Climate-Related Financial Disclosures Report – 2026

Base Year: 2025

Aligned with TCFD recommendations and IFRS S2 standards

June 2026

Summary

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1 ABOUT CEMIG

Companhia Energética de Minas Gerais (Cemig) operates in the areas of electricity generation, transmission, sales, and distribution, distributed generation (Cemig SIM), and natural gas distribution (Gasmig). 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 84 companies and 44 consortia[1], with a presence in 774 municipalities across 25 Brazilian states and the Federal District.

Cemig is a publicly traded mixed-capital company controlled by the State Government of Minas Gerais (51%), with shares traded in São Paulo on B3 S.A. (*Brasil, Bolsa, Balcão*) and in New York on the New York Stock Exchange (NYSE). In 2025, the company reached a record investment level of R$6.6 billion.

Figure 1 shows the distribution of the company's activities throughout Brazil.

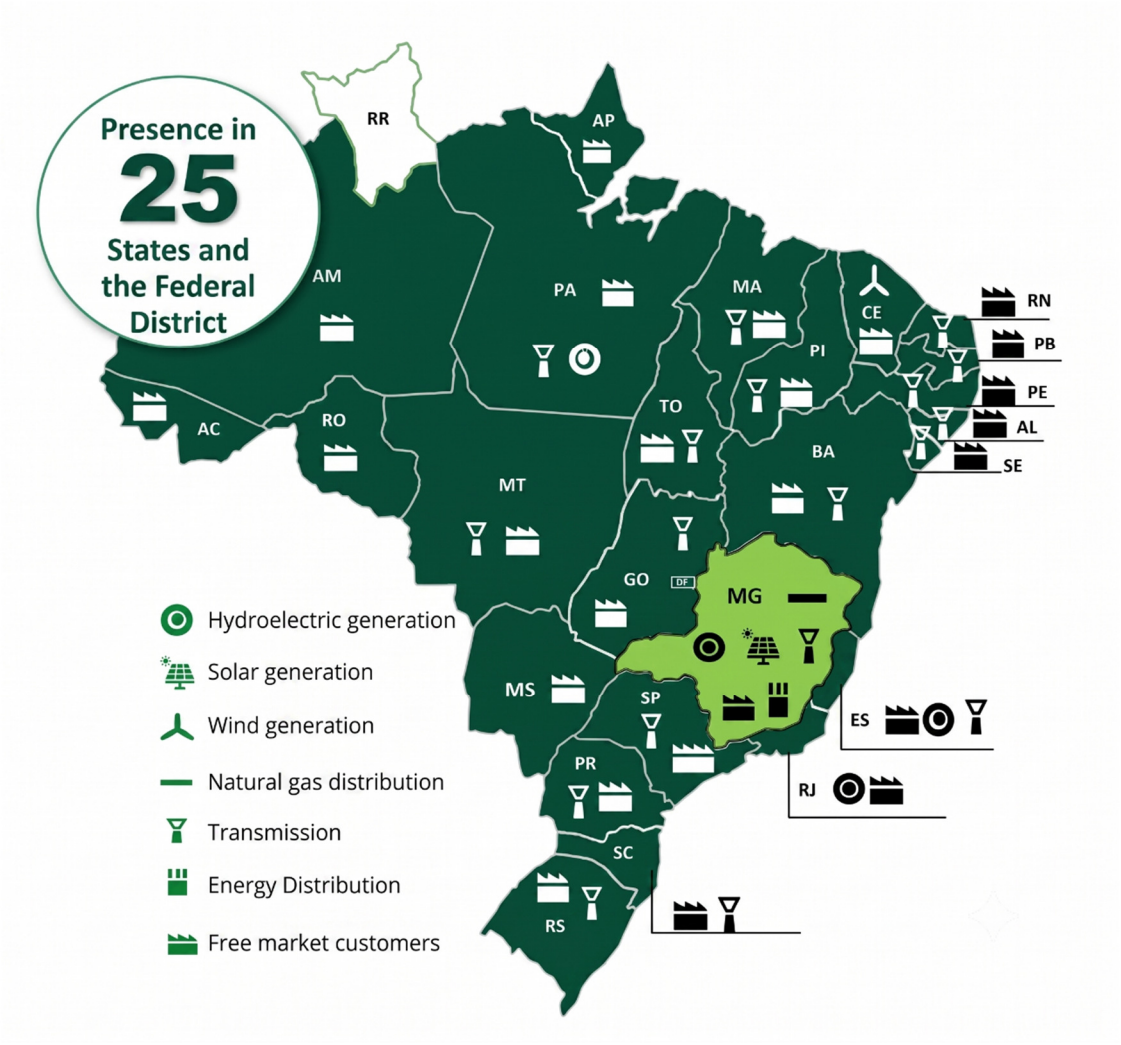


Figure 1. Location of the Cemig Group's power plants.
Source: Management Report and Financial Statements, Cemig (2025).

An overview of the company's activities is presented below:

[1] According to the Reference Form – 2026.

Power Generation

Reinforcing its commitment to being a sustainable company, the energy mix of Cemig's generation fleet consists entirely of clean and renewable energy sources, through both centralized and distributed generation, via hydro, wind, and solar power projects.

At the end of 2025, including its subsidiaries and jointly controlled entities, the company held stakes in 56 power plants, comprising 32 hydroelectric plants, 22 solar plants, and 2 wind farms[2], with a total installed capacity of 5,099.94 MW, of which 86.95% comes from hydroelectric generation, 1.39% from wind generation, 3.31% from solar generation, and 8.35% from distributed generation[3]. Cemig's generation in 2025 totaled 13,370.48 GWh, considering all energy sources, including distributed generation. The Table 1 shows the company's net generation by source.

Table 1. Net generation by energy source (MWh, %).

Source	MWh	%
Hydropower	12,216,090	91.37
Wind	341,750	2.56
Solar	218,640	1.64
Distributed generation (DG)	594,000	4.44
Total	13,370,480	100

Source: Annual Sustainability Report, Cemig (2025).

Power Transmission

Through its subsidiaries and affiliates in the electricity transmission sector, the company operates and maintains 42 substations and a transmission network totaling 5,066 km. In addition, it owns, operates, and maintains assets at 12 other substations belonging to other transmission operators. This system is responsible for transporting energy from major generation centers to consumption centers, enabling, through transmission substations spread across various regions of the concession area, the supply of power to subtransmission and distribution systems. In 2025, the company had active contracts for the provision of operation and maintenance services for transmission assets with 11 other companies, covering 14 substations and 95.5 km of transmission lines.

Power Distribution

Cemig is Brazil's largest electricity distributor in terms of network coverage, serving 774 municipalities in Minas Gerais. Its concession area spans 567,478 km², equivalent to approximately 97% of the state, serving a market of 9,596,000 customers by 2025.

Cemig also offers a social tariff, a discount on electricity bills for low-income families. By the end of 2025, the company served an average of 1,220,000 consumers in this category, representing approximately 15% of all residential customers billed.

Energy Sales

In 2025, Cemig remained the leader in serving the open market in Brazil and reached a 12% market share, having established a presence with customers in all states (except Roraima), with a strong focus on Minas Gerais, São Paulo, and Rio Grande do Sul. Also in 2025, an average of 208 MW was sold to retail market customers, corresponding to an 8.5% market share—a level never achieved by

[2] According to "Cemig in Numbers." Available at: https://www.cemig.com.br/a-cemig/cemig-em-numeros/.
[3] According to the Annual Sustainability Report (Cemig, 2025).

any other company in Brazil—consolidating Cemig as a national benchmark in this contracting environment.

Table 2 below shows energy sales by consumer class.

Table 2. Energy sales by consumer class in 2025 (MWh).

Class	Number of customers	MWh
Residential	8,206,751	12,919,001
Industrial	26,230	18,266,401
Trade, Services, and Others	888,631	9,307,404
Rural	379,589	2,920,351
Government	75,361	927,597
Street lighting	8,001	941,738
Public Services	13,283	882,989
Own Consumption	863	28,750
Supply to other utilities	715	20,708,996
TOTAL	**9,599,424**	**66,903,227**

Source: Annual Sustainability Report, Cemig (2025).

In addition to supplying electricity, Cemig sells Cemig REC and I-REC renewable energy certificates. In 2025, more than 2.6 million Cemig RECs and more than 2.8 million I-RECs were sold, contributing to the economic and environmental sustainability of its customers.

Natural Gas Distribution

Cemig also operates in the natural gas distribution and sales segment through its subsidiary Gasmig, which is the exclusive distributor of piped natural gas throughout the state of Minas Gerais.

In 2025, Gasmig sold a total of 590 million m³ of natural gas, equivalent to 1,616,000 m³ per day, in the captive market. Including consumption by customers in the open market, the volume is 1,035 million m³ of natural gas, equivalent to 2,836,000 m³ per day. When including thermal power plants, the contracted and utilized capacity of the plants served by Gasmig reached 66 million m³ of natural gas, equivalent to an average of 183,000 m³ per day[4].

Also this year, Gasmig inaugurated the Midwest Gas Pipeline, a historic milestone in the expansion of natural gas infrastructure in Minas Gerais. With an investment exceeding R$800 million, the project added approximately 300 km to the distribution network, representing an expansion of more than 23% of the existing system. In addition to ensuring access to a cleaner and more efficient energy mix, the gas pipeline will enable the expansion of natural gas supply to the *Triângulo Mineiro* region, consolidating Gasmig's role in the state's sustainable development. The project also has the potential to generate more than 15,000 direct and indirect jobs and strengthen the competitiveness of strategic sectors of the Minas Gerais economy, such as metallurgy, steelmaking, and foundries.

[4] According to the Financial Statements Report – Gasmig 2025.

2 CLIMATE JOURNEY

Cemig has historically positioned itself with commitment and responsiveness to sustainability issues. This consistent alignment with key socio-environmental challenges helps consolidate the company's image, both nationally and internationally, as a leader in corporate responsibility. **Cemig's sustainability indexes and results reflect its strategic and integrated approach**, which constantly seeks to align business performance with societal expectations and global commitments, including those related to climate change.

For the 26th consecutive year, Cemig has been included in the Dow Jones Sustainability Index (DJSI World) and has established itself as one of the most sustainable companies in the world, remaining the **only company in the electricity sector outside Europe to be part of the DJSI World** since its creation in 1999. It is also included in important market indexes, such as B3's Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2), created in 2010 by B3 and the BNDES. In addition, Cemig remained on the prestigious "A-List" of the Carbon Disclosure Project (CDP) Climate Change in 2025, achieving the highest score in 10 of the 16 criteria evaluated.

Cemig has been making progress year after year on its path toward a low-carbon future, making **increasingly ambitious climate commitments**. Since 2007, the company has published its independently verified greenhouse gas emissions inventory, identifying the main emission sources and guiding mitigation strategies—such as the decommissioning of the Igarapé Thermal Power Plant in 2019—which has made the company's generation fleet 100% renewable ever since.

In addition to mitigation initiatives, the company recognizes the urgent need for prevention and adaptation in its operations, with the goal of **increasing the resilience of its assets and ensuring energy security** in the face of chronic climate change and the intensification of extreme events. With this focus, Cemig conducts annual internal studies based on climate scenarios and has invested in the efficiency and safety of its assets and surrounding areas through projects related to dams, electricity transmission and distribution infrastructure, and firefighting in the regions where it operates.

In recent years, as part of its climate strategy, the company established the Innovation and Energy Transition Committee (CITE) and has focused on **diversifying its energy mix**. As a result, in 2023, Cemig SIM acquired a 100% stake in special-purpose entities that own three solar photovoltaic power plants. In the same year, Cemig GT announced the implementation of the Boa Esperança and Jusante solar photovoltaic plants, which began operations in 2024. Investments of approximately R$ 442 million are projected for this segment between 2025 and 2026, aimed at the prospecting and development of new projects involving decentralized energy solutions.

The year 2024 also marked the release of **the Climate Action Plan**, aligned with the key recommendations of frameworks and initiatives such as the CDP (formerly known as the Carbon Disclosure Project), the Transition Plan Taskforce (TPT), and Assessing Low-Carbon Transition (ACT). With revisions scheduled every three years, the Plan establishes various decarbonization levers—that is, a series of time-bound actions—outlining the strategy the organization will adopt to steer its existing assets, operations, and entire business model toward a trajectory aligned with the latest and most ambitious recommendations of climate science. The proposal is to align Cemig with the goals of the Paris Agreement, doing its part to limit global warming to 1.5°C.

In accordance with the guidance of the Science Based Targets initiative (SBTi), the company considers offsetting limited to residual emissions, that is, allowing for the offsetting of up to 10% of total emissions from the base year (2021) by 2040. In line with this guideline, **Cemig already offsets**

Scope 1 emissions, recognizing that this is not the company's primary mitigation strategy but rather a necessary component of the efforts required to achieve the Net Zero commitment.

The development of the Climate Action Plan involved a broad collaborative effort, highlighting the participation and engagement of all the company's stakeholders, ranging from the CEO and directors, through the superintendents and managers, to the operational areas. More than 30 meetings were held with various Cemig stakeholders, including members of **the Board of Directors' Advisory Committee (Innovation and Energy Transition Committee)**, to discuss energy transition actions, business strategy, climate governance, risk management, engagement methods, and data collection processes for improving and expanding the inventory, among other topics. In addition, more than 10 meetings were held with strategic sectors of Cemig, which are fundamental to defining decarbonization pathways.

The company also has a revised **Sustainability Plan** covering the 2024–2029 period. The Plan sets out clear public commitments in areas such as decarbonization, the circular economy, energy efficiency, diversity, inclusion, and responsible governance. Targets have been established, such as offsetting 100% of Scope 1 emissions by 2026 and achieving climate neutrality by 2040, reaffirming the company's leadership in Brazil's energy transition. In the same year, the company made the CDP A-List and had its science-based targets approved through the Science Based Targets initiative (SBTi).

To highlight these and other initiatives the company is developing in alignment with its values of integrity, commitment, sustainability, and social responsibility, Cemig is publishing, for the fourth consecutive year, its **Climate-Related Financial Disclosures Report**, in accordance with the TCFD recommendations and the guidelines of the IFRS S2 standard. By ensuring transparency in its efforts to mitigate and adapt to climate change, the company reinforces its commitment to the climate agenda.

Below are the key milestones in Cemig's journey regarding climate issues.

Climate Journey Highlights – Cemig (2026)

1992
- Launch of the first version of Cemig's Environmental Policy, revised in 2016 and 2023

2007
- Publication of the first Greenhouse Gas Emissions Inventory
- Submission of the first CDP Climate Change questionnaire

2009
- Joining the Global Compact initiative, created to accelerate the goals proposed by the UN 2030 Agenda

2011
- Inclusion of the Company in the CO2 Index (ICO2) from the Brazilian stock exchange operator B3

2019
- Total decommissioning of thermal power plants
- Creation of Cemig SIM, which operates in distributed generation, energy efficiency, cogeneration, electric mobility, and other innovative solutions in the energy sector

2020
- Development of Cemig's Renewable Energy Certificate, Cemig-REC
- Joining the Climate Action Alliance in line with the goals of the Paris Agreement

2022
- Launch of the 1st edition of the annual Climate-related Financial Disclosures report in line with TCFD and its recommendations
- Joining the UN Global Compact's Net Zero Ambition Programme

2023
- Holding of the 1st Awareness Workshop on the Climate Action Plan
- Cemig Distribuição concludes the largest issuance of Sustainable Bonds in the domestic market

2024
- Disclosure of the 2024-2029 Sustainability Plan and Climate Action Plan

2025
- Target approval by the SBTi
- CDP Climate Change A-List status for the 2024 report
- Recognition in the main sustainability indices

2026
- CDP Climate Change A-List status for the 2025 report
- Recognition in the main sustainability indices

Figure 2. Cemig's trajectory on the climate agenda.
Source: Prepared by the author.

3 EXECUTIVE SUMMARY

Table 3 below presents the highlights of this edition of the Climate-Related Financial Disclosures Report, highlighting progress and transparency across the four thematic areas that represent the core elements within organizations: Governance; Strategy; Risk Management; Metrics and Targets.

Table 3. Report highlights.

Governance	**Cemig's corporate governance is based on the principles of transparency, integrity, equity, accountability, and sustainability.** **The Board of Directors, supported by** the Risk Committee **and the** Innovation and Energy Transition Committee**, oversees corporate strategy, the energy transition, and the management of climate risks and opportunities, while the Innovation and Sustainability Department coordinates the implementation and reporting of the climate agenda, ensuring its integration into strategic planning and decision-making.** **The Company also links part of the variable compensation for executives and employees to ESG, energy transition, and operational performance indicators related to emissions reduction and corporate sustainability.**
Strategy	The Strategic Plan for the 2026–2030 cycle, approved by the Board of Directors in 2025, is structured around seven guiding principles: health and safety, customer focus, efficiency, networks, energy, market opening, and energy transition. In this context, Cemig seeks to strengthen the resilience of its assets and operations, expand renewable generation, and accelerate the energy transition through investments in innovation, digitalization, and new business development, thereby enhancing its ability to capture opportunities and respond to risks associated with climate change. In addition, Cemig's **Climate Action Plan** outlines a series of concrete measures and comprehensive strategies that the company has been implementing to achieve its ambitious goal of becoming **Net Zero by 2040**.
Risk Management	Cemig's risk management is integrated into the Company's strategic planning and guided by **the Corporate Risk Management and Internal Controls Policy**, updated and approved by the Board of Directors in 2025. In this context, the Top Risks Matrix serves as a central tool for identifying, assessing, and prioritizing the risks most relevant to the business, supporting a proactive approach to managing potential threats and opportunities, including those related to climate.

	In 2025, the Company's various governance forums reviewed and approved the **2025/2026 Top Risks Matrix**, which highlights the risk of *non-compliance with physical and transition risks related to climate change*, reinforcing the integration of climate issues into risk management and decision-making processes.
Metrics and Targets	In 2025, Cemig had its **short- and long-term climate targets approved by the SBTi initiative**, reinforcing the **integration of climate targets into** the company's **strategic planning and compensation system**. Cemig earned, for yet another year, the **Gold Seal of the Brazilian GHG Protocol Program**, which corresponds to the program's highest qualification level, awarded to companies that have demonstrated compliance with all criteria for completeness and transparency in the publication of their Greenhouse Gas Inventory. **Since Cemig committed to becoming Net Zero by 2040, its emissions have already been reduced by 41% compared to the base year.** Based on the Strategic Plan, the **2026-2030 Sustainability Plan** aims to integrate sustainable practices into its operations and strengthen corporate governance. In the area of **Energy Transition,** the following public commitments stand out, which are being fulfilled through strategic initiatives and monitored by corporate indicators and targets: • 100% offsetting of Scope 1 emissions by 2026; • Net Zero by 2040 and a 60% reduction in total greenhouse gas emissions by 2030; • Guarantee of 100% renewable generation, in addition to the trading of certificates.

Source: Prepared by the company.

4 CLIMATE-RELATED DISCLOSURES

4.1 GOVERNANCE

OBJECTIVE
To disclose the Company's governance structures responsible for overseeing risks and opportunities related to climate change, describing the role of the Board of Directors, the Executive Board, the advisory committees, and the incentive mechanisms associated with the climate agenda.
GUIDELINES

• Describe the Board's role in overseeing climate risks and opportunities, including:
  ○ How these responsibilities are documented.
  ○ Which committees or members are responsible and how they monitor these issues.
• Describe management's role in assessing and managing climate risks and opportunities:
  ○ Which organizational levels are involved and how they integrate with risk management and strategy processes.
  ○ Frequency and format of reporting to senior management and the Board.

Cemig's corporate governance is based on transparency, fairness, and accountability. The main feature of the Company's governance model is the clear definition of the roles and responsibilities of the Board of Directors and the Executive Board in the formulation, approval, and implementation of policies and guidelines related to business management, including those associated with sustainability, the energy transition, and the management of climate risks and opportunities. All members of the management bodies are subject to the Company's Bylaws[5], relevant legislation, and applicable internal regulations.

Under the Internal Rules of Procedure of the Board of Directors[6], Board members are appointed by the General Meeting of Shareholders, elect their Chairperson, and appoint the members of Cemig's Executive Board. The structure and composition of the Board of Directors and the Executive Board are mirrored in the wholly-owned subsidiaries Cemig D and Cemig GT, with possible exceptions subject to the approval of the Board of Directors.

The Company's organizational chart at Figure 3 below identifies the Boards, Committees, and Executive Boards, as well as the Audit Committees, highlighting their respective functions and composition.

[5] The Bylaws of Cemig, as well as those of Cemig GT and Cemig D, can be found at https://www.cemig.com.br/governanca/estatutos-e-regimentos/.

[6] The Internal Rules of Procedure of the Boards of Directors are available at https://www.cemig.com.br/wp-content/uploads/2025/10/regimento-interno-do-conselho-de-administracao.pdf.

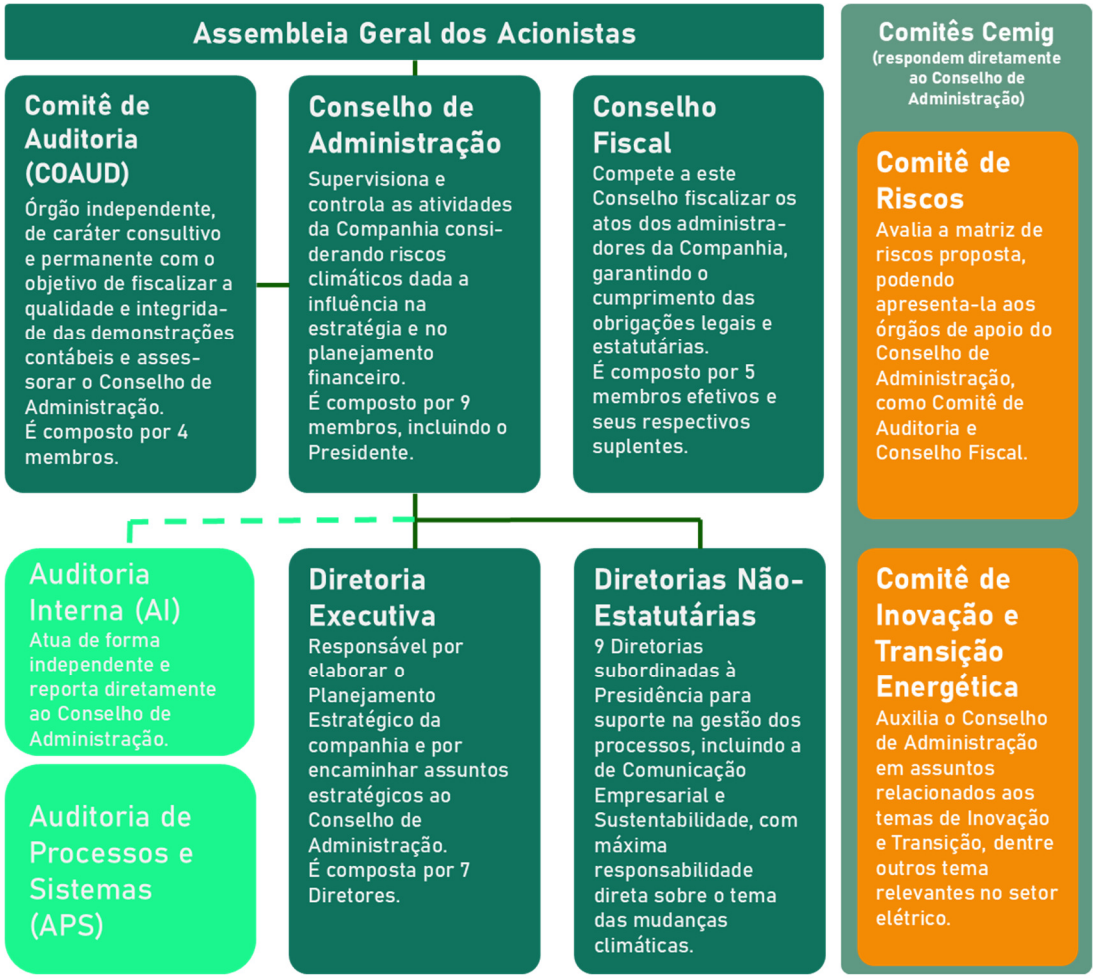


Figure 3. Cemig corporate governance structure.
Source: Annual Sustainability Report (Cemig, 2025).

The Company's governance has emphasized a balance between economic, financial, environmental, and social aspects, with the ongoing goal of contributing to sustainable development and strengthening its relationships with shareholders, customers, employees, society, and other stakeholders. Since 2001, Cemig has followed B3's Level 1 Corporate Governance practices, reinforcing its commitment to good management practices, transparency, and accountability.

To uphold a well-defined corporate governance model, Cemig adheres to the basic principles of the Brazilian Institute of Corporate Governance (IBGC)[7], which are:

1. Integrity.
2. Transparency.
3. Equity.
4. Accountability.
5. Sustainability.

In accordance with these principles, the Company monitors ESG actions on a quarterly basis, including issues related to climate change, through its reporting and management tools. The 2025

[7] More information available at: IBGC | Learn about the five principles of corporate governance.

Full Annual Financial Statements[8] indicate that environmental, social, and governance indicators are published quarterly in the Quarterly ESG Reports and annually in the Annual Sustainability Report.

In 2025, Cemig's strategy for the 2026–2030 cycle was approved by the Board of Directors, encompassing guidelines such as maintaining the pace of investments, modernizing assets, preparing for the full opening of the market, prudent capital allocation, and strengthening operational efficiency. Among the strategic drivers presented by the Company, the following stand out: strengthening the resilience and reliability of the networks, expanding renewable generation, preparing for the free market, and leading the energy transition through digitalization, artificial intelligence, smart grids, and new technologies.

The following section provides a more detailed overview of the roles of Cemig's Board of Directors, the Innovation and Sustainability Executive Committee, the Risk Committee, and the Innovation and Energy Transition Committee, given the importance of these bodies in addressing climate issues.

4.1.1 Board of Directors

In accordance with the Internal Regulations, the role of the Board of Directors is to oversee and monitor the Company's activities, exercising specific responsibilities regarding business strategy and direction, while day-to-day management is conducted by the executive bodies. Climate management falls within these functions to the extent that climate-related risks and opportunities influence corporate strategy, financial planning, capital allocation, operational resilience, and the achievement of decarbonization goals in the short, medium, and long term.

Composed of the Chairperson and eight other members, the Board of Directors is the body responsible for strategic guidance and oversight of Cemig's management. In 2025, the Board consisted of nine regular members, eight of whom were nominated and elected by shareholders, and one elected by employees through a specific election process. Board members are elected and may be removed at any time by the General Meeting for a unified two-year term, with up to three consecutive reappointments permitted, subject to the requirements and restrictions established in applicable laws and regulations. Of the nine members of Cemig's Board of Directors, eight meet the criteria for Independent Directors adopted by the Dow Jones Sustainability Index (DJSI) and defined in the Code of Best Corporate Governance Practices of the Brazilian Institute of Corporate Governance (IBGC), as attested to in the Board's Declaration of Independence. The current term of the Board of Directors began at the Annual General Meeting held on April 29, 2024, and expires at the Annual General Meeting to be held in 2026.

The Board of Directors is responsible for approving technical standards and regulatory guidelines necessary for the development of corporate sustainability, climate change, and social responsibility, aligned with strategic guidelines and sectoral regulations. To fulfill these duties, the Board meets ordinarily, in accordance with its Internal Regulations, at least once a month to analyze indicators and results of the Company and its wholly-owned subsidiaries, controlled entities, and affiliates, as well as to deliberate on other matters included on the agenda. It may also hold extraordinary meetings upon the call of its Chairperson, one-third of its members, or when requested by the Executive Board.

In 2025, the Board of Directors met 38 times to address strategic planning, projects, acquisitions of new assets, various investments, and other relevant matters. In the same fiscal year, Cemig's strategy for the 2026–2030 cycle was approved by the Board of Directors, encompassing guidelines

[8] As per the 2025 Management Report and Financial Statements.

such as maintaining the pace of investments, modernizing assets, preparing for full market liberalization, prudent capital allocation, and strengthening operational efficiency.

Among the strategic drivers presented by the Company for the 2026–2030 cycle, the following stand out: strengthening the resilience and reliability of the grids with smart solutions, expanding renewable generation, preparing for the open market, and leading the energy transition through digitalization, artificial intelligence, smart grids, and new technologies. These drivers reinforce the Board's role in overseeing issues related to the climate agenda, since the energy transition, renewable expansion, grid digitalization, and operational resilience are directly linked to the management of climate risks and opportunities in the electricity sector.

Responsibilities of the Board of Directors

- Establish general guidelines and promote the integration of risk management practices and internal controls into the decision-making process;
- Evaluate and approve the Top Risks Matrix, as well as the general guidelines for establishing acceptable limits on the company's risk exposure (risk appetite);
- Evaluate and approve the Risk Management and Internal Controls Policy;
- Ensure and oversee the risk management and internal control systems established to prevent and mitigate the main risks to which the Company is exposed, including those related to the integrity of accounting and financial information and the occurrence of corruption and fraud;
- Monitor the results of risk management and internal control processes through executive reports.

In 2025, Cemig maintained the cycle of updating the Top Risks Matrix at least annually. The matrix in effect for the 2025/2026 cycle was mapped and approved by the Executive Board and the Board of Directors, following review by the Audit Committee and the Risk Committee of the Board of Directors. The matrix consists of 21 Top Risks, with a schedule for continuous monitoring by Management, covering the Distribution, Generation, Transmission, and Wholesale businesses, as well as corporate themes such as Innovation, Information Technology, People, Corporate Services, ESG, Communication, and Finance.

In the climate context, this oversight structure is relevant because it allows physical and transition risks to be assessed within the framework of corporate governance and integrated into formal risk management, strategic planning, and decision-making processes. Thus, issues such as adaptation to extreme weather events, expansion of renewable sources, emissions reduction, grid resilience, technological innovation, and energy transition can be addressed at levels commensurate with their strategic relevance to the Company.

4.1.2 Innovation and Sustainability Division

Under the Company's organizational structure, the highest-ranking position with direct responsibility for climate change issues at Cemig is the Director of Innovation and Sustainability. This Director supports the management of processes related to the climate agenda and reports directly to the Cemig's CEO, who represents the highest level of the Executive Board and, in turn, reports directly to the Board of Directors.

On a monthly basis, the Director of Innovation and Sustainability presents to the President and the Board of Directors the progress of key initiatives within the Company, including matters related to climate change, when relevant. In this way, Cemig maintains a regular reporting flow between

executive management and the Board of Directors, enabling the monitoring of progress on the climate agenda, public commitments, ESG indicators, and strategic initiatives related to the energy transition.

The responsibilities of the Innovation and Sustainability Department include developing strategies and leading innovation projects, as well as implementing the necessary actions to advance corporate sustainability, climate change initiatives, and social responsibility, in alignment with strategic guidelines and industry regulations.

The work of this Directorate is also linked to the 2024-2029 Sustainability Plan, developed based on Cemig's Strategic Plan, which aims to integrate sustainable practices into operations and strengthen corporate governance. The plan guides the creation of programs, targets, and indicators, in addition to defining actions and resource allocation to achieve the proposed objectives. Among its main objectives are creating value for stakeholders, identifying risks and opportunities, and integrating sustainable principles into the organizational culture.

4.1.3 Committees

To support the performance of its duties, the Board of Directors relies on Advisory Committees, which are responsible for conducting in-depth analysis of relevant issues and contributing to the quality of the decision-making process. These committees have no executive function or decision-making power, but they analyze specific matters, issue opinions and recommendations, and inform the Board's decisions and the oversight of the management of the Company's impacts.

Among the non-statutory committees, the following stand out: the Human Resources Committee; the Divestments, Investments, and Finance Committee; the Risk Committee; and the Innovation and Energy Transition Committee. In the context of climate governance, the Risk Committee and the Innovation and Energy Transition Committee play a particularly important role, as they contribute, respectively, to monitoring corporate risks—including physical climate risks and transition risks—and to aligning innovation, energy transition, and new technology initiatives with Cemig's strategic priorities.

The Audit Committee, an independent, advisory, and standing body, is also part of the Company's governance structure, advising the Board of Directors on its audit and oversight functions. Its work contributes to monitoring the integrity of financial information, the effectiveness of internal controls, internal audit, independent audit, and risk management systems. In 2025, the Audit Committee met 25 times.

a. Risk Committee:

The Risk Committee is an advisory body linked to the Board of Directors, created in 2022, with responsibilities related to analyzing compliance with regulatory and supervisory requirements, defining key risks and their respective treatments, identifying and measuring action plans and controls, as well as assessing the risk tolerance limits to which the Company is exposed.

In the context of climate governance, the Risk Committee acts as an advisory body that provides a critical and specialized perspective on the impacts of climate change on the Company's business. Its analyses and recommendations contribute to informed decision-making regarding the threats and opportunities arising from the climate scenario.

Responsibilities of the Risk Committee

- Monitor the risk management and internal controls process, bringing the most relevant points to the attention of the Board of Directors;

- Assess, in consultation with the Board of Directors, the definition of the Top Risks Matrix, as well as the general guidelines for establishing acceptable limits for the Company's risk exposure (Risk Appetite);
- Analyze all material submitted to the Board of Directors regarding the company's risk management and internal controls, providing prior input on it.

In addition to its direct relationship with the Board of Directors, its role includes presenting the risk matrix to the Board's supporting bodies, such as the Audit Committee and the Fiscal Council.

b. Innovation and Energy Transition Committee:

Given the growing importance of the climate agenda and the energy transition for the electricity sector, the Board of Directors resolved in 2023 to create the Innovation and Energy Transition Committee (CITE), which meets ordinarily every month and may hold extraordinary meetings.

Composed of four independent directors, the Committee consists of members with experience in innovation, the energy sector, and issues related to the energy transition. Its role is strategic for the Company, as it supports the Board of Directors in analyzing issues related to technological innovation, the energy transition, and climate change, helping to ensure that these agendas are considered in Cemig's strategic planning process.

CITE guides the Company's innovation strategy, supporting the evaluation of initiatives related to electrification, digitalization, new technologies, emissions mitigation, and adaptation to climate change. Its work contributes to identifying innovation opportunities that can strengthen Cemig's competitiveness, support the transition to a lower-carbon energy mix, and enhance the long-term sustainability of the business.

Responsibilities of CITE

- Assist the Board of Directors with matters related to the Company's Innovation and Energy Transition initiatives at the national and international levels within the energy sector;
- Provide input on the establishment of short-, medium-, and long-term strategies related to technological innovation and the energy transition;
- Support the promotion of initiatives and debates on Energy Transition and Innovation in the electricity sector;
- Advise the Board of Directors on technical and institutional developments related to climate change and associated best practices for mitigation, compensation, and adaptation;
- Monitor market trends related to technological innovation and the energy transition.

The work of the Innovation and Energy Transition Committee helps ensure that issues of innovation, energy transition, and climate change are addressed in an advisory capacity to the Board of Directors, strengthening the integration of these agendas into Cemig's corporate governance.

4.1.4 Compensation Policies

In addition to establishing key positions and committees within the organizational structure to ensure that the company's environmental and climate agendas are given due attention and are properly addressed by specialists dedicated to these issues, Cemig also employs incentives linked to these pillars to reinforce their importance and consolidate the strategy for prioritizing these goals.

In accordance with its Executive Compensation Policy and in line with strategic planning, the annual budget, and the multi-year business plan, Cemig determines executive compensation. The total

compensation amount is set at the General Meeting, in accordance with applicable laws, and consists of:

Figure 4. Composition of executive compensation.
Source: Executive Compensation Policy (Cemig, 2023).

In this variable compensation model, **targets are directly linked to corporate performance indicators**, including the incorporation of ESG objectives. Among the key indicators are: the implementation of digital transformation; execution of Generation, Transmission, and Distribution investments associated with infrastructure improvements, resilience, and the supply of renewable energy; and the total Distribution loss indicator, directly related to Scope 2 emissions in the Company's GHG inventory.

Within the Innovation and Sustainability Department, specific indicators stand out, such as ISUSTENT, which assesses the company's performance in sustainability indices and surveys, including the Dow Jones Sustainability Index (DJSI), the Corporate Sustainability Index (ISE B3), and the CDP, in addition to the Incentive Program for Defossilization and Electrification.

In 2025, Cemig structured a **leadership project aimed at promoting decarbonization and defossilization agendas**, encompassing initiatives both within and outside the organization. The performance and level of engagement of leaders in this project are directly linked to Profit-Sharing (PLR), strengthening the alignment between managerial performance and the strategic objectives related to the company's energy transition.

Initiatives developed throughout the year included projects for the electrification, decarbonization, and defossilization of the Cemig Group's vehicle fleet; technological cooperation with Huawei to develop solutions focused on the energy transition and the digitalization of the electrical system; and Research and Development (R&D) projects, such as the H2V Burner Pilot Plant, designed to validate the use of hydrogen mixed with natural gas in industrial processes. Additionally, other initiatives aimed at reducing GHG emissions and promoting the energy transition were carried out.

Cemig establishes variable compensation indicators applicable to various levels of the organization, including senior management and leadership. Among these, targets related to operational performance, sustainability, and long-term value creation stand out.

Additionally, all of the company's direct employees have **variable compensation tied to the Total Distribution Losses Indicator (IPTD).** This indicator measures the percentage ratio between energy losses and the total volume of energy injected into the distribution system. Given that distribution losses account for approximately 99% of Cemig's Scope 2 emissions, improving IPTD performance directly contributes to reducing emissions associated with this scope, reinforcing the alignment between corporate incentives and the company's climate commitments.

Based on this governance and compensation framework, Cemig engages all areas of the company in pursuing its objectives and creates the necessary conditions for results to be achieved in accordance with the company's strategy, which will be detailed in the next section.

4.2 STRATEGY

For the 2026–2030 cycle, Cemig's climate agenda is integrated into the update of the corporate strategy "Focus on Minas and Win," which guides capital allocation to core businesses, the modernization and resilience of assets, the strengthening of operational efficiency, preparation for market liberalization, and leadership in the energy transition. Thus, climate risks and opportunities are considered not only as environmental factors but as elements relevant to the Company's strategy, financial planning, competitiveness, and long-term value creation.

OBJECTIVE
To disclose the actual and potential impacts of climate risks and opportunities on the company's business, strategy, and financial planning.
GUIDELINES

• Identify climate-related risks and opportunities in the short, medium, and long term:
  ○ Indicate where risks and opportunities are concentrated in the value chain and business model.
• Describe the impacts of risks and opportunities on strategy and financial planning:
  ○ How the company has responded or intends to respond (including transition plans).
  ○ How the impacts affect financial position, performance, and cash flow.
  ○ Report the impacts qualitatively or quantitatively, as applicable.
• Describe the resilience of the strategy considering different climate scenarios:
  ○ Include at least one scenario aligned with the Paris Agreement.
  ○ Present assumptions, methodologies, and time horizon.

In accordance with the planned annual frequency, Cemig's strategic plan was revised in December 2025, and its content covers the period from 2026 to 2030. Among the guidelines for the new cycle are maintaining the pace of investments focused on asset modernization, preparing for full market liberalization, prudent capital allocation, and strengthening operational efficiency.

In its planning, **the company recognizes that electrification plays a crucial role in the decarbonization of the economy by replacing fossil fuel-based energy sources with cleaner and more sustainable alternatives**. According to the report New Energy Outlook: Brazil, released by BloombergNEF[9], it is estimated that electrification could contribute up to 55% of carbon emissions reductions by 2050. Therefore, there is a significant opportunity for efficiency and sustainability through the direct electrification of production processes, accelerating the transition to a low-carbon economy.

However, for electrification to take place, **the real challenge lies in expanding and modernizing transmission and distribution networks** to efficiently and intelligently connect power generation facilities to consumption centers, and to enhance the reliability and resilience of the energy supply. To put this challenge into global perspective, the International Renewable Energy Agency estimates that, to triple renewable energy generation by 2030, annual investments of approximately $1.52 trillion in renewable capacity and $717 billion in transmission grids will be required. Grid

[9] Available at: https://www.bloomberg.com.br/blog/brasil-precisa-de-mais-de-us-6-trilhoes-de-investimento-em-energia-para-alcancar-net-zero-ate-2050-segundo-a-bloombergnef/.

modernization is simultaneously a response to physical risk, a driver of the energy transition, and a vehicle for creating regulatory value.

Without robust and modern infrastructure, energy generated from renewable sources cannot be efficiently transmitted and distributed to consumers. Therefore, **investing in transmission and distribution grids is an essential step** toward achieving a more sustainable and resilient energy mix.

Thus, **the strategy's primary objective is to facilitate the energy transition in Minas Gerais and Brazil**. To this end, and with a view to increasing the resilience of its grid, Cemig is implementing the largest investment plan in the company's history, totaling R$ 44 billion by 2030, with a focus on the modernization, resilience, and reliability of its assets. These figures are forward-looking and non-binding, subject to the Company's approval process, the technical and economic feasibility of the projects, compliance with the WACC applicable to each business, and regulatory and market conditions. Investments in physical infrastructure are significant; the company is building 615 new substations by 2028.

The corporate strategy, summarized in the motto "Focus on Minas and Win 2026–2030," sets the ambition to drive the energy transition, serving as a benchmark in customer satisfaction, quality, sustainability, innovation, and efficiency, while also acting as a catalyst for the development of Minas Gerais. Based on this ambition, commitments are broken down for each business unit, respecting the regulatory and competitive specificities of each segment.

In addition to technological transformation and the expansion of energy infrastructure, Cemig recognizes that the transition to a low-carbon economy also involves social and economic impacts on workers, communities, customers, and other stakeholders. In this context, the Company **conducts its transition to a low-carbon economy in a manner integrated with the social inclusion agenda, incorporating principles of climate justice, equity, and sustainable development.** The Company considers, in its due diligence and management processes, the socioeconomic impacts associated with the energy transition, promoting initiatives such as the Social Tariff, programs to universalize access to energy, and Energia Legal, which expand safe and regularized access to electricity. At the same time, it develops energy efficiency projects aimed at vulnerable populations and maintains an ongoing dialogue with stakeholders, including communities, workers, research institutions, and suppliers, with the goal of strengthening a participatory and responsible approach.

In the area of training and opportunity creation, Cemig invests in skills development through UniverCemig and partnerships with universities and research institutions, promoting technical courses and initiatives such as the graduate program in hydrogen, preparing its workforce for the demands of the energy transition. These efforts are guided by national and international guidelines, such as those of the ILO and principles of climate justice, seeking to ensure respect for human rights and social inclusion. Additionally, the Company is making progress in establishing indicators, targets, and investments focused on a just transition, contributing to the reduction of inequalities, the strengthening of regional development, and the promotion of an energy transition that generates shared value for society.

The following outlines the breakdown of commitments for each business unit:

Generation Strategy 2026–2030

- Centralized: Grow sustainably in Generation, with health, safety, efficiency, and innovation.
- Distributed: Expand installed Distributed Generation capacity by consolidating and maintaining leadership in Minas Gerais. Increase installed capacity through the deployment of owned assets, acquisition of operating assets, and off-concession leasing.

Transmission Strategy 2026–2030

- Grow sustainably in transmission, with health, safety, efficiency, and innovation;
- Increase the Energized RAP, with grid resilience and new technologies;
- Advance operational efficiency, ensuring regulatory coverage.

Distribution Strategy 2026–2030

- Delight customers with quality, safety, and innovation, enabling the energy transition in Minas Gerais;
- Improve service quality and resilience;
- Expand the BRL/AIS ratio, with a focus on asset modernization;
- Advance operational efficiency, reducing fines and compensation.

Marketing Strategy 2026–2030

- Be a leader in the energy trading market, generating value through innovative solutions, a diversified portfolio, and excellence in customer relations;
- Be excellent in risk management, ensuring compliance with risk indicators by 2030;
- Create new products and services.

Gas Distribution Strategy (Gasmig) 2026–2030

- Expand our presence in the urban market and promote expansion into rural areas, reaching the *Triângulo Mineiro* region and strengthening our operations in the southern part of the state, with a focus on the customer, innovation, and efficiency;
- Distribute biomethane in the *Triângulo Mineiro* region by 2030.

Gasmig's activities should be viewed as part of an energy transition strategy, not as a final solution for decarbonization. The Company recognizes the transition risks associated with the use of fossil fuels and seeks to combine the efficient expansion of the natural gas network with lower-carbon initiatives, such as biomethane and green hydrogen, support for customers in replacing more polluting energy sources, and capturing commercial synergies with *Comercialização* and Cemig SIM.

The following seven key corporate drivers drive those strategic operational priorities:

1. Health and Safety: Consolidate a "Zero Accident" culture, ensuring a safe work environment and the continuous reduction of risk indicators.

Cemig reinforces its commitment to consolidating a "Zero Accident" culture, promoting **safety as an essential and non-negotiable value** in all its operations. The company works continuously to strengthen preventive practices, improve processes, and raise awareness among employees and partners, seeking to continuously reduce risk indicators and ensure increasingly safe and resilient work environments.

2. Customer Focus: Enhance the customer experience and satisfaction, preparing Cemig for the full opening of the market and for the sustainable growth of its customer base.

Excellence in the customer experience remains a strategic priority for the company. Cemig seeks **to continuously improve satisfaction levels, service quality, and reliability**, preparing for a more competitive environment resulting from the full opening of the energy market. The strategy includes modernizing customer engagement channels, digitizing services, and strengthening a customer-centric culture.

3. Efficiency: Increase operational efficiency with clear goals and objective actions, ensuring continuous value creation.

The pursuit of operational efficiency remains one of the main drivers of Cemig's corporate strategy. The company has been implementing initiatives aimed at process optimization, cost reduction, operational simplification, and increased productivity, ensuring the **continuous generation of value** for shareholders, customers, and society, combined with the financial sustainability of the business.

4. Networks: Strengthen the resilience and reliability of the networks with smart solutions, expanding the use of Smart Grid and the regulatory revenue base.

The modernization and strengthening of the power grids are central elements of the company's strategy to enhance the system's resilience and reliability. Cemig has been **intensifying investments** in smart solutions, automation, digitization, and Smart Grid technologies, seeking to improve the quality of supply, increase the ability to respond to extreme weather events, and enhance the regulatory efficiency of its assets.

5. Energy: Renew strategic concessions, expand renewable generation, and optimize investments, strengthening the portfolio's sustainability.

Cemig focuses its energy strategy on the **sustainable expansion of renewable generation**, the renewal of strategic concessions, and the optimization of investments in its asset portfolio. The company seeks to strengthen its position in the electricity sector through a **predominantly renewable**, resilient, and competitive **energy mix**, aligned with its commitments to sustainability and the energy transition.

6. Market Liberalization: Accelerate preparations for the free market by integrating the portfolio and efficiency to enhance competitiveness and customer offerings.

Cemig **continuously monitors regulatory and market changes**, adjusting its strategy to offer solutions aligned with customer needs and industry dynamics. The company seeks to strengthen its commercial operations through portfolio integration, risk management, and innovative energy solutions, enhancing its competitiveness and diversifying its offerings.

7. Energy Transition: Lead the energy transition through digitalization, AI, Smart Grids, and new technologies, driving efficiency, innovation, and new business.

Cemig seeks to lead the energy transition by incorporating new technologies, digitalization, artificial intelligence, and innovative solutions for the electricity sector. The company is committed to achieving **carbon neutrality by 2040**, reducing its emissions by 60% by 2030, and securing leadership in two of the world's leading ratings.

Market Liberalization as a Climate and Commercial Opportunity

For Cemig, the opening of the energy market represents a significant strategic opportunity from both a commercial and climate perspective. In the 2026–2030 cycle, the Company has been preparing for an environment of greater competition, freedom of choice, and more sophisticated customer demands, in line with the strategic guideline of putting the customer at the center, expanding operational efficiency, and consolidating an integrated portfolio of energy products and services.

This transformation is expected to expand opportunities for engagement with eligible customers and potential consumers in the retail market, enabling Cemig to offer solutions related to the transition to a low-carbon economy. Among these solutions, the following stand out: the sale of renewable energy, renewable energy certificates, energy efficiency products, electrification solutions, distributed generation, storage, electric mobility, and other climate-related products aimed at reducing or offsetting customer emissions.

Cemig's position in the open market strengthens this strategy. The Company already has a well-established presence in serving eligible customers nationwide and sells renewable energy certificates, such as Cemig REC and I-REC, which contribute to the economic and environmental sustainability of its customers and support the achievement of corporate decarbonization goals. Thus, market liberalization is not treated merely as a regulatory change, but as a driver of growth, revenue diversification, and an expansion of Cemig's contribution to the energy transition.

In the context of climate change, expanding the customer base in the open and retail markets creates conditions to increase the supply of renewable energy and value-added services associated with energy management and emissions reduction. By integrating sales, renewable generation, distributed generation, innovation, and customer relationships, Cemig seeks to capture opportunities arising from the increased demand for clean, resilient, and competitive energy solutions, while strengthening its ability to adapt to regulatory, technological, and market changes in the electricity sector.

To support this agenda, the Company has structured studies and assessment initiatives regarding market liberalization and regulatory opportunities, with the aim of defining its role in the new sectoral model. This preparation helps mitigate market and regulatory risks, preserve the Company's competitiveness, and position Cemig as an enabler of its customers' energy transition, especially in Minas Gerais, where its integrated operations in the distribution, generation, retail, distributed generation, and natural gas segments allow for the development of comprehensive and customized energy solutions.

Based on these drivers, Cemig assesses climate risks and opportunities across its value chain, considering potential effects on generation, transmission, distribution, sales, distributed generation, natural gas, customers, suppliers, CAPEX, OPEX, revenues, costs, operational continuity, and asset resilience.

These strategic drivers have been mobilizing actions that yield significant results for the company. The following milestones from the last strategic cycle stand out:

2025 HIGHLIGHTS OF STRATEGY EXECUTION – 2025-2029 CYCLE

- **Compliance with the** DEC and FEC **regulatory quality indicators**, with a reduction of 29 minutes in the regulatory DEC and 1.84 hours in the DEC as perceived by consumers.
- **Implementation of the largest investment plan in history,** and approval of the new strategic plan, which totals R$44 billion over the next five years.
- Investments made and efficiency in asset construction resulted in a **positive effect of R$1.5 billion**.
- **The company received an upgrade from Moody's, raising its credit rating to AAA in local currency, and now holds two top-tier ratings—from Moody's and Fitch.**
- Inclusion for **the 26th consecutive year in the Dow Jones Sustainability Index**.
- Remained on **the CDP Climate Change A-list** for the second consecutive year in 2025.
- **Approval of science-based targets** by the Science Based Targets Initiative.
- ESG Anefac 2025 – The Company was one of the winners in the Transformative Stage category at the 2nd edition of the ESG Anefac 2025 Awards, an award that recognizes **companies with advanced maturity in sustainability, governance, and social responsibility practices.**

Throughout 2025, Cemig made R$6.6 billion in investments, a **16% increase compared to 2024**, with a focus on distribution, which accounted for R$5.1 billion of that amount. These investments enabled the connection of more than 203,000 new customers, the commissioning of 23 substations, the construction of 12,800 kilometers of networks, and the installation of 220,000 smart meters. An additional R$410 million was invested in improvements to the transmission system. In generation, 68 MWp of distributed solar generation was added, and the concessions for three power plants were extended. In the gas segment, Gasmig moved forward with the construction of 192 kilometers of gas pipelines, including the Midwest gas pipeline, which brought piped gas supply to new municipalities.

This set of initiatives is part of the largest investment program in the Company's history, focused on the modernization and reliability of the electric system, in line with strategic planning (Figure 5).

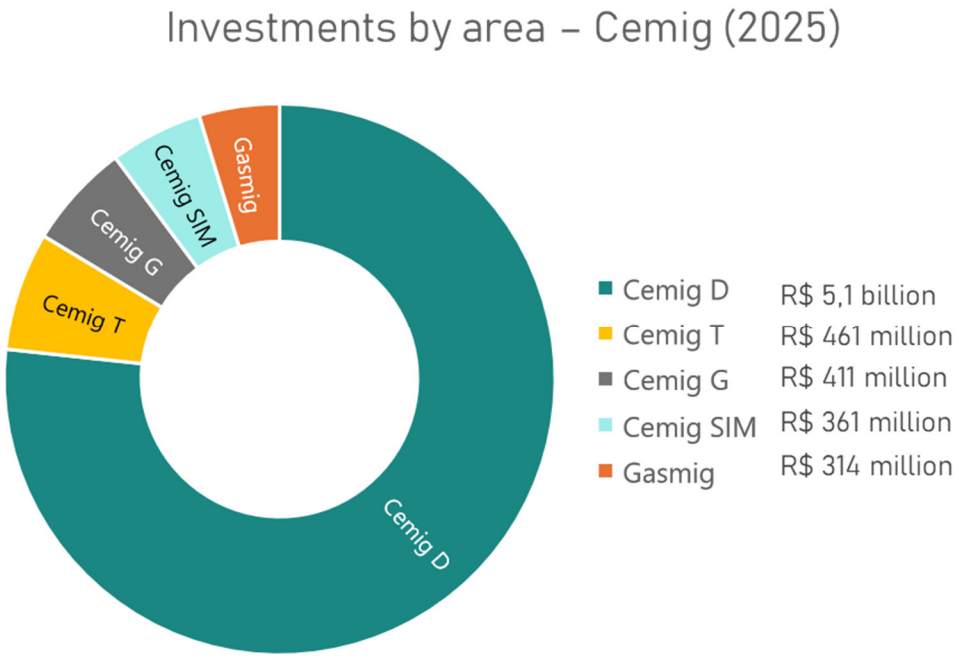


Figure 5. Investments made by Cemig in 2025.
Source: 4Q Earnings Release (Cemig, 2025).

The implementation of the largest investment program in Cemig's history reinforces the modernization and reliability of the electric grid, in line with the company's strategic plan, which prioritizes Minas Gerais and its essential businesses, while striving to provide excellent service to customers. **Between 2026 and 2030, investments of R$ 44 billion are planned**, of which R$ 29 billion is earmarked for investments in the distribution sector.

In terms of the ESG agenda, Cemig continues to develop environmental practices in line with the Sustainable Development Goals (SDGs). In line with its commitments, the company has established five pillars to strengthen its position as a leader in sustainability. TheFigure 6 below presents Cemig's strategic commitments in accordance with its strategic plan.

Energy Transition

- Offset 100% of Scope 1 emissions by 2026.
- Achieve Net Zero by 2040 and reduce total greenhouse gas (GHG) emissions by 60% by 2030.
- Have 100% renewable and certified generation by 2030 and commercialize certificates..
- 100% of municipal seats with a dual-feed power supply, connect 7GW of Distributed Generation, and install smart meters.

Environment

- Recycle and/or reuse at least 98% of generated waste by 2027.
- Conduct a diagnosis of Cemig's impacts and dependencies on ecosystem services.

Local Development

- Digitize at least 85% of customer service interactions by 2026.
- Convert single-phase grids to three-phase grids through the "Minas Trifásico" project by 2027.
- Benefit 120,000 families by regularizing their energy supply by 2027.
- Benefit at least 60,000 people through childhood, elderly, and sports projects by 2027.

Figure 6. Cemig's public commitments according to the 2024-2030 ESG Plan.
Source: 2024-2030 ESG Plan – Public Commitments.

Guidelines of Cemig's Climate Strategy

With the evolution of its strategic planning and the strengthening of its corporate climate agenda, Cemig has revised its Climate Strategy, expanding its operational framework to eight strategic pillars. The update aims to promote greater integration between the company's climate commitments, business objectives, and energy transition initiatives, aligning with TCFD recommendations and international best practices for climate reporting. Figure 7 summarizes the guidelines adopted by the company.

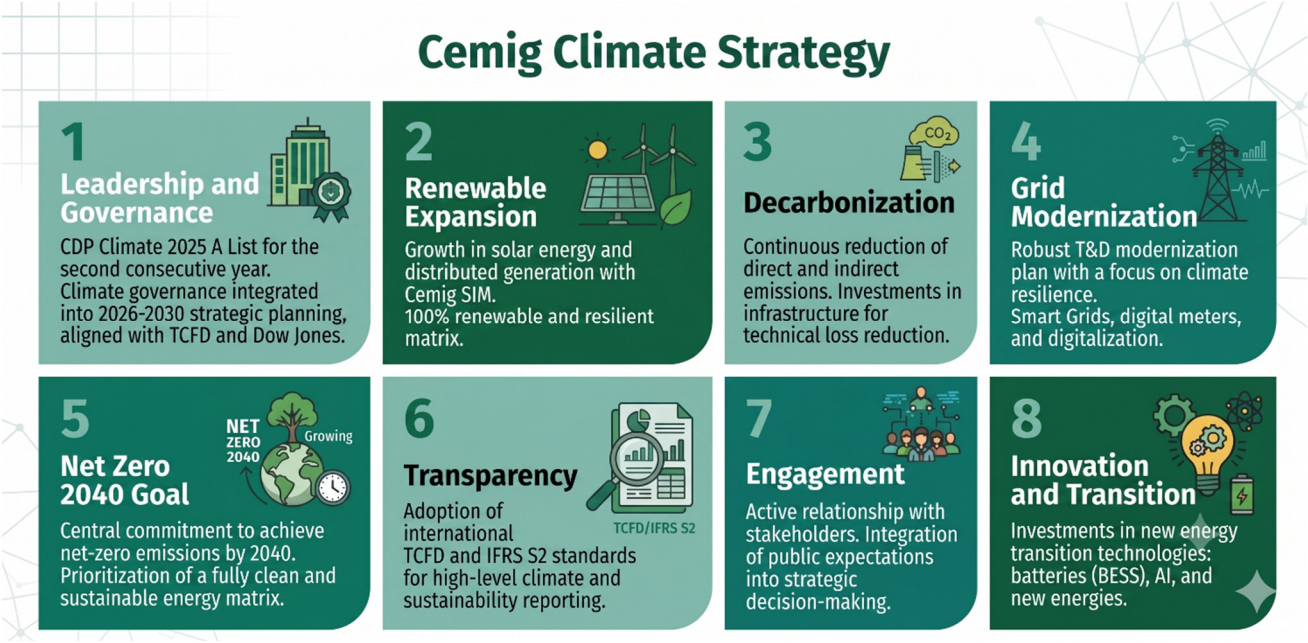


Figure 7. Cemig Climate Strategy Guidelines.
Source: Sustainability Superintendence (approved in 2025/2026).

Each of the eight climate pillars is directly linked to Cemig's strategic objectives for the 2026–2030 period, reinforcing the integration between the climate agenda and the company's business strategy, as presented in Table 4. The following table describes the main elements comprising each pillar and their contribution to the energy transition and the generation of sustainable value.

Table 4. Relationship between the climate pillars and the Cemig Strategy 2026–2030.

Climate Pillar	Connection to the Cemig 2026–2030 Strategy
Leadership and Governance	Integration of the climate agenda into planning and executive forums
Renewable Expansion	Renewal of concessions and expansion of the renewable portfolio
Decarbonization	Net Zero 2040, emissions reduction, and loss reduction
Grid Modernization	Smart Grid, Digitalization, Resilience, and Reliability
Transparency	TCFD, IFRS S2, CDP, DJSI, and ESG reporting
Engagement	Customer, value chain, and market opening
Innovation and Transition	AI, batteries, new technologies, and electrification
Net Zero 2040 Goal	Long-term guide for goals and investments

Source: Cemig (2026).

Leadership and Governance

Cemig continuously strengthens its climate governance by incorporating climate considerations into the company's strategic decisions and long-term corporate planning. The company aligns with international sustainability and climate benchmarks, such as CDP, TCFD, and Dow Jones (DJSI), while also working to improve internal mechanisms for managing and monitoring climate issues.

Renewable Expansion

The expansion of renewable sources is one of the main drivers of the company's climate strategy. Cemig prioritizes investments in clean generation, with a focus on solar and hydroelectric power and distributed generation through Cemig SIM, contributing to the diversification of the energy mix and the strengthening of a more resilient and sustainable operation.

Decarbonization

Committed to reducing its carbon footprint, Cemig adopts a science-based approach to set greenhouse gas (GHG) emission reduction targets, culminating in the approval of its SBTi targets for 2025. The strategy includes operational efficiency measures, reduction of direct and indirect emissions, support for mitigation projects, and investments in infrastructure that contribute to reducing losses and emissions across its operations, as well as other initiatives aimed at the transition to a low-carbon economy.

Grid Modernization

Cemig's strategy is strongly focused on the modernization and digitization of distribution and transmission networks, the incorporation of technologies such as smart grids, Battery Energy Storage Systems (BESS), and artificial intelligence, strengthening the climate resilience of assets, enhancing the infrastructure's ability to adapt to extreme weather events, and expanding distributed renewable generation.

Net Zero 2040 Goal

Cemig has committed to achieving net-zero emissions by 2040, reinforcing its stance on global climate challenges. The goal, approved by the SBTi in 2025, guides initiatives for decarbonization,

expansion of the renewable energy mix, and strengthening of sustainable practices aligned with the organization's long-term objectives.

Transparency

Cemig invests in transparent communication with internal and external stakeholders regarding its climate commitments. To this end, it seeks to continuously improve the disclosure of information related to climate change and sustainability, adopting international reporting standards such as TCFD and IFRS S2, and strengthening the quality and consistency of information disclosed to the market and stakeholders.

Engagement

Cemig fosters ongoing relationships with strategic stakeholders, incorporating their expectations into its decision-making processes and the development of its climate agenda. Additionally, the company actively participates in sustainability indices such as the CDP and Dow Jones Sustainability Index (DJSI), and is a member of relevant forums and committees, including the Global Compact, Acende Brasil, FIEMG, and municipal climate change councils.

Innovation and Transition

Innovation is treated as a cross-cutting element of the company's climate strategy, supporting the development and adoption of new technologies focused on the energy transition. Initiatives include investments in solutions related to energy storage, digitalization, artificial intelligence, and new energy technologies, aiming to enhance the business's competitiveness and sustainability in the long term.

The company's calendar of events—involving both internal and external audiences—on the topic of climate change highlights Cemig's mobilization around the issue (Table 5).

Table 5. Climate Change Events 2024/2025.

Event	Target Audience	Theme	Date
Extreme Weather Events Location: Cemig Auditorium Organization: SAMP Communication 2024	Internal and external	*Topics:* • Prevention and mitigation of the impacts of climate events. • Communication governance in climate crises in the electricity sector.	April 24–26, 2024
Sustainability Training – ESG in Supplier Management	100 suppliers	Key concepts related to climate change and GHG emissions inventory	October 25, 2024
2024 Environmental Education Program – Theme: Energy Generation and Energy Mix Transition	Internal	Energy Generation and Energy Mix Transition	11/08/2024
Podcast: Climate Change and Energy	Internal and external	Climate Change and Energy: Solutions and Actions for Risk Management	11/19/2024
EPC Adapta Training Cycle Organization: FGV	5 employees	Methodology for developing adaptation strategies	6 classes from August to

Event	Target Audience	Theme	Date
			December 2024
Supplier Forum 2024/2025	Working Group with 7 suppliers	Climate Change and Greenhouse Gases	Meetings on 10/24/2024, 11/07/2024, 04/25/2025
Sustainability Webinar: Step-by-Step Guide to Conducting a GHG Emissions Inventory	Suppliers	GHG Emissions Inventory	March 26, 2025
1st Symposium on Integrated Reservoir Management Location: Cemig Auditorium	Internal and external	Panel: "Water: Sustainability and Management in Times of Climate Change."	March 31, 2025
Beyond the Obvious: What Is a Transition Plan and Why Is It Important for Companies	Internal and external	Climate Transition Plans	April 17, 2025
Climate Dialogues: Minas on the Road to COP30	Internal and external	The series of events discussed the strategy of the federal government, the state of Minas Gerais, and major companies in Minas Gerais regarding the climate agenda in the context of COP30.	July 2, 2025; September 17, 2025
Actions taken by Ecociente in 2025 related to climate change	Internal and external	Topics covered: • Education on water and sustainability; • Social engagement in environmental practices; • Practical activities connecting with nature; • Encouraging vegetation preservation and restoration.	Various dates in 2025

Source: Cemig, 2026.

The implementation of Cemig's strategic pillars—which range from the energy transition, strengthening customer relationships, sustainable expansion of power generation, market opening, environmental stewardship, to local development, valuing people, and sound governance—**depends directly on the company's ability to map, manage, and respond proactively and promptly to the risks and opportunities associated with its operations**. Emissions mitigation, the expansion of renewable generation, waste reuse, the digitization of services, operational safety, and the strengthening of integrity throughout the value chain are goals that require integrated management capable of anticipating challenges and aligning strategic decisions with business sustainability. By adopting a robust approach to assessing risks and opportunities, Cemig ensures consistent progress toward its goals and reinforces its commitment to a fairer, safer, and more resilient energy future.

4.2.1 Climate-related risks and opportunities

Risk management is a fundamental pillar for Cemig in creating and preserving value for its shareholders, customers, employees, suppliers, society, and other stakeholders. By adopting an integrated approach, the company seeks to anticipate, mitigate, and respond to risks that may impact its operations or compromise the achievement of its strategic objectives. A detailed description of the risk management process adopted by Cemig will be presented in the section "RISK MANAGEMENT of this report. The following content highlights the main risks and opportunities identified, with a focus on their financial and non-financial implications and on how the company has been responding to these challenges in alignment with its corporate strategy.

In 2025, Cemig internally mapped a **total of 21 priority risks (the so-called *Top Risks*), of which 4 are related to the environment**. To manage these risks efficiently, including the prioritization of mitigation and adaptation actions, the company assesses potential impacts and materialization horizons according to the company's internal definitions.

To assess the impacts of climate change on the value chain, with the aim of quantifying these impacts and defining strategies for prioritizing responses, Cemig conducted a mapping of climate-related risks and opportunities, taking into account the timeframes detailed above. This process is conducted annually and allows the identified risks and opportunities to be associated with the categories listed by the Task Force, involving the stakeholders identified in the sectionGOVERNANCE and following the routine described in the sectionRISK MANAGEMENT, resulting in measures such as the targets listed in the sectionMETRICS AND TARGETS, which guide the company's activities.

According to the TCFD, **the categories of climate-related risks correspond to: (1) physical risks and (2) transition risks**. Physical risks are subdivided into: (a) acute risks, which are triggered by extreme weather events (such as storms); and (b) chronic risks, related to impacts resulting from gradual changes in the climate (such as increased droughts due to changes in rainfall patterns). Figure 8 below presents examples of physical risks in each of these subcategories, with a focus on the energy sector.

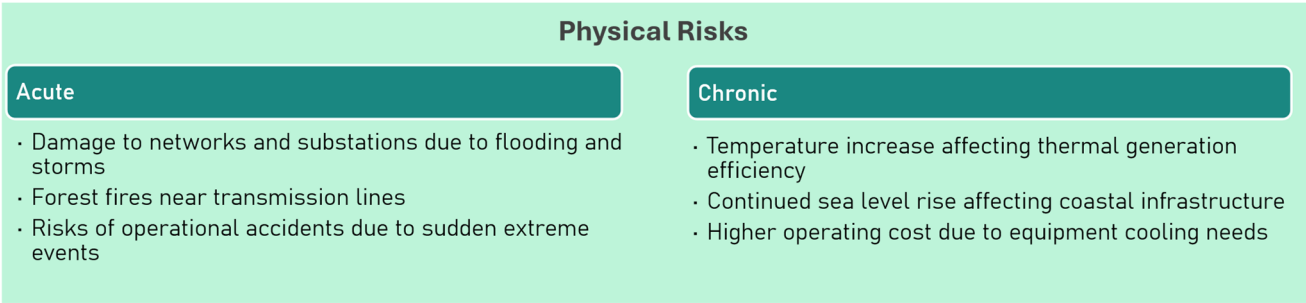


Figure 8. Examples of physical risks applicable to the energy sector.
Source: adapted from TCFD.

Transition risks, on the other hand, are subdivided into: (a) political and legal; (b) market; (c) technological; (d) reputational. The following Figure 9 presents examples of transition risks in each of these subcategories, with a focus on the energy sector.

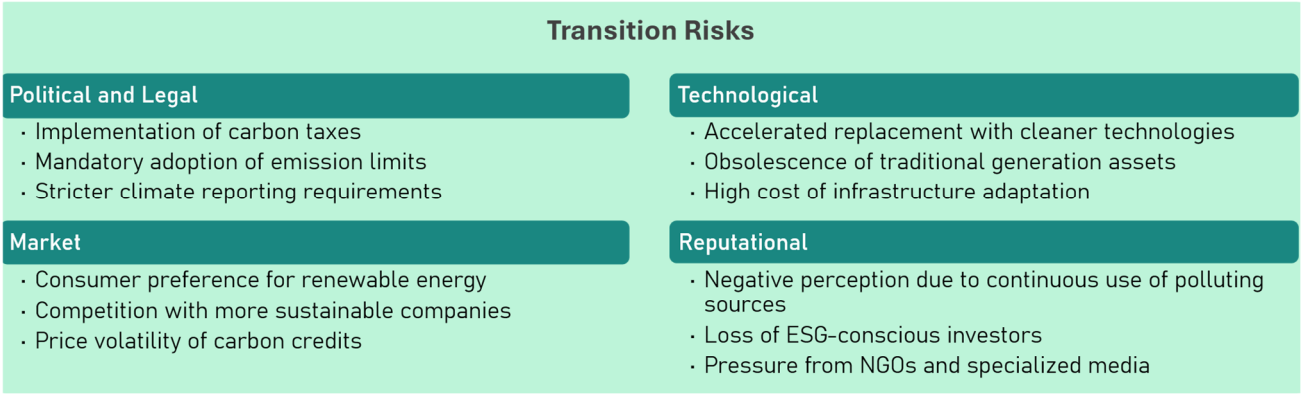


Figure 9. Examples of transition risks applicable to the energy sector.
Source: adapted from TCFD.

Based on these concepts introduced by the TCFD and incorporated into IFRS S2, the risks identified by the company in each category and subcategory are presented below.

4.2.1.1 Physical risks identified by Cemig

The identification of climate-related physical risks is linked to observable or expected changes in the frequency and intensity of climate events across different time horizons. **To assess physical risks, Cemig has been using the scenarios provided in the sixth phase of *the Coupled Model Intercomparison Project* (CMIP6)**, a collaborative framework designed to improve understanding of climate change and organized since 1995 by the Working Group on Coupled Modelling (WGCM) of the World Climate Research Programme (WCRP).

These scenarios are used to assess climate indicators relevant to the company, which include **precipitation**, **temperature**, **humidity**, **wind speed,** and **cloud cover**. Cemig has opted for a multi-model approach, which lends greater credibility to the results by reducing the uncertainties that using a single model would entail. Further details on the models will be provided in the section "Scenario Analysis".

The analysis conducted by Cemig's internal team identifies climate risks for each of the company's power plants and for others in which the company may have an interest. Considering the scenarios described above, **physical risks are identified, whenever possible, by combining quantitative and qualitative perspectives on the impacts on operations and business**. The publishable results of these analyses, for acute and chronic physical risks, are presented below.

Chronic risk

Among the climate phenomena that fall into this category, two stand out for the company:

- **Water scarcity**
  Occurrence in the value chain: Direct operations.
  Description: Climate change can cause shifts in the frequency, intensity, and geographic distribution of rainfall (or droughts). Changes in average precipitation levels can alter the amount of water reaching power plant reservoirs, impacting local water availability. Although there are currently variations in reservoir levels, Cemig has mechanisms in place to mitigate the impact of these variations. Further details on this topic are available on the TCFD and IFRS S2 Indicator Framework.
  Time horizon: Long term.

Impact: Since Cemig's electricity production is predominantly hydroelectric, changes in precipitation patterns could lead to a reduction in generation capacity and, consequently, a reduction in revenue. Given the reduced energy supply, the interconnected system needs to dispatch thermal power plants, which are more expensive.
Response: The actions taken aim at risk adaptation and are associated with: (1) expanding tools, equipment, and staff for weather forecasting and operational optimization, with the goal of anticipating potential water scarcity situations and developing the necessary response strategies; (2) Cemig's participation in the MRE, the mechanism for risk sharing and stabilization of hydroelectric generation, mitigating the impacts of water scarcity and offering greater energy and financial security in the face of climate variability; and (3) investments in diversifying the generation mix, seeking solutions in other energy sources, such as solar.
Response costs: In 2025, Cemig allocated R$ 8.39 million to strengthen data management and hydrometeorological monitoring, including R$ 4.72 million invested in a specialized technical staff (3 meteorologists, 5 engineers, and 2 technicians), R$ 1.83 million for grid operations and hydrometric data consistency, and R$ 1.85 million in investments to expand hydrometeorological infrastructure and storm tracking systems. In that same year, Capex in centralized generation totaled R$ 211.6 million, of which 41% was allocated to expanding installed capacity (R$ 87.2 million), 51% to asset refurbishment and maintenance projects (R$ 108.1 million), and 8% to operational support infrastructure (R$ 16.3 million).
In distributed generation, through Cemig SIM, investments reached R$ 361.3 million in 2025, reinforcing the Company's strategy to expand its operations in renewable and decentralized energy solutions. Combined, investments in centralized and distributed generation totaled R$ 572.9 million for the year. In line with the strategic plan approved for the 2026–2030 cycle, the Company plans to expand its installed centralized generation capacity.

- **Fires**
  Occurrence in the value chain: Direct operations (right-of-way corridors).
  Description: Rising average temperatures and changes in rainfall and drought patterns may exacerbate certain risks to the Power Transmission System, as prolonged drought conditions maximize the risk of fires.
  Time horizon: Short term, with incidents already recorded.
  Impact: Within or near right-of-ways, fires can cause transmission lines to become unavailable, compromising the power supply.
  Response: To mitigate this risk, Cemig continuously inspects and clears the right-of-way to maximize the safety of distribution and transmission lines. In addition, Cemig operates a monitoring system that integrates satellite imagery and meteorological models to identify hotspots and predict the spread of fires in areas near electrical infrastructure, thereby minimizing the risk of outages. Based on this information, preventive actions are taken, such as targeted inspections and the mobilization of teams in critical regions. In this context, the "Apaga o Fogo!" platform stands out, developed to support firefighting and mitigate operational risks associated with wildfires. The tool enables real-time monitoring of fire hotspots and facilitates the integration of information among technical teams, public agencies, and the public. Another way to mitigate this risk is through investments in Research and Development, in projects such as the Distribution Operations Center (COD) of the Future, a platform that facilitates understanding of the operational scenario and decision-making, expanding the capacity to respond to extreme weather events, and the System

Operations Center (COS), which aims to train and mobilize teams for interventions during extreme weather events.

Response costs: In 2025, right-of-way clearing costs at Cemig D totaled R$ 133.12 million for medium- and low-voltage systems. The management cost related to clearing right-of-way corridors along Cemig GT's transmission structures and lines (LTs) was R$ 14.68 million. Considering the transmission and distribution businesses, a total of R$ 147.80 million was spent on clearing the line corridors.

Acute risk

- **Extreme weather events**

  Occurrence in the value chain: Direct operations (energy transmission and distribution facilities).

  Description: Damage to infrastructure is considered a priority risk, as heavy rainfall over a short period, accompanied by strong winds and lightning, can cause physical damage to facilities that transport and distribute energy, leading to outages and increased costs for Cemig due to compensation paid to consumers for power supply interruptions. These phenomena are increasingly attributed to the effects of an unfavorable microclimate, particularly noticeable in large urban centers. In 2025, the company recorded the issuance of approximately 15,600 preventive weather alerts and identified around 1.9 million lightning strikes in the state, a volume about 21% higher than that observed in 2024, highlighting the growing exposure of the electrical infrastructure to the physical impacts of climate change[10].

  Time horizon: Short term, with events already recorded.

  Impact: The impacts are significant, including severe damage to energy transmission and distribution facilities, which can lead to interruptions in supply to consumers, affecting the DEC (equivalent duration of interruption per consumer unit) and FEC (equivalent frequency of interruption per consumer unit) indicators. There are substantial costs associated with repairing damaged structures and compensating customers. Compensation (DIC/FIC/DMIC) refers to the amounts that distributors must automatically pay to consumers when these quality limits are not met.Figure10 shows the evolution of this indicator between 2022 and 2025[11]. It should be noted that, in this amount, compensation is not limited to that for power outages, but also includes compensation resulting from delays in construction work.

[10] News available at: https://www.cemig.com.br/noticia/imprensa/eventos-climaticos-extremos-avancam-em-minas-e-cemig-triplica-investimentos-na-distribuicao/

[11] Information extracted from: https://portalrelatorios.aneel.gov.br/indicadoresDistribuicao/compensacoesViolacaoIndicadoresIndividuaisContinuidade.

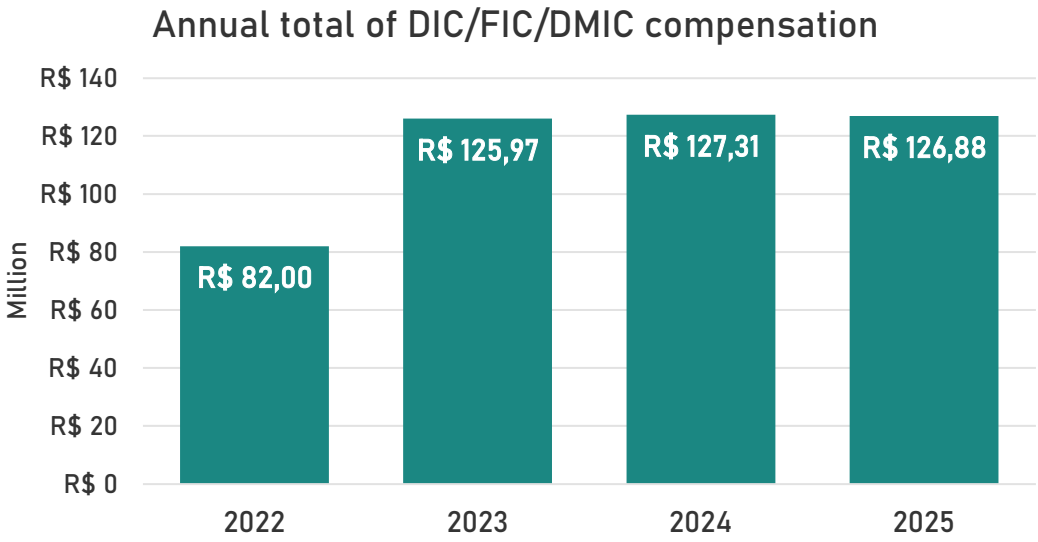


Figure10. Total compensation from Cemig D between 2022 and 2025.

Source: ANEEL (2026).

In 2025, Cemig recorded approximately 56,300 incidents in the power grid associated with lightning strikes in Minas Gerais, demonstrating the materiality of the physical impacts resulting from extreme weather events and their potential to affect the continuity of power supply, service quality indicators, and the company's operating costs.

Response: Management methods aim to reduce, in the short and medium term, the magnitude of this risk through preventive adaptation measures, such as urban tree management (through pruning), the operation of weather stations and meteorological radar, which more accurately predict the occurrence and intensity of storms, and an emergency plan with the allocation of maintenance teams for the rapid restoration of power supply. Cemig also invests in the Distribution Development Plan (PDD), focusing on improving the quality and resilience of the electric system, including the automation of grid equipment, the replacement of obsolete meters with smart solutions, investments in telecommunications, as well as maintenance, operation, expansion, reinforcement, refurbishment, and renewal of assets such as substations and distribution lines, helping to reduce the occurrence and impacts of physical risks.

In 2025, the DEC was 5.38% below the regulatory limit and showed a significant reduction compared to 2024. Cemig D recorded 8.97 (hours) compared to the limit of 9.48 (hours). The FEC showed an increase compared to the previous year, but achieved a result below the regulatory limit. In 2025, the calculated value was 5.14 (outages) compared to the regulatory limit of 5.83 (outages) (Table 6).

Table 6. Evolution of DEC and FEC indicators.

Parameter	2022	2023	2024	2025
DEC (hours)	9,48	9,71	9,46	8,97
FEC (number of interruptions)	4.58	4.86	5.06	5.14

Source: Annual Sustainability Report (Cemig, 2025).

In addition, Cemig has been expanding the implementation of the dual-feed system within its service area. The company has already deployed the solution in approximately 700 municipalities in Minas Gerais, covering about 90% of the cities served in the state. The system allows a single location to be supplied by two independent circuits, enabling rapid

load transfer in the event of a failure or maintenance on one of the feeders. Since 2023, R$243 million has been invested in expanding this infrastructure, including the construction of 442 km of new distribution networks. The initiative strengthens the resilience of the electrical system against extreme weather events, reducing outage duration and increasing the reliability of the service provided.

Response Costs: In response to the increased frequency and intensity of extreme weather events, Cemig has significantly expanded its investments in the resilience of the power grid. In the 2023–2027 investment cycle, the company plans to invest R$ 21.9 billion in the distribution segment, an amount approximately three times higher than that invested in the previous cycle (2018–2022). Starting in 2024, the measures implemented by the Company have led to greater reliability and resilience of the distribution networks.

In 2025, the total amount invested in Cemig Distribuição reached R$ 2.041 billion, aimed at modernizing its operations and increasing resilience in the face of climate and operational challenges. Of this total, R$ 1.493 billion was allocated to the expansion and reinforcement of the high-voltage grid, strengthening the capacity and robustness of the electrical system; R$ 365 million was invested in reinforcing the medium- and low-voltage grids; R$ 155 million was directed toward the renovation of these networks, contributing to the renewal of assets and the improvement of operational reliability; and R$ 28 million was invested in medium-voltage automation, expanding the capacity for monitoring and responding to network incidents. As a result of these investments, compliance with regulatory loss limits and the DEC and FEC quality indicators was observed, with a reduction of approximately 1.84 hours in the perceived DEC, reflecting concrete gains in the reliability and continuity of energy supply.

4.2.1.2 Transition risks identified by Cemig

Transition risks are related to the evolution of economic or market, political and legal, technological, and reputational factors over a specific time frame. By analyzing climate and economic scenarios across different time horizons, it is possible to assess the potential evolution of each of these factors for the Brazilian energy sector, identifying the associated risks and opportunities and the financial impact they would have on the company.

Cemig uses the **IEA NZE 2050**, **IRENA**, and **IEA STEPS** scenarios to assess the challenges posed by transition risks. The analysis—primarily qualitative—based on these scenarios offers distinct perspectives on the energy future, each with unique implications for long-term strategies and investments. More information is available under the topic "Scenario Analysis".

The following highlights the main risks identified by Cemig for each category of transition risk, based on the material issues for the sector and for the company itself.

Political and Legal Risk

In 2024, Bill No. 412/2022 was approved and enacted as Law No. 15,042 of December 11, 2024, establishing the Brazilian Emissions Trading System (SBCE), whose framework is illustrated inFigure 11. With this, the country enters a new phase, focused on regulating the law and defining sectoral criteria for the allocation of allowances and reduction targets.

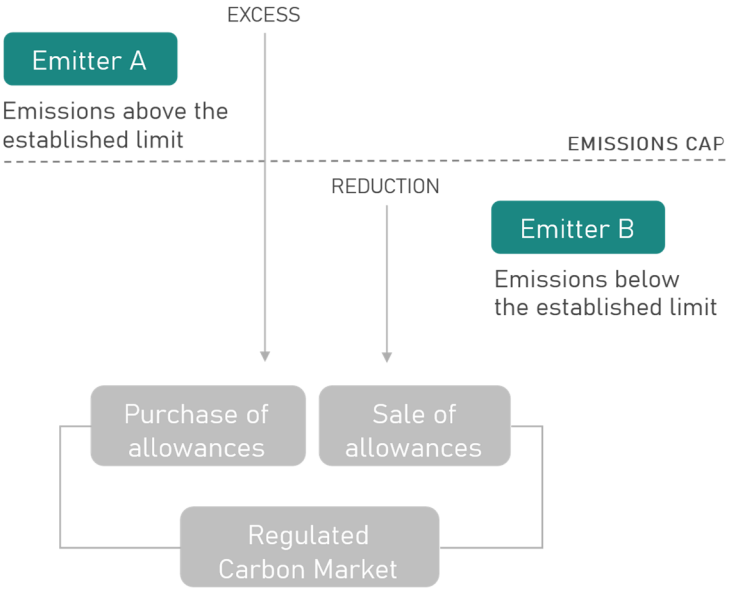


Figure 11. Structure of the Brazilian GHG Emissions Trading System (SBCE).
Source: Law No. 15,042/2024: CARBON MARKET (Mattos Filho, 2024).

The SBCE requires companies that emit more than 10,000 metric tons of CO_2 equivalent (tCO_2e) per year to monitor and report their emissions. **Companies that exceed the 25,000 tCO_2e threshold must also demonstrate compliance with emission reduction obligations**, thereby encouraging the buying and selling of emission allowances within a cap-and-trade system. This means that companies will have a decreasing number of emission allowances over time, which may represent a rising cost for those unable to reduce their emissions.

Furthermore, in 2026, the Ministry of Finance presented the preliminary proposal for sectoral coverage under the SBCE, identifying the sectors that will be required to meet Measurement, Reporting, and Verification (MRV) obligations for greenhouse gas emissions, demonstrating that the implementation criteria and regulated sectors are already at an advanced stage of definition. The proposal calls **for** the **gradual implementation of MRV obligations** in three phases between 2027 and 2031, **covering the electricity sector in the second phase, starting in 2029**[12]. The definition of this sectoral coverage represents a key step toward the operationalization of the regulated carbon market in Brazil, serving as the basis for future definitions of emission caps, allocation rules, and offset limits.

Given the allocation of a cap of 25,000 tCO_2e to the Company, Cemig's exposure would be associated with the excess volume of 13,057.35 tCO_2e, subject to pricing (seeEmissions in 2025). If the Brazilian market also covers Scope 2 emissions, Cemig may be more significantly impacted, since its Scope 2 emissions totaled 350,797.19 tCO_2 in 2025, even though its losses fall within the regulatory target.

Given Cemig's extremely low emissions, in addition to its reduction efforts, the main mitigation action for this risk is the preparation and third-party verification of the emissions inventory. This action has an approximate cost of US$ 20,000.00. The Company is anticipating the potential impacts of this market's implementation through emissions pricing, adopting the shadow price as an investment analysis tool. The ranges adopted by Cemig use prices in South American markets as a reference, calculated based on values practiced by industry peers. Based on a reference scenario with a price of US$ 5.00 per tCO_2e, the estimated annual incremental financial exposure is approximately **US$ 65,286.75**, associated exclusively with direct emissions (Scope 1) subject to pricing (13,057.35 tCO_2e).

[12] News available at: https://www.gov.br/fazenda/pt-br/assuntos/noticias/2026/maio/ministerio-da-fazenda-apresenta-proposta-preliminar-de-cobertura-setorial-do-mercado-regulado-de-carbono

These figures serve as strategic guidelines for the company's investment and planning decisions, particularly regarding the decarbonization of its operations.

In addition, Cemig conducts regulatory monitoring and has joined technical groups and strategic forums that discuss the next steps in regulation, aiming to anticipate risks and adapt its processes to the new cap-and-trade system. Furthermore, the company's Climate Action Plan includes decarbonization measures and carbon management mechanisms, strengthening its resilience in the face of future pricing of direct emissions.

Technological Risk

Constant technological evolution and the rapid pace of innovation present challenges and opportunities for the electricity sector. In this context, **one of Cemig's strategic guidelines is Innovation and Transition**, with a focus on reinforcing a culture of innovation to transform existing businesses and explore new technologies, promoting the energy transition. The company recognizes that a lack of technological updates, or the delayed adoption of disruptive innovations, can compromise its competitiveness, operational efficiency, and ability to meet the demands of the energy transition.

To mitigate this risk, Cemig has developed an **innovation strategy aimed at promoting the energy transition** by exploring and developing new technologies and business opportunities, fostering a culture of innovation, and focusing on digitalization, efficiency, clean energy generation, electrification, resilience, and storage. This strategy is structured around two objectives: strengthening existing innovation programs, with a focus on the development and application of technologies; and developing new innovation tools at an advanced stage.

As a concrete example of this commitment to innovation, in 2025, Cemig signed a **technological cooperation agreement** with Huawei, a global leader in Information and Communication Technologies[13]. The partnership, signed during SENDI 2025, aims to jointly develop innovative solutions focused on the digitization of the electrical system and the energy transition, reinforcing the company's role as a key player in the sector.

Additionally, six priority technology areas of strategic interest to Cemig were identified:

1. **Future Grids** – development of sensors, intelligence, and automation for a utility of the future;
2. **Batteries and Storage** – platforms for energy resilience and system flexibility;
3. **Sustainable Generation** – solutions for prosumers and the expansion of technologies such as solar *everywhere*;
4. **Green Hydrogen and Decarbonization** – alternatives for green fertilizers and decarbonization of industrial processes and transportation;
5. **Electromobility** – expansion of charging infrastructure and fleet electrification;
6. **Artificial Intelligence** – use of algorithms, data collection, and autonomous agents to maximize operational efficiency.

These initiatives are strongly aligned with the company's strategy in the face of climate change challenges and the urgency of the transition to a low-carbon economy. **The electrification of industrial processes and energy efficiency emerge as central pathways**, especially in Minas Gerais, where the electricity mix is predominantly renewable (98% clean generation[14]) and where Cemig

[13] News available at: inova.cemig.com.br/noticias/cemig-e-huawei-firmam-termo-de-cooperacao-com-foco-na-transicao-energetica/

[14] More information available at: https://desenvolvimento.mg.gov.br/inicio/noticias/noticia/3375/estudo-indica-que-98%25-da-matriz-eletrica-de-minas-gerais-vem-de-fontes-renovaveis

acts as a catalyst for sustainable development. The combination of energy efficiency and electrification, especially in energy-intensive industrial sectors, is considered the most effective strategy for mitigating long-term technological and climate risks.

In addition to the opportunities associated with innovation, the growing digitization of the electrical infrastructure increases the company's exposure to risks related to cybersecurity and data protection. The incorporation of technologies such as artificial intelligence, smart sensors, advanced automation, and connected systems increases operational complexity and requires continuous investments in cybersecurity, data governance, and digital resilience. Furthermore, rapid technological evolution can accelerate the obsolescence of recently implemented equipment and solutions, requiring constant monitoring of industry trends and periodic updates to the company's technology strategy.

The Company's adoption of technologies requires planning, adaptation of production processes, and integration with complex industrial chains. Therefore, **technological risk management at Cemig involves continuous investments** in research, development, and innovation, strategic partnerships, and the monitoring of trends and emerging technologies to anticipate scenarios and maintain the sustainability and resilience of its operations in a competitive market.

Market Risk

Cemig has demonstrated **resilience and adaptability** in the face of transformations in the electricity sector and growing pressure for a low-carbon economy. EBITDA of R$7.3 billion in 2025 highlights the strength of operating cash flow generation, even in an environment of accelerated energy transition. The R$6.6 billion investment focused on customer service excellence reinforces the Company's commitment to the quality of services provided in an increasingly competitive environment.

In the distribution segment, Cemig D achieved significant gains in operational efficiency, remaining within regulatory loss limits and significantly improving supply continuity indicators, with a reduction of approximately 1.84 hours in the perceived DEC.

In the open market, Cemig remains the national leader, with *a* 12% *market share* and a consolidated presence in all states (except Roraima), with a strong focus on Minas Gerais, São Paulo, and Rio Grande do Sul. **The sale of renewable energy certificates (Cemig REC and I-REC) also strengthens its position as a facilitator of decarbonization for large consumers**, contributing to the economic and environmental sustainability of its customers and consolidating its strategic relevance in a market increasingly sensitive to ESG requirements.

Despite the Company's competitive position, the gradual expansion of the open energy market and the rise of decentralized energy solutions—such as distributed generation, energy storage, and self-generation by large consumers—may alter the dynamics of energy consumption and procurement in the coming years. These changes require continuous adaptation of business models, the development of new products and services, and the strengthening of customer relationships to preserve the Company's competitiveness—all of which are addressed in the Company's strategy.

Cemig's market performance in 2025 demonstrates a **timely and strategic response to sector dynamics and ongoing socio-environmental transformations**. The financial robustness achieved, combined with expansion in the open market and investments in technological innovation and renewable energy, positions the Company competitively in an energy transition scenario. Such positions not only mitigate market risks but are also fundamental to building a solid reputation, consistent with current expectations of corporate responsibility and commitment to sustainability.

Reputational Risk

Cemig's reputation is directly linked to its socio-environmental performance, the transparency of its practices, and the alignment between its statements and actions regarding the energy transition. **In 2025, the company reaffirmed its leading role in the industry by earning major international accolades**: it was included for the 26th consecutive time in the Dow Jones Sustainability Index (DJSI), being the only company in the electric power sector in the Americas present since the index's inception. It was also listed in S&P Global's "The Sustainability Yearbook 2025" and remained on the prestigious CDP Climate "A-list," achieving the maximum score in 10 of the 16 evaluated criteria—a result of concrete actions toward its commitment to becoming Net Zero by 2040. To reinforce this position, **Cemig joined the *Utilities for Net Zero Alliance* (Uneza)**, becoming the first Brazilian-based company in the electricity sector to join the initiative. Additionally, the issuance of 5.49 million renewable energy certificates reinforces the company's credibility with customers and investors concerned with ESG criteria.

Among the main factors that could affect Cemig's reputation are the **impacts of extreme weather events** on the continuity and quality of electricity supply. The intensification of these events, coupled with greater public visibility and growing demand for agile and effective responses, may amplify the company's exposure to criticism and dissatisfaction from customers and other stakeholders. For this reason, Cemig maintains continuous efforts to improve the resilience of its infrastructure, public communication, and preventive risk management.

Cemig's reputation is built through consistent actions that connect **sustainability, innovation, and responsible governance**. Adherence to international commitments, the recognitions received, and investments in renewable energy and supply chain management demonstrate that the company not only recognizes the reputational risks it faces but also acts proactively to prevent them. In a landscape where investors and consumers increasingly value companies aligned with ESG principles, reputation becomes a strategic asset and a competitive advantage essential for maintaining Cemig's trust and institutional legitimacy.

4.2.2 Impact of climate-related risks and opportunities

Cemig considers the influence of climate issues in strategic and financial contexts across all its business segments, which enables the anticipation of relevant issues and an appropriate response time, as well as encourages the identification of opportunities. Below are the business segments and the perceived or expected impacts in each case regarding strategic planning, followed by financial planning.

4.2.2.1 Impact on strategic planning

Products and services

The Strategic Plan's guidelines direct investments toward enabling the energy transition through innovative solutions aimed at integrating renewable energy sources, reducing energy losses, meeting new demands for connectivity and customer services, and enhancing the system's resilience. To achieve these objectives, investments are planned in smart grids, batteries and storage, artificial intelligence, intelligent data analysis, AI platforms for automated inspection and monitoring, digital management systems for substations and power distribution, and the expansion of distribution networks.

In the energy distribution innovation and expansion segment, between 2026 and 2030, Cemig plans to invest R$29 billion. It is worth highlighting **Cemig D's expansion plan**, whose indicators, projected through 2028, are listed in Table 7 below.

Table 7. Cemig D expansion plan.

		2018	2024	2028
Substations (total)		405	479	**615**
High-voltage lines (km)		17,620	19,248	**21,950**
Distribution network (km)		519,062	547,150	**577,582**
Transformation capacity (MVA)		10,691	12,579	**16,000**
Three-phase grid (km)		130,815	132,345	**165,048**
Municipalities with dual-voltage supply (total)		667	695	**774**
Smart meters (units)		0	370,044	**1,785,445**
Distributed generation: Connections	**Mini-DG (units)**	152	2,012	**2,878**
	Micro-DG (units)	10,745	301,666	**377,787**

Source: Adapted from Investor Deck, Cemig (2026).

In the power generation segment, Cemig has been promoting a gradual transition in its portfolio, expanding the share of complementary renewable sources. In 2025, the company's generation mix consisted of 92.42% hydroelectric power, 1.48% wind power, and 6.10% solar photovoltaic plants[15]. The trend is toward continued growth in solar sources and storage technologies, driven both by technological advancements and the need for diversification and complementarity of sources.

In 2025, **Cemig advanced its strategy to expand and consolidate solar generation assets through strategic acquisitions carried out by Cemig SIM**. Of particular note is the divestiture of assets previously held in partnership with third parties, resulting in the full acquisition of six photovoltaic plants, totaling 27.0 MWp of installed capacity. Additionally, the company acquired a 51% stake in two photovoltaic plants, totaling 2.8 MWp, and a 100% stake in a 7.2 MWp plant. With these transactions, Cemig SIM terminated the existing partnerships and now holds full ownership of all proprietary assets in its portfolio, in alignment with Cemig's Strategic Plan.

During the same period, an additional 61.4 MWp were delivered and energized in the Ouro Solar, Solar do Cerrado, and Sol Central projects, reinforcing the company's strategy to expand distributed solar generation, with investments exceeding R$ 360 million[16]. These changes reinforce the company's strategy to expand its presence in the solar generation segment, diversify its renewable asset portfolio, and strengthen its operations in distributed generation, thereby expanding the supply of clean energy and contributing to the energy transition.

These moves are taking place amid a rapidly changing sectoral environment, as the Brazilian electricity sector is being reshaped by structural factors associated with the energy transition, notably:

i) the growing decentralization of generation systems, with a focus on distributed generation, especially from solar photovoltaic sources;

[15] According to the 2025 Management Report and Financial Statements.
[16] According to the Reference Form – 2026.

ii) advances in energy storage technologies, which allow for better management of the intermittency of renewable sources;

iii) the proliferation of digital technologies, which enable smart management of energy generation, transmission, and consumption;

iv) the increased share of intermittent sources (such as solar and wind) in the electricity system;

v) the opening and modernization of the energy market, with the expansion of the free market and the development of new trading mechanisms, which intensify competition and expand business opportunities;

vi) the evolution of consumer profiles, as consumers become more active through self-generation, energy storage, and the adoption of customized energy solutions; and,

vii) the evolution of the regulatory framework and the global and national trend toward decarbonization of the energy mix, driven by climate commitments to mitigate GHG emissions.

Value Chain

Cemig's value chain is profoundly influenced by climate change and the energy transition, requiring a **systemic and collaborative approach that extends beyond direct operations**. To address climate risks throughout the full cycle of its operations—from supply to the final delivery of energy and services—the company adopts a strategy that integrates sustainability, innovation, and safety into its upstream (suppliers and service providers) and downstream (customers, communities, and end-users) relationships.

***Upstream*: Suppliers and Strategic Partners**

Cemig recognizes that its ability to generate, transmit, and distribute energy safely and sustainably depends on the integrity and resilience of its supply chain. For this reason, it adopts a **supplier management model based on ethical, environmental, and social principles**. Relationships with business partners are guided by guidelines such as the "ESG Requirements for the Supply Chain," the Declaration of Ethical Principles, the Code of Professional Conduct, and anti-corruption legislation, which has been a mandatory component of all contracts with third parties since 2015.

Contractual and registration requirements are tailored according to the level of risk involved in terms of environmental, health, safety, and social impact. The company conducts Industrial Technical Assessments (ATI) on strategic suppliers, based on ESG criteria and ISO standards, and requires Technical Assessments of Contractors (ATE) for distribution service providers.

Cemig hosts the annual **ESG Supplier Forum** as a tool for engagement, capacity building, and strengthening the integration of ESG criteria into the management of its supply chain. The initiative brings together suppliers selected based on the strategic relevance and financial value of their contracts, while also allowing other interested suppliers to participate. **In 2025, the Forum continued the discussions initiated in the previous cycle on climate change and GHG emissions**, contributing to the sharing of best practices and the strengthening of the value chain's socio-environmental governance.

As an extension of efforts to improve supply chain governance and sustainability, the Company launched, in 2025, the **Sustainable Supply Chain Project**, aligned with the ESG Strategic Plan, with the aim of strengthening the integration of sustainability criteria into procurement and contract management processes, promoting supplier alignment with ESG best practices. As part of the initiative, the "Sustainable Supply Chain" Working Group was created, a methodology was developed

to identify and prioritize ESG risks among critical suppliers, and an ESG maturity assessment was conducted, the results of which will support the continuous improvement of procurement processes, supply chain engagement, and the definition of future sustainability requirements.

Strengthening the supply chain also involves structured capacity-building efforts, such as providing **training through UniverCemig** and promoting initiatives aimed at disseminating best practices related to the Sustainable Development Goals (SDGs) and the ESG agenda. In 2026, UniverCemig offered the course "Understanding Climate Change and GHG Emissions Inventories," expanding training for suppliers and other strategic stakeholders on climate-related issues. Furthermore, as a way to recognize companies that stand out, Cemig annually hosts the **Best Suppliers Award**, honoring partners aligned with its innovation and sustainability agenda.

***Downstream*: Customers, communities, and users**

At the other end of the chain, Cemig acts proactively to amplify the positive impacts of its operations on society, primarily through the **Energy Efficiency Program (PEE)**, regulated by ANEEL. For over two decades, the PEE has promoted the reduction of energy consumption and peak-hour demand, education on the rational use of electricity, and the fight against waste.

In 2025, the program invested over R$72 million in energy efficiency projects throughout Cemig D's concession area. During this period, Cemig's PEE served 267 municipalities within the concession area, benefiting more than 20,000 customers (including residential, commercial, and public service entities) and over 1.5 million people. Among the groups served are public and charitable hospitals, schools, low-income communities, rural areas, and charitable organizations. The initiatives range from replacing obsolete equipment with more efficient models to installing photovoltaic power plants in locations with vulnerable energy infrastructure. Continuing these efforts, the company **has made an additional R$200 million available through a new Public Call for proposals to select projects that will comprise the program's investment portfolio for the years 2026 and 2027.**

Another critical aspect of Cemig's value chain is **dam safety management, which is essential in a context of intensifying extreme weather events**. Also in 2025, the company carried out actions with the Emergency Action Plan (PAE) Integration Committees for the 17 dams required by law and promoted the **Proximity Program**, which held public meetings with over 386 participants, including civil defense agencies and local communities. On these occasions, in addition to discussing risks and response measures, resources such as the PROX app were presented, which provides real-time access to alerts and emergency plans. As early as 2003, Cemig pioneered the development of EAPs for dam failures and maintains a continuous system for automatically monitoring the vulnerability of each structure.

Strategic integration of the value chain

Cemig's upstream and downstream operations demonstrate that its climate strategy is not limited to direct emissions or its own assets. **By positively influencing suppliers, technical partners, customers, and communities, the company contributes to strengthening a more resilient, innovative, and sustainable energy ecosystem**. This integrated approach to the value chain reinforces Cemig's ability to address systemic climate risks and maximize opportunities in the low-carbon economy, promoting concrete benefits for both the environment and society.

Investment in Innovation

Innovation is one of the central pillars of Cemig's corporate strategy, understood as an essential element for ensuring operational efficiency, information security, regulatory compliance, and, above all, for positioning the company at the forefront of the energy transition in Brazil. With governance

structured to drive impactful technological solutions, the company works continuously to improve its technology management, **focusing on creating sustainable value, strengthening the Brazilian Electric System, and addressing the challenges of climate change**.

The electric power sector is undergoing a period of profound transformation, driven by internationally recognized megatrends—such as the 4Ds (Decarbonization, Digitalization, Decentralization, and Democratization). In line with this context, **Cemig has developed its Research, Development, and Innovation (RDI) program based on guidelines from ANEEL and the Strategic Quality and Innovation Program (PEQUI)**, structuring public calls aimed at developing technological solutions that address real problems in the electricity sector and enhance the value delivered to society.

In 2025, Cemig invested more than R$ 68 million in Research, Development, and Innovation through regulated funds, **distributed among 28 business-focused projects in the areas of Generation, Transmission, Distribution, and Sales**. Of this amount, R$ 52.42 million was invested by Cemig D, R$ 9.38 million by Cemig GT, and R$ 7.19 million by subsidiaries. The Company's lines of action include the exploration and development of new technologies, with the aim of consolidating its leading role in the energy transition, focusing on digitalization, operational efficiency, clean energy generation, electrification, system resilience, and storage solutions.

Among the highlights of this cycle are disruptive initiatives addressing everything from operational safety to energy efficiency and alternative energy sources:

- **Mobile BESS Project**: development of a mobile battery device to ensure the continuity of power supply in emergency situations and at critical points in the grid, increasing operational resilience in adverse contexts such as extreme weather events.
- **EnergyGPT Project**: creation of a generative AI platform specialized in the Brazilian electricity sector, capable of generating predictive analytics for grid optimization, load forecasting, operational simulations, and support for regulatory and commercial decision-making.
- **Biogas H2 Project**: development of a prototype plant for the production of green hydrogen from methane generated in landfills, promoting the energy recovery of urban waste and contributing to the circular economy.
- **Computer Vision Platform**: uses artificial intelligence for image recognition applied to monitoring PPE use, fleet auditing, and asset inspection, contributing to increased safety and operational efficiency.
- **Individual Emergency Notification Device for Dams:** development of a device based on NB-IoT and LoRaWAN connectivity technologies, designed to en ly improve alert and communication systems in emergency situations involving dams. The solution enhances the efficiency and coverage of protection mechanisms for potentially affected communities, reduces deployment and operating costs by up to 85%, and strengthens risk management and the operational safety of assets.
- ***Smart charging* modules for electromobility:** development, under the ANEEL R&D Program, of smart voltage and power adaptation modules for commercial electric vehicle charging stations connected to the low-voltage grid, incorporating smart charging functionalities.

As an extension of this strategy, in the fourth quarter of 2025, Cemig published the call for proposals for INOVA CEMIG TEC 3, an initiative that calls for investments of R$ 200 million over the next three years to foster the development and adoption of strategic technologies for the transformation of the electricity sector. The program covers six priority areas:

- **Future Grids**, aimed at developing new services and products for the utility of the future, with a focus on sensors, intelligence, and automation;
- **Batteries and Storage**, aimed at solutions that enhance the resilience and flexibility of the electric system;
- **Sustainable Generation**, with an emphasis on products and services for prosumers, the expansion of distributed generation, and new generation technologies;
- **Green Hydrogen and Decarbonization**, focused on applications for the energy transition, including green fertilizers and the decarbonization of industrial processes and transportation;
- **Electromobility**, focused on expanding charging infrastructure, fleet electrification, and urban and freight transportation; and
- **Artificial Intelligence**, aimed at developing solutions to increase operational efficiency through autonomous agents, data collection and analysis, and advanced algorithms.

These projects are developed in **partnership with research centers, startups, and universities through the Inova Cemig Lab and Inova Cemig Tec channels**, which operate as open innovation hubs. The model enables the identification of emerging technologies and promotes their scalability, strengthening Cemig's connection with national and international innovation ecosystems.

Cemig's R&D efforts are not limited to conceptual research; the projects aim for concrete results with economic and technical viability, geared toward practical application in the electricity sector. The company's commitment is clear: to be **a catalyst for the sector's transformation toward a cleaner, smarter, and more inclusive model**.

By adopting a structured approach focused on innovation, Cemig reinforces its role as an agent of the energy transition in Brazil, exploring **solutions that ensure not only the continuity of supply and the stability of the system, but also decarbonization and adaptation to climate change**—central challenges of the 21st-century energy agenda.

Operations

Cemig's operational strategy has been shaped by the risks and opportunities associated with climate change, requiring adaptations across all areas of operation: generation, transmission, distribution, sales, and natural gas supply. The increased frequency of extreme events, hydrological instability, rising average temperatures, and increasingly stringent environmental and e y requirements are transforming not only how the company operates but also how it plans **for** its **long-term resilience**.

Cemig's operations reflect the complexity of a sector that must simultaneously address the effects of climate change and the demands of a new energy economy. From generation to distribution, through sales and natural gas solutions, each area requires adaptation and a long-term vision. The company's operational decisions—such as diversifying the energy mix, modernizing the grid, and incorporating environmental criteria—are guided not only by technical imperatives but also by climate-related risks and opportunities that inevitably impact capital allocation, financial planning, and the long-term sustainability of the business.

Generation

Given its predominantly hydroelectric energy mix, Cemig faces the challenge of remaining resilient in the face of changes in rainfall patterns. In 2025, recorded Natural Inflow Energy (ENA) stood at

67% of the long-term average (LTA) in the National Interconnected System (SIN)[17]. In this context, efforts to optimize the operation of existing reservoirs, the resumption of discussions on the attributes and benefits of reservoirs for the system, and the integration of new reservoirs into the system—even if in the form of reversible or pumped-storage facilities—become essential. At the same time, the Company has been advancing the diversification of its portfolio through the **expansion of solar generation**, as well as the development of **energy storage** projects**, the digitization and modernization of the power grid**, strengthening its ability to adapt to adverse climate scenarios and contributing to the security and reliability of energy supply in the context of the energy transition.

Transmission

The transmission infrastructure is also heavily adapted to climate change, which demands more robust systems prepared to withstand extreme events, such as intense winds and storms. **Investment in new transmission lines addresses both the need to modernize the system and the need to adapt to climate variability and the growing expansion of intermittent renewable sources**.

Distribution

In distribution, the effects of climate change are felt more tangibly by consumers, especially with the increased frequency and duration of outages caused by weather conditions. In 2025, residential electricity consumption in Brazil grew by 1.7% compared to the previous year, a trend primarily associated with drier weather conditions and above-average temperatures recorded[18]. At Cemig, this increase was 4.52%, driven mainly by growth in the number of consumers. Given this scenario, Cemig has stepped up its investments in digitization, automation, and grid modernization, including smart load management and infrastructure systems, notably the expansion of the dual-feed system, with the aim of **ensuring grid resilience and supply continuity** even under adverse weather conditions.

In parallel, for the construction of power lines and substations in 2025, 49 permits were obtained from environmental agencies, demonstrating Cemig's commitment to the sustainable and e l expansion of its electrical infrastructure. To mitigate the impacts of these interventions, the company implements environmental compensation and reforestation initiatives, having planted 38,490 trees across 22.58 hectares in 2025.

Sales

Cemig's trading arm has been positioning itself as a facilitator of the energy transition for large consumers, offering energy from renewable sources, as well as **I-REC and Cemig REC certificates**, enabling customers to report reduced emissions. In 2025, more than 40.72 million MWh were sold on the open market, a 15.64% increase over the previous year. The growing demand for clean energy represents a clear opportunity for the expansion of products and services associated with climate mitigation and the fulfillment of ESG goals by contracting companies.

Gasmig

Cemig's subsidiary dedicated to natural gas distribution plays an important role in the decarbonization of customers because natural gas is a **"transition fuel."** By replacing more carbon-intensive fuels, such as fuel oil, coal, and diesel, natural gas distribution contributes to reducing emissions and increasing energy efficiency. In parallel with natural gas supply, Gasmig has sought to explore low-carbon alternatives, such as injecting biomethane and green hydrogen into the grid.

[17] According to the Electricity Sector Monitoring Committee (CMSE), 2026. Available at: https://www.gov.br/mme/pt-br/assuntos/conselhos-e-comites/cmse/atas/2026-2/ata-da-314a-reuniao-do-cmse-ordinaria.pdf

[18] According to the 2026 Statistical Yearbook of Electric Power prepared by the Energy Research Company (EPE).

Subsequently, in 2026, Gasmig launched the largest public call for bids for biomethane ever conducted by the Company, with the goal of contracting up to 250,000 cubic meters per day of the renewable fuel produced in Minas Gerais and delivered to the Triângulo Mineiro region. The initiative represents a milestone in the Company's decarbonization strategy, consolidating its entry into the biomethane market on a commercial scale and laying the groundwork for the gradual expansion of this renewable fuel's share in its portfolio. This move is in line with the guidelines of the Fuel of the Future Act (Law No. 14,993/2024) and Decree No. 12,614/2025, which mandate the progressive incorporation of biomethane into national natural gas consumption, with a minimum percentage of 1% by 2026, reaching 10% by 2034.

4.2.2.2 Impact on financial planning

Operating costs and revenues

Climate instability influences Cemig's operating costs. In 2025, the company purchased the equivalent of 42,046.46 MWh of electricity. The cost of electricity purchased for resale was R$19.086 billion in fiscal year 2025, compared to R$16.695 billion in the previous fiscal year, representing a 14.33% increase. This increase is primarily related to the need to acquire larger volumes of energy in the open market to close positions, in a context of rising market prices; to the rise in short-term energy costs, driven by the sharp increase in the Settlement Price of Differences (PLD); and to the growth in distributed generation, reflected in the increase in the number of generating facilities and the energy injected into the grid.

To mitigate the impact of financial exposure arising from the energy market, Cemig seeks **to act in accordance with its risk policies** to close out positions, conducting energy purchases and sales and gradually reducing exposure. Regarding the mitigation of the effects of extreme weather events in the energy distribution segment, Cemig has responded to these pressures with actions that are also reflected in operating revenues.

Investments and Capital Allocation

Climate change and the energy transition process have been playing a decisive role in prioritizing Cemig's investments, with **a growing focus on diversifying the energy mix, infrastructure resilience, decentralizing generation, and expanding the supply of clean energy**. In 2025, this strategic direction translated into a robust, multi-sector capital allocation, encompassing distribution, generation, transmission, natural gas, and distributed solar energy.

Distribution

In distribution, the company executed a cycle of structural investments through **the Distribution Development Plan (PDD), which defines the priorities for resource allocation**. In its fifth cycle (2023–2027), the approved PDD totals R$21.9 billion: three times larger than the previous cycle, signaling the urgency of modernization in the face of extreme weather events and growing demand.

With a focus on improving the quality of service, renewing assets, expanding supply capacity, and advancing technological capabilities, the PDD also provides for the automation of network equipment, the replacement of obsolete meters, the installation of new meters with smart solutions—such as remote reading, disconnection, and reconnection—investments in telecommunications and the environment, as well as maintenance and operation activities for distribution lines and networks, such as tree trimming and inspections, to reduce power restoration time in the event of outages. Approximately R$845 million was invested in these programs in 2025.

In 2025 alone, approximately:

- R$372 million in the extension of 109 km of new urban networks, connecting 336,540 consumer units;
- R$425 million in rural infrastructure, extending 1,662 km of medium- and low-voltage networks;
- R$844 million by Cemig and R$565 million by applicants for customer connection projects, enabling 11,890 new connections;
- R$850 million for the Minas Trifásico Program, which will convert approximately 30,000 km of single-phase rural grids to three-phase by 2027, promoting energy security, operational stability, and climate resilience of the rural electrical system.

Generation

In 2025, Cemig invested R$411 million in the generation segment, a 66.03% increase compared to 2024. In line with the strategic initiative to improve the operational efficiency of its assets, the Company plans to invest approximately R$250 million in the renovation and modernization of the Salto Grande Hydroelectric Plant. With an installed capacity of 102 MW, the facility will undergo upgrades designed to ensure operational continuity, raise safety and reliability standards, and maintain its contribution to energy supply amid growing demand for grid resilience.

For 2026, investments of R$219.9 million are planned, distributed among plant renovation and maintenance projects, expansion of installed capacity, infrastructure improvements, new investments, and subsidiaries.

Distributed Generation

Cemig SIM, a group company specializing in distributed solar generation, has also been growing rapidly. In 2025, R$361 million was invested in new solar assets, with the company reaching 54,000 solar energy consumer units under subscription. For the 2026–2027 biennium, an additional R$155 million in investments is planned, highlighting SIM's role as a strategic pillar of the economy's decentralization and electrification.

Currently, Cemig Sim leads the distributed generation (DG) market in Minas Gerais, with 426 MWp in operation—129 MWp of which are owned and 297 MWp leased. The addition of owned plants increased the generation portfolio by 85.1 MWp in 2025, with 75 MWp under the greenfield model and 10 MWp under the brownfield model. By the end of 2025, Cemig Sim completed the integration of its partner plants and incorporated new assets into its portfolio, acquiring a 100% stake in six solar plants totaling 27 MWp.

Transmission

In 2025, in the transmission segment, Cemig invested R$461 million, an increase of 48.81% compared to 2024. In the same year, Cemig GT, through its wholly-owned subsidiary—Companhia de Transmissão Centroeste de Minas (Centroeste)—invested approximately R$220 million in the implementation of the 230 kV Governador Valadares 6–Verona transmission line.

For 2026, investments of R$632.1 million are planned, of which R$560.2 million will be allocated to improvements and reinforcements in the grid.

Gasmig

In the natural gas segment, Gasmig—a subsidiary 99.57% owned by Cemig—invested R$314 million, allocated primarily to expansion projects, which accounted for 80.9% of the total invested in fiscal year 2025, and to projects involving the saturation, densification, and operation of existing networks,

which accounted for 19.1% of the invested funds. The highlight is the Midwest Project, which calls for the expansion of Gasmig's natural gas distribution system by approximately 300 km and received R$217 million in investment during the fiscal year. Additionally, the growth in the customer base (from 103,885 to 109,931) reinforces Gasmig's importance in the context of replacing more carbon-intensive fuels.

These investments reflect a systemic and integrated vision at Cemig, which recognizes **physical and climate transition risks as key determinants of long-term efficiency, safety, and competitiveness**. The company has sought not only to expand its installed capacity and improve the quality of supply, but also to ensure that these assets are prepared to face a more demanding operational environment—technically, regulatory, and environmentally. For 2026, the Company forecasts investments of R$ 226.9 million in this segment.

Acquisitions or Divestments

Cemig's acquisitions and divestments policy has directly reflected the company's commitments to sustainability, the decarbonization of the energy mix, and the mitigation of risks associated with climate change. The company has taken an **active stance in restructuring its portfolio**, divesting less strategic or underperforming assets and prioritizing projects aligned with the energy transition.

Since 2019, when it decommissioned its last thermal power plant, Cemig has reaffirmed its commitment to no longer invest in fossil fuels, reinforcing its **shift toward a 100% renewable energy mix**. This strategic decision aligns both with the company's climate policy and with the industry's perception that thermal generation is likely to become increasingly costly and risky in future scenarios involving carbon pricing and stricter regulation.

Cemig SIM, a subsidiary dedicated to innovation and distributed generation, has established itself as the company's strategic arm in expanding the supply of clean energy. In 2025, R$361 million was invested in the acquisition and development of solar photovoltaic plants in Minas Gerais,

In line with its strategic plan, Cemig SIM continues to invest in expanding its installed capacity. **Cemig SIM's operations reflect the company's ability to convert climate risks into business opportunities**, fostering sustainable solutions with high scalability potential, such as the "solar energy subscription" model, which already serves more than 33,000 consumer units in the state.

Access to Capital

Cemig's Green Bonds are financial instruments designed to finance or refinance projects with environmental benefits, aligned with the international Green Bond and Green Loan principles of the International Capital Market Association (ICMA) and the Loan Market Association (LMA). Issuances are conducted through Cemig Distribuição and Cemig Geração e Transmissão, based on the Company's Sustainable Finance Framework, which establishes clear eligibility criteria and resource allocation guidelines in accordance with the Green Bond Principles.

In line with its strategy to expand access to sustainable financing instruments, Cemig conducted new ESG-labeled fundraising throughout 2025. In the distribution segment, the 12th and 14th sustainable debentures were issued, each in the amount of R$ 2.5 billion, while in the generation and transmission segment, the 10th and 11th debentures were issued, including a green debenture in the amount of R$ 625 million. Overall, the issuances carried out by Cemig D and Cemig GT totaled approximately R$ 9 billion, of which about R$ 5.6 billion correspond to sustainably labeled securities, reinforcing the Company's commitment to its ESG agenda.

The funds raised are earmarked for efficient cash flow management, the repayment of investments, costs, and expenses already incurred, as well as the financing of eligible initiatives outlined in the Sustainable Finance Framework. Notable among the supported projects are the expansion and modernization of transmission and distribution infrastructure, the increased share of renewable energy sources—including hydroelectric, solar, and wind power—and initiatives aimed at reducing energy losses and increasing operational efficiency.

Continuous and competitive access to capital demonstrates Cemig's ability to align its climate strategy with the demands of a **financial market increasingly sensitive to environmental risks and responsible corporate practices**. The growing use of sustainable bonds as a financing instrument not only reduces the cost of capital and broadens the investor base but also translates, in practice, the company's commitment to a just and resilient energy transition.

4.2.3 Opportunities identified by the company

Cemig encourages each business unit to conduct its opportunity mapping process in parallel with the process of identifying, assessing, and responding to risks. In general, it is the ESG guidelines——incorporated into the company's strategic planning that guide the process of identifying, assessing, and executing opportunities in response to global transformations driven by climate change and the energy transition.

The company has been mapping and exploring various business opportunities that align innovation, efficiency, and sustainability. Ongoing initiatives reveal a strategic positioning focused on reducing emissions and strengthening operational resilience. Below are the main areas with the potential for positive climate impact, according to the TCFD's classification of opportunities:

Energy Source

- **Distributed Generation and Renewable Energy**: Through Cemig SIM, the company has expanded its operations in photovoltaic generation. In 2025, 594 GWh were generated from solar sources, with an installed capacity of 426 MWp. Also this year, R$361 million was invested in acquisitions and the development of photovoltaic solar power plants. Between 2026 and 2030, the plan is to continue investing in this business, contributing to the decentralization of power generation and the reduction of greenhouse gas (GHG) emissions. In 2025, Cemig Sim reported a net profit of R$136,000, representing a 370% increase compared to 2024, when it reported a profit of R$29,000.

Resilience

- **Energy Storage (BESS)**: in a research and development project, through December 2026, the development of two prototypes of mobile energy storage systems (*Battery Energy Storage Systems* – BESS) is planned, based on domestic technology, with the capacity to operate on low- and medium-voltage grids. The initiative, led by the Edson Mororó Moura Institute of Technology (ITEMM), aims to strengthen the resilience of the electrical system in the face of critical and transient events, including supply interruptions and emergency situations. The project includes the development of the Versatile Mobile BESS – Plug & Play, characterized as a modular, compact, and rapidly deployable solution, allowing for operational flexibility and simplified integration into existing infrastructure. Among the main expected benefits are reduced operating costs, lower greenhouse gas emissions associated with the use of fossil fuels during contingencies, and the mitigation of risks related to the continuity of energy supply.[19]

[19] More information available at: https://inova.cemig.com.br/projetos/bess-movel-versatil-plug-play/

- **Network Modernization and Digitalization:** As a strategic focus for 2026–2030, the company aims to enhance the reliability and resilience of its networks and advance automation, digitalization, and the full adoption of the smart grid. The Distribution Company Development Plan (PDD), which calls for significant investments through 2027, incorporates, in addition to the modernization of the electrical infrastructure, initiatives aimed at expanding access to energy and improving the quality of supply, especially in more vulnerable regions.
- **Power Supply Solutions (Microgrids):** In 2026, Cemig D implemented a pioneering project in Brazil that integrates solar photovoltaic generation with a battery energy storage system (BESS), with an investment of approximately R$ 7 million. The initiative combines dedicated generation, storage, smart metering, and advanced automation, creating a microgrid solution aimed at strengthening the resilience of the electrical system. The system enables continuous power supply for up to 48 hours in the event of a main grid outage, contributing to service continuity during extreme weather events. Additionally, the solution improves the quality of supply by reducing disturbances and maintaining voltage stability. The choice of the municipality—Serra da Saudade (MG)—was based on a technical feasibility study, which identified the microgrid as the most suitable alternative for ensuring safety, reducing outages, and guaranteeing the resilience of the supply.[20]

Market | Products and Services

- **Electromobility**: As a solution to accelerate electromobility in Brazil, the development of Smart Modules for the management and adaptation of commercial electric vehicle charging stations on the 127/220V LV grid stands out. The project aims to develop, within the scope of the ANEEL R&D Program, voltage and power adaptation modules for charging stations with *smart charging* functions.
- **Renewable Energy Certificate Offerings (Cemig RECs and I-RECs – *International Renewable Energy Certificates*)**: The offering of Renewable Energy Certificates represents a strategic opportunity for Cemig to expand revenues and add value to its clean energy generation portfolio. The Company manages the offering of these Certificates (Cemig-REC and I-REC) through the integration of its renewable generation asset management with its commercial strategy, ensuring the registration of power plants, the availability of certificates, and the capture of portfolio value. In 2025, 5.48 million RECs were sold, of which 2,605,634 were CEMIG RECs and 2,883,265 were I-RECs.
- **Participation in the carbon market**: Cemig participates in Clean Development Mechanism (CDM) projects registered with *the United Nations Framework Convention on Climate Change* (UNFCCC), associated with energy generation from renewable sources. These projects include six small hydroelectric plants, with a total installed capacity of 96 MW, among them Guanhães Energia, PCH Cachoeirão, and UHE Paracambi, in which Cemig holds a 49% stake. The annual carbon credit generation potential of these assets totals 116,708 tCO_2e, proportional to the Company's stake. In 2025, these projects resulted in 57,186.92 carbon credits attributable to Cemig, which can be sold, contributing to an increase in the company's revenue.

Resource Efficiency

- **Energy Efficiency and Demand Management**: The company promotes ongoing energy efficiency programs in schools, hospitals, and communities, with a focus on replacing lighting systems and appliances. By 2025, these initiatives generated estimated savings of 28,390.95

[20] For more information, visit: https://www.cemig.com.br/noticia/imprensa/solucao-inovadora-da-cemig-garante-seguranca-energetica-ao-menor-municipio-do-brasil/

MWh/year, contributing to an emissions reduction equivalent to 1,308.82 tCO_2 and the rational use of resources.

- **Smart Grids and Advanced Metering**: With over 631,000 smart meters installed, Cemig is investing in the digitization of the electrical system, enabling greater control over consumption, reduced losses, and the modernization of energy management.

These initiatives demonstrate Cemig's commitment to a low-carbon, resilient, and innovation-driven energy model, positioning the company as a key player in the transition to a more sustainable economy.

4.2.4 Scenario Analysis

In 2021, Cemig conducted an initial study involving scenario analysis, which was subsequently updated in line with developments and the availability of models, with the aim of informing the development of its Climate Change Adaptation Plan, which guided the identification of priority issues and actions to be included in the company's Strategic Plan regarding climate change. The study used the Deep Decarbonization Pathways (DDP) as its transition scenario, focused on Brazil, simulating two GHG emissions scenarios for the country through 2050. The key issues raised by Cemig in this study were primarily based on the **recognition of water dependency and the company's role in a sector responsible for a significant portion of global greenhouse gas emissions**.

In the years that followed, Cemig has been updating the study to reassess the impacts of climate change on its operations through 2050. In this process, the scenarios used are being expanded and the analyses deepened in line with data availability and the development of tools.

For an effective scenario analysis, a clear definition of objectives is essential, considering the specific challenges and opportunities the company faces in the context of climate change and the energy transition. This analysis examines how key variables behave in different future scenarios, impacting Cemig's operations, infrastructure, and growth strategy in the coming years. For the company, the main focus has been established around three critical pillars: **operational resilience, diversification of the energy mix, and meeting decarbonization targets**.

The following presents the results of the analysis of physical and transition scenarios, taking into account the sectoral and regional context for these considerations.

4.2.4.1 Physical Scenarios

To estimate the potential impacts of climate change on operations, assets, and business through 2100, the physical climate risk assessment relies on scenario analyses based on the sixth phase of the Coupled Model Intercomparison Project (CMIP6), a set of internationally coordinated numerical experiments widely used in scientific literature and the most recent IPCC assessments. The use of multiple climate models is important because it allows for a better representation of the internal variability of the climate system, enables the comparison of different model responses, and quantifies part of the uncertainty associated with the projections. This approach produces more robust results than the isolated use of a single model and strengthens the use of projections as input for adaptive planning and risk management.

In the most recent IPCC cycle, future climate projections have been structured primarily based on the Shared Socioeconomic Pathways (SSPs), which integrate emission trajectories and land-use changes with different socioeconomic development contexts. This formulation represents a significant advance over previous frameworks, as it allows for the integration of the physical climate signal with narratives on economic growth, demography, technology, inequality, governance, and mitigation and adaptation capacity. Thus, the scenarios do not merely express different levels of

warming but also different social and economic conditions that directly influence the exposure, vulnerability, and resilience of productive sectors and regions.

Among the illustrative scenarios most frequently used in CMIP6 and AR6, trajectories ranging from futures with strong mitigation to futures with very high emissions stand out. SSP1-1.9 represents a very low-emissions pathway, consistent with strong climate action and limited warming close to 1.5°C; SSP1-2.6 describes a world oriented toward sustainability and low emissions; SSP2-4.5 corresponds to an intermediate pathway, in which global development follows patterns closer to historical trends; SSP3-7.0 represents a future of regional rivalry, less cooperation, and greater challenges for mitigation and adaptation; and SSP5-8.5 corresponds to a very high-emission, fossil-fuel-intensive trajectory, useful for testing scenarios of greater climate stress and operational sensitivity.

For time horizons such as 2030, 2040, and 2050, these scenarios should be interpreted as possible trajectories and not as deterministic forecasts. The purpose of scenario analysis is not to identify a single "most likely" future, but to enable the company to assess the resilience of its assets, processes, and strategies under various possible climate conditions. The IPCC emphasizes that global temperatures will continue to rise at least through the middle of the century under all considered scenarios, and that more pronounced differences between trajectories tend to intensify throughout the second half of the century. This means that, for the horizon up to 2050, there is a relatively established component of climate change for the climate system, while differences between scenarios remain relevant for assessing operational risks, vulnerabilities, and adaptation measures.

The practical utility of this approach lies in the fact that physical risk does not depend solely on the evolution of global average temperature. Additional warming alters various drivers of climate impacts, such as heat waves, rainfall frequency and intensity, meteorological and agricultural droughts, changes in atmospheric circulation, transformations in the hydrological cycle, and changes in wind, humidity, and cloud cover, in addition to the occurrence of compound events. The IPCC highlights that, as warming increases, these changes tend to become more intense, more frequent, or more widely distributed, with direct repercussions on ecosystems, infrastructure, water availability, energy generation, distribution, and transmission, logistics, and operational continuity.

From this perspective, the analysis of climate scenarios for physical risk assessment must consider the variables most relevant to the company's operational context, such as precipitation, temperature, humidity, wind speed, and cloud cover. The combination of multiple models and multiple scenarios allows for characterizing both the average trend of projected changes and the dispersion of results, providing a more solid basis for identifying vulnerabilities, prioritizing critical assets, and assessing the need for adaptive measures. In applied studies, this approach is particularly important because the impacts most relevant to business often stem from changes in variability, seasonality, and extremes, and not just from changes in climatological averages.

Another important aspect is that, by mid-century, some of the projected signals may show relative convergence across scenarios, due to the inertia of the climate system and the accumulation of historical emissions. This means that physical risk management cannot rely exclusively on the assumption of an optimistic scenario, since part of the immediate future warming already stems from the current state of the Earth system. At the same time, comparing scenarios remains essential, as it allows us to assess how much risks may intensify in futures with higher emissions and to test the robustness of decisions regarding investment, operation, maintenance, expansion, and asset protection under different climate stress conditions.

From a strategic perspective, the use of SSPs enhances the ability to interpret climate outcomes, as it links physical projections to distinct socioeconomic contexts, including varying levels of international cooperation, technological advancement, inequality, land use, and institutional response capacity. This connection is especially useful in corporate analyses, since the actual impact on business depends not only on the climate signal but also on the territorial exposure conditions, infrastructure sensitivity, supply chain resilience, and the adaptive capacity of the social and economic systems with which the organization interacts. In this context, climate scenarios are decision-support tools for navigating uncertainty, not merely descriptions of possible meteorological futures.

Based on the analysis of scenarios and the identification of associated climate hazards, it becomes possible to conduct quantitative and qualitative assessments of potential impacts on operations, assets, and businesses, as well as on ventures in which there is participation or strategic interest. This process allows for distinguishing chronic physical risks, associated with gradual changes in average climate conditions, from acute physical risks, related to the intensification of extreme events capable of compromising operational performance, structural integrity, water resource availability, logistics, productivity, and business continuity. This distinction is fundamental for guiding adaptation planning, the design of resilience measures, and the prioritization of responses by criticality and time horizon.

Finally, climate scenario analysis should be understood as a continuous process of improvement. As new simulations, observational datasets, regionalization techniques, and methods for assessing extremes become available, Cemig must expand the number of models analyzed, periodically review risk indicators, and update the interpretation of results as both climate science and the assets' own exposure and vulnerability conditions evolve. This approach is essential, as it emphasizes the integration of climate monitoring, impact assessment, adaptive planning, and continuous resilience management.

In summary, global climate change is already underway, is predominantly anthropogenic in origin, and affects the planet in a systemic manner. The observed warming, recent temperature records, sea-level rise, intensification of extremes, and impacts on ecosystems and societies show that the problem is current and growing. At the same time, climate scenario analysis allows this scientific diagnosis to be transformed into useful information for planning, risk management, and decision-making by testing the sensitivity of operations to different warming trajectories and different socioeconomic contexts. Integrating climate knowledge, prospective scenarios, and physical risk assessment is therefore an essential condition for strengthening resilience and supporting consistent adaptation strategies in a context of progressive climate change.

Figure 12 lists the climate models (16) and atmospheric variables used in the analyses, namely: Cloud Cover (CLT), Relative Humidity (HURS), Precipitation (PR), Surface Wind Speed (SFCWIND), and Minimum (TASMIN) and Maximum (TASMAX) Surface Air Temperature.

Figure 12. Representation of the models and variables used in the analyses.

These studies and their respective analyses will be updated with the release of CMIP7 data, which is tied to the IPCC AR7 timeline and the progress of the experiments defined for the CMIP7 Assessment Fast Track. Although no specific date has been set for the release of the data, it is expected to occur between 2026 and 2027, at which time it will be made publicly available.

Main Results

The assessment was conducted in multiple complementary stages, developed over the past five years, with the aim of ensuring the statistical robustness and physical consistency of the results. In an initial phase, comparisons were made between reference climatologies and the mean fields simulated by the models, as well as analyses of anomalies relative to the ERA5 dataset. ERA5, produced by the ECMWF, is a high-resolution atmospheric reanalysis (spatially ~0.25° and temporally hourly), generated by assimilating a broad set of observations (satellites, soundings, surface stations), and is widely adopted as a reference for model validation due to its global consistency and coherent physical representation of meteorological variables.

In a subsequent step, spatial fields and annual time series were derived for the state of Minas Gerais, covering the period from 2015 to 2025. This processing allowed us to synthesize, for each model, the annual average behavior of five key variables over the Minas Gerais region, enabling a comparative analysis between models and in relation to ERA5. Thus, it was possible to identify systematic patterns, regional biases, and each model's ability to reproduce the observed interannual variability, providing a consistent basis for performance evaluation and application in regional climate studies.

Specific analyses were conducted on a set of atmospheric variables fundamental to the electricity sector, including Cloud Cover, Relative Humidity, Precipitation, Surface Wind Speed, and Surface Air Temperature, in their minimum and maximum components. These variables are directly relevant to different segments of the company's operations, encompassing the generation, distribution, and

transmission of electricity. For example, cloud cover and precipitation directly influence hydroelectric and solar generation; wind speed is associated with wind power generation potential; while temperature and humidity impact both equipment performance and energy demand, as well as operational and grid maintenance aspects related to phenomena indirectly linked to these variables, such as the occurrence of storms and wildfires.

The analyses were conducted considering the company's operational specifics, including the location of assets, the sensitivity of each system to meteorological variables, and planning and operational needs across different time scales. This approach enabled a targeted assessment of potential climate impacts on the company's critical processes.

However, for the purposes of this report, we chose to highlight more general results, focusing on the state of Minas Gerais, where most of the company's activities are concentrated. Thus, consolidated regional analyses are presented, providing an integrated view of the climatic behavior of the studied variables while maintaining the methodological consistency and spatial representativeness necessary to support strategic interpretations and applications.

Minimum and Maximum Air Temperature

The results for air temperature show that the model ensemble exhibits relatively robust performance for minimums and maximums in Minas Gerais, although with significant differences among members. Another important characteristic is that both in comparison with the 1995–2014 historical period (Figure 13) and in comparison with the 2015–2025 period, the models tend to underestimate the observed data in ERA5; that is, the models presented "colder" temperatures than what actually occurred.

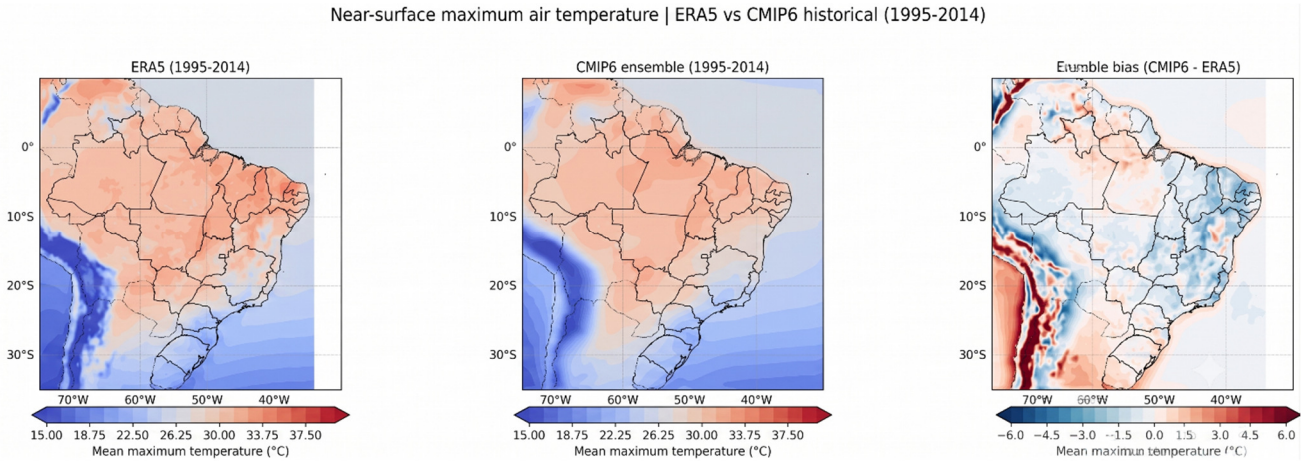


Figure 13. Spatial comparison between the ERA5 climatology, the average CMIP6 ensemble climatology, and the average ensemble bias over Brazil for maximum temperature during the period from 1995 to 2014.

Another interesting point, which can be seen in the maps at Figure 14, is that across all time horizons analyzed (2021–2040, 2041–2070, and 2071–2100), the model averages show a clear trend toward warming. Another result emerging from the analyses is the similarity between the SSP245 and SSP585 scenarios in the short term, both when compared to the 2015–2025 historical record and for the 2021–2040 period, suggesting structural stability in their ability to represent recent variability in maximum temperature in Minas Gerais. This result indicates that, in the near term, the difference between the scenarios is still less decisive for the model's ability than its own physical structure and the interannual variability of the climate system.

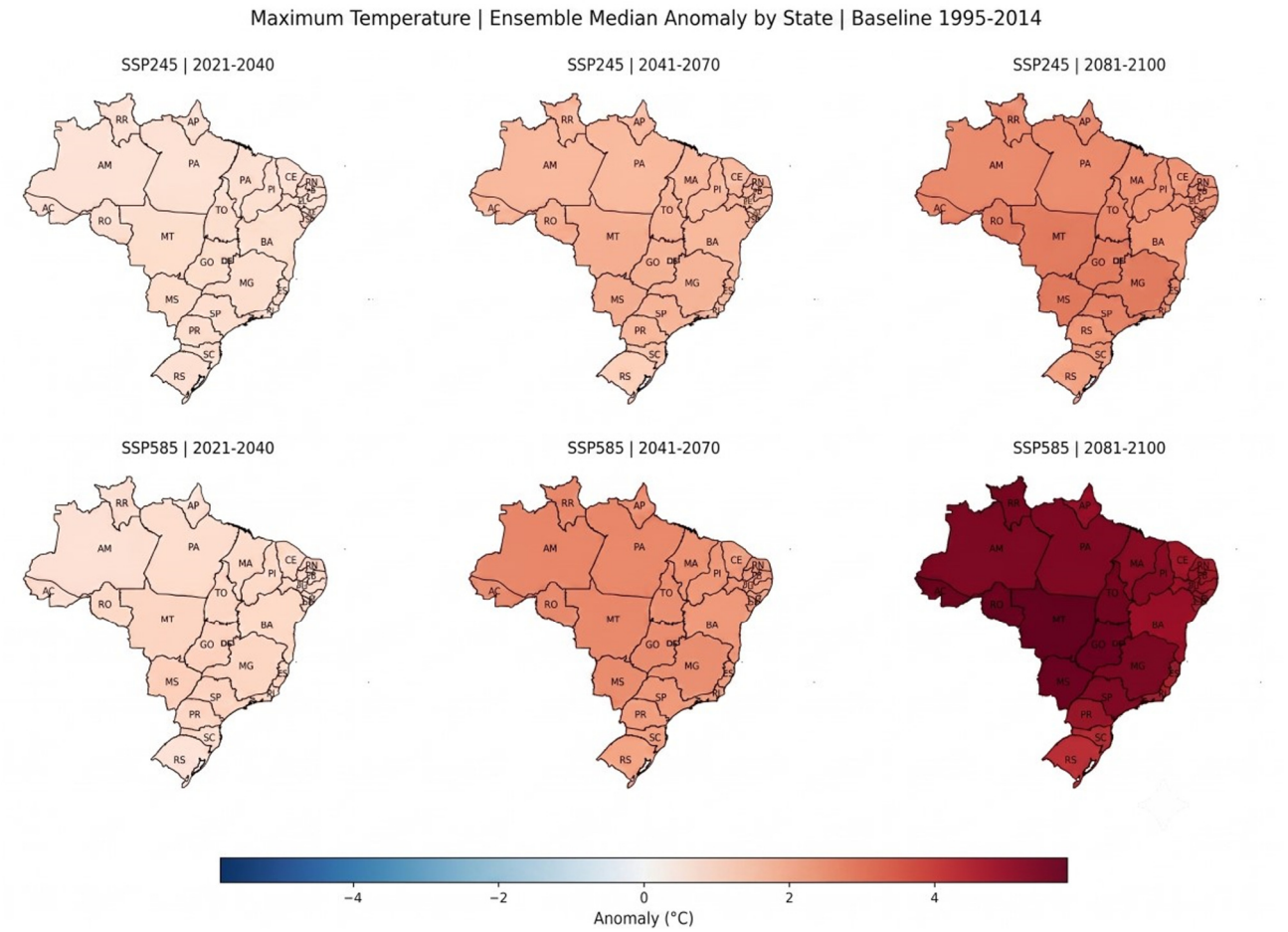
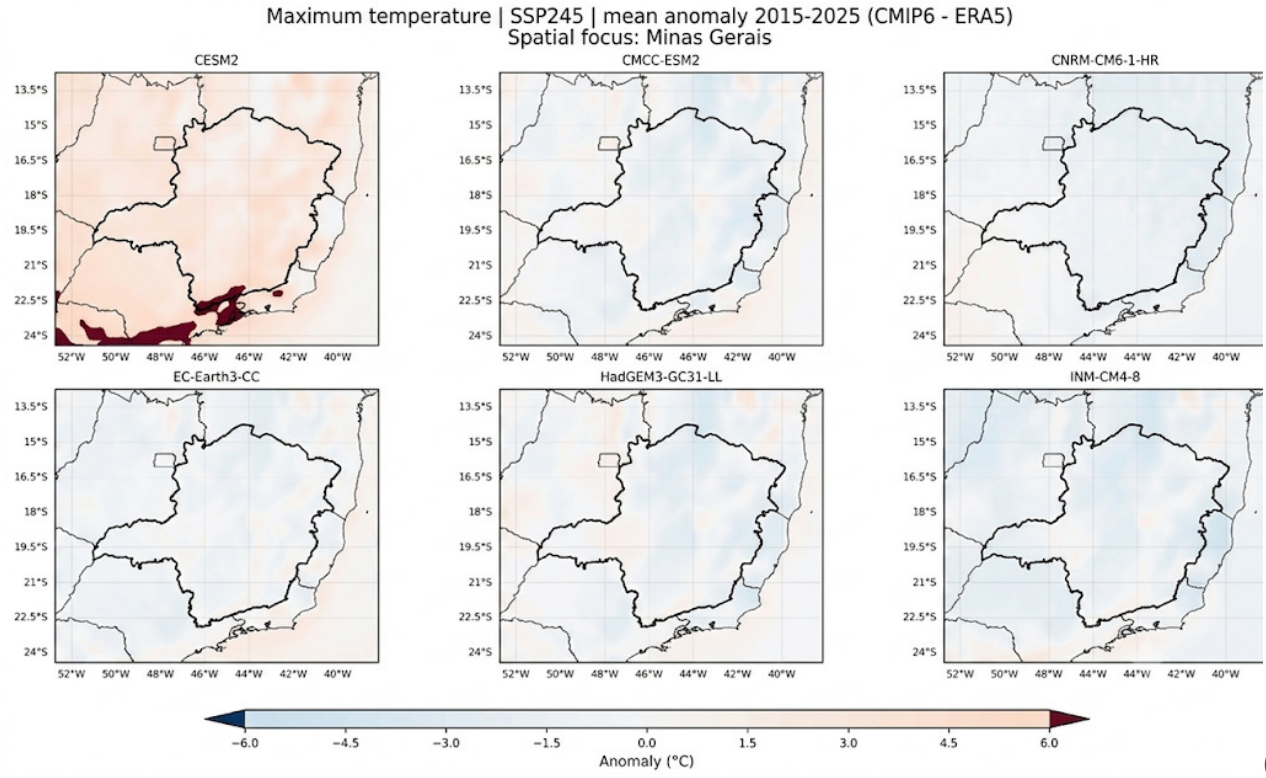
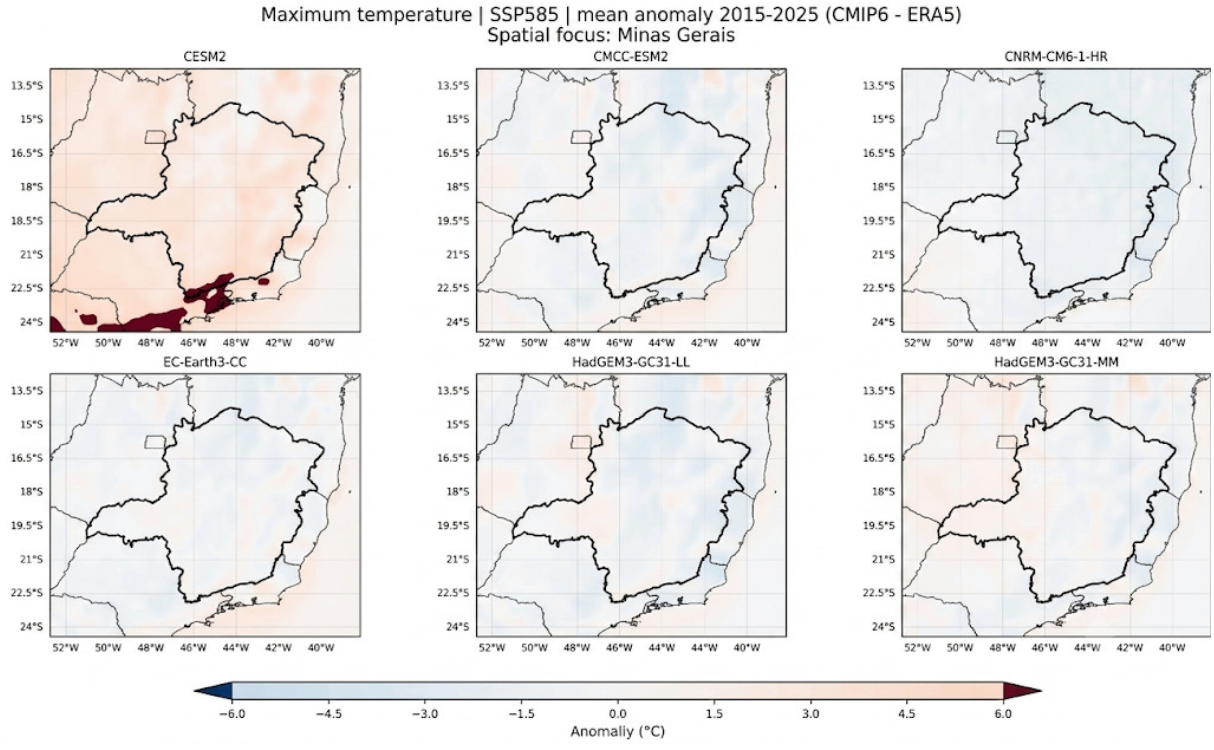


Figure 14. Map of the CMIP6 ensemble median by state, by period, and by climate scenario for maximum temperature.

For maximum temperature, in the SSP245 scenario, CNRM-CM6-1-HR was the best-performing model, followed by MIROC6 and HadGEM3-GC31-LL; in SSP585, CNRM-CM6-1-HR, HadGEM3-GC31-MM, HadGEM3-GC31-LL, and EC-Earth3-CC stood out, as can be seen in the map at Figure 15, Figure 16, and Figure 17. These models combined low RMSE, moderate to high temporal correlation, and a relative standard deviation reasonably close to the ideal, although the mean bias was, in many cases, negative, indicating a slight underestimation relative to ERA5. In contrast, CESM2 and MPI-ESM1-2-LR showed the worst results, with the lowest composite score and the poorest balance between error, correlation, and variability.

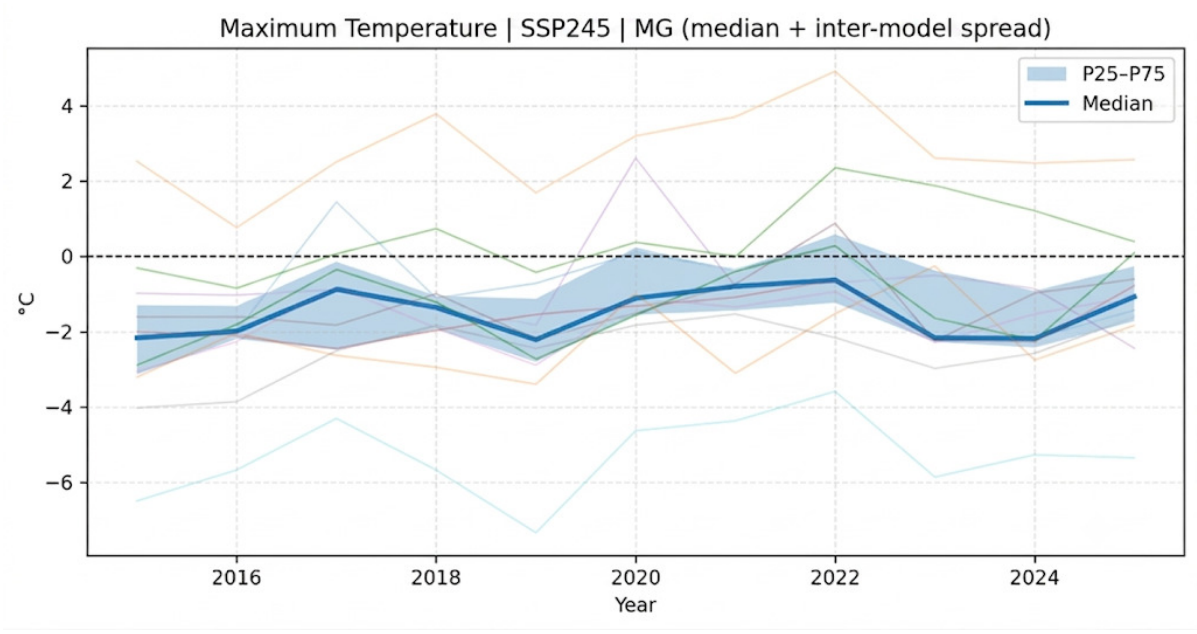


(a)

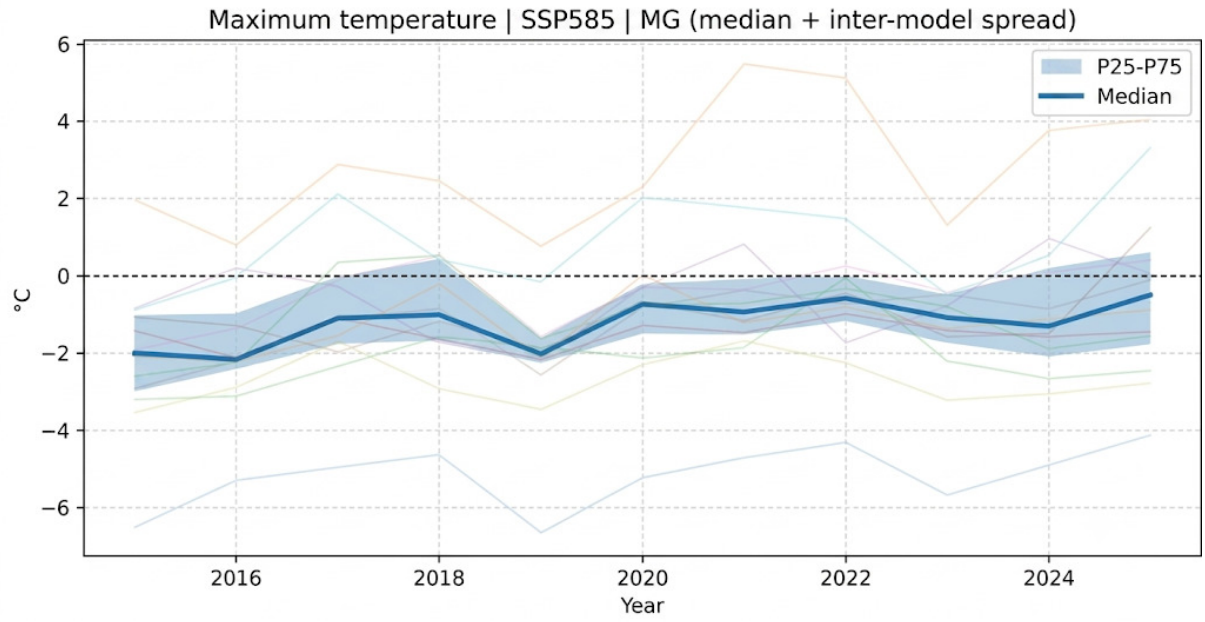


(b)

Figure 15. Panel showing model-specific maps of the 2015–2025 mean anomaly (CMIP6 – ERA5) for Minas Gerais, for maximum temperature in the SSP245 (a) and SSP585 (b) scenarios.



(a)



(b)

Figure 16. Median and inter-model spread of the annual mean maximum temperature anomaly in Minas Gerais for the period 2015–2025 for SSP245 (a) and SSP585 (b).

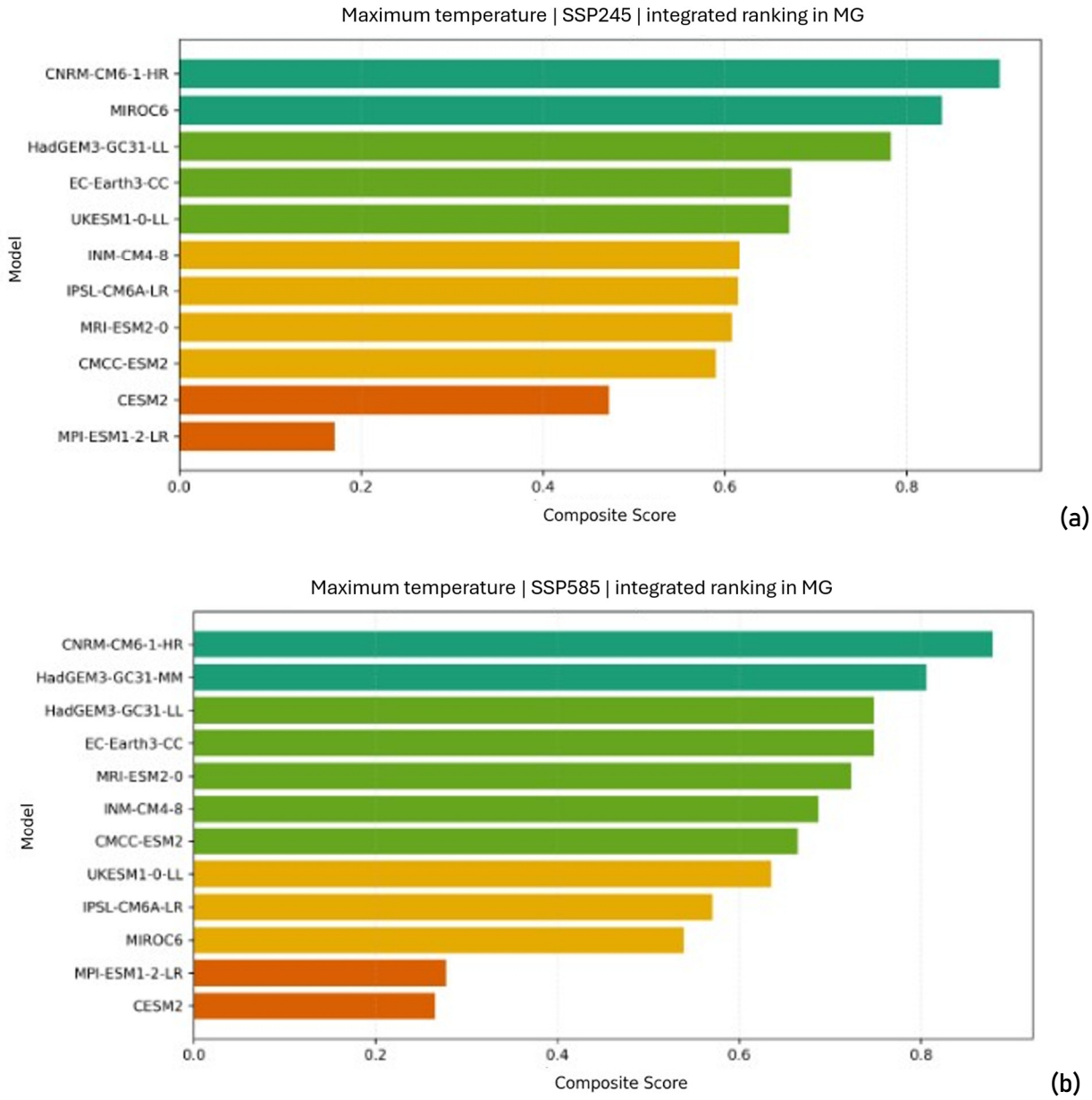


Figure 17. Integrated model ranking in Minas Gerais for maximum temperature for the SSP245 (a) and SSP585 (b) scenarios.

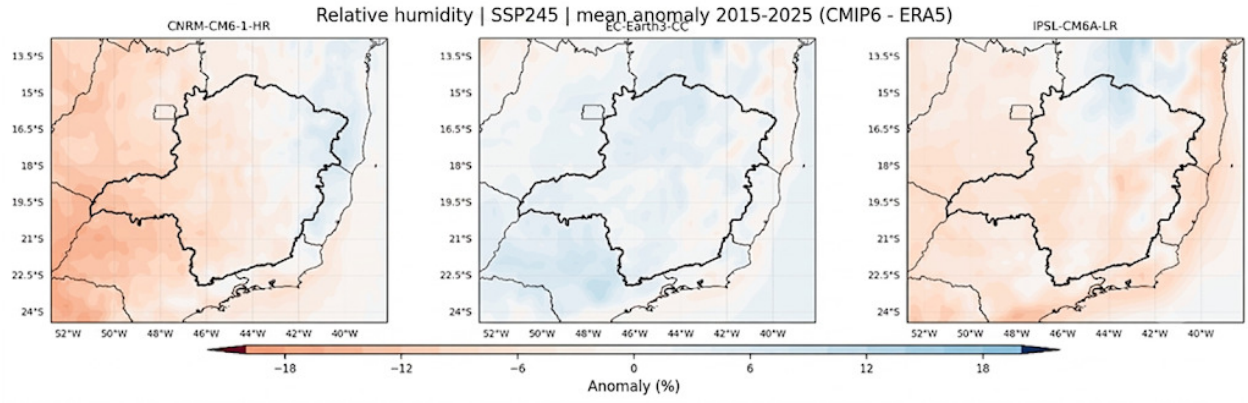
In the analysis of minimum temperature, which followed the same methodology described above, the results were even more consistent, with good performance from a relatively stable group of models across the scenarios. In SSP245, the best results were observed for UKESM1-0-LL, MIROC6, and EC-Earth3-CC, all with an excellent rating, followed by HadGEM3-GC31-LL and MRI-ESM2-0. In SSP585, EC-Earth3-CC took the lead, followed by INM-CM4-8, HadGEM3-GC31-LL, and MRI-ESM2-0. These models exhibited low RMSE, good temporal correlation, and annual variability consistent with ERA5, although the bias varied between slight underestimation and slight overestimation. Among the weaker members, CESM2 consistently showed the lowest performance.

From an energy business perspective, **thermal variables simultaneously affect generation, transmission, and distribution, with both direct and indirect implications.** In the case of maximum temperature, heat extremes tend to increase evapotranspiration and exacerbate droughts, putting pressure on water availability and affecting hydropower production; at the same time, they increase peak demand for cooling, overloading transformers, feeders, and urban transmission and distribution assets. In transmission, high temperatures can reduce the effective operational capacity

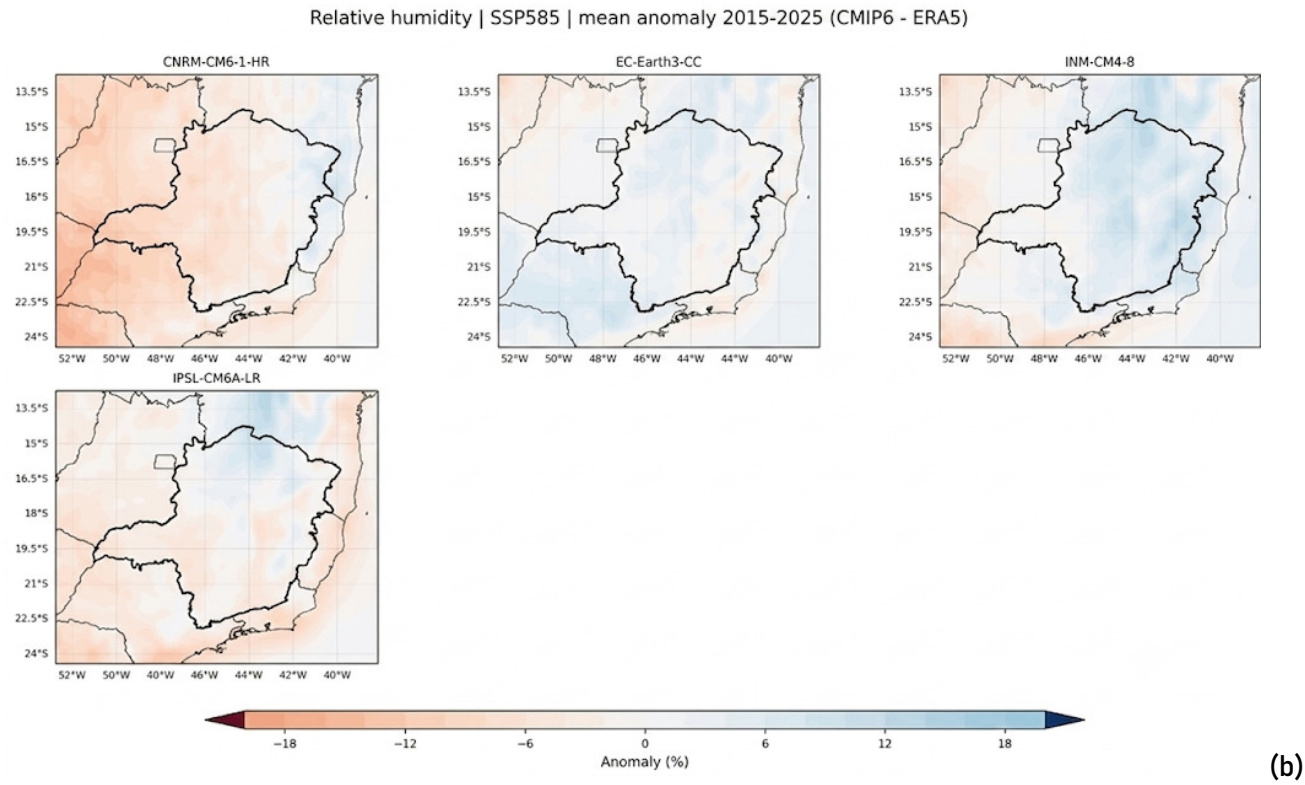
of conductors and intensify thermal stress on equipment. As for minimum temperatures, a sustained rise in lows reduces the system's nighttime thermal relief and can increase residual load throughout the daily cycle, hindering the cooling of distribution assets and prolonging periods of operational strain. Furthermore, more severe thermal conditions—whether due to high maximums or minimums — indirectly contribute to conditions conducive to wildfires, vegetation drying, and a higher risk of failures associated with extreme heat, in addition to being frequently linked to atmospheric events that precede or follow intense convective storms, with significant repercussions for supply continuity.

Relative Humidity

The analysis of relative humidity proved more challenging, given the smaller number of available models; however, among these few, some stood out convincingly. In the maps from Figure 18, which show the relative humidity bias for the 2015–2025 period, it is evident that there is no clear pattern among the models compared to ERA5, with some exhibiting a relatively uniform pattern of underestimation or overestimation, while others show greater spatial heterogeneity. Among the evaluated members, the main highlight was IPSL-CM6A-LR, especially in SSP585, a scenario in which it achieved the maximum composite score, with reduced mean bias, low RMSE, and satisfactory temporal correlation; in SSP245, IPSL-CM6A-LR and CNRM-CM6-1-HR formed the pair of most balanced models. In contrast, EC-Earth3-CC and INM-CM4-8 showed weaker performance, as can be seen in .

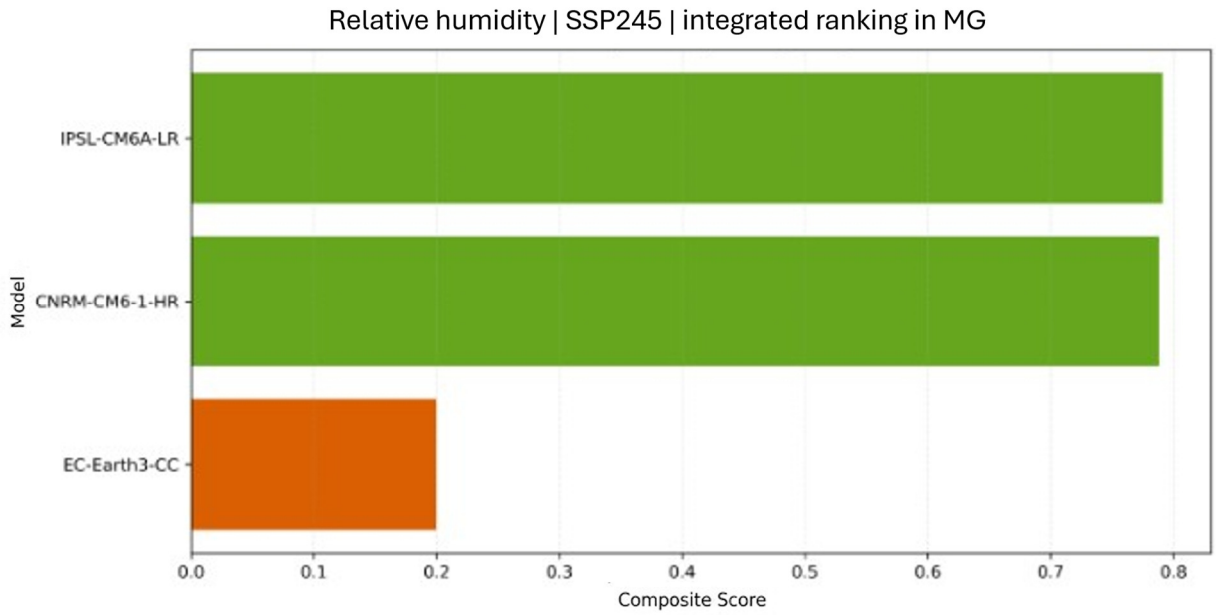


(a)



(b)

Figure 18. Panel showing model-specific maps of the 2015–2025 average anomaly (CMIP6 – ERA5) for Minas Gerais, for relative humidity in the SSP245 (a) and SSP585 (b) scenarios.



(a)

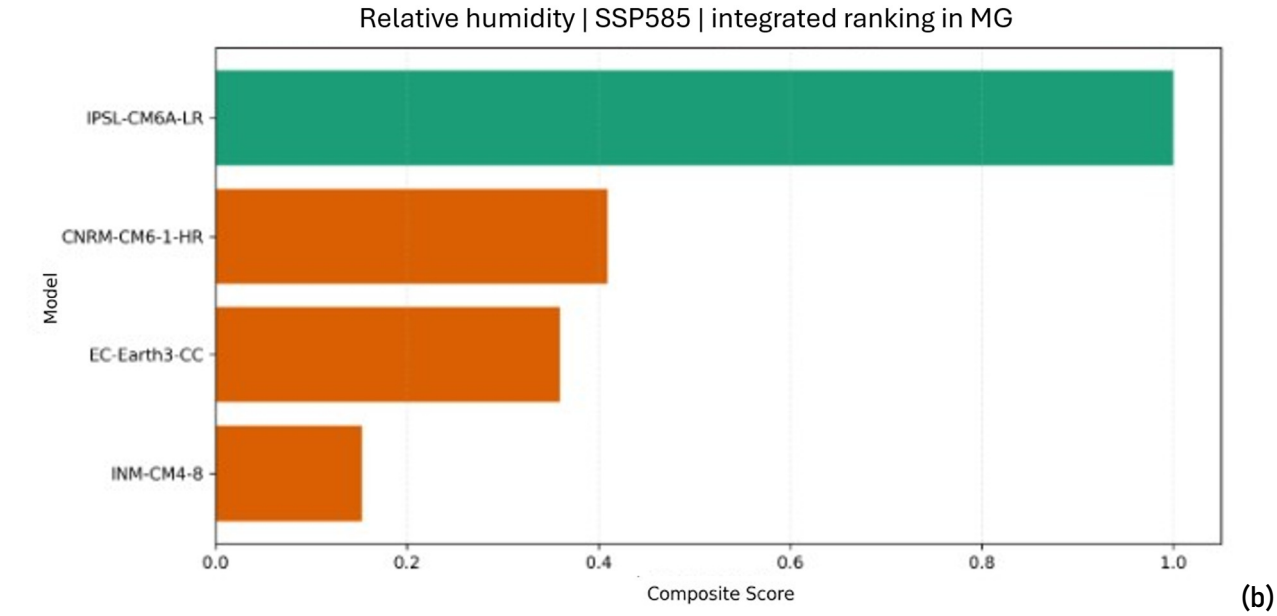
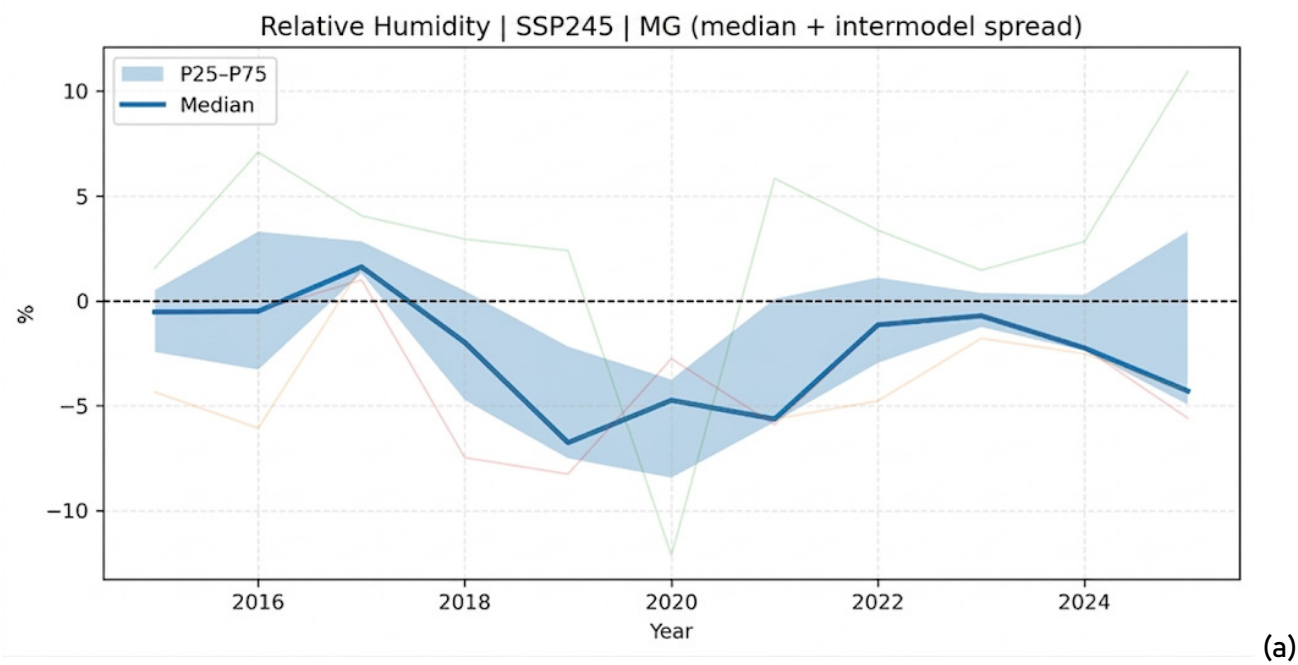


Figure 19. Integrated model ranking in Minas Gerais for relative humidity under the SSP245 (a) and SSP585 (b) scenarios.

Temporal stability and consensus among the models can be observed in Figure 20, which summarize the median and spread of the ensemble for relative humidity in Minas Gerais over 2015–2025. In these figures, the best-performing models tend to cluster closer to the ensemble's central behavior, while the weaker members deviate from the interquartile range. It is important to note that the relatively small sample of models significantly impacts this analysis.



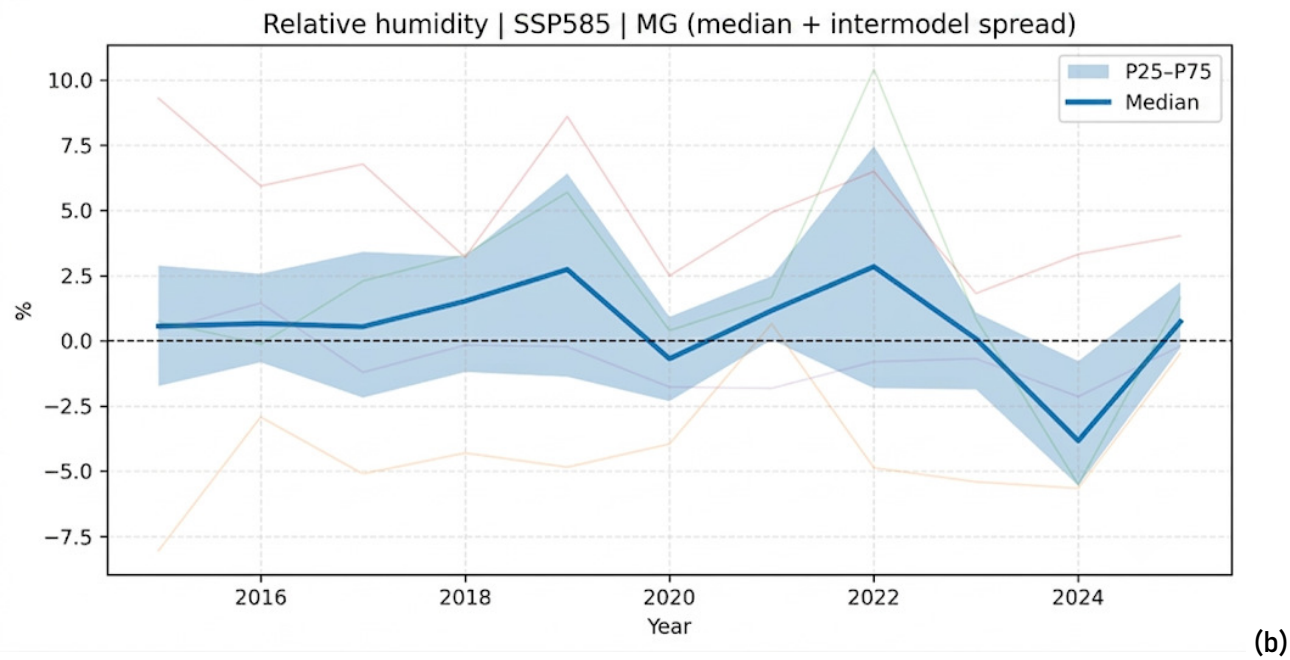


Figure 20. Median and inter-model spread of the annual mean relative humidity anomaly in Minas Gerais for the period 2015–2025 for SSP245 (a) and SSP585 (b).

Finally, in Figure 21, we present the average monthly anomaly predicted by the models, where the most evident reduction can be observed in the months of September, October, and November across all models, periods, and scenarios analyzed.

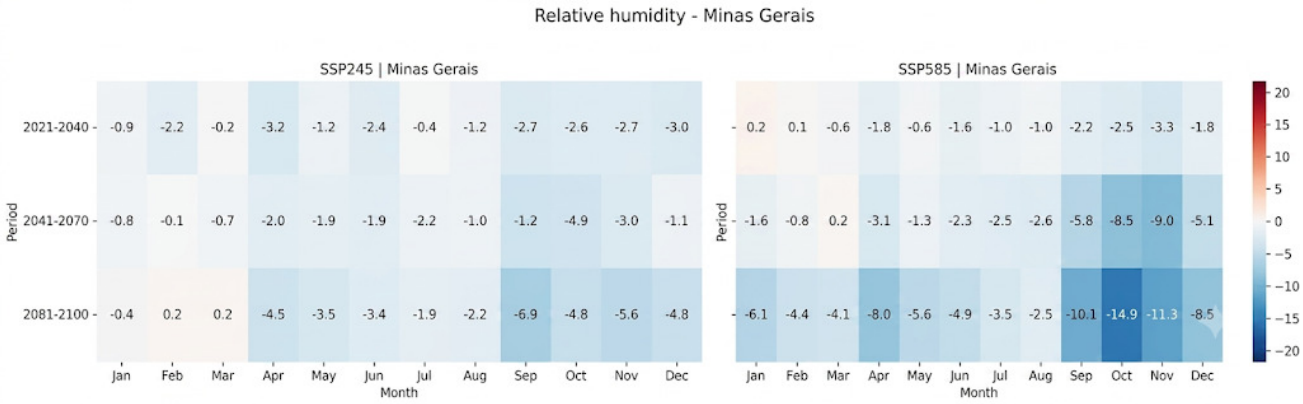


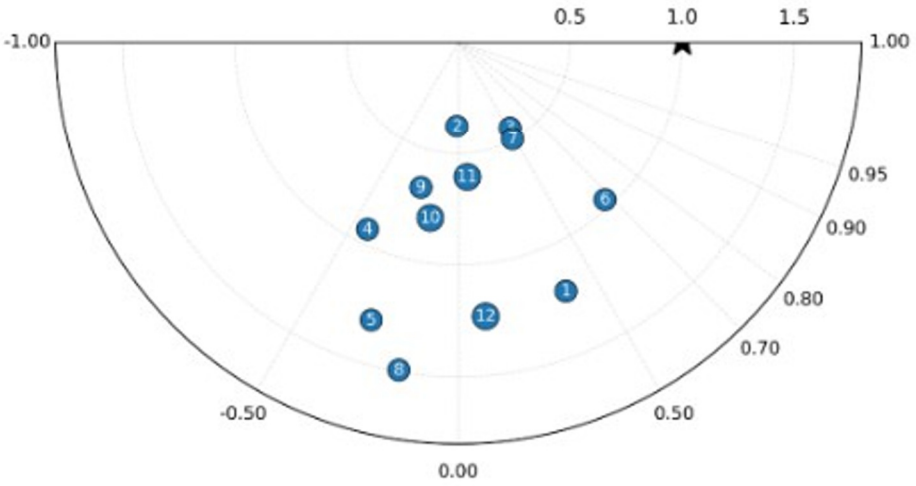
Figure 21. Average monthly relative humidity anomaly in Minas Gerais for the periods 2021–2040, 2041–2070, and 2081–2100 for SSP245 and SSP585.

From Cemig's business perspective, **relative humidity is critical primarily due** to **its indirect effects**. Persistently low relative humidity levels contribute to the drying of vegetation, increasing the risk of wildfires and, consequently, exposing transmission corridors, rural lines, and distribution assets to outages and damage. On the other hand, high humidity levels, when combined with atmospheric instability, can lead to storms, heavy rain, wind, and lightning strikes, increasing the vulnerability of transmission and distribution systems to short circuits, insulation failures, and falling trees. For generation, humidity acts as a determinant of operational and environmental risk, affecting maintenance logistics, crew safety, and the performance of operational areas, especially when combined with extreme heat or severe events. Considering the trend found in the models, the clear signal is a reduction in relative humidity in Minas Gerais across all time horizons.

Surface wind speed

For surface wind speed, the results in Minas Gerais showed that the HadGEM and MRI models performed best, standing out due to their combination of low RMSE, good temporal correlation, and moderate bias. In SSP245, the best performance was from HadGEM3-GC31-LL, followed by CMCC-ESM2, MRI-ESM2-0, and MPI-ESM1-2-LR; in SSP585, the best model was again HadGEM3-GC31-LL, followed by HadGEM3-GC31-MM, MIROC6, MPI-ESM1-2-LR, and MRI-ESM2-0 (Figure 22 and Figure 23).

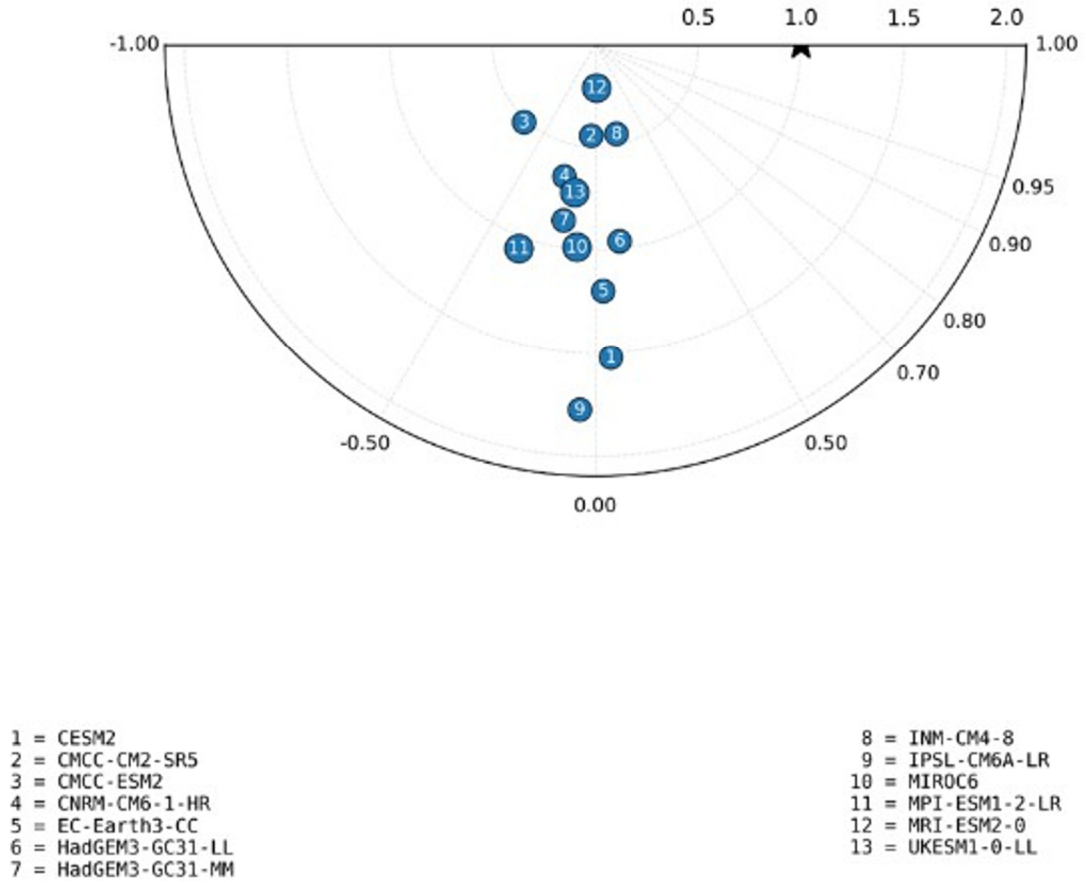
Taylor diagram | Wind speed | SSP245 | MG (2015 -2025)



1 = CESM2
2 = CMCC-CM2-SR5
3 = CMCC-ESM2
4 = CNRM-CM6-1-HR
5 = EC-Earth3-CC
6 = HadGEM3-GC31-LL
7 = INM-CM4-8
8 = IPSL-CM6A-LR
9 = MIROC6
10 = MPI-ESM1-2-LR
11 = MRI-ESM2-0
12 = UKESM1-0-LL

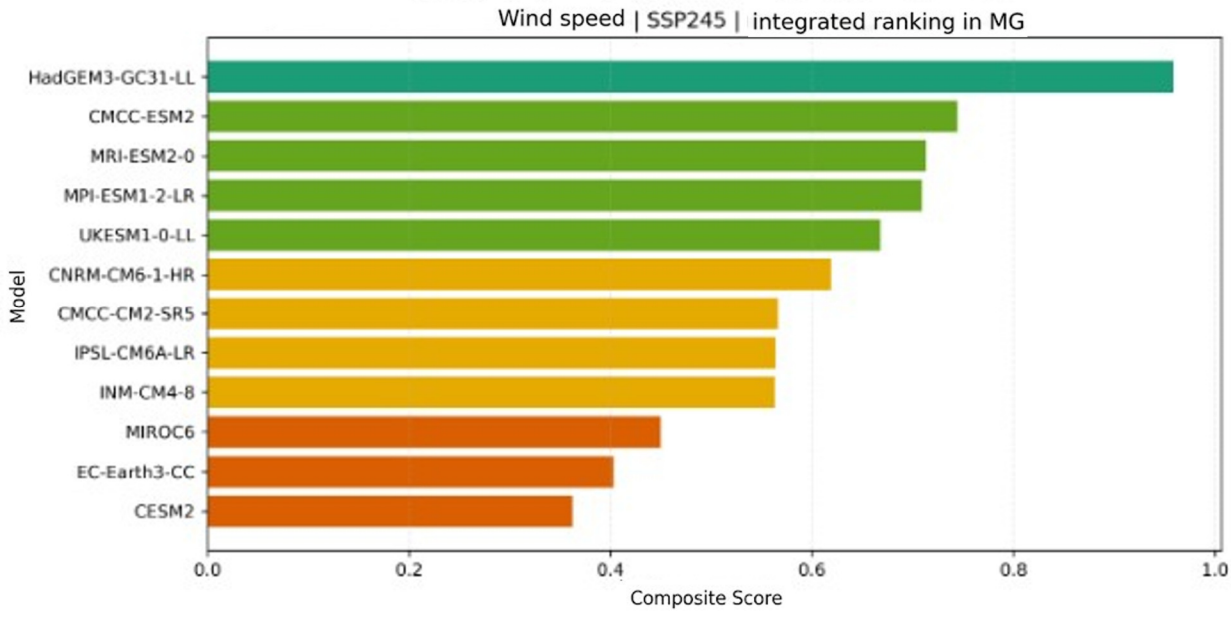
(a)

Taylor diagram | Wind speed | SSP585 | MG (2015 -2025)



(b)

Figure 22. Taylor diagram for wind speed in Minas Gerais for the period 2015–2025 for the SSP245 (a) and SSP585 (b) scenarios.



(a)

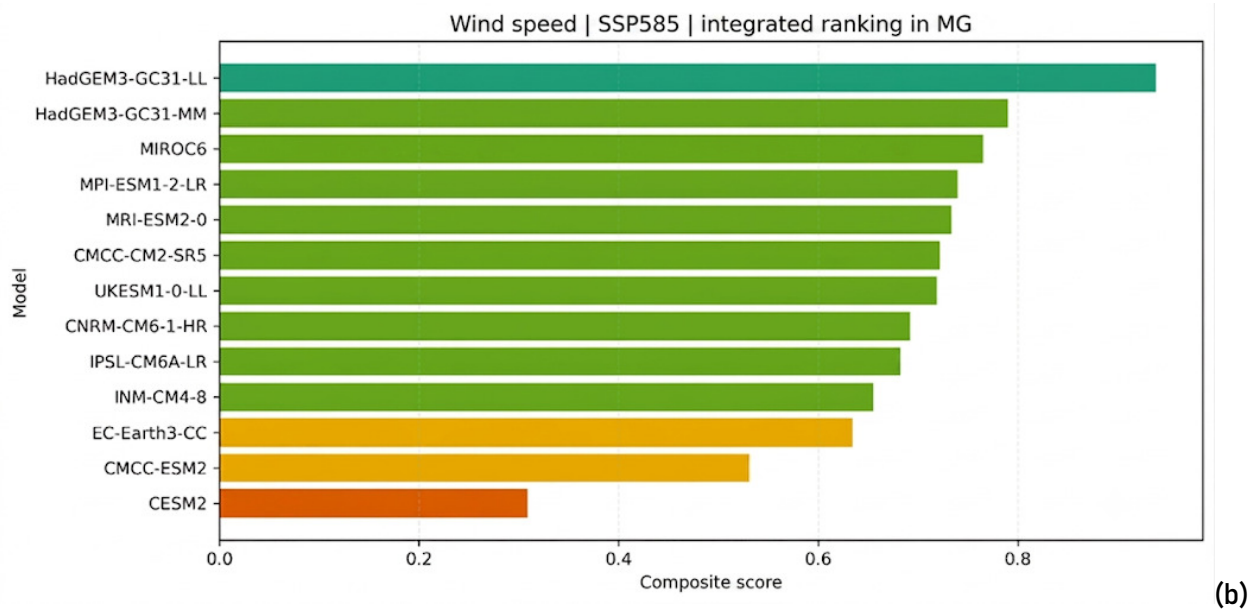


Figure 23. Integrated model ranking in Minas Gerais for relative humidity for the SSP245 (a) and SSP585 (b) scenarios.

Since Cemig's wind farms are located on the coast of Ceará, a thorough analysis was conducted for this state, with the results showing a predominance of underestimation of surface wind relative to ERA5 in both analyzed scenarios. In SSP245, the best performance was from HadGEM3-GC31-LL, followed by UKESM1-0-LL and INM-CM4-8, while in SSP585, HadGEM3-GC31-MM, HadGEM3-GC31-LL, CMCC-CM2-SR5, INM-CM4-8, and CNRM-CM6-1-HR stood out. The weakest models were, consistently, MPI-ESM1-2-LR, IPSL-CM6A-LR, and parts of the performance of CMCC-ESM2, MRI-ESM2-0, and MIROC6.

In general, temporal correlations were low to moderate, indicating that the main limitation of the dataset lies less in the mean signal and more in the representation of interannual wind variability. In terms of application to the electricity sector, **these results are directly relevant to Ceará, given the strategic importance of wind for wind power generation and for the integration of renewable sources into the regional system**. Models that systematically underestimate wind speed tend to project a potentially lower wind availability than that represented by ERA5, which may lead to conservative assessments of resource potential, capacity factor, and complementarity with solar and hydroelectric power. On the other hand, models that overestimate wind, such as CESM2 and HadGEM3-GC31-MM, require caution as they may inflate the perception of wind resource robustness.

The significant differences between the results from Minas Gerais and Ceará reinforce that the climatic assessment of wind cannot be treated uniformly on a national scale. Model responses vary according to the regional context, reflecting differences in atmospheric circulation, seasonality, topography, and ocean-atmosphere interaction. Since wind speed is a key variable for the technical and economic viability of wind power generation—in addition to influencing the integrated operation of the system and the grid's exposure to severe events—the selection of the most appropriate models must be conducted on a regional basis. This regionalization is essential for more accurately identifying areas of greater climate reliability and, therefore, lower risk for long-term energy investments, as well as areas where climate uncertainty requires greater caution in decision-making.

Precipitation

In the precipitation analysis, the dominant trend was a systematic overestimation of rainfall in Minas Gerais in virtually all models, both in SSP245 and SSP585. This characteristic is already evident in

the broad spatial comparison (Figure 24), which reveals spatial errors that are more intense and structured than those found in the temperature variables. This persistence of annual overestimation is also evident in the model-specific discretization between 2015 and 2025, shown in Figure 26, and a consistently positive spread (Figure 27).

In the model performance analysis (Figure 28), it is observed that, in SSP245, the best models were CAMS-CSM1-0, CNRM-CM6-1-HR, and CMCC-CM2-SR5, while in SSP585, the most robust group consisted of CNRM-CM6-1-HR, CAMS-CSM1-0, CMCC-ESM2, and CMCC-CM2-SR5.

Finally, in the maps from Figure 25, it can be observed that Minas Gerais shows a trend toward a deficit in the 2021–2040 period, while in the other regions there are already signs of increased precipitation, in both the SSP245 and SSP585 scenarios. In the case of the projected deficit for Minas Gerais in the 2021–2040 period, this may be associated with the fact that, in the near term, the forced signal of climate change still competes strongly with natural variability and with changes in the seasonality of the monsoon regime, such as a delay in the onset of the rainy season and a relative reduction in winter precipitation. In later periods, the signal of increased precipitation may emerge more clearly due to the strengthening of the thermodynamic component of the hydrological cycle in a warmer atmosphere, favoring greater moisture availability and intensified rainfall, especially in the summer and during extreme events.

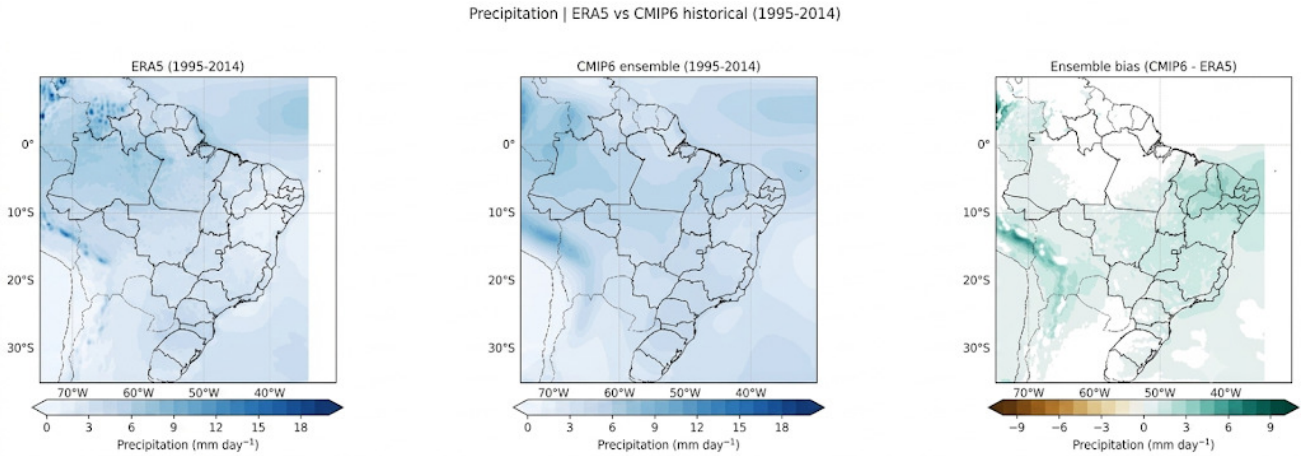


Figure 24. Spatial comparison between the ERA5 climatology, the average CMIP6 ensemble climatology, and the average ensemble bias over Brazil for precipitation during the period from 1995 to 2014.

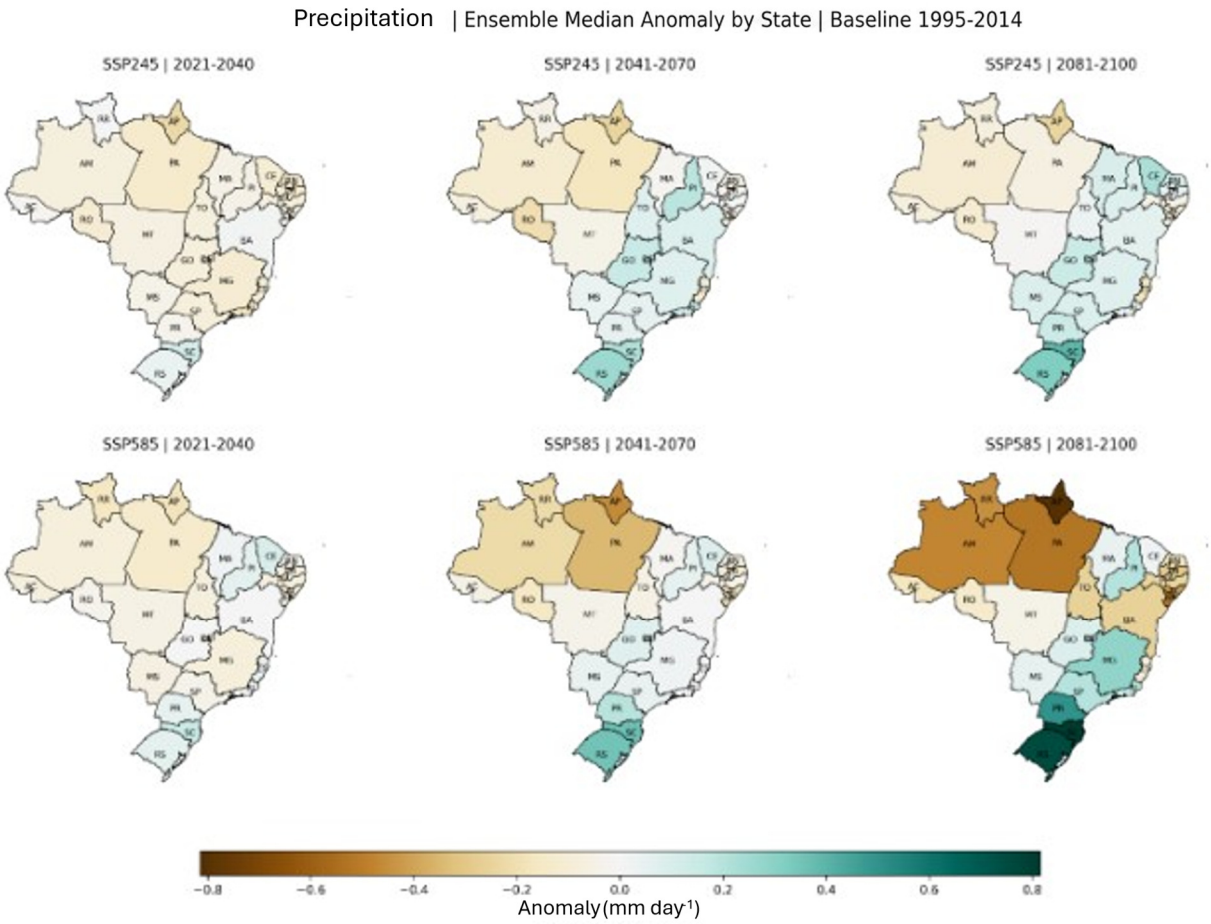
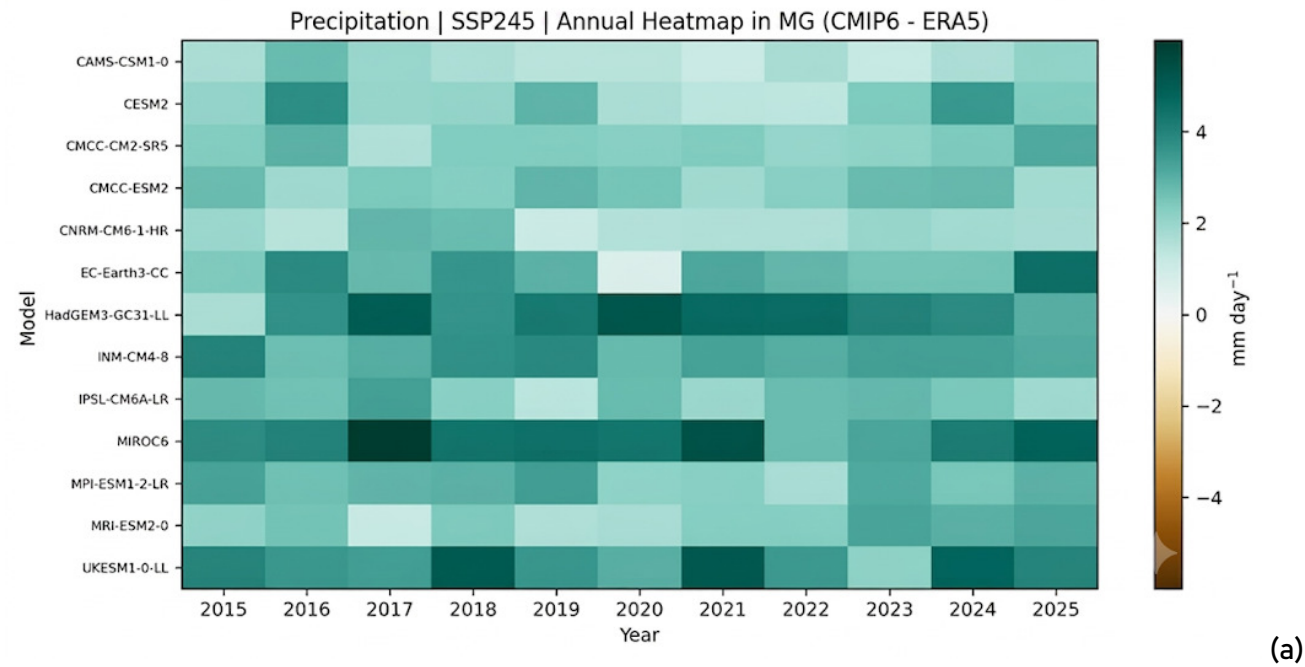
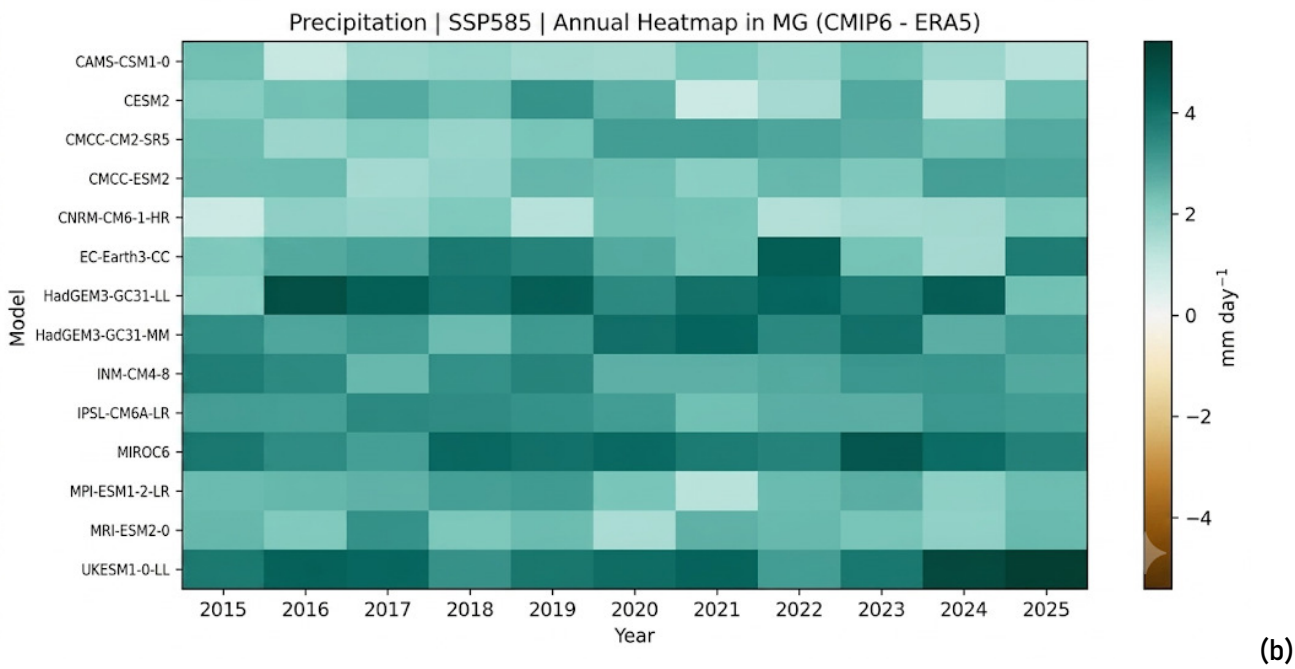


Figure 25. Map of the median of the CMIP6 ensemble by state, by period, and by climate scenario for precipitation.

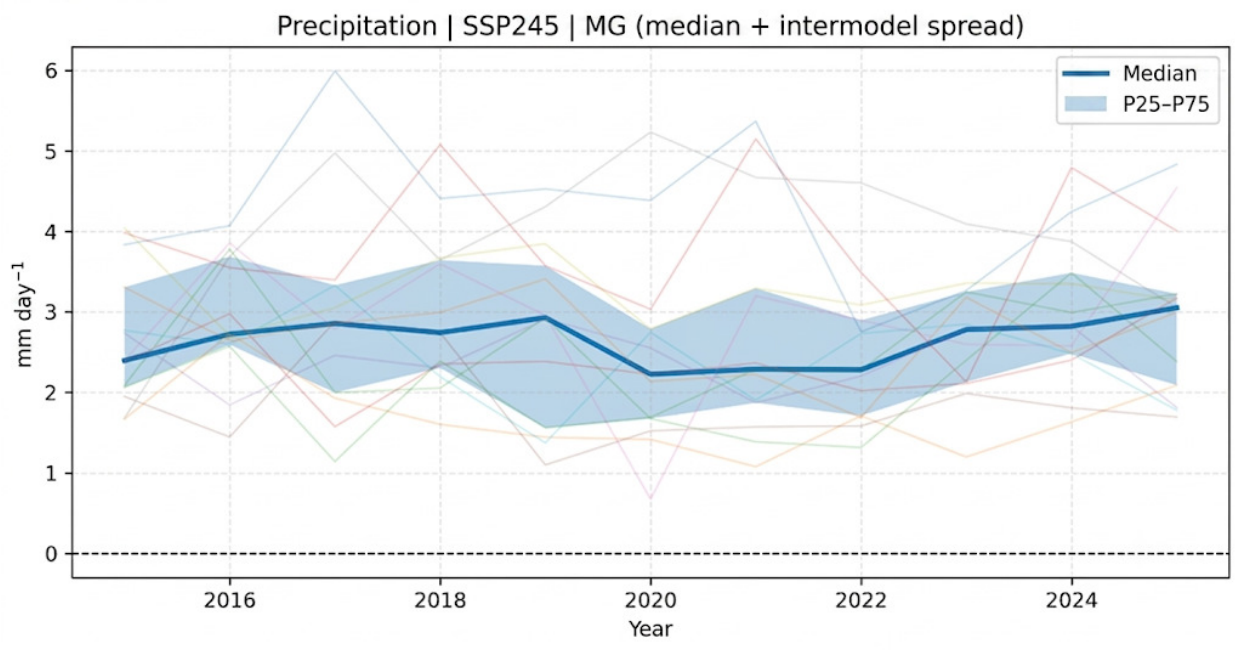


(a)

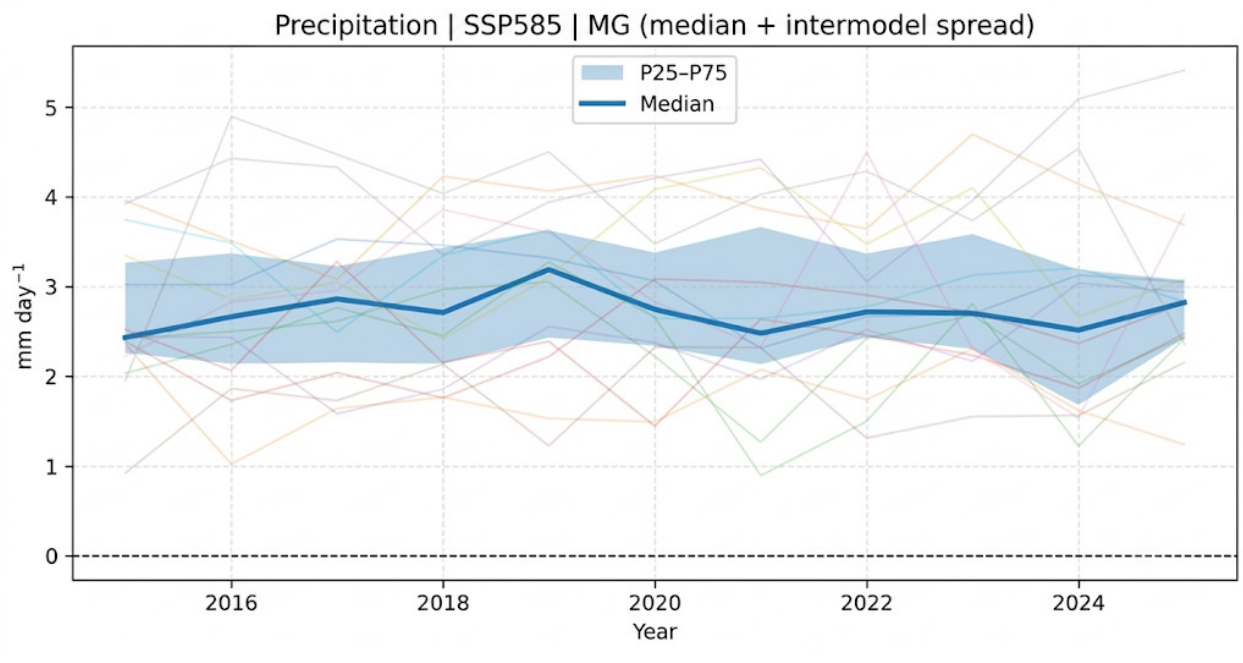


(b)

Figure 26. Annual precipitation deviations between CMIP6 models and ERA5 data for Minas Gerais under the SSP245 (a) and SSP585 (b) scenarios.

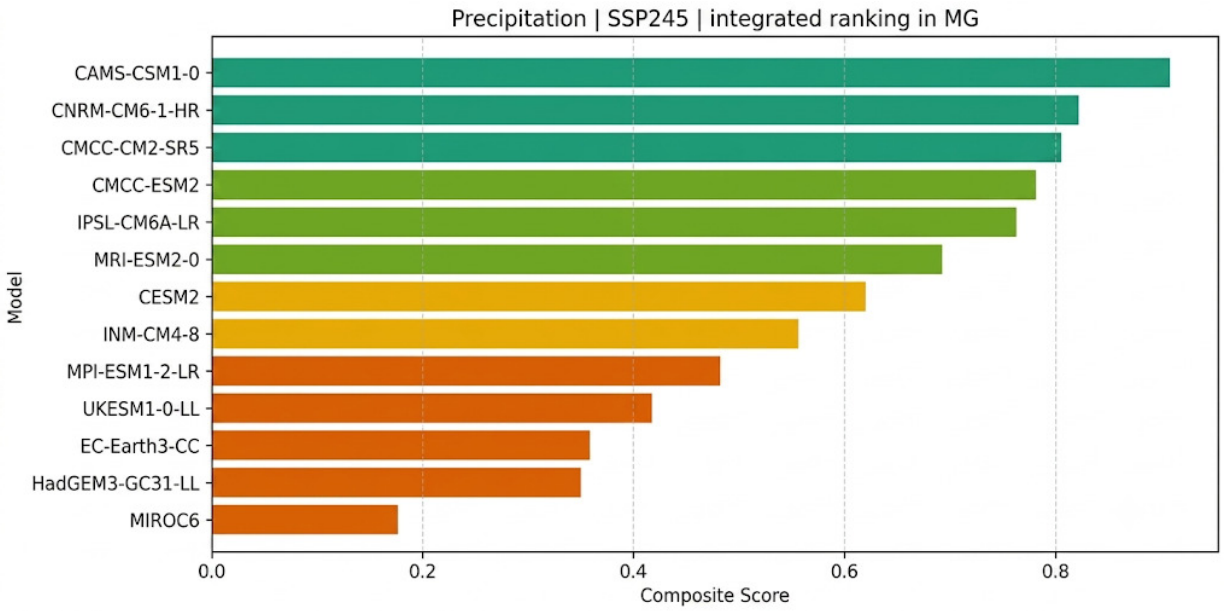


(a)



(b)

Figure 27. Median and inter-model spread of the annual mean precipitation anomaly in Minas Gerais for the period 2015–2025 for SSP245 (a) and SSP585 (b).



(a)

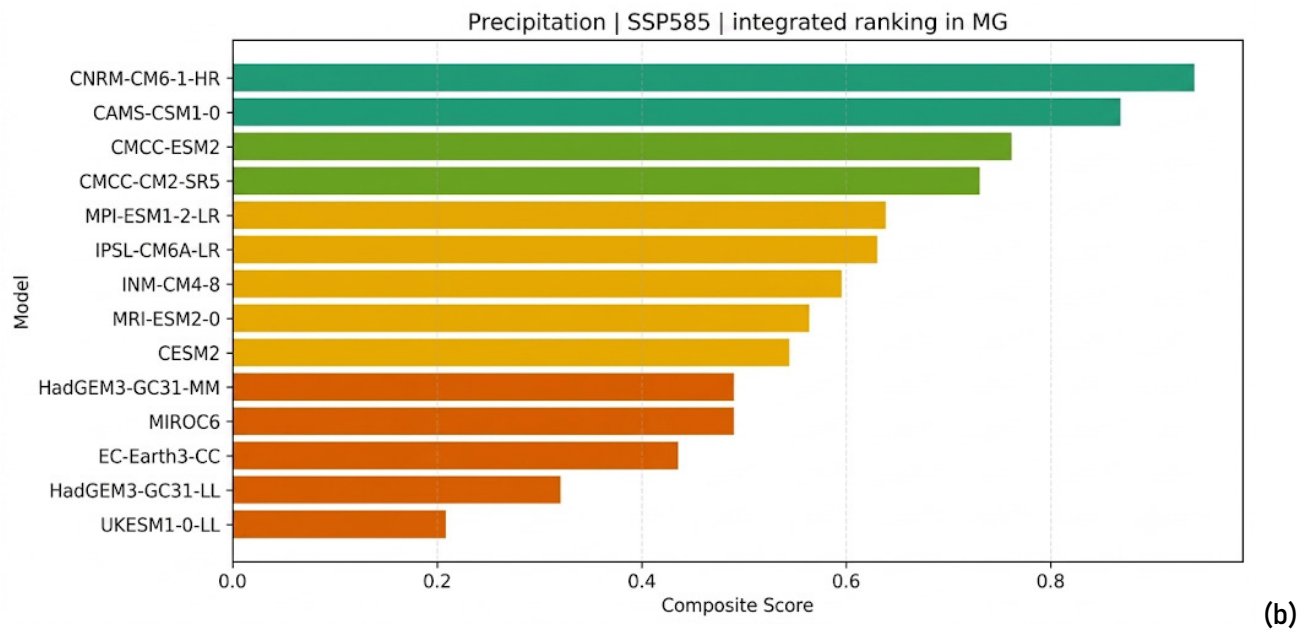


Figure 28. Integrated model ranking in Minas Gerais for precipitation under the SSP245 (a) and SSP585 (b) scenarios.

From Cemig's business perspective, **precipitation is likely the most strategic variable in this analysis**. In generation, it is directly associated with inflow, storage, and hydroelectric power plant output, with an immediate impact on energy security, dispatch, and the system's marginal cost. In transmission, extreme rain and flood events can flood substations, compromise access, cause erosion of foundations, and disrupt power lines. In distribution, heavy rain—especially when accompanied by wind and lightning—is one of the main causes of widespread outages, through fallen trees, structural collapse, urban flooding, and operational failures. In Minas Gerais, therefore, precipitation must be treated not only as a hydrological variable but as a central element of the electricity sector's resilience, including reservoir management, asset maintenance, field logistics, response to severe storms, and planning for extreme events.

Adaptation measures and future studies

Regarding adaptation measures, **Cemig is currently highly prepared to address the challenges posed by climate change**, due to the robustness and diversity of its meteorological monitoring and forecasting infrastructure, combined with the work of its own team of meteorologists. The availability of a robust network of weather stations, combined with a lightning detection network, a weather radar already in operation and another in the acquisition phase, as well as a GeoNetCast station for receiving satellite images, demonstrates a consistent strategy to strengthen atmospheric observation and environmental monitoring capabilities. This set of resources significantly expands the capacity to monitor severe weather events, enabling greater agility in identifying risks and more efficient protection of the company's assets.

Added to this observational apparatus is access to national and international weather models, which reinforces the robustness of the corporate forecasting, monitoring, and alert system. The presence of an in-house team of meteorologists is a key differentiator, as it ensures the qualified interpretation of these multiple information sources, the integration of observed data with numerical forecasts, and the translation of technical content into effective operational support. This strengthens the ability to anticipate extreme events, such as severe storms, lightning strikes, intense winds, and wildfires, with direct benefits for electricity generation, transmission, and distribution activities.

Thus, the company is in a strategic and unique position to adapt to climate change, not only because it possesses advanced technological tools, but also because it already has a technical and human foundation capable of supporting increasingly preventive, resilient, and meteorological intelligence-driven operations. In a scenario of increasing climate variability and intensifying extreme events, this capability represents a significant competitive advantage, strengthening service continuity, operational safety, and the long-term sustainability of the business.

In this context, the infrastructure already available at the company—combining atmospheric observation, numerical forecasting, and specialized technical support—creates a particularly favorable foundation for incorporating, in the future, the expected advancements of CMIP7 into climate analysis and risk management routines. In other words, the company not only currently possesses robust capabilities to monitor and respond to severe events, but is also well-positioned to take advantage of a new cycle of scientific and technological updates, in which more consistent climate projections, better-standardized variables, and approaches more focused on extremes and impacts can be integrated into energy planning, climate adaptation, and the continuous improvement of forecasting, monitoring, and warning systems.

The upcoming CMIP7 is expected to bring significant advances over CMIP6, having been designed in a more continuous and priority-driven format, with the introduction of Fast Tracks—particularly the Assessment Fast Track, designed to support climate assessments and service applications more quickly — in addition to the expansion of DECK, the updating of historical forcings, and a greater focus on experiments driven by CO_2 emissions, rather than solely by concentration trajectories. This new arrangement tends to make comparisons between recent climate and future projections more consistent and, at the same time, more useful for applied studies, such as those conducted in this work for Minas Gerais and Ceará. For future updates to this analysis, this means that results currently based on CMIP6 can be revisited using a set of experiments more aligned with climate assessment, offering better temporal continuity and greater adherence to the needs of impact assessment, adaptation, and energy planning.

Another expected benefit of CMIP7 lies in the standardization and expansion of the set of useful climate variables, since the CMIP7 data request focused on impacts and adaptation was developed with significant input from user communities and emphasizes more appropriate outputs for extremes, downscaling, bias adjustment, and regional applications. For future studies updating the results presented here, this opens the possibility of reevaluating temperature, precipitation, wind, and relative humidity with a more consistent dataset across models, better structured for sectoral analyses, and potentially more useful for linking climate skill to risk indicators for power generation, transmission, and distribution.

In the specific case of storms and severe weather, CMIP7 introduces an important conceptual shift by placing the question “how will dangerous and impactful weather patterns evolve?” among its central objectives, linking this agenda with experiments and MIPs focused on “changing weather,” variability, and extremes. This does not mean that CMIP7 global models will, on their own, directly resolve all local convective storms at fine scales; however, they should provide a more suitable basis for studying storm-prone environments, changes in hazardous weather patterns, and statistics on extreme events, especially when combined with regional downscaling and higher-resolution products. In future updates to this analysis, this will allow us to move beyond the average metrics currently used, incorporating more direct assessments of the risk of severe storms, gusts, extreme rainfall, and their impacts on reservoirs, transmission lines, and distribution networks.

4.2.4.2 Transition Scenarios

The objective of the transition scenario analysis is **to enable the company to develop robust strategies to address the challenges and seize the opportunities arising from the transition to a low-carbon economy**. The analysis seeks to answer questions relevant to Cemig, ensuring its long-term competitiveness and sustainability. Currently, there are three fundamental objectives guiding the company's strategy:

1. **Adaptation to decarbonization policies**: different public and regulatory policy scenarios can affect Cemig's operations and strategy. This includes analyzing how carbon pricing policies, subsidies for renewable energy, and environmental compliance requirements may impact operating and capital costs, as well as the company's growth opportunities.

2. **Investment in innovation and clean technologies**: integrating emerging technologies and innovations into operations to reduce emissions and improve energy efficiency is imperative in the sector. This encompasses the adoption of renewable energy sources, such as solar and wind, the development of energy storage solutions, and the implementation of smart grid management systems. The analysis should identify priority areas for R&D investment and the technologies that offer the greatest potential for positive impact.

3. **Diversification of the energy mix**: both opportunities and challenges are associated with expanding the share of renewable energy sources in Cemig's energy mix. The analysis allows for an assessment of how different market development and technological advancement scenarios can influence the viability and competitiveness of new energy sources, contributing to reduced dependence on hydroelectric generation and the company's resilience in the face of climate change.

As part of the analysis of transition scenarios, it is important to identify the **key variables that directly influence Cemig's ability to achieve its strategic objectives in the context of the energy transition**. These variables are fundamental to the construction and evaluation of different future scenarios and, in the current context of the company and the electricity sector, include:

a. **Climate policies and regulations**: including variables such as the implementation of carbon pricing, greenhouse gas emissions regulations, tax incentives for renewable energy, national emissions reduction targets, the opening and modernization of the electricity market, and evolving requirements related to climate reporting and sustainable finance. The evolution of public policies shapes Cemig's operating environment, affecting costs, investments, and growth opportunities.

b. **Technological Advances**: encompasses innovation in renewable energy technologies, energy storage systems, grid digitization and automation, and energy efficiency. The adoption of clean technologies can transform Cemig's operations, offering pathways to emissions reduction and operational improvements.

c. **Market conditions**: refers to variables such as demand for clean energy, energy prices, expansion of the open energy market, electrification of the economy, growth of distributed generation, demand for environmental attributes and traceable renewable energy, competitiveness in the renewable energy sector, and evolving consumer preferences.

Market dynamics influence Cemig's investment decisions and its ability to maintain a competitive position in the energy sector as it transitions.

d. **Financing and investment**: considers access to capital for investments in low-carbon technologies, financing conditions, and investor interest in sustainable projects. Cemig's ability to attract and allocate financial resources is essential for implementing its energy transition strategy.

e. ***Stakeholder* expectations**: includes the demands and expectations of customers, investors, regulators, and communities regarding Cemig's climate responsibility and sustainability. *Stakeholder* expectations can drive the adoption of more sustainable practices and influence the company's reputation and social license to operate.

Based on the objectives and highlighted variables, the IEA Net Zero Emissions by 2050 Scenario (IEA NZE 2050), International Renewable Energy Agency (IRENA), and IEA Stated Policies Scenario (IEA STEPS) were selected to assess the challenges facing Cemig. Below, we detail Cemig's position in each of these contexts.

- IEA NZE **2050** 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 rapid adaptation to emissions standards and active participation in carbon markets.

Cemig can take advantage of **incentives for renewable energy** and low-carbon power supply contracts to strengthen its competitiveness. Cemig plans to 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.

- IRENA Scenario

The energy transition is driven by the progressive adoption of renewable energy and a **significant increase in energy efficiency**. Incentive policies and support mechanisms, such as renewable energy auctions, could create a favorable environment for the expansion of Cemig's operations. The company will be able to take advantage of these incentives by actively participating in auctions and support programs, and adapt its operations to comply with new energy efficiency and emissions regulations.

Technological innovation will be a central pillar, and Cemig must strengthen its R&D capabilities in renewable energy and energy efficiency. Investments in new technologies, next-generation energy storage systems, and smart grids will be essential to facilitate the integration of renewable energy and demand management. Innovative solutions in microgrids and distributed energy technologies will also be important to provide additional flexibility and resilience to the energy system.

Diversifying the energy mix will require accelerating **solar expansion** plans and exploring opportunities in emerging energy sources, such as geothermal and ocean **energy**, depending on technical and economic feasibility. The expansion of distributed generation is a key initiative to diversify Cemig's energy mix, in addition to considering the electrification of its own processes and the development of solutions for industrial and commercial customers seeking to reduce their own carbon footprints.

- IEA STEPS

Given that this scenario **assumes a climate ambition limited to the policies and targets currently in place in the country and the energy sector**, it is a scenario in which the temperature increase would exceed the limits established in the Paris Agreement, surpassing 2°C. For Cemig, less ambitious targets at the governmental and sectoral levels may result in a slower pace of energy transition, given the dependence on regulatory and market structures, with reduced expectations for decarbonization incentives. This slowness may hinder the rapid adaptation needed to address growing demands for cleaner and more sustainable energy sources.

Cemig's response to the identified limitations involves a **strategy to maximize opportunities within the current regulatory and budgetary context**. For example, Cemig should keep a close eye on renewable energy auctions while also continuing to invest in smart grid technologies and energy storage systems to improve efficiency and facilitate the integration of renewable sources, such as solar and wind, into its energy mix.

In addition, Cemig can adopt a cautious and incremental approach to diversifying its energy mix. This includes **continuing to gradually expand solar and wind generation capacity** while exploring the economic viability of emerging sources. The company can also strengthen its energy efficiency initiatives and electrification programs, aligning with existing efficiency and sustainability policies and ensuring possible progress toward the Net Zero goal, even if the regulatory environment and sectoral policies are not the most conducive to the transition.

An analysis of the IEA NZE 2050, IRENA, and IEA STEPS scenarios reveals distinct paths for Cemig's energy transition, each with its own challenges and opportunities. In the IEA NZE 2050 scenario, Cemig must contend with strict regulations and high carbon costs, requiring it to intensify investments in clean technologies to align with decarbonization policies. The IRENA scenario offers a more favorable environment, driven by incentives and supportive policies, facilitating the expansion of renewable energy operations and requiring the adoption of emerging technologies to increase efficiency and integrate new energy sources. The IEA STEPS scenario, on the other hand, is more conservative and reflects current policies, imposing limitations on the pace of the energy transition, challenging Cemig to maximize opportunities within the existing regulatory framework and focus on incremental improvements in efficiency and the integration of renewable energy. In all scenarios, however, **Cemig's strategic adaptation must align with ongoing investments in innovation**, which are essential to maintaining its competitiveness and resilience in the transition to a low-carbon economy. For this reason, these measures are part of the resilience strategy developed by the company.

4.2.5 Adaptation and Resilience Actions

Climate change adaptation measures are detailed in the Climate Change Adaptation Plan, available on the company's website. Table 8 below highlights some of the physical risk adaptation measures applicable for the next five years (2026–2030). It details ongoing adaptation actions and those planned for the future, highlighting the affected business activities, potential impacts on the business, and initiatives implemented and planned to address the challenges.

Table 8. Summary of physical risk adaptation actions.

Physical Risk	Business Activity	Potential Impact on the Business	Actions Implemented by 2025	Actions planned for the next 5 years
Temperature increase	Transmission/Distribution	Increased stress on equipment, leading to damage and reduced service life, such as transformers. Decrease in air humidity and increased likelihood of wildfires.	Temperature monitoring at the local and large-scale levels. Identification of areas with observed high risk. Pilot project on the Betim 6, 345 kV system regarding the dynamic capacity of LVs using Digital Twins. Creation of a Heat Wave Alert System.	Improvements to the weather forecasting system using AI. Development of a methodology to calculate the impact of high temperatures on equipment lifespan. Renewal of assets, aimed at improving the supply of electricity.
Increase in wind speeds	Transmission/Distribution	Damage to transmission networks	Monitoring of extreme weather events and use of weather alerts to prepare the operations team. Contingency Plan training for teams, incorporating adjustments and improvements from the latest revision of the contingency plans. Automation of the electricity distribution system, aimed at reducing system recovery time. Expansion and management of the workforce on critical days.	Installation of 25,000 automatic reclosers by 2028. Installation of 1.7 million automated meters by 2028. Ongoing technical training with O&M teams for line reconstruction, investment in the acquisition of emergency structures, and optimization of service logistics for all transmission teams. Digitization of overhead line assets in a geospatial environment, modernization of equipment, and line inspection tools.

Physical Risk	Business Activity	Potential Impact on the Business	Actions Implemented by 2025	Actions planned for the next 5 years
			Asset maintenance plan. Plan for the management and coexistence of trees and the power grid. Acquisition of a 500 kV modular transmission tower. Expansion of the company's lightning detection network. Verification and standardization of spare parts inventory – Ongoing initiative. TET Tower: Rapid and Temporary Installation – sets of towers in adequate quantities and geographically distributed to enable rapid response. Training of maintenance teams on line projects to ensure a faster response when necessary – PL5 CAD, Variant Calculation. Implementation of a dual-feed system in approximately 700 municipalities within the concession area, enabling alternative supply via	ANEEL R&D projects to measure the impact of climate change on overhead line assets. Exploring new engineering solutions in the national and international electric power sector market. Organization of new technical meetings on new technologies applicable to contingency plans in the power transmission sector. Compile wind maps from recent years to identify locations with the highest incidence of critical winds affecting airline structures. Install new automatic weather stations. Upgrade the Cemig Weather Radar System. Use of TW relays, with a focus on identifying cable faults and breaks. Expand dual-feed coverage to new municipalities,

Physical Risk	Business Activity	Potential Impact on the Business	Actions Implemented by 2025	Actions planned for the next 5 years
			independent circuits and reducing outage duration during contingencies.	strengthening the interconnection of the state power grid.
Reduction in water availability	Hydroelectric generation	Reduction in hydroelectric generation	Construction of solar power plants in 2024/2025. Effective reservoir management. Repowering and/or expansion of hydroelectric power plants.	Investments in new energy generation sources (solar and wind). Effective reservoir management. Investment in storage solutions (BESS and pumped-storage plants).
Heavy rainfall	Generation/Transmission/Distribution	Interruption of electricity supply Difficulty accessing assets (flooding or landslides)	Modernization of distribution lines: automation of reclosers, digitization, and modernization of substations. Contingency Plan training for teams, incorporating adjustments and improvements from the latest revision of the contingency plans. Automation of the electricity distribution system, aimed at reducing system recovery time.	Ongoing technical training with O&M teams for line reconstruction, investment in the acquisition of emergency structures, and optimization of service logistics for all transmission teams. Digitization of overhead line assets in a geospatial environment, modernization of equipment, and line inspection tools.

Physical Risk	Business Activity	Potential Impact on the Business	Actions Implemented by 2025	Actions planned for the next 5 years
			Expansion and management of the workforce on critical days. Asset maintenance plan. Asset renewal, aimed at improving the electricity supply. Review of the sizing of asset structures and verification of protective measures. Coordinated and integrated action with public agencies to promote better service to the public, including the possibility of using reservoirs to mitigate and delay flooding. Creation of a supervisory system for flood control. Implementation of a dual-feed system in approximately 700 municipalities within the concession area, enabling alternative supply via independent circuits and reducing outage duration during contingencies.	Renewal of assets, aimed at improving the supply of electricity. ANEEL R&D projects to measure the impact of climate change on overhead line assets. Exploring new engineering solutions in the national and international electricity sector market. Organization of new technical meetings on new technologies applicable to contingency plans in the power transmission sector. Renewal of assets, aimed at improving the supply of electricity. Installation of 25,000 reclosers by 2028. Installation of 1.7 million automated meters by 2028. Structural assessment of generation assets during Periodic Safety Reviews (PSR).

Physical Risk	Business Activity	Potential Impact on the Business	Actions Implemented by 2025	Actions planned for the next 5 years
				Implementation of communication and alert measures and devices for communities downstream of power plants, including simulated training exercises. Expansion of dual-feed coverage to new municipalities, strengthening the interconnection of the state power grid.
Fires	Transmission/Distribution	Damage to transmission networks	Mechanized right-of-way clearing, wildfire monitoring system, online platform www.apagaofogo.eco.br Replacement of wooden lines with metal-frame lines. Working in a coordinated and integrated manner with public agencies to provide better service to the public. Communication campaigns to prevent and combat wildfires. Improvement of the capacity to detect and issue wildfire alerts.	Mechanized strip clearing, wildfire monitoring system, online platform www.apagaofogo.eco.br Replacement of all wooden power lines with metal lines by 2028.

Source: Cemig, 2026.

4.2.6 Resilient Strategy: Climate Action Plan

In 2023, Cemig began developing its Climate Action Plan in partnership with a consulting firm specializing in climate change. This was a significant step, as the company and its subsidiaries have reached a sufficient level of maturity to commit to more ambitious goals and coordinate a comprehensive decarbonization process involving all scopes and areas of operation. In the same vein, the second edition of the TCFD Report was published, providing updates on the company's progress and greater alignment with TCFD recommendations.

The release of the Climate Action Plan in 2024 consolidates various initiatives and lessons learned by Cemig over the years. This plan represents a milestone, bringing together a more integrated and robust set of climate practices and targets, providing clear direction for the successful journey the organization has been undertaking in the fight against climate change.

In 2025, Cemig will implement the guidelines outlined in the Climate Action Plan across the entire company to ensure compliance with the goals and commitments listed in the document, now including targets approved by the Science Based Targets initiative. In addition to mitigation actions, the plan addresses adaptation to physical and transition climate risks, governance aspects, internal incentives, and the integration of the climate agenda into the company's strategy. The following outlines the lines of action adopted by the company that guide the decarbonization strategy.

Areas of Action – Climate Action Plan

- **Expansion of the power generation fleet** with investments in renewable energy sources;
- **Tracking the emission sources** of the energy sold;
- Expansion of energy sales with **renewable energy certificates** (Cemig REC and I-REC);
- **100% renewable energy for** internal consumption;
- **Modernization and innovation** of the electricity distribution service;
- **Reduction of** transmission and distribution **losses**;
- Engagement with **suppliers** to reduce emissions from services and products;
- **Electrification** of its own vehicle fleet;
- **Energy Efficiency** Program and raising awareness among its customers;
- **Political engagement** aimed at supporting initiatives to decarbonize the economy;
- Investments in innovative projects aligned with the **energy transition**;
- Creation of **incentives** related to decarbonization goals for the entire company.

In order to assess and track the investments already being made in line with the Transition Plan, **Cemig has voluntarily and on an unaudited basis adopted the European Green Taxonomy** to classify its financial expenditures, given the absence of a Brazilian taxonomy. This taxonomy defines economic activities considered sustainable and green, helping to clarify for investors which actions are environmentally sustainable. In accordance with this classification, the company has directed its investments toward areas such as the production of electricity from renewable sources (such as wind and solar energy), electricity transmission and distribution, and energy storage.

In addition, **Cemig classifies 100% of its CAPEX investments as eligible under the taxonomy**; that is, all these investments have the potential to be classified as green or environmentally sustainable,

but specific criteria would still need to be met to determine their effective contribution to climate change mitigation or adaptation. The Table 9 below consolidates this information.

Table 9. Cemig's voluntary classification regarding the alignment and eligibility of Revenue and CAPEX for 2025 according to the European Green Taxonomy.

	Revenue	CAPEX
Total eligible under the taxonomy	97%	100%
Total aligned with the taxonomy	72%	91%
Total ineligible according to the taxonomy	3%	0

Source: Green Financing (Cemig, 2026).

Cemig's proactive approach to adopting international sustainability standards and investing in green technologies and practices not only reinforces its position as a leader in the energy transition but also demonstrates its commitment to the decarbonization of the economy.

To clarify how Cemig has been determining which actions should be prioritized in light of the presented scenarios, culminating in the development of the Climate Action Plan, it is important to describe how the organization identifies, assesses, and manages risks and opportunities related to climate change. In this context, the next section will address in detail the processes used by Cemig to effectively address these issues. Additionally, it will present how these processes are interconnected with the organization's overall risk management, ensuring an integrated and comprehensive approach to mitigating the impacts of climate change across all areas of the company's operations.

4.3 RISK MANAGEMENT

OBJECTIVE
To disclose how the company identifies, assesses, and manages climate-related risks.
GUIDELINES

• Describe the processes for identifying and assessing climate risks:
  ○ Include the procedures related to transition risks and physical risks.
  ○ Explain how these processes consider magnitude, probability, and time horizon.
• Describe how climate risks are managed:
  ○ Integrate them into the company's general risk management processes.
  ○ Describe the processes for developing mitigation and response strategies.
• Explain how climate processes are integrated into corporate risk management:
  ○ Demonstrate how governance and strategic decisions are informed by these processes.

Cemig implemented its corporate risk management system in 2003 and has been continuously improving it ever since. Structured around processes, this management system is aligned with the Company's Master Plan and strategic planning, and is primarily guided by the Corporate Risk Management and Internal Controls Policy.

4.3.1 Risk Management Process

The Corporate Risk Management and Internal Controls Policy, the most recent version of which was approved by the Board of Directors in 2025, defines the guidelines and responsibilities for the identification, analysis, treatment, and monitoring of risks.

Responsibility for the Corporate Risk Management and Internal Controls Policy is assigned to the Board of Directors, as provided for in Cemig's **Bylaws**. This body is also responsible for the annual validation of the Company's risk matrix, as well as the general guidelines for establishing acceptable limits for the Company's exposure to risks. This commitment at the highest level of governance reinforces both the importance attributed to risk management and Cemig's commitment to best practices in Corporate Governance and Risk Management.

Currently, the risk management process, along with the internal controls, data privacy, compliance, and ombudsman processes, are integrated **into** the **Compliance Department**. This integration of risk and internal control processes has strengthened their synergy while preserving independence from other processes, contributing to senior management's decision-making and the protection of the company's value.

Cemig's Corporate Risk Management and Internal Controls Policy and Risk Appetite consider the Precautionary Principle (GRI 102-11) as one of the elements taken into account in the decision-making process related to risk management. This policy follows guidelines aligned with best market practices, notably its adherence to **the "Three Lines Model**," recognized as an effective approach for structuring governance and responsibilities in risk management.

The Three Lines Model provides a clear framework for coordinating the functions involved in risk management and internal controls, preventing overlapping activities and gaps in controls. It does not require the creation of new organizational structures, but precisely defines the responsibilities

of each party involved. Accordingly, **each area of Cemig is responsible for managing the risks under its purview**, while the Risk Management and Internal Controls Department acts centrally to monitor the implemented risks and controls.

The **first line consists of the owners of the risks and internal controls** for Cemig's **respective businesses, departments, and processes**. It is up to these administrative and business areas to lead mitigating and preventive actions, manage risks directly linked to their activities, and allocate resources to achieve the organization's strategic objectives.

The **second line consists of the areas responsible for providing technical and methodological support for risk management and internal controls**, as well as ensuring that practices are being correctly implemented in the first line. This layer also collaborates in defining risk tolerance and disseminating information related to the topic within the company. At Cemig, the Compliance, Risk Management, and Internal Controls departments comprise the second line, coordinating processes and providing ongoing support to those responsible for risks and controls.

Finally, **the third line consists of the Internal Audit Department**, whose function is to provide independent and objective assessments to management and governance bodies. This line verifies the adequacy and effectiveness of governance, risk management, and internal control systems, contributing to the achievement of organizational objectives and encouraging continuous improvement. Figure 29 below summarizes the dynamics of the Three Lines Model.

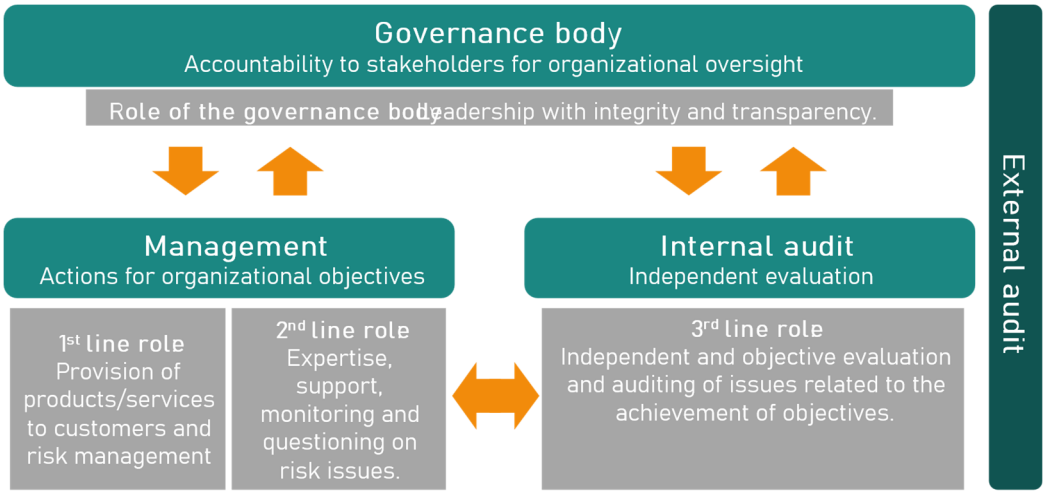


Figure 29. Three Lines Model.
Source: Adapted from the Annual Sustainability Report (Cemig, 2025).

To strengthen Cemig's risk management, the company has implemented several initiatives in recent years aimed at maintaining an integrated risk governance model to ensure the achievement of its strategic objectives. These initiatives include:

- Review and approval of the 2025/2026 Top Risks Matrix by Cemig's various governance forums;
- Updating and approval of the Risk Management and Internal Controls Policy and the Risk Appetite Statement for 2025;
- Evolution in the description of the Top Risks concept, calibrating risk exposure within measurement ranges, thereby enhancing the accuracy of the process;
- Promotion of a risk culture through increased coverage of related topics in the Company's communication channels;

- Dissemination of the risk culture within Cemig's Executive Committees, participating in monthly and/or bimonthly meetings; and

- Developing, by 2025, a crisis management plan that defines responsibilities, communication flows, training, and response strategies for adverse situations.

As part of the continuous improvement of the risk management process, a key achievement in 2023 was obtaining the **Declaration of Conformity** with the ISO 31000:2018 standard, issued by Bureau Veritas. Internationally recognized, ISO 31000 is a benchmark standard that provides fundamental guidelines to support decision-making, strategic planning, and risk management at all levels of the Company, promoting an integrated approach to business management and the organizational context.

Obtaining this Statement of Conformity was made possible following a rigorous external audit, which assessed all of Cemig's departments. The audit process analyzed and validated aspects such as the organizational structure, documented procedures, and the risk management environment and culture, ensuring their adherence to the criteria defined by the standard. The Statement undergoes annual revalidation and remains in effect through 2025, which encourages the Company to continuously maintain and improve its risk management practices.

4.3.2 Risk identification and assessment process

Based on the guidelines set forth in the Risk Management and Internal Controls Policy, Cemig has established a **risk management** process **that enables the mapping and assessment of both strategic risks and those arising from operational activities**. This process is coordinated by the Risk Management and Internal Controls Department, which provides technical support to the company's various departments. The objective is to provide information to Senior Management for decision-making regarding the most significant risks and opportunities.

The result is represented in a **6x6 risk matrix**, as shown in Figure 30. As mentioned, each management team is responsible for identifying risks related to its specific context. The assessment is conducted by considering the probability of occurrence and the maximum impact that such an occurrence would have on the company.

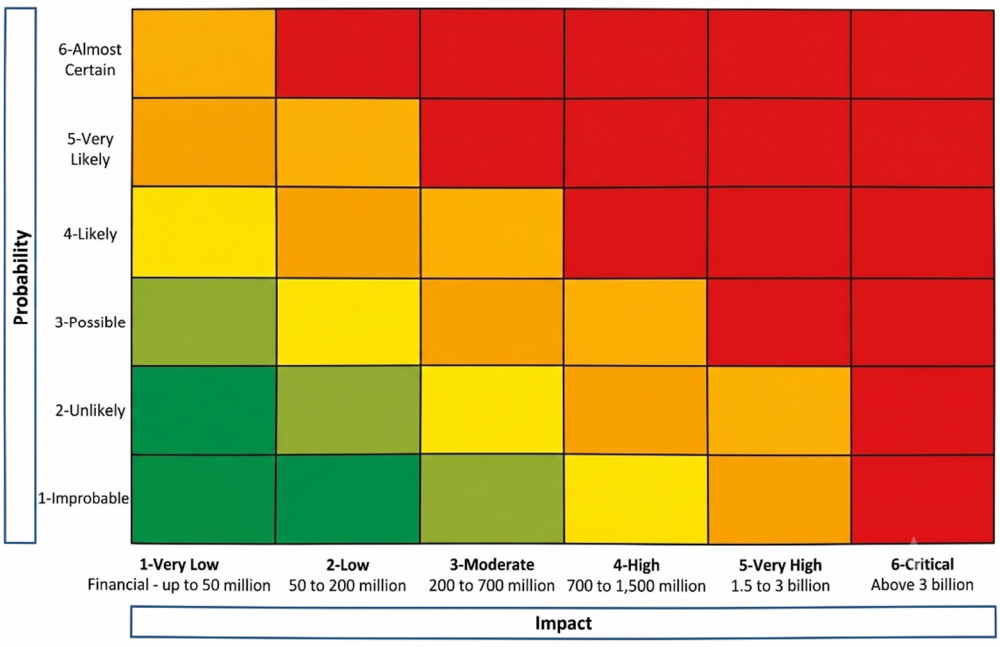


Figure 30. Cemig risk matrix.

Source: Cemig, 2024.

The result of cross-referencing the probability of occurrence with the worst-case scenario among the impacts provides a framework for the company to prioritize risks.

As a practical example in the context of operations, a substantial impact may result, for instance, from an event that interrupts the power supply in a given region, which can lead to consequences such as demands from local operations, fines, and other financial and non-financial repercussions. For this reason, Cemig's governance structure requires the Board of Directors and the Committees to consider the **potential environmental, social, and reputational impacts in risk assessments**—factors that will influence the response strategy.

Risk Management

1. Planning Stage

For the corporate risk management process to be effective, the first step is the approval and internalization of the strategic guidelines and objectives that Cemig intends to achieve. It is through the review of the company's Strategic Plan that the Corporate Risk Matrix is also reviewed, based on an analysis of the context.

2. Identification Phase

During the risk identification phase, the department responsible for centralized risk management and internal controls analyzes market reports and consults with managers from departments related to the identified issues, including those that interact with external stakeholders, such as Investor Relations, Strategic Planning, Sustainability, and the General Secretariat.

Each management team, therefore, maps and reviews the risks associated with its activities, identifying their causes and the potential impacts involved.

3. Analysis stage

The analysis stage involves determining the probability of risk occurrence and qualifying/quantifying the mapped impacts. The probability assessment considers the likelihood of each risk occurring within a previously established time horizon. Impacts are measured based on the affected dimensions, using a qualitative approach that considers the worst-case scenario for risk materialization.

Based on this process, the Risk Matrix is constructed, resulting from the combination of the probability of occurrence and the maximum impact of each risk. From this, Cemig prepares the Top Risks Matrix, which covers the priority risks associated with its strategic pillars: Generation, Transmission, Distribution, Marketing, Information Technology, Institutional Regulation, among others, as required to align with the current Strategic Plan.

The matrix is submitted to the Executive Board for deliberation and is subsequently forwarded to the Board of Directors' Risk Committee and to the Board of Directors itself. The proposal may also be presented to the Audit Committee and the Fiscal Council.

This classification of Top Risks occurs annually and, in 2025, involved all of Cemig's Executive Departments, with the mapping of 21 Top Risks, of which 4 are related to the environment.

4. Treatment Phase

This stage involves surveying existing controls that mitigate the identified risks, ensuring that the residual risk—or current risk—corresponds to that indicated in the analysis phase. Ongoing action plans for addressing the risks are also considered.

Once the respective risk owners have defined the actions to be taken, they assign responsibilities to the relevant departments, which are then tasked with implementing and monitoring the action plans and reporting periodically on the progress made.

5. Monitoring phase

For the mapped risks, the Risk Management and Internal Controls Department requests periodic updates on the status of the action plans, as well as reviews that allow for the identification of improvements or the reassessment of assigned priorities.

In the context of physical risk management, Cemig has been developing a Climate Risk Database focused on its assets. This database includes a history of wildfires and lightning strikes by transmission line and tower, allowing the identification of those most susceptible to events that could cause outages. Transmission and distribution substations are also included, along with forecast data for severe events at each analyzed location.

The alignment of this methodology with ISO 14091:2021 – Adaptation to Climate Change – is currently under discussion by Cemig's internal teams, in conjunction with specialized consulting firms.

4.3.3 *Top Risks* identified by the company

Among the Top Risks mapped in the latest revision of the matrix, the following stand out in the area of environment and climate: (1) Risk of failure to adapt to physical and transition risks related to climate change; (2) Failure to promote best sustainability practices (ESG); (3) Risk of non-compliance with environmental obligations linked to authorizing acts; (4) Risk of environmental accidents at Generation and Transmission assets.

In summary, the processes for addressing these risks are organized as follows:

(1) Risk of failure to adapt to physical and transition risks related to climate change

DESCRIPTION

The risk refers to the inadequacy of the climate change mitigation and adaptation measures adopted by Cemig, whether due to implementation failures or the inefficiency of the strategies adopted to minimize the impacts of extreme weather events and gradual changes, which may result in increased vulnerability of the assets and hinder the achievement of established greenhouse gas emission reduction targets.

PROBABILITY AND POTENTIAL IMPACT

The probability of this risk occurring is considered very likely, in line with projections presented by the Intergovernmental Panel on Climate Change (IPCC), which indicate an increase in the frequency and intensity of extreme weather events due to continued global GHG emissions. Although such events may directly affect the operation of Cemig's assets, investments made in modernizing and strengthening the electrical infrastructure—particularly through the Distributor's Development Plan—help reduce financial exposure to the risk. Thus, even in the event of extreme weather events, the existence of response mechanisms and operational alternatives to maintain service delivery results in a financial impact currently classified as low. However, in the absence of effective mitigation and adaptation measures, it is projected that, in the medium term, the increased frequency and intensity of these events could raise the financial impact to a medium level.

MANAGEMENT AND MITIGATION AND ADAPTATION MEASURES

With the aim of strengthening its climate resilience and minimizing financial and operational impacts, Cemig adopts mitigation and adaptation measures that include continuous monitoring of weather conditions through climate models, scenario analyses, and warning systems for extreme events. Additionally, its 2026–2030 Strategy includes investments to expand and diversify the generation portfolio, with a priority on renewable sources, as well as the modernization and reinforcement of the energy distribution infrastructure. The Company also develops initiatives focused on the energy transition and decarbonization, including Green Hydrogen projects, the implementation of the Climate Transition Plan and the Climate Change Adaptation Plan, as well as the management of emission reduction targets validated by *the Science Based Targets initiative* (SBTi) in 2025.

RESULTS

The initiatives implemented contribute to enhancing Cemig's operational resilience in the face of climate change impacts, reducing the vulnerability of assets and strengthening the continuity and reliability of energy supply. Investments in infrastructure adaptation, combined with mitigation and energy transition actions, help minimize potential financial and operational impacts resulting from extreme weather events, while supporting the Company's climate goals and reinforcing the long-term sustainability of its business.

(2) Failure to promote best sustainability practices (ESG)

DESCRIPTION

The risk refers to a failure to promote and integrate best sustainability practices related to environmental, social, and governance (ESG) issues, which may result in increased exposure to corporate, regulatory, and reputational risks. Failure to adopt practices aligned with the expectations of investors, regulators, customers, and other stakeholders may compromise the Company's ability to anticipate new legal requirements, reduce the ability to capitalize on opportunities related to innovation and the transition to a more sustainable economy, and negatively impact its reputation, its positioning in sustainability ratings, and its attractiveness to the market and investors.

PROBABILITY AND POTENTIAL IMPACT

The probability of this risk occurring is considered possible in the short term, as the ESG agenda is constantly evolving and subject to regulatory, market, and stakeholder expectation changes. Although Cemig has structured mechanisms to monitor trends, manage risks, and identify opportunities related to sustainability, there are external factors that are not fully controllable. In this context, the ESG Strategic Plan helps reduce risk exposure through a corporate approach based on scenario analysis and continuous improvement. Any failure to comply with relevant requirements, shortcomings in the management of ESG aspects, or a deterioration in stakeholder perception could result in reputational, financial, and market impacts, the magnitude of which will depend on the prevailing economic and institutional context. However, given the existence of policies, procedures, and dedicated departments for managing ESG issues at the Company, as well as its strong standing with major rating agencies, the financial impact is currently classified as low.

MANAGEMENT AND MITIGATION AND ADAPTATION MEASURES

To strengthen its sustainability efforts and reduce its exposure to risks associated with ESG issues, Cemig integrates these principles into its strategic planning through an ESG Strategic Plan focused on the continuous improvement of environmental, social, and governance practices. Its corporate strategy reaffirms its commitment to generating sustainable value through responsible environmental management, promoting positive impacts in the communities where it operates, excellence in corporate governance, and prioritizing health and safety. Among the key initiatives adopted are the annual preparation of a greenhouse gas (GHG) emissions inventory based on the GHG Protocol methodology, for which the Company received the Gold Seal; the periodic monitoring of sustainability indicators; the continuous assessment of criteria and questionnaires for ESG ratings and indices, such as Dow Jones and ISE B3; annual participation in transparency and reporting initiatives, such as CDP; the support of specialized consulting firms for information collection, reporting, and assurance processes; and the monitoring and evaluation of suppliers from the perspective of sustainability and risk management.

RESULTS

The initiatives implemented contribute to strengthening sustainability governance, expanding the Company's capacity to respond to regulatory and market demands, and promoting the continuous improvement of its ESG performance. As a result, Cemig reinforces its position in sustainability assessments and ratings, strengthens its reputation among stakeholders, expands its access to sustainable financing, and increases its competitiveness in a business environment increasingly driven by ESG criteria.

(3) Risk of non-compliance with environmental obligations linked to authorizing acts

DESCRIPTION

The risk refers to non-compliance with terms, conditions, or requirements established by environmental agencies, which may involve operational, technical, or other regulatory requirements, resulting in administrative sanctions, fines, operational restrictions, suspension or loss of environmental licenses, as well as reputational impacts and potential delays in the execution of projects and ventures.

PROBABILITY AND POTENTIAL IMPACT

The probability of this risk occurring is considered unlikely, as Cemig systematically monitors the deadlines and obligations associated with authorizations through strategic and operational indicators, supplemented by periodic monitoring meetings. The existence of internal procedures, a clear definition of responsibilities, and control mechanisms helps reduce exposure to risk, resulting in the short-term financial impact currently being classified as low.

MANAGEMENT AND MITIGATION AND ADAPTATION MEASURES

To reduce its exposure to this risk, Cemig maintains structured processes for managing and monitoring environmental conditions and other obligations linked to authorizations, integrating this monitoring into corporate risk management. Among the main measures adopted are the monitoring of deadlines for compliance with environmental conditions and forest compensation, the monitoring of affected biomass, where applicable, the use of environmental performance indicators, and the periodic testing of internal controls to verify their adequacy and effectiveness.

RESULTS

The initiatives implemented contribute to strengthening the Company's environmental compliance and protecting its strategic assets, reducing the likelihood of non-compliance with legal and regulatory requirements and minimizing potential financial, operational, and reputational impacts. In addition, the continuous monitoring of environmental obligations and the integration of this issue into corporate risk management reinforce Cemig's ability to maintain the regularity of its operations and the legal certainty of its projects in the long term, and contribute to the transition to a low-carbon economy, seeking to ensure its competitiveness and sustainability in the long term.

(4) Risk of environmental accidents at Generation and Transmission assets

DESCRIPTION

This risk refers to the occurrence of environmental accidents associated with power Generation and Transmission activities, particularly events involving fish mortality and leaks of insulating oils or lubricants, which are considered the most significant in terms of probability and potential impact. Accidents related to fish fauna may occur during the construction, maintenance, and operation of hydroelectric plants, while oil leaks may result from the operation of equipment that uses large volumes of these materials. The occurrence of these events causes damage to the environment, in addition to resulting in regulatory sanctions, financial losses, and damage to the Company's reputation.

PROBABILITY AND POTENTIAL IMPACT

The probability of this risk occurring is considered unlikely, given the operational controls, monitoring procedures, and preventive measures adopted by Cemig. However, the nature of power generation and transmission operations involves inherent environmental aspects that may lead to events related to fish fauna or oil spills, especially at facilities that handle large volumes of this material. Based on historical penalty amounts and the limits set forth in applicable legislation, the financial impact is currently classified as very low.

MANAGEMENT AND MITIGATION AND ADAPTATION MEASURES

To reduce its exposure to this risk, Cemig maintains an environmental management and operational safety system focused on the prevention, monitoring, and response to environmental emergencies. Among the main measures adopted are the continuous monitoring of dams, reservoirs, and the environmental conditions of the projects, the conduct of periodic audits and inspections, the implementation of emergency plans, training teams to respond to critical situations, maintaining a specialized contract for 24-hour response to environmental emergencies involving hazardous products and waste, and the installation of water quality monitoring systems, such as the system implemented downstream of the Três Marias Hydroelectric Plant. In addition, the Company's participation in 11 state river basin committees and 3 federal committees, as well as councils, technical chambers, and other related working groups, contributes to the monitoring and anticipation of risks related to water resources.

RESULTS

. The initiatives implemented help reduce the likelihood of environmental accidents and minimize their potential impacts on the environment, operations, and Cemig's reputation. In addition, they strengthen the capacity for prevention, monitoring, and response to environmental emergencies, promoting greater operational safety, regulatory compliance, and protection of natural resources associated with power generation and transmission activities.

The processes for identifying, assessing, and prioritizing risks are directly linked to the definition of climate goals and metrics. The aspects considered most relevant to business sustainability—especially those representing material risks or strategic opportunities in the context of climate change—are integrated into the formulation of short-, medium-, and long-term corporate objectives. In this way, the company ensures that its targets reflect not only public commitments and industry trends, but also the specificities of its climate risk matrix, contributing to integrated, data-driven management aligned with international reporting guidelines. The following section identifies the company's targets, presenting the associated metrics and key facts.

4.4 METRICS AND TARGETS

OBJECTIVE
Disclose the metrics and targets used to assess and manage climate risks and opportunities, including progress toward the targets.
GUIDELINES

• Present the metrics used to assess risks and opportunities:
  ○ Include cross-cutting metrics, such as GHG emissions and carbon intensity.
  ○ Include sector-specific metrics.
• Report GHG emissions (Scopes 1, 2, and, if relevant, 3):
  ○ Describe the calculation methodology and organizational boundaries.
  ○ Report on the planned use of carbon credits to achieve targets.
• Describe the targets established for risks and opportunities:
  ○ Explain the rationale behind the targets and whether they align with international agreements.
  ○ Indicate whether they have been validated by third parties.
  ○ Explain how they are defined, monitored, and reviewed.
  ○ Present current performance against the targets.

Cemig has been preparing and publicly disclosing its **audited Greenhouse Gas Inventory since 2007**, consistent with its commitment to transparency, particularly regarding progress on emission reduction commitments and adherence to a renewable energy mix. In 2025, according to the global Carbon Clean 200 ranking, compiled by *As You Sow* in partnership with *Corporate Knights*, **the company ranked 40th among the 200 publicly traded companies with the highest revenue generation from products and services aligned with the clean economy**. The study considers indicators related to renewable energy, energy efficiency, sustainable technologies, environmental impact, and social criteria.

Since the inception of emissions reporting in the Greenhouse Gas Inventory, Cemig has established reduction targets aligned with its business and sustainability strategy. As this issue has evolved within the company, it now has several goals that will be detailed below. In addition, Cemig has sought to align its emissions reduction targets with global best practices and standards, committing in 2022 to the Science Based Targets initiative (SBTi), which aims to support companies across a wide range of sectors in setting emissions reduction targets in line with scientific recommendations to limit global warming to 1.5°C. In 2025, the **approval of science-based targets by the SBTi** demonstrates the company's commitment to making a significant contribution to climate change mitigation and the transition to a low-carbon economy.

4.4.1 Company metrics

To monitor its environmental impact and assess progress on the climate change agenda, **Cemig tracks greenhouse gas emissions across all its operations and subsidiaries** (Cemig Geração e Transmissão and SPEs—wholly owned subsidiaries of Cemig GT; Cemig Distribuição; Cemig Holding; Cemig Trading; Cemig SIM; Gasmig; Centroeste), following the parameters established by the Brazilian GHG Protocol Program. This monitoring is essential for to identify risks and opportunities,

set reduction targets, and guide mitigation actions. Cemig's leadership is deeply involved in discussions regarding GHG emissions, reflecting its commitment to effective action, as evidenced by voluntary targets for reducing emissions, electricity consumption, and energy losses.

In addition to monitoring emissions, the inventory allows Cemig to compare its performance with other industry peers and participate in climate reporting programs. The company accounts for emissions of CO_2 (carbon dioxide), CH_4 (methane), N_2O (nitrous oxide), and SF_6 (sulfur hexafluoride), and, on an optional basis, also quantifies tCO_2 emissions from renewable sources. **Verification of the inventory ensures the credibility** of the data, which is extracted from Cemig's corporate and operational systems, such as ERP records, invoices, and contracts.

Cemig's main sources of GHG emissions are:

- **CO_2:** generated by the combustion of fossil fuels (such as diesel, natural gas, and kerosene) in mobile and stationary sources, as well as emissions related to waste treatment, the use of agricultural fertilizers, and vegetation clearing;
- **CH_4:** resulting from fuel combustion, fugitive emissions in natural gas distribution lines, and the decomposition of organic matter during solid waste treatment;
- **N_2O:** also generated by the burning of fossil fuels, waste treatment processes, and the use of agricultural fertilizers;
- **SF_6:** used in power transmission and distribution equipment, generated during the maintenance of such equipment, which uses this gas as an insulator or to extinguish electrical arcs. Cemig has also developed an SF_6regeneration process, which has yielded environmental benefits by reducing the amount of contaminated gas and contributing to the resolution of environmental liabilities.

4.4.2 Emissions History

By comparing data collected over a period of time, it is possible to **identify trends, patterns, and variations in the company's emissions in order to develop mitigation strategies**. Additionally, a comparative analysis over a period can help identify the impact of external factors, such as changes in the economy, politics, technology, climate, and other y variables that may affect a company's performance. The following presents a comparative analysis of Cemig's GHG emissions between 2021 and 2025.

In a historical analysis covering the years 2021 and 2022, Cemig recorded a significant reduction in its emissions of approximately 42%, from 10,711,087.49 tCO_2 to 6,254,304.34 tCO_2. In the following period, Cemig continued to reduce its emissions by approximately 13%, dropping to 5,432,266.75 tCO_2. For the year 2024, there was a 16.53% increase in emissions, reaching 6,330,244.42 tCO_2e, while the final cycle, 2025, was also marked by a reduction in emissions, albeit on a smaller scale (0.57%), resulting in 6,293,947.34 tCO_2e. Table 10 below presents total emissions and emissions by scope over the years.

Table 10. Historical series of Cemig's emissions by scope.

Scope	2021	2022	2023	2024	2025	Change (2024–2025)
Scope 1	17,048.29	83,451.14	20,630.56	42,860.81	38,057.35	-11.21%
Scope 2	861,233.04	291,766.25	305,513.70	376,174.25	350,797.19	-6.75%
Scope 3	9,832,806.16	5,879,086.95	5,105,931.99	5,911,209.35	5,905,092.80	-0.10%

Scope	2021	2022	2023	2024	2025	Change (2024–2025)
TOTAL	10,711,087.49	6,254,304.34	5,432,266.75	6,330,244.42	6,293,947.34	-0.57%

The reduction in emissions observed from 2021 to 2022 is primarily related to the decrease in the emission factor of the National Interconnected System grid, which peaked in 2021 (0.1264 tCO_2/MWh) and decreased in 2022 (0.0426 tCO_2/MWh). The variation in emission factors is associated with changes in rainfall patterns, since in years with lower rainfall (total precipitation volume), hydroelectric plants lose their capacity to generate electricity, and the National Electric System Operator (ONS) must "activate" thermal power plants, which generate higher emissions due to the use of fossil fuels.

In 2024, there was a 16.53% increase in emissions compared to 2023, amounting to approximately 898,000 tCO_2 and driven primarily by the rise in the electricity generation emission factor of the National Interconnected System (SIN), which saw a significant increase of 41%. Another relevant factor was the 14% increase in energy sales, indicating higher demand and energy circulation, which also contributed to the rise in emissions during the period. In addition, the Scope 3 capital goods category also showed a significant increase of 166.38%, resulting from the acquisition and implementation of new power plants. This growth, however, was one-time in nature, reflecting specific investments made during the year.

In 2025, there was a slight reduction of 0.57% in Cemig's total emissions, amounting to approximately 36,000 tCO_2e. This result is mainly due to the reduction in emissions associated with land-use change (19.42%), which represented the largest contribution to the decrease in Scope 1; the decrease in the emission factor of the National Interconnected System (SIN), reflected in the drop in Scope 2 emissions; and in Scope 3, by the decrease in emissions from capital goods (47.74%) and from the use of goods and services sold (32.05%), with a reduction of approximately 31.96% in the volume of natural gas sold between 2024 and 2025. The Figure 31 shows the evolution of the company's emissions across all scopes over the years.

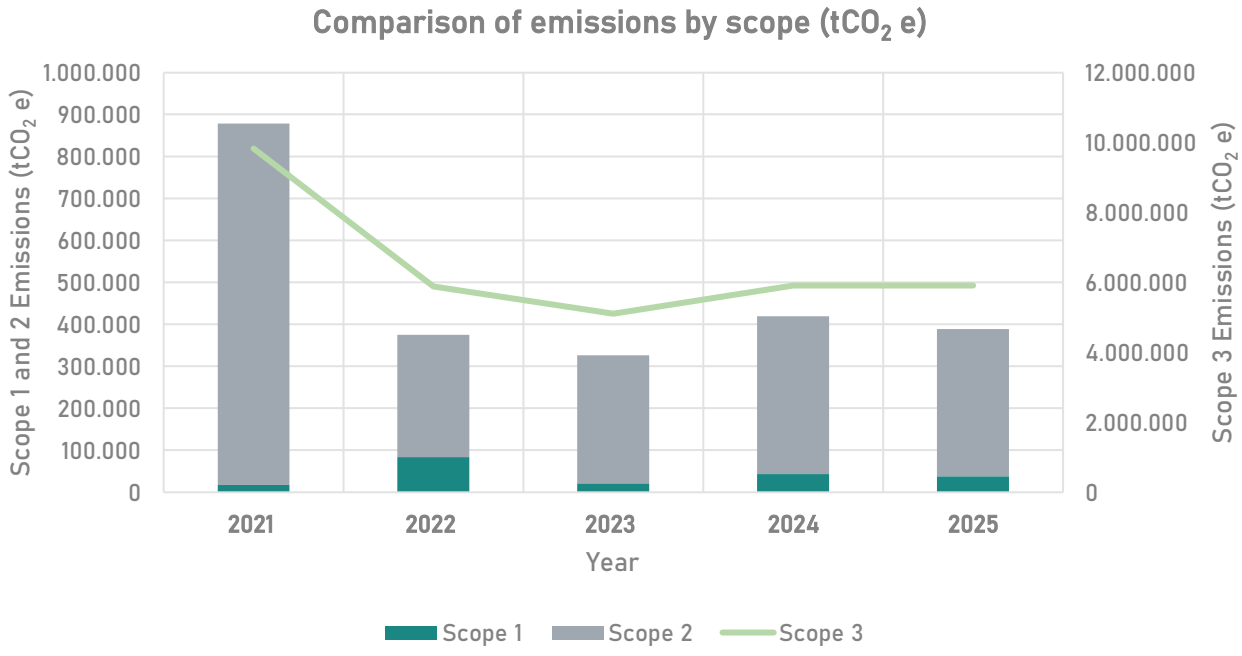


Figure 31. Time series of total emissions by scope.
Source: 2026 Emissions Inventory (Cemig).

4.4.3 Emissions in 2025

In 2025, **Cemig's emissions totaled 6,293,947.34 tCO_2, with Scope 3 being the primary contributor, accounting for approximately 93.82% of total emissions**, or 5,905,092.80 tCO_2. Next was Scope 2, with 350,797.19 tCO_2 and approximately 5.57% of total emissions. Finally, Scope 1, with 38,057.35 tCO_2 and approximately 0.60% of total emissions (Table 11).

Table 11. Summary of emissions by emission category in 2025.

Scope	Emission Category	Emissions (tCO_2e)
Scope 1	Stationary combustion	470.51
	Mobile combustion	7,553.59
	Fugitive emissions	9,147.55
	Agricultural activities	111.68
	Land-use change	20,774.03
	Industrial processes	None
	Solid waste and effluents	None
	CER Offset	39,000
	TOTAL SCOPE 1	**38,057.35**
Scope 2	Electricity (on-site)	1,794.85
	T&D losses (location)	349,002.34
	TOTAL SCOPE 2 (on-site)	**350,797.19**
	Electricity (market)	5.06
	T&D losses (market)	349,002.34
	TOTAL SCOPE 2 (market)	**349,007.40**
	Thermal energy	Not applicable
Scope 3	Purchased goods and services	426,712.71
	Capital goods	155,394.69
	Fuel and energy-related activities not included in Scopes 1 and 2	4,079,064.95
	Taking into account the market-based method for energy trading	3,564,298.88
	Upstream leased assets	None
	Waste generated from operations	13.60
	Business travel	845.87
	Employee commuting	144.18
	Upstream transportation and distribution	None
	Downstream transportation and distribution	None
	Processing of products sold	Does not occur

Scope	Emission Category	Emissions (tCO_2e)
	Use of goods and products sold	1,219,292.50
	Final disposal of products sold	None
	Downstream leased assets	Not applicable
	Franchises	Not applicable
	Investments	23,624.29
	TOTAL SCOPE 3	**5,905,092.80**
TOTAL SCOPE 1 + 2 + 3 (Location)		**6,293,947.34**
TOTAL SCOPE 1 + 2 + 3 (Market)		**6,292,157.55**

Source: 2026 Emissions Inventory (Cemig).

In the past year, **Cemig's total emissions intensity (Scopes 1, 2, and 3), in terms of tons of CO_2 equivalent per GWh generated (12,766.00 GWh)[21], was 493.02 tCO_2e/GWh.** Considering only Scope 1 emissions, the intensity was 2.98 tCO_2/GWh. Regarding the volume of energy sold in 2025 (84,155,139.55 MWh), the total emissions intensity (Scopes 1, 2, and 3) was 0.07479 tCO_2/MWh.

The following is a breakdown of the emissions results for each scope.

4.4.3.1 Scope 1

Scope 1 aggregated emissions from the categories 'Stationary Combustion,' 'Mobile Combustion,' 'Fugitive Emissions,' 'Agricultural Activities,' and 'Land Use Change.' In 2025, Cemig's emissions from this scope, as reported t, totaled 38,057.35 tCO_2 and accounted for 0.60% of total emissions.

Among Scope 1 emissions, those related to 'Land Use Change' accounted for the largest share, at 20,774.03 tCO_2 and representing 54.59% of total emissions. Next, the "Fugitive Emissions" category accounted for the second-largest share of emissions, totaling 9,147.55 tCO_2 and representing 24.04% of total Scope 1 emissions. Emissions related to 'Mobile Combustion' accounted for the third-largest volume of emissions, amounting to 7,553.59 tCO_2 and representing 19.85% of Scope 1 emissions. Finally, emissions from 'Stationary Combustion' and 'Agricultural Activities' accounted for the smallest shares within the scope, totaling 470.51 and 111.68 tCO_2 respectively, equivalent to 1.24% and 0.29%.

Regarding the breakdown of emissions by unit, Cemig D had the highest emissions for this scope, totaling 32,207.92 tCO_2 and approximately 84.63% of Scope 1, followed by Cemig GT, which emitted 2,140.33 tCO_2 and, about 5.62% of Scope 1 emissions. Gasmig reported emissions of 1,101.08 tCO_2 and, representing 2.89% of the company's emissions in this scope. The Centroeste unit and the SPEs Parajuru and Volta do Rio accounted for between 2.69% and 1.61%, while the remaining units contributed less than 0.11% individually. The Cemig H, Trading, and SPE Horizontes units reported no emissions for this scope.

Cemig voluntarily offset its Scope 1 emissions, totaling 39,000 tCO_2e. This offset was certified by the UNFCCC (United Nations Framework Convention on Climate Change), the international body responsible for supporting climate change mitigation efforts. The offset was carried out through the

[21] Energy generation volume for Cemig's share, in GWh, according to the 2025 Management Report and Financial Statements.

Clean Development Mechanism (CDM), which allows emission reduction projects in developing countries to generate Certified Emission Reduction (CER) credits, each equivalent to one ton of CO_2. UNFCCC certification ensures that the carbon credits used adhere to globally recognized standards of environmental integrity, transparency, and traceability. The voluntary cancellation certificate (Project/POA number 10337) is available at the link: CDM: Voluntary Cancellation Certificate.

4.4.3.2 Scope 2

Scope 2 included emissions related to 'Electricity Consumption' and 'Losses in Transmission and Distribution Systems'. In 2025, Scope 2 emissions totaled 350,797.19 tCO_2 and represented 5.57% of total emissions under the location-based approach. Under the purchase-based approach, Scope 2 emissions totaled 349,007.40 tCO_2

Among the Scope 2 emission categories, Losses in Transmission and Distribution Systems accounted for the largest share of emissions, with 349,002.34 tCO_2 or 99.49% of total Scope 2 emissions, followed by emissions from Electricity Consumption, which contributed 1,794.85 tCO_2 and 0.51% of total Scope 2 emissions. As this represents the primary source of emissions, Cemig has been addressing this area through the implementation of smart meters, with replacements planned for the next investment cycle, as well as through inspections and the regularization of unauthorized connections.

As for the market approach, or purchasing choices, Scope 2 emissions totaled 349,007.40 tCO_2 in 2025. In this context, most of the emissions related to energy consumption in its operations were offset through Renewable Energy Certificates (Cemig REC), with the sole exception of the Volta do Rio and Praias de Parajuru power plants, which have no commercial electricity supply agreement with the company. This means that, for every megawatt-hour (MWh) of energy consumed, Cemig acquired a certificate guaranteeing the equivalent generation of energy from renewable sources, thereby offsetting the environmental impact associated with the use of conventional electricity. Emissions related to losses in the transmission and distribution systems are not offset by renewable energy certificates and therefore remain the same as those previously reported.

4.4.3.3 Scope 3

Scope 3 emissions result from activities not directly controlled by Cemig. In 2025, the following categories were accounted for: 'Purchased goods and services,' 'Capital goods,' 'Fuel and energy-related activities not included in Scopes 1 and 2,' 'Waste generated from operations', 'Business travel', 'Employee commuting', 'Use of goods and services sold', and 'Investments'. Cemig reported 5,905,092.80 tCO_2 under this scope, representing 93.82% of total emissions.

The category "Fuel and energy-related activities not included in Scopes 1 and 2" had the highest emissions, at 4,079,064.95 tCO_2, representing 69.08% of the scope's emissions. Next was the category "Use of goods and services sold," accounting for 1,219,292.50 tCO_2 and 20.65% of total Scope emissions. The "Goods and services purchased" category accounted for 426,712.71 tCO_2 and represented 7.23% of the scope, while "Capital goods" accounted for 155,394.69 tCO_2 and 2.63% of the scope's emissions. Emissions in the categories of 'Waste generated from operations,' 'Business travel,' 'Employee commuting,' and 'Investments' represented a very small portion of total Scope emissions, just 0.42%.

4.4.4 Energy Consumption

Cemig consumes energy in its operations in the form of fuels and electricity. Recognizing the importance of reducing environmental impacts and transitioning to renewable sources, the company implements various initiatives focused on energy efficiency and sustainability. Among the main energy management initiatives, the following stand out:

- **Guidelines for efficient energy use:** Cemig understands that changing individual behavior is essential for reducing energy consumption. Therefore, it provides practical guidelines to its employees on how to adopt more conscious habits in energy use, promoting greater engagement in resource conservation.
- **Replacement of traditional light bulbs with LEDs:** Replacing conventional light bulbs with LED models, which consume less energy and have a longer lifespan, is an effective measure that significantly reduces lighting costs and energy consumption.
- **Training:** The company offers specific training to its employees on energy efficiency, empowering them to become agents of change both within and outside the company. The courses are available on the Univercemig platform, including content focused on climate change, energy efficiency, and the safe and efficient use of energy.
- **Vehicle Fleet Management:** Cemig adopts practices to improve the energy efficiency of its fleet. One measure is the annual renewal of vehicles, ensuring their average age remains under five years, which reduces fuel consumption. Additionally, the company has continuously invested in the electrification of the fleet, replacing fossil fuel-powered vehicles with cleaner alternatives.
- **Renewable electricity:** The electricity used comes from renewable sources, such as solar and wind. This energy is certified, ensuring that its origin is traceable and meets the highest environmental quality standards.
- **Innovative solutions with mobile batteries (Mobile BESS):** Cemig is developing energy storage systems using batteries installed in mobile structures. This technology enables a more efficient and flexible use of renewable energy, being especially useful in the maintenance and operation of the electrical system.

To implement these initiatives, the company monitors energy consumption in MWh and GJ of renewable fuels, non-renewable fuels, and electricity.

4.4.5 Company Goals

Cemig had its GHG emissions reduction targets approved by the Science Based Targets initiative (SBTi) in January 2025. Approval by the SBTi represents a strategic milestone for Cemig, reinforcing its position as a leader in sustainability within the energy sector. External validation attests to the strength of the company's commitment to the transition to a low-carbon economy and strengthens the confidence of investors, customers, and partners.

The validation includes **short- and long-term targets** aligned with the 1.5°C global warming limit, as established in the Paris Agreement. The approved commitments, which use 2021 emissions as the baseline year, are described in Table 12. The company's historical emissions trajectory, as well as some of the milestones related to the climate agenda and future targets, are presented in Figure 32.

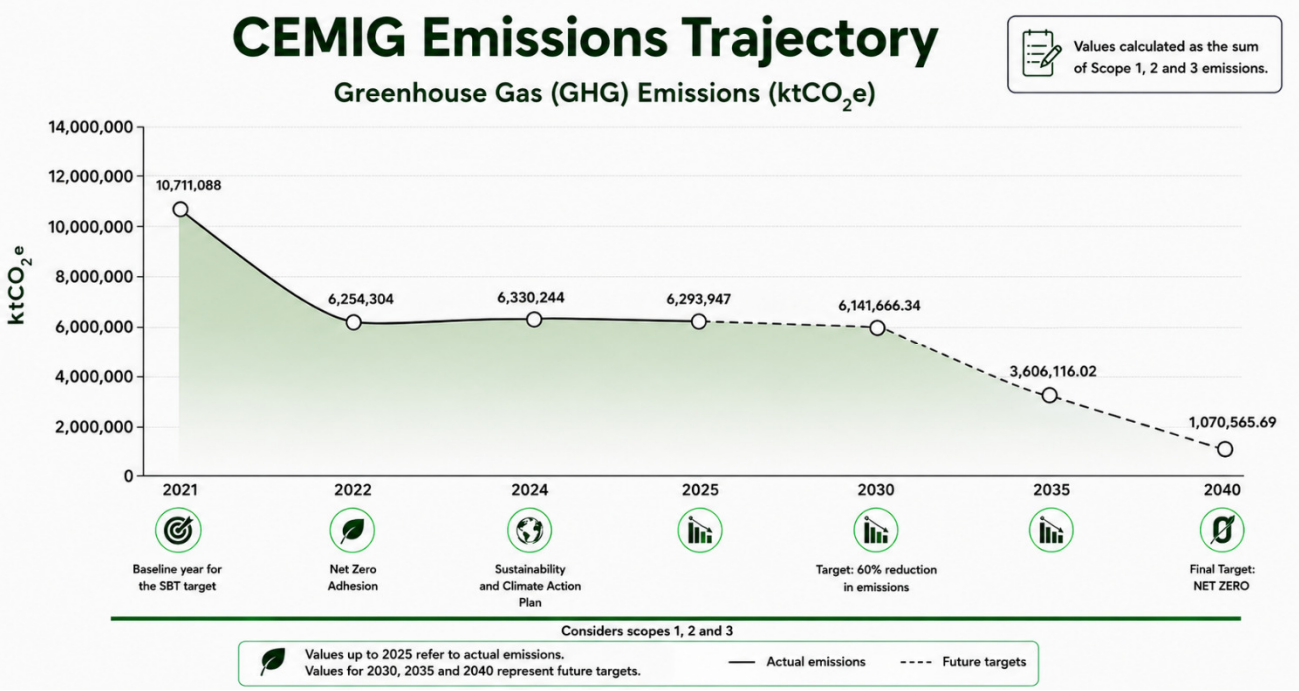


Figure 32. Trajectory of Cemig's greenhouse gas emissions and key milestones related to climate goals.
Source: Cemig, 2026.

Considering emissions for the 2025 reference year[22], the results related to progress toward the targets are presented below (Table 12):

Table 12. Summary of Cemig's targets and progress.

Goal Type	Description	Base year	Scopes	Deadline	Status (reduction achieved)
SBT	Reduce absolute GHG emissions by 70.8%	2021	1 and 2	2030 (short term)	-58%
SBT	Reduce absolute GHG emissions by 90.0%	2021	1 and 2	2040 (long term)	-58%
SBT	Reduce GHG emissions intensity related to electricity sold by 75.8% per MWh	2021	3	2030 (short term)	-61%
SBT	Reduce GHG emissions intensity related to electricity sold by 92.4% per MWh	2021	3	2040 (long term)	-61%
SBT	Reduce absolute GHG emissions associated	2021	3	2030	-58%

[22] The emission sources included and approved in the SBT targets may differ slightly from the final result of the Inventory, which is the source of the information in this report. These differences arise due to the initiative's own rules.

Goal Type	Description	Base year	Scopes	Deadline	Status (reduction achieved)
	with the use of fossil fuels sold by 42.0%			(short term)	
SBT	Reduce absolute GHG emissions associated with the use of fossil fuels sold and other categories by 90.0%	2021	3	2040 (long term)	-58%
SBT	Reduce other absolute GHG emissions by 42.0%	2021	3	2030 (short term)	+45%[a]
SBT	Reduce other absolute GHG emissions by 90.0%	2021	3	2040 (long term)	+45%[b]
SBT	Achieve net-zero GHG emissions across the entire value chain	-	1, 2, and 3	2040 (Net Zero)	-41%

Source: GHG Inventory (Cemig, 2026).

[a, b] Performance against Scope 3 targets, where an increase in emissions is observed, is temporary and is due to higher emissions in the 'Capital Goods' category, primarily related to the reporting of 385,555.70 tCO_2e by one of the service providers, a figure declared as specific to the services provided to Cemig, which is above the typical ranges observed for this category. Excluding this one-time factor, emissions linked to these targets would have shown a 24% reduction.

Although Cemig already has a 100% renewable energy mix and low GHG emissions related to its operations, the company remains committed to identifying new strategies for reducing emissions. This includes setting voluntary targets to reduce GHG emissions, electricity consumption, and energy losses.

These guidelines reinforce the company's commitment to the transition to a low-carbon energy mix, while addressing the need for constant adaptation to climate challenges. As part of the mitigation strategies already underway, Cemig has been renewing its vehicle fleet by adopting electric cars, thereby reducing its emissions.

Based on its Strategic Plan, Cemig developed the 2024–2029 Sustainability Plan, aiming to integrate sustainable practices into its operations and strengthen corporate governance. The plan guides the creation of programs, goals, and indicators, in addition to defining actions and resource allocation to achieve the proposed objectives. In this context, the following pillars and public commitments stand out, which will be fulfilled through strategic initiatives and monitored by corporate indicators and goals:

Energy transition:

- Offset 100% of Scope 1 emissions by 2026;
- Achieve net-zero status by 2040 and reduce total greenhouse gas emissions by 60% by 2030;
- Ensure 100% renewable and certified energy generation, in addition to trading certificates;
- Ensure that 100% of municipal offices have dual power sources by 2027;

- Connect 7 GW of distributed generation by 2028 and install smart meters by 2027.

Environment:

- Recycle and/or reuse at least 98% of generated waste by 2027;
- Conduct an assessment of Cemig's impacts on and dependence on ecosystem services.

In the environmental sphere, Cemig has developed a process for regenerating sulfur hexafluoride (SF_6), a greenhouse gas with high global warming potential used in electrical equipment. This process has yielded benefits by reducing the amount of contaminated gas and contributing to the resolution of environmental liabilities. Since 2019, an estimated 1,349.2 kg of SF_6 has been treated using the cryogenic treatment process. The company's goal is to reduce the intensity of SF_6 losses by 50% by 2027, using 2019 as the baseline.

In 2024, Cemig began developing its **Biodiversity Action Plan**, which aims to establish goals and objectives to improve its processes for mitigating, preventing, and offsetting negative impacts, as well as fostering opportunities for positive impacts on biodiversity. In 2025, the company further identified its most significant actual and potential impacts, completing the preparation of the Impact and Dependency Assessment. To support this analysis, Cemig used the Encore tool (Exploring Natural Capital Opportunities, Risks and Exposure), along with environmental sensitivity criteria and relevance factors, considering the assumptions suggested by the TNFD (Taskforce on Nature-related Financial Disclosures) in the LEAP (Locate, Estimate, Assess, Prepare) approach. The TNFD is an international initiative that supports companies in developing strategies focused on nature conservation. Within the scope of its direct operations, 28 hydroelectric plants (HEPs, SHPs, and CGHs), 2 photovoltaic plants, 2 wind farms, 5,016.1 km of transmission lines, and 565.144 km of distribution lines were assessed, considering impact factors (waste, effluents, water consumption, GHG emissions, built-up area, and right-of-way), heatmaps based on Encore, and the interface of these structures with ecoregions and biomes prioritized for biodiversity conservation[23].

As part of its broader climate strategy, Cemig has set a goal to **reduce non-renewable energy consumption by 40% by 2027**, using 2021 as the baseline. To track progress and ensure continuous improvements, the company conducts quarterly measurements of electricity consumption per employee. In 2025, the recorded average was 7.26 MWh per employee, demonstrating the company's commitment to energy efficiency and sustainability. Among the actions implemented during this period, the mandatory use of ethanol to fuel the light vehicle fleet stands out, contributing to the reduction of fossil fuel consumption. In addition, Cemig has also adopted voluntary offsetting of Scope 1 emissions through projects certified by the UNFCCC under the Clean Development Mechanism (CDM), as part of its effort to advance climate change mitigation. The voluntary cancellation certificate (Project/POA number 10337) is available at the link: CDM: Voluntary Cancellation Certificate.

The energy transition pillar thus relies on the company's participation in projects that generate carbon credits from the production of clean and renewable energy, including six small hydroelectric plants (SHPs) with a total installed capacity of 96 MW. Among the highlights are the Guanhães Energia, Cachoeirão SHP, and Paracambi HPP projects, in which Cemig holds a 49% stake. In 2025, these projects resulted in the generation of approximately **57,000 carbon credits**.

[23] Additional information is available in the 2025 Impact and Dependency Assessment Summary (in English).

5 FINAL REMARKS

Over the past few years, Cemig has established itself as a national and international leader in sustainability and energy transition, strengthening its role in the climate agenda through the progressive integration of climate-related issues into its corporate strategy, governance structure, risk management processes, and performance monitoring mechanisms. In a context of the electricity sector's growing exposure to the physical impacts of climate change and the challenges of the transition to a low-carbon economy, the Company has sought to enhance its operational resilience and its ability to capitalize on opportunities associated with the energy transition by expanding its supply of renewable energy, digitizing its operations, and strengthening climate governance.

Progress in integrating the TCFD guidelines and the IFRS S2 standard into Cemig's corporate practices aligns with the actions the company has already been adopting, such as increasingly robust risk management tools, in-depth climate scenario analyses, and the development of a Climate Action Plan aligned with the Paris Agreement. The goal of achieving net-zero emissions by 2040 reaffirms the company's ambition to lead Brazil's energy transition, while promoting a positive impact on the communities where it operates.

In 2025, significant advances consolidated this trajectory. Notable achievements include the approval of the corporate strategy for the 2026–2030 cycle, the implementation of the Sustainability Plan, the approval of short- and long-term targets by the SBTi, the strengthening of climate governance through the work of the Innovation and Energy Transition Committee and the Risk Committee, as well as the continuous evolution of corporate risk management processes. In this context, the update of the 2025/2026 Top Risks Matrix reinforced the relevance of physical and transition risks related to climate change for the Company's business and their integration into decision-making processes.

Cemig's Climate Action Plan plays a central role in this process by establishing initiatives aimed at emissions mitigation, adaptation to climate change, and strengthening the resilience of assets and operations. In addition, investments in grid modernization, digitalization, technological innovation, expansion of renewable generation, and preparation for the opening of the energy market contribute to enhancing the Company's competitiveness and supporting the energy transition in Minas Gerais and Brazil.

Cemig recognizes that the challenges posed by climate change will continue to evolve in the coming decades and that building resilience requires continuous monitoring, adaptability, a long-term strategic vision, responsibility, and commitment. In this context, the Company reaffirms its commitment to transparency, responsible management of climate risks, and the promotion of the energy transition, contributing to the development of the electricity sector and the building of a low-carbon economy.

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7 TCFD and IFRS S2 Indicator Framework

General Indicators

Pillar	Indicator	Description	Page	Comment
Governance	Governance Structure	Company Constitution and Organization	p.14	
	Board Oversight	Frequency, scope, and format of climate risk oversight	p. 15 and 16	
	Role of management	How management assesses and responds to climate risks and opportunities	p. 18–20	
	Integration with policies and risk management	Relationship with existing structures	p. 18–20	
	Formal documentation	Mandates, terms of reference, policies describing roles	p.15 – p.20	
Strategy	Identification of risks and opportunities	Climate risks and opportunities identified in the short, medium, and long term	p.35–44	
	Location of risks in the value chain	Which areas of the business model are most impacted	p.35–44	
	Impacts on strategy and finances	Expected impacts and response plans	p. 44–54	
	Transition plans	Current and future actions to reduce emissions or adapt operations	p. 80 and 90	
	Climate scenarios used	Including <2°C scenarios, assumptions, methodology, and time horizon	p. 57–81	
	Projected financial impacts	On revenue, expenses, cash flow	*See Comments column*	In the Strategy chapter, Cemig presents the main risks and opportunities related to climate change, including cost and investment estimates whenever data is available and can be publicly disclosed. The company recognizes the importance of advancing the quantification of

Pillar	Indicator	Description	Page	Comment
				projected financial impacts on revenue, expenses, and cash flow, and is working to incorporate these findings in a more structured manner in future editions of the report.
	Climate Investments	CAPEX/OPEX related to adaptation or mitigation	p. 51–54	Financial information is included throughout the report but is concentrated in the financial impacts section.
Risk Management	Risk identification process	Criteria, data sources, scope	p. 93–95	
	Use of risk scenarios	List and describe their integration and use	p. 57–81	
	Risk prioritization	How they are classified or ranked	p. 93–95	
	Risk monitoring	Frequency and methodology of monitoring	p. 93–95	
	Integration with corporate management	Integration with enterprise risk management (ERM)	p. 91–93	
	Changes in risk processes	Changes from the previous period	Not applicable	There were no changes to the risk management process.
Targets and Metrics	(1) Total gross Scope 1 emissions, percentage covered by (2) emissions cap regulations and (3) emissions reporting regulations	Quantification of the company's direct greenhouse gas (GHG) emissions, highlighting the percentage subject to regulations that impose legal limits on emissions and/or reporting obligations. Includes emission sources under operational control.	p.104–107	
	Greenhouse gas (GHG) emissions associated with energy supplied	Estimate of GHG emissions related to energy generated and distributed by the company, considering the energy sources used and their carbon intensity.	p.104–107	
	Discussion of short- and long-term strategies to manage Scope 1 emissions, reduction targets, and	Description of the approaches adopted to mitigate Scope 1 emissions, including quantitative reduction targets (short- and long-term), action	p.108 – 111	

Pillar	Indicator	Description	Page	Comment
	performance analysis against these targets	plans implemented or planned, and assessment of current performance against established targets		

Sustainability Indicators

Topic	Metric	Unit of Measure	Page	Comments
Water Management	(1) Total volume of water abstracted; (2) Total volume of water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m³), Percentage (%)	*See Comments column*	The largest volume of water abstracted by Cemig is not intended for consumption, as it is used solely to drive the turbines for power generation and is returned in its entirety and without contaminants to the waterways. Actual consumption is limited to administrative activities. In 2025, the company abstracted a total of 221,420 m³ of water, consuming 44,318 m³ (approximately 20% of the total abstracted). There is no water abstraction in areas classified as water-stressed based on studies conducted using the UN-FAO, WRI's Aqueduct Global Water Tool, or WWF Water Risk Filter methodologies[24] .
	Number of incidents of non-compliance with water quality norms, standards, and regulations	Number	*See Comments column*	All water used by Cemig is fresh, with dissolved solids below 1,000 mg/L. In 2025, no incidents of non-compliance with water quality norms, standards, or regulations were recorded.
	Description of risks related to water management and discussion of strategies and practices to mitigate them	n/a	p. 35 and 36	
End-Use Efficiency and Demand	Percentage of electricity load served by smart grid technology	Percentage (%) per megawatt-hour (MWh)	*See Comments column*	Cemig does not monitor the electricity load served specifically by AMI (*Advanced Metering Infrastructure*) technology based on a percentage of MWh, given that the smart metering infrastructure is currently being expanded and constantly updated, with installations and replacements occurring dynamically.

[24] More information is available in Water Risk Management Programs – 2025.

Topic	Metric	Unit of Measure	Page	Comments
	Customer electricity savings through efficiency measures, by market	Megawatt-hours (MWh)	p.56	
Nuclear Safety and Emergency Management	Total number of nuclear power plants per unit, broken down by results of the most recent safety review	Number	Not applicable	Cemig does not operate this type of facility.
	Description of efforts to manage nuclear safety and emergency procedures	n/a	Not applicable	Cemig does not operate with this type of source.
Grid Resilience	Number of incidents of non-compliance with physical or cybersecurity standards	Number	*See Comments column*	Cemig has not recorded any incidents of non-compliance with physical or cybersecurity standards.
	(1) Average Duration of System Outages (DEC), (2) Average Frequency of System Outages (FEC), and (3) Average Duration of Outages per Customer (DEC/FEC), including days with significant events	Number	p. 38 and 39	

Specific Indicators: Energy Sector

Topic	Unit of Measure	Page	Comments
Number of customers: (1) residential (2) commercial (3) industrial customers served	Page	p.07	

Topic	Unit of Measure	Page	Comments
Total electricity supplied to: (1) residential customers (2) commercial (3) industrial (4) other retail customers (5) wholesale customers	Megawatt-hour (MWh)	p.07	
Length of transmission and distribution lines	Kilometers (km)	p.06	
Total electricity generated, percentage by main energy source, percentage in regulated markets	Megawatt-hours (MWh), Percentage (%)	p.06	
Total electricity purchased	Megawatt-hours (MWh)	p.51	

Elaboração

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