

**CEMIG**

# GREEN FINANCING

*#Transformar*  
vidas com a nossa  
**energia.**

# Our sustainability strategy

## Energy Transition

The energy transition is the driving force behind the company's operations.

We strive for increasingly sustainable operations, with due care for the people in our workforce and the surrounding communities, respecting the environment and being transparent with our stakeholders.



Transf◊rming lives with our energy.

# Our pillars of action in sustainability

## Sustainability Plan 2024/2029

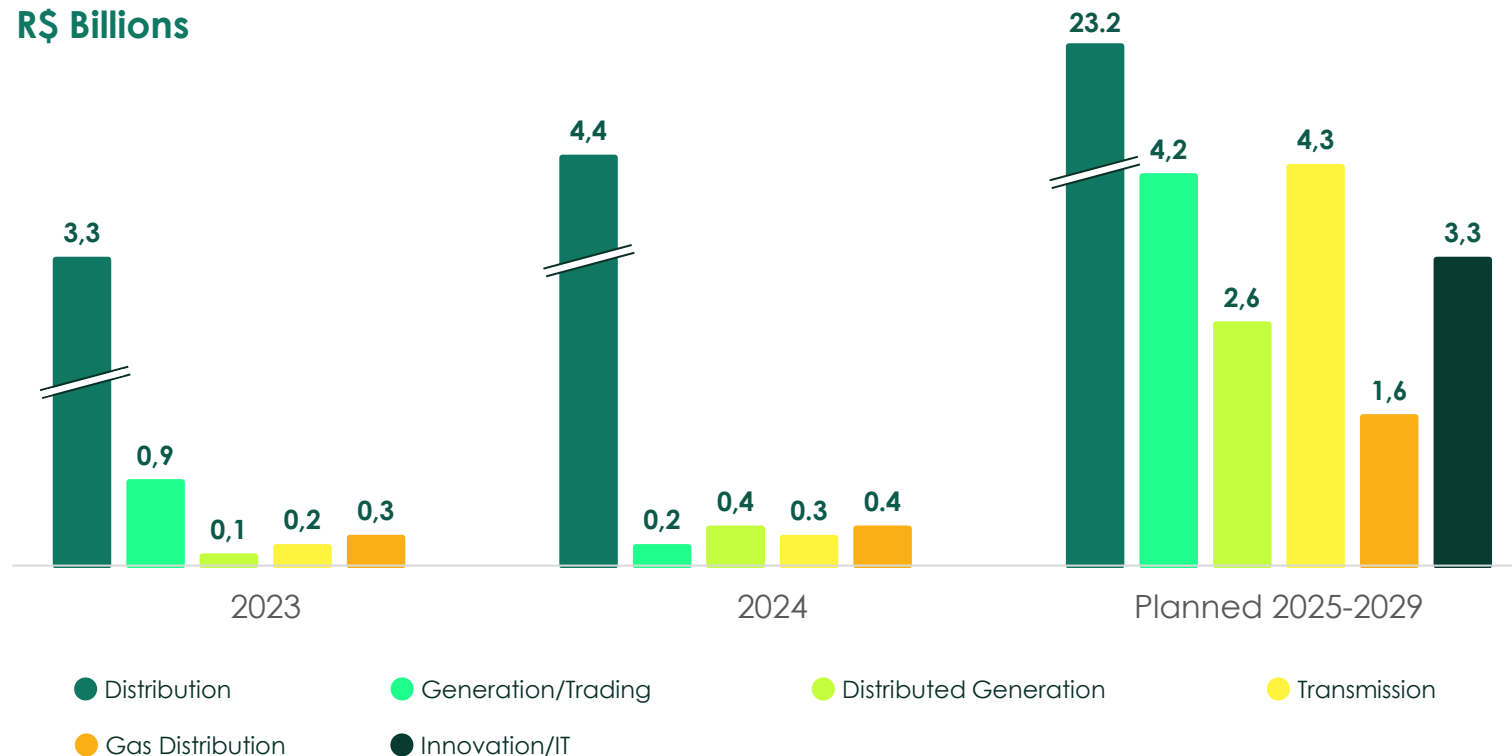
OUR OPERATIONS	PEOPLE	LOCAL DEVELOPMENT	ENVIRONMENT	STRONG GOVERNANCE
<ul style="list-style-type: none"> <li>• Current <b>generation and expansion 100% renewable</b>, centralized or distributed</li> <li>• <b>Investments in networks</b> to enable the energy transition and increase resilience</li> <li>• Application of <b>technologies that promote the energy transition</b></li> <li>• Financial solidity guaranteeing the investments needed for the energy transition</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Implementing a zero-accident culture</b> in the company and in the value chain.</li> <li>• Establishing a culture of valuing diversity, equity and inclusion.</li> <li>• Expanding the focus on Results and valuing Meritocracy</li> </ul>	<ul style="list-style-type: none"> <li>• Support for social initiatives aimed at positively transforming the communities served by the company</li> <li>• <b>Helping society make the energy transition</b> <ul style="list-style-type: none"> <li>• Electrification of productive sectors program</li> <li>• Energy efficiency program</li> <li>• Regularization of energy supply</li> <li>• Three-phase networks</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Netzero by 2040</b></li> <li>• Programs to prevent, mitigate, rehabilitate or compensate for negative impacts on biodiversity           <ul style="list-style-type: none"> <li>• Environmental reserves and reforestation</li> <li>• Peixe Vivo Program</li> <li>• Environmental Education Program - Ecociente</li> </ul> </li> <li>• Circular Economy in production processes</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Independent Board of Directors</b></li> <li>• <b>Respect for human rights principles for the entire workforce</b></li> <li>• Attention to information security and data privacy</li> <li>• Structured internal control, risk and compliance processes</li> <li>• Sustainable supply chain management</li> </ul>

# Investments to enable the energy transition

## MAKING STRATEGIC INVESTMENTS IN POWER INFRASTRUCTURE TO DRIVE GROWTH

Total planned investments of over R\$39 billion are expected to be made between 2025-2029 with an emphasis infrastructure to enable the energy transition

R\$ Billions



Strong Fundamentals



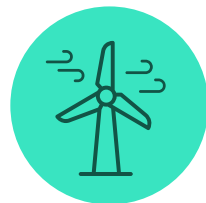
# Generation

**100%** Renewable energy -  
centralized and distributed – (4,886 MW)



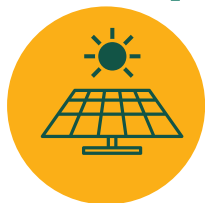
**91.1%**

Hydroelectric  
Plants



**1.4%**

Wind Farms



**7.5%**

Solar



## Strategy



Invest  
R\$4,2 billion  
in 2025–2029  
(Centralized)



Add/Renew  
~870 MW  
average  
by 2028



Modernize generation  
plants with new  
technologies increasing  
productivity/plant  
availability



R\$ 2.6 bn by 2029, adding  
540MWp (distributed)

# Transmission

Investments in transmission will increase the flow of energy in the Brazilian Interconnected System, allowing for greater connection of renewable sources.



## Dados

**5,060 km**  
Quilômetros

**41**  
Subestations



## Strategy



Construction of a 165-kilometer high-voltage power line



Invest R\$4.3 billion (2025-2029): focus on strengthening/improving the network. Replacement of 57 power transformers, with an increase of 2,025 MVA (14.3% increase in installed power).

# Distribution

investments in grids to increase grid resilience, connect renewable sources and provide economic and social development.



## KEY METRICS

**774**  
Municipalities

**>9.4 Million**  
Customers Served

**574,606 km**  
Grid

**Retail**  
Largest concession in number of customers, km of network and energy distributed.



## STRATEGY



Clients in the center



Invest R\$ 23.2 billion in 2025–2029











**Transforming lives with our energy.**



# Cemig D's Figures – 2018 To 2028



-  SUBSTATIONS
-  HIGH VOLTAGE LINES
-  DISTRIBUTION NETWORK<sup>1</sup>
-  TRANSFORMER CAPACITY
-  THREE-PHASE NETWORK
-  MUNICIPALITIES WITH DUAL-VOLTAGE SUPPLY
-  SMART METERS
-  DISTRIBUTED GENERATION: CONNECTIONS

	2018	→	2024	→	2028
Substations	405 substations		479 substations		615 substations
High Voltage Lines	17,620 km of lines		19,248 km of lines		21,950 km of lines
Distribution Network <sup>1</sup>	519,062 km (Network:)		547,150 km (Network:)		577,582 km (Network)
Transformer Capacity	10,691 MVA		12,579 MVA		16,000 MVA
Three-Phase Network	130,815 km (Network)		132,345 km (Network)		165,048 km (Network)
Municipalities with Dual-Voltage Supply	667 municipalities		695 municipalities		774 municipalities
Smart Meters	0 units		370,044 units		1,785,445 units
Distributed Generation: Connections	MINI- DG 152 units		MINI- DG 2,012 units		MINI- DG 2,878 units
	MICRO- DG 10,745 units		MICRO- DG 301,666 units		MICRO- DG 377,787 units

# Innovation - Applying technologies that promote the energy transition (Green Hydrogen, storage, electrification and electromobility)

## Our lines of action

### FUTURE GRIDS

New services and products for the Utility of the future

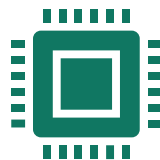
- Sensors
- Intelligence
- Automation



### ARTIFICIAL INTELLIGENCE

Efficiency for smart utilities

- Data collection
- Algorithms
- Autonomous agents



### GREEN HYDROGEN

Applications for the energy transition

- Green fertilizers
- Decarbonization of industrial processes
- Decarbonization of transport



### ENERGY STORAGE

Platforms for resilience and flexibility

- Front of the meter
- Behind the meter
- New storage technologies



### SUSTAINABLE GENERATION

Prosumer products and services

Solar Everywhere  
new generation technologies



### ELECTROMOBILITY

Frontiers of electrification

Charging infrastructure  
Fleet electrification  
Urban transportATION

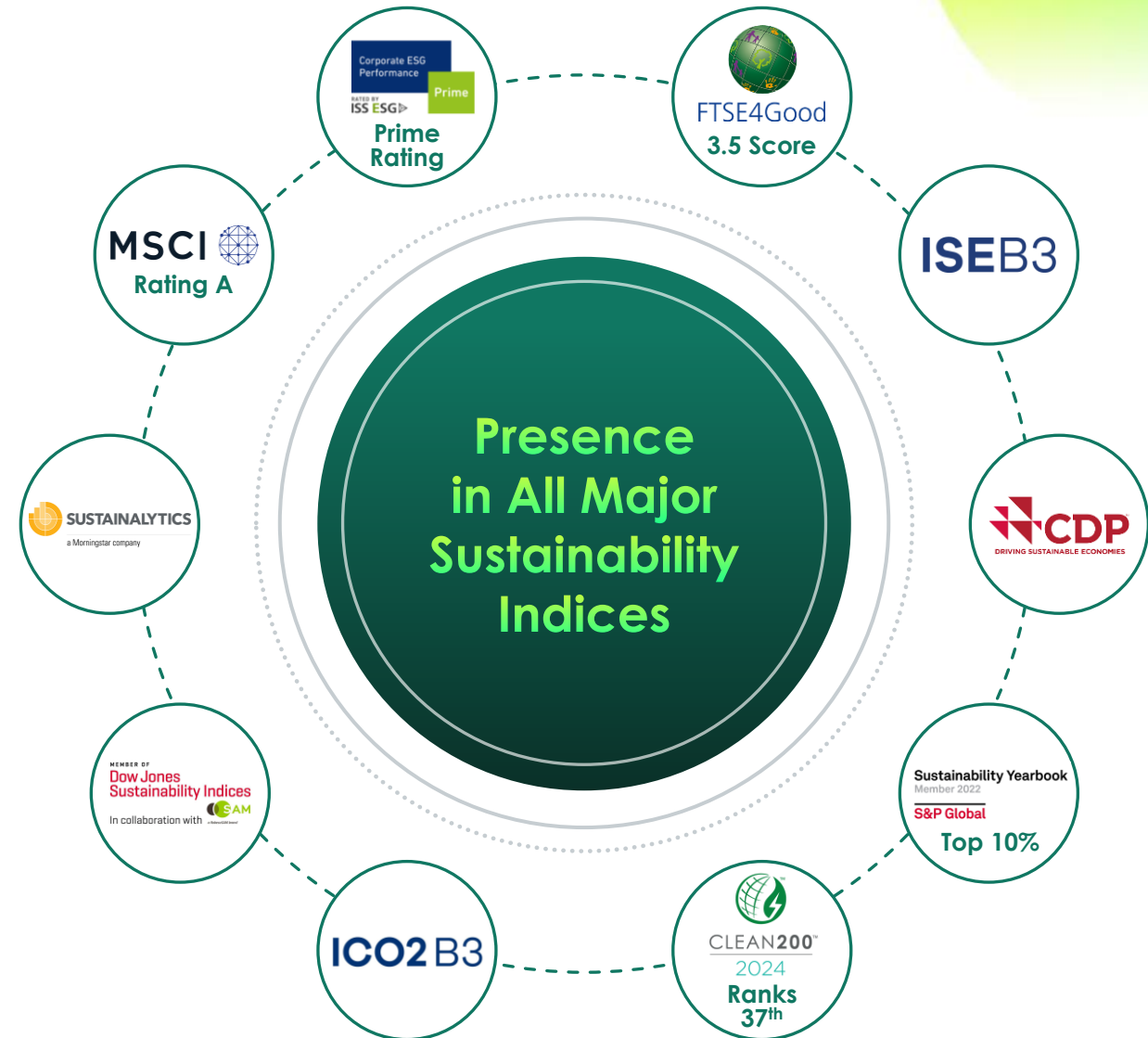


# Results of our practices

Member of the NET Zero  
UN Global Pact



## RATINGS



The CEMIG logo is displayed in white, bold, uppercase letters within a circular area that has a green-to-yellow gradient. The background of the entire slide is a dark green with a faint, stylized image of an industrial power plant or refinery.

**CEMIG**

# SUSTAINABILITY TAXONOMIES

*#Transformar*  
vidas com a nossa  
**energia.**

# GREEN TAXONOMY

A Green Taxonomy is a classification system defining the concept of environmental sustainability, which in turn clarifies for investors the economic activities and investments that different jurisdictions consider sustainable or not.

The Taxonomy lists economic activities considered green or environmentally sustainable.

Brazil does not yet have its taxonomy established, therefore, we shall voluntarily adopt the European taxonomy to categorize our financial expenditures.

The current European taxonomy for climate change mitigation and adaptation objectives includes technical criteria for several industries and activities (88 in the climate change mitigation objective and 95 activities in the climate change adaptation objective), including:

- Production of electricity, heat and cold, by energy source
- Electricity transmission and distribution
- Storage of electricity, thermal energy and hydrogen
- Heat pumps
- Biomass, biogas and biofuel production
- Other activities

# GREEN TAXONOMY

European regulation considers an activity to be sustainable or green if it complies with a list of **six environmental objectives**:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

# GREEN TAXONOMY



Other considerations aligned with the objectives mentioned above, and which must be taken into account:

1. Contribute to at least one of the six environmental objectives mentioned above;
2. Not to cause significant harm (DNSH – Do No Significant Harm) to any of the other objectives, whilst respecting human rights and labor standards;
3. Comply with minimum social safeguards and **not have a negative social impact;**
4. Comply with the technical screening criteria developed by the EU Technical Screening Group (TSG), which specify the performance requirements to determine points 1 and 2.

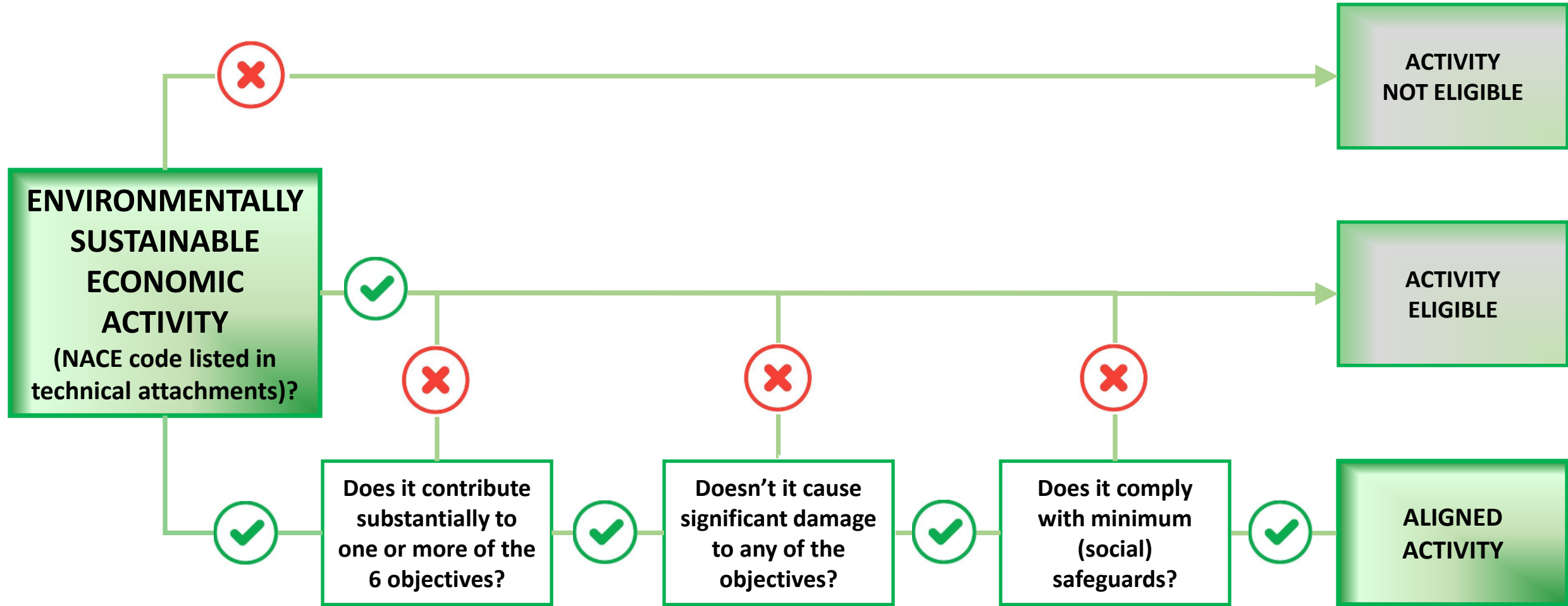
# GREEN TAXONOMY

There is a third category:

Eligible: refers to an economic activity that has not been identified by the EU Taxonomy Regulation as a substantial contributor to climate change mitigation and for which no criteria have been developed. The logical reasoning of the iEuropean Commission is that these activities:

- do not have a significant impact on climate change mitigation or could be integrated into the EU Taxonomy Regulation at a later stage;
- have a very significant impact on climate change mitigation, so they cannot be eligible in any case.

# STAGES



# STAGES of analysis

**Identification  
of the  
eligibility of  
economic  
activities**

**Analysis of  
the  
contribution  
of the activity  
to  
environmental  
objectives**

**Assessment  
of the  
potential  
impact of the  
activity  
(DNSH – do  
not significant  
harm)**

**Verification of  
minimum  
social  
safeguards**

**Calculation of  
financial  
metrics**

# ALIGNMENT ANALYSIS

The following activities are considered to be in line with EU Taxonomy requirements:

- 35.1.2 - Transmission of electrical energy and 35.1.3 - Distribution of electrical energy

The average network emissions factor of the system, calculated as the total annual emissions from the production of energy connected to the system, divided by the total annual net production of electricity in that system, is below the limit value of 100 gCO<sub>2</sub>e/kWh measured based on in the life cycle in accordance with electricity production criteria, over a continuous period of five years. **In Brazil, the interconnected system had an emission factor of 45gCO<sub>2</sub>/KWh. Therefore, this activity is 100% aligned** with EU Taxonomy requirements

# ALIGNMENT ANALYSIS

The following activities are considered eligible for EU Taxonomy requirements:

- 35.1.1 - Production of electrical energy
  - ✓ Electricity generation from wind energy
  - ✓ Electricity generation using solar photovoltaic technology
  - ✓ Construction and operation of electricity generation facilities that produce electricity from hydropower
    - Hydropower installations with a power density greater than 5 W/m<sup>2</sup> are currently exempt from carrying out the PCF or GHG Life Cycle Assessment (subject to regular review according to the decreasing threshold) and are considered aligned.
      - Because Cemig has its plants installed in regions with higher altitudes, at the headwaters of the river basins, many of its plants have the role of regulating the flow to the other plants in the Basin and, therefore, have large reservoirs.
    - **Thus, 29.85% of the installed capacity has a power density greater than 5 W/m<sup>2</sup>, that is, they are considered in line with the EU Taxonomy requirements.**
    - **71.15% of installed capacity is considered eligible, but not aligned.**

# ALIGNMENT ANALYSIS



The following activities are considered eligible, but not aligned to, for EU Taxonomy requirements:

**Gas distribution, via Gasmig, was considered eligible and not aligned because we were unable to prove our customers' emission factor.** European regulations require that “gas-fired power plants must not emit more than 270g CO<sub>2</sub>e/kWh or have average emissions of 550g CO<sub>2</sub>e/kWh over 20 years to earn a “green” label.




**Electricity commercialization activities are not explicitly defined as eligible activities under the EU Taxonomy. Therefore, Cemig adopts a “look-through” approach, linking commercialization revenues to the underlying energy source. As Cemig’s generation portfolio is 100% renewable, electricity commercialized by the company is classified as low-carbon energy supply. Therefore, commercialization revenues are considered indirectly aligned with EU Taxonomy, as they derive from taxonomy-aligned renewable generation activities. Additionally, the company issues Renewable Energy Certificates (RECs), ensuring traceability and enabling customers to decarbonize Scope 2 emissions, further reinforcing the environmental integrity of commercialization revenues.**

# EUROPEAN TAXONOMY


Mapping in accordance with taxonomy

## Eligible

### Aligned


-   100% Wind and solar
-  27 Hydro

 100% of Distribution and Transmission

 XX% Energy Trading supported by RECs

### Not - aligned

-  73% Hydro

 100% Gas Distribution

### Not eligible

 xx% Energy Trading

# EU TAXONOMY



Cemig voluntarily classified its revenues and OPEX and CAPEX related to 2024 in terms of the classification of the European Union Taxonomy.

In millions	Natural Gas	Trading	Generation <sup>2</sup>	Transmission	Distribution	Total
Revenues <sup>3</sup>	3,477	7,278	2,875	1,293	26,617	41,540
Opex	2,713	6,650	1,175	588	23,732	34,858
Capex <sup>1</sup>	358	0	642	310	4,400	5,710

	Revenues	Opex	Capex
Total of which is Taxonomy-Eligible	82%	81%	100%
Total of which is Taxonomy-Aligned	72%	71%	91%
Total of which is not Taxonomy Eligible	18%	19%	0

These information were not audited.

<sup>1</sup> [cemig-2024-12-31-z77PgzzL.pdf](#)

<sup>2</sup> Consider DG and centralised

<sup>3</sup> [Demonstracoes-Financeiras-Anuais-Completas-cemig-2024-12-31-zL6pTLFp.pdf](#)

# EU TAXONOMY – Revenues Taxonomy Aligned

Year	Generation	Transmission	Distribution	total (R\$ x1000)
2021	R\$ 699.055,38	R\$ 777.889,00	R\$ 16.511.663,00	R\$ 17.990.628,38
2022	R\$ 718.431,93	R\$ 1.194.826,00	R\$ 20.918.717,00	R\$ 22.833.996,93
2023	R\$ 776.184,39	R\$ 1.090.764,00	R\$ 23.348.437,00	R\$ 25.217.408,39
2024	R\$ 788.222,88	R\$ 1.293.171,00	R\$ 26.617.173,00	R\$ 28.700.590,88

**CEMIG**

*#Transformar*  
vidas com a nossa  
**energia.**

