Companhia Energetica Minas Gerais - CEMIG

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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10/01/2024, 10:05 pm

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ BRL

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Partially privately owned and partially state owned organization

(1.3.3) Description of organization

Founded in 1952 by the then governor of Minas Gerais, Juscelino Kubitschek de Oliveira, Companhia Energética de Minas Gerais (Cemig) operates in the areas of generation, transmission, commercialization and distribution of electricity, energy solutions (Cemig SIM) and distribution of natural gas (Gasmig). In 2023, the group consists of the holding company Companhia Energética de Minas Gerais (Cemig), the wholly-owned subsidiaries Cemig Geração e Transmissão S.A. (Cemig GT) and Cemig Distribuição S.A. (Cemig D), totaling 95 companies, 49 consortia and 1 Private Equity Investment Fund, with assets and businesses in 24 Brazilian states and the Federal District. Cemig is a publicly traded company, controlled by the Government of the State of Minas Gerais (51%), and its shares are traded in São Paulo, on B3 S.A. (Brasil, Bolsa, Balcão), in New York, on the New York Stock Exchange (NYSE) and in Madrid, on the Latin American Stock Market (Latibex). In 2023, the company obtained a net income of R 5.8 billion, representing a growth of 41.46% compared to 2022. In the same year, it reached a record investment of R 4.8 billion and foresees a total of R 35 billion in investments for the 2024-2028 cycle. Considering its subsidiaries and joint subsidiaries, as of December 31, 2023, the Company has a stake in 68 plants, 57 hydroelectric, 9 wind and 2 solar, with an installed capacity of 5,190 MW. Through its subsidiaries and affiliates of electricity transmission, the company operates a transmission network of more than 5,060.39 km. This system is responsible for the transportation of large blocks of energy from the generating centers to the consumer centers, making it possible, through the transmission substations spread throughout the various regions of the concession area, to serve the subtransmission and distribution systems. Cemig's generating complex has an installed capacity of 5,189.96 MW, of which 96.54% corresponds to hydraulic generation; 3.38% to wind generation; and 0.08%, to solar generation. In terms of distributed generation, the company had an installed

capacity of 3,723.29 MW. At the end of 2023, the company had 57 hydroelectric plants, small hydroelectric plants and hydroelectric generating plants, two photovoltaic solar plants and nine wind complexes. Cemig also has a total of 5,060 km of transmission lines and is responsible for managing the largest electricity distribution network in Latin America, with a length of 570,535 km. Due to its commitment to the principles of socio-environmental responsibility, its economic and financial strength and technical excellence, Cemig is internationally recognized as a reference in sustainability in its sector of operation and positions itself as one of the main vectors of consolidation in the Brazilian electricity sector. In 2023, Cemig was recognized in the Dow Jones Sustainability Index (DJSI World) for the 24th consecutive year, being the only company in the electricity sector in the Americas to appear on the list. It also participates, for the 19th consecutive year, in B3's Corporate Sustainability Index (ISE), and was selected for the 14th time to be part of the Carbon Efficient Index (ICO2), created in 2010 by B3 and BNDES. Cemig strives annually to advance its journey towards a low-carbon future, assuming increasingly ambitious climate commitments. Since 2011, the company has been disclosing the inventory of greenhouse gas emissions with independent verification, identifying the main sources of emissions and developing mitigation strategies, such as the deactivation of its only thermoelectric plant — UTE Igarapé — in 2019, making its generation complex 100% renewable since then. In addition to mitigation actions, the company recognizes the need for prevention and adaptation in operations to increase the resilience of assets and security in the use of energy in the face of climate change and extreme events. In 2023, therefore, Cemig's Board of Directors approved the creation of the Innovation and Energy Transition Committee, reinforcing the diversification strategy in response to climate change. In the same year, Cemig SIM acquired 100% of the stakes in special purpose companies that own three photovoltaic solar power plants, and Cemig GT announced the implementation of the Boa Esperança and Downstream photovoltaic solar plants. For 2024, Cemig seeks to advance its decarbonization process through the conclusion of the Climate Action Plan, in line with the recommendations of frameworks and initiatives such as the CDP (Carbon Disclosure Project), Transition Plan Taskforce (TPT) and Assessing Low-Carbon Transition (ACT). The Climate Action Plan will determine a series of actions to align Cemig with the goals of the Paris Agreement and limit global warming to 1.5ºC.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:
☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:
☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☑ 5 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☑ 5 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ 5 years

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

36849769000.00

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

BRCMIGACNOR6

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

CMIG4 (PN)

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

5493001KJTIIGC8Y1R12

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

CIG (NYSE)

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

CMIG3 (ON)
[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ Brazil

(1.8) Are you able to provide geolocation data for your facilities?

(1.8.1) Are you able to provide geolocation data for your facilities?

Select from:

☑ Yes, for all facilities

(1.8.2) Comment

Cemig presents geolocation data for 28 facilities that are under full operational control by the company, particularly hydroelectric plants and small hydroelectric plants, given that they constitute the largest percentage of the energy mix and are essential for power generation capacity and are strategically located to optimize the use of water resources. Due to its dependence on water resources, Cemig places great emphasis on monitoring and environmental management associated with its activities. The company continuously measures the impacts of operations to mitigate or avoid any potential damage to the environment. This proactive approach ensures that sustainable operations are maintained while minimizing the ecological footprint.
[Fixed row]

(1.8.1) Please provide all available geolocation data for your facilities.

Row 1

(1.8.1.1) Identifier

Cajuru

(1.8.1.2) Latitude

-20.23796

(1.8.1.3) Longitude

-44.754451

(1.8.1.4) Comment

Coordinates of the Cajuru SHP.

Row 2

(1.8.1.1) Identifier

Camargos

(1.8.1.2) Latitude

-21.324618

(1.8.1.3) Longitude

-44.616284

(1.8.1.4) Comment

Coordinates of the Camargos HPP.

Row 3

(1.8.1.1) Identifier

Coronel Domiciano

(1.8.1.2) Latitude

-21.016333

(1.8.1.3) Longitude

-42.441705

(1.8.1.4) Comment

Coordinates of the Coronel Domiciano SHP.

Row 4

(1.8.1.1) Identifier

Emborcação

(1.8.1.2) Latitude

-18.451164

(1.8.1.3) Longitude

-47.987247

(1.8.1.4) Comment

Coordinates of the Emborcação HPP.

Row 5

(1.8.1.1) Identifier

Ervália

(1.8.1.2) Latitude

-20.918193

(1.8.1.3) Longitude

-42.659775

(1.8.1.4) Comment

Coordinates of the Ervália SHP.

Row 6

(1.8.1.1) Identifier

Gafanhoto

(1.8.1.2) Latitude

-20.099608

(1.8.1.3) Longitude

-44.848886

(1.8.1.4) Comment

Coordinates of the Gafanhoto SHP.

Row 7

(1.8.1.1) Identifier

Irapé

(1.8.1.2) Latitude

-16.740251

(1.8.1.3) Longitude

-42.572137

(1.8.1.4) Comment

Coordinates of the Irapé HPP.

Row 8

(1.8.1.1) Identifier

Itutinga

(1.8.1.2) Latitude

-21.291896

(1.8.1.3) Longitude

-44.625289

(1.8.1.4) Comment

Coordinates of the Itutinga HPP.

Row 9

(1.8.1.1) Identifier

Joasal

(1.8.1.2) Latitude

-21.80376

(1.8.1.3) Longitude

-43.310994

(1.8.1.4) Comment

Coordinates of the Joasal SHP.

Row 10

(1.8.1.1) Identifier

Machado Mineiro

(1.8.1.2) Latitude

-15.521949

(1.8.1.3) Longitude

-41.509494

(1.8.1.4) Comment

Coordinates of CGH Machado Mineiro.

Row 11

(1.8.1.1) Identifier

Marmelos

(1.8.1.2) Latitude

-21.787792

(1.8.1.3) Longitude

-43.304921

(1.8.1.4) Comment

Coordinates of CGH Marmelos.

Row 12

(1.8.1.1) Identifier

Martins

(1.8.1.2) Latitude

-18.806895

(1.8.1.3) Longitude

-48.389237

(1.8.1.4) Comment

Coordinates of the Martins SHP.

Row 13

(1.8.1.1) Identifier

Neblina

(1.8.1.2) Latitude

-19.831564

(1.8.1.3) Longitude

-41.801437

(1.8.1.4) Comment

Coordinates of the Neblina SHP.

Row 14

(1.8.1.1) Identifier

Nova Ponte

(1.8.1.2) Latitude

-19.133284

(1.8.1.3) Longitude

-47.697343

(1.8.1.4) Comment

Coordinates of the Nova Ponte HPP.

Row 15

(1.8.1.1) Identifier

Paciência

(1.8.1.2) Latitude

-21.846978

(1.8.1.3) Longitude

-43.337063

(1.8.1.4) Comment

Coordinates of CGH Paciência.

Row 16

(1.8.1.1) Identifier

Pai Joaquim

(1.8.1.2) Latitude

-19.48498

(1.8.1.3) Longitude

-47.542124

(1.8.1.4) Comment

Coordinates of the Pai Joaquim SHP.

Row 17

(1.8.1.1) Identifier

Paracambi

(1.8.1.2) Latitude

-22.67158

(1.8.1.3) Longitude

-43.754568

(1.8.1.4) Comment

Coordinates of the Paracambi SHP.

Row 18

(1.8.1.1) Identifier

Paraúna

(1.8.1.2) Latitude

-18.637361

(1.8.1.3) Longitude

-43.9685

(1.8.1.4) Comment

Coordinates of CGH Paraúna.

Row 19

(1.8.1.1) Identifier

Piau

(1.8.1.2) Latitude

-21.504762

(1.8.1.3) Longitude

-43.372091

(1.8.1.4) Comment

Coordinates of the Piau SHP.

Row 20

(1.8.1.1) Identifier

Pipoca

(1.8.1.2) Latitude

-19.755009

(1.8.1.3) Longitude

-41.778973

(1.8.1.4) Comment

Coordinates of the Pipoca SHP.

Row 21

(1.8.1.1) Identifier

Poço Fundo

(1.8.1.2) Latitude

-21.790712

(1.8.1.3) Longitude

-46.124741

(1.8.1.4) Comment

Coordinates of the Poço Fundo SHP.

Row 22

(1.8.1.1) Identifier

Queimado

(1.8.1.2) Latitude

-16.208037

(1.8.1.3) Longitude

-47.317215

(1.8.1.4) Comment

Coordinates of the Queimado HPP.

Row 23

(1.8.1.1) Identifier

Rosal

(1.8.1.2) Latitude

-20.953811

(1.8.1.3) Longitude

-41.716778

(1.8.1.4) Comment

Coordinates of the Rosal HPP.

Row 24

(1.8.1.1) Identifier

Sá Carvalho

(1.8.1.2) Latitude

-19.635512

(1.8.1.3) Longitude

-42.806499

(1.8.1.4) Comment

Coordinates of the Sá Carvalho HPP.

Row 25

(1.8.1.1) Identifier

Salto Grande

(1.8.1.2) Latitude

-19.115257

(1.8.1.3) Longitude

-42.718839

(1.8.1.4) Comment

Coordinates of the Salto Grande HPP.

Row 26

(1.8.1.1) Identifier

Sinceridade

(1.8.1.2) Latitude

-20.22152

(1.8.1.3) Longitude

-41.995316

(1.8.1.4) Comment

Coordinates of CGH Sinceridade.

Row 27

(1.8.1.1) Identifier

Três Marias

(1.8.1.2) Latitude

-18.213334

(1.8.1.3) Longitude

-45.261617

(1.8.1.4) Comment

Coordinates of the Três Marias HPP.

Row 28

(1.8.1.1) Identifier

Tronqueiras

(1.8.1.2) Latitude

-18.719023

(1.8.1.3) Longitude

-42.262768

(1.8.1.4) Comment

Coordinates of the Tronqueiras SHP.
[Add row]

(1.16) In which part of the electric utilities value chain does your organization operate?

Electric utilities value chain

☑ Distribution

☑ Electricity generation

☑ Transmission

Other divisions

☑ Gas storage, transmission and distribution

(1.16.1) For your electricity generation activities, provide details of your nameplate capacity and electricity generation specifics for each technology employed.

Coal - Hard

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Lignite

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Oil

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Gas

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Sustainable biomass

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Other biomass

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Waste (non-biomass)

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Nuclear

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Fossil-fuel plants fitted with carbon capture and storage

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Geothermal

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Hydropower

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

5010.34

(1.16.1.3) Gross electricity generation (GWh)

15289.12

(1.16.1.4) Net electricity generation (GWh)

14745.07

(1.16.1.5) Comment

The hydro source represents 94.68% of the installed capacity, distributed among 57 hydroelectric plants.

Wind

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

175.7

(1.16.1.3) Gross electricity generation (GWh)

536.55

(1.16.1.4) Net electricity generation (GWh)

524.43

(1.16.1.5) Comment

The wind source represents 3.32% of the installed capacity, distributed among 9 wind farms.

Solar

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ Yes

(1.16.1.2) Nameplate capacity (MW)

3.92

(1.16.1.3) Gross electricity generation (GWh)

7.29

(1.16.1.4) Net electricity generation (GWh)

7.29

(1.16.1.5) Comment

The solar source represents 0.07% of the installed capacity, distributed among 2 photovoltaic plants.

Marine

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Other renewable

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ Yes

(1.16.1.2) Nameplate capacity (MW)

102

(1.16.1.3) Gross electricity generation (GWh)

161.5

(1.16.1.4) Net electricity generation (GWh)

161.5

(1.16.1.5) Comment

Cemig SIM represents 1.93% of the installed capacity.

Other non-renewable

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

Cemig does not operate with this type of source.

Total

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ Yes

(1.16.1.2) Nameplate capacity (MW)

5291.96

(1.16.1.3) Gross electricity generation (GWh)

15994.46

(1.16.1.4) Net electricity generation (GWh)

15438.29

(1.16.1.5) Comment

The data reflects the sum of hydroelectric, solar, wind and Cemig SIM sources.
[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:
☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

Cemig's supplier management process is continuously reviewed to ensure alignment with best practices and ESG (Environmental, Social and Governance) requirements. The procurement team receives adequate training to ensure compliance with the Company's ESG strategy and objectives.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☑ No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☑ Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

After the materiality analysis carried out by the company, it was identified that topics such as climate, water resources and biodiversity are highly relevant to Cemig's operations, reflecting the nature of the business and the direct impact that these aspects have on energy generation processes. In contrast, the analysis indicated that plastics-related issues are not material to the company's core activities, as this issue does not represent a significant impact on operations or the identified priority areas. However, recognizing the importance of the topic in the supply chain, Cemig is developing a study to map the relevance of plastics among its suppliers. This initiative reflects the company's commitment to comprehensively address sustainability challenges, even in areas that are not currently considered material, but that may be important for responsible value chain management.
[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

As established in Cemig's Bylaws, the Annual Budget is reflected in all the plans, projections, activities, strategies, investments, and expenses of the Company and its wholly-owned subsidiaries, controlled companies, affiliates and consortia in which it participates, directly or indirectly. To improve the organization, every year managers and committee members are subject to individual and collective performance assessments, requiring the following minimum requirements to be met: a) a description of the management activities carried out, in terms of the lawfulness and effectiveness of the administrative action; b) contribution to the result for the year; c) achievement of the objectives set out in the Multi-Year Business Plan and compliance with the Long-Term Strategy and Annual Budget.

Medium-term

(2.1.1) From (years)

2

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

In accordance with Cemig's Bylaws, the Multi-Year Business Plan must reflect the premises of the long-term strategy and displays five-year targets. The Multi-Year Business Plan is reflected in all the plans, projections, activities, strategies, investments and expenses of the Company and its wholly-owned subsidiaries, controlled companies, affiliates and consortia in which it participates, directly or indirectly. The Plan goes into detail, among other things: (i) the Company's strategies; (ii) new investments and business opportunities; (iii) the amounts to be invested; and (iv) the rates of return and profits to be obtained or generated by the Company.

Long-term

(2.1.1) From (years)

6

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ No

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

In line with Cemig's Bylaws, the Long-Term Strategy contains the foundations, goals, objectives and results to be pursued and achieved in the long term by the Company. The Long-Term Strategy is reflected in all the plans, projections, activities, strategies, investments and expenses of the Company and its wholly-owned subsidiaries, controlled companies, affiliates and consortia in which it participates, directly or indirectly. The Long-Term Strategy contains the Company's strategic foundations (Mission, Vision and Values) as well as the long-term strategic guidelines.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ Local

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

☑ TNFD – Taskforce on Nature-related Financial Disclosures

☑ WRI Aqueduct

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ ISO 31000 Risk Management Standard

International methodologies and standards

☑ IPCC Climate Change Projections

☑ ISO 14001 Environmental Management Standard

Databases

☑ Regional government databases

Other

☑ Desk-based research

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical

☑ Heat stress

☑ Water stress

☑ Changing wind patterns

☑ Temperature variability

☑ Precipitation or hydrological variability

☑ Increased severity of extreme weather events

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

☑ Carbon pricing mechanisms

☑ Changes to national legislation

☑ Regulation of discharge quality/volumes

Market

☑ Changing customer behavior

Reputation

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to lower emissions technology and products

☑ Transition to water efficient and low water intensity technologies and products

☑ Unsuccessful investment in new technologies

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Cemig has structured governance to support decision-making in risk management, involving business areas, the Corporate Risk Monitoring Committee (CMRC), the Risk Committee of the Board of Directors, the Executive Board and the Board of Directors. Corporate risk management was implemented in 2003 and has been continuously improved. This process is based on practices aligned with the Company's Master Plan and strategic planning, and its main guideline is the Corporate Risk Management and Internal Controls Policy. Cemig's Corporate Risk Management and Internal Controls Policy, updated in 2023, is approved by the Board of Directors, which also validates the company's risk matrix on an annual basis. The involvement of the Board of Directors demonstrates the importance attached to risk management and the alignment with best Corporate Governance practices. In order to support senior management in making decisions about risks and opportunities, Cemig has structured a risk management process, in accordance with the guidelines of the Risk Management and Internal Controls Policy. This process, coordinated by the Risk Management and Internal Controls Department, supports the various areas of the company and is structured in three main stages (suitable for all risk types, including water and climate-related ones): (1) Identification: The centralized risk management and internal controls area consults with the managers of the areas related to the topics identified, including those that interact with external stakeholders, such as investor relations, strategic planning, sustainability and the general secretariat. Each manager maps and reviews the risks associated with their activities, identifying the causes and classifying them according to potential impact and probability of occurrence. (2) Evaluation: After consulting the leadership, a proposed risk matrix is presented to the CMRC, made up of members from different directorates, who evaluate it and suggest improvements. The matrix is then forwarded to the Executive Board for deliberation, which makes adjustments before sending it to the Board of Directors' Risk Committee and the Board of Directors. The 6x6 risk matrix combines the probability of the risk materializing, ranging from 'Unlikely' (up to 1.5%) to 'Almost Certain' (over 75%), with the financial impact, which can range from 'Very Low' (up to R15 million) to 'Catastrophic' (over R1 billion). (3) Answer: For risks that have already been mapped, a status update and review of actions is carried out to improve them or re-evaluate priorities. In the case of new risks, the actions and controls needed to mitigate them are identified, in a process that involves the Board of Directors, the CMRC and the Directorates, including Finance and Strategy, which ensure that the actions are aligned with the budget. The actions defined are forwarded by the Directors to the responsible areas, which monitor and implement the actions, periodically reporting on progress.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

Cemig systematically assesses the interconnections between environmental dependencies, impacts, risks, and opportunities as part of its integrated risk management process. This process cuts across the company, ensuring that environmental considerations are assessed in conjunction with other business risks and opportunities. A practical example of this integrated approach is the way Cemig has been dealing with the interdependence between water resources and climate change. Given Cemig's great dependence on water resources for its operations, it was identified that this resource is being impacted by climate change, which can generate significant risks in contexts of water scarcity. Faced with this situation, the company carried out a detailed study to map the risk, identify the most exposed units and define mitigation measures. As a result of this study, actions were identified for more efficient management of the reservoirs, as well as an opportunity to diversify the energy matrix, with investments in wind and solar sources. In its strategic planning, Cemig set a target of investing R3.3 billion in Distributed Generation

projects in vertical solar parks until 2028. This example demonstrates how Cemig not only identified dependence on water resources as a high-impact risk, but also adopted a response strategy that included the opportunity to diversify the energy matrix, reinforcing the company's resilience in the face of climate change. [Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas important for biodiversity

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

Cemig identifies priority sites in its value chain, especially in relation to its projects and operational units that could have significant impacts on biodiversity. For each project, specialized studies are carried out that characterize, evaluate and establish environmental programs with the aim of controlling, mitigating and compensating for negative impacts, as well as enhancing positive impacts. These studies follow the impact mitigation hierarchy, which includes prevention, mitigation, rehabilitation/restoration and compensation. The methodology used to assess environmental impacts takes into account factors such as the magnitude of the impact, its frequency, reversibility and scope, always taking into account the specific characteristics of the site where the project is located, as well as adjacent areas and the company's dependence on aspects such as fauna, flora, relief and water resources. Impacts on biodiversity are particularly relevant to Cemig's operations, and the

company recognizes the need to pay attention to possible impacts caused by suppliers (upstream). Cemig's Biodiversity Policy provides for the acquisition of products from suppliers that promote the conservation of natural ecosystems, and this aspect is monitored in the supply chain. In addition, legal compliance is a significant risk, where any non-compliance, whether in relation to deadlines, obtaining licenses or inadequate compliance with environmental conditions, can result in loss of licenses, fines, shutdowns of units and loss of revenue. Through these analyses, Cemig monitors impacts through research projects and specific programs for ichthyofauna, terrestrial fauna, reforestation, among others. These initiatives have enabled the identification of endangered species in its areas of operation, including species classified as "critically endangered" according to the IUCN Red List, the ICMBio and MMA National List, the Red Book of Endangered Brazilian Fauna, and the Minas Gerais State List.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ Yes, we will be disclosing the list/geospatial map of priority locations

(2.3.6) Provide a list and/or spatial map of priority locations

CEMIG_Geo.xlsx
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ Less than 1%

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Cemig defines a substantial risk-related impact as one that, even if it represents less than 1% of revenue, has the potential to generate significant financial consequences for the company. This definition is based on the 6x6 risk matrix, which assesses both the probability of the risk materializing and its financial impact. This matrix, aligned with ISO 31000:2009 and the COSO standard, is an integral part of Cemig's Corporate Risk Management Policy. The methodology makes it possible to classify an impact as substantial, even if the financial effect is lower, if the probability of occurrence is high. For example, an event with a relatively low financial impact, but with a high probability of occurring, can be considered substantial due to the potential consequences accumulated over time. This approach allows Cemig to take a comprehensive view in identifying and responding to risks, ensuring that even apparently small financial impacts are not overlooked if they have the potential to affect the company significantly.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ Less than 1%

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

(2.4.7) Application of definition

As with risks, Cemig defines a significant opportunity as one which, even if it has a positive impact on revenue of less than 1%, can have a considerable effect on the company's strategy and financial performance. The same 6x6 risk matrix is used to identify these opportunities, crossing the probability of the opportunity materializing with the expected positive financial impact. This approach allows Cemig to capture strategic opportunities that, although small in percentage terms of revenue, can make a significant contribution to innovation, market expansion or improved operational efficiency. By classifying an opportunity as significant, Cemig prepares to maximize its value, ensuring that all potential benefits are fully exploited and integrated into the corporate strategy.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Cemig monitors water quality in accordance with the company's environmental guidelines, which are: the Environmental Policy, which reinforces the importance of complying with legal requirements, preventing pollution and the commitment to continuous improvement; the Biodiversity Policy, which emphasizes the relevance of programs related to the conservation of fauna and flora, water quality, urban afforestation and actions in its environmental reserves and stations; and the Water Resources Policy, which deals more specifically with the conservation and safe management of these resources. Cemig also has a Service Instruction - IS62 - which establishes the minimum requirements to be met by the company's bodies based on ISO standards, related to responsibility for environmental issues inherent in processes, as well as the criteria that will guide budget management. To assess the state of degradation of water resources, water quality indices are applied, which aim to simplify, quantify, analyze and synthesize the data generated in monitoring. The company uses and makes available the Water Quality Index (IQA), which defines a set of nine parameters considered most representative for characterizing water quality: dissolved oxygen, thermotolerant coliforms, pH, biochemical oxygen demand, nitrate, total phosphate, water temperature variation, turbidity, and total solids.
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:
☑ Other synthetic organic compounds

(2.5.1.2) Description of water pollutant and potential impacts

The main hydrocarbons used in Cemig's processes are: Mineral insulating oils: fluids used to insulate, cool and protect components of electrical equipment (the main insulating medium used in most electrical equipment); Lubricating oils and greases: thickened fluids (semi-solid or solid consistency) used to lubricate, cool, clean, seal, transmit power and reduce wear on equipment, being used in generation systems and in Transmission and Distribution equipment; Aviation kerosene: Mainly used as fuel for helicopters in line inspections; Diesel: Mainly used as fuel in vehicles and in emergency generation systems; Gasoline: Mainly used as fuel in vehicles and chainsaws for pruning trees. These hydrocarbons can reach bodies of water in accidents and various environmental events (spills or leaks, serious failures, or defects in equipment in operation, explosion of equipment, storage or transportation, during handling or preventive and corrective maintenance) and due to improper disposal or disposal. The release of large quantities of these materials into water bodies can cause undesirable environmental effects, such as a reduction in the availability of oxygen in the water due to the formation of an oily layer on the surface, coating and consequent suffocation of animals.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Industrial and chemical accidents prevention, preparedness, and response

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Cemig's main risk of negative impact due to water pollution is the presence of oil in the waters of the Hydroelectric Power Plants. All operational procedures at the plants are guided by service instructions and quality standards. The Emergency Action Plans (PAE) present the necessary guidelines, and any type of incident related to contamination or leakage is recorded and consolidated in an Environmental Occurrence Report - ROA. The success of the procedures is evaluated based on compliance with the criteria established in the EAP. The main procedures are: IS-62 - Service Instruction on Minimum Requirements for Environmental Adequacy and Compliance Cemig's Internal Policy (Insulating Oil and Ascarel) Cemig's Internal Policy - Lubricating Oil and Grease Applied in the Company's Industrial Facilities DPR-H-87 - Environmental Standards and Procedures IT-G.02.01-001b - Work Instruction PAE-DDC-SIG-001h - - Environmental and Health and Safety Emergency Response Procedure DC-08A - Emergency Preparedness and Response Procedure PAE-AT-0004 - Mineral Oil Leak or Spill (Emergency response procedures for each installation of the Generation Asset Management Superintendence). Conformities: Cemig D: COPAM/CERH-MG Joint Normative Resolution No. 01/2008; Cemig T: CONAMA Resolution No. 430, of May 13, 2011; Cemig G: CONAMA No. 430/2011 and Joint Normative Deliberation COPAM/CERH-MG No. 01/2008. [Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Cemig does not consider the issue of plastics to be a material factor with the potential to substantially impact its operations, given the specific context of the sector in which it operates. As a company in the energy sector, its focus is on environmental aspects directly related to the generation, transmission, and distribution of electricity. The environmental concerns that significantly impact the company are associated with the management of water resources, climate risks, biodiversity, and energy efficiency. In Cemig's context, the most relevant environmental risks include the management and protection of water resources, given that the company has a predominantly hydraulic matrix. Variations in the precipitation regime and the impacts of climate change on water availability are critical to its operations. In addition, the company faces challenges related to adapting to and mitigating climate impacts, such as extreme events and changes in weather patterns, which can affect the operation and safety of infrastructures. Other material issues include biodiversity, with a focus on preserving natural habitats and protecting endangered species due to its operations in sensitive areas. Energy efficiency and the transition to renewable sources are also high priority areas for Cemig, which is committed to expanding renewable energy generation and continuously improving its operational practices. Therefore, plastics management, despite being a relevant environmental concern in many sectors, does not fall among Cemig's significant material risks. The company's focus remains on the areas that directly impact its operations and business strategy in the energy sector.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical
☑ Increased severity of extreme weather events

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

(3.1.1.9) Organization-specific description of risk

The occurrence of intense rainfall in a short period of time, accompanied by windstorms and lightning, can cause physical damage to the facilities that transport and distribute energy, leading to unavailability and an increase in Cemig's costs because of reimbursement to consumers for interruptions in the energy supply. These phenomena are increasingly associated with the effects of an unfavorable microclimate, typical of large urban centers. This type of event can push indicators measuring the quality of energy supply to critical levels. Exceeding the limits for the DEC (Equivalent Interruption Duration per Consumer Unit) and FEC (Equivalent Interruption Frequency per Consumer Unit) indicators creates a risk for the company. Failure to meet the regulatory targets for the quality indicators for two consecutive years or the fifth year in a row may result in Aneel initiating a process to revoke the concession, implying the risk of losing the concession. To assess the effectiveness of the actions and initiatives undertaken in relation to energy quality, Cemig uses the DEC and FEC indicators as parameters. In 2023, approximately R128 million was paid out in compensation to Cemig D's clients for violations of the individual electricity supply continuity indicators (DIC, FIC, DMIC and DICRI), according to ANEEL data from February 2023.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

The company has an investment plan for the modernization and expansion of the electricity distribution system, called the Distribution Development Plan (PDD), which prioritizes the investments to be made by the Distributor, referring to the Regulatory Remuneration Base (BRR), and the respective prudent management of resources in the current tariff cycle. The aim is to increase the availability of electricity continuously, with quality, safety and in the quantity required by clients, promoting social and economic development in Cemig D's concession area. In 2023, the 5th five-year investment cycle began, in accordance with the sector's regulations, which covers the period from 2023 to 2027, and the amount of R21.9 billion was approved. The currently approved PDD, which is three times larger than the PDD for the previous cycle, provides for structuring investments with a strong modernization and digitalization of assets, promoting improvements in the quality of energy supply and the efficiency of operating processes. The PDD consists of projects linked to the electric power system, associated with the expansion, reinforcement, renovation, and renewal of Cemig D's assets, such as substations and distribution lines. The plan is divided into macro-projects that group together the various projects of the same nature. The investments in the PDD that mitigate climate risks in the short and medium term are focused on improving the quality of electricity supply, with emphasis on the following actions: automation of network equipment, replacement of obsolete meters, installation of new meters with intelligent solutions, such as remote reading, disconnection and reconnection, investments in telecommunications and the environment, as well as maintenance and operation actions on distribution lines and networks, such as tree pruning and inspections, to reduce the time it takes to restore power in the event of incidents.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

128781336.82

(3.1.1.25) Explanation of financial effect figure

The approximate and most up-to-date amount of R128.9 million refers to technical penalties imposed by the National Electricity Agency (ANEEL) due to interruptions in the power supply. These costs are calculated annually by the Agency based on violations of the system's continuity indicators, such as DIC (Duration of Individual Interruption per Consumer Unit), FIC (Frequency of Individual Interruption per Consumer Unit), DMIC (Maximum Duration of Continuous Interruption per Consumer Unit or Connection Point) and DICRI (Duration of Individual Interruption Occurring on a Critical Day per Consumer Unit or Connection Point). Specifically, the amount of R128.8 million is divided into: Remuneration for DIC, FIC and DMIC (monthly: R124,696,052.73; quarterly: R0.00; annual: R0.00) Remuneration for DICRI (monthly: R4,085,284.09) These figures refer to 2023 and can be checked on ANEEL's website.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Improve monitoring of direct operations

(3.1.1.27) Cost of response to risk

1146000000

(3.1.1.28) Explanation of cost calculation

Cemig D defines, through the Distribution Development Plan - "PDD", the prioritization of investments to be made by the Distributor, referring to the BRR - Regulatory Remuneration Base, and the respective prudent management of resources in the current tariff cycle, with the aim of increasing the availability of electricity continuously, with quality, safety and in the quantity required by clients, promoting social and economic develop In 2023, R 1.411 billion were invested in the PDD. Of this total investment, R1.146 billion is related to risk mitigation, which is stratified as follows: investments in high voltage expansion and reinforcement (R798 million), reinforcement of medium and low voltage networks (R198 million), refurbishment of medium and low voltage networks (R104 million) and the medium voltage automation master plan (R46 million).

(3.1.1.29) Description of response

SITUATION: Cemig has verified that events such as storms, with the potential to damage installations and consequently interrupt service provision, can occur more frequently and with greater intensity in certain regions of the country, according to scenario analysis studies. This risk was considered a priority in the definition of the Distributor Development Plan (PDD). TASK: At first, actions were listed that could have an impact on improving service provision by mitigating potential damage from intense weather events. Based on this identification, an initial budget projection was made for the 2018-2022 cycles, and later for the 2023-2027 cycle (which in 2023 was updated to 2024-2028), outlining the respective action plans. ACTION: For the 2018-2022 cycle, Cemig invested R7.8 billion in the expansion of substations, implementation of new substations, reclosers, smart meters, among other actions that allow Cemig to offer a better-quality service with fewer interruptions and with a reduced response time should they occur. For the next cycle, in addition to investments on these fronts, investments are also planned in underground networks, conversion of the single-phase system to a three-phase system, and in a zero-voltage network, among others. RESULT: In 2023, R1.411 million was invested in the PDD. As a result, the discontinuity in energy supply, measured by the DEC and FEC indicators, is expected to be reduced, consequently reducing the burden on the company.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Increased pricing of water

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Paraiba Do Sul

☑ Rio Doce

☑ Rio Grande

☑ Sao Francisco

☑ Other, please specify **:**Rio Paraibuna, Rio Sapucaí

(3.1.1.9) Organization-specific description of risk

Charging for water use for large hydroelectric plants is already regulated and no regulatory changes are expected in the short or medium term. For Small Hydroelectric Plants, charging for water use is considered exempt under current legislation. If a regulatory change were to occur, suspending the exemption from charging for water use for SHPs, plants with an installed capacity of less than 30MW, Cemig would have an additional cost for its generating park. In all, Cemig has 39 SHPs, which correspond to 4.92% of the company's installed capacity. With the increase in the cost of operating the SHPs, through the potential tax increase, the risk would lead to a potential financial impact on the company's direct operations, increasing the cost of power generation operations.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased cost of capital

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very unlikely

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Based on the risk identified, the regulatory change that could suspend the exemption from charging for the use of water for Small Hydroelectric Plants (SHPs) would have a direct effect on increasing Cemig's operating costs, affecting its financial position, financial performance, and cash flows over future horizons. Should this regulatory change occur, the company would face additional costs to operate its 39 SHPs, which represent 4.92% of total installed capacity. In the long term, the addition of new costs could result in a reassessment of investments in SHPs, increasing the need for adjustments to the power generation strategy and potentially altering the allocation of capital. The impact would be proportional to the magnitude of the additional cost generated. The change in cash flow would be perceived through higher operating expenses, which would reduce the cash generation of the SHPs. However, this isolated effect would not significantly compromise the company's financial sustainability in the medium or long term, due to the diversity of generating assets and the greater relevance of other energy sources in Cemig's matrix.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

4555975.12

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

6150744.35

(3.1.1.25) Explanation of financial effect figure

The calculation of the financial effect considered a variation in the financial compensation tariff for the use of water resources. For the minimum value, the tariff applied to hydroelectric plants in 2023 was used, at R89.79/MWh, and for the maximum value, an estimated tariff of R121.22/MWh, representing an increase of 7% over the next 5 years. Thus, based on generation data for 2023 (in MWh), the expected financial impact varies between R 4,555,975.12 (for the minimum tariff) and R 6,150,744.35 (for the maximum tariff), reflecting the possible increase in operating costs due to a regulatory change regarding charging for the use of water for Small Hydroelectric Plants.

(3.1.1.26) Primary response to risk

Engagement

☑ Engage with regulators/policy makers

(3.1.1.27) Cost of response to risk

534689.96

(3.1.1.28) Explanation of cost calculation

The cost of responding to this risk currently involves Cemig's participation in forums where the possibility of adopting a water tariff in the context of Small Hydroelectric Plants (SHPs) is being discussed. In these forums, Cemig can dialog with decision-makers and bring up relevant aspects about the impacts that could be generated by the new measure. The reported cost therefore considers the amount invested annually in the sector's representative associations, taking 2023 as a reference, as follows: ABRAGE: R 178,000.74 APINE: R 227,016.72 ABRAGEL: R 129,672.50 R 534,689.96 (Total Cost)

(3.1.1.29) Description of response

SITUATION: Although it is not interpreted as a high probability risk and has a low potential financial impact, this risk is relevant for mapping regulatory changes and market movements. TASK: Cemig's work to manage the risks of regulatory changes takes the form of participation in the National Water Resources Council, the State Water Resources Council of Minas Gerais, river basin committees, technical chambers and working groups, trade associations (ABRAGE), public hearings, where river basin master plans, resolutions, bills, normative resolutions and regulations on granting and charging for the use of water resources are discussed, drafted and approved. ACTION: In these contexts, the expertise of its specialists is used to help draw up policies and guidelines for regulating the use of water in the basins. At the same time, the company has an institutional relations and sector regulation superintendence that monitors regulatory changes and activates the water resources management team whenever the topic is relevant. RESULTS: Although Cemig does not detect a significant probability of this risk materializing, the

company keeps it on its radar for periodic monitoring in the forums and councils in which it participates. In this way, the company keeps abreast of potential regulatory changes and can contribute to discussions regarding the impact these changes may have on the company.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

(3.1.1.9) Organization-specific description of risk

The risk identified by Cemig is related to the use of fossil fuel vehicles in its fleet and the possible establishment of a carbon price in Brazil. As part of its operational activities, Cemig has a considerable fleet of vehicles that use gasoline and diesel, fuels that generate greenhouse gas (GHG) emissions. With the imminent implementation of a carbon pricing policy by the Brazilian government, the company may have additional costs associated with its GHG emissions. This scenario would increase operating expenses, especially considering the volume of emissions generated by the fleet, with effects on the company's financial capacity. In addition, dependence on fossil fuels makes the company vulnerable to volatile fuel prices and possible regulatory changes in the energy sector. Effective management of this risk is essential, not only to avoid financial impacts, but also to align Cemig's operations with its commitments to reduce emissions and the transition to a low-carbon economy.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-high

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In the medium term, the implementation of a carbon market in Brazil, with the pricing of greenhouse gas emissions, could have an impact on Cemig's financial position and performance. If a carbon price were to be created, the company would face additional costs, mainly in relation to the purchase of carbon credits or offsetting the emissions generated, particularly in operations that use fossil fuels, such as its vehicle fleet. This increase in operating costs could put pressure on cash flows and compromise financial margins, requiring Cemig to allocate resources to meet regulatory requirements. However, the company has already implemented actions to mitigate this risk, such as renewing its vehicle fleet with the introduction of electric vehicles, which would help reduce its emissions and, consequently, its exposure to the carbon market.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

694713.84

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

1686765.2

(3.1.1.25) Explanation of financial effect figure

The "Mobile Combustion" category comprises the direct emissions associated with the use of fossil fuels for transportation in Cemig's activities, including road and air transportation. In 2023, total emissions associated with diesel consumption in transportation were 6,810.92 tCO2e, representing 37% of scope 1 emissions, according to the Cemig 2023 GHG Inventory. Considering this volume of emissions is maintained for the coming years, and based on the internal carbon price currently adopted by Cemig (USD 20.00 or BRL 102.00 per tCO2e), the value of the tax on Cemig's fleet would total annually: Minimum value: 6,810.92 tCO2e x R 102.00 R 694,713.84. Alternatively, using the average carbon price in the European Union in 2023 (USD 48.56 or 247.66 per tCO2e), the total tax would amount to: Maximum value: 6,810.92 tCO2e x R 247.66 R 1,686,765.20.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Implementation of environmental best practices in direct operations

(3.1.1.27) Cost of response to risk

425616

(3.1.1.28) Explanation of cost calculation

As part of its emissions risk management strategy, Cemig replaced vehicles in its fleet in 2022 by leasing 10 Renault Zoe electric vehicles. There were no changes to this contract in 2023. The total cost covers the entire contractual period, including leasing, maintenance, and other associated expenses, resulting in an investment of R 2,128,080.00. Therefore, the amount to be invested is R 425,616.00 over five years. This investment is in line with Cemig's strategy of reducing greenhouse gas emissions and managing its exposure to possible future carbon pricing. Despite the relatively high initial costs, the long-term benefits, such as reduced emissions and greater energy efficiency, are expected to outweigh the expenditure.

(3.1.1.29) Description of response

SITUATION: Due to the use of fossil fuel vehicles, Cemig identifies a potential risk with the establishment of a carbon price in Brazil. In line with its goal of reducing greenhouse gas emissions, the company has adopted measures to mitigate this risk and achieve its decarbonization targets. TASK: Cemig has decided to evaluate its fleet of vehicles in search of viable alternatives that reduce the consumption of fossil fuels, aiming for greater energy efficiency and lower emissions. ACTION: Cemig follows a guideline which establishes that the average date of manufacture of the vehicles in its fleet should be less than five years, in accordance with the legal depreciation period set by the granting authority. In this way, a policy of periodic fleet renewal has been implemented, ensuring greater efficiency in fuel consumption. As part of its emissions risk management strategy, the company has been replacing part of its fleet with electric vehicles via a leasing contract. The projected cost of this replacement is R2,128,080.00 over five years, representing an annual investment of R425,616.00. This action contributes directly to reducing the company's greenhouse gas emissions. RESULT: Although the initial cost of replacing electric vehicles is high, this initiative should reduce emissions and therefore the company's vulnerability to future carbon pricing and offers other advantages, such as a more efficient and modern fleet.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Paraiba Do Sul

☑ Rio Doce

☑ Rio Grande

☑ Sao Francisco

☑ Other, please specify **:**Rio Paraibuna, Rio Sapucaí

(3.1.1.9) Organization-specific description of risk

Climate change can cause changes in seasonal rainfall patterns, with extreme rainfall events and droughts, changes in geographical distribution and average rainfall values, impacting on the amount of water that reaches the reservoirs of power plants. As Cemig's electricity production is mostly hydroelectric, these changes can lead to a reduction in generation capacity. Historically, the company has already experienced the impacts of these risks over the last five years due to situations of water scarcity in the basins where it has hydroelectric generation projects.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Water scarcity, accelerated by climate change, could have a direct impact on the power generation capacity of Cemig's hydroelectric plants. In a short-term scenario, reduced rainfall in the river basins where Cemig operates could lead to lower reservoir levels and, consequently, less water being available for power generation. This reduction could result in an impact on revenues - putting pressure on cash flow in the short term - as well as the need for additional investments, requiring the acceleration of investments in other generation sources, such as solar and wind, or in water efficiency and reservoir management measures. Although the company has already seen the impacts of changes in the water regime in recent years, the tendency is for these challenges to intensify in the short term, requiring an increase in the resilience and adaptation of the generation portfolio.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

3557112

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

142284480

(3.1.1.25) Explanation of financial effect figure

In a scenario of minimal impact, a reduction in precipitation within the watersheds may lead to a decrease in the generation capacity of hydroelectric plants, resulting in a significant loss of revenue for the company. This loss could amount to 0.05% of Cemig Geração's total net revenue, which reached R 7,144 million in 2023, according to the company's financial statements. In a more extreme case of water scarcity, the most vulnerable watershed identified by Cemig is the Rio Grande, home to the Itutinga and Camargos plants. Currently, the water stress index in the region is considered low, at 21% (the WWF Water Risk Filter categorizes areas as water-stressed only above 25%). If water scarcity intensifies in the region, up to 2% of Cemig's total hydroelectric capacity could be compromised. Given that hydroelectric plants are the most significant source of generation in the company's portfolio, this impact could represent up to 2% of Cemig Geração's revenue. Thus, the estimates for maximum and minimum impacts are calculated as follows: Therefore, the minimum impact corresponds to: 0.05% x R 7,114,224,000.00 R 3,557,112.00. The maximum impact corresponds to: 2.00% x R 7,114,224,000.00 R 142,284,480.00.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify :Diversification of the energy sources that make up the company's energy matrix.

(3.1.1.27) Cost of response to risk

23434000000

(3.1.1.28) Explanation of cost calculation

Cemig is investing significantly in its operations to mitigate the risks associated with water scarcity. The projected cost of expanding and improving hydroelectric generation includes diversifying the energy matrix and improving reservoir management over the next five years, equivalent to approximately R 23.434 million, and distributed as follows: - Modernization of hydroelectric plants: R8.890 million. - Expansion of wind energy: R3.346 million. - Expansion of solar energy: R8.699 million. - Expansion of Cemig SIM: R2.499 million. This investment aims to increase the company's resilience to water fluctuations and guarantee the continuity of operations in a climate change scenario, as well as contributing to the expansion of renewable sources and operational efficiency.

(3.1.1.29) Description of response

SITUATION: Cemig faces a growing risk of water shortages due to changes in precipitation patterns caused by climate change. The company's studies indicate that, for example, that by 2030 precipitation in the Três Marias HPP is expected to decrease in 80% of the scenarios evaluated. As Cemig's energy generation is mostly hydroelectric, water shortages could have a direct impact on operations and energy generation capacity. TASK: Faced with this risk, Cemig decided to diversify its energy matrix and invest in renewable energy sources that do not depend on the availability of water to guarantee the continuity of its operations and reduce its vulnerability to climate change. ACTION: In recent years, Cemig has significantly increased its investments in solar and wind energy sources. In addition, the company has been improving the operating efficiency of its hydroelectric reservoirs and creating environmental alert systems to monitor water conditions and optimize water management. By diversifying its generation sources, Cemig seeks to reduce its dependence on its hydroelectric matrix and balance its portfolio with technologies that are less impacted by extreme weather events. An example of this action is the increased participation in photovoltaic projects, for example the implementation of the Boa Esperança and Jusante Solar Photovoltaic Plants is underway with around 90% of the works completed and expected to start operating at the end of the first half of 2024. RESULTS: As a result of this strategy, Cemig should be better positioned to face the impacts of climate change. The diversification of the portfolio contributes to reducing the company's exposure to water variability, while leveraging new opportunities for renewable energy generation. These initiatives also reduce the financial and operational impact of water scarcity, making the company more resilient and able to sustain growth in a climate change scenario.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Brazil

(3.1.1.9) Organization-specific description of risk

Climate change can cause changes in seasonal rainfall patterns, with extreme rainfall events and droughts, changes in geographical distribution and average rainfall values, impacting on the amount of water that reaches the reservoirs of power plants. As Cemig's electricity production is mostly hydroelectric, these changes can lead to a reduction in generation capacity. Historically, the company has already experienced the impacts of these risks over the last five years due to situations of water scarcity in the basins where it has hydroelectric generation projects.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Water scarcity, accelerated by climate change, could have a direct impact on the power generation capacity of Cemig's hydroelectric plants. In a short-term scenario, reduced rainfall in the river basins where Cemig operates could lead to lower reservoir levels and, consequently, less water being available for power generation. This reduction could result in an impact on revenues - putting pressure on cash flow in the short term - as well as the need for additional investments, requiring the acceleration of investments in other generation sources, such as solar and wind, or in water efficiency and reservoir management measures. Although the company has already seen the impacts of changes in the water regime in recent years, the tendency is for these challenges to intensify in the short term, requiring an increase in the resilience and adaptation of the generation portfolio.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

3557112

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

142284480

(3.1.1.25) Explanation of financial effect figure

In a scenario of minimal impact, a reduction in precipitation within the watersheds may lead to a decrease in the generation capacity of hydroelectric plants, resulting in a significant loss of revenue for the company. This loss could amount to 0.05% of Cemig Geração's total net revenue, which reached R 7,144 million in 2023, according to the company's financial statements. In a more extreme case of water scarcity, the most vulnerable watershed identified by Cemig is the Rio Grande,

home to the Itutinga and Camargos plants. Currently, the water stress index in the region is considered low, at 21% (the WWF Water Risk Filter categorizes areas as water-stressed only above 25%). If water scarcity intensifies in the region, up to 2% of Cemig's total hydroelectric capacity could be compromised. Given that hydroelectric plants are the most significant source of generation in the company's portfolio, this impact could represent up to 2% of Cemig Geração's revenue. Thus, the estimates for maximum and minimum impacts are calculated as follows: Therefore, the minimum impact corresponds to: 0.05% x R 7,114,224,000.00 R 3,557,112.00. The maximum impact corresponds to: 2.00% x R 7,114,224,000.00 R 142,284,480.00.

(3.1.1.26) Primary response to risk

Diversification

☑ Other diversification, please specify **:**Diversification of the energy sources that make up the company's energy matrix.

(3.1.1.27) Cost of response to risk

23434000000

(3.1.1.28) Explanation of cost calculation

Cemig is investing significantly in its operations to mitigate the risks associated with water scarcity. The projected cost of expanding and improving hydroelectric generation includes diversifying the energy matrix and improving reservoir management over the next five years, equivalent to approximately R 23.434 million, and distributed as follows: - Modernization of hydroelectric plants: R8.890 million. - Expansion of wind energy: R3.346 million. - Expansion of solar energy: R8.699 million. - Expansion of Cemig SIM: R2.499 million. This investment aims to increase the company's resilience to water fluctuations and guarantee the continuity of operations in a climate change scenario, as well as contributing to the expansion of renewable sources and operational efficiency.

(3.1.1.29) Description of response

SITUATION: Cemig faces a growing risk of water shortages due to changes in precipitation patterns caused by climate change. The company's studies indicate that, for example, that by 2030 precipitation in the Três Marias HPP is expected to decrease in 80% of the scenarios evaluated. As Cemig's energy generation is mostly hydroelectric, water shortages could have a direct impact on operations and energy generation capacity. TASK: Faced with this risk, Cemig decided to diversify its energy matrix and invest in renewable energy sources that do not depend on the availability of water to guarantee the continuity of its operations and reduce its vulnerability to climate change. ACTION: In recent years, Cemig has significantly increased its investments in solar and wind energy sources. In addition, the company has been improving the operating efficiency of its hydroelectric reservoirs and creating environmental alert systems to monitor water conditions and optimize water management. By diversifying its generation sources, Cemig seeks to reduce its dependence on its hydroelectric matrix and balance its portfolio with technologies that are less impacted by extreme weather events. An example of this action is the increased participation in photovoltaic projects, for example the implementation of the Boa Esperança and Jusante Solar Photovoltaic Plants is underway with around 90% of the works completed and expected to start operating at the end of the first half of 2024. RESULTS: As a result of this strategy, Cemig should be better positioned to face the impacts of climate change. The diversification of the portfolio contributes to reducing the company's exposure to water variability, while leveraging new opportunities for renewable energy generation. These initiatives also reduce the financial and operational impact of water scarcity, making the company more resilient and able to sustain growth in a climate change scenario.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

128781336.82

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

The occurrence of intense rainfall in a short period of time, accompanied by windstorms and lightning, can cause physical damage to the facilities that transport and distribute energy, leading to unavailability and an increase in Cemig's costs because of reimbursement to consumers for interruptions in the energy supply. These phenomena are increasingly associated with the effects of an unfavorable microclimate, typical of large urban centers. This type of event can push indicators measuring the quality of energy supply to critical levels. Exceeding the limits for the DEC (Equivalent Interruption Duration per Consumer Unit) and FEC (Equivalent Interruption Frequency per Consumer Unit) indicators creates a risk for the company. Failure to meet the regulatory targets for the quality indicators for two consecutive years or the fifth year in a row may result in Aneel initiating a process to revoke the concession, implying the risk of losing the concession. To assess the effectiveness of the actions and initiatives undertaken in relation to energy quality, Cemig uses the DEC and FEC indicators as parameters. In 2023, approximately R128 million was paid out in compensation to Cemig D's clients for violations of the individual electricity supply continuity indicators (DIC, FIC, DMIC and DICRI), according to ANEEL data from February 2023.

Water

(3.1.2.1) Financial metric

Select from:

☑ Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

Cemig recognizes that water-related risks, particularly regarding water scarcity, have been identified as relevant to its operations. However, the forecast indicates that these risks will materialize in the short term, but there were no significant impacts in the reporting year. Therefore, the reported financial impact for 2023 is zero. Despite this, estimates suggest that in the coming years, these financial impacts could reach up to R 142,284,480 per year, mainly due to the dependence on hydrological conditions for energy generation. In light of this forecast, Cemig has made strategic investments to mitigate these risks and strengthen its energy matrix, with the following allocations: - Modernization of hydroelectric plants: R8.890 million. - Expansion of wind energy: R3.346 million. - Expansion of solar energy: R8.699 million. - Expansion of Cemig SIM: R2.499 million. These investments aim to diversify the company's energy mix, reduce vulnerability to hydrological variations, and ensure greater resilience in energy supply.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Brazil
☑ Other, please specify **:**Rio Paranaíba

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply
☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 21-30%

(3.2.11) Please explain

According to the UN FAO and WWF Water Risk Filter definitions, Cemig GT does not have any hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Emborcação plant, located in the Paranaíba River Basin, has a water stress level of 12%. Cemig, which fully controls this plant, constantly monitors the basin, as this is one of its most important operations in terms of energy generation. The company carries out drought studies to anticipate and mitigate possible long-term impacts.

Row 2

(3.2.1) Country/Area & River basin

Brazil

☑ Other, please specify **:**Rio Araguari

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization’s total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization’s annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization’s total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

According to the UN FAO and WWF Water Risk Filter definitions, Cemig GT does not have any hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Nova Ponte plant, located in the Araguari River Basin, has a water stress level of 17%. Although there is still no significant water stress, Cemig, which controls this operation, carries out continuous monitoring to ensure that any risks are identified and dealt with effectively, especially given the plant's importance to the company's portfolio.

Row 3

(3.2.1) Country/Area & River basin

Brazil

☑ Jequitinhonha

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

According to the UN FAO and WWF Water Risk Filter definitions, Cemig GT does not have any hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Nova Ponte plant, located in the Jequitinhonha River Basin, has a water stress level of 6%. Due to its relevance to the business, given its generating capacity, although the area is not under strong water pressure, Cemig carries out continuous drought studies and monitors regional water indexes, observing potential risks associated with drought.

Row 4

(3.2.1) Country/Area & River basin

Brazil

☑ Sao Francisco

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

In line with the UN FAO and WWF Water Risk Filter definitions, Cemig GT has no hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Três Marias HPP, located in the São Francisco River Basin, has a water stress level of 10%. Due to its relevance to the business, given its generating capacity, although the area is not under strong water pressure, Cemig carries out continuous drought studies and monitors regional water indexes, observing potential risks associated with drought.

Row 5

(3.2.1) Country/Area & River basin

Brazil

☑ Other, please specify :Rio Santo Antônio e Guanhães

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

According to the UN FAO and WWF Water Risk Filter definitions, Cemig GT has no hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Salto Grande Plant, located in the Santo Antônio and Guanhães River Basin, has a water stress level of 14%. Considering the relevance to the business, given the generating capacity, although the area is not under strong water pressure, Cemig carries out continuous studies on drought in the region and monitors the water indexes, observing potential risks to the operation.

Row 6

(3.2.1) Country/Area & River basin

Brazil

☑ Other, please specify :Rio Preto

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

According to the UN FAO and WWF Water Risk Filter, Cemig GT has no hydroelectric plants in areas of water stress, as the water stress index for all assets is below 25%. The Queimado Plant, located in Rio Preto, has a water stress level of 15%. This operation is fully controlled by Cemig and is significant in terms of generation capacity. Even though there is no severe water shortage, Cemig adopts constant monitoring and preventive practices to identify and mitigate potential drought risks.

Row 7

(3.2.1) Country/Area & River basin

Brazil

☑ Other, please specify **:**Rio Piracicaba

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

According to the UN FAO and WWF Water Risk Filter definitions, Cemig GT does not have any hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Sá Carvalho Plant, located in the Piracicaba River Basin, has a water stress level of 8%. Although the water risk is low, Cemig, which fully controls the operation, keeps analysing regional indicators, ensuring an adequate response to any change in climatic conditions.

Row 8

(3.2.1) Country/Area & River basin

Brazil

☑ Other, please specify **:**Rio Itabapoana

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

In line with the UN FAO and WWF Water Risk Filter definitions, Cemig GT has no hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Rosal Plant, located in the Itabapoana River Basin, has a water stress level of 14%. Cemig, which controls the operation, carries out continuous studies to ensure that potential droughts do not compromise the operation.

Row 9

(3.2.1) Country/Area & River basin

Brazil

☑ Other, please specify **:**Rio Grande

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

2

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 1-25%

(3.2.8) % organization's annual electricity generation that could be affected by these facilities

Select from:

☑ 1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 1-10%

(3.2.11) Please explain

According to the UN FAO and WWF Water Risk Filter definitions, Cemig GT does not have any hydroelectric plants in water stress areas, as the water stress index for all assets is below 25%. The Itutinga and Camargos plants, both located in the Rio Grande Basin, have a water stress level of 21%. Due to its relevance to the business, although the area is not under strong water pressure, Cemig carries out continuous studies to assess drought risks and monitors regional water indicators.
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

☑ No

(3.3.3) Comment

During the reporting year, Cemig was not subject to fines, inspection orders or other penalties for regulatory violations related to water. The company maintains an ongoing commitment to environmental and regulatory compliance, ensuring that its operations are in line with applicable norms and standards.
[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

In Brazil, there is still no compulsory pricing instrument for greenhouse gas emissions. However, the bill creating the Brazilian Emissions Trading System (SBCE) has already made progress in the National Congress and should be approved before COP30 in November 2025. Cemig is following the discussions in the relevant forums and identifies carbon pricing as a relevant strategy for complying with the Nationally Determined Contributions (NDCs), which set emission targets for 2030. For this reason, the company has prepared itself to act in accordance with the implementation of a possible instrument, monitoring discussions on the subject, including changes in regulation, through participation in the Working Group on Climate Change and Air Quality, which is part of FIEMG's Council of Entrepreneurs for the Environment (CEMA). In this regard, the company has adopted the internal carbon price in the feasibility analysis stages of new electricity generation projects since 2019. Currently, the stipulated price is US 20.00/tCO2e or R 102/tCO2e.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Participation in carbon market

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Brazil

(3.6.1.8) Organization specific description

Compliance with regulatory requirements and the emergence of new international agreements could create opportunities for Cemig, since the company's predominantly renewable and low-carbon energy matrix means that it is prepared for a scenario in which carbon credits are sold. In 2023, the company had 57 Hydroelectric Power Plants (HPPs), Small Hydroelectric Power Plants (SHPs) and Hydroelectric Power Plants (HPPs), 2 photovoltaic solar power plants and 9 wind farms, as well as 23 Cemig SIM solar farms. The total installed capacity was 5.29 GW. The establishment of a cap-and-trade emissions trading market in Brazil, along the lines of the CDM, for example, could enable Cemig to position itself as an important supplier of emission reduction certificates. This opportunity could lead to an increase in Cemig's revenue.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The company's diversified and predominantly renewable energy matrix allows Cemig to exploit the opportunities of trading carbon credits in regulated and voluntary markets. This potential offers a positive prospect of additional revenue, which could improve Cemig's financial performance over time. On a medium-term horizon, the positive impact on Cemig's cash flow and financial position could be amplified as demand for emission reduction certificates increases, driven by international commitments to decarbonization targets, such as those established in the Paris Agreement. In addition, the company's ability to generate certificates from multiple sources, such as hydroelectric, wind and solar power, positions it as a robust player in the carbon market, potentially consolidating its position as a supplier of high-quality credits. These earnings opportunities, when combined with Cemig's strategic investments in renewable generation and technological innovation, can improve the company's financial performance and attractiveness in the eyes of investors and other stakeholders.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

139516.85

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

50650682.5

(3.6.1.23) Explanation of financial effect figures

Cemig has the potential to generate credits under the CDM for the Guanhães Energia, SHP Cachoeirão, HPP Santo Antônio and SHP Paracambi plants. However, in all cases, Cemig does not have operational control and therefore credit management is not exclusive to the company, requiring alignment with the partners. By year, at Guanhães Energia, the potential for generating credits is 44,488, 49% of which belongs to Cemig; at SHP Cachoeirão, it totals 34,059 credits, 49% of which

*belongs to Cemig; and at HPP Paracambi, it totals 33,993 credits, 49% of which belongs to Cemig. In 2023, these projects were monitored, corresponding to 57,186.92 Cemig credits. The financial impact was calculated based on the possibility of these credits being traded between US 0.46 per credit (considering the minimum value practiced in the world today) and US 167.00 (considering the maximum value) with the dollar at R 5.50. Therefore, Cemig's total credits correspond to: [(44,488 credits x 49%) (34,059 credits x 49%) (33,993 credits x 49%)] 55,145. Therefore, the minimum amount would be: 55,145*US 0.46/credit*R5.50/US R 139,516.85. While the maximum amount would be equivalent to: 55,145*US167.00/credit*R5.50/US R50,650,682.50.*

(3.6.1.24) Cost to realize opportunity

4331250

(3.6.1.25) Explanation of cost calculation

The total cost for Cemig to pursue the sale of carbon credits is primarily composed of the costs associated with project development and the monitoring of these projects under the Clean Development Mechanism (CDM). This cost can vary significantly depending on the type of project, geographical location, and the auditing and validation requirements set by certifying authorities. In the initial phase, which includes project preparation, validation, and registration, costs typically range from US 80,000 to US 230,000. This wide variation is influenced by the complexity of the project, its size, and specific approval and documentation requirements. Once the project enters the operational phase, which encompasses activities such as monitoring, verification, certification, and issuance of Certified Emission Reductions (CERs), costs become more manageable. In the first year of operation, costs range from US 20,000 to US 35,000, and in subsequent years, these amounts decrease to between US 15,000 and US 25,000 per year. Therefore, the estimated average annual cost per project is calculated as follows: Average Total Cost Initial Phase Cost Operational Phase Costs Total Cost (first year) US 155,000 US 27,500 US 182,500 Annual Cost (subsequent years) US 20,000 Over the first five years, the total cost would be approximately US 262,500. In Brazilian reais, this would amount to R 1,443,750.00 per project, using an exchange rate of R 5.50 per dollar. If we assume the same average costs for the three projects (Guanhães Energia, PCH Cachoeirão, and PCH Paracambi), the total investment would be R 4,331,250.00.

(3.6.1.26) Strategy to realize opportunity

SITUATION: Cemig has identified an opportunity to generate additional revenue through the sale of carbon credits, in line with the CDM emissions market. The company has a stake in projects that can generate 55,145 credits annually, corresponding to the portion applicable to Cemig. TASK: The task has been to develop a strategy for registering projects as CDMs, ensuring that emissions are correctly monitored and validated, and guaranteeing the issue of carbon credit certificates. ACTION: Cemig has registered the projects adhering to the CDM, guaranteeing the monitoring and verification stages that make it possible to issue carbon credits. RESULT: By adopting this strategy, Cemig was able to generate 55,145 credits in 2023, with trading potential that could vary between R 139,516.85 and R 50,650,682.50, considering the value practiced globally in the credit market. Projects like these have the potential to generate new revenue and strengthen the company's position in the carbon market, in line with the strategic objectives of energy transition and sustainability. Now the company will be considering the next steps and feasibility of carrying out this project in line with its strategy.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Shift toward decentralized energy generation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Brazil

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Paraiba Do Sul

☑ Rio Doce

☑ Rio Grande

☑ Sao Francisco

☑ Other, please specify **:**Rio Paraibuna, Rio Sapucaí

(3.6.1.8) Organization specific description

In a context in which Cemig is seeking to reduce its dependence on water resources while at the same time making greater corporate investments in energy efficiency with a view to reducing energy consumption and, consequently, GHG emissions, the subsidiary Cemig SIM - focused on solar energy - will possibly see an increase in demand for its services, including the implementation of projects to use LED lighting, cogeneration, distributed generation and other energy solution services. In this context, Cemig SIM may also see an increase in demand for consultancy services to implement an Energy Management System based on ISO 50001. Through its projects, Cemig SIM is making it possible to expand the market for new Distributed Generation clients, as well as reducing the need to inject

energy into the electricity system by selling electricity. The energy generated by Cemig SIM's plants, as well as its energy efficiency projects, not only saves energy, but also reduces the need to inject energy into the electricity system, making them demand-side management projects. With the creation of the company, Cemig SIM now has 14,000 solar energy consumer units per subscription.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

The investment of approximately R212 million in 2023 in new solar generation plants increased the company's client base to 14,000 consumer units, contributing to an increase in the company's revenue. The solar energy generated by Cemig SIM has prevented the emission of 7,900 tons of CO2, attracting new commercial, residential and industrial clients in search of clean energy solutions and reduced emissions. Continued expansion and a focus on innovation ensure that financial results should continue to grow robustly in the coming years.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

16211000

(3.6.1.23) Explanation of financial effect figures

In 2023, Cemig SIM's result for the year was R16,211,000.00. The increase in demand for services related to solar energy, energy efficiency and consultancy for implementing Energy Management Systems based on ISO 50001 resulted in significant positive impacts on the company's financial health.

(3.6.1.24) Cost to realize opportunity

212000000

(3.6.1.25) Explanation of cost calculation

To realize this opportunity, Cemig SIM invested approximately R 212 million in 2023 in photovoltaic solar energy generation projects. This amount ranged from the installation of solar plants to the implementation of monitoring systems, as well as operating costs to expand the customer base and strengthen distributed generation and energy efficiency services. This investment was made with the expectation of strengthening the company's position in the distributed generation market, increasing demand for the services offered, and diversifying the customer base, generating significant financial returns in the medium and long term.

(3.6.1.26) Strategy to realize opportunity

SITUATION: Cemig identified an opportunity to expand its presence in the distributed generation and energy efficiency market through Cemig SIM, with a focus on demand for solar energy, energy management systems (ISO 50001) and consulting services. By 2022, the company had 4,000 consumer units and set targets for business growth. TASK: The task was to develop a robust strategy to consolidate Cemig SIM's position in the solar energy and energy efficiency market, ensuring that the growing demand for distributed generation services is met, and increasing the installed capacity of solar energy to continue attracting new clients and generating revenue. ACTION: Cemig SIM adopted an action plan focused on expanding its service infrastructure and attracting new clients: (1) Investment in infrastructure: In 2023, the company invested approximately R 212 million in new photovoltaic solar generation plants, expanding its installed capacity and increasing the number of clients. (2) Expansion of the client base: Through a strong marketing campaign and strategic partnerships, Cemig SIM was able to increase its subscription solar energy customer base to 14,000 consumer units, including commercial, residential, and industrial customers. RESULT: The company saw substantial growth in demand for its services, with the solar energy generated avoiding the emission of 7.9 thousand tons of CO2 by 2023. The investment of R 212 million contributed directly to the positive result for the year of R 16,211,000.00, with expectations of even greater financial returns in the coming years. Cemig SIM has also established itself as one of the leaders in clean and efficient energy solutions, generating value for the company, its clients and the environment.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Increased efficiency of production and/or distribution processes

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Brazil

(3.6.1.8) Organization specific description

Cemig is investing in technological solutions with the aim of increasing its efficiency and reducing its environmental impact. In this context, the company is installing smart meters capable of remote operation in the Belo Horizonte Metropolitan Region (RMBH). These meters allow for an increase of 17.26 kWh/month per meter replaced, and also generate billing recovery from regularization processes. Due to the possibility of remote access to the meter information, it is possible to carry out automated power cut-off/reconnection tasks, as well as the remote collection of readings for billing, which also represents a reduction in the number of vehicle operations, reducing the associated GHG emissions.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

The implementation of smart meters in the Belo Horizonte Metropolitan Region (RMBH) had a significant impact on Cemig's financial position in 2023. By enabling revenue recovery through the replacement of 370,000 meters, the company not only increased operational efficiency, but also increased revenue by capturing previously unbilled consumption. In addition, the meters' remote functionalities, such as automated cut-off and reconnection and remote reading collection, have resulted in operating cost reductions and process optimization, which has reduced the need for vehicle operations, contributing to a reduction in GHG emissions. This has translated into an overall improvement in Cemig's financial performance, since the savings in operating costs and greater efficiency in billing have had a positive impact on the company's cash flow.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

10410000

(3.6.1.23) Explanation of financial effect figures

Revenue from the installation of smart meters, which amounted to R10.41 million, is mainly due to increased efficiency in measuring energy consumption. Replacing the old meters with smart models allowed for the recovery of previously unmeasured energy, which generated an increase of 42 kWh/month per meter replaced. This increase is the result of the greater precision of the new meters, which can capture customers' real consumption more accurately, especially in cases where the old meters were already worn out or faulty, resulting in undercharging. In addition, the advanced technology makes it possible to identify and regularize fraud and technical losses, ensuring that all the energy consumed by customers is duly recorded and billed. These meters enabled an increase of 42 kWh/month per meter replaced, generating R10.41 million in revenue. This revenue reflects the increase in the effectively billed consumption base, which previously could have been lost due to measurement failures or irregularities.

(3.6.1.24) Cost to realize opportunity

134202000

(3.6.1.25) Explanation of cost calculation

In 2023, the cost of implementing the installation of smart meters was R134,202,000.00. This figure reflects the investments made in the purchase and installation of the equipment, as well as in the information technology systems needed to support the remote functionality of the meters.

(3.6.1.26) Strategy to realize opportunity

SITUATION: Cemig identified the need to improve the efficiency of its operational and billing processes, as well as reducing the environmental impact of its operations. In the Belo Horizonte Metropolitan Region (RMBH), there was an opportunity to modernize the energy metering infrastructure by installing smart meters. This modernization allows remote access to consumption information, automated operations and contributes to the reduction of GHG emissions, improving the company's environmental and financial performance. TASK: The task has been to implement the installation of smart meters on a large scale, replacing the old manual meters with state-of-the-art devices. This includes ensuring that the new technology is efficiently integrated into Cemig's existing systems, optimizing processes such as consumption reading and energy cut-off and reconnection management, as well as maximizing the return on investment. ACTION: In 2023, Cemig invested R134,202,000.00 to replace 370,000 old meters with smart meters in the RMBH. The company also implemented IT and communication systems to enable remote operation of the new meters. This made it possible to collect consumption data automatically and carry out tasks such as cutting off and reconnecting power remotely, without the need to physically travel. The project also focused on recovering revenue by regularizing fraud and defective meters. RESULT: The replacement of meters resulted in an increase of 42 kWh/month per meter, generating significant revenue recovery. In addition, the project led to a reduction in GHG emissions by reducing the need for vehicles for manual operations, improving Cemig's environmental profile. By 2028, the company plans to expand the project, investing approximately R 431,911,955.00, with the aim of continuing to increase operational efficiency, recovering revenue and reducing emissions.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

4527000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 91-99%

(3.6.2.4) Explanation of financial figures

In 2023, R4,829 million was invested, of which R3,338 million in distribution, R198 million in transmission, R896 million in generation, R302 million in natural gas distribution and R98 million in distributed generation. As opportunities aligned with a low-carbon economy, Cemig considers the investments made in expanding and modernizing power generation assets, in increasing efficiency in transmission (reducing losses and the need to move equipment), and in distributed generation, which is 100% renewable. Therefore, the total investments amount to around R 4,527,000,000.00.

Water

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

8000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 1-10%

(3.6.2.4) Explanation of financial figures

Cemig has identified R&D opportunities associated with the development of a virtual assistant (computer system) to assist in the operation of hydroelectric plant reservoirs, especially during flood control. The project began in April 2023 and is scheduled for completion in April 2025 with an estimated total investment around R 8,000,000.00.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Cemig's diversity, equity and inclusion policy aims to promote a culture of respect and appreciation for diversity within the Group, including all its subsidiaries and service providers. It applies to board members, directors, fiscal advisors, members of statutory committees, leaders, employees and service providers. Cemig believes that an inclusive and diverse environment is essential for innovation, employee well-being and society. The policy guarantees equal opportunities regardless of race, gender, sexual orientation, nationality, religion, age, physical and mental conditions, marital status or political ideology. To ensure implementation, Cemig promotes ongoing actions in line with its values and the UN Sustainable Development Goals, such as carrying out periodic diagnoses of gender and race equity, promoting suitable conditions for people with disabilities and including them in the workplace. The actions extend to advertising and practices with suppliers and

clients to promote diversity and equity. The Deputy Director of People Management and Corporate Services and the Deputy Director of Corporate Communication and Sustainability are responsible for promoting and disseminating this culture. Discrimination, homophobia, harassment and racism are intolerable and subject to legal and administrative sanctions.

(4.1.6) Attach the policy (optional)

cemig-politica-de-valorizacao-da-diversidade-e-inclusao-cemig.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Sustainability Officer (CSO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Overseeing and guiding public policy engagement

☑ Overseeing and guiding public policy engagement

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Other, please specify **:**Analysis and orientation of the main action plans

(4.1.2.7) Please explain

The Corporate Communication and Sustainability Department at Cemig (equivalent to the CSO), reporting directly to the CEO, handles climate change issues. Its responsibilities include approving technical standards and normative instructions for corporate sustainability, climate change and social responsibility, aligned with strategic guidelines and regulations. Working alongside the Innovation and Energy Transition Committee (CITE), the department proposes policies, guidelines, actions, plans, projects and strategic initiatives to enhance Cemig's performance across social, environmental, economic, and governance dimensions. The

committee meets bimonthly, holds extraordinary meetings with other areas as needed, and provides quarterly reports. The Board of Directors oversees the budgetary needs for implementing the climate change strategy, including objectives and targets, and conducts periodic monitoring. In 2023, the strategy was approved in collaboration with finance and risk teams to preemptively address budget restrictions and challenges. The Board approves annual budgets, investment projects, the disposal of assets, among others, aligning with Cemig's Strategic Plan, which earmarks R 35.6 billion for expanding wind and solar energy generation and distributed generation through Cemig SIM for the 2024-2028 cycle. Cemig also employs indicators to monitor energy supply interruptions, with Cemig Distribuição tracking service quality and Cemig Geração assessing climate-related risks impacting hydroelectric generation capacity. Emission reduction and consumption efficiency targets are evaluated at Board meetings, developed in coordination with responsible areas that will be responsible for monitoring the indicators and presenting them at results meetings. Cemig encourages the management of issues related to climate and water resources through targets and results reflected in financial rewards linked to employees' variable remuneration (PLR). Additionally, the ISUSTENT indicator measures Cemig's participation in key Sustainability Ratings such as ISE B3, CDP, DJSI, and the Carbon Efficient Index, affecting the PLR of the Sustainability Management (DCS/SE). The Variable Remuneration of the leadership, including the CEO and the Executive Board, is linked to the company's results indicators and to the achievement of individual corporate targets set by the Board of Directors, in line with the company's strategy. In 2023, in addition to financial and business indicators, the incorporation of indicators linked to ESG targets was approved, which reflect the company's strategic challenges and sustainable growth: • Score on the Dow Jones Sustainability Index • Reduction of greenhouse gas emissions in line with the Net Zero commitment • Implementation index of Cemig's Code of Conduct • Compliance percentage with SOx Internal Controls • Compliance percentage with the Action Plan on Non-Conformities from Internal Audit

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Operating Officer (COO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Reviewing and guiding innovation/R&D priorities

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Monitoring the implementation of the business strategy

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

Cemig's organizational structure includes the Innovation and Energy Transition Committee (CITE), made up of members of the Executive Board, including the Vice-President for Generation and Transmission (equivalent to the COO). Among the various action plans established by the Committee are those associated with the diversification of its electricity matrix. Currently, more than 98% of the electricity generated by the company comes from hydroelectric plants, whose operation is highly dependent on the hydrological regime and is therefore vulnerable to the risk of water shortages. This risk is discussed at CITE meetings throughout the year and the topic is taken to Cemig's Board of Directors every year by the Executive Board, through the Vice-Presidency of Generation and Transmission, during the annual review of strategic planning. The risk of water scarcity guides some of the Committee's main discussions, such as budgeting and risk management as a whole, strategic business planning and action plans, definition of organizational objectives, financial planning, among other related issues. Another topic covered is the issue of the company's performance in terms of water management, which is reflected in incentives for employees through the results of the CDP Water Safety questionnaire.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Other, please specify **:**Associate Director of Strategy, Environment, and Innovation

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding the development of a business strategy

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Overseeing and guiding the development of a climate transition plan

(4.1.2.7) Please explain

The Associate Director of Strategy, Environment, and Innovation reports directly to Cemig's CEO and is responsible for biodiversity issues. His duties involve the approval of technical standards and normative instructions necessary for the development of corporate sustainability, biodiversity and social responsibility, in line with strategic guidelines and sector regulations. The CITE (Innovation and Energy Transition Committee) has the role of proposing policies, guidelines, actions, plans, projects and strategic initiatives to promote Cemig's performance in the social, environmental, economic and corporate governance dimensions, including issues relating to biodiversity. The Committee meets every two months and can request extraordinary meetings with other areas. In addition, the Committee also provides quarterly accounts. The Board of Directors considers the budgetary needs for the execution of action plans that guarantee the effective implementation of the biodiversity strategy - objectives, goals and programs - and monitors them periodically. In 2023, the strategy was approved jointly with the financial and risk areas in order to identify possible budget restrictions in advance and identify the best ways to respond to the challenges. The Board of Directors is responsible for approving the Annual Budgets and deciding on investment projects, the disposal of assets, among others. In line with these attributions, Cemig's Strategic Plan provides for investment initiatives in the expansion of energy generation from wind and solar sources, as well as investments in distributed generation through the company Cemig SIM, totaling around R 35.6 billion in planned contributions for the new 2024/2028 cycle. The company has indicators for monitoring and evaluating the business which provide measurable data on interruptions in the supply of energy. These indicators are used by Cemig Distribuição to assess the quality of service

and, in the case of Cemig Geração, they are climate-related, since the physical structure and hydroelectric power generation capacity are exposed to climate risks. The targets related to reducing emissions and efficiency in consumption have their performance evaluated at Board meetings, and are defined in conjunction with the respective areas that will be responsible for monitoring the indicators and presenting them at results meetings. Cemig encourages the management of issues related to climate, biodiversity and water resources through targets and results reflected in financial rewards linked to employees' variable remuneration (PLR). Another indicator considered in the incentive policy is ISUSTENT, which measures Cemig's participation in the main Sustainability Ratings in Brazil and the World, such as the ISE B3, CDP, DJSI and Carbon Efficient Index, with an impact on the PLR of the Sustainability Management (DCS/SE).
[Fixed row]

(4.2) Does your organization’s board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience
☑ Executive-level experience in a role focused on environmental issues
☑ Experience in an academic role focused on environmental issues
☑ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

☑ Experience in an academic role focused on environmental issues

☑ Active member of an environmental committee or organization

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:*

	Management-level responsibility for this environmental issue
	☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Developing a business strategy which considers environmental issues

☑ Developing a climate transition plan

☑ Implementing the business strategy related to environmental issues

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Communications and Sustainability Director (CSO) leads the Corporate Communications and Sustainability Department and the Sustainability Department, which manages Climate Change and the company's Sustainability Plan. He defines guidelines and validates actions related to these topics and reports directly to the company's President, who is the highest level of the Executive Board, which in turn reports to the Board of Directors. This structure gives the area autonomy in implementing Cemig's guidelines and in collaborating with other areas of the company. In the Corporate Communication and Sustainability Department, the Corporate Sustainability Management is responsible for several key tasks, including: - Monitoring and adjusting guidelines, indicators, targets and strategic initiatives related to sustainability, climate change and social responsibility. - Propose and approve technical standards and instructions for corporate sustainability, in line with strategic guidelines and sector regulations. - Analyzing trends, risks and opportunities in climate adaptation and mitigation, and carrying out studies on climate risks. - Developing and structuring corporate climate adaptation and mitigation policies and procedures in line with the company's guidelines and targets. - Providing input for strategic planning on climate change and accompanying discussions on regulatory frameworks and the emissions market. - Quantifying Cemig's GHG emissions and related projects, as well as providing data on emissions from energy purchased by clients. In 2022, the CSO's highlight was leading the submission of the emissions reduction target to SBTi and the publication of the first TCFD Report. In 2023, we highlight the coordination of the drafting of the Climate Transition Plan.

Water

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Risk Monitoring Committee is responsible for advising the Executive Board on the fulfillment of responsibilities related to corporate risk management, monitoring and recommending mitigation actions. The following duties can be highlighted: - Promote the discussion of strategic and operational issues in the Corporate Risk Management Process; - Continuously monitoring the company's environment and the corporate risk matrix in order to identify the main risks and recommend priority mitigating actions to be proposed to the Executive Board; - To recommend, for approval by the Executive Board, guidelines and procedures to be adopted in the Corporate Risk Monitoring Process. In 2023, the Committee carried out a survey of the company's Top Risks, including hydrological risk in the matrix and ensuring monitoring of the issue, the planned mitigation and adaptation actions, as well as the allocation of those responsible for coordinating these actions.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify :Associate Director of Strategy, Environment, and Innovation

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Associate Director of Strategy, Environment, and Innovation defines guidelines and validates actions related to Biodiversity, reporting to the CEO. The Associate Director is responsible for several key tasks, including: - Monitoring and adjusting guidelines, indicators, targets, and strategic initiatives related to sustainability, climate change and social responsibility. - Propose and approve technical standards and instructions for corporate sustainability, in line with strategic guidelines and

sector regulations. - Analyzing trends, risks and opportunities in climate adaptation and mitigation, and carrying out studies on climate risks. - Developing and structuring corporate climate adaptation and mitigation policies and procedures in line with the company's guidelines and targets. - Providing input for strategic planning on climate change and accompanying discussions on regulatory frameworks and the emissions market. - Quantifying Cemig's GHG emissions and related projects, as well as providing data on emissions from energy purchased by clients. In 2022, the Associate Director of Strategy, Environment, and Innovation assisted in the submission of the emissions reduction target to SBTi and the publication of the first TCFD Report. And in 2023, the highlights were assisting in the drafting of the Climate Transition Plan and supporting the start of work on the Biodiversity Action Plan.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Other committee, please specify **:**CITE (Innovation and Energy Transition Committee)

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Given the growing importance of the climate agenda, the Board of Directors decided to create the Innovation and Energy Transition Committee (CITE) in 2023, which meets ordinarily monthly and may hold extraordinary meetings. This committee plays a key role in advising the Board on issues related to innovation and the energy transition, with a special focus on decarbonization. Made up of four independent directors, the committee has members with experience in both climate issues and innovation. Its role is strategic, especially considering the importance of decarbonization as one of the company's main objectives. The committee guides Cemig's innovation strategy, ensuring that electrification initiatives, one of the main vectors of decarbonization, are properly integrated and driven forward in all areas of the company. His expertise also contributes to identifying innovation opportunities that not only reduce the company's carbon footprint, but also promote competitiveness and long-term sustainability. Cemig's committees, with their respective competencies and attributions, ensure that the risks and opportunities related to climate change are properly assessed and incorporated into the corporate strategy, while at the same time driving innovation and the transition to a more sustainable energy future.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Risks Officer (CRO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Sustainability Department carries out the survey and assessment of Cemig's risks and opportunities in the face of climate change, as well as their respective monitoring, always working together with the Corporate Wealth Management Department and other related areas (Energy Efficiency Department, Management and Control of Metering and Commercial Losses in Distribution Department, Energy Planning and Water Resources Department) at all stages of the process, through the integrated approach that guides Cemig's risk management. To ensure that risks, especially priority risks, are properly managed, monitoring is carried out at least twice a quarter depending on the criticality of the risk. In 2023, as part of the actions planned to monitor issues of regulatory change, the Sustainability Department also participated in associations dedicated to dealing with this issue, such as the Global Compact and the Federation of Industries of the State of Minas Gerais, in the context of the Climate Change Working Group and the Belo Horizonte Municipal Committee on Climate Change and Eco-efficiency.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Other committee, please specify **:**CITE (Innovation and Energy Transition Committee)

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Given the growing importance of the climate agenda, the Board of Directors decided to create the Innovation and Energy Transition Committee (CITE) in 2023, which meets ordinarily monthly and may hold extraordinary meetings. This committee plays a key role in advising the Board on issues related to innovation and the energy transition, with a special focus on decarbonization. Made up of four independent directors, the committee has members with experience in both climate issues and innovation. Its strategic role is crucial, especially considering the importance of decarbonization as one of the company's main objectives. The committee guides Cemig's innovation strategy, ensuring that electrification initiatives, one of the main vectors of decarbonization, are properly integrated and driven forward in all areas of the company. His expertise contributes to identifying innovation opportunities that not only reduce the company's carbon footprint, but also promote competitiveness and long-term sustainability. Cemig's committees, with their respective competencies and attributions, ensure that the risks and opportunities related to climate change are properly assessed and incorporated into the corporate strategy, while at the same time driving innovation and the transition to a more sustainable energy future.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify **:**Environment/Sustainability Manager

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Risks Officer (CRO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Sustainability Department carries out the survey and assessment of Cemig's risks and opportunities in the face of climate change, as well as their respective monitoring, always working together with the Corporate Wealth Management Department and other related areas (Energy Efficiency Department, Management and Control of Metering and Commercial Losses in Distribution Department, Energy Planning and Water Resources Department) at all stages of the process, through the integrated approach that guides Cemig's risk management. In order to ensure that risks, especially priority risks, are properly managed, monitoring is carried out at least twice a quarter, depending on the criticality of the risk. In 2023, as part of the actions planned to monitor regulatory change issues, the Sustainability Department also took part in associations dedicated to dealing with this issue, such as the Global Compact and the Federation of Industries of the State of Minas Gerais, in the context of the Climate Change Working Group and in the Belo Horizonte Municipal Committee on Climate Change and Eco-efficiency.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

As water is the main raw material for generating energy, the Vice President of Generation and Transmission (equivalent to the COO) and his team regularly monitor and assess water risks by looking at the level of the company's reservoirs, to meet demand. They also monitor the weather forecast to identify events that could impact assets and the provision of energy services. The most relevant indicators and information are reported weekly at meetings of the Executive Board and monthly at meetings of the Board of Directors.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Risk Monitoring Committee is responsible for advising the Executive Board on the fulfillment of responsibilities related to corporate risk management, monitoring and recommending mitigation actions. The following duties can be highlighted: - Promote the discussion of strategic and operational issues in the Corporate Risk

Management Process; - Continuously monitoring the company's environment and the corporate risk matrix in order to identify the main risks and recommend priority mitigating actions to be proposed to the Executive Board; - To recommend, for approval by the Executive Board, guidelines and procedures to be adopted in the Corporate Risk Monitoring Process. In 2023, the Committee carried out a survey of the company's Top Risks, including climate and hydrological risk in the matrix and ensuring monitoring of the issue, the planned mitigation and adaptation actions, as well as the allocation of those responsible for coordinating these actions.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:
☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

100

(4.5.3) Please explain

Cemig promotes climate and water resource management through targets tied to employee variable remuneration (PLR). Since 2021, PLR incorporates corporate indicators (25%) and area-specific indicators (75%), including the Duration of Interruption per Consumer Unit, which reflects the company's adaptability to climate events. In 2023, water use efficiency for electricity generation and the hydroelectric conversion rate influenced PLR, alongside ISUSTENT, which assesses Cemig's participation in Sustainability Ratings (ISE B3, CDP, DJSI, and the Carbon Efficient Index). Remuneration for the CEO and Executive Board is linked to company results and individual targets set by the Board. In 2023, ESG indicators were added to address strategic challenges and promote sustainable growth, including scores on DJSI, GHG emissions reduction, implementation of Cemig's Code of Conduct, compliance with SOx Internal Controls and with the Action Plan on Non-Conformities indicated by the Internal Audit.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

100

(4.5.3) Please explain

Cemig promotes climate and water resource management through targets tied to employee variable remuneration (PLR). Since 2021, PLR incorporates corporate indicators (25%) and area-specific indicators (75%), Also included are the DEC (Equivalent Duration of Interruption per Consumer Unit) electricity supply quality indicators, whose performance depends - among other factors - on the company's adaptive capacity in the face of climatic events that can impact the energy supply. In 2023, water use efficiency for electricity generation and the hydroelectric conversion rate influenced the PLR in the energy planning department. Another relevant indicator in the incentive policy is ISUSTENT, which measures Cemig's participation in the main sustainability ratings. Performance in the CDP Water Safety is also a factor that contributes to incentives, directly reflecting the company's performance in water resource management.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Profit share

(4.5.1.3) Performance metrics

Targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Board approval of climate transition plan

Resource use and efficiency

☑ Energy efficiency improvement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

The Deputy Director of Communication and Sustainability (CSO), as well as the Sustainability Management (DCS/SE), have as one of their main tasks the continued participation in the main market indices, sustaining a good performance over the years. In order to stimulate and reward the search for better performance, Cemig has defined performance in the indices as a factor in the company's profit sharing (PLR). In addition, like the rest of the company, the CSO and Sustainability Management also have a stake in the incentives associated with improving energy efficiency.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Cemig has made several environmental commitments that are complementary and help to strengthen and guide its goals in terms of climate, water resources and biodiversity. Participation in the main market indices is one of these strategies that contributes to the transparency of continuity and proper monitoring of indicators that attest not only to the company's financial health but also to its concern with the ESG agenda. By ensuring visibility of its results through various reports and evaluations on a consistent and periodic basis, Cemig seeks to ensure the maintenance and evolution of best practices. The same is true of energy efficiency, which is at the heart of the company's services, resulting in customer satisfaction and improved use of resources. Therefore, the incentives linked to these indicators work as a reward for the success achieved in the initiatives established in the company's planning and as a stimulus for the short-, medium- and long-term goals to continue to be achieved.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

☑ Profit share

☑ Other, please specify **:**Amount of Energy Impacted by the Physical Guarantee Reduction Mechanism

(4.5.1.3) Performance metrics

Targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Board approval of climate transition plan

Resource use and efficiency

☑ Improvements in water efficiency – direct operations

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

☑ Energy efficiency improvement

Policies and commitments

☑ Implementation of water-related community project

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

A Cemig vem assumindo diversos compromissos ambientais que são complementares e que ajudam a fortalecer e orientar suas metas em termos de clima, recursos hídricos e biodiversidade. A participação nos principais índices de mercado é uma destas estratégias que contribui para a transparência da continuidade e devido acompanhamento dos indicadores que atestam não somente a saúde financeira da empresa como também a preocupação com a agenda ESG. Ao dar visibilidade aos seus resultados através dos diversos reportes e avaliações de forma consistente e periódica, a Cemig assegura a manutenção e evolução de melhores práticas. O mesmo acontece no âmbito do indicador Montante de Energia Impactada pelo Mecanismo de Redução da Garantia Física. Portanto, os incentivos atrelados aos referidos indicadores funcionam como recompensa pelo sucesso obtido nas iniciativas estabelecidas no planejamento da Companhia e como estímulo para que as metas de curto, médio e longo prazo continuem a ser alcançadas. Cemig has made a few environmental commitments that are complementary and help to strengthen and guide its goals in terms of climate, water resources and biodiversity. Participation in the main market indices is one of these strategies that contributes to the transparency of continuity and proper monitoring of indicators that attest not only to the company's financial health but also to its concern with the ESG agenda. By making its results visible through various reports and evaluations on a consistent and periodic basis, Cemig ensures that best practices are maintained and evolve. The same is true of the Amount of Energy Impacted by the Physical Guarantee Reduction Mechanism indicator. Therefore, the incentives linked to these indicators work as a reward for the success achieved in the initiatives established in the company's planning and as a stimulus for the short-, medium- and long-term goals to continue to be achieved.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

In Brazil, the energy guaranteed by the National Interconnected System (SIN) is an important milestone in national supply. The Ministry of Mines and Energy (MME) awards each plant a certificate that defines the Physical Guarantee, i.e. the maximum amount of energy that can be sold. In 2023, Cemig has prioritized efficiency indicators in the use of water for electricity generation, such as the Hydraulic Conversion Rate (TCH) and the Hydroelectric Plant Availability Factor (FID). These indicators are fundamental for maximizing the use of water resources and reducing the environmental footprint of electricity generation. The TCH, which applies to small power plants with centralized operation by Cemig GT, reflects operational efficiency by measuring the availability of each plant in relation to the inflow over 60 months. Performance in this indicator can impact up to 10% of the variable remuneration of the Generation and Transmission Director, thus aligning his interests with the company's sustainability objectives. In addition, the profit-sharing target was redefined to 5,776 MWh, which reinforces the commitment to energy efficiency and sustainable generation. Cemig also uses the ISUSTENT indicator, which assesses sustainability performance and includes commitments to responsible management and engagement with suppliers. ISUSTENT has a 5% weighting in the Profit Sharing (PLR) of the Communication and Sustainability Board, encouraging practices that favor climate transition. The Variable Remuneration of the leadership, including the CEO and the Executive Board, is linked to the company's results indicators and to the achievement of individual corporate targets set by the Board of Directors, in line with the company's strategy. In 2023, in addition to financial and business indicators, the incorporation of indicators linked to ESG targets was approved, which reflect the company's strategic challenges and sustainable growth: - A score on the Dow Jones Sustainability Index. - Reduction of greenhouse gas emissions in line with the Net Zero commitment. - Index of implementation of Cemig's Code of Conduct (CCC). - % compliance with SOx Internal Controls. - % compliance with the Action Plan on Non-Conformities pointed out by the Internal Audit In this way, the incentives associated with these positions promote operational efficiency and ensure that Cemig's environmental targets are met, contributing directly to its sustainability and climate transition strategy.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Profit share

☑ Other, please specify **:**Amount of Energy Impacted by the Physical Guarantee Reduction Mechanism

(4.5.1.3) Performance metrics

Targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Board approval of climate transition plan

Resource use and efficiency

☑ Improvements in water efficiency – direct operations

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

☑ Energy efficiency improvement

Policies and commitments

☑ Implementation of water-related community project

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Cemig has made several environmental commitments that are complementary and help to strengthen and guide its goals in terms of climate, water resources and biodiversity. Participation in the main market indices is one of these strategies that contributes to the transparency of continuity and proper monitoring of indicators that attest not only to the company's financial health but also to its concern with the ESG agenda. By giving visibility to its results through various reports and evaluations on a consistent and periodic basis, Cemig ensures that best practices are maintained and evolve. The same is true of the Amount of Energy Impacted by the Physical Guarantee Reduction Mechanism indicator. Therefore, the incentives linked to these indicators work as a reward for the success achieved in the initiatives established in the company's planning and as a stimulus for the short, medium, and long-term goals to continue to be achieved.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

In Brazil, the energy guaranteed by the National Interconnected System (SIN) is an important milestone in national supply. The Ministry of Mines and Energy (MME) awards each plant a certificate that defines the Physical Guarantee, i.e. the maximum amount of energy that can be sold. In 2023, Cemig has prioritized efficiency indicators in the use of water for electricity generation, such as the Hydraulic Conversion Rate (TCH) and the Hydroelectric Plant Availability Factor (FID). These indicators are fundamental for maximizing the use of water resources and reducing the environmental footprint of electricity generation. The TCH, which applies to small power plants with centralized operation by Cemig GT, reflects operational efficiency by measuring the availability of each plant in relation to the inflow over 60 months. Performance in this indicator can impact up to 10% of the variable remuneration of the Generation and Transmission Director, thus aligning his interests with the company's sustainability objectives. In addition, the profit-sharing target was redefined to 5,776 MWh, which reinforces the commitment to energy efficiency and sustainable generation. Cemig also uses the ISUSTENT indicator, which assesses sustainability performance and includes commitments to responsible management and engagement with suppliers. ISUSTENT has a 5% weighting in the Profit Sharing (PLR) of the Communication and Sustainability Board, encouraging practices that favor climate transition. The Variable Remuneration of the leadership, including the CEO and the Executive Board, is linked to the company's results indicators and to the achievement of individual corporate targets set by the Board, in line with the company's strategy. In 2023, in addition to financial and business indicators, the incorporation of indicators linked to ESG targets was approved, which reflect the company's strategic challenges and sustainable growth: - A score on the Dow Jones Sustainability Index. - Reduction of greenhouse gas emissions in line with the Net Zero commitment. - Index of implementation of Cemig's Code of Conduct (CCC). - % compliance with SOx Internal Controls. - % compliance with the Action Plan on Non-Conformities pointed out by the Internal Audit. In this way, the incentives associated with these positions not only promote operational efficiency, but also ensure that Cemig's environmental targets are met, contributing directly to its sustainability and climate transition strategy.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Operating Officer (COO)

(4.5.1.2) Incentives

Select all that apply

☑ Profit share

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

As part of the benefits provided by the organization for achieving satisfactory results in the main market indices, which attest to the quality of Cemig's work on the operational and sustainability fronts, in addition to the financial reward, a lunch is also held with the Senior Management. This benefit is aimed at greater interaction between the leaders of the initiatives and alignment for the next cycle.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The financial incentives of Cemig's Chief Operating Officer (COO) position are directly aligned with our environmental commitments and climate transition plan. Remuneration for this position is linked to the company's performance in relation to sustainability indices, with a particular focus on water-related factors, such as the

Dow Jones Sustainability Index (DJSI) and the CDP's water security questionnaire. This ensures that sustainability goals are integrated with operational and financial goals.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Water

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

Given the scale of Cemig's operations in supplying electricity efficiently and sustainably to Brazilians, the company is committed to protecting the environment and its natural resources, acting with social responsibility, and adopting best governance practices. Cemig integrates environmental issues into its decision-making process, in all projects, processes and activities related to expansion (due diligence of new businesses, mergers and acquisitions), operation and maintenance of assets, services and partnerships. Cemig's Environmental Policy defines the principles that guide its activities in all dimensions, aligned with the principles of the United Nations Global Compact, in order to contribute to achieving the Sustainable Development Goals, mainly SDG 6 (Drinking water and sanitation); SDG 7 (Clean and affordable energy), SDG 12 (Ensuring sustainable production and consumption patterns); SDG 13 (Action against global climate change) and SDG 15 (Life on land). This Policy applies to Cemig, Cemig Geração e Transmissão S.A. - Cemig GT, Cemig Distribuição S.A. - Cemig D and their wholly owned subsidiaries and serves as a guideline for all companies in which Cemig has a stake.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Climate-specific commitments

☑ Commitment to net-zero emissions

Water-specific commitments

☑ Commitment to reduce water consumption volumes

☑ Commitment to the conservation of freshwater ecosystems

☑ Commitment to water stewardship and/or collective action

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

politica-ambiental-CEMIG.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

Cemig, aware of the impacts caused by its activities on biodiversity and recognizing the importance of defining strategic guidelines for its preservation, has adopted a specific policy. Cemig's Biodiversity Policy defines the principles that guide its activities in all dimensions, aligned with the principles of the United Nations Global Compact, in order to contribute to achieving the Sustainable Development Goals, especially SDG 15: Protecting Life on Earth. This Policy applies to Cemig, Cemig Geração e Transmissão S.A. - Cemig GT, Cemig Distribuição S.A. - Cemig D and their wholly owned subsidiaries and serves as a guideline for all companies in which Cemig has a stake.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to avoidance of negative impacts on threatened and protected species

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to No Net Loss

☑ Commitment to stakeholder engagement and capacity building on environmental issues

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify :United Nations Sustainable Development Goal 15 (Life on Land Protection)

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

politica-biodiversidade-CEMIG.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ UN Global Compact

☑ Other, please specify :Carbon Efficient Index ICO2 (B3)

(4.10.3) Describe your organization's role within each framework or initiative

The Climate Action Platform of the UN Global Compact Brazil aims to mobilize its members to integrate the Climate Agenda into their organizational strategies, contributing to building a resilient and carbon-neutral economy in a transparent, socially just, and inclusive way. As part of this initiative, Cemig is committed to including the issue of climate change in its strategy and making its actions transparent. The Carbon Efficient Index (ICO2) was developed in partnership between B3 and the Brazilian Development Bank (BNDES). It is made up of shares in companies participating in the IBrX50 index that have adopted transparent practices in relation to their greenhouse gas emissions. Cemig, a member of the index, expresses its commitment to being transparent about its emissions in anticipation of the vision of preparing for a low carbon economy.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

(4.11.4) Attach commitment or position statement

Global_Compact_Join_Letter_9446.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Through Fiemg's Climate Change and Air Quality WG CEMA and the Global Compact's Climate Action Platform, the company has been following the processes for implementing a regulated carbon market in Brazil. The company's work supports carbon pricing policies and the construction of systems for measuring, verifying and reporting emissions in the country.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

PL 2148/15, a bill aimed at setting limits on greenhouse gas emissions by companies, pricing carbon and building systems for measuring, verifying and reporting emissions in the country.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☑ Carbon taxes

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Brazil

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Regular meetings

☑ Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

19.562

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Cemig participates in meetings, contributing to influencing public policies and strategic guidelines that promote a development model, focused on a cleaner and more inclusive economy. The organization supports the regulated carbon market in Brazil and the promotion of sustainable development. In 2023, it held a workshop "Carbon markets in Brazil: connections between regulated and voluntary", and a Climate Change and Human Rights Workshop and performance at COP 28 with the aim of accelerating the transformations of companies and their value chains.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Global Compact – Net Zero Ambition Movement

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☑ Emissions – CO2

☑ Emissions – methane

☑ Emissions – other GHGs

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Global

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Regular meetings

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

18.323

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Cemig participates in meetings and seeks to influence other players in the pursuit of net zero commitment. By joining the Net Zero Ambition Movement, Cemig made a commitment to annually publish an inventory of greenhouse gas (GHG) emissions; and reduce GHG emissions in line with the criteria of the Science Based Targets initiative (SBTi). In 2023, all operations and positions were aimed at limiting global warming to 1.5ºC.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

☑ Other global trade association, please specify :UN Global Compact (Climate Action Platform)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Water

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Global Compact aims to align companies' strategies and operations with the principles of corporate social responsibility and sustainability, including climate and water-related issues. Currently, the Global Compact is one of the largest corporate sustainability initiatives in the world, comprising more than 80 networks covering more than 159 countries, as well as Brazil. The principles of the Global Compact guide all the relationships established because of the company's activities and are described in Cemig's Social Responsibility Booklet. In 2009, Cemig signed a letter of adhesion to the Global Compact, publicly reinforcing its commitment. In December 2021, Cemig joined the Ambition for the SDGs Program, which is coordinated by the Global Compact and is expected to last 6 months. In 2023, Cemig took part in the 5 periodic meetings, presenting projects in the area on specific panels. The journey encompassed themes and activities such as the Climate Accelerator, the Advisory Committee and CEO Roundtable, Benchmark Meetings, and productions aimed at Communication and Visibility.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

South America

☑ Other trade association in South America, please specify **:**ABRAGE - Brazilian Association of Electricity Generating Companies

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

ABRAGE aims to exchange technical, commercial, financial, and legal information on renewable and non-renewable electricity generation activities. In 2023, ABRAGE did not oppose the Bill establishing the carbon market. In line with this stance, Cemig is positioned to support the country's energy transition, helping to achieve a more renewable matrix.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

32.242

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

It works to disseminate technical information that contributes to the energy transition and interacts with the executive and legislative branches in formulating public policies aligned with sustainable development.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

South America

☑ Other trade association in South America, please specify :APINE (Brazilian Association of Independent Electricity Producers)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

APINE's purpose is to promote the defense of the interests of the electricity generation segment, especially regarding independent producers and similar generators, promoting the expansion of their market space and preserving their profitability.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

41.121

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

It works to disseminate technical information that contributes to the energy transition and interacts with the executive and legislative branches in formulating public policies aligned with sustainable development.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 4

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

South America

☑ Other trade association in South America, please specify **:**ABRADEE (Brazilian Association of Electricity Distributors)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual’s position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

ABRADEE's aim is to represent its members in legal contexts and beyond, in defense of their interests. This work involves: supporting members in technical, commercial, economic, financial, legal, political and institutional areas; encouraging mutual collaboration between members; carrying out studies of interest to the member group; drawing up studies and proposals with a view to resolving problems, in collaboration with the powers assigned, on issues related to members' activities; and promoting training and seminars on information of interest. With the increase in micro and mini distributed energy generation (DG) connections, the discussion on Normative Resolution 482/2012 is becoming increasingly important, especially regarding the tariff impacts on consumers without DG and the benefits of this modality to the electricity system.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

1.05279696

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The Vice-President of Distribution sits on ABRADEE's Board of Directors. Several Cemig employees work in different working groups, with an emphasis on energy efficiency and socio-environmental responsibility. Cemig contributes an annual fee to ABRADEE, established at a general meeting of the institution's shareholders, under the terms of its articles of association. In 2023, this amount was R1,052,796.96.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 5

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

South America

☑ Other trade association in South America, please specify **:**ABRATE (Brazilian Association of Electric Energy Transmission Companies)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

ABRATE seeks to represent the interests and add value to its member companies, acting proactively to ensure the sustainability, development, and attractiveness of the electricity transmission business. The association aims to be recognized as one of the main institutional agents in promoting the sustainability, development, and attractiveness of the electricity transmission industry.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

265.0432

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Cemig contributes an annual fee to ABRATE, established at the institution's general meeting, under the terms of its articles of association. In 2023, this amount was R 265,043.20.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 6

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

South America

☑ Other trade association in South America, please specify :ABRACEEL (Brazilian Association of Energy Traders)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The association aims to defend competition in the free market as an instrument to promote efficiency and security of supply in the areas of electricity, ethanol, and natural gas. It also aims to stimulate the growth of carbon credit trading and promote unity among its members, representing them before public authorities, national and international bodies, and institutions. ABRACEEL defends the rights, interests and aspirations of its members and cooperates with public authorities and national and international institutions, as a technical and consultative body.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

84.6

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Cemig has no representative in the association's governance structure. The company acts through a technical group responsible for discussing, proposing, and submitting contributions to MME1/Aneel public hearings on the association's participation in government bodies. Cemig contributes an annual fee to ABRACEEL, established at the institution's general meeting, under the terms of its articles of association. In 2023, this amount was R84,600.00.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 7

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

South America

☑ Other trade association in South America, please specify :ABDIB (Brazilian Association of Infrastructure and Basic Industries)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

ABDIB's aim is to contribute to Brazil's economic growth and social development by increasing investment in infrastructure and basic industries. In addition, it seeks to strengthen the competitiveness of companies supplying goods and services for infrastructure and basic industries and to collaborate with public and private agents in the search for consistent solutions to make investments viable and increase the participation of Brazilian companies in the global infrastructure market.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

120.588

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Cemig contributes an annual fee to ABDIB, established at a general meeting of the institution's shareholders, under the terms of its articles of association.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:
☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply
☑ Paris Agreement

Row 8

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

South America
☑ Other trade association in South America, please specify **:**ABRAGEL (Brazilian Clean Energy Generation Association)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Water

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual’s position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

ABRAGEL currently represents the most relevant generation agents for Hydroelectric Generating Plants (HGP), Small Hydroelectric Plants (SHP) and Hydroelectric Plants (HPP) of up to 50 MW in the country. Its main objective is to promote the union of small and medium-sized electricity producers, companies, entities, and associations interested in this market, representing its members before public authorities, national and international organizations and institutions, defending their rights, interests and aspirations. It also aims to cooperate with interested parties as a representative, technical and consultative body in the study and solution of issues related to the activities of its members.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

129.6725

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

All the materials and publications made by ABRAGEL in 2023 were aligned with the Paris Agreement. Cemig supports the energy transition and invests in infrastructure lines and networks to connect new renewable energy sources. Cemig contributes an annual fee to ABRAGEL, established at the institution's general meeting, under the terms of its articles of association. In 2023, this amount was R129,672.50.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ TCFD
☑ TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change
☑ Water
☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply
☑ Strategy
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Dependencies & Impacts
☑ Biodiversity indicators
☑ Water accounting figures
☑ Content of environmental policies

(4.12.1.6) Page/section reference

Pages 123-159

(4.12.1.7) Attach the relevant publication

ras-cemig-2023.pdf

(4.12.1.8) Comment

In addition to the material topics highlighted in the body of the Sustainability Report, Cemig provides the GRI and SASB indexes in the annexes of the same publication. These indices offer a comprehensive view of the company's progress on ESG issues, allowing stakeholders to identify detailed information on Cemig's performance and initiatives in sustainability and corporate responsibility on issues that are material to the company. These indices offer a comprehensive view of the company's progress on ESG issues, allowing stakeholders to access detailed information on Cemig's performance and initiatives in sustainability and corporate responsibility.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ DDP

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Direct interaction with climate

☑ Perception of efficacy of climate regime

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The Deep Decarbonization Pathways (DDP) study focused on Brazil simulates two greenhouse gas (GHG) emissions scenarios for the country through 2050: one aligned with a deep decarbonization trajectory (Deep Decarbonization Scenario - DDS) and the other reflecting current policies (Current Policies Scenario - CPS). These scenarios provide a framework for analyzing economic and sectoral indicators of a decarbonization path aligned with the overarching goal of the Paris Agreement (net-zero GHG emissions by 2050). In relation to the energy sector, under the Deep Decarbonization Scenarios (DDS), Brazil's energy generation reaches nearly net-zero emissions by 2050.

(5.1.1.11) Rationale for choice of scenario

In the DDP scenario applied to Brazil, considering strong decarbonization of the country's economy, the main sources to expand energy generation are hydropower, wind, and solar photovoltaics. Carbon pricing and the rapid technological development of renewable energy (especially batteries, solar, and wind) are the key international enablers of the DDS scenario. Using this scenario, an assessment of CEMIG's decarbonization curve was conducted through the ACT (Assessing low-Carbon Transition) tool, developed by ADEME (French Ecological Transition Agency). Through this tool, it was possible to assess that Cemig's decarbonization strategy is progressing, but additional efforts are needed to address some sources of emissions.

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WWF Water Risk Filter

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Changes in ecosystem services provision

☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Impact of nature service delivery on consumer

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Cemig monitors the characteristics of the region where its hydroelectric operations are concentrated to ensure the proper management of resources. A hydroelectric project, in order to guarantee its long-term power generation and thus preserve its business plan, is granted a flow rate allocation for the right to use water resources. This allocated flow is part of the River Basin Water Resources Plan, which establishes the percentage of flow designated for each use, depending on the type of user within the basin. Typically, when the right to use water resources is granted, future projections of consumptive uses within the upstream drainage area of the hydroelectric plant are considered. These future consumptive uses are expected to increase over time. Additionally, these projections may be revised in subsequent years, based on population growth and the development of economic activities in the areas upstream of the hydroelectric plant. During the first Ordinary Review of Guaranteed Energy for centrally dispatched hydroelectric plants (1st ROGF), which took place in 2017 (with guarantees effective from January 1, 2018), consumptive uses were based on 2016 as the reference year. In the second ROGF, held in 2022 (with guarantees effective from January 1, 2023), consumptive uses were based on 2023 as the reference year, as outlined in ANA Resolution 93, dated August 23, 2021. The consumptive uses considered in the second ROGF were higher than those in the first ROGF, due to both the expected temporal increase in consumptive uses and some revisions to future projections. The guaranteed energy levels determined in the second ROGF were published by the GM/MME Ordinance 709, dated November 30, 2022. For most of the hydroelectric plants covered by the second ROGF, there was a reduction in guaranteed energy – with a significant portion of these plants experiencing losses that reached the 5% limit, as established by decree. The increase in consumptive uses was a factor – although not the only one, nor the main one – that contributed to the reductions in guaranteed energy levels. This study was conducted with data from the current year, without projections. However, it is expected that this behavior will persist in the short term (until 2025). Cemig plans to conduct new studies as hydrological variations are observed.

(5.1.1.11) Rationale for choice of scenario

According to the WWF Water Risk Filter tool, water stress in the Minas Gerais region is considered low to medium-low. Although the company assets are not exposed to significant water stress, it is understood that Emborcação, Nova Ponte, and Queimado hydroelectric plants are more vulnerable to this condition. In 2023, there was a higher volume of water intake at these plants due to greater water availability, which contributed to an improvement in reservoir levels. Regarding Cemig's hydroelectric plants, the increase in consumptive uses was significant at the Emborcação, Nova Ponte, and Queimado plants. The annual average of accumulated consumptive uses upstream of the Emborcação plant, which had already been elevated during the 1st ROGF, increased by 47.6% in the 2nd ROGF. For the Nova Ponte plant, consumptive uses increased by 61.2%. Lastly, for the Queimado plant, the annual average increased by 102%. This is primarily due to the significant pressure the river basins where these plants are located have been facing in recent years from upstream irrigation users, who have increasingly withdrawn water for consumptive uses, as indicated in previous reports. It is worth noting that ordinary reviews of guaranteed energy occur every five years. Therefore, the 3rd ROGF is scheduled for 2027, with guaranteed energy levels effective from January 2028. It is likely that consumptive uses for the year 2028 will be adopted, following the pattern observed in the 2nd ROGF.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP1

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the assessment of physical risks, the fifth report of the Intergovernmental Panel on Climate Change (IPCC) was used as a basis, which presents four Representative Concentration Pathways (RCPs) that outline possible futures related to greenhouse gas emissions. Cemig analyzed scenarios for the variables of precipitation, temperature, humidity, wind speed, and longwave radiation across five models: a) CAMS - Chinese Academy of Meteorological Sciences – China. b) CNRM - Centre National de Recherches Meteorologiques – France. c) HadGEM3 - Met Office Hadley Centre – United Kingdom. d) NOAA-GFDL - National Oceanic and Atmospheric Administration, Geophysical Fluid Dynamics Laboratory – United States of America. e) INM - Institute for Numerical Mathematics, Russian Academy of Science – Russia. The use of a multi-model methodology ensures a reduction in uncertainties in the generated responses, providing more accurate information for the definition of business strategies. The analysis for all scenarios considered two time horizons for each project, as follows: HOR_01, which takes into account projections related to the concession period of the generation plants. HOR_02, which considers a renewal of an additional 30 years.

(5.1.1.11) Rationale for choice of scenario

The selection of physical scenarios studied by Cemig aims to compare both optimistic and extreme cases, seeking to understand the actions the company must take in terms of both mitigation and adaptation measures. As for RCP2.6, the most optimistic of the scenarios where radiative forcing reaches a peak of 2.6 W/m², it predicts a peak in CO2 concentration of approximately 490 ppm and a decline in this value by the end of the 21st century. In this context, the increase in global temperature would be between 0.3C and 1.7C from 2010 to 2100, and sea level rise would range from 26 to 55 cm. However, for this scenario to occur, greenhouse gas concentrations would need to stabilize within the next 10 years, followed by their removal from the atmosphere.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the assessment of physical risks, the fifth report of the Intergovernmental Panel on Climate Change (IPCC) was used as a basis, which presents four Representative Concentration Pathways (RCPs) that outline possible futures related to greenhouse gas emissions. Cemig analyzed scenarios for the variables of precipitation, temperature, humidity, wind speed, and longwave radiation across five models: a) CAMS - Chinese Academy of Meteorological Sciences – China. b) CNRM - Centre National de Recherches Meteorologiques – France. c) HadGEM3 - Met Office Hadley Centre – United Kingdom. d) NOAA-GFDL - National Oceanic and Atmospheric Administration, Geophysical Fluid Dynamics Laboratory – United States of America. e) INM - Institute for Numerical Mathematics, Russian Academy of Science – Russia. The use of a multi-model methodology ensures a reduction in uncertainties in the generated responses, providing more accurate information for the definition of business strategies. The analysis for all scenarios considered two time horizons for each project, as follows: HOR_01, which takes into account projections related to the concession period of the generation plants. HOR_02, which considers a renewal of an additional 30 years.

(5.1.1.11) Rationale for choice of scenario

The selection of physical scenarios studied by Cemig aims to compare both optimistic and extreme cases, seeking to understand the actions the company must take in terms of both mitigation and adaptation measures. The RCP4.5 scenario has been one of the most widely used and predicts an additional energy storage of 4.5 W/m² and stabilization of greenhouse gas emissions before 2100. In this case, the increase in global temperature would range between 1.1C and 2.6C, and sea levels would rise by 32 to 63 cm. Under this scenario, while the impacts may be less severe than in more extreme cases, Cemig would still need to prepare for moderate temperature increases and rising sea levels, which could affect hydrological patterns and energy production. This scenario emphasizes the importance of proactive adaptation strategies to maintain operational efficiency, as well as investment in mitigation measures to reduce emissions.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP5

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0ºC and above

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the assessment of physical risks, the fifth report of the Intergovernmental Panel on Climate Change (IPCC) was used as a basis, which presents four Representative Concentration Pathways (RCPs) that outline possible futures related to greenhouse gas emissions. Cemig analyzed scenarios for the variables of precipitation, temperature, humidity, wind speed, and longwave radiation across five models: a) CAMS - Chinese Academy of Meteorological Sciences – China. b) CNRM - Centre National de Recherches Meteorologiques – France. c) HadGEM3 - Met Office Hadley Centre – United Kingdom. d) NOAA-GFDL - National Oceanic and Atmospheric Administration, Geophysical Fluid Dynamics Laboratory – United States of America. e) INM - Institute for Numerical Mathematics, Russian Academy of Science – Russia. The use of a multi-model methodology ensures a reduction in uncertainties in the generated responses, providing more accurate information for

the definition of business strategies. The analysis for all scenarios considered two time horizons for each project, as follows: HOR_01, which takes into account projections related to the concession period of the generation plants. HOR_02, which considers a renewal of an additional 30 years.

(5.1.1.11) Rationale for choice of scenario

The selection of physical scenarios studied by Cemig aims to compare both optimistic and extreme cases, seeking to understand the actions the company must take in terms of both mitigation and adaptation measures. RCP8.5 is a pessimistic scenario, characterized by an accelerated rate of emissions with no stabilization in sight. This scenario predicts an additional energy storage of 8.5 W/m². As a result, the Earth's surface could experience warming between 2.6C and 4.8C over the course of the century, and sea levels could rise by 45 to 82 cm. In this context, RCP8.5 presents significant risks for Cemig, as the increased temperatures and rising sea levels could lead to more frequent and severe hydrological events, such as droughts or floods, directly impacting hydroelectric generation capacity. The company may face challenges in maintaining stable operations, requiring substantial investments in both infrastructure resilience and adaptive management strategies to mitigate potential disruptions and secure long-term business sustainability.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation
☑ Technology
☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Changes in ecosystem services provision
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Relevant technology and science
☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In this scenario, Cemig faces a strict regulatory environment, with high carbon prices and strong incentives for clean energy. Adapting to decarbonization policies will require the company to align its operations and investments with these global and national policies, which may include rapidly adjusting to emission standards and actively participating in carbon markets. Cemig can take advantage of incentives for renewable energy and low-carbon energy supply contracts, strengthening its competitiveness. Furthermore, innovation in clean technologies will be crucial. The company must accelerate investments in technologies such as energy storage, smart grids, and energy efficiency solutions to manage the intermittency of renewable sources and maximize the efficiency of its distribution network. Carbon capture and storage (CCS) technologies and green hydrogen will also be important, as well as the digitalization and automation of operations. Diversifying the energy matrix, as is already being done, is necessary, along with the potential expansion of distributed generation, leveraging technological advances to efficiently and economically integrate these sources into the power system, thus reducing dependence on traditional hydroelectric generation.

(5.1.1.11) Rationale for choice of scenario

The IEA NZE 2050 scenario represents a vision aligned with the most ambitious goals of the Paris Agreement, aiming to limit temperature rise to 1.5ºC above pre-industrial levels, and is characterized by strict regulations and high carbon prices. This scenario is relevant for Cemig, as it prepares the company for a future where decarbonization will be critical to business sustainability. By aligning with this scenario, Cemig can anticipate stricter regulations, adapt to higher carbon prices, and capitalize on the growing demand for low-carbon energy solutions. In this context, it is important to recognize the costs involved in necessary investments and potential compensations that Cemig will need to address. The transition to a low-carbon future will require substantial financial commitments in areas such as renewable energy infrastructure, energy storage solutions, and advanced grid technologies. These investments are essential not only to comply with stringent regulations but also to remain competitive in a market increasingly focused on sustainability. By proactively addressing these financial implications, Cemig can position itself to navigate the complexities of the evolving energy landscape effectively.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IRENA

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In the IRENA scenario, the ambition is to contribute to limiting the global temperature increase well below 2C, emphasizing a gradual transition driven by robust incentive policies for renewable energy and energy efficiency. Its success heavily relies on the implementation and continuation of supportive government policies and incentives, which can change based on political and economic circumstances. Additionally, it assumes rapid advancements in renewable energy technologies and energy efficiency measures. Market dynamics, including fluctuations in energy prices and demand for renewable energy, may impact the feasibility of investments and the overall success of the transition.

(5.1.1.11) Rationale for choice of scenario

Within this scenario, Cemig identifies incentive policies and support mechanisms, such as renewable energy auctions and subsidies, that will create a favorable environment for the expansion of Cemig's clean energy operations. To capitalize on these opportunities, the company should actively participate in auctions and support programs while adapting its operations to meet new energy efficiency and emissions regulations. Technological innovation will be fundamental, and Cemig must enhance its R&D capabilities in renewable energy and energy efficiency. Investments in advanced solar and wind technologies, next-generation energy storage systems, and smart grids will be vital for effectively integrating renewable energy sources and managing demand. Moreover, innovative solutions like microgrids and distributed energy technologies will provide additional flexibility and resilience to the energy system. To diversify its energy matrix, Cemig will need to accelerate its plans for expanding solar and wind capacity, as well as explore emerging energy opportunities such as geothermal and ocean energy, depending on their technical and economic feasibility. Additionally, expanding distributed generation is a key initiative for diversifying Cemig's energy portfolio and reducing vulnerability to hydrological variations. The company should also consider electrifying its own processes and developing solutions for industrial and commercial customers seeking to lower their carbon footprints.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA STEPS (previously IEA NPS)

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The IEA STEPS scenario is based on the assumption that government and sectoral climate goals will remain less ambitious, resulting in a slower pace of energy transition. This scenario acknowledges that regulatory frameworks and market structures will heavily influence the trajectory of energy production and consumption. Consequently, there is an expectation of reduced incentives for decarbonization, which may hinder rapid adaptation to the growing demands for cleaner and more sustainable energy sources. The uncertainties surrounding future regulatory changes and market dynamics could further complicate Cemig's ability to navigate this transition effectively. In this context, Cemig's response involves maximizing opportunities within the current regulatory and budgetary environment while being cautious about potential changes that could impact the energy landscape.

(5.1.1.11) Rationale for choice of scenario

The choice of the IEA STEPS scenario is driven by the recognition of the current limitations in climate ambition and the likely trajectory of energy policies in Brazil. This scenario reflects a realistic outlook, given the existing regulatory frameworks and market conditions that may not fully support a rapid transition to net-zero emissions. By adopting this scenario, Cemig can strategically plan its investments and operations, focusing on renewable energy auctions, tax incentives, and the integration of technologies such as smart grids and energy storage systems. Additionally, the incremental approach to diversifying the energy matrix aligns with the current policy environment, enabling Cemig to gradually expand its solar and wind generation capacity while reducing reliance on traditional hydropower. This rationale allows the company to prepare for future challenges and opportunities, ensuring that it remains aligned with both market conditions and sustainability objectives, even in a constrained regulatory landscape.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 3.4

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP4

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.5ºC - 2.9ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the assessment of physical risks, the fifth report of the Intergovernmental Panel on Climate Change (IPCC) was used as a basis, which presents four Representative Concentration Pathways (RCPs) that outline possible futures related to greenhouse gas emissions. Cemig analyzed scenarios for the variables of precipitation, temperature, humidity, wind speed, and longwave radiation across five models: a) CAMS - Chinese Academy of Meteorological Sciences – China. b) CNRM - Centre National de Recherches Meteorologiques – France. c) HadGEM3 - Met Office Hadley Centre – United Kingdom. d) NOAA-GFDL - National Oceanic and Atmospheric Administration, Geophysical Fluid Dynamics Laboratory – United States of America. e) INM - Institute for Numerical Mathematics, Russian Academy of Science – Russia. The use of a multi-model methodology ensures a reduction in uncertainties in the generated responses, providing more accurate information for the definition of business strategies. The analysis for all scenarios considered two time horizons for each project, as follows: HOR_01, which takes into account projections related to the concession period of the generation plants. HOR_02, which considers a renewal of an additional 30 years.

(5.1.1.11) Rationale for choice of scenario

The selection of physical scenarios studied by Cemig aims to compare both optimistic and extreme cases, seeking to understand the actions the company must take in terms of both mitigation and adaptation measures. RCP3.4 is particularly relevant for Cemig as it emphasizes the importance of technological advancements and strong policy frameworks that support the transition to renewable energy and enhanced energy efficiency. By considering RCP3.4, Cemig can explore strategic opportunities for innovation in its operations.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 7.0

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP3

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 3.5ºC - 3.9ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the assessment of physical risks, the fifth report of the Intergovernmental Panel on Climate Change (IPCC) was used as a basis, which presents four Representative Concentration Pathways (RCPs) that outline possible futures related to greenhouse gas emissions. Cemig analyzed scenarios for the variables of precipitation, temperature, humidity, wind speed, and longwave radiation across five models: a) CAMS - Chinese Academy of Meteorological Sciences – China. b) CNRM - Centre National de Recherches Meteorologiques – France. c) HadGEM3 - Met Office Hadley Centre – United Kingdom. d) NOAA-GFDL - National Oceanic and Atmospheric Administration, Geophysical Fluid Dynamics Laboratory – United States of America. e) INM - Institute for Numerical Mathematics, Russian Academy of Science – Russia. The use of a multi-model methodology ensures a reduction in uncertainties in the generated responses, providing more accurate information for the definition of business strategies. The analysis for all scenarios considered two time horizons for each project, as follows: HOR_01, which takes into account projections related to the concession period of the generation plants. HOR_02, which considers a renewal of an additional 30 years.

(5.1.1.11) Rationale for choice of scenario

The selection of physical scenarios studied by Cemig aims to compare both optimistic and extreme cases, seeking to understand the actions the company must take in terms of both mitigation and adaptation measures. By analyzing RCP7.0, Cemig can gain valuable insights into the potential market dynamics and regulatory environments that could shape its operational strategies in the coming years. This scenario allows the company to prepare for the implications of delayed climate action, such as increased regulatory constraints and the need for greater investment in renewable energy technologies. Additionally, RCP7.0 serves as a reminder of the urgency for proactive measures, encouraging Cemig to enhance its initiatives in energy efficiency and diversification of its energy matrix.
[Add row]

(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

In 2021, Cemig carried out a first study considering scenario analysis to compose its Climate Change Adaptation Plan, which guided the identification of priority issues and actions that should be included in the Company's Strategic Planning, in the context of climate. This analysis of climate scenarios has been updated annually and disclosed in documents such as the company's TCFD Report, publicly available on Cemig's website. The focal questions raised by the company in this study have as their starting point, mainly, the recognition of its water dependence and its performance in a sector that is responsible for a large part of the world's greenhouse gas emissions. Therefore, the scenario analysis was carried out with the objective of reducing the company's impact on the climate and identifying, within the Brazilian context, a strategy for diversifying the energy matrix. In terms of physical risks, the main issues investigated in the study are: - Changes in rainfall regimes and the impact on the company's hydroelectric plants: As Cemig's electricity production is mostly hydraulic, changes that tend to water scarcity may cause a reduction in generation capacity. Historically, the Company has already been experiencing the impacts of these risks in the last 5 years due to water scarcity in the basins where it has a hydroelectric generation project. This risk is mitigated through the diversification of the electricity matrix and the implementation of improvements in the management of water resources. - The impacts of heavy rains and fires on the transmission and distribution of energy: Occurrence of storms and fires: Heavy rains and winds cause physical damage to the facilities that transport and distribute energy, leading to their unavailability. In addition to winds, fires within the easements or in their vicinity can also cause occurrences of unavailability of transmission lines. As a result, Cemig has strengthened the management of preventive adaptation measures, such as the management of urban forestation, the operation of climatological stations and weather radar, and the preparation of fire prevention manuals. When it comes to transition risks, Cemig sought to investigate mainly: - The implementation of an Emissions Trading System: The establishment of a cap-and-trade GHG emissions trading market in Brazil may lead to the need for greater planning by Cemig with regard to compliance with specific market regulations, especially in relation to the monitoring and verification of emissions. - The ambitions of the Brazilian NDC and the impact on the energy sector: Through the National Policy on Climate Change, the Brazilian government made official its contribution to the Paris agreement, making a voluntary commitment through its Nationally Determined Contribution (NDC) to reduce, by 2025, greenhouse gas (GHG) emissions by 37% below 2005 levels. Subsequently, this commitment was revised considering the period until 2030, establishing a reduction in GHG emissions by 43% below 2005 levels. As part of the alignment with this goal, Cemig's

electricity generation matrix is 100% renewable. To mitigate risks arising from water dependence, Cemig has been diversifying its energy matrix and identifying opportunities to reduce emissions in its value chain.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The monitoring of the characteristics of the regions where its hydroelectric operations are located, including the issue related to water stress, supports Cemig's strategy to ensure adequate management that guarantees the production of electricity in the long term. In line with concerns about the use of water resources, the company produced a report on exposure to areas with water stress, revealing that Cemig's hydroelectric operations are not located in regions with high water risk. Based on two analysis methodologies, what was observed was that the water stress indices show a low stress scenario. In addition, the hydrographic basins where Cemig operates do not have areas classified as high risk or very high risk, reinforcing the operational viability of the plants and the security in the use of water resources. In response to climate scenarios and growing concerns about water scarcity, Cemig has implemented monitoring and management strategies that ensure the sustainability of its operations. The company is committed to continuously assessing the hydrological conditions and resilience of its operations in the face of climate change, ensuring the adequacy of water resources to produce electricity in the long term.
[Fixed row]

(5.2) Does your organization’s strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

Cemig's transition plan takes into account actions to achieve the goals that are being validated by the SBTi, in addition to having been developed in line with the main recommendations of frameworks and initiatives such as CDP, Transition Plan Taskforce (TPT) and Assessing Low-Carbon Transition (ACT). The transition plan is a time-bound action plan that outlines how the organization will orient its strategy in relation to its assets, operations, and business model toward a trajectory that aligns with the latest and most ambitious climate science recommendations. Cemig makes a public commitment in its plan to revisit it at least every three years, in accordance with the recommendations of the main methodological frameworks. The Plan highlights efforts on the following key elements: - Governance and incentives. - Value chain engagement. - Low carbon initiatives. - Financial planning. - Political engagement. - Risks and opportunities. - Accounting for scope 1, 2 and 3 emissions. - Goal setting. - Organizational culture. The efforts are described below: - Creation of financial incentives linked to the achievement of climate goals for leadership and directors, including the presidency. - Creation of financial incentives for innovative ideas that promote the reduction of emissions. - Offering certifications to employees who demonstrate a significant contribution to achieving decarbonization goals. - Exclusive use of ethanol in the own fleet and replacement of part of the fleet with electric models (reaching 20% replacement by 2030). - Use of renewable energy for own consumption (with associated certification). - Projects to reduce technical losses. - Projects and programs for the reduction of non-technical losses. - Expansion of its generating complex with investments in renewable energy sources. - Tracking of the sources of energy purchased from third parties and traded and certification of the renewable energy portion with I-REC and Cemig-REC. - Innovative projects for energy distribution. - Engagement with the value chain. - Inclusion of requirements in contracts and bids. - Incentive for the establishment of shared goals with suppliers. - Participation in initiatives and associations. - Working with customers for sustainable choices. - Investments in energy efficiency initiatives.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ Our climate transition plan is voted on at Annual General Meetings (AGMs)

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

The Transition Plan was built on the recommendations of CDP, TPT and ACT. All emission sources were projected until 2040 using historical data and market projections such as those in the energy trading area. Together with the projections, the goals submitted to SBT were inserted and, through the comparison between this information, the assumptions were built, defined for each of the emission sources, to achieve the goals. For example, for emissions related to the company's own fleet, assumptions were included for the exclusive use of ethanol from 2025 onwards, an increase in the gradual use of biodiesel and the replacement of pickup trucks with electric models in 2030, with progression until 2040, observing technological evolution (dependence). For land-use emissions, no decarbonization levers were foreseen, as well as stationary combustion emissions. For emissions related to the use of SF6, a reduction in emissions is expected by 5% from 2032 and 10% from 2035, both with maintenance actions to prevent leaks and replacement of equipment that uses other insulating materials (dependent on technological evolution). For its own electricity consumption, it was planned to supply renewable energy, which is already being done. For losses, emissions will depend on changes in the emission factor of the national grid. The lever uses the DDP scenario built by UFRJ. A change in the calculation method (from location to market) may also be studied. For the commercialization of electricity, the premise is to track the sources of emission and preferential purchase of renewable energy, achieving the certification of 100% of the energy by 2036. Other levers refer to engagement actions with suppliers to reduce emissions, improvements in Cemig's processes and monitoring the results of the use of SAF (to reduce emissions from air travel).

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

Cemig, in its Transition Plan, is committed to a series of goals that are being validated with the SBT initiative. While waiting for the approval of the targets, it has already been making efforts to reduce emissions and to change the company's culture towards a more sustainable business model, as highlighted below: (1) 'Reach the mark of 100% of electricity from renewable sources to meet Cemig's internal needs'. In 2023, all the energy consumed by Cemig's operating units was purchased from renewable sources, with the attribution of a renewable energy certificate. (2) 'Achieve a significant reduction of 69.4% in Cemig's absolute emissions by 2030'. In 2023, Cemig achieved a 57% reduction in emissions, which is very close to the target. (3) 'Reduce carbon intensity by 75.8%, considering both energy generation and commercialization by 2030', and in 2023, the company reached the value of 63%. (4) 'Reduce emissions not related to energy trading by 42% by 2030', having achieved a result of 26% in 2023. (5) Regarding the Net-Zero goal of reducing Scope 1, 2 and 3 emissions by 90% by 2040, Cemig has already reached the 48% mark. In addition to these goals, due to the discussions related to the construction of the Transition Plan, the achievement of climate goals has already been instituted in the PLR of several boards, including the presidency. The company has also structured a guideline for the use of ethanol in its own fleet and has been creating a policy that ensures the updating of emission inventories, even old ones, if new methodologies are presented by the GHG Protocol or by SBT itself. The other actions included in the Plan are still in progress.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

7.1-LY_CEMIG-PLAC.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ No other environmental issue considered

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

With the production of electricity, mainly by hydroelectric plants, Cemig recognizes that the risks inherent to climate change can cause a reduction in generation capacity and a significant impact on energy supply. In this way, the company, among other risks, acts preventively, monitoring: - Change in rainfall pattern: Cemig has a specific organizational structure that supports risk management and decision-making, both in the commercialization and operation of assets. Cemig also participates in the Energy Reallocation Mechanism (MRE), whose purpose is to share the hydrological risks of plants in a situation of high inflows and generations, which transfer energy to plants in a situation of low inflows and generations. - Falling trees during storms: Cemig continuously carries out inspections and cleaning of the easements of its transmission lines to maximize the safety and availability of transmission and distribution functions (always limited to the minimum removal of vegetation, avoiding cutting in places where there is no interference with the transmission and distribution lines). - Changes in precipitation and drought extremes: Management methods seek to reduce, in the medium term, the magnitude of this risk through preventive adaptation measures, such as the proper management of urban afforestation through pruning, the operation of climatological stations and weather radar, which predicts the occurrence and intensity of storms more accurately, and the emergency plan with the allocation of maintenance teams for the rapid restoration of the power supply; - Change in consumer behavior: This risk is managed by diagnosing the electrical system for the need for expansion works, monitoring operating conditions, and reprioritizing the works. In addition to monitoring, Cemig has also invested in the diversification of its energy matrix, expanding the use of wind and solar sources in order to reduce dependence on hydroelectric plants.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Possible losses resulting from the increase in the intensity of winds, floods, droughts may affect the operation of Cemig's energy business not only directly but also indirectly when they have an impact on the supply chain, especially those directly involved in the implementation/maintenance of infrastructure (transmission and distribution). For this reason, Cemig constantly monitors its supply chain, maintaining a high degree of demand and care based on the mapping of potential risks and probabilities of occurrence, and of tangible and intangible impacts, calculated in financial values, and of a strategic nature for the company. In addition, Cemig seeks to align suppliers and contractors with its vision of sustainability, its commitments and business values. Among these values, Cemig integrates its commitment to Climate Change into its Supply Policy. In terms of impact, Cemig estimates that climate change may affect suppliers in the medium to long term, but in a low magnitude based on the supplier classification system based on social and environmental criteria. A strategic decision by Cemig influenced by the climate issue is the

application of a socio-environmental questionnaire to suppliers (started in 2019). The questionnaire, called Industrial Technical Evaluation, must be answered both by new suppliers and by those already hired by Cemig, as a form of periodic evaluation. In the content there are several issues, including some related to the environment (monitoring of GHG emissions and GHG reduction targets). In addition, a climate change booklet has been made available on the supplier portal since 2021.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Cemig seeks to implement mitigation and adaptation measures by investing in research, development and innovation, always seeking to continuously improve its processes, reduce its greenhouse gas emissions and prepare for the effects of climate change – considering energy alternatives and energy efficiency. The company has defined the medium and long-term strategic initiative to explore new technologies and opportunities such as smartgrid, hybrid generation, energy storage, green hydrogen production, "electro stations", digitalization, among others, in order to mitigate this risk and leverage opportunities. As a way to make this strategic initiative viable, Cemig annually launches R&D calls for proposals focused on the opportunities mapped.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

☑ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Cemig promotes a series of initiatives that enable the accurate management of possible impacts related to climate change on its operations, among which the following stand out: - Hydrometeorological Monitoring: Preventively, Cemig invests yearly in practices that position it in a safer situation in the face of various possible scenarios, using modern techniques and equipment, such as the Storm Location System, Telemetry and Hydrometeorological Monitoring System, mathematical models of hydrological simulation and weather and climate forecasting. - Dam Safety: The process aimed at ensuring the safety of the dams operated and maintained by Cemig uses, in all its stages, a methodology supported by the best national and international practices, also complying with Federal Law 12,334/2010, which establishes the National Dam Safety Policy, and its associated regulations (Normative Resolution No. 696/2015 of the National Electric Energy Agency – Aneel). In this context, the procedures for field inspection, collection and analysis of instrumentation data, preparation and updating of dam safety plans, planning and monitoring of maintenance services, analysis of results and classification of civil structures are contemplated. Based on the classification of the structures, the frequency of safety inspections and the monitoring routine are established. The vulnerability of each dam is automatically calculated on an ongoing basis and monitored by the Dam Safety Specialist System (Inspector). - Distribution Development Plan (PDD): The PDD consists of carrying out projects linked to the electric power system, associated with the expansion, reinforcement, renovation and renovation of Cemig D's assets, such as substations and distribution lines. The Plan is reviewed regularly, and new investments have been defined for the cycle 2024/2028.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

☑ Direct costs

☑ Indirect costs

☑ Capital allocation

☑ Capital expenditures

☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The generation of electricity by Cemig is predominantly hydraulic. In 2023, the company had 57 Hydroelectric Power Plants(HPPs), Small Hydroelectric Power Plants (SHPs) and Hydroelectric Generating Plants (CGHs). Therefore, a reduction in rainfall rates, which can be caused by climate change, affects the volume of water stored in the reservoirs, leading to a reduction in energy generation capacity. In other words, the risks inherent to climate change may increase the exposure of generators in the short-term market, due to a significant reduction in energy supply, which is an impact of high magnitude. Such a situation can directly affect revenue, and even give rise to the possibility of lawsuits for any losses caused. Accidental interruption of transmission lines, due to extreme weather conditions, can cause a reduction in energy availability, with a direct impact on billing, as well as on distribution lines, causing interruption in energy supply.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Indirect costs

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The incentive to wind and/or photovoltaic generation can lead to an increase in the capacity of energy generation from clean sources that are independent of the hydraulic component, reducing the need for energy dispatch through thermoelectric plants by the ONS and, therefore, reducing operating costs. The company was impacted in years of low rainfall, as occurred in 2014, 2017, 2021. As a countermeasure, the Energy Reallocation Mechanism (MRE) mitigated part of the impact of the generation variability of hydroelectric plants. When all the plants generate below the required value, the mechanism reduces the energy available from the plants, causing a negative exposure in the short-term market and, consequently, the need to purchase energy at the Difference Settlement Price (PLD). In years of very critical hydrology, the factor of reduction of available energy can compromise more than 20% of the available energy of hydroelectric plants, and is therefore of high magnitude.

Row 4

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The increase in average temperatures can cause an increase in the use of electrical equipment for air conditioning and refrigeration, with an impact on energy demand and an increase in revenue.

Row 5

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Climate change determines the need for the company to make additional investments for maintenance and improvement of the distribution network. The Distribution Development Plan (PDD) contributes to mitigating this risk, in addition to providing assistance to the increase in demand resulting from the vegetative growth of the population. The company considers the magnitude of this impact to be medium.

Row 6

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Indirect costs

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The investment in improving the distribution network involves the implementation of new, more efficient technologies that also contribute to reducing greenhouse gas emissions indirectly, by reducing technical losses and the number of trips for local interventions. Therefore, the PDD also supports the achievement of the Company's climate goals. Another strategic guideline of the Company is to diversify its generation complex, the current CAPEX plan (2024-2028) provides for a total investment of R 35.6 billion in new projects, of which R 2.1 billion in generation, in addition to an investment of R 3.3 billion in Cemig SIM, a Cemig Group company focused on innovation, energy efficiency and energy solutions. These investments support the diversification of the matrix, an opportunity to reduce water dependence and impact on the environment.

Row 7

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The uncertainty regarding the level of rainfall and, consequently, the reduction in the capacity to guarantee generation by Cemig's hydroelectric plants, give rise to the need to diversify the company's generating complex. Cemig considers the magnitude of this impact to be low, due to the renegotiation of the hydrological risk, in addition, in 2018 the company approved the multi-year business plan for the initiative of investment studies in wind and solar aimed at diversifying its generation complex.

Row 8

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Access to capital

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

If there is an increase in generation from non-renewable sources, due to periods of water scarcity and the need to meet the demand for the activation of thermal plants, there may be an increase in GHG emissions by the company. As a result, Cemig's performance in the sustainability indices of which it is part may be negatively influenced.

Row 9

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Access to capital

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Cemig participates in several sustainability indexes and rankings, which contributes to communicating the company's sustainability practices to the market, including its actions to mitigate the effects of climate change, and thus facilitating access to capital for investors and the financial market.

Row 10

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Assets

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Extreme weather events can result in overloading of Cemig's water reservoirs and even damage to the generating units. Cemig seeks to mitigate this risk with investments in dam safety (prevention) and also with the installation of a meteorological radar (disaster prevention). The magnitude of this impact is low, due to the maintenance services of its plants. The occurrence of extreme weather events, such as torrential rains and high-speed winds, can also lead to falling trees and cause damage to transmission and distribution lines. This risk is mitigated by pruning trees located in critical areas of the lines and reinforcing transmission lines.

Row 11

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Assets

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

In order to reduce the impact of climate change, Cemig's strategic driver is the search for the diversification of its energy matrix. As a result, the company has developed expertise in renewable energy generation (mainly wind and photovoltaic), in addition to constantly evaluating new technologies through its Research and Development program.

Row 12

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Liabilities

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Cemig's activities are capital-intensive. Naturally, the incorporation of generation assets to minimize the impact of climate change may cause the Company to become indebted. The magnitude of this impact is high, due to the greater frequency and intensity of these climatic events, causing a greater need for investments in measures to adapt the energy transmission and distribution system, in addition to the need for investments to diversify renewable energy generation.
[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from: ☑ Yes	*Select all that apply* ☑ A sustainable finance taxonomy	*Select from:* ☑ At the organization level only

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ Other, please specify :Green Bond Standard

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Total across climate change mitigation and climate change adaption

(5.4.1.5) Financial metric

Select from:

☑ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

5447000000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

76

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

94

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

87

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

Cemig has a Strategic Plan from 2024 to 2028. The calculations carried out consider the estimated CAPEX for the new cycle. To calculate the percentage, all Cemig's climate-related initiatives were gathered, such as the expansion of renewable energy, including investments in Cemig SIM; investments in education and reforestation activities; LED replacement; among other pertinent ones. In its new strategic planning, Cemig established high investments in sustainable activities, ensuring the expansion of the percentage participation in the short term.
[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization’s taxonomy alignment.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

Cemig understands activities and projects related to sustainable taxonomy – with a focus on climate change – as those that meet the criteria for expanding the renewable energy matrix and reducing greenhouse gas emissions. Therefore, fleet electrification projects, as well as projects to diversify wind and solar energy sources, for example, are considered in the composition of the company's green investments.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☑ No

(5.4.3.4) Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Currently, Cemig does not verify the information on alignment with the taxonomy, but is working to consolidate this investment analysis. The company plans to include this information in its future publications, with verification by a third party. This process is under development, with the aim of ensuring greater transparency and reliability in alignment with taxonomy criteria.
[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☑ Yes

(5.5.2) Comment

In 2023, Cemig totaled R 19,126,732.00 in resources invested in the environment (considering investments from 2020 to 2023). The company seeks to reconcile its development with environmental protection, the preservation of biodiversity, the rational use of natural resources and compliance with environmental legislation. Therefore, it continuously invests in R&D and new technologies aimed at mitigating impacts and reducing environmental risks. In 2023, R 829 thousand were spent, a lower amount than in previous years due to the closure of several projects in the period. The new strategic planning already contemplates new projects in the pipeline for the new cycle. In the coming years, the company will continue to invest in Research and Development, especially on the following three pillars: - To strengthen Cemig's performance in environmental issues. - Minimize environmental risk by avoiding fines, disputes and lawsuits. - Strengthen the company's sustainability. For climate change, one of the actions applied was the Operations Center of the Distribution of the future, which consists of the implementation of software based on the concepts of time-oriented visual analytics and hyper-vision, responsible for providing situational awareness to operators through a graphical interface. In addition, the company plans to continue investing, for example, in the development of projects to measure the impact of climate change on airline assets. Other projects under analysis consist of the production of Green Hydrogen and energy storage.
[Fixed row]

(5.5.7) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Row 1

(5.5.7.1) Technology area

Select from:

☑ Solar energy generation

(5.5.7.2) Stage of development in the reporting year

Select from:

☑ Basic academic/theoretical research

(5.5.7.3) Average % of total R&D investment over the last 3 years

58

(5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

856314.13

(5.5.7.5) Average % of total R&D investment planned over the next 5 years

19

(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The project for the exploration of agrivoltaic systems is aligned with Cemig's Transition Plan, as it seeks to integrate the production of renewable energy with agricultural activity, maximizing the sustainable use of natural resources, such as soil and water. The generation of photovoltaic energy contributes directly to the diversification and expansion of Cemig's clean energy matrix. In addition, the reduction of evapotranspiration and the use of rainwater in agricultural areas promote greater efficiency in the use of water, reinforcing the company's commitment to sustainability and mitigation of environmental impacts. The synergy between energy production and agriculture can provide economic, social and environmental gains, boosting productivity and avoiding the expansion of new cultivation areas, which

helps in the preservation of forests. The possibility of adopting smart farms and encouraging ecotourism in areas with agrivoltaic systems are in line with Cemig's long-term objectives of promoting sustainable economic development and strengthening environmental resilience in its value chain.

Row 2

(5.5.7.1) Technology area

Select from:

☑ Other, please specify :Green Hydrogen

(5.5.7.2) Stage of development in the reporting year

Select from:

☑ Pilot demonstration

(5.5.7.3) Average % of total R&D investment over the last 3 years

23

(5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

334129

(5.5.7.5) Average % of total R&D investment planned over the next 5 years

18

(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The Green Hydrogen (H2V) Roadmap development project in Minas Gerais is aligned with Cemig's Transition Plan, as it aims to explore the potential of producing and using H2V as a decarbonization alternative for sectors that are difficult to electrify ("hard to abate"). The project reinforces Cemig's commitment to the transition to a clean energy matrix, contributing to the reduction of emissions and the diversification of its sustainable energy offer. In addition, the project promotes the integration of emerging and traditional technologies in the context of the electricity sector, also addressing the production of synthetic fuels from carbon capture. By developing a Technological Roadmap for the state of Minas Gerais, the project considers public and private initiatives to balance the supply and demand of H2V,

enhancing opportunities for innovation and collaboration with various economic sectors, in line with Cemig's long-term objectives of promoting sustainability and decarbonization of the economy.

Row 3

(5.5.7.1) Technology area

Select from:

☑ Hydropower energy generation

(5.5.7.2) Stage of development in the reporting year

Select from:

☑ Small scale commercial deployment

(5.5.7.3) Average % of total R&D investment over the last 3 years

19

(5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

283059.84

(5.5.7.5) Average % of total R&D investment planned over the next 5 years

51

(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The Flood Control Supervision project is in line with Cemig's Transition Plan, as it aims to improve the management and operation of hydroelectric plants, especially in the context of extreme weather events. Through the use of artificial intelligence, the system contributes directly to the company's climate resilience, allowing for more efficient and accurate decision-making in real time. This proactive approach is in line with Cemig's objectives of adapting to climate change and mitigating the risks associated with the operation of its assets. In addition, the project enables more effective and predictive monitoring of the conditions of reservoirs and dams, promoting water and energy security. By preventing failures and reducing the impacts of adverse weather events, the project assists in the operational continuity of hydroelectric plants, one of Cemig's main sources of renewable energy, reinforcing its commitment to a sustainable and efficient energy matrix.

Row 4

(5.5.7.1) Technology area

Select from:

☑ Battery storage

(5.5.7.2) Stage of development in the reporting year

Select from:

☑ Pilot demonstration

(5.5.7.3) Average % of total R&D investment over the last 3 years

0

(5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

0

(5.5.7.5) Average % of total R&D investment planned over the next 5 years

12

(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The BESS Móvel Versátil-Plug & Play project is aligned with Cemig's Transition Plan by proposing an innovative solution for temporary energy supply, especially in critical scenarios. The modularity and mobility of the battery system provides flexibility to meet demand in temporary events, storm-affected areas, or during maintenance and expansion of the power grid, contributing to the continuity of clean and renewable energy supply. The project reinforces Cemig's strategy of diversifying technologies, focusing on solutions with low environmental impact, reducing the need for diesel generators and, consequently, greenhouse gas (GHG) emissions. In addition, the implementation of BESS Mobile provides a significant contribution to the reduction of emissions, with the potential to avoid approximately 6,912 tons of CO2, directly aligning with Cemig's objectives of mitigating climate effects and transitioning to a sustainable energy matrix. The project's business model and commercial exploitation plan allow not only its operational application, but also its economic viability, making the solution scalable and accessible to other regions and sectors, further fostering the decarbonization of the electricity sector.

[Add row]

(5.7) Break down, by source, your organization’s CAPEX in the reporting year and CAPEX planned over the next 5 years.

Coal – hard

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Lignite

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Oil

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Gas

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Sustainable biomass

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Other biomass

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Waste (non-biomass)

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Nuclear

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Geothermal

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Hydropower

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

1950

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

47

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

38

(5.7.4) Most recent year in which a new power plant using this source was approved for development

2006

(5.7.5) Explain your CAPEX calculations, including any assumptions

CAPEX data are mainly related to investments in the repowering and modernization of hydroelectric plants. Cemig has internal control with annual investment estimates in line with the company's strategic plan. The total CAPEX considered for the calculation includes energy generation from wind, hydroelectric and solar

sources by Cemig GT. For 2024, Cemig will start modernizing large plants in its generating complex. The company intends to invest more than R 150 million in the Salto Grande Hydroelectric Power Plant, located in the municipality of Braúnas, Minas Gerais, and which has a current installed capacity of 102 megawatts. In addition to Salto Grande, Cemig should start, in the next two years, the modernization of the Três Marias, Itutinga and Camargos Hydroelectric Plants. Since 2019, Cemig has been investing heavily in the modernizationof its plants, seeking to expand its generation park and also implementing technologies to increase the efficiency of its assets.

Wind

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

354

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

8

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

14

(5.7.4) Most recent year in which a new power plant using this source was approved for development

2021

(5.7.5) Explain your CAPEX calculations, including any assumptions

CAPEX data is mainly related to investments in expansion of the wind matrix. Cemig has internal control with annual investment estimates in line with the company's strategic plan. The total CAPEX considered for the calculation includes energy generation from wind, hydroelectric and solar sources by Cemig GT. The company's 2024-2028 strategic planning foresees the expansion of this source, whose last project completed and in operation dates back to 2010: the Volta do Rio Wind Power Plant, located in the municipality of Acaraú, Ceará, 240 km west of the capital Fortaleza and which has 28 wind turbines that offer a total installed capacity of 42 MW. More recently, the implementation of the Acauã Wind Project began in March 2021, with full commercial operation estimated for the first half of 2024. The project will have 26 wind turbines with a power of 4.2 MW, with a total installed capacity of 109.2 MW and an estimated production of 57.77 average MW.

Solar

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

1239

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

30

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

37

(5.7.4) Most recent year in which a new power plant using this source was approved for development

2022

(5.7.5) Explain your CAPEX calculations, including any assumptions

CAPEX data is mainly related to investments in solar array expansion. Cemig has internal control with annual investment estimates in line with the company's strategic plan. The total CAPEX considered for the calculation includes energy generation from wind, hydroelectric and solar sources by Cemig G. In 2022, Cemig started the construction of the Boa Esperança and Downstream Solar Photovoltaic Plants (UFVs), which is at an advanced stage, with about 90% of the works completed and expected to start operating by the end of the first half of 2024. The Boa Esperança UFV will have an installed capacity of 85 MW (approximately 100.4 MWp) and is located on land belonging to the Company, in the municipality of Montes Claros, Minas Gerais. In turn, the Downstream UFV will consist of seven plants of 10 MW each, totaling 70 MW of installed capacity (about 87 MWp), and is located on the Company's land in the municipality of São Gonçalo do Abaeté, also in Minas Gerais. The total estimated investment for the implementation of these plants is R 850 million. The company continues to seek to expand its installed capacity in line with strategic planning, prospecting the development of new projects (including 50 new solar plants).

Marine

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Fossil-fuel plants fitted with CCS

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.

Other renewable (e.g. renewable hydrogen)

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

640

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

15

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

11

(5.7.4) Most recent year in which a new power plant using this source was approved for development

2023

(5.7.5) Explain your CAPEX calculations, including any assumptions

A wholly-owned subsidiary of the Cemig Group focused on innovation and energy solutions, Cemig SIM invested approximately R 212 million in 2023 in the acquisition and development of photovoltaic solar energy generation plants in Minas Gerais. With regard to generation, the company has an installed capacity of 88 MWp, distributed in 23 solar farms located in various regions of the state, which produced a total of 161.50 GWh throughout 2023. In addition, the company reached the milestone of 14,000 solar energy consumer units per subscription in 2023, covering commercial, residential and industrial customers. The total CAPEX considered for the percentage calculation includes the generation of energy by wind, hydroelectric and solar sources by Cemig G.O CAPEX total considerado para o cálculo percentual inclui a geração de energia pelas fontes eólica, hidrelétrica e solar pela Cemig G.

Other non-renewable (e.g. non-renewable hydrogen)

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Cemig does not generate energy from this type of source and has no plans to invest in this type of generation in the coming years.
[Fixed row]

(5.7.1) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Row 1

(5.7.1.1) Products and services

Select from:
☑ Other, please specify **:**Replacement of mineral oil transformers with vegetable oil transformers (renewable).

(5.7.1.2) Description of product/service

This project involves replacing conventional transformers with equipment that uses vegetable oil, a renewable resource, instead of mineral oil, a non-renewable resource. Vegetable oil provides significant environmental benefits, such as longer transformer life (up to five times longer), lower risk of fire, and reduced risk of soil contamination in the event of a leak. While the project has clear environmental benefits, it does not have a direct impact on the climate, beyond the replacement of a fossil resource with a renewable one.

(5.7.1.3) CAPEX planned for product/service

1439196263

(5.7.1.4) Percentage of total CAPEX planned for products and services

14

(5.7.1.5) End year of CAPEX plan

2027

Row 2

(5.7.1.1) Products and services

Select from:

☑ Energy management services

(5.7.1.2) Description of product/service

Cemig is implementing a smart meter solution in the Metropolitan Region of Belo Horizonte (RMBH). By July 2024, 370,000 meters had been replaced, allowing remote operations such as power cut-off and restarting, as well as the collection of readings for billing. The meters contribute to the reduction of non-technical losses and delinquencies, in addition to improving operational efficiency and the quality of energy supply, generating additional revenue of R 10.41 million. There are indirect climate benefits due to improved energy efficiency.

(5.7.1.3) CAPEX planned for product/service

676569719.7

(5.7.1.4) Percentage of total CAPEX planned for products and services

7

(5.7.1.5) End year of CAPEX plan

2028

Row 3

(5.7.1.1) Products and services

Select from:

☑ Energy management services

(5.7.1.2) Description of product/service

This project aims to implement more compact, reliable and automated substations, using high-tech and low-maintenance equipment. Substations require less physical space, which reduces environmental impact, in addition to providing greater reliability, durability and availability. The project results in fewer trips for maintenance and operation, contributing to the reduction of emissions associated with travel and the improvement of the quality of the electricity supply.

(5.7.1.3) CAPEX planned for product/service

4644377107

(5.7.1.4) Percentage of total CAPEX planned for products and services

47

(5.7.1.5) End year of CAPEX plan

2028

Row 4

(5.7.1.1) Products and services

Select from:

☑ Energy management services

(5.7.1.2) Description of product/service

The project consists of the digitalization of substations through the replacement of conventional protection, control and supervision equipment with digital equipment, in addition to the modernization of substations with the replacement of obsolete primary equipment. About 150 substations will be modernized throughout the project

by 2027, which will bring benefits such as reduced displacements of operation and maintenance teams, increased reliability in energy supply, and lower consumption of materials such as copper.

(5.7.1.3) CAPEX planned for product/service

1262657677

(5.7.1.4) Percentage of total CAPEX planned for products and services

13

(5.7.1.5) End year of CAPEX plan

2027

Row 5

(5.7.1.1) Products and services

Select from:

☑ Energy management services

(5.7.1.2) Description of product/service

The project aims to automate around 20 thousand reclosers in 2023. The automation of these devices allows the reduction of the DEC (Equivalent Duration of Interruption per Consumer Unit), minimizing the time and number of people affected by interruptions in the energy supply. There are also indirect benefits related to the reduction of CO2 emissions.

(5.7.1.3) CAPEX planned for product/service

374383404.5

(5.7.1.4) Percentage of total CAPEX planned for products and services

4

(5.7.1.5) End year of CAPEX plan

2027

Row 6

(5.7.1.1) Products and services

Select from:

☑ Distributed generation

(5.7.1.2) Description of product/service

ADMS (Advanced Distribution Management System) includes advanced features such as load forecasting, self-healing, and distributed generation support. The system aims to improve operational efficiency, reduce the time and frequency of outages, and optimize emergency response. The implementation is expected to be completed in 2026.

(5.7.1.3) CAPEX planned for product/service

119226300

(5.7.1.4) Percentage of total CAPEX planned for products and services

1

(5.7.1.5) End year of CAPEX plan

2026

Row 7

(5.7.1.1) Products and services

Select from:

☑ Electric vehicles

(5.7.1.2) Description of product/service

The project aims to use all-terrain utility vehicles (UTVs) to facilitate access to remote or hard-to-reach areas, allowing for faster interventions in power distribution networks. Currently, 20 UTVs are in operation, improving the quality of service and reducing DEC and FEC (Equivalent Frequency of Interruption per Consumer Unit). The project does not have significant environmental impacts, but it improves the service provided to consumers.

(5.7.1.3) CAPEX planned for product/service

4629150

(5.7.1.4) Percentage of total CAPEX planned for products and services

0.05

(5.7.1.5) End year of CAPEX plan

2026

Row 8

(5.7.1.1) Products and services

Select from:

☑ Energy management services

(5.7.1.2) Description of product/service

BT Zero consists of installing centralized metering systems for 120,000 customers by 2025, with the expectation of expanding to 240,000 customers by 2028. The initiative seeks to regularize the supply of electricity in vulnerable areas and reduce non-technical losses and energy waste. The project includes actions such as replacing inefficient light bulbs with LEDs, vocational courses for the community, and improvements in security and public lighting, in addition to benefiting families through inclusion in the social tariff.

(5.7.1.3) CAPEX planned for product/service

1194595000

(5.7.1.4) Percentage of total CAPEX planned for products and services

12

(5.7.1.5) End year of CAPEX plan

2028
[Add row]

(5.9) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

964

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

-39

(5.9.3) Water-related OPEX (+/- % change)

18

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

390

(5.9.5) Please explain

The CAPEX and OPEX values are aligned with the strategic planning. Estimates show a trend towards increased investments in matters related to water resources. In the context of CAPEX, the increase in 2023 was related to the implementation of mass notification systems (sirens and DIN); in 2024, the expectation is that the expansion of this system will continue, but in a more moderate way, which explains the downward trend. Compared to the previous cycle (2022/2023), when OPEX

was mostly for maintenance aspects, there is significant increase in water-related OPEX between 2023 and 2024, reflecting the increase in water management and operational safety initiatives. Among the main factors are investments in hydrological monitoring systems and the intensification of training and simulations of the Emergency Action Plan (PAE). In addition, the maintenance of weather radars, the monitoring of dam failure scenarios and the updating of escape route signs contribute.
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon ☑ Water

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:
☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply
☑ Drive low-carbon investment
☑ Incentivize consideration of climate-related issues in decision making

☑ Identify and seize low-carbon opportunities

☑ Navigate regulations

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Benchmarking against peers

☑ Scenario analysis

(5.10.1.4) Calculation methodology and assumptions made in determining the price

The methodology for setting the internal carbon price involved the analysis of prices charged by industry peers, as well as the analysis of the price of the ton of carbon equivalent emitted in different jurisdictions globally. The ranges adopted by Cemig therefore consider as a reference prices practiced in South American markets, starting at USD 5.00 per ton of CO2e, and a maximum of USD 20.00 per ton of CO2e, calculated based on the values practiced by peers in the sector. These values serve as a strategic driver for the company's investment and planning decisions, especially with regard to the decarbonization of its operations. In general, Cemig opts for a more conservative approach to carbon pricing, using the domestic price of USD 20.00. By using this maximum price, Cemig seeks to encourage decisions in line with expectations of increased carbon costs globally, anticipating potential regulatory and market pressures.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

27.65

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

110.6

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Capital expenditure

☑ Risk management

☑ Opportunity management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for all decision-making processes

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

100

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

The assessment of the internal carbon price is made annually, based on the performance of operations and trends in the carbon market. Cemig's Energy Transition committee, Sustainability management and the financial department review the impacts on emissions and operating costs, ensuring that the price remains in line with decarbonization goals and national and international regulatory developments.
[Add row]

(5.10.2) Provide details of your organization’s internal price on water.

Row 1

(5.10.2.1) Type of pricing scheme

Select from:

☑ Other, please specify **:**The price of water for Cemig is based on a sectoral tax called Financial Compensation for the Use of Water Resources (CFURH), which is adjusted annually through the Updated Reference Tariff (TAR).

(5.10.2.2) Objectives for implementing internal price

Select all that apply

☑ Drive water efficiency

☑ Navigate regulations

(5.10.2.3) Factors beyond current market price are considered in the price

Select from:

☑ No

(5.10.2.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

Since 1990, the electricity generation sector has paid a sectoral tax called Financial Compensation for the Use of Water Resources for Hydroelectric Generation, instituted by Law No. 7,990/1989. Cemig, like all sectors that use water to produce hydroelectric energy, had the charge for the use of water resources defined and implemented for its plants even before the creation of the Basin Committees of the rivers where they're installed. It's also important to remember that it's the only sector that undergoes an annual readjustment of the amounts charged, through the readjustment and revision of the Updated Reference Tariff. In 2022, the value was R83.78/MWh, an increase of 10% compared to 2021. In 2023, the current tariff was adjusted by 7% more than 2022. According to the law, the amount collected by the tax is distributed to States, the Federal District and the Municipalities in whose territories facilities for the production of electricity are located, or that have areas that are invalid for water from the reservoirs. A less significant portion of the resource is directed to the Ministry of the Environment, for application in the implementation of the National Water Resources Policy and the National Water Resources Management System. Therefore, this tax is part of a cost paid by CEMIG to contribute to the reduction of impacts from hydroelectric generation and water security, in addition to being a significant amount that can be considered in the company's decision-making.

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water ☑ Plastics
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:
☑ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

In line with the PL 412/2022 that regulates the carbon market, critical suppliers are those that emit more than 10 thousand tCO2 in scope 1. The company also considers critical those that consume more than 100 thousand MWh of energy per year. In this universe, there are mainly suppliers of transformers and cables, as well as telecommunications companies and contractors (due to the use of fuels in the fleet to carry out maintenance services).

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:
☑ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

10

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:
☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply
☑ Impact on water availability

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

In the area of water resources management, water-related infractions that suppliers with current contracts have committed during the service provision period or irregularities identified in the registration period are considered. In order not to compromise the continuity of the commercial relationship, the supplier should not be subject to warnings, fines or revocation of the grant related to the use of the water resource.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 100%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

1064

Plastics

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ No, we do not assess the dependencies and/or impacts of our suppliers, and have no plans to do so within two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Procurement spend

(5.11.2.4) Please explain

As a strategy to engage all suppliers related to environmental issues, we use the Best Suppliers Award – ESG Category, which recognizes the best sustainable initiatives and practices. Another form of engagement is through training and booklets linked to the Sustainable Development Goals. In 2023, through a partnership between the areas of supply, sustainability, health and safety, and environmental responsibility, Cemig launched an ESG supplier development program. The program totaled, in 2023, seven days of training, 344 hours of training for 27 supplier companies and 86 participants.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Reputation management

(5.11.2.4) Please explain

As a strategy to engage all suppliers related to environmental issues, we use the Best Suppliers Award - ESG Category, which recognizes the best sustainable initiatives and practices. Another form of engagement is through training and booklets linked to the Sustainable Development Goals. In 2023, through a partnership between the areas of supply, sustainability, health and safety, and environmental responsibility, Cemig launched an ESG supplier development program. The program totaled, in 2023, seven days of training, 344 hours of training for 27 supplier companies and 86 participants.

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ No, we do not prioritize which suppliers to engage with on this environmental issue

(5.11.2.3) Primary reason for no supplier prioritization on this environmental issue

Select from:

☑ Judged to be unimportant or not relevant

(5.11.2.4) Please explain

Cemig does not prioritize engagement with suppliers specifically on the topic of plastics because it is not considered material for the company, given the low representativeness of plastic waste in its operations. However, the company strictly follows its Solid Waste Management Policy, ensuring not only the proper disposal of its own waste, but also verifying compliance with this policy by suppliers.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Cemig is concerned with the environmental and social impacts of its supply chain and recognizes its responsibility in the event of infractions or crimes committed by any supplier, as well as the possible financial and image consequences. Therefore, it adopts a preventive posture to eliminate or mitigate situations that may cause damage to the company's brand, reputation and competitiveness, in addition to avoiding civil and/or criminal co-liability lawsuits. Given the importance of this topic, the supervision of suppliers' ESG programs is the responsibility of the Purchasing and Logistics Department, in partnership with the Corporate Communication and Sustainability Department. The requirements for registering and contracting suppliers are stricter as the object provided involves greater risks in aspects of the environment, social responsibility and health and safety. Throughout the supply chain management process, protection instruments are adopted to mitigate exposure to these risks. In the assessment of negative impacts, the following factors are considered: (I) Environmental license for operation, products and services. (II) Waste Management. (III) Water grants. (IV) human rights, including child and forced labor, freedom of association, working conditions, occupational safety and health. (V) Business ethics, corruption and antitrust practices.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Cemig is concerned with the environmental and social impacts of its supply chain and recognizes its responsibility in the event of infractions or crimes committed by any supplier, as well as the possible financial and image consequences. Therefore, it adopts a preventive posture to eliminate or mitigate situations that may cause damage to the company's brand, reputation and competitiveness, in addition to avoiding civil and/or criminal co-liability lawsuits. Given the importance of this topic, the supervision of suppliers' ESG programs is the responsibility of the Purchasing and Logistics Department, in partnership with the Corporate Communication and Sustainability Department. The requirements for registering and contracting suppliers are stricter as the object provided involves greater risks in aspects of the environment, social responsibility and health and safety. Throughout the supply chain management process, protection instruments are adopted to mitigate exposure to these risks. In the assessment of negative impacts, the following factors are considered: (I) Environmental license for operation, products and services. (II) Waste Management. (III) Water grants. (IV) human rights, including child and forced labor, freedom of association, working conditions, occupational safety and health. (V) Business ethics, corruption and antitrust practices.
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify :The environmental requirements that must be met by suppliers are: (1) Compliance with environmental legal requirements; (2) Environmental impact management; (3) Use of natural resources.

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ First-party verification

☑ Supplier scorecard or rating

☑ Supplier self-assessment

☑ Other, please specify :Supplier monitoring is also carried out through a system in which the supplier, the supply area and the technical area responsible for contract management interact.

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

When the supplier's performance falls short of what is expected and defined in the contract, or there is non-compliance with legal or contractual requirements, a punitive administrative proceeding is initiated to investigate what happened. If necessary, the corresponding penalty is applied by the competent bodies. On the other hand, the results that exceed expectations are identified by the Assured Material Supply Program or recognized at the annual Cemig Suppliers Award event.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify :Compliance with the requirements for granting water (absence of infraction)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Fines and penalties

☑ Other, please specify :Supplier monitoring is also carried out through a system in which the supplier, the supply area and the technical area responsible for contract management interact.

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

☑ 100%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

When the supplier's performance falls short of what is expected and defined in the contract, or there is non-compliance with legal or contractual requirements, a punitive administrative proceeding is initiated to investigate what happened. If necessary, the corresponding penalty is applied by the competent bodies. On the other hand, the results that exceed expectations are identified by the Assured Material Supply Program or recognized at the annual Cemig Suppliers Award event.
[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Cemig requests suppliers that provide maintenance services on distribution lines and material suppliers to carry out public and voluntary reporting of their greenhouse gas emissions, these emissions were reported in the 2023 inventory in the category of goods and services purchased. This category is responsible for a significant part of the company's total emissions, due to the consumption of fuels such as alcohol, gasoline, diesel and CNG by contractors that provide services to Cemig D. The objective of this action is to encourage transparency and encourage the reduction of emissions by suppliers, contributing to the inclusion of climate issues in their management. In the 2023 Inventory, 95% of the contractors (suppliers) that provide maintenance services for Cemig D's distribution lines, with current contracts, voluntarily participated in this report, contributing to the transparency of climate data, considering the suppliers of materials the percentage of engagement was 17%. Cemig does not incur additional costs for this type of engagement. The impact of the action is measured by the increase in the number of suppliers who adhere to the report after the request, seeking to advance awareness and climate management within the supply chain.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Transparency of emissions data.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Other, please specify **:**Request for disclosure of infractions related to the management of water resources (grant).

(5.11.7.3) Type and details of engagement

Information collection

☑ Other information collection activity, please specify **:**Disclosure of infractions related to the management of water resources (grant).

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 100%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Cemig adopts a proactive approach in the management of its supply chain, rigorously monitoring the compliance of its suppliers with water use permits. This monitoring is an essential part of the company's engagement with its partners, aiming to ensure the sustainable use of water resources. Cemig monitors infractions

related to water resource management, such as excessive or unauthorized use of water, to ensure that all suppliers are operating within the limits established by the competent authorities. By ensuring compliance with the grants, Cemig seeks to avoid environmental degradation and conflicts between different users of water resources. This practice reflects the company's commitment to preserving the environment and promoting a responsible and sustainable supply chain. The continuous monitoring of this information allows Cemig to identify potential risks and implement corrective measures, protecting both the environment and the company's reputation.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Ensuring the absence of infractions related to water resources management.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Waste and resource reduction and improved end-of-life management

(5.11.7.3) Type and details of engagement

Financial incentives

☑ Feature environmental performance in supplier awards scheme

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In 2023, the ESG program – which includes training on plastics – resulted in seven days of training, totaling 344 hours of training for 27 supplier companies and 86 participants. The percentage of engagement was 18% considering suppliers at high risk of environmental sustainability (148). In addition, Cemig regularly offers additional training through UniverCemig to contractors and third parties, expanding the reach of its educational initiatives and promoting a culture of sustainability throughout its supply chain.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Cemig requests suppliers that provide maintenance services on distribution lines and material suppliers to carry out public and voluntary reporting of their greenhouse gas emissions, these emissions were reported in the 2023 inventory in the category of goods and services purchased. This category is responsible for a significant part of the company's total emissions, due to the consumption of fuels such as alcohol, gasoline, diesel and CNG by contractors that provide services to Cemig D. The objective of this action is to encourage transparency and encourage the reduction of emissions by suppliers, contributing to the inclusion of climate issues in their management. In the 2023 Inventory, 95% of Cemig D's contractors (suppliers) with current contracts voluntarily participated in this report, contributing to the transparency of climate data, considering material suppliers the percentage of engagement was 17%. Cemig does not incur additional costs for this type of engagement. The impact of the action is measured by the increase in the number of suppliers who adhere to the report after the request, seeking to advance awareness and climate management within the supply chain.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Transparency regarding emissions data.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to measure GHG emissions

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Since 2023, Cemig has held the ESG Supplier Forum, which aims to discuss strategies to promote and expand ESG (environmental, social and governance) practices throughout its supply chain, reinforcing Cemig's commitment to offering customers increasingly sustainable energy solutions. The participants of the ESG Suppliers Forum were divided into four working groups with the themes: Climate Change; Working Conditions and Human Resources; Code of Ethics, Whistleblowing Channel and Due Diligence; and Supplier Selection and Qualification. In this initiative, the groups meet and suggest actions within each area to expand ESG practices. Two more meetings are planned until May 2025, when the measures that will be applied in the relationship with suppliers with a focus on sustainability will be defined.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ No, this engagement is unrelated to meeting an environmental requirement

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Financial incentives

☑ Feature environmental performance in supplier awards scheme

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

To promote and recognize the best practices of its suppliers, Cemig introduced in 2022 the Best Suppliers Award, covering two main categories: Social and Governance Category, and Environmental Category. This award is designed to encourage the adoption of sustainable practices in the supply chain, evaluating a range of environmental topics, including water management, solid waste, greenhouse gas emissions, biodiversity, circular economy, among others. The objective of the sustainability category of the award is to encourage suppliers to innovate with a focus on sustainable development and generate positive impacts inside and outside their operations. Cemig recognizes initiatives that demonstrate commitment to environmental preservation and social well-being, rewarding companies that stand out in the responsible management of natural resources. For the year 2023, with awards scheduled for 2024, 57 proposals were submitted, of which 26 in the Environmental Category and 31 in the Social and Governance Category. In the Environmental Pillar, projects that addressed the efficient management of water resources were awarded, including initiatives such as reducing water consumption through reuse systems and implementing practices that increase energy efficiency using renewable sources. Cemig measures the impact of these initiatives through the analysis of the proposals submitted, considering innovation, effectiveness in resource management, and the potential for replicability of the solutions presented. By recognizing and rewarding these practices, Cemig reinforces its commitment to a supply chain that values and promotes sustainability in all its dimensions.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ No, this engagement is unrelated to meeting an environmental requirement

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Cemig recognizes the importance of raising awareness among its residential, commercial and service customers about the efficient use of electricity to combat waste and promote sustainability. Through the Energy Efficiency Program, the company develops several awareness campaigns, broadcast in multiple media such as television, radio, newspaper, internet, social networks, and on energy bills. The goal is to reach as many people as possible, encouraging the rational use of energy. Projects are selected annually through a Public Call, with resources allocated to different typologies, and approved projects are funded by the program. In addition, Cemig uses the residual resources from the public call to directly finance projects that maximize energy savings and contribute to sustainability indexes. In 2023, 184,524 facilities were served, directly and indirectly impacting about 8.9 million people. The PEE invested more than R 141 million in 2023 avoiding the emission of 12,965 tCO2e, generating energy savings of 102,900 MWh/year.

(5.11.9.6) Effect of engagement and measures of success

Engagement with customers through the Energy Efficiency Program aims at a significant increase in the rational use of energy, contributing to the reduction of consumption and, consequently, to the preservation of natural resources. The impact of these actions is measured through positive feedback from customers, who report savings and environmental benefits as a result of the awareness raised. The effectiveness of the strategy is made tangible by the energy savings of the program participants. In 2023, approximately R 100 million were invested in projects throughout Cemig D's concession area, and R 50 million was made available for new projects. Energy efficiency actions reach a diverse audience, including low-income families, hospitals, non-profit entities, rural residents, educational institutions and public agencies. An engagement percentage above 90% is considered an indication of the success of this initiative.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**Members of the Basin Committees

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Incentivize collaborative sustainable water management in river basins

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Cemig's Proximity Program was created to strengthen the relationship with local communities and promote social development in the areas near the plants under its concession. The program organizes technical meetings where company experts provide detailed information on the operation of reservoirs and dams, addressing critical aspects such as operational and structural safety, and detailing the Emergency Action Plans (PAEs). In addition, the program participates in meetings to integrate PAEs with Municipal Contingency Plans (PLANCONs) and carries out engagement actions with NGOs in water resources forums, facilitating the participation of these NGOs in the formulation of policies and standards related to water resources management. Engagement with other water users is carried out through river basin committees, as exemplified by the management of the Três Marias HPP reservoir. In 2023, the program held five meetings at mills with a total of 242 participants from local communities.

(5.11.9.6) Effect of engagement and measures of success

The Proximity Program has been effective in promoting understanding and collaboration between Cemig and local communities, as well as fostering dialogue with NGOs and river basin committees. The success of the program is measured by the high satisfaction rate of the participants, with an indicator of 95.18% in relation to the minimum goal of 90%. The meetings held in 2023, which were attended by 242 people, demonstrate the positive impact on communication and engagement with the communities around the reservoirs. The program contributes to a better understanding of Cemig's operations and ensures collaborative and transparent management of water resources.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Less than 1%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Cemig SIM, a Cemig Group company created in 2019, is dedicated to the shared generation, energy efficiency and innovative solutions segment in the energy sector. Sustainability is one of the company's pillars, which reinforces this commitment through the promotion of solar energy, a 100% clean and renewable source. All Cemig SIM customers are automatically engaged in sustainable practices, since solar generation contributes directly to the reduction of greenhouse gas emissions. For commercial customers, the company offers the 100% Clean and Renewable Energy Certificate, the Cemig SIM REC, which allows the traceability of the energy consumed, in addition to the Cemig SIM Renewable Energy Seal, used in packaging and institutional communications. Cemig SIM also establishes strategic partnerships with various entities in the productive sector, such as Fiemg, Fecomércio MG, CDL-BH and others, encouraging adherence to economical, clean and sustainable energy solutions.

(5.11.9.6) Effect of engagement and measures of success

The sustainable engagement promoted by Cemig SIM has as a direct result the reduction of energy costs for both the population and the productive sector of Minas Gerais, without the need for initial investments by customers, whether individuals or companies. The effectiveness of this engagement is measured by the growing number of contracts signed with Cemig SIM, which in 2023 reached the mark of 14,000 consumer units in the state with a significant environmental impact, avoiding the emission of GHG into the atmosphere. The numbers demonstrate Cemig SIM's success in promoting sustainability and energy efficiency, contributing to a greener and more economically viable future.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Cemig has been promoting the use of Renewable Energy Certificates (RECs) to prove that the energy purchased by its customers comes from renewable sources, such as hydroelectric, wind, photovoltaic and biomass. Since 2020, the RECs issued by Cemig have been included in the company's Greenhouse Gas (GHG) inventory. Cemig REC, a certificate created by the company itself, meets strict international standards and offers a guarantee of renewable energy origin, allowing customers to implement strategies to reduce GHG emissions. Each REC is equivalent to 1 MWh of renewable energy, and its traceability is ensured by a control

system that prevents the resale of certificates already sold. This initiative aims to consolidate Cemig as a reference in the sale of certified renewable energy, responding to the growing demand for sustainable practices in the market.

(5.11.9.6) Effect of engagement and measures of success

Through this engagement, Cemig aims to be a reference in the sale of certified renewable energy and hopes to serve customers who seek to implement measures to reduce GHG emissions. The impacts will be measured by the number of Cemig REC certificates issued. In this initiative, it is considered that an engagement percentage above 10% corresponds to a successful action. In 2022, therefore, this objective was not met, and it is necessary to implement improvements in the engagement strategy in the coming years.

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**Communities around dams.

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Incentivize collaborative sustainable water management in river basins

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 76-99%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In the context of dams, interaction with the community is essential to minimize negative impacts and maximize opportunities. Cemig developed specific Emergency Action Plans (PAE) for each dam, and intensified engagement with the Municipal Civil Defenses (COMPDEC) through a new proposal of the Proximity Program. In addition, the "Working Group: Safety of Dams of Hydroelectric Power Plants Operated and Maintained by Cemig (GT)" was created and a Crisis Management Plan was prepared. In 2022, 17 Integration Committees (ICs) were set up for 18 Cemig dams, and in 2023, the activities of these committees were carried out through the VAMOS Program. The actions include the organization of Work and Communication Plans, the realization of training and drills, and the implementation of schedules

for the execution of evacuation drills, diagnostics of self-rescue zones, and evacuation and communication plans. As a performance indicator, the PAE Action Compliance Index (IPAE) was instituted, with a target of 87.67% and which impacts the variable remuneration of leadership.

(5.11.9.6) Effect of engagement and measures of success

Intensive engagement with communities and Municipal Civil Defenses has resulted in more effective crisis management and greater preparedness for emergency situations. In 2023, six evacuation drills were carried out for SHP dams, seven Self-Rescue Zone (ZAS) diagnoses for HPPs, and five actions to register the population of these zones, which strengthened the response capacity of the communities. The development of eight communication plans and the continuation of six evacuation plans indicate significant progress in dam preparedness and safety improvement. The actions carried out according to the VAMOS Program schedule demonstrate the effectiveness of the work and communication plans, reflecting a proactive and collaborative management of security and emergency measures.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Collaborate with stakeholders in creation and review of your climate transition plan

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In the context of climate change, Cemig engages with its investors mainly to share critical information about mitigation and adaptation efforts. This engagement aims to ensure transparency about the company's strategies, allowing investors to assess the climate risks and opportunities associated with their investments. The active participation of investors, especially majority shareholders, is essential to provide constructive feedback and align the company's Transition Plan with market expectations and ESG (environmental, social, and governance) criteria. The scope of engagement includes the disclosure of reports such as the Climate-Related Financial Disclosures Report, as well as periodic meetings, such as the annual meeting with investors, where Cemig presents its sustainable transformation goals, reaffirming its commitment to value creation and responsible management. These interactions are essential to strengthen the strategic alignment between the company and its investors.

(5.11.9.6) Effect of engagement and measures of success

Engagement with investors is fundamental to the company's strategy, especially with regard to the development and implementation of the Climate Transition Plan. This process results in continuous improvements in sustainability initiatives. The measure of success of this engagement can be seen by the approval of the main shareholders in relation to the goals established by the company and the continued support for climate-related initiatives. In addition, success is evaluated by Cemig's ability to maintain a good relationship with investors, evidenced by the creation of sustainable value and adherence to ESG criteria. Investor feedback has been used as a thermometer to adjust long-term strategies, ensuring that climate mitigation and adaptation goals are in line with market trends and shareholder requirements. [Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

☑ Climate change

(5.12.4) Initiative category and type

Change to supplier operations

☑ Implement energy reduction projects

(5.12.5) Details of initiative

Cemig can collaborate in initiatives aimed at energy efficiency projects, which seek to optimize energy consumption and reduce greenhouse gas (GHG) emissions. These projects may involve technologies such as the implementation of cogeneration systems, lighting with LED technology, and solutions that promote electricity savings in various industries.

(5.12.6) Expected benefits

Select all that apply

☑ Improved resource use and efficiency

☑ Reduction of downstream value chain emissions (own scope 3)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

☑ Other, please specify **:**N/A

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☑ No

(5.12.11) Please explain

Although the direct commercial relationship with the specific member of the CDP Supply Chain no longer exists today, Cemig recognizes that projects focused on energy efficiency could be replicated in other opportunities with different suppliers. The energy efficiency approach, which has already brought proven benefits in other segments, can be adapted to meet the demands of different supply chains, while maintaining a focus on sustainability and optimization of energy consumption. [Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

(5.13.1) Environmental initiatives implemented due to CDP Supply Chain member engagement

Select from:

☑ No, and we do not plan to within the next two years

(5.13.2) Primary reason for not implementing environmental initiatives

Select from:

☑ Not an immediate strategic priority

(5.13.3) Explain why your organization has not implemented any environmental initiatives

Cemig has not implemented mutually beneficial environmental initiatives directly associated with CDP Supply Chain members. This is because specific engagement with CDP Supply Chain members is not currently a strategic priority for the company. Cemig designs its engagement strategies to include a larger number of suppliers, covering beyond CDP Supply Chain requesters. However, if scalable initiatives are identified in the future, Cemig is open to collaboration, with the aim of contributing to mutual environmental benefits.
[Fixed row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Cemig adopts the operational consolidation approach to report climate change environmental performance data given the direct relevance of the topic to the company's operations. This approach involves collecting and analyzing data directly related to the company's operations, such as greenhouse gas emissions, energy consumption, and the efficiency of mitigation technologies. By opting for this form of consolidation, Cemig achieves a more accurate assessment of greenhouse gas emissions in daily activities. In this way, it obtains a detailed view of the impact of the company's operations and the effectiveness of climate change adaptation and mitigation strategies, aligning with industry best practices and specific regulatory needs.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

For water security, Cemig also opts for the operational approach, which allows for detailed monitoring of the water resources used in operations, especially considering the company's significant dependence on hydroelectric plants. The operational approach offers a clear view of the use and management of water resources, as well as the measures adopted to ensure sustainability and efficiency in water consumption. This approach ensures that water management is continuously monitored and improved in line with the company's operational practices and requirements.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

The relevance of plastics was evaluated in relation to Cemig's assets, based on the operational approach, and it was found that it is not a material issue for the company. Therefore, plastics-related issues do not have a significant impact on the company's operations or assets.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Cemig adopts the operational approach to reporting environmental performance data as this option allows a more detailed understanding of the direct impacts of the company's operations. This approach allows monitoring preservation and restoration initiatives, as well as efforts to mitigate impacts on biodiversity in the areas of operation. The operational approach offers a more concrete and practical view of the measures implemented and the effectiveness of these actions, aligning with the company's environmental management needs.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply
☑ Yes, a change in boundary

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

The Purchased Goods and Services category now includes emissions from the extraction, manufacture and transportation of fuels used in the operation, emissions from the service and equipment supply chain and emissions from the use of fuels by contractors for the construction of transmission and distribution lines. Another change was the segregation of emissions relating to the sale of electricity and gas into two separate categories. The sale of electricity was assigned to the scope 3 category "Activities related to fuel and energy not included in scopes 1 and 2", while the sale of gas was kept in scope 3 category 11, Use of goods and services sold. Emissions related to category 2 of scope 3, Capital Goods, and emissions related to investments made by the company, category 15 of scope 3 Investments, were also included in the calculations.
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

The Purchased Goods and Services category now includes emissions from the extraction, manufacture and transportation of fuels used in the operation, emissions from the service and equipment supply chain and emissions from the use of fuels by contractors for the construction of transmission and distribution lines. Another change was the segregation of emissions relating to the sale of electricity and gas into two separate categories. The sale of electricity was assigned to the scope 3 category "Activities related to fuel and energy not included in scopes 1 and 2", while the sale of gas was kept in scope 3 category 11, Use of goods and services sold. Emissions related to category 2 of scope 3, Capital Goods, and emissions related to investments made by the company, category 15 of scope 3 Investments, were also included in the calculations.

(7.1.3.4) Past years' recalculation

Select from:

☑ Yes
[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply
☑ Brazil GHG Protocol Programme
☑ IPCC Guidelines for National Greenhouse Gas Inventories, 2006
☑ ISO 14064-1
☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:
☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:
☑ We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

(7.3.3) Comment

For companies in the electricity sector that have generation and distribution businesses like Cemig, it is not possible to buy energy from other suppliers, therefore, it is not possible to account for emissions based on the market.
[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

12759.16

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

861233.04

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

2970.43

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

42818.31

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

6874496.13

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

558.17

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

96.52

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

533.58

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

2872586.69

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

37604.91

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

The Brazilian GHG Protocol Program tool was used to quantify the emissions.
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

20630.56

(7.6.3) Methodological details

To prepare Cemig's GHG Emissions Inventory, the GHG Protocol method was adopted. The organisational boundary for Cemig's GHG Inventory was established taking into account the companies in which Cemig has more than 99% shareholding and operational control. These companies are considered an integral part of Cemig and therefore their GHG emissions are accounted for in the organisation's Inventory. The GHGs covered by the Kyoto Protocol were taken into account. Scope 1 2 3 were calculated using the Brazilian GHG Protocol tool, with some calculations done in a separate way, such as WTT emissons from using of fuel, emissions from investments made during the year, emissons from capital goods and purchased goods and services.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

83451

(7.6.2) End date

12/31/2022

(7.6.3) Methodological details

To prepare Cemig's GHG Emissions Inventory, the GHG Protocol method was adopted. The organisational boundary for Cemig's GHG Inventory was established taking into account the companies in which Cemig has more than 99% shareholding and operational control. These companies are considered an integral part of Cemig and therefore their GHG emissions are accounted for in the organisation's Inventory. The GHGs covered by the Kyoto Protocol were taken into account. Scope 1 2 3 were calculated using the Brazilian GHG Protocol tool, with some calculations done in a separate way, such as WTT emissons from using of fuel, emissions from investments made during the year, emissons from capital goods and purchased goods and services.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

12759.16

(7.6.2) End date

12/31/2021

(7.6.3) Methodological details

Emissions were calculated for Scope 1 2 3 considering all Kyoto Protocol gases using the Brazilian GHG Protocol Programme tool.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

11419.36

(7.6.2) End date

12/31/2020

(7.6.3) Methodological details

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.

Past year 4

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

51938.62

(7.6.2) End date

12/31/2019

(7.6.3) Methodological details

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.

Past year 5

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

35568.41

(7.6.2) End date

12/31/2018

(7.6.3) Methodological details

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

305513.7

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.4) Methodological details

To prepare Cemig's GHG Emissions Inventory, the GHG Protocol method was adopted. The organisational boundary for Cemig's GHG Inventory was established taking into account the companies in which Cemig has more than 99% shareholding and operational control. These companies are considered an integral part of Cemig and therefore their GHG emissions are accounted for in the organisation's Inventory. The GHGs covered by the Kyoto Protocol were taken into account. Scope 1 2 3 were calculated using the Brazilian GHG Protocol tool, with some calculations done in a separate way, such as WTT emissons from using of fuel, emissions from investments made during the year, emissons from capital goods and purchased goods and services.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

291766.24

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/31/2022

(7.7.4) Methodological details

To prepare Cemig's GHG Emissions Inventory, the GHG Protocol method was adopted. The organisational boundary for Cemig's GHG Inventory was established taking into account the companies in which Cemig has more than 99% shareholding and operational control. These companies are considered an integral part of Cemig and therefore their GHG emissions are accounted for in the organisation's Inventory. The GHGs covered by the Kyoto Protocol were taken into account. Scope 1 2 3 were calculated using the Brazilian GHG Protocol tool, with some calculations done in a separate way, such as WTT emissons from using of fuel, emissions from investments made during the year, emissons from capital goods and purchased goods and services.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

861233.04

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/31/2021

(7.7.4) Methodological details

Emissions were calculated for Scopes 1, 2 and 3 considering all Kyoto Protocol gases using the Brazilian GHG Protocol Program tool.

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

448083.44

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/31/2020

(7.7.4) Methodological details

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.

Past year 4

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

598518.28

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/31/2019

(7.7.4) Methodological details

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.

Past year 5

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

518212.79

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/31/2018

(7.7.4) Methodological details

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.
[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

428030.22

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

☑ Site-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The 'Purchased Goods and Services' emission category refers to indirect emissions related to products and services that the company purchases from third parties.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

111631.07

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Asset-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The Capital Goods category is now reported in the last year.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2585631.36

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Other, please specify **:**Calculation was made considering the emission factor of the National Interconnected System.

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Emissions relating to the sale of electricity and gas have been segregated into two separate categories. Electricity trading was assigned to the scope 3 category "Activities related to fuel and energy not included in scopes 1 and 2". The calculation was made considering the emission factor of the National Interconnected System.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Emissions classified as upstream transportation and distribution are not relevant in Cemig's context, since its services are energy generation, transmission and distribution, which is mostly moved by transmission lines.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

204.59

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The Scope 3 emission category 'Waste generated in operation' refers to indirect emissions resulting from the management of waste generated during the organization's activities.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

788.26

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The 'Business Travel' emission category comprises GHG emissions from travel undertaken by employees of the organization for business purposes.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

44.8

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The emission category of 'Employee Commuting' includes GHG emissions associated with the daily commuting of the organization's employees between their homes and workplaces.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Cemig has no leased assets. Therefore, this source does not apply to Cemig.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Related to fuel consumption by contractors and outsourced services, this type of emission did not occur in 2022; therefore, the category Downstream transportation and distribution was not relevant.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

The product sold by Cemig (electricity) is not processed as an intermediate product for the production of a final consumer good; electricity is an input in production processes, not an intermediary good. Therefore, this source of emissions does not apply to Cemig.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1907211.02

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Other, please specify **:**Emissions from the end use of natural gas sold

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

At Cemig, the category consists of emissions from the end use of natural gas sold by Gasmig. All emissions throughout the useful life of products and services were considered, from the moment of purchase to disposal by the end consumer.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

The product sold by Cemig (electricity) is not processed as an intermediate product for the production of a final consumer good; electricity is an input in production processes, not an intermediary good. Therefore, this source of emissions does not apply to Cemig.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Cemig does not lease assets. Therefore, this source of emissions is not applicable to the Company.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Cemig does not work with franchises. Therefore, this source of emissions is not applicable to the Company.

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

72581.17

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Investment-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

The investments category refers to the calculation of emissions resulting from the operation of investments. These emissions were calculated using Cemig's shareholding in companies in which it does not have operational control, taking into account the scope 1 and 2 emissions of these companies.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

No other relevant upstream emissions source has been identified.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

No other relevant downstream emission sources have been identified.
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/31/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

112127.58

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

2209346.76

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

582.98

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

328.91

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

141.1

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

2695945.19

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

To prepare Cemig's GHG Emissions Inventory, the GHG Protocol method was adopted. The organisational boundary for Cemig's GHG Inventory was established taking into account the companies in which Cemig has more than 99% shareholding and operational control. These companies are considered an integral part of Cemig and therefore their GHG emissions are accounted for in the organisation's Inventory. The GHGs covered by the Kyoto Protocol were taken into account. Scope 1 2 3 were calculated using the Brazilian GHG Protocol tool, with some calculations done in a separate way, such as WTT emissons from using of fuel, emissions from investments made during the year, emissons from capital goods and purchased goods and services.

Past year 2

(7.8.1.1) End date

12/31/2021

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

2970.43

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

42818.31

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

6874496.13

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

558.17

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

96.52

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

533.58

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

2872586.69

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

37604.91

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Emissions were calculated for Scopes 1, 2 and 3 considering all Kyoto Protocol gases using the Brazilian GHG Protocol Program tool.

Past year 3

(7.8.1.1) End date

12/31/2020

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

21841

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

1004

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

98.83

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

173.95

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

9276221.56

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.

Past year 4

(7.8.1.1) End date

12/31/2019

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

63.29

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

790.63

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

615.7

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

428.07

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

215.47

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

22699.24

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

6426649.39

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.

Past year 5

(7.8.1.1) End date

12/31/2018

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

111.64

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

0

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

0

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

673.44

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

337.61

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

689.02

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

111.64

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

13699.89

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

7628547.8

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Climas Software using the GHG Protocol method for Scopes 1, 2 and 3, considering the GHGs covered by the Kyoto Protocol.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.1.4) Attach the statement

CEMIG-Declaração_Limitado_Inmetro_14064-12052024.pdf

(7.9.1.5) Page/section reference

Page 1 (Standard: ABNT NBR ISO 14064-3:2019) Page 2 (Total GHG emission in tonnes of CO2 equivalent (tCO2e))

(7.9.1.6) Relevant standard

Select from:

☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

CEMIG-Declaração_Limitado_Inmetro_14064-12052024.pdf

(7.9.2.6) Page/ section reference

Page 1 (Standard: ABNT NBR ISO 14064-3:2019) Page 2 (Total GHG emission in tonnes of CO2 equivalent (tCO2e))

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Investments
☑ Scope 3: Capital goods
☑ Scope 3: Business travel
☑ Scope 3: Employee commuting
☑ Scope 3: Use of sold products
☑ Scope 3: Purchased goods and services
☑ Scope 3: Waste generated in operations
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

CEMIG-Declaração_Limitado_Inmetro_14064-12052024.pdf

(7.9.3.6) Page/section reference

Page 1 (Standard: ABNT NBR ISO 14064-3:2019) Page 2 (Total GHG emission in tonnes of CO2 equivalent (tCO2e))

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

1734.83

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.53

(7.10.1.4) Please explain calculation

Although they are still reported in the Inventory with the localization method, emissions related to energy consumption are actually zero, since all the energy consumed has an associated renewable energy certificate. In other words, there was a reduction in emissions due to proactive initiatives related to the Transition Plan.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Although other actions to reduce emissions are being developed and implemented, it has not been possible to account for how the reductions are associated with them.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in Scope 12 emissions due to divestment

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in Scope 12 emissions due to acquisitions

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in Scope 12 emissions due to mergers

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

49072.98

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

15

(7.10.1.4) Please explain calculation

The change in the value of Scope 1 and Scope 2 emissions was due to numerous factors, influenced by market issues. For example, most Scope 1 emissions were reduced due to lower land change activities, while Scope 2 emissions on the one hand decreased due to a slightly lower emission factor of the national energy mix (taking into account that emissions are calculated using the localisation method), but increased due to higher energy use and transmission.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in Scope 12 emissions due to change in methodology

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in Scope 12 emissions due to change in boundary. The same limits are applied to the Inventory in 2022 and 2023

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Scope 2 emissions were reduced slightly as a result of the reduction in the national grid emission factor (Cemig's inventory is calculated using the localisation method). The emission factor was reduced as a result of the rainfall regime, but other factors related to business output added emissions and so the total increase was entered in the line relating to business output.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in Scope 12 emissions

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in Scope 12 emissions
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

☑ Location-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ Yes

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

(7.12.1.1) CO2 emissions from biogenic carbon (metric tons CO2)

38630.02

(7.12.1.2) Comment

In the base year of 2023, Cemig presented a total of 38,630.02 tCO2e of biogenic emissions, considering scopes 1 and 3. In scope 1, total biogenic emissions were 38,622.60 tCO2e, from the consumption of diesel oil in generators, natural gas in stationary sources (as it contains a percentage of biodiesel in its composition) and the use of fuels by the company's fleet, given the percentage of biodiesel added to diesel, ethanol added to the gasoline mix and when pure ethanol is used.
[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

15030.44

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:
☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

88.06

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

181.53

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1829.04

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:
☑ SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

3501.5

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Sixth Assessment Report (AR6 - 100 year)

[Add row]

(7.15.3) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

Fugitives

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

2.22

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0.15

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

5382.71

(7.15.3.5) Comment

The total gross emissions (tCO2e) also include HFC emissions.

Combustion (Electric utilities)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

0

(7.15.3.5) Comment

Cemig has no emissions that fit into this category.

Combustion (Gas utilities)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

0

(7.15.3.5) Comment

Cemig has no emissions that fit into this category.

Combustion (Other)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

7699.73

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0.93

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

7850.02

(7.15.3.5) Comment

Category includes stationary and mobile combustion activities. The total value (tCO2e) also includes N2O emissions.

Emissions not elsewhere classified

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

7330.72

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

7387.96

(7.15.3.5) Comment

Category includes agricultural activities and changes in land use. The total figure also includes N2O emissions.
[Fixed row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)
Brazil	*20630.56*

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply
☑ By business division
☑ By activity

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

Row 1

(7.17.1.1) Business division

Sá Carvalho

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

21.32

Row 3

(7.17.1.1) Business division

Salto Grande

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

0.002

Row 4

(7.17.1.1) Business division

Parajuru - Eólica

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

54.34

Row 5

(7.17.1.1) Business division

Itutinga

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

8.54

Row 6

(7.17.1.1) Business division

Rosal

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

7.44

Row 7

(7.17.1.1) Business division

Camargos

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

8.36

Row 8

(7.17.1.1) Business division

Cemig D

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

17879.25

Row 9

(7.17.1.1) Business division

Oeste

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

5.5

Row 10

(7.17.1.1) Business division

Três Marias

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

0.002

Row 11

(7.17.1.1) Business division

Volta do Rio - Eólica

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

7.05

Row 12

(7.17.1.1) Business division

GASMIG

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

112.46

Row 14

(7.17.1.1) Business division

Sul

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

6.09

Row 15

(7.17.1.1) Business division

CEMIG SIM

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

3.99

Row 16

(7.17.1.1) Business division

Horizontes

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

0.002

Row 17

(7.17.1.1) Business division

Cemig GT

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

2514.17

Row 18

(7.17.1.1) Business division

Leste

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

0.44

Row 19

(7.17.1.1) Business division

CEMIG PCH

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

1.04

Row 20

(7.17.1.1) Business division

Poço Fundo

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

0.56

Row 21

(7.17.1.1) Business division

Trading

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

0.004
[Add row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	*Agricultural activity and land use change*	*7387.96*
Row 3	*Fugitive emissions*	*5392.57*
Row 4	*Mobile combustion*	*7600.77*
Row 5	*Stationary combustion*	*249.26*

[Add row]

(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Electric utility activities	*20630.56*	*Cemig has no production activities in other sectors.*

[Fixed row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based emissions (metric tons CO2e)	Please explain
Consolidated accounting group	*20630.56*	*305513.7*	*Emissions from the consolidated accounting group cover Cemig's total emissions by scope.*
All other entities	*0*	*0*	*Cemig has no other entities.*

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☑ No

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 1

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:
☑ Other allocation method, please specify :Calculations based on the emission factor provided by the GHG Protocol.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:
☑ Metric tons

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

0

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty (±%)

0

(7.26.11) Major sources of emissions

CITROSUCO was not a client of Cemig in 2023, so it is not related to emissions from the sale of Cemig's goods or services.

(7.26.12) Allocation verified by a third party?

Select from:

☑ Yes

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

CITROSUCO was not a client of Cemig in 2023, so it is not related to emissions from the sale of Cemig's goods or services.

(7.26.14) Where published information has been used, please provide a reference

CITROSUCO was not a client of Cemig in 2023, so it is not related to emissions from the sale of Cemig's goods or services.
[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

☑ We face no challenges

(7.27.2) Please explain what would help you overcome these challenges

The Customer provides the number of CNPJ (Corporate Tax Code) data that are considered for the calculation of emissions, since the customer presents several records (names) in the company's system.The CDP advises on the best way to allocate emissions by scope relative to the "sale of energy" product.
[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

☑ Yes

(7.28.2) Describe how you plan to develop your capabilities

We are preparing a customized report for each free market customer, informing them of their monthly emissions in tCO2 from the purchase of electricity. The customer will have the option of acquiring a renewable energy certificate, with the aim of reducing their greenhouse gas emissions.
[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☑ More than 55% but less than or equal to 60%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:*

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

611

(7.30.1.3) MWh from non-renewable sources

44154

(7.30.1.4) Total (renewable and non-renewable) MWh

44765

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

61871

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

61871

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

0

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

62482

(7.30.1.3) MWh from non-renewable sources

44154

(7.30.1.4) Total (renewable and non-renewable) MWh

106636
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ No

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

The fuel category was not used for energy consumption within the organization.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

The fuel category was not used for energy consumption within the organization.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

611

(7.30.7.8) Comment

Energy consumption in ethanol.

Coal

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

The fuel category was not used for energy consumption within the organization.

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

33461

(7.30.7.8) Comment

Energy consumption in gasoline and diesel.

Gas

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

10154

(7.30.7.8) Comment

Energy consumption in natural gas, vehicular natural gas and LPG.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

539

(7.30.7.8) Comment

Energy consumption in aviation kerosene.

Total fuel

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

44765

(7.30.7.8) Comment

Total fuel consumption in MWh.
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Brazil

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

61871

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

61871.00
[Fixed row]

(7.33) Does your electric utility organization have a transmission and distribution business?

Select from:
☑ Yes

(7.33.1) Disclose the following information about your transmission and distribution business.

Row 1

(7.33.1.1) Country/area/region

Select from:

☑ Brazil

(7.33.1.2) Voltage level

Select from:

☑ Transmission (high voltage)

(7.33.1.3) Annual load (GWh)

176.21

(7.33.1.4) Annual energy losses (% of annual load)

0.72

(7.33.1.5) Scope where emissions from energy losses are accounted for

Select from:

☑ Scope 2 (location-based)

(7.33.1.6) Emissions from energy losses (metric tons CO2e)

0

(7.33.1.7) Length of network (km)

5060

(7.33.1.8) Number of connections

41

(7.33.1.9) Area covered (km2)

567478

(7.33.1.10) Comment

The scope 2 emissions presented consider the “Transmission Losses” category for Cemig GT. The connections represent the 40 existing substations. In 2023, emissions due to technical losses were reduced in line with Cemig's strategy of adopting more efficient systems.

Row 3

(7.33.1.1) Country/area/region

Select from:

☑ Brazil

(7.33.1.2) Voltage level

Select from:

☑ Distribution (low voltage)

(7.33.1.3) Annual load (GWh)

58692.85

(7.33.1.4) Annual energy losses (% of annual load)

8.31

(7.33.1.5) Scope where emissions from energy losses are accounted for

Select from:

☑ Scope 2 (location-based)

(7.33.1.6) Emissions from energy losses (metric tons CO2e)

303131

(7.33.1.7) Length of network (km)

570535

(7.33.1.8) Number of connections

223070

(7.33.1.9) Area covered (km2)

567478

(7.33.1.10) Comment

The annual load, or system load, is the electricity annually injected into the distribution network at border points and by generation units. The scope 2 emissions presented consider the category of "Distribution Losses" for Cemig D. The number of connections is given by the number of consumers served by Cemig D. In 2023, losses were reduced, which is due to combat measures losses, with emphasis on carrying out 401,000 inspections, replacing 612,000 obsolete meters, replacing 235,000 conventional meters with smart meters and regularizing 4,300 illegal connections.
[Add row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.00486

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

326145

(7.45.3) Metric denominator

Select from:

☑ megawatt hour purchased (MWh)

(7.45.4) Metric denominator: Unit total

67159256

(7.45.5) Scope 2 figure used

Select from:

☑ Location-based

(7.45.6) % change from previous year

22.1

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Other emissions reduction activities

☑ Divestment

(7.45.9) Please explain

Part of the change in emissions was due to the reduction in vegetation suppression after the period of high energy distribution network expansion. In addition, the company's current Strategic Plan, "Focus and Win in Minas Gerais", has a divestment program to redirect Cemig's management and capital allocation efforts. The aim is to direct capital towards improving the quality of energy generation, transmission and distribution services in Minas Gerais. Gerais. To this end, the following divestments were carried out: • Santo Antônio (Rondônia): sale of the entire stake (7.53% in the Santo Antônio HPP); • Baguari Energia (Minas Gerais): sale of the

entire stake (34% in the Baguari HPP); • Retiro Baixo (Minas Gerais): sale of Cemig GT's 49.9% stake in Retiro Baixo Energética S.A. The data used as the denominator was the energy sold in 2023 (MWh).

Row 2

(7.45.1) Intensity figure

0.000009

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

326145

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

36849769000

(7.45.5) Scope 2 figure used

Select from:

☑ Location-based

(7.45.6) % change from previous year

18.7

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Other emissions reduction activities

☑ Divestment

(7.45.9) Please explain

Part of the change in emissions was due to the reduction in vegetation suppression after the period of high energy distribution network expansion. In addition, the company's current Strategic Plan, "Focus and Win in Minas Gerais", has a divestment program to redirect Cemig's management and capital allocation efforts. The aim is to direct capital towards improving the quality of energy generation, transmission and distribution services in Minas Gerais. Gerais. To this end, the following divestments were carried out: • Santo Antônio (Rondônia): sale of the entire stake (7.53% in the Santo Antônio HPP); • Baguari Energia (Minas Gerais): sale of the entire stake (34% in the Baguari HPP); • Retiro Baixo (Minas Gerais): sale of Cemig GT's 49.9% stake in Retiro Baixo Energética S.A. The data used as the denominator was the energy sold in 2023 (MWh).
[Add row]

(7.46) For your electric utility activities, provide a breakdown of your Scope 1 emissions and emissions intensity relating to your total power plant capacity and generation during the reporting year by source.

Hydropower

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:

☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

0.00

(7.46.4) Scope 1 emissions intensity (Net generation)

0.00

Wind

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:
☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

0.00

(7.46.4) Scope 1 emissions intensity (Net generation)

0.00

Solar

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:
☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

0.00

(7.46.4) Scope 1 emissions intensity (Net generation)

0.00

Other renewable

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:
☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

0.00

(7.46.4) Scope 1 emissions intensity (Net generation)

0.00

Total

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:
☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

0.00
[Fixed row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:
☑ Waste

(7.52.2) Metric value

1030

(7.52.3) Metric numerator

1030

(7.52.4) Metric denominator (intensity metric only)

This is not an intensity metric.

(7.52.5) % change from previous year

6.2

(7.52.6) Direction of change

Select from:
☑ Decreased

(7.52.7) Please explain

Total hazardous waste generated (in tons).

Row 2

(7.52.1) Description

Select from:
☑ Waste

(7.52.2) Metric value

60755

(7.52.3) Metric numerator

60755

(7.52.4) Metric denominator (intensity metric only)

This is not an intensity metric.

(7.52.5) % change from previous year

35.7

(7.52.6) Direction of change

Select from:
☑ Increased

(7.52.7) Please explain

Amount of waste destined for disposal, recycling and regeneration, reuse or decontamination (in tons).
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

☑ Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

10/01/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

12759.16

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

861233.04

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

873992.200

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2030

(7.53.1.55) Targeted reduction from base year (%)

70.7

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

256079.715

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

20630.56

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

305513.7

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

326144.260

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

88.66

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

The target encompasses all activities associated with Cemig's direct emissions, covered by Scope 1 and 2 categories.

(7.53.1.83) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace

public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

10/01/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Other (upstream)
☑ Other (downstream)
☑ Scope 3, Category 14 – Franchises
☑ Scope 3, Category 15 – Investments
☑ Scope 3, Category 2 – Capital goods
☑ Scope 3, Category 10 – Processing of sold products
☑ Scope 3, Category 5 – Waste generated in operations
☑ Scope 3, Category 12 – End-of-life treatment of sold products
☑ Scope 3, Category 4 – Upstream transportation and distribution
☑ Scope 3, Category 9 – Downstream transportation and distribution
☑ Scope 3, Category 6 – Business travel
☑ Scope 3, Category 7 – Employee commuting
☑ Scope 3, Category 8 - Upstream leased assets
☑ Scope 3, Category 13 – Downstream leased assets
☑ Scope 3, Category 1 – Purchased goods and services
☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

2970.43

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

42818.31

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

470861.27

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

0

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

558.17

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

96.52

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

533.58

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

0

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

0

(7.53.1.23) Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

0

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

0

(7.53.1.26) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

0

(7.53.1.27) Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

0

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

37604.91

(7.53.1.29) Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

0

(7.53.1.30) Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

555443.190

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

555443.190

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

(7.53.1.44) Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

(7.53.1.47) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

100

(7.53.1.48) Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.50) Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

100

(7.53.1.51) Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2030

(7.53.1.55) Targeted reduction from base year (%)

42

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

322157.050

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

104222.67

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

111631.07

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

323807.55

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

204.6

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

788.26

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

44.8

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.68) Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.71) Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.72) Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

72581.17

(7.53.1.74) Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.75) Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

613280.120

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

613280.120

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

-24.79

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

The target covers all Cemig's activities included in the Scope 3 categories, except for the natural gas sold by Gasmig, and the energy purchased and incorporated into the transmission and distribution systems (categories 3.11 and 3.3). These have their own targets.

(7.53.1.83) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 3

(7.53.1.1) Target reference number

Select from:

☑ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

10/01/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

2872586.69

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

2872586.690

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2872586.690

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2030

(7.53.1.55) Targeted reduction from base year (%)

42

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1666100.280

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

1907211.02

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1907211.020

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1907211.020

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

80.02

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

The target includes emissions associated with the sale of natural gas, carried out by Gasmig.

(7.53.1.83) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 4

(7.53.1.1) Target reference number

Select from:

☑ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

10/01/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Other (upstream)

☑ Other (downstream)

☑ Scope 3, Category 14 – Franchises

☑ Scope 3, Category 15 – Investments

☑ Scope 3, Category 2 – Capital goods

☑ Scope 3, Category 10 – Processing of sold products

☑ Scope 3, Category 6 – Business travel

☑ Scope 3, Category 7 – Employee commuting

☑ Scope 3, Category 8 - Upstream leased assets

☑ Scope 3, Category 13 – Downstream leased assets

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 5 – Waste generated in operations
☑ Scope 3, Category 12 – End-of-life treatment of sold products
☑ Scope 3, Category 4 – Upstream transportation and distribution
☑ Scope 3, Category 9 – Downstream transportation and distribution

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

12759.16

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

861233.04

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

2970.43

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

42818.31

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

0

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

558.17

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

96.52

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

533.58

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

0

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

0

(7.53.1.23) Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

0

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

0

(7.53.1.26) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

0

(7.53.1.27) Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

0

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

37604.91

(7.53.1.29) Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

0

(7.53.1.30) Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

84581.920

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

958574.120

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

(7.53.1.44) Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

(7.53.1.47) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

100

(7.53.1.48) Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.50) Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

100

(7.53.1.51) Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2040

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

95857.412

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

20630.56

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

305513.7

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

428030.22

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

111631.07

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

204.6

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

788.26

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

44.8

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.68) Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.71) Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.72) Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

72581.17

(7.53.1.74) Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.75) Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

613280.120

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

939424.380

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

2.22

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

The target covers all Cemig's activities covered by Scope categories 1, 2 and 3, except for the natural gas sold by Gasmig, and the energy purchased and incorporated into the transmission and distribution systems (categories 3.11 and 3.3). These have their own targets.

(7.53.1.83) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 5

(7.53.1.1) Target reference number

Select from:

☑ Abs 5

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

10/01/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Other (upstream)

☑ Other (downstream)

☑ Scope 3, Category 14 – Franchises

☑ Scope 3, Category 15 – Investments

☑ Scope 3, Category 2 – Capital goods

☑ Scope 3, Category 10 – Processing of sold products

☑ Scope 3, Category 5 – Waste generated in operations

☑ Scope 3, Category 12 – End-of-life treatment of sold products

☑ Scope 3, Category 4 – Upstream transportation and distribution

☑ Scope 3, Category 9 – Downstream transportation and distribution

☑ Scope 3, Category 6 – Business travel

☑ Scope 3, Category 7 – Employee commuting

☑ Scope 3, Category 8 - Upstream leased assets

☑ Scope 3, Category 13 – Downstream leased assets

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

2970.43

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

42818.31

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

470861.27

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

470861.27

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

558.17

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

96.52

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

533.58

(7.53.1.21) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

0

(7.53.1.22) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

0

(7.53.1.23) Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

0

(7.53.1.25) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

0

(7.53.1.26) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

0

(7.53.1.27) Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

0

(7.53.1.28) Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

37604.91

(7.53.1.29) Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

0

(7.53.1.30) Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

0

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

1026304.460

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1026304.460

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

(7.53.1.42) Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

(7.53.1.43) Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

(7.53.1.44) Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

(7.53.1.46) Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

(7.53.1.47) Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

100

(7.53.1.48) Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

(7.53.1.49) Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

(7.53.1.50) Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

100

(7.53.1.51) Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2040

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

102630.446

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

104222.67

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

111631.07

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

323807.55

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

204.6

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

788.26

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

44.8

(7.53.1.66) Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.67) Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.68) Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.70) Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.71) Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.72) Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.73) Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

72581.17

(7.53.1.74) Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.75) Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

613280.120

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

613280.120

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

44.72

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

The target covers all Cemig's activities included in the Scope 3 categories, except for the natural gas sold by Gasmig, and the energy purchased and incorporated into the transmission and distribution systems (categories 3.11 and 3.3). These have their own targets.

(7.53.1.83) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig

has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 6

(7.53.1.1) Target reference number

Select from:

☑ Abs 6

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

10/01/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

2872586.69

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

2872586.690

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2872586.690

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2040

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

287258.669

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

1907211.02

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1907211.020

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1907211.020

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

37.34

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

The target covers emissions associated with the sale of natural gas, carried out by Gasmig.

(7.53.1.83) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 7

(7.53.1.1) Target reference number

Select from:

☑ Abs 7

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

10/01/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.11) End date of base year

12/31/2021

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

12759.16

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

861233.04

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

873992.200

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2040

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

87399.220

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

20630.56

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

305513.7

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

326144.260

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ Yes, it covers land-related emissions only (e.g. FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

69.65

(7.53.1.80) Target status in reporting year

Select from:

☑ New

(7.53.1.82) Explain target coverage and identify any exclusions

The target encompasses all activities associated with Cemig's direct emissions, covered by Scope 1 and 2 categories.

(7.53.1.83) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.2.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.2.5) Date target was set

10/01/2023

(7.53.2.6) Target coverage

Select from:

☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Nitrogen trifluoride (NF3)
☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.53.2.11) Intensity metric

Select from:

☑ Metric tons CO2e per megawatt hour (MWh)

(7.53.2.12) End date of base year

12/31/2021

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0

(7.53.2.17) Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0.119

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

0.1190000000

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.1190000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

0

(7.53.2.38) % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

100

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

65

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

12/31/2030

(7.53.2.56) Targeted reduction from base year (%)

75.8

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0287980000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

75.8

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

75.8

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0

(7.53.2.64) Intensity figure in reporting year for Scope 3, Category 3: Fuel- and energy-related activities (metric tons CO2e per unit of activity)

0.04407

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

0.0440700000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0440700000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

83.07

(7.53.2.83) Target status in reporting year

Select from:

☑ New

(7.53.2.85) Explain target coverage and identify any exclusions

The target covers emissions associated with energy purchased and incorporated into the transmission and distribution systems.

(7.53.2.86) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

Row 2

(7.53.2.1) Target reference number

Select from:

☑ Int 2

(7.53.2.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.2.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.2.5) Date target was set

10/01/2023

(7.53.2.6) Target coverage

Select from:

☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Nitrogen trifluoride (NF3)

☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.53.2.11) Intensity metric

Select from:

☑ Metric tons CO2e per megawatt hour (MWh)

(7.53.2.12) End date of base year

12/31/2021

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0

(7.53.2.17) Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0.119

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

0.1190000000

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.1190000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

0

(7.53.2.38) % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

100

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

65

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

100

(7.53.2.55) End date of target

12/31/2040

(7.53.2.56) Targeted reduction from base year (%)

92

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0095200000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

92

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

92

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0

(7.53.2.64) Intensity figure in reporting year for Scope 3, Category 3: Fuel- and energy-related activities (metric tons CO2e per unit of activity)

0.04407

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

0.0440700000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0440700000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

68.44

(7.53.2.83) Target status in reporting year

Select from:

☑ New

(7.53.2.85) Explain target coverage and identify any exclusions

The target covers emissions associated with energy purchased and incorporated into the transmission and distribution systems.

(7.53.2.86) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Net-zero targets

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 2

(7.54.2.1) Target reference number

Select from:
☑ Oth 1

(7.54.2.3) Target coverage

Select from:
☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:
☑ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy productivity
☑ Other, energy productivity, please specify **:**Total SF6 emitted (tCO2e)

(7.54.2.8) Figure or percentage in base year

1.0

(7.54.2.15) Is this target part of an emissions target?

Yes, it is part of a comprehensive operational efficiency initiative.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

10/01/2021

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Abs2

☑ Abs3

☑ Abs4

☑ Abs5

☑ Abs6

☑ Abs7

(7.54.3.5) End date of target for achieving net zero

12/31/2040

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

The target encompasses all Cemig's activities covered by Scope categories 1, 2 and 3.

(7.54.3.11) Target objective

Despite the characteristics of Cemig's electricity matrix, which is predominantly renewable and low in GHG emissions, senior management is involved in defining strategies to reduce the negative impact of climate change. Thus, we seek to establish voluntary measures to reduce electricity consumption, energy losses and greenhouse gas emissions in our activities.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ Yes, and we have already acted on this in the reporting year

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Cemig implements and aims to expand various actions to reduce energy consumption and boost the use of renewable sources. Training on energy efficiency is provided to qualify employees and technologies and practices are applied to reduce energy consumption. The company is working on various projects to replace public lighting, lighting in schools and universities, replacing hospital equipment and equipment in sanitation units, with the aim of increasing energy efficiency. Cemig has also adopted the mandatory use of ethanol instead of gasoline in its vehicle fleet and the consumption of certified renewable electricity, such as solar and wind energy. In addition, investments are currently being made in the electrification of the fleet and in Energy Storage Systems, which will allow the company to use renewable energy more efficiently and flexibly, optimizing the use of resources and further reducing the environmental impact of its operations.

(7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

In order to mitigate emissions beyond its value chain, Cemig is carrying out planting activities in reforestation projects, purchasing carbon credits and engaging with suppliers, seeking to encourage the reduction of emissions.

(7.54.3.17) Target status in reporting year

Select from:

☑ New

(7.54.3.19) Process for reviewing target

Cemig is committed to revising the base year data annually in the event of any methodological change in the process of accounting for and classifying emissions. This policy seeks to consolidate continuous improvement in processes.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*5*	*`Numeric input*
To be implemented	*2*	*66*
Implementation commenced	*46*	*7355*
Implemented	*17*	*1691*
Not to be implemented	*2*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1359.3

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

54576558

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Replacement of hospital equipment in the Cemig Hospitals project

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

10.4

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

353372

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Replacement of hospital equipment in the Energy Efficiency project - Santa Casa de Misericórdia de São João Del Rei

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

13.7

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

911808

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Replacement of Public Lighting in the IP Energy Efficiency project - Almenara MP

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

9.8

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

522598

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Replacement of Public Lighting in the Energy Efficiency project in IP- PM de Candeias

Row 5

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

17.4

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

939811

(7.55.2.7) Payback period

Select from:
☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

Replacement of Public Lighting in the IP Energy Efficiency Project - PM of Carmo do Rio Claro

Row 6

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings
☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

28.1

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

851762

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Row 7

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

18.2

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

949855

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

Replacement of Public Lighting in the IP Energy Efficiency Project - PM of Itajubá

Row 8

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings
☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

16.1

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

889778

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Replacement of Public Lighting in the IP Energy Efficiency Project - PM of Juiz de Fora

Row 9

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

17.2

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

935493

(7.55.2.7) Payback period

Select from:
☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

Replacement of Public Lighting in the IP Energy Efficiency project - PM de Oliveira

Row 10

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings
☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

115.9

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

13574296

(7.55.2.7) Payback period

Select from:

☑ 11-15 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Replacement of lighting in public schools in the LED in Schools II project

Row 11

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

13.1

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

322400

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 16-20 years

(7.55.2.9) Comment

Replacement of equipment in sanitation units in the Energy Efficiency Project - COPASA Araxá - Córrego Areia

Row 12

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

21.5

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

1122293

(7.55.2.7) Payback period

Select from:
☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 16-20 years

(7.55.2.9) Comment

Replacement of equipment in sanitation units in the Energy Efficiency Project - COPASA Araxá - Córrego Feio

Row 13

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

9.9

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

414518

(7.55.2.7) Payback period

Select from:
☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 16-20 years

(7.55.2.9) Comment

Replacement of equipment in sanitation units in the Energy Efficiency Project - SAAE Lambari

Row 14

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes
☑ Machine/equipment replacement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

11.5

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

386649

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Row 15

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

5.1

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

271728

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

Lighting Replacement at Universities in the Efficiency Project - UFMG - Veterinary School

Row 16

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings
☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

23.8

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

0

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

695968

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Replacement of Public Lighting in the Public Lighting Efficiency Project - Pará de Minas City Hall
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Cemig's Research and Development (R&D) Program aims to encourage the constant search for innovations and to face the technological challenges of the electricity sector. In this context, Law 9,991/2000 establishes that concessionaires and permission holders for the distribution, generation and transmission of electric energy apply, annually, part of their net operating revenue in the Program for Research and Development of the Electric Energy Sector, regulated by Aneel. To ensure the

application of this resource, Cemig periodically publishes notices to attract projects in different lines of action. The lines of climate change-related projects include: Alternative sources, distributed and decentralized generation; Basin management and energy planning; Measurement, billing and commercial losses; and Environment.

Row 3

(7.55.3.1) Method

Select from:

☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Within the Distribution Development Program (PDD), there is a budget dedicated to reducing Cemig's electrical losses in the system and initiatives to reduce emissions by Cemig and the national electrical system.

Row 4

(7.55.3.1) Method

Select from:

☑ Other **:**Geração distribuída

(7.55.3.2) Comment

In 2012, ANEEL Normative Resolution No. 482/2012 came into effect, which establishes the general conditions for access by microgeneration and distributed minigeneration to electricity distribution systems through the means of electricity compensation. As a result, Brazilian consumers are now able to generate their own electricity from renewable sources and supply the surplus to their local power grid. These are innovations that combine financial savings, socio-environmental awareness and self-sustainability.In general, the presence of small generators close to the loads can provide several benefits for the electrical system and utilities, among which the following stand out:1. the postponement of investments in expansion of the distribution and transmission systems;2. low environmental impact;3. improvement of the grid voltage level during the period of heavy load;4. increasing the source's energy efficiency by reducing electricity production and transmission losses;5. diversification of the energy matrix; It is6. favoring the creation of new business models applicable to the electricity sector.Cemig, which is a forerunner in the distributed generation process and aligned with the development of technology, connected the first electricity microgeneration unit in Brazil in September 2012, the same year that ANEEL created the Electricity Compensation System. Since then, Cemig has been leading the market for distributed generation connections in the country.

Row 5

(7.55.3.1) Method

Select from:

☑ Internal price on carbon

(7.55.3.2) Comment

Cemig assesses the risk of increased carbon emissions in its energy matrix and the financial impact of this increase by carrying out environmental due diligence and sensitivity analysis, regarding the acquisition of new ventures for decision-making regarding the expansion of its business.The method used to define the price of carbon is the comparison with national peers and participation in relevant GTs that deal with the subject, the potential regulation of the market and the related risks.

Row 6

(7.55.3.1) Method

Select from:

☑ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

Federal Law No. 9,991/2000: establishes that 1% of the organization's net operating revenue must be allocated to financing R&D and energy efficiency programs. Thus, Cemig created Intelligent Energy, a program focused on energy efficiency, made up of several multi-annual and socio-environmental projects, which develop energy efficiency actions in low-income communities (in compliance with article 1, item V, of Law nº 9.991/2000, included by Law nº 12.212/2010) and in non-profit and philanthropic institutions.

Row 7

(7.55.3.1) Method

Select from:

☑ Internal finance mechanisms

(7.55.3.2) Comment

The replacement of the vehicle fleet uses resources from the Company's Investment Programs. Cemig has, as a guideline, that the average manufacturing date of vehicles in its fleet is less than 05 (five) years, the legal depreciation period set by the granting authority. Therefore, the Company annually renews its fleet of vehicles.

Row 8

(7.55.3.1) Method

Select from:

☑ Other **:**RECs

(7.55.3.2) Comment

Cemig has been working with Renewable Energy Certificates (RECs), having included the RECs issued in the year in the 2020 GHG inventory. The RECs aim to prove that the energy comes from renewable sources (hydroelectric, wind, photovoltaic, biomass) and allow the accounting and tracking of energy ballast.As a form of control, a REC that has been sold once cannot be sold again. All certificates receive unique numbers for identification and also include various information such as: the renewable source, place of generation, date of generation, quantity sold, property to which it was assigned. Each REC is equivalent to 1 MWh.In addition to the I-REC, Cemig developed its own renewable energy certificate, the Cemig REC. It complies with international standards, such as the GHP Protocol and CDP, and ensures that the Company's energy is renewable, which is done through its own controls and a methodology proposed by a specialized consultancy. With this certificate, companies can guarantee that the energy they consume comes from renewable sources. CEMIG REC started in 2020 as a pilot project, free of charge, and is currently expanding. In line with its strategic guidelines, Cemig has been expanding the commercialization of Cemig RECs and I-RECs. In 2023, 1,518,154 I-RECs and 2,355,166 Cemig RECs were sold.
[Add row]

(7.58) Describe your organization’s efforts to reduce methane emissions from your activities.

Cemig's total CH4 emissions in 2023 were 88 tCO2e (Scope 1), which represented around 0.004% of total Scope 1 emissions. Cemig manages the potential risk of leaks in its natural gas distribution operations and therefore the emission of methane, the main component of the gas. To identify possible natural gas leaks and reduce the volume of fugitive gas, which is considered a technical loss in the distribution operation, Gasmig monitors network pressure remotely using data loggers. In addition, the natural gas is artificially scented to make it easier for the local population and the Fire Brigade to identify leaks. Gasmig has a 24-hour call center so that leak detections can be reported and a cathodic protection system associated with an external polyethylene coating structure, which offers mechanical and anti-corrosion protection to the pipeline. By preserving the integrity of its gas pipelines, the company is making efforts to reduce methane emissions from its activities.

(7.73) Are you providing product level data for your organization’s goods or services?

Select from:

☑ Yes, I will provide data through the CDP questionnaire

(7.73.1) Give the overall percentage of total emissions, for all Scopes, that are covered by these products.

100

(7.73.2) Complete the following table for the goods/services for which you want to provide data.

Row 1

(7.73.2.1) Requesting member

Select from:

(7.73.2.2) Name of good/ service

Electricity generation (MWh)

(7.73.2.3) Description of good/ service

Electricity supply.

(7.73.2.4) Type of product

Select from:
☑ Final

(7.73.2.5) Unique product identifier

MWh

(7.73.2.6) Total emissions in kg CO2e per unit

0.08

(7.73.2.7) ±% change from previous figure supplied

0

(7.73.2.8) Date of previous figure supplied

08/12/2023

(7.73.2.9) Explanation of change

The factors that cause variation in the intensity of Cemig's emissions is the variation in the emission factor of the national interconnected system, which is influenced by the dispatch of thermal power plants.

(7.73.2.10) Methods used to estimate lifecycle emissions

Select from:

☑ Other, please specify

[Add row]

(7.73.3) Complete the following table with data for lifecycle stages of your goods and/or services.

Row 1

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

CITROSUCO was not a client of Cemig in 2023, so there were no goods and/or services to be provided.

(7.73.3.3) Scope

Select from:

☑ Scope 1

(7.73.3.4) Lifecycle stage

Select from:

☑ Energy/Fuel

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

0

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

☑ Yes

(7.73.3.7) Type of data used

Select from:

☑ Primary

(7.73.3.8) Data quality

CITROSUCO was not a Cemig client in 2023, so it is not possible to provide this information.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

CITROSUCO was not a Cemig client in 2023, so it is not possible to provide this information.
[Add row]

(7.73.4) Please detail emissions reduction initiatives completed or planned for this product.

Row 1

(7.73.4.1) Name of good/ service

Efficiency in the management of fuel consumption in the vehicle fleet. The calculation of reductions is associated with the total energy sold by Cemig (kg CO2/MWh)

(7.73.4.2) Initiative ID

Select from:

☑ Initiative 1

(7.73.4.3) Description of initiative

Cemig's guideline is to renew its fleet of vehicles annually so that the average age of the vehicles does not exceed five years, the legal depreciation period set by the granting authority. In addition, the company encourages the supply of ethanol.

(7.73.4.4) Completed or planned

Select from:

☑ Ongoing

(7.73.4.5) Emission reductions in kg CO2e per unit

0.05

Row 2

(7.73.4.1) Name of good/ service

Sale of renewable energy certificates (Cemig REC and I-REC)

(7.73.4.2) Initiative ID

Select from:

☑ Initiative 2

(7.73.4.3) Description of initiative

Cemig's main source of emissions comes from the sale of electricity to its customers, one of the ways to reduce these emissions is through the sale of renewable energy certificates. In 2023 Cemig sold renewable electricity that does not present emissions, of which 2,355,166 MWh from Cemig REC and 1,518,154 MWh from I-REC.

(7.73.4.4) Completed or planned

Select from:

☑ Completed

(7.73.4.5) Emission reductions in kg CO2e per unit

149122.8
[Add row]

(7.73.5) Have any of the initiatives described in 7.73.4 been driven by requesting CDP Supply Chain members?

Select from:

☑ Yes

(7.73.6) Explain which initiatives have been driven by requesting members.

Row 1

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

CITROSUCO was not a Cemig client in 2023, so it is not possible to provide this information.

(7.73.6.3) Initiative ID

Select from:

☑ Initiative 1

[Add row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:
☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:
☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:
☑ No taxonomy used to classify product(s) or service(s) as low carbon

(7.74.1.3) Type of product(s) or service(s)

Power
☑ Other, please specify **:**Cemig SIM: Distributed generation

(7.74.1.4) Description of product(s) or service(s)

Cemig SIM was launched in 2019 to operate in the shared energy market, through distributed generation based on a new model of partnerships, aimed at participating in new photovoltaic solar generation projects. In 2023, Cemig SIM generated 161,50 GWh from 23 photovoltaic generation plants (installed capacity of 88 MWp).

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify :Internal calculations

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Not applicable

(7.74.1.8) Functional unit used

Not applicable

(7.74.1.9) Reference product/service or baseline scenario used

The baseline scenario used would be energy production from non-renewable sources. The calculation of avoided emissions considers the emission factor of the interconnected system as a combination of the operating margin emission factor, which reflects the intensity of CO2 emissions from energy dispatched at the margin, with the build margin emission factor, which reflects the intensity of CO2 emissions from the last plants built.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Not applicable

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

7542.05

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Cemig Intelligent Energy Solutions – Cemig SIM: 1- This initiative allows the reduction of Scope 2 of third parties, since it reduces the electricity consumption of the national electrical system of its customers; 2 - This type of generation allows consumers to generate their own energy and, when they contract Cemig SIM, they begin to obtain energy credits from the Company's solar farms; 3 – The energy generated was used to compensate emissions for Cemig SIM customers. Considering the average annual SIN emission factor of the operating margin using the dispatch analysis method according to the MCTI in 2023 (0.0467 MWh/CO2), avoided emissions correspond to 7.542,05 tCO2e.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

17.4

Row 3

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ No taxonomy used to classify product(s) or service(s) as low carbon

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Gasmig: Natural gas

(7.74.1.4) Description of product(s) or service(s)

Gasmig, a subsidiary of Cemig, is the exclusive distributor of natural gas throughout the entire territory of Minas Gerais.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify :Internal calculations

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Not applicable

(7.74.1.8) Functional unit used

Not applicable

(7.74.1.9) Reference product/service or baseline scenario used

Not applicable

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Not applicable

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

2431259228

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Natural gas - Gasmig: 1- This initiative allows third parties to reduce Scope 1, as it allows their customers to consume fossil fuel with a lower GHG emission factor; 2- Gasmig's investment, in 2022, was around R 55.5 million in assets, mainly in the expansion of its Natural Gas Distribution Networks in the State of Minas Gerais; 3 - Gasmig monitors the amount of natural gas supplied to the sectors it serves (residential, commercial, industrial and vehicular), with the Company increasing the number of customers by 16% in 2022, reaching 82,582 consumers; 4 - In 2023, Gasmig sold 921,814,690 m3 of natural gas. Applying the corresponding emission factor, approximately 1,907,211,02 tCO2e were emitted. Considering the same volume of fuel oil, emissions would be equivalent to 2,431,259,228 tCO2e.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

13.1

Row 4

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ The IEA Energy Technology Perspectives Clean Energy Technology Guide

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Energy production from renewable sources: wind, solar and hydro

(7.74.1.4) Description of product(s) or service(s)

Cemig has 100% of its installed capacity for generating energy from renewable sources: wind, solar and hydroelectric. By generating renewable energy, Cemig replaces the generation of energy that would occur from fossil sources.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify :Internal calculations

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Not applicable

(7.74.1.8) Functional unit used

Not applicable.

(7.74.1.9) Reference product/service or baseline scenario used

The baseline scenario used would be energy production from non-renewable sources. The calculation of avoided emissions considers the emission factor of the interconnected system as a combination of the operating margin emission factor, which reflects the intensity of CO2 emissions from energy dispatched at the margin, with the build margin emission factor, which reflects the intensity of CO2 emissions from the last plants built.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Not applicable

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

720968.14

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

*Energy generation from renewable sources:1- The initiative allows for the reduction of Scope 2 for consumers who purchase energy directly from Cemig through the Free Energy Market; 2- By injecting renewable energy into the national electrical system, Cemig promotes the reduction of the emission factor of this system, benefiting all energy consumers connected to the grid. In 2023, 15,438,290 MWh of energy were generated from renewable sources (hydraulics wind solar), considering only the plants that Cemig has operational control; 3- It is estimated that the generation of renewable energy, in 2023, avoided the emission of 720,968 tCO2 (15,438,290 MWh * 0.0426tCO2/MWh). The SIN emission factor used was the one of the operating margin using the dispatch analysis method according to the MCTI in 2023.*

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

87.5
[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:
☑ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☑ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

As established by the National Environmental Council (CONAMA), the analysis and evaluation of quality parameters is carried out in a laboratory or third-party laboratory, which must adopt the analytical quality control procedures necessary to meet the conditions required in the samples.

(9.2.4) Please explain

Cemig monitors 100% of water withdrawal by source, outsourcing the abstraction of artesian and surface wells at all its operations and administrative buildings. Water aspects are monitored monthly, recording the total volume abstracted at its facilities. In addition, daily monitoring of the water levels of the main reservoirs of the hydroelectric plants is carried out, including Camargos (Rio Grande basin), Emborcação (Rio Paranaíba basin), Irapé (Rio Jequitinhonha basin), Nova Ponte (Rio Paranaíba basin), Queimado (Rio São Francisco basin) and Três Marias (Rio São Francisco basin), as well as the flow in the main rivers that make up the water network of Cemig's operations.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

As established by the National Environmental Council (CONAMA), the analysis and evaluation of quality parameters is carried out in an in-house or third-party laboratory, which must adopt the analytical quality control procedures necessary to meet the conditions required in the samples.

(9.2.4) Please explain

Cemig monitors monthly the water withdrawal associated with administrative consumption, which is that which occurs at the company's various facilities. The water captured for administrative consumption is monitored monthly from different sources, so that Cemig can monitor 100% of the volume of water captured for consumption purposes. All the artesian wells have water meters to measure consumption and monitor the limits granted for each well, and the validity of the grants is monitored at the headquarters of each operational management. All 14 artesian wells and 2 shallow wells (cisterns) for the use of water resources are considered insignificant but have valid permits and the volumes granted are respected. In addition, daily monitoring of water levels in the main reservoirs of Cemig's hydroelectric plants is carried out.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Yearly

(9.2.3) Method of measurement

Water quality in Cemig's reservoirs is regularly monitored through a network that includes 46 reservoirs and 176 physical-chemical and biological data collection stations in the main river basins of Minas Gerais, namely: Paranaíba, Rio Grande, Rio São Francisco, Rio Doce and Paraíba do Sul.

(9.2.4) Please explain

Monitoring of surface water quality in Cemig's reservoirs is carried out following a sampling plan comprising a basic network and a targeted network. The basic network (RB) aims to provide data for a comprehensive understanding of the water quality situation in and around the reservoir, as well as generating information for ichthyology collections. The targeted network (RD) aims to indicate the ecological integrity of aquatic ecosystems more accurately, integrating the effects of different impacting agents and providing an aggregate measure of impacts. The adoption of a targeted network makes it possible to complement the data and information generally obtained from traditional monitoring. Monitoring takes place upstream and downstream of the dams. Monitoring and analysis are carried out twice a year, with the collection of physical-chemical and biological data from groundwater and surface water.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

The total volume of sanitary effluent generated is estimated according to the Brazilian standard NBR 7229, which considers that 80% of the water consumed is discharged as effluent. As for the use of water to generate electricity and cool equipment at hydroelectric power plants (HPPs), since it is not consumed, there is no need to measure the volume of water discharged. In this process, only the quality and temperature of the water that is discharged into the body of water is monitored.

(9.2.4) Please explain

Cemig is responsible for generating two classes of liquid effluents: i) administrative effluents and ii) effluents from hydroelectric generation processes. Most of the administrative effluents are disposed of directly into the public sewage system, and another part is sent to the septic tank. All administrative effluents generated by Cemig are monitored monthly. The total volume of sanitary effluents generated is estimated according to the Brazilian standard NBR 7229, which considers that 80% of the water consumed is disposed of as effluent. The effluent from electricity generation is discharged directly into the body of water. As the water is not used for consumption, but for generating electricity and cooling equipment, there is no need to measure the volume discharged into the spillway system. 100% of the water collected is returned to its watercourse. In this process, only the quality and temperature of the water that is discharged into the body of water is monitored.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

The company does not dispose of effluent into watercourses. Septic tanks or biodigesters are used, which dispose of the water in drains installed in the ground or destined for third parties, and annual analyses of liquid effluents are carried out, as determined by CONAMA Resolution 430/2011, which amends Resolution 357 of March 17, 2005.

(9.2.4) Please explain

Most of the administrative effluent generated by Cemig is disposed of directly into the public sewage system (68%), and the other part is sent to the septic tank (32%). 100% of the effluent sent to local concessionaires is monitored daily. The effluent sent to septic tanks is monitored annually (73%), biannually (17%) or quarterly (10%). Some facilities have water and oil separator boxes, which dispose of the water in drains installed in the ground and carry out annual analyses of the liquid effluents, in accordance with CONAMA Resolution No. 430 of May 13, 2011, which establishes the conditions and standards for the disposal of effluents and complements and amends Resolution No. 357 of March 17, 2005.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Yearly

(9.2.3) Method of measurement

Sanitary effluents are treated as follows: 68% by conventional treatment systems through the public sewage system and 32% directed to septic tanks located at Cemig's facilities. Effluents from generation and cooling are discharged directly into water bodies and are monitored annually in auditing processes.

(9.2.4) Please explain

All Cemig's sanitary effluents are treated, with approximately 68% being sent to conventional treatment systems via the public collection network and 32% directed to septic tanks located on Cemig's premises. Effluents from the generation at hydroelectric plants are discharged directly into bodies of water. Any degradation of water quality can occur in insignificant volumes when compared to the flow of rivers, which eliminates the need for treatment of effluents, as they have concentrations below the parameters of current legislation. Effluents are monitored through annual audits: an external audit carried out by the ABNT certification institution and two internal audits.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

The analysis of the quality of effluents directed to septic tanks follows CONAMA Resolution nº 430 and takes place annually (in more than 90% of the installations) or every six months (about 10% of the installations). Collection is carried out by a contracted company. Parameters: pH, temperature, sedimentable materials, BOD and COD. With regard to HPPs, quality monitoring takes place upstream and downstream of the dams. Parameters: temperature, turbidity, phosphorus, nitrogen and oxygen.

(9.2.4) Please explain

The quality of effluents sent to local concessionaires is monitored daily. For effluents from hydroelectric power plants (HPPs), Cemig monitors the quality of the water upstream and downstream of the dams, so that the company can identify if there is any impact on the watercourses. The company does not discharge sanitary effluent into bodies of water. Septic tanks or biodigesters are used, which dispose of the water in drains installed in the ground, and annual analyses of the liquid effluents are carried out, as determined by CONAMA Resolution No. 430 of May 13, 2011, which establishes the conditions and standards for the discharge of effluents. The volume and environmental impact of these effluents are low, considering the legislation in force. Facilities that have water and oil separator boxes dispose of the water in drains installed in the ground and carry out annual analyses of the liquid effluents, as determined by CONAMA Resolution 430/2011.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

Analysis of the quality of effluent directed to septic tanks follows CONAMA Resolution 430 and takes place annually at more than 90% of the facilities or every six months at around 10% of the facilities. Collection is carried out by a contracted company. Regarding hydroelectric plants, quality monitoring is carried out daily upstream and downstream of the dams. The release of Persistent Organic Pollutants (POPs) is prohibited in effluents.

(9.2.4) Please explain

The company does not discharge sanitary effluent into waterbodies. Septic tanks or biodigesters are used, which dispose of the water in drains installed in the ground, and annual analyses of the liquid effluents are carried out, as determined by CONAMA Resolution 430/2011. Installations that have water and oil separator boxes dispose of the water in drains installed in the ground and carry out annual analyses of the liquid effluent, in accordance with CONAMA Resolution 430/2011.

For effluents from hydroelectric plants, Cemig monitors water quality upstream and downstream of the dams. Among the main parameters monitored are temperature, turbidity, phosphorus, nitrogen and oxygen. The main risk of negative impact related to water pollution is the presence of oil in the waters of hydroelectric plants. Operating procedures are guided by service instructions and quality standards, and incidents are recorded in the Environmental Occurrence Report.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

100% of the sanitary effluents destined for the local concessionaires are monitored daily by the concessionaires themselves. In Cemig's generation, the company monitors the quality of the water in the reservoirs, including the temperature of the water, in accordance with the parameters of the legislation in force, according to CONAMA Resolution No. 357 of March 17, 2005. In 57% of the plants, the water temperature is monitored every 6 months, while in 43% of the plants, every 3 months.

(9.2.4) Please explain

The temperature of the sanitary effluent destined for the local concessionaires is monitored by the concessionaires themselves daily. Within generation, Cemig monitors the quality of the water in the reservoirs, including the temperature of the water, in accordance with the parameters of current legislation, according to CONAMA Resolution 357 of 2005. In 57% of the plants, the water temperature is monitored every six months, while in 43% of the plants, it is monitored every three months. The monitoring is carried out upstream and downstream of the operations, functioning as an assessment of the company's effluent management, with the aim of adapting the effluent parameters to those defined by the legislation. The temperature of sanitary effluent directed to septic tanks is also monitored annually (73%), biannually (17%) or quarterly (10%), depending on the facility. Due to their characteristics, these effluents have a low polluting potential, considering the legislation in force.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Cemig has two indices that monitor the company's water consumption: the Artesian Well Water Consumption Index (ICA PA) and the Public Service Water Consumption Index (ICA SP). Water is abstracted from artesian wells in accordance with the limits granted for each well and is used for human consumption, cleaning and, occasionally, garden irrigation.

(9.2.4) Please explain

Due to the characteristics of Cemig's projects, in 2019 two classifications were used for water consumption: administrative consumption and industrial consumption. It is important to note that, due to the closure of TPP Igarapé's operations, all Cemig's water consumption from 2020 onwards was categorized as administrative. Cemig has two indices that monitor the company's water consumption: the Artesian Well Water Consumption Index (ICA PA) and the Public Service Water Consumption Index (ICA SP). Water is collected from artesian wells in accordance with the limits granted for each well and is used for human consumption, cleaning and, occasionally, garden irrigation. For administrative consumption, Cemig is able to monitor 100% of water consumption based on monthly monitoring of water abstraction from sources. The water used to generate hydroelectric power is not suitable for consumption.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

As established by the National Environmental Council (CONAMA), the analysis and evaluation of quality parameter values is carried out by the government, which can use its own laboratory, a partner laboratory or a third-party laboratory, which must adopt the analytical quality control procedures necessary to meet the conditions required in the samples.

(9.2.4) Please explain

In recent years, Cemig has built new substations that use rainwater to help reduce administrative water consumption at Cemig Distribuição. The captured water is used for irrigation and toilet flushing. By 2027, another 200 substations will be built using this system. By January 2024, 80 new substations will be delivered through the More Energy Program. However, the percentage of recycling is considered insignificant in the operations of the company's suppliers. With the construction of these new substations by 2027, new installations using rainwater harvesting will account for 33% of all units (200/615).

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Quarterly

(9.2.3) Method of measurement

Water analyses are carried out quarterly to verify compliance with the water quality and potability standards established in Ministry of Health Ordinance No. 05 of September 28, 2017, Annex XX, which determines the microbiological criteria to be met.

(9.2.4) Please explain

The provision of sanitation, water and hygiene (WASH) services complies with the required standards in force and is managed to ensure safe consumption and use by all employees at all company units. In all the company's drinking fountains, quarterly water analyses are carried out to verify compliance with the quality and potability standards established in Ministry of Health Ordinance No. 05 of September 28, 2017, Annex XX, which determines the microbiological criteria to be met by the water samples collected during quarterly monitoring.

[Fixed row]

(9.2.1) For your hydropower operations, what proportion of the following water aspects are regularly measured and monitored?

Fulfilment of downstream environmental flows

(9.2.1.1) % of sites/facilities/operations measured and monitored

Select from:

☑ 100%

(9.2.1.2) Please explain

In the operation of its hydroelectric plants, Cemig adopts operational measures that always seek to respect the minimum river flows and respect for environmental restrictions and multiple uses. In addition to specialized systems that monitor compliance with operational and environmental restrictions, for each hydroelectric plant there is an Operational Instruction that defines the technical, environmental and operational parameters, to standardize operational procedures from the planning phase, daily operation programming and real-time operation of the projects. Cemig also has an area dedicated to water resources management, which, through its participation in the National and State Water Resources Councils, River Basin Committees, Technical Chambers and Working Groups, together with government representatives, other users of water resources and organized civil society, carries out integrated management initiatives in the river basins where it has projects, seeking to ensure the best use of water for generation, without impacting the other uses of the river basin.

Sediment loading

(9.2.1.1) % of sites/facilities/operations measured and monitored

Select from:

☑ 100%

(9.2.1.2) Please explain

Cemig operates fluviosedimentometric stations with the aim of monitoring the input and deposition of sediment in reservoirs, in order to: - Quantify and characterize the sediment brought in by the rivers in certain locations of interest; - Estimate the useful life of existing reservoirs and future uses; - Meet the environmental conditions for the release of the Operating License - LO; - Alert the competent bodies to the degradation of the river basin; - Subsidize the actions of the River Basin Committees and at the same time comply with ANA/ANEEL Joint Resolution No. 3 of August 10, 2010. This monitoring currently has stations located in different river

basins, operating on a detailed basis, where solid discharge measurements are frequently carried out using sampling techniques that allow the volume transported to be calculated based on their analysis. Normally, 8 solid discharge measurements are carried out per hydroelectric plant per year. This sediment monitoring is currently carried out at 86 stations located in the vicinity of each of our Hydroelectric Power Plants (HPP) and our Small Hydroelectric Power Plants (SHP).

Other, please specify

(9.2.1.1) % of sites/facilities/operations measured and monitored

Select from:

☑ Not relevant

(9.2.1.2) Please explain

In hydroelectric operations, Cemig measures and monitors aspects related to flow and sediment. Other aspects are irrelevant in terms of both operation and environmental impact.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

144438608.23

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☑ Other, please specify **:**Reduced water availability

(9.2.2.6) Please explain

Most of Cemig's surface water is used to generate electricity. The total volume flowing into Cemig's power plants in 2023, in proportion to its shareholding in the projects, was 144,438,396 megaliters. In 2022, this figure was 222,888,159.58 megaliters. The figure for 2023 was much lower than that for 2022, around 35%, due to the lower hydrological conditions that year. The variation in this volume is related to the variability of rainfall in each period. It should be noted that the abstraction of this water does not lead to its consumption, since the water is used to generate energy at hydroelectric plants. The water's energy potential is harnessed without consuming it. For the next five years, the same or lower values are expected compared to last year. In 2023, for example, there was sparse rainfall during some months of the dry season, with above-average precipitation even in August. But the almost total absence of rainfall in 2024 since April highlights the severity of the current scenario. Most of this volume, more than 99%, is just water from the reservoirs, used to harness energy potential in order to generate electricity, being reintegrated into nature in its entirety, with no contaminants in the process.

Total discharges

(9.2.2.1) Volume (megaliters/year)

142355925.32

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ About the same

(9.2.2.5) Primary reason for forecast

Select from:

☑ Other, please specify **:**Reduced water availability

(9.2.2.6) Please explain

The vast majority of Cemig's surface water discharge occurs in the process of producing electricity at the hydroelectric plants. The hydropower plants' outflows are monitored by the Hydrometeorological Telemetry System, which monitors the outflows from each CEMIG plant. The total volume deflated by Cemig's plants in 2023, in proportion to its shareholding in the projects, was 142,355,925 megaliters. In 2022, this figure was 214,868,806 megaliters. The figure for 2023 was much lower than that for 2022, around 33%, due to the worse hydrological conditions in that year compared to the previous year. The variation in this volume is directly related to the variability of rainfall in each period. This figure is also influenced by the reservoir operation policy, which increases or decreases depending on the greater or lesser storage of water volumes. For the next five years, values equal to or lower than the discharge values seen in the last year are expected, since discharge values are proportional to catchment values. In 2023, for example, there was sparse rainfall during some months of the dry season, with above-average rainfall even in August. But the almost total absence of rainfall in 2024 since April highlights the severity of the current scenario. Most of this volume, more than 99%, is just water from the reservoirs, used to harness energy potential in order to generate electricity, being reintegrated into nature in its entirety, with no contaminants in the process.

Total consumption

(9.2.2.1) Volume (megaliters/year)

2082682.91

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Other, please specify **:**Reduced water availability

(9.2.2.6) Please explain

In 2023, hydrological conditions were worse than in 2022. This worsening in hydrological conditions meant that the storage level of some reservoirs worsened compared to the previous year. This resulted in a total consumption of 2,082,682 megaliters, much lower, around 74%, than that seen in 2022, which was 8,017,661. In 2024, an even lower number of abstractions is expected compared to 2023, due to the worsening hydrological conditions seen in summer 2023-2024.
[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☑ No

(9.2.4.8) Identification tool

Select all that apply

☑ WWF Water Risk Filter

(9.2.4.9) Please explain

Cemig monitors the characteristics of the region where its hydroelectric operations are concentrated to ensure that resources are properly managed. For the year 2023, no plants were identified in areas of water stress. Two methodologies were used to validate the answer that Cemig GT has no hydroelectric plants in water stress areas. The first was the UN FAO manual, which presents the water stress indicator. Considering TFWW as water withdrawn, TRWR as total freshwater resources and EFR as environmental flow requirements, the calculations are done as follows: According to the document, rates of less than 25% indicate low stress, with withdrawals being marginal to the total water resource available. Only in situations where the indicator is higher than 75% is a high level of water stress considered, indicating greater impacts on resources and potential conflict and competition between users. To calculate water stress, potential stress was considered. Where the withdrawal flow (TFWW) was considered the maximum legally possible, being 30% or 50% of Q7.10 for state basins in Minas Gerais and 50% of Q95 as the reference flow for federal rivers and the environmental or remaining flow, EFR, will be 1 - the withdrawal of the reference flow. According to the results, Cemig GT's hydroelectric plants are in the low water stress range, with values varying between 2% and 21%. The other methodology used was the WWF Water Filter Risk. According to the indicator provided by the tool, areas are only considered critical if they are at "high risk" or "very high risk" of water stress. In line with this methodology, the areas of Cemig's hydroelectric plants are not at high risk or very high risk of water stress. Thus, based on the two methodologies used, the assertion that the company does not have projects in areas with water scarcity is proven.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

144438396.4

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**Reduced water availability

(9.2.7.5) Please explain

Most of Cemig's surface water is used to generate electricity. The flow to the power plants is monitored through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. In some places there is a hydrometer for measurement, in others an estimate is made based on the number of people at the facility. The total volume flowing into Cemig's plants in 2023, in proportion to its shareholding in the projects, was 144,438,608 megaliters. In 2022, this figure was 222,888,159 megaliters. The figure for 2023 was much lower than that for 2022 due to the lower hydrological conditions that year. The variation in this volume is related to the variability of rainfall in each period. An even greater reduction is expected for 2024 due to the drought scenario in recent months.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Brackish water does not apply to the context of Cemig's operations, since the company has its hydroelectric plants on rivers that are not close to the sea or in mangrove areas. Therefore, the water captured for power generation is fresh water. Cemig has no history of abstracting brackish water and, given the location of the hydroelectric plants, should not have any records in the future.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

42.03

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

The decrease in consumption from 2022 to 2023 was due to the decrease in scheduled maintenance from one year to the next, as well as the work carried out at the substations. To monitor groundwater, measurements are recorded on site and transferred to the SPO system, developed by Cemig to monitor events at substations, including the abstraction of water from artesian wells. In addition, the new substations are reducing their groundwater abstraction by using rainwater.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Cemig does not use non-renewable groundwater in its operations or in the administrative sphere because it believes that there is no need to exhaust this type of resource and that there are other options available. In addition, these resources are subject to specific protection measures that Cemig supports, recognizing the importance of their conservation.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Cemig, due to the sector in which it operates, does not collect or produce this type of water. Therefore, there are no historical records or forecasts of this type of effluent being collected or generated.

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

169.8

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

Consumption is measured by the local sanitation concessionaire and charged directly to Cemig via monthly invoices. In 2023, the work regime was entirely face-to-face, generating higher consumption than in 2022, when the work regime was hybrid. In addition, there was an increase in consumption due to building renovations and construction work.
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:
☑ Relevant

(9.2.8.2) Volume (megaliters/year)

142355751.48

(9.2.8.3) Comparison with previous reporting year

Select from:
☑ Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:
☑ Other, please specify **:**Reduced water availability.

(9.2.8.5) Please explain

The vast majority of Cemig's surface water discharge occurs in the process of producing electricity at the hydroelectric plants. The hydropower plants' outflows are monitored by the Hydrometeorological Telemetry System, which monitors the outflows from each CEMIG plant. The total volume discharged by Cemig's plants in 2023, in proportion to its shareholding in the projects, was 142,355,751 megaliters. In 2022, this figure was 214,868,655 megaliters. The figure for 2023 was lower than that for 2022 due to the worse hydrological conditions in that year compared to the previous year. The variation in this volume is directly related to the variability

of rainfall in each period. A reduction is expected for 2024 due to the lack of rainfall. This figure is also influenced by the reservoir operation policy, increasing or decreasing depending on water storage.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

Brackish water does not apply to the context of Cemig's operations, since the company has its hydroelectric plants on rivers that are not close to the sea or in mangrove areas. Therefore, the withdrawal of water for energy generation returns to the same body of fresh water without alterations to its composition. Cemig has no history of discharging brackish water and, given its operations, should not have any records in the future.

Groundwater

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

33.62

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

Cemig considers that the disposal of this type of water, exclusively related to administrative activities, corresponds to 80% of total administrative consumption. The volume of waste was lower than in the previous year, at around 25%. Around 44% of Cemig's sanitary effluent is sent to septic tanks, with the remainder going to local utilities. In relation to the company's total discharge volume, the figure is insignificant, representing less than 1% of the total. The volume of water practically fell significantly in relation to the total reported in the previous year (44.99 megaliters), which may be related to improvements in efficiency in the management of water resources at the administrative level, with the use of rainwater and there was also a reduction in the number of employees, which led to lower consumption and disposal of effluents.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

140.22

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

The volume of this type of disposal is mainly due to the total disposal of sanitary water, which is more expressive in the context of Cemig Distribuição, which contributes 120.80 megaliters, or about 86% of the amount disposed of in 2023. Within the scope of all CEMIG's activities, the total volume destined for third parties in 2022 was 107.11 megaliters and for 2023 there was a significant increase in volume, over 30%, due to building renovations and construction work.
[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

Cemig is responsible for generating two classes of liquid effluents: i) administrative effluents from sanitary uses in building facilities, which correspond to a volume of less than 1% of the total effluents generated, and ii) effluents from hydroelectric generation processes. As for administrative effluent, 56% is sent to local concessionaires and 44% to septic tanks, which is primary treatment. Thermal effluent, on the other hand, is returned to the body of water without the need for on-site treatment, since even if there is any degradation in water quality, the volume in relation to the volume of water passing through the turbines is insignificant. In other words, this eliminates the need to treat the effluent due to its lower concentration compared to the parameters of current legislation.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

Cemig is responsible for generating two classes of liquid effluents: i) administrative effluents from sanitary uses in building facilities, which correspond to a volume of less than 1% of the total effluents generated, and ii) thermal effluents from hydroelectric generation processes. Most of the administrative effluent generated by Cemig is disposed of directly into the public network (56%) and the other part is sent to septic tanks (44%). Thermal effluent, on the other hand, returns to the body of water

without the need for on-site treatment, since even if there is any degradation in water quality, the volume in relation to the volume of water passing through the turbines is insignificant. In other words, this eliminates the need to treat the effluent due to its lower concentration compared to the parameters of current legislation.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

33.62

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**Reduction in the number of company employees

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 81-90

(9.2.9.6) Please explain

At Cemig Geração, 100% of sanitary effluent destined for septic tanks is considered primary treatment. At Cemig Transmissão, 47% of effluent is sent for primary treatment, while the rest is sent to local utilities. At Cemig Distribuição, all sanitary effluent is sent to local utilities. Of all Cemig's facilities, around 44% send their sanitary effluent for treatment via septic tanks. Cemig does not dispose of effluent in bodies of water. Septic tanks or biodigesters that discharge water into drains installed in the ground undergo annual analyses of liquid effluents, as determined by CONAMA Resolution No. 430/2011, which amends Resolution No. 357/2005. Some facilities have water and oil separator boxes that dispose of water in floor drains and carry out annual liquid effluent analyses, as determined by CONAMA

Resolution No.430/2011, which complements and amends Resolution No. 357 of March 17, 2005. The frequency of monitoring the quality of sanitary effluents is quarterly in 10% of facilities, half-yearly in 17% and annually in 73%, depending on the facility. Compared to the previous year, there was a reduction of around 12% in the volume of effluent destined for primary treatment, due to the reduction in the number of employees at the company.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

142355751.48

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**Changes in water availability

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 100%

(9.2.9.6) Please explain

This volume refers to the use of water for power generation, cooling equipment and any spillway maneuvers. This wastewater returns to the watercourse in the same chemical conditions in which it was collected, so although it is a large volume, in terms of treatment there are no relevant issues involved. For Cemig Transmission and Distribution, as well as administrative offices, there is no discharge of effluent into the environment without treatment. Compared to the previous year, there was a significant reduction in the volume of this type of discharge due to the reduction in water availability resulting from changes in rainfall patterns.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

140.22

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Other, please specify **:**Renovations and administrative work

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 81-90

(9.2.9.6) Please explain

At Cemig Distribuição, 100% of sanitary effluent is sent to local utilities. At Cemig Transmission, 53% (with the remainder going to septic tanks). At Cemig Geração, all sanitary effluent is sent to septic tanks, which are characterized as primary treatment. Cemig does not dispose of effluent in watercourses. Septic tanks or biodigesters that discharge water into floor drains undergo an annual analysis of liquid effluents, as determined by CONAMA Resolution 430, which amends Resolution 357/2005. Some facilities have water and oil separator boxes that dispose of water in floor drains and carry out an annual analysis of liquid effluents, as determined by CONAMA Resolution 430/2011.In relation to the total number of facilities, around 56% of them are served by a sewage collection network and subsequent treatment by local concessionaires. In 2023, there was an increase of around 23% in the volume of effluent discharged to third parties, due to renovation and administrative work at the company.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

Cemig, mainly in relation to its hydroelectric activities, discharges effluents that do not alter their chemical composition and are directly returned to the natural course. The rest of the volume, less than 1% of the total, comes from administrative activities and, as reported, undergoes primary or tertiary treatment according to the company's dynamics and in compliance with CONAMA Resolutions No. 430/2011. Therefore, other disposal methods do not apply in the context of Cemig's operations.
[Fixed row]

(9.2.10) Provide details of your organization’s emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.1) Emissions to water in the reporting year (metric tons)

0

(9.2.10.2) Categories of substances included

Select all that apply

☑ Nitrates

☑ Phosphates

☑ Pesticides

(9.2.10.4) Please explain

Most of the water collected by Cemig is used to generate energy. This volume is not consumptive and its return is integral, without any emissions occurring on the resource. Therefore, the concentration of the substances analyzed is minimal, in accordance with regulatory standards.
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:
☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

10

(9.3.3) % of facilities in direct operations that this represents

Select from:
☑ 26-50

(9.3.4) Please explain

Cemig has a significant dependence on water resources due to the predominance of hydroelectric plants in its energy generation matrix. Of the 28 facilities that use water resources, 10 are hydroelectric plants, whose relevance to the company's business is high. These plants account for 28.57% of its hydroelectric generation operations. The total number of hydroelectric plants compared to other energy sources makes the company highly dependent on water resources to guarantee the continuity and efficiency of its operations. As a result, identifying dependencies, impacts, risks and opportunities related to water is a strategic priority for Cemig. Assessing dependencies and risks allows Cemig to take proactive measures to mitigate possible impacts, especially in periods of water scarcity, which can directly affect energy generation. In addition, the company identifies as an opportunity the diversification of its energy matrix with investments in renewable sources, such as wind and solar energy. However, hydroelectric plants remain the main source of generation, which reinforces the importance of efficient management of water resources and continuous monitoring of climatic and hydrological conditions.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

(9.3.4) Please explain

Cemig has not yet carried out a comprehensive assessment of the dependencies, impacts, risks and opportunities related to water in the upstream value chain. The company's current focus is on improving the management of water resources in its direct operations, highlighting the role of hydroelectric plants in this context. However, the company recognizes the importance of better understanding the influence of these factors on its supply chain and is committed to gradually improving its analysis and monitoring of these issues.
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☑ Facility 1

(9.3.1.2) Facility name (optional)

Emborcação

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Other, please specify **:**River basin Rio Paranaíba - Araguari MG

(9.3.1.8) Latitude

-18.451164

(9.3.1.9) Longitude

-47.987247

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

8637379.36

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

8637379.36

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

5103119.7

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much lower

(9.3.1.23) Discharges to fresh surface water

5103119.7

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

3534259.66

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Much higher

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Emborcação plant, there was a lower outflow in 2023 compared to 2022, in order to recover the storage level of the plant's reservoir. For the next five years, it is expected that intake and discharge values will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 2

(9.3.1.1) Facility reference number

Select from:

☑ Facility 2

(9.3.1.2) Facility name (optional)

Nova Ponte

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Rio Araguari

(9.3.1.8) Latitude

-19.133284

(9.3.1.9) Longitude

-47.697343

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

8061510.12

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

8061510.12

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

5605602.53

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Higher

(9.3.1.23) Discharges to fresh surface water

5605602.53

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

2455907.59

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Lower

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Nova Ponte plant, the inflow in 2023 remained at the same level as in 2022, while the outflow in 2022 was the same, continuing the policy of recovering the storage level of the plant's reservoir. For the next five years, it is expected that abstraction and discharge values will be the same or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 3

(9.3.1.1) Facility reference number

Select from:

☑ Facility 3

(9.3.1.2) Facility name (optional)

Irapé

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Jequitinhonha

(9.3.1.8) Latitude

-16.740251

(9.3.1.9) Longitude

-42.572137

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

1931427.96

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1931427.96

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

3637492.19

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:
☑ Higher

(9.3.1.23) Discharges to fresh surface water

3637492.18

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

-1706064.22

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Irapé plant, there was a low inflow in 2023 compared to 2022, while the outflow was at the same level as in 2022, due to the plant's systemic issues. For the next five years, it is expected that intake and discharge will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 4

(9.3.1.1) Facility reference number

Select from:

☑ Facility 4

(9.3.1.2) Facility name (optional)

Três Marias

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Sao Francisco

(9.3.1.8) Latitude

-18.213334

(9.3.1.9) Longitude

-45.261617

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

16635982.53

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

16635982.53

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

18816153.2

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much lower

(9.3.1.23) Discharges to fresh surface water

18816153.2

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

-2180170.66

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of inflows to the power plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Três Marias plant, there was a lower inflow to the plant in 2023 compared to 2022, while the discharge showed a lower outflow from the plant in 2023 compared to 2022, due to the lower inflow that year. For the next five years, it is expected that intake and discharge values will be the same or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 5

(9.3.1.1) Facility reference number

Select from:

☑ Facility 5

(9.3.1.2) Facility name (optional)

Salto Grande

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Other, please specify :River basin Rio Santo Antônio e Guanhães

(9.3.1.8) Latitude

-19.115257

(9.3.1.9) Longitude

-42.718839

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

2131271.7

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2131271.7

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

2133297.44

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Lower

(9.3.1.23) Discharges to fresh surface water

2133297.44

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

-2025.74

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Salto Grande plant, there was a similar inflow at the intake compared to 2022, while the outflow at the discharge was at the same level as 2022, in order to make it compatible with the inflow. For the next five years, it is expected that intake and discharge values will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 6

(9.3.1.1) Facility reference number

Select from:

☑ Facility 6

(9.3.1.2) Facility name (optional)

Itutinga

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Other, please specify :River Grande - Itutinga

(9.3.1.8) Latitude

-21.291896

(9.3.1.9) Longitude

-44.625289

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

4504595.27

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

4504595.27

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

4504514.31

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Higher

(9.3.1.23) Discharges to fresh surface water

4504514.31

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

80.96

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Lower

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Itutinga plant, there was a higher inflow in 2023 compared to 2022, while the discharge showed a higher outflow compared to 2022, due to the higher inflows in 2023. For the next five years, it is expected that intake and discharge values will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 7

(9.3.1.1) Facility reference number

Select from:

☑ Facility 7

(9.3.1.2) Facility name (optional)

Camargos

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Other, please specify **:**River Grande - Itutinga

(9.3.1.8) Latitude

-21.324618

(9.3.1.9) Longitude

-44.616284

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

4262674.07

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

4262674.07

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

4134389.27

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much higher

(9.3.1.23) Discharges to fresh surface water

4134389.27

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

128284.8

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ Much lower

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Camargos plant, there was a higher inflow in 2023 compared to 2022, while the discharge showed a higher outflow compared to 2022, due to the higher inflows in 2023. For the next five years, it is expected that intake and discharge values will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 8

(9.3.1.1) Facility reference number

Select from:

☑ Facility 8

(9.3.1.2) Facility name (optional)

Queimados

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Other, please specify :River basin Rio Preto - Cabeceira Grande e Unaí (MG) e Cristalina (Goiás)

(9.3.1.8) Latitude

-16.208037

(9.3.1.9) Longitude

-47.317215

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

638178.13

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

638178.13

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

776384.52

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much higher

(9.3.1.23) Discharges to fresh surface water

776384.52

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

-138206.39

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:
☑ Much lower

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Queimados plant, there was a similar inflow compared to 2022, while the discharge showed a higher outflow compared to 2022, due to systemic needs. For the next five years, it is expected that intake and discharge values will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 9

(9.3.1.1) Facility reference number

Select from:

☑ Facility 9

(9.3.1.2) Facility name (optional)

Sá Carvalho

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Other, please specify **:**Piracicaba River - Antônio DIas

(9.3.1.8) Latitude

-19.635512

(9.3.1.9) Longitude

-42.806499

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

1842541.03

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1842541.03

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

1842946.74

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much lower

(9.3.1.23) Discharges to fresh surface water

1842946.74

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

-405.71

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ About the same

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Sá Carvalho plant, there was a lower inflow at the intake compared to 2022, while the discharge also showed a lower outflow compared to 2022, due to the lower inflow seen in 2023. For the next five years, it is expected that intake and discharge values will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.

Row 10

(9.3.1.1) Facility reference number

Select from:

☑ Facility 10

(9.3.1.2) Facility name (optional)

Rosal

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Dependencies

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

☑ Other, please specify **:**Itabapoana River - São José do Calçado (ES)

(9.3.1.8) Latitude

-20.953811

(9.3.1.9) Longitude

-41.716778

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.11) Primary power generation source for your electricity generation at this facility

Select from:

☑ Hydropower

(9.3.1.13) Total water withdrawals at this facility (megaliters)

1001551.91

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ Much lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1001551.91

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

0

(9.3.1.21) Total water discharges at this facility (megaliters)

1002501.81

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

☑ Much lower

(9.3.1.23) Discharges to fresh surface water

1002501.81

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

0

(9.3.1.27) Total water consumption at this facility (megaliters)

-949.8

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ About the same

(9.3.1.29) Please explain

Most of Cemig's surface water is used to generate electricity. Monitoring of the inflows to the plants is carried out through its Hydrometeorological Telemetry System, made up of more than 290 telemetrized hydrometeorological stations. At the Rosal plant, there was a lower inflow at the intake compared to 2022, while the discharge also showed a lower outflow compared to 2022, due to the lower inflow seen in 2023. For the next five years, it is expected that intake and discharge values will be equal to or lower than those seen in recent years, since water scarcity situations will worsen in 2024.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The volume limits defined in the water grant issued by the competent environmental agency are utilized.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The volume limits defined in the water grant issued by the competent environmental agency are utilized.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

The parameters of Ministry of Health Ordinance No. 05 of September 28, 2017, which deals with procedures for controlling and monitoring the quality of water for human consumption and its potability standard, and GM/MS Ordinance No. 888, May 4, 2021, are utilized.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

Guidelines from current legislation, Conama Resolution No. 430/2011, as well as compliance with ISO 14001 and ISO 9001 are utilized.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

Guidelines from current legislation, Conama Resolution No. 430/2011, as well as compliance with ISO 14001 and ISO 9001 are utilized

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

Guidelines from current legislation, Conama Resolution No. 430/2011, as well as compliance with ISO 14001 and ISO 9001 are utilized.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

Guidelines from current legislation, Conama Resolution No. 430/2011, as well as compliance with ISO 14001 and ISO 9001 are utilized.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☑ 76-100

(9.3.2.2) Verification standard used

There is no normative standard for consumption, this value depends on the greater or lesser need for water retention in the reservoirs, in accordance with the limits defined in the project and in the Environmental Impact Study.
[Fixed row]

(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

☑ No, CDP supply chain members do not buy goods or services from facilities listed in 9.3.1

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

36849769000

(9.5.2) Total water withdrawal efficiency

255.12

(9.5.3) Anticipated forward trend

Cemig's generating complex is predominantly made up of hydroelectric plants, which generate energy without consuming water. If the worsening situation in water availability continues as a trend over the next few years, as expected, there is a possibility of a reduction in the indicator. This represents a negative trend, as a reduction in the level of reservoirs means that other resources will have to be used to generate electricity.
[Fixed row]

(9.7) Do you calculate water intensity for your electricity generation activities?

Select from:
☑ Yes

(9.7.1) Provide the following intensity information associated with your electricity generation activities.

Row 1

(9.7.1.1) Water intensity value (m3/denominator)

9795

(9.7.1.2) Numerator: water aspect

Select from:
☑ Total water withdrawals

(9.7.1.3) Denominator

Select from:
☑ MWh

(9.7.1.4) Comparison with previous reporting year

Select from:
☑ Much lower

(9.7.1.5) Please explain

Water intensity was calculated based on the total amount of water abstracted, which was 144,438,608,020 cubic meters in 2023, divided by net generation from hydraulic sources, which was 14,745,070 MWh in the same year. The resulting figure was 9,795 m³/MWh. This figure was much lower than that recorded the previous year, which was 12,552 m³/MWh. This was due to a reduction in the volume of water abstracted and a reduction in the generation of energy from hydraulic sources in 2023, although generation was proportionally higher, indicating an improvement in hydrological management. Despite the reduction in generation in 2023 from hydroelectric plants, the trend points to an increase in the efficiency of total water withdrawal, reducing water intensity. Considering the other energy sources in the denominator, total generation corresponds to 15,438,290 MWh, and the indicator totals 9,355 m³/MWh. This indicator indicates the company's plan to no longer invest in building new hydroelectric plants, but rather in maintaining and modernizing existing plants and diversifying energy sources by expanding its wind and solar generation capacity. The expectation is that this indicator will continue to reduce progressively, demonstrating the greater importance of other energy sources. Cemig uses the TCH (hydraulic conversion rate for SHPs) and FID (availability factor) indicators to check the efficiency of the hydroelectric generation process according to water availability. Machine maintenance is programmed according to water availability, so that the greatest use is made of water for electricity generation. Regarding the plan to diversify energy sources, the current strategic plan for 2023-2027 provides for an investment of R13.4 billion in new projects in the generation area.
[Add row]

(9.12) Provide any available water intensity values for your organization’s products or services.

Row 1

(9.12.1) Product name

Electricity generation activity

(9.12.2) Water intensity value

9355

(9.12.3) Numerator: Water aspect

Select from:
☑ Water withdrawn

(9.12.4) Denominator

MWh

(9.12.5) Comment

Water intensity was calculated based on the total amount of water abstracted, 144,438,608,020 m3 in 2023, divided by the net generation from all sources, which was 15,438,290 MWh. The resulting figure was 9,355 m³/MWh. This figure was much lower than that recorded the previous year, which was 12,552 m³/MWh. Despite the reduction in generation from hydroelectric plants in 2023, the trend points to an increase in the efficiency of total water withdrawal. This indicator displays the company's plan to no longer invest in building new hydroelectric plants, but rather in maintaining and modernizing existing plants and diversifying energy sources by expanding its wind and solar generation capacity. The expectation is that this indicator will continue to fall progressively. The current strategic plan for 2023-2027 foresees an investment of R13.4 billion in new generation projects.
[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

(9.13.1) Products contain hazardous substances

Select from:
☑ No

(9.13.2) Comment

Cemig uses substances such as grease and surfactants in its operations that can cause damage to the environment if disposed of incorrectly. In order to guide the correct handling and disposal of these substances, Cemig makes available a series of manuals prepared based on Brazilian Regulatory Norms and resolutions of bodies such as CONAMA in order to guarantee that operations are in compliance with the legislation and have a reduced impact. or null on the environment. These manuals are also made available to suppliers so that the entire chain is responsible for procedures related to hazardous substances.
[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:
☑ Yes

(9.14.2) Definition used to classify low water impact

Cemig classifies activities with a low impact on water resources as those that use small amounts of water compared to the volumes traditionally used by the company, prioritizing the reduction of consumption. In addition, activities that are less dependent on water resources are also considered to have a low impact, as they not only reduce consumption of this resource, but also reduce Cemig's exposure to water-related risk.

(9.14.4) Please explain

In recent years, Cemig has invested in diversifying its energy sources with the aim of mitigating risks related to water and climate, which could have significant impacts on the company, as well as reducing the company's environmental impact. In line with these objectives, Cemig has invested in the expansion of sources with low environmental impact, such as wind and solar energy. As a result, the production of energy from these sources has increased every year, helping to reduce the impact on water availability.
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:
☑ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category
Water pollution	*Select from:* ☑ Yes
Water withdrawals	*Select from:* ☑ Yes
Water, Sanitation, and Hygiene (WASH) services	*Select from:* ☑ Yes

	Target set in this category
Other	*Select from:* ☑ Yes

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☑ Target 1

(9.15.2.2) Target coverage

Select from:

☑ Suppliers

(9.15.2.3) Category of target & Quantitative metric

Water pollution

☑ Other water pollution, please specify :Increase the proportion of suppliers engaged on the best practices for water use in the supply chain

(9.15.2.4) Date target was set

01/01/2022

(9.15.2.5) End date of base year

12/31/2022

(9.15.2.6) Base year figure

25

(9.15.2.7) End date of target year

12/31/2028

(9.15.2.8) Target year figure

37

(9.15.2.9) Reporting year figure

26

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

8

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Other, please specify **:**Promotion of best practices in water use in the supply chain.

(9.15.2.13) Explain target coverage and identify any exclusions

To encourage good practices among its suppliers, Cemig innovated by creating the Sustainability Award, integrated into the Best Suppliers Program, with two distinct categories: Social and Environmental. The program was conceived in 2021 and had its first edition implemented in 2022. Cemig has 1,064 suppliers with current contracts, 148 of whom are considered to be at high environmental risk. In 2023, 26 projects were submitted in the Environmental category, representing 2.4% of total suppliers and 18% in relation to high environmental risk suppliers, The Sustainability Award aims to recognize the best socio-environmental practices of suppliers, engaging them in the search for continuous improvement, efficiency gains and technological innovation that improve the environmental performance. In 2023, the winning company was SAE Towers Brasil Torres de Transmissão. The company has implemented various energy efficiency actions at its industrial units. There are no exclusions in the target

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

The main actions contributing to this goal include the creation and implementation of the Sustainability Award within the Best Suppliers Program. This award, with its Social and Environmental categories, serves as a direct incentive for suppliers to adopt and improve sustainable practices. In addition, the definition of clear evaluation criteria, such as environmental management practices, was fundamental in guiding suppliers and motivating them to align their processes with Cemig's expectations. Publicizing the award and engaging with suppliers were also essential to mobilize participation and foster a culture of sustainability throughout the value chain. In 2022, the first cycle of the award was implemented, receiving 25 projects in the Environmental category and in 2023 we received 26 entries. For the coming years, Cemig plans to progressively increase participation, with a target of engaging 25% of suppliers with high environmental risk by 2028.

(9.15.2.16) Further details of target

*Achievement of the target is underway. Progress by the end of 2023 already shows promising initial engagement, but the target remains focused on increasing the number of engaged suppliers. In 2023 the percentage of engagement was 18% (26/148*100) in relation to all suppliers with a high environmental risk.*

Row 2

(9.15.2.1) Target reference number

Select from:

☑ Target 2

(9.15.2.2) Target coverage

Select from:

☑ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Increase in rainwater harvesting

(9.15.2.4) Date target was set

01/01/2023

(9.15.2.5) End date of base year

12/31/2023

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/31/2027

(9.15.2.8) Target year figure

6

(9.15.2.9) Reporting year figure

1

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

17

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

Every new building project has been evaluated on the cost-benefit of including rainwater harvesting. The company's goal is to implement this type of water harvesting in 6 old bases, so it is planned that at least two bases will receive a rainwater harvesting system by the end of 2025. By the end of 2024, Cemig will have developed a reference rainwater harvesting project for the buildings, which will be adapted for implementation at the old bases, according to the location, consumption and size of the roofs. The first old base to receive the collection system will be Divinópolis.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

Cemig monitored the results of the rainwater harvesting project at the Governador Valadares base. Every new building project has undergone an assessment of the cost-benefit of including rainwater harvesting.

(9.15.2.16) Further details of target

Achievement of the target is underway. The progress made by the end of 2023 with the implementation in Governador Valadares will serve as a lesson for the next projects.

Row 3

(9.15.2.1) Target reference number

Select from:

☑ Target 3

(9.15.2.2) Target coverage

Select from:

☑ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water, Sanitation, and Hygiene (WASH) services

☑ Increase in the proportion of employees using safely managed sanitation services, including a hand-washing facility with soap and water

(9.15.2.4) Date target was set

01/01/2023

(9.15.2.5) End date of base year

12/31/2023

(9.15.2.6) Base year figure

100

(9.15.2.7) End date of target year

12/31/2027

(9.15.2.8) Target year figure

100

(9.15.2.9) Reporting year figure

100

(9.15.2.10) Target status in reporting year

Select from:

☑ Achieved and maintained

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

Cemig provides drinking water for its employees in all its own buildings, and complies with the requirements of the Ministry of Health's Potability Ordinance.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

Monitoring of administrative units and analysis of the potability of drinking water for employees

(9.15.2.16) Further details of target

This target is related to compliance with the legislation on the supply of drinking water, according to the Ministry of Health's Potability Ordinance

Row 4

(9.15.2.1) Target reference number

Select from:
☑ Target 4

(9.15.2.2) Target coverage

Select from:
☑ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water consumption
☑ Reduction in total water consumption

(9.15.2.4) Date target was set

01/01/2020

(9.15.2.5) End date of base year

12/31/2019

(9.15.2.6) Base year figure

254094

(9.15.2.7) End date of target year

12/31/2025

(9.15.2.8) Target year figure

238848

(9.15.2.9) Reporting year figure

214229

(9.15.2.10) Target status in reporting year

Select from:

☑ Achieved and maintained

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

At Cemig, water consumption occurs in both operational and administrative areas, related to hydroelectric generation, transmission and distribution of electricity. This consumption is directly associated with surface water abstraction. In 2020, the company set a target of a 6% reduction in water consumption for the entire organization, based on 2019(254094.8) and with 2025 as the target year. This target is part of Cemig's initiatives to raise awareness about the responsible use of resources, including actions and training that involve and encourage employees to adopt good practices, both inside and outside the company.

(9.15.2.15) Actions which contributed most to achieving or maintaining this target

The target of a 6% reduction in water consumption, set by Cemig in 2020, was designed to be achieved by 2025. Although it was already surpassed in 2022, with a 28% reduction in water consumption in administrative areas, the target remains active until the end of the stipulated period. The main reason for this reduction is the implementation of awareness-raising actions for the rational use of water, preventive maintenance to avoid water leaks, and the use of more efficient systems, such as faucets with aerator nozzles on faucets and efficient toilet flushes).

(9.15.2.16) Further details of target

This target was reached before the deadline, but it is being maintained to ensure that water consumption figures remain below the set value, and a new target will be proposed for the next year.

Row 5

(9.15.2.1) Target reference number

Select from:

☑ Target 5

(9.15.2.2) Target coverage

Select from:

☑ Site/facility

(9.15.2.3) Category of target & Quantitative metric

Other

☑ Other, please specify **:**Compliance with Emergency Response Plan Actions (IPAE)

(9.15.2.4) Date target was set

01/01/2023

(9.15.2.5) End date of base year

12/31/2022

(9.15.2.6) Base year figure

0

(9.15.2.7) End date of target year

12/31/2025

(9.15.2.8) Target year figure

100

(9.15.2.9) Reporting year figure

58

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

58

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Other, please specify **:**Compliance with the National Dam Safety Policy, law 12.334/2010, (Revised by Law 14.066/2023) and resolution ANEEL 1.064/2023.

(9.15.2.13) Explain target coverage and identify any exclusions

Cemig prepared specific External PAEs for 18 dams, as determined by ANEEL Normative Resolution No. 1,064/2023. These 18 dams affect the life dynamics of 33 municipalities. The specific EAPs for each dam include the following items: - Identification and analysis of possible emergencies; - Procedures for identifying

malfunctions or potential rupture conditions; - Notification procedures; - Preventive and corrective procedures to be adopted in emergencies; - Responsibilities and contact list.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

In order to fulfill the actions of the SAP, annual schedules are planned with activity planning and a timetable for carrying out simulations. The planning of activities involves 9 stages: 1) composition of the integration committee and review of the PAE for the plants, 2) Work plan with planning of activities and timetable for carrying out simulations, 3) Socio-economic Registration Campaign (ZAS), 4) Preparation of the External Communication Plan, 5) Execution of the communication plan, 6) Preparation of the Evacuation Plan: points and routes, 7) Review and update of the Municipal Contingency Plan,8) Implementation of the notification system - Sirens and 9) Execution of training and simulations.

(9.15.2.16) Further details of target

Achievement of the target is underway with the various actions mentioned.

Row 6

(9.15.2.1) Target reference number

Select from:

☑ Target 6

(9.15.2.2) Target coverage

Select from:

☑ Site/facility

(9.15.2.3) Category of target & Quantitative metric

Other

☑ Other, please specify **:**Increased efficiency in the use of water to generate electricity, applicable to SHPs.

(9.15.2.4) Date target was set

01/01/2023

(9.15.2.5) End date of base year

12/31/2022

(9.15.2.6) Base year figure

85.3

(9.15.2.7) End date of target year

12/31/2024

(9.15.2.8) Target year figure

86

(9.15.2.9) Reporting year figure

85.3

(9.15.2.10) Target status in reporting year

Select from:

☑ Underway

(9.15.2.11) % of target achieved relative to base year

0

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ Other, please specify :Consists of making optimum use of the availability of water to generate electricity in small power plants (PCH).

(9.15.2.13) Explain target coverage and identify any exclusions

Cemig has defined the Hydraulic Power Plant Conversion Rate (PCH) indicator, which measures the efficiency with which water is used to generate electricity. The target for 2024 will be 86%. The Energy Planning Management has variable remuneration linked to the performance of this indicator. In order to meet this target, machine maintenance is carried out during periods of low rainfall and, when necessary, bottom unloading is carried out on these reservoirs during the dry season.

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

In order to achieve this target, machine maintenance and bottom unloading are planned during the dry season, so that in the rainy season all the machines are available to generate electricity. The variation in this indicator has an impact on the variable remuneration of employees in the Energy Planning department and the Generation and Transmission Vice-Presidency.

(9.15.2.16) Further details of target

The achievement of the target is underway and the execution of the actions to meet this target is monitored by the leadership and makes up the variable remuneration of the employees of the Energy Planning management, the Generation and Transmission Operation Center Management and the Generation and Transmission Vice-Presidency.
[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

	Targets in place
	Select from: ☑ Yes

[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water protection

☑ Land/water management

☑ Species management

☑ Education & awareness

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ State and benefit indicators ☑ Pressure indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Hydroelectric plants, which make up the majority of Cemig's generation portfolio, can have a significant impact on the legal reserve areas around them. For this reason, these areas are prioritized in this biodiversity report. Cemig has already implemented specific mitigation measures to reduce these impacts and promote conservation in the six protected regions identified.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Among Cemig's hydroelectric plants, the company's main source of energy generation, three are located in areas close to historical and cultural heritage sites recognized by UNESCO. Because of their potential impact, these assets are highlighted in this report. Cemig adopts mitigation practices to preserve these sites and minimize interference.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Hydroelectric plants, which make up the bulk of Cemig's generation portfolio, could impact reserves. Therefore, these areas are prioritized in this report. Cemig has been implementing specific mitigation measures to reduce these impacts and promote conservation in the two areas classified as UNESCO Man and the Biosphere Reserves

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Cemig does not have hydroelectric plants located in areas classified as Ramsar.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Two Cemig HPPs are present in areas of high biodiversity. These areas will be detailed given the potential impact on local species and ecosystems. Cemig implements measures to mitigate these impacts and promote the preservation of biodiversity.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Of Cemig's hydroelectric plants, the source that makes up the majority of its portfolio, three are located in areas of vast biodiversity, including globally protected zones. Due to their potential impact on the ecosystem, these areas were prioritized in the survey. Cemig already adopts environmental practices to mitigate the effects and preserve these regions.
[Fixed row]

(11.4.1) Provide details of your organization’s activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Área de Proteção Ambiental da Bacia Hidrográfica do Rio Machado

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

227.14

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 2

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Área de Proteção Ambiental do Planalto Central

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

273.1

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 3

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Área de Proteção Ambiental do Rio Guandu

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

219.99

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 4

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category Ia-III

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Estação Ecológica de Pirapitinga

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

83.7

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 5

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category Ia-III

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Parque Estadual Grão Mogol

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

6.88

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 6

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Parque Natural Municipal Sabiá - Laranjeira de Rosal

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

0.74

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 7

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Other areas important for biodiversity

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

WDPA -Área De Proteção Ambiental Itaguaí Itingussú Espigão Taquara

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

2.23

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 8

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Other areas important for biodiversity

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

WDPA - Estação Ecológica De Pirapitinga

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

52.61

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 9

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Other areas important for biodiversity

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

WDPA - Parque Natural Municipal Sabiá-Laranjeira De Rosal

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

2.18

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 10

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ UNESCO World Heritage sites

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Rio de Janeiro: Carioca Landscapes between the Mountain and the Sea

(11.4.1.6) Proximity

Select from:
☑ Up to 70 km

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:
☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply
☑ Project design
☑ Scheduling
☑ Operational controls
☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity

to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 11

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ UNESCO World Heritage sites

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Historic Centre of the Town of Diamantina

(11.4.1.6) Proximity

Select from:

☑ Up to 5 km

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 12

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ UNESCO World Heritage sites

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Brasília

(11.4.1.6) Proximity

Select from:

☑ Up to 70 km

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 13

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ UNESCO Man and the Biosphere Reserves

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Espinhaço Range

(11.4.1.6) Proximity

Select from:

☑ Up to 10 km

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 14

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ UNESCO Man and the Biosphere Reserves

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Mata Atlântica (including Sao Paulo City Green Belt)

(11.4.1.6) Proximity

Select from:

☑ Up to 25 km

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 15

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Key Biodiversity Areas

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Pompeu

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

8081.47

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Project design

☑ Scheduling

☑ Operational controls

☑ Biodiversity offsets

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.

Row 16

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Key Biodiversity Areas

(11.4.1.4) Country/area

Select from:

☑ Brazil

(11.4.1.5) Name of the area important for biodiversity

Unai

(11.4.1.6) Proximity

Select from:
☑ Overlap

(11.4.1.7) Area of overlap (hectares)

2462.78

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Energy generation activities by hydroelectric power plant (HPP)

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:
☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply
☑ Project design
☑ Scheduling
☑ Operational controls
☑ Biodiversity offsets

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

In addition to the suppression and flooding of environments during construction, causing habitat fragmentation, HPPs also decrease and alter the flow of water in water bodies, significantly impacting aquatic fauna and may affect the quality of surface waters. The selected areas are affected only when they are in close proximity to the HPPs or when their water bodies are positioned downstream of the operations. In addition, there is the mitigation of impacts on the ichthyofauna in the HPPs through environmental programs such as the Peixe Vivo Program.
[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☑ Water consumption– total volume

☑ Water discharges – volumes by treatment method

☑ Water discharges– total volumes
☑ Water withdrawals– total volumes
☑ Water withdrawals – volumes by source
☑ Water discharges – volumes by destination

(13.1.1.3) Verification/assurance standard

General standards
☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Bureau Veritas conducted the independent verification of Cemig's 2023 Sustainability Report. The scope of the verification included compliance with the Global Reporting Initiative (GRI) Standards and Principles for Sustainability Reports, including the specific Supplement for the electricity sector, covering the period from January 1 to December 31, 2023. The methodology adopted involved interviews with those responsible for the themes and content of the Report, analysis of the documentary evidence provided by Cemig for the year 2023, evaluation of the systems used to compile the data, and analysis of the stakeholder engagement activities carried out by Cemig. In addition, an assessment was made of the system used to determine the material themes that underpin the Report, considering the sustainability context and the comprehensiveness of the information published. The verification level applied was Limited, in accordance with the requirements of the ISAE 3000 standard, incorporated into Bureau Veritas' internal verification protocols. The conclusion of the verification indicated that no evidence was found to suggest that the information provided in the Report was unbalanced, inconsistent or unreliable. Furthermore, Cemig's lack of appropriate systems for collecting, compiling and analyzing the data was not identified, and the Report was considered to adhere to the Quality Principles of the GRI standard and to be in compliance with the GRI standards.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ras-cemig-2023.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply
☑ Climate change

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

☑ Environmental policies

(13.1.1.3) Verification/assurance standard

General standards

☑ Other general verification standard, please specify **:**International Financial Reporting Standards (IFRS)

(13.1.1.4) Further details of the third-party verification/assurance process

The audit process carried out by KPMG included a detailed analysis of the company's individual and consolidated financial statements, including the balance sheet, income statements and cash flows for the year ended December 31, 2023. The auditors verified the compliance of these statements with accounting practices adopted in Brazil and with international accounting standards (IFRS), ensuring that they are fairly presented in all material respects. During the process, the company's main risks were analyzed, which include risks related to climate change and the management of water resources, material issues for a company that relies heavily on hydroelectric power generation. The audit also considered the environmental policies adopted by the Cemig group, which aim to mitigate climate risks and ensure the sustainability of operations, such as the constant monitoring of drought indices and the implementation of sustainable natural resource management practices.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Financial_Statement_Cemig (2023).pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

(13.2.1) Additional information

Cemig has reaffirmed its commitment to sustainability and responsible management of environmental issues every year. In 2024, these commitments will be further intensified with the release of the Climate Action Plan, which will provide clear guidelines for the mitigation of environmental impacts and the transition to a low-carbon economy. In addition, Cemig also released the Climate Change Adaptation Plan, which highlights the main climate risks faced by the company, as well as the response actions, consolidating the strategies that will guide and mobilize its efforts in the coming years in order to ensure the resilience and sustainability of its operations.

(13.2.2) Attachment (optional)

climate-change-adaptation-plan.pdf
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Vice President of Generation and Transmission (VPG) and Director of Corporate Communication and Sustainability

(13.3.2) Corresponding job category

Select from:
☑ Chief Operating Officer (COO)
[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:
☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute