

* Refers to the total installed generation capacity of the Elektrobras Group, including the full capacity of corporate assets and equity-accounted capacity of SPEs.

** This figure refers to the km length of Elektrobras-owned 230 kV+ transmission lines in operation in the relevant year

Sustainability Program 4.0 - PDNG 2020-2026

PROJECTS	STRATEGIC GUIDANCE (PDNG 2022-2026)	PRIORITY SDGS (PDNG 2022-2026)
Leveraging Human Capital	Culture & People	8 9 10
Synergies with Industry 4.0	Innovation and Digital Transformation	7 8 9 16
Reputation & Engagement Program	Governance	8 9 10 16
Sustainable Sourcing	Management	8 12 13 16
Decarbonizing Islanded Systems in the Amazon	New businesses	7
Sustainable Business/Agenda 2030	Value and investment Management	7 8 9 13 16
Improving Corporate Governance Practices	Governance	16
Enhancing Assessments of Social and Environmental Factors in Risk Management	Governance	7 9 13 16
Energy Transition	G&T Efficiency G&T Expansion	7 9 11 13
GHG Emissions Offsets and Environmental Protection	G&T Efficiency G&T Expansion	7 8 9 11 13 15
Certified Renewable-Source Electricity	New Business	7 9 13
Sustainable Management of Financial Capital	Value and Investment G&T Efficiency Management	8 9 16

2030 Agenda and SDGs

In our approach to advancing sustainable business, we prioritize initiatives and projects that support the UN's 2030 Agenda and the Sustainable Development Goals (SDGs). The 9 SDGs Eletrobras has prioritized and on which we review our performance in this report are:



Learn more about Eletrobras's commitment to the SDGs [here](#).

Monitoring performance

Our Corporate Project Management Office monitors, reviews and reports to senior management on the progress of relevant initiatives and programs at Eletrobras Group companies—including initiatives under the PDNG and initiatives affecting annual variable remuneration for senior management. This allows us to identify any required adjustments and corrective action, or reformulate plans. Interim information is provided on a quarterly basis on our portal ([see here](#)).

We encourage our workforce and management to support our strategic objectives through management by competencies instruments, especially Business Performance Goals Contracts (CMDE), which Eletrobras Group companies have been required to sign since 2010. These contracts are aligned with business and management master plans, and contain indicators and metrics describing trends and results across the financial, operational, social, environmental, people, integrity and management dimensions. Group companies' performance on these metrics demonstrates the extent to which they are supporting the holding company's strategy, and affects the annual variable remuneration paid to senior management and the profit-sharing bonuses paid to our workforce, including management. These metrics also inform the performance assessments of all employees, including members of the Board of Directors.

Eletrobras prioritizes 9 Sustainable Development Goals



Performance and the SDGs

Some performance indicators relate to the Sustainable Development Goals within the 2030 Agenda that Eletrobras has prioritized. These are covered throughout this report and, on a consolidated basis, on [page 165](#) and in the SDG Supplement.

Among the indicators affecting the Annual Variable Remuneration of senior management is the SDG Alignment Index (IAO), which measures weighted average performance on a set of strategic indicators within the Agenda 2030, denoting the extent to which Eletrobras Group companies' performance is aligned with their commitments.

IAO composition for 2021

Energy Savings in Corporate Buildings



Lost-time injury frequency rate for employees



R&D+I Investment / Regulatory ROL



Due diligence on suppliers exposed to fraud and corruption risks



Weighted ratio of basic salary and remuneration of women to men, at multiple levels



Critical suppliers that have undergone ESG due diligence



EESG aspects in variable remuneration

STRATEGIC SCORECARD DIMENSIONS	STRATEGIC GUIDELINES	VARIABLE REMUNERATION FOR SENIOR MANAGEMENT	VARIABLE REMUNERATION FOR EMPLOYEES AND MIDDLE MANAGERS	RELATED SDGS
Prosperity	<p>G&T Expansion Achieve leadership in G&T, with a focus on clean energy</p> <p>G&T Efficiency Create value through more efficient G&T assets</p> <p>Trading Achieve leadership in electricity trading, with attractive margins and efficient risk management</p> <p>New Business Invest in new businesses, especially in energy, participating in the current consolidation in the industry (M&A)</p> <p>Value and Investment Enhance value creation and strengthen our capacity for investment</p> <p>Management Focus management on value creation and increasing competitiveness</p>	39.7%	78.3%	
Planet	<p>Innovation and Digital Transformation Achieve leadership in innovation and advance a digital transformation of business and management processes</p>	7.8%	4.2%	
People	<p>Culture & People Develop a meritocratic culture of high performance and excellence in people management</p>	7.8%	4.2%	
Governance	<p>Governance Achieve excellence in Governance, Risk Management and Internal Controls (GRC)</p>	44.7%	13.3%	

Eletrobras has been named to several sustainability indexes **GRI 103-2**

Carbon Disclosure Project (CDP)

Eletrobras has been named to the CDP Water Quality A List as a globally leading company for transparency and climate action.

IG-SEST

In the 5th cycle of Governance certification, our parent company received a top rating of Tier 1. This was our fifth consecutive Tier 1 rating. CGT Eletrosul and Eletro-norte each received a Tier 2 rating.

GHG Protocol

For the ninth year we received Gold reporting status from the Brazilian GHG Protocol Program *Protocol*, which recognizes companies that demonstrate transparency in publishing their greenhouse gas emissions inventories. The certification was awarded to Furnas.

B3 IC02

We were named to the Carbon Efficient Index in 2021, and remained a constituent of the index in 2022.

Vigeo Eiris

Eletrobras ranked as a Top Performer among 843 companies in 36 industries and 31 countries.

In 2021, Eletrobras:

- Had the highest reputation among companies in the Brazilian power sector according to a survey by Monitor Empresarial de Reputação Corporativa (MERCOR), retaining its position from the previous year.
- Was named to the Bloomberg **Gender-Equality Index (GEI) 2021**, in recognition of our focus on gender equity at the workplace.
- Received a **Pro-Equity Mark 2021** in the 6th edition of the Gender & Equity Program of the Brazilian Ministry for Women, Family and Human Rights, covering our parent company, Eletrobras Cepel, Chesf, CGT Eletrosul, Eletronuclear, Furnas and Itaipu Binacional.
- Ranked among the top four Brazilian companies for governance digitization in the **Digital Governance Awards 2021**, organized by *Atlas Governance*— 200 public and private organizations were assessed, with Eletrobras Eletronorte and Furnas receiving recognition.
- Was named as a **Child-Friendly Company** by Fundação Abrinq, in recognition of good practices at Eletrobras Furnas in tackling child labor and protecting the rights of children and adolescents.
- Received a **Pró-Ética Mark 2020-2021** from the Office of the Federal Comptroller General (CGU), in recognition of senior management's commitment to

our integrity program; our compliance policies and procedures; training and communications initiatives; whistleblowing channels; risk assessment and monitoring; transparency; and corporate social responsibility. In this edition of the *Pró-Ética* program, more than 300 companies were assessed, with 67 passing the assessment.

- Ranked 26th among the 627 largest publicly traded companies in Brazil by revenue in the 2021 edition of the **Biggest and Best** list, published by Instituto Brasileiro de Mercado de Capitais (IBMEC) and business magazine *Exame*.
- Ranked 23rd overall in the **Época Negócios 360°** annual list, published by business magazine *Época Negócios* in consultation with Fundação Dom Cabral. In the Power sector, Eletrobras ranked 3rd overall; 3rd for future vision; 4th for corporate governance; 5th for people management; 6th for innovation; 7th for financial performance; and 11th sustainability.
- Was named to **Latin America's 500**, a list published by Bloomberg Línea. Our CEO, Rodrigo Limp, was listed as one of the most influential persons in Latin America for value creation and driving growth in the region.
- Was the top company for Corporate Governance in the first edition of the **Energy Leaders Awards 2021**, published by Grupo Mídia based on an online poll and market research.

Eletrobras was recognized as one of the world's **most sustainable companies** by S&P Global CSA

- Received a **top rating for compliance practices** in the National Anti-Corruption Program of the Federal Audit Court (TCU), including our parent company, Furnas, Chesf, CGT Eletrosul and Eletronorte. The program assesses performance in preventing, detecting, investigating, mitigating and monitoring corruption.
- Was featured in the foremost innovation award program in Brazil, **Valor Inovação Brasil**. In the 2021 edition, Eletrobras ranked 103rd overall and 7th in the power sector.
- Received its first **Transparency Trophy 2021**, in the R\$ 8 billion+ revenue category, from the Brazilian Association of Finance, Business Management and Accounting Executives (ANEFAC). Based on technical analysis by the Institute for Actuarial and Financial Accounting Research (FIPECAFI) at the University of São Paulo, the Transparency Trophy recognizes companies that demonstrate best practices in transparent financial reporting through their financial statements.
- Ranked 3rd among the **Rising brands of 2021**, a list published by *Brand Finance* based on reputation, innovation, value for money, emotional relationship, recommendations and quality.
- Was well ranked across several dimensions of *Institutional Investor's 2021 Latin American Executive Team*, in the Electric & Other Utilities - SellSide

category. Individually, Elvira Cavalcanti Presta ranked 1st among chief financial officers (CFO); Paula Prado ranked 1st among Investor Relations professionals; and Wilson Ferreira Junior ranked 2nd among CEOs in this category. As a company, Eletrobras ranked 2nd among the top Investor Relations programs and teams; 4th overall; 1st for Crisis Management amid COVID-19, and 2nd for best ESG disclosures in the Electric & Other Utilities – SellSide category.

- Received the top score (A) for Water Security from **CDP**. This score earned Eletrobras a position on CDP's **A List** of global leaders for transparency and climate action. Eletrobras scored B for Climate Change.



Recognition

Recognized for transparency by the Global Reporting Initiative

Eletrobras ranked as one of the top 14 companies for transparency around sustainability, in a survey by GRI's advisory board in Brazil, recently published in Brazilian business newspaper *Valor Econômico*.

One of the world's most sustainable companies

We received a Bronze award in The Sustainability Yearbook 2021, an annual publication listing the world's most sustainable companies. The yearbook is published by Standard&Poor's using the same methodology as used to select companies for the Dow Jones Sustainability Indices (DJSI).

Efforts on the 2030 Agenda

The Global Compact Network Brazil recognized a case study illustrating our commitment to the 2030 Agenda and the Sustainable Development Goals (SDGs).

Engaging with suppliers around climate change

Eletrobras is ranked on the CDP Supplier Engagement Leaderboard among the top 8% for supplier engagement on climate change.

Our memberships

GRI 102-13

- Brazilian Nuclear Program Protection Committee (COPRON)
- *Global Alliance for Sustainable Energy*
- Brazilian Association for Business Communications (ABERJE)
- Brazilian Institute for Corporate Governance (IBGC)
- National Quality Foundation (FNQ)
- National Forum on Ethical Management of Government Owned Companies
- Brazilian Business Council for Sustainable Development (CEBDS) – we have a seat on the Council’s governance body and are members of working groups on Water, Energy and Climate Change, Biodiversity and Biotechnology, and Social Impact. We co-lead the CTBio working group
- Brazilian Global Compact Committee (RBPG) – We actively participate in action platforms such as the Sustainable Development Goals (SDGs), Climate Change, Human Rights and Communications and Engagement and Anti-Corruption
- *Global Reporting Initiative (GRI Community)*
- Ethos Institute for Business and Social Responsibility
- **Carbon Disclosure Project Benchmark Club (CDP)**
- Electric Power Trading Chamber (CCEE)
- Brazilian Association of Generation Companies
- Brazilian CIER (Regional Electricity Integration Commission) Committee (BRACIER)
- Brazilian Association of Large Electric Power Generation Companies (ABRAGE)
- Brazilian Association of Large Electric Power Transmission Companies (ABRATE)
- Brazilian Wind Power Association (ABE Eólica)
- Brazilian Nuclear Power Association (ABEN)
- World Association of Nuclear Operators (WANO)
- World Nuclear Association
- Environmental Forum for the Brazilian Electric Power Sector (FMASE) – we have a seat on the forum’s governance body and participate in subject-matter committees and projects
- Environmental Committee of the Brazilian Association of Electric Power Companies (ABCE)
- Brazilian Forum on Climate Change (FBMC)
- Business for Climate (EPC)
- National Council on Water Resources (CNRH)
- *World Water Council (WWC)*
- Instituto Ethos Working Group on Human Rights
- Global Compact Working Group on Human Rights
- Brazilian National Council on Large Electric Systems (CIGRE Brazil)



Global Alliance for Sustainable Energy

Eletrobras is a founding member of the alliance, which brings together the world’s largest players in sustainable energy. One of the goals of the Global Alliance, which was kicked off in September 2021, is to promote sustainability across the value chain, with a particular focus on ESG, circular-economy principles, and models and solutions aligned with the Sustainable Development Goals.

100% Transparency Movement

In December Eletrobras joined the 100% Transparency Movement, an initiative launched by the Global Compact Network Brazil. As part of the movement, we have pledged to achieve progress toward five targets by 2030: 100% transparency in dealings with government officials; 100% integrity in top management compensation; 100% of the high-risk value chain trained on integrity; 100% transparent compliance and governance structure; 100% transparent whistleblowing channels.

Commitments undertaken

GRI 102-12

We have subscribed to national and international initiatives addressing issues related to business sustainability.

Our voluntary commitments:

Social:

- Sustainable Development Goals (SDGs): nine SDGs are prioritized in our Business & Management Master Plan (PDNG)
- The Stakeholder Capitalism Metrics initiative, led by the World Economic Forum
- Business for Human Rights, an open letter published by the Brazilian Ministry of Human Rights
- The UN Global Compact
- *Na Mão Certa*, a program launched by the World Childhood Foundation to combat roadside sexual violence against children and adolescents. In June 2021 Eletrobras Group companies expanded their participation in the program by creating *Na Mão Certa* Communities—forums for sharing and developing best practices to coordinate Group companies’ approach to human rights. We provided human rights training to our senior leadership, which they then cascade across the organization

- Gender and Racial Equity Program, launched by the Brazilian Office for Women’s Policies
- Women’s Empowerment Principles (WEPs)
- Bloomberg Gender–Equality Index.

Environmental:

- Brazilian Business Commitment to Biodiversity, launched by the Brazilian Business Council for Sustainable Development (CEBDS)
- Brazilian Business Commitment to Water Security, launched by the Brazilian Business Council for Sustainable Development (CEBDS)
- Carbon Disclosure Program (CDP);
- Task Force on Climate-related Financial Disclosures (TCFD);
- Business Dialog with Indigenous Peoples Initiative
- Open Letter – Private Sector Support for Carbon Pricing in Brazil
- Position Paper on Carbon Pricing Mechanisms
- Business for Nature’s Call to Action to reverse nature loss by 2030



Commitment to Stakeholder Capitalism

In early 2022 Eletrobras signed up to the Stakeholder Capitalism Metrics, an initiative launched by the World Economic Forum in 2019 in partnership with Big Four consulting firms Deloitte, EY, KPMG and PwC. The initiative seeks to improve the ways that companies measure and demonstrate their performance against ESG indicators and to enable positive contributions towards achieving the Sustainable Development Goals (SDGs).

Subscribing corporations work to: catalyze greater cooperation and alignment among existing environmental, social and governance (ESG) standards, frameworks and principles and encourage progress on the development of a systemic, globally accepted set of common standards for reporting on ESG performance, using global standards as they are developed; publicly support the principles of stakeholder capitalism and encourage business partners to do so; reflect the Stakeholder Capitalism Metrics in reporting to investors and other stakeholders.



PROSPERITY

MATERIAL TOPICS

- Technology and innovation
- Energy transition

RELEVANT TOPIC

- Suppliers

CAPITALS



IN THIS CHAPTER

- Financial performance
- Operating performance
- Energy transition
- Technology and innovation
- Supplier management

Prosperity

Prosperity describes the ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

Prosperity means economic growth that is built upon decent employment, sustainable livelihoods, rising real incomes, and social protection. It involves innovation and transforming business models to create shared value, including investments in sustainable and resilient infrastructure, settlements, industrialization, small and medium enterprises, and sustainable value chains.

Financial performance

GRI 103-2, 103-3

Eletrobras Group posted net income of R\$ 5,714 million in 2021, down 11% from net income of R\$ 6,387 million in 2020.

The reduction is primarily the result of R\$ 4,266 million in renegotiated hydrological risk under ANEEL Reso-

lutions 2 932 and 2 919/21/21—which extended the terms of several of Eletrobras' hydropower concessions—and provisions regarding compulsory loans.

EBITDA was R\$ 15,132 million in 2021, up 44% from R\$ 10,487 million in 2020, reflecting the strong operating performance of Group companies. Recurring Net Debt to EBITDA was 1.43x, within our target of 1.5x, reflecting successful efforts to reduce our net debt.

Optimizing our SPE portfolio

GRI 102-10

Our efforts to optimize our interests in Special Purpose Entities (SPEs) are in line with the guidelines under PDNG 2022–2026 to increase efficiencies in our generation and transmission operations.

In 2018 we disposed of a total of 26 SPEs in Auction 01/2018, including 16 generation SPEs and 10 transmission SPEs, generating proceeds of R\$ 1.3 billion. In 2019 Eletrobras completed Competitive Disposal Procedure No. 01/2019 for the disposal of 39 SPEs. Of these, 24 SPEs were sold throughout 2020, including 23 generation SPEs and 1 transmission SPE, yielding proceeds of approximately R\$ 900 million for the company. In 2020 we wound up 8 SPEs and merged another 9 as part of our SPE Optimization Program. As a result,

the number of SPEs held by Eletrobras Group companies was reduced from 136 as at December 2019 to 94 as at December 2020.

In 2021 we completed 12 mergers and 1 sale, generating proceeds of R\$ 740 million, with a total of 81 SPEs remaining as at December 2021. We also acquired one additional SPE in the year that is currently being merged.

Capitalization

As another significant development in 2021, the Brazilian Congress approved a bill regarding the capitalization of Eletrobras, which was subsequently enacted as Law no. 14 182/2021 by the Federal Government. The capitalization will reduce the Brazilian Government's interest in our capital from 51% to 45%, with the remainder sold on the market, but with the Brazilian Government retaining its status as the majority shareholder. This will support increased investment to keep the company competitive on the market, adding to the list of challenges that the Eletrobras Group has successfully navigated throughout its six decades of history.

With Eletrobras' capitalization factored in, PDNG 2022–2026 projects capital expenditure of approx-

We ended 2021
with a total of **81 SPEs**
in our portfolio

imately R\$ 48.3 billion, up 17.5% on the previous PDNG (2021-2025).

Results of operations GRI 102-7, 103-3

We reported consolidated net income of R\$ 5,714 million in 2021, down from R\$ 6,387 million in 2020. Cumulative net income over the last four years was R\$ 37.7 billion.

Net Operating Revenue was R\$ 37,616 million in 2021, an increase of 29.3% from R\$ 29,080 million in 2020. The increase is primarily the result of construction revenue and contracted power transfers from Itaipu.

For further details about Eletrobras' financial performance, read our financial reports [here](#).

44%
EBITDA growth in
2021%

Operating revenue

The 23% growth in total revenue is primarily due to an increase of R\$ 1,222 million in electricity purchased from Uruguay by our parent company due to the need to preserve streamflow levels in the primary river basins supplying hydropower to the National Grid. Due to this, approximately 1.64 GWh was dispatched from Uruguay. Another factor was the Renegotiation of Hydrological Risk under Resolution no. 2 932/21, which approved an extension of hydropower concessions, reducing electricity purchased for resale by R\$ 4,266 million.

The change in the Personnel expenses line item primarily relates to a wage increase of 2.4% under our 2020/2021 Collective Bargaining Agreement and 6.76% under our 2021/2022 Collective Bargaining Agreement, both of which also affected employee benefits. In addition, in October 2021 we implemented a pre-paid health plan at some subsidiaries, resulting in expense concentration in the last quarter of 2021. Interest expense also increased by R\$ 87 million in connection with actuarial liabilities under Chesf's defined contribution and defined benefit plans.

Gross revenue, total and by business (R\$ million)

	GENERATION	TRANSMISSION	OTHER REVENUE	TOTAL
2019	23,374	11,533*	769	35,676
2020	22,270	12,248	711	35,229
2021	26,055	17,450	926	44,431

* Operating revenue from transmission operations has been restated

Operating costs and expenses - Personnel, materials, services and other expenses (R\$ million)

	2019	2020	2021	% (change 2020/2021)
Personnel	- 5,828	-4,743	-5,273	11%
Materials	-280	-274	-303	11%
Services	-2,171	-1,963	-1,950	-1%
Other expenses	-1,572	-2,197	-1,813	-17%
Total PMSO	-9,850	-9,176	-9,339	2%

Finance revenue (expense)

Finance revenue (expense) in 2021 was an expense of R\$ 1,135 million, down from an expense of R\$ 159 million in 2020. The decrease primarily reflects a reduction of R\$ 834 million in interest on short-term financial investments. Conversely, our debt was reduced by approximately US\$ 706 million in the year.

Equity income

Equity income increased by R\$ 197 million or 12%, primarily as a result of higher equity income from Interligação Elétrica do Madeira S.A. (IE Madeira) and Norte Energia S.A. (NESA).

Eletrobras reduced its net debt by **US\$ 706 million**



Working on a transmission line, Eletrobras Chesf. Photo: Eduardo Vilaça

Distribution of added value (R\$ million) GRI 201-1

8 9

	2019	2020	2021
Personnel	5,397	4,743	5,273
Taxes	4,158	4,880	10,073
Contractors	9,438	5,098	5,236
Shareholders	11,133	6,387	5,714

Statement of Income for the Period (R\$ million)

SOI	2019	2020	2021
Generation Revenue	23,374	22,270	26,055
Transmission Revenue	11,533*	12,248	17,450
Other Revenue	769	711	926
Gross Revenue	35,675*	35,228	44,431
Deductions from Revenue	-5,961	-6,148	-6,815
Net Operating Revenue	29,714*	29,081	37,616
Electricity for resale, grid usage, fuel and construction	-7,450*	-7,959	-6,189
Personnel, Materials, Services and Other	-9,850	-9,176	-9,339
Depreciation and Amortization	-1,807	-1,863	-2,081
Operational Provisions	-2,006	-7,374	-14,893
	8,601*	2,709	5,114
Effect of Periodic Rate-Setting Review	0	4,228	4,859
Equity income	1,041*	1,671	1,868
Other Revenue (Expense)	25	16	1,211
	9,667	8,624	13,051
Finance revenue (expense)	-2,449*	-1,672	-2,056
Net income before tax	7,218*	6,953	10,994
Income Tax and Social Contribution	631*	-565	-5,281
Net Income for the Year	7,848*	6,387	5,714
Income (Loss) Net of Taxes from Discontinued Operations	3,285	0	0
NET INCOME FOR THE PERIOD	11,133*	6,387	5,713

* Some information for 2019 has been restated.

Taxes

10

GRI 207-1, 207-2, 207-3

It is our policy at Eletrobras to ensure taxes are paid on a timely basis, recognizing the importance of taxes for the country as a source of government revenue, for fiscal policy, and for macro-economic stability.

We also influence our value chain to take a similar approach, ethically and transparently. In 2021 Eletrobras Group companies generated approximately R\$ 10,073 million in Federal, state and municipal taxes through value creation, representing more than 20% of our total revenue of R\$ 49,695 million. By complying with tax legislation, we demonstrate respect for our stakeholders, and by promoting good tax practices we are supporting efforts against tax evasion.

Capital Market

GRI 102-10

Eletrobras has common and preferred shares traded on the Brazilian stock exchange (B3) under the ticker symbol “ELET3”, and class “B” and “A” common and preferred shares under the ticker symbols “ELET6” and “ELET5”, respectively. On the New York Stock Exchange (NYSE), our shares are traded through a Level II ADR program under the ticker symbols “EBR” and “EBR-B”. On the Madrid Stock Exchange (Latibex), our stocks are traded via the Latibex Program under the ticker symbols “XELTO” and “XELTB”.

Eletrobras’ total capital stock was R\$ 39.057 billion as at December 31, 2021, divided into 1,568,930,910 shares, consisting of 1,288,842,596 common shares and 280,088,314 preferred shares.

Green bonds

13

GRI 102-10



Eletrobras Chesf transmission lines. Photo: André Schuler

The Eletrobras Group was certified in 2020 to issue green bonds for our transmission line projects, with a Second-Party Opinion (SPO) issued by Vigeo Eiris. In 2021 subsidiary CGT Eletrosul issued our first green bonds, raising R\$ 185 million. The green bonds were issued in the form of infrastructure debentures, with the proceeds earmarked for investment under ANEEL transmission concession contracts, a priority for the Brazilian Ministry of Mines and Energy.

Eletrobras received technical assistance from the Inter-American Development Bank (IDB) in aspects such as improving its ESG rating, securing green certification, and preparing and updating our green bond framework and SPO.

In 2020 Eletrobras Received certification to issue green bonds for wind and solar projects, and International Green Certification from the Climate Bonds Initiative (CBI).

Operating performance

GRI 102-2, 103-2, 103-3, EU1

Despite a severe and prolonged drought in the year—the worst in the last 90 years—Eletrobras' generation and transmission operations delivered strong technical performance in the year, accounting for 28% of Brazil's total generation output and 40% of total transmission throughput.

We ended 2021 with an installed generation capacity of 50,515.2 MW, or 28% of Brazil's total installed capacity of 181,498.1 MW. This makes Eletrobras Group a key contributor to one of the most renewable, low-greenhouse gas (GHG) energy mixes in the world.

Our assets are operated to high standards of excellence and availability, ensuring an efficient, reliable supply of electricity. Some of our generation facilities have black start capabilities, meaning they are able to recover from a shutdown without an external source of supply to their auxiliaries. If black starting fails, these plants have at least a second—and often a third—redundant source of supply depending on the plant's strategic importance for restoring power on the National Grid.

Following an outage in which consumer loads are disconnected, their reconnection is managed by the National Grid Operator (ONS). The ONS establishes priority patterns in restoring power (ONS Grid Procedures, Submodule 5.13).



The Tucuruí Dam. Eletronorte Archives

We generate **28%**
of Brazil's electricity
output

Generation

7 13

EU1

In generation, we operate in the Regulated Market (including the quota system), the Free Market and the Spot Market. Out of Eletrobras' total generation assets, 61% are wholly owned, 23% are owned via Special Purpose Entities (SPEs), and 16% are co-owned, including half of the installed capacity of Itaipu Binacional (7,000 MW).

Approximately 97% of our installed capacity derives from low-greenhouse gas (GHG)* energy sources. At 12/31/2021, out of Brazil's total low-GHG installed capacity, 51% or 70.3 GW was owned by Eletrobras.

As a highlight in 2021, Furnas started operation of the Jaguari Dam (27.6 MW) on January 1, under Ministry of Mines and Energy (MME) Directive 409 (November 13, 2020). In addition, Amazonas GT's plants were merged into Eletronorte in the third quarter of 2021. Meanwhile, the initial operation of two wind farms within the Casa Nova I A wind farm cluster added another 3 MW to our installed capacity.

The residual equity interest held by Chesf in the 11 wind farms within the Pindaí I, II and III wind cluster were merged into the Eletrobras Group.

Eletronorte's Santana, Santana II and Santa Rita thermal power plants were decommissioned in May 2021, within the timeframe established in MME Directive 406/2020 for emergency service in Amapá. *The Senador Arnon Afonso Farias de Mello thermal power plant is not included in Eletronorte's installed capacity as it is currently free-leased to Roraima Energia S.A, the successor of Boa Vista Energia S.A.

Net generation (in GWh)¹ GRI EU2

NET GENERATION BY SOURCE	2019	2020	2021
Solar	1.0	1.0	1.0
Wind	3,402.0	3,404.0	2,365.2
Hydro	156,739.0	172,074.0	154,090.0
Natural gas	6,585.0	5,726.0	6,677.6
Uranium	16,127.0	12,866.0	13,461.7
Coal	1,668.0	1,100.0	2,215.6
Oil	503.0	12.0	0.4
Total²	185,025.0	195,183.0	178,811.7

¹ Wholly owned, co-owned (including Itaipu Binacional) and SPE-owned plants.

² Total generated electricity includes generation by plants that were operational throughout the year but at year-end were no longer owned by Eletrobras and no longer included in our installed capacity.

Installed capacity (MW) EU1

	2019	2020	2021 ³
Corporate ²	39,095.00	38,944.54	38,909.15
SPEs	12,048.00	11,703.66	11,606.07

² Includes Itaipu (7,000 MW belonging to Eletrobras).

³ The figure for 2021 excludes Eletronorte's Senador Arnon Afonso Farias de Mello thermal power plant (85.99 MW), currently free-leased to Roraima Energia S.A, the successor of Boa Vista Energia S.A. Includes Furnas' Roberto Silveira (Campos) thermal power plant (25 MW), which has been taken out of commercial operation under ANEEL Resolution 708/2019.

*Including hydro, wind, solar and nuclear.

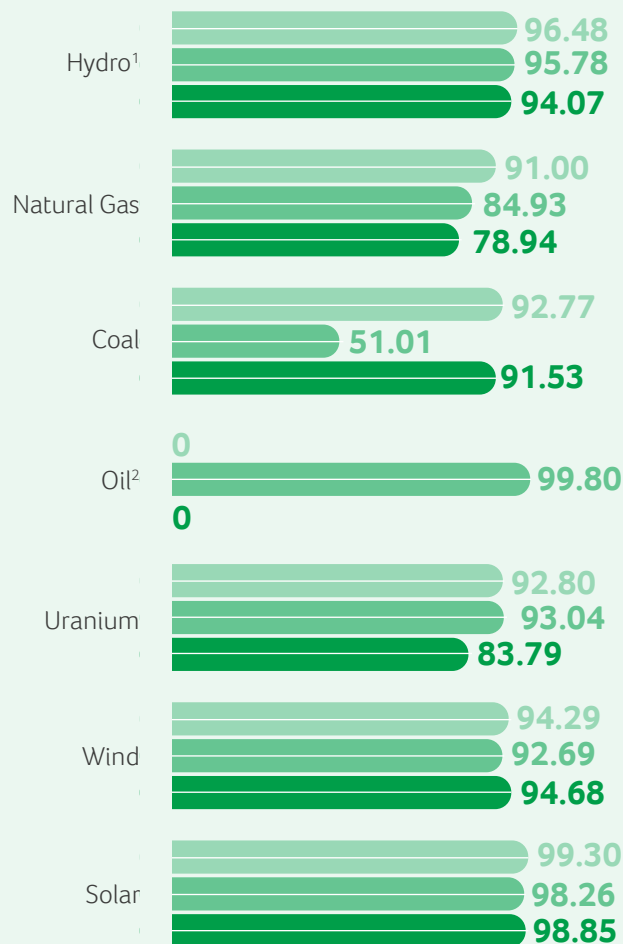
97%
of our installed capacity derives from
GHG sources

Average availability factor by energy source (%) **GRI EU30**

7

Primary electricity source

● 2019 ● 2020 ● 2021



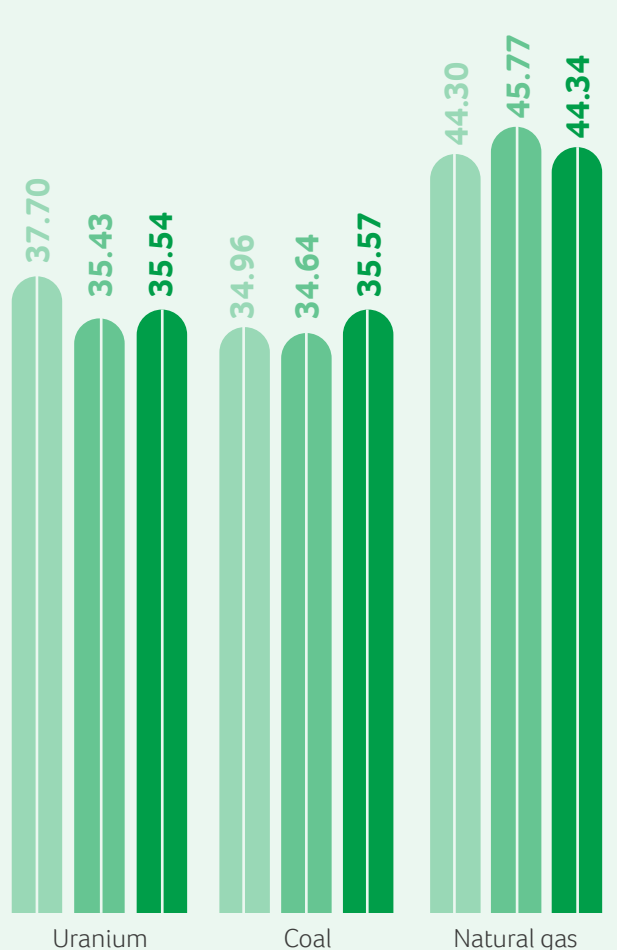
¹ Wholly owned, co-owned (including Itaipu Binacional) and SPE-owned plants
² In 2021, the availability of oil-fueled thermal power plants was not reported.

Annual average thermal generation efficiency by source (%)*

GRI EU11

7 8 12 13

● 2019 ● 2020 ● 2021



*Based on the average efficiency of Eletrobras-owned plants. The 2021 report, and the two previous reports, exclude oil-fueled plants from the efficiency figures.

ARGER Program

In 2021 we reformulated our Autonomous and Resilient Generation Assets (ARGER) Program, launched in the second quarter of 2020 as part of the response to the COVID-19 Pandemic.

The ARGER Program aims to unify initiatives that have synergistic potential but are currently siloed, integrating them within a wider context and identifying initiatives that are strategically essential for the Eletrobras Group.

The program uses an approach to prioritizing projects that is based on criteria and indicators that are widely discussed and validated among operation and maintenance (O&M) representatives Group-wide.

The ultimate aim of the program is to encourage Eletrobras Group companies to invest in modernizing their generation assets and developing projects that deploy disruptive technologies, such as BIM methodology, artificial intelligence and machine learning.

Transmission

GRI 102-2, 102-6, 103-2, 103-3

7 8 12 13

We ended 2021 with a total of 74,088 kilometers (km) of transmission lines¹, including 9,408* corporate km not renewed²; 57,148 corporate km under Operation & Maintenance agreements, renewed pursuant to Law No. 12 783/13; and 7,532 km corresponding to our stakes in projects developed by the Eletrobras Group via SPEs. The Permitted Annual Revenue (RAP) of our corporate transmission lines (a total of 66,556 km) was R\$ 11,292 million.

Including only transmission systems with a voltage level equal to or greater than 230 kV—i.e. only ±800, 750, ±600, 525/500, 345 and 230 kV transmission lines—Eletrobras operates a total of 68,359 km, or 40.2% of transmission lines in Brazil at these voltage levels.

At year-end 2021, 109 large-scale projects were in progress (21 transmission line and 88 substation projects), with an Associated Permitted Annual Revenue (RAP) of R\$ 433 million.

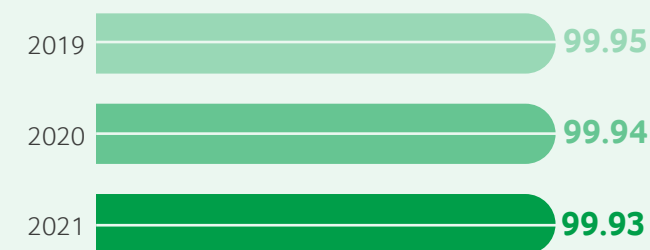
At year-end 2021 we had a transformation capacity of 273,333 MVA, including 93.04% (254,306 MVA) in corporate substations and 6.96% (19,027 MVA³) operated by SPEs. On a leveraged basis, i.e. including the total capacity of the SPEs in which we have stakes, Eletrobras provided the grid with 520 MVA of transformation capacity.

1 Across all voltage levels (corporate and SPE transmission lines)

2 The 9,408 km of corporate transmission lines include assets not affected by Law no. 12 783/2013, including transmission lines for which remuneration is linked to the exclusive use of a given generator or connections to large consumers.

3. Includes Furnas' step-up substations

Operational availability rate in transmission^{4 5} (%) EU6



4 Operational availability, a manageable technical variable, is calculated based on the number of outages of transmission lines operated by the Eletrobras Group, including both outages caused by failures and faults and outages for preventative and corrective maintenance. This indicator is used to measure the O&M performance of our assets.

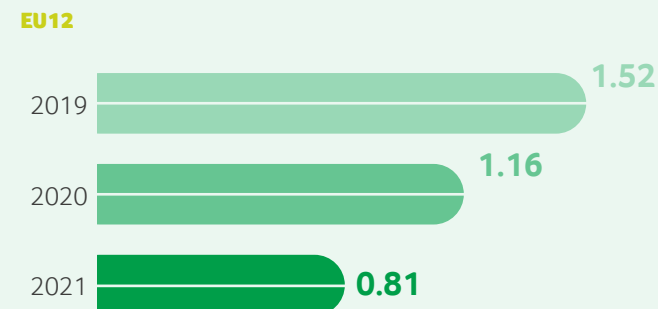
5 The reported figures are for corporate backbone transmission lines eligible to RAP and that were in operation at the end of the reporting period, including disconnected sections. Excludes supplementary grid transmission lines.

Transmission line evolution by type of project (in km) EU4

	CORPORATE	SPE
2019	64,138	7,015
2020*	66,431	9,698
2021	66,556	7,532

We operate **40.2%** of transmission lines with a voltage higher than 230 kV in Brazil

Transmission technical losses (%) EU12



Planned capacity EU 10

Eletrobras will add 1,568.55 MW in installed capacity to its system from 2022 to 2030 through projects already under contract. This includes the Angra III nuclear power plant (1,405 MW), the Curuá-Una Dam expansion (12.5 MW), the Santa Cruz combined cycle upgrade (150 MW), and the Cachoeira Branca small hydropower plant (1.05 MW).

The only nuclear project will be Angra III, which is scheduled to start operation in 2027.

In 2030, if our concessions are not renewed for the Samuel small hydropower plant (in 2029) and the Campos thermal power plant (in 2027), our installed capacity will be reduced by a total of 241 MW.*

By 2030 we will add
1,568.55 MW
 in capacity to Eletrobras assets

Not including 1,568.55 MW in added capacity from projects already under contract.

Changes in installed capacity within the National Grid

ELETROBRAS SYSTEM CAPACITY VS TOTAL PLANNED CAPACITY (TEN-YEAR EXPANSION PLAN (PDE) 2030)⁵

Source	2021			2026			2030		
	Brazil - National Grid (MW)	Eletrobras System (MW)	Equity Interests (%)	Brazil - National Grid (MW)	Eletrobras System (MW)	Equity Interests (%)	Brazil - National Grid (MW)	Eletrobras System (MW)	Equity Interests (%)
Coal	3,017	350	12	3,017	350	12	695	350	50
Oil ¹	4,717	23	0	870	23	3	288	23	8
Nuclear ³	1,990	1,990	100	1,990	1,990	100	3,395	3,395	100
Natural gas ²	15,416	1,146	7	14,107	1,702	12	22,005	1,677	8
Hydro ⁴	108,770	46,296	43	110,342	46,309	42	115,282	46,093	40
Wind	17,770	709	4	22,731	709	3	32,230	709	2
Biomass	14,017	0	0	14,698	0	0	15,066	0	0
Solar	3,401	1	0	5,511	1	0	8,436	1	0
Total	168,414	50,515	30	173,266	51,061	29	197,397	52,248	26

Notes:

¹ Includes Fuel Oil and Diesel Oil

² Renewal of the Santa Cruz thermal power plant concession, start of operation of the Tambaqui (93 MW), Jaraqui (75 MW), Manauara (68 MW), Cristiano Rocha (85 MW) and Ponta Negra (85 MW) IPPs in 2025. The figures exclude the renewal of the Campos thermal power plant concession (25 MW) in 2027.

³ Includes the extended useful life of Angra I.

⁴ Includes the renewal of the Tucuruí hydroelectric plant concession in 2024 as planned in PDNG 2022-2026, and the Balbina and Curuá-Una hydroelectric plant concessions in 2030. The figures exclude the renewal of the Samuel hydroelectric plant concession (216.75 MW) in 2029.

⁵ Natural Grid installed capacity figures for 2021, 2026 and 2030 were obtained from the PDE 2020 - 2030. Eletrobras' percent share of total National Grid capacity was calculated on the basis of PDE 2030. Hydroelectric installed capacity includes Brazil's half of Itaipu Binacional (7,000 MW). For joint ventures, the reported installed capacity is proportional to Eletrobras' stake in the joint venture. Biomass assets in the National Grid from 2021 to 2030 include both biogas and biomass assets in the Ten-Year Expansion Plan 2030 (PDE 2030).

Energy transition

GRI 103-2, 103-3, EU10

7

Eletrobras is supporting the global effort to contain global warming and climate change by investing in energy transition projects and initiatives, which are ushering in structural changes in global energy mixes toward a low-carbon economy. This means migrating from fossil fuel-based models to alternatives with a greater share of clean and renewable energy.

Brazil is ahead of many countries around the world—its electricity and energy mix has historically been highly weighted in renewable energy. According to the Brazilian Ministry of Mines and Energy’s Ten-Year Expansion Plan (PDE) 2030, 49% of the country’s energy mix and 84% of the electricity mix consisted of renewable sources in 2021. With the electricity mix expected to reach 86% renewables by the end of the decade, Brazil’s will remain one of the cleanest electricity mixes in the world in the years to come.

Eletrobras, the largest power company in Latin America by generation output, has a role in this—97% of our installed capacity derives from clean energy sources. And we have continued to invest in clean energy sources, especially wind and solar, and in diversification. This commitment is guided by our Strategic Plan 2020-2035.

In considering potential generation projects at Group companies, we take this guidance into account in order to develop a diversified generation portfolio in the free and the regulated markets, and actively engage in and



Floating solar panels on the surface of one of Chesf’s hydroelectric reservoirs. Eletrobras Chesf Archives

support the modernization of the power sector. In assessing new generation business opportunities, Eletrobras uses methodologies that take technical, social, environmental and economic criteria into account.

For projects based on fossil fuels, we work to optimize our existing projects and implement newly developed and improved emissions monitoring and reduction technologies, helping to make our facilities as energy-efficient and low in emissions as possible.

In 2021 our greenhouse gas (GHG) emissions rose by 37% due to increased dispatching of our thermal power plants, which represent only 3.0% of our total

Eletrobras has played a role in making Brazil’s electricity matrix **one of the cleanest in the world**

generation capacity. This was necessary due to reduced water levels in hydroelectric reservoirs.

Through Eletrobras CEPEL, we have also implemented a wide range of initiatives and projects to improve energy efficiency, as the global energy transition is not only about generating and consuming low-carbon energy, but also about optimizing consumption of goods and services. One of our ongoing research projects is working to develop zero-emission green hydrogen technology (*read more on [page 85](#)*), widely considered a key lever for the transition to a low-carbon economy.

As part of this research project, a Group-wide, coordinated set of initiatives is working to build capabilities for hydrogen production, storage and potential applications, creating competitive advantage. In addition to Furnas, which has launched a challenge (*see [page 84](#)*) to recruit startups offering O&M solutions for green hydrogen (H2V) plants, Chesf has invested in research into innovative hydrogen production technology. In addition to these initiatives, the Eletrobras Group already boasts extensive expertise from experimentation at Itaipu, which built an active hydrogen production plant at its facilities in 2016; at Eletronuclear, which has pioneered seawater electrolysis in Brazil; and at CGT Eletrosul, which has led an R&D project to use hydrogen systems in replacement of batteries at substations.

For more information about our generation expansion program, see the section “Planned Capacity” (*[page 68](#)*).



The Candiotá III thermal power plant. CGTEletrosul archives

Energy compact

Eletrobras and the Brazilian Development Bank (BNDES) have submitted a joint energy compact to the United Nations (UN), titled “Decarbonizing islanded grids in the Amazon by replacing diesel generators with clean, renewable and affordable energy sources.” The compact, announced during the UN’s High-level Dialogue on Energy 2021, consists of a technical cooperation agreement to decarbonize islanded power systems in the Amazon by replacing the currently used diesel generators with clean, renewable and affordable energy sources. Brazil’s Amazon has 257 islanded power systems with an installed capacity of 1,218 MW, of which 90% are diesel-powered. This initiative supports Sustainable Development Goal (SDG) 7, one of our 9 priority SDGs.

The Compact is available [here](#).

Industry programs

7

National Energy Conservation Program (PROCEL)

PROCEL is a Federal Government program that aims to improve energy efficiency, reduce waste and increase cost efficiency in industry. The program comprises a set of sectoral initiatives throughout Brazil in the areas of education, knowledge dissemination, buildings and facilities, environmental sanitation, municipal energy management, public lighting, and industry.

PROCEL is funded by contributions of 0.1% of the net operating income of Electric utility companies pursuant to Law no. 13 280/2016, and Eletrobras is responsible for managing and using Program funds. In 2021 we invested approximately R\$ 72.7 million in energy efficiency projects under this law across the public and private segments. The energy savings generated by PROCEL initiatives are currently being assessed, and final figures will be released in March 2022; however, we estimate a reduction of 22.7 million MWh, avoiding 1.4 million tCO₂ equivalent in emissions.

The benefits from the program include both electricity savings as well as deferred demand for capacity expansion, creating benefits for society.



Maintenance work on an Eletrobras Chesf transmission line. Photo: André Schuler

PROCEL Indicators

INDICATOR / YEAR	2019	2020	2021
Electricity savings (thousands of MWh/year)	21,600	22,023	22,730
GHG emissions avoided (thousand tCO ₂ equivalent)	1,600	1,359	2,870
Peak shaving (MW)	8,129	7,262	7,508

9

PROCEL Education

In 2021 we engaged a specialized company to develop a new energy efficiency education methodology for primary school students. The company will develop a range of materials primarily designed for a digital environment. The new methodology will be integrated with our “PROCEL at School” program, which already features content for 1st to 9th grade primary students, expanding the reach of PROCEL’s education efforts. All PROCEL at School materials are distributed for free to Education Departments, and are widely used by electric utilities in Brazil as part of their ANEEL-regulated Energy Efficiency Programs. This makes it an important initiative in supporting the development of the power sector and a more energy-conscious society.

Learn more about this initiative on our [website](#).

PROCEL Mark

Created in 1993, and one of the Program’s most popular initiatives, the PROCEL Energy Savings Mark helps consumers to identify energy-efficient and environmentally friendly products. Product certification is a mechanism that is widely recognized by electric appliance consumers around the world. The PROCEL Mark is the primary voluntary certification program in Brazil’s power sector, with more than 40 types of products currently certified and an extensive network of accredited laboratories. To build on and strengthen the success and credibility of the PROCEL Mark program, in 2021 we continued the market monitoring effort we launched a few years ago. This initiative collects products at points of sale and tests them at a laboratory to ensure they deliver the power consumption claims underlying their PROCEL certification.



Etrobras CGT Eletrosul’s Open House visitation program. Photo: Hermínio Nunes

To ensure the future-readiness of the PROCEL Mark, we engaged a company to carry out a methodological review and reposition the PROCEL certification program based on world-class best practices. As another development in 2021, we launched a program to procure a blockchain platform with the capabilities to offer digital services to the PROCEL Mark’s full-spectrum of stakeholders, from product manufacturers to consumers.

Learn more about this initiative on the PROCEL [website](#).

PROCEL Reluz

In 2021, PROCEL Reluz launched a public call for projects to improve public lighting efficiency using LED technology across different models. The goal of the program is to compare the different models and identify those that are viable and replicable across Brazilian municipalities. Following the call for project proposals, the

program selected 99 municipalities to receive approximately R\$ 65 million in investments in 2022 and 2023.

In addition to the call for proposals, the PROCEL Reluz program concluded two technical cooperation agreements in the area of public lighting. One agreement was concluded with the State University of Campinas (UNICAMP) to develop smart city concepts and implement a pilot revolving around street lighting. The other agreement was signed with the Acre State Energy Center of Excellence (CEEAC), now renamed as eAmazônia, to build the capabilities of municipal governments and other actors for developing energy-efficient street lighting projects in the Amazon.

Learn more about this initiative on our [website](#).

PROCEL Edifica

One of our flagship project in this segment is “Esplanada Eficiente”, with investments of R\$ 100 million. The project has two components. The first was launched with a public call for project proposals in 2021 to select approximately 40 retrofit projects at public buildings. The second component, dubbed *Solar Esplanade*, will install photovoltaic panels on up to nine buildings along the Ministries Esplanade in Brasilia, with a total

PROCEL Reluz will invest
R\$ 65 million to 2023
 in selected projects
 in **99 municipalities**

installed capacity more than 3 MWp. In addition to solar panels, the project will implement an energy management system to deliver low to zero cost electricity to the public buildings involved.

Learn more about this initiative on our [website](#).

PROCEL Industry

In 2021 the industrial segment of the program featured a range of research projects on thermal and drive systems with support from specialized consulting firms engaged by PROCEL. But the flagship project in this segment is a renewed partnership with the Brazilian Industry Confederation (CNI), called “the Alliance”. In this edition of the Alliance, PROCEL will invest R\$ 10 million across 24 energy-intensive industries to deliver energy-efficiency projects that will improve productivity and optimize overall electricity consumption at industrial facilities. Benefited companies will sign agreements pledging to match the PROCEL investments and implement energy efficiency systems to ensure the energy efficiency improvements are sustained over time.

Learn more about this initiative on our [website](#).

Other initiatives

In 2021, with support from the Eletrobras Communications team, two PROCEL advertising campaigns were run in mainstream media, including broadcast and cable TV channels. The first campaign showcased five real-world PROCEL projects with testimonials from Program partners. The main challenge in this campaign was during production due to the stringent COVID-19 safety protocols required during the pandemic. The second campaign directly involved the Brazilian Ministry of Mines & Energy as the Program coordinator,



A location served by the LPT program

aligning the content with other government campaigns to raise public awareness about the water shortages and electricity crisis. In all, approximately R\$ 30 million was invested in advertising campaigns to engage people around responsible electricity consumption, and to showcase the key initiatives within the program.

With the enactment of Law no. 13 280/2016 and the implementation of PROCEL Annual Funding Application Plans (PAR Procel), the program launched a portfolio of enabling projects in different segments to transform the energy efficiency market. These enabling projects range from calls for innovation proposals to accelerate startups and innovative companies offering products for the energy efficiency market, to industry-specific studies on key performance indicators. One of the stand-out enabling projects in 2021 was a Collateral Program in partnership with BNDES, which will help financial institutions to provide credit facilities for energy efficiency projects. The collateral program, called FGEnergia, will receive PROCEL funding of R\$ 45 million and will support access to seven times this amount in credit facilities. The initiative will improve

financial institutions’ risk ratings for energy efficiency projects and will serve as a pilot to subsequently incorporate other non-PROCEL sources of funding into the Collateral Program, allowing BNDES to expand the FGEnergia initiative in the future.

Light for All Program

EU 23

The National Program for Universalization of Access and Use of Electricity, or “Light for All Program” (*Programa Luz para Todos –LPT*), aims to provide electricity supply to all unserved rural communities by 2022.

Launched in 2003, the LPT Program is supervised by the Ministry of Mining & Energy (MME) and executed by Eletrobras, which manages execution contracts and monitors rural electrification works within the Program.

The LPT Program also provides solutions for using electricity as a driver of social and economic development in low-income communities. In addition, access to electricity supports access to healthcare, education, water supply and sanitation, and other federal government programs and services. These initiatives support poverty reduction, higher household incomes and better living standards, as well as helping to avoid rural flight.

Program funding is sourced from electric power sector players, the Energy Development Account (CDE), an industry fund managed by the Electric Power Trading Chamber (CCEE), and other sources managed by the MME jointly with other government agencies.

Program performance is monitored via Eletrobras’ Light for All Program Project Management System (LPT System). The program is regularly audited internally and independently by oversight agencies such as the Office of the Federal Comptroller General (CGU). To increase

transparency around the programs it manages, Eletrobras regularly responds to requests for information from agencies such as ANEEL, public prosecution services and the Federal Police.

Total homes served by the LPT program

YEAR	HOMES
2019	3,501,956
2020	3,541,679
2021	3,561,738

Source: MME ([see here](#)), accessed 4/2/2022.

Eletrobras has been tasked with operating the **Light for All Program** since 2003

More Light for the Amazon

EU 23

In 2020, Eletrobras was tasked with executing the National Program for Universalization of Access and Use of Electricity in the Brazilian Amazon, or More Light for the Amazon (*Mais Luz para a Amazônia, MLA*). This program was instituted by Decree 10 221 and is led by the MME. Program beneficiaries include families in remote Amazon areas without access to electricity or who generate electricity using nonrenewable sources. Eletrobras is responsible for contract management and project oversight.

The program provides capabilities to generate electricity from clean and renewable sources to support the development of communities, especially riverine, indigenous and *quilombola* communities. Access to electricity reduces social and economic vulnerabilities and enhances civic engagement, well-being and dignified living for these communities.

The MLA program will extend to December 31, 2022 or potentially until universalization of power supply has been achieved in the region. The Federal Government initially aims to serve approximately 220,000 households.

Alternative Source Incentive Program (PROINFA)

7 13

The Alternative Source Incentive Program (PROINFA) was created in 2002 to expand the share of renewable sources in Brazil's energy mix by incorporating new wind, small hydro and biomass projects into the National Grid.

Eletrobras has played a central role within the program by concluding 20-year offtake agreements with projects developed within PROINFA. The Program has fulfilled its goal of diversifying Brazil's energy mix by increasing the share of wind, small hydro and biomass projects.

In 2021, the Program generated 8.9 million MWh at a cost of R\$ 4.04 billion, for a total of approximately 124.7 million MWh generated from February 2006 to year-end 2021. The total number of projects added to the National Grid was unchanged compared to 2019.



An Eletrobras Chesf wind farm. Photo: André Schuler

Government Assets under Management (BUSA)

Under article 2 of Decree-Law no. 1383/74 (December 26, 1974), assets expropriated and taken over with funds from the Global Reversion Reserve (RGR) Account have been integrated together and placed under the management of Eletrobras. These assets are referred to as Government Assets under Management (BUSA in the Portuguese acronym).

We manage 1,994 Federal Government assets linked to electric utility concessions that are registered in the Management Information System for Government Assets under Management.

On May 1, 2017, sectoral funds previously managed by Eletrobras, including the RGR Account, were placed under the management of the Electric Power Trading Chamber (CCEE) under Law no. 13 360/2016, without any legal provisions establishing a requirement to compensate Eletrobras for the continued management of those assets.

From May 2017 to June 2021, our parent company spent R\$ 13.12 million on the management of BUSA assets.

An ANEEL initiative is currently re-managing these activities in connection with the capitalization of Eletrobras pursuant to Law no. 14 120/21, under which Federal Government assets under Eletrobras management (BUSA), which have been expropriated or taken over with funds from the Global Reversion Reserve (RGR), will be either disposed of or placed under the management of the Office for Coordination and Governance of Federal Government Assets, under the Ministry of the Economy (ME).

Technology and innovation

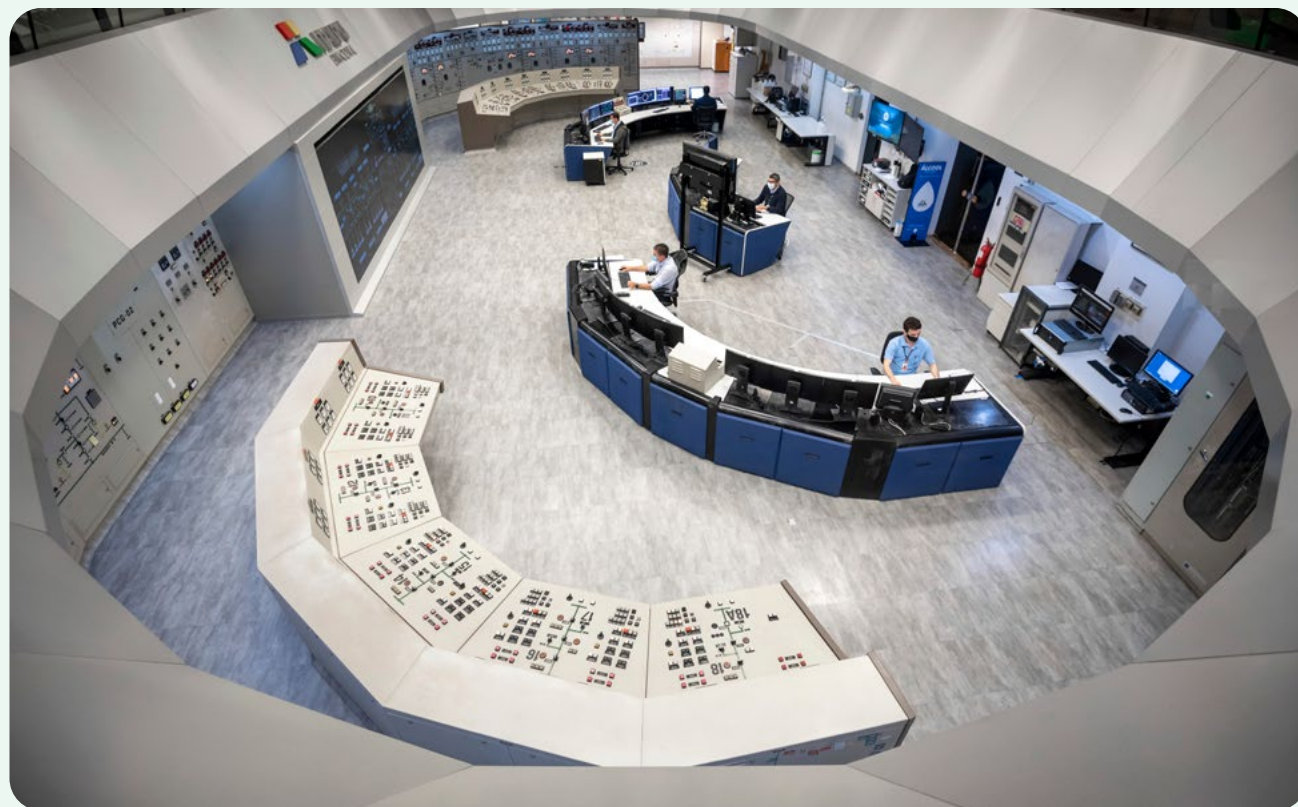
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Our cultural transformation in recent years to integrate processes and create a high-performance corporate environment has, to a great extent, been enabled by Eletrobras' digital transformation program.

We recognize that, despite each Group company's unique circumstances and needs, there is much that can be done in an integrated manner; this has led us to develop projects and deploy technologies to automate and standardize business and management processes, aiming to enhance performance and free up our employees for more strategic activities, while also improving their quality of life on the job.

As part of these efforts, we recently launched the Eletrobras Digital Program, which aims to drive progress on one of the strategic levers under our PDNG: achieving leadership in innovation and advancing the digital transformation of our business and management processes. This journey is not just about adopting, investing in or developing technology, but embracing an entirely new approach to business.

The Eletrobras Group has accordingly worked to transform the business by accelerating digital initiatives to drive new projects and sources of revenues, and by investing in our digital presence so that corporate tasks can be performed wherever our employees are and on any device. These initiatives were accelerated by the COVID-19 pandemic and the increased demand for telecommuting. Eletrobras has also deployed and worked to mainstream data analytics and automation.



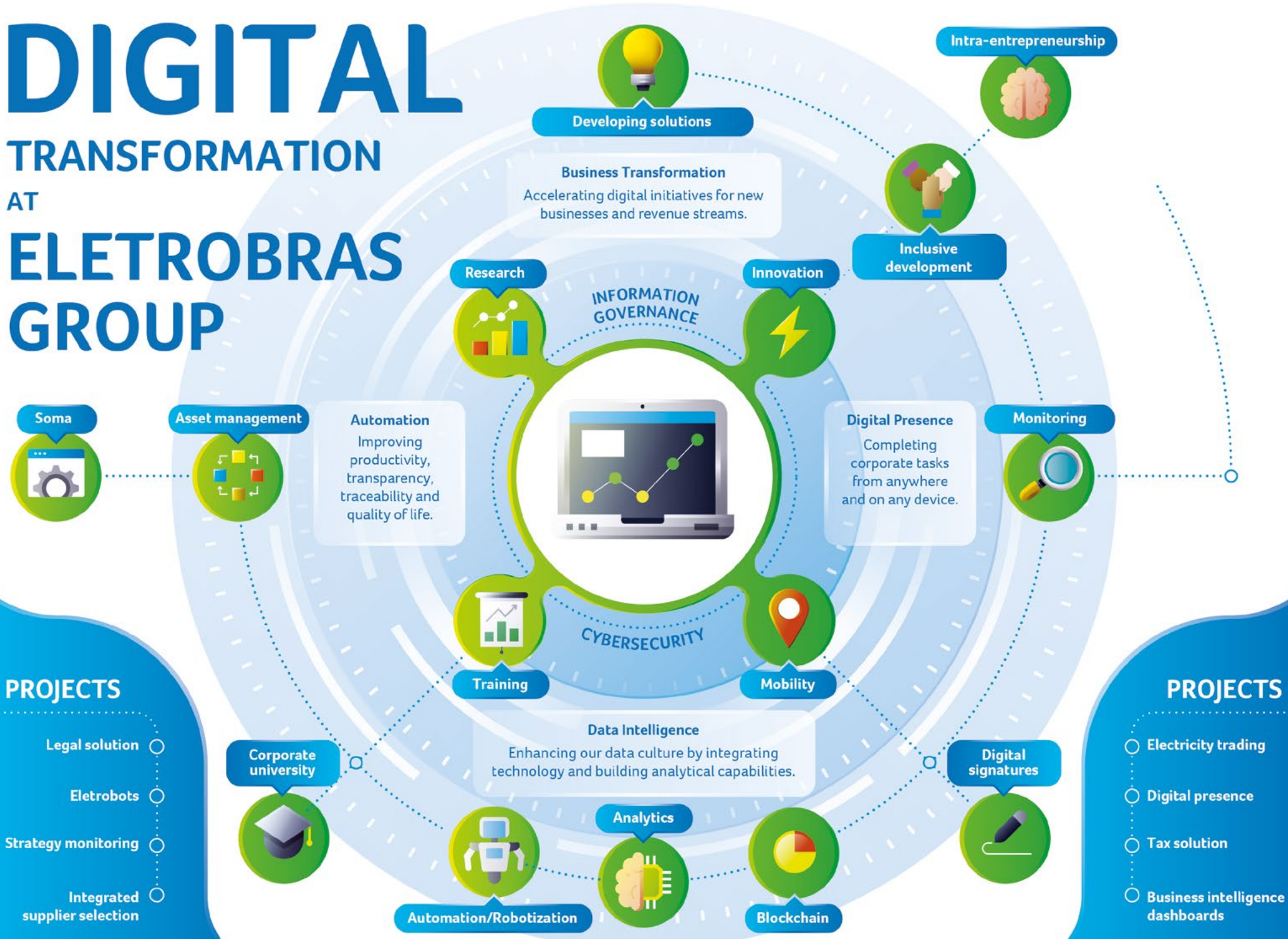
The Itaipu control room. Photo: Rubens Fraulini

Several projects were implemented immediately in 2020 to support telecommuting during the pandemic, such as the use of digital signatures on contracts and other documents. In 2021 the focus was on building the Eletrobras Group's capabilities to implement a unified management system and improvements to the online collaboration environment (workplace) used by employees.

In 2022 the Eletrobras Group Corporate University (UNISE) will launch a new training program on data analytics as part of a major effort over the course of the year. In 2021, four data analytics training courses were administered to a total of 556 people.

Another area of focus in the year will be on partnerships with large IT companies to develop and deploy cloud solutions, which in turn will require investment in cybersecurity ([learn more on page 78](#)).

DIGITAL TRANSFORMATION AT ELETROBRAS GROUP



PROJECTS

- Legal solution
- Eletrobots
- Strategy monitoring
- Integrated supplier selection

PROJECTS

- Electricity trading
- Digital presence
- Tax solution
- Business intelligence dashboards

Cybersecurity

GRI 103-2, 103-3, 418-1

Among the risks we monitor at Eletrobras is information security. We work to mitigate and prevent events which could compromise information and system availability, integrity and confidentiality, or which could cause damages, information and financial losses, disruption of services, unlawful disclosure, reputational damage, or other harm.

As part of these efforts, we implemented the Eletrobras Group Information Security Policy and related policies. Alongside the above policies, the Eletrobras Group plans and prioritizes its efforts using the NIST Cybersecurity Framework, developed by the National Institute of Standards and Technology. This framework focuses on using business drivers to guide cybersecurity activities and considering cybersecurity risks as part of an organization's risk management processes. Following an annual evidence-based assessment, independent auditors validate the information and issue an independent report on the organization's level of maturity. In 2001, our maturity rating was 3.13 (on a scale of 1 to 4), higher than the global industry average of 2.10.

Information security risks are monitored as a priority by the Eletrobras Board of Directors. Quarterly reports are submitted to the Statutory Audit & Risk Committee (CAE) on key risk factors and the status of risk mitigation initiatives within our Information Security Plan.



A load dispatching control room at Itaipu. Photo: Sara Cheida

As part of this plan, we recently developed a Personal Data Privacy Program and engaged an independent Security Operation Center (SOC) to manage vulnerabilities and address any incidents.

Training on the subject is provided by the Eletrobras Group Corporate University (UNISE) within the “Business Support—Corporate Risk Governance (GRC) and Compliance” pillar of our Corporate Education Plan.

These initiatives not only help to mitigate risks but also support a more robust information security management process by setting standards, providing needed tools and services, improving procedures, conducting awareness-raising campaigns and training, working to reduce vulnerabilities, and more effectively detecting incidents, thereby minimizing impacts on the business.

Risk assessment

On another front, our Information Security Program works to ensure that the Eletrobras Group’s internal processes are aligned with industry best practices, in order to mitigate the risk of events which could compromise the availability, integrity and confidentiality of information and its storage media.

The program, which is linked to the PDNG 2022-2026, begins with an assessment of the information environment followed by implementation of mitigation measures across four fronts:

- Standardizing Cybersecurity and Operational Technology (SegCiberTO), with a focus on processes, tools and capacity building related to cyber security and operational security at Eletrobras group companies
- Developing a Data Privacy Governance Program;
- Implementing a Security Operation Center (SOC) to improve reporting of security vulnerabilities and incidents and minimizing the likelihood and impact of security incidents;
- Redesigning SAP profiles to reduce the risk of unauthorized access and authorization process breaches.

Through this program, we expect to increase visibility around information security risks and enhance decision-making at the senior management level, while minimizing the likelihood and impact of incidents and standardizing processes, roles and procedures across Eletrobras Group companies.

Corporate channels and our Shared Services Center Helpdesk are available to answer employees’ questions or requests for information about information security, and provide links to relevant reports on the intranet.

On an annual basis we mark Information Security Week with training and awareness-raising activities about threats and risks, in an event involving all Eletrobras Group companies. In 2021, we organized a leadership event about new types of scams and how to prevent them.

Cybersecurity is a priority topic
in our
PDNG 2022-2026

Technological Development

GRI 103-2, 103-3, EU8

Innovation and technology play a central role in sustainable development by improving productivity and minimizing humans' environmental footprint. Electrobras Group companies have departments devoted to managing Research, Development & Innovation and related activities. These departments engage in research, development and innovation activities and develop new projects/products or major changes to existing ones in order to enhance our economic, social and environmental performance and value creation for stakeholders.

Our technology and innovation projects aim to enhance the operational efficiency of our assets or processes, or build technological capabilities for new businesses.

In 2021:

- Electrobras' Technology Policy Committee, a group of executives from technical departments across the Electrobras Group, working under the oversight of our parent company, developed and secured Board of Directors approval of a new Technology & Innovation Plan. (*learn more on [page 82](#)*). The Committee manages our Group-wide strategy for technology and innovation and oversees related activities.
- Projects such as floating solar farms on hydroelectric reservoirs, developed by Electrobras Chesf, and initiatives to leverage synergies between hydro and solar using hydrogen and electrochemical storage systems,

at Electrobras Furnas, have helped to develop related know-how for the first time in Brazil. Uptake of new approaches to exploiting synergies between alternative sources, both with and without energy storage, will drive important progress in the company's energy transition.

- Also as part of our energy transition efforts, an investment of R\$ 90 million is planned in a project led by Electrobras Chesf to develop smart systems involving wind farms integrated with solar and hydro sources.
- Significant progress was made in enhancing technical and governance integration across Electrobras Group companies and CEPEL, ensuring a pipeline of corporate projects that more effectively meets Group needs.

Investments in Technology and Innovation

In 2021 we invested R\$ 508.5 million in an extensive pipeline of technology and innovation projects across Electrobras Group, an increase of 8% from the previous year, partly offset by the use of part of the earmarked ANEEL R&D Program funding to provide emergency relief to distribution companies during the COVID-19 pandemic.

Our **technology and innovation projects** aim to improve process efficiencies and develop new business

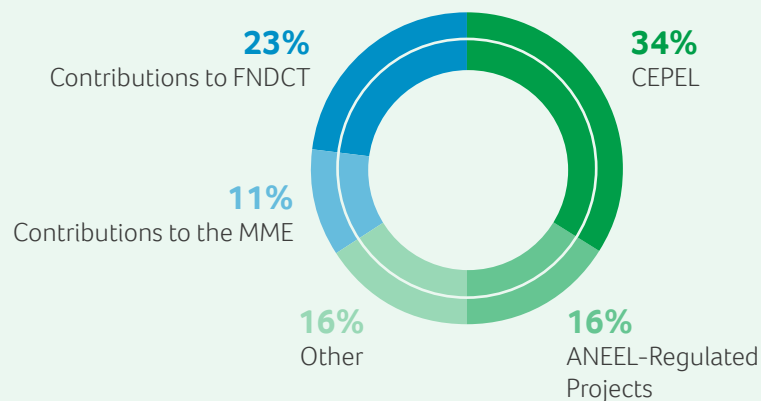
Electrobras' technology and innovation project pipeline comprises:

- Group research, technology and innovation projects in collaboration with external firms and universities. These projects aim to enhance the operational efficiency of our assets or processes, or to build technological capabilities for new businesses.
- Electrobras CEPEL's portfolio of institutional projects for Electrobras Group companies.
- Contributions to the National Scientific and Technological Development Fund (FNDCT), which funds scientific development projects in Brazil.
- Contributions to the Ministry of Mining & Energy to fund studies and research as part of the planning of the National Grid and future hydroelectric developments.

Investment in Technology and Innovation

Eletrobras Group's R&D+I investments create benefits and support research and development across a variety of areas. The graph below shows the ratio of funding allocated to projects developed within the Brazilian Electricity Regulatory Agency's (ANEEL) R&D Program, the Brazilian Power Sector Research Center (CEPEL), the Ministry of Mining & Energy (MME), the National Scientific and Technological Development Fund (FNDCT), and projects developed with company funds, i.e. projects for which funding is not mandatory under Law no. 9 991 (July 24, 2000).

Proportion of spending (%)



ANEEL uses the following classification to categorize R&D spending.

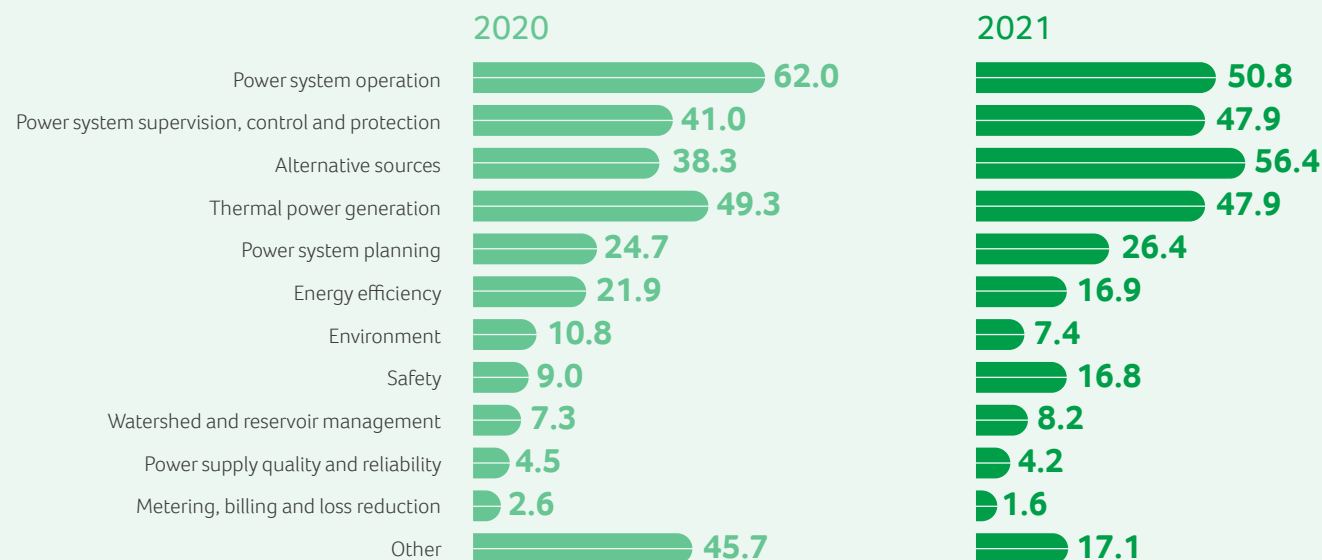
Spending by ANEEL category (R\$ million)*

(R\$ million)

2021
R\$ 508.5

2020
R\$ 472.50

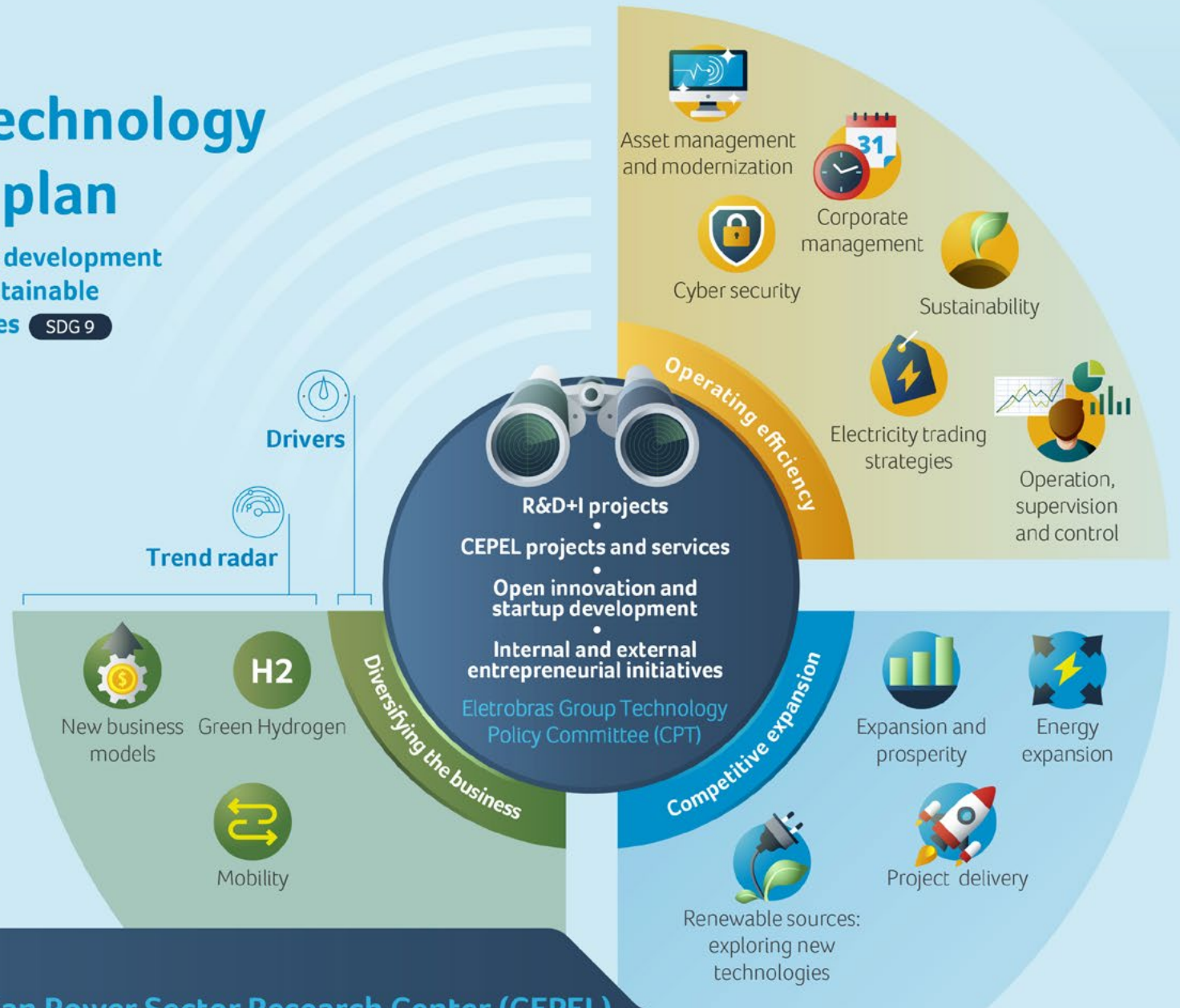
2019
R\$ 319.40



*Not including Ministry of Mining and Energy (MME) and FNDCT investments

The Eletrobras **technology and innovation plan**

A structure designed to facilitate the **development of studies and research around sustainable development and new opportunities** SDG 9



Brazilian Power Sector Research Center (CEPEL)



Our parent company, CGT Eletrosul, Chesf, Eletronorte and Furnas are the lead sponsors of CEPEL, Brazil's leading center for technological innovation for the power sector and a research and development powerhouse. Eletrobras Group companies' collaboration with CEPEL provides valuable and strategic capabilities to develop both current and immediate solutions as well as long-term research.

¹ Business & Management Master Plans

A culture of innovation

Sustainable competencies acquired in the course of our efforts to develop clean technologies are central to Eletrobras' efforts to revamp internal skills and capabilities to support the development of and our operation in future markets.

Eletrobras has worked to disseminate a concept of innovation that goes beyond technology to include a whole new mindset and approach to doing things. The goal is to ensure that employees at all levels and in all areas of the organization understand that innovation is within everyone's reach. As part of this new approach, in 2021 we launched the first edition of the Eletrobras Group Innovation Awards and the second edition of our Innovation Olympics.

Eletrobras Group Innovation Awards

In 2021 we organized the first edition of the Eletrobras Group Innovation Awards, recognizing employees for their development of unique business solutions that deliver results. The event was also an opportunity to showcase the 89 case studies entered for the awards to our Group companies and their teams. Although the award ceremony was held online, the awards themselves were handed-delivered to the 21 winners.

To learn more about the award-winning solutions, go to our [website](#).

2nd Eletrobras Innovation Olympics

The Eletrobras Innovation Olympics are another way we foster a culture of innovation among our employees. The initiative trains employees to come up with new ideas, investigate problems, validate hypotheses and create innovative solutions with support from an intra-entrepreneurship program. The most viable projects are developed into spinoffs over the medium term.

Approximately 160 employees signed up for the second edition in 2021, and 60 were selected for immersive training on subjects such as design thinking, entrepreneurship and startups. Participants then pitch ideas for new businesses or products, and ten are selected that must be in line with the Sustainable Development Goals. The creators of the selected ideas then complete three steps—proposal development, product design (at a prototyping laboratory) and prospective business development (Entrepreneurship Journey).

The entire process takes over a year to complete, during which selected products are developed by their creators using Lean methodology in collaboration with startups. A third edition of the event is planned for 2022, to mark Eletrobras' 60th anniversary.

In 2021:



Open innovation

The Eletrobras Group has embraced open innovation, which essentially consists of finding the best resources and skills—be it within or outside the organization—to develop innovative solutions. As part of this vision, we have partnered with startups to accelerate ideas.

We are the lead sponsors of **eAmazônia**, a science Institute dedicated to Amazon research and development

Two initiatives, in particular, stand out in our efforts to recruit external knowledge resources: marathons organized by Eletrobras Eletronorte in partnership with the National Industrial Training Service (SENAI), and Eletrobras Furnas' *Conecta Startup* Challenge.

Eletrobras Eletronorte organized the second edition of its Innovation Marathon in 2021. The initiative, geared to the Operations & Maintenance and Engineering departments, aims to build a roadmap of strategies to improve maintenance processes.

The first edition of Eletrobras Furnas' *Conecta StartUp* Challenge, a call for proposals for innovative solutions in power reliability, green hydrogen and electricity pricing, was launched in 2021 in a collaboration with SENAI Rio de Janeiro and with support from power sector innovation platform Energy Future.

eAmazônia: Eletrobras' commitment to sustainable development

Eletrobras is the lead sponsor of eAmazônia, an independent, non-profit science institute dedicated to Amazon research and development. We have pledged to support research and development toward the social and environmental development of the region, leveraging collaboration with other local and international institutions to enhance regional research capabilities.

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The eAmazônia facility, an independent research center created by Eletrobras in partnership with the Federal University of Acre, in Rio Branco (AC). Photo: Public release

With facilities located in Rio Branco, on the campus of the Federal University of Acre, eAmazônia benefits from synergies with the academic ecosystem and the ability to network organically, with all project members collaborating on delivery. Governance of the program is focused on cooperation, compliance and, above all, accountability around processes and spending. The institute currently has 13 ongoing research grants.

One of its first major projects is being developed in a collaboration with PROCEL to implement a Center of Excellence for Public Lighting in the Amazon (NEIPA), under a pilot plan to retrofit the lighting system at the

Federal University of Acre with dimmable LED light bulbs, improving energy efficiency. The new light bulb models can be remotely operated to achieve optimal lighting conditions with minimal energy consumption. Energy efficiency is one of the institute's three major areas of research, alongside distributed generation and sustainable development. To learn more, visit the eAmazônia [website](#).

Eletrobras CEPEL

The Brazilian Power Sector Research Center (CEPEL) has advanced infrastructure for applied research on power systems and equipment. It develops and supplies technological solutions across generation, transmission, distribution and trading.

The Eletrobras Group cofounded the center to implement its pipeline of corporate projects (PI Pipeline) developing cutting-edge research and new business models and products. CEPEL also offers future-ready capabilities, as well as laboratories and training.

In 2021 the center's research pipeline consisted of more than 70 projects. To ensure the project pipeline is aligned with the Eletrobras Group's research interests, CEPEL organized the first edition of CEPEL Immersion, an event to present ongoing projects to Eletrobras Group companies and collect their feedback and recommendations for improvement. CEPEL invested approximately R\$ 170,936,428.16 in 2021, and estimates a return on investment of roughly three times this amount, in the form of either increased revenues or cost savings from newly developed solutions and products.

CEPEL ended 2021 with a pipeline of more than 70 projects



CRESP (Pernambuco Solar Power Center of Excellence). Chesf Archives

Diversifying the business

In 2021 CEPEL dedicated a significant amount of effort to developing zero-emission Green Hydrogen (H2V) technology via the electrolysis of water. Recent research suggests that hydrogen could become an important lever for the future economy, aligned with the current drive toward a net-zero power sector.

At the request of our parent company, CEPEL developed a comprehensive theoretical basis for the future construction and operation of H2V plants within the Eletrobras Group's business ecosystem. Concurrently, Eletrobras concluded a memorandum of understanding with Siemens Energy and Vale for joint studies toward the development of commercially scalable hydrogen plants.

Mobility is another focus of our business diversification initiatives. In 2021, our subsidiary Furnas made significant progress on projects developing vessels with electric propulsion, and battery-electric vehicles with ethanol modules for extended range.

CGT Eletrosul has achieved important progress in developing technological and commercial capabilities for biogas, including projects to develop technologies for biodigestion of agricultural waste and biogas-fueled power plants.

Supplier management

GRI 102-9, 103-2, 103-3

At Eletrobras we see our suppliers as partners, and assist them in improving sustainability—across human rights, the environment and corporate integrity—in line with company guidelines. Suppliers are monitored on legal compliance, financial position, technical capabilities, conformity to technical specifications and contract requirements, with critical suppliers undergoing enhanced due diligence on human rights, the environment and integrity. Eletrobras is ranked on the CDP Supplier Engagement Leaderboard among the top 8% for supplier engagement on climate change.

Critical suppliers are defined as suppliers of materials or services that are essential for Eletrobras' core activities and directly impact the final quality of our services, the environment, the health and safety of our employees, and human rights; suppliers that have access to confidential information; exclusive suppliers or suppliers with large transaction volumes; and suppliers identified as posing a significant risk to the Company's integrity.

All onboarded suppliers are input into a materiality matrix that automatically generates a risk rating (high, medium and low criticality).

Supplier management is supported by the Eletrobras Group Strategic Procurement Logistics Committee (CELSE), which develops and disseminates good practices for sustainable procurement; establishes procurement guidelines, rules and procedures in line with

applicable laws and regulations, and is responsible for the Eletrobras Group Procurement Policy.

In 2021 we maintained the “Connected Suppliers” section on our website, publishing monthly news and notices on topics of interest to suppliers ([see here](#)).

We also launched an online “Supplier Dialog” addressing subjects such as business management, sustainability and supplier monitoring. Suppliers presented two case studies illustrating good management practices. During the event, suppliers were encouraged to cascade these practices to their own suppliers, helping to expand impact across the wider value chain.

This year's edition of the Eletrobras Group National Supplier Summit was organized as an online event, featuring presentations about ESG in procurement and integrated supply chain management. The event also featured an employee-led workshop on ESG due diligence, contract management, supplier onboarding, and other subjects. More than 500 people attended the summit.

Our parent company also launched a Small Business Development Program as a pilot in partnership with the Brazilian Micro and Small Business Support Service (SEBRAE) in Rio de Janeiro, helping small-sized suppliers improve performance. We plan to roll out the program across the Group in 2022. Learn more [here](#).

We monitor **our suppliers** on legal compliance, financial position, technical capabilities, human rights, the environment and integrity

Working with the Eletrobras Group Strategic Procurement Logistics Committee (CELSE), we developed our first integrated risk matrix for supplier governance and management, providing an integrated view of the process and how it affects business results. The purpose of the matrix is to identify, assess, monitor and effectively allocate resources and effort to addressing the company's most critical gaps.

[Visit](#) our Suppliers page to learn more about our procurement practices.



An exclusive supplier portal

In 2021 we launched a new portal, called the “Supplier Space”, as a full-service platform supporting enhanced engagement with suppliers.

On the portal, suppliers can log on to view their registration details and registration certificate, request certificates of technical capabilities, complete ESG due diligence (including integrity), and access other contract management features, including payment processing.

The portal provides a one-stop platform for these services, including some self-service features. The Supplier Space is integrated with the company’s management system.

Procurement Practices **GRI 103-2, 103-3**

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Eletrobras’ procurement practices are assessed using an Annual Procurement Planning (PAA) tool designed to formalize and integrate demand forecasting for services and materials across the Eletrobras Group. The initiative aims, among other things, to meet suppliers’ expectations for predictability, helping to build more sustainable relationships with our value chain.

Average Procurement Planning Accuracy (APA) was 70.4% in 2021, exceeding our target of 55% by 15.4 percentage points, reflecting improvement in procurement planning Group-wide and the effectiveness of awareness-raising initiatives.

Supplier selection, contracting and management are governed by the Eletrobras Group Bidding and Contracting Rules, Procurement Logistics Policy and Supplier Code of Conduct. These policies ensure our operations adhere to internationally recognized practices on corporate sustainability and integrity across the supply chain management process.

Suppliers¹

GRI 102-9

11,511
suppliers do business with Eletrobras Group companies

2,169
suppliers engaged via competitive procedures, under exemption (above R\$ 50,000) and via direct contracting in 2021

R\$ 9.57 billion
in total supplier spend

¹ The number of suppliers reported by Eletronuclear also includes research, sponsorship and partnership agreements.

Proportion of spending on locally-based suppliers **GRI 204-1**

Total supplier spend (including all types of purchases and contracts signed) (R\$ million)	7,421
Total spending (including all types of purchases and contracts signed) on local suppliers (R\$ million)	2,811
Percentage of spending on local suppliers. (%)	37.87%



PEOPLE

MATERIAL TOPICS

- People management and development
- Health, Safety and Well-being
- Human Rights
- Communities

CAPITAL [STATE CAPITALS?]



IN THIS CHAPTER

- Our employees
- Health, safety, and well-being
- Stakeholders
- Human Rights
- Communities impacted

People

People are essential for organizations, even more so for Elétrôbras. They are our employees, customers, suppliers, partners, and those living in the communities where we are present. Their growth, prosperity, and well-being are essential for the success of our businesses.

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Our employees

GRI 103-2, 103-3, 401-1, EU14

Elétrôbras hires people based on its needs using the civil service exam system, as per the Brazilian constitution, and in line with the headcount defined by the federal government. The most recent hires happened in 2011.

For employee management we use the Elétrôbras Group People Management Policy, revised in 2018 to standardize people management practices and strengthen a culture of people development, productivity, recognition, and retention so as to contribute to the reach of the results desired by the company.

This policy was approved by the Executive Board and

by the Elétrôbras Board of Directors, whose principles include talent attraction, development, and retention. Our leadership focuses on, among others, corporate sustainability, promoting the safety and wellbeing of our employees, respect for diversity, promotion of equity, inclusion, and equal opportunities.

The policy guidelines are people management planning; career, compensation and benefits; people development; workplace safety, health, and quality of life; supplemental health and pension plans.

Our workforce management practices are guided by our strategic plan; our goal is to achieve excellence in people management and build a culture of excellence, based on the following strategic guidelines:

- Drive and continually assess performance, guiding career development that focuses on results and competencies;
- Develop and implement the model, as well as employee and knowledge management networks and programs;
- Develop stimulating management methods that can motivate and engage people.

Strategic projects are monitored monthly at PDNG Business monitoring meetings attended by senior management. People management processes are audited

internally as well as by the CGU [Federal Controller General] and TCU [Federal Audit Court]. We also perform SOX tests to ensure we comply with the Sarbanes-Oxley Act.

CIASE, the Elétrôbras System Management Integration Committee, made up of the administrative directors of all Elétrôbras companies, monitors the planned actions to standardize guidelines, procedures, and administrative instructions for coordinated and harmonious activities across all group companies, seeking business efficiency and cost reduction.

Cultural transformation

In 2021, we held leadership awareness workshops to embed the new Elétrôbras culture, as well as workshops with the People, Strategy, and Sustainability managers as part of the monitoring steps, and consultative activities related to our cultural transformation. In October, phase four of the project was launched - the Leadership Development Plan (LDP) - to strengthen the role of leaders as integration agents and enablers of the company's strategy and cultural transformation movement.

Dialog with our employees

GRI 102-43, 102-44

Organizational Climate Survey

8

Eletrobras Group companies have run an Organizational Climate Survey every two years since 2009. The sixth and most recent was in December 2020. Starting in 2022, the existing model will be replaced with a model applied by an independent party, as stated in our strategic plan.

The survey had a 42.18% response rate and gave employees the opportunity to express their views anonymously about topics such as benefits, careers and compensation, recognition, corporate education, interpersonal relationships, leadership, ethics and integrity, sustainability and human rights, working conditions, and occupational health and safety.

The consolidated Favorability Rating (FR) across Eletrobras Group companies was 77.96%, compared to 74.18% in the previous (2018) survey. The 2020 the FR exceeded the target in our Business Performance Goals Contract (CMDE).

Based on the survey results, in 2021 improvement proposals were made in all companies regarding those themes that did not meet the CMDE target. These action plans impacted the leadership and training program, among other projects underway.



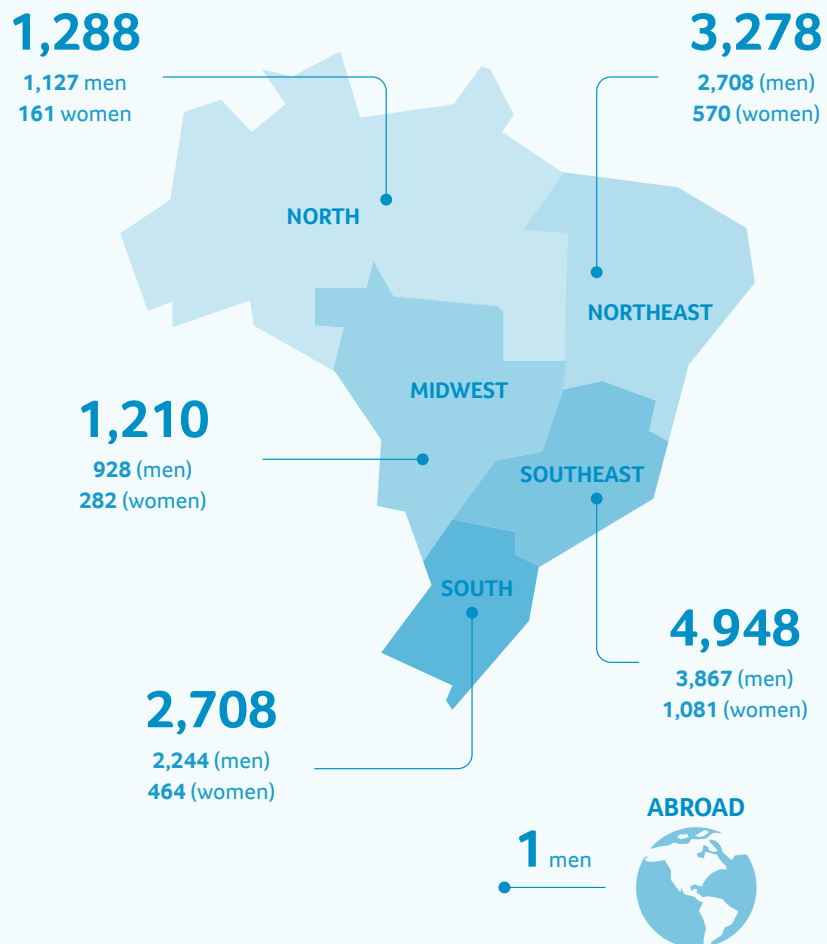
Employees at an event at the central office auditorium. Photo: Cláudio Ribeiro

Our climate survey showed a
77.96% favorability rating

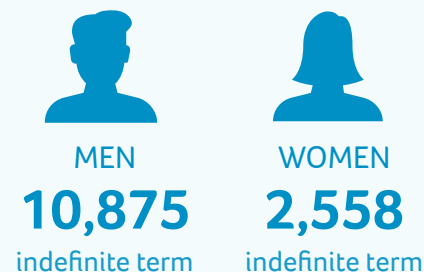
Employee profile

GRI 102-7, 102-8

by region



by gender



by employment type



13,433^{1,2,3,4}
TOTAL

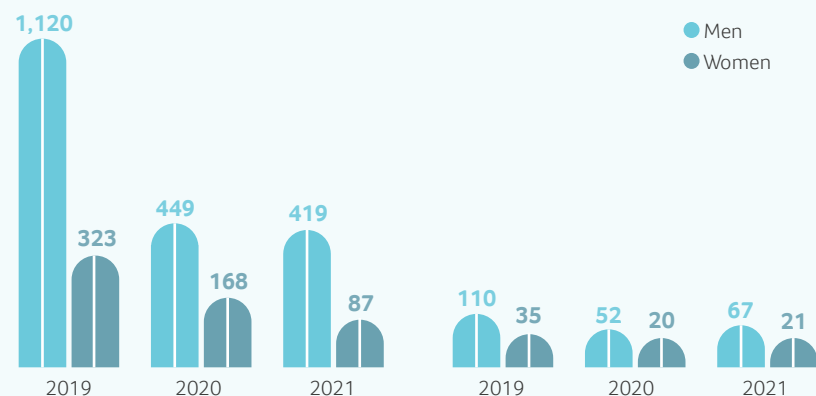
1. Consolidated indicator for all Eletrobras Group companies. For Itaipu, only direct employees working in Brazil are included. This applies to all workforce-related disclosures in this Annual Report. The figures include all active employees in the following categories: direct employees, requisitioned employees, amnesty recipients/reinstated employees and political appointees. The figures exclude seconded employees, employees on unpaid leave, amnesty recipients/reinstated employees seconded to other agencies, interns and young apprentices.
2. Chesf: Total employees includes one retired due to disability, approved by the INSS (the Brazilian Social Security Agency) in early 2022 and retroactive. When the consolidated data for this Annual Report was gathered, the employee in question was still an active Chesf employee.
3. Eletronuclear: The total number of actual employees includes one Eletronuclear employee who was retired due to disability on February 3, 2022, retroactive to May 13, 2021.
4. Furnas: The total number of Furnas employees includes one disability retirement on February 15, 2022 retroactive to December 28, 2021.
5. For Chesf, Eletronuclear and Eletronsul: This includes employees working full time, those with a monthly workload of 200 hours or more. Employees with monthly workloads less than 200 hours are considered part-time.
6. For Eletrobras, Eletronorte and Furnas: Includes full-time employees with an average monthly workload of 220 hours or more. Employees with an average monthly workload of less than 220 hours were considered part-time.
7. The entire Eletropar workforce is full-time.

Turnover

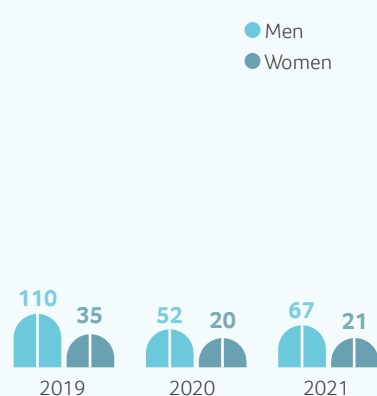
GRI 401-1

Turnover by Gender

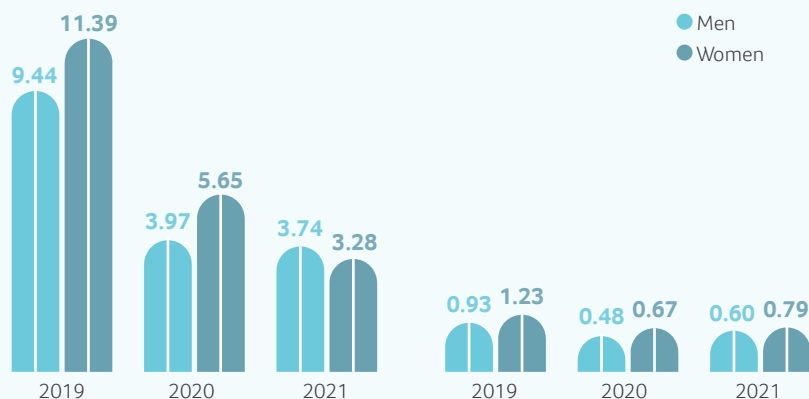
Total terminations



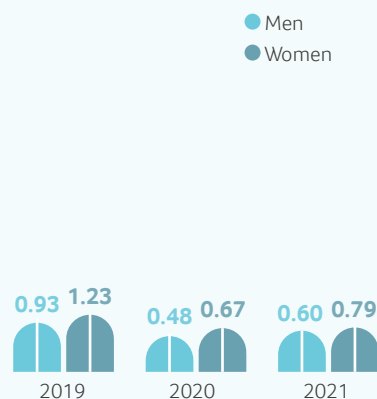
Total new hires



Turnover rate (%)



New hire rate (%)



Note: The turnover rate was calculated using the following standard Group-wide formula: (employees terminated [by gender, region, or age group] / number of employees [by gender, region, or age group]) x 100.

Overall turnover rate¹

2020	2021
4.32%	3.66%

¹ The turnover rate was calculated using the following standard Group-wide formula: (employees terminated [by gender, region, or age] / number of employees [by gender, region, or age]) x 100.

Turnover by region

2019	NORTH	NORTHEAST	MIDWEST	SOUTHEAST	SOUTH
Total new hires	1	1	25	84	34
New hire rate	0.06%	0.03%	0.156%	1.62%	1.23%
Total terminations	91	668	124	399	161
Turnover rate	5.62%	18.93%	7.75%	7.69%	5.82%
2020	NORTH	NORTHEAST	MIDWEST	SOUTHEAST	SOUTH
Total new hires	0	8	2	27	35
New hire rate	0	0.23%	0.14%	0.53	1.23%
Total terminations	155	67	186	115	94
Turnover rate	10.68%	1.93%	13.15%	2.25%	3.31%
2021	NORTH	NORTHEAST	MIDWEST	SOUTHEAST	SOUTH
Total new hires	0	6	2	5	75
New hire rate	0	0.18%	0.15%	0.10%	2.63%
Total terminations	114	139	92	84	77
Turnover rate	8.60%	4.18%	6.95%	1.68%	2.70%

Turnover by age group

2019	<30	30 - 50	OVER 50
Total new hires	10	82	53
New hire rate	3.61%	0.94%	0.93%
Total terminations	8	131	1304
Turnover rate	2.89%	1.51%	22.80%
2020	<30	31-50	OVER 50
Total new hires	18	45	9
New hire rate	7.93%	0.53%	0.16%
Total terminations	4	50	563
Turnover rate	1.76%	0.59%	10.04%
2021	<30	31-50	OVER 50
Total new hires	25	55	8
New hire rate	15.06%	0.67%	0.15%
Total terminations	2	59	445
Turnover rate	1.20%	0.71%	8.21%

Return to work and retention rates after parental leave GRI 401-3

8

		2020	2021
Employees entitled to parental leave	men	454	435
	women	236	234
Employees who took parental leave	men	10	6
	women	2	2
Employees who returned to work during the reporting period after parental leave ended	men	12	7
	women	6	3
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	men	3	7
	women	2	3
Return rate (note 1)	men	100%	100%
	women	100%	100%
Retention rate (note 2)	men	92%	64%
	women	94%	60%

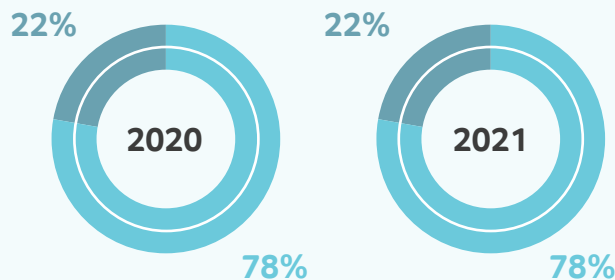
Note 1: Calculated using the following formula: (total employees who returned to work after parental leave ended / total employees who should have returned to work after parental leave ended) x 100.

Note 2: Calculated using the following formula: (total employees retained 12 months after returning to work from parental leave / total employees who returned to work from parental leave in years prior to the reporting period) x 100.

The PDNG goal of reaching more than 21% women in management positions was met in 2020. In 2021, 22.04% of management positions were held by women, exceeding the overall ratio of women employees at Eletrobras Group companies (19%). **GRI 405-1**

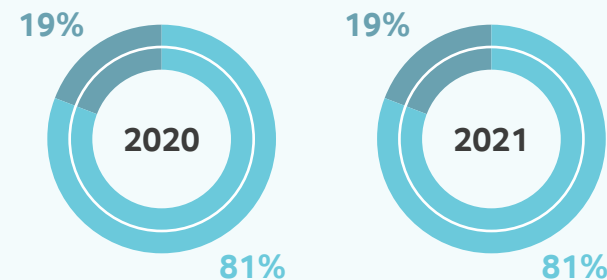
Management employees by gender (%) **GRI 405-1**

● Men ● Women



Total workforce, by gender (%) **GRI 405-1**

● Men ● Women



8 16

Diversity in governance bodies and employees **GRI 405-1**

	By age group %						By minority group %			
	2020			2021			2020		2021	
	<30	30 - 50	> 50	<30	30 - 50	> 50	Black, Brown, Asian and indigenous	People with disabilities	Black, Brown, Asian and indigenous	People with disabilities
Members of governance bodies	0%	36%	64%	0%	34%	66%	0%	0%	0%	0%
Managers	0%	74%	26%	0%	72%	28%	22%	1%	22%	1%
Employees (consolidated)	2%	60%	38%	1%	59%	40%	36%	2%	34%	2%

8

Training and development

GRI 103-2, 103-3

The goal of corporate education at Eletrobras is to manage knowledge and value intellectual capital, promoting the development of the competencies required for the company strategies, cooperate in the development of shared educational actions, develop programs and actions to achieve the competencies defined in the Career and Compensation Plan and the information in the Performance Management System, support strategies to deliver business results, and contribute to strengthening the organizational culture and disseminate a learning culture.

The Eletrobras Companies Corporate University (Unise) is comprised of six schools, and its fundamental role is to develop the overall competencies in the Career and Compensation Plan (PCR), those related to leadership, and those that are critical to enable the company's strategies.

In 2021 Unise launched a program to screen for an Educating Employee Program to create a unified database of Eletrobras company employees able to act as

Unise - the Eletrobras Companies Corporate University - is responsible for **training employees**, based on the Career Plan.



A group of employees participating in the company's Week of Ethical Culture. Photo: Cláudio Ribeiro

facilitators, content providers, or tutors in the education activities that make up the company's corporate education plans and Unise's Corporate Education Plan. The Program is the fruit of an integrated effort to adopt practices for knowledge dissemination and value human intellectual capital. A total of 475 employees were selected, in 2022 they will move on to the next phase of the program, training in the didactic-educational aspects.

Furthermore, Unise has its own Corporate Education Plan that forms the basis to manage the entire training and education area, including mapping and modeling educational actions for the 2021-2022 period. This document was prepared based on studies by the corporate education teams of the group companies

using specific methodologies, interactions with company managers, leaders and experts, and analysis of the competencies required to fulfill the PDNG 2020-2035 Strategic plan, and the business plans of each company.

In 2020 we also approved the Eletrobras Group Corporate Education Policy and Corporate Education Regulation. The former guides corporate education, and the latter defines common rules and practices to ensure standardized processes that are in line with the guidelines of the holding company.

Education Platform

We offer trainings with excellent partners, distance learning (EAD), and in-company training events. In 2021 we acquired an education platform that allows us to add existing content, produce new content, and manage trainings.

In 2021 we provided personalized training in technology for infrastructure and buildings using IBM’s *Business Information Modeling* and a distance learning format. We started out offering general courses on the methodology.

The more important online courses were “Integrity and Ethics 2021 - Anticorruption Web Series”, and “Contract Integrity and Diversity and Inclusion”, both part of the Sustainability Path and provided to all Eletrobras companies in the *Learningflix* platform, a program of online educational web-series. Participants apply what they learn to real-world situations using a Problem Based Learning (PBL) approach that develops critical thinking, enhances problem-solving skills, empowers employees, and helps them learn and apply their knowledge to new situations.

We also updated NR-10, corporate investigation of practical cases, *Power BI*, and anti-racism workshops. Furthermore, facilitators were trained for the *Mão Certa* program, a Childhood Brazil initiative that works to eradicate the sexual exploitation of children and adolescents in numerous supply chain links. Related party transactions, emotional intelligence, design thinking, risk management in energy trades, socioenvironmental conflict resolution, analytical culture, and data intelligence were also among the educational initiatives.

Percent employees receiving regular performance and career development reviews (%) GRI 404-3

	2020			2021		
	Men	Women	Total	Men	Women	Total
Management	79	80	80	78	77	78
University level	76	75	76	73	73	73
Non-university level	72	72	72	72	74	73
Total	74	74	74	78	73	73

In 2021 we launched the Leadership Development Plan (LDP), allowing them to be the enablers of the company’s strategy, strengthen our cultural transformation, and act as integration agents. Among the initiatives are Eletrobras Talks, which addressed themes focused on communication, monthly webinars, awareness workshops, and cascading the Cultural Transformation Program across all Eletrobras companies

In Occupational Health and Safety, the cultural transformation program trained some 800 leaders, including C-level executives, directors, superintendents, managers, and supervisors on initiatives such as:

- **DnA Program:** training and monitoring executives in health and safety competencies that will result in an individual development plan;
- **SoS Program:** training and monitoring supervisors

and coordinators (middle-management) in health and safety to develop competencies, balance technical and behavioral skills, and increase the level of organizational efficacy and operational management.

- **Risk Factor Program:** individual awareness to lower the acceptable risk limit with conscientious and deliberate efforts in day-to-day decisions and actions.

In 2021 we also sponsored six webinars to strengthen the regulatory culture in Eletrobras companies, addressing themes such as the outlook for the electricity sector, new products and markets, and issues related to transmission tariff reviews.

In the year we also offered graduate courses, MBAs, and a professional Master’s in Economics and Finance.

The company provided psych-social support and suggestions of online and free-of-charge educational

Average hours of training per employee by gender GRI 404-1

	2019	2020	2021
Men	48.13	44.60	51.05
Women	33.06	41.85	49.06

Average hours of training per employee by position GRI 404-1

	2019	2020	2021
Management	156.33	45.37	73.08
University Level	48.53	53.49	48.79
Non-university level	29.82	38.29	40.87

actions to all employees. The network of Eletrobras psychologists and social workers actively listens and refers employees to other public or private services, as necessary. We also offered employees workshops focusing on their well-being, in partnership with Eletrobras companies. During the year there was no voluntary termination program **GRI 404-2**



Employees at a training event at Itaipu. Photo: Rubens Fraulini

Internship and Young Apprentice Programs EU 14

The Eletrobras Internship Program aims to prepare participants for the job market. By complementing the teaching and learnings provided by the public system with practical training, and technical, cultural, scientific, and human relations elements, the program seeks to improve the personal and professional development of these young people. In 2021 we provided 120 internships to university students and graduates.

Our Young Apprentice Program is a partnership with Senasi (the National Industrial Learning Service), and

aims to train young people for their first job.

The last three groups received technical classroom training at Senai and did their practical work at Eletrobras. Eighteen youth participated in 2020-2021. Due to the pandemic, the practical component at the company was online. To enrich this opportunity, online educational activities were provided that focused on developing human and technical competencies.

Diversity and equal opportunity

GRI 103-2, 103-3

8

In 2021 Eletrobras companies was recognized for their continuous activities in diversity, in particular the gender and race fronts [see more on page 54](#)). We also launched our Diversity and Inclusion course for all employees, part of our Path to Sustainability. The goal is to provide information and data on the differences identified in society and promote respect for Human Rights.

This course shows all the inclusion mechanisms that companies can implement, linking the theme to a view of business opportunities.

For our efforts we received the 2021 Pro-Equity Seal from the 6th Pro-Gender and Race Equity Program organized by the Ministry of Women, Family, and Human Rights, and the 2021 *Bloomberg Gender-Equity Index*



Female employees working on the main sluice gate in Algorão, at Eletrobras Chesf. Photo: André Schuler

Base salary and compensation ratio between women and men GRI 405-2

		2020 BASIC SALARY	2020 REMUNERATION	2020 RATIO OF BASIC SALARY OF WOMEN TO MEN	2020 RATIO OF REMUNERATION OF WOMEN TO MEN	2021 BASIC SALARY	2021 REMUNERATION	2021 RATIO OF BASIC SALARY OF WOMEN TO MEN	2021 RATIO OF REMUNERATION OF WOMEN TO MEN
Management Level	Women	R\$ 15,939.24	R\$ 23.952,76	0.97	0.95	R\$ 17,660.17	R\$ 26,748.34	0.93	0.91
	Men	R\$ 15,493.83	R\$ 25,111.70			R\$ 17,457.99	R\$ 26,802.97		
University Level	Women	R\$ 10,658.96	R\$ 13,708.47	0.92	0.87	R\$ 12,280.79	R\$ 16,387.74	0.90	0.84
	Men	R\$ 11,599.61	R\$ 15,771.51			R\$ 12,077.51	R\$ 16,713.34		
Non-university level	Women	R\$ 6,084.52	R\$ 8,219.84	0.97	0.90	R\$ 6,323.18	R\$ 8,387.92	0.90	0.89
	Men	R\$ 6,283.65	R\$ 9,100.41			R\$ 6,376.19	R\$ 9,475.63		

Health, safety, and well-being

103-2, 103-3, 403-1

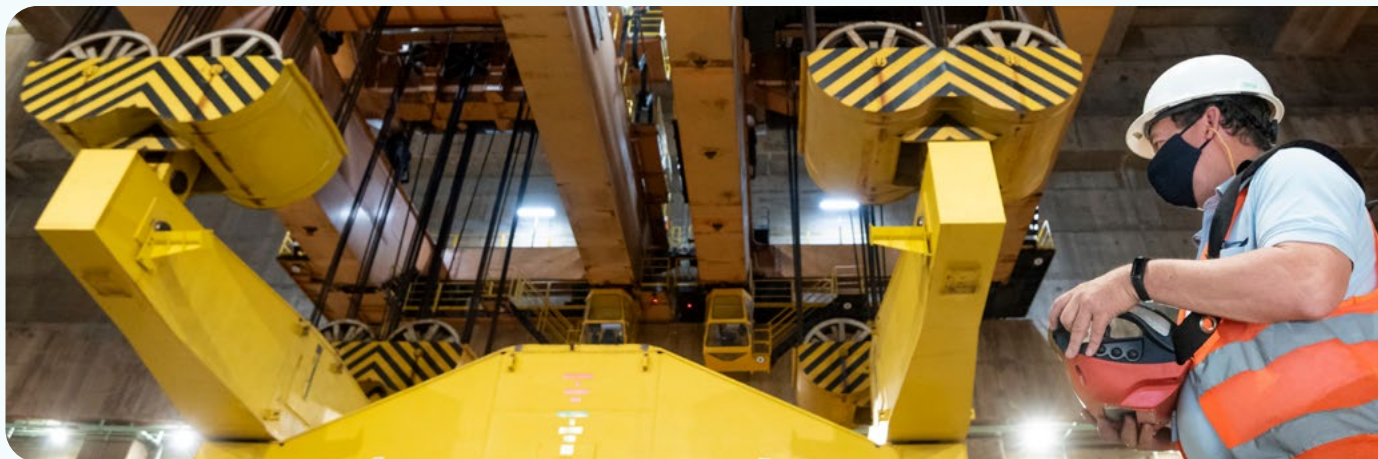
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Respect for people and all forms of life is one of the most important values of Eletrobras companies. In this regard we are always striving to improve our health and safety management. Our main guiding principles are the Eletrobras Companies Notebooks on Workplace Safety, and their People Management Policies.

Continuing the Workplace health and Safety Program started in 2020, aimed at promoting better workplace health and safety practices and strengthen the Eletrobras culture of safety and accident prevention, in 2021 we made a major investment to train Eletrobras employees at all levels, with segmented programs based on methodology provided by a specialized consulting firm, offered by supervisors/coordinators, and workplace health and safety professionals. We also plan to provide training to the entire workforce to create individual awareness to conscientiously avoid risks in day-to-day operations.

2021 also stood out for the implementation and strengthening of Occupation health and Safety Governance, with structured meetings with senior managers to reinforce the approach to this theme by Eletrobras Companies at the strategic level, ratifying the commitment and engagement of company C-level executives to value the safety of their employees in the corporate environment.

Next steps include implementing the Prevention Tool



Employee training at Itaipu. Photo: Rubens Fraulini

modules, which include Accident Management methodology. We will also start a new module of OHS Governance indicators and will continue cascading training in risk factors to the entire workforce, strengthening the safety culture across all Eletrobras companies.

We also call attention to the continued WHS Governance meetings, not only with the senior managers of Eletrobras companies, but with all organizational units to expand the concepts proposed in the Program.

Workplace Health and Safety is managed by technical professionals and contractors. It is assessed with regular internal audits and climate surveys.

Eletrobras provides a direct e-mail channel for the occupational health technical team, comprised of nurses and workplace physicians, to support employees with information on general health and quality of life in the work environment. This team is also responsible for occupational medical examinations (admission, periodic, return to work, change in role, termination), leaves (sick-leave, to accompany a dependent, or workplace or travel accidents), among other responsibilities.

In 2021 we further strengthened our training activities, training **1,698 employees in health and safety**

8 16

Hazard identification, risk assessment, and incident investigation

GRI 403-2

The Risk Management Program (RMP) lists the requirements in legislation, and seeks to offer recommendations and adjust workplace health and safety measures to Eletrobras guidelines, in the search for continuous improvement.

The RMP recognizes the risks in the work environment, runs qualitative assessments of these risks, as well as technical, administrative, and organizational control approaches. It also governs the use of collective and individual protective equipment, suggests additional mitigating measures, a schedule for quantitative actions by the appointed agents (if identified during the risk recognition phase), as well as follow-up, control, and evaluation.

The goal of the program is to preserve the health, including mental health, physical integrity, and well-being of the workforce, reduce accident-related losses, promote and continuously improve indicator performance, and ensure compliance with applicable legislation.

Company bylaws call for ceasing activities if employees perceive any adverse conditions or immediate risk that could compromise their physical integrity.

In 2021 we created regular bulletins with information on preventing Covid-19.

Workplace health and safety GRI 403-3, 403-4, 403-6

Employee and workplace health are monitored by the Specialized Workplace Medicine Engineering Service (SESMT), responsible for compliance and adjustment to applicable legislation, and for implementing best practices in prevention regarding employee and contractor health and safety.

For suppliers and contractors, contract managers are formally designated to monitor these aspects against contractual requirements.

Employees participate in workplace health and safety themes at Worker Assemblies, in the initiatives sponsored by Workplace Health, Safety, and Well-Being, Sipats, the Weekly Internal Accident Prevention Week, and Cipas, the Internal Accident Prevention Committees that represent all workers.

There is also the Eletrobras Ergonomics Committee (EEC), comprised of employees from different organizational units that suggest improvements and technically opine on furnishings and layouts, adapting facilities to employee physical and cognitive requirements.

We constantly invest in online health and safety information and communication; the emergency plans for the company's facilities are also available online, along with instructions for occupational health tests, health prevention and promotion campaigns, and data about the CIPA, among other information. In 2021 we started to publish regular bulletins with instructions on preventing Covid-19 and addressing the pandemic, including data on cases of the disease in the company, and the number of professionals tested and vaccinated. Our Covid-19 prevention protocols are offered to employees and others who access Eletrobras facilities.

GRI 403-8

Most holding company employees are not exposed to specific occupational risks. The head of occupational health is responsible for:

- Identification and assessment of workplace health risks;
- Monitoring employee health and the workplace factors and practices that might affect it;
- Advice on workplace health, safety, hygiene, and ergonomics, individual and group protective equipment, and work organization and planning.
- Participate in programs to improve workplace practices and inspect new equipment;
- Promote employee adjustment to the work;
- Configure and disclose information for training and education in workplace health, hygiene, and ergonomics.
- Ensure all employees get an annual checkup, including lab tests, and relevant supplemental tests for employee quality of life.



Other health promotion initiatives:

- 1 A self-managed, co-pay healthcare plan (doctor, hospital, dental) for employees and dependents, with reimbursable expenses for care outside the accredited network.
- 2 Removal and emergency services.
- 3 On-call services outside working hours, including weekends and holidays.
- 4 Reimbursement of 75% of drug costs.
- 5 Support with caregiver reimbursement.
- 6 A calendar of health promotion, wellness, and prevention campaigns, including Group-wide initiatives through the Health, Wellness & Energy Program.

Communication and training EU16, GRI 403-5

8

At the parent company, employees are exposed to a low level of risk as their duties are limited to office work. During Internal Occupational Accident Prevention Week (SIPAT), Eletrobras organizes lectures on sexually transmitted diseases (STDs / HIV / AIDS), home and home office safety, workplace and home office ergonomics, health and safety under the current circumstances, among other topics. In addition, videos and informational materials are published in internal communication channels to promote prevention and foster a healthy and safe work environment.

Employees engaged in field inspection activities receive compulsory training as required by internal standards and those of the Department of Work Inspection [Secretaria de Inspeção do Trabalho - SIT]). Our contractor agreements include contractual clauses that require compliance with legal requirements regarding the use of Individual Protective Equipment (IPE) and occupational medical examinations.

In 2021, Eletrobras underwent an internal audit on the proper management of the Health and Quality of Life, Health Plan, Quality of Life, Occupational Safety and Occupational Health (SESMT) programs, and on proper staffing.

Work-related injuries - Monthly Average GRI 403-9^{1,2,3,4,5}

	2020	2021
Frequency of Lost-Time-Accidents (LTA) - (lost-time accidents/manhours worked)	1.14	2.35
Frequency rate (FR) - (accidents/manhours worked)	2.47	3.86
Severity Rate (SR) - (days lost/manhours worked)	13.78	86.03

1 These rates exclude Cepel and Itaipu.

2 This indicator is based on the following premises: according to applicable legislation, employees are those employed by the company CNPJ (corporate tax #) as per their employment agreement, as are registered in their Work Permit (Carteira de Trabalho), as per the Brazilian Consolidated Labor Law (CLT). The following categories are included: employees present at the company, those seconded or on leave (with or without a specific return date); retirees at the company or on secondment, young apprentices, employees on leave with or without a return date, or performing an elective role. The following categories are not included: employees on secondment from other companies, the CEO and other C-level executives, and interns.

3 The lost-time injury frequency rate (TFA), frequency rate (TF) and severity rate (TG) use the following calculation of hours worked: the sum of monthly average hours worked x 167 x 12 (with 12/31/2021 as the cutoff date)

4 The following companies recorded incidents during travel involving workers driving vehicles loaned by the Organization: Chesf (1 accident with 4 days lost time), and Eletronorte (1 accident with no lost time). NBR 14280 requires that travel accidents be handled separately, and they are not included in the calculation of frequency and severity rates.

5 Chesf, Furnas and Eletronorte companies recorded accidents and/or lost time not reported in the Eletrobras Companies accident statistics for 2019 and 2020. In reviewing the 2021 criteria for data gathering and reporting, these companies registered this fact, affecting the severity rate (GRI 102-48).

Covid-19 in 2021

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

8

In 2021, as the Covid-19 pandemic extended into its second year, we continued to support efforts to prevent coronavirus, and provide care for all our employees. Examples of measures initiated at the start of the pandemic, in March 2020, include creating a network of online psycho-social support, telemedicine as part of our healthcare plan, virtual round-tables about mental health and well-being, and the purchase and installation of the equipment required for the safety of those who remained or returned to person work, such as masks and protection barriers.

We also arranged for unified Covid-19 prevention protocols for all Eletrobras companies. These were prepared by professionals in the workplace health and safety area, with the support of specialized physicians. We tested employees for Covid-19, especially those who continued in-person work, which helped map the epidemiological profile of our workforce, and monitor it by our health teams. We also provided a digital tool to monitor employee health, even for those working remotely, allowing them to communicate symptoms, and submit Covid-19 test and vaccination results, accessed solely by the company's health team. We also promoted flu vaccine campaigns.

By the end of the year, 95% of our employees had received two doses or the single-dose vaccine against Covid-19. By December 2021 we had registered 3,678 confirmed cases of Covid-19 among our staff, 3,617 of whom recovered, 25 are being treated at home and sadly, 36 deaths (21 in 2021).



Entrance of the Eletrobras main offices in downtown Rio de Janeiro. Photo: Cláudio Ribeiro

95%
of our employees had received two doses of the Covid-19 vaccine (or a single-dose vaccine).

Stakeholders

GRI 102-43, 102-44

10 16

In 2021 the Eletrobras Companies Integrated Communications Committee met 16 times to continue its efforts to improve integrated communication across Eletrobras companies, and to engage their stakeholders.

We are present in the main social networks: – *Facebook, Instagram, YouTube, Twitter, LinkedIn, and Soundcloud.*

The company also has a Citizen Information Service (CIS) that answers requests for information submitted online, by phone, letter, or in-person, aligning demands with the enforcement of the Information Access Law.

Society

In 2021 the Eletrobras website received 1,772,784 visits. This is a 4.5% increase compared to 2020. Unique visualizations totaled 1,367,161.

Customers

Eletrobras has run a customer survey every two years since 2014. This includes free and potentially free con-

sumers, users of our transmission services (connected), and trader customers. One of the goals is to measure the quality of the services provided by Eletrobras companies and identify opportunities for improvement.

The most recent survey - the 4th Integrated Eletrobras Companies Customer Satisfaction Survey -, covering the 2019/2020 period, was completed in July 2020. For the first time this satisfaction survey included holding company customers - the quota-holders of Proinfa (the Program to Incentivize Alternative Sources of Electricity), and the Itaipu quota-holders.

Respondents included customers of Eletrobras Amazonas GT, CGT Eletrosul, Chesf, Eletronorte, Eletronuclear, and Furnas. The results were disclosed in December 2020, and were positive. The overall satisfaction index for the Eletrobras group was 88.83%, above the target of 87.98%.

Internal stakeholders

During the course of 2021 we produced campaigns, information, and other actions and content to ensure efficient and objective communication with our internal stakeholders.

There were 44 major campaigns on themes such as Eletrobras capitalization, Covid-19 prevention, cultural transformation, volunteering, and the World Environment Day. Of these, 31 included other Eletrobras companies, and were coordinated by the holding company.

Despite the continued pandemic, we continued to produce and disclose content on the Corporate TV. Of the 20 videos shown in 2021, the most watched were “Eletrobras Capitalization” and “SOX Certification”, viewed by 1,736 and 1,040 accesses respectively. Our online mural on our Intranet had 36 posts and 292 interactions.

One highlight in 2021 was the Eletrobras Influencer project, where employees were encouraged to voluntarily disseminate the content produced by the Communications area. Forty holding company and Furnas employees participated.

In addition, there were ten Eletrobras Talks, which focus on management and presented communication content and cross-sectional themes for information exchange and reflection. It is worth remembering that, because of the pandemic, all these events were virtual.

Regarding information bulletins, 244 numbers of the Notícias Eletrobras daily, and 14 issues of Connection, a publication for holding company leaders were published.

Communities

In 2021 we continued to participate in a project with the Kayapó indigenous people in the middle-Xingu in the state of Pará, as one of our commitments in exchange for permits for the Belo Monte hydro power plant. This is a partnership with Funai, the National

We are present on all the main social media platforms

88.83%

Eletrobras customer satisfaction with our services

Indian Foundation, Norte Energia, and Instituto Kabu, representing the Western Kayapó. This project impacts around 1,500 indigenous people in ten villages.

The goals of these projects are to strengthen indigenous associations, monitor and protect the indigenous lands involved, support sustainable economic activities, and preserve the culture of the Kayapó.

These projects are funded by Norte Energia, which will have invested a total of R\$ 11 million between 2018 and 2023. Eletrobras is responsible for monitoring and managing relations with communities in an area of the Xingu River basin that is strategic for its business.

Because of the Covid-19 pandemic, numerous anticipated activities were suspended and replaced with support and prevention measures, prioritizing community isolation within their villages. Instituto Kabu and Floresta Protegida [Protected Forest] are running campaigns on the importance of vaccination.

In another area, on the border between Brazil and Bolivia, Eletrobras and Bolivian Utility *Empresa Nacional de Electricidade* (Ende) developed actions in the Social Interaction and Communication Program (PCS), within the scope of the Binational Madeira River Hydroelectric Inventory Studies. Again, in-person activities were suspended due to the pandemic. In September 2021 the Information Center was shut down, and the “Talk to Us”



Kayapó indigenous community. Photo: Cláudio Ribeiro

boxes in the main area of the study were collected. Interruption of in-presence activities was communicated via WhatsApp, letters, and recorded messages broadcast by the radio stations of Acrelândia, Guajará-Mirim and Nova Mamoré. The digital “Contact Us” channels available on the Eletrobras and Ende websites continue to serve this public. Learn about other projects on [page 114](#). **GRI 413-1**

Media

In 2021 Eletrobras companies received 234 media requests, 76% of which were answered by the press office. Institutional and financial topics, as well as the company’s capitalization and energy generation processes were the most frequent themes, accounting for 42%, 17%, 11% and 11% of the requests respectively.

Eletrobras published 77 press releases, more than half (52%) on institutional topics. Others addressed financial issues (14%) and government programs (10%). In all, 318 matters published in different media vehicles had a positive repercussion.

The company's quarterly financial reviews were the focus of four virtual press meetings with C-level executives, the CEO, and financial director.

Considering the matters of greater relevance in the media, analyses prepared by the company's press office. In 2021 2,107 items were published (not addressing capitalization), 68% positive and 32% negative. A total of 3,482 articles on the company's capitalization process were published in 2021, 64% of them in favor and 36% against.

Government

Throughout the year a number of topics of interest to electric power were added to the agenda: the Provisional Measure to capitalize Eletrobras, projects to modernize the electricity industry, and the provisional measure for facing the hydro power crisis.

In light of this, in April 2021 Eletrobras retained *Dominium* Consultoria Política & Governamental, a specialized consulting firm to help it efficiently monitor the

Legislative and Executive Powers. It is responsible for monitoring new proposals on a daily basis, for relevant clippings from the Federal Official Gazette (Diário Oficial da União), for learning the agendas of the regulatory agency of interest to the industry, and for mapping the political players of interest to the Eletrobras group. The consulting firm also produces reports on relevant projects for the electricity industry based on parliamentary opinions, and helps devise strategies to bring the Eletrobras parliamentary advisors closer to associations that are relevant to the Brazilian electric power sector.

We also retained a legislative intelligence platform (SigmaLei), to make our parliamentary advisory services more efficient. This platform provides custom agendas based on the scope of the proposals monitored by this firm.

In 2021, the Parliamentary Advisory service monitored 303 legislative proposals related to privatization, energy generation and transmission, the environment, trading, and compliance, along with other themes of interest to Eletrobras.

At the institutional level we organized an effort to strengthen ties with other parliamentary advisory services and associations in the electric power industry to cooperate and improve relationships, enabling greater power of action and presence at public hearings.

Investors, shareholders, and market analysts

The "Investor Relations" section on the Eletrobras website provides information and documents focused on the financial market. These include material facts, calls to meetings, general meetings, minutes, reports, and financial earnings. This page will also lead to the IR Ombudsman Channel, which is permanently open.

Every three months we have teleconferences with shareholders and analysts, in addition to General Meetings of the Shareholders. From time to time marketing e-mails are also sent on themes that are of strategic interest to this group. We also publish notices to the market, as necessary.

We provide a dedicated **IR Ombudsman Channel** for our investors

Human Rights

GRI 103-2, 103-3

16

The guiding principle followed by Eletrobras in developing its “Value Chain Stakeholder Involvement Plan to Create Awareness of Human Rights” is to avoid, mitigate, or remedy any negative impact, and enable the positive impact of issues and actions related to Human Rights.

The project, implemented as part of our Reputation & Engagement Program, which is a part of the Eletrobras Sustainability Program 4.0, within the 2022–2026 PDNG Business.

Highlights and main achievements for the year.

- Joint effort with the Eletrobras Companies Human Rights Subcommittee and the Environment Committee to retain a company to Assess the Human Rights Impact of its operations in 2022.
- In 2021 Eletrobras achieved a 100% response rate in its Human Rights due-diligence questionnaire among the SPEs (Special Interest Companies). Once the questionnaire responses had been analyzed, we started to individually engage the SPEs, also relying on any reported conflicts mentioned by the sources to locate the companies involved in any conflicts. We interacted with three SPEs: Norte Energia, Brasil Ventos, and STN - Sistema de Transmissão Nordeste S/A, which enabled us to better improve our working processes and policies, and draft mitigation plans.



Seamstress at the Community Center to Produce Dolls of Color in Búzios (RJ). Photo: Cláudio Ribeiro

- Disclose messages on relevant Human Rights themes on official Eletrobras channels and organize webinars and podcasts. Eletrobras sponsored a workshop on Corporate Management Tools in Human rights, organized by CEBDS, the Brazilian Council for Sustainable Development, held in November 2021.
- Training, awareness, and assessment of human rights-related risks with internal and external stakeholders, including the communities where the company operates.
- Activities in partnership with the Na Mão Certa program to help fight sexual exploitation of children and adolescents. These activities included awareness and training on the theme for in-house groups, and information disclosure for SPEs and suppliers on social networks. In recognition of this, all Eletrobras companies were certified by the Na Mão Certa program
- Created a Human Rights course with partners Pacto Global and Faculdade Getúlio Vargas (FGV) for content production, and Neolube, the supplier retained by Unise to prepare corporate education activities. This course will be applied to the entire Eletrobras workforce in 2022, as part of the Sustainability Path.
- Launched a Diversity and Inclusion course, also part of the Eletrobras Sustainability Path.
- All of the holding company security guards (who are outsourced) were trained in Human Rights procedures and policies **GRI 410-1**
- Retained and performed a gap analysis, a procedure that precedes SA 8000 certification and is related to labor themes. This will reveal Eletrobras' state of maturity regarding the standard's requirements before the certification process actually starts. An independent assessment of Eletrobras processes revealed those that meet the requirements, and proposed improvements in the social responsibility management system.

Human rights at the Eletrobras Group

Stakeholder engagement and communication



37% of employees (7,049* people) trained on human rights as part of our corporate Sustainability Pathway training program

- Created an **introductory course** on human rights in partnership with FGV and the Global Compact
- Human rights initiatives regularly shared with **Suppliers and SPEs**
- Joined the Na Mão Certa program** to combat sexual exploitation of children and adolescents

Human rights due diligence



Special Purpose Entities (SPEs)

1. Map out the Group's SPEs
2. Send human rights questionnaires
3. Identify any issues
4. Review information and engage with each SPE
5. Implement and monitor mitigation plans



Suppliers

1. Suppliers answer the questionnaire about their human rights commitments and practices
2. Review responses and engage with suppliers rated as critical
3. Implement and monitor mitigation plans for critical suppliers



Amplified **diversity in management positions** and succession processes

People management and organizational culture

- We met our target of having a higher ratio of **women in management positions** than the ratio of women in the broader workforce at companies
- The Gender, Race & Diversity Committee fosters **equity and diversity in people management**



Present in the **Bloomberg Gender-Equality Index** and recognized in the 6th edition of the Federal Government's Gender & Racial Equity Program



* Includes employees, interns, young apprentices and contractors

Employees trained in human rights* GRI 412-2

	2020	2021
Total hours of training in human rights policies or procedures	340	13,292
Total employees trained in human rights policies or procedures	3,262	6,837
Percent employees trained in human rights policies or procedures	24.93%	50.32%

*Eletrobras Eletropar does not report this indicator

Agreements and contracts that include human rights clauses* GRI 412-3

	2020	2021
Total significant investment agreements signed in the period	77	110
Total significant investment agreements that included human rights clauses	77	110
Percent significant investment agreements that included human rights clauses	100%	100%

*Itaipu does not report this indicator

Security personnel who received training in human rights policies or procedures* GRI 410-1

	2020	2021
Total security personnel employed by the Company	242	235
Total outsourced security personnel	1,499	1,730
Number of directly employed security personnel trained in human rights policies or procedures	24	13
Number of outsourced security personnel trained in human rights policies or procedures	729	553
Percent directly employed and outsourced security personnel trained in human rights policies or procedures	43.25%	28.80%

*The data in this table is for all Eletrobras Group companies.

16

Non-discrimination GRI 103-2, 103-3

16

Version 3.0 of the Eletrobras Companies Social Responsibility Policy defines the need to respect and value social and cultural diversity, as well as individual differences. It also incentivizes the fight against any form of discrimination. Eletrobras companies are instructed to treat all people equally, with no discrimination due to social, cultural, or ethnic origin, gender, age, religion, public opinion, sexual orientation, or physical, psychiatric, or mental condition, or for any other reason.

The Code of Ethics and Conduct ensures the existence of safe and reliable communication channels to receive information, suggestions, queries, criticisms, and reports, preserving effectiveness and ensuring that reports are received, managed and addressed confidentially, that there is no retaliation of whistle-blowers, and that reports are answered in a timely way. In this way it intends to ensure that Eletrobras Companies principles and policies extend to the entire manufacturing and supplier chain.

Our Whistleblowing Hotline is a one-stop channel where stakeholders can report all types of concerns. However, any report classified as “Discrimination” is treated as a potential human rights violation and is automatically assigned maximum priority.

In 2021 Eletrobras remained in the Global Compact “Equity as a Priority” initiative, through which it plans to have 30% women in senior management (superintendent and director) positions by 2025. Our 2021-2025 PDNG stipulates that the weighted ratio of the compensation of women be monitored, with the objective being a ratio of 1.

Freedom of association and collective bargaining

GRI 103-2, 103, 407-1

8

Hiring bids require prospective suppliers to observe collective bargaining agreements and ensure the rights established therein are upheld.

The Code of Conduct and Integrity ensures free union association and the right to collective bargaining, recognizing employee unions and industry associations as the legitimate representatives of their employees.

Child and slave labor

GRI 103-2, 103-3

8

16

Building contractors and outsourced labor providers are considered to be at the highest risk for child or slave-like labor.

Version 3.0 of the Eletrobras Companies Social Responsibility Policy ([available here](#)) requires that all companies fight all forms of violence or sexual exploitation of children or adolescents, child-labor, or labor that is degrading or slave-like, as well as moral and sexual harassment, and any other form of discrimination, intimidation, or embarrassment along their entire value chain. The company refuses to partner with entities that use child, degrading, or slave-like labor, and will report violators. These guidelines extend to suppliers and are part of the group’s Code of conduct and Integrity ([available here](#)).

The goal is to ensure that Human Rights are one of its business parameters, respecting and repairing any violations resulting from its activities. For this reason, all suppliers are subject to human rights due-diligence. [see more on page 86](#)). In 2021, 448 agreements showed a risk of child, slave, or slave-like labor. **GRI 408-1, 409-1**

Eletrobras agreements have clauses governing such themes, as well as suitable penalties for

violations, meaning that any such incidents may result in unilateral contract termination, contractual fines, administrative claims, and possibly formal complaints filed with the Federal Prosecutor.

Version 3.0 of the Eletrobras Companies Social Responsibility Policy also defines protection of dignified work, ensuring freedom of association and the right to collective bargaining, and the promotion of workplace health and safety, accessibility, and equal opportunities. SDG 8 – Decent Work and Economic Growth is one of the nine SDG considered a priority by Eletrobras, and included in its strategic plan.

Our Whistleblowing Hotline is a one-stop channel where stakeholders can report all types of concerns. However, any report classified as “Slave labor” is treated as a potential human rights violation and is automatically assigned maximum priority.

All reports considered slave-labor or discrimination by our Whistleblowing Channel receive top priority.

Impacted communities

GRI 103-2, 103-3, 413-1, 413-2, EU 20

10

Generating electricity and the accompanying transmission systems involve the construction and operation of structures that can have significant social impact, depending on the type of project, its size, and local features. For this reason, socioenvironmental issues are considered and addressed from the planning stage through operation, based on applicable legislation, the policies of Eletrobras Companies, and the specificities of local communities.

Environmental surveys reveal impacts such as moving populations and cities, migrant populations, landscape changes and transformations, infrastructure, social, and cultural structures. Impacts are addressed through social and environmental programs required under our projects' environmental licenses.

Since 1986, when Conama published its resolutions, there has been a hierarchy for mitigating social and environmental impact applied to all Eletrobras studies and projects. Although not expressed literally, the measures proposed in environmental permitting include a commitment to preventively search for engineering solutions that avoid or lessen the impact on people and the environment along all steps, from planning through implementation and operation.



Delivering donations to indigenous communities. Eletronuclear Archives

The experience of Eletrobras companies regarding socioenvironmental impact are reported and discussed by the Environmental Committee, which includes the managers of the environmental areas, and the Working Group for Affected Populations.

Our primary policies on this theme include: Environmental Policy; Social Responsibility Policy; Eletrobras Stakeholder Communication and Engagement Policy; and the Eletrobras Companies Crisis Communication Management Regulation.

Local communities that are the target of socioenvironmental actions are monitored with progress reports for programs related to environmental permitting and that are also submitted to the environmental agencies.

For holding company studies, we found it necessary to create a Social Communication Plan (SCP), which is already looking at the hydro power inventory performed as part of the Madeira River binational Inventory. Learn more on [page 104](#).

Population displacement EU20

16

The Environmental Policy of Eletrobras Companies has guidelines that stipulate that companies shall develop projects in such a way as to minimize the impact on local communities, keeping the population to be physically displaced to a minimum, and even avoiding compulsory displacement altogether. This policy includes specific guidelines for relocating populations affected by the ventures, should this be necessary.

Impact studies abide by the reference terms issued by the environmental agencies, and use qualitative surveys, socioeconomic, and real estate records to identify the impacted population, and engages in interaction and social communication actions. These measures are applied especially during the impact identification and socioenvironmental measure proposal phases. Relationship channels to listen to stakeholders are provided for broader-ranging projects.

Eletrobras Group companies engage in a comprehensive process to interact with the groups involved. This is based on the principles of dialog, transparency, and the involvement of different levels of formal and informal representation appointed by the communities.

These guidelines stipulate that if reparation is made, the company attempt to negotiate and that reparation include a plurality of actions such as group relocation, self-relocation, and simple payment for damages. Affected communities must be treated impartially and even informal land ownership and land use must be taken into account.

Eletrobras Group companies are required to provide fair compensation that allows affected communities to

restore their previous way of life with a level of quality equal to or better than they enjoyed before the project. If there is no negotiation, there are legal provisions that ensure property valuation and the payment of the corresponding amount.

Brazilian legislation on the registration of populations impacted by dams includes standards for a social communication plan and social interactions.

The guidelines of Eletrobras Companies Environmental Policy states that all group or individual relocations, from design through location selection, be previously negotiated with the involvement of the population to be relocated. Sociocultural and family ties must be considered when relocation options are proposed. Eletrobras Companies are also instructed to provide support for those with disabilities, host communities, and local and regional economic and social flows. Relocations shall, to the extent possible, be in the same region to mitigate the sociocultural impact on those relocated, host communities, and local and regional economic and social flows.

The guidelines of the Environmental Policy also state that Eletrobras Companies must articulate with public and private agents for the socioeconomic development of the relocated populations and host communities, and monitor their progress for the period stipulated in the corresponding environmental permit. When entire groups are relocated they must be provided with roads, water, sanitation, power and, whenever applicable, social equipment.

We perform impact studies before completing our projects, focusing on the local social groups involved

In the specific case of indigenous populations, relocations are preceded by studies following Funai guidelines. For quilombola communities these must abide by the standards of Fundação Palmares or Incra, as applicable.

Questions, complaints and reports may be gathered via the communication channels created according to the Communication Plans. The company's ombudsman channels are another way to formalize whistle-blower reports, complaints, and requests.

Key

- A. Communication and social interaction
- B. Environmental education
- C. Restoration of livelihoods

- D. Rehabilitation of disturbed land
- E. Institutional coordination
- F. Urban rehabilitation
- G. Public health
- H. Professional training

- I. Development of livelihood activities
- J. Support for government administration
- K. Restoration of touristic and recreational activities
- L. Social support
- M. Support for affected communities

Community impact GRI 413-1

TYPE OF ACTIVITY/PROJECT*	EXAMPLES OF IMPACT **	EXAMPLES OF MITIGATION/COMPENSATION MEASURES
Hydro, thermal, wind, solar plants, and transmission systems	High expectations among local and regional communities and emerging/increased social tension	A
	Restricted land utilization Restrictions on the use of rights-of-way and adjacent land	A, B, C, D
	Increased migration flows	A, B, E, F, G
	Economic stimulus	A, E, H, I
	Higher municipal tax revenue	A, E, I, J
	Increased offer of direct job opportunities during construction	A, E, H
	Increased technical and scientific knowledge about the region	A, B
Hydro, wind, and solar plants, and transmission systems	Adverse effects on touristic potential (degradation of scenic beauty)	A, K
	Adverse effects on scenic, paleontological, archaeological, and cave sites	A, B Paleontological and archaeological research, monitoring and salvaging, and protection of scenic and cave sites
	Impacts on traditional, indigenous and/or other ethnic communities	A Support for affected communities as outlined in Indigenous Component Studies and Basic Plans for Indigenous Components
Hydro plants and wind farms	Impacts on ways of life and social and cultural relationships	A, B, L, M Patrimony valuation
	Increased real estate speculation	A, F

TYPE OF ACTIVITY/PROJECT*	EXAMPLES OF IMPACT **	EXAMPLES OF MITIGATION/COMPENSATION MEASURES
Hydro power plants	Compulsory relocation of urban and rural communities	A, M, C, L
	Loss of livelihoods (farming, non-timber forest products, mining, fishing)	A, M, C Capacity building for the fishing industry, support for aquaculture projects
	Disruption/loss of transportation routes and communications systems	A Road improvements and repairs
Thermal power plants	Adverse effects on air quality from particulate, dust, and other emissions	A Air quality monitoring, installation of equipment to reduce these emissions
Wind farms	Shadow flicker	Avoid developing wind farms near populated areas
Solar farms	Flash blindness	Avoid developing solar farms near populated areas
Transmission Lines	Presence of maintenance crews on rights-of-way	A, B Specific initiatives addressed to indigenous communities
	Noise from transmission lines	A
	Increased vulnerability of the location	A Territorial protection, strengthening of indigenous organizations (in the case of indigenous reserves), support for livelihood activities, awareness raising about the environment and indigenous peoples, environmental education

* Where the impact is most likely to occur, but will not necessarily occur in every case. Regardless of the project stage.

** The magnitude and scale of the impact will depend on the size of the project and the region where it is developed.

Operations with local community engagement programs **GRI 413-1**

	2020	2021
Number of operations with local community engagement, impact assessment, development, and other programs	440	632
Percent of operations with engagement programs (%)	65.48%	71.17%

Social programs

The project entitled **Ateliê Escola de Lutheria Teixeira de Freitas - Programa NEOJIBA** aims to provide professional training for young luthiery apprentices. This initiative benefits children, teenagers and youth by teaching them to repair and maintain string instruments, and also maintains and expands activities in the NEOJIBA Teixeira de Freitas territorial hub.

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In Natal (RN) the **Nutrindo o Saber [Nourishing Learning]** project in this district of Lagoa Azul provides social and professional qualification to 135 adults and youth over 17, in technical cooking, bread-baking, and pastries. This initiative aims to strengthen and integrate the social service activities, providing comprehensive training for those who have had their civil rights violated so that they may exercise their full rights as citizens and build a more equitable society.

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As the Covid-19 pandemic went on, the need to promote income creation for vulnerable people, especially women, also grew. As a result, Rede Astra created its **Business School. Entrepreneurial training for artisans and seamstresses in Rio de Janeiro** to enable the entrepreneurial spirit of 60 artisans and seamstresses in the city connected to Eletrobras partner institutions and projects. This initiative will include women in Centro and the Port Zone, and the surrounding areas.

In addition to online training, the project will create circles of artisans to exchange experiences and maybe business, offer product design and creation consulting services, and help them organize sales via social networks. This ultimately provides work, income and empowerment for underprivileged women.

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In the mid Xingu, in the state of Pará, we have projects with the Western Kayapó communities due to the commitment we made in the permitting process for the Belo Monte hydro plant. Because of the pandemic, many of the anticipated activities were suspended, and the focus shifted to prevention ([learn more on page 104](#)).

9 10 11

Eletrobras Companies have engagement activities in 632 of their operations.

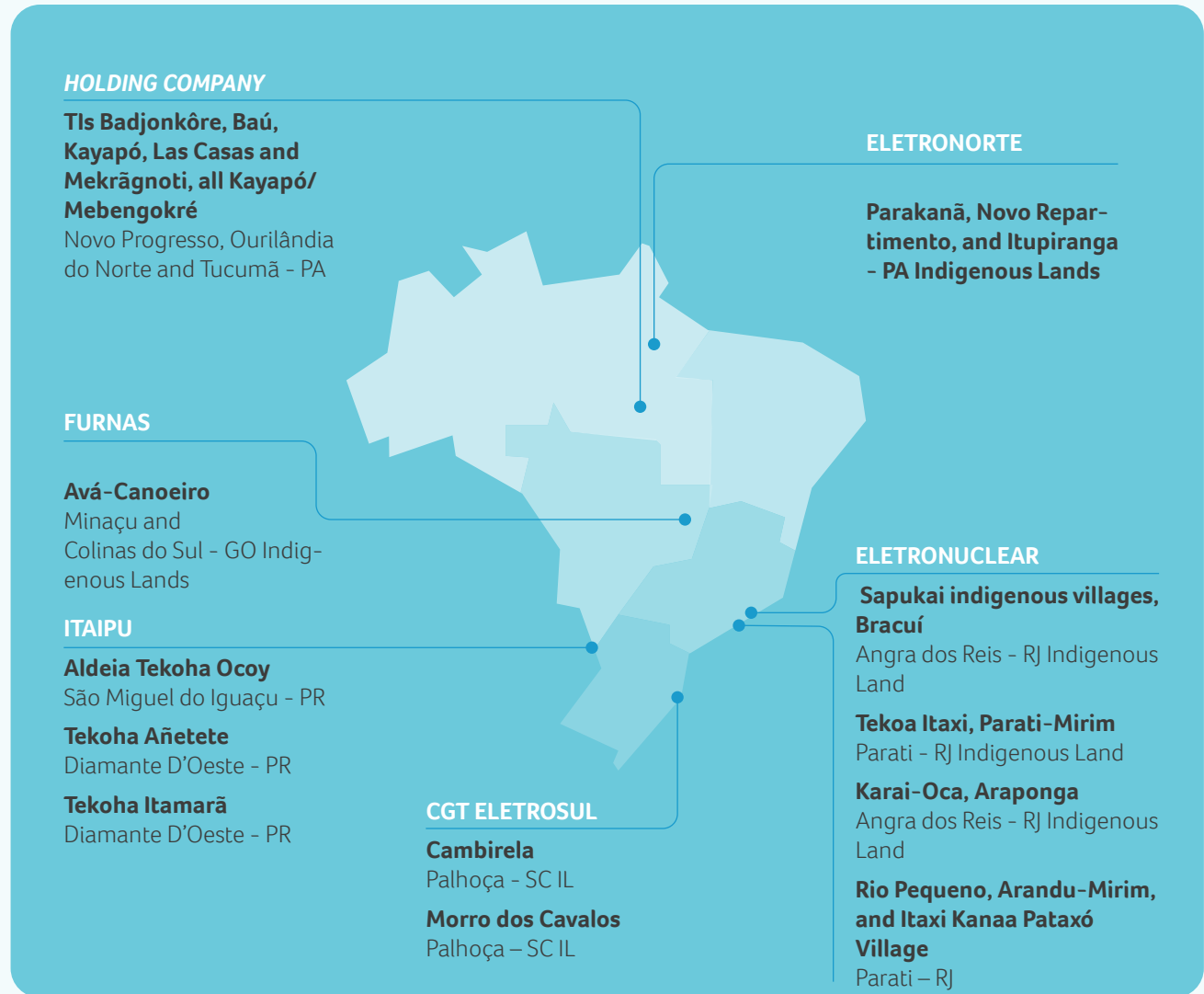
Rights of indigenous peoples

GRI 103-2, 103-3

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Eletrobras' Environmental Policy has specific guidelines for relating to indigenous communities, and recognizes the specific rights of the indigenous people of the 1988 Brazilian Constitution, and the international rights granted by ILO Convention 169 and recognized by Brazilian law. In its decisions regarding projects and enterprises, Eletrobras analyzes the potential positive and negative interference with indigenous lands and communities to anticipate risks, costs, and opportunities. Learn more about our projects on [page 114](#).

The company deploys communication actions with indigenous communities that bear in mind their ethnic and language specificities, and seeks to create a permanent dialog with those who already interface with the ventures to build mutual-trust relationships. The company's Social Responsibility Policy also includes specific Human Rights guidelines. The companies have also worked to list and analyze the existing indigenous consultation protocols/



Eletrobras companies have specific guidelines for interacting with **indigenous communities**

Value created with volunteers

10

GRI 413-1

As the pandemic continued in 2021, the Eletrobras Volunteer Program was primarily and intermediate between social demands and employee desire to contribute, even while socially isolating.

In 2021, based on the needs presented by the project Pequenas Vozes do Carmelo [Small Voices of Carmelo], which provides extended school-day programs for children and adolescents who were not in school at the time, a group of volunteers contributed primers and other educational activities to the project. It started out with 30 children and adolescents, but demand soon forced it to expand to 45. Eletrobras provided all school supplies and educational games and offered safe transportation and individual protection equipment to the volunteers.

The Eletrobras Volunteer Program also continued to participate in the CRAS Network in Rio de Janeiro, and in March introduced the coordinators of CREAS, the Specialized Social Service Reference Center to the volunteers, presenting the work developed during the

324 hours

of volunteer work
by holding company
employees

pandemic with homeless children and adolescents. Eletrobras supported the project by donating school materials. Another important presentation was made by the Rio de Janeiro CMDCA [Municipal Council for the Rights of Children and Adolescents] Secretary and Inspector to the coordinators of the Eletrobras Companies volunteer programs to engage the companies in the implementation of a Campaign to Donate Income Tax.

In 2021, holding company volunteers spent 324 hours, including time to plan and execute activities, ratifying volunteer commitment to social causes, despite social isolation. 890 people benefitted from this. 170 volunteer-hours were within the working day, and 154 outside this period.

On August 28, the National Volunteering Day, Atados, one of the partner programs, organized Journey 28. This initiative provided online interaction between the volunteers of eight companies, including Eletrobras, and underprivileged youth looking for job opportunities. The outcome was an exchange of experiences in a series of dynamics that focused on reflecting on the potential of volunteering, and the strengths and challenges of each person involved.

In 2021, holding company volunteers also continued their donation campaigns, in particular basic baskets of foods for the Creche das Mães Trabalhadoras de São Gonçalo (RJ), one of the program's partner institutions.

439 baskets were donated

Other actions:

- **Income Tax Donation Campaign** – especially for the FMDCA [Municipal Fund for the Rights of Children and Adolescents] in the city of Rio de Janeiro, where the company has its headquarters.
- **Blood Donation Campaigns** – Three of them in partnership with the Viva Rio Energy and Health Program, that sent volunteers to donate blood at Inca, the National Cancer Institute.
- **Sweater Campaign** – To collect clothing and footwear for the population helped by CREAS, together with other Eletrobras companies in Rio de Janeiro, as well as Eletrobras Eletronuclear and Eletrobras Furnas. Itaipu volunteers organized their own sweater campaign to gather donations for the three entities that register extremely vulnerable families.
- A Eletrobras Chesf, partnering with the Recife and Salvador Chesfian Citizenship committee NGOs resumed its **emergency campaign to buy and deliver basic baskets of goods** in the communities surrounding their facilities. The campaign ran for three months.
- The Eletrobras volunteer **Christmas Campaign** sent 53 kits with toys, clothing, and footwear to the

children and adolescents of Jardim Gramado (Duque de Caxias, RJ), as well as non-perishable foods for the families of the youth served by the Solidamizade project. Electrobras supported the initiative with 400 snack kits distributed to all of the participating children and adolescents.



Learn more about Electrobras Group companies' volunteering programs on the following websites:

[Electrobras Holding Co.](#)

[Electrobras Chesf](#)

[Electrobras Norte](#)

[Electrobras Furnas](#)

[Electrobras Itaipu](#)

Sponsorship

10

2021 Electrobras Companies Cultural Program

The holding company selected three projects from the 8th Electrobras Companies Program in 2021, this is part of Pronac, the National Cultural Support Program in Scenic Arts, Material and Immaterial Cultural Patrimony, Music, Museums, and Memory. Four Electrobras companies participated in this effort. The holding company, Furnas, Chesf, and Eletronorte. This program was launched with an investment of up to R\$ 9 million. The Electrobras Companies investment in private social activities was R\$ 768 million. **GRI 413-2**

In addition to the projects selected by the Bid, Electrobras selected the project "Ler- Salão Carioca do Livro" [Read - The Rio de Janeiro Book Fair], which happened in Rio de Janeiro in November.

Projects:

- "Ler- Salão Carioca do Livro" [Read - The Rio de Janeiro Book Fair],
- Memoirs of a manicurist
- The Color Purple - The Musical
- The Admirable Sertão by Zé Ramalho

Total amount contracted: R\$ 1.05 million

R\$ 768

million private social investment by Electrobras



Electrobras holding company volunteer activity at Teatro Municipal do Rio de Janeiro. Photo: Cláudio Ribeiro

2021 Electrobras Companies Bid for Socio-sporting Sponsorship

Promoting sports is part of the company's strategy to contribute to public policies, and is in line with the 2021-2025 PNG and the Sustainable Development Goals (SDG). Thus, in July 2021 it launched the 2021 Electrobras Companies Bid for Socio-sporting Sponsorship, with the support of five Electrobras companies: the holding company, Furnas, Chesf, CGT Eletrosul, and Eletronorte. In the end Electrobras contracted four projects. The program was launched with an investment of up to R\$ 3.9 million.

Projects:

- Pulsar – Year II
- Projeto Praia [Beach] – Smart Athletes
- Kerigma Social Project *Jiu Jitsu*
- Swimming tournaments in Mato Grosso do Sul in 2022

Total amount contracted: R\$ 538 thousand

Socioenvironmental Bid

In addition to the projects selected in the Socioenvironmental Bid, resuming the combined creation of social and environmental value in communities and territories of interest (cities and towns where our plants, substations, transmission lines, and administrative offices are located, as well as those in the river basins of our hydro plants). *Learn more about this on [page 114](#)*. “Escola de Negócios das Artesãs” [Artisan Business School] was selected directly.

Projects:

- Formiga Verde [Green Ant- – A community-based Environmental Education Program]
- Alimergia project

Total amount contracted: R\$ 1.1 million

Learn more on [page 121](#).

We organized the first Eletrobras Companies Bid for Socioenvironmental Projects, including environmental projects related to education, biodiversity conservation, ecosystem services, and water resources.

Electricity Sector Events Bid

Eleven projects of technical/scientific relevance were selected to foster the technological development of the companies, and the exchange of experiences across the different areas of the business in which they operate. Five Eletrobras companies participated in the process: the Holding Company, Furnas, Chesf, Eletronuclear, and Eletronorte. It was launched at an investment of up to R\$ 1.33 million.

Another two projects were contracted directly, the publication of the books entitled 50 anos Cigré-Brasil and Práticas Empresariais em Direitos Humanos.

Projects:

- Publication of the book entitled 50 anos Cigré-Brasil
- 4th Seminar on the future of the Brazilian electric power industry: challenges and opportunities
- XV STPC – Technical Seminar on Protection and Control
- Práticas empresariais em Direitos Humanos Business
- *Brazil Wind Power*
- 18º congresso brasileiro de eficiência energética – COBEE
- Congress on permitting and socioenvironmental management in the electricity industry
- 11º Seminário Nacional de Segurança e Saúde do Setor Elétrico Brasileiro [11th National Seminar on Health and Safety in the Electricity Industry]– Sense
- 2º Congresso Brasileiro do Hidrogênio
- 9º Seminário nacional de auditoria interna, *compliance* e gestão de riscos do setor energético - Audite [9th National Seminar on Internal Auditing, Compliance, and Risk Management in the Energy Sector]
- XXVI Seminário nacional de produção e transmissão de energia elétrica [XXVI National Seminar on electricity generation and transmission]– SNPTEE
- 1º Congresso de financiamento de projetos no setor elétrico [1st Congress on project funding in the electricity industry]

Total amount contracted: R\$ 480 thousand



Tree planting activity. Eletrobras CGT Eletrosul Archives



PLANET

MATERIAL TOPICS

- Climate change
- Water
- Biodiversity and ecosystem services

CAPITALS



IN THIS CHAPTER

- **Environmental Management System**
- **Climate change**
- **Water**
- **Biodiversity and ecosystem services**

Planet

Seeking to protect the planet from degradation by encouraging sustainable production and consumption, how we manage natural resource utilization, and taking urgent action on climate change are some of the ambitions of our business purpose, meeting the needs of current and future generations.



Itaipu conservation areas. Photo: Alexandre Marchetti

Environmental Management System

8 12 15

Our business is directly dependent on natural resources, and therefore robust and efficient environmental management is essential for our operations. Three core pillars underpin the Eletrobras Environmental Management System: the Eletrobras Group Environmental Policy (view our Policy [here](#)), the Eletrobras Group Environmental Committee and our Corporate Sustainability Disclosures System (IGS System).

Our initiatives are implemented observing the applicable Brazilian laws and regulations, and are assessed and monitored by environmental licensing authorities.

In this way, attention to social and environmental impact are among the guiding lights of our projects in all their phases. In developing our projects, we carry out assessments to identify and assess impacts, which are then submitted to environmental licensing authorities for review. Depending on the result of these studies, projects may be changed to adjust or reduce their impact. For every impact identified in an assessment, mitigation and offset measures are outlined to be taken before, during and after development of the project.

Monitoring is performed during the operation to check if other measures, such as the use of new technologies, are required to mitigate the negative impact. In 2021, we invested R\$ 264.7 million in socioenvironmental actions.

Eletrobras' Tucuruí and Coaracy Nunes hydro plants kept their ISO 14001 certification, and the Samuel hydro plant was certified. The Eletrobras Furnas plants in Rio de Janeiro are independently audited to ensure compliance with State Law 1.898/91, and Guideline 056 R.3. The latter governs environmental audits and was approved by Conama Resolution 21 of May 7, 2010.

In 2021, Eletrobras began implementing environmental due diligence of its suppliers to understand their position regarding environmental issues and best practices, and check if the supplier is compliant/aligned with Eletrobras practices and standards, in particular its Environmental Policies, Code of Ethical Conduct and Integrity, and the Supplier Conduct Guide, encouraging them to adopt practices that are environmentally suited to their supply chains. A diagnostic questionnaire was put on the Supplier Gateway and includes specific questions on water resources, such as water management, liquid effluents, water efficiency, and footprint to reveal supplier practices regarding this theme, and questions on biodiversity, climate change, and waste, among others.

Learn more about our Environmental Management System [here](#).

Eletrobras Group Environmental Policy

In 2021 we launched a five-part web series based on the guidelines of our Environmental Policy. The goal is to disclose our policy in-house and outside the organization, demonstrating how it relates to our socioenvironmental actions and our Sustainable Development Goals. We also aim to share knowledge on measures to mitigate and, when necessary, compensate for the impact of Eletrobras operations.

These videos address themes such as water, biodiversity, climate change, and communities using an integrated territorial approach. In 2022 we will continue this policy of public disclosure, focusing on training for employees, as well as presentations and discussions of best practices.

[Watch them here.](#)

We received **180 applications** for our first socioenvironmental bid

Socioenvironmental Bid

GRI 103-2, 103-3, 413-1

In 2021, the Eletrobras Group published its first Socio-environmental Projects Bid. Ten projects were selected from among the 180 applications.

These projects seek to create socioeconomic value for the communities while simultaneously preserving and recovering the biodiversity and the water resources around our generation and transmission ventures, and other important areas that contribute to the river basins where the company is present. These projects will also help us achieve our SDGs.

This is one more way Eletrobras stresses that it recognizes the strategic role biodiversity plays in its business, seeking to expand its actions to create positive impact.

Projects are monitored by regularly measuring indicators and issuing reports.

Of the ten projects selected by the companies, two will be supported directly by the Eletrobras holding company starting in 2022, with investments of around R\$ 900 thousand. Read about:

Formiga Verde [Green Ant]: Community Base Environmental Education Program - Instituto Permacultura Lab

Formiga Verde combines environmental conservation and promoting positive social impact for Morro da Formiga in the Zona Norte of Rio de Janeiro, with a Community Based Environmental Education Program. This program trains and creates awareness of local socioenvironmental problems and possible ecological solutions among children, youth, and adults. This project combines agroecology, permaculture, biodiversity conservation, and maximizing ecosystem services with environmental education and reforestation in the area between the community and the Tijuca National Park using agroforestry systems. This should directly benefit some one thousand Morro da Formiga inhabitants directly, and more than 2,500 indirectly, which includes family members and the members of partner institutions.

Alimergia Continuidade Project - Cooperativa Mista de Produção, Industrialização e Comercialização de Biocombustíveis do Brasil Ltda. [Mixed Cooperative to Produce, Process, and Trade Biofuels in Brazil Ltd.] (Cooperbio)

The Alimergia Continuidade Project will take place in the town of Seberi, in the Atlantic Forest in the state of Rio Grande do Sul. The first version of this project became one of the most important environmental references in the state, including productively reconverting degraded areas by planting 379 agroforests using over 200,000 native tree saplings, and a broad environmental education effort for over 4 thousand people. This project helped increase the vegetation and biodiversity of the region, and influenced in the development of state socioenvironmental policies. The Alimergia Continuidade project plans to continue the actions irradiated by the Territorial Center for Cooperation in Environmental Education, combining the recovery of degraded forest areas with native species, increasing biodiversity and ecosystem services, and promoting low-carbon farming, cattle-raising, and forestry activities. This project will prioritize family farmers with farms of up to four fiscal modules and who have a Pronaf Statement of Aptitude, who will benefit in terms of income and quality of life. We will also restore 20 hectares of degraded area, helping conserve biodiversity and absorb carbon.

This project should benefit some 900 people directly, and over 1,200 indirectly, including family members and the population in the surrounding area.

Climate change

GRI 103-2, 103-3

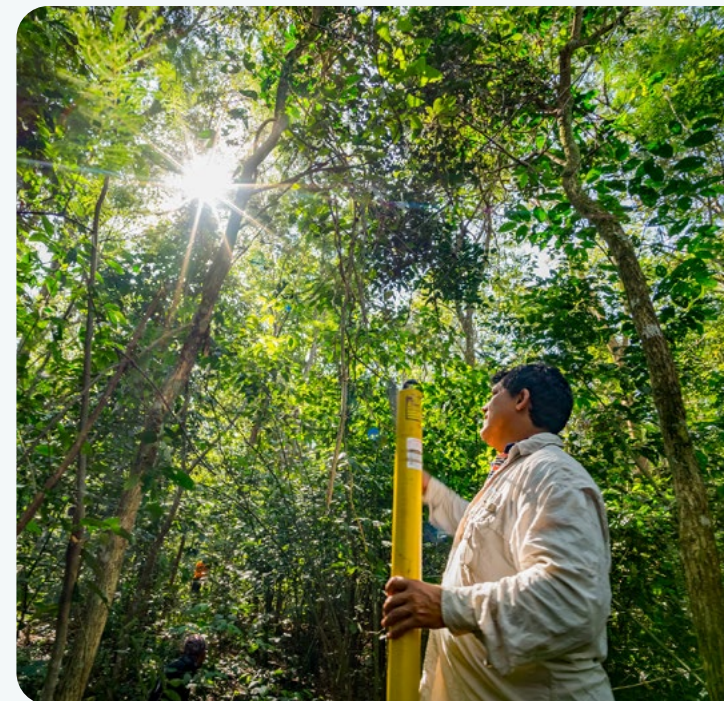
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Climate change is one of the important risks mapped and addressed by the Eletrobras Group. Management of this theme includes identifying and assessing the vulnerability of group companies to climate change using specific guidelines in our Environmental Policy ([read more on page 121](#)).

Our strategy seeks to contribute to transitioning to a low-carbon economy, and the global effort to limit the increase in the world's temperature.

These guidelines, actions, and initiatives regarding climate change are part of our 2022-2026 PDNG [Business and Management Master Plan], and are part of our Sustainability 4.0 Program. In 2021, the holding company's Scope 2 GHG emissions (referring to calendar year 2020) were offset by purchasing I-RECs (*International Renewable Energy Certificate*) from Eletrobras subsidiaries Chesf and Eletrobras Furnas.

About 97% of the energy generated by Eletrobras companies come from low-carbon emission sources. For this reason, promoting group decarbonization is a challenge that will require innovation and investment in new and varied sources of renewable energy.



Maracaju Binational Refuge in Itaipu. Photo: Alexandre Marchetti

Most of our energy matrix is clean, and we work to take advantage of this privileged position vis-à-vis other companies, developing new products and opportunities for business. Thus, we monitor discussions of laws and regulations on the theme, and work on projects to expand the opportunities related to our renewable power generation.

Seeking to clearly render accounts and be transparent to society, our shareholders, and our stakeholders, in addition to our Integrated Report published annually since 2020, as per GRI standards, we also publish reports using the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

Initiatives that contribute to Eletrobras' climate strategy

Eletrobras has invested in a number of initiatives related to the effects, impact, opportunities, and risks of climate change on business. These initiatives are aligned with our strategic goals of “increasing the profitability of the electric energy business”, and “sustainably expand the generation and transmission business”, as we aim to identify risks and opportunities related to climate change, increasingly minimize our negative impact, and contribute to the transition to a new development model based on a low-carbon economy. They also aim to ensure that GHG emission management measures are implemented, prioritizing renewable energy projects, and developing strategies to adapt to climate change and contribute to planning new business.

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The outcome of Eletrobras initiatives regarding **climate strategy** is submitted to all employees from time to time.

- **Adapting to Climate Change** - aims to diagnose the risks and opportunities of climate change for Eletrobras companies.

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- **Carbon Footprint Pilot Project** - analyzes the carbon footprints of the different types of plants and ventures of the Eletrobras group.

7 11

- **Carbon Pricing** - analyzes the potential impact of Eletrobras adopting carbon pricing policies in Brazil to develop an approach to consider carbon prices in project technical/economic studies.

7 11

- **MudClima [Climate Change] Study** - a three-dimensional project related to climate change covering studies for using climate information when building flow scenarios for the rivers that feed our reservoirs, analyzing the impact of climate change on energy generation in Brazil; strategies and actions for socio-environmental adjustment to climate change - one based on ecosystems and the other on communities; development of strategies and actions to adapt the business of electricity companies. The goal is to build future climate change scenarios and estimate their impact on hydro plants.

7 11

From time to time, the outcome of these initiatives are presented to employees in specific forums, to the Eletrobras Group Environmental Committee, and to the Departments of Generation, Corporate Management, and Sustainability, to the Strategy, Governance, and Sustainability Committee, and to the Board of Directors.

Investment - we set targets to increase our investments in research and development related to energy transition. Business contribution to the energy transition is a measure to rebalance socioecological systems.

7 13

The Ambition to be Net-Zero and Carbon-Neutral
In 2021 the company submitted studies to the Strategy, Governance, and Sustainability Committee, and to the Board of Directors, to agree on targets to become carbon-neutral over 5, 10, and 15 years, and the impact of these measures on the energy matrix. The Board of Directors will analyze the impact of these targets on the business as a whole, and resume discussions on the theme in 2022. It also recommended that the criteria for emissions be included in upcoming investment decisions.

Another initiative that is being completed for approval is the Eletrobras Group Policy on Decarbonization Solutions (GRS 7 and GRS 13). This will define the principles, guidelines and responsibilities for decarbonization solutions provided by Eletrobras companies, and include tracking, certification, labeling, issuing, and trading renewable energy seals and certificates, along with carbon credits to search for synergies across strategies and processes.

Emissions

13

We have Inventoried our Greenhouse Gas Emissions since 2009 using *Intergovernmental Panel on Climate Change* (IPCC, 2006) methodology, and the guidelines of the *Greenhouse Gas Protocol* (GHG Protocol, do WRI, 2004).

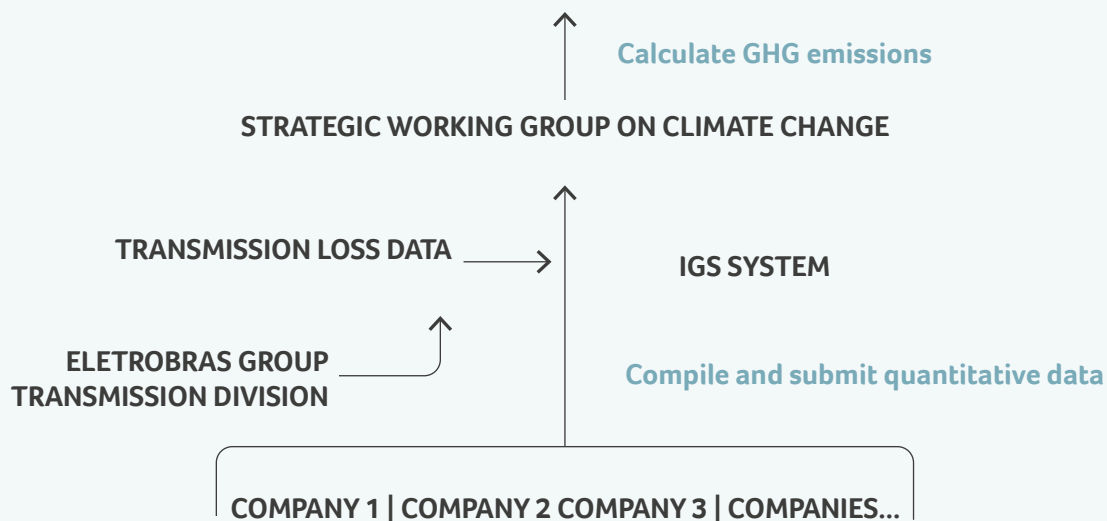
The operation of Eletrobras companies follows the atmospheric emissions standards defined in applicable legislation and environmental permits. Plant monitoring results are reviewed by the environmental authorities that license the relevant projects.

In 2021, when Brazil experienced its worst water crisis in 91 years, efforts were made to keep a matrix based on multiple sources, which proved effective as we were able to generate energy uninterruptedly, despite the adversities posed by low water levels.

All Eletrobras companies combined emitted 8,288,650 tCO₂e, a 37% increase compared to the previous year due to the need to switch on thermal plants to compensate for reduced hydro generation. The majority of the emissions (72%) are Scope 1, followed by scope 3 (17%) and scope 2 (11%). Further information is available in the 2021 Eletrobras Group Inventory of Greenhouse Gas Emissions available [here](#).

GRI 103-2

	Scope 1	Scope 2	Scope 3	
EMISSION FACTORS <ul style="list-style-type: none"> • Electricity (MCTI) • Energy content in fuels: BEN (2015) IPCC (2006) MMA (2011) 	<ul style="list-style-type: none"> • Direct point-source emissions (thermal power stations) • Mobile-source emissions • Fugitive emissions (SF₆ refrigerants) • Wastewater; and • Other point sources: LPG, natural gas and diesel fuel used by generator sets and auxiliary boilers 	<ul style="list-style-type: none"> • Emissions per unit of purchased electricity • Transmission losses 	<ul style="list-style-type: none"> • Independent power producers (IPPs) • Air travel • Transportation of non-energy products • Transportation of fuels • Employee commuting 	METHODOLOGY <ul style="list-style-type: none"> • GHG Protocol • IPCC (2006) • Operational control approach
Gases: CO₂, CH₄, N₂O, SF₆, PFC, HFC				



Emissions (tCO₂e) GRI 305-1, 305-2, 305-3, 305-5

SCOPE	2020	2021	CHANGE 2020-2021 (%)
Scope 1	4164151	5,955,500	+43.02
Scope 2	503305	949,727	+88.70
Scope 3	1378753	1,383,422	+0.34
Total	6046210	8,288,650	37.1+

Due to the increased dispatching of thermal power plants, NO_x, SO_x and MP10 emissions rose by approximately 73%, 33% and 123%, respectively, from 2020.

NO_x, SO_x and particulate emissions GRI 305-7

EMISSIONS	2020	2021
NO _x (t/year)	7,411	12,825
SO _x (t/year)	9,788	13,023
Particulate Matter (PM) (t/year)	342	764

The Eletrobras Group has published **greenhouse gas emissions inventories** since 2009

In 2021 the Eletrobras Group's emissions intensity increased relative to 2020.

This reflects the higher emissions as a result of an increased share of thermal power in the electricity mix, coupled with reduced hydroelectric generation by the Group amid the water crisis in the year.

Greenhouse gas (GHG) emissions intensity GRI 305-4

SCOPE 1, 2 AND 3	2020	2021
Per unit of net electricity produced (tCO ₂ /MWh)	0.038	0.059
Per net operating revenue (tCO ₂ /ROL)	0.211	0.220

Greenhouse gas emissions intensity GRI 305-4

SCOPE 1 AND 2 EX-LOSSES	2020	2021
Per unit of net electricity produced (tCO ₂ e / MWh)*	0.027	0.043
Per net operating revenue (tCO ₂ /ROL)	0.145	0.159

Notes: Reported greenhouse gas emissions include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃.

* Emissions intensity per unit of net electricity produced is exclusive of electricity generated by SPEs.

Energy consumption

12

In 2021 Eletrobras Group companies consumed 36,366,580 MWh, an increase of 43% compared to the previous year. Fuel consumed in MWh totaled 32,031,718.831 MWh, 25,196,782 MWh were consumed directly (Scope 1), and 6,834,937 MWh indirectly (Scope 3). Electricity consumption (Scope 2) was equivalent to 4,334,862 MWh. Of these, 4,114,516.628 MWh are self-consumption.



Efficient Home, Eletrobras CGT Eletrosul. Photo: Hermínio Nunes

Energy consumption (MWh)

	2020			2021		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Renewable fuel consumption	11,111	-	5,396	11,553	-	2,617
Fossil fuel consumption	17,741,911	-	6,803,294	25,185,229	-	6,832,320
Electricity consumption – Purchased from the grid	-	254,872	-	-	220,345	-
Electricity consumption – Self-generated	-	549,744	-	-	4,114,517	-
Total	25,366,328			36,366,581		

For further information and detailed data about the gases reported, emission factors, the reporting year, and methodologies and assumptions, see the Eletrobras Group's GHG Emissions Inventory on our website (<https://eletrobras.com/pt/Paginas/Estrategia-Climatica.aspx>). The inventory is published annually in accordance with the IPCC (2006) methodology and the guidelines outlined in the Greenhouse Gas Protocol (GHG Protocol -WRI, 2004).

Water

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

12

Eletrobras has had a single Water Resource Policy for all Eletrobras companies since 2010, in order to promote the sustainable and rational use of this resources, considering its multiple uses in the energy industry. (Read our Policy [here](#)).

To monitor the water theme, Eletrobras and its companies have a group with representatives of the holding company and subsidiaries that, since 2005, has been responsible for addressing issues regarding water resources that influence our actions and business results. In 2021 we assessed the quantitative water balance (plants under water stress), multiple uses, and conflicts over the use of water, water security, and regulatory issues regarding water. We call attention to the work of company representatives in the various workshops organized by the Ministry for Regional Development and the National Water and Basic Sanitation Agency in 2021, drafting a new National Water Resource Plan (2022-2040), and the training provided by Eletrobras Cepel on climate change and flow forecasting models.

Considering how water is important for our businesses, Eletrobras companies are involved in a number of initiatives that focus on developing water management;



Cachoeira Paulo Afonso, Eletrobras Chesf. Photo: André Schuler

ANA (National Water Agency) crisis and monitoring; river-basin committees; water resource boards; technical chambers of the National Water Resource Council; the water resources working group; and important technical forums related to the theme.

The water used to generate power in Eletrobras hydro plants is all returned to the water bodies, and the quality is equivalent to the captured water. Our hydro plants capture water from surface sources for refrigeration

and steam generation, and then returned to the original water body within legal temperature and quality requirements, minimizing the impact on ecosystems and habitats. In the specific case of nuclear plants, seawater is used to cool the secondary system and fully returned to the sea, with only a slight increase in temperature.

Hydro energy accounts for 86% of the energy generated by the groups, and we have plants in all regions.

86%
of all power generated
by Eletrobras is hydro
power

Thermal power plants account for about 5% of all energy generated by Eletrobras; water is captured from surface water bodies, treated and used for cleaning, refrigeration, human consumption, and steam generation. Water may be consumed depending on the plant's generation process.

The quality of the water used in Eletrobras Group operations is monitored and reported. The results of this analysis are issued according to the permits and demands of the environmental bodies. Technical inspections are conducted from time to time to assess the gross and potable water systems, including water treatment, use, and conservation. Whenever there is a change in the production process, inspections are performed to ensure suitable water handling. Regular laboratory tests evaluate the quality of the water supplied to and the effluents discharged from our operations.

The amount of water used in these ventures is associated with a permit, normally issued by the ANA. Eletrobras operations have permits that define use limits, the required controls, and the monitoring plan to be applied. There are conditions that, if not met, may result in cancelation or suspension of the grant.



Water intake for the Angra Plant. Eletronuclear Archives

Environmental Impact Assessments for our operations establish the minimum discharge rates required to sustain ecosystems, species and ecological processes downstream of the relevant dam. For thermal power plants, the quality and temperature of the water returned to the water body are ensured to cause minimal impact on ecosystems and habitat.

Impact on water

TYPE OF OPERATION*	EXAMPLES OF IMPACTS **	EXAMPLES OF MITIGATION/COMPENSATION MEASURES
Hydropower dams	Changing in the hydrosedimentary dynamics	Hydro-sedimentological monitoring program
	Changing in the river pattern / Diminished downstream flow	Hydro-sedimentological monitoring program
	Changing water table levels	Hydrogeological monitoring program / Program to monitor the water table and the quality of the groundwater
	Conversion of river ecosystems from lotic to lentic	Water quality monitoring program
	Changing in the quality of surface waters	Water quality monitoring program
	Erosions of the waterway margins downstream from the reservoir	Erosion monitoring / replacement of the riparian forest
	Multiple uses of the reservoir	Environmental conservation plan and use of the area surrounding artificial reservoirs - PACUERA
Thermal power plants	Water consumption in the generation process	Water consumption and quality monitoring program
	Possibility of water contamination by waste/ oil leaks	Water quality monitoring program / Emergency Response Plan
	Altered parameters (e.g. temperature, turbidity, and pH) of the returned water	Water Quality and Effluent Monitoring Plan
Transmission lines and substations	Consumptive water use in transmission / Consumptive water use for current (voltage) conversion	Water consumption and quality program / Adding chemicals to the cooling water to increase the number of cycles in the Converting Substation towers
Floating solar plants (in reservoirs)	Oil lips (equipment collapse)	Contingency plans / Creation of containment basins

* Where the impact is most likely to occur, but will not necessarily occur in every case. Regardless of the project stage.

** The magnitude and scale of the impact depend on the size of the project and the region where it is developed.

2021 Water Crisis

Our operations are impacted directly by changes in rainfall patterns, which interfere in the flow of the water bodies the hydro plants depend on. Since 2012, the electricity industry has faced limitations on the ability to generate hydro power due to reduced rainfall in a number of river basins, influencing their flow and the volume of hydro plant reservoirs.

The Eletrobras Group operates hydroelectric plants in all regions of Brazil, largely in the São Francisco, Tocantins, Paraná and Grande river basins, where part of our installed capacity is located. Located in these basins, Eletrobras has three of the largest flow-regulating reservoirs in the SIN (Integrated National System) Sobradinho, on the São Francisco river in the North-east, Furnas on the Grande river in the Southeast, and Tucuruí on the Tocantins river in the North.

To illustrate the impact of the 2021 water crisis, the figure below shows the natural inflows to these reservoirs in 2021 and between 2012 and 2021. It also displays historical average flows (1931 to 2021).

Analysis of the following chart show that for all three hydro plants, flows in recent years (2012 - 2021) were below the historical average flow (1931 - 2021); in the specific case of the Sobradinho plant, they have been only about half that, demonstrating the impact of the water crisis that has affected this basin since 2012. This trend continued in 2021 for all three hydro plant reservoirs, with levels for Sobradinho and Furnas well below historical averages.

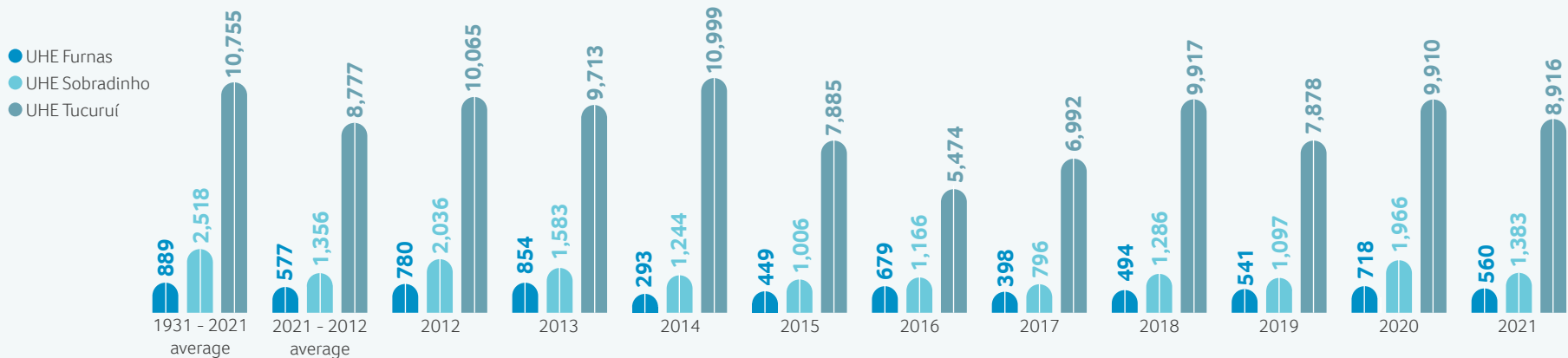
Eletrobras companies worked with the ONS (National Operating System) and ANA to ensure they were able to meet the demand for electricity within the operational restrictions and multiple water uses. This joint activity is even more important during water crises, such as the one in 2021.



Financial compensation and royalties

Eletrobras companies pay financial compensation and royalties (in the case of Itaipu Binacional) for the use of water resources to generate power at their plants Aneel, the National Electric Power Agency manages the collection and distribution of these funds to the beneficiaries: states, municipalities, and Federal administration agencies. These amounts are calculated based on the energy generated each year. In 2021, Eletrobras paid R\$ 452.2 million in financial compensation, and R\$ 1.1 billion in royalties.

Natural inflows to the Sobradinho, Furnas, and Tucuruí plants (average annual flow m³/s)



Data sources: ONS and ANA.

Water withdrawal, consumption and discharge

In addition to water used to generate energy, Elektrobras also uses water in its administrative activities. For these activities, water for consumption is largely supplied by local water and sewage utilities. Where it is not supplied by the local utility it is captured from surface or ground-water sources, and is then chlorinated or submitted to conventional treatment in a Water Treatment Station (WTS). Following use and appropriate treatment, wastewater is discharged into water bodies or infiltrated into the soil.

We follow Conama (National Environmental Board) resolutions 357/05, 396/08, and 430/2011 to check the quality of the water in our operations. These resolutions stipulate the environmental classification and guidelines to classify groundwater and surface waters, and the conditions and standards for effluent discharge.

Our procedures to ensure compliance of our facilities may include observations made by water resource users (self-monitoring) in accordance with the relevant regulatory frameworks (CONAMA Resolution 357), environmental license conditions, and permit requirements. Both the frequency of monitoring and the parameters monitored are established by the relevant authorities.

It is important to point out that Conama resolution 357/05 stipulates 500 mg/L for “total dissolved solids”.

Data on water intake for administration and operations, excluding the water that flows through our turbines, is

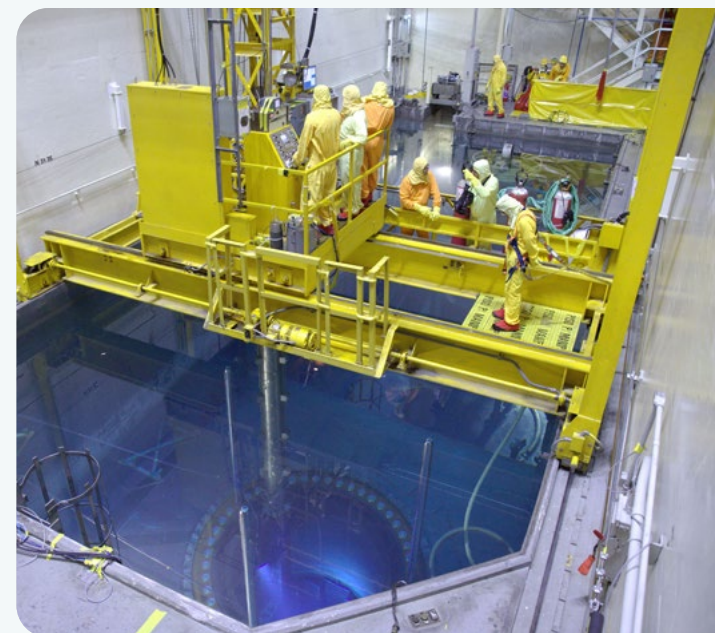
added to the IGS System, one of the main tools in the Elektrobras Group Environmental Management System. The discussion on protocols and methodologies is the responsibility of the Environmental Committee Task Force on Water, which includes representatives of the environmental, operational, and infrastructure areas of the companies.

Values are taken from the utility water bills or from reading hydrometers. Where there are no hydrometers to measure water used by administration, since 2021 the volume has been estimated using the average number of full-time employees at the facility and 50 liters/day per employee. **GRI 102-48¹**

In 2021, the amount of water discharged by Elektrobras companies included the water flowing through the hydro plant turbines, the water returned to rivers and oceans by the thermal power plants, the amount of water used in the fish farming stations and protected areas, and about 80% of the water used in administrative activities. The amount of water consumed by Elektrobras companies includes water used for thermal power generation and 20% of the water used in administrative activities.

The total volume of water discharged by our subsidiaries’ operations into rivers experiencing critical or very critical water stress was approximately 2,619,418.58 m³ in 2021, as measured using the methodology established by the ANA.

12



Angra 1. Eletronuclear Archives



Telemetry water measurement

Elektrobras Eletronuclear purchased 16 ultrasound telemetry water sensors to sectorize consumption and create a supply profile for the units and sectors that use water, and to monitor water use during fuel changes in the operating units.

¹ To better monitor the quality of the data, a methodological adjustment was made for water consumption.

Water consumption and sources **GRI 303-3**

8 12

	2021
Administrative activities	1,454.31
Surface water	673,26
Groundwater	230.80
Utility water	366.05
Water withdrawals from multiple sources, in which case consumption is estimated (unmetered)	184.20
Thermal power generation	3,308,377.42
Surface water	99,672.73
Seawater	3,208.494.7
Groundwater	209.99
Wind power	0.14
Groundwater	0.14
Hydropower	793,791,731.49
Surface water	793,791,731.49
Other uses	3,596.08
Surface water withdrawals for use in protected areas	1,074.51
Surface water withdrawals for use in aquaculture	2,521.57
Total water withdrawal in 2021	797,105,159.45
Total water discharge in 2021 GRI 303-4	797,087,068.52
Total water consumed in 2021* GRI 303-5	18,090.93

*Eletrobras (through its subsidiaries) monitors water withdrawal and discharge for hydroelectric power generation (non-consumptive) in areas with water stress. Eletrobras Group companies consume no water in areas with water stress.

Biodiversity and ecosystem services

GRI 103-2, 103-3, 304-2, 304-3, EU 13

15



Tartaruga Viva [Living Turtle] Project. Eletronuclear Archives

The Eletrobras Group strives to minimize impact on biodiversity in the areas where we develop our projects. Managing and minimizing impacts on biodiversity is a priority in our business strategy and a requirement in our projects—from planning to operation.

Strengthening initiatives to preserve and restore biodiversity and ecosystem services in the regions where we operate is also part of our strategy in this area, as outlined in our Environmental Policy (*see the chart on page 135*). In this way we establish biodiversity indicators and targets to expand our biodiversity conservation and recovery actions.

Actions and commitments:

- Eletrobras has a permanent biodiversity working group. It also participates in forums related to this theme, such as the Technical Biodiversity Chamber (CTBio) of CEBDS, the Brazilian Business Council for Sustainable Development (CEBDS), which it co-leads.
- We are signatories of the Brazilian Business Commitment for Biodiversity. This document was issued by the Brazilian Business Council for Sustainable Development (CEBDS) and includes nine targets to be met by 2030. The goal is to stress the importance of biodiversity and ecosystem services for businesses based on the premise of actions aligned with the global and national biodiversity strategic plans.
- Eletrobras has signed up to Business for Nature's Call to Action to reverse nature loss by 2030. Initiatives like these are aligned with our goal to be an active agent for conservation of biodiversity and ecosystem services.
- Based on GT6, in 2021 we ran a "Diagnosis of the procedures to recue fish in the Eletrobras Group hydro-plants" to identify fish mortality and the procedures used to rescue fish. We also subsidized a handbook of bests practices on this theme.

Issues of biodiversity and others related to the environment can also be addressed via our Contact Us Channel.



Biodiversity guidelines

The Eletrobras Group Environmental Policy outlines specific guidelines on biodiversity for Group companies. According to the Environmental Policy, the companies must:

1. Seeking to minimize the impact on biodiversity and ecosystem services when planning, implementing, and operating ventures.
2. Strengthening initiatives to preserve and restore biodiversity and ecosystem services in the regions where we operate.
3. Aligning incentive measures for conservation, biodiversity restoration, and ecosystem services to the company's socioenvironmental commitments, creating new business opportunities.
4. Incentivize cooperation among Eletrobras companies on studies, research projects, technological development, and innovation that contribute to preserving biodiversity and ecosystem services.
5. Use indicators related to biodiversity and ecosystem services for project management and environmental management.
6. Disseminate knowledge related to biodiversity and ecosystem services as part of its activities.
7. Seek to create awareness of stakeholder responsibility regarding biodiversity and ecosystem services.
8. Whenever possible, use biodiversity criteria when hiring suppliers and to control agreements.

Impacts on biodiversity

GRI 304-2

15

Our most significant impacts on biodiversity occur during the development and operation of our projects, and we therefore conduct impact assessments at the planning stage to identify species and map out their habitats, with a particular focus on rare, endemic and threatened species. Initiatives are then proposed to reduce, mitigate, remediate and/or offset identified impacts in order to prevent risks, in accordance with the principles and guidelines established in the Eletrobras Environmental Policy.

During operation, monitoring activities may indicate the need for further action and investments in technology and operational processes to mitigate impacts.

Considering that defining the type, nature, scope, duration, reversibility, and magnitude of the impact, and the species affected will depend on type, size, and location of the venture, the following table lists the direct and indirect impacts that are common for ventures of a given type, in addition to the measures implemented by Eletrobras companies in each case.

Impacts on biodiversity GRI 304-2

TYPE OF OPERATION	EXAMPLES OF DIRECT IMPACT	DURATION	REVERSIBILITY	EXAMPLES OF INDIRECT IMPACT	SPECIES AFFECTED	ACTIONS/PROGRAMS TO AVOID, MITIGATE, AND/OFFSET IMPACT
Hydropower dams	Conversion of river ecosystems from lotic to lentic	Permanent in the reservoir area	Irreversible in the reservoir area	<ul style="list-style-type: none"> • Changes in water quality • Loss of aquatic habitats • Macrophyte proliferation • Loss and/or substitution of aquatic species • Reduction of fish stocks 	Fish, water mammal, reptile, amphibious, benthic and planktonic organisms, and aquatic vegetation	<ul style="list-style-type: none"> • Water quality monitoring program • Recovery and monitoring activities, environmental compensation program • Water quality improvement, monitoring and removing macrophytes. • Programs to monitor and handle aquatic fauna, environmental compensation program • Reproduction and replenishment actions
Hydropower dams, solar farms, transmission lines, wind farms	Loss of vegetation cover	Permanent where plant or reservoir are located	Irreversible where plant or reservoir are located	<ul style="list-style-type: none"> • Forest fragmentation • Loss of terrestrial habitats • Loss of flora and fauna diversity • Reduction of land wildlife populations 	<ul style="list-style-type: none"> • Plant, land mammal, bird, reptile, amphibious, and insect species • Land mammal, bird, reptile, amphibious, and insect species • Plant, land mammal, bird, reptile, amphibious, and insect species • Land mammal, bird, reptile, amphibious, and insect species 	<ul style="list-style-type: none"> • Program for the recovery of degraded areas, maintain germplasm banks, forest recovery in areas adjacent to the plant, and environmental compensation • Recovery and monitoring activities, environmental compensation program • Programs to monitor and handle flora and fauna, maintain germplasm banks, and environmental compensation program • Reproduction and replenishment actions
Hydropower dams, solar farms, transmission lines, wind farms	Changes in ecosystems/habitats	Permanent where plant or reservoir are located	Irreversible where plant or reservoir are located	Loss of flora and fauna diversity	Plant, land mammal, bird, reptile, amphibious, insect, aquatic mammal, fish, benthic and planktonic species	<ul style="list-style-type: none"> • Support for creating and/or maintaining protected areas, programs to monitor and handle flora and fauna, to preserve species threatened with extinction, maintain germplasm banks, and environmental compensation
Hydropower dams	Impacts on fish migration	Permanent in the dam area	Irreversible in the dam area	<ul style="list-style-type: none"> • Isolation of fish populations • Loss of and/or changes in fish species 	Fish species	<ul style="list-style-type: none"> • Fish monitoring; fishways; fish fauna management • Programs to monitor and handle fish species, reproduction and replenishment actions
Transmission lines, wind farms	Interference with bird and bat populations	Permanent in the area occupied by the tower/line	Irreversible in the area occupied by the tower/line	Bird and bat mortality	Bird and bat species	Siting wind farms away from migration routes; installing signaling equipment to prevent collisions

Initiatives

GRI 304-3, 304-4

15

The Eletrobras Group has set for targets that aim to enhance efforts to preserve and restore biodiversity in the regions where we operate. In 2021, 29 new species at some level of threat were added to the company’s conservation efforts, four of them small felines, twenty-two birds, two fish, one aquatic mammal. The saplings planted by the companies in 2021 removed close

to 90 thousand tCO₂e, 19% more than in the previous year. The following table shows some of the actions the companies are developing to achieve their biodiversity targets. For further details on Eletrobras biodiversity management, click [here](#).



Seedling and sapling greenhouse at the Bela Vista Biological Refuge in Itaipu. Photo: Sara Cheida

DISCLOSURE	TARGET	TIME FRAME	BASELINE	ENTITY	ACTIONS UNDERWAY
Total area protected and/or reforested by the company	Zero loss of vegetated and/or forested area caused by subsidiaries’ activities	Annual for five years	2021	Eletrobras Chesf	Replenishment of Caatinga and Atlantic Forest areas.
				Eletrobras Eletronorte	Management of the Vida Silvestre [Wildlife] Conservation Area, which is part of the Tucuruí Reservoir Mosaic of Conservation Units. The goal of this area is to maintain the natural resources surrounding the Tucuruí reservoir. The company has a Forest Germplasm Bank with some 400 species of trees that are now used to produce high-quality seeds and saplings used in reforestation programs. The Program is also an option to create income for the Parakanã indigenous community that now sells seeds of commercially important species such as Brazil nuts, mahogany and Tatajuba.

DISCLOSURE	TARGET	TIME FRAME	BASELINE	ENTITY	ACTIONS UNDERWAY
Species in the IUCN Red List and national conservation lists included in programs to preserve threatened species	Inclusion of new threatened species in conservation programs	Annual for five years	2021	Eletrobras Furnas	Small feline (<i>Leopardus pardalis</i> , <i>L. tigrinus</i> , <i>L. braccatus</i> and <i>Puma yagouaroundi</i>) conservation program at UHE Batalha; Lobo Guar (<i>Chrysocyon brachyurus</i>) monitoring program; experimental program to reintroduce and monitor the population and genetics of two species of fish (<i>Brycon insignis</i> and <i>Steindachneridium parahybae</i>) in the Paraba do Sul basin that are threatened with extinction.
				Eletrobras Chesf	Reproduction of fish (<i>Lophiosilurus alexandri</i>) and flora (<i>Astronium urundeuva</i> and <i>Commiphora leptophloeos</i>) species threatened with extinction.
				Eletrobras CGT Eletrosul	Monitor threatened and/or endemic migratory species to monitor the pattern of bird diversity in the regions where wind farms are installed.
Investment in projects supporting biodiversity management	A 1% annual increase from the baseline	Annual for five years	2021	Eletrobras Eletronuclear	Create and maintain a Center to Rehabilitate Wild Animals, a reference in supporting threated wild fauna (the young and wounded or ill animals).
				Eletrobras Holding Co.	Launched the 1st bid for Eletrobras Socioenvironmental Projects, in the amount of R\$ 4.2 million.
				Eletrobras Furnas	Created a line of research to encourage the capture and selection of research projects that focus on preserving biodiversity and ecosystem services; Socioenvironmental Bid Document for R\$ 1 million.
Biomass carbon stocks (t)	A 5% annual increase from the previous year	Annual for five years	2021	Itaipu Binacional	Produce saplings of native Atlantic Forest species to ensure the quality and diversity of species in the recovery of priority areas in the Paran river biodiversity area, increasing environmental conservation convergence in the region.
				Eletrobras Furnas	Recovery and maintenance of some 192 hectares of Atlantic Forest and cerrado.

Long-standing stewardship of **biodiversity**

Our track record with biodiversity conservation begins in 1988 with our leadership of the Power Sector Environment Committee (COMASE)

2003

COMASE is renamed as the Eletrobras Group Environment Committee, its present designation



2012

Biodiversity indicators and variables are incorporated in the Environmental Dimension of the IGS System¹



2019

We join the Brazilian Business Council for Sustainable Development (CEBDS)²



2020

We sign up to Business for Nature's Call to Action to reverse nature loss by 2030



2006

A working group is created to address issues related to aquatic resources and biodiversity



2012

Biodiversity guidelines are included in the Eletrobras Group Environmental Policy



2020

We prioritize the Sustainable Development Goal 15 – Life on Land



SDG 15

2021

Targets to expand biodiversity conservation initiatives



Our targets

Our goals focus on 4 pillars

- Zero loss of vegetated and/or forested area caused by business activities
- Inclusion of new threatened species in conservation programs
- Expansion of biomass carbon stocks (t)
- Increased investment in projects supporting biodiversity management

Our protection network



We support protected areas, Indian reservations and archaeological sites across Brazil's main biomes.



Protected areas managed by Eletrobras Group companies, created to contribute to regional biodiversity conservation, scientific research and environmental education.



Examples include: the Lago de Tucuruí Protected Area Mosaic, the Santa Maria Wildlife Corridor, the Maracaju and Santa Helena Biological Refuges, the Porã Trail, and the Restinga de Mambucaba Park and Cecemef Park.

¹ Corporate Sustainability Disclosures System

² Brazilian Business Council for Sustainable Development

ABOUT THIS REPORT

GRI 102-50, 102-54



Night view of Itaipu. Photo: Rubens Fraulini

The information in this report is the report covers the activities and results for the period between January 1st and December 31, 2021 and comply with GRI Standards, Core Option. **GRI 102-54**

The content is presented in a comprehensive manner based on economic, environmental, social, and corporate governance aspects. This model includes global and industry standards and best practices, as follows:

- GRI standards;
- The integrated reporting framework

[Click here for details of the GRI-based concepts, premises, as well as the protocols used in our report \(Basis of Preparation of the Elektrobras Group Annual Report\)..](#)

International Integrated Reporting Council (IIRC)

- Industry-specific standards - Sustainability Accounting Standards Board (SASB)
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- The Sustainable Development Goals (SDGs)
- World Economic Forum Stakeholder Capitalism Metrics.
- The Ten Principles of the United Nations (UN) Global Compact
- TCU [Audit Court] Guide for Issuing Integrated Reports.

Assurance **GRI 102-56**

The non-financial information in this report has been assured by an independent third-party under the oversight of the Executive Board and the Board of Directors in accordance with international assurance standards. The current report has been assured by PwC.

Eletrobras Group Materiality Assessment

1. Identification

- Map out the **company's relationship channels**
- Build a list of **18 topics** describing the primary impacts from the Eletrobras Group's activities, based on benchmarking against the leading players in the global power sector

4. Approval

- Approval** of the final list by the Strategy, Governance & Sustainability Committee and the Board of Directors

List of material topics

GRI 102-47

GRI 102-47

People

- Communities **7, 10, 11, 16**
- Human rights **4, 8, 9, 10, 16**
- Health, safety and well-being **3, 7, 8**
- People management and development **4, 7, 10, 11, 16**

Planet

- Water **6, 12, 13**
- Climate change **3, 7, 11, 12, 13, 15**
- Energy transition **7, 9, 13**
- Biodiversity and ecosystem services **14, 15**

Governance

- Risk management **12, 16**
- Governance, integrity and ethics **12, 16**

Prosperity

- Technology & Innovation **7, 8, 9**



2. Analysis

Collect the views of different stakeholders through:

- An online survey to **rate the material topics** on a scale of high impact to low impact
- Deep-dive interviews** with Eletrobras executives and independent experts
- Surveys using Eletrobras' communication channels:** Ombudsman's Office, Investor Relations, Social Media and Contact Us

3. Prioritization

- Refine the topics** and assign weights to responses based on the perspectives of experts vs. executives
- An **Eletrobras Group workshop** attended by the Executive Sustainability Management Committee and

70 representatives to prioritize the material topics

11 material topics



Materiality assessment

GRI 102-4, 102-21, 102-40, 102-42, 102-43, 102-44, 102-46, 103-1

16

The 2021 materiality matrix guides the content of all Elétrabras company reports. The verification process to define the content and limits of the material topics involved 1,074 internal and external stakeholders. Executives and experts were interviewed, and different audiences queried online - shareholders, investors, officers, the fiscal board, customers, employees and their families, partners, sponsor, suppliers, and society at large.

In 2021, internal validation resulted in the selection of eleven relevant themes to be monitored, managed, and reported, and six more relevant themes that may or may not be reported depending on their relevance for each Elétrabras company. In 2020, the list had 16 material topics ([link to AR 2020](#)), which required a significant prioritization exercise that resulted in better management of the themes selected for the current year. **GRI 102-47, 102-49**



The Xingó Dam. Elétrabras Chesf Archives

In addition to our material topics (see [page 140](#)), the following were also considered **relevant topics**.

- Waste
- Suppliers
- Customers
- Regulatory situation
- Radioactive waste
- Nuclear safety

This Elétrabras holding company report includes Suppliers, given their importance and impact for our business.

The materiality survey process involved **1,074** multistakeholders.

Material topic boundaries

GRI 103-1, 102-43, 102-46





The boundaries of the topics in the materiality matrix denote where the impacts from our operations occur, what stakeholders are affected, and what capitals they relate to, based on the International Integrated Reporting Framework.



	MATERIAL TOPICS GRI 102-44, 102-46	WHY THE TOPIC IS MATERIAL	WHERE IT OCCURS	SDG*	CAPITAL	LINKAGE TO OTHER FRAMEWORKS	STAKEHOLDERS**
Prosperity	Technology and innovation	Research, development, and innovation related to electricity; the promotion of sustainable development; the use of new technologies to transform business processes; ensure the safety, integrity, reliability, and protection of digital data; measures to make the production chain more efficient and decrease energy use, resulting in positive environmental impact.	Within and outside the organization	7 8 9	Intellectual, Manufactured	TCU DJSI SASB ISE Global Compact	<ul style="list-style-type: none"> • Workforce • Leadership team • Customers and suppliers • Government • Investors • Society • Opinion makers

	MATERIAL TOPICS GRI 102-44, 102-46	WHY THE TOPIC IS MATERIAL	WHERE IT OCCURS	SDG*	CAPITAL	LINKAGE TO OTHER FRAMEWORKS	STAKEHOLDERS**
People	Communities	Relationships with local communities - people or groups who live or work in areas subject to the impact of the organization's operations.	Outside the organization	7 10 11 16		TCU DJSI ISE	<ul style="list-style-type: none"> Communities Opinion makers Leadership team
	Human Rights	Respect and promote Human Rights; adopt mechanisms to identify, prevent, monitor, oversee, and mitigate existing and potential impacts on Human Rights.	Within and outside the organization	4 8 9 10 16		TCU DJSI ISE Global Compact	<ul style="list-style-type: none"> Workforce Suppliers Communities Government Society Opinion makers
	People management and development	Measures related to people management, professional life-cycles in the company, development, and termination.	Within the organization	3 4 8 9 10 12		TCU DJSI ISE Global Compact	<ul style="list-style-type: none"> Employees Investors Opinion makers Leadership team Workforce
	Health, Safety & Well-being	Promote a safe and sustainable environment for all company employees.	Within and outside the organization	3 7 8		TCU SASB ISE	<ul style="list-style-type: none"> Workforce Leadership team Communities Suppliers Customers Opinion makers

We reviewed our materiality matrix in 2021

	MATERIAL TOPICS GRI 102-44, 102-46	WHY THE TOPIC IS MATERIAL	WHERE IT OCCURS	SDG*	CAPITAL	LINKAGE TO OTHER FRAMEWORKS	STAKEHOLDERS**
Planet	Water	Managing water-related impacts	Within and outside the organization	6 12 13		TCU SASB DJSI ISE	<ul style="list-style-type: none"> • Communities • Shareholders • Customers • Opinion makers • Leadership team • Workforce • Suppliers • Government • Society
	Biodiversity and ecosystem services	Biodiversity conservation and preservation	Within and outside the organization	14 15		TCU SASB DJSI ISE	<ul style="list-style-type: none"> • Communities • Society • Opinion makers
	Climate change	Mitigation of greenhouse gas emissions and adjustment to the impact of climate change	Within and outside the organization	3 7 11 12 13 15		TCU SASB TCFD ISE	<ul style="list-style-type: none"> • Investors • Communities • Suppliers • Customers • Leadership team • Opinion makers • Workforce • Government • Society
	Energy transition*	The role of the power sector in a low carbon economy. Use of clean and renewable sources, and decarbonization of the energy mix.	Within and outside the organization	7 9		TCU SASB TCFD Global Compact	<ul style="list-style-type: none"> • Investors • Shareholders • Leadership team • Customers • Opinion makers • Suppliers • Government • Society

*The energy transition, although falling under the Planet pillar in the Sustainability Framework, is included in this report under the Prosperity pillar to make the report more fluid.

	MATERIAL TOPICS GRI 102-44, 102-46	WHY THE TOPIC IS MATERIAL	WHERE IT OCCURS	SDG*	CAPITAL	LINKAGE TO OTHER FRAMEWORKS	STAKEHOLDERS**
Governance	Governance, Integrity and Ethics	A system whereby the company is managed, monitored, and encouraged, that involves the relationship between senior management, oversight and control bodies, and other stakeholders; anti-corruption and the organization's ethical management procedures based on values, principles, and behavioral standards.	Within the organization	12 16	Not related to an IR capital, but to governance, which spans across and underpins all value creation activities.	TCU Pró-Ética ISE DJSI	<ul style="list-style-type: none"> • Workforce • Investors/shareholders/ market analysts • Communities • Media • Customers • Opinion makers • Leadership team • Suppliers • Government • Society
	Risk Management	Architecture implemented in the company to effectively manage risks, contributing to reducing the incidence of events that have a negative impact on the strategic goals.	Within and outside the organization	12 16		TCU SASB TCFD DJSI ISE	<ul style="list-style-type: none"> • Workforce • Leadership team • Investors/shareholders/ market analysts • Communities • Society media/opinion makers • Partners/sponsors/ suppliers • Governments/ congress/regulators • Customers

SDG 17 applies to all other SDGs.

**Impacted audiences and/or those that prioritize the theme when developing materiality (including leaders who can influence the organization's leaders, such as the Board of Directors and Fiscal Board)

Our materiality matrix has 11 priority themes

Our stakeholders

GRI 102-42

Our stakeholders are at the core of Eletrobras Group's value creation model and play an important role in identifying our material topics.

- Employees/their families
- Investors/shareholders/market analysts
- Communities
- Society
- The media/opinion makers
- Partners/sponsors/suppliers
- Governments/congress/regulators
- Customers



Training at Itaipu. Photo: Rubens Fraulini

Eletrobras Group's approach to identifying and selecting the stakeholders we engage with is guided by our Strategic Plan and aligned with our Value Creation Model (see infographic), the Eletrobras Group Code of Ethics and Business Conduct, and other Group policies.

Under the Eletrobras Group Stakeholder Communications and Engagement Policy, stakeholder selection is guided by our strategic plan and Group commitment to sustainable development, and should support sound communications and engagement with stakeholders. This policy, which in its third edition incorporated requirements on accessibility, was approved in May 2019 by the Board of Directors, and is supplemented by the Eletrobras Group Spokesperson Policy, which was introduced in 2018 and updated in November 2020.

Approval of the annual report

GRI 102-32

The Eletrobras Group Executive Committee to Manage Sustainability is responsible for coordinating the preparation of the Eletrobras Group Annual Report according to internationally accepted standards, such as the *Global Reporting Initiative (GRI)* and *International Integrated Reporting Council (IIRC)*. Preparation of this Annual Report starts with the approval of the materiality process by the Board of Directors, with the support of the Strategy, Governance, and Sustainability Committee. Should any material fact emerge while drafting this report, the Board of Directors is informed. Finally, the report is submitted to the Strategy, Governance & Sustainability Committee and approved by the Board of Directors.

GRI CONTENT INDEX

GRI 102-55



Performing maintenance work in the volute at Itaipu. Photo: Rubens Fraulini.

GRI Content Index

GRI 102-55



For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with the appropriate sections in the body of the report.

The service was applied to the Portuguese version of the report.

Contents	Page/URL	Omission	SDGs
GENERAL DISCLOSURES			
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
Organizational profile			
102-1 Name of the organization	11		
102-2 Activities, brands, products, and services	11, 64, 67		
102-3 Location of headquarters	SCN Q 4 BL B- And 2 sl 203 – Asa Norte, Brasilia - DF, Brazil		
102-4 Location of operations	11, 141		
102-5 Ownership and legal form	11		
102-6 Markets served	11, 67		
102-7 Scale of the organization	11, 60, 91		
102-8 Information on employees and other workers	11, 91		8, 10
102-9 Supply chain	86, 87		
102-10 Significant changes to the organization and its supply chain	59, 63 In relation to our supply chain, there were no significant changes in the Group’s size, structure, ownership, or supply chain.		
102-11 Precautionary principle or approach	34 Used by subsidiaries, but not directly by the holding company.		
102-12 External initiatives	57		
102-13 Membership of associations	56		



Contents	Page/URL	Omission	SDGs
Strategy			
102-14 Statement from senior decision-maker	4, 5		
102-15 Key impacts, risks, and opportunities	32, 34		
Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	21, 27		16
102-17 Mechanisms for advice and concerns about ethics	29		16
Governance			
102-18 Governance structure	14, 19		
102-19 Delegating authority	19		
102-20 Executive-level responsibility for economic, environmental, and social topics	The organization has appointed an executive-level position with responsibility for economic, environmental and social topics, reporting directly to the highest governance body.		
102-21 Consulting stakeholders on economic, environmental, and social topics	141		16
102-22 Composition of the highest governance body and its committees	15, 16, 17		5, 16
102-23 Chairman of the highest governance body	15		16
102-24 Nominating and selecting the highest governance body	18		5, 16
102-25 Conflicts of interests	31		16
102-26 Role of highest governance body in setting purpose, values, and strategy	45		
102-27 Collective knowledge of highest governance body	19		
102-28 Evaluating the highest governance body's performance	18		
102-29 Identifying and managing economic, environmental, and social impacts	32, 34, 35		16
102-30 Effectiveness of risk management processes	32, 35		

Contents	Page/URL	Omission	SDGs
102-31 Review of economic, environmental, and social topics	33, 34, 45, 46		
102-32 Highest governance body's role in sustainability reporting	146		
102-33 Communicating critical concerns	28, 29		
102-34 Nature and total number of critical concerns	29, 30		
102-35 Remuneration policies	20, 21		
102-36 Process for determining remuneration	20, 21		
102-37 Stakeholders' involvement in remuneration	<p>The general meeting establishes the overall or individual remuneration for the members of executive boards, boards of directors and statutory committees, in compliance with applicable legislation.</p> <p>Under the Eletrobras Group bylaws, the Board of Directors expresses an opinion on matters related to the remuneration of executive board members, profit sharing payments and proposals to be submitted to the stockholders' meeting for a decision.</p> <p>On an annual basis, under the leadership of the parent company, an overall remuneration proposal is developed for members of the Eletrobras Executive Board, Board of Directors and Fiscal Board, as well as for the Statutory Audit & Risk Committee, the People, Eligibility, Succession & Remuneration Committee and the Strategy, Governance & Sustainability Committee, taking into account, among other factors, that under the Brazilian Code of Corporate Governance, management remuneration must be aligned with the company's strategic objectives, with a focus on sustainability and long-term value creation, and must be proportional to the position's roles, risks and responsibilities.</p> <p>Once approved by our parent company's governance bodies, the proposed remuneration is submitted to the SEST for an opinion, which is then used by the Office of the Attorney General of the Treasury (PGFN) to inform its vote in the relevant general meetings.</p>		16
102-38 Annual total compensation ratio	3.42		
102-39 Percentage increase in annual total compensation ratio	2.17		
Stakeholder engagement			
102-40 List of stakeholder groups	141		
102-41 Collective bargaining agreements	All employees are covered by collective bargaining agreements.		8



Contents	Page/URL	Omission	SDGs
102-42 Identifying and selecting stakeholders	141, 146		
102-43 Approach to stakeholder engagement	90, 103, 104, 105, 141, 142		
102-44 Key topics and concerns raised	90, 103, 141, 142, 143, 144, 145		
Reporting practices			
102-45 Entities included in the consolidated financial statements	All Eletrobras Group companies: Cepel, CGT Eletrosul, Chesf, Eletronorte, Eletronuclear, Eletropar, Furnas, <i>our parent company</i> and Itaipu.		
102-46 Defining report content and topic Boundaries	141, 142, 143, 144, 145		
102-47 List of material topics	140, 141		
102-48 Restatements of information	101, 131		
102-49 Changes in reporting	141		
102-50 Reporting period	139		
102-51 Date of most recent report	2020		
102-52 Reporting cycle	Annual		
102-53 Contact point for questions regarding the report	3, 175		
102-54 Claims of reporting in accordance with the GRI Standards	139 This report has been prepared in accordance with GRI standards: Core option		
102-55 GRI content index	147		
102-56 External assurance	<p>139 The non-financial information in this report has been assured by an independent third-party under the oversight of the Executive Board and the Board of Directors in accordance with international assurance standards.</p> <p>The current report has been assured by PwC.</p>		



DISCLOSURES	DESCRIPTION	TOPICS	PAGE
MATERIAL TOPICS			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary		141, 142, 143, 144, 145
103-2	The management approach and its components	Water	128, 129, 130
		Biodiversity and ecosystem services	133, 134, 135, 136, 137, 138
		Communities	110, 111, 112, 113, 114, 115, 116, 117, 118
		Human Rights	107, 108, 109, 110, 111
		Risk Management	32, 33, 34, 35, 36, 37, 38
		People Management & Development	89, 90, 95, 96, 97, 98
		Governance, Integrity and Ethics	10, 12, 13, 14, 15, 16, 17, 18, 19, 22, 23, 25, 26, 28, 29, 30
		Climate Change	122, 123, 124, 125
		Health, Safety & Well-being	99, 100, 101, 102
		Technology & Innovation	76, 77, 78, 79, 80, 81, 82, 83, 84, 85
		Energy Transition	69, 70, 71, 72, 73, 74, 75
103-3	Evaluation of the management approach	Water	128
		Biodiversity and ecosystem services	133, 134
		Communities	110, 111
		Human Rights	107, 109, 110
		Risk Management	32, 33, 35
		People Management & Development	89
		Governance, Integrity and Ethics	23, 25, 26, 28
		Climate Change	122, 123, 124
		Health, Safety & Well-being	99, 100
		Technology & Innovation	77, 78, 79, 80, 82
Energy Transition	69, 70		



Contents	Page/URL	Omission	SDGs
ECONOMIC DISCLOSURES			
GRI 201: Economic performance 2016			
201-1 Direct economic value generated and distributed	For detailed information, read our Financial Statements here .		8, 9
201-2 Financial implications and other risks and opportunities due to climate change	37, 38		13
GRI 204: Procurement practices 2016			
204-1 Proportion of spending on locally-based suppliers	87		8
GRI 205: Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	22, 23, 27		16
205-2 Communication and training on anti-corruption policies and procedures	22, 27		16
205-3 Confirmed incidents of corruption and actions taken	No confirmed cases of corruption were reported in 2021.		16
GRI 207: Taxes 2019			
207-1 Approach to tax	63		1, 10, 17
207-2 Tax governance, control and risk management	63		1, 10, 17
207-3 Stakeholder engagement and management concerns related to tax	63		1, 10, 17

Contents	Page/URL	Omission	SDGs
ENVIRONMENTAL DISCLOSURES			
GRI 303: Water and Effluents 2018			
303-1 Interactions with water as a shared resource	127, 128, 129, 130		6, 12
303-2 Management of water discharge related impacts	127, 128, 129, 130		6
303-3 Water withdrawal	132		6, 8, 12
303-4 Water discharge	132		6
303-5 Water consumption	132		6
GRI 304: Biodiversity 2016			
304-2 Significant impacts of activities, products, and services on biodiversity	133, 134, 135		6, 14, 15
304-3 Habitats protected or restored	133, 136, 137		6, 14, 15
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations	136, 137		6, 14, 15
GRI 305: Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	Link to inventory 125		3, 12, 13, 14, 15
305-2 Energy indirect (Scope 2) GHG emissions	Link to inventory 125		3, 12, 13, 14, 15
305-3 Other indirect (Scope 3) GHG emissions	Link to inventory 125		3, 12, 13, 14, 15
305-4 GHG emissions intensity	Link to inventory 125		13, 14, 15
305-5 Reduction of GHG emissions (SASB)	Link to inventory 125		13, 14, 15
305-6 Emissions of ozone-depleting substances (ODS)	Link to inventory		3, 12
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Link to inventory 125		3, 12, 14, 15

Contents	Page/URL	Omission	SDGs
SOCIAL DISCLOSURES			
GRI 401: Employment 2016			
401-1 New employee hires and employee turnover	92, 93		5, 8, 10
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	The company provides employees, either on a voluntary basis or under collective bargaining agreements, the following benefits: transportation tickets or shuttle service; burial insurance; parental leave; health and dental insurance; group life insurance; variable remuneration; meal allowance; food allowance; retirement plans; education assistance; education allowance; daycare allowance; vacation bonus; length of service bonus; gym discounts; pharmacy allowance; leave for employees who have suffered domestic violence; caregiver leave; leave upon the death of stepparents; extended maternal leave; extended paternal leave; foreign language courses; reimbursement for glasses frames/lenses; grants for hearing aids.		3, 5, 8
401-3 Parental leave	93		5, 8
GRI 403: Occupational health and safety 2018			
403-1 Occupational health and safety management system	99, 102		8
403-2 Hazard identification, risk assessment, and incident investigation	100		3, 8
403-3 Occupational health services	100, 101, 102		3, 8
403-4 Worker participation, consultation, and communication on occupational health and safety	100, 101, 102		8, 16
403-5 Worker training on occupational health and safety	101, 102		8
403-6 Promotion of worker health	100, 101		3
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	102		8
403-8 Workers covered by an occupational health and safety management system	100		8

Contents	Page/URL	Omission	SDGs
403-9 Work-related injuries	101	Information about contractors has not been reported as the company is currently adjusting its database.	3, 8, 16
403-10 Work-related ill health	At the parent company there are no employees whose work or workplace involves occupational activities with a high incidence or high risk of diseases related to their occupation.		3, 8, 16
GRI 404: Training and education 2016			
404-1 Average hours of training per year per employee	97		4, 5, 8, 10
404-2 Programs for upgrading employee skills and transition assistance programs	97		8
404-3 Percentage of employees receiving regular performance and career development reviews	96		5, 8, 10
GRI 405: Diversity and equal opportunity 2016			
405-1 Diversity of governance bodies and employees	15, 94		5, 8
405-2 Ratio of basic salary and remuneration of women to men	98		5, 8, 10
GRI 406: Non-discrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	Two incidents were reported at Chesf, two at CGT Eletrosul (one deemed unsubstantiated) and one at Eletronuclear. At other Group companies there were no reported incidents of discrimination.		5, 8
GRI 407: Freedom of association and collective bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	109		8



Contents	Page/URL	Omission	SDGs
GRI 408: Child labor 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor	109		8, 16
GRI 409: Forced or compulsory labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	109		8
GRI 410: Security practices 2016			
410-1 Security personnel trained in human rights policies or procedures	106, 108	All (employees and contractors) are required to meet the same training requirements.	16
GRI 411: Rights of indigenous peoples 2016			
411-1 Incidents of violations involving rights of indigenous peoples	There were no reported incidents of violations involving rights of indigenous peoples.		2
GRI 412: Human Rights Assessment 2016			
412-2 Employee training on human rights policies or procedures	108		
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	108		
GRI 413: Local communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	104, 110, 112, 113, 114, 116, 121		
413-2 Operations with significant actual or potential negative impacts on local communities	110, 111, 117		1, 2

Contents	Page/URL	Omission	SDGs
GRI 415: Public Policy 2016			
415-1 Political contributions	In compliance with Brazilian legislation, the Eletrobras Group does not make contributions to or otherwise support political parties, campaigns or candidates, nor are our employees permitted to do so on behalf of Eletrobras. This requirement is stipulated in our Code of Ethical Conduct & Integrity and the Eletrobras Group Anti-Corruption Policy.		
GRI 418: Customer privacy 2016			
418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints regarding breaches of customer privacy in the year.		16
Organizational profile			
EU1 Installed capacity, broken down by primary energy source and by regulatory regime	64, 65		7
EU2 Net energy output broken down by primary energy source and by regulatory regime	65		7, 14
EU4** Length of above and underground transmission and distribution lines by regulatory regime	67		
Availability and reliability			
EU6 Management approach to ensure short and long-term electricity availability and reliability*	67		7
Research & Development			
EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	80		7, 9, 17
Availability and reliability			
EU10 Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	In Brazil, electricity supply-and-demand planning is carried out by the Brazilian Energy Research Corporation (EPE) in accordance with applicable regulations. As large-scale generation and transmission companies, Eletrobras and its subsidiaries do not engage in demand planning by energy source.		7

* The reported figures are for corporate backbone transmission lines eligible to RAP and that were in operation at the end of the reporting period, including disconnected sections. Excludes supplementary grid transmission lines.

**This disclosure is based on (corporate and SPE) transmission lines that were in operation at the end of the reporting period, whether or not they were eligible to RAP, and supplementary grid transmission lines (transmission lines connecting power plants and serving free consumers, or connected to other < 230kV transmission systems).

Contents	Page/URL	Omission	SDGs
System Efficiency			
EU11 Average generation efficiency of thermal plants by energy source and by regulatory regime	66		7, 8, 12, 13, 14
EU12 Transmission and distribution losses as a percentage of total energy	67		7, 8, 12, 13, 14
Employment			
EU14 Programs and processes to ensure the availability of a skilled workforce	89		4, 8
EU16 Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	101		8
Local communities			
EU20 Approach to managing the impacts of displacement	111		1, 2, 11
EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	38		1, 11
EU22 Number of people physically or economically displaced and compensation, broken down by type of project	Our parent company has no operations.		1, 2
Access			
EU23 Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	74		
EU30 Average plant availability factor by energy source and by regulatory regime	66		1, 7

DISCLOSURES FROM OTHER FRAMEWORKS – SASB, TCU

SASB

DISCLOSURE	GRI EQUIVALENT	PAGE
IF-EU-110a1: Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations, and percentage covered under emissions-reporting regulations	GRI 305-1	125
IF-EU-110a2: Greenhouse gas (GHG) emissions associated with power deliveries	GRI 305-2	125
IF-EU-110a3: Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emission-reduction targets, and an analysis of performance against those targets	GRI 305-4, 305-5	125
IF-EU-120a1: Air emissions of the following pollutants: NO _x (excluding N ₂ O), SO _x , particulate matter (PM _{xx}), Pb, and Hg; percentage of each in or near areas of dense population	GRI 305-7	125
IF-EU-140a1: Total water withdrawn and total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	GRI 303-1, 303-3, 303-5	127, 128, 129, 130, 132
IF-EU-140a3: Discussion of water management risks and description of strategies and practices to mitigate those risks	GRI 303-1	127, 128, 129, 130
IF-EU-150a1: Amount of coal combustion residuals (CCR), percentage recycled	GRI 305-6, G4-EU11	3, 11, 66
IF-EU-320a1: Total recordable injury rate (TRIR), fatality rate, and near miss frequency rate (NMFR)	GRI 403-9	101
IF-EU-550a1: Number of incidents of non-compliance with standards or regulations on physical and cyber security	GRI 418-1	78
Installed capacity and electricity generated and transmitted		
IF-EU-000.C: Length of transmission and distribution lines	G4-EU4	67
IF-EU-000.D: Total electricity generated, percentage by major energy source, percentage in regulated markets	G4-EU2	65
IF-EU-240 a.4: Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	G4-EU23	74
IF-EU-550 a.2: (1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	G4-EU30	66



DISCLOSURE	GRI EQUIVALENT	PAGE
TCU		
Organizational overview and external environment	GRI 102-2, 102-5, 102-7, 102-8, 102-9, 102-14, 102-15, 102-16, 102-22	4, 5, 11, 15, 16, 17, 21, 27, 32, 34, 60, 64, 67, 86, 87, 91
Risks, opportunities and outlook	GRI 102-15, 102-17, 102-30, 102-31, 102-34	29, 30, 32, 33, 34, 35, 45, 46
Governance and strategy	GRI 102-18, 102-20, 102-22, 102-23, 102-25, 102-26, 102-30, 102-35, 102-36, 102-37, 102-38, 102-39	14, 15, 16, 17, 19, 20, 21, 31, 32, 35, 45, 149, 150
Budgetary, financial and accounting information	GRI 201-1, 201-2, 204-1, 205-1, 205-3, 207-2, 405-2	22, 23, 27, 37, 38, 63, 87, 98, 153
Results and performance	GRI 413-1, 413-2, G4-EU1, EU 2, EU 4, EU8, EU20, EU21, EU22	22, 38, 64, 65, 67, 80, 104, 110, 111, 112, 113, 114, 116, 117, 121, 159

ASSURANCE REPORT

Independent auditor's limited assurance report on non-financial information included in the Annual Report for 2021

The Board of Directors and Shareholders of Centrais Elétricas Brasileiras S.A. Eletrobras
Rio de Janeiro - RJ

Introduction

We have been engaged by Centrais Elétricas Brasileiras S.A. - Eletrobras ("Eletrobras" or "Company") to present our limited assurance report on the non-financial information included in the Eletrobras' 2021 Annual Report for the year ended December 31, 2021.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2021 Annual Report, including any incorporated images, audio files or videos.

Responsibilities of Eletrobras' management

The management of Eletrobras is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the Annual Report.
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards) and with the basis of preparation developed by the Company.
- designing, implementing and maintaining internal control over the significant information for the preparation of the information included in the Annual Report, which is free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2021 Annual Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 - "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor complies with ethical requirements, indepen-

dence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2021 Annual Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the Company involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Annual Report taken as a whole might present material misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2021 Annual Report, other circumstances of the engagement and our analysis of the activities and

processes associated with the material information disclosed in the 2021 Annual Report in which material misstatements might exist. The procedures comprised, among others:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2021 Annual Report;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information of Eletrobras - Centrais Elétricas Brasileiras S.A., as well as the managers responsible for the preparation of the information of the following subsidiaries, whose information was consolidated in the Annual Report of Centrais Elétricas Brasileiras S.A.: Companhia Hidro Elétrica do São Francisco - Chesf; Furnas Centrais Elétricas S.A. - Furnas; Eletrobras Termoeletrônica S.A. - Eletronuclear; Companhia de Geração e Transmissão de Energia Elétrica do Sul do Brasil - Eletrobras CGT Eletrosul; Centrais Elétricas do Norte do Brasil S.A. - Eletronorte and Itaipu Binacional;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2021 Annual Report; and
- (d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with the guidelines and criteria 1) of the Global Reporting Initiative (GRI-Standards); 2) the provisions established in the basis of preparation developed by the Company, applicable in the preparation of the information included in the 2021 Annual Report.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing, and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. Had we performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2021 Annual Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods, nor future projections and goals, including results of goals established by Eletrobras' Business and Management Master Plan (PDNG) and Business and Management Plan (PNG) attached to the 2021 Annual Report.

The preparation and presentation of non-financial information and indicators followed the definitions of the basis of preparation developed by the Company and the guidelines of the Global Reporting Initiative (GRI-Standards) and, therefore, the information included in the 2021 Annual Report does not aim to provide assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. Those standards establish, however, the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines occur. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

Conclusion

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the Annual Report for the year ended December 31, 2021 of Centrais Elétricas Brasileiras S.A. - Eletrobras has not been prepared, in all material respects, in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards), and with the basis of preparation developed by the Company.

Rio de Janeiro, April 29, 2022

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Eliane Kihara
Accountant CRC 1SP212496/O-5



APPENDIXES

In the following appendixes we describe Eletrobras' commitment to ESG through the targets we have set in support of the Sustainable Development Goals (SDGs) and PDNG 2022-2026.

APPENDIXES

Appendix I – SDG Map

The map below shows where in this report we describe our primary contributions to our prioritized Sustainable Development Goals. SDG tags have been placed next to the relevant content throughout the report.

For further details about our actions and initiatives related to the prioritized SDGs, view the complete SDG Supplement [here](#).



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Appendix II – PDNG supplementary disclosures

SCORECARD – KEY DISCLOSURES

DISCLOSURE	UNIT	HISTORICAL			TARGET		STATUS IN 2021	TARGETS FOR 2022 – ONGOING INITIATIVES
		2019	2020	2021	2021	2022		
Relative Generation Availability (DISPGR)	Rate	1.060	1.064	1.064	1.000	1.000	Target met. For the third consecutive year we exceeded our operational target for relative generation availability.	In addition to preventive action to meet the generation availability requirements established by the regulator, we implemented a program, called ARGER, designed to minimize outage risks for our corporate generation assets and disseminate good practices in asset management across the Eletrobras Group.
Transmission Line Operational Availability (DISPOLT) ¹	%	99.95%	99.94%	99.93%	99.88%	99.90%	Target met	Preventive maintenance to improve efficiency in the transmission business. The performance targets take account of the aging of our transmission assets, many of which exceed 30 years in service, which directly affects the frequency and duration of scheduled maintenance outages.
“Global Indicator (Generation + Trading)”	Rate	1.01	0.97	1.12	1.00	1.00	Target met	A project is underway to make electricity trading management more effective by improving transparency, integration and workflows across Group companies.

¹ Equivalent to the Transmission Availability Rate reported for EU6.

DISCLOSURE	UNIT	HISTORICAL			TARGET		STATUS IN 2021	TARGETS FOR 2022 - ONGOING INITIATIVES
		2019	2020	2021	2021	2022		
Employee Satisfaction (Favorability Rate)	Rate	74.18	77.96	77.96	74.70	74.70	Two-yearly results. The consolidated Favorability Rating (FR) across Eletrobras Group companies was 77.96%, compared to 74.18% in the previous survey, in 2018. The 2020 FR exceeded the target in our Business Performance Goals Contract (CMDE).	Implementation of the Human Capital Enhancement Project as part of our Sustainability 4.0 Program.
Lost-Time Injury Frequency Rate - employees	No. of injuries per million hours of exposure to risk	2.34	1.14	2.35	2.61	1.92	Target met	Occupational Health & Safety Program, with initiatives to prevent occupational illnesses and injuries at Group companies, including contractors.
Project Management Maturity	Rate	2.89	2.86	3.05	2.80	2.95	Target met	Our Corporate Project Management Office monitors, reviews and reports to senior management on the progress of relevant initiatives and programs at Eletrobras Group companies—including initiatives under the PDNG and initiatives affecting annual variable remuneration for senior management.
GHG emissions from Eletrobras-owned conventional thermal power plants per unit of net electricity generated (tCO ₂ e/ MWh)	%	0.59	0.60	0.88	0.59	0.58	Target not met	-
GHG emissions from fossil fuel combustion by vehicle fleets	tCO ₂ e	11,374	8,85	10,028	8,747	8,659	Target not met	-

DISCLOSURE	UNIT	HISTORICAL			TARGET		STATUS IN 2021	TARGETS FOR 2022 - ONGOING INITIATIVES
		2019	2020	2021	2021	2022		
Transformer Operational Availability (DISPOTR)	%	99.77%	99.68%	99.84%	99.69%	99.69%	Target met	Preventive maintenance to improve efficiency in the transmission business.
Due diligence on suppliers exposed to fraud and corruption risks	%	94.6%	99.4%	99.6%	100%	100%	Target not met	Integrity Program
Employees trained on Integrity Program (Compliance) policies and procedures	%	92%	97%	96%	98%	98%	Target not met	Integrity program
Injury severity rate (direct employees)	Lost days	224	199	86	202	102	Target met	Occupational Health & Safety Program, with initiatives to prevent occupational illnesses and injuries at Group companies, including contractors.
Number of fatalities (direct employees)	Number	4	zero	zero	zero	zero	Target met	Occupational Health & Safety Program, with initiatives to prevent occupational illnesses and injuries at Group companies, including contractors.
Management positions held by women	%	22.3%	22.0%	22.0%	21.0%	22.0%	We exceeded our target for women in management positions and our target ratio of women in our total workforce.	Maintain our gender equity affirmative action practices and policies.
Reduce utility-supplied electricity consumption in administrative activities (MWh)	%	6.6%	62.3%	ND	0.2%	0.2%	Status not available	Sustainability Program 4.0

DISCLOSURE	UNIT	HISTORICAL			TARGET		STATUS IN 2021	TARGETS FOR 2022 - ONGOING INITIATIVES
		2019	2020	2021	2021	2022		
Reduction of fossil fuel combustion by land-vehicle fleets (GJ)	%	6.4%	21.4%	ND	0.2%	0.2%	Status not available	Sustainability Program 4.0
Tier 1 suppliers encouraged to adopt practices that promote diversity	%	100%	98%	ND	90%	100.0%	Status not available	Sustainability Program 4.0
Tier 2 suppliers assessed on sustainability risks	%	0%	ND	ND	NA	NA	Status not available	Sustainability Program 4.0
Human rights due diligence on critical suppliers	%	5.4%	ND	100%	Perform human rights to diligence on 100% of critical suppliers by 2021	Perform human rights to diligence on 100% of critical suppliers by 2022	No contracts were awarded to suppliers at risk for human rights violations in the reporting period.	Sustainability Program 4.0; stakeholder engagement in the value chain to raise awareness about human rights.
Human rights due diligence on joint ventures/SPEs	%	73.2%	ND	100%	Perform human rights to diligence on 100% of joint ventures by 2022	Perform human rights to diligence on 100% of joint ventures by 2022	Target met*	Sustainability Program 4.0; stakeholder engagement in the value chain to raise awareness about human rights.
Tier 1 suppliers trained on human rights	%	4.7%	ND	ND	Provide human rights training to 100% of Tier 1 suppliers by 2021	100.0%	Status not available	Sustainability Program 4.0; stakeholder engagement in the value chain to raise awareness about human rights.
Employees trained on human rights	%	19.6%	24.9%	37.9%	Provide diversity and human rights training to 50% of employees by 2021	75%	Target not met	Sustainability Program 4.0; stakeholder engagement in the value chain to raise awareness about human rights.

* This target is considered to have been met as the human rights due diligence questionnaire was sent to all SPEs in 2021. However, the questionnaire responses are currently being reviewed and the next assessment steps will continue into 2022.

DISCLOSURE	UNIT	HISTORICAL			TARGET		STATUS IN 2021	TARGETS FOR 2022 - ONGOING INITIATIVES
		2019	2020	2021	2021	2022		
Share of clean energy sources (solar, wind, hydro, nuclear) in our energy mix	%	96%	97%	97%	>96%	>96%	Target met	Long-Term Generation Expansion Plan
Investment in Technology & Innovation/Net Operating Revenue	%	1.2%	1.4%	1.4%	1.2%	1.3%	Target met	<i>Inova Eletrobras</i> Program
Total GHG Emissions / Net Operating Revenue	tCO ₂ e/(R\$ '000)	0.216	0.211	0.220	0.191	0.185	Target not met	Sustainability Program 4.0
Scope 1 Emissions	Thousand tCO ₂ e	5227	4164	5,955	4,123	4,081	Target not met	Sustainability Program 4.0
Adjusted Scope 2 GHG Emissions (without losses)	Thousand tCO ₂ e	8579	3,788	8,103	3,750	3,713	Target not met	Sustainability Program 4.0
Expand the sources included in Scope 3 GHG emissions	Scope	5	5	5	Add 2 news sources to the GHG emissions inventory by 2023	Add 2 news sources to the GHG emissions inventory by 2023	Target met	Sustainability Program 4.0
Total NO _x Emissions	(t/year)	8769	7,411	12,825	24,821	24,821	Target met	Sustainability Program 4.0
Total SO _x Emissions	(t/year)	10,817	9,788	13,023	27,127	27,127	Target met	Sustainability Program 4.0
Total PM Emissions	(t/year)	425	342	764	4,229	4,229	Target met	Sustainability Program 4.0
Fugitive SF ₆ emissions	(tCO ₂ e)	34,941	45,320	29,300	157,371	157,371	Target met	Sustainability Program 4.0
Energy Savings through PROCEL Initiatives	Billion kWh/year	24.9	22.3	22.7	23.8	23.8	Target not met	-
SDG Alignment	Rate	ND	2.0	ND	1.0	1.0	Status not available	Sustainability Program 4.0.
Hours of Training / Number of Employees	Hours	ND	43.2	53.9	35.0	35.0	Target met	Sustainability Program 4.0; Human Capital Enhancement Project; Corporate University (UNISE) restructuring



DISCLOSURE	UNIT	HISTORICAL			TARGET		STATUS IN 2021	TARGETS FOR 2022 - ONGOING INITIATIVES
		2019	2020	2021	2021	2022		
Energy Savings in Corporate Buildings	% kWh/year	ND	NA	NA	NA	NA	Our target for this disclosure is not applicable (N/A) in 2021 given the externalities created by the COVID-19 pandemic	Sustainability Program 4.0
Automation Rate - Percentage of processes automated out of total automatable internal controls processes	% Processes automated	Baseline	NA	96.6%	70%	NA	Target met	For the 2022/2026 cycle this target was changed to Digital automation to optimize workflows (hours)
People benefited by social programs	Individuals	Baseline	ND	ND	80%	80%	Status not available	Sustainability Program 4.0
Weighted ratio of basic salary and remuneration of women to men, at multiple levels	Rem_W_manager / Rem_M_manager	0.93	0.95	1.01	0.95	0.96	Target met	Sustainability 4.0 Program
Scope 1 and 2 emissions without transmission losses	tCO ₂	5,235,786	4,167,940	5,963,603	4,126,260	4,084,998	Target not met	Sustainability 4.0 Program
Suppliers that have undergone ESG due diligence	%	6%	NA	90%	60%	100%	Target met	Sustainability Program 4.0; Sustainable Supplier Management Project
Net GHG emissions in the holding company	tCO ₂	1004.0	414.5	551.7	zero	zero	Target not met	Sustainability Program 4.0; Climate Change Mitigation and Environmental Protection Project; Energy Transition Project
Project Success Rate (ISP)	Rate	NA	NA	ND	1.00	1.00	Status not available	Initiatives to enhance program management maturity and projects designed to improve success rates in initiatives and ultimately achieve strategic objectives.

DISCLOSURE	UNIT	HISTORICAL			TARGET		STATUS IN 2021	TARGETS FOR 2022 - ONGOING INITIATIVES
		2019	2020	2021	2021	2022		
% of strategic projects assessed on ISP	Rate	NA	NA	ND	20.0%	50.0%	Status not available	Initiatives to enhance program management maturity and projects designed to improve success rates in initiatives and ultimately achieve strategic objectives.
GHG emissions intensity	(tCO ₂ /MWh)	0.040	0.038	0.043	NA	0.058	New disclosure (created under PDNG 2022-2026)	Sustainability 4.0 Program
Consolidated diversity in management positions and succession processes (%)	%	NA	NA	NA	NA	42%	New disclosure (created under PDNG 2022-2026).	Affirmative action supporting equal opportunity for women and racial minorities—taking account of the demographics where our companies operate—aiming to achieve diversity in management positions and to encourage women and racial minorities to participate in succession processes.
High and medium criticality audit requests not timely met	Number	NA	NA	ND	NA	zero	Status not available	This target has been changed from a percentage to a numerical value.
Digital automation to optimize workflows (hours)	Hours	NA	NA	ND	NA	10,780	New disclosure (created under PDNG 2022-2026).	The Eletrobras Digital Program comprises initiatives to free up employees from repetitive and non-intellectual work and improve satisfaction, productivity and well-being, by automating priority processes to achieve operational improvements and mitigate risks.
Energy Transition Innovation	%	NA	NA	ND	NA	35%	New disclosure (created under PDNG 2022-2026).	Industry support for the energy transition can help to rebalance ecosystems and contribute to SDG7 – <i>Affordable and Clean Energy</i> and SDG13 – <i>Climate Action</i> . Our Inova Eletrobras and Sustainability 4.0 programs include initiatives to this end.

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This Annual Report has been prepared as a collaborative effort by teams across the Eletrobras Group. We wish to thank all collaborators for their participation and dedication.

Visit our [EESG Journey](#) to learn about our Sustainability Framework (Prosperity, Planet, People and Governance) and information relating to six other sustainability reporting frameworks: *GRI Standards*; *Sustainability Accounting Standards Board (SASB)*; *Task Force on Climate-Related Financial Disclosures (TCFD)*; *Integrated Reporting*; *Global Compact*; and *2030 Agenda/ Sustainable Development Goals (SDGs)*.

Sustainability Channel

Dedicated to addressing requests for information about ESG (environmental, social and governance) aspects: <https://eletrobras.com/en/Paginas/Sustainability.aspx>

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