



**ANEEL 2022 ANNUAL SOCIAL AND
ENVIRONMENTAL RESPONSIBILITY
REPORT - CEMIG GT**

CEMIG

PRESENTATION

Cemig Geração e Transmissão S.A. - Cemig GT - annually publishes its Social and Environmental Responsibility report, aiming to meet the standards established by the National Electric Energy Agency (ANEEL, *Agência Nacional de Energia Elétrica*), following the pre-established molds by the Manual for the Preparation of the Annual Social and Environmental and Economic-Financial Responsibility Report of the Grantees of the Electric Energy Sector - 2015.

The document has five dimensions: General, Corporate, Economic-Financial, Social and Environmental. The data and information presented in this document is provided by the area responsible for the subject within the Company, consolidated by the Sustainability Management, verified by a third party (certified by Bureau Veritas), and approved by the Executive Board and the Company's Board of Directors.

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1. OVERALL DIMENSION

1.1. MESSAGE FROM MANAGEMENT

We presented important advances in 2022, a year that will be remembered for successfully implementing our strategy.

When reviewing the strategic planning of Cemig, the parent company of Cemig GT, we made very transparent the main objectives, which are to "focus and win," prioritizing investments in Minas Gerais and continuously seeking advances in operational efficiency, financial results and quality of services provided to customers.

Concerning our debt management, we disclosed our strategy of reducing our foreign exchange exposure in stages, considering the bonds we issued in the international market in 2017/2018. We had already repurchased US\$500 million of the bonds in 2021. We repurchased another US\$244 million in 2022, reducing our foreign exchange exposure to US\$756 million, that is, close to half of the original value, with positive effects on our indebtedness profile and the risk perception of the market and rating agencies concerning the Company.

Once again, we had our operating expenses fully covered by the tariffs in the transmission business, also presenting EBITDA higher than the regulatory reference. In 2023, we will continue to invest in new operational efficiency measures, especially those to reduce post-employment obligations, which have relevant impacts on our results and financial position.

The results obtained in our energy trading business should be noted. We are Brazil's most significant energy trader in serving end customers, with a history of significant results, reflecting our adequate analysis of the scenarios and management of our portfolio of energy contracts.

In our transmission business, we won the bidding for lot 1 (located in Minas Gerais and Espírito Santo) of the auction promoted by ANEEL in December 2022, with an annual revenue of BRL17 million. This result is emblematic, as it represents Cemig GT's return with protagonism to transmission auctions within our strategy of investing in our main businesses within Minas Gerais, with the control of assets.

Concerning our power generation business, in 2023, we will start the process of renewing the power generation concessions of the Theodomiro Carneiro Santiago (formerly Emborcação), Nova Ponte, and Sá Carvalho plants, which represent approximately half of our generating park, in addition to continuing investments in renewable sources.

Divesting in non-strategic assets or where we do not have control of operations is part of our strategy, with emphasis on the completion of the sale of Renova in 2022. In March 2023, we completed the disposal of our entire equity interest in the Santo Antônio plant. All these divestitures allow Management to focus on its core businesses, which add value to its shareholders. The expectation is that in 2023, we will be able to evolve in the sale of our minority or shared control interests.

We consider that our human capital plays a fundamental role in executing our strategy. In this context, the result of the climate survey carried out by Cemig in 2022, with relevant participation of Cemig GT employees, showed a significant increase of 11 points compared to the previous survey, reaching 75% favorability, which brings us great satisfaction, as it shows the growing engagement and commitment of employees with the Company's success and future.

The sustainability of our operations is in our DNA. We are a company that generates 100% of its energy from renewable sources. Cemig, our parent company, is the only company in the electricity sector outside Europe to be part of the Dow Jones Sustainability Index consecutively for 23 years. At the beginning of 2023, Cemig received another recognition that ratifies this condition of a sustainable company; Cemig is the Brazilian company with the best ranking in the Carbon Clean200™, an annual global ranking that lists the 200 publicly

traded companies that lead initiatives for solutions to transition to a clean energy future, with an honorable 37th position in the overall ranking.

In conclusion, we can reaffirm that we successfully implemented our strategy: planned investments in Minas Gerais, disinvested in non-strategic assets, achieved solid financial results with discipline in cost management and reduced our foreign exchange exposure. All this work with greater engagement of our employees and sustainable corporate practices.

These results bring us more optimism and enthusiasm to continue executing our strategy, with our goal of focusing on winning and continuous search to make Cemig GT more efficient, profitable, and admired by its customers, ready to face the following challenges.

We thank our employees, shareholders, and other stakeholders for their efforts to ensure the protagonism of Cemig GT in the Brazilian electricity sector.

1.2. CEMIG

Cemig is a publicly traded company controlled by the Government of Minas Gerais. Its shares are traded on the São Paulo, New York, and Madrid stock exchanges (Latibex), and its market value at the end of 2022 was approximately BRL28 billion. For the 23rd consecutive year, Cemig integrates the portfolio of the Dow Jones Sustainability Index (DJSI World) in the period 2022/2023 and consolidates itself as one of the most sustainable companies in the world.

Cemig operates in the areas of generation, transmission, distribution, and commercialization of electricity, energy solutions, and natural gas distribution. The group consists of the holding company Cemig, the wholly-owned subsidiaries Cemig Geração e Transmissão S.A. (Cemig GT) and Cemig Distribuição S.A. (Cemig D), totaling 102 companies, 09 consortia and 02 Equity Investment Funds (FIPs), with assets and businesses in several states of Brazil.

Cemig supervises the management and development of subsidiaries and affiliates through active participation in management bodies within the criteria of good corporate governance, ensuring compliance with its business plans.

Its mission, vision and values strategically drive Cemig's activities:

Mission: Provide integrated, clean, and affordable energy solutions to society in an innovative, sustainable, and competitive way.

Vision: To be among Brazil's three best integrated electric energy groups in governance, financial health, asset performance and customer satisfaction.

Values:

- **Respect for life:** Act prudently, preventing accidents in any situation.
- **Integrity:** Act with ethics, transparency and honesty.
- **Value creation:** Create solutions for the well-being and prosperity of customers, shareholders, employees, suppliers and society.
- **Sustainability and social responsibility:** Supply safe, clean and reliable energy, contributing sustainably to economic and social development.
- **Commitment:** Act with responsibility, enthusiasm, dedication and proactivity.
- **Innovation:** Be creative and seek new solutions to the company's challenges.

1.3. CEMIG GT

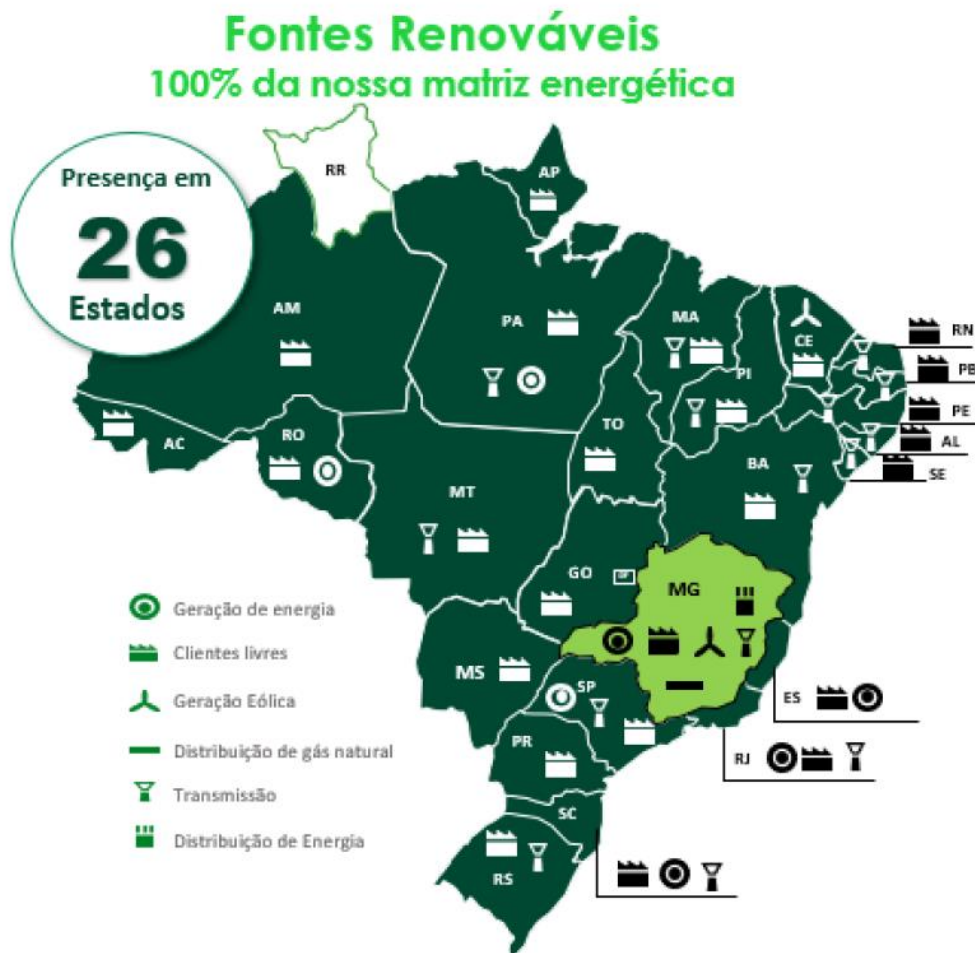
Cemig Geração e Transmissão S.A. - Cemig GT is a publicly traded company, a wholly-owned subsidiary of Companhia Energética de Minas Gerais – Cemig, responsible for the operation of the power generation structure and the transmission network.

Since its creation, Cemig Geração e Transmissão has demonstrated a vocation for generating electricity through hydroelectric power plants. With great work and immense challenges, the Company marked the history of large enterprises through its engineering and the size of the plants it built. Minas Gerais contributes to this vocation with its vast natural hydraulic and wind potential, mapped by Cemig through the Wind Atlas of Minas Gerais.

In 2022, the Company had 60 Hydroelectric Power Plants (HPPs), Small Hydroelectric Power Plants (SHPPs) and Hydroelectric Generating Power Plants (HGPPs), 2 Photovoltaic Plants and 7 Wind Farms, in addition to 18 Cemig Sim Solar Farms. The total installed capacity was 5,519.6 MW, 4% lower than in 2021.

Renova, whose equity interest held by the Company was classified as an asset held for sale in 2021, owns 3 small hydroelectric power plants, representing 5.7 MW of Cemig GT's total installed capacity. The sale of Cemig's entire interest in Renova Energia S.A. began in November 2021 and was completed in May 2022.

CEMIG GT OPERATIONS IN BRAZIL



Below is represented Cemig GT in Cemig Holding structure:



1.3.1 CORPORATE PROFILE

Cemig is a mixed-capital and publicly traded company; its shares are traded on the Stock Exchange of São Paulo, New York, and Madrid, being 62.12% controlled by the State, of which 50.97% of the common shares are from the State of Minas Gerais and the other 11.14% correspond to a portion of the Federal Government through BNDES Participações S.A. At the end of 2022, Cemig's market value was estimated at BRL28 million.

Cemig Geração e Transmissão S.A. is a corporation incorporated on September 8, 2004, as a wholly-owned subsidiary of the government-controlled company Cemig. It aims to research, plan, design, build, operate, and exploit electricity generation and transmission systems and plays a vital role in energy commercialization.

1.3.2 REGULATORY ENVIRONMENT

In the national territory, most electricity generation and transmission activities occur through a Concession Contract entered into with the Federal Government or upon authorization granted to Cemig. The Constitution of Brazil stipulates that all concessions related to public services must be awarded through a bidding process.

In 1995, to implement these constitutional provisions, the Federal Government enacted a series of laws and regulations, collectively known as the “Concessions Act,” to regulate bidding procedures in the electricity sector.

The annual readjustment of the transmitters occurs on July 1st of each year, and in July 2022, the readjustment of the RAP of the 2022-2023 cycle of the transmitters was approved.

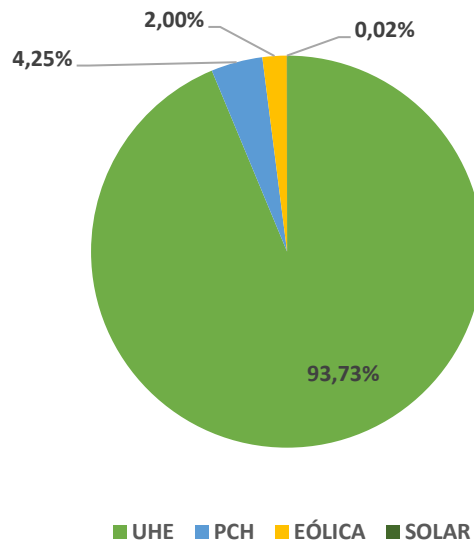
1.3.3 POWER GENERATION

Cemig's 5,519.6 MW of installed capacity totality consists of projects from renewable sources (hydraulic, wind or solar).

After 5 years with a hydrological scenario among the worst in history, the average Affluent Natural Energy (ENA, Energia Natural Afluente) of 2022 was 98% of the historical average, a rapid recovery from the worst historical value verified in 2021 (71% of the MLT – Long-Term Average). With the improvement of hydrology and measures to preserve storage, the Electric Sector Monitoring Committee (CMSE, Comitê de Monitoramento do Setor Elétrico), together with the National Electric System Operator (ONS, Operador Nacional do Sistema Elétrico), coordinated the shutdown of the thermal plants dispatched outside the order of merit still in the rainy period (until April). At the end of this period, the storage of the SIN reached 75% of the maximum level, about 33% above the value observed in the same period of 2021. In the second half of 2022, hydrology remained high, which led the system to close the year with a storage of 58%, compared to 38% in 2021.

With good hydrology, high storage and a structural oversupply, the average Southeast/Midwest PLD (Settlement Price of Differences) in 2022 was BRL58.99/MWh, compared to BRL279.61/MWh in 2021, representing a reduction of 78.9%. The PLD remained at its floor value (BRL55.70/MWh) in 7 months of the year, and the highest value was verified in August, BRL76.90/MWh, due to a pessimistic forecast by ENA, which was not realized. The hydrological improvement of 2022 led the GSF (Generation Scaling Factor) to present a higher average value when compared to 2021, being 0.86 in 2022 compared to 0.77 in 2021.

POWER GENERATION BY SOURCE (%)



Considering its subsidiaries, jointly controlled companies and affiliates, Cemig had, under operation on December 31, 2022, 69 power plants with an installed capacity of 5,519.6 MW, as follows:

Power Generating Center	Installed capacity (MW)*
Theodomiro Carneiro Santiago (formerly Emborcação)	1,192
Nova Ponte	510
Irapé	399

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Três Marias	396
Salto Grande	102
Queimado	86.6
Rosal	55
Sá Carvalho	78
Itutinga	52
Camargos	46
Santo Antônio	268.70
Belo Monte	1,313
Aimorés	148.50
Amador Aguiar I	94.30
Amador Aguiar II	82.60
Funil	81
Igarapava	49.70
Wind	147.30
Baguari	47.60
Others	370.30
TOTAL	5,519.60

* THE INSTALLED CAPACITY IS PRESENTED IN ITS SHARE OF CEMIG'S PARTICIPATION IN THE PROJECT

Renegotiation of Hydrological Risk

On September 9, 2020, Law No. 14.052/2020 was published, which amended Law No. 13.203/2015, establishing new conditions for renegotiating the hydrological risk (Generation Scaling Factor, GSF), referring to the portion of the costs incurred with the GSF, assumed by the holders of the hydroelectric power plants participating in the Energy Reallocation Mechanism (MRE) since 2012, with the worsening of the water crisis.

The compensation to the hydroelectric generators occurred through the extension of the respective concession terms of the generation grants. The extension periods were approved by Aneel Homologatory Resolution No. 2.919/2021 and by Homologatory Resolution No. 2.932/2021. As a rule, the plants of lot D had extension periods equal to the maximum allowed by Law no. 14.052/2020, which corresponds to 7 years (2,555 days).

This renegotiation was a significant advance for the electricity sector, reducing the levels of judicialization, and, for Cemig, with the extension of the term of its electricity generation concessions, including the Nova Ponte and Theodomiro Carneiro Santiago (previously called Emborcação) plants, which had the original maturity of the concessions scheduled for 2025 and now passed to 2027.

1.3.4 POWER TRANSMISSION

Subsidiary Cemig GT operates and maintains 40 substations and 5,017 km of transmission lines at voltages of 230, 345, and 500 kV, part of the National Interconnected System (SIN). In addition, it has assets, which it operates and maintains in another 10 substations of other transmission agents.

In 2022, the subsidiary Cemig GT had in force contracts to provide services for the operation and maintenance of transmission assets with 11 other companies in 17 substations and 439km of transmission lines.

In 2022, CEMIG won the bidding for lot 1 (located in Minas Gerais and Espírito Santo) of the auction promoted by Aneel in December 2022, with an annual revenue of BRL17 million. This result is emblematic, as it represents the Company's return to the transmission auctions within the strategy of investing in our main businesses within Minas Gerais, with the control of the assets.

The revenue from the Company's transmission assets is established by Aneel and is updated in the processes of periodic tariff review, extraordinary tariff review, and annual tariff adjustment. The Company works with the Regulatory Agency to recognize its costs in the processes of revisions, adjustments and homologation of the Annual Allowed Revenues ("RAPs") for new assets.

The annual readjustment of transmission revenue occurs on July 1st of each year, except when there is a Tariff Review. This process aims to correct the RAP approved by the readjustment index contained in each Concession contract, add to the RAP the revenue from the reinforcements that entered into commercial operation in the last tariff cycle (July of the year before June of the year of readjustment) and calculate the Adjustment Installment. This last revenue component, in turn, consists of a financial component referring to adjustments in the RAP of previous cycles. The methodology of the regulatory model is the revenue cap, which consists of defining a revenue ceiling to be earned by the transmitter during the period.

The result of the Annual Readjustment of the RAP of the 2022-2023 cycle, which occurred on July 1, 2022, was 21%, composed of the effect of the re-profiling of the Financial Component of the RAP of the Annual Cost of Assets of the Basic Network of the Existing System (RBSE, Rede Básica do Sistema Existente), the application of IPCA on the revenue already approved and recognition of the new reinforcements.

The RAP of Cemig GT – Itajubá (concession contract No. 079/2000) and Companhia de Transmissão Centroeste de Minas Gerais – Centroeste (contract 004/2005) were adjusted by 10.7% in the 2022-2023 cycle compared to the previous cycle, reflecting the variation of the IGPM for the period.

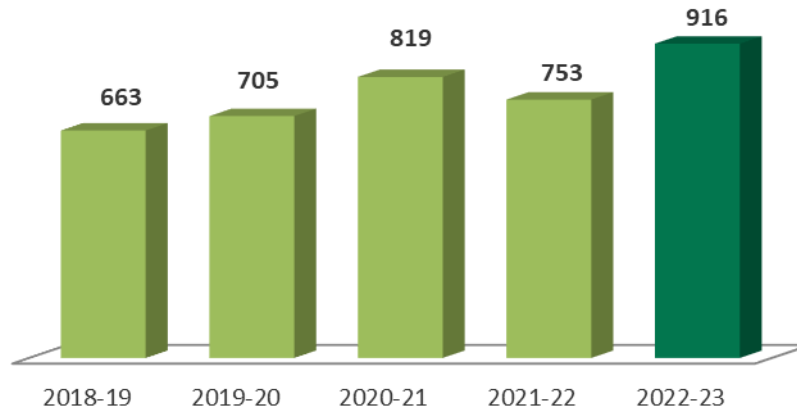
RAP Approved

Aneel established the RAPs for the 2022-2023 cycle effective as of July 1, 2022, representing a readjustment of 19.96%. The increase is mainly related to (i) re-profiling of the financial component of RBSE's existing assets, which was 64% higher compared to the 2021-2022 cycle, (ii) variations in the readjustment rates in the period (11.7% for the IPCA and 10.7% for the IGPM) and (iii) the entry of new works.

	Readjustment index	RAP cycle 2021-2022 BRLMM	RAP cycle 2022-2023 BRLMM	Var (%)
Concession Contract – 006/97	IPCA	682.8	825.6	21.0%
Concession Contract – 079/00	IGPM	40.7	45.0	10.7%
Concession Contract – 004/05	IGPM	28.5	31.5	10.7%
		752.0	902.1	19.96%

In total, the revenue of the transmitters for the 2022-23 cycle, considering the contract of Cemig GT, Itajubá, and Centroeste, was BRL916 MM, representing a repositioning of 21.65% compared to the previous cycle.

RAP CEMIG TRANSMISSION



1.3.5 ORGANIZATION AND MANAGEMENT

Cemig GT's management body is experienced in the Company's core business, ensuring the safety of the businesses executed. There is also the team specialized in electricity auctions, contract management and their risks.

At the compliance level, Cemig GT has an internal control system consisting of Bylaws, a Code of Conduct, an Ethics Committee, an Anonymous Reporting Channel, a Compliance and Anti-Fraud Policy, Standards and Instructions for Procedures guiding conduct for the workforce and control areas, such as Internal Audit, Risks, Compliance, Controllership and Information Security.

Based on its business commitments (mission, vision, and values), Cemig manages its management system, is oriented to the successful conduct and operation of the Company's business, and is constantly searching for improvement.

1.3.6 CEMIG STRATEGY

Cemig's strategic planning was updated in December 2022 and currently covers 2023 to 2027 and 2023 to 2032. The plan aims to accelerate the transformation from five main pillars:

- 1) Enchant the customer - Transform Customer Experience to Become the Best Company in Customer Satisfaction
- 2) 100% digital - Digitize and transform customer processes and interactions
- 3) Maximum efficiency - Increase current business results, with EBITDA impact and risk reduction
- 4) Value creation - Invest to modernize core businesses, expand operations and develop businesses for the future, creating superior value
- 5) Streamlined management with security - Implement management with a private, modern, sustainable logic and culture of results

With the motto "Focus and Win", the strategic plan aims to:

"Focus on CEMIG D and GT, leading in customer satisfaction and safety and achieving regulatory levels of efficiency through private, modern, and sustainable management."

The following results stand out:

- Achieve EBITDA of BRL10.0 billion in 2027 and BRL13.7 billion in 2032;
- Achieve a Total Shareholder Return (TSR) rate of 21%
- Make investments, focusing on Minas Gerais, in the order of BRL85.3 billion by 2032, of which BRL42.2 billion between 2023 and 2027;
- Carry out divestitures in the order of BRL8 billion.

The company's ambition unfolds for each business unit in a particular way:

- Transmission

Focus on Reinforcements and Improvements investments and continuous efficiency improvement, and enhance the transmission share in Minas Gerais, adding approximately BRL200 million of EBITDA in 2027.

The strategy adopted involves:

- Intensify Reinforcements and Improvements plan to renew depreciated base through suitable investments (meeting deadlines, low financing cost and returns above the regulatory WACC);
- Expand Transmission portfolio in MG via auctions and project M&As;
- Continue with operational efficiency, staying within the¹ regulatory PMSO level.

- Generation

Add 1,100 MWm by 2027 and 1,900 MWm by 2032, focusing on renewable sources and increasing the portfolio's efficiency, adding approximately BRL1.1 billion in EBITDA in 2027 and BRL1.7 billion in 2032.

The strategy adopted involves:

- Add approximately 1,100 MWm by 2027 and 1900 MWm by 2032 to Cemig's portfolio through projects in water, wind and solar sources with adequate financial returns;
- Increase operational efficiency, taking the PMSO to market levels;
- Divest assets with the destruction of value without opportunity for turnaround;
- Expand generation capacity via new products.

- Commercialization

Consolidate leadership in end customers, bringing them to the center of all decisions and aiming at their satisfaction. Seek to achieve the free market sales volume of 4.1 GWm in 2027 and 4.4 GWm in 2032, with a gross margin higher than the market average, adopting the best risk management practices in the sector and adding an EBITDA of approximately BRL600 million in 2027 and BRL100 million in 2032.

The strategy adopted involves:

- Seek growth in profitable customers, offering superior experience to competitors;
- Trade energy at competitive prices and close positions at moments of adequate margin;
- Adopt industry best practices to monitor and manage all relevant risks, giving transparency to the organization;

¹ Portion of expenses related to Personnel, Material, Services and Others.

- Develop digital channels and adapt the operating model.

The business units rely on several transversal units to execute the respective strategies. Each will focus on new practices and initiatives to allow the company to expand in an agile, efficient and sustainable way.

Unidades de Negócio	Distribuição	Transmissão	Gás	Geração	Comercialização	Geração Distribuída	Participações	
Unidades Transversais 	Tecnologia da Informação <ul style="list-style-type: none"> • TI1 Modernização das Plataformas • TI2 Automação, integração e capacidade analítica • TI3 Competências digitais • TI4 Modernização de infraestrutura 	Pessoas e Serv. Corp. <ul style="list-style-type: none"> • PSC1 Segurança • PSC2 Competências • PSC3 Eficiência dos processos de apoio 		Compras e Logística <ul style="list-style-type: none"> • CL1 Otimização do modelo de Contratação • CL2 Reformulação do modelo de operação Logística • CL3 Reforço da cadeia de suprimentos em MG 	Jurídico <ul style="list-style-type: none"> • JC1 Passivo Trabalhista • JC2 Atuação Proativa do Jurídico • JC3 Eficiência Operacional 		Regulatório <ul style="list-style-type: none"> • R1 Mitigação de Riscos • R2 Captura de Oportunidades 	
	Comunicação <ul style="list-style-type: none"> • CN1 Fortalecimento da imagem da CEMIG • CN2 Posicionamento da marca CEMIG 	Financeiro <ul style="list-style-type: none"> • F1 Relacionamento com Investidores • F2 Digitalização Processos • F3 Informação para Gestão • F4 Alavancagem como viab. de negócios 	Controle e Integridade <ul style="list-style-type: none"> • CI1 Gestão de Riscos • CI2 Conformidade e Integridade 		Inovação <ul style="list-style-type: none"> • I1 Negócios do futuro • I2 Conexão com mercado e ambientes de inovação • I3 Governança da inovação 		ESG <ul style="list-style-type: none"> • ESG1 Práticas Ambientais • ESG2 Contribuições aos Interesses Sociais • ESG3 Princípios de Governança Corporativa 	
				Cultura <ul style="list-style-type: none"> • CT1 Cultura que valoriza o Cliente • CT2 Cultura voltada para a Excelência 				40 • Classificação: Uso

1.4. STAKEHOLDER ACCOUNTABILITY

Concerning stakeholder engagement, Cemig has an internal process for identifying, selecting and prioritizing stakeholders called stakeholder mapping. Throughout the year, to maintain the longevity of relationships, the Company has managers and teams dedicated to meeting the needs identified or signaled by its stakeholders.

Cemig's Communication Policy governs interaction with stakeholders. This policy guides communication with different categories of stakeholders to maintain and strengthen brand innovation and maintain value addition in internal and external relationships.

Due to the brand's uniqueness, Cemig GT generally uses Cemig D channels.

Cemig GT's main communication channels that Cemig GT's stakeholders can use are described below:

CEMIG COMMUNICATION CHANNELS

Channel	Objective	Access	Notes
Cemig Atende Web	Provide Internet service to consumers	www.cemig.com.br	Available in Brazilian Portuguese, English and Spanish.
Cemig Atende Application	Enable service through mobile devices such as smartphones and tablets.	The app is free and available for Android and IOS.	-
Phone	Emergency services requests relating to the electrical system, information and	Phones: 116 Outside the State of Minas Gerais: 0800 721 0116	-

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commercial services Hearing impaired: 0800 723
requests 8007

Government	To serve the municipal, state and federal government within Cemig's concession area	Via merchandising agents available statewide	-
Cemig Mais	<i>Contact Center</i> dedicated to medium voltage customers and corporate customers	Via exclusive telephone to consumers	-
Ombudsman	Ensure the citizen's right to demonstrate, being their voice in the Company	https://www.Cemig.com.br/pt-br/atendimento/Ouvidoria/Paginas/default.aspx Email: ouvidoria@cemig.com.br Phone: 0800 728 3838 Fax: 3506-5150	ISO 9001/2008 Certification
Corporate Customer Relationship Management	Meet the demands of ACL's corporate customers.	Via commercial agent responsible for the contract with the corporate client	-

Created specifically by Cemig GT to strengthen the relationship with its stakeholders, the Proximidade Program), together with other Company programs, aims to bring technical knowledge and promote the social development of the communities near the plants under its concession. Meetings are held in which company experts give objective technical lectures to clarify operational aspects of reservoirs and dams (operational and structural safety), deal with the Emergency Action Plans (PAEs, Planos de Ação de Emergências) of the dams, in addition to disclosing the socio-environmental actions of the projects.

1.5. RISK MANAGEMENT

Enterprise risk management enriches management dialogue by adding perspectives on strategy risks and opportunities in the event of a change of context. In summary, this process allows for mapping and evaluating the strategic risks associated with corporate objectives, providing information to Senior Management for decision-making.

Risk management planning considers factors that may present risks to the health and safety of employees, suppliers, customers, the general population and the environment, in addition to considering other business factors that constitute obstacles to achieving strategic objectives. Eventually, opportunities are identified and developed according to the Company's objectives and business plans, especially concerning process efficiency. The risks inherent in Cemig's business activities are evaluated by their probability of occurrence and impact on the various businesses in the value chain.

The Company has structured governance to support decision-making related to risk management, subsidized by the competent levels, whether they are business areas, Corporate Risk Monitoring Committee, Risk Committee of the Board of Directors, Executive Board, and Board of Directors.

The implementation of corporate risk management took place in 2003 and has been continuously improved by Cemig. This management is based on processes and is aligned with the Company's Master Plan and strategic planning, having the Corporate Risk Management and Internal Controls Policy as the primary guiding element.

Cemig's current Corporate Risk Management and Internal Controls Policy was updated in 2021, and its approval is the responsibility of the Board of Directors, as provided for in Cemig's Bylaws. The Board of Directors is also responsible for validating the Company's risk matrix, which is updated annually. This involvement of the

Company's highest governance body with risk management demonstrates not only the relevance of the topic but also Cemig's alignment with good Risk Management and Corporate Governance practices.

Based on Cemig's Corporate Risk Management and Internal Controls Policy, the Company's risk appetite is defined, which signals the Precautionary Principle as one of the factors considered in the decision-making flow related to risk management, in addition to attention to the legal and regulatory precepts that determine the activities of companies in the electricity sector in Brazil. In addition, the policy is guided by guidelines that translate the best market practices, being especially aligned with the governance model called the "Three Lines Model".

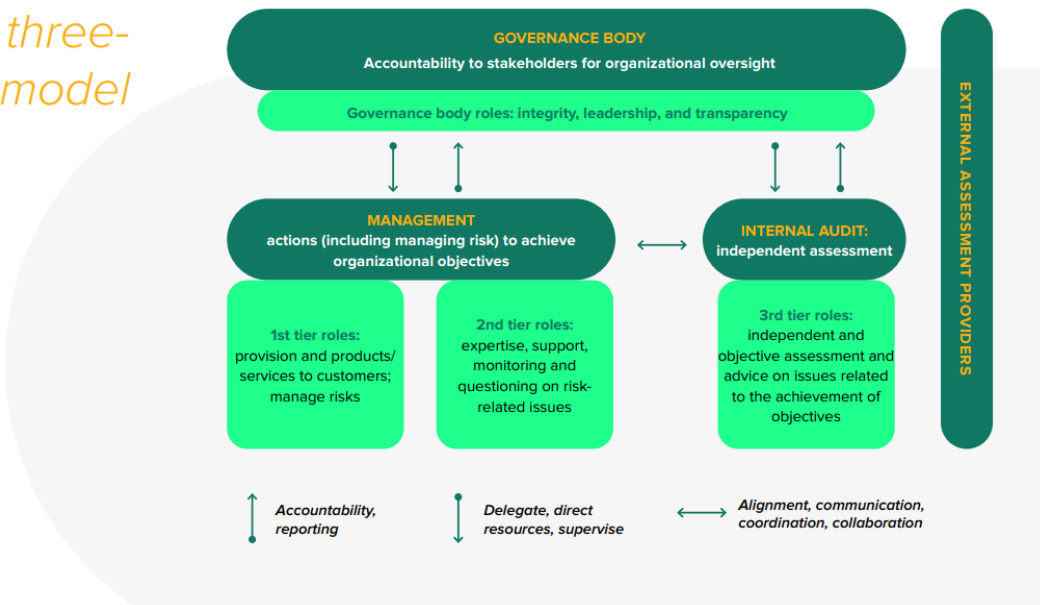
The "Three Lines Model" is a simple and effective way to define and clarify the roles and responsibilities related to risk management, coordinating all integral parts so that there is no duplication of efforts or gaps in controls, thus improving the performance of risk management and internal controls. The model proposes the orientation of responsibilities and not the creation of departmental structures to serve it, being the holder of each risk is responsible for managing its own risk and/or control mechanism. Thus, the risk management process is managed by each area of Cemig, holder of their respective risks, and monitored centrally by the Risk Management and Internal Controls Management.

The first line comprises all the Company's administrative and business areas. Managers and employees in these areas are responsible for leading and directing actions (including risk management) and applying resources to achieve the organization's objectives.

In the second line are the functions that have a supporting role in risk management. In addition, this line is responsible for monitoring the implementation of risk management practices and internal controls in the first line and assisting managers in defining risk tolerance and how risk and control information is disclosed internally in the organization. The Compliance, Risk Management and Internal Controls areas are responsible for coordinating the respective processes at Cemig and supporting risk and control holders.

The third line is composed of the organization's internal audit. It is responsible for communicating independent and objective assessments and advice to management and the governance body on the adequacy and effectiveness of governance and risk management (including internal control) to support the achievement of organizational objectives and promote and facilitate continuous improvement.

The three-line model



Updated at least annually, in 2022, the Executive Board and the Board of Directors prepared and approved the Corporate Risk Matrix – Main Risks in force for the fiscal year. Such risks associated with the execution of the Company's strategy and exposure scenarios, as well as risks such as conflicts of interest, fraud and corruption, are assumed by the Company's senior management following their responsibilities, are regularly monitored and reported to senior management.

The corporate economic, environmental and social risks prioritized by the Board of Directors are detailed and explained in the Sustainability Report.

2022 was a challenging year and was marked by several activities carried out by Cemig's risk management and corporate internal controls area.

The activities that stood out were as follows:

- Composition and review of the Top Risks and Compliance Risks Matrix: this activity is periodically approved by the Board of Directors;
- Unification of the Risk Matrix and Internal Controls: The synergy that allowed this product means a substantial improvement in processes.
- Design tests on all internal controls, associated with Top Risks or not: periodic activity that allows complete updating of the internal control matrix and possible adjustments identified.
- Periodic reporting of Top Risks to the Board of Directors and mitigation action plans to the Officers: the activity systematizes a collaboration routine in monitoring the risk matrix.
- Review of technologies and tools applied to Risk and Control Management processes: exploring opportunities for digital transformation to have safer and more assertive tools for interacting with business areas and preparing reports (dashboards).
- Annual Communication Plan: a risk and internal control communication plan was developed and implemented to disseminate a risk culture in the company.
- Virtual Risk Management and Internal Controls Training (module 1): to promote and encourage a risk culture in the company, the training was made available to all employees of the Company.
- Creation of an indicator of commitment to Internal Controls by the Executive Board: approval by the Board of Directors of an internal standard that regulates an indicator to measure commitment to effective results of internal controls.
- Internal Controls Robots: automation of the notification process to control holders on the end date of completion of their activity.
- Training for employees: the teams of the Risk Management and Internal Controls Management

1.6. COMMITMENTS

Cemig is a signatory, supporter, and participant of different national and international initiatives to reinforce its commitment and contribution to sustainable development and guide the practices of its administrators, tax advisors, employees, interns, contractors and subcontractors, business partners, suppliers, and service providers. The following voluntary commitments stand out:

- Since 2007, Cemig has been a participant in the Carbon Disclosure Project (CDP);
- Since 2009, Cemig has been a signatory to the letter of accession to the United Nations (UN) Global Compact;
- Since 2017, Cemig has been a signatory of the Business Pact for Integrity and Against Corruption of the Ethos Institute;
- In 2020, the Company joined the Alliance for Climate Action (ACA-Brazil). It is a coalition of players from various sectors of society, such as business leaders, investors, and state and municipal governments, that seeks to strengthen the subnational climate agenda.
- In 2022, Cemig joined the Net Zero Ambition Movement of the United Nations (UN) Global Compact. The initiative aims to adopt rigorous and immediate measures to halve global emissions by 2030 and zero net greenhouse gas emissions by 2040.

1.6.1 RECOGNITIONS - AWARDS

In 2022, Cemig's environmental, economic, social and governance performance was evaluated and recognized by the main sustainability indexes of stock exchanges and specialized agencies.

- **Dow Jones Sustainability World Index - DJSI World²**

Cemig has remained, for 23 consecutive years, on the select list of the Dow Jones Sustainability Index (DJSI World). It is the only company in the electricity sector in the Americas to be listed, along with six other companies in the sector, all European, on the Dow Jones Sustainability Index (DJSI World 2022/2023). Based on the performance analysis of the sustainability pillars, the DJSI lists companies that stand out for their social, environmental and economic management practices.

- **Corporate Sustainability Index – ISE B3³**

The Corporate Sustainability Index - ISE B3 includes Cemig in the composition of its portfolio in force in 2023, recognizing its commitment to good sustainability and corporate governance practices. 18 consecutive years are appearing in ISE B3. The portfolio brings together shares of 70 companies from 27 sectors. Together, these companies total BRL2.28 trillion in market value, representing 54.24% of the total market value of companies with shares traded on B3, based on the closing of December 29, 2022.

- **Carbon Efficient Index - ICO2⁴**

Cemig is part of the B3's ICO2 Carbon Efficient Index portfolio from January to April 2023. The index, rebalanced every four months, comprises shares of companies participating in the IBrX100 index, evaluated and selected for transparent practices regarding their greenhouse gas (GHG) emissions.

- **CDP – Leadership A-**

The company was classified in the leadership category (A-) in the CDP Climate Change and Water Security Questionnaires for its climate strategy and efficient management of climate and water risks. CDP is a global non-profit environmental organization that evaluates and provides data to investors on water and climate risk management from more than 13,000 organizations. For more information on CDP, visit <https://www.cdp.net/en/>

- **Top 100 Green Utilities⁵ link (<https://www.energyintel.com/2022-green-utilities-report>)**

Cemig occupies the 21st position in the top 100 energy generation companies with practices focused on renewable sources and reducing greenhouse gas emissions.

- **Standard & Poor's Global Sustainability Yearbook 2023⁶**

Cemig remained in "The Sustainability Yearbook 2023" by S&P Global. The recognition demonstrates the company's commitment to transparency in reporting its ESG initiatives. To be listed in the yearbook, companies must score in the top 15% of their industry and achieve an S&P global sustainability score within the top 30% of performers in their industry.

- **Carbon Clean⁷**

² For more information on DJSI World, visit DJSI/CSA Annual Review | S&P Global (spglobal.com)

³ For more information on ISE B3, visit <http://iseb3.com.br/>

⁴ For more information on ICO2, go to [Carbon Efficient Index - ICO2 B3 | B3](#)

⁵ For more information on Top 100 Green Utilities, visit [2022 Green Utilities Report | Energy Intelligence](#)

⁶ For more information on the Standards & Poor's Global Sustainability Yearbook, visit the report https://portal.csa.spglobal.com/survey/documents/SPGlobal_Sustainability_Yearbook_2023.pdf

⁷ <https://www.asyousow.org/report-page/2023-clean200-investing-in-a-clean-energy-future>

Cemig is the Brazilian electric company with the highest score in the Carbon Clean 200 index in 2023. The ranking listed the 200 publicly traded companies leading solutions initiatives transitioning to a clean energy future.

- **ISS – ESG Corporate Rating⁸**

Cemig is classified as "Prime" in the ESG Corporate Rating of Institutional Shareholder Services Inc. (ISS), a global provider of corporate governance, responsible investing, market intelligence, and editorial content solutions to institutional investors and corporations worldwide. The "Prime" category is assigned to companies with high ESG performance.

- **2022 Ser Humano MG Award⁹**

Cemig was one of the 2022 Ser Humano MG Award winners, granted by the Brazilian Association of Human Resources - Minas Gerais Section (ABRH/MG). The company was featured in two categories of the initiative: ESG and Internal Communication. The award aims to provide opportunities for the exchange of knowledge and experiences on the good practices that companies and organizations develop, in addition to allowing the evaluation of the scenario of the People Management area.

- **Aberje Award¹⁰**

The Aberje Award, Brazil's most important business communication contest, awarded Cemig in the Events category - Minas Gerais and Central-West Regional. In 2021, Cemig planned and executed the most extensive action plan for its traditional Christmas event. Throughout December, dozens of attractions entertained and delighted the miners. Three major parallel events were held: Cidade do Natal (Palácio das Mangabeiras), Natal Iluminado (Tiradentes) and Luzes da Liberdade (Praça da Liberdade).

1.6.2 GOALS

Sustainability has gained more and more relevance in the market and drives the growth of the Companies. Maintaining the balance between the Social, Economic, Governance and Environmental dimensions is challenging. To ensure this balance and increasingly strengthen the Company's positioning in ESG, Cemig revised its ambition as follows:

- Align with global environmental commitments, aiming to become Net Zero by 2040, developing practices aligned with the UN Sustainable Development Goals (SDGs).
- Active participation in the development of the State of Minas Gerais, aligned with the demands and interests of Minas Gerais society.
- Implement an agile and transparent corporate governance model that achieves results based on a logic focused on corporate responsibility and equity.

Ambition in ESG reaffirms the company's commitment to environmental conservation, social responsibility and corporate governance practices.

⁸ <https://www.issgovernance.com/esg/iss-esg-gateway/>

⁹ <https://abrhmg.org.br>

¹⁰ <https://premioaberje.com.br/>



Cemig has an Environmental Policy in which six principles guide its activities and direct its efforts related to:

- environmental protection;
- biodiversity conservation;
- sustainable use of natural resources;
- waste management;
- mitigation and adaptation to climate change.

These principles are translated into actions, which are intended to raise awareness among employees and partners about the main environmental challenges of Cemig and the world. Cemig joined the UN Global Compact's Net Zero Ambition Program in 2022 as part of this process. We are committed to reducing greenhouse gas emissions by 90% by 2040.

Cemig's Social Responsibility is at the center of the Company's strategy.

As a public service provider, its social strategy covers the relationship with society, the internal public, suppliers, and consumers, in addition to responsibility for its products and services and respect for human rights. Thus, Cemig generates value for its shareholders, consumers, and society as a whole.

A strategy and its respective pillars were defined for each pillar (environmental, social and governance).

To make this a reality, Cemig has a Sustainability Plan that aims at the following main objectives:

- align Sustainability efforts with Strategic Planning;
- create value for stakeholders;
- identify risks and opportunities, integrating sustainable principles and practices into the Organizational Culture;
- identify the main gaps and points of improvement in the Socio-environmental and Governance dimensions;
- keep the company aligned with best practices, reinforcing leadership in Sustainability;
- improve the communication of the Sustainability strategy to stakeholders and add value to Cemig's brand and reputation. Initially, a comprehensive external environment analysis was carried out to identify trends, risks, threats and opportunities that may affect Cemig.

The systematization of the main themes was also carried out for the construction of the Plan, considering the Environmental, Economic, Governance and Social dimensions. At this stage, several sources of information, international methodologies, Sustainability ratings, benchmarking with reference companies in Sustainability, the electricity sector, and the SDGs were analyzed. Subsequently, an internal environment analysis was carried out to map the impacts caused by the Company's operations in its value chain and identify the main weaknesses, improvement points and best practices. At this stage, interviews were conducted with experts in the areas, questionnaires were conducted, and a workshop with the leadership was held, in addition to a detailed analysis of the Company's internal policies and guidelines.

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Based on the information obtained through internal and external analysis, the seven most relevant themes were defined and prioritized, as listed below, broken down into 31 sub-themes that make up the Sustainability Plan Materiality Matrix:

- governance;
- risk management;
- innovation and renewable energy;
- management in the value chain;
- personnel management;
- natural capital management and climate change;
- efficiency.

Following the work, initiatives were proposed, aligned with the Corporate Strategic Planning and the "Top Risks" of the Company, for the various responsible areas' validation and implementation of actions in a five-year scenario. To monitor, measure, and analyze the results of Cemig's Sustainability Plan, approximately 33 indicators related to the theme are being defined, whose performance will be evaluated at the end of each year concerning the previous year, in addition to monitoring the implementation and realization of the initiatives.

The following are the main results and goals under development by the Sustainability Plan:

Goal	2022 Performance
Keep the total loss ratio of the Distribution below 11.16%	11.11%
Maintain DEC - Equivalent Duration of Interruption per Consumer up to 9.49 h.	9.48 h
Maintain TFA (D) - Lost-Time Accident Frequency Rate (Workforce) below 1.15 accident/million HHT.	1.48 accidents/million HHT
Have a percentage of Micro and Distributed Mini-generation Access Opinions Issued on Time above 83%.	In 2022, the percentage of Micro and Distributed Minigeration Access Opinions Issued on Time was 97.5%.
Have a Risk Mapping Index of the Company's Top Risks Matrix of 100%.	100%
Conduct a Compliance Culture Communication Campaign.	Campaign carried out
Obtain a Cemig Brand Health Index on Social Media greater than 55%	67%
Use at least 95% of the Federal Incentive in Culture	In 2022, 95% of the Federal Incentive in Culture was used
Have at least 550 volunteer employees participating in Corporate Initiatives.	In 2022, Cemig had 183 volunteer employees participating in the Corporate initiatives. See more details in the Chapter on Corporate Citizenship and Social Investments.
Have at least 2,399 people benefited from Sports Projects sponsored by Cemig.	In 2022, 2,742 people benefited from Sports Projects.
Have at least 4,670 people benefited from Elderly Fund Projects.	In 2022, 5,599 people benefited from Elderly Fund Projects.

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Obtain a minimum score of 4.3 out of 5 in the Investor Relations Satisfaction Survey.	In 2022, the satisfaction rate was 4.1 out of 5.
Obtain 100% in the Environmental Conditions Compliance Index.	In 2022, the result was 99.56%.
Have a Deadline Index for Obtaining DAIs (Environmental Intervention Authorization Document) of less than 455 days.	In 2022, the index was 432 days.
Have a High and Extra High Voltage Line Safety Ranges vacancy index of 195 dwellings or more.	In 2022, the index was 204 homes.

The table below shows the main goals and objectives proposed by Cemig's Strategic Plan and the Sustainability Plan for 2023:

Indicator	2022 Results	2023 Goal
IPTD - Total Distribution Loss Index	11.11%	10.84%
DEC	9.48 h	9.24 h
TFA (D) - Lost-Time Accident Frequency Rate (Workforce)	1.48 accident/million HHT	1.11 accident/million HHT
TFA (GT) - Lost-Time Accident Frequency Rate (Workforce)	0.93 accident/million HHT	0.88 accident/million HHT
IASC - Customer Satisfaction Index	Not yet disclosed	66%
PPGD - Percentage of Distributed Micro and Mini-generation Access Opinions Issued in the Period	97.50%	83% (IGPD)
MAPRISK - Risk Mapping Index of the Company's Top Risks Matrix	110%	100%
P-Vol - Participation of Volunteers in Corporate Initiatives	183 volunteers	200 volunteers
PESP- Number of Beneficiaries in Sports Projects	2,742	4,000
ICC - Environmental Conditions Compliance Index	99.56%	100.00%
ILOI - Environmental Licensing Index - Cemig GT	5	4
IDFSP - Index of demands for vacations of Safety Lanes answered on time	New indicator	95%
IURI - Incentivized Resource Utilization Index (Sport, elderly and FIA)	New indicator	90%
P-Vol - Percentage of Volunteer Participation in Corporate Initiatives concerning the total number of employees	New indicator	4%
Development and implementation of the SYMBIOSIS System (Measures the percentage of compliance with the SYMBIOSIS Development and Implementation plan according to the following modules: Ichthyofauna Database upload - 100%, Contract Management - 30%,	100%	100%

Insertion of Environmental Licenses - 100%, Insertion of Environmental Conditions - 100%, Reporting Process - 30%)		
PE-AI6% - Participation of Employees in the AI6% Program - Training Citizens	27.70%	27.33%
Press Favorability	90.70%	Greater than 85%
Culture Tax Incentive	100.40%	Greater than 95%
ISUSTENT - Cemig's Participation in the Main Sustainability Ratings of Brazil and the World	89.18%	89.00%

1.7. OPERATIONAL PERFORMANCE AND PRODUCTIVITY INDICATORS

Below are the productivity results obtained in 2022 at Cemig GT:

Performance Indicators

General and service data	2022	2021	2020
Number of consumers served – Captives	0	0	0
Number of consumers served – Free	3,184	3,076	2,281
Number of locations served (municipalities)	NA	NA	NA
Number of own employees	1,181	1,209	1,236
Number of outsourced employees	1,071	1,034	1,185
Number of commercial offices	NA	NA	NA
Generated energy (GWh)	18,139.15	15,490.34	21,698.83
Purchased energy (GWh)	2022	2021	2020
Bilateral contracts	29,497.64	21,803.70	18,927.80
CCEE	11,233.26	5,650.40	5,113.50
MRE	2,872.71	3,273.00	2,465.50
Total energy purchased	43,603.61	30,727.10	26,506.80
Energy sold (GWh)	2022	2021	2020
Sales in ACL	23,456.78	24,562.60	24,889.90
Industrial	13,462.90	13,581.50	10,217.30
Commercial	4,122.10	4,158.80	4,174.50
Rural	15.90	31.00	16.80
Others	5,855.88	6,791.30	10,481.30
Total sales in the ACR (auction/initial contracts - Sales to traders)	2,629.05	2,096.50	2,098.60
Total sales in ACR (auction/initial contracts) - Other sales	0	0	0
CCEAR – CEMIG D	ND	130.2	130.5
Total energy sold (GWh)	26,085.83	26,789.40	27,119.00
Energy Sold per employee (MWh)	22,087.92	22,158.30	21,940.90
Sale of energy by installed capacity (GWh/MVA)	ND	1.44	1.47

Infrastructure	2022	2021	2020
Substations (in units)	40	39	39
Installed capacity (MVA)	19,078.15	18,613.15	18,395.65
Transmission lines (in km)	5,017	4,998	4,930
Distribution network (in km)	NA	NA	NA
Distribution transformers (in units)	NA	NA	NA
Added value to be distributed (BRL thousand) / GWh Sold	ND	198.41	226.26
Overall electrical losses (GWh)	2022	2021	2020
Electrical losses – Total (%) on power requirement	132.747	0.31	ND
Technical losses – on power requirement	132.747	83.069	ND
Non-technical losses – (%) on power requirement	NA	NA	NA
Total global electrical losses (GWh)	132.747	83.069	ND

In 2022, the Company had a net generation of 18,139,150.00 MWh of electricity, an increase of 17% compared to 2021.

Net Generation by generating source (MWh)

Primary source	2022	2021	2020
Hydraulic	17,774,510.00	15,069,777.50	12,549,147.00
Wind	358,230.00	419,119.20	157,295.00
Solar	6,410.00	1,441.20	1,112.00
Total generation (MWh)	18,139,150.00	15,490,337.90	12,707,554.00

2. DIMENSION CORPORATE GOVERNANCE

2.1. MANAGEMENT

Cemig GT, as a wholly-owned subsidiary of Cemig, follows the same corporate governance practices as the sole shareholder.

With a corporate governance structure based on transparency, equity, and accountability, the company's management is ensured by the Board of Directors, the Executive Committee, and a permanent Financial Committee, all governed by the Bylaws and applicable laws.

The Executive Board is responsible for managing the entire business, and except for reasons of force majeure - whether by law or by statute - decisions are taken by the Board of Directors or the Executive Meeting.

Thus, the system established following the Decree of Law of the State of Minas Gerais No. 47.154/17 and with the State-Owned Companies Law No. 13.303/16 to prepare the Company's strategic planning proposals must be taken into account in a minimum period of 5 years, be reviewed once a year and submitted to the Board of Directors twice for approval. Currently, the current strategic plan covers the 2021-2030 cycle.

In 2022, the Board of Directors had 11 influential members. Among the effective members, the Chairman is elected at any time by the General Meeting of shareholders for a unified term of two years, with a maximum of three consecutive terms. He may be removed without the period being fulfilled. Employees have the right to choose a representative member following the provisions of Law No. 12.353 of December 28, 2010.

We emphasize the need to adhere to the independence criteria and consider the expertise and experience of candidates in the environmental, economic and social areas in the selection and appointment of board members.

As for independence, at least 25% of the members must be independent or at least one in case a minority shareholder decides to exercise multiple voting rights.

Among the directors, seven are independent and meet the DJSI standard, and six are independent directors who meet the IBGC standard.

The duties of the Board of Directors are established in the Internal Regulations of the Board of Directors, and information on the composition, election, mandate, principal and responsibilities are contained in this document.

Cemig's Executive Board comprises seven members whose functions are specified in the Company's articles of incorporation. The Board of Directors elects its members for a term of two years and a maximum of three consecutive terms and may be removed at any time. The Directors may hold executive positions concurrently with their positions on the Board, provided that they are unpaid, in wholly-owned subsidiaries, subsidiaries and affiliates of Cemig.

The Executive Board will follow and comply with the objectives and conditions set by the Board, especially those related to debt, liquidity, rate of return, investment and regulatory framework. In this sense, the role of the Executive Officers is to coordinate and manage the company's work and all strategic and institutional activities of the affiliates, subsidiaries and consortia to which they belong.

The Company also has a permanent Fiscal Committee responsible for applying Brazilian law and attributing the legal provisions of the country where Cemig's shares are listed and traded to the extent that they do not conflict with Brazilian law. The multidisciplinary Fiscal Committee comprises five effective members and their respective alternates. The General Meeting of Shareholders also elects the members of the Board of Directors for a two-year term.

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Administrators	2022				2021				2020			
	CA	DE	CF	Total	CA	DE	CF	Total	CA	DE	CF	Total
No. of Effective Members	11	7	5	23	9	7	5	21	9	7	5	21
No. of Alternate Members	0	-	5	5	0	-	5	5	0	-	5	5

It is essential to highlight that the compensation of the members of the Management is carried out by the holding company Cemig and not by Cemig Geração e Transmissão.

3. ECONOMIC-FINANCIAL DIMENSION

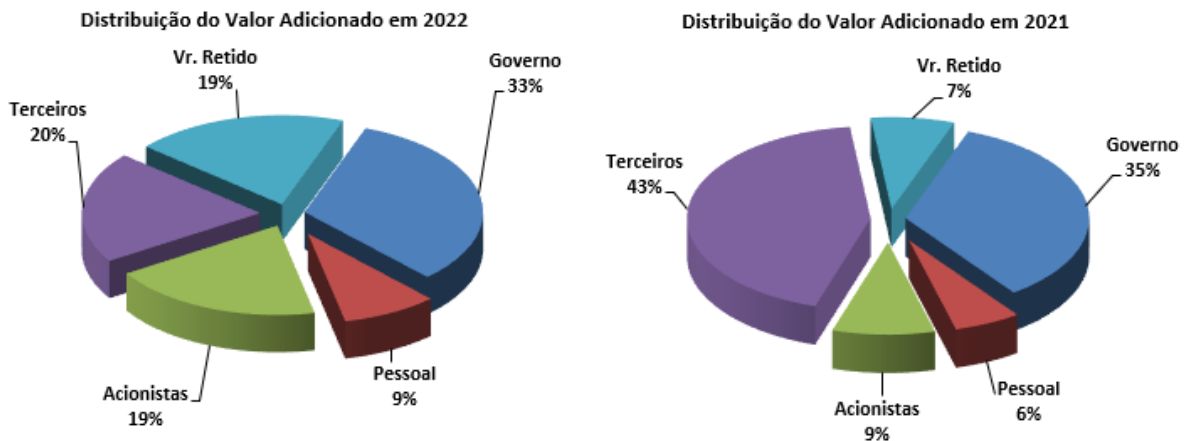
Cemig considers its concessions the most critical asset for exploring resources and infrastructures for generating, transmitting, and distributing gas and energy. The activities are subject to inspection and regulation by ANEEL through contracts granted by the Federal Government.

- Generation: energy commercialization from plants in a regulated environment (through centralized or public auctions) or free (through bilateral negotiations and reserved for interested parties). There is also the revenue resulting from the short-term market (MCP, Mercado de Curto Prazo) that remunerates agents for energy de-contraction and is settled by the Settlement Price of Differences (PLD, Preço de Liquidação das Diferenças)
- Transmission: Cemig and its subsidiaries may charge the transmission system usage fee (TUST) through transmission concession agreements that undergo annual adjustments.

3.1. ECONOMIC AND FINANCIAL INDICATORS

Cemig presented a net income of BRL4,094 million in 2022 compared to a net income of BRL3,753 million in 2021, representing an increase of 9.09%.

In terms of ESG, the Value Added Statement (DVA, Demonstração do Valor Adicionado) shows the generation of wealth distributed to society with BRL5,388 million in value added in 2022 compared to BRL5,321 million in 2021.



The added value was composed of the items below, and its distribution was as follows:

VALUE ADDED STATEMENT (DVA)	2022	Δ%	2021
	Value (BRL thousands)		Value (BRL thousands)
REVENUE	10,171,663	-3.87%	10,581,362
Sale of Energy and Services	8,656,045	-2.39%	8,868,386
Revenues related to the construction of distribution infrastructure	407,193	61.60%	251,973
Adjustment of the expectation of the cash flow of the concession's recoverable financial asset	-702,459	0.86%	-696,499

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Other Revenue	0	- 100.00%	327
Provision for doubtful accounts	0	- 100.00%	-13,497
TOTAL INPUTS PURCHASED FROM THIRD PARTIES (includes tax values – ICMS, IPI, PIS and COFINS)	-5,649,254	-3.77%	-5,870,626
Electric energy purchased for resale	-4,566,647	-7.59%	-4,941,722
Charges for the use of the basic transmission network	-267,440	13.96%	-234,686
Third-party services	-304,256	11.23%	-273,543
Materials	-301,901	67.87%	-179,846
Other operating costs	-204,938	-13.66%	-237,373
GROSS VALUE ADDED	4,522,409	-4.00%	4,710,736
DEPRECIATION, AMORTIZATION AND LOSS OF VALUE	-328,387	26.57%	-259,454
NET VALUE ADDED PRODUCED BY THE ENTITY	4,194,022	-5.78%	4,451,282
VALUE ADDED RECEIVED IN TRANSFER	1,194,226	38.21%	864,086
TOTAL VALUE ADDED TO BE DISTRIBUTED	5,388,248	1.37%	5,315,368

DISTRIBUTION OF VALUE-ADDED	2022	Δ%	2021
	Value (BRL thousands)		Value (BRL thousands)
Employees	469,892	50%	314,246
Direct compensation	256,164	2%	249,937
Benefits	176,358	320%	41,994
F.G.T.S	16,834	4%	16,147
Scheduled Voluntary Termination Program	20,536	233%	6,168
Taxes, fees and contributions	1,744,259	-4%	1,825,653
Federal	1,104,871	0%	1,104,027
State	634,136	-11%	711,748
Municipal	5,252	-47%	9,878
Third-party capital compensation	1,088,641	-53%	2,304,035
Interest	1,081,323	-53%	2,298,743
Rents	7,318	38%	5,292
Stockholders' Equity Remuneration	2,085,456	139%	871,434
Interest on Stockholders' Equity	0	-100%	291,462
Interim dividends	600,000	219%	187,974
Dividends	442,728	-	-
Retained earnings / Losses for the year	1,042,728	166%	391,998
TOTAL VALUE ADDED TO BE DISTRIBUTED	5,388,248	1%	5,315,368

STATEMENT OF FINANCIAL INCOME	2022	Δ%	2021
	Value (BRL thousands)		Value (BRL thousands)
Net Revenue	8,148,452	-2%	8,311,112
Service Result/Operating Result	2,680,640	-18%	3,282,335
Net Financial Result	-477,291	-78%	-2,160,710
Net Income	2,085,456	139%	871,434

Statutory Dividends	-442,728	136%	-187,974
EBITDA	2,734	-23%	3,541
EBITDA margin	36.92%	-13%	42.61%
Operating Margin	36.68%	-16%	43.57%

3.2. INVESTMENTS

Below are the investments made by Cemig GT in the last three years:

Investments	2022		2021		2020
	Value (BRL thousands)	Δ%	Value (BRL thousands)	Δ%	Value (BRL thousands)
Cachoeirão Hydroelectric Power Plant	47,096	20%	59,014	0.11	53,215
Guanhães Energia	182,579	-46%	125,172	-0.05	131,391
Pipoca Hydroelectric Power Plant	46,744	0%	46,722	0.31	35,552
Madeira Energia (Santo Antônio Plant)	9,500	-	0	-0.31	209,374
FIP Melbourne (Santo Antônio Plant)	7,760	-	0	-1.00	157,476
Lightger	60,438	-26%	47,787	-0.08	51,805
Baguari Energia	160,324	5%	168,430	0.06	159,029
Praias de Parajuru Wind Power Plant	203,107	-14%	177,707	0.10	161,061
Central Eólica Volta do Rio S.A.	308,603	-13%	273,988	0.12	245,436
Aliança Norte (Belo Monte Plant)	575,745	5%	609,154	-0.03	631,227
Amazônia Energia (Belo Monte)	885,529	5%	932,600	-0.03	965,255
Aliança Geração	1,193,841	-5%	1,140,930	-0.02	1,166,240
Retiro Baixo	185,495	7%	200,385	0.03	195,235
HPP Itaocara S.A.	0	0%	-20,767	-0.30	-29,615
Cemig Baguari	67	24%	88	0.60	55
Cemig Geração Três Marias S. A	1,727,594	-5%	1,652,343	0.14	1,452,217
Cemig Geração Salto Grande S. A	562,308	-7%	526,776	0.16	455,480
Cemig Geração Itutinga S. A	231,057	-9%	211,956	0.18	179,745
Cemig Geração Camargos S. A	182,960	-11%	165,369	0.15	143,704
Cemig Geração Sul S. A	251,765	-17%	214,845	0.23	174,005
Cemig Geração Leste S. A	167,959	-14%	147,702	0.16	127,128
Cemig Geração Oeste S. A	125,521	-18%	105,990	0.26	83,870
Cemig PCH S.A.	98,917	-10%	90,117	0.01	89,898
Cemig Geração Poço Fundo S.A.	171,954	-19%	144,129	%	3,801
Rosal Energia S.A.	123,305	-7%	114,751	-0.10	127,020
Sá Carvalho S.A.	138,259	-3%	134,209	0.16	115,486
Horizontes Energia S.A.	60,535	-2%	59,575	0.07	55,461

Aliança Geração

Cemig GT holds 45% of the total capital stock of Aliança Geração de Energia S.A. ("Aliança Geração"). Aliança Geração has an ongoing investment project, as follows:

Acauã Wind Farm (“Acauã”): composed of 3 farms, namely: Central Eólica Acauã I S.A. (“Acauã I”), Central Eólica Acauã II S.A. (“Acauã II”) and Central Eólica Acauã III S.A. (“Acauã III”), located in the municipalities of Tenente Laurentino Cruz, Lagoa Nova, Santana do Matos and São Vicente, in the state of Rio Grande do Norte. The implementation of the Acauã Wind Project began in March 2021, with the entire commercial operation estimated for the second half of 2023. The project will have 26 wind turbines with a power of 4.2 MW, a total installed capacity of 109.2 MW, and an estimated production of 57.77 average MW.

In December 2022, Central Eólica Gravier S.A. (“Gravier”) entered into commercial operation located in the Municipality of Icapuí, in the State of Ceará. The project began its implementation in January 2021 and has 17 wind turbines with a power of 4.2 MW, a total installed capacity of 71.4 MW, and an estimated production of 28 average MW.

The investments have as their source of funds Aliança Geração's cash, as well as financing through the issuance of debentures and/or other financial instruments.

Implementation of Boa Esperança and Jusante photovoltaic solar plants

On August 23, 2022, the Company entered into supply contracts in the Full EPC (Engineering, Procurement and Construction) modality for the implementation of Boa Esperança and Jusante Solar Photovoltaic Plants (“SPPs”), with an estimated Capex of BRL824 million, of which BRL447 million for Boa Esperança SPP and BRL377 million for Jusante SPP.

Boa Esperança SPP will have 85MW of power installed in an inverter (approximately 100.4 MWp) located on land owned by the Company in the Municipality of Montes Claros, Minas Gerais. The Jusante SPP will consist of 7 plants of 10MW each, totaling 70MW of power installed in an inverter (approximately 87 MWp), located on land owned by the Company, in the Municipality of São Gonçalo do Abaeté, Minas Gerais. The project schedule foresees the energization of the plants by September 2023.

Implementing these plants aligns with Cemig Group's strategic planning, reinforcing its performance in the renewable energy segment with profitability compatible with the Company's cost of capital for this type of project.

Poço Fundo Project

In September 2022, the new generating units of the Small Hydroelectric Power Plant of Poço Fundo, located in the south region of Minas Gerais, started operating. The expansion of this SHPP is part of the investment program and marks the resumption of Cemig in the construction of new plants. The generation capacity of the new project is 30MW, compared to 9.16 MW of the old plant. With an investment of approximately BRL150 million, the plant has new, more modern and efficient equipment that will allow the remote operation of the plant by the Company's System Operation Center (COS, Centro de Operação do Sistema).

The project started operating three months before the deadline established for the beginning of the supply of energy marketed by the Company in Aneel Auction 03/2019, resulting from the expansion of the plant.

Auction Lot 1 02/2022

The Company won the dispute for Lot 1 of Transmission Auction No. 2/2022, held by Aneel on December 16, 2022. The proposal presented by the Company corresponded to a RAP value of approximately BRL17 million for the new TL 230 Governador Valadares 6 – Verona, 165 km long. The deadline for entry into operation is March 30, 2028, and the concession term is 30 years.

The auctioned lot has significant synergies and takes advantage of the Company's existing operation and maintenance structure, in addition to forecasts of Capex optimizations and anticipation of project delivery, with profitability compatible with the Company's cost of capital for this type of project. The result of the event consolidates the Company's strategic positioning as one of the largest electricity transmission companies in the country, in line with the objectives of sustainable growth and value generation, following the commitment to transmit energy with reliability, transparency and safety for all society, respecting the environment.

4. SOCIAL DIMENSION

4.1. INTERNAL SOCIAL INDICATORS

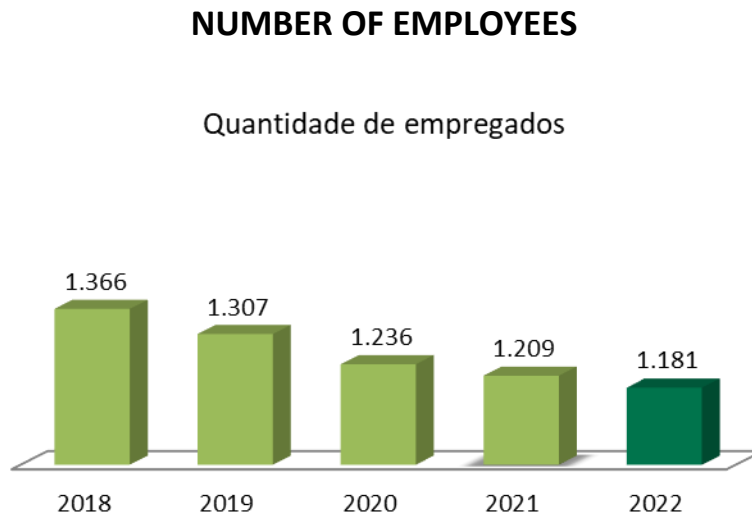
Cemig Geração e Transmissão considers its human capital fundamental for realizing its commitment to economic, social and environmental sustainability and, with this focus, it seeks to adopt the best practices of the labor market in people management.

Cemig's Human Resources Policy encompasses several principles that guide labor relations, in line with Cemig's Code of Conduct.

The people management processes and practices applied to Cemig GT employees follow the same standards applied throughout Cemig, including programs that value diversity and combat discrimination and harassment. More details on people management processes and practices are available in Cemig's Annual Sustainability Report (RAS, Relatório de Sustentabilidade Anual) published on its website.

4.1.1 EMPLOYEE PROFILE

Given the reality imposed by the current conditions of regulation of the energy sector, the Company continues to work in search of more efficiency and greater alignment with the sector's references. The Company has been showing a reduction in the number of employees in the last 5 years, from 1,343 employees at the end of 2017 to 1,181 at the end of 2022, as shown in the following chart:



In 2022, 1,071 professionals characterized as third-party labor were hired. The character of hiring third parties says it is temporary and seeks to meet complementary work demand or temporarily replace its employee in cases where it is impossible to relocate, following the provisions of Law No. 13.429/20170.

In 2022, the Company had a workforce of 2,252 people, of which 1,071 were third parties, and 1,181 were its own, as detailed in the table below:

Employability	2022	2021	2020
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Total number of employees	1,181	1,209	1,236
Employees under 30 years of age (%)	8.89%	11.66%	12.54%
Employees aged between 30 and 50 (%)	70.11%	69.40%	69.42%
Employees over the age of 50 (%)	21.00%	18.94%	18.04%
Number of women (%)	15.33%	14.56%	14.32%
Number of black female employees (%)	3.56%	3.72%	3.72%
Number of black employees (%)	28.11%	28.37%	28.40%
Interns (%)	0.00%	0.00%	0.00%
Hiring program employees and apprentices (%)	1.44%	1.57%	1.21%
Employees with disabilities	31	32	34
Number of outsourced employees	1,071	1,034	1,185
Total number of managerial positions	2022	2021	2020
Total number of managerial positions	66	65	62
Women in management positions (%)	18.18%	15.38%	11.29%
Black employees in management positions (%)	13.64%	13.85%	12.90%

Regarding diversity, Cemig GT, in the Code of Professional Conduct, is committed to valuing diversity and non-discrimination based on attributes such as gender, race, color, appearance, nationality, religion, age, physical and mental state, status, political ideology, as well as veteran or novice status. The Ethics Committee monitors compliance with these commitments.

In a traditionally male professional environment, Cemig GT seeks to keep women in the company through incentives that provide equal opportunities and differentiated benefits from the technical and managerial levels. The percentage of women in managerial positions has been increasing compared to the last three years' data.

Regarding the composition of the staff of people with disabilities, in 2022, Cemig had 31 employees, corresponding to 3% of the total staff of its employees. This contingent includes employees with physical, hearing, visual, and multiple disabilities and under rehabilitation.

In compliance with State Law No. 11.867/95, Cemig reserves, in its public tenders, 10% of the total vacancies for people with disabilities. There is no reservation of vacancies for Persons with Disabilities for positions with additional dangerousness, as they require full aptitude of the candidate, complying with the provisions of article 38, item II, of Federal Decree No. 3298/99. Suppose the contest considers only positions of this nature. In that case, there is no vacancy reserved for people with disabilities, which is the case, for example, of public tenders intended exclusively for the hiring of electricians and maintainers.

Cemig supports adaptation for all people with disabilities through social workers and the People Management area. When necessary, the adaptation of the workspace for employees with disabilities is carried out.

In the Internship Program, Cemig aims to allow technical and university students to work and apply their knowledge in their areas of study, creating an environment of development and learning shared with the company's professionals. In 2022, as in 2021, the Company did not open a process for hiring interns.

4.1.2 COMPENSATION, BENEFITS AND CAREER

It is known that benefits are also a vital instrument for employee retention. In this line, compensation follows the legislation on the national minimum wage, and the control of overtime work takes place to enable a balance between personal and professional life.

There is no differentiation between the compensation received by men and women who hold similar positions and are at the same career level, according to the PCCR (Position, Career and Compensation Plan). The salary differences shown in the table below result from career promotions.

The benefits package consists of child and special efficient support program (PAM), reimbursement of expenses arising from the disability of employees and/or their dependents, funeral allowance in the event of the death of an employee or their direct dependents, daycare allowance for children under 7 years old, education/training allowance, life insurance, extension of maternity and paternity leave, retirement preparation seminar, biweekly salary advance, vacation loan, financial loan, health inventory, monthly contribution related to the supplementary pension plan (managed by Forluz) and health plan (managed by Cemig Saúde).

As a participant in the Citizen Company Program, Cemig grants the extension of maternity leave to 6 (six) months and paternity leave of 20 days. In 2022, 129 parental leaves were granted, of which 19 were maternity and 110 were paternity. To encourage parenting, Cemig provides responsible paternity courses, special paternity leave in cases of disability on the part of the mother, monitoring of employees throughout the pregnancy, postpartum and first trimester of the child's life, daycare assistance for employees and female employees under special conditions (widowed, single or divorced who have custody of the children).

Cemig underwent restructuring in 2019 and, in 2020, began the review of the Positions, Careers, and Compensation Plan (PCCR) to keep it coherent and competitive. The company's new job, career, and compensation plan, called the "Functional Structure," was built with the support of external consulting and implemented in June 2022. The plan became more straightforward, more flexible, and in line with the company's cultural transformation process, which has the valorization of meritocracy as one of its objectives. Together with the Functional Structure, the "Career Opportunities Program" was created, which establishes how employees can participate in the professional opportunities that arise in the company.

The benefits are negotiated in Collective Bargaining Agreements (ACT) and Specific Collective Agreements for Profit Sharing established by Cemig's Board of Directors.

The negotiation and conclusion of agreements are carried out directly with the class union. Currently, the agreements cover 100% of employees. Definitions and agreements are communicated to employees and subsequently signed and published on the intranet. The Company's agreements are renewed annually on October 31, the date agreed between employees and their representatives.

The compensation of Cemig employees is composed of base salary, bonuses, additional salary and profit sharing – PLR, as variable compensation. The allocation of PLR is based on the specific objectives of each area and the achievement of common corporate objectives aligned with the Company's strategic objectives.

Compensation (BRL thousand)	2022	2021	2020
Gross payroll	269,123	246,170	287,008
Compulsory social charges	74,048	70,289	69,343
Benefits (BRL thousand)	2022	2021	2020
Education	251	249	234
Food	19,045	17,827	17,988
Transportation	161	43	55
Health	15,611	13,937	12,009

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Private pension	21,714	21,125	20,306
Occupational safety and health	3,221	4,800	4,882
Culture	ND	2,615	ND
Training and professional development	14,126	6,594	6,222
Daycare or childcare allowance	689	511	583
Others	3,502	4,968	4,817
Profit sharing	2022	2021	2020
Total investment in the company's profit-sharing program (BRL thousand)	28,653	22,659	53,699
Amounts distributed concerning gross payroll (%)	10.65	9.20	20.17
Division of the highest compensation by the lowest compensation paid by the company	24.28	26.84	26.77
Division of the company's lowest compensation by the current minimum wage	2.77	2.64	3.05
Compensation profile - average salary in the current year by functional category (BRL)	2022	2021	2020
Board positions [1]	72,946.86	66,703.68	63,083.70
Management positions	19,886.38	18,019.42	17,595.29
Administrative positions	12,341.78	11,274.84	10,459.99
Production positions	5,822.71	5,199.63	5,006.45

*Others refer to Funeral Allowance, Salary Supplement, Life Insurance, Transport Voucher, Dental Plan, Education Allowance, Maternity Salary Extension and Paternity Salary Extension

4.1.3 OCCUPATIONAL HEALTH AND SAFETY

Protecting its entire workforce is a central point in Cemig's performance, reaffirmed by the value of "Respect for Life". The Health and Safety Management System addresses Occupational Health and Safety Risks based on the guidelines of NBR ISO 45001:2018, which are composed of a set of policies, manuals and practices.

The Occupational Health and Safety Policy is the instrument that guides management and reaffirms the importance of safety in the company's daily life. The policy affirms the commitment to comply with legislation and internal rules addressing the principles of risk identification, assessment and control as management instruments, valuing proactivity in identification and control.

Health, Safety, Well-being of workers, Integrity of local communities, and Integrity of heritage are integral parts of all activities carried out in work routines from project planning to operation.

Cemig aims at the continuous search for "zero accident"; for this, it executes through the Health and Safety Risk Management system a routine of identification, analysis, and control of risks, defining planned actions and procedures according to the efficiency of the measures within a hierarchy of controls.

Workers are provided with the appropriate Personal Protective Equipment (PPE) for each work need. No work can be done without safety, regardless of urgency and importance. In this way, any employee, contractor and

third party companies - regardless of hierarchical level - are assured of refusal to expose themselves to unsafe situations.

Monitoring occupational safety indicators, such as frequency and severity rates, allows monitoring of the effectiveness of actions. Periodically, audits are carried out to identify failures in risk management and non-compliance with standards and procedures. Failure to comply with the policy, procedures, internal rules, and safety recommendations is subject to penalties established internally.

On the SESMT portal, available on the intranet, a series of internal mandatory compliance instructions are published that are available for access by all workers. In addition, campaigns and information disclosures are carried out on the website to foster safe practices that contribute to the continuous reduction of the number of accidents.

In 2022, to disseminate and raise awareness among the workforce and others involved in business activities, the "Guardians of Life" program was implemented to reinforce the appreciation of life in everyday attitudes and practices.

The health and safety indicators collected in the last three years are shown in the table below:

Occupational Health and Safety	2022	2021	2020
Average overtime per employee/year	59.81	29.32	29.58
Total TFA index (frequency rate of lost-time accidents) of the company for its employees	0.50	0.96	1.44
Total TFA index (frequency rate of lost-time accidents) of the company for outsourced and contractors	3.96	0.91	1.78
TFA index (frequency rate of accidents with lost time) of the company, for the workforce (own + outsourced)	2.00	0.93	1.62
Total TF index (accident frequency rate) of the company for its employees	2.20	1.44	8.00
Total TF index (accident frequency rate) of the company for outsourced and contractors	6.60	4.09	3.00
TF index (accident frequency rate) of the company for the workforce (own + outsourced)	4.00	2.8	5.32
Total TG index (accident severity rate) of the company for own employees	8.00	11	12
Total TG index (accident severity rate) of the company for outsourced and contractors	93	2	2,676
Total TG index (accident severity rate) of the company for the workforce (own + outsourced)	45	6	1,396
Deaths of own employees	0	0	0
Deaths of outsourced and contractors	0	0	1

Compared to 2021, we had an increase in accident rates, breaking a series that had decreased since 2019. The Company has been promoting internal actions and reviewing processes to resume the trend of reducing TFA and TF in the coming years, including educational campaigns to raise awareness of the professionals who make up the workforce.

The Company has been expanding health and safety actions with a focus on prevention and intensifying educational campaigns to raise awareness of the workforce. The effort of the employees has provided the

Company with the lowest historical levels of these indicators, demonstrating that there is still much to be done but that Cemig has been following the correct path

4.1.4 TRAINING AND DEVELOPMENT

The Company believes and continuously invests in the construction and management of its corporate knowledge. Confident that this knowledge begins with a well-executed selection process so that the technical requirements for the position are clear enough to meet the needs of the Company. Therefore, Cemig seeks to develop employees' skills according to the electricity sector's specificities, as well as to train and update them.

After hiring the professionals that best fit the vacancy profile, the Company trains them in a technical, behavioral and managerial way to train and develop the skills for performing their function and career development. To correct deviations and improve performance, each employee works with their manager to establish a development plan that outlines their training needs.

Cemig supports its employees in developing themselves and, within this line, reimburses them for technical, undergraduate, graduate, and training courses in foreign languages. The company also continuously invests in knowledge management, given the specificities of the electricity sector, to keep its workforce trained and updated.

In this context, Cemig's corporate university (UniverCemig) is responsible for training and developing Cemig's employees by constructing educational solutions, providing its training, hiring outsourced training in the country and abroad, and managing graduate courses and languages. In addition, UniverCemig operates in the market, offering training for other companies, mainly service providers for Cemig Geração e Transmissão.

Below is the training-related data for the last three years:

Education profile - % of professionals who fall into the following categories	2022	2021	2020
Complete elementary school	0.17	0.17	1.69
Complete high school	6.18	7.36	26.56
Technical education	36.24	33.83	52.69
Higher education	39.54	40.61	19.24
Postgraduate (Specialization, Master's Degree, PhD)	17.87	18.03	ND
Investment in professional development (BRL thousand)	2022	2021	2020
Amount invested in professional development and education	14,377	6,833	6,446
Average hours of training per year, per employee, broken down by job category	2022	2021	2020
Board positions	ND	ND	ND
Management positions	46.29	112.00	4.80
Administrative positions	42.96	31.00	13.49
Production positions	49.61	47.00	18.86

4.1.5 BEHAVIOR IN THE FACE OF DISMISSALS, RESIGNATIONS AND RETIREMENT

The Company acts in a preventive manner when dealing with the retirement issue and has actions before and after this period involving its employees.

Employees have the Retirement Preparation Program (PPA, Programa de Preparação para Aposentadoria) that aims to build a life project envisioning retirement and identifying how this step can impact the lives of employees and their dependents.

This permanent initiative is carried out through Forluz's Social Security and Financial Education Program – To Live Better (Programa de Educação Previdenciária e Financeira da Forluz – Para Viver Melhor), and it addresses all aspects related to budget administration, investments, quality of life within the financial reality and indebtedness.

The table below presents the data related to behavior in the face of layoffs and preparation for retirement for the last three years.

DISMISSALS AND RETIREMENT

Cemig evaluates labor lawsuits to suggest ways to reduce labor liability through actions that involve reviewing internal processes, prudence in ongoing lawsuits and negotiations related to collective bargaining agreements.

Behavior in the face of dismissals	2022	2021	2020
Turnover rate	3.85	4.49	3.57
Value of labor provisions in the period	ND	BRL350,288	BRL361,488
Number of labor lawsuits filed against the company in the period	ND	0	0
Number of labor lawsuits upheld in the period	ND	1	3
Number of labor lawsuits dismissed in the period	ND	16	15
Total amount of indemnities and fines paid by court order in the period	ND	ND	ND
Preparing for retirement	2022	2021	2020
Investments in supplementary pension (BRL thousand)	ND	ND	25,450
Number of beneficiaries of the supplementary pension program	1,155	ND	1,408

4.2. EXTERNAL SOCIAL INDICATORS

4.2.1 CUSTOMERS

Below is the profile of the Cemig GT customer base in the three-year period:

Service Excellence	2022	2021	2020
Sales in ACR (Auction)	ND	7.80%	7.74%
Sales to traders (ACL)	ND	91.70%	38.65%
CCEAR CEMIG D	ND	0.50%	0.48%
Industrial	ND	50.70%	37.68%
Commercial	ND	15.50%	15.39%
Rural	ND	0.12%	0.06%

4.2.2 SUPPLIERS

Cemig D's supply chain is varied and, in 2022, it had 173 active suppliers in the base and expenses corresponded to an amount of BRL1,416,693,935 million.

Cemig's diverse supplier base includes, among others, suppliers of electrical and hydraulic equipment, microcomputers and office supplies, builders for retrofit works, construction of new units, or provision of services related to energy distribution and call center services and conservation and cleaning.

The relationship with suppliers is guided by the company's Supply Policy and Code of Conduct and federal and state legislation. Cemig also requires its supply chain to comply with its specific policies on social and environmental issues, which follow the principles of the Global Compact, in addition to SA 8000, ISO 14001 and ISO 450001 standards. Based on these policies, principles and guidelines, five priority commitments were defined as a supply chain management strategy: (1) commitment to the public good and respect for the principles of legality; (2) commitment to business ethics; (3) commitment to equality; (4) commitment to transparency; and (5) commitment to social and environmental responsibility. These commitments guide the Company's daily supply actions.

Cemig seeks to align suppliers and contractors with its sustainability vision, commitments and business values. Due to its legal nature (government-controlled company), Cemig is subject to the Bidding Law, which establishes rules for bids and contracts of the direct Government. Thus, the Company must maintain an isonomic relationship without promoting distinctions and preferences for hiring local suppliers or based on social or environmental criteria.

Suppliers are classified by criticality based on an internal procedure that considers environmental and social criteria; the evaluation is made in loco in all those considered critical and sampling for the others.

The table below presents some data that detail the company's relationship with its suppliers. It is important to note that these numbers represent Cemig's supplier management as a whole, as this management is centralized and does not decompose the subsidiaries' data.

In 2022, there was a 78% increase in the number of suppliers with active registration compared to 2021.

Number of suppliers with current agreements	2022	2021	2020
Number of contracts issued	213	224	1,329
Contracted value in the period (BRL)	1,288,548,619	471,205,243	2,999,313,869

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Amount paid for current contracts (BRL)	1,416,693,935	395,459,525	3,069,079,399
Number of suppliers with active registration	173	97	1,131
Number of suppliers with current agreements	2022	2021	2020
Minas Gerais	231	72	1,162
Other States	213	82	495
Abroad	15	10	11
Number of suppliers with active registration	2022	2021	2020
Minas Gerais	90	48	572
Other States	83	49	549
Abroad	0	0	10
Other Information	2022	2021	2020
Number of ATI performed	78	9	49
Number of external inspections performed	6,265	1,084	4,477
Number of inspections performed in the laboratories	ND	0	4,161
Number of material approvals performed	184	12	55
Number of ATEs performed	ND	ND	27
Number of VCTEs performed	ND	ND	26
Material Supplier Performance Index_IDF (%)	85.41	82.00	87.00
Service Provider Performance Index_IDF (%)	85.95	87.70	90.90
Total number of administrative proceedings	5	2	32
Number of suppliers suspended for social, health and safety issues	0	0	0
Number of suppliers suspended for environmental reasons	0	0	0
Total number of administrative proceedings with cause on the subject of compliance and/or non-compliance with human rights	0	0	0
Total number of administrative proceedings and/or terminations due to corruption	0	0	1
Number of suppliers evaluated concerning environmental and social impacts	0	9	119
Child labor cases with suppliers (contractors)	ND	ND	0
Forced labor cases with suppliers (contractors)	ND	ND	0
Number of field service quality inspections performed	ND	ND	ND
Number of environmental problems caused or related to suppliers	ND	ND	ND
Number of safety inspection events	ND	293	293

Number of severe accidents with suppliers (contractors)	ND	0	ND
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Active suppliers are considered to be those who have a CRC - Valid Registration Certificate. The CRC update procedure is the supplier's responsibility; due to this fact, there may be a difference in the number of suppliers with active registration and suppliers with a current contract.

4.2.3 COMMUNITY

The strategic positioning of Cemig concerning the local communities in the areas in which it operates contemplates social, environmental, and economic aspects to be considered in all the Company's enterprises. Its Community Communication Policy determines that communication and stakeholder engagement is the main route to corporate social responsibility.

This policy reiterates Cemig's commitment to the transparency of its management, focusing on co-responsibility with the community and stimulating local economic and social development, making public the fundamentals and premises that guide the definition of communication strategies and practices. They aim to create and improve appropriate communication tools between stakeholders and the Company's main areas of activity, especially those of generation, transmission, distribution and energy development.

Cemig also has the Company's Communication Plan, which, together with the Community Communication Policy, integrates the set of communication strategies adopted in the relationship with communities and directs the Social and Environmental Diagnoses prepared for each project or program. Other documents supporting and guiding practices in the relationship with the community are the instructions for Socio-Environmental Negotiations at Cemig (IS-48) and the Code of Conduct.

According to the adopted theme, Cemig works in partnership with the Government of the State of Minas Gerais, represented by the respective Secretariats and Ministries. There is also internal action, in which initiatives are performed with employees. Cemig uses its own policy for sponsorships and encourages some sectors such as cultural, sports, educational and social. Together with Cemig's Policy, it also uses the Internal Service Instruction (IS 58 – Preparation and Management of Corporate Social Responsibility Projects), holding the agents involved accountable and defining indicators to ensure efficiency in managing social projects.

Several programs aimed at social and educational development are developed and executed, some generating direct economic impacts. An example of a program is the SESI Energy Efficiency Space, which aims to educate the community on excellent energy use.

Programs and Actions with the Community

The relationship with the communities neighboring Cemig's enterprises is based on the sense of co-responsibility and the encouragement of local economic and social development. The numbers presented below are consolidated from Cemig GT and Cemig D.

Proximidade Program: created by Cemig to strengthen the relationship and, together with other programs, bring technical knowledge and promote the social development of the communities near the plants under its concession. Meetings are held, in which company experts give technical and objective lectures to clarify operational aspects of reservoirs and dams (operational and structural safety), deal with the Emergency Action Plans (PAEs, Planos de Ação de Emergências) of the dams, in addition to disclosing the socio-environmental actions of the projects.

After a shutdown in 2020 and 2021 due to the restrictions of the COVID-19 Pandemic, the "Proximidade Program" resumed holding face-to-face meetings in 2022, with 04 events being held at the HPPs: Queimado, Nova Ponte, Theodomiro Carneiro Santiago (previously called Emborcação) and Irapé. In these events, 132 people from the most diverse audiences and institutions participated.

In 2022, in addition to the common themes, for example, Meteorology, Dam Safety (Operational and Civil), and Socio-environmental Actions, there were also presentations on Reports of the PAEs -Emergency Action Plans - of the dams of the projects and, finally, the dissemination and availability of the App. PROX (App. Mobile Risk Management).

As of August 2022, the "VAMOS Project" was created and immediately implemented, specifically for the execution of negotiations for the integration of the PAEs -Emergency Action Plans - of the dams with the Municipal Contingency Plans (PLANCONS, Planos de Contingência Municipais). The PAE had 17 CIs - Integration Committees - for 18 power plants, involving 33 Municipal Civil Defenses, 18 REDECs (Regional of CEDEC MG) and 16 Military Fire Brigade Units. Also, in 2022, 18 face-to-face meetings were held for the constitution of the CIs, with the proposal of the following schedule to be finalized in 2023 for some plants and in 2024 for others.

AI6% Program: The program encourages employees to pass on 6% of their income tax due to the Child and Adolescent Funds (FIA, Fundos da Infância e da Adolescência). The 2022 AI6% Campaign involved 1,391 employees who voluntarily allocated more than BRL1 million to benefit about 20,000 children and adolescents in vulnerable situations served by the 145 participating institutions. Cemig also allocated part of the income tax due to the same FIAs.

The amount invested by the Company was BRL1.5 million. In total, BRL2.5 million was allocated to entities distributed in 77 municipalities in the Company's area of influence.

Corporate Volunteering Program: Corporate volunteering is recognized in the corporate world as an essential tool for improving the organizational climate and skills development and contributing to improving society, image and reputation of companies.

The Você – Voluntariado (You – Volunteering) program encompasses several actions to encourage and support employee involvement in volunteer activities. Structured to enhance the actions of volunteers in progress, whose trajectory gradually migrates from welfare to participatory citizenship and social transformation. This program was created based on three pillars: (i) incentive to volunteer to disseminate the culture in the Company and offer the first contact with the theme; (ii) carrying out transformative actions, in which the focus is to work with entrepreneurship, education and female empowerment, and (iii) suggestion of actions by employees on the volunteer platform, which can be adhered to by colleagues.

To implement improvements in the process and meet the needs of all those involved in Volunteering, beneficiaries, and volunteers, strategic planning for Volunteering was carried out with a company specialized in the subject.

For us, 2022 was atypical, with changes in Volunteering, a return to face-to-face work, and some restrictions due to the electoral period, but still, actions with positive impacts on society were carried out, such as assistance actions carried out according to the need of the moment.

SOS Rains Campaign: More than 600 cities were under alert, and thousands of people were affected by the damage caused by the heavy rains in the State of Minas Gerais. To contribute to the welfare actions, Cemig provided collection points in the agencies of 17 municipalities in Minas Gerais for the collection of mineral water, personal hygiene items, non-perishable food, cleaning materials, bedding and bathing, which contributed to the people who suffered from the floods at the beginning of the year.

Day V – Volunteer Day: The event took place in Santa Luzia, at the Tancredo Neves State School, and served the residents of the surroundings and the Vitória occupation, a community in the Isidoro region. There were 685 beneficiaries, 94 volunteers and 34 partnerships. The action provided residents with a series of free benefits such as medical care (family doctor, nutritionist, psychologists, blood pressure and glucose measurement), guidance on oral health, solidarity bazaar, beauty workshop (braids, haircut, eyebrow, makeup and enameling), legal care (family court), guidance and construction of curricula, financial guidance, guidance for the safety of the population with the power grid, artistic presentation, solar telescope, in addition to the circuit of games for children filled with popcorn and cotton candy.

In 2022, the Volunteer Program disclosed 21 actions, including assistance, information, item donations, financial donations and actions proposed by employees. 183 employees participated in the actions as volunteers, totaling more than 400 hours of volunteer work by the Cemig Group's workforce.

4.2.4 GOVERNMENT AND SOCIETY

Vacation of Safety Lanes of High Voltage Overhead Lines

The health and safety of people are a priority for Cemig, given the delivery of quality service and safety.

The occupations are mostly low-income families without housing options who find an area available to settle in the security bands, even in precarious security conditions.

Given this situation, and in line with its strategic planning, Cemig identified the need to act in security solutions for the population. The objective is to reverse this critical situation represented by the occupations of the safety bands of electric power transmission and distribution lines. This is done through the implementation of short-, medium-, and long-term measures capable of curbing the advance of occupations with continuous inspection and reducing the existing volume of irregular occupations. This second front of action is developed in partnership with municipalities by signing agreements that allow the removal of irregular housing and the resettlement of families in decent housing.

Through a land inspection contract, Cemig periodically travels the lines where there are lane invasions. When it detects any new occupation, it promotes the judicialization and awareness of the person responsible for the invasion about the risks existing there.

Cemig uses another contract to verify invasions through a satellite system to complement terrestrial inspection.

Upon compliance with the judicial decisions for the repossession, the object is removed as determined in the court order.

In 2022, 14 repossession warrants were complied with throughout the company's concession area with the demolition of 13 irregular dwellings in the security lanes by court order, and no compensation was determined.

In compliance with the National Dam Safety Policy, Law No. 12.334/2010 (Revised by Law No. 14.066/2020) and ANEEL Resolution 696/2015, the company prepared and made available the PAEs (Emergency Action Plans) of its dams, keeping them duly updated and filed with the COMPDECs (Municipal Coordination of Protection and Civil Defense/Municipal Civil Defense) constituted, for their proper integration into the respective PLANCONs (Municipal Contingency Plans). In 2022, the negotiations of the "external PAEs" of the company's dams began to be carried out in a "group way," constituting the so-called "CIs - PAE Integration Committees" of each dam. At least the institutions of direct interest to the theme participate, that is, COMPDECs/Municipal Civil Defenses mapped in the ZAS, REDECs (Regional State Civil Defense), and CBMMG Units (Military Fire Brigade - MG) related to the mapped municipalities.

In the CIs, discussions and executions of various themes were proposed and started, following an Action Plan to be developed and worked on according to the following list:

1. Composition of the CI - Integration Committee;
2. CI Work Plan - planning and schedule of activities;
3. Socioeconomic Registration Campaign at ZAS;
4. Preparation of an External Communication Plan;
5. Execution of Communication Plan;
6. Preparation of Evacuation Plan;
7. Review and update of the Municipal PLANCON;
8. Implementation of Notification System;
9. Execution of Training and Simulations.

The progress of these negotiations includes training for disasters/emergencies and subsidizes the municipal civil defenses in their recovery/ restoration plans, as indicated in the PLANCONs.

In August 2022, the “Vamos Project”, part of the Proximidade Program, was created and implemented. This project is specific for the execution of negotiations for the integration of PAEs with PLANCONS (Municipal Contingency Plans). The PAE had 17 Integration Committees for 18 power plants, involving 33 Municipal Civil Defenses, 18 REDECs (Regional of CEDEC MG) and 16 Military Fire Brigade Units. The work of setting up the committees will continue in 2023 and 2024 to cover all power plants.

The safety criteria need to be worked with Cemig's main stakeholders. In this sense, the Emergency Action Plan – following the criteria and requirements of Law No. 12.344/2010 and Aneel Resolution 696 - was developed individually, considering the characteristics of each dam and the location in which it is inserted. The Proximidade Program Proposal was executed where the interaction occurs with the Municipal Civil Defenses and with the "Working Group: Safety of dams of hydroelectric power plants operated and maintained by Cemig GT". In addition, a Crisis Management Plan and the development of a culture of readiness in the local population were built.

Safety of Dams

The process aimed at ensuring the safety of dams operated and maintained by Cemig uses, in all its stages, a methodology supported by the best national and international practices and specific legislation.

The vulnerability of each dam is automatically calculated continuously and monitored by a specialized system for dam safety. Among the activities, periodic dam safety reviews are also carried out, which involve, in addition to Cemig's professionals, a multidisciplinary team of external consultants. On this occasion, all issues related to dam safety are carefully checked by specialized professionals.

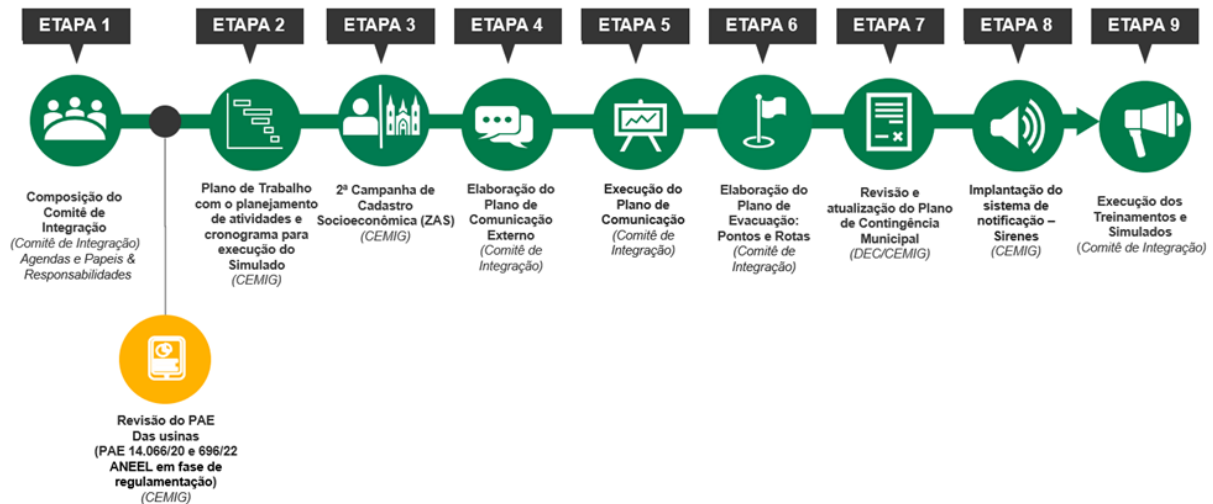
Cemig pioneered Brazil in elaborating emergency plans for dam rupture, also focusing on the flood risks caused by ordinary floods. The intention is to build a culture of readiness for flood situations for the communities installed along the rivers where Cemig's power plants are located since floods are more recurrent events.

Maintaining its policy of strengthening the relationship with the external public, in 2022, Cemig focused on actions that promoted the integration of the PAEs of its plants with the PLANCONS correlated with holding face-to-face and virtual meetings for workshops and training.

The Company created the "VAMOS Project", which concentrates on a dedicated methodology for integrating PAEs into PLANCONS, aiming at improving and standardizing these negotiations.

As an initial stage, Integration Committees (CI) of the PAE were constituted for each dam. The committees are multidisciplinary forums representing various players of the municipalities, an environment in which the negotiations of the PAEs began to occur in a group way.

In total, 16 CIs were constituted that addressed the topics listed in the figure below:



Also in 2022, after 02 years of shutdown due to the restrictions of the COVID-19 Pandemic, the "Proximidade Program" resumed holding its face-to-face meetings, and 04 events were held (HPPs Queimado, Nova Ponte, Theodomiro Carneiro Santiago, previously called Emborcação, and Irapé). These events counted on the participation of the most diverse audiences and institutions, including emergency response agencies (Municipal Civil Defenses and Fire Department).

In addition to the topics related to the operation of the plants (Meteorology, Reservoir Operation, Dam Safety and Social and Environmental Actions), the App was also disclosed and made available. PROX (Mobile Risk Management App) and presentations related to PAEs.

Cultural, sports and health projects

Cemig has a sponsorship policy that aims to highlight its commitment to reality and the demands of the environment in the locations where it operates, contributing to the development and strengthening of the cultural, sports, educational, and social sectors in alignment with the public policies of the communities where it operates.

Culture

Cemig has the highest cultural investment in Minas Gerais, with investments in 2022 of BRL69.8 million in 146 cultural projects. In addition to encouraging producers and artists, Cemig's support directly benefits the population, who now have access to cultural goods more safely and democratically.

Health

In 2022, Cemig invested BRL18.5 million in different regions of Minas Gerais, where 166 hospital units were served, where photovoltaic plants were installed, and inefficient equipment was replaced with more modern equipment.

Sports:

For the community, sports projects generate benefits of social rescue and citizenship, especially for children and adolescents, by stimulating the practice of sports and generating the possibility of becoming athletes. For Cemig, sports projects strengthen its image as a company committed to developing healthy habits, well-being, and local communities.

Cemig launched a public call in 2022 to select projects aimed at sports that are suitable for fundraising via federal or state Sports Incentive laws.

Fund for the Elderly:

In the context of increased longevity and consequent greater representation in the population of people over 60, Cemig seeks, through the allocation of encouraged resources, to enable protection and care projects for the elderly in the state of Minas Gerais, aiming at the expansion and improvement of actions aimed at this population. In addition, it is also a priority for the Company to support proposals that enable the structuring of the Municipal and State Funds for the Elderly in the State, improving the actions aimed at this public.

In 2022, a public call was launched to select the projects to support the elderly most in line with organizational guidelines.

4.3. INDICATORS OF THE ELECTRICITY SECTOR

4.3.1 RESEARCH AND DEVELOPMENT

Through the guidelines of the Research and Technological Development (R&D) Program, Cemig annually makes investments with part of its net revenue in research and development for the sector to bring gains in operational efficiency and reduce costs, as well as develop new products that can innovate the practices of the sector. From the program, opportunities are created, and methodologies, processes, systems, materials, devices, and equipment are carried out to improve the performance of the energy generation and transmission process as a whole.

Cemig R&D publishes calls for proposals, which, after being received, are evaluated by Cemig's technical staff in technological forums. Later, the approved proposals become projects developed by the partners and can become prototypes and be licensed with market potential.

Cemig Geração e Transmissão executed 30 R&D projects, resulting in an investment of BRL11.27 million, in a variety of topics, the highlights of which are as follows:

- Individual Notification Device (DIN) in case of emergency with dams. The development of the DIN has the function of alerting residents of risk areas (dams, dikes, landslides and floods) in case of emergency events.
- Adequacy of Cemig's virtual reality system for integration with real-time image inspection capabilities and joint training of field teams and the system operation center. The project aims to develop a video streaming signal integration software to integrate the various inspection resources of Cemig GT substations to infer certain types of failures by processing the images of the assets, in addition to developing modules for joint training of field teams and the system operation center, which take care of these substations.
- Tool for setting future prices in the optimal energy purchase and sale portfolio composition. The project's scope is to develop a tool that will use computational models already developed in another R&D project, improving techniques and algorithms to be used in day-to-day energy trading with applications ranging from purchasing and selling energy to supporting strategic decisions.
- Ecological Processes: Developing new diagnostic ecotechnologies and environmental processes (PROECOS Project). The PROECOS Project includes the development of new environmental quality assessment technologies, which will allow the diagnosis of environmental processes in the hydrographic basins of hydroelectric reservoirs. Implementing these new technologies will be used in managing watersheds, contributing to the conservation of aquatic biodiversity.

RESOURCES INVESTED IN TECHNOLOGICAL AND SCIENTIFIC RESEARCH AND DEVELOPMENT, BY RESEARCH THEMES (BRL THOUSAND)

Research topics (BRL thousand)	2022	Δ%	2021	2020
FA - Alternative sources of electricity generation	3,267	29%	611	-8,557
GT - Thermoelectric Generation	0	0%	0	0
GB - Management of Watersheds and Reservoirs	(308)	-3%	274	557
MA - Environment	6,626	59%	9,109	11,136

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SE - Safety	254	2%	1,481	1,461
EE - Energy Efficiency	0	0%	0	138
PL - Planning of Electric Energy Systems	863	8%	1,024	1,429
OP - Operation of Electric Energy Systems	0	0%	259	1,992
SC - Supervision, Control, and Protection of Electric Energy Systems	(21)	0%	656	649
QC - Quality and Reliability of Electricity Services	(495)	-4%	489	253
MF - Measurement, billing, and combating commercial losses	0	0%	0	0
OU - Other	1,082	10%	2,014	1,551
TOTAL	11,268	100%	15,916	10,609

5. ENVIRONMENTAL DIMENSION

Cemig monitors the environmental dimension of sustainability, especially concerning the impact of the organization's operations on natural and non-natural systems. Throughout this chapter, environmental indicators will be presented that analyze the performance of processes - their inputs (material, energy, water) and outputs (emissions, effluents, waste), in addition to monitoring performance related to biodiversity, environmental compliance and other relevant information such as environmental expenses and the impacts of products and services.

NET ZERO

In 2022, Cemig joined the UN Net Zero Ambition Movement to decarbonize its operations by 2040. This is because it is an organization committed to combating climate change, a topic of growing global relevance and significant impacts on business and society. Cemig's trajectory has always prioritized identifying risks and business opportunities to establish the best solutions toward an assertive decarbonization of its business.

5.1 ENVIRONMENTAL MANAGEMENT

To manage the issue, the Company has a widely disseminated Environmental Policy, including with the external public, which addresses the importance of interactions and possible impacts on the environment as decision-making, as well as bringing respect for the environment as a business value. The policy is based on six fundamental pillars that take into account the development of the business and the preservation/lower impact on biodiversity and conscious use of natural resources: strategy, management, compliance with legal requirements, pollution prevention, commitment to continuous improvement and communication and environmental education, which guide Cemig's processes and management routine.

Cemig GT's environmental management aligns with the Holding's strategy through corporate practices that aim to minimize environmental risks, prevent pollution, comply with laws, improve the flow of environmental information and standardize.

Corporate environmental procedures are implemented in all units and are followed by all employees and service providers.

For Cemig GT, environmental management is a decisive factor in the management process, whether concerning the principles of environmental responsibility of the management company or legal compliance, since the legislation provides for criminal and administrative sanctions for acts harmful to the environment.

The table below shows the percentages of units certified by NBR ISO 14001 and units with an Internal Management System known as EMS level 1. The standard allows the Company to align its organizational strategy following the legal requirements and to map and manage the risks related to the subject. Annually, the units are audited internally and externally by a certifying body accredited by INMETRO's General Coordination for Accreditation (CGCRE).

COVERAGE OF THE ENVIRONMENTAL MANAGEMENT SYSTEM

Activity	ISO 14.001	EMS Level 1	Minimum Requirements
Generation	65%	20%	15%
Transmission	72%	28%	0

Last year, Cemig D invested BRL17.76 million in environmental issues; the resources were invested in investments and expenses related to fulfilling environmental obligations and improvements.

Environmental investments	2022	2021	2020
Resources invested in the Environment (BRL million)	17.76	25.59	23.19

5.2 ENVIRONMENTAL INDICATORS

In 2022, Cemig GT provided 1,320 hours of environmental education training, including 88 employees.

The data regarding education and environmental awareness actions in the community are shown in the table below.

Environmental education and awareness in the organization	2022	2021	2020
Number of employees trained in environmental education programs	88	104	260
Percentage of employees trained in environmental education programs / total employees	7.45	6	21.03
Number of environmental training hours / total training hours	1,320	624	520
Environmental education and awareness in the community	2022	2021	2020
Number of primary and secondary education units served	28	0	2
Number of students served	1,321	6	0
Number of trained teachers	136	0	114
Number of technical and higher education units served	2	0	0
Number of students served	39	0	0

5.2.1 ENVIRONMENTAL PERFORMANCE

Environmental performance indicators are designed to measure areas inhibited by vegetation (whether building substations or open easement strips), measure the effectiveness of oil spill prevention of equipment and corrective actions, and restore riparian forests and affected biomass.

The table below shows Cemig GT's performance indicators per action taken:

Performance Indicators	2022	2021	2020
Restoration of riparian forests (ha)	25	37.47	16.91
Rescue of fish in turbines	785.39	66.51	250.4
Fish restocking	0	0	0
Leakage of oils in water (m ³)	0	0	1,006
Oil leakage on the floor (m ³)	0	0	865

Replacement water consumption during power generation	NA	NA	NA
Unit of area recovered (ha) per year	NA	NA	NA
Commitment of resources in recovery and preservation projects (BRL/year)	NA	NA	NA
Unit of water volume (m ³) per MWh generated	ND	ND	ND

5.3 PEIXE VIVO PROGRAM

Whether in operation or construction, a hydroelectric power plant impacts aquatic fauna and flora. Considering the change in the environment for the water impoundment process, where a flowing river is transformed into a soft water dam, the environment dynamics are changed. They can favor or harm species in the process of adaptation to the modified habitat. There is a more significant impact on the areas downstream of the generation units or spillways. Although the impact is usually short-term, the environmental damage may be irreversible.

Therefore, Cemig plays its role in protecting ichthyofauna through different projects that aim to minimize damage to the Group's components and develop solutions and innovations that aim to promote the proper management of species and conservation in an environment shared with operations.

In the projects of the Cemig Group, to comply with environmental conditions, species monitoring is carried out through environmental programs such as the Ichthyofauna Monitoring Program, the Terrestrial Fauna Monitoring Program, the Ciliary Reforestation Program, and the Degraded Areas Recovery Program, in addition to the Peixe Vivo Program.

Under the Peixe Vivo program, whose mission is to minimize the impact on ichthyofauna, Cemig created the Service Instruction "Protection of ichthyofauna in operation and maintenance of hydroelectric power plants," resulting from the analysis of historical data and the risk classification of impacts on the plants. The Program performs previous and periodic monitoring according to specific protocols to identify fish mortality in hydroelectric plants and thus feeds the data to measure the affected biomass indicator. This control is part of the Company's Top Risk and is audited.

During the operation and maintenance of the plants, the "Fish Death Risk Assessment Program in Cemig Group Hydroelectric Power Plants" applies, under the supervision of Peixe Vivo, where the risks are evaluated through recurrent monitoring and before maneuvers through the characterization of fish density and environmental conditions downstream of the plants.

Cemig has the Affected Biomass (BA) indicator to monitor the impacts on fish fauna, where the annual limits (Kg/year) are established as a result of the historical analysis, seeking a continuous reduction. This indicator is crucial because, besides the environmental impact, it allows monitoring to reduce fines arising from fish mortality. In 2022, the limit established for Affected Biomass was 742Kg. However, the occurrences of the year totaled 5,431.2 Kg, exceeding by 730% the annual limit due to records in the Nova Ponte and Três Marias HPPs, both directly linked to the natural densification of fish in the tailrace channel of the plants, resulting from above-average rainfall levels in the hydrographic basins of the Southeast Region.

In both cases, Cemig acted immediately after identifying the occurrences, mobilizing teams and adjusting the flows of the operations. At the Nova Ponte HPP, after an intense water crisis in the period 2020/2021, the National Electric System Operator (ONS) determined that the generation of the Nova Ponte HPP should be made flexible for a reduced operating range (35 to 40 MW) to enable the recovery of the water level of the reservoir of this plant. The measure, although effective in increasing the reservoir's water level, coincided with the movement of large numbers of fish. As soon as Cemig's team detected the impacts, the flexibility of the operation was suspended.

At the Três Marias HPP, the agglomeration of fish downstream of the plant, typical of the rainy season, lasted and intensified until June due to the "arribação" (fish movement). This punctual phenomenon only occurs after periods of heavy rainfall in the São Francisco River Basin, in which many young fish migrate upstream. Despite the application of all protocols and the use of ichthyofauna protection equipment, the magnitude of the impact exceeded the historical average recorded for June at the Três Marias HPP.

Cemig's Environment and Operation and Maintenance teams remained mobilized after the occurrences, working on measuring impacts and preventing new similar events, proposing medium and long-term strategies to mitigate possible impacts of future situations such as these. The impacted species are recorded, and the indicator generates an action plan so that deaths are avoided as far as possible.

The data referring to the indicators of the Peixe Vivo program and Financial Research data by this program are detailed in the table below:

Peixe Vivo Program Indicators	2022	2021	2020
Investment in ichthyofauna research and management projects (BRL million)	7.05	5.24	2.54
Affected biomass (kg)	5,431.20	439.30	170
Research funded by the Program	2022	2021	2020
Scientific Initiation (students)	17	19	0
Master's (students)	10	13	0
PhD (students)	6	6	2
Other researchers	125	40	20
Scientific production	63	24	12

In 2022, there was an increase in investment in research projects and ichthyofauna management, this investment resulted in an increase in scientific productions on the subject.

5.4 ELECTRICITY CONSUMPTION

Cemig GT consumes energy in its offices and facilities and consumes fuels in its fleet. Below are described the energy consumptions for the last triennium.

Electricity consumption	2022	2021	2020
Total electricity consumption (MWh)	3,559	3,725	3,533
Total electricity consumption (GJ)	12,812	13,410	12,719
Fuel consumption	2021	2020	
Diesel (liters)	347,849	334,827	394,507
Gasoline (liters)	162,853	153,899	217,585
Ethanol (liters)	12,041	19,014	55,227
Natural gas (m ³)	0	1,822	0
Aviation kerosene (litres)	15,269	26,087	886,250

Liquefied petroleum gas - LPG (kg)	0	0	394,507
Total fuel consumption (GJ)	18,345	18,254	35,688
Energy consumption		2021	2020
Total energy consumption (GJ)	31,157.21	31,663.62	48,407.00
Total energy consumption (GJ) per kWh sold	1.19	1.18	1.32

5.5 WATER CONSUMPTION AND EFFLUENT GENERATION

The water consumption in Cemig GT is primarily administrative, using the public supply network and underground and surface sources as water sources. Cemig captures water from surface and underground sources, respecting the limits granted. The Company does not use or recycle water in its processes, so 100% of the discarded effluent is subjected to treatment.

Total water consumption by source (in m ³)	2022	2021	2020
Supply (public network)	11,287.00	4,002.60	2,278.40
Underground Source (well)	40,396.85	24,741.00	19,247.10
Surface Catchment (watercourses)	1,652.70	63,614.60	31,327
Total water consumption (in m ³)	53,336.55	92,358.30	52,852.50
Total water consumption per employee (in m ³)	45.16	76.39	42.76
Effluent generation and treatment	2022	2021	2020
Total sanitary water disposal (m ³)	42,669.24	73,887	42,282
Percentage of effluents sent to treatment	100%	100%	100%

In 2022, there was a 43% reduction in total water consumption, mainly due to the reduction in surface water abstraction, as the consumption of groundwater and the public supply network increased compared to 2021.

The discarded effluent has sanitary characteristics; Cemig GT does not measure this disposal, considering the volume discarded is 80% of all water collected. The company does not reuse or recycle water in its processes, so 100% of the discarded effluent is treated by directing it to the public sewage collection network or through a septic tank.

Disposals comply with CONAMA Resolution No. 430/11 and COPAM/CERH-MG Joint Normative Resolution No. 01/08, which deal with conditions and standards for the discharge of effluents into water bodies.

5.6 MATERIALS AND WASTE MANAGEMENT

The most common materials removed from operation by Cemig GT are transformers, insulators, scrap, cables and wires. The disposal process is carried out in a monitored manner and, in 2017, Cemig implemented waste control via SAP-R3 to ensure greater traceability and availability of waste generation and disposal data. The final disposal processes used by Cemig are presented in the following table:

FINAL DISPOSAL PROCESSES FOR CEMIG'S WASTE

Final disposal	Description
Disposal	Consists of conducting in-person auctions/bids, establishing procedures consistent with Cemig's environmental management, and reusing recyclable waste.
Sanitary landfill	Industrial waste classified as non-hazardous and not recyclable is sent to the industrial landfill.
Co-processing	Technique for the use of industrial solid waste from its processing as a partial substitute of raw material or fuel in the kiln of clinker production in the manufacture of cement.
Incineration	Thermal destruction process carried out under high temperatures - 900 to 1200 °C, with controlled residence time - and used for treating hazardous waste or requiring complete and safe destruction.
Recycling	Process of transformation of solid wastes, involving the alteration of their physical, physical-chemical, or biological properties, with a view to transformation into inputs or new products.
Oil Regeneration	The industrial process carried out by the company to reestablish the physical and chemical properties of the insulating mineral oil, returning the oil to the process and avoiding its premature disposal.
Reusability	Process for using solid waste without its biological, physical or physico-chemical transformation.
Re-refining	Industrial process for removal of contaminants, degradation products and additives, providing the product obtained in this process with the same characteristics of basic lubricating oil. The following are the main steps of the oil recovery process: decanting, neutralization, distillation, clarification and filtration.

Cemig undertakes to manage its waste following the National Solid Waste Policy (PNRs, Política Nacional de Resíduos Sólidos). To this end, its units follow the process of identifying, segregating, packaging, and transporting their waste to the temporary storage of Cemig GT waste at the Igarapé Advanced Distribution Center (CDA-IG); from this point on, the Superintendence of Material and Service Supplies is responsible for the final disposal of the waste.

The Company controls and tracks its waste through the SAP system and ensures the monitoring and improvement of the management process through the certification of the Level 1 Environmental Management System and compliance with NBR ISO 9001:2015.

In 2022, 683,041 tons of waste were generated.

Solid waste generation and treatment	2022	2021	2020
Annual amount (in tons) of solid waste generated (garbage, waste, debris, etc.).	683.04	1,218.00	1,032.70
Amount of waste contaminated sent by PCBs (Ascarel)	0	0	0

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Amount of waste sent for recycling (in tons)	642.82	0.68	1.1
Amount of waste sent for co-processing (in tons)	49.15	34.18	57.8
Amount of waste sent for disposal (in tons)	639.24	1,167	973.8
Amount of waste sent for incineration (in tons)	1.56	0	0
Amount of waste sent to landfill (in tons)	3.00	11.1	0
Amount of waste sent for regeneration (in tons)	0	0	0

Internally, Cemig has the practice of temporarily storing waste, so there are materials destined for 2022 that may have been generated in previous years.

Due to the unpredictability of the amount of waste to be generated by Cemig GT, since this generation is a consequence of the electrical system's performance, there are no waste reduction targets stipulated by the Company. Although modern operation and maintenance techniques are used, aiming at the lowest possible generation of waste, it is still not possible to specify the exact moment of deactivation of some equipment or components since its management provides for optimized use and its useful life considers numerous variables that do not depend on human management.

As contributions to environmental improvements, the Company reiterates its actions to consolidate the recycling and reuse of these materials and environmentally appropriate final disposal techniques.

The Company holds disposal certificates and all documentation involving the process of sale, treatment, and recycling of waste.

The classification of waste generated by the Company is hazardous and non-hazardous. It follows the Stockholm Convention of 2004 for its equipment contaminated with Polychlorinated Biphenyls (PCBs) that will be removed from operation by 2025 and must be destined for treatment up to three years later. The disuse and disposal process is already taking place and goes through the proper monitoring and storage process. In 2022, no waste contaminated with PCBs was generated.

It is important to note that following the Basel Convention, Cemig does not import or export hazardous waste, so all its non-recovered waste is sent to landfill or treatment, according to characterization.

The Company monitors potential oil leaks in the waters and, in case of occurrence, records the event in the Environmental Occurrence Report. In 2022, there was no identification of a related incident.

5.6.1 WATER RESOURCES

Water is the primary raw material for the production of electricity by the Company, used to drive turbines, with 100% being returned to its course, with water management and conservation being relevant matters for the Company, with management based on its Water Resources Policy.

The dispatch of the hydrothermal matrix of the National Interconnected System - SIN is the responsibility of the National Electric System Operator - ONS, responsible for coordinating and controlling the operation of electricity generation and transmission facilities in the National Interconnected System - SIN, under the supervision and regulation of the National Electric Energy Agency - Aneel.

Since 2016, Cemig has had a Water Resources Policy whose principles seek the adoption of rational and sustainable practices in the use of water resources, with water conservation and preservation of springs and close relationships with stakeholders.

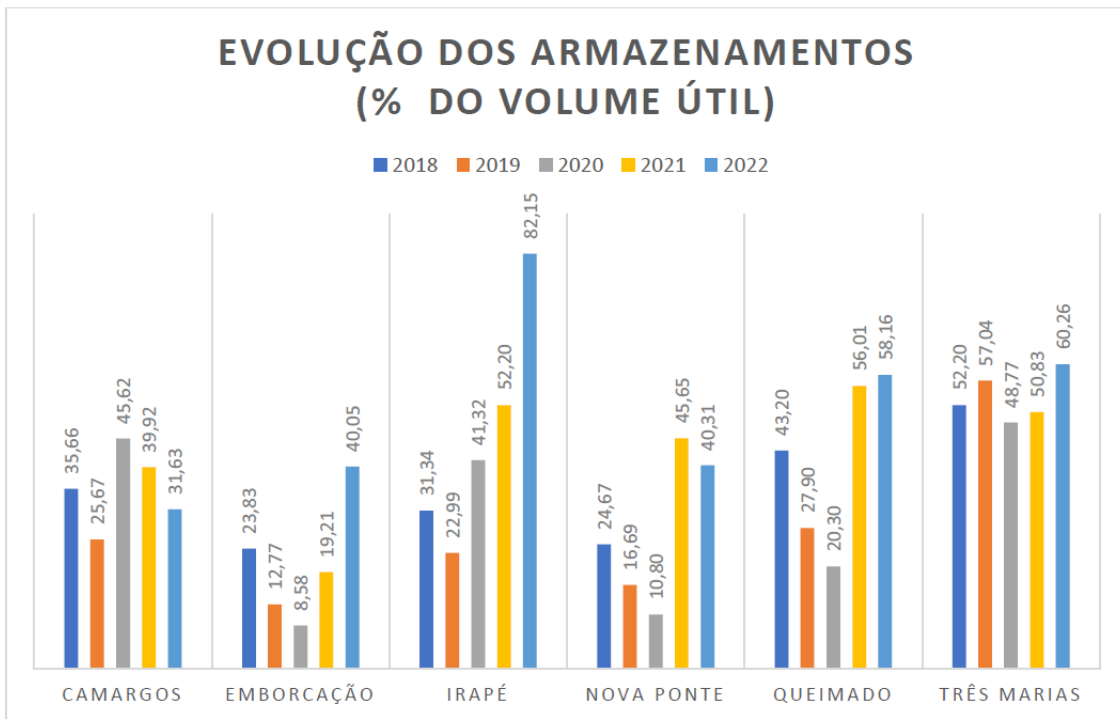
In periods of severe drought, such as the current one, experienced since 2013, the monitoring and forecasting of reservoir levels and the constant dialogue with the government, civil society and users were essential to guarantee energy generation and other uses of this resource.

Cemig makes daily data available on its website on the levels of several of its reservoirs and in the PROX app, available for download on iOS and Android platforms.

2022 was characterized by the recovery of storage of most of the reservoirs of large hydroelectric plants located in the central-south region of the country, with flows assuming good levels, both in the dry and rainy periods, which began in October, with effective recovery in the 4th quarter of the year. The monitoring and forecasting of reservoir levels and the constant dialogue with the government, civil society and users of the river basin are essential actions to ensure the generation of energy and other uses of water resources.

The graph below shows the storage information of Cemig's main accumulation reservoirs in December 2022, compared to the same period in previous years.

WATER AVAILABILITY - USEFUL VOLUME (% OF TOTAL)



5.7 GAS EMISSION

Every year, Cemig makes an inventory of its Greenhouse Gas (GHG) emissions following the calculation parameters established by the Brazilian GHG Protocol Program. Its result is monitored and seen as fundamental to assertively managing the risks and opportunities of the Company's emissions, establishing reduction targets, systematizing monitoring and mitigation actions, participating in climate disclosure programs, and comparing the Company with other players in the sector.

The Company adopts the definition of "scope" brought by the GHG Protocol:

- Scope 1: direct emissions;
- Scope 2: emissions from electricity consumption and losses in energy transmission and distribution;
- Scope 3: indirect emissions.

CEMIG GT SOCIO-ENVIRONMENTAL REPORT

In 2021, concerning direct emissions resulting from Scope 1 operations, Cemig GT emitted 2,099.72 tCO₂e, which represents a reduction of 7.6% when compared to the previous year.

Due to electricity consumption and transmission losses (Scope 2), the Company issued 11,359tCO₂e, a reduction of 2% compared to 2020. Considering all scope 3 categories, emissions totaled 3,421,490.76tCO₂e, an increase of 87% compared to 2020. The sale of electricity was responsible for 99.9% of the emissions of this scope.

Below are the emissions for the three-year period by scope:

Gas emission	2022	2021	2020
Annual volume of greenhouse gases (CO ₂ , CH ₄ , N ₂ O, HFC, PFC, SF ₆) emitted into the atmosphere (in tons of CO ₂ equivalent).	Scope 1	2,099.72	2,272.80
	Scope 2	11,359.00	11,620.99
	Scope 3	3,421,490.76	1,830,510.35
Annual volume of ozone-depleting gases emissions (in tons of CFC equivalents)		ND	ND
Annual volume of air pollutant gas emissions (NO _x , SO _x and particulate matter)		ND	ND