

Water Risk Management Programs

2026



1. Introduction

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1. Introduction

Cemig adopts a structured and integrated process for identifying, assessing, and managing water risks, aligned with CDP guidelines, simultaneously considering dependencies, impacts, and future variables related to water availability, quality, and regulatory context.

Through the implementation of integrated water resource management practices, continuous monitoring, and technological improvements, the Company aims to reduce the vulnerability of its assets, promoting resilience in the face of extreme events.

The following sections describe how the Company manages water risks and develops initiatives to mitigate impacts associated with water resources.

2. Dependency-related water risks considered in risk assessment

Cemig explicitly incorporates the risks associated with dependence on water resources into its corporate risk management process, recognizing that its electricity matrix has a high hydroelectric component.

In this context:

- Water availability is treated as a critical factor for operational continuity.
 - Precipitation patterns and reservoir levels are monitored in the short term.
 - The company assesses water scarcity scenarios associated with climate change and their effects on energy generation. (TCFD-2026, [Report on Climate Related Financial Disclosure - Cemig en](#).)
 - Mitigation strategies include diversifying the energy matrix, expanding solar and wind power sources, with the goal of reducing the long-term share of hydroelectric power in the electricity generation portfolio.
- *Example: Monitoring the storage levels of Cemig's main reservoirs .*

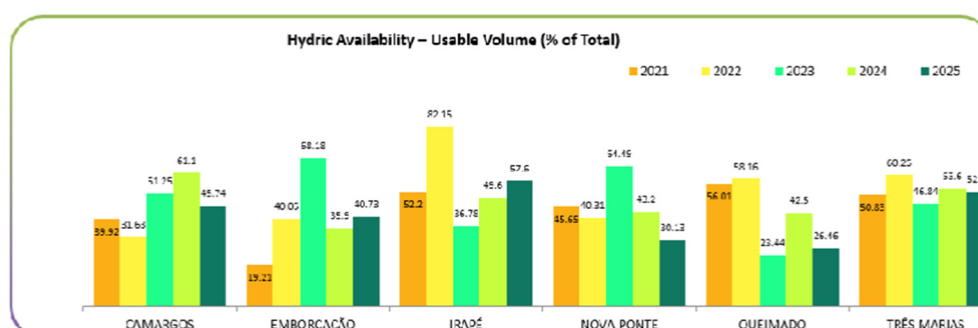


Figure 1: Graph of storage levels in Cemig's main storage reservoirs on December 31, 2025, compared to the same period in previous years . ([Source](#) : Management Report and Financial Statements 2025 , pages 93 and 91, available at: ri.cemig.com.br/docs/Cemig-2025-12-31-bQLKTDqm.pdf)

The year 2025 was characterized by normal operation of most reservoirs of large hydroelectric plants located in the central-southern region of the country, with flows reaching satisfactory levels, both in the dry and rainy seasons, largely due to the recovery of storage that occurred in 2024. At the beginning of 2025, the National System Operator (ONS), in its energy studies, identified a probability of reduced recovery of reservoir storage levels by the end of 2025, within the 2025/2026 flood period, which was indeed consolidated from October 2025 onwards with a weak start to the rainy season.

- For example, at the Três Marias Hydroelectric Plant, the scenarios analyzed indicate a reduction in water availability, as shown in the figures below.

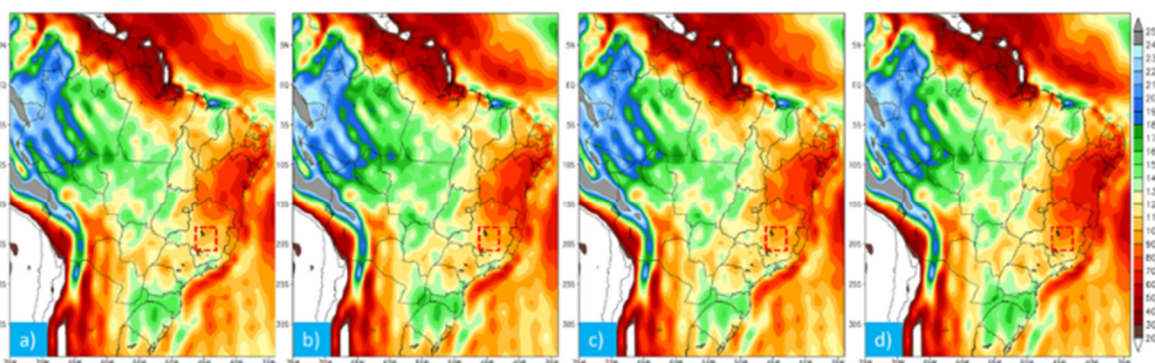


Figure 2. Example of the monthly average precipitation (mm) from 2022 to 2051, for scenarios SSP126, SSP245, SSP370 and SSP585, of the AW1-CM11-1-MR model, with emphasis on the Três Marias region. Source : Cemig, 2024.

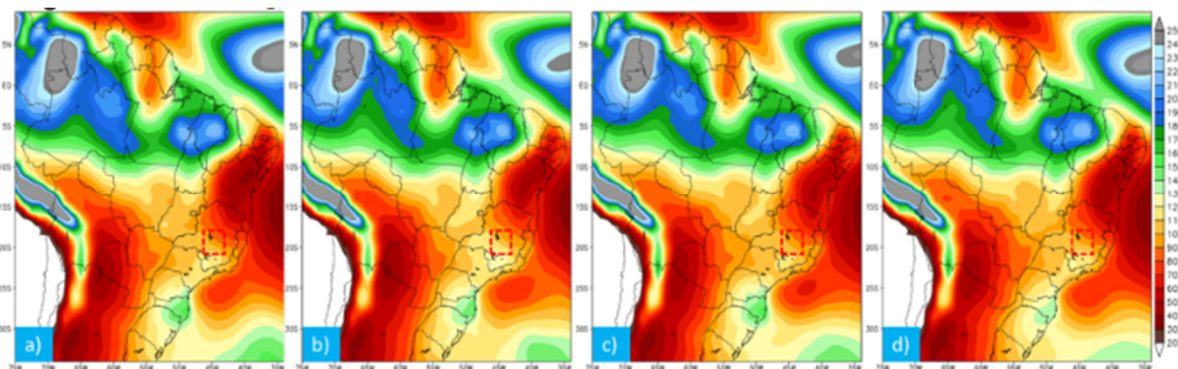


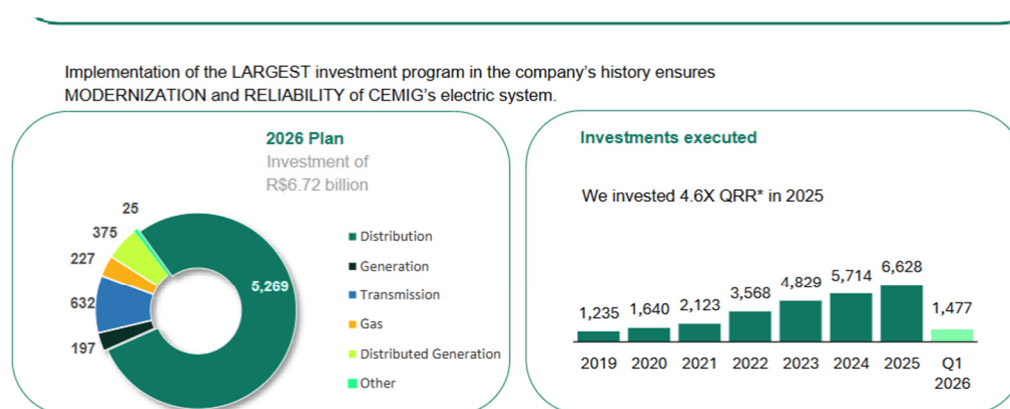
Figure 3. Example of the monthly average precipitation (mm) from 2022 to 2051, for scenarios SSP126, SSP245, SSP370 and SSP585, of the CESM2 model, with emphasis on the Três Marias region. Source : Cemig data, 2024.

In the case of the Três Marias plant, 80% of the scenarios pointed to a reduction in rainfall in the basin until approximately the year 2030. Only one of the models showed an increase, the HadGEM3, but it is also one of the ones with the greatest historical difference. Regarding the scenarios, even the most optimistic ones show a drop or stability in the next 10 years, but followed by recovery. With the most pessimistic (SSPs 3, 4 and 5), there are sharp drops and, in some cases, no recovery. (Source: TCFD, 2025, page 45 and 46, cemig.com.br/en/wp-content/uploads/sites/2/2026/04/tcf-d-2025-en.pdf)

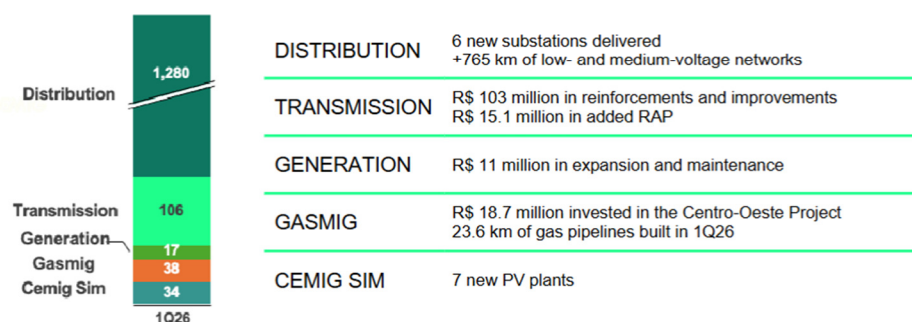
o *Example of actions to diversify the matrix energy :*

In 2025, **Cemig advanced its strategy of expanding and consolidating its solar generation assets through strategic acquisitions made by Cemig SIM**. Of particular note is the uncross-ownership of assets previously held in partnership with third parties, resulting in the full acquisition of six photovoltaic plants, totaling 27.0 MWp of installed capacity. Additionally, the company acquired a 51% stake in two photovoltaic plants, totaling 2.8 MWp, and 100% ownership of 7.2 MWp. With these operations, Cemig SIM ended its existing partnerships and now holds full ownership of all its own assets, in line with Cemig's Strategic Plan.

Execution of the investment program in the centralized generation segment (R\$11 million) and distributed generation segment (R\$34 million) - 2026 – Source : page 28, available at: ri.cemig.com.br/en/docs/Press-release-Cemig-2026-03-31-7pkQpfjG.pdf



Executed in 1Q26 (R\$ million)



Earnings Release 2026 – 1Q26, page 28, available at: ri.cemig.com.br/en/docs/Press-release-Cemig-2026-03-31-7pkQpfjG.pdf

Expansion in Photovoltaic Generation

Project	Company	Installed Capacity (MWac)	Capacity (MWp)	Expected Generation (MWavg)	Expected Commissioning Date
Ouro Solar	Cemig Sim	11.5	16.3	3.3	Jun/26 to Aug/26
Bloco Azul	Cemig Sim	15.0	21.3	3.8	Jun/26 to Aug/26
Solar do Cerrado	Cemig Sim	30.0	42.0	8.6	Apr/26 to Nov/26
Cemig GT - Sol Central	Cemig GT	17.0	22.1	4.0	Jul/26
Total		73.5	101.7	19.7	

Figure 4: Expansion in Photovoltaic Generation - Source : page 36, available in: Earnings Release 2026 – 1Q26, available in: ri.cemig.com.br/en/docs/Press-release-Cemig-2026-03-31-7pkQpfjG.pdf

3. Impact-related water risks considered in risk assessment

The company also considers the impacts of its activities on water resources, integrating them into the risk and opportunity analysis:

- Assessment of impacts related to water use in reservoir operations and associated environmental effects
- Implementation of integrated water resource management practices to reduce asset and ecosystem vulnerability
- Consideration of indirect impacts resulting from changes in hydrological regimes and extreme climate events . (TCFD and CDP)

A heatmap of impacts is used to support analysis and prioritization.

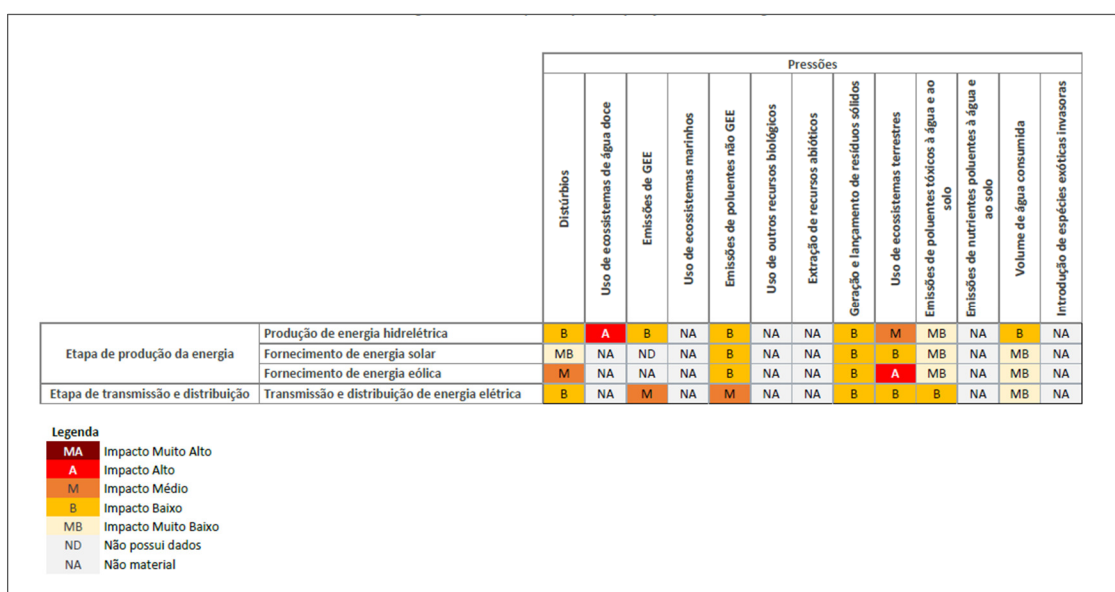


Figure 5: Heatmat of impacts from Cemig's direct operations. Source : TNFD 2026

Use of freshwater ecosystems

Impact Assessment Methodology for High-Volume Hydropower Production

Hydropower production can lead to a large increase in upstream freshwater habitat and a decrease in downstream freshwater habitat. The area occupied by the reservoir is large, and the area of freshwater use is extensive.

Location and prioritization of hydroelectric power plants in relation to priority assets.

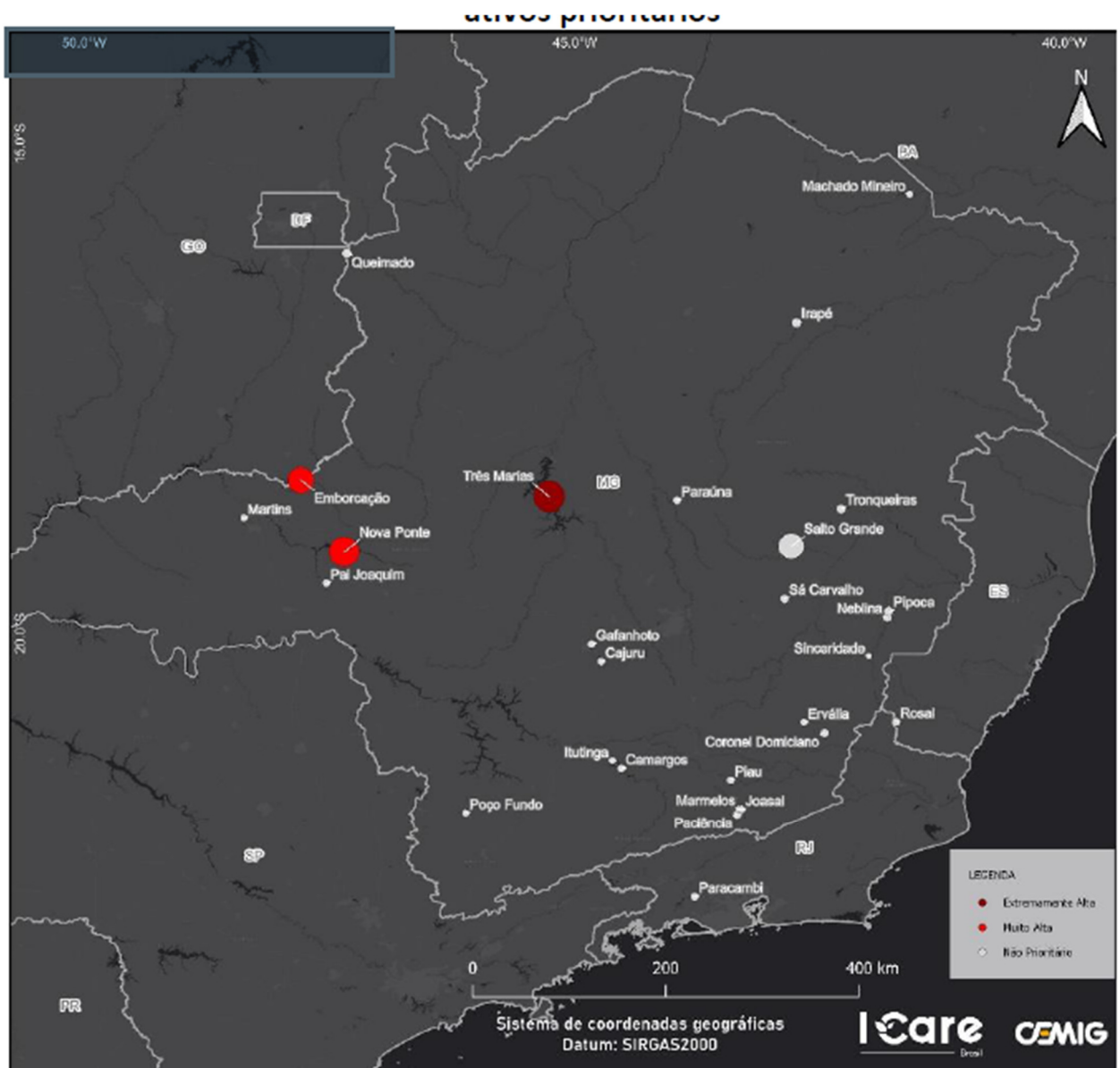


Figure 6: Priority assets indicated in the image: Três Marias (extremely high), Nova Ponte and Emborcação (very high), Source : TNFD 2026.

Assets of the same type exhibit the same processes and, therefore, the same impact and dependency values according to ENCORE. Thus, what most differentiates the Três

Marias Hydroelectric Plant's score is the Impact Factors score. The asset received the maximum score (5) for the criteria of Built Area and GHG Emissions (fossil fuels). The built area is the criterion with the greatest weight among the components that make up the Impact Factors score – Built Area, Right-of-Way Area, and GHG Emissions related to fossil fuel consumption and GHG Emissions related to electricity. For the Hydroelectric Plant typology, the right-of-way area is not evaluated, as it does not apply to this type of asset. The final value of this asset for the environmental qualifier category is the highest among the prioritized assets, at 3.85. For comparison purposes, the second highest score among the hydroelectric plants was 3.34, assigned to the Emborcação hydroelectric plant, followed by the Nova Ponte hydroelectric plant with 3.29. Another asset prioritized by the Materiality Index was the Volta do Rio Wind Farm, which received a score of 2.95 for environmental qualifiers.

Prioritization of assets in relation to the Materiality Index of Impacts and Dependencies

Tipologia	Nome Ativo	Prioridade
UHE	Emborcação	Alta
UHE	Nova Ponte	Alta
UHE	Três Marias	Muito Alta
UE	Central Eólica Volta do Rio	Alta

Figure 7: Asset prioritization scale

4. Aspect

4.1. Assessment of future water quantities available

Cemig conducts prospective analyses to assess the future availability of water, including:

- Studies of climate and hydrological scenarios to identify changes in rainfall and flow patterns. (TCFD, [Report on Climate Related Financial Disclosure - Cemig en](#))
- Modeling the impacts of climate change on river basins where the company operates.
- Identifying the assets most exposed to changes in precipitation patterns, coupled with efficient reservoir management, in order to ensure the multiple use of water and compliance with operational requirements, maximizing efficiency in the use of water resources, such as the Três Marias hydroelectric plant, source : TCFD 2025, pages 45 and 16, available at: cemig.com.br/en/wp-content/uploads/sites/2/2026/04/tcfd-2025-en.pdf.

4.2. Assessment of future water quality-related risks

The company considers risks related to **water quality** as part of its integrated management, including:

- Continuous monitoring of environmental variables that may compromise the use of water for generation.
- Assessment of the impacts of extreme events and climate change that may affect quality parameters.
- Integration of quality risks with operational and environmental risks, within the corporate framework.

Water quality analysis considers physical, chemical, and biological parameters, which together offer an integrated view of environmental conditions. This approach allows for the evaluation not only of the current situation of water bodies, but also the identification of cumulative effects resulting from natural or anthropogenic processes, contributing to the early detection of possible variations and changes in water quality. The results obtained are compared to the standards established in current environmental legislation, such as CONAMA Resolution No. 357/2005, and other applicable regulations, verifying the conformity of the monitored water bodies with the intended uses according to their classification.

As a tool for synthesis and communication, Cemig uses the Water Quality Index (WQI), which consolidates information from representative parameters such as dissolved oxygen, thermotolerant coliforms, pH, biochemical oxygen demand, and nutrients such as nitrate and total phosphorus, in addition to physical variables such as: temperature, turbidity, and total solids. The use of this indicator allows for the translation of technical data into accessible information, facilitating the assessment of water quality and the monitoring of its evolution over time.

The data generated by the water quality monitoring program are analyzed in an integrated manner and used to support environmental assessment and decision-making. Based on these results, the Company identifies priority and sensitive areas, maintains continuous monitoring actions, and contributes to the management of water body quality.

Water quality management is directly associated with the control of effluents generated in operations. Industrial and sanitary effluents are monitored periodically, with analyses verifying compliance with the discharge standards established in CONAMA Resolution No. 430/2011 and COPAM/CERH-MG Normative Deliberation No. 01/2008. This monitoring allows for the evaluation of the efficiency of treatment systems, ensures environmental compliance, and prevents the risk of contamination of water bodies.

When nonconformities or deviations in monitored parameters are identified, corrective measures are adopted, including investigating the causes, reviewing operational procedures, and implementing mitigation actions, as well as communicating with the competent environmental agencies, when applicable. This process contributes to the continuous improvement of environmental management and the strengthening of controls associated with water quality.

Additionally, Cemig incorporates preventive management practices into its operations, such as periodic equipment maintenance, control of oily drainage systems, use of containment structures, and definition of environmental requirements for suppliers and service providers. These measures aim to reduce the likelihood of occurrences that could compromise water quality, considering both direct impacts and those associated with the

value chain.

The Company also develops initiatives aimed at expanding the positive impacts on water resources through environmental programs, conservation actions, and environmental education initiatives in the areas of influence of its projects. These programs encourage the participation of local communities and other stakeholders in the management of the reservoir surroundings, strengthening the sustainable use of water and the protection of ecosystems.

4.3. Assessment of impacts on local stakeholders

Cemig incorporates the analysis of impacts on local stakeholders into its water risk approach:

- Recognition of water as a shared resource among energy production, communities, and other users
- Development of conservation and management initiatives to ensure sustainable and multiple uses of water
- Assessment of potential impacts on communities and ecosystems, particularly under water scarcity scenarios

4.4. Assessment of future potential regulatory changes at a local level

Risk assessment includes monitoring regulatory changes related to water , considering:

- The Brazilian regulatory context for the use of water resources and hydroelectric power generation.
- Mechanisms such as the Generation Scaling Factor (GSF) , which distributes hydrological risks among agents in the sector.
- Possible changes in public policies, watershed management, and water use restrictions resulting from climate events.

Disclosure of initiatives in the CDP 2025 Questionnaire, available at the following link: cemig.com.br/en/wp-content/uploads/sites/2/2026/04/2025-cdp-corporate-questionnaire-en.pdf and in the 2026 Reference Form, available at the following link: ri.cemig.com.br/docs/Formulario-de-Referencia-Cemig-2026-12-31-8cBzBk9J.pdf

5. Additional information

- *Risks of dependency and/or impact considered*

CDP 2.2.7.2 – page 34 – 4 8, cemig.com.br/en/wp-content/uploads/sites/2/2026/04/2025-cdp-corporate-questionnaire-en.pdf

Cemig systematically assesses the interconnections between dependencies, impacts, risks, and environmental opportunities as part of its integrated risk management process. This process is transversal to the company, ensuring that environmental considerations are evaluated in conjunction with other business risks and opportunities. A practical example of this integrated approach is how *Cemig* has been dealing with the interdependence between water resources and climate change. Given *Cemig*'s high dependence on water resources for its operations, it was identified that this resource is being impacted by climate change, which can generate significant risks in contexts of water scarcity. Faced with this situation, the company conducted a detailed study to map the risk, identify the most exposed units, and define mitigation measures.

As a result of this study, actions were identified for more efficient reservoir management, as well as an opportunity to diversify the energy matrix with investments in wind and solar sources. In its strategic planning, *Cemig* established The goal is to invest R\$ 3.3 billion in Distributed Generation projects in vertical solar parks by 2028. (pages 42, 43)

a) Dependency-related water risks considered in risk assessment

Pages 147, 170 of the 2026 Reference Form, available at the link <https://ri.cemig.com.br/docs/Formulario-de-Referencia-cemig-2025-12-31-hHWHtKDH.pdf>

Considering the dependence on water resources for hydroelectricity generation, with a predominantly hydroelectric matrix (91.37%), the company mitigates this risk in the short term by monitoring rainfall patterns and in the medium and long term by expanding investments in other renewable sources. In Brazil, this risk is shared via the Generation Scaling Factor (GSF) mechanism. This risk measure analyzes the relationship between the volume of energy produced and the physical guarantee of each plant, i.e., the physical guarantee adjustment factor of the hydroelectric plants that make up the Energy Relocation Mechanism (MRE). The calculation is done monthly by CCEE and functions as a proportional rebalancing of the total volume of energy produced, adding the results of all plants participating in the MRE.

	2022		2023		2024		2025	
	GWh	%	GWh	%	GWh	%	GWh	%
Hydropower	17,757.16	97.16	14,745.07	95.51	14,331.47	94.30	12,216.09	91.37
Wind	383.44	2.10	524.43	3.40	366.96	2.41	218.64	2.56
Solar	6.42	0.03	7.29	0.05	107.94	0.71	341.75	1.64
Distributed generation	128.90	0.71	161.50	1.04	390.92	2.57	594	4.44
Total	18,275.92	100	15,438.29	100	15,197.29	100	13,370.48	100

Figure 8: Net generation by energy generation source. Source: RAS 2025, page 32, available: <https://www.cemig.com.br/en/wp-content/uploads/sites/2/2026/05/ras-2025-en.pdf>

The Brazilian Energy Market (MRE) aims to mitigate the impacts of variability in hydroelectric power plant generation. This mechanism shares the generation of all hydroelectric plants in

the system in order to compensate for the lack of generation from one plant with the surplus from another, thus completing the necessary generation of all plants in the MRE. However, this mechanism is not capable of mitigating all the risk for generating agents, because when there is an extremely unfavorable hydrological scenario, and the set of plants cannot reach the sum of their Physical Guarantees, this mechanism then makes an adjustment to the Physical Guarantee of each plant through the Generation Scaling Factor (GSF), leading generators to short-term market exposure.

b) Impact-related water risks considered in risk assessment.

Source: Reference Form 2026, page 170, available at the following link: ri.cemig.com.br/docs/Formulario-de-Referencia-Cemig-2026-12-31-8cBzBk9J.pdf

The energy sold by the Company's subsidiaries is mostly produced by hydroelectric plants. A prolonged period of drought can result in a reduction in the volume of water in the reservoirs of these plants, potentially leading to increased energy acquisition costs due to its replacement by thermal sources or reduced revenue due to decreased consumption resulting from the implementation of comprehensive programs for the rational use of electricity. Prolonged generation through thermal power plants can put pressure on the costs of energy acquisition by distributors, leading to a greater need for cash and potentially generating future tariff increases.

This risk is mitigated by the Energy Reallocation Mechanism (MRE). The MRE was designed to share among its members the financial risks associated with the commercialization of energy by hydroelectric plants dispatched centrally by the ONS (National System Operator).

The Company continuously monitors its energy balance and risk position in energy purchase and sale contracts, seeking to ensure that operations are consistent with its objectives and corporate strategy.

Aspect

a) Assessment of future quantities of available water

CDP – pages 55-58

cemig.com.br/en/wp-content/uploads/sites/2/2026/04/2025-cdp-corporate-questionnaire-en.pdf

Risk 2: Drought

(3.1.1.9) Organization-specific risk description

Climate change can cause alterations in seasonal precipitation patterns, with extreme rainfall events and droughts, changes in geographic distribution and average precipitation values, impacting the amount of water reaching power plant reservoirs. Since Cemig's electricity production is primarily hydroelectric, these changes can lead to a reduction in generation

capacity. Historically, the company has already felt the impacts of these risks in the last five years, due to water scarcity in the basins where it has hydroelectric generation projects.

(3.1.1.11) Primary financial effect of risk

Decreased revenue due to reduced production capacity.

(3.1.1.12) Time horizon during which the risk is expected to have a significant effect on the organization

Short term

(3.1.1.13) Probability of the risk having an effect on the expected time horizon

possible

(3.1.1.14) Magnitude

High

(3.1.1.16) Predicted effect of risk on the organization's financial situation, financial performance and cash flows over selected future time horizons

Water scarcity, due to climate change, can have a direct impact on the energy generation capacity of Cemig's hydroelectric plants. In a short-term scenario, reduced rainfall in the river basins where Cemig operates could lead to a decrease in reservoir levels and, consequently, in the availability of water for energy generation. This reduction could impact revenue, putting pressure on cash flow in the short term, and necessitate additional investments, requiring accelerated investments in other generation sources, such as solar and wind power, or in water efficiency measures and reservoir management. Although the company has already felt the impacts of changes in the water regime in recent years, the trend is for these challenges to intensify in the medium term, requiring increased resilience and adaptation of the generation portfolio.

(3.1.1.17) Is it possible to quantify the financial effect of the risk?

Yes

(3.1.1.25) Explanation of the value of the financial effect

The estimated financial effect considers scenarios of reduced hydroelectric generation leading to the purchase of energy in the short-term market. The minimum impact is projected at approximately 4% of the commercialization segment's net revenue, corresponding to BRL 291 million, estimated for 2026. Under more adverse conditions of prolonged drought and significantly elevated market prices, the maximum impact could reach up to 11% of net revenue, equivalent to around BRL 801 million projected for 2028. The calculation used the 2024 net revenue (BRL 7,278,694,000.00) as the reference parameter. The inability to transfer these additional costs to consumers increases Cemig's exposure to financial losses within this projected range.

(3.1.1.26) Primary response to risk

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

(3.1.1.27) Cost of responding to risk

R\$ 634220369.66

(3.1.1.28) Explanation of cost calculation

In terms of predictive modeling and analysis, there is the cost associated with hydrological studies (R\$1,400,711.72), meteorology (R\$1,175,521.88) and a dedicated team consisting of 5 meteorologists and 2 technicians (R\$2,714,136.06), totaling, in 2024, an investment of R\$5,290,369.66. As for investments in renewable and decentralized generation in 2024 – that in the long term could balance losses resulting from water variability in hydroelectric plants – the total Capex allocated was R\$ 628.93 million, of which 63% was allocated to Cemig SIM (R\$ 393.6 million) and 5% to solar energy (R\$ 31.99 million).

(3.1.1.29) Response description

SITUATION: Cemig faces the risk of reduced hydroelectric generation capacity during droughts, which forces the company to purchase electricity in the short-term market at potentially volatile and high prices. TASK: To reduce financial exposure, Cemig integrates hydrological and climate variability into its energy price modeling, seeking to forecast possible drought scenarios and their impact on market prices.

ACTION: The company has developed predictive models that incorporate drought-related variables into price projections, in addition to maintaining diversified generation sources (solar, wind, thermoelectric) to reduce dependence on hydropower. It also conducts continuous monitoring of hydrological conditions to anticipate risks and adjust procurement strategies. In terms of predictive modeling and analysis, Cemig invests in hydrological studies (BRL 1,400,711.72), meteorology (BRL 1,175,521.88) and maintains a dedicated team of five meteorologists and two

technicians (BRL 2,714,136.06), totaling BRL 5,290,369.66 in 2024. Furthermore, in 2024 the company allocated BRL 628.93 million in Capex for renewable and decentralized generation. Of this total, 63% was allocated to Cemig SIM (R\$393.6 million), with 5% to solar power (R\$31.99 million). Investments in hydro and wind energy were essentially maintenance, representing 28% (BRL 178.36 million) and 4% (BRL 24.98 million) of the total Capex, respectively, with no forecast of new contributions over the next five years.

RESULTS: While uncertainty remains regarding extreme climate events and energy market price volatility, these measures help mitigate Cemig's financial exposure to drought scenarios. The combination of predictive modeling, specialized monitoring, and diversification of the energy matrix strengthens the company's resilience, reduces dependence on hydro generation, and contributes to financial stability even in adverse hydrological conditions.

b) Assessment of future risks related to water quality.

CDP pages 46 to 48

cemig.com.br/en/wp-content/uploads/sites/2/2026/04/2025-cdp-corporate-questionnaire-en.pdf

Cemig monitors water quality in accordance with the company's environmental guidelines, which are: the Environmental Policy, which reinforces the importance of complying with legal requirements, preventing pollution, and committing to continuous improvement; the Biodiversity Policy, which emphasizes the relevance of programs related to the conservation of fauna and flora, water quality, urban afforestation, and actions in its reserves and environmental stations; and the Water Resources Policy, which deals more specifically with the conservation and safe management of these resources.

The main risk of negative impact on Cemig due to water pollution is the presence of oil in the waters of hydroelectric power plants. All operational procedures at the plants are guided by service instructions and quality standards. Emergency Action Plans (EAPs) present the necessary guidelines, and any type of incident related to contamination or leakage is recorded and consolidated in an Environmental Incident Report (EIR). The success of the procedures is evaluated based on compliance with the criteria established in the EAP.

The main procedures are:

- IS-62 - Service Instruction on Minimum Requirements for Environmental Suitability and Compliance - Cemig Internal Policy (Insulating Oil and Ascarel)
- Internal Policy of Cemig - Lubricating Oil and Grease Applied in the Company's Industrial Facilities
- DPR-H-87 - Environmental Standards and Procedures
- IT-G.02.01-001b - Work instruction
- PAE-DDC-SIG-001h - Environmental, health and safety emergency response procedure
- DC-08A - Emergency Preparedness and Response Procedure
- PAE-AT-0004 - Mineral oil leak or spill (Emergency response procedures for each facility of the Generation Asset Management Superintendency).

Cemig has a Service Instruction - IS62 - that establishes the minimum requirements to be met by the company's departments based on ISO standards, related to responsibility for environmental issues inherent in the processes, as well as the criteria that will guide budget management. To assess the state of degradation of water resources, water quality indices are applied, which aim to simplify, quantify, analyze and synthesize the data generated in the monitoring. The company uses and makes available the Water Quality Index (WQI), which defines a set of nine parameters considered most representative for characterizing water quality: dissolved oxygen, thermotolerant coliforms, pH, biochemical oxygen demand, nitrate, total phosphate, water temperature variation, turbidity and total solids.

c) Assessment of impacts on local stakeholders.

Reference: Reference Form 2026, available in ri.cemig.com.br/docs/Formulario-de-Referencia-Cemig-2026-12-31-8cBzBk9J.pdf, page 153

Currently, considering projects and companies that are jointly controlled, CEMIG has 32 hydroelectric plants, with 4,674 MW, representing 94.87% of our installed capacity. Water is the main raw material for CEMIG's energy production and is a resource sensitive to climate change and vulnerable to the consequences of the exploitation of other natural resources, significantly affected by human actions and subject to a regulatory environment. The operation of reservoirs for hydroelectric power generation carried out by CEMIG essentially implies considering the multiple uses of water by other users of a hydrographic basin, which, in turn, leads to the need to consider a series of restrictions of an environmental, safety, irrigation, human supply, waterway, and bridge nature, among others. During periods of severe drought, such as those experienced from 2013 to 2021 and also in 2024, monitoring and forecasting reservoir levels and constant dialogue with public authorities, civil society, and users were essential to guarantee energy generation, as well as other uses of this resource. Finally, CEMIG uses a Risk Management System to analyze scenarios and determine the degree of financial exposure to risks, considering the probability of occurrence and its impact. In scenarios related to potential conflicts with other users, CEMIG assesses both the impacts resulting from prolonged droughts, which can lead to increased competition between the energy sector and other users, and those resulting from floods due to excessive rainfall. Although CEMIG engages with other essential users and takes steps to analyze the contribution of communities and studies on issues related to the impact of water use, at the same time conflicting interests regarding water use could, subject to certain minimum limits previously established by law, affect its availability for use in the operations of some of our projects, which may adversely affect our operating results and/or financial condition.

d) Mitigation actions:

Cemig **created the Proximity Program** with the objective of strengthening relationships with local communities and promoting social development in areas near the power plants under its concession. The program promotes technical meetings where company specialists provide detailed information on the operation of reservoirs and dams, addressing critical aspects such as operational and structural safety, and detailing Emergency Action Plans (EAPs). In addition, the program participates in meetings to integrate EAPs with Municipal Contingency Plans (PLANCONs) and engages with NGOs in water resources forums, facilitating their participation in the formulation of policies and regulations related to water resources management. Engagement with other water users is carried out through river basin committees, such as the management of the Três Marias Hydroelectric Power Plant reservoir.

The meetings promoted by the Proximity Program in 2025 addressed topics such as meteorology, reservoir operation, dam safety, and updates to Emergency Action Plans (PAEs), in addition to aspects related to water resources and the Company's responsibilities in these areas. The meetings took place at eight hydroelectric power plants (Cajuru, Nova Ponte, Peti, Três Marias, Queimado, Rosal, and Irapé), bringing together approximately 386 participants, including representatives from institutions, municipal leaders, water users, and emergency response agencies such as Civil Defense and the Fire Department.

In 2025, Cemig continued its efforts to improve Emergency Action Plans (PAEs) and its coordination with Civil Defense and local municipalities. Among the year's initiatives, the following stand out:

- Conducting four internal tabletop exercises, with the participation of members of the Integration Committee, for the dams of the Emborcação, Irapé, Três Marias and Peti hydroelectric power plants;
- conducting four evacuation drills with the population mapped in the ZAS (Zone of High Security) of these same power plants, involving 10 municipalities and approximately 3,500 people;
- Preparation of four simulated training reports for the Emborcação, Irapé, Três Marias, and Peti hydroelectric power plants, the latter in partnership with Vale (Brucutu Mine); and
- Production and delivery of 17 review and update reports for the PLANCONs (Operational Control Plans) for municipalities in the ZAS (Special Zone of Settlement), covering 28 municipalities related to the Cel. PCHs (Small Hydroelectric Power Plants).

Another initiative developed by Cemig is the creation of the Environmental Plan of Conservation and Use of the Surroundings of an Artificial Reservoir with the participation of stakeholders. This plan aims to regulate the conservation, recovery, use and environmental occupation of the reservoir and its surroundings in a way that balanced, complying with legislation, the needs of the undertaking and the interaction with Society.

e) Assessment of potential future regulatory changes at the local level.

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cemig.com.br/en/wp-content/uploads/sites/2/2026/04/2025-cdp-corporate-questionnaire-en.pdf

Internal water pricing

Since 1990, the electricity generation sector has paid a sectoral tax called Financial Compensation for the Use of Water Resources for Hydroelectric Generation, instituted by Law No. 7,990/1989. Cemig, like all sectors that use water to produce hydroelectric energy, had the charge for the use of water resources defined and implemented for its plants even before the creation of the Basin Committees of the rivers where they're installed. It's also important to remember that it's the only sector that undergoes an annual readjustment of the amounts charged, through the readjustment and revision of the Updated Reference Tariff. In 2024, the tariff was adjusted to 94.45/MWh. According to the law, the amount collected by the tax is distributed to States, the Federal District and the Municipalities in whose territories facilities for the production of electricity are located, or that there are areas that are invalid for water from the reservoirs. A less significant portion of the resource is directed to the Ministry of the Environment, for application in the implementation of the National Water Resources Policy and the National Water Resources Management System. Therefore, this tax is part of a cost paid by CEMIG to contribute to the reduction of impacts from hydroelectric generation and water security, in addition to being a significant amount that can be considered in the company's decision-making.