

# **REPORT ON EXPOSURE TO AREAS WITH WATER STRESS**

**2026**

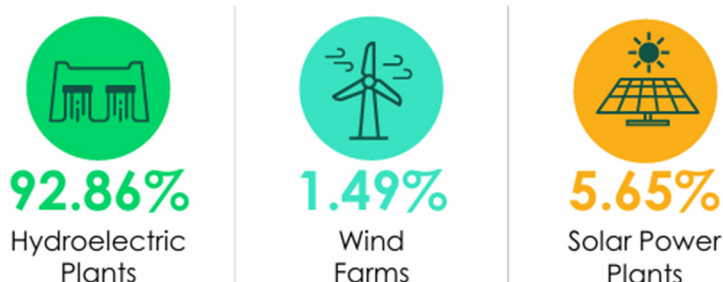


## 1. Introduction

The Cemig Group (Company) consists of the holding company Cemig, its subsidiaries Cemig Generation and Transmission S.A. (Cemig GT), including its subsidiaries and jointly controlled entities, Cemig Distribution S.A. (Cemig D), Companhia de Gás de Minas Gerais (Gasmig), Sete Lagoas Transmissora de Energia S.A. (Sete Lagoas), and Cemig Soluções Inteligentes em Energia S.A. (Cemig Sim), including its subsidiaries and jointly controlled entities, totaling 87 companies and 44 consortia, with assets and businesses in various states of Brazil.

Regarding the energy generation business, Cemig has a 100% renewable generation park through hydraulic, wind, and solar projects. **Currently, the Company has participation in 82 plants, including 32 hydroelectric, 48 solar, and 2 wind plants.**

### Composition of the Electric Matrix



In the transmission segment, Cemig, its subsidiaries, and jointly controlled entities operate and maintain 42 substations and 5,089 km of transmission lines.

In the electric energy distribution segment, Cemig D operates in approximately 97% of the state of Minas Gerais. Cemig D covers 774 municipalities in Minas Gerais. Its concession area covers 567,478 km<sup>2</sup>, approximately 97% of the state of Minas Gerais, with 588,340 km of distribution networks, including 146,136 km in urban areas, 421,978 km of rural networks, and 20,226 km of distribution lines.

In the distributed energy segment, the company Cemig SIM is involved in various activities, including formatting businesses and developing solutions associated with micro and mini distributed generation of electric energy, including management services through remote self-consumption and shared distributed generation, with the

formation and management of consortia established for this purpose.

In 2025, Cemig SIM invested approximately R\$361.3 million in acquisitions and development of photovoltaic solar energy generation plants.

Considering Cemig's activities in the generation, transmission, and distribution of electric energy, it is noted that its exposure to water stress is related to the hydraulic energy generation business, as other energy generation sources do not depend on this resource. On the other hand, transmission and distribution activities do not use water as an essential element in their production process, with water usage limited to administrative activities. **Therefore, the analysis of exposure to water stress included the Company's 32 hydroelectric plants.**

## 2. Water Stress Analysis

The analysis of exposure to water stress utilized three methodologies, as demonstrated below.

### a) FAO Manual

The calculation of water stress according to the UN FAO manual is determined by the water stress indicator, as per the equation below:

$$\text{Water Stress (\%)} = \frac{\text{TFWW}}{\text{TRWR} - \text{EFR}} * 100$$

Where TFWW is the water withdrawn, TRWR is the total renewable water resources, and EFR is the environmental flow requirements.

According to the document, indices below 25% indicate low stress, with withdrawals being marginal to the total available water resource. Only situations where the indicator exceeds 75% are considered high water stress, indicating greater impacts on resources and potential conflict and competition among users.

For the calculation of water stress, potential stress was considered. The withdrawal flow (TFWW) was considered the maximum legally possible, being 30% or 50% of

Q7,10 for state basins in Minas Gerais and 50% of Q95 as the reference flow for federal rivers, and the environmental or remaining flow, EFR, will be 1 – the withdrawal of the reference flow. TRWR was considered the long-term average flow of the watercourse. **As observed in the table and graph below, water stress is in the low stress range, with values varying between 2% and 21%, as evidenced in Figure 1 and Figure 2.**

**Observation:** *The Paracambi hydroelectric plant does not operate with natural river flows; it operates with artificial flows from other plants that operate on the rivers (third-party plants), which are also not in areas of water stress.*

Usina	TRWR (m³/s)	TFWW (m³/s)	EFR (m³/s)	Water Stress (%)
Cachoeirão	59,5	8,64	8,64	17%
Cajuru	36,75	1,911	4,459	6%
Camargos	126	21,5	21,5	21%
Cel. Domiciano	5,93	0,291	0,679	6%
Dona Rita	15	0,534	1,246	4%
Dores de Guanhões	31	1,956	4,564	7%
Emborcação	444	49	49	12%
Ervália	1,22	0,09	0,21	9%
Fortuna II	14,3	0,804	1,876	6%
Gafanhoto	42,54	2,181	5,089	6%
Irapé	143	7,5	7,5	6%
Itutinga	126	21,5	21,5	21%
Jacaré	27,6	1,698	3,962	7%
Joasal	22,399	2,176	5,077	13%
Neblina	34,6	1,908	4,452	6%
Nova Ponte	281	41,5	41,5	17%
Paciência	23,07	2,241	5,229	13%
Pai Joaquim	79,5	5,91	13,79	9%
Paraúna	32,98	0,678	1,582	2%
Peti	20,91	1,488	3,472	9%
Piau	9,48	0,636	1,484	8%
Poço Fundo	11,27	0,204	0,476	2%
Queimado	49	6,5	6,5	15%
Rosal	44	5,5	5,5	14%
Sá Carvalho	85,59	5,826	13,594	8%
Salto Grande	142	17,5	17,5	14%
Senhora do Porto	28,7	1,764	4,116	7%
Três Marias	658	60	60	10%
Tronqueiras	5,77	0,252	0,588	5%
Belo Monte	7753	541	541	8%
Paracambi	Artificial Flow			NA
Pipoca	41,49	5,895	5,895	17%

**Figure 1:** Calculation of exposure to areas with water stress

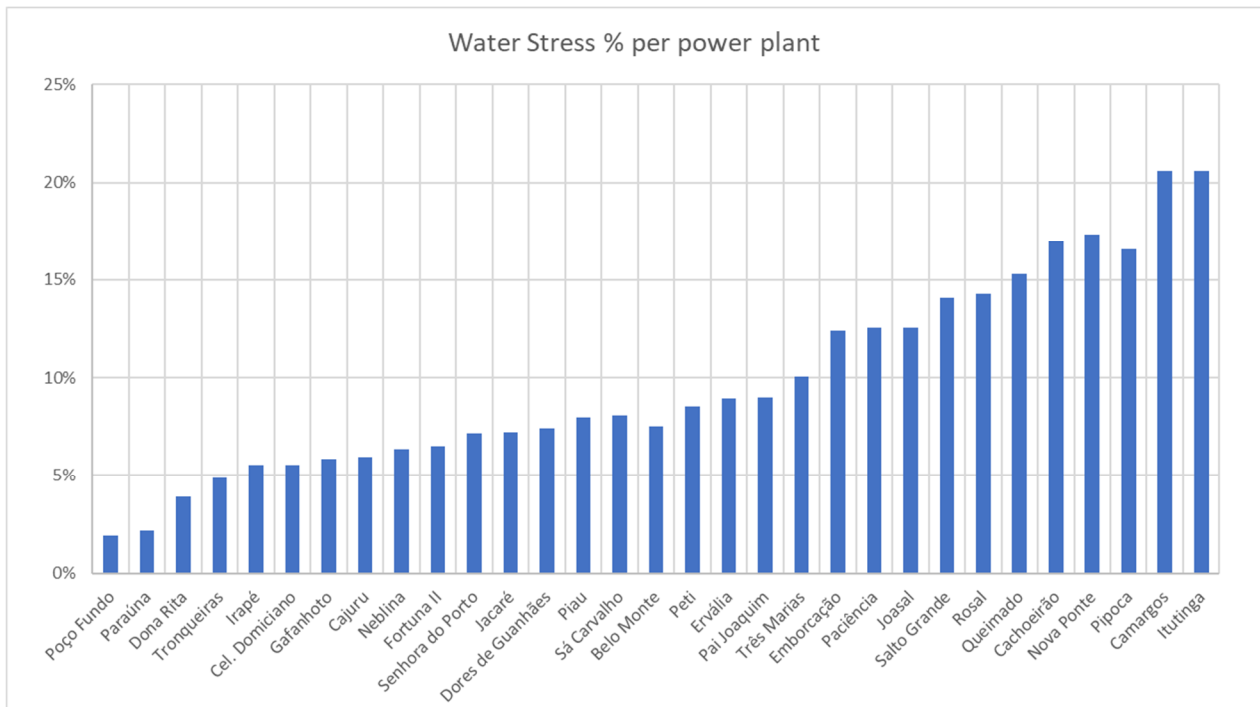


Figure 2: Percentage of water stress by plant

### b) WWF Water Filter Risk

The other methodology used was the WWF Water Filter Risk. According to this indicator, areas are considered critical only if they are at "high risk" or "very high risk" of water stress. As observed in the figure below, the watersheds, outlined in red, that comprise the areas with Cemig GT's hydroelectric projects, **have one area in light or dark red, indicating high or very high water stress risk** (Figure 3), highlighted with a red circle.

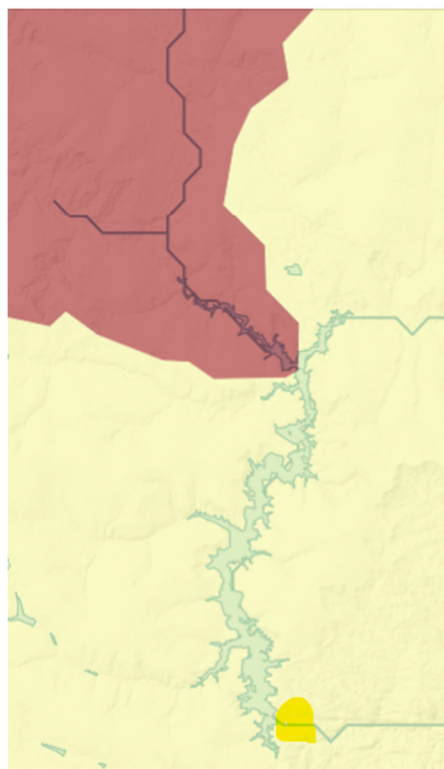
The project in question is the UHE Queimado, located in the Preto River basin, where irrigation uses have been increasing significantly, which may have led to the classification of part of the plant's watershed as very high water stress risk.





**Figure 4:** Areas of water stress in the state of Minas Gerais. Source: [Aqueduct Water Risk Atlas](#)

Next, the analysis was refined in terms of the location of our hydroelectric projects. Thus, only the Queimado Hydroelectric Plant is located near an area of water stress (Figure 5).



**Figure 5:** Area of the Queimado Hydroelectric Power Plant reservoir. The yellow markings indicate the location of the dam and the blue markings indicate the reservoir.

However, **only approximately 10% of the reservoir area is classified as an area of water stress**, therefore, we do not consider the project to be located in an area of water stress.

The project in question is located in the Rio Preto basin, where irrigation use has been increasing significantly, a fact that may have led to the classification of part of the hydrographic basin of the plant as being at very high risk of water stress.

### **3. Conclusion**

Based on the three methodologies used - UN FAO, WRI's Aqueduct Global Water Tool and WWF Water Risk Filter - we consider that we do not have any projects in areas of water stress. The WRI's Aqueduct Global Water Tool and WWF Water Risk Filter indicate that approximately 10% of the Queimado Hydroelectric Power Plant reservoir area is classified as an area of water stress, therefore, we do not consider the project to be located in an area of water stress.