



CEMIG

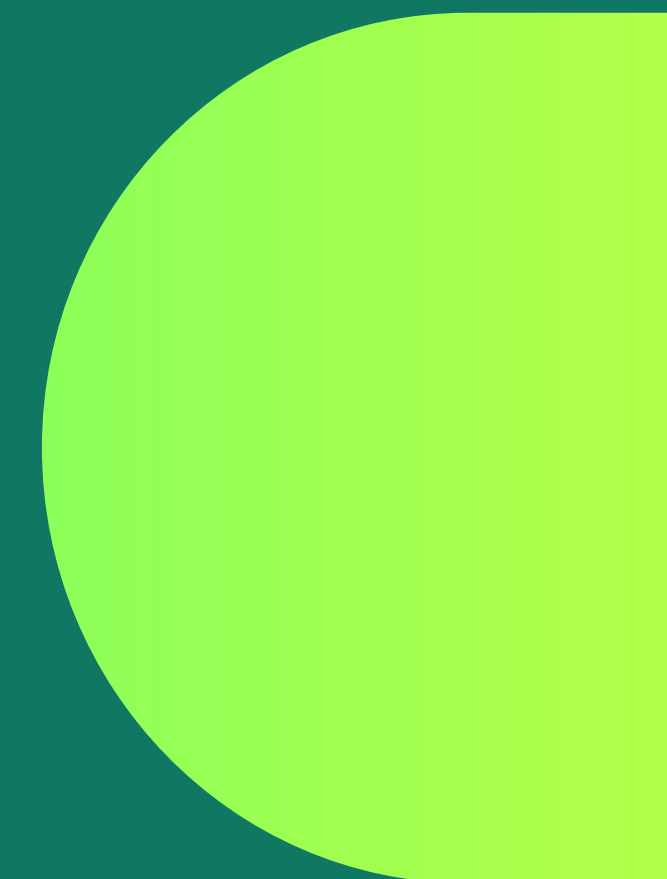
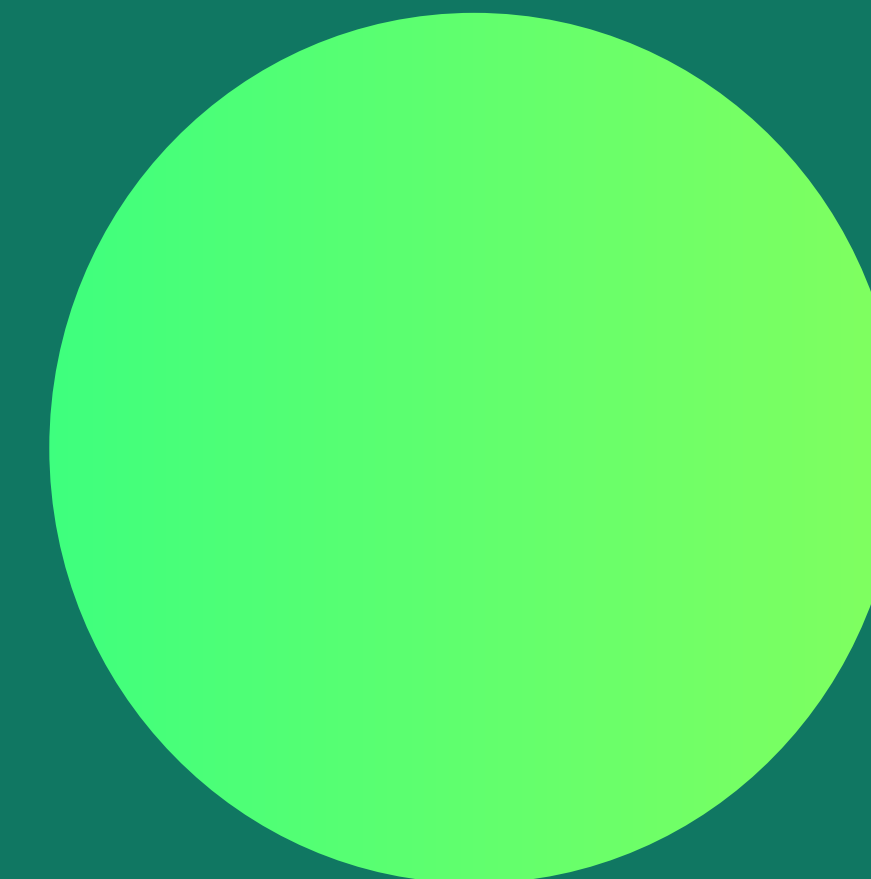
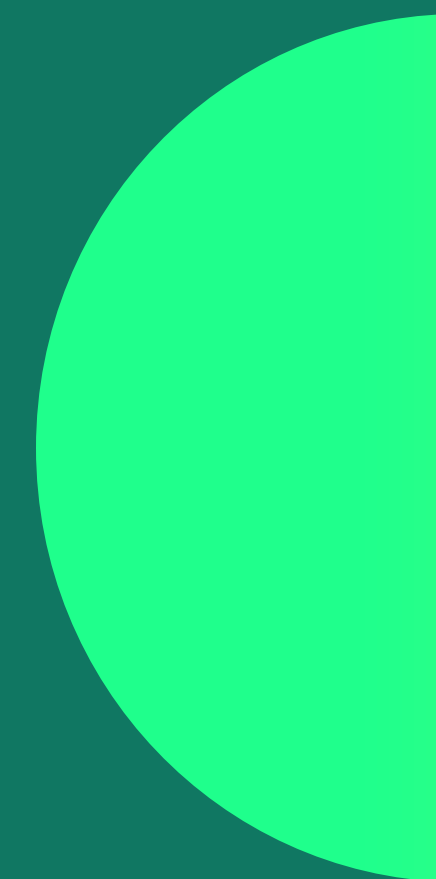
**ANNUAL AND
SUSTAINABILITY
REPORT**

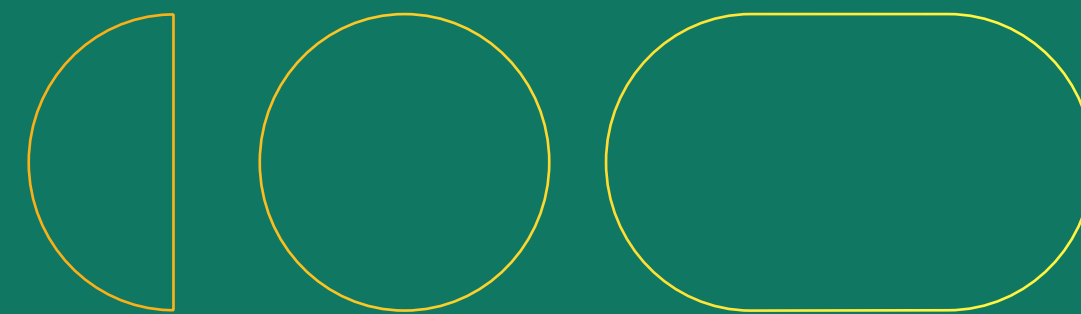
20**22**

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RAS 2022

[2-1; 2-3] Cemig, Companhia Energética de Minas Gerais (Minas Gerais Power Utility Company) presents here its Annual Sustainability Report (RAS). This is the report 17th issue, provided on an annual basis since 2006. The information shared here refers to the period from January to December 2022.

The annual dissemination of the RAS contributes to foster Cemig’s transparent dialogue with its stakeholders by providing relevant information about its activities, the Company’s performance in environmental, economic and social aspects, and also relevant information on governance.

[2-2] Information provided in this report relate to the set of companies under the holding operational control, described on the Cemig Group organizational chart, including subsidiaries Cemig Distribuição S/A (Cemig D) and Cemig Geração e Transmissão S/A (Cemig GT). The terms “Cemig” or “Company” are used to refer to consolidated information. “Parent Company” is the denomination used to refer to the Cemig holding (Cemig H) as an individual Company, and does not include its subsidiaries.

[2-2; 2-5] For the accounting data shown here, the companies under the holding’s operational control are considered, identified in the Cemig Group’s organizational chart, which can be consulted in this report. Possible exceptions will be mentioned throughout the document. Data consolidation was carried out according to criteria set out in Brazilian legislation and previously audited by an independent third party.

The Financial Statements, available at the Company’s website, are presented according to the International Financial Reporting Standards - IFRS in thousands of BRL (Brazilian Reals) (except where another currency is indicated). Regarding non-accounting data, this document may cover other subsidiaries of the Cemig Group, pointing out when that occurs.

The 2022 Annual Sustainability Report was prepared according to the GRI Standards, aiming to fully adopt the GRI Standards and ensure the continuity and comparability of data and information presented in previous reports.

[2-5] The Company based itself on integrated reporting guidelines from the International Integrated Reporting Council (IIRC), including presentation of information regarding integration between the Company’s programs and projects), as well as their contributions to the United Nations (UN) Sustainable Development Goals (SDGs).

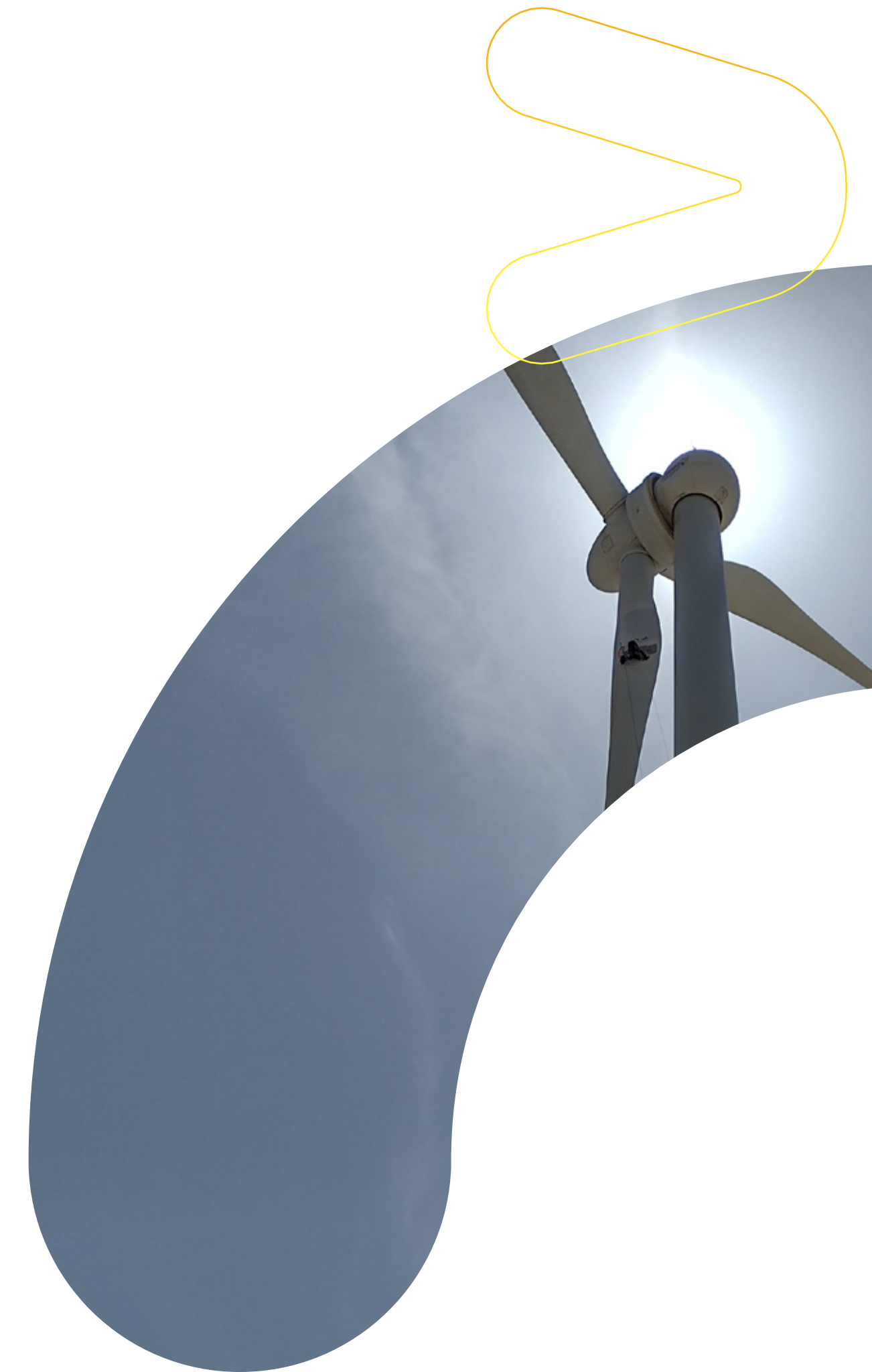
This document underwent independent external verification, resulting in the assurance that can be consulted in annex at the end of the document. Greenhouse gas (GHG) emission data were also audited under Cemig 2022 GHG Emission Inventory.

[2-14] The Communication and Sustainability Department led the preparation of this report, being responsible for analyzing and approving all reported information and material topics. Subsequently, the report was presented to and approved by the Board of Directors.

The 2022 Annual Sustainability Report was prepared according to the GRI Standards, aiming to fully adopt the GRI Standards

[2-4] In case of need to update or revise past information in previous reports, they will be pointed out, as well as the reason for the revision.

[2-3] Any doubts, suggestions or requests for further information about this report can be sent by e-mail to the Sustainability Management (sustentabilidade@Cemig.com.br) or the Investor Relations Oversight Department (ri@Cemig.com.br).



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Cemig 70 YEARS

Companhia Energética de Minas Gerais (Cemig) celebrated its 70th anniversary in 2022. Over these seven decades, the Company has stood out not only for the excellence of its operations and services, but also for its commitment to sustainability. It is based on this commitment that the Company contributes to expansion of renewable energy generation in Brazil, while generating value for all stakeholders.

Cemig already went through moments of expansion and extension of its operations beyond the borders of its state of origin. Recently, the Company's strategy was reviewed and the primary objective of contributing to the economic and social development of Minas Gerais was outlined.

In 2022, the Company made the biggest investments in the history of distribution in the state. The objective is to supply quality energy to all regions and customers under its concession, causing direct impacts on the development of the countryside, as those due to Minas Trifasico (Three-Phase Minas) project. In addition, Cemig sought to facilitate and promote access to energy for the most vulnerable populations and essential sectors, such as health.

In addition, it is an essential part of the Company's sustainability strategy to share its resources with social projects, whether from volunteer initiatives or private social investment. Here, the investment for culture in Minas Gerais deserves to be highlighted. Understanding that it is an important aspect of social development, and that it is related to people's quality of life, Cemig has progressively increased its involvement in cultural projects, initiatives and organizations in the state.



Thus, Cemig has been working not only to reduce its negative impacts, but also to generate positive and relevant impacts on society and the environment. These impacts are the result of an operation guided by excellence and the adoption of best market practices, which seeks to go beyond meeting regulatory requirements. Environmental impact management is guided by projects to preserve biodiversity, the growing search for waste reuse solutions and constant monitoring of its impacts. In this context, the 100% clean energy matrix, fostering energy efficiency programs and a commitment to mitigating and reducing emissions stand out.

Excellence also extends to its relationships with people. Cemig's employees are the Company's strength and the management of this public is characterized by opportunities for professional development and by safety. Besides that, the Company places the customer at the center of its actions with the objective of guaranteeing access to quality energy, while providing agile, efficient and transparent service.

With structured governance, transparent and efficient management, Cemig has been generating value for all its stakeholders. Consequently, it presents consistent results for its shareholders and investors.

With a focus on its strategic planning and the management of its social, environmental and economic impacts, Cemig intends to stand out as one of the best integrated electric power groups in Brazil in terms of governance, financial health, asset performance and customer satisfaction, acting in an innovative, sustainable and competitive way.



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MENSAGE FROM THE BOARD

[2-22] We made important progress in 2022, a year that will be remembered for the successful implementation of our strategy.

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

Once again, our operating expenses were fully covered by tariffs in the distribution and transmission businesses, with EBITDA in those businesses also exceeding regulatory benchmarks. In 2023, we will continue to invest in new operational efficiency measures, with emphasis on reducing post-employment obligations, which have a material impact on our results and financial position.

It is worth mentioning the results obtained in our energy trading business. We are the largest energy trader in Brazil in serving end customers, with a history of significant results, reflecting our adequate analysis of scenarios and management of our portfolio of energy contracts.

With regard to customer service, an important part of our strategic vision, we continue to show consistent results, with better quality indicators than those used as a benchmark in regulation. For example, DEC (an index that measures the duration of power outages) recorded was 9.48 hours, against the regulatory limit of 9.98 hours and FEC (an index that measures the frequency of outages) was 4.58 against the regulatory limit of 6.43.

We have the ambition to transform the relationship with Cemig’s over 9 million customers, significantly improving the customer’s view of the services we provide. As an example, through our Cliente+ project, we seek to provide an omnichannel operation, with the convergence of existing service channels (telephone, face-to-face and digital), providing cognitive and integrated service between the various platforms used by customers, with greater speed and efficiency.

As part of our strategy to invest in Minas Gerais, we invested BRL 3.1 billion in our distribution business, a significant amount that marks a change in the level of the Company’s investments in the Distribution concession, representing more energy supply, which drives the growth of the State and a higher quality service to our customers. It should also be taken into account that these investments will be part of the Regulatory Remuneration Base to be ratified by Aneel in the tariff review scheduled for next year.

We are the largest energy trader in Brazil in serving end customers, with a history of significant results, reflecting our adequate analysis of scenarios and management of our portfolio of energy contracts

In our transmission business, we won the bid for lot 1 (located in Minas Gerais and Espírito Santo) in the auction held by Aneel in December 2022, with annual revenue of BRL 17 million. This result is a milestone, as it means the return of the Company to a leading role in transmission auctions, within our strategy of investing in our main businesses within Minas Gerais, with control of the assets.

With regard to our power generation business, in 2023 we will begin the process of renewing the power generation concessions for Theodomiro Carneiro Santiago (formerly known as Emborcação), Nova Ponte and Sá Carvalho power plants, which amount to approximately half of our power generation complex, in addition to continuing investments in renewable sources, with a greater role played by our distributed generation subsidiary, Cemig SIM.



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Divesting from non-strategic assets or those we do not have control over operations of is part of our strategy. Also in this aspect, we had very significant results in 2022: we sold our interest in Renova, Axxiom and Ativas. In March 2023, we completed the sale of our entire equity interest in Santo Antônio power plant. All these divestitures allow Management to focus on its main businesses, which add value to its shareholders. The expectation is that, in 2023, we will be able to move forward with the sale of our minority or shared control stakes.

We believe that our human capital plays a fundamental role in the execution of our strategy. In this context, the result of the climate survey we carried out in 2022, where we obtained a significant increase of 11 points against the previous survey, reaching 75% favorability, makes us very happy, as it shows the growing engagement and commitment of employees to the success and future of the Company.

The sustainability of our operations is in our DNA. We are a Company with 100% of its energy generation from renewable sources, being the only company in the electricity sector outside Europe to be part of the Dow Jones Sustainability Index consecutively for 23 years, besides being a signatory of the Global Compact since 2009. At the beginning of 2023, we received yet another recognition that ratifies Cemig's status as a sustainable company: we are the Brazilian company with the best rating in Carbon Clean200™, an annual global ranking that lists the 200 publicly traded companies that lead initiatives for transition solutions to a clean energy future, with an honorable 37th position in the overall ranking.

In conclusion, we can restate that we were successful in implementing our strategy, we invested heavily in Minas Gerais, disinvested non-strategic assets, continued on our journey of improving service to our customers, achieved solid financial results, with discipline in cost management, and reduced our currency exposure. All this with greater engagement of our employees and sustainable corporate practices.

These results make us more optimistic and enthusiastic to continue carrying out our strategy, our goal of focusing on winning and the continuous search to make Cemig more efficient, profitable and admired by its customers, ready to face the next challenges.



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MATERIALITY

[2-29; 3-1; 3-2] Guided by its commitments to sustainability, and aligned with the need for constant progress in the subject and in the practices of a sustainable business, Cemig presents, in this report, its new materiality for socio-environmental issues. Held between December 2022 and March 2023, the process of updating new material topics for Cemig was conducted using a methodology based on international norms and standards, and approved by the Company’s Executive Board.

The materiality developed in 2023 will be updated in two years, always keeping in line with the new challenges and contexts of sustainability and the industry. The previous materiality review had been performed in 2021, as state din the 2021 Annual and Sustainability Report .

The new materiality assessment process was prepared using a methodology based on the AA1000 standard guidelines and the Universal Global Reporting Initiative (GRI) Standard 3: Material Topics, updated by GRI in 2021. Double materiality was also considered in its analysis and construction. Cemig thus keeps up-to-date with regard to the best corporate sustainability practices and is in line with market and society expectations regarding ways of identifying and reporting its main impacts

[2-12; 2-29] Engagement of stakeholders happened by means of an internal procedure for identifying, selecting and prioritizing stakeholders, called Stakeholder Mapping. This procedure describes actions and methods the Company uses to identify Cemig’s major stakeholders according to the following criteria: (i) responsibility; (ii) influence, (iii) proximity, (iv) dependence, (v) representation, (vi) strategy statement and policies:

Based on these criteria and the Communication Policy, Cemig defined the following groups as stakeholders for its Annual and Sustainability Report:

External stakeholders:

- Government authorities;
- Shareholders and investors;
- Customers;
- Consumers;
- Suppliers;
- The press.
- Communities in general (NGOs, the society, universities, etc.);

Internal stakeholders:

- Employees;
- Top Management;

The process of defining the material topics comprised three macro stages:

1. Review and understanding of the sustainability context

Collection and compilation of sustainability references (e.g., Sustainalytics, CSR Hub, MSCI, SASB, Bloomberg, and others) from non-sectoral sources versus from organizations that aggregate ESG data, and from sectoral sources specialized in the energy sector and also focusing on the analysis of sector trends. In addition, a survey was carried out on material topics of companies considered benchmarks in the industry in the domestic and international scenarios.

The understanding of the Company’s internal background was based on the analysis of strategic documents, such as policies, regulations, financial disclosures and ESG indicators, among others. In addition, written and electronic media were actively searched for articles and reports (e.g., Estado de Minas Newspaper, Agência Brasil and Federal Prosecution Service news), in order to identify whether there are Company cases or initiatives related to the topics found during the above-mentioned search that may be relevant to the business.

2. Identification of actual and potential impacts and assessment of their importance

After defining the topics based on the sustainability references and mapping the actions that involve the Company in relation to each of these topics, the positive and negative actual and potential impacts related to Cemig’s activities, the nature of its business and its industry were mapped out. Impacts are grouped by topic (social, environmental and governance), in addition to being classified as short, medium or long term, impact scope and whether it is influenced or caused by the Company.

At this stage, consultations are also carried out with the internal and external public for a better understanding and validation of the impacts. Internally, areas that have contact with external stakeholders were selected for consultation. Regarding the external public, some of the Company’s major stakeholders were consulted using online surveys and direct interviews. 13 interviews were carried out and 350 questionnaires sent online, 143 for the internal public and 207 for the external public.

Internal public:

- Senior leadership: interview with senior executives
- Employees: interviews and online surveys

External public:

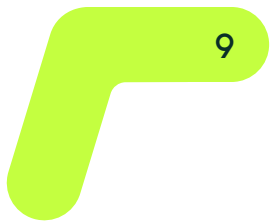
- Suppliers: interviews (Vision Engenharia) and online surveys
- Local communities: interviews (CeMAIS – Minas Gerais Center for Intersectoral Alliances) and online surveys
- Industry associations: online surveys
- Consumer Board: online surveys
- Shareholders and Investors: interviews (XP and Itaú) and online surveys.

3. Prioritization of impacts

The process for assessing the relevance of all mapped impacts was based on a prioritizing process, which considered the relevance and severity aspects for positive and negative impacts, through an analysis of the scale and scope of each impact. In addition, the real impacts, which already occur, were also prioritized based on an analysis of their occurrence frequency. Finally, for potential impacts, an analysis was carried out regarding their probability of occurrence.

At the end of this process, the ten material topics for Cemig were defined. From that year onwards, the Company keeps its relationship with its stakeholders up to date, as well as the understanding of priority issues related to its activities.

1. The 2021 materiality can be found on the 2021 Annual and Sustainability Report page 12, available at <https://www.Cemig.com.br/wp-content/uploads/2022/04/ras-2021.pdf>.
 2. Cemig SE/AS - 0012/2010 Procedure.

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[3-2; 3-3] The list of priority material topics and topics and their respective descriptions is updated below:

Topic	Topic description	GRI	Topic boundaries		Prioritizing	SDGs
			Internal	External		
Climate change	Contribution to the global effort to mitigate emissions and adapt to climate change through the management of greenhouse gas (GHG) emissions for the whole company and the commitment to reduce emissions; investment in clean and non-polluting energy; fight against losses in transmission and distribution; diligence on the subject in its value chain, and investment in predictability and adjustments to climate change.	Energy: GRI 302-1; 302-2; 303-4; 303-4; 302-5 Emissions: GRI 305-1 to 305-7 Sectorals: EU1, EU2, EU5, EU12	Business units	Shareholders and investors Government authorities	12	 
Renewable Energy	Prioritizing and investment in renewable and clean matrix energy, divestiture and discontinuation of non-renewable and polluting energy projects, contributing to transition to a low-carbon economy and adaptation to regulatory trends.	Energy: GRI 302-1; 302-2; 303-4; 303-4; 302-5 Sectoral: EU8, EU10, EU11, EU30	Business units	Government authorities, Customers, Suppliers	12	 
Ethics and Integrity	Performance in ethical and legal compliance, including guidelines and anti-corruption control mechanisms related to its entire value chain and strict compliance with legal precepts and applicable regulations.	[2-9] [2-15] [2-27] Fight against corruption: GRI 205-1; 205-2; 205-3 Unfair competition: GRI 206-1 Socio-economic compliance: GRI 419-1 Legal compliance: GRI 307-1 //2-27 Conflicts of interest: GRI 2-15	Employees, Business Units	Shareholders and investors Government authorities, Customers, Communities	12	
Environmental impact and protection	Environmental management beyond legal requirements, aiming at the development of initiatives to preserve biodiversity and protect natural habitats; waste management, including fostering circular economy; and development of R&D projects focused on these themes.	Environmental compliance: GRI 307-1; 2-27 Biodiversity: GRI 304-1; 304-3; 304-4 Waste: 306-1 to 306-5 Environmental assessment of suppliers: 308-1; 308-2 Sectoral: EU13	Business units	Government authorities, Customers, Communities	11	 
Transparency	Commitment and adoption of good transparency practices in relation to its financial, strategic and operational information, including socio-environmental risks and impacts linked to its activities.	[2-4] [2-5] [2-16]	Employees, Business Units	Shareholders and investors Government authorities, Customers, Communities	11	



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- STRATEGY
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- DEVELOPMENT
- PUBLIC POLICIES

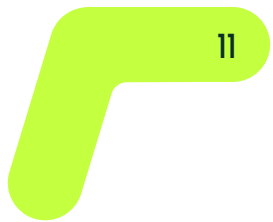
4 - OUR POWER

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Topic	Topic description	GRI	Topic boundaries		Prioritizing	SDGs
			Internal	External		
Social sustainable development	Investment for the social development of Minas Gerais, expanding power distribution with a focus on stability and reliability; fostering economy dynamism through the creation of jobs and new businesses; and supporting and leveraging social and cultural projects, guided by an impactful social investment strategy.	Economic performance: GRI 201-2 Indirect economic impacts: GRI 203-1, 203-2 Local communities: GRI 413-1; 413-2 Rights of indigenous peoples: GRI 411-1 Social impact of suppliers: 407-1; 408-1; 409-1; 414-1; 414-2	Employees, Business Units	Communities	11	
Customer Satisfaction	Focus on customer satisfaction, based on the supply of quality energy, quick, simple and transparent service provision, with guaranteed data security, and adoption of practices that favor the use of energy, including clarity regarding tariffs, tariff reduction, when applicable, and communication about conscious consumption.	Marketing and Labeling: 417-1; 417-2; 417-3. Customer privacy: GRI 418-1 Sectorals: EU6, EU7, EU23, EU24, EU26, EU27, EU28, EU29.	Employees, Business Units	Customers, Government Authorities, Shareholders and Investors, Suppliers	11	
Water resources	Continuous adoption of the best water resource management practices, contributing to ensure water and water body quantity and quality conservation, aiming at sustainability of the company's activities and businesses and guaranteeing the use of water by stakeholders.	Water and effluents: GRI 302-1 to 302-5; 303-1; 302-2; 303-3; 303-4; 303-5	Business units	"Shareholders and investors Government authorities, Customers, Communities"	10	
Diversity and equity	Development of labor relations based on respect for diversity, non-discrimination and equal opportunities, considering greater participation of minority groups in the entire workforce and in senior leadership.	Market presence: GRI 202-1 Employment: GRI 401-1 to 401-3 Diversity and equal opportunities: GRI 405-1 and 405-2 Non-discrimination: GRI 406-1	Employees	Shareholders and investors	10	
People's health and safety	Promoting workforce health and safety and protecting the population, investing in preventing and monitoring the occurrence of accidents and occupational illnesses, and risks linked to power system use and management.	Health and safety at work: GRI 403-1 to 403-10 Customer health and safety: GRI 416-1 and 416-2 Sectorals: EU16, EU17, EU18, EU21, EU25	Employees, Business Units	Communities, Government Authorities	10	

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[3-2] The comparison of the set of material topics for Cemig in 2021 and 2022) is highlighted on the table below.

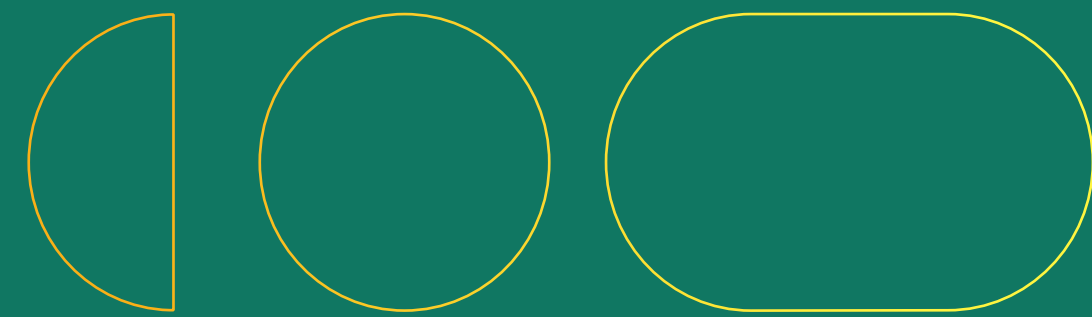
Fight against losses	Climate change
Fostering the energy transition	Renewable Energy
Water resource management	Water resources
Biodiversity and protection of habitats Environmental management Management of suppliers Research, development and innovation	Environmental impact and protection
Compliance and ethical conduct Regulatory framework	Ethics and Integrity
Risk management Governance and ESG aspects	Transparency
People management Human rights	Diversity and equity
Local communities Human rights	Sustainable social development
Population Safety Workforce Health and Safety Management of suppliers	People's health and safety
Quality of Energy, and Customer Satisfaction and Loyalty Cybersecurity	Customer satisfaction

The new material topics having been defined from mapping impacts both on the Company operation and on society, economy and the environment, and also regarding impacts of those kinds of aspects on the Company, Cemig acknowledges the importance of moving forward with integration between study results and corporate risk management. Cemig's risk matrix was prepared based on other Company materiality backgrounds, and it already considers aspects closely related to previous and new material topics. As examples, one can mention the relationship between "Accidents with the population along low and medium voltage lines" and "Accidents and diseases among the workforce" top risks, as well as the "Inefficacy of climate change minimizing and adaptation actions" risk to the "Climate Change" material topic.

The GRI index, placed at the end of the document, presents the sections and pages where these topics are covered.


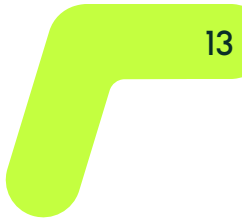
Materiality was audited by an independent third party and the audit certificate is at the end of this document. This matrix was presented at the April 2023 Board of Directors' meeting, together with Aneel's Socioenvironmental Report.





AWARDS, ACKNOWLEDGMENTS AND VOLUNTARY COMMITMENTS

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AWARDS AND ACKNOWLEDGMENTS

In 2022, Cemig’s environmental, economic, social and governance performance was evaluated and acknowledged by the major sustainability indexes of stock exchanges and specialized agencies.

- **Dow Jones Sustainability World Index - DJSI World³**

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

- **Corporate Sustainability Index - CSI B3⁴**

The Corporate Sustainability Index - ISE B3 included Cemig in the composition of its portfolio in force in 2023, acknowledging the company’s commitment to good sustainability and corporate governance practices. It is 18 consecutive years appearing in ISE B3. The portfolio comprises shares from 70 companies in 27 industries. Together, the companies add up to BRL 2.28 trillion in market value, accounting for 54.24% of the total market value of companies with shares traded on B3, based on the closing of December 29, 2022.

- **Efficient Carbon Index - ICO2⁵**

Cemig is part of B3’s Carbon Efficient ICO2 Index portfolio, of the 4-month period from January to April 2023. The index, which is rebalanced every four months, is made up of actions from Companies included in the IBrX100 index that have been appraised and selected for their transparent practices regarding their greenhouse gas emissions (GHG)..

- **CDP – A - Leadership⁶**

The Company was ranked 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 non-profit global environmental organization that assesses and provides data to investors on the management of water and climate risks for over 13,000 organizations.

- **Top 100 Green Utilites⁷**

Cemig occupies the 21st position in the ranking of the top 100 power generation companies that utilize practices focused on renewable sources energy and the reduction of greenhouse gas emissions.

- **Standard & Poor’s Global Sustainability Yearbook 2023⁸**

Cemig remained in “The Sustainability Yearbook 2023”, by S&P Global. The acknowledgment 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 must achieve an S&P global sustainability score within the top 30% of the best performing company in their industry.

- **Carbon Clean⁹**

Cemig is the Brazilian power company with the highest score in the Carbon Clean 200 index in 2023. The ranking listed the 200 publicly traded companies that lead initiatives for transition solutions to a clean energy future.

- **ISS – ESG Corporate Rating¹⁰**

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 for institutional investors and corporations worldwide. The “Prime” category is assigned to companies that have high performance in ESG.

- **Ser Humano MG 2022 Award¹¹**

Cemig was one of the companies that won the Ser Humano (Human Being) MG 2022 Award, granted by the Brazilian Association of Human Resources – Minas Gerais Chapter (ABRH/MG). The Company was featured in two categories of the initiative: ESG and Internal Communication. The award favors exchange of knowledge and experiences on the good practices that companies and organizations develop, in addition to allowing the assessment of the scenario in the area of People Management..

- **Aberje Award¹²**

In 2022, the Aberje Award, the most important business communication contest in Brazil, awarded Cemig in the Events - Regional Minas Gerais and Midwest category. Awarded events relate to actions for its traditional Christmas event. Throughout the month of December, dozens of attractions entertained and enchanted Minas Gerais people. Three major events were held at the same time: Christmas City (Palácio das Mangabeiras), Illuminated Christmas (Tiradentes) and Liberdade Lights (Liberdade Square).

- **Journalism Abracopel Award¹³**

In 2022, Cemig received an honorable mention at the 16th Abracopel of Journalism Award for its stories on power grid safety. Established in 2007, the award stimulates media professionals to publish stories focusing on safe power, so as to raise population awareness on power risks.

3. For more information about DJSI World, go to DJSI/CSA Annual Review | S&P Global (spglobal.com);

4. For further information on ISE B3, go to <http://iseb3.com.br/>

5. For further information on ICO2, go to [Efficient Carbon Index - ICO2 B3 | B3](https://www.icao2.com/)

6. For further information on CDP, go to <https://www.cdp.net/en/>

7. For further information on the Top 100 Green Utilities, go to [2022 Green Utilities Report | Energy Intelligence](https://www.energyintelligence.com.br/)

8. For further information on Standards & Poor’s Global Sustainability Yearbook, access report https://portal.csa.spglobal.com/survey/documents/SPGlobal_Sustainability_Yearbook_2023.pdf

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

10. Further information at <https://www.issgovernance.com/esg/iss-esg-gateway/>

11. Further information at <https://abrhmg.org.br>

12. Further information at <https://premioaberje.com.br/>

13. Further information at <https://abracopel.org/blog/16-o-premio-abracopel-de-jornalismo-conheca-os-finalistas/>



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VOLUNTARY COMMITMENTS

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



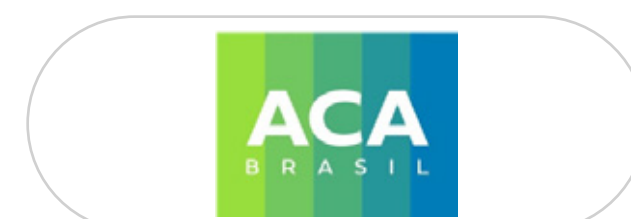
Since **2007**, Cemig has been a company participating in the Carbon Disclosure Project (CDP);



Since **2009**, Cemig is a signatory of the Accession Charter to the United Nations (UN), and has been a Participant Company of the Global Compact since then;



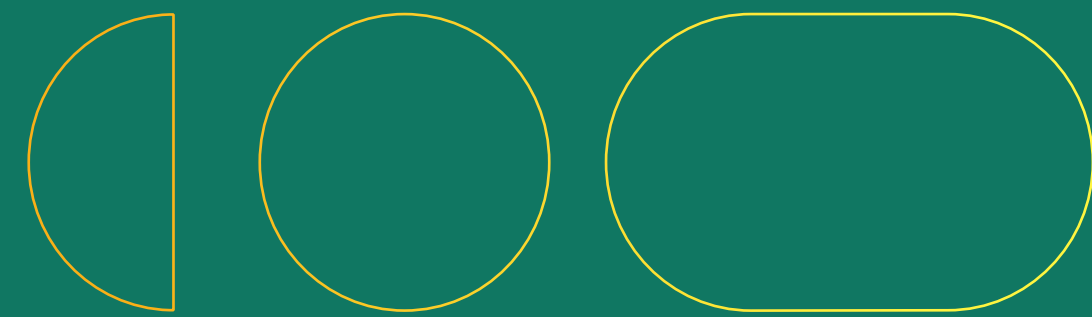
Since **2017**, Cemig has become a signatory of Ethos Institute's Business Pact for Integrity and Against Corruption;



In **2020**, the Company entered the Alliance for Climate Action (ACA-Brazil). That is a coalition of players from several sectors of society, such as corporate leaders, investors and state and municipal governments to boost the subnational climate agenda.

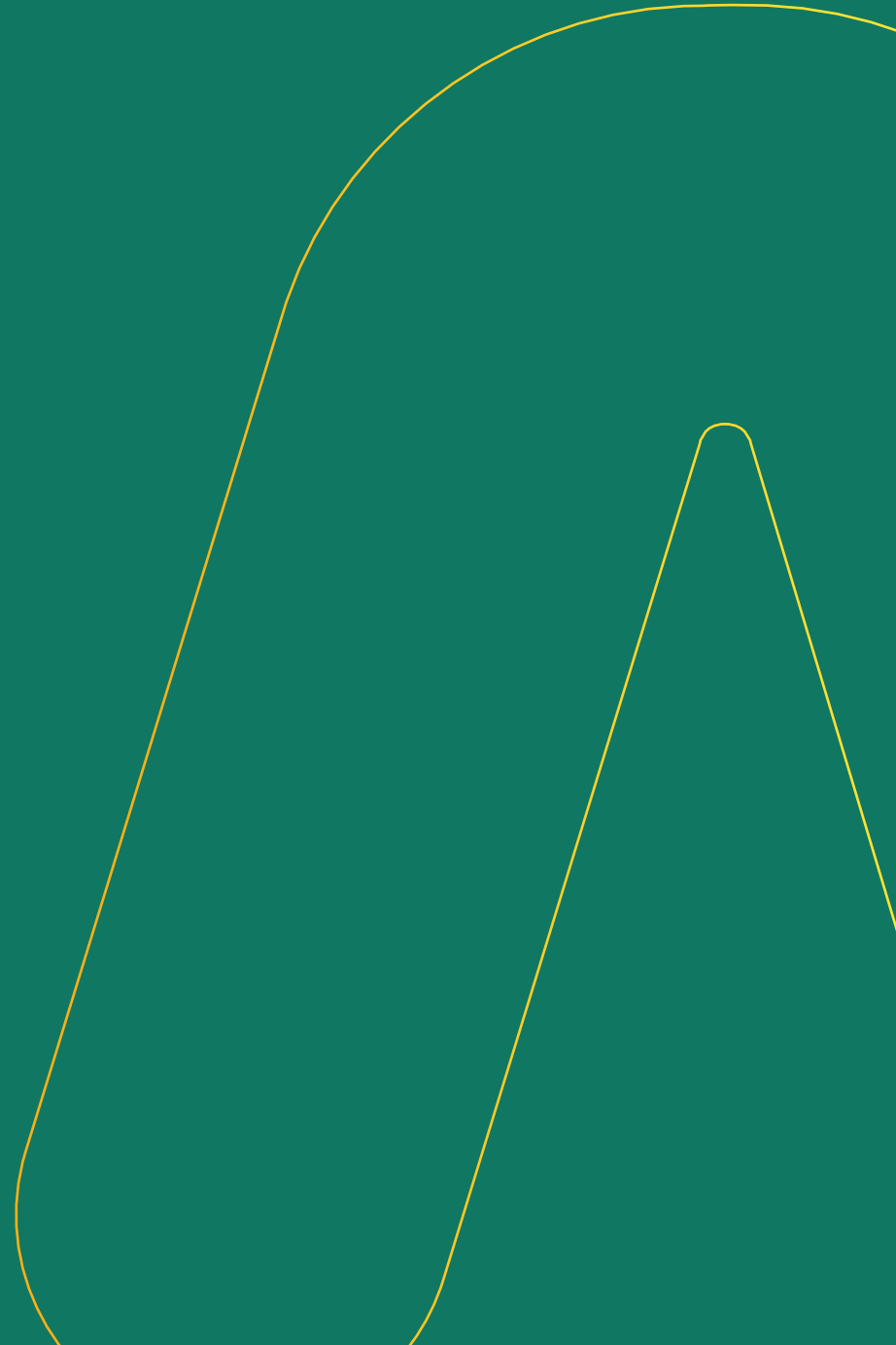


In **2022**, Cemig acceded to Movimento Ambição Net Zero (Net Zero Ambition Movement) of the United Nations (UN) Global Compact. The initiative aims to adopt rigorous and immediate measures to halve global emissions by 2030 and achieve zero net emissions of greenhouse gases by 2040.



CEMIG

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CEMIG IN FIGURES

Below is a historical series of major indicators:

General Data	2020	2021	2022	Environmental Aspects	2020	2021	2022
Number of Consumers (millions)	8,695	8,884	9,036	Funds Invested in the Environment (BRL million)	36,5	37,2	38,6
Number of Employees	5,254	5,025	4,969	Fleet Consumption of Renewable Fuel (GJ)	128,026	115,149	124,570
Number of Municipalities Served	774	774	774	Installed Capacity Free from GHG Emissions (%)	100	100	100
Concession Area (km)	567,478	567,478	567,478	Total Water Consumption (m ³)	172,672	249,195	190,107.1
FEC- Frequency Equivalent Interruption per Consumer Unit (Number of Interruptions)	5,07	4,60	4,58	Direct CO2 Emissions (tCO2e)	11,419	12,848	83,356.59
DEC- Interruption Equivalent Duration per Consumer Unit (Interruption Duration in Hours)	9,71	9,46	9,48	Investments in Environmental R&D (BRL million)	7	4	6
Number of Plants in Operation	89	67	69	Social Aspects	2020	2021	2022
Installed capacity (MW)	6,086	5,754,7	5,607.62	Average training hours per employee	14,85	64,9	47,81
Extension of Power Transmission Lines (km)	4,927	4,937	5,016.1	Total of funds invested in in-house and external social indicators (BRL million)	12,146	13,224	11,355
Total Extension of Distribution Grids (km)	545,706	564,434	565,144	Accident Frequency Rate – TFA (in-house employees)	3,7	1,31	0,7
Urban Extension of Distribution Grids (km)	111,995	123,108	123,690	Accident Frequency Rate – TFA (outsourced employees)	6,07	1,75	1,63
Rural Extension of Distribution Grids (km)	433,711	432,620	441,454				

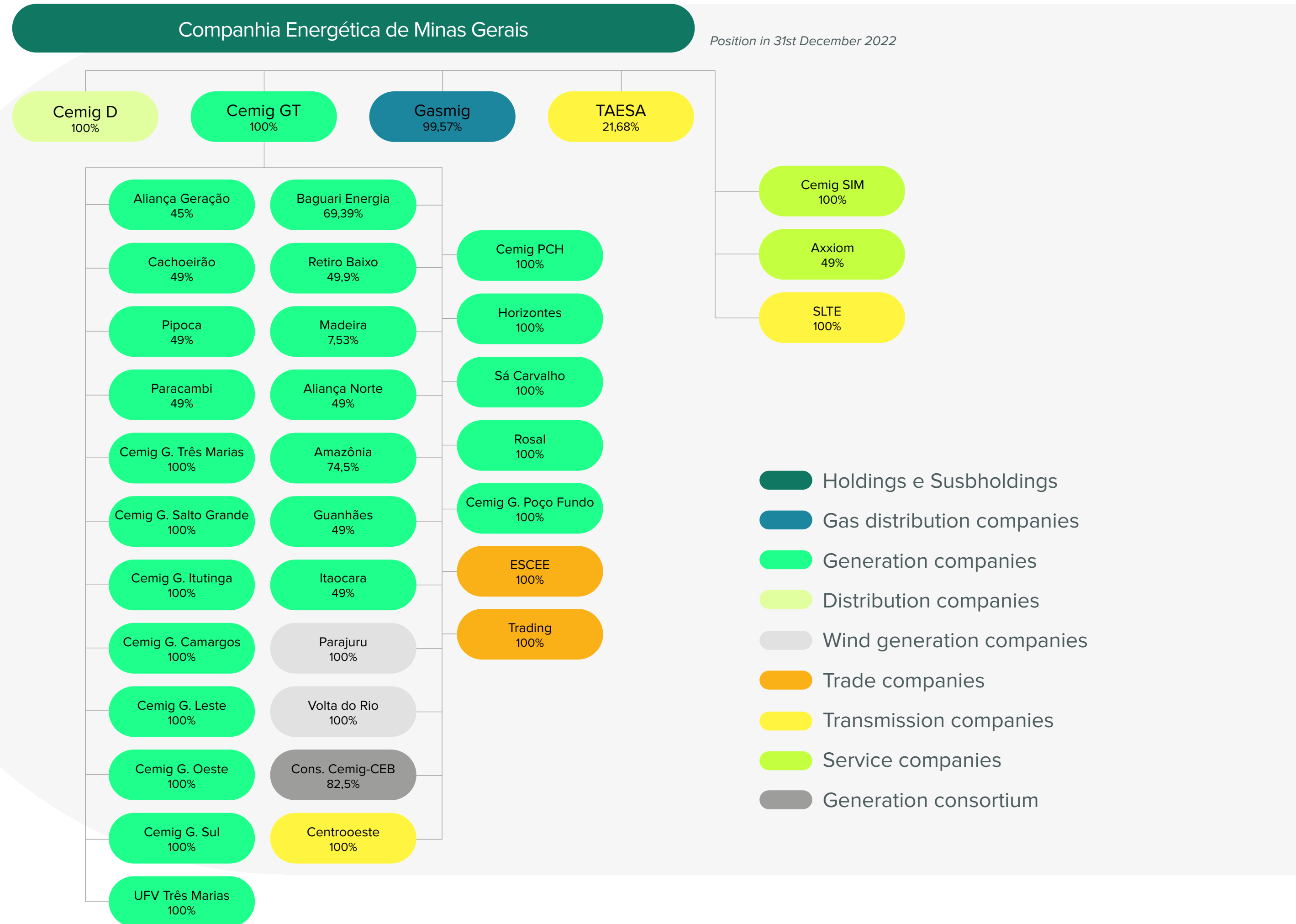


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		CONCESSIONS		
		PUBLIC POLICIES		
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BUSINESS MODEL

[2-1; 2-6] For 70 years, Companhia Energética de Minas Gerais S.A., headquartered in Belo Horizonte (MG), has been responsible for generating, transmitting, distributing and selling electricity and distributing natural gas to various municipalities in the states of Minas Gerais and Rio de Janeiro. Currently, it occupies the position of the largest energy trader for free customers in the country and is one of the largest generating groups, comprising 102 companies, nine consortia and two Equity Investment Funds (EIFs), with assets and businesses in several states of Brazil.

Cemig Group is made up of its wholly-owned subsidiaries, Cemig Distribuição S.A (Cemig D) and Cemig Geração e Transmissão S.A (Cemig GT) and has a 21.68% stake in the share capital of Transmissora Aliança de Energia Elétrica S.A. (Taesa), which makes it the controlling shareholder of the company. Below are Cemig Holding's interest in the capital of subsidiaries and affiliates.





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[2-1] Cemig is a publicly traded mixed capital company; its shares are traded on the São Paulo, New York and Madrid Stock Exchanges. 62.12% of it is controlled by the State, with 50.97% of its common shares belonging to the Minas Gerais government and the other 11.14% corresponding to the Federal Government's portion through BNDES Participações S.A.

Cemig is the largest integrated company in the electricity sector in Brazil, and in Minas Gerais it accounts for 96% of the concession area, operating in 774 municipalities and billing 9.037 million customers.

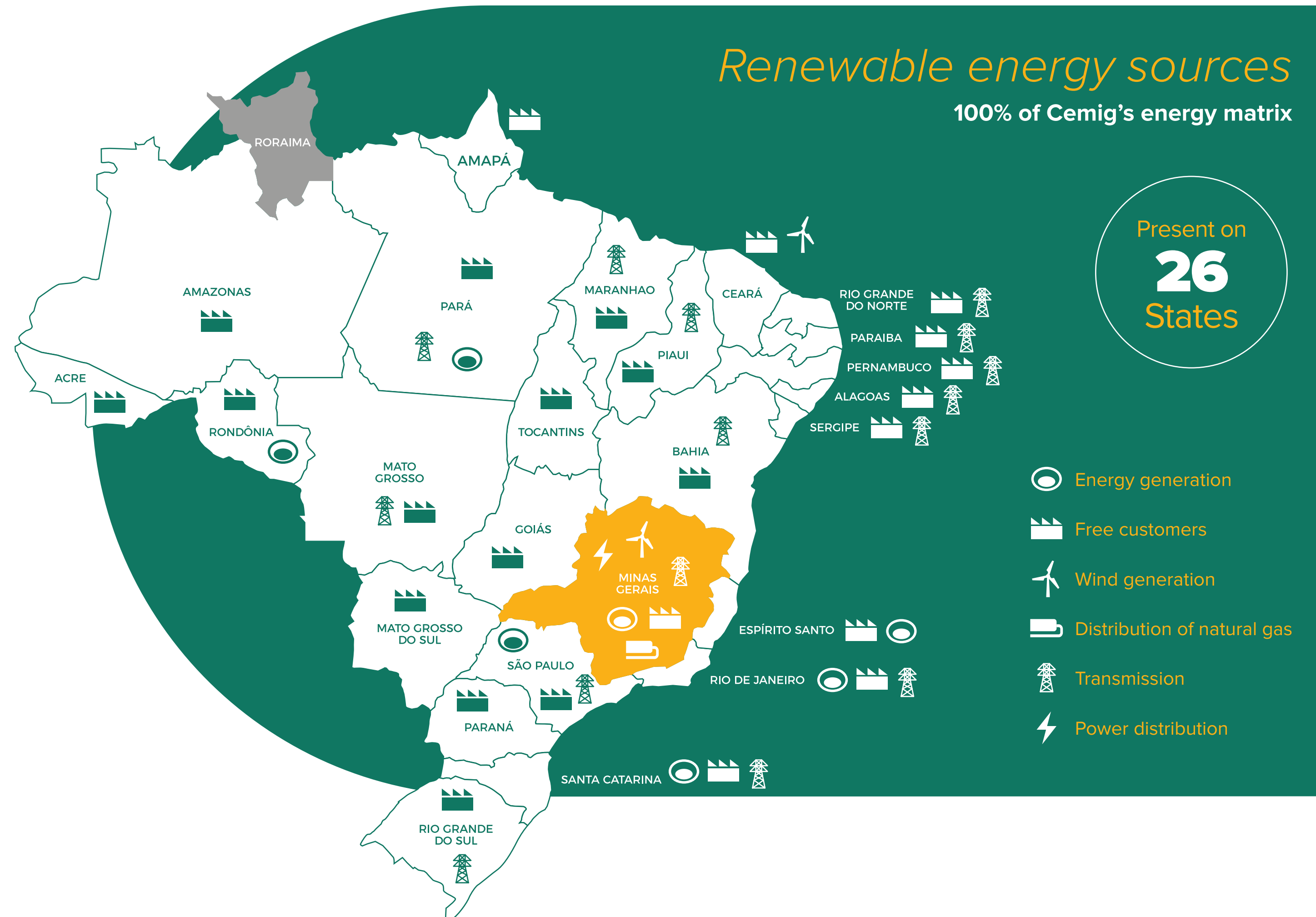
The Company's objective is to create value for all stakeholders in its business (shareholders, employees, suppliers and the society), thus, it invests in expansion and energy distribution, restating its commitment to customer service quality and its importance for Cemig's strategic vision. Always based on the principles of sustainability and socio-environmental responsibility.

In Brazil, the Company:

- Is the largest energy supplier to free customers;
- Is among the top three generator groups;
- It is the second largest transmission group;
- It is the largest distribution group.

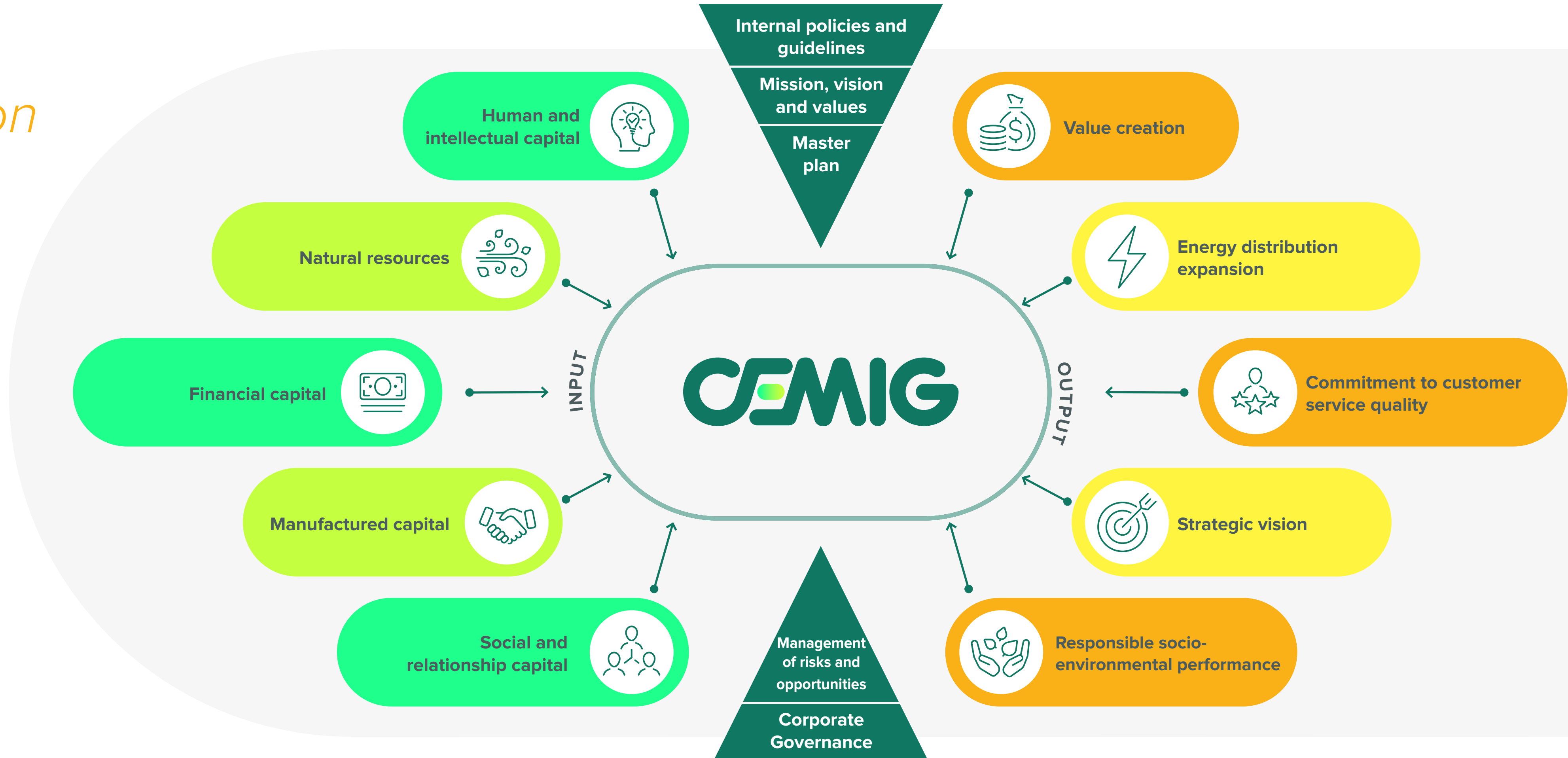
Cemig has the following elements as a competitive edge:



- The technical capacity and quality of its workforce, acknowledged both domestically and internationally for its expertise;
- Natural resources, mainly water, as a large part of its installed capacity comes from hydroelectric plants;
- The financial resources of the government and other shareholders required for the development of the business;
- Inputs provided by suppliers and customers, consumers, and local community loyalty.



The following diagram represents how Cemig generates value today:

Value-Generation Diagram



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OPERATIONS

[EU-01] In late 2022, the Company had 60 Hydroelectric Plants (UHEs), Small Hydroelectric Plants (PCHs) and Hydroelectric Generating Centers (CGHs), two UFVs and seven wind complexes. Total installed capacity was 5,607.62 MW, i.e., 2,6% lower than in 2021.

The Company's current Strategic Plan, "Focus on and Win in Minas Gerais", has a Divestment Program to redirect Cemig's management efforts and capital allocation. The objective is to direct capital to improve quality of the generation, transmission and distribution service in Minas Gerais. Towards that, the following divestments were made:

- **Renova:** the sale of Cemig's entire stake in Renova Energia S.A., which began in November 2021, was completed on May 5, 2022.
- **Ativas Data Center:** on December 28, 2022, Cemig completed the sale of its entire equity interest in the share capital of Ativas Data Center S.A.
- **Axxiom:** On December 22, 2022, Cemig entered into a share purchase and sale agreement and other agreements for the sale of its equity interest in Axxiom Soluções Tecnológicas S.A.
- **Santo Antônio:** in March 2023, Cemig completed the sale of its entire 7.53% stake in Santo Antônio plant.

The following table presents the installed capacity by energy source:

Installed capacity by primary energy source (MW)								
Primary source	2019	%	2020	%	2021	%	2022	%
Water	5,903.40	98.06%	5,969.40	98.08%	5,638.10	97.97%	5,368.40	95.73%
Wind	115.2	1.91%	115.2	1.89%	115.2	2%	147.30	2.63%
Solar	1.4	0.02%	1.4	0.02%	1.4	0.02%	3.92	0.07%
Distributed generation	NA	NA	NA	NA	NA	NA	88.00	1.57%
Total Installed capacity	6,020.00	100%	6,086.00	100.00%	5,754.70	100.00%	5,607.62	100%


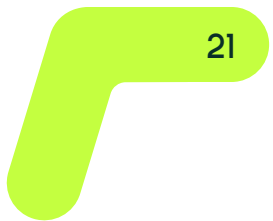
In 2022, the Company had a net generation of 18,275,199.0 MWh of electricity, an increase of 17.1% against 2021

Net generation per energy generating source (MWh)						
Primary source	2020	%	2021	%	2022	%
Water	21,371,680	99%	15,069,777.50	97%	17,757,162.00	97.16%
Wind	326,008	1%	419,119.20	3%	383,439.00	2.10%
Solar	1,141	0%	1,441.20	0%	6,418.00	0.04%
Distributed generation	NA	NA	NA	NA	128,900.00	0.71%
Total generation	21,698,829	100%	15,490,337.90	100%	18,275,919.0	100%

14. The 2021 report did not consider the installed capacity of Cemig Sim

15. In 2021, there was a typing error and an installed capacity of 73.4MW from source was reported solar. The value was verified, changing, therefore, the total value of the installed capacity of the previous year.



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[EU1; EU2] In 2022, the hydraulic installed capacity decreased, mainly due to Cemig selling its shareholding in Renova Energia S.A. (withdrawal of three hydroelectric power plants) and the decrease in Cemig's shareholding in UHE Santo Antônio (located in Rondônia and with an installed capacity of 568 MW), from 15.51% to 7.53%. It is worth noting that, from 2021 to 2022, PCH Poço Fundo increased its installed capacity from 9.16 MW to 30 MW. In turn, hydraulic generation directly depends on the inflows to the hydroelectric plants throughout the year, as well as variations in the levels of the regularization reservoirs. In this regard, due to more favorable hydrology, three quarters of Cemig's hydroelectric plants generated more in 2022 than they had generated in 2021, with emphasis on UHEs Emborcação (increase of 88.4%), Nova Ponte (increase of 72.7%) and Três Marias (increase of 64.8%). With the inclusion of a new photovoltaic solar plant, there was an increase in solar generation.

Energy Produced – 2019 to 2022				
	2019	2020	2021	2022
Own Generation - GWh	5,669	11,361.6	6,986.2	10,024.4
Self-Production Energy	0	0	0	0
Affiliate Companies' Energy - GWh	1,223	10,948.8	8,931.6	8,651.7
Basic Network Generation Losses	-136.0	- 611.5	- 427.4	-529.0
Cemig Sim – Distributed Generation (GWh)	7.5	35.9	96.8	128.9
Energy Produced (MWh)	6,756.0	21,698.8	16,014.6	18,276

[EU30] Energy availability is measured using the FID indicator (generation availability factor), a dimensionless value with an upper limit of 1. Therefore, the higher the FID, the better the Company's performance.

The following table presents the availability factor per generating unit:

Availability factor (FID)			
	Dez/2020	Dez/2021	Dez/2022
UHE Camargos	1.0577	1.0640	1.0729
UHE Itutinga	1.0089	1.0146	1.0261
UHE Rosal	0.9868	0.9882	1.0579
UHE Sá Carvalho	1.1033	1.1210	1.1148
UHE Salto Grande	1.0582	1.0583	1.0560
UHE Irapé	1.0323	1.0437	1.0486
UHE Queimado	1.1825	1.1578	1.1600
UHE Três Marias	1.0230	1.0444	1.0496
UHE Emborcação	1.0289	1.0546	1.0574
UHE Nova Ponte	1.0808	1.0756	1.0645

The verified Availability Index, which makes up the FID calculation numerator, has been rising continuously in recent years for Cemig's UHEs as a whole. This trend is a consequence of the search for increasingly efficient scheduled shutdowns and low rates of forced shutdowns.

In relation to 2022, Cemig registered a historic milestone: it was the first time, in many years, that all of the Company's large plants ended the year with their FID above 1, that is, fully complying with the regulatory references established by Aneel. The only plant still below this reference in 2021 was UHE Rosal, due to operational problems, but this plant reached an FID above 1, as of June 2022.



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Cemig's Power Transmission Lines 2022

[EU-4] Energy transmission carried out by Cemig GT is made via a 5,016-km-long transmission network including 40 substations strategically distributed over its area of operation. The table below shows the makeup of the transmission network by voltage level.

2022 power transmission lines length (km)	
230 kV	795.1
345 kV	2,039.8
500 kV	2,181.9
Total	5,016.1

Cemig's Distribution Lines in 2022

[EU-3; EU-4] Cemig D covers 774 municipalities in Minas Gerais. Its concession area covers 567,478 km², approximately 97% of the State of Minas Gerais, with 565,144 km of networks and distribution lines, serving a market of 9,036,990 customers in 2022.

2017: **529,873**
 2018: **536,569**
 2019: **539,807**
 2020: **545,706**
 2021: **564,434**
 2022: **565,144**

Extension of aerial transmission and distribution lines and underground, broken down by regulatory system			
	Km BT	Km MT	Km AT
Urban Aerial Networks	78,123	42,595	503
Rural Aerial Networks	19,261	404,674	17,432
Urban Underground Networks	2,102	346	21
Rural Underground Networks	71	0	16





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WHERE WE ARE



Distributed Generation

Since 2012, when Aneel established the Electricity Compensation System, Cemig has been leading the market for Distributed Generation (DG) connections in Brazil. In the time between publication of Resolution 482/2012 and December 2022, 1,576,940 generating units were connected, amounting to a total installed capacity of 16,393 MW with Distributed Generation from solar photovoltaic sources.

The progress in the number of connections between years 2018 and 2021, stratified by consumer class, has shown the profile displayed in the charter below:

Historical series - Distributed generation				
	2019	2020	2021	2022
Commercial	4,526	5,865	39,413	173,066
Industrial	585	652	580	27,036
Residential	585	13,276	5,723	1,240,372
Rural	2,224	4,403	7,710	132,299
Public Utilities	109	109	90	249

Cemig is a pioneer in terms of the number of distributed generation connections, also ranking first in terms of power injected into the network through this project.



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CEMIG STRATEGY

Cemig's strategic planning was updated in December 2022, and currently covers the periods from 2023 to 2027 and from 2023 to 2032. The plan aims to speed up the transformation, based on five 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


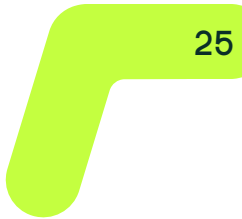
4

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



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With the “Focus and Win” motto, the strategic plan aims to focus on Cemig D and GT, leadership in customer satisfaction and safety and achieving regulatory levels of efficiency, through management with a private, modern and sustainable logic.

The following objective stands out:

- Achieve an EBITDA¹⁶ of BRL 10.0 billion in 2027 and BRL 13.7 billion in 2032;
- Get a Total Shareholder Return (TSR) of 21%;
- Make investments, with a focus on Minas Gerais, in the order of BRL 85.3 billion by 2032, BRL 42.2 billion of which between 2023 and 2027;
- Carry out divestments in the order of BRL 8 billion.

The Company’s ambition unfolds for each business unit in a particular way, as shown below:

Distribution

For Cemig D, the focus is on transforming it into a reference company in the distribution sector and an inducer of development of Minas Gerais. To this end, the following objectives were defined:


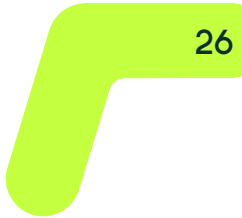
- Be a leader in customer experience, with excellence in service, and safety, with performance above the regulatory standards;
- Increase EBITDA by BRL 2.0 billion by 2027 and BRL 5.6 billion by 2032;
- Achieve a DEC (Equivalent Interruption Duration per Consumer Unit) of 95% of the regulatory and FEC (Interruption Equivalent Frequency per Consumer Unit) of 70% of the regulatory margin;
- Be prepared for the future through investments in smart grids, digitalization and analytical capacity

The adopted strategy involves:

- Put the customer at the center of its actions, to transform their journey experience by investing in digitization;
- Optimize revenue management, leveraging the use of analytical capacity and data to maintain regulatory levels of losses and defaults;
- Raise operational efficiency, applying innovative and technological solutions to keep costs below regulatory coverage;
- To be an inducer of market expansion through increased investments, to create a virtuous cycle of expanding regulatory remuneration and improving performance

16. EBITDA is a financial indicator used to measure a business earnings. The acronym means “Earnings Before Interest, Taxes, Depreciation and Amortization”. In Portuguese, the acronym is LAJIDA



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Transmission

With regard to Cemig GT, the aim is to focus on investments in reinforcements and continuous improvement of efficiency, in addition to boosting its share of transmission in Minas Gerais, adding approximately BRL 200 million of EBITDA in 2027.

The adopted strategy involves:

- Intensify the “Reinforcements and Improvements” plan to renew the depreciated base, making investments that consider compliance with deadlines, low financing costs and returns above the regulatory WACC ;
- Expand the Transmission portfolio in MG via auctions and project M&As;
- Continue with operational efficiency, staying within the regulatory PMSO level.

Gasmig

The objective is to boost Gasmig’s presence in Minas Gerais with greater transparency in management and governance, placing the customer at the center of all decisions and seeking their satisfaction. To this end, Gasmig will increase commercial efficiency and expand investments to extend the network, with a CAPEX of BRL 2.3 billion by 2027 and BRL 5.2 billion by 2032, adding approximately BRL 660 million in EBITDA in 2027 and BRL 1.2 billion in 2032.

The adopted strategy involves:

- Preparing Gasmig for the IPO (Initial Public Offer) capital opening, aiming for greater efficiency, effectiveness and management transparency;
- Increase saturation of the existing network to expand the customer base in the urban segment;
- Expand HDPE (high-density polyethylene) and steel network, reaching selected large urban centers and investing in serving large industrial customers;
- Observe the migration of captive customers and leverage gains for Cemig.

Generation

Add 1,100 MWm by 2027 and 1,900 MWm by 2032, focusing on renewable sources and increasing portfolio efficiency, adding approximately BRL 1.1 billion in EBITDA in 2027 and BRL 1.7 billion in 2032.

The adopted strategy involves:



- Adding 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;
- Raise operational efficiency, bringing PMSO to market levels;
- Divesting from value-destroying assets without a turnaround opportunity;
- Expanding generation capacity via new products.

17. WACC is the minimum rate of return to be required on a company's capital investments.

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

19. CAPEX is the acronym for CAPital EXpenditure, which can be defined as Capital Expenditure or Investments in Capital Goods



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Commercialization

For the trader, the plan aims to consolidate leadership in end customers, bringing them to the center of all decisions and aiming at their satisfaction. The objective is to reach a sales volume in the free market 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 EBTIDA of approximately BRL 600 million in 2027 and BRL 100 million in 2032.

The adopted strategy involves:

- Seek growth in profitable customers, offering an experience superior to that of competitors;
- Sell energy at competitive prices and close positions when there is adequate margin;
- Adopt the best industry practices to monitor and manage all relevant risks, giving the organization transparency;
- Develop digital service channels and adapt the operating model.

Distributed generation

Cemig aims to achieve a relevant position in Distributed Generation (DG) in the state of Minas Gerais, focusing on excellence in customer service. To this end, it plans to invest BRL 3.2 billion by 2027 in vertical solar farm projects (equivalent to 540 MWp) with IRR (Internal Rate of Return), equivalent to the market average, A relevant market share (approximately 38 % in 2027 and 29% in 2032), with annual EBITDA of approximately BRL 350 million in 2027 and BRL 390 million in 2032.

The adopted strategy involves:

- Develop projects of solar farms in GD in an organic way;
- Establish a digitized commercial model and optimized customer service, in order to operate with the minimum viable structure;
- Intervene so that the insertion in the DG model is sustainable in the long term, considering the inclusion of benefits in the tariff model.


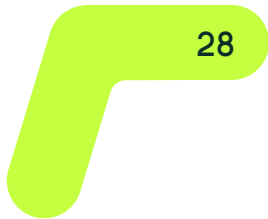
Ownership interests and divestments

In this sector, the objective is to carry out the divestment plan and invest the resources in new ventures with majority shareholding control, adequate governance and located in Minas Gerais.

The adopted strategy involves:


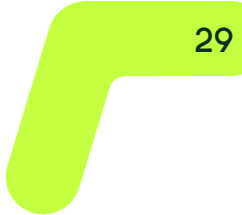
- Maximize return on invested capital and manage risks;
- Strategy for transversal enablers.



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To carry out the respective strategies, the business units are supported by several transversal units. Each one will focus on new practices and initiatives to allow the Company to expand in an agile, efficient and sustainable way.

BUSINESS UNITS					
Distribution - Transmission - Gas - Generation - Trading - Distributed generation - Participations					
TRANSVERSE UNITS	Information Technology	People and Services Corporate	Procurement and Logistics	Legal	Regulatory
	Automation, integration, and analytics	Safety	Optimization of the hiring model	Labor Liabilities	Risk mitigation
	Digital Skills	Competence	Reinforcement of the supply chain in MG	Operational efficiency	Opportunity assessment
	Infrastructure and platforms modernization	Efficiency of support processes	Reformulation of the logistics operation model	Proactive legal action	
	Communication	Finances	Control and Integrity	Innovation	ESG
	Strengthening of Cemig's image	Relationship with investors	Risk management	Business of the future	Environmental Practices
	Cemig brand positioning	Process Digitalization	Compliance and Integrity	Connections with market and innovation environments	Contributions to Social Interests
		Information for Management		Innovation governance	Corporate Governance Principles
		as business feasibility			
	CULTURE			Culture that values the Customer	
			Culture focused on excellence		

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Investments in energy generation, transmission and distribution

Investments in Power Generation and Distributed Generation

Poço Fundo Small Hydroelectric Station Project: In September 2022, the new generating units of Poço Fundo Small Hydroelectric Power Plant (PCH), located in the south of Minas Gerais, started operating. The expansion of this PCH is part of the investment program and marks Cemig’s resumption in construction of new plants. The generation capacity of the new venture is 30MW, against 9.16MW of the old plant. With an investment of approximately BRL 150 million, the plant has new, more modern and efficient equipment, which will allow remote operation of the plant by the Company’s System Operation Center (COS). The project went into operation three months before the deadline established for the beginning of the supply of energy sold by the Company in the Aneel Auction 03/2019, resulting from expansion of the plant.

Aliança Geração: Cemig GT holds 45% of the total share capital of Aliança Geração de Energia S.A (“Aliança Geração”). Aliança Geração has the following ongoing projects:

- Acauã Wind Farm (“Acauã”): composed of 3 centers 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 full commercial operation estimated for the second half of 2023. The project will have 26 wind turbines with a capacity of 4.2 MW, with a total installed capacity of 109.2 MW and an estimated production of 57.77 average MW.
- In December 2022, the commercial operation of Central Eólica Gravier S.A. (“Gravier”) located in the municipality of Icapuí, in the state of Ceará. The project began implementation in January 2021 and has 17 wind turbines with a capacity of 4.2 MW, with a total installed capacity of 71.4 MW and an estimated production of 28 average MW.

The investments are funded by Aliança Geração’s own capital, as well as financing through the issuance of debentures and/or other financial instruments.

Cemig SIM: CEMIG Group company focused on innovation and energy solutions, invested, in 2022, BRL 82 million in the acquisition and participation in solar photovoltaic power generation plants in Minas Gerais. Under the holding’s strategic plan, BRL 3.2 billion will be distributed throughout the Distributed Generation segment from 2023 to 2025.

Regarding generation, the Company has an installed capacity of 88 MWp, through 23 solar farms, located in different regions of Minas Gerais. New 50 solar plants are being prospected, a strategy that is in line with the growth targets defined by Cemig Holding’s planning.

Last year, Cemig SIM reached the milestone of over 7,000 consumer units of solar power by subscription, distributed among commercial, residential and industrial customers. Generation of solar energy at the SIM base avoided the emission of 8,814 tons of CO2 in 2022. Since its implementation, over 25,000 tons of CO2 have been emitted into the atmosphere. In the latest NPS (Net Promoter Score) survey, the Company reached an average score of 89%.

UFV Boa Esperança and UFV Jusante: In August 2022, the Company entered into planning, supply and construction contracts for the implementation of the Boa Esperança and Downstream Solar Photovoltaic Plants (UFVs), with an estimated CAPEX of BRL 824 million, of which BRL 447 million for UFV Boa Esperança and BRL 377 million for UFV Jusante. UFV Boa Esperança will have 85 MW of installed capacity; it is located on land owned by the Company, in the municipality of Montes Claros (MG). In turn, UFV Jusante will consist of 7 plants of 10MW each, totaling 70 MW of installed power in an inverter (approximately 87 MWp), located on land owned by the Company, in the municipality of São Gonçalo do Abaeté (MG). The project schedule foresees the energization of the plants by September 2023. Implementation of these plants is in line with the Cemig Group’s strategic planning, reinforcing its operations in the renewable energy segment, with profitability compatible with the Company’s cost of capital for this type of project.

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Investments in Transmission

Cemig GT: Cemig GT 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 BRL 17 million for the new 230 kV transmission line from Governador Valadares 6 to Verona, with an extension of 165 km. The deadline for entry into operation is March 30, 2028 and the concession period is 30 years. The lot bought at auction has important synergies, takes advantage of the existing operation and maintenance structure at Cemig GT, in addition to forecasts of CAPEX optimizations and early delivery of the project, with profitability compatible with the Company's cost of capital for this type of project. The result of the event consolidates Cemig GT's strategic positioning as one of the largest electricity transmission companies in Brazil, in line with the objectives of sustainable growth and value generation, following the commitment to transmit energy with reliability, transparency and security to society, respecting the environment.

Taesa: Taesa was the winner in disputes for lots 3 and 5 referring to the same transmission auction. The value of the winning RAP was BRL 91.4 million for Lot 3 and BRL 152.2 million for Lot 5. The auction result is due to execution of Taesa's strategic planning, its mission of connecting Brazil with safe and reliable energy.

Investments in Power Distribution

[203-1] Business activities also include promoting sustainable development principles, support to economy, promotion of new technologies and creation of an ambient to support career progress of its employees. By supporting public benefit projects and collaborating with municipalities, states and regions, Cemig strives to increase the quality of life throughout the community in operates in.

Improving services provided is a concern of Cemig, as well as financial issues, therefore, the company makes several investments in new solutions, technical knowledge, infrastructure and equipment, all prioritizing the quality of service with a focus on the final customer. The investments made are mainly aimed at maintaining, reforming, renewing, reinforcing and expanding its system.

As benefits of this investment plan, Cemig D is expected to become a reference in the distribution sector and promoter of development in Minas Gerais, placing the customer at the center of its actions, investing in digitalization and inducing market expansion. In addition, efforts are being made to optimize revenue management by leveraging the use of analytical capacity and data to achieve regulatory levels of losses and defaults, as well as increasing operational efficiency by applying innovative and technological solutions.

A highlight in Cemig's investment plan is Minas Three-phase Program, which will transform thousands of kilometers of rural power grids, which are now single-phase, into three-phase networks. With it, Cemig will bring energy with more quality and quantity to the population living in the countryside. It is a change that will bring countless benefits to rural producers and their families. The program will benefit virtually all 774 municipalities in Cemig's concession area, promoting the accelerated potential of local agribusiness, more development, employment and income for the regions of Minas Gerais.

The Program aims to improve reliability and quality of power supply to rural customers, making more energy available and supporting transformation of subsistence agriculture into agribusiness. For this, it foresees the execution of several works with investments of BRL 1.815 billion, between 2021 and 2027. There will be approximately 30,000 km of single-phase networks converted into three-phase by 2027.

Another highlight of Cemig's investment plan is the Mais Energia (More Energy) Program, the objective of which is to provide a robust electrical distribution system capable of meeting new loads and bringing more energy to the state's development.

The Program provides for the construction of 211 modern and digitalized substations, expanding by over 50% the current number of substations that currently serve around 8.9 million consumers within the concession area. Thus, the new substations will support growth resulting from the Minas Three Phase Program and the various initiatives of Cemig and the State.

Thus, the Company will enable the growth of various sectors of the economy, with emphasis on agribusiness, eliminating difficulties in serving customers and distributed generation plants. A total of BRL 5 billion will be invested in this period, which will help bring economic and social development to all regions of the State, encouraging the expansion of industry, commerce and agribusiness, in addition to generating jobs and income.

The new substations will be more efficient and modern, making it possible to expand the capacity to meet new load requests, reduce the average time and cost of connection works for new plants, in addition to providing reliable and quality energy to our customers.

Investments in distribution in 2022 were approximately BRL 3,056 million, amounting to an increase of over 70% against investments in 2021 (BRL 1,740 million).

Cemig D plans to strengthen its investment program, in line with Cemig Group's strategic planning, with expected investments from 2021 to 2025, with positive effects on the regulatory remuneration base and consequent increase in revenue. This increased investment by Cemig D will also have a positive impact on improving the quality of electricity supply, customer service and reducing operating and maintenance costs, due to the greater reliability of the power system.

In 2022, BRL 1.05 billion were invested in the High Voltage Power Distribution System. The objectives of this investment were: meeting an increased demand for energy, both from new and existing customers; contribute to a

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decrease in DEC (the average time that each consumer is without energy) and FEC (the average number of times that each consumer is without energy); and improving security at Cemig’s facilities for employees, contractors and the population as a whole.

Additionally, BRL 83.24 million was invested in the distribution system. Thus, it was possible to install 2,220 MW in the power system. This way, several system users were served (consumer, power plant, distribution company or energy importer or exporter, with facilities that connect to the electrical distribution system, individually or in association).

With regard to the medium and low voltage system, investments are made within the scope of the distribution development plan.

Distribution Development Plan

By means of its Distribution Development Plan (PDD), Cemig D defines its priorities for the investments it will make, referring to the Regulatory Remuneration Base (BRR) and the respective prudent resource management in the tariff cycle in force. The objective is increasing the availability of power on a continuous basis, with quality, safety and in the amount required by customers, thus promoting social and economic development in Cemig D’s concession area.

The PDD consists of undertaking projects linked to the electric power system and associated with the expansion, boosting, refurbishing and renovation of Cemig D’s assets, such as substations and distribution lines.

The plan is divided into macro-projects. The Urban Service macro-project concentrates the necessary investments to meet the demand for energy supply to consumer units in the urban area, whose service is carried out at no cost to the requester. In 2022, approximately BRL 189 million were invested, causing the extension of 452 km of new networks and allowing 300,601 urban consumer units to be connected to the power system.

Service to consumer units in rural areas that are entitled to free service is carried out through the Rural Service macro-project. Connections of over 11,000 consumer units were carried out through extension of 1,407 km of the medium and low voltage grid in 2022, making a total

of BRL 224.5 million in investments in infrastructure of rural distribution networks.

Connection of consumer units that do not meet free energy supply criteria set out by the regulation of the electricity sector is made by works carried out in the Complementary Service macro-project. Approximately BRL 400 million were invested in the medium and low voltage electrical distribution system by Cemig, and BRL 459 million by the applicants, as a financial share in the works, in 2022. These investments made it possible to connect 17,743 customers and projects to Cemig D.

In order for the power distribution system to absorb all connections from customers and projects served by the Urban, Rural and Complementary Service macro-projects, it is necessary to undertake several works in the distribution assets, such as expansion of power capacity, conversion of single-phase networks into three-phase ones, interconnections between feeders, grid renovation, and operational contingency works. The power system is boosted and renovated by the Grid Boosting and Grid Renovation macro-projects, and in 2022, interventions on 683 kilometers of medium and low voltage were made, with a total investment of BRL 272 million.

With a view at eliminating situations of risk of electric shocks in Cemig D’s distribution networks, the Segurança de Terceiros (Third Party Safety) was created. This

program aims at making the necessary investments for removing and/or moving away networks to eliminate the risk of accidents by direct touch, indirect touch, or other risk situations for third parties along the distribution networks. In the last year, 963 installations were rectified via an investment of BRL 12.2 million.

In 2022, the 4th five-year investment cycle, as per the sector regulations, comprising the period from 2018 to 2022, closed with an amount of BRL 7.8 billion having been approved. That year, Cemig D invested approximately BRL 2.75 billion - of an approved total of BRL 2.85 billion, resulting in a performance of 96%.



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The amounts realized were invested in projects that make up PDD, as per the table below:

Macro-project	Amount invested BRL K
Expansion and reinforcement of high voltage lines	950,593
Service to consumers and accessing users (Cemig's Participation)	83,239
Operation and maintenance of high voltage lines	95,936
Reinforcement of medium and low voltage grids	126,642
Service to the medium and low voltage urban market	188,942
Service to the medium and low voltage rural market	224,460
Supplemental Program (Cemig's Participation) in medium and low voltage	399,908
Third-Party Safety (Cemig's Participation)	12,211
Renovation of medium and low voltage grids	159,437
Operation and maintenance of medium and low voltage grids	227,469
Change of Measurement/Border Measurement	220,262
Environment	7,232
Medium Voltage Automation Master Plan	30,777
Telecommunications	15,233
Power hog rectification program	4,371
TOTAL	2,746,713

The 2018-2022 cycle ended with a realization volume of around 7.2 billion reais and capitalization of 6.4 billion. Cemig D capitalized around 3.1 billion in 2022 alone. In addition, Cemig D worked with actions to potentialize maximum budget realization and capitalization of PDD projects, acting to minimize events that could interrupt the executive flow of projects.

Largest investment program in Cemig's history



Investments in Natural Gas

Companhia de Gás de Minas Gerais (Gasmig) is the sole distribution company of piped natural gas in Minas Gerais by concession grant, serving the industrial, residential, commercial and thermoelectric segments, supplying compressed natural gas (CNG), liquefied natural gas (LNG) and automotive gas (CNG). Cemig holds 99.57% of Gasmig's capital.

In 2022, Gasmig invested amounts of around BRL 55.5 million, representing a 1.94% reduction against the previous year. The focus of investments was on expanding its Natural Gas Distribution Networks (RDGNs) in the State of Minas Gerais, with its customer base increasing by 16%, reaching 82,582 consumer units in 2022. The Company is focusing its investments on expanding the gas distribution network in line with Cemig's Strategic Planning and plans to invest the equivalent of BRL 1.3 billion in the period between 2023 and 2025.

In 2022, Gasmig sold 1,105,483,000 m³ of gas, of which 88.4% were destined for the industrial and commercial segment, 3.75% for thermal generation and the remaining 7.8% for the automotive, residential and other segments.



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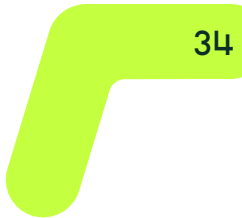
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CONCESSIONS

Cemig considers its concessions for exploring resources and infrastructure for the generation, transmission and distribution of gas and energy to be its most important asset. Activities undergo inspection and regulation by Aneel through contracts granted by the Federal Government.

- **Generation:** Commercialization of energy from plants in a regulated environment (through centralized or public auctions) or free environment (through bilateral negotiations and reserved for interested parties). There is also revenue from the short-term market (MCP), which remunerates agents for termination of energy supply, which is settled at the Difference Settlement Price (PLD).
- **Transmission:** Cemig and its subsidiaries may charge the Transmission System Use Tariff (TUST) through transmission concession contracts that undergo annual restatements.
- **Power distribution:** Aneel grants Cemig D a concession to exploit power distribution activities in a large part of the state of Minas Gerais until December 2045.



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PUBLIC POLICIES

The electricity industry is regulated by the Brazilian Electricity Regulatory Agency – Aneel, which, through technical standards, sets out standardization for generation, transmission, distribution and commercialization of electricity in Brazil. In addition, the agency economically regulates tariffs, the functioning of the market and even research and development and energy efficiency projects. Therefore, Cemig must meet the demands of established public policies and report to the public bodies responsible for each demand at the municipal, state and federal levels.

Communication at the municipal level occurs mainly in distribution and is usually directly related to the supply of energy for street lighting. At the state level, it is more common for contact to occur between Cemig’s senior management and representatives of the leadership of executive bodies, as well as with the Minas Gerais State Legislative Assembly. This relationship takes place through public hearings and quarterly rendering of accounts. Interactions at the federal level, on the other hand, take place in different ways, e.g., through associations, direct requests for clarification or in the context of building new or updating sectoral public policies.

Sectoral associations

2-28 The need for synergy between industry entities encourages the organization of sectoral associations to exchange experiences and disseminate best practices, and to contribute to the evolution of regulation in the electricity sector. Cemig is aware of that, and so participates in the major Brazilian associations in the sector.

Cemig does not allocate resources to organizations whose main role is to create or influence public policies, nor does it contribute to political campaigns and/or organizations or groups exempt from taxation whose function is to influence political campaigns or legislative activities, including chambers of commerce, trade boards and the like. It also does not register lobbyists or lobby groups.

In 2022, Cemig paid BRL 1,755,189.66 in annual tuitions to the major associations of the industry, as detailed below:

ABRADEE – BRAZILIAN ASSOCIATION OF POWER DISTRIBUTION COMPANIES

ABRADEE aims to represent its members judicially or extrajudicially in defense of their interests. This effort involves: supporting members in the technical, commercial, economic, financial, legal, political and institutional fields; foster mutual collaboration between members; carry out studies of interest to the associated group; prepare studies and proposals with a view to solving problems in collaboration with the constituted powers in matters related to members’ activities; and promote training and seminars on information of interest.

Cemig’s Director of Institutional Relations is a member of ABRADÉE’s Board of Directors. Several employees Cemig perform in different Working Groups, with an emphasis on performance in Energy Efficiency and Socio-Environmental Responsibility.

With the increase in connections of micro and minigeneration of distributed energy (DG), making the discussion about Normative Resolution No. 482/2012 has become increasingly more important, especially with tariff impacts on consumers without DG and the benefits of that modality to the power system.

Cemig has contributed with annual tuitions to ABRADÉE, defined at a general meeting of the entity, pursuant its bylaws. In 2022, this amount was BRL 743,609.91.

ABRAGE – BRAZILIAN ASSOCIATION OF POWER GENERATING COMPANIES

ABRAGE aims at the exchange of technical, commercial, financial and legal information regarding electric power generation activities. The organization also prepares analyses and studies of communal interest; executes technical cooperation agreements and covenants with domestic and international public and private bodies; and prepares proposal defenses to solve communal problems.

The most relevant issue concerns the adjustment factor of the energy reallocation mechanism, which has strongly impacted the operations of the energy market. The association seeks, together with the competent entities and bodies, business alternatives for the treatment of

impacts and structural measures aimed at reformulating the mechanism. Cemig has been favorable to the actions of the association, which shows adherence to the company’s business and objectives, thus supporting these actions.


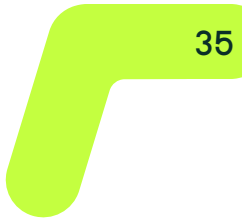
Cemig has contributed with annual tuitions to ABRAGE, defined at a general meeting of the entity, pursuant its bylaws. In 2022, this amount was BRL 232,292.92.

APINE – BRAZILIAN ASSOCIATION OF INDEPENDENT POWER PRODUCERS

APINE has objectives that make the association a strategic partner for Cemig. The goal of promoting the defense of the interests of the electricity generation segment stands out, especially with regard to independent producers and similar generating utilities, advocating for the expansion of their market presence and the preservation of their profitability. The organization also works in cooperation with government authorities and domestic and international bodies and institutions as a technical and advisory body in the study of and solution for problems related to the activities of its members, aiming at the preservation of free competition in offers, and in the preservation of the economic order of the electricity market.

Cemig has contributed with annual tuitions to APINE, defined at a general meeting of the entity, pursuant its bylaws. In 2022, this amount was BRL 222,093.28.



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ABRATE – BRAZILIAN ASSOCIATION OF POWER TRANSMISSION COMPANIES

ABRATE seeks to represent legitimate interests and add value to member companies, with a proactive approach to ensuring the sustainability, development and attractiveness of the electricity transmission business. The association aims to be acknowledged as a leading institutional agent in promoting the sustainability, development and attractiveness of the electricity transmission sector.

Cemig has contributed with annual tuitions to ABRATE, defined at a general meeting of the entity, pursuant its bylaws. In 2022, this amount was BRL 220,505.21.

ABRACEEL – BRAZILIAN ASSOCIATION OF ENERGY TRADERS

The association aims at defending free market competition as an instrument to promote efficiency and security of supply in the areas of electricity, ethanol and natural gas. Besides that, it aims at fostering growth of carbon credit negotiations and promote the union of members, representing them before the government and domestic and international bodies and institutions. ABRACEEL defends the rights, interests and aspirations of member companies and cooperates with government authorities and domestic and international institutions as a technical and advisory body capable of entering into agreements or covenants that are of interest to serve its corporate purpose.

Cemig has no representative in the association’s governance structure. The Company works via a Technical Group responsible for discussing, proposing and sending contributions to public hearings of MME/Aneel about the association’s participation in government bodies.

Cemig contributes with annual tuitions to ABRACEEL, defined at a general meeting of the entity, pursuant its bylaws. In 2022, this amount was BRL 88,680.00.

ABDIB - BRAZILIAN INFRASTRUCTURE AND BASIC INDUSTRY ASSOCIATION

The main objectives of the Association that make Cemig membership strategic are:

- Contribute to economic growth and social development in Brazil by expanding investments in infrastructure and basic industries;
- Strengthen competitiveness of goods and services companies for infrastructure and basic industries;
- Collaborate with public and private agents in the search for consistent solutions to make investments viable;
- Expand participation of Brazilian companies in the global infrastructure market.


BRAZILIAN ASSOCIATION OF CLEAN ENERGY GENERATION – ABRAGEL

ABRAGEL currently represents the most relevant generation agents of Hydroelectric Generating Centers – CGHs, Small Hydroelectric Power Plants – PCHs and Hydroelectric Plants – UHEs up to 50 MW in the country. Its main objective is to foster the union of small and medium electric energy producers, companies, entities and associations interested in this market, representing their members before the public authorities and domestic and international bodies and institutions, fighting for their rights, interests and aspirations. Besides that, it aims at cooperating with stakeholders as a technical and advisory body in the study of and solution for problems related to the activities of its members.

Cemig has contributed with annual tuitions to ABRAGEL, defined at a general meeting of the entity, pursuant its bylaws. In 2022, this amount was BRL 124,200.00.

Total contributions to sectoral associations

Sectoral Associations	Contributions in 2022
ABRADEE – BRAZILIAN ASSOCIATION OF POWER DISTRIBUTION COMPANIES	BRL 743,609.91
ABRAGE - BRAZILIAN ASSOCIATION OF POWER GENERATING COMPANIES	BRL 232,292.92
APINE - BRAZILIAN ASSOCIATION OF INDEPENDENT POWER PRODUCERS	BRL 222,093.28
ABRATE - BRAZILIAN ASSOCIATION OF POWER TRANSMISSION COMPANIES	BRL 220,505.21
ABRACEEL - BRAZILIAN ASSOCIATION OF ENERGY TRADERS	BRL 88,680.00
ABDIB - BRAZILIAN INFRASTRUCTURE AND BASIC INDUSTRY ASSOCIATION	BRL 123,808.34
ABRAGEL – BRAZILIAN ASSOCIATION OF CLEAN ENERGY GENERATION	BRL 124,200.00
TOTAL	BRL 1,755,189.66

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CORPORATE GOVERNANCE

[2-9]

Cemig’s corporate governance is based on transparency, equity and accountability. The Company is managed by Board of Directors and the Executive Board, and it also has a permanent Fiscal Council. They are all governed by the Company’s Bylaws and applicable law.

Governance model and main practices

[2-13] The main characteristic of Cemig’s governance model is a clear definition of the roles and responsibilities of the Board of Directors and the Executive Board in the formulation, approval and execution of the policies and guidelines that relate to conducting the Company’s business. The members of the Board of Directors, who are appointed by the General Shareholders’ Meeting, elect their Chairman and appoint Cemig’s Executive Board. The structure and composition of the Board of Directors and the Executive Board are identical in wholly owned subsidiaries Cemig D and Cemig GT, with possible exceptions, so as to be approved by the Board of Director.

[2-15] The focus of the Company’s governance has been the balance among Cemig’s economic, financial, environmental and social aspects, in order to continuously contribute to sustainable development, and geared at improving its relationship with shareholders, customers, employees, the society and other interested parties. In order to support a well-structured corporate governance model, Cemig follows the good practices and recommendations of Brazilian Corporate Governance Institute (IBGC), fostering a relationship of trust and integrity with its stakeholders. Since 2001 Cemig has followed Level 1 Corporate Governance practices from B3, the São Paulo stock exchange.

Cemig has a formal practice to ensure the prevention and/or management of possible conflicts of interest. The Company, its shareholders, administrators and members of the Fiscal Council undertake to resolve, through arbitration preceded by mediation before the B3 Market Arbitration Chamber (CAM) or the FGV (Getulio Vargas Foundation) Mediation and Arbitration Chamber, any and all disputes or controversies that may arise among them. Besides decision-making processes, conflicts of interest are stated to the stakeholder publicly by means of official notices posted on the Company’s website.

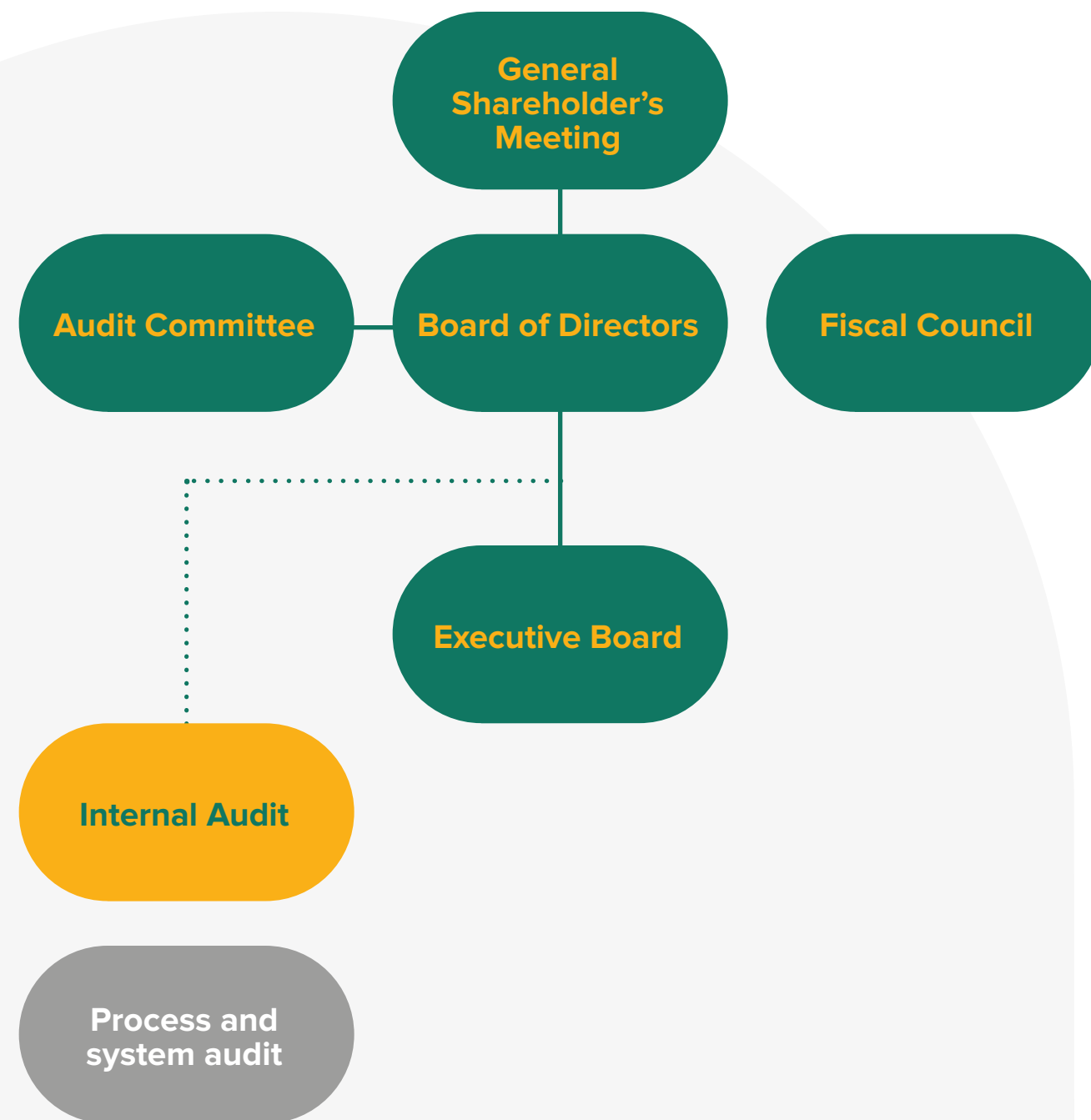
[2-9; 2-17] The decision-making processes of Cemig’s top management and by supervision of the organization impact management are subsidized by the Technical Committees. These committees are established by a specific decision of the Board of Directors to analyze more in depth the matters of their specialty and to issue expert opinions and recommendations on decisions and actions to be carried out. The committees have no executive function or decision-making power, but are intended to ensure objectivity, consistency and quality in the decision-making process.





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RAS 2022	AWARDS AND ACKNOWLEDGMENTS	FIGURES	FOCUS ON THE CUSTOMER	GRI SUMMARY
CEMIG 70 YEARS	COMMITMENTS	BUSINESS MODEL	EMPLOYEES	INDEPENDENT VERIFICATION
MESSAGE		OPERATIONS	SUPPLIERS	
MATERIALITY		STRATEGY		
		CONCESSIONS		
		PUBLIC POLICIES		
			ECONOMIC PERFORMANCE	
			SOCIAL PERFORMANCE	
			ENVIRONMENTAL PERFORMANCE	

Cemig's Corporate Governance Structure



The General Shareholders' Meeting takes place annually in compliance with the Bylaws and current legislation. There are also extraordinary General Shareholders' Meetings, which take place on spontaneous demand. Convening is made at least 30 days prior to the meeting by means of widely circulated communications vehicles, on the Company's website and on the Securities and Exchange Commission (CVM) , and the minutes are also available for consultation on the investor relations website .

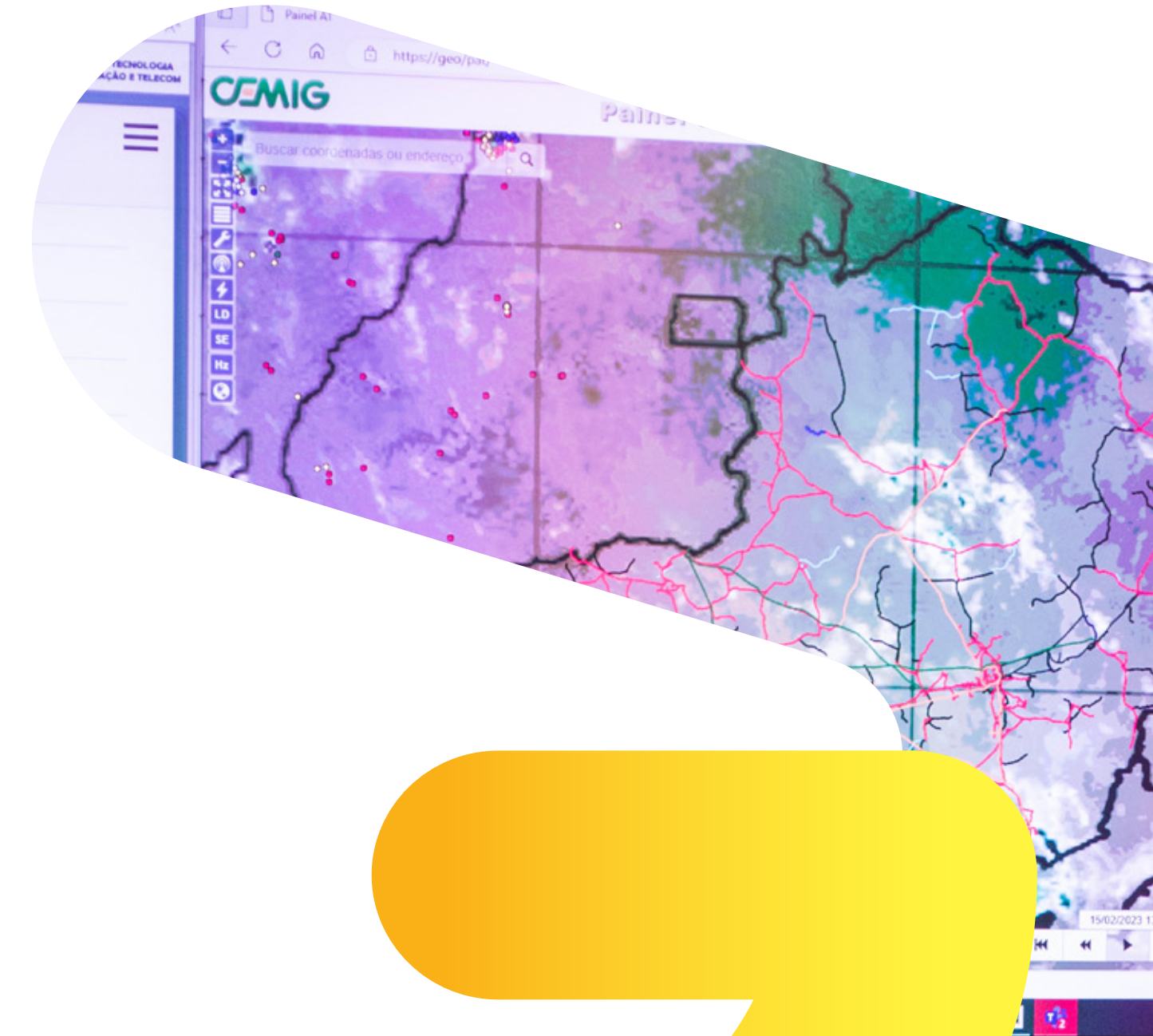
Election for the unified two-year term of office of the Chairperson and his vice-chairperson takes place at the first meeting held, followed by the formation of the Board of Directors, reelection being possible for a maximum of two consecutive terms.

Both positions are dismissible, as long as there is a justified reason, by the General Meeting. They can be amotioned from both positions, provided that with cause, by the General Shareholders' Meeting.

[2-11] It is important to stress that, according to Cemig's Articles of Incorporation, the positions of Chairman of the Board of Directors and Chief Executive Officer of the Company cannot be vested into the same person.

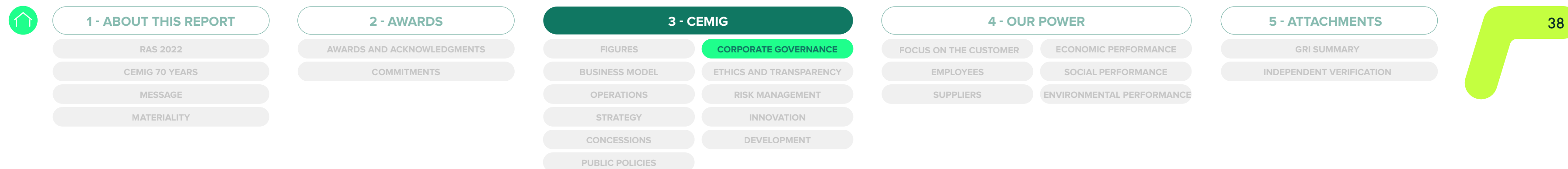
[2-16; 2-27] The matters sent to the Executive Board for inclusion in the agenda, issued by the Deliberation Proposal (PD) of the Executive Board and/or the Board of Directors, must be accompanied by recommendations, reports, expert opinions and, as the case may be, a statement of compliance with Cemig's long-term strategy and Multiannual Business Plan and included in the annual budget.

[2-16] In 2022, 905 PDs were forwarded to the Executive Board for analysis and filtering which were accepted and forwarded for deliberation to the Board of Directors for deliberation and the General Meeting, according to the decision-making responsibility. There is no compilation by topic on all the matters dealt with by the PDs sent to the Executive Board, considering that they come from all areas of the Company, addressing a diverse range of fields and corporate interests.



21. Check amounts at: <http://www.cvm.gov.br/>

22. Check at <http://ri.CemigCemig.com.br/governanca-corporativa/estatuto-codigos-politicas-e-regimentos/>



Board of directors

[2-9; 2-10; 202-2] According to the Bylaws, the Company's Board of Directors comprises nine standing members, eight appointed and elected by the shareholders and one member elected by the employees, observing provisions of Act No. 12,353, of 28/Dec/2010. The Bylaws provide for a unified term of office of two years, with a maximum of three consecutive reinstatements allowed. In 2022, the Board had 11 standing members and 26 meetings were held for deliberations and presentations on various subjects, such as strategic planning and investment and acquisition projects.

Of the eleven members of its Board of Directors, ten members have the characteristics of an Independent Director, according to the criteria adopted by the Dow Jones Sustainability Index (DJSI), while nine members have these characteristics according to the criteria defined in the Brazilian Corporate Governance Institute's (IBGC) Code of Best Practices for Corporate Governance, as attested in the Board's Declaration of Independence.

Cemig's goal is to have 25% of independent directors on the Board of Directors, as provided for in the Company's Bylaws, section I, article 13, paragraph 2, item c.

Average attendance rate of members to Board of Directors meetings in 2022 was 91.09%, over the 80% minimum required by CEMIG. The average term of office of the Board of Directors' members is 2.02 years. Each current member appointment date is provided on an annual basis on Cemig's Form 20-F, on item 6 – Directors, Senior Managers and Employees.

[2-18] Annually, the members of the Board of Directors undergo independent, individual and collective performance self-assessments, with a view to improving their functions. The following minimum requirements must be complied with:

- **Exposure of the management acts performed, regarding the legality and effectiveness of the administrative action;**
- **Contribution to the income for the year;**
- **Achievement of the objectives defined in the Multiannual Business Plan and compliance with the long-term strategy and the annual budget.**

The Audit Committee is responsible for independently verifying the conformity of the assessment process of the members of the Board of Directors.

In addition, Cemig annually prepares its Annual Social and Environmental Responsibility Report for Electric Energy Companies, a regulatory requirement of the Brazilian Electricity Regulatory - Aneel. The report follows guidelines defined by the regulatory body and includes data and information from the Company's wholly owned subsidiaries, in order to provide a broad, consistent and consolidated view of relevant issues specific to the electricity industry, outlined in its regulatory framework, and general issues on social and environmental responsibility. The preparation of the report allows Cemig to present its descriptive and quantitative considerations on its performance indicators, thus enabling a dialogue with its different stakeholders to assess the results of the actions carried out during the year.

[2-17] Before its publication, Aneel's Annual Social and Environmental Responsibility Report is included in the agenda and discussed by the Corporate Communication and Sustainability Department with the Company's Board of Directors. At this time, Cemig's social and environmental issues are presented to the Directors, aiming to raise their awareness of the importance of these issues and to have them discuss them together, in order to define points for improvement.

The analysis of the Social and Environmental Responsibility Reports is the major moment for discussion and engagement by the Board of Directors in the Company's social and environmental issues. However, every month, the company Communication and Sustainability Director presents the major ESG agenda for the period. Additionally, throughout the year, whenever necessary, the various areas of the Company are able to hold presentations and discussions within the scope of the Board of Directors by submitting a Deliberative Proposal addressed to the Board. This mechanism exists precisely to bring the Board of Directors closer to the critical concerns of the several areas of Cemig.

Board members' salaries are made up of a fixed portion divided into salary and direct benefits and a variable portion, which corresponds to attendance to meetings. Remuneration is divided into 80% and 20% where the largest portion corresponds to total remuneration and the remainder to director's fees. When there is over one meeting in the month, director's fees are distributed proportionally to the number of meetings held. In months when meetings are not held, the Director receives the full amount of monthly remuneration.

[2-19] The amount to be paid to the members of the Board of Directors, Executive Board and Audit Committee is set at the General Meeting (BRL 23,259,187.88), respecting the determination of the Bylaws and compliance with the applicable legislation in force. Payment of profit sharing by Cemig to the aforementioned members is prohibited, except for the elected member who represents the employees.

The value for participation in meetings aims to increase engagement and commitment through bonuses, and the fixed remuneration seeks to financially compensate for the service provided and contribution to the Company, which allows Cemig to demand performance and meeting attendance from each person.

Remuneration of the Member of the Board of Directors includes the Company's contribution to INSS (government pension fund) corresponding to their salary and attendance to meetings. Direct benefits include, for those who are not residents of the municipality where the meeting is held, reimbursement of travel and lodging costs (nationally), and guests invited by the CEO are entitled to reimbursement for travel.

Optionally, Directors may subscribe to group life insurance, which is paid in full by Cemig, as well as participation in the private pension plan with payment equally shared between the parties.

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Fiscal Council

[2-9] Cemig has a permanent Audit Committee, which is responsible for overseeing the acts of managers as well as the fulfillment of their duties under the law and the bylaws. The Board is also responsible for enforcing what is established in national and international laws in countries where Cemig shares are traded, as long as they are not contrary to Brazilian laws. The body assesses the content of the Annual Management Report, complementing it, if necessary, and expressing the Board's opinion for deliberation at the General Shareholders' Meeting.

In 2022, the Committee had four members, all independent members appointed by the Board of Directors for a three-year non-coincident term of office, one re-election being permitted. The appointment of the Audit Committee happens at the first meeting after the General Shareholders' Meeting.

It is incumbent upon the Fiscal Council to assess complaints considered relevant to Cemig's assets by the Ethics Committee and non-operational complaints that are linked to fraud and misconduct in matters relating to financial statements, disclosure of results and reports directed to regulatory bodies. It is also up to the Council to suggest negotiations for them. At the same time, the Council is responsible for examining all non-operational complaints submitted by the Ethics Committee. The Fiscal Council is responsible for proposing treatment actions to be carried out by the Internal Audit. In 2022, the Fiscal Council met 12 times. The structure of the Fiscal Council is available on the corporate website²⁴.

[2-19] Members of the fiscal council receive fixed compensation and benefits. For those residing in another municipality, there is a full reimbursement of travel and lodging expenses. Optionally, they can subscribe to life insurance paid for by Cemig and the Company's contribution to the INSS (National Social Security Institute) on the salary received.

Executive Board

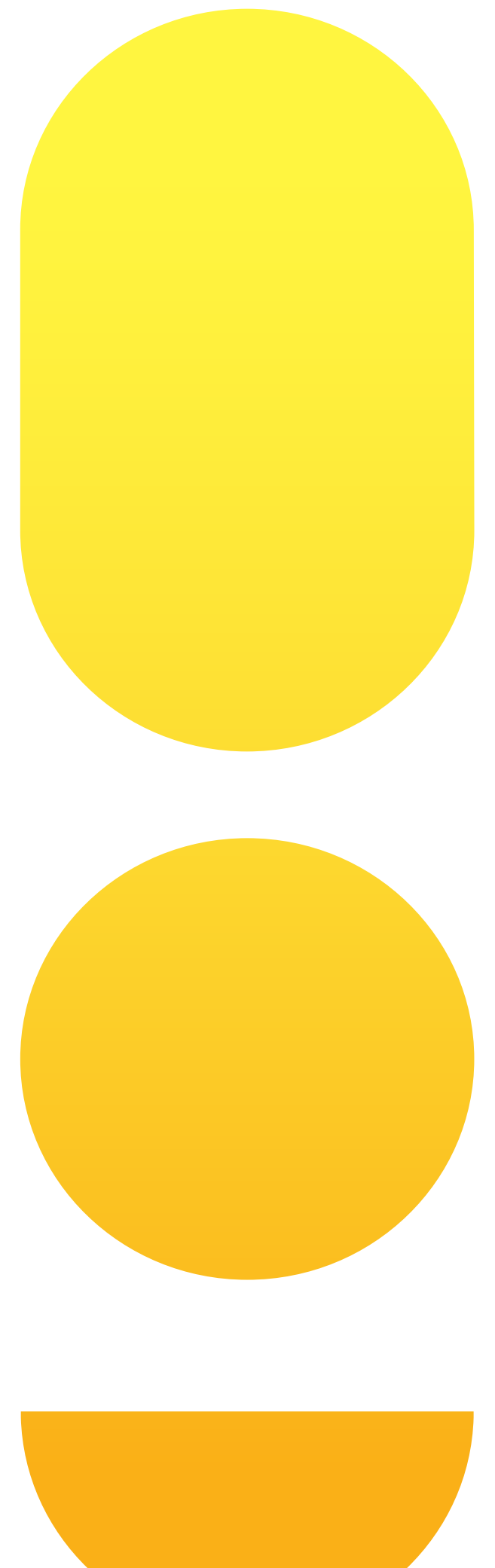
It is incumbent upon the Executive Board to manage the business in its entirety, except in cases where the law or the bylaws instruct the Board of Directors or the Administrative Assembly to make the decision. In line with Minas Gerais State Decree-Law No. 47,154/17 and with the Law of State Companies (Act No. 13,303/16), the Executive Board is responsible for preparing a proposal for the Company's strategic planning comprising, at least, a five-year period, review it annually, and in both cases submit it for approval by the Board of Directors. Currently, the strategic planning covers the 2021-2030 cycle.

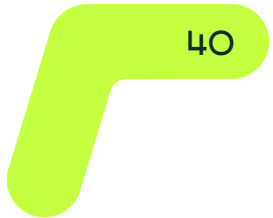
Cemig's Executive Board is composed of 7 executive officers, whose jobs are defined in the Company's Bylaws. Its members are elected and can be taken out of office at any time by the Board of Directors and are in office for two years, a term which can be extended for a maximum of three times. The directors are allowed to occupy simultaneous and unpaid management positions in Cemig's wholly owned, controlled and affiliated subsidiaries.

The Executive Board will follow and comply with targets and limits defined by the Board of Directors, relating, in particular, to indebtedness, liquidity, rates of return, investments, and regulatory compliance. In this sense, it is the role of the executive officers to coordinate and manage the work of the Company, as well as all strategic and institutional activities of its affiliates and controlled companies, and consortia it is a part of. In order to discuss solutions and strategies for the best performance of the Company in all its areas of operation, in 2022 the Executive Board met 61 times.

Responsibilities for economic, environmental and social topics pervade the entire executive structure, and their management is consolidated by the Corporate Communication and Sustainability Assistant Board, which answers directly to the CEO. Economic and financial issues are the responsibility of the executives appointed by the Finance and Investor Relations Department who answer for the four superintendent departments that make up that department (Controllershship, Corporate Planning and Control, Investor Relations, and Corporate Finance Management). Environmental issues are the primordial responsibility of the executives appointed by the CEO's Office to make up the Strategy and Environment Superintendent Department and the Environmental Management Department. The structure of the executive board is available on the corporate website.

24. <https://www.Cemig.com.br/diretoria/>



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Audit Committee

[2-9] The Audit Committee was created with the amendment of the Bylaws in June 2018 and in compliance with the provisions of Act 13,303/2016. It is a collegiate advisory body linked to the Board of Directors, with the function of auditing and supervising the quality and integrity of financial statements, adherence to legal, statutory and regulatory standards, and the effectiveness of internal control and internal and independent audit systems.

In 2022, the Committee had four members, all independent members appointed by the Board of Directors for a three-year non-coincident term of office, one re-election being permitted. The appointment of the Audit Committee happens at the first meeting after the General Shareholders' Meeting.

The members of the Audit Committee must participate in specific training sessions provided by Cemig (which are held when they are inaugurated, annually). Reelection of those who have not attended the annual training provided by the Company in the past two years is prohibited. Besides the process of assessing the members of the Audit Committee, the Board of Directors members are also responsible for verifying the conformity of the evaluation process of the other Company administrators, the members of the advisory committees to the Board of Directors, and the members of the Fiscal Council. Additionally,

the Committee quarterly assesses the Company's ESG performance through meetings and inquiries.


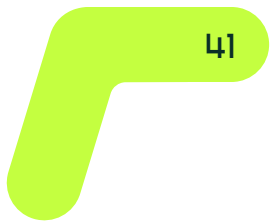
The Audit Committee is also responsible for conducting a background check on potential candidates to compose Cemig's strategic boards and committees. The background check is a procedure carried out regarding the professional history and legal records of all the names appointed to occupy strategic positions in the Company.

Remuneration of members of the governance bodies

[2-19] According to the Bylaws, the overall or individual remuneration of the Board of Directors, the Executive Board, and the Audit Committee will be set at a Shareholder's Meeting pursuant applicable law. Any Company shared profit payment is forbidden to the Audit Committee and the Board of Directors members, except for the employees' representative member.

25. <https://www.Cemig.com.br/diretoria/>



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ETHICS AND TRANSPARENCY

[2-23; 2-24] It is Cemig's objective to act ethically, transparently and honestly, in order to lead and successfully operate the organization and continuously improve performance.

Among the internal norms instituted to promote an ethical environment, Cemig established the Cemig Code of Conduct. This document aims to guide and discipline the conduct of people who act on behalf of Cemig or who interact with it, seeking ethics, commitment, value creation, integrity, sustainability, innovation and respect for life, in accordance with the law and all regulations.

Our Code of Conduct complies with constitutional, legal, normative and regulatory rules to which Cemig is subject to, and also is in line with the Company's Vision and Values. It must be complied with by all those it is directed to, namely: administrators, fiscal advisors, employees, interns, contractors and subcontractors. In 2022, this document was revised and a specific chapter on fraud and corruption prevention was included.

The Code of Conduct must be used in all relationships established as a result of Cemig's activities with its managers, members of the fiscal council, employees, shareholders, society, customers, contractors, subcontractors, interns and everyone they interact with.

In addition to the Code of Conduct, Cemig has a set of policies and procedures that guide employees to carry out

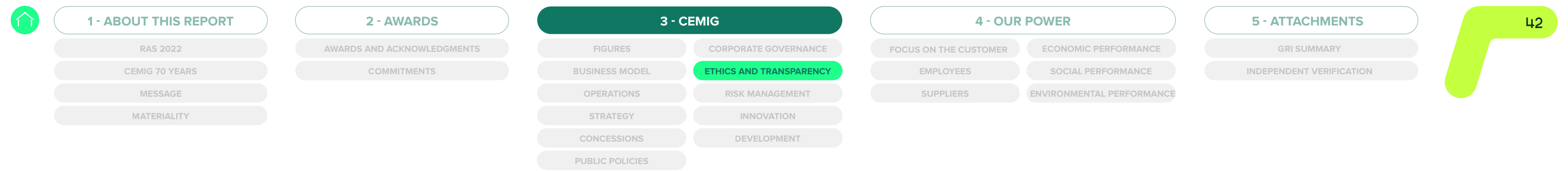
their activities in accordance with applicable legislation and regulations. In 2022, the Compliance Policy incorporated the guidelines contained in the Anti-Fraud Policy, which was terminated, in order for the Company to have a single document, the Compliance and Anti-Fraud Policy, which is more objective, accessible and adherent to legal determinations.

[205-01] Management of the topic is also informed by the Company's Risk Matrix, which assesses risks related to corruption. The last version was approved on December 16, 2022 and presents ten Compliance risks related to fraud, corruption and conflict of interest. The most significant risks are:

- **Fraud in retaining process;**
- **Manipulation or falsification of non-financial reports or supporting documents, which serve as a basis for their preparation;**
- **Fraud in the preparation or disclosure of financial statements due to the manipulation of accounting records and supporting documents or the incorrect and intentional application of accounting principles.**

Cemig seeks to maintain constant communication through its internal channels related to the subject of **Ethics and Integrity**. Annually, in-house and outsourced employees, take mandatory training on Cemig's Code of Conduct. Our disclosures aim to guide and inform the workforce on matters such as misconduct, conflicts of interest, fraud and corruption.





[205-2] In 2022, 100% of the members of the governance bodies and employees were informed about the anti-corruption policies and procedures adopted by the organization. Communication also reached 8,920 outsourced employees from 328 business partners. Training on the subject was carried out and reached 100% of employees and 92% governance body members.

By monitoring the progress of the degree of maturity of Compliance, carried out on an annual survey, since 2019, the growing interest of people on the subject is remarkable, as well as the perception of its importance for the Company and in everyday life of all. The survey is an important tool for assessing the effectiveness of measures to prevent and mitigate potential negative impacts by strengthening the Company's compliance culture.

Unethical behavior is inadmissible at Cemig. With a focus on the active and permanent management of corporate ethical conduct, and as a way of detecting actions and behaviors that are not in accordance with the expected conduct for all those who act on behalf of the Company, we have the Reporting Channel, available to all employees and related parties at the Ethics page on the Company's website²⁶.

[2-26] Cemig's Reporting Channel is confidential and can be accessed via the website or by calling a 0800 number, and is available to all people interested in reporting possible misconduct on the part of Cemig and its representatives. The verification process follows prioritization criteria and the maximum response time is 45 days.

Any and all complaints or suspicions of corruption, legal non-compliance, or any detection of inconsistencies are investigated. More than a matter of corporate reputation, transparency is a duty towards the State, its shareholders and all those who trust the Company and its services.

All reported complaints undergo verification, investigation and addressing. The result is individual and the negotiations arise from individual classification.

Among the various internal regulations, the Company has a Conflict of Interest Policy (NO-2.45). This document aims to provide guidance on some situations of possible real, potential or apparent conflicts, as well as on situations that are not permitted and which ones must be communicated to the Company. It is not possible to identify or define in advance all actual situations capable of characterizing the occurrence of a conflict of interests, so that NO-2.45 outlines criteria, rules and guidelines, exemplifying, as the case may be, the most frequent or most sensitive situations to the "Cemig Group", without intending to exhaust the subject.

The Conflict of Interests Policy lays down criteria to guide the performance of professionals, in order to mitigate possible questions, including by control and inspection bodies, as well as reputation problems. As a result of this policy, there are two other internal regulations that set out specific criteria for particular cases. They are as follows: Instruction on Offering and Receiving Gifts, Presents and Courtesies (IS-67) and Instruction on Conflict of Interests in the Exercise of External Professional Activity (IO-15).

In addition to the aforementioned internal regulations, the Cemig Code of Conduct and constant communications on the Conflict of Interests Policy (booklet, articles), there is Cemig's Complaint Channel. Cases of actual conflicts of interest can be reported through this channel. The complaints will be investigated and verified as valid or not and will be followed up by the whistle-blowers. The compliance system is audited by an independent audit firm.

[205-3] Of the 426 charges received in 2022, 84 were related to corruption, representing a 33% decrease against the previous year. Of these complaints, 29 were considered valid and three, partially valid. Of the thirteen cases concerning conflicts of interest, 9 were upheld and 4 were dismissed. The table below shows the nature and number of complaints that occurred in 2022.


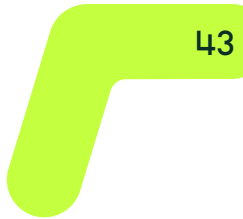
[406-1] Of the eight cases concerning discrimination, four were upheld and had redress plans implemented. The measures taken in general consist of guidance, written warnings and referrals to the responsible areas.

Complaint Received by Kind	No. of complaints	Addressed/ Completed	Underway
Improper behavior	74	64	10
Corruption	84	71	13
Health and Safety	36	34	2
Labor Relations	16	11	5
Assets Protection	6	6	0
Mobbing	40	27	13
Sexual Harassment	10	10	0
Discrimination	8	8	0
Contract Management	5	4	1
Corporate Governance	23	18	5
Commercial Customer Service	4	3	1
Conflicts of Interests	13	13	0
Idleness	3	2	1
Undue use of resources	15	15	0
Others	89	79	10
Total	426	363	63

There were no complaints or investigations relating to data privacy and money laundering.

[206-1] In 2022, there were no lawsuits relating to unfair competition and violation of anti-trust laws.

26. www.cemig.com.br/etica/

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Anti-corruption behavior practices

[3-03 (205); 205-1; 2-23] Cemig recognizes that taking on public commitments is a strong tool for endorsing an ethical posture and seeking continuous improvement to guarantee reliable and clear processes. In this regard, the Company is a signatory to the Business Pact for Integrity and Against Corruption, coordinated by the Ethos Institute, which is aligned with Objective 10 of the Global Compact of “Fighting corruption in all its forms, including extortion and bribery”.

Any occurrence related to corruption is considered a risk and can cause instabilities and external noise, and even make decision-making difficult for stakeholders, mainly because it is a mixed economy company.

We are aware of the importance of ensuring an environment of integrity and the harmful consequences for the image and reputation of companies involved in cases of corruption.

[3-03 (205)] The awareness of the workforce is also an effort made with the aim of making it clear which are the expected behaviors and which are those that are not accepted by the Company. Annually, there is mandatory training on the Code of Conduct and an extensive list of communication actions and engagement of all employees.

Another good compliance practice adopted by the Company is the background check of 100% of Cemig’s managers and fiscal council members, as well as those appointed to the Cemig Group.

All contracts for: i) Purchase and Sale of Assets; ii) Purchase and Sale of Energy related to tender processes promoted by the Company; iii) Loans and Financing; iv) Shareholders’ Agreements; v) Agreements; vi) Sponsorships; vii) Decentralized contracts for the acquisition of materials and services and viii) Centralized contracts for the acquisition of materials and services contain anti-corruption clauses.

Through these clauses, it is possible to state that all of Cemig’s commercial partners, whose contracts cover the objects listed above, have been informed about anti-corruption rules and about the “Cemig Code of Conduct”.

[2-15] In case of conflict of interest, the Company declares the condition to its stakeholders through its official channels, prior to the decision-making process that must be resolved through mediation before the Market Arbitration Chamber (CAM) of B3 or the FGV Chamber for Mediation and Arbitration.





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RISK MANAGEMENT

Enterprise risk management enriches the management dialogue by adding perspectives on strategy risks and opportunities in the event of a context change. In short, this process makes it possible to map and assess the strategic risks associated with corporate objectives, providing information to Senior Management for decision-making.

Risk management planning takes into account factors that may pose risks to the health and safety of employees, suppliers, customers, the general population and the environment, besides taking into account other business factors that are obstacles to achieving the strategic objectives. Eventually, opportunities are identified and developed according to the Company's objectives and business plans, especially regarding process efficiency. The risks inherent to Cemig's business activities are assessed by their probability of occurrence and by their impact on the various businesses in the value chain.


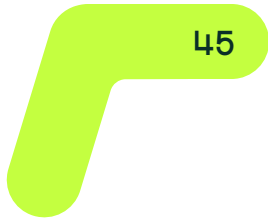
The Company has structured governance to help decision-making related to risk management, supported by the competent levels, whether business areas, the Corporate Risk Monitoring Committee, Board of Directors Risk Committee, Audit Committee or Executive Board.

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

Cemig's current Corporate Risk Management and Internal Controls Policy were 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 engagement of the highest governance body in the Company with risk management demonstrates not only the relevance of the topic, but also Cemig's alignment with good Risk Management and Corporate Governance practices and the risk appetite statement.

2-23 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 legal precepts and regulations that determine the activities of companies in the electricity industry in Brazil. In addition, the policy follows guidelines that reflect the best market practices, and is aligned, in particular, with the governance model called "Three Lines Model".



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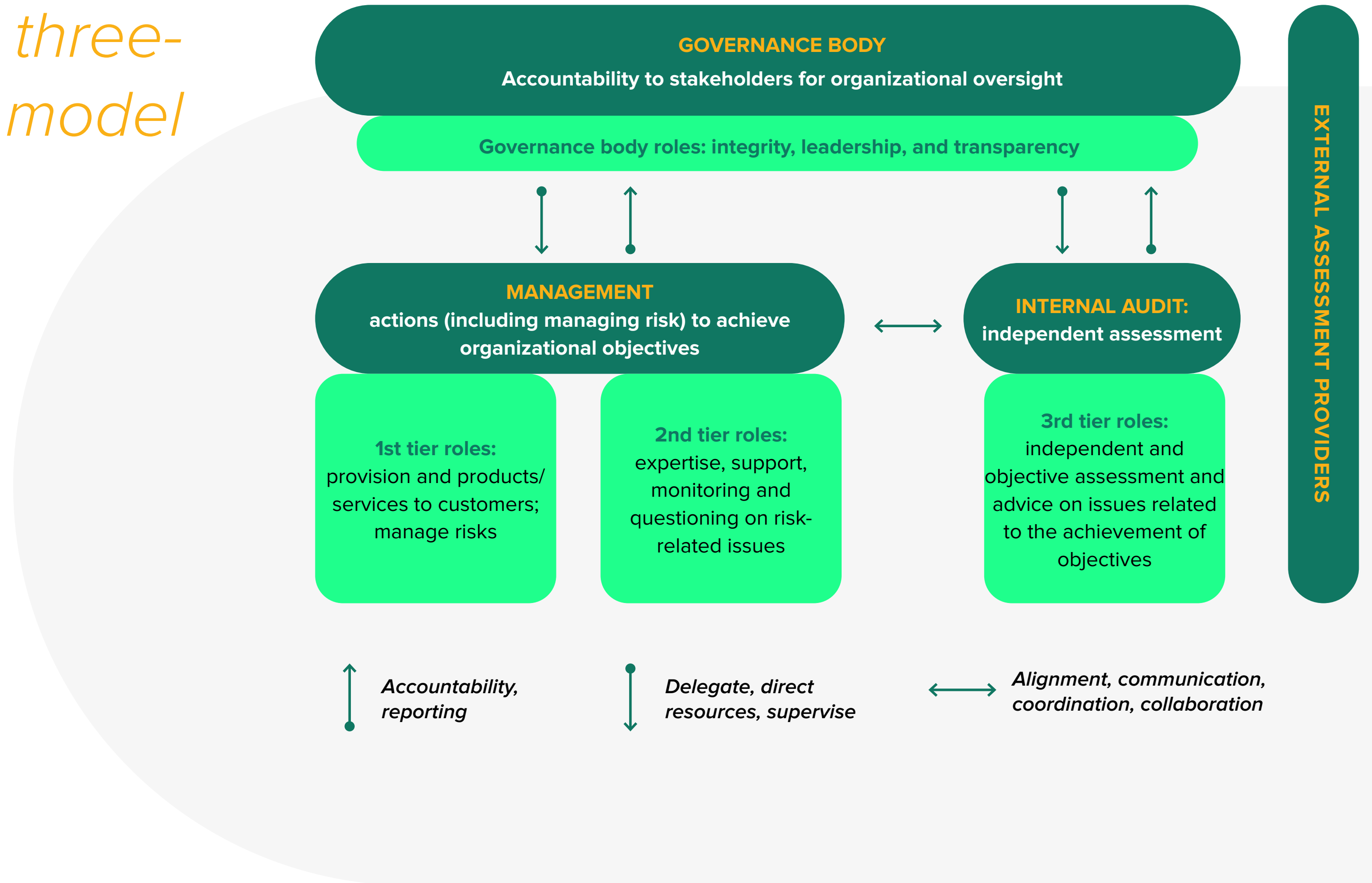
The “Three Lines Model” is a simple and effective way of defining and clarifying the roles and responsibilities related to risk management, coordinating all the integral parts so that there is no duplication of efforts or gaps in controls, thus improving performance of risk management and internal controls.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


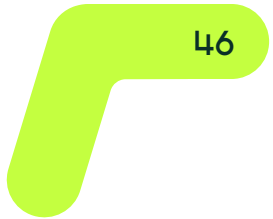
The first line is made up of all the Company’s administrative and business areas. Managers and employees in these areas are responsible for leading and directing actions (including risk management) and investing resources to achieve the organization’s objectives.

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 of defense and assisting managers in defining risk tolerance and in the way that risk information and controls are disclosed within the organization. The Compliance, Risk Management, and Internal Controls areas are responsible for coordinating the respective processes at Cemig and providing support to risk and control owners.

The third line consists of the organization’s internal audit. It is up to it to communicate the result of its assessments and provide independent and objective consulting to management and the governance body on the adequacy and effectiveness of governance and risk management (including internal control). Thus, it supports achieving corporate objectives, and promotes and facilitates continuous improvement.

The three-line model



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The risk management process at Cemig

Based on the guidelines defined in its Risk Management and Internal Control Policy, Cemig has put together a risk management process that allows for the mapping and assessment of both strategic risks and those arising from operational activities. This process is coordinated by the Risk Management and Internal Controls Management Department, which provides technical support to the several areas of the Company. The objective is to provide information to Top Management so they can make decisions regarding the most relevant risks and opportunities.

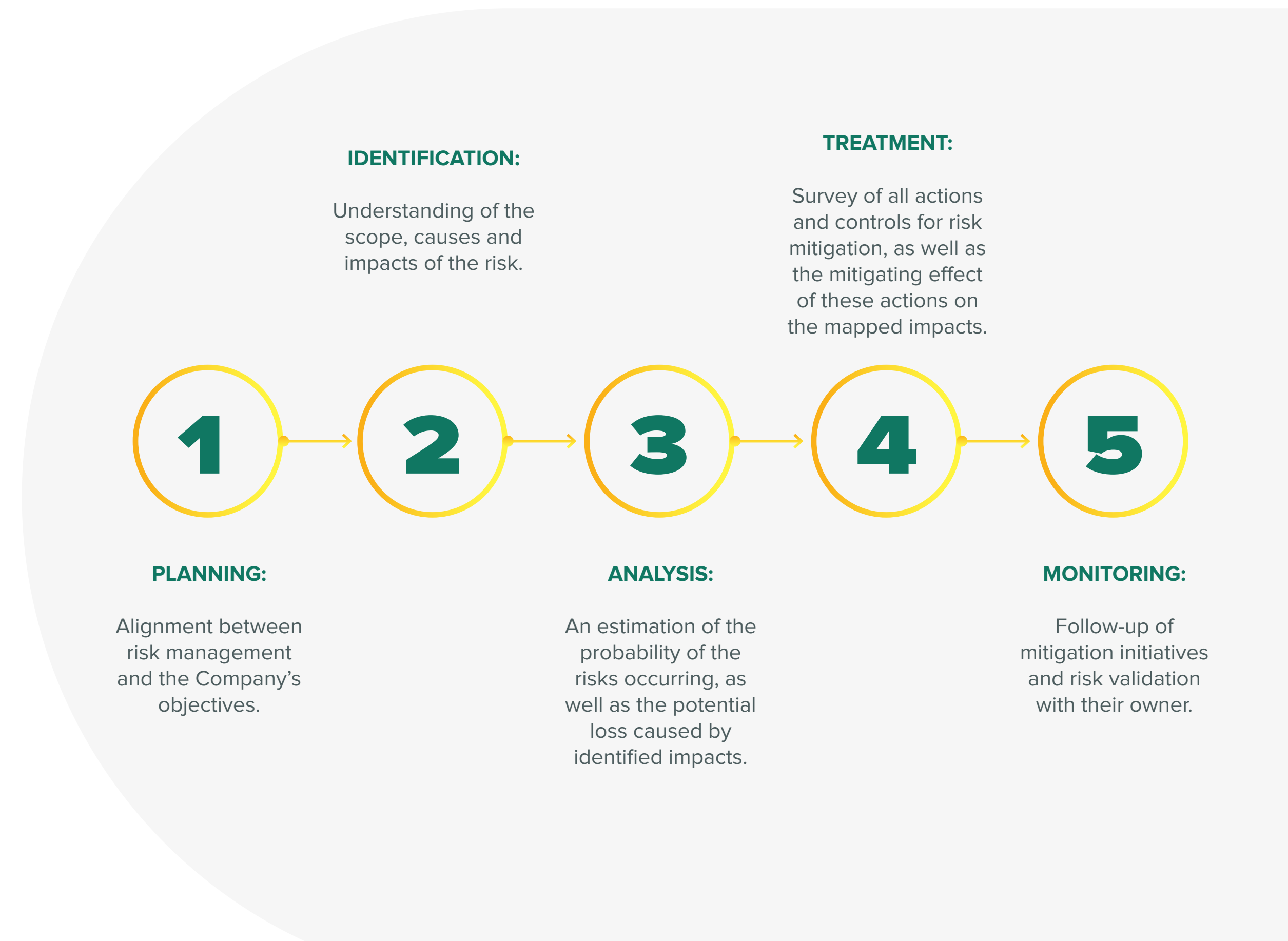
For Cemig, risk management consists in planning, identifying, analyzing, treating and monitoring the mapped risks. At first, the Company ranks the risks identified as (i) process risks, which are those related to operations and are limited to the activities of each of the processes; (ii) macro-process risks, the impacts of which include different processes and departments of the Company; and (iii) Top Risks, which are macro-process risks considered as priority risks and that can directly impact the Company's strategy. This latter classification, as well as treatment recommendations made by the Corporate Risk Monitoring Committee - CMRC, are communicated to Top Management.

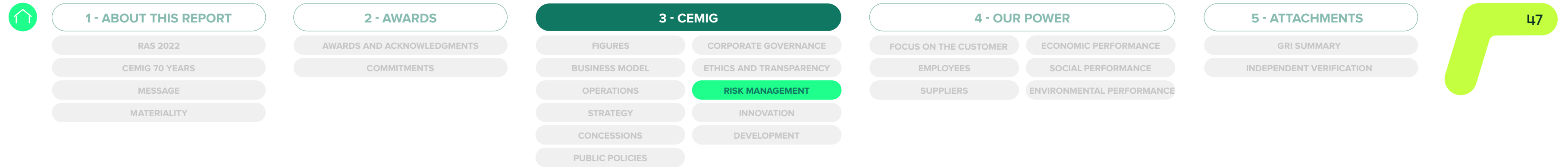
In the risk identification activity, the area responsible for centralized risk management and internal controls consults the managers of the areas related to the identified topics, including those areas that interact with external stakeholders, such as investor relations, strategic planning, sustainability and the general secretariat.

After consultation with the leaders, a proposal for a risk matrix is presented to the CMRC, which has members from the various boards and includes considerations for improvements in the matrix. After that, the matrix is sent for analysis by the Executive Board, which also perfects the product, and then forwards it to the Board of Directors' Risk Committee and the Board of Directors. Also, the proposed matrix can be presented to the Board of Directors' support bodies, such as the Audit Committee and the Fiscal Council.

As a result of this process, Cemig builds the Top Risks Matrix, covering their strategic pillars like Generation, Transmission, Distribution, Commercialization, Information Technology, Corporate Regulatory and/or possible adjustments to adapt to the current Strategic Planning.

When a top risk is mapped for the first time at Cemig, the following steps must be followed:




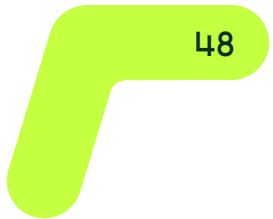


2-25 The following stand out as corporate economic, environmental and social risks prioritized by the Board of Directors:

Top Risk	Description	Examples of Potential Impacts	Examples of Mitigation Actions
Variation of nonperformance at high levels, with a chance of compromising the acknowledgment levels in the fee	Non-payment level higher than expected in the short term and/or above the one acknowledged by the regulatory body in the long term.	i) inadequacy of operating costs and annuities to the limit of the regulatory coverage approved by Aneel ii) reduction in the Company's profitability	Negotiation campaigns Expanding negotiation/fare collection channels
Dam breaches and extreme hydrological events	Sudden and uncontrolled release of a large volume of water from the reservoir of the dam, considering damage related to natural floods, droughts and dam breach events, to the downstream valley.	Social: impacts on the society affected by the dam breach, loss of property improvements, change in routine, temporary loss of access ways, basic services, education, and trade; Economic: damage to properties, buildings, vehicles, infrastructure, loss of generation, loss of production, fines and indemnities; Environmental: damage to flora, fauna, watercourses, and contamination.	Readjustment plan for the overflow capacity of spillways Investment plan for improvements in operational - electromechanical vulnerabilities
Accident with the population along low and medium voltage lines	Situations that pose a risk of an accident (with electric shock or not) to the population, specifically in distribution assets, whether in substations, or low or medium voltage	Serious or fatal accident and interruptions in the power supply	Educational campaigns for the population: Cuidado com o Choque (Beware shocks) Shielding of underground power line conduit boxes
Accidents and diseases among the workforce	Serious accidents (with leave of over 15 days, incapacitating injuries, amputations or fatalities) or (occupational) accidents and illnesses that cause leave of absence of less than 15 days, compromising the corporate indicators.	i) Increase in expenses with leave of absences ii) Loss of productivity	Put together and deploy a program for increasing workers' longevity Implement a Work Health and Safety corporate control and management system
Lack of liquidity in the Company	Cash balance at zero or lower than accounts payable	i) Payment of interest or fines due to delays, and ii) Damage to the Company's Image.	Debt management project
Non-compliance with environmental obligations	Non-compliance with environmental obligations and legislation applicable to the Expansion, Maintenance and Operation of the Assets of Cemig Group Companies.	i) Embargoes/Suspension of operation of facilities ii) Legal liability (civil, criminal or administrative) of the entity and/or individuals.	Management system for monitoring environmental constraints System to measure the efficacy and effectiveness of Socio-Environmental Programs

Among the Top Risks, Cemig seeks to identify and manage non-financial and/or emerging medium and long-term risks that may significantly impact the Company's business. In the last matrix of risks, the following emerging topics were identified:

Top Risk	Description	Examples of Potential Impacts	Examples of Mitigation Actions
Inefficacy of climate change minimizing and adaptation actions.	It refers to inefficacy in climate risk management processes, preventing objectives for mitigating those risks from being achieved.	i) Damage to infrastructure ii) Loss of revenue and market due to new low carbon solutions	Structuring and execution of the 2023 - 2027 PDD (Distribution Development Plan); Distribution Operations Center of the Future Research and Development Program (R&D)
Failure in the confidentiality to, availability of or integrity of corporate and operating computing resources (Cyber Risk)	Failure in the protection to and availability of computer systems rated as mission critical. This risk covers scenarios of up to five years, considering an emergent vision.	i) Loss of integrated control of the electric power system ii) Loss of productivity with consequent reduction in operational efficiency	IT Service Continuity Plan Continuous management of technical vulnerabilities
High level of asset depreciation	The tariff takes into account the BRR (Regulatory Remuneration Base), which only applies to assets that are not 100% depreciated. If there is a significant amount of depreciated assets in operation, revenue and reliability will be compromised. There may be a significant amount of depreciated assets over the medium term, which makes risk more relevant over time.	Reduction of annual regulatory compensation on the asset base	Review the inventory policy ensuring replenishment and supply of materials Plan and detail solutions for investments aimed at BRR recovery

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Risk management monitoring

The Board of Directors' assessment of risk management activities includes ensuring the implementation and monitoring of these management efforts, in order to prevent and mitigate the major risks the Company is exposed to. This includes risks related to the integrity of accounting and financial information and the occurrence of corruption and fraud.


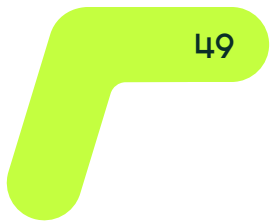
Cemig develops analyses to define the way it will manage economic, environmental, and social topics and their impacts, risks, and opportunities. In this process, the performance of the Corporate Risk Monitoring Committee (CMRC) stands out, whose main duties are:

- Recommend guidelines and procedures to be adopted in the Corporate Risk Monitoring Process to the Executive Board, aiming at the process effectiveness and continuous improvement;
- Continuously monitor the scenario where the Company operates, as well as its corporate risk matrix, in order to identify the major risks and recommend priority mitigating actions to be proposed to the Executive Board;
- Monitor the structure of internal controls and the actions taken to minimize the occurrence of events capable of compromising the achievement of Cemig's strategic objectives.

Cemig does not centrally manage opportunities. However, the Company submits the proposed Corporate Risk Matrix to different levels of management and administration to gather their understanding regarding the prioritization that should be given to each risk.

Main activities carried out by corporate risk management in 2022:

- Composition and review of the Matrix of Top Risks and Compliance Risks, an activity periodically approved by the Board of Directors;
- Unification of the Risk Matrix and Internal Controls;
- Design tests on all internal controls, associated with Top Risks or not, enabling the total update of the internal controls matrix and possible identified;
- Periodic reporting of Top Risks to the Board of Directors and mitigation action plans to directors, systematizing a collaboration routine in monitoring the risk matrix;
- Review of technologies and tools applied to Risk and Control Management processes, exploring digital transformation opportunities to have safer and more assertive tools for interacting with business areas and preparing reports (dashboards);
- Annual Communication Plan for the risk and internal controls area, with the objective of disseminating a risk culture at the Company;
- Virtual training on Risk Management and Internal Controls (module 1), available to all Company employees in order to promote and encourage a culture of risks at the Company;
- Approval of the "Consequences and Accountability Policy on Internal Controls – SOX", which lays down the criteria and procedures to be adopted for measuring and verifying the occurrence of internal control deficiencies related to the Sarbanes-Oxley (SOX);
- Internal Control Bots, aimed at automating the process of notifying control holders about the end date of completion of their activity;
- Training for Risk Management and Internal Controls teams.

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Audit plan

The Annual Audit Plan is prepared based on a preventive approach, in line with the best corporate governance practices, regulations, and international auditing standards Institute of Internal Auditors (IIA) and Committee of Sponsoring Organizations of the Treadway Commission (COSO).


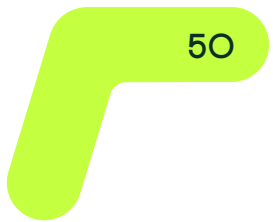
Through monthly reports, the Internal Audit monitors the action plans for delayed audit work, and complaint charges pending responses and communicates them to the Company's Top Management.

The department carries out the same communication procedure during the period of the Annual Training and Adherence to Cemig's Code of Conduct.

In this context, we highlight, in 2022, the creation of the Management Assessment Indicator, referring to SOX Controls (ISOX). Its purpose is to measure and verify the occurrence of control deficiencies (design failure, operation failure or absence of controls), non-compliance or untimely response to remedies, related to the certification process of internal controls related to SOX.

It is calculated annually and applies to everyone responsible for executing SOX Controls, including leaders (managers, superintendents, directors and deputy directors) of Cemig and other companies considered relevant for certification.



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INNOVATION

3-3 (203) The electricity industry is undergoing transformative changes, driven by the intersection of several factors such as: i) increasing decentralization of power generation systems; ii) progress in energy storage technologies; iii) proliferation of digital technologies, which allow energy to be produced, transmitted and consumed in a more intelligent and efficient way; iv) growth of variable renewable energy sources, such as wind and solar and v) the trend towards decarbonization of the energy system, as part of global efforts to mitigate climate change.

With a view to this set of changes, Cemig’s ambition in the innovation area is to explore new technologies and new businesses in the energy industry. The strategic pillars for this are:

Develop new avenues of growth based on transformations in the industry, regulation and technology;

- Getting closer to innovation environments in order to create and explore an innovative culture in the Company;
- Create specialized cells for the development of new businesses or the implementation of innovations.

Within this strategy, the “Cemig Innovation Challenge”, launched in August 2021 and ended in January 2023, stands out.

The challenge was open to the general public, who were invited to submit proposals for formatting new Research & Development projects, in accordance with Aneel rules. The projects were assessed under the guidelines for Innovation approved in the 2021-2025 strategic plan.

Along those lines, Cemig sought proposals from individuals and legal entities headquartered in Brazil on the topics below.

- **Smart products and services:** developing solutions to improve the customer experience, make revenue management more efficient and offer new services.
- **Electric systems of the future:** development of solutions and business models to encourage the electrification of economic activities and electromobility;
- **Alternatives in sustainable generation:** development of alternative solutions for the production of electric energy, from renewable sources to support the growth of the concessionaire’s generation centers;





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Another highlight of 2022 was the start of the “Interconnection and perovskite mini-modules” project, which will develop, demonstrate and test the third generation of solar cells, called perovskite. The objective is to solve photovoltaic generation challenges related to the cost and efficiency of photovoltaic panels, in addition to contributing to decreasing dependence on imported photovoltaic panels, which currently amount to almost all panels sold in Brazil.


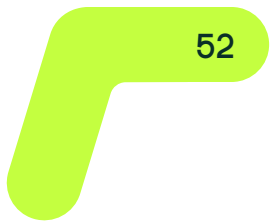
The total investment planned for the project is BRL 6,766,436.60, with BRL 1,582,050.00 disbursed in 2022.

The expected impacts from the development are:

- Cost reduction of photovoltaic panels;
- Possibility of creating local production of photovoltaic equipment, favoring the state’s economy;
- Development of a solution with 70% recyclable technology;
- Solution development with national application developed and produced in Minas Gerais.

In 2022, approximately BRL 24 million were invested in all research and development initiatives.



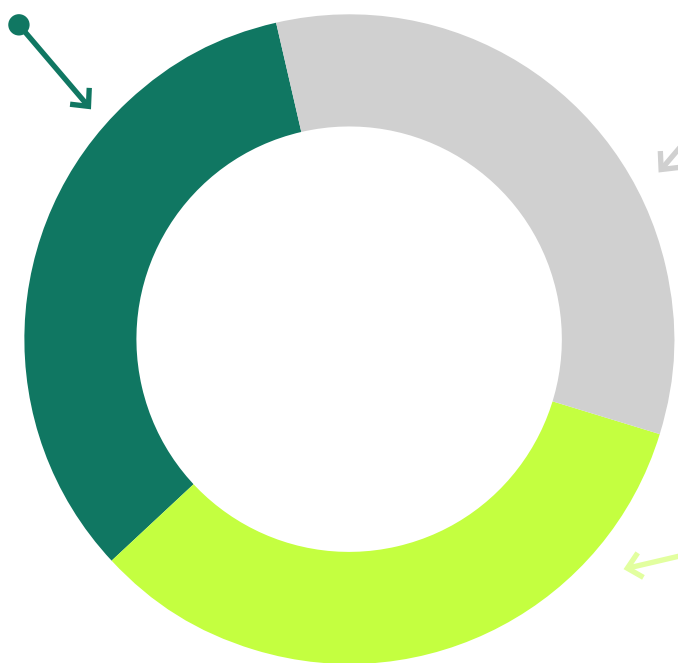
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CEMIG AND SUSTAINABLE DEVELOPMENT

Sustainability has gained increasing relevance in the market and drives the growth of companies. Maintaining a balance between the social, economic, governance and environmental aspects is challenging and requires clear guidelines aligned with the business strategy. To ensure this balance and increasingly strengthen the Company's position in ESG, Cemig revised its ambition, as follows:

ESG ambition restates the company's commitment to environmental conservation, social responsibility and corporate governance practices.

Environmental practices
proactive action aimed at implementing the best environmental practices.



Social interests
acting as an enabler of social development through targeted actions.

Corporate governance
a corporate governance model that values transparency and equity

Reinforce Cemig's position in ESG, improving the company's image before the market, employees, customers and society, enabling a culture aligned with achieving operating results.

- Alignment with **global environmental commitments**, aiming to become **Net Zero by 2040**, developing **practices in line with the UN Sustainable Development Goals (SDGs)**;
- Active participation in Minas Gerais state development, **aligned with the demands and interests of Minas Gerais society**;
- Implementation of a **streamlined and transparent corporate governance model** capable of achieving results based on a rationale focused on corporate responsibility and equity.


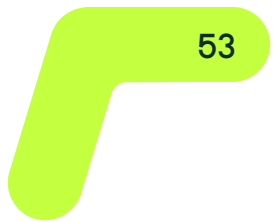


These principles are translated into actions, which are intended to make employees and partners aware of the main environmental challenges for Cemig. As part of this process, in 2022 Cemig joined the UN Global Compact's Net Zero Ambition Program and made a commitment to zero greenhouse gas emissions by 2040.

From the social standpoint, Cemig's responsibility is incorporated at the heart of the Company's strategy. As a public services' provider, its social strategy includes relationships with society, its 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 for the whole of society.

Cemig's mission is "To provide clean and accessible energy integrated solutions to society in an innovative, sustainable and competitive way" and it shows the company is fully connected to the ESG topic, including in its principles.

The company Strategic Plan restates the commitment to ESG practices, taking on a standout role in the industry through advanced environmental management practices, producing positive social impacts on communities it performs in, with due care for health and safety, together with the best corporate governance practices.


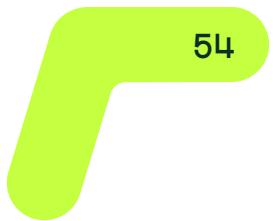
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Below are the company pillars within the Strategic Plan:

Cemig's ESG Strategic Guidelines

Environmental practices	Contributions to social interests	Corporate Governance Principles
Meet actions to becoming Net Zero until 2040, with the commitment of reducing the total of its green house gas emissions by 75% until 2030	Arrange communications with Minas Gerais society and government (including the municipal one)	Continuously improve CEMIG's positioning within the major global sustainability rankings.
Develop our businesses according to the UN's Sustainable Develop Objectives (SDO)	Work as an inducer of the stat's development, eliminating bottlenecks and wait for new connections	Foster diversity within the Company through raising sensitiveness to the topic, actions and goals.
Focus on clean energy sources (o full impact offsetting)	Promote actions to combat human occupation under power lines and power hogs	Strength conformity and integrity culture capable of simply and sustainably contributing to delivering the Company's results.
Expand trading of the Renewable Energy Certificate – Cemig REC and I-REC	Promote projects geared to developing social and cultural in schools, hospitals, city halls and other social entities	Manage risks in order to ensure the success of strategic objectives and minimize associated negative impacts
Develop biodiversity conservation actions so as to generate benefits to society	Perform investments that generate jobs and contribute to the development of local Minas Geras communities	Act so as to promote Transparency and care for the protection of personal information and datCEMIG is responsible for
Develop actions in line with circular economy, expanding recycling, equipment remodeling and waste management.		



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To achieve this ambition, Cemig has its Sustainability Plan aimed at:

- **Align sustainability efforts to Strategic Planning;**
- **Create value for stakeholders;**
- **Identify risks and opportunities, integrating sustainable principles and practices into the Organizational Culture;**
- **Identify the major gaps and points for improvement in the Socio-Environmental and Governance aspects;**
- **Keep the Company in line with best practices, boosting Sustainability leadership;**
- **Improve communication of the Sustainability strategy with stakeholders and add value to Cemig’s brand and reputation.**

To put the plan together, a comprehensive analysis of the external environment was first carried out, in order to identify trends, risks, threats and opportunities that may affect Cemig.

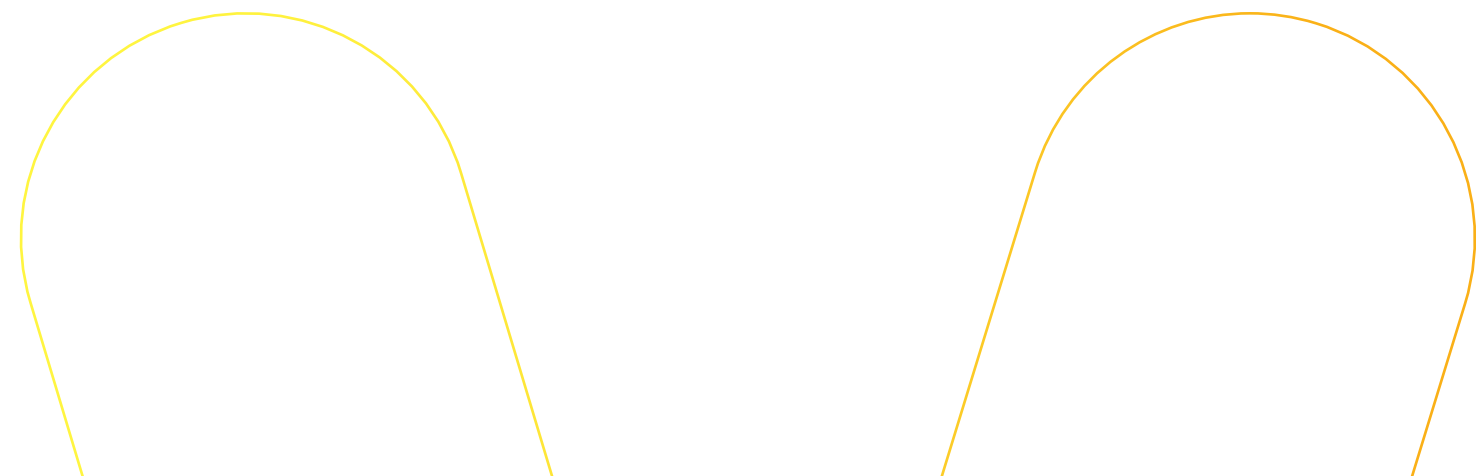
The main topics were also systematized, considering the environmental, economic, governance and social aspects. In this stage, several sources of information, international methodologies, sustainability ratings, benchmarking with reference Companies and the Sustainable Development Goals (SDG).

Subsequently, analyses of the internal environment were carried out to map the impacts caused by the Company’s operations in its value chain, and the main weaknesses, points for improvement and best practices were identified. At that stage, interviews were carried out with specialists in the internal areas, questionnaires were handed, and a workshop with the leaders, in addition to a detailed analysis of the Company’s internal policies and guidelines.

Based on the information obtained via internal and external analysis, the seven most relevant topics were defined and prioritized, as shown below; they were then broken down into 31 sub-topics that make up the Materiality Matrix of the Sustainability Plan:

- **Governance;**
- **Risk management;**
- **Innovation and renewable energies;**
- **Value chain management;**
- **People management**
- **Natural capital and climate change management;**
- **Efficiency.**

Moving on with the work, initiatives were proposed in line with the Corporate Strategic Planning and the “Top Risks” of the Company, for the validation and implementation of actions by the various areas in charge of them in a five-year scenario. For monitoring, measurement and analysis of the results of Cemig’s Sustainability Plan, approximately 33 indicators related to the topic are being defined. Their performance will be assessed at the end of each year against the previous year, in addition to monitoring implementing and carrying out the initiatives.





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The Sustainability Plan major results and goals being developed are presented below:

Goals Being Developed by the Sustainability Plan	
Goals	Performance in 2022
Keep the total loss index of Distribution below 11.16%	For the year 2022, the result was 11.11%.
Keep DEC - Equivalent Interruption Duration per Consumer at up to 9.49 h.	In 2022, Cemig's DEC was 9.48 h.
Keep the TFA (D) - Accident with Leave Frequency Rate (Workforce) below 1.15 accidents/million man hours worked.	In 2022, it was 1.48 accidents/million man hours worked. More details in the Occupational Health and Safety Chapter.
Have a percentage of Access Opinions of Micro and Distributed Minigeneration Issued on Time over 83%.	In 2022, the percentage of Access Opinions of Micro and Distributed Minigeneration Issued on Time was 97.5%.
Have a Company Top Risk Matrix Index Mapping of 100%.	In 2022, it reached the goal of 100%.
Carry out a Compliance Culture Communication Campaign.	In 2022, the Campaign was carried out.
Obtain a Health Index for the Cemig Brand on Social Media above 55%.	In 2022, the index reached 67%.
Use at least 95% of Federal Incentive to Culture	In 2022, at least 95% of Federal Incentive to Culture was used.
Have at least 550 volunteer employees participating in Corporate Initiatives	In 2022, Cemig had 183 volunteer employees participating in Corporate initiatives. See more details in the Corporate Citizenship and Social Investments Chapter.
Have at least 2,399 people benefit from Sports Projects sponsored by Cemig.	In 2022, 2,742 people benefited from Sports Projects.
Have at least 4,670 people benefit from Fund for the Elderly Projects.	In 2022, 5,599 people benefited from Fund for the Elderly Projects.
Obtain a minimum score of 4.3 out of 5 in the Investor Relations Satisfaction Survey.	In 2022, the satisfaction rate was 4.1 of 5.
Obtain 100% in the Index Environmental Constraints Compliance Index.	In 2022, the result was 99.56%.
Have a Deadline Index for Obtaining DAIA's (Environmental Intervention Authorization Document) of less than 455 days.	In 2022, the rate was 432 days.
Have a Safety Belts of High Voltage and Extra High Voltage Lines vacancy rate of 195 households or more.	In 2022, the rate was 204 households.





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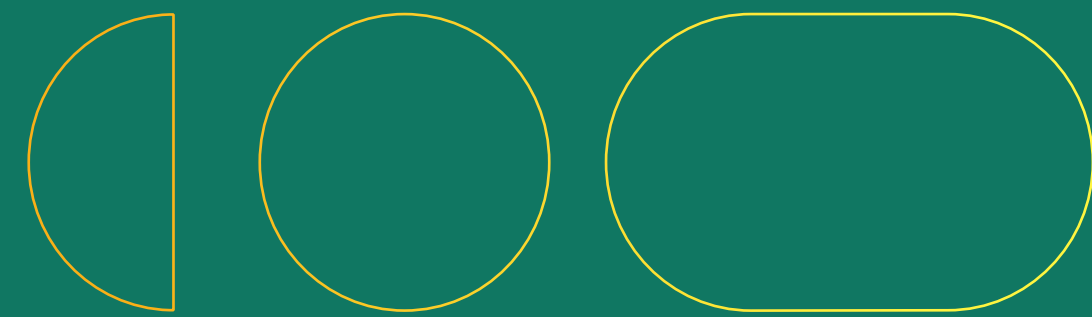
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The table below shows the major goals and objectives proposed by Cemig's Strategic Planning and its Sustainability Plan for 2023:

Indicator	2022 Results	2023 Goal
IPTD - Total Losses in Distribution Rate	11.11%	10.84%
DEC	9.48 h	9.24 h
TFA (D) - Accident with Leave Frequency Rate (Workforce)	1.48 accident/million TMH	1.11 accident/million TMH
TFA (GT) - Accident with Leave Frequency Rate at DCD (Workforce)	0.93 accident/million TMH	0.88 accident/million TMH
IASC - Customer Satisfaction Index	57.8%	66%
PPGD - Percentage of Access Opinions of Micro and Distributed Minigeneration Issued on Time	97.5%	83% (IGPD)
MAPRISK - Index of Company Top Risk Matrix Mapping	110%	100%
P-Vol - Voluntary Participation in Corporate Initiatives	183 volunteers	200 volunteers
PESP- Number of People Benefited by Sports Projects	2742	4000
ICC - Environmental Constraints Compliance Index	99.56%	100.00%
ILOI - Environmental Licensing Index - Cemig GT	5	4
IDFSP - Index of demands for eviction of Safety Belts answered on time	First survey to be carried out in 2023	95%
IURI - Incentive Resources Use Index (Sports, elderly and FIA)	First survey to be carried out in 2023	90%
P-Vol - Percentage of Participation of Volunteers in Corporate Initiatives in relation to the total number of employees	New indicator	4%
Development and implementation of the SIMBIOSE System (it measures the percentage of compliance with the SIMBIOSE Development and Implementation plan according to the following modules: Ichthyofauna Database upload - 100%, Contract Management - 30%, Insertion of Environmental Licenses - 100%, Insertion of Environmental Conditions - 100%, Processing of Reports - 30%)	100%	100%
PE-AI6% - Participation of Employees in the AI6% - Formando Cidadãos (Educating Citizens) Program	27.70%	27.33%
Press favorable opinion	90.70%	Over 85%
Culture Tax Incentive	100.4%	Over 95%
ISUSTENT - Cemig participation in the Major Sustainability Ratings in Brazil and the World	89.18%	89.00%


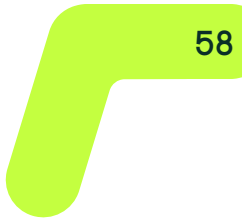




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Power is a word that has accompanied Cemig since its foundation. It is present in everything the Company accomplishes when fulfilling its Mission and for the realization of its Vision. This power can be seen in the day-to-day work of its employees and other collaborators, in the relationship with its suppliers and in the constant search for excellence in service to its customers and consumers. This power can also be seen in its social and environmental performance. And it is reflected in its economic performance.

FOCUS ON THE CUSTOMER

A continuous search for customer satisfaction is part of Cemig’s Vision. The commitment to excellence in the provision of services and good relations with customers is one of the principles stated in the Cemig’s Code of Conduct.

OUR CUSTOMERS AND CONSUMERS

2-6 Relationship with Cemig customers, both in regulated and free contracts, is based on the Energy Trading Policy. To offer the best customer service, the Company has a dedicated superintendence and a team of professionals with specific technical knowledge, who manage contracts and all customer demands, in addition to prospecting and attracting new customers.

Cemig’s types of customers are:


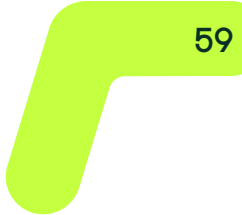
- Captive consumers, linked to a distribution company with a demand of less than 500 Kwh/month. Located in Minas Gerais, they are fall into the residential, industrial, commercial, rural, public power, public lighting, and public service classes;
- Free consumers, with no connection to distribution companies with consumption demand above 500 KWh/month are divided among the industrial, commercial and rural classes in Minas Gerais, Federal District or in other 22 Brazilian states.
- Independent energy traders, generators and producers that are agents of the electricity industry and served in the Free Contracting Environment (ACL).
- Distribution companies that work in concessions in other areas and are serviced in the Regulated Contracting Environment (ACR).

MARKET DEVELOPMENT

General data and customer service data	2020	2021	2022
Number of captive customers	8,695,421	8,882,293	9,032,513
Number of free customers	2,293	3,415	3,922

Below once can analyze energy sales by consumer class and variation between 2021 and 2022:

Energy sales by consumer class (MWh)	2021	2022	Variation
Sales to Final Consumers	43,229,477.49	44,863,966	3.8%
Residential	11,185,772.01	11,216,803	0.3%
Industrial	16,360,861.36	18,203,747	11.3%
Commerce, Services and others	8,334,094.81	8,956,518	7.5%
Rural	3,975,397.61	3,092,931	-22.2%
Government	729,312.35	855,672	17.3%
Street Lighting	1,225,733.13	1,139,039	-7.2%
Public Utilities	1,418,306.22	1,400,256	-1.3%
Private Consumption	33,074.07	30,942	-6.4%
Supply to other concessionaires	10,824,709	14,647,293	35.3%
Total	54,087,260	59,542,201	10.1%

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When detailing sales to final consumers, it can be seen that industry is the most representative sector, with approximately 40% share in total sales, as per below:

Sales to final consumers (MWh)	
Residential	11,216,803
Industrial	18,203,747
Commercial and Services	8,956,518
Rural	3,092,931
Other Classes	3,424,910

Residential

Home consumption accounts for 18.8% of the energy distributed by the Cemig group and totaled 11,216,803 MWh, a 0.3% increase in 2022, against 2021.

The average monthly consumption per consumer in the first half of 2022 was 124.6 kWh/month, which corresponds to a decrease of -2.5% against 2021 (127.7 kWh / month).

This consumption decrease behavior in the Residential class relates mainly to migration of costumers to Distributed Micro and Minigeneration.

Industrial

Energy billed to captive and free customers in Minas Gerais and other states amounts to 30.6% of the volume of energy sold by the Cemig Group and totaled 18,203,747 MWh in 2022, an increase of 11.3% against 2021. This result is a merge of the -9.6% reduction in the captive segment and a 13.7% increase in the free market.

The reduction in the captive market is related to the migration of customers to the free market and reflects the current scenario of the sector in the state. According to IBGE, the industrial sector in Minas Gerais is presenting shrinkage, with accrued variation in the year of industrial production of -0.9% until November/2022, against the same period of the previous year²⁸.

In the free market, positive variation in energy sold to industrial customers is related to new sales agreements with supply starting in January 2022.

Commercial and Services

Energy billed to captive and free customers in Minas Gerais and other states amounts to 10.5% of the volume of energy sold by the Cemig Group and totaled 8,956,518 MWh in the year 2022, a growth of 7.5% against 2021.

The behavior of this class is associated with a 9.6% increase in the amount of energy billed to Cemig D's captive consumers and of 5.3% in the amount of energy billed by Cemig GT and Wholly-Owned Subsidiaries to free customers, in Minas Gerais and other states of Brazil.

The Trade and Services indicators grew in Minas Gerais. According to IBGE, the indicator for the volume of retail trade sales in Minas Gerais changed by 2.1% in the year-to-date result for the year up to November, against the same period the previous year, and the volume of services index showed a significant growth of 11.2% in this same comparison with resumption of post-pandemic activities²⁹.

The growth in captive consumption is also related to the increase in the number of customers, both in the free market (+13.1%) and in the captive market (+19.5%). This increase in customers in the captive market is related to the change in customer class from the Rural and Public Service class to the Commercial class, in compliance with the cadastral review defined by ANEEL Normative Resolution No. 901/2020.

Rural

The consumption of the Rural class, which reached 3,092,931 MWh, amounts to 5.2% of the energy sold by Cemig and decreased 22.2% in 2022 against 2021. This behavior is mainly due to a 31.3% reduction in the number

of captive consumers, that is, 210,875 customers. This reduction is related to the reclassification of customers from rural to other classes, in compliance with the registration review defined by Aneel Normative Resolution No. 901/2020.


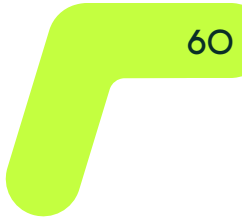
In 2015, Cemig Distribuição, aiming to universalize the supply of power in its concession area, established the Rural Service Regularization Plan (PRAR), which aimed to provide to approximately 50,000 rural properties. A program of high logistical complexity, with the construction of over 15,000 km of networks, installation of 40,000 transformers, thousands of poles and with investments of around BRL 800 million. PRAR started in October 2015 and provided for over 53,000 customers by August 2018, connecting 30,000 old requests and over 23,000 new requests, surpassing the initial goal of 50,000 connections.

After the Rural Service Regularization Plan in Cemig D's concession area, natural growth is booming, demanding a vigorous number of works in the rural distribution networks to meet new load requests and to install a Photovoltaic Distributed Generation. In 2022, 23,113 works were performed, involving an investment of BRL 223 million. For 2023, it is projected that 23,500 works will be carried out to meet requests from rural customers.³⁰

28. [https://diariodocomercio.com.br/economia/producao-do-setor-industrial-avanca-22-em-minas-gerais/#:~:text=nestes%20dois%20meses,-Com%20o%20resultado%2C%20o%20ritmo%20de%20queda%20da%20produ%C3%A7%C3%A3o%20industrial,Geografia%20e%20Estat%C3%ADstica%20\(IBGE\).](https://diariodocomercio.com.br/economia/producao-do-setor-industrial-avanca-22-em-minas-gerais/#:~:text=nestes%20dois%20meses,-Com%20o%20resultado%2C%20o%20ritmo%20de%20queda%20da%20produ%C3%A7%C3%A3o%20industrial,Geografia%20e%20Estat%C3%ADstica%20(IBGE).)

29. <https://www.ibge.gov.br/estatisticas/economicas/comercio/9227-pesquisa-mensal-de-comercio.html>
<https://www.ibge.gov.br/estatisticas/economicas/comercio/9227-pesquisa-mensal-de-comercio.html?edicao=36217>

30. For services that qualify as the property's first energy point and installed load of up to 50 kW, works are carried out with Cemig's resources, without financial share from customers, as defined in ANEEL resolution 1000/2022, a device similar to what was already contained in ANEEL resolution 414/2010. For other services, possible financial share of customers for execution of the works is calculated in accordance with the parameters also defined in this ANEEL resolution.

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Other Classes

The power supplied to the other classes - Public Power, Public Lighting, Public Service, and In-House Consumption - which amounts to 5.8% of Cemig Group's energy sales, amounted to a total of 3,424,910 MWh in 2022, an increase of 0.5%, against the same period in 2021.

With regard to Government, there was an increase of 17.3% in consumption, mainly due to the resumption of post-pandemic activities and reclassification of units from the Rural and Public Service class to the Government class, in compliance with the defined cadastral review by Aneel Normative Resolution No. 901/2020.

The 7.2% reduction in street lighting consumption is related to the replacement of LED light bulbs in some city halls.

Sales in the Free Contracting Environment (ACL) and bilateral agreements

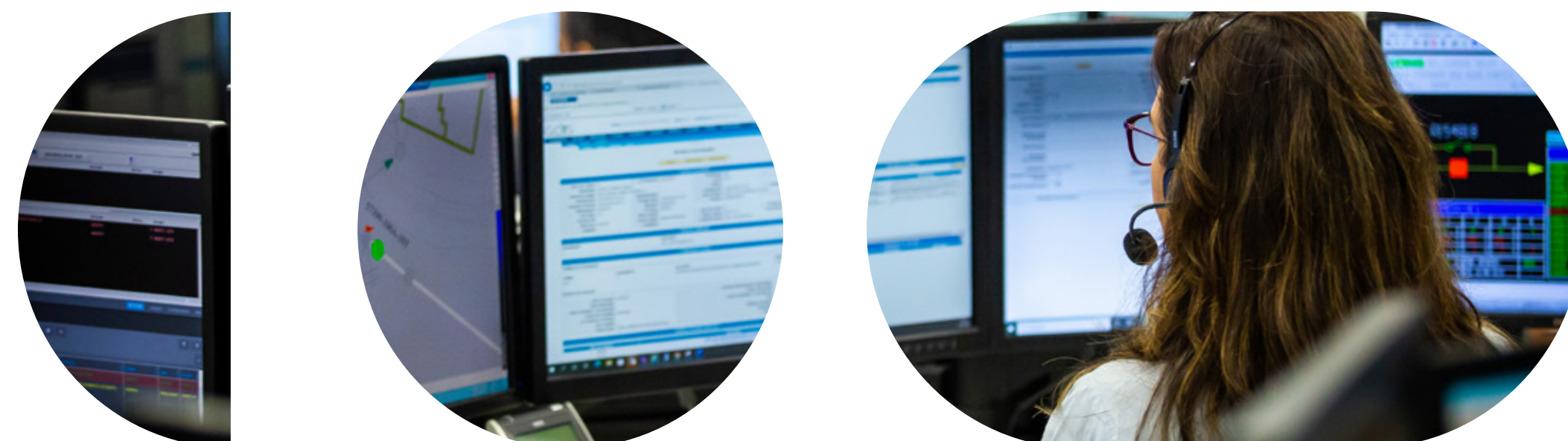
In the year 2022, the sale of energy reached the amount of 12,561,289 MWh. The 43.9% increase against 2021 is due to the higher volume of short-term sales to trading companies and new sales contracts with delivery beginning in January 2022.



Sales in the Regulated Contracting Environment – ACR

Energy sales in the Regulated Contracting Environment (ACR) totaled 2,086,004 MWh in 2022, a 0.5% decrease against 2021. This is due to the difference in seasonality of distribution companies between years, as the period refers to supply from December 2021 to November 2022.

Cemig Group's market performance is detailed in the following table:

Number of customers per class and amount of energy.		
Breakdown	Quantity (un)	Energy (MWh)
Sales to final consumers	9,035,666	44,863,966
Residential	7,501,704	11,216,803
Industrial	30,877	18,203,747
Captive	29,201	1,532,562
Free	1,676	16,671,184
Commercial	950,849	8,956,518
Captive	948,615	4,541,506
Free	2,234	4,415,012
Rural	462,154	3,092,931
Captive	462,142	3,061,899
Free	12	31,033
Other classes	90,082	3,393,968
In-House Consumption	769	30,942
Wholesaling	555	14,647,293
ACR	27	2,086,004
Free and Bilateral Agreements	528	12,561,289
Total	9,036,990	59,542,201



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Corporate Customers

Potential corporate customers³¹ são submetidos a uma criteriosa análise de crédito. are subjected to a thorough credit analysis. Before the sale is concluded, the operation is submitted for approval to the Energy Risk Management Committee (CGRE)³² to assess feasibility and verify compliance with commercial guidelines. After their approval, the operation is submitted to the Executive Board for deliberation.

Cemig’s corporate customers operate mainly in the commercial and service sectors and work with high consumption of power, thus representing a significant percentage in the share of energy sales and, consequently, in its revenue. To deal with this important segment of customers, Cemig has a specially qualified internal structure, which allows it to continuously develop and improve its technical and commercial relationship with its customers.

Considering the complexity of the electricity industry, which requires extensive knowledge of legislation, rules and procedures for the sale of energy that govern the market, Cemig provides a personalized commercial relationship structure, in addition to teams and processes aimed at serving corporate customers, including:

- Structuring the relationship divided by commercial management departments to serve high and medium voltage customers;
- Putting together teams with technical and commercial knowledge to operate both in the regulated energy supply market and in the free market for the sale of electricity.
- Establishing internal processes for prospecting customers;
- Product portfolio diversification;
- Contracting and management of commercialized energy;
- Retention of the distribution system;
- Risk analysis; forecasting and monitoring of energy prices;
- Personalized customer service, and submission of operations for internal approval and for deliberation by the Executive Board.

The segmentation of Cemig’s Corporate customers is quite diversified. These are customers that operate in various sectors of the economy, both in the industrial sectors (manufacturing, basic, electro-intensive industries) and in the services, commerce and agribusiness sectors.

In order to serve this very diverse public, whether in Minas Gerais or in Brazil, Cemig uses, in addition to standard relationship channels, Cemig Customer Portal, Virtual Service Center, Relationship A Platform - Salesforce, corporate events and commercial relationship agents.



31. The types of customers described in items (II), (III) and (IV) are those called Cemig “corporate customers”.

32. CGRE is composed of members from different areas of Cemig

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Energy Quality


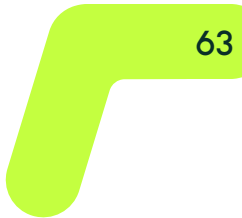
[EU6; EU7] Product quality is the result of several internal actions, from operations management, logistical planning for emergency response, inspections and preventive maintenance of substations and distribution lines and networks. There is also investment in the qualification of human resources, in new technologies and standardization of the work process.

[EU28; EU29] Effectiveness of the actions listed above is validated through the Interruption Equivalent Duration per Consumer Unit (DEC), and Interruption Equivalent Frequency per Consumer Unit (FEC) indicators. Based on them, the period and how many times on average the consumer was left without power, it is possible to analyze whether the stoppage was scheduled or resulted from accidents, whether it could be predicted and what action to take. The following charts show the evolution of the DEC and FEC continuity indicators:

[EU-30] Technical Data

	2020	2021	2022
General Company Interruption Equivalent Duration per Consumer Unit (DEC) – Calculated amount	9.71	9.46	9.48
General Company Interruption Equivalent Duration per Consumer Unit (DEC) – Threshold	10.31	10.09	9.98
General Company Interruption Equivalent Frequency per Consumer Unit (FEC) – Threshold	5.07	4.60	4.58
General Company Interruption Equivalent Frequency per Consumer Unit (FEC) – Calculated amount	6.98	6.57	6.43



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In 2022, the DEC indicator showed a result of 9.48 hours, below the regulatory limit of 9.98 (hours). It should be noted that the performance in the Accidental DEC in 2022 was the best in recent years, with a value of 8.00 hours, showing a reduction of 4.76% against the previous year, which had been 8.40.

FEC shows a significant reduction over the years, with a figure of 4.58 interruptions in 2022, against the regulatory limit of 6.43 interruptions. Accidental FEC, in turn, was reduced from 4.52 in 2020 to 4.14 in 2021 and 3.95 in 2022, against the previous year.

DEC – TYPE	2020	2021	2022	Variation in the past year
Scheduled	1.29	1.06	1.48	39.62%
Accidental	8.42	8.40	8.00	-4.76%
DEC per unit	9.71	9.46	9.48	0.21%
Regulatory Limit	10.31	10.09	9.98	-1.09%

FEC – TYPE	2020	2021	2022	Variation in the past year
Scheduled	0.55	0.46	0.63	36.96%
Accidental	4.52	4.14	3.95	-4.59%
FEC per unit	5.07	4.60	4.58	-0.43%
Regulatory Limit	6.98	6.56	6.43	-1.98%

In 2022, approximately BRL 84 million was paid in compensation to Cemig D's customers for breach of individual electricity supply continuity indicators (DIC, FIC, DMIC, and DICRI). This compensation amount was 40% higher than in 2021. Below are the amounts spent in indemnities during the past 3 years:

Amounts spent in Indemnities (BRL M)		
2020	2021	2022
54	48	84

Technical losses rate - 3-year period				
	PPTD	PPNT	Total losses	Regulatory Limit
2020	8.77%	3.8%	12.56%	11.49%
2021	8.77%	2.50%	11.27%	11.28%
2022	8.77%	2.34	11.11%	11.22%

Protection against losses: technical and non-technical losses

Cemig has the Indicator of Total Losses in Distribution (IPTD), which results of the difference between the total energy injected into the distribution system, determined with the Electric Energy Trading (CCEE), and the total energy consumed by the market. IPTD is internally segmented into Technical Losses (PPTD), which are inherent to energy transport, and Non-Technical Losses (PPNT), which occur in the power system due to measurement errors and energy theft.

The total distribution loss index - IPTD in 2022 was 11.11% in relation to the total energy injected into the distribution system, representing a small reduction against the 2021 result of 11.27%. The 2022 IPTD is composed of 8.77% technical losses and 2.34% non-technical losses. This result is within the target set out by Aneel for Cemig D for the current tariff cycle (2018 to 2022), which in 2022 is 11.22%.


As a measure to combat losses, in 2022, 401,000 inspections were carried out, 612,000 obsolete meters were replaced, 235,000 conventional meters were replaced by smart meters and 4,300 power hogs were regularized.

Cemig has 9,639,000 meters installed, of which 282,081 (in May 2023) are classified as smart meters, representing approximately 2.97% of the total installed meter set. Smart meters are those that have at least one interface for local communication integrated into the meter. Smart meters are one of the components of

the Advanced Metering Infrastructure (AMI); they are integrated into computer systems that allow energy consumed to be recorded on the meter every 5 minutes and are used in the billing process, energy accounting, as well as connection and disconnection processes.

Through the Integrated Measurement Center, the Company also carries out remote monitoring of large captive and free customers in high, medium and low voltage, which represents the business planning of approximately 60% of the energy billed by the distribution company. Such business planning aims to identify and prevent attempts to carry out or repeat fraud in measurement systems.

In 2022, The Main Grid Loss Index was 1.60% for Cemig D and 2.33% for Cemig GT. Main grid losses are calculated by the difference between generated energy and energy delivered at the distribution grids. The cost of those losses is apportioned monthly between generation and consumers through power tariffs.

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Payment default

In 2022, it was possible to implement the plan to combat payment default, allowing the Company to reach historic levels in the rates of collection and control of payment default. Expansion of the use of all administrative collection tools (SMS, email, collection letter, blacklisting, protest and collection platform) contributed to a progress of over 20%, in the volume of debt collection actions against the previous year.

With regard to supply stay, we highlight, for the period of 2022, the expansion of the installation of equipment and smart meters equipped with technology to carry out the power supply stay remotely. Currently, the Company has approximately 239 thousand installed meters. In addition, it is worth noting the positive contribution of Business Intelligence (BI) tools in Revenue Protection operations, which, insofar as it improved visibility and facilitated monitoring, contributing to decision-making and performance insights, added a more streamlined and strategic view of the business.

EU-27 Duration and number of power cuts performed between 2020 and 2022:

Cut duration time	Number of cuts by duration		
	2020	2021	2022
< 48 hours	252,248.0	512,561.0	446,602
48 Hours - 1 week	100,752.0	173,873.0	139,857
1 week - 1 month	61,660.0	85,276.0	65,062
1 month - 1 year	150,173.0	289,348.0	278,011
> 1 year	2,785.0	11,939.0	41,584
Total	567,618.0	1,072,997.0	971,116

In 2022, The Index of Estimated Losses from Doubtful Credits (PECLD) amounted to BRL 108 million, 17% lower than the previous financial year (BRL 130 million). This decrease is due to the conclusion of negotiations with the Minas Gerais State Government, negotiations with hospitals and large industrial customers, actions to boost debt collection activities and improving accounting rules.

With that, an increase in the percentage index of fare collections can be noticed, with an annual turnover of 99.68% being recorded, against the 98.66% one achieved in 2021. Besides that, a decrease in the amount in arrears in the captive customer portfolio of about BRL 40 million was seen.

Relationship with customers

Cemig has a Consumer Council that represents the interests of all consumption classes collectively and promotes the defense of their rights. It consists of six full members and six deputies, representing the following classes of consumption: residential, industrial, commercial, rural, and government.

The Council is charged with giving due treatment to the suggestions received, cooperate in inspections and accept charges and complaints made to Cemig, based on the general conditions of power supply.

In 2022, Cemig's Consumer Council held eight meetings to discuss matters relating to the distribution company's provision of services, participated in meetings with Councils from other Energy Concessionaires, and met with Aneel and Procons (Consumer Protection Bureaus) directors. In addition, it participated in forums and training on the Brazilian energy market, in order to effectively contribute to the continuous improvement of the quality of services provided by the Distribution Company.

Cemig is constantly improving the engagement of its employees with a view to customer satisfaction. In 2021, based on a strategic partnership with the International Business Machines Corporation (IBM), the Cliente+ project was created. The project enabled an omnichannel operation, that is, the convergence of existing service channels – telephone, WhatsApp, website, Telegram, SMS and the Cemig app – providing cognitive and integrated service between the various platforms used by customers. This new format allowed a more streamlined and optimized service system, improving the

customer experience, and also reinforcing Cemig's commitment to be more digital, agile, technological and closer to its customers.

In 2022, Cemig created the Customer Committee, with the objective of integrating the Distributor's areas and monitoring the results of indicators that translate and demonstrate the quality of customer service. The Committee holds monthly meetings with the aim of identifying and mapping actions aimed at improving the experience and their satisfaction.

In February 2022, the responsible board conducted training with Cultural Influencers, and, throughout the year, the actions and innovations promoted by the Cliente+ project were posted on the Company's intranet. In addition, it also promoted online training for all employees and contractors on Cemig's Tone of Voice. UniverCemig provided specific training on the subject, based on four main guidelines: being simple, accessible, reliable and charming. The tone of voice was defined by listening to several areas and its definition was part of the scope of the Cliente+ project.

The training was aimed at all Cemig employees, and not just those who work directly with customers, as Cemig understands that good communication is essential for a healthy and lasting relationship. The training presented simple techniques to improve written or spoken communication, in line with the traits that are expressed in the Company's cultural identity book.

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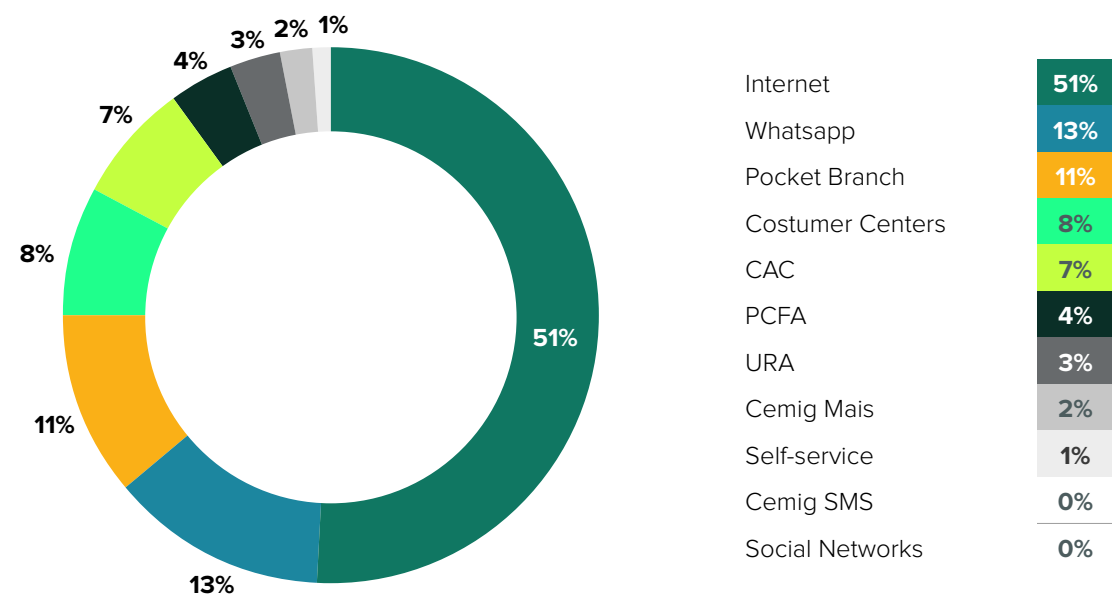
Major relationship channels

Due to the scope of Cemig’s concession area (a presence in 774 municipalities), diversity in relationship channels is an essential resource to provide quality service to its customers. With a focus on the customer, Cemig aims at getting closer to and strengthen relations with its consumers and offer a modern and streamlined service with quality and transparency. To that effect, there are service channels available that bring together various means, such as face-to-face, telephone, and virtual communications.

Cemig is aware of the growing demand for virtual channels, and has invested in the diversification of these service channels without failing to offer the same quality required to guarantee satisfaction of consumers in other channels. All this apparatus is essential to provide adequate service to its over 8.8 million customers who, in 2022, requested over 104,389,747.00 million services through the several channels. This figure represents an increase of 8% against 2021.

Face-to-face service is provided by the “Cemig Fácil de Atendimento” customer service network, through 142 branches and 635 customer centers. Telephone service, in turn, is carried out through “Fale com a Cemig” (Talk to Cemig), including the availability of a number for assistance to the hearing impaired. This channel is also responsible for customer service via Social Networks (Facebook and Twitter).

Below is a graph with the demonstration of the participation of the channels in the 2022 achievement:



[EU-24] In line with its new Materiality and the commitments it has made to Human Rights, Cemig is also concerned with providing better service and interaction for its customers with special needs. For this reason, Cemig offers personalized assistance in its various channels, such as: Fale com a Cemig (Talk to Cemig) (0800 723 8007), Cemig Torpedo, online channels and the Cemig Atende app.

All these channels have services for the hearing impaired. The online channels can be used by users with special needs through adapted devices and software. Service centers have adequate facilities in line with Brazilian accessibility standards (ABNT-NBR 9050), and there is a special phone number for hearing-impaired people. Besides that, Cemig also has an option for providing power bills in Braille for the visually impaired.

In 2022, the Company trained employees at service branches in various locations to receive clients with disabilities. The training was given by a visually impaired Cemig employee.

To address language-related barriers, the virtual branch can be automatically translated into English and Spanish in addition to the default Portuguese language. Finally, to serve people without or with limited access to technology, or who are illiterate, there is also face-to-face service at Cemig branches.

Path to Understanding and Ombudsman Office

The management of the relationship channels includes monitoring and control via contact panels, which allow for obtaining information on records and customer service provided on all channels.

It is also possible to check the amount of services provided by following the logic of the Path of Understanding established by Aneel. This reasoning includes guidelines to establish a tiered order of the levels of treatment by which the consumer complaint must follow, namely:



All the relationship channels mentioned above make up the first level for handling customer demands. At the first level, the granularity and the volume of interactions are immense, considering Cemig’s over 8.5 million customers.

If requests or complaints are not resolved at this first level, the customer has the option of calling the Company’s Ombudsman Office.

The Ombudsman Office records, instructs, analyzes and - in the best possible way - deals with complaints made by consumers through the Distribution Company customer service channels (first level), which have been answered in a non-satisfactory way pursuant legislation in effect. As a second-tier channel, the Ombudsman Office is an administrative and appellate body for settling conflicts related to Cemig’s services and requests regarding the provision of services. Finally, if the customer is still dissatisfied, they can go to the third level of service, making a request directly to the Ombudsman Office of Aneel, the sector’s regulatory agency.

If the consumer submits his complaint outside this sequence, their request will be sent to the correct channel and they will be notified about the consumer complaint process stage order.

In 2022 the total number of 2nd and 3rd level statements increased, respectively, 20% and 17.64%. The number of 2nd and 3rd level charges decreased, respectively, 43% and 9% from 2021 to 2022. The number of complaints, in its turn, rose 34% at the 2nd level, and only 2% at the 3rd level.



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Customer service channels – kinds of statements received in the reporting period	Cemig's Ombudsman Office (2nd Level)			Aneel Ombudsman Office (3rd Level)		
	2020	2021	2022	2020	2021	2022
Contact info	14,339	12,017	11,741	34,714	23,054	30,329
Complaints	16,951	22,486	30,041	19,968	20,313	20,708
Complaints	1,998	618	350	80	87	79
Compliments	11	18	23	20	6	6
Suggestions	11	10	21	11	11	17
Total	33,299	35,149	42,176	54,782	43,471	51,139

Major subjects of complaints recorded in 2022 were microgeneration connection, grid extension and other demands, as per below:

Major complaint subjects (%)	2020	2021	2022
1. Microgeneration Connection	21%	15%	13%
2. Network Extension	4%	6%	11%
3. Consumption Variation/Excessive Consumption	8%	11%	9%
3. Supply Interruption	7%	8%	7%
4. Charges for Irregularities	6%	7%	6%
5. Connection	5%	6%	5%
6. Refunding of Electrical Damages	5%	6%	4%
8. Voltage Fluctuation/Variation/Oscillation	3%	3%	3%
9. Reclosing	3%	3%	3%
10. Penalty for Arrears/Self Reclosing	3%	3%	1%
11. Other	35%	32%	38%
Total	100%	100%	100%

Technical Note 11/2017_SMA/ANEEL established assessment goals for the Ombudsman in the Power Industry, laying down criteria that define what would be a Model Ombudsman. The criteria analyzed are handling complaints, ombudsman structure and qualification criteria based on REN 470/2011.

Out of 100 disputed points in the three analyzed criteria, Cemig Ombudsman obtained, in 2017, 69.2 points, 82.9 in 2018, 84.2 points in 2019 and 73.1 points in 2020. In 2021, Cemig's performance improved against the previous year, and the score rose to 78.7.

Consumers Satisfaction

2-29 Customer satisfaction is inherent to the Company's culture and is the responsibility of all employees. The positive impacts from this stance are brand appreciation and good standing for the Company in the markets it operates in and acknowledgment through satisfaction surveys, particular: Aneel's Residential Consumer Satisfaction Index (IASC) and Abradee's Perceived Quality Satisfaction Index (ISQP).



Cemig's ISQP historical series and Abradee average (2020- 2022)

	2020	2021	2022
CEMIG	78.9	69.8	67.7
Abradee Average	74.9	65.5	67.0

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ISQP, carried out by Abradee, assesses residential customer satisfaction and is assessed annually. In the survey 24th edition, referring to 2022, Cemig obtained a result of 67.7 satisfaction, ranking 17th among companies with over 500 thousand consumers, and 0.7 above the sector average. Major points for improvement identified from the survey were the speed with which the power was restored, notice of disconnection and ease of contacting the Company. These points were the focus of actions that are taking place for the survey in 2023.

In the pursuit of continuous improvement in customer service, Cemig implemented monthly Net Promoter Score (NPS) surveys to improve understanding of customer needs and thus act more efficiently. NPS surveys also allow customers to comment on their experience with Cemig, opening up another space for expressing opinions about the services provided by the Company.

In 2022, Cemig's average annual score was 29 points, 14 points above the average for 2021, representing a considerable advance against the evolution of the average between 2020 and 2021. The result demonstrates that Cemig is on track to reach an average of 50, the level established at the beginning of the improvement and development phase.

610,662 emails were sent to customers, 60% over in the previous year, with a return rate of 6.5%, that is, a total of 39,845 opinions received. Of the total number of opinions received, 20,320 customers expressed various comments, which were duly addressed and classified by the team, thus allowing the greatest needs of customers to be visualized. The result was 25% detractors, 54% promoters and 21% neutrals. Based on the results of the monthly surveys and, mainly, on the comments received, the needs and demands were analyzed and forwarded to the areas responsible for planning improvements in internal processes.

The IASC 2022 survey was carried out from July to October 2022, with the application of 29,068 questionnaires in the 607 municipalities randomly selected in the concession and permission areas of the 104 electricity distribution companies. In 2022, the IASC was 57.8%, showing an increase of 9.7% compared to the previous year.

Chart - History of the Aneel Consumer Satisfaction Index - IASC (2019-2022)

2019	2020	2021	2022
70.58	58.90	52.67	57.8



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Information security

[3-3] (418) In a fully connected world with unlimited possibilities for accessing and using information, the entirety of Cemig’s data network requires a lot of control and security. Poor management of technological resources and/or security breaches can expose the Company to great risks in case of leakage and improper use of personal data, or unauthorized access to strategic databases and confidential information.

Cemig is constantly concerned with the subject of **Information Security**, and increasingly invests in its **Information Technology (IT) structure**, seeking **robustness in the governance and management of IT services**, as well as in the **management of information security**:

- To meet the requirements of the **Sarbanes Oxley Act**, to which the Company is subject for having its shares traded on the **New York Stock Exchange**, its **IT security controls system is based on Cobit 5** and verified annually by internal and external audits;
- **Information security is ensured by a management system based on the Brazilian Standard (“ABNT”) NBR ISSO/IEC 27001: 2013**, in line with the best market practices, which include processes for managing and controlling policies, risks, communication, information classification and information security.

In addition, Cemig has a Privacy, Data Protection and Cybersecurity Committee coordinated by the Assistant Board of Compliance, Corporate Risks and Internal Controls and by the Management of Systems Architecture and Software Engineering. The first is responsible for strategic choices related to privacy, data protection and cybersecurity and has, as one of its attributions, to support the Board of Directors and the Executive Board in defining investments in technological resources, acquisition of knowledge, trends and indicators for preventive and effective management. The Management of Systems Architecture and Software Engineering, in turn, supports the Committee in matters of information security and cybersecurity and involves the Directorates of IT, Compliance, Legal, Business People management, as defined in Circular Letter DCI 03/ 2022.


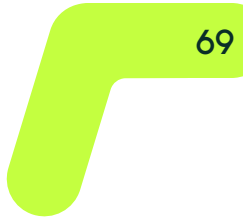
In 2022 management dedicated exclusively to security (Cybernetic and Information Security Management) was created, which allows for greater focus and specialization to ensure a secure IT environment.

Cemig constantly monitors the IT environment and develops processes and actions to prevent and reduce the risk of cyber attacks. It has a team dedicated to monitoring and responding to incidents, called the Computer Security Incident Response Team (CSIRT). As a result of this monitoring, 50 records were cataloged in 2022, but in no case was there any financial or operational impact or data leakage.

In order to ensure greater protection against data leakage, Cemig implemented, in 2022, measures such as the electronic classification of documents, a Data Loss Prevention (DLP) tool, which protects against leakage of personal and confidential data, and the encryption of critical documents. Every document and email sent is mandatory labeled according to classification, and encryption protection is automatically applied when a critical label is chosen. Additionally, the double authentication factor was configured for accessing the Company’s IT environment from an external network. Access by home office employees or service providers via Virtual Private Network (VPN) has become much safer.

The Company’s computer network where the corporate workstations are located are also monitored and protected by an Endpoint Detection Response (EDR) tool, which detects threat patterns on workstations and allows for a quick response.



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Cemig’s Board monitors information security performance through the Information Security Index (ISI) indicator used to assess the level of protection that the current implemented security solutions provide to the Cemig environment.

In 2022, Cemig’s Board of Directors set a target value of 92% for assessing the indicator and the result was 94%.

The Company’s information security mechanisms are ensured by a management system based on the Brazilian Standard (ABNT) NBR ISO / IEC 27001: 2013. This standard provides a model to establish, implement, operate, monitor, critically analyze, maintain and improve an Information Security Management System (ISMS) in line with the best market practices. The information security management system includes processes for management and controlling policies, risks, communication, information classification, and information security. Also, recurring actions to improve processes, communication, awareness-raising, and training help boost the Company’s information security.

Cemig participates in several groups that develop studies related to the area of information security. Among these, we highlight the ABNT Safety Techniques Study Commission, as well as the Strategic Facilities Safety Committee of the Brazilian Association of Electricity Generating Companies (CESI / ABRAGE).



Information Security Training and Campaigns



Aiming to raise awareness about risks and establish a culture of prevention, Cemig carries out constant training and information campaigns aimed at its employees. In 2022, some outstanding initiatives were promoted:

- **First training in the use of electronic data classification, emphasizing the importance of classification for data protection and instructions on the use of labels;**
- **Office 365 course, focused on information classification and access by mobile devices, with training on the new mobile device protection tool; and**
- **Information security training on the Company’s remote learning platform (EAD), UniverCemig, available to all employees.**

In the context of the set of actions aimed at electronic data classification, the Company’s labels and data classification and protection actions were updated.

In addition to the monthly campaigns, employees participate in the “Em dia com a Segurança da Informação” (Up to date with Information Security) annual event, which focuses on the challenges and impacts of information security on business. The 2022 event, held in an online format, featured market security experts from the energy, banking and technology sectors, who shared experiences on security challenges in a world of increasing digitalization. The lectures were held between October and November and the recordings are available to all employees on the intranet. In 2022, a phishing campaign was also carried out, with simulations and training to identify and act in this type of case.



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Data Protection

[3-3|418] Cemig recognizes its responsibility to protect the personal data of its over 9 million customers who use its services and respects the privacy of its employees, service providers, suppliers and partners. It also believes that the personal data of its interested parties must be used in a responsible manner in keeping with the Brazilian laws, especially with Aneel Normative Resolution No. 414/2010, which regulates the supply of electric energy, and to the General Data Protection Act (LGPD).³³

To bring robustness to the existing management system, and to adapt to LGPD, Cemig has a structure dedicated to complying with all legal regulations related to the subject. This structure includes:

- Deputy Manager of Compliance, Corporate Risks and Internal Controls (Data Protection Officer - DPO), in charge of addressing personal data;
- Privacy and Personal Data Protection Committee comprising five Company Directors (Compliance, IT, Distribution, HR and Legal);
- EA team dedicated to Privacy and Personal Data Protection;
- Policies and procedures on the subject of privacy, of which the Privacy and Data Protection Policy and the International Personal Data Transfer Policy, available on the Cemig³⁴ website;
- An exclusive service channel so that holders of personal data can exercise their rights provided for in Art. 18 of the LGPD, available on the Cemig Website ;
- Onetrust solution, a market leader that supports the entire Cemig Privacy and Data Protection program, helping

to implement regulations and legal requirements in the management of all personal data processing.

The personal data of Cemig's data owners can be collected:

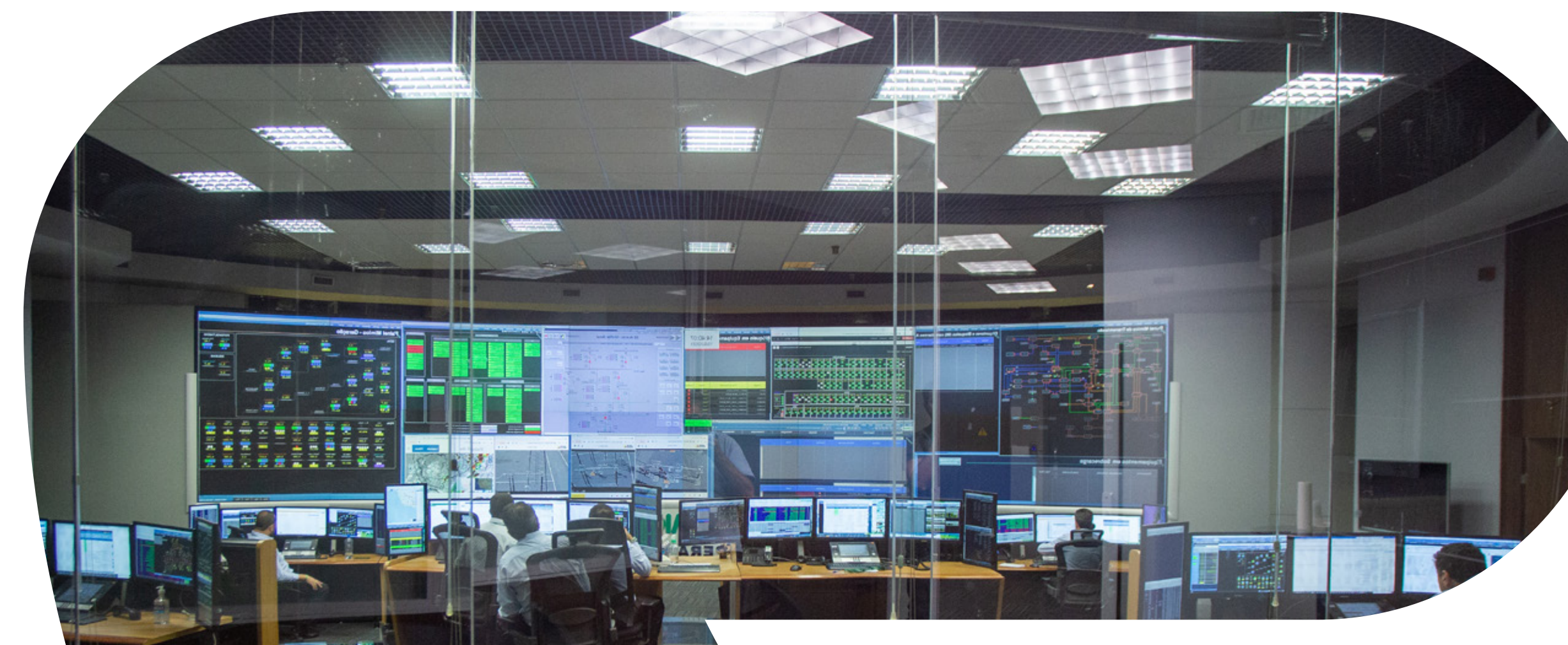
- for and due to matters related to the provision of energy supply services directly to the data owner;
- for and due to the provision of energy supply services to the companies they represent.

[418-1] In 2022, no record of complaints for breach of privacy that may have caused any type of damage to the Company's customers and employees was identified.

33. Act No. 13,709/2018, of international importance, which provides for the protection and privacy of personal data of all Brazilian citizens. The law is based on the General Data Protection Regulation known as GDPR, a European law that came into force on May 25, 2018 intending to protect the privacy of citizens' data across Europe. Its main principle is a respect to privacy, providing that Companies carry out the treatment of personal data made available to them (from customers, employees, suppliers, etc.) according to the prescribed guidelines and establishes rights for the owners of the data.

34. Link for accessing the Data Privacy and Protection Policy: <https://www.cemig.com.br/privacidade/#:~:text=11.1%20A%20CemigCemig%20compartilha%20Dados,formal%20do%20Titular%20dos%20Dados.>

35. www.cemig.com.br/privacidade





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Tariff structure and adjustment

Annual Tariff Adjustment - Cemig D

Cemig D's tariff readjustment happens on an annual basis in May. It is aimed at the full pass-through of non-manageable costs and adjustment for inflation of manageable costs, which were defined in the tariff review. The manageable cost adjustment index is IPCA (Wider Consumer Price Index). Then, the X Fator³⁶ to capture productivity according to the methodology of the regulatory price-cap model is netted out from that amount.

The tariff review takes place every five years, also in May, as set out in the concession agreement. The objective is to preserve the economic and financial balance of the concession.



In 2022, the tariff process was postponed and the tariffs of the previous process were extended. Thus, on June 21, 2022, Aneel ratified the result of Cemig Distribuição's Annual Tariff Readjustment, to be effective from June 22, 2022 to May 27, 2023, with the average effect to be perceived by consumers of 8.80%. For residential consumers, the average impact was 5.22%. Variation of uncontrollable costs and the partial refund of Pasep/ Cofins credits had a negative effect, reducing total impact by 15.28%.

It is important to mention that, of the amount charged on the invoice, only 23.1% were left for Cemig. This amount is intended to remunerate the investment, cover depreciation and the concessionaire's costs, and this portion is called Portion B. The remaining 76.9% is passed on to cover costs that the Company cannot manage, with emphasis on the purchase of energy and taxes.

Turnover management

The project for sending energy bills by email reached the milestone of 1 million customers in 2022, which represents an increase of 38.48% against 2021 (725 thousand customers). Several initiatives were carried out throughout 2022 aimed at increasing the number of customers who choose to receive their bills by email, as this important sustainability initiative also has a direct effect on customer satisfaction, providing a feeling of contribution to the preservation of the environment and cost reduction for the Company.

36. Factor X is an index set by ANEEL during the tariff review period. Its function is to pass on to the consumer the concessionaire's estimated productivity gains arising from market growth and increased consumption by existing customers. Thus, the mechanism contributes to tariff affordability.

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Debt management and collection

The domestic environment related to the population's default on basic bills proved to be challenging in 2022, with the power industry being one of the most affected. However, the results obtained by the distribution segment were positive, due to a series of initiatives adopted by the Company, as follows:

- Intensification and improvement in the use of collection actions, over 20% of actions against 2021. There were over 35 million collections via telecharging, SMS and e-mail (including notifications prior to the due date of invoices), 2 million collection letters issued and delivered by meter readers together with the current month's invoices, 5.7 million denials, 1.9 million supply suspensions and 272,000 title protests at notary offices;
- Strong performance of administrative collection, through a partner company and specific for this purpose, in retail debts that

are more difficult to collect - that is, those overdue for over a year or arising from irregular consumption billing;

- Implementation of a specific nucleus for charging irregular consumption, with treatment of selected wallets;
- Systematic performance of a specialized team with large customers, hospitals and the public authorities;
- Encouraging adherence to more accessible electronic payment methods. In the first half of 2022, Cemig D carried out

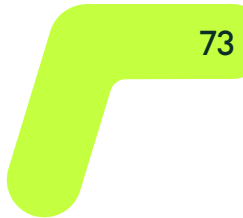
the promotional campaign "Conta com PIX", which leveraged the participation of payments in this modality (PIX) to 12% of the monthly invoices collected;

- Availability of the payment option by credit card through digital channels and directly with the field service teams;
- Conducting negotiation campaigns, along with digital channels, and Procons;
- Tax relief, through the reduction of ICMS on energy billed in the last

quarters of the year, the non-levying of extra costs of tariff flags and the effects of income transfer policies in the second half of the year;

- Improvement of rules linked to PCE – Expected Credit Losses



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Power transmission

Cemig GT's transmission revenue consists of the sum of the revenues from all transmission assets. Thus, the Concession Agreements determined the Permitted Annual Revenues (RAP) of the assets in the existing system, which constituted the initial revenue responsible for the concessionaire's economic-financial balance.

As it operates in a regulated market, the revenue from Cemig GT's transmission assets is established by Aneel, and is updated in the periodic tariff review, extraordinary tariff review, and annual tariff adjustment processes. Similar to what happens at the Distribution Company Utility, the Company works with the Regulatory Agency to recognize its costs in the processes of reviews, readjustments, and ratification of RAP for new assets.

The transmission revenue annual adjustment takes place in 1º July of each year, except when there is a tariff review. This process aims at adjusting the RAP ratified by the restatement index included in each concession agreement; add to RAP the revenue from the boosts and improvements that went into commercial operation in the past tariff cycle (July of the previous year to June of the adjustment year and calculating the adjustment portion. This last revenue component, in turn, consists of a financial component referring to adjustments to the RAP of previous cycles. The methodology of the regulatory model is the revenue limit, which consists of defining a revenue ceiling to be earned by the transmission company during the period.

The result of the annual readjustment of the RAP for the 2022-2023 cycle, which took place on July 1, 2022, was 21%. It was composed of the effect of the reprofiling of the Financial Component of Annual Cost of Assets RAP of RBSE (Basic Network of the Existing System), the application of IPCA on revenue already approved and recognition of new reinforcements.

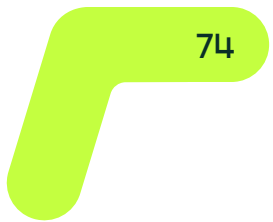
The inflation rate used by Aneel to readjust Cemig GT's revenue is the IPCA. The result of the Annual Readjustment of the RAP for the 2022-2023 cycle, which took place on July 1, 2022, was 21%. Besides concession number 006/97, Cemig GT also has a concession for a tendered substation, SE Itajubá, whose readjustment also occurs in July, using IGP-M (General Market Price Rate). Cemig GT – Itajubá's RAP was restated at 10.7% in the 2022-2023 cycle, against the previous cycle, reflecting the period IGPM variation.

Ratified RAP

Aneel established the RAPs for the 2022-2023 cycle, effective from July 1, 2022, representing a readjustment of 19.96%. The increase is mainly related to: (i) Reprofiling of the financial component of the RBSE's existing assets, which was 64% higher against the 2021-2022 cycle, (ii) changes in readjustment indices in the period (11.7% for the IPCA and 10.7% for the IGPM) and (iii) the inclusion of new works.

In total, the transmission companies' revenue for the 2022-23 cycle, considering the Cemig GT, Itajubá and Centroeste contract, was BRL 916 million, representing a repositioning of 21.65% against the previous cycle.



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EMPLOYEES

Profile of employees

[3-03(401)] Cemig considers its human capital to be fundamental for fulfilling its commitment to economic, social and environmental sustainability and, with this focus, seeks to adopt the best labor market practices in people management.

[2-07] Faced with the reality imposed by the current regulation conditions in the energy sector, Cemig continues to work in search of greater efficiency and greater alignment with the sector's benchmarks. Seeking to incorporate new talent, promoting the natural staff turnover, also taking advantage of opportunities for reviewing processes and greater efficiency, the Company has been implementing voluntary severance programs. In the last 5 years, as a result of the programs, there has been a significant reduction in the number of employees, from 6,083 employees in 2017 to 4,969 in 2022, that is, a reduction of 18.3%, as shown in the following graph:

Year	Number of Employees
2018	6,083
2019	5,596
2020	5,254
2021	5,025
2022	4,969

The workforce in 2022 in terms of gender, location and working period was distributed according to the tables below:



Profile of employees	
Males	4,245
Midwest	5
Northeast	4
Southeast	4,236
Females	724
Midwest	1
Northeast	1
Southeast	722
Grand Total	4,969

Specified duration	
Males	16
Southeast	14
Females	2
Southeast	2

Unspecified duration	
Males	4,953
Midwest	5
Northeast	4
Southeast	4,222
Females	722
Midwest	1
Northeast	1
Southeast	720
Grand Total	4,969

[405-1] Most employees are between 30 and 50 years old (68.06%); around 22.7% are over 50 years old, and 9.23% of employees are under 30 years old. Regarding the racial aspect of employees, 59.22% consider themselves white, 30.65% brown, 5.65% black, 0.44% yellow and 0.1% native people.

At the company, women occupy 14.06% of management positions. Among these, 14.3% are managers or superintendents, 11.7% occupy leadership positions in the revenue generating areas, and 10.19% are in positions related to Science, Technology, Engineering and Mathematics. Currently, there are no women in positions in managing boards. In top management positions, it's considered the Directors (0 women) and Superintendents (1 level below the Managers). In December 2022, the company had: 34 superintendents, 5 of which were women, 7 deputy directors + 7 statutory directors, no women. Of the total of 48 people, 5 are women. Therefore, the percentage of women in this group is 10.4%.

Gender	Leadership		Graduate		Technical	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Females	27	14.06%	274	24.06%	423	11.63%
Males	165	85.94%	865	75.94%	3215	88.37%
Total	192	100%	1139	100%	3638	100%

Age Range	Leadership		Graduate		Technical	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Below 30 years	1	0.52%	58	5.09%	397	10.91%
Between 30 and 50 years	129	67.19%	858	75.33%	2,395	65.83%
Over 50 years	62	32.29%	223	19.58%	846	23.25%
Total	192	100%	1139	100%	3638	100%

Category/race	Quantity	Percentage
192	100%	Leadership
1	0.52%	Asian
143	74.48%	White
16	8.33%	Not stated
2	1.04%	Black
30	15.63%	Mixed
3,638	100%	Technical
15	0.41%	Asian
2,008	55.20%	White
5	0.14%	Native
152	4.18%	Not stated
241	6.62%	Black
1,217	33.45%	Mixed
1,139	100%	Graduate
6	0.53%	Asian
792	69.53%	White
27	2.37%	Not stated
38	3.34%	Black
276	24.23%	Mixed
Grand Total		4969

Employees per Company:

Company	No. of Employees
Cemig Holding	51
Cemig Distribuição S.A.	3,737
Cemig Geração e Transmissão	1,181

Hiring processes aimed at filling position on the technical-operational-administrative and undergraduation levels, renewing the Company staff mainly in essentially technical areas. In 2022, Cemig hired 377 people, 60% more than in 2021, with contracting average cost per employee being BRL 1,305.20. Over half the new employees are men between 30 and 50 years of age.

In April 2022, the company approved the Voluntary Severance Plan Scheduled (PDVP 2022). All employees were eligible to acceded to the program.

The number of severances in 2022 was 429, 8% less than the 2021 figure, all from the Southeast region. The vast majority of dismissals were due to adherence to the PDVP, and, for this reason, the group of dismissals is mostly composed of employees over 50 years of age.

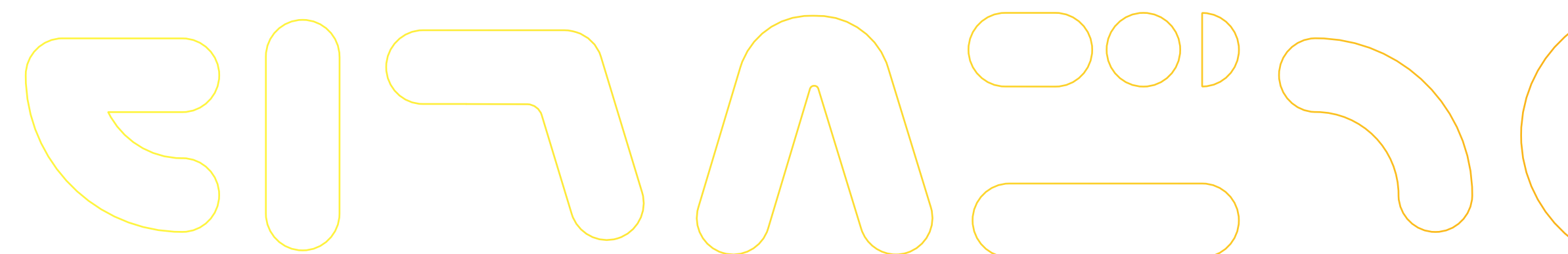
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The program provided for the payment of legal severance pay in the “On Request” termination mode, pursuant to art. 477 and 487 of the consolidation of the Labor Laws, of amounts proportional to the balance of salaries, vacation, vacation bonus and Christmas bonus, and an additional premium, as indemnity, according to the criteria below:

Cemig Time (years)	Multiple every year
0 to 15	20% of remuneration for each year worked
16 to 24	30% of remuneration for each year worked
Greater than or equal to 25	Fixed amount of 12 remunerations

		Total employees	Percentage	Total number of employee terminations	Percentage	Total number of admissions	Percentage	Turnover
TOTAL		4,969		429		377		8.01%
Gender	Male	4,245	85.43%	382	89.04%	300	79.58%	7.92%
	Female	724	14.57%	47	10.96%	77	20.42%	8.64%
Age range	Below 30 years	399	8.03%	19	4.43%	108	28.65%	15.91%
	Between 30 and 50 years	3,275	65.91%	139	32.40%	249	66.05%	5.92%
	Over 50 years	1,295	26.06%	271	63.17%	20	5.30%	11.24%

The program reached 298 employees and, with it, the Company expects to save about BRL 93 million per year.



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Additionally, an amendment to the personnel policy was approved; it now allows hiring professionals from the market for managerial positions at the Company, in cases where the external recruitment process is more appropriate, within the limit of 40% of managerial positions. It is important to point out that the Company will continue to encourage and prioritize the professional growth of its staff, valuing the recognized technical capacity and commitment of its employees. Evidence of this is the percentage of open positions filled by the employees themselves (internal hires), which in 2022 was 31.29%.

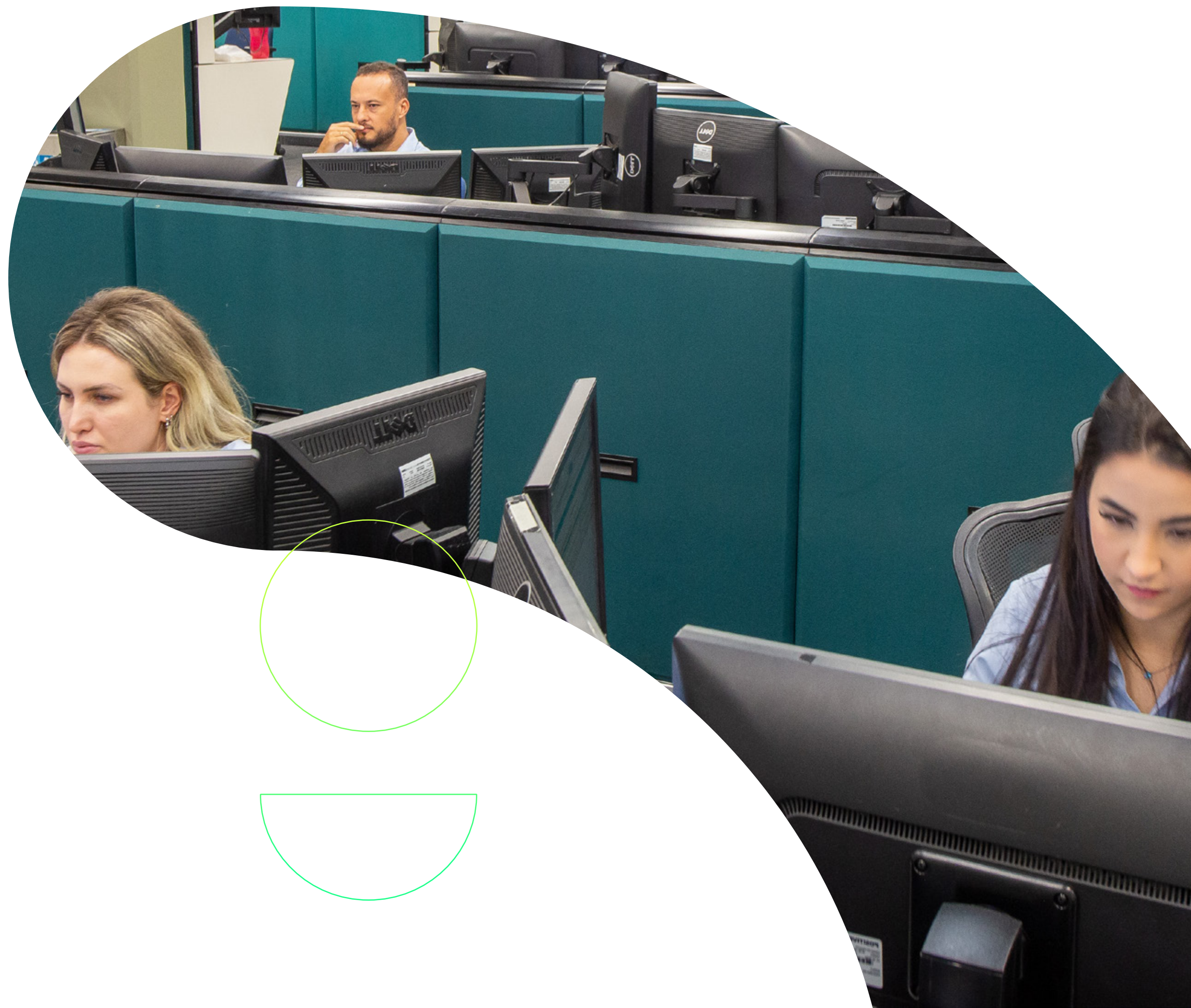
The total turnover rate (8.01%) remained unchanged from 2021 to 2022. In turn, the voluntary turnover rate of employees was 7.50%.


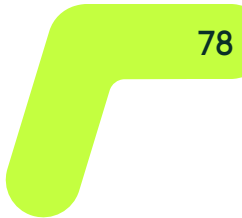
As for the gender issue, the rate of women and men who left the Company remained at the same levels as the previous year, with 7.92% for the first group and 8.64% for the second, as shown in the table on the side.

The Company seeks, whenever possible, to recruit new employees in order to reach a diverse and inclusive work group. Employees' long-term outlooks and corporate culture of empowerment and respect are among the reasons behind the low employee turnover rate.

Age range	2022		
	Total number	Percentage	Rate
Below 30 years	19	4.43%	15.91%
Between 30 and 50 years	139	32.40%	5.92%
Over 50 years	271	63.17%	11.24%
Total	429	100%	8.01%

Total number of in-house employees that left the Company and the turnover rate by gender, 2022.		
Gender	Total number	Rate
Women	382	7.92%
Men	47	8.64%
Total	429	8.01%



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Retirement and social security

The Company acts preventively when dealing with the issue of retirement and takes actions before and after this period involving its employees. With regard to retirement plans, Cemig contributes with a shared payment to pension plans, life insurance, health and dental plans.

Cemig systematically carries out the Retirement Preparation Program (PPA), participation on which is voluntary. This program aims to contribute to building the employee's life project after leaving, providing them with a better quality of life from a sociocultural, medical, financial, social security, psychological, and philosophical point of view, among others.

Also, there is permanent preparation connected to the Forluz Social Security and Financial Education Program - Para Viver Melhor (For a Better Life), through which issues such as budget management, investments, overcoming indebtedness, and how to live better according to one's finances are addressed.

[201-3; 404-2] In September 2022, the retirement plan amounted to a liability of BRL 6,358,738 for the Cemig Group. There is no specific fund to cover deficits in post-employment benefit plans. For the retirement pension plan, Forluz annually carries out an actuarial study to verify the deficits generated by plan A, which is the defined benefit, to support the Deficit Equation contracts. In the retirement plans, the Company participates with up to 100% of the rate, while in the health plan it participates with a fixed payment of BRL 1,088.39 per employee and in the dental plan with BRL 40.39. Regarding the pension plan, the salary deduction varies according to the bracket, ranging from 3.60% to 14.29%. Each employee has the right to decide to pay below or above the stipulated rate.

Other employees

[2-8] Cemig has temporary labor and manages these specific contracts and their labor relations. The purpose of this type of hiring is to meet a complementary demand for work or to replace, temporarily, in-house employees, in cases where it is not possible to reassign.

This group's contract is carried out by a third party company and has a duration of 180 days, which may be extended for another 90 days.

In 2022 the activities performed by temporary employees in 2019 did not amount to a significant portion of all activities that make up Cemig's operation. These employees are managed by specific contracts from the hiring departments, including concerning health and safety issues, a topic present in the various contracting stages. In 2022, 25 temporary workers were hired, amounting to 0.51% of Cemig's workforce.

With regard to the Internship Program, hiring is governed by Act No. 11,788, of 2008. The objective of the internship is to prepare students for their introduction and insertion in the labor market through an adequate learning environment and pedagogical monitoring supervised by the teacher in the classroom, in order to correlate theoretical learning with the hands-on experience developed in the Company.

The Cemig Industrial Apprenticeship Program professionally certified 67 young adults in 2022, through a partnership with the Brazilian National Industrial Apprenticeship Service - SENAI. Upon completion of the course, all were dismissed from the Company, as per legislation. However, 06 apprentices were approved in the public tender for the position of electrician at Cemig, using the course held at SENAI to prove their expertise.

Remuneration and benefits

[2-20] To determine employee compensation, the Company conducts market salary surveys, with the aim of building a comparative base. The remuneration strategy adopted by the Company is decided by the Executive Board, supported by the technical area and by consultants, and aligned with the strategic planning.

[2-20] The Company's new job, career and compensation plan, called "Functional Structure", was built with the support of an external consultancy and implemented in June 2022. The plan became simpler, more flexible and in line with the Company's cultural transformation process, which has as one of its objectives the appreciation of meritocracy. Together with the Functional Structure, the "Career Opportunities Program" was created, which establishes the ways in which employees can participate in professional opportunities that arise in the Company.

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[2-21] The ratio between the total annual remuneration of the highest-paid individual in the Company and the average annual remuneration of all employees (excluding the highest-paid) rate is 6.79. The increase in the remuneration of the best-paid person was 4.34%, and the increase in average annual total compensation of all employees was 4.46%, resulting in a ratio of 0.97.

The average salary difference of men against women in the company in 2022 was -5.99%, with a median difference of -8.70%. Regarding the bonus/Profit Sharing disparity, we found that it was 6.45%, with a median of 10.22%. The data reveal that women receive a higher average basic salary than men; however, the average remuneration of men is higher, since there are many

more men working in risk areas, who are entitled to an additional 30 % of salary. Therefore, as the company's Profit Sharing (PLR) is calculated based on employee compensation, PLR average value for men is greater than the average value for women.

The Job and Career Plan assumes equal remuneration for equal positions, regardless of gender. Salary and remuneration differences in the table are due to promotions and additional benefits, such as premium for hazardous work.

The Diversity Valuation Program discussed in the "Diversity" section has as one of its objectives to promote equity and equal opportunities, monitoring

indicators and proposing actions aimed at the inclusion and appreciation of diversity.

[2-30; 2-20] The negotiation of Technical Cooperation Bargaining Agreements (ACTs) and of Specific Bargaining Agreements for Profit Sharing or Results follows the guidelines set by the Company's Board of Directors. These agreements are negotiated and signed with unions of different categories, such as engineers, industrial technicians, administrators, and lawyers, and with electricians' unions, which represent the employees of the administrative-operational technical staff.

allowance/training allowance, life insurance, maternity and paternity leave extension, retirement preparation seminar, fortnightly salary advance, vacation loan, financial loan, health inventory, monthly contribution to the retirement plan supplementary pension plan (administered by Forluz); flexible work hours; home office; benefits for newborn children; incentive initiative for healthcare and the practice of sports (managed by Cemig Saúde). Benefits are widely disclosed to employees and are governed by internal policies, procedures or manuals

[202-01]	Ratio of lower salary paid by gender in relation to the minimum wage			
	2022			
	Group Companies	Lowest salary paid	Ratio between the base salary and the minimum wage in 2022	Ratio between the base salary and the minimum wage in 2022
			Men	Women
CEMIG H	BRL 4,947.25	4.08	BRL 12,960.25	10.69
CEMIG GT	BRL 3,199.77	2.64	BRL 3,763.37	3.11
CEMIG D	BRL 2,877.34	2.37	BRL 3,301.21	2.72

[201-3] It is known that benefits are also strong instruments for employee retention; along these lines, the Company seeks to develop its practices in line with the largest companies in the market, having as a reference, especially, companies in the industry. In addition, it seeks to establish control of overtime work to enable a balance between personal and professional life.

[401-2] The Benefits Package comprises: A support program for minors and the special efficient (PAM) - program for helping dependents or handicapped employees; reimbursement of expenses arising from the disability of employees and / or their dependents, funeral assistance in the event of the death of an employee or their direct dependents, daycare assistance for children under 7 years old, education



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Below, it is also possible to assess which categories of workers have access to each benefit:

Benefit Type	Groups Covered
PAM - Support Program for Minors and Special Efficient Persons	Leadership, University and Technicians
Maternity leave extension (beyond the legally required minimum)	Leadership, University and Technicians
Paternity leave extension (beyond the legally required minimum)	Leadership, University and Technicians
Private Pension Plan	Leadership, University and Technicians
Profit and Earnings Sharing - PLR	Leadership, University and Technicians
Special leave without pay	Leadership, University and Technicians
Education aid/training allowance	Leadership, University and Technicians
Funeral assistance	Leadership, University and Technicians
Life insurance	Governance Bodies, Directors, Managers, Heads of Units, Leadership, University, Technicians and Young Apprentices
Retirement Premium	Leadership, University and Technicians
Vacation loan	Leadership, University and Technicians
Special loan	Leadership, University and Technicians
Housing loan	Leadership, University and Technicians
Remote work	Administrative positions
Daycare allowance	Leadership, University and Technicians
Flexible work hours	Administrative positions
Newborn child nutrition (benefit for breastfeeding/lactation)	Leadership, University and Technicians
Corporate physical activity platform focused on quality of life, health and well-being that gives access to gyms and classes	Leadership, University and Technicians, extended to dependents


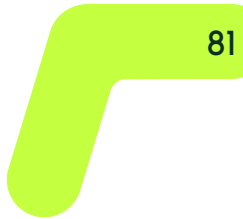
[401-02; 401-3] Cemig grants paid maternity leave extension to 6 (six) months and paid paternity leave to 20 days, as a member of the Empresa Cidadã (Citizen Company) Program. In 2022, 129 paid parental leaves were granted, 19 of which were maternity and 110, paternity. 100% of employees returned to their jobs after the leave.

After 12 months, the total number of employees returning to work after leave end and remaining employees was 141 people (94%), of a total of 149 people who took the leave in 2021: 110 men (93%) and

31 women (100%), as per the table below:

In order to encourage parenting, the Company provides courses on responsible parenthood, special paternity leave in cases of incapacity on the part of the mother, monitoring of employees throughout pregnancy, postpartum and the first trimester of the child's life, daycare assistance for employees and employees under special conditions (widowed, single or divorced who have custody of their children).

Return-to-work and retention ratio of employees who took paid maternity/paternity leave, broken down by gender:							
	2021			2022			
Gender	No. of leaves of absence	No. of returnees	% rate	No. of leaves of absence	Nº de retornos	Taxa %	Nº de Licenças
Women	31	31	1	19	31	1	19
Men	118	110	93	110	110	93	110
Total	149	141	97	129	141	97	129

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Performance management

Cemig's Performance Management aims at encouraging the achievement of organizational goals and fostering the development of the skills required by the Company. The deployment of an effective Performance Management process contributes to a better performance by aligning the activities carried out by employees and the initiatives defined by the strategic planning.

Annually, through its leaders, Cemig manages the performance of its employees by applying performance assessments, feedback, construction and monitoring of development plans for employees. The objective is to develop competences and increase the performance of employees and, in turn, increase the performance of the Company itself.

Performance Management includes the stages of performance self-assessment, structured feedback meetings and the development and monitoring of development plans for each employee assessed. These steps are subsequent and are taken annually.

In the first stage of the process, the agreed deliverables, the technical competencies (knowledge and skills, considering the individual activities of the employee) and the expected behaviors (sense of urgency to serve the client, risk management with ethics and compliance with the Company's rules, protagonism with high performance, integration with co-responsibility, appreciation of the person (diversity, inclusion and respect for individuality) are evaluated.


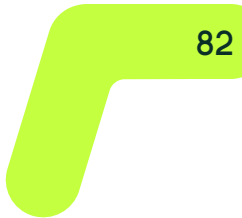
In 2022, 4443 of the Company's employees had their performance assessed. Employees with low performance are monitored differently, with assessments at shorter intervals. The goal is to leverage their performance through an effective Development Plan, built together with the leader at the time of feedback, and timely adjustments to actions, if necessary.

The Engagement and Organizational Climate Survey indirectly captures the perception of Performance Management through the "Growth Opportunity" factor. Some identified improvements were implemented in the 2022 cycle process, based on the identification of this need in the Survey carried out in the previous year.

The following criteria are assessed during the Process:

- **Expected behaviors:** sense of urgency to provide service to the customer, risk management with ethics and compliance, leadership with high performance, integration with co-responsibility, valuing people and performance (valuing diversity and inclusion);
- **Technical skills:** knowledge and skills, applied in carrying out assignments, obtaining results and deliveries, considering their job and job role;
- **Agreed-upon Deliverables:** Deliverables provided according to agreed requirements (scope, term and quality), considering the existence of resources and conditions necessary for the employee's job and job role.



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Corporate learning

404-02 Cemig considers its employees as strategic partners in the fulfillment of its mission, responsible for economic, technical, social and environmental sustainability. Therefore, it fosters training and continuous development, with the aim of improving their skills and promoting their professional and personal growth.

Annually, through its leaders, Cemig manages the performance of its employees by applying performance assessments, feedback, construction and monitoring of development plans for employees. The objective is to develop competences and increase the performance of employees and, in turn, increase the performance of the Company itself.

Cemig continuously invests in building and managing its corporate knowledge. This assertive corporate knowledge first undergoes a well-executed hiring process, where the technical requirements of the job positions fit the requirements of the job, the department and the Company. This way, Cemig seeks to develop the skills of employees relating to the specificities of the electricity sector, with the further goal of keeping its workforce trained and updated.

Once the professionals are hired, the Company provides them portfolio of technical, behavioral, and management training courses, intended to allow each employee to develop their knowledge for carrying out their jobs and for career advancement purposes. In order to correct deviations and improve

performance, each employee draws up a Development Plan together with their manager through which their training requirements are drawn up.

Training for Distribution Network Electricians is one of the Company's organizational learning highlights. The training qualifies employees responsible for performing network construction, maintenance and operation, and inspection, connection, and disconnection of consumer units. This training provides several benefits to the company, such as expansion of the energy distribution system due to new customers' demands; reduction of amounts paid in compensation to consumers for violation of individual continuity power supply indicators; as well as the 1.7% increase in the billed customer base and the 1.4% growth in total power distributed in recent years.

Another example is that Cemig provides training for electricians who inspect power consumer units. The training is delivered by professionals with acknowledged technical expertise in the field and includes lectures and hands-on classes. This training contributes to an increase in the assertiveness index of inspections performed, and has contributed to an increase in billing of consumption via power hogs and to a 4.87% reduction in the company's non-technical loss rates demonstrated in the last year.

Return on Investment in Human Capital	2020	2021	2022
a) Total Revenues (in thousand reals)	25,227,625,000	33,646,118,000	34,462,808,000
B) Total Operating Expenses (in thousand reals):	21,431,871,000	28,236,343,000	29,675,026,000
c) Total expenses related to employees (wages + benefits) (in thousand reals):	1,276,076,000	1,240,468,000	1,351,999,000
Return on Investment on resulting Human capital (a - (b-c)) / c	3.97	5.36	4.54
Total of employees	5,254	5,025	4,969

* Return on investment on Human Capital provides a way to measure the company profitability against total costs with employees.

Training by kind	Trained man-hours
Face-to-face	179635
Distance Learning	48586
Languages	688
Foreign	312
Post-graduation	8330
Total	237551



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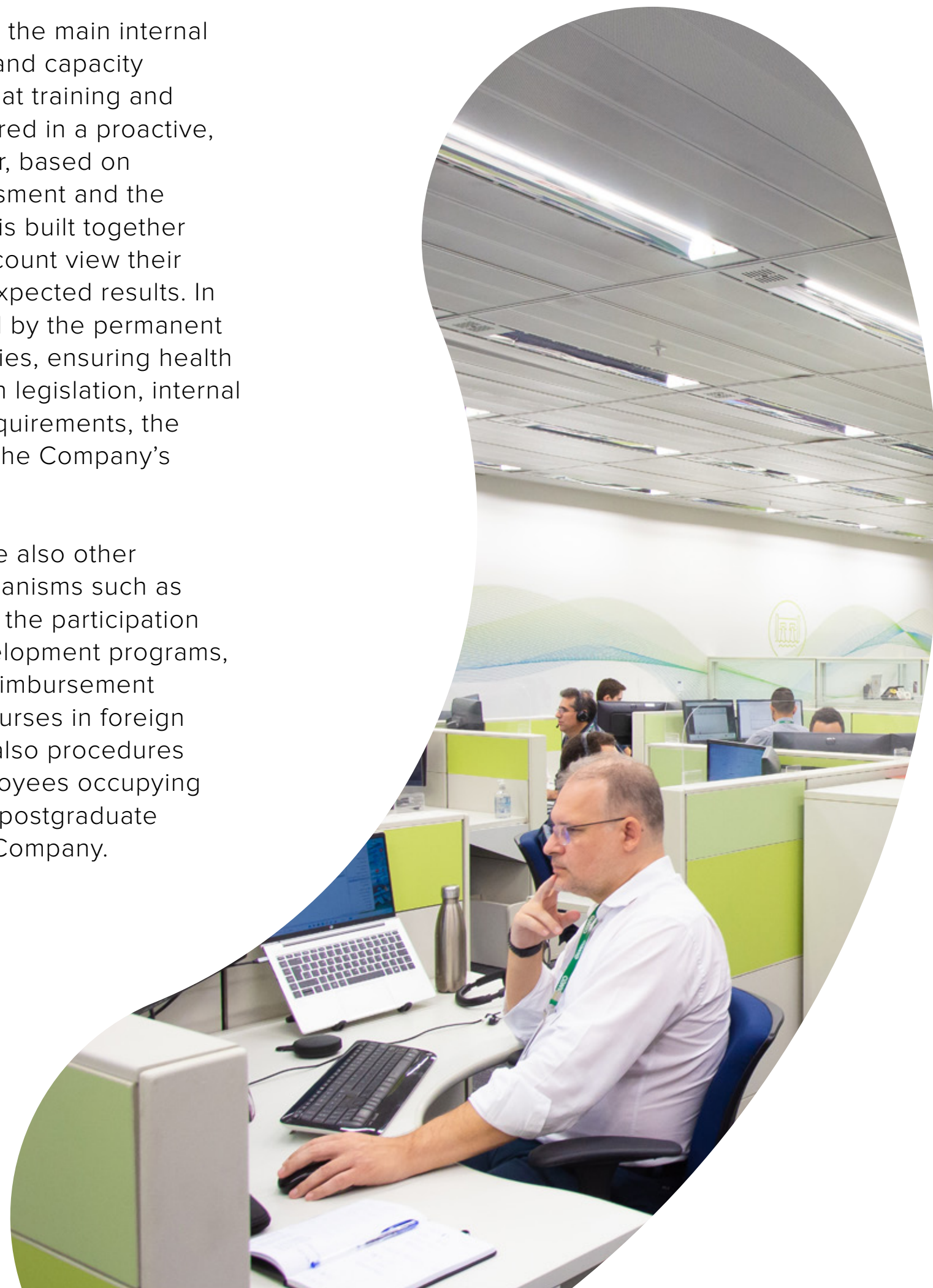
- FOCUS ON THE CUSTOMER
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The People Management Policy is the main internal guideline that deals with training and capacity building. The policy establishes that training and development programs are prepared in a proactive, continuous and integrated manner, based on the Individual Performance Assessment and the development plan, which, in turn, is built together with the employee, taking into account view their assignments, competences and expected results. In addition, the programs are guided by the permanent search for improvements in activities, ensuring health and safety at work, complying with legislation, internal requirements applicable to job requirements, the evolution of work processes and the Company's technological stage.

In addition to said policy, there are also other documents that systematize mechanisms such as criteria and procedures related to the participation of employees in training and development programs, and criteria and procedures for reimbursement of expenses related to training courses in foreign languages. In addition, there are also procedures aimed at the participation of employees occupying positions in the University Plan in postgraduate courses, with co-payment by the Company.


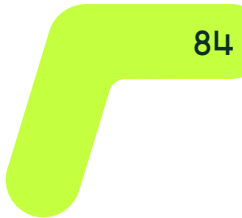


[404-01] Man-hours trained and average training by Company, functional category and by gender, in attendance mode

On Site Training Courses							
COMPANY	JOB CATEGORY	NUMBER OF EMPLOYEES		TRAINED MAN-HOURS		AVERAGE	
		WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
CEMIG HOLDING	Leadership	5	44	72	299	14	7
	Graduate	1	1	-	-	-	-
	Technician	0	0	0	-	-	-
CEMIG GT	Leadership	11	52	686	1,571	62	30
	Graduate	98	333	4,095	14,699	42	44
	Technician	67	620	2,490	37,176	37	60
CEMIG D	Leadership	10	75	292	1,582	29	21
	Graduate	165	517	5,781	16,428	35	32
	Technician	349	2,621	8,991	143,389	26	55
TOTAL		706	4,263	22,407	215,144	27	31

In 2022, 237,551 hours of training were delivered, resulting in an average of 47.81 hours of training. The average amount invested per employee in training and development was BRL 6,794.93.

Training Hours	2020	2021	2022
Total number of employees	5,254	5,025	4,969
Training hours	275,155	326,125	237,551
Average training hours	14.83	64.9	47.81

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Leadership Development Program

The Cemig Leadership Development Program main objectives are application of Cemig’s leadership principles (empowerment, communication, meritocracy, team work and result-oriented work); the development of competences and skills considered as critical and the increasing of participants’ influence capability over their superiors, peers, subordinates and customers; as well as improving leaders’ result deliverables in their operating areas.

The Program includes structured actions, which aim to promote the continuous development of Cemig’s different leadership levels, using the 70-20-10 learning model. This model unites theory and practice, with the following assumption: 10% of learning must be formal (classroom, books, etc.), 20% from relationships with other people in the student’s work area, and 70% is only acquired with practice.

Partners in Education

Cemig, through Cemig Distribuição and Cemig Saúde, maintains the Partners in Education Program. The Program is an initiative of Pontifícia Universidade Católica (Pontifical Catholic University, or PUC Minas), in a partnership with institutions such as Companies, professional bodies and the public administration. PUC Minas offers the partner the benefit corresponding to a 20% scholarship on the value of the semester tuitions of several undergraduate courses. Thus, employees and dependents (spouses and children) can obtain the same 20% (twenty percent) discount for undergraduate courses offered in the extramural modality, and a 15 % (fifteen percent) discount on the tuition of all lato sensu graduation courses (specialization and MBA), offered by University.

Labor and union practices

[3-3 (402)] By a public commitment to adhere to the Global Compact and, internally, via its Human Resources Policy, Cemig acknowledges union entities as legitimate representatives, respecting the affiliation options of its employees and even transferring to those entities the amounts deducted from the payroll of affiliated employees.

Benefits are negotiated in Technical Cooperation Bargaining Agreements (ACTs) and of Specific Bargaining Agreements for Profit or Results Sharing, as set out by Cemig’s Board of Directors.

All claims made by unions and employee representatives are negotiated at each base date, or at the end of the collective bargaining agreement. Besides unions, opinions are obtained through surveys among employees, discussion groups and meetings with the leadership.

Collective Bargaining Agreements negotiation follows the guidelines set by the Company Board of Directors. These agreements are negotiated and signed with unions of different categories, such as engineers, industrial technicians, administrators, and lawyers, and with electricians’ unions, which represent the employees of the administrative-operational technical staff.

The agreements cover 100% of the employees, who are all guaranteed the rights they provide. The whole negotiation process is communicated to employees and, once signed, all agreements are broadly disseminated.

[2-30] Cemig’s collective bargaining agreements expire annually on October 31, the date agreed between the employees and their representatives. The table below shows the total percentage of employees covered by collective bargaining agreements.

Employees	2020	2021	2022*
Employees covered by collective bargaining agreements	5254	5025	4969
Total of employees	5254	5025	4969
Percentage	100%	100%	100%

*December/2022
*The data provided do not include senior executives.

Occupational health and safety

[3-3|403] Protection of its entire workforce is a central point of Cemig’s activities, restated by the value of “Respect for life” in its Code of Conduct, aligned with the Occupational Safety, Occupational Health and Well-being Policy. The Company closely manages the risks to which its employees are exposed and the Lost Time Accident Frequency Rate (TFA) indicator is the main aspect of monitoring.

[EU16] Widely disclosed, the Policy is the instrument that guides and demonstrates the importance of managing the issue for Cemig’s business. The document covers all own employees and contractor people and companies, that is, suppliers and third parties.

Employee safety and health care are a priority for Cemig. All employees undergo preventive medical examinations, the focus and frequency of which depend on the type of work they perform. Care for the health of employees also includes specifying and providing the necessary personal protective equipment (PPE) according to the nature of their work.

Occupational Health and Safety Risk is managed pursuant the Occupational Safety Policy and supported by NBR ISO 45001:2018, through a management system recently implemented by the Company after migration from OHSAS 18001.

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The Company's Occupational Safety, Occupational Health and Well-being Policy defines that the identification, assessment and control of risks to the safety, health and well-being of workers and to the integrity of the community and property are integral parts of the activities carried out in all work processes. These processes range from the preparation of projects to the construction, assembly, operation and maintenance of equipment and facilities.

Policy principles include the identification, assessment and control of risks to health and safety at work, proactivity in preventive actions, compliance with legislation and internal rules, and the right of workers to refuse to expose themselves to unsafe situations. Finally, there is also their accountability – regardless of hierarchical level – for failure to commit to promoting Health, Occupational Safety and Well-being.

As a result of this policy, since 2009, the Company has published on its intranet the Portal of Services Specialized in Occupational Safety and Medicine (SESMT), topics related to Occupational Health and Safety, containing a series of internal instructions for compulsory compliance. Cemig also carries out periodic audits and establishes criteria and procedures for accountability and penalties for non-compliance with the policy, besides rules, instructions, procedures, or guidelines on the subject.

Besides, various information dissemination campaigns are performed on its website to encourage safety practices that contribute to the continuous decrease in the number of accidents, both for its own employees and third parties and customers.


[3-3 (403); 403-01] Cemig Occupational Health Management System comprises a series of policies, procedures and practices. The most used ones are listed below:

- Occupational Health and Safety Technical Manual;
- Internal compulsory compliance instructions;
- Monitoring and Auditing System for Practiced Security Analysis (SIMASP);
- Statistical reports using the Labor Accident and Risk Monitoring System (SMART);
- Risk analysis before operational activities;
- Data analysis and generation of safety indicators by type of risk and location.
- Environmental Risk Prevention Program (PPRA), provided for in the legislation;
- Internal Commissions for Accident Prevention (CIPA), provided for in legislation.
- Occupational Health Medical Control Program (PCMSO) in accordance with Regulatory Standards (NRs), especially NR – 9 (Environmental Risk Prevention Program).

[403-04] Workers are represented by CIPAs (Labor Accident Prevention Committees) as provided for in NR 05, being sized according to the Degree of Risk and number of workers in the establishment. Currently present in 44 establishments, the CIPAs act as a forum for discussion and treatment of health, safety and harassment in the workplace, with representatives elected by workers and representatives appointed by

the Company. CIPAs hold ordinary monthly meetings, according to the pre-established calendar, and may meet extraordinarily, in the event of a serious or fatal accident, or at the request of one of the representations. The CIPAs main objective is to work towards the prevention of accidents and work-related illnesses, in order to make work permanently compatible with preserving life and promoting the health of workers.



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Program for Social Support to Employees

Due to technological developments in the electricity sector, with the consequent need for revising work methodologies, the Company maintains internal forums that debate technical matters directly or indirectly related to Health, Hygiene and Safety issues. Besides that, Cemig also actively participate in several work groups throughout Brazil and of ABNT commissions and study groups.

List of programs for social support to employees

- **Professional Re-adaptation Program:** It aims at relocating employees whose work capacity was reduced due to an accident or illness, thus requiring a job change. The program is carried out in an integrated way by the medical, psychological and social assistance areas.
- **Professional Rehabilitation Program:** It aims to meet the referrals made by the INSS (Brazilian National Healthcare Institute) regarding employees who had their work capacity reduced due to an accident or illness requiring a change of job. The program is carried out in an integrated way by social analysts from the INSS, the company's medical area and the INSS, psychology and social assistance.
- **Personal and Family Budget Planning Program:** Using lectures, social services, and lending, it aims at making employees aware of the importance of financial balance.
- **Social Intervention:** It aims at guiding and covering health care expenses for employees on leave, injured at work, and retired due to disability resulting from an accident at work or occupational disease.
- **Monitoring of Social Workers from Contractor Companies:** Management of Social Workers from contractor Companies, monitoring the monthly and annual work plan, and recording the work carried out. Cemig holds 2 annual meetings with the entire team from contractors.
- **Social Inventory:** It consists of surveying the social variables that predispose the employee to an accident at work. Individual interviews are conducted, the social diagnosis is presented, the action plan is prepared and its deployment is monitored in order to improve points displayed by the work carried out in the areas. The action plan is built together with the management of the respective departments.

Performance results

Safety Inspections

[403-2; 403-9] Safety inspections are registered and monitored through the NEXO system, which replaced the previous one from January 2022, aiming at process optimizations and improvements.

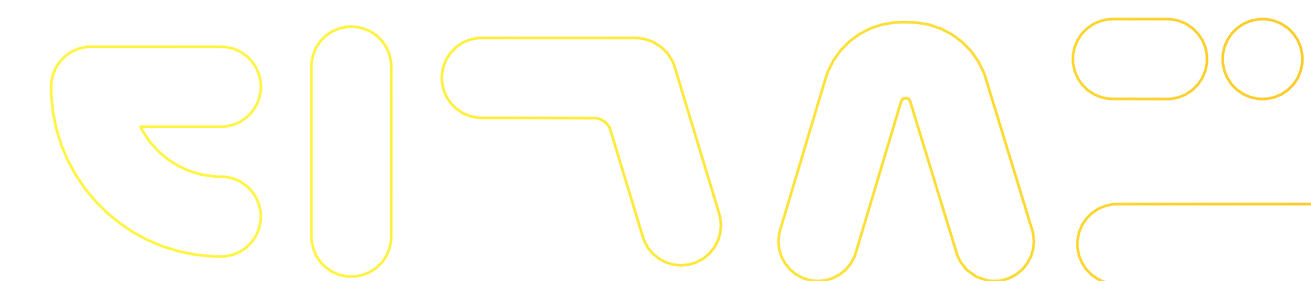
In 2022, Cemig carried out 12,560 inspections at its suppliers (D and GT).

Accidents among the workforce

Within the corporate Health and Safety indicators there is the Accident Frequency Rate (TF), relative to Cemig's workforce, which since 2020 has been one of the main indicators for monitoring the strategic objective of making safety a value in the corporate culture.

The TF indicator is calculated as follows:

$$\frac{\text{Number of work accidents with injuries (with and without leave)} * 1,000}{\text{Total hours worked}}$$



Cemig's accident statistics records and reports are made following the normative criteria of NBR 14.280: 2000 Work Accident– Procedure and Classification. In 2022, 192 work accidents with the workforce were recorded, with 59.37% of this total occurring with contractors' workers. All accidents recorded occurred in the state of Minas Gerais.

85 accidents with lost time were recorded, 6 involving in-house employees and 79 involving contractors, resulting in a total of 1,630 lost days, a figure 34.28% greater than the one from 2021.

For management of aspects related to labor safety, besides TF, the Accident with Leave Frequency Rate (TFA) and the Severity Rate (TG) of accidents are monitored based on the standard referenced in the Brazilian Norm ABNT NBR 14,280. Against the year 2021, there was an increase in total accident rates, due to an increase at the end of the year, despite positive results in the previous months, breaking a sequence of reduction that had been observed since 2019. The Company has been promoting internal actions and reviewing processes in order to resume the trend of reducing TFA and TF in the coming years, including educational campaigns aimed at raising awareness among the professionals who make up the workforce.



Accident Frequency Rate (TF) and Accident Frequency Rate with Leave (TFA) in the last four years:

	2019		2020		2021		2022	
	TF	TFA	TF	TFA	TF	TFA	TF	TFA
Workforce	5.53	1.6	4.57	1.66	3.37	1.17	3.64	1.48
In-house staff	3.7	1.03	3.48	1.31	2.44	1.66	1.97	0.7
Outsourced employees	6.07	1.76	4.84	1.75	3.59	1.06	3.97	1.63
Limits	-	1.90	-	-	1.90	1.52	-	-

In 2022, TF determined for in-house and outsourced employees were 37% and 38%, respectively. Mainly regarding contractors, there was a significant decrease in the severity rate; in 2021, the rate was 367% for in-house employees and 536% for contractors.

Kinds of injuries and frequency rate of in-house employees, by gender

Labor accidents	2021			2022		
	Women	Men	Total	Women	Men	Total
Fatal accidents	0	0	0	0	0	0
Severe accidents (except for fatalities)	0	2	2	0	2	2
Not severe accidents (injuries)	1	19	20	0	11	11

Computed time

	2022		
	Women	Men	Total
Total of lost days due to accidents and injuries	0	253	253
Total of deducted days due to impairment or death	0	0	0
Total computed time	0	253	253
Total hours worked in the year	-	-	8,628,800
Severity rate	-	-	37

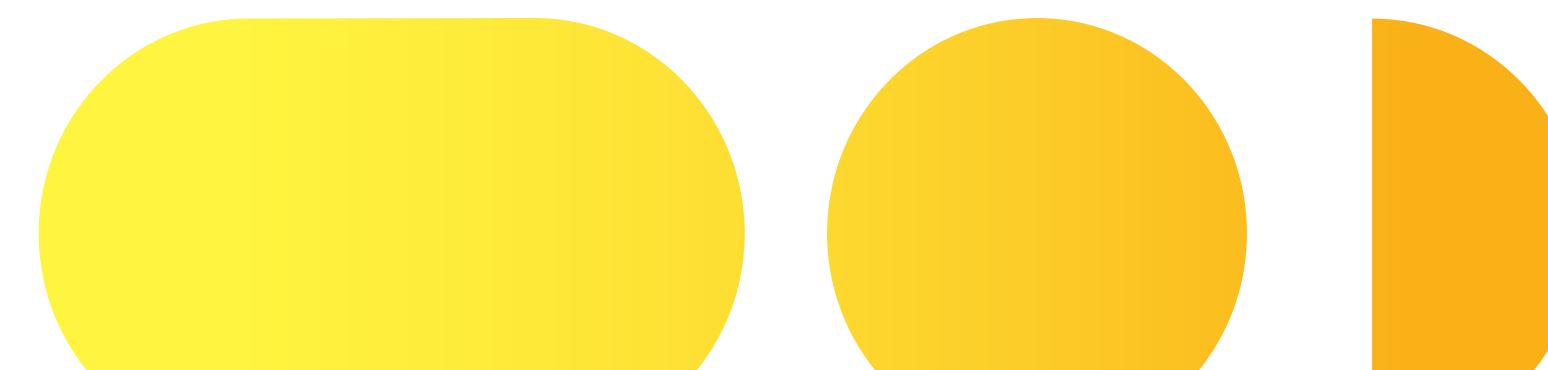
Below, there is the severity rate and lost days in 2022 from third parties due to labor accidents:


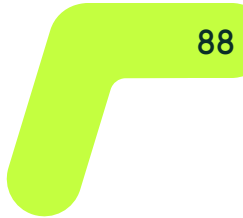
Computed time

	2022		
	Women	Men	Total
Total of lost days due to accidents and injuries	65	1,312	1,377
Total of deducted days due to impairment or death	0	300	300
Total computed time	65	1,612	1,677
Total hours worked in the year	-	-	44,052,601
Severity rate	-	-	37

Kinds of injuries and frequency rate of outsourced employees, by gender

	Women	Men	Total
Fatal accidents	0	0	0
Severe accidents (except fatalities)	1	15	16
Not severe accidents (injuries)	4	99	103
Total hours worked in the year	-	-	44,052,601



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Diversity

[3-3 (405)] Cemig’s purpose has the guideline of “Respect people, valuing the differences and individuality of each one. Create an environment free of prejudice”. This guideline is in line with the **Code of Conduct**, the **Commitment to Human Rights**, and the Policy for Valuing Diversity and Inclusion³⁸, formal documents that guide relations with stakeholders. These documents are aligned with globally recognized values and principles, such as those advocated by the UN through the Universal Declaration of Human Rights and the Global Compact, besides other instruments.

In 2022, Cemig’s Diversity and Inclusion Valuation Policy was approved by the Board of Directors, making the Company’s commitment to spreading a culture of valuing diversity, equity and inclusion in its various forms public. One of the assumptions explained in the Policy is that “Cemig Group believes in the power of transformation and innovation when working in an environment where people are respected for being who they are, and believes that encouraging a diverse and inclusive environment means respecting and promoting the principles of non-discrimination, guaranteeing equal opportunities to all, regardless of race, gender, sexual orientation, color, appearance, nationality, religion, age, physical and mental condition, marital status, or political ideology.”

[3-03 (405); 3-03 (406)] Since 2019, Cemig has had the Diversity Valuation Group, subordinated to the Corporate Sustainability Committee and with participants from different areas. Its responsibility is to identify and implement actions that promote gender equity and value diversity in the Company.

The Company also has a Diversity Valuation Program in line with the Company’s Cultural Identity Book, whose guideline is “to respect people, valuing the difference and individuality of each one” and “to create an environment free of prejudice”.

Cemig invests heavily in raising awareness among its employees. In 2022, the annual Cemig Code of Conduct training included a specific module on valuing diversity and combating discrimination and any type of moral or sexual harassment. This training was attended by 13,811 employees of the workforce, of which 4,891 are in-house employees (100% of total active employees) and 8,920 are outsourced.

In 2022, in line with the commitment taken on with the launch of the Valuing Diversity and Inclusion Policy, the Company intensified internal and external awareness actions. We highlight the creation of the weekly column on diversity, which addressed topics such as unconscious bias, structural racism, religious, generational and gender diversity, sexual orientation, accessibility, representativeness, inclusive language, and regionalism. There were over 52 articles, videos, lectures, interviews and events throughout the year.

Other actions related to diversity and inclusion that took place in the last year were:

Participation in Working Groups of the Global Compact on Diversity and Human Rights focused on studies and exchange of experiences between companies across Brazil;

Disclosure of matters related to the topic of diversity on the Leadership Radar, a communication channel aimed at professionals who occupy leadership positions at Cemig;

Lectures on the topics “What are we proud of? Diversity, inclusion and belonging to organizations” and “Why talk about diversity?” in the Internal Workplace Accident Prevention Week (SIPAT), an event in which all employees participated.


[406-1] The culture of non-discrimination is closely monitored through the complaint channel. 426 complaints were received in 2022, 8 of which related to discrimination.



Specific data on discrimination and harassment can be found in the table below:

TOPIC	REPORTS	
Mobbing	36	1 Awaiting Determination; 4 Unconfirmed Validity Ones; 6 Partly Valid Ones; 8 Valid Ones; 17 Non-Valid Ones
Sexual harassment	10	1 Valid One; 1 Not enough information for determination; 2 Unconfirmed Validity Ones; and 8 Non-Valid Ones
Discrimination	8	4 Valid Ones; 4 Non-Valid Ones
TOTAL	54	

38. <https://www.cemig.com.br/wp-content/uploads/2022/08/no-02.50-politica-de-valorizacao-da-diversidade-e-inclusao-cemig.pdf>

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CEMIG – In House Employees (%)	2022	Tema
Percentage of women at Cemig	14.57%	Gender
Percentage Women in graduate level positions	24.06%	Gender
o Percentage Women in leadership positions	14.06%	Gender
Number of women in the Board of Officers and the Board of Directors	2	Gender
Average remuneration of women/Average remuneration of men - Technical positions	85%	Gender
Average remuneration of women/Average remuneration of men - Graduate level	148%	Gender
Average remuneration of women/Average remuneration of men - Leadership positions	84%	Gender
Percentage of black people at Cemig	5.56%	Race / Ethnic Origin
Percentage of black people in leadership positions	1.04%	Race / Ethnic Origin
Percentage of black and mixed race people at Cemig	36.30%	Race / Ethnic Origin
Percentage of black and mixed race people at Cemig leadership	16.67%	Race / Ethnic Origin
Percentage of black and mixed race people in graduate level positions	27.57%	Race / Ethnic Origin
Percentage of People with Special Needs	3.20%	People with Special Needs
Percentage of People with Special Needs in graduate level positions	34.59%	People with Special Needs
Percentage of People with Special Needs in leadership positions	0.63%	People with Special Needs

Strongly committed to balancing its diversity at all hierarchical levels, Cemig supports several initiatives, described in the sections below, to improve its internal indexes.

[3-3 (401); 401-1] Linked to these actions, there is an external recruitment strategy aimed at hiring and developing young talents with projects such as young apprentices, interns and young electricians, as well as improving gender balance and attracting more candidates in an emerging situation. These actions are described in the topic “Inclusion Actions”.

Gender equality

Although Cemig recruits and selects employees through public tenders, a fact that ensures equal conditions for competitors, there is a greater number of men applying and, consequently, approved. This peculiarity is mainly due to the historical specificities of the labor market in the power industry and the Company’s core activities.

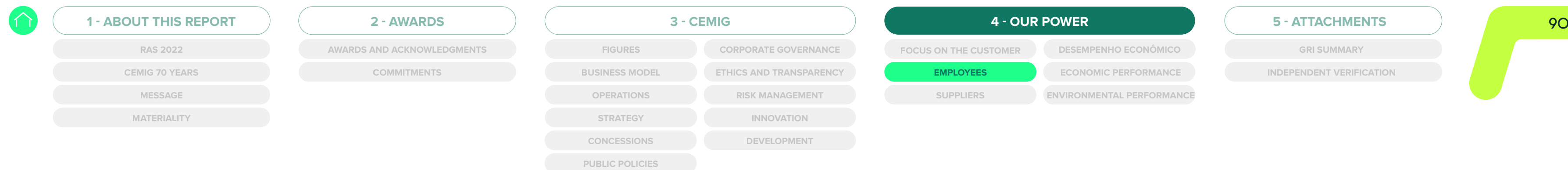
[GRI 405-1] In 2022, the number of women employed by Cemig was 724 (14.57%) against 4,245 men (85.43%), totaling 4,969 employees for the period reported, 100% of whom work full time. The table

below shows the total number of in-house employees by job category and by gender in the last 3 years, without considering senior governance positions.

Job Category	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Leadership	21	158	179	25	165	190	27	165	192
Graduate	242	891	1,133	238	875	1,113	274	865	1,139
Technical	446	3,496	3,942	431	3,291	3,722	423	3,215	3,638
Total	709	4,545	5,254	694	4,331	5,025	724	4,245	4,969

The positions corresponding to each job category are described in the table below:

Job category	Positions
Senior Executives	Statutory Directors
Leadership	Advisor, manager, manager, superintendent, deputy director, ad nutum positions and some employees assigned to other companies occupying managerial positions.
Graduate	All positions that have higher education as a training requirement.
Technical	All positions that require high school or vocational technical education as a training requirement.



[405-1] In 2022, among Cemig’s governance bodies, only the Fiscal Council had 3 female members, amounting to 30% of the members. In terms of age group, no member of the governance bodies is under 30 years old. The breakdown is shown on the table below:

Age Range	Board of Directors		Fiscal Council		Audit Committee		Statutory Board	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Below 30 years	0	0%	0	0%	0	0%	0	0%
Between 30 and 50 years	3	27%	6	60%	1	25%	2	29%
Over 50 years	8	73%	4	40%	3	75%	5	71%
Grand Total	11	100%	10	100%	4	100%	7	100%

[405-2] With regard to the salary aspect, we found that, at the technical level, women receive, on average, more than men and this difference increased in the compared period. At the university level, women earn more than men both in terms of salary and remuneration. The average mathematical ratio of base salary and pay for women to men has increased at the college level over the past two years. With regard to leadership, it can be seen that the average salary and remuneration of women has decreased against that of men in the last two years at Cemig Holding and Cemig GT companies.

Cemig Group's Company	Mathematical ratio between base salary and remuneration of women against men					
	Women's Average Salary			Women's Average Remuneration		
	Men's Average Salary			Men's Average Remuneration		
	Leadership	Graduate	Technical	Leadership	Graduate	Technical
Cemig Holding	0.72	2.86	0.00	0.78	2.82	0.00
Cemig D	0.96	0.86	1.02	0.86	0.81	0.84
Cemig GT	0.87	0.88	1.07	0.88	0.82	0.86
Consolidated Cemig	0.85	1.53	1.04	0.84	1.48	0.85

People with disabilities

[405-01] With regard to the number of staff who are People with Disabilities, in 2022, Cemig had 159 employees with disabilities, amounting to 3.20% of the total staff. There are employees with physical, hearing, visual, and multiple disabilities, and in rehabilitation. Of employees with disabilities, 64.78% fall into the technical functional category, 34.59% have a university degree, and 0.63% are in leadership positions.

Public tenders to fill mid-level, vocational technical and university positions, in compliance with State Act 11,867/95, reserve 10% of the total number of open positions for people with disabilities, observing the compatibility requirements between the disability and the requirements of the jobs. All information on open positions set apart for people with disabilities is contained in the tender notices.

Cemig supports adaptation of all people with disabilities through specialized professionals and, when necessary, adapts the work space. Upon joining Cemig or during their career, employees with disabilities rely both on social workers and the people management area to facilitate their integration into the team and their adaptation (equipment, furniture, etc.).


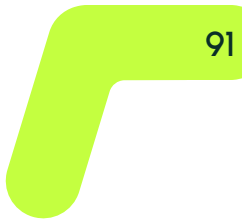
Immediately after the disabled person is hired, a social worker conducts an interview with the employee, to check how insertion in the work environment is taking place and whether there

is a need for any adaptation. In a second step, a meeting is held with employee leaders. And any time during their career, the disabled employee can request support from the social service for any necessary adaptation, awareness-raising for the team/management, and other demands.

Cemig also offers employees and/or their family members with disabilities guidance and support through the Special Care Program (PAM). As part of PAM, the Company reimburses 50% of the expenses of employees and dependents with physical and intellectual disabilities. Reimbursed expenses may include tuition from specialized schools, therapeutic alternatives (art therapy, music therapy, play therapy, hydrotherapy, equine-assisted therapy, swimming, physiotherapy, and speech therapy), prostheses, and disposable diapers.

Cemig’s physical facilities and buildings are accessible to all people, considering the aspects of use, safety and autonomy, in accordance with current legislation and standards.

Cemig’s concern with accessibility also extends to its customers. Efforts in this regard were detailed in the Customer Relationship Channels section, in the Our Customers and Consumers chapter.

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Inclusion actions

Regarding inclusion actions, in 2022, Cemig set 50% of open positions apart for women in the Cemig Learning Program. This is an initiative of the Company, in partnership with the National Industrial Training Service (SENAI), which aims to train specialized labor for the energy sector in the state of Minas Gerais.

There were 100 vacancies (50 for females), distributed in the cities of Belo Horizonte, Governador Valadares, Juiz de Fora, Uberlândia and Montes Claros. The purpose of these openings is to reduce male predominance in the role of electrician, providing tools and opportunities for professional and career learning for females.

An additional 20 positions were also offered for the children of people who have already been homeless. In the same way as setting open positions apart for women, the additional vacancies for the children of people who have already gone been homeless have the objective of inclusion - breaking the perpetuation of a situation of extreme poverty and vulnerabilities of these families by giving opportunity to their children. The Program lasts 1 year and, upon completion, apprentices can be hired by companies that provide services to Cemig.

Classes were taught by SENAI, and all the teaching and equipment side – such as the training matrix and the materials made available for the students to practice, like uniforms, PPE, EPCs, cables and parts – is provided by Cemig, through the UniverCemig, which has extensive experience in the syllabus of this type of training. While attending the course, apprentices have a special work contract with a work permit signed by Cemig and receive a uniform, salary allowance, meal allowance, vacation, Christmas bonus and transportation allowance, in addition to having the Brazilian Government Severance Indemnity Fund for Employees (FGTS) withheld.

Another inclusion action was the qualification training for meter readers, in partnership with UniverCemig. The purpose of the project is to qualify professionals who already work or who may work in the process of reading meters, low voltage (LV), an essential activity for Cemig and an important step in the billing process. In addition, the training encourages more women to join this process, and, consequently, the Company has more diversity in its workforce. Among the syllabus are important topics such as safety, training in the interpretation of analogue, cyclometric and digital meters, professional conduct, quality management and moral and sexual harassment. The course is a requirement to apply in the selection processes and, therefore, to be hired for the job.

Organizational climate and culture

Engaging with and understanding internal stakeholders is extremely important for the Company. The Engagement and Organizational Climate Survey is carried out annually and the Cultural Mapping, periodically.

In October 2022, Cemig applied the Engagement and Climate Survey, with the objective of learning the aspects that show bond, connection and engagement, in order to bring objectivity to topics that may interfere in the corporate climate. 59% of the in-house employee staff participated in the survey, with a 75% favorable opinion percentage obtained. This result shows an 11% jump in employee satisfaction rates against the survey carried out in 2021. Regarding the general satisfaction index, the 2022 result was 86%, a 6% increase against the previous year.

Cemig has been working hard to promote a new culture that makes it possible to meet needs and obtain organizational results, through the “Novas Energias” (New Energies) program that began in 2020. Based on this diagnosis, packages were designed with practices aimed at developing a series of processes related to people management, with the aim of leveraging results aligned with strengthening the desired culture.

The main practices addressed in these packages were the creation of structured models for internal governance through strategic leagues, career paths, recruitment and job placement (internal and external), integration, recognition program, internal communication, performance management, career development of future leaders and the career advancement process. In addition, theoretical leadership development modules were held, with the aim of keeping managers in line with what is expected in relation to the practices developed by the Novas Energias program team.

General favorable opinion



General satisfaction



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SUPPLIERS

Cemig extends to its relationship with suppliers the same principles of transparency and ethical conduct with which it carries out its business throughout its value chain. This action is guided by the Supply Policy and the Company's Code of Conduct³⁹, by the Commitment to Human Rights⁴⁰, as well as by legislation at the federal and state levels, condemning any form of child labor, forced labor or slave-like labor, cruel or inhuman treatment, any form of moral and sexual harassment, discrimination, and to ensure free association and legitimacy of trade unions. Cemig also requires that its supply chain comply with its specific policies on social and environmental issues, such as its Environmental Policy, Biodiversity Policy⁴¹, Commitment to Climate Change⁴² and Water Resources Policy⁴³, which follow the principles of the Pact Global, in addition to SA 8000, ISO 14001 and ISO 450001 standards.

[2-06] Cemig's diversified supplier base includes, among others: suppliers of electrical and hydraulic equipment, microcomputers and office supplies, construction companies for retrofit works, construction of new units or provision of services related to energy distribution and call center, and conservation and cleaning services.

In 2022, the Company increased the number of registered suppliers and reached a total of 5,397 suppliers, as shown in the table below. Of these, 27.2% have an active registration, and 20% have a current contract.

[204-01] Expenses with purchases of services amounted to BRL 5.6 billion, which represents an increase of approximately 46% in relation to the total expenditure for 2021. This increase was due to the closure of the Distributor's Development Plan (PDD), which had the largest investment in history. The table below shows the values by category, distinguishing the value of contracts signed with local suppliers, that is, from the state of Minas Gerais:

TYPES	2020	2021	2022
No. of Registered Suppliers	4485	4923	5397
No. of Suppliers with an Active Register	1131	1206	1469
No. of Suppliers with Contract(s) in Effect (tier-1)	1668	1474	1096

Contract values and expenses with suppliers		
	2021	2022
Amount of Contracts in Effect	BRL 19,542,007,974.84	BRL 32,793,861,583.69
Amount of Executed Contracts	BRL 7,271,939,593.00	BRL 12,174,092,106.00
Amount of Contracts in Effect with Local Suppliers (MG)	BRL 12,222,943,079.20	BRL 8,905,526,638.83
Amount of Contracts Executed with Local Suppliers (MG)	BRL 3,740,108,906.97	BRL 7,278,942,257.40
Disbursed Cost	BRL 3,859,587,183.00	BRL 5,656,525,610.00



39. https://www.cemig.com.br/wp-content/uploads/2022/06/codigo_de_conduta_cemig-1.pdf

40. <https://www.cemig.com.br/wp-content/uploads/2020/12/compromisso-com-os-direitos-humanos.pdf>

41. <https://www.cemig.com.br/wp-content/uploads/2020/12/politica-biodiversidade-no-02-17.pdf>

42. <https://www.cemig.com.br/wp-content/uploads/2020/07/Compromisso-da-Cemig-com-as-Mudan%C3%A7as-Clim%C3%A1ticas.pdf>

43. <https://www.Cemig.com.br/wp-content/uploads/2020/07/politica-recursos-hidricos.pdf>

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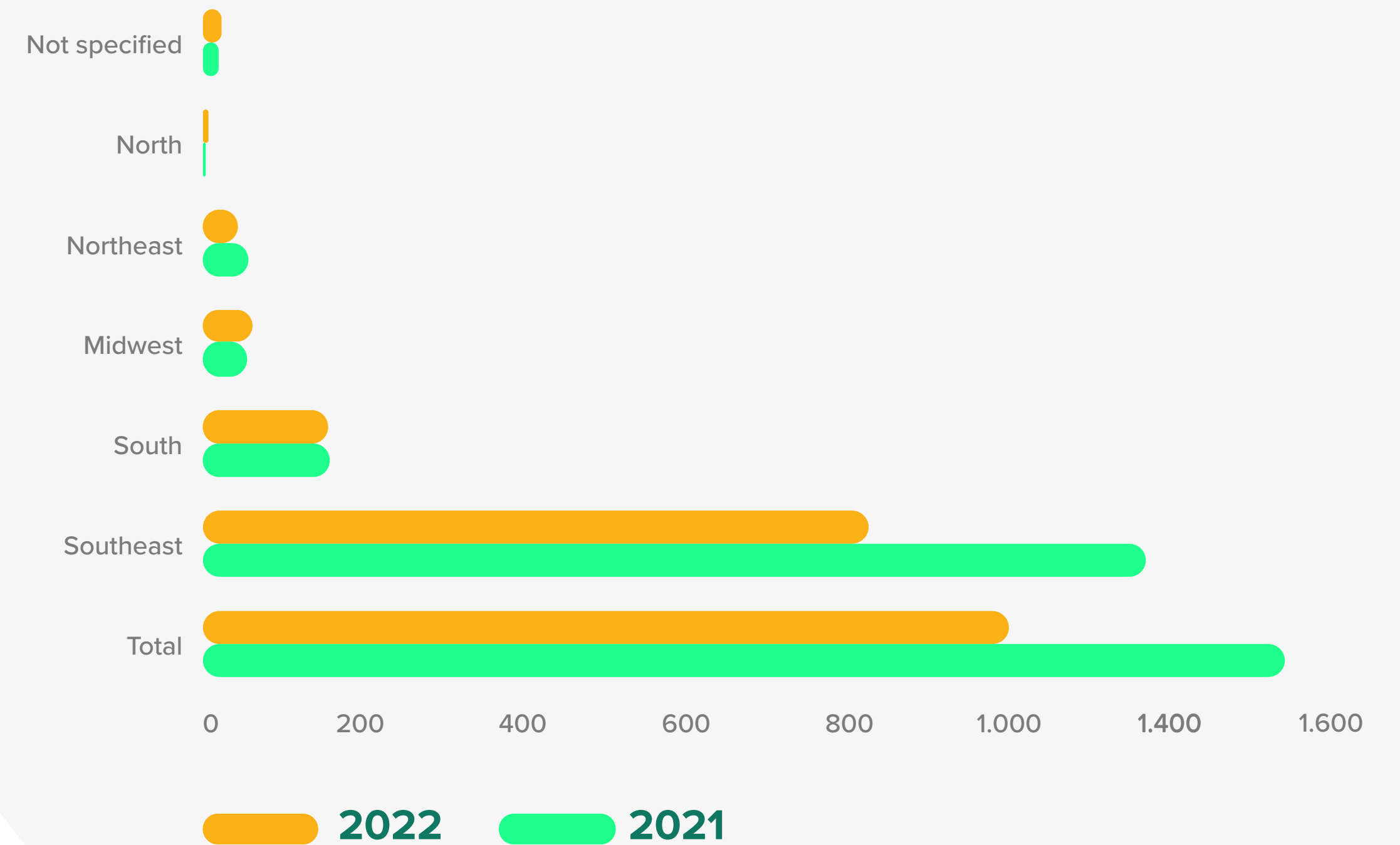
The supply chain management strategy is based in five priority commitments, which guide the Company's supply daily actions. Commitments are to:


- 1 Public welfare and respect for the principles of legality;
- 2 Corporate ethics;
- 3 Legal equality;
- 4 Transparency;
- 5 Social and environmental responsibility

[308-1] Because of its legal nature (a mixed economy company), Cemig is subject to the Competitive Bidding Law, which lays down rules for tenders and direct Public Administration contracts. Thus, the Company must maintain an isonomic relationship, without promoting distinctions and preferences for contracting local suppliers or only based on social or environmental criteria. However, Cemig tries to align suppliers and contractors with its vision of sustainability, its commitments and its corporate values, including social and environmental aspects in the assessment criteria for suppliers and in contractual clauses.

In addition, respecting legal limitations, Cemig seeks to establish partnerships and supports specific programs that promote the development of products and local suppliers sponsored by representative business and government development entities. At the same time, partnerships are also established with suppliers in Research and Development projects, seeking innovative solutions, product improvements and technological modernization.

Number of suppliers with contracts in effect, by region



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Supply chain management

The Supplier Management process begins at Cemig with the demand from the business areas identifying the need for contracting or with the identification of the need by the Service and Material Planning areas. Based on this input, the Supply department begins its efforts of prospecting, developing and registering - when necessary - the supplier, budgeting, market analysis, and preparing the monitoring of the supplier performance.

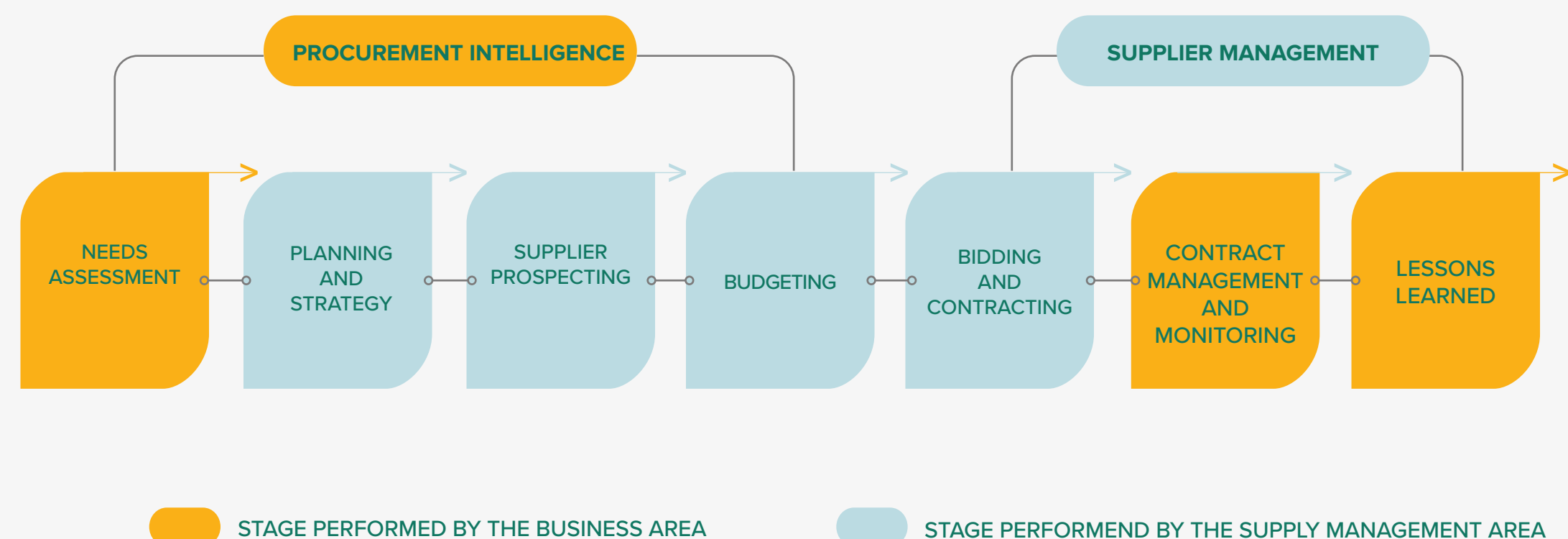
The customer and supplier relationship at Cemig begins with the prospecting process. By means of this process, Cemig aims at increasing and improving its supplier base, improving the competitiveness of its tender processes. Special care is given to quality, so the performance and reputation of prospective suppliers are assessed. The Company mainly prospects for new suppliers using workshops, seminars, domestic and international visits, research, and exchange of information with other utilities.

[3-03 (308); 3-03 (414)] Before the contracting process, the Company acts through the Registration and Qualification of Suppliers, defining the documents and minimum requirements necessary for the provision of the service or material. This process includes demanding specific documentation for supply groups identified as presenting environmental risk, and carrying out visits for technical assessments.

major objectives of this registry are: ensure that the tenderers in Cemig's procurement processes meet the participation requirements set out in the bid notices; provide services to suppliers and internal customers with quality and timeliness; and ensure an updated and solid base of suppliers registered with Cemig.

Supplier Registration and Qualification is the process that allows for effective participation of a company in a procurement process carried out by Cemig. The


Steps in the management of the Cemig supply chain



The following aspects are considered for this stage of suppliers' screening, selection and qualification:

- Documentation (including governance) and system;
- Reception and supplier inspection;
- Production lines;
- Inspection and testing;
- Maintenance and calibration;
- Shipping, inventory and layout;
- Personnel training and management;
- After sales;
- Health and safety;
- Social responsibility and environment.

The following are also taken into account for risk classification (critical suppliers): country-specific risk (domestic or foreign supplier) and sector risk.

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For risk classification (critical suppliers) the following are also taken into account: country-specific risk (domestic or foreign supplier) and sector risk.

For the supply of **materials** of greater criticality to Cemig’s business, assessment with systematic evidence checks is performed - the Industrial Technical Assessment (ATI) is required, which consists of documentary analysis and visits to the manufacturer’s premises with the objective of verifying, through objective evidence, the conformity of the production process with the requirements defined by Cemig. ATI is carried out by a contractor company (2nd party evaluation) and in-house employee, using a methodology developed based on certifications (ISO).

The quality assurance of the materials to be purchased by Cemig also goes through the approval process, which includes carrying out specific tests and inspections.

For contractors working in distribution services, a Technical Assessment in Contractor (ATE) is required; for contractors working in private construction works that will become part of the Cemig’s Electric Power System (SEP), the Verification of Technical Conformity in Contractor (VCTE) is required. ATE and VCTE aim to assess suppliers according to specific criteria, such as team composition, personnel, training, tooling, equipment, vehicles, facilities (offices, warehouses, cafeterias, locker rooms), documentation, and other items. On-site visits are performed and defined in contract.

The table below shows the number of visits performed in 2022 for confirmation of suppliers, reception inspections and VCTE and ATE.

Visits performed	2022
Suppliers confirmation	180
Reception inspection	6265
VCTEs	22
ATEs	73

In 2022, 46% more suppliers were approved than in 2021, reception inspections increased by 16%, as well as ATEs increased by 11%. 54% fewer VCTEs were performed against 2021. This reduction was due to the flow of contracts – as VCTEs last for two years, and considering that, in 2021, a large volume of VCTEs had already been carried out, there were fewer visits to be carried out in 2022.

The total amount of ATIs in 2022 increased by 51% against 2021, with a high percentage of approvals:

Most of Cemig’s procurement processes take place by means of tenders (except the cases provided for by law). The contracting stage complies with Cemig’s Bidding and Contracts Bylaws, which lay down the conditions, rules, and procedures related to contracting works, service provision,

Total	Approved	Failed	Pending
78	62	7	9

procurement and rental of assets, sale of goods and assets, and the implementation of real liens.

Cemig’s tenders and contracts aim to ensure the selection of the most advantageous proposal, observing the following principles: impersonality, morality, equality, publicity, efficiency, administrative probity, economy, sustainable national development, compliance with the tender request terms, competitiveness, and objective judgment. Electronic auctions, which answer for most of the amount contracted by the Company, take place via the Electronic Purchasing Portal (PEC) and are public processes, i.e., they can be followed by anyone.



Supplier Performance

Monitoring and assessment

Cemig tries to align suppliers and contractors with its vision of sustainability, its commitments and its corporate values. In this context, assessment and monitoring of suppliers are essential for the provision of services and for continuity of the Company's operations.

Suppliers are monitored using a system where the supplier, the supply area, and the technical area responsible for contract management interact. In this system, suppliers considered strategic and who entered into contracts from the second quarter of 2018 - the time measurement of the Supplier Performance Index (IDF) indicator began - are monitored.

The IDF objective is to monitor performance of suppliers individually and in comparison with other suppliers, with set and standardized rules for indicators, penalties and bonuses. It is calculated on a monthly basis, and is based on the assessment of three aspects:

Breakdown of the IDF indicator



TECHNICAL

- Deadline
- Quality
- Health and safety
- Environmental management



FINANCIAL



- Financial health
- Delinquency
- Contractual risk
- Advance payments
- Acceleration of invoices



COMPLIANCE

- Practices and policies
- Integrity
- Risk management
- Contractual documents
- Legal compliance



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IDF helps Cemig monitor and understand the financial health of its suppliers and intervene in the event of a possible need for assistance and support, such as sharing knowledge and good management practices, in order to avoid losses for both sides. Supplier Integrity actions are monitored by the index through a questionnaire and the result allows for a bonus of up to 3% on the IDF result.

Monitoring the Compliance aspect encourages suppliers to establish a code of ethics and an anti-corruption policy and to invest in training their employees.

When the performance of the supplier (IDF) falls below expectations and what is determined in the contract, or there is a breach of a legal or contractual requirement, a Punitive Administrative Process is carried out to investigate what happened and, when necessary, enforce the penalty determined by the competent authorities. Results above expectations are identified by the Ensured Material Supply program and/or acknowledged in the annual Cemig Suppliers Award.

All contracts have a Service Level Agreement and are assessed by managers. However, IDF currently only applies to critical suppliers, and the intention is to gradually expand its scope. IDF for suppliers of materials and services is presented below, where it can be seen that, between 2021 and 2022, the index for material suppliers rose by 4.1 percentage points, while that of services decreased by only 2.3 points. Performance on the total index increased by 1 percentage point against 2021.

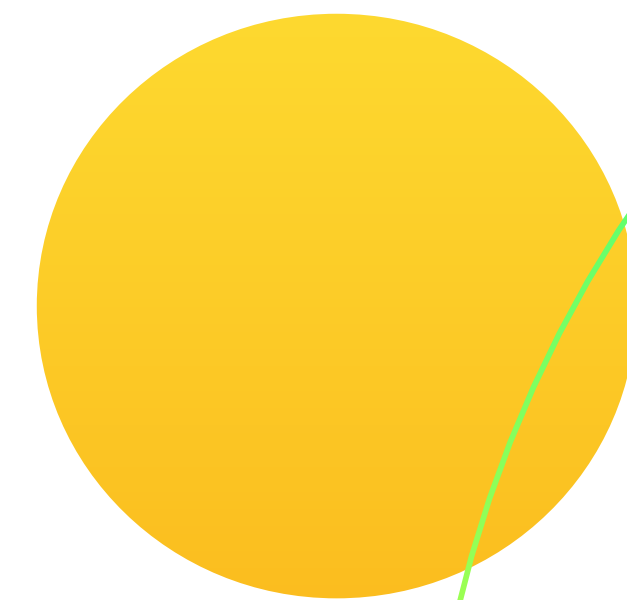
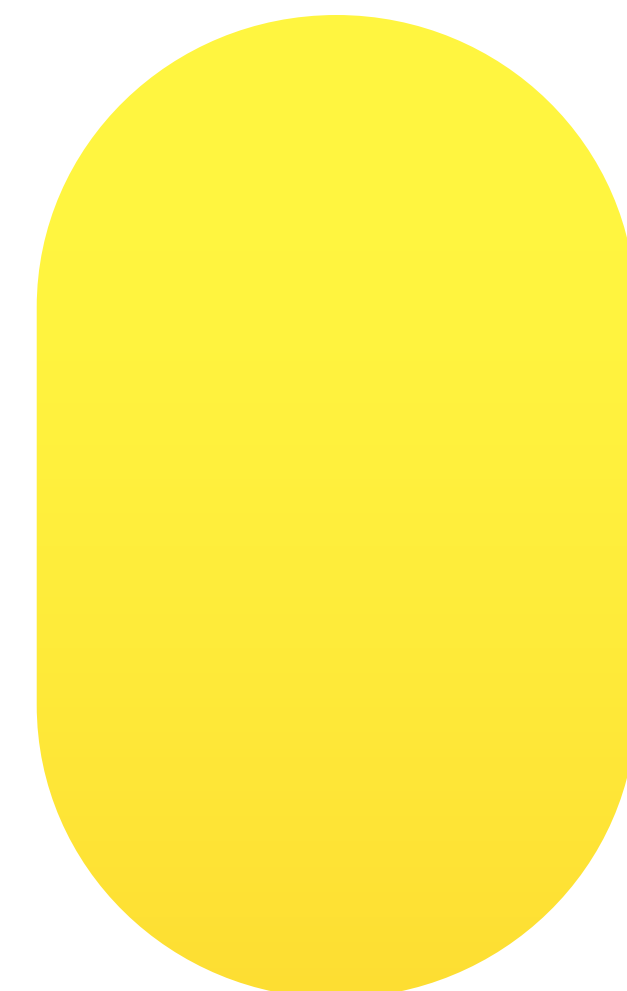
IDF – Per Supplier Category	2020	2021	2022
Total IDF	94.40%	84.8%	85.68%
Material Suppliers IDF	87.02%	82.0%	85.41%
Service Suppliers IDF	94.55%	87.7%	85.95%


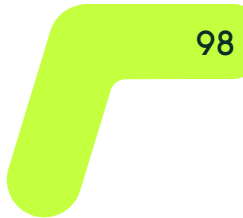
Suppliers' performance in the health and safety items is assessed via the Work Accidents with Leave Frequency Rate (TFA) specific for contractors; one of the indicators for assessing environmental performance is the Percentages of Waste destined to recycling, regeneration and reuse. That indicator is part of suppliers' monitoring due to the fact that contractor companies carry out services that produce a significant amount of waste from customer service, tree pruning, construction of grids, cleaning of power transmission line bands, and other services.

In 2022, Cemig filed 25 administrative proceedings, 6 more than in 2021. Of these, 23 for contractual breaches (failure to meet deadlines, non-delivery of service or material, irregular service), and 2 for fraud (presentation of false documentation during the registration and bidding process, irregularities in court attendance).

Chain management has its effectiveness verified through internal and external audits according to the quality (ISO 9001), environmental (ISO 14001) and health and safety (OHSAS 18001) management systems implemented in the Company, and the specifics of each contract are taken into account in these proceedings.

Suppliers – Relevant Socioenvironmental Indicators		2018	2019	2020	2021	2022
Social	Frequency of Work Accidents with Sick Leave (TFA) – Contractors	1.71	1.76	6.07	1.75	1.63
Environmental	Percentages of Waste destined to sale, recycling, regeneration and reuse.	99.75%	99.74%	99%	98.22%	99.27%



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Coverage and progress of suppliers with corrective action plans:

Corrective action plan support	2022 Fiscal Year
Total number of suppliers supported in implementing the corrective action plan ⁴⁴	13 ^(*)

Coverage and progress of suppliers in training programs:

Total Third Party Trained at Univercemig	
2021	2022
12,900	12,800

Total Third Party Attendance to Training at Univercemig	
2021	2022
25,028	30,888

Total Trained Man-Hours - Total Course Load (Third Parties Under Training at Univercemig)	
2021	2022
52,423	70,201

In 2022, 82 supplier companies received direct training from Univercemig, according to data from the side table.

Suppliers and ESG

Through the Procurement and Logistics Board and in partnership with the Corporate Communication and Sustainability Board, Cemig has several actions to deal with the ESG topic in the Supply Chain.

After identifying suppliers with greater risks of environmental, social and governance impacts, the Company monitors these aspects during the Industrial Technical Assessments (ATI) through a 2nd party assessment (retained company). This process is continually reviewed towards improvement. Suppliers that do not comply with the requirements must carry out corrective actions and, depending on the severity of the non-compliance, their contract are terminated.

To encourage good practices in the Supply Chain, Cemig provides training and booklets related to the SDGs

To further encourage good practices of its suppliers, in 2022 Cemig innovated by creating the Sustainability Award within the Best Suppliers Program with two categories: Social Category and Environmental Category, as described below.

Cemig Best Suppliers Award

Cemig Best Suppliers Award aims to externalize values beyond the organization, recognizing and honoring companies that strongly contribute to Cemig fulfilling its social objective of generating, transmitting and distributing electricity, meeting the expectations of its consumers, shareholders and society in general.


The event, which has been held annually since 2009, is a milestone in Cemig’s relationship with its suppliers and encourages quality in the provision of services and in the supply of material. The initiative seeks continuous improvement of results and a generation of sustainable attitudes.

The 2022 performance award was held in April 2023 and featured specific awards for the Sustainability Topic in the following categories: “Environmental Category and Social Responsibility Category”.⁴⁴

44. <https://www.cemig.com.br/wp-content/uploads/2020/07/Resultado-Premio-Melhores-Fornecedores-do-Ano-Sustentabilidade.pdf> .

* 100% of suppliers that fail to comply with the minimum requirements relating to damage to the environment or to the physical or psychological integrity of people or the supplier’s systematic failure to protect people or the environment are obliged to take corrective actions.



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Environmental and social impacts on the supply chain

[2-25; 3-3 (308); 3-3 (414); 308-2; 407-1; 408-1; 409-1; 414-2]

ACemig identifies risks related to environmental and social impacts in its Supply Chain. This is done through processes that include the economic, environmental and social responsibility risks the Company is exposed to by the actions of its suppliers.


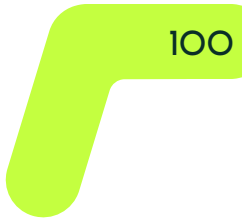
The Company is genuinely concerned about the environmental and social impacts of its supply chain and is aware that it has great responsibility in the event of infractions or crimes committed by a supplier and negative outcomes that may result in financial and image consequences. That is why it acts preventively in order to eliminate or mitigate situations that may cause damage to the brand, image and reputation, losses in relation to the market and its competitiveness, and legal actions of civil and/or criminal joint responsibility.

The requirements for registering and retaining suppliers are stricter as the object supplied involves greater risk in terms of the environment, social responsibility and health and safety. Throughout the supply chain management process, protection instruments are adopted in order to mitigate exposure to those risks:

- When prospecting for new suppliers, those that do not meet socio-environmental requirements or that have a compromised reputation are disregarded for prospecting and development activities.
- When performing a new registration or an annual register update, Cemig’s suppliers must sign the Statement on Basic Registration Requirements stating that they:

- Do not employ children under 18 in night-shift, hazardous or unhealthy work; do not employ children under 16 in any job, except from 14 years of age as apprentices;
- Do not adopt a labor relationship amounting to forced labor or analogous to slave labor;
- Do not acquire or use ores (tantalum, tungsten, tin and gold) from areas of armed conflict in the Democratic Republic of Congo and its neighbors, which are characterized by extreme levels of sexual and gender violence;
- Ensure diversity valuing and do not adopt discriminatory practices based on race, gender, age, nationality, sexual orientation, physical disability, and religion;
- Know and comply with Cemig’s Code of Conduct and Anti-Fraud Policy;
- Strictly and fully comply with the requirements on environmental legislation and personnel safety;
- Guarantee the validity of the Operating Licenses, if applicable, of their industrial facilities, transportation and their sub-suppliers, and compliance with the respective environmental conditions.



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When carrying out ATI, ATE and VCTE, social and environmental conditions are checked with suppliers, especially those related to hazardous and unhealthy work, forced labor, manufacturing processes, waste management, standardization of processes, and others. At those times, when Cemig is in direct contact with the suppliers' employees, it is also possible to identify potential situations for discrimination, harassment and labor debts.

The Company ranks its suppliers by degrees of risk (low, medium and high). For this, it considers the potential and actual negative environmental and social impacts identified during the registration stage or resulting from relevant non-conformities.

The following are considered when assessing negative impacts: (I) factors connected to environmental license for operation, products and services; (II) waste management; (III) water grants; (IV) human rights related to child and forced labor, freedom of association, working conditions, and occupational safety and health; (V) corporate ethics, corruption, and antitrust practices.

[308-2] In 2022, there were 276 suppliers with current contracts categorized as medium and high social impact 140 categorized as medium and high environmental impact. From that group, 137 are rated as high sustainability risk suppliers, due to dealing with the supplying of objects that pose a high environmental impact and a high social impact. From the 137 high sustainability risk suppliers, 90 are critical suppliers.

Sustainability risk	2022
Total number of High Sustainability Level Suppliers at Level 1	137
% of total expenditures with High Sustainability Risk at Level 1	40%
Total number of "non Level 1" High Sustainability Risk Suppliers	278



Information to identify social and environmental impacts is collected through several sources: monitoring the IDF indicator; recommendations from internal and external audits; Complaint Channel; inputs from specialized departments, such as ombudsman, risk and compliance department; and reports from Cemig employees scheduled for technical visits with suppliers.

The permanent assessment of these impacts provides inputs to promote changes in the supply chain management process, training and awareness actions for suppliers, and the application of punitive administrative proceedings.

In 2022, there was no record of significant risk of cases of child labor, forced or compulsory labor, or threats to freedom of association and collective bargaining. Also, there was no record of significant negative environmental impacts detected along the supply chain. Besides that, it was also not necessary to execute agreements on improvements or terminate contracts with suppliers based on social and environmental performance assessments.

On the page dedicated to suppliers on Cemig Website, the Company also makes available some of its commitments to sustainability, which should also cover its relationship with the supplier, in addition to the requirements for compliance with environmental and personnel safety legislation. The document lists all legislation and regulatory framework that must be strictly complied with by the supplier.



Communication with suppliers

Cemig provides several communication channels to its suppliers. One of the major ones is the Electronic Supply Portal (PEC), an open and direct channel used for the insertion of documents, registration of proposals, consultation of processes and results of auctions. The website is accessible to the public and allows stakeholders in general to follow the processes, which contributes to greater transparency.

Cemig's Website is another important channel of communication with suppliers. In it, documents and policies are made available that guide the registration process and operating guidelines for suppliers, aiming to clarify the major doubts of suppliers.

Cemig uses the Government Gazette to publicize its actions. In that newspaper, extracts from tender notices and contracting executed are published.

Cemig is always open to receive suppliers and establish successful partnerships. The supply team is available to assist suppliers via phone, e-mail and meetings, to answer questions, provide guidance, and maintain this relationship.

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Highlights and advances in management

[2-6] The highlights in supplier management progresses in 2022 are detailed below:

- Review of the service and material groups, necessary for the registration of the supplier interested in supplying Cemig via tender processes;
- Creation of a list of the main service groups and the respective technical areas responsible for the technical assessment for the registration of suppliers, aiming at better organization of internal management;
- Creation of internal Financial Indexes for economic-financial analysis of companies, in line with the best market practices;
- Review of internal procedures;
- Development of the pre-qualification program for third-party manufacturing companies, including the obligation to audit the controls and the production line, thus ensuring that the supplier has the desirable quality to supply Cemig;
- Training of the entire team in management tools and instruments aimed at health and safety at work, quality, environmental performance and social assessment (ISOs 9001, 45001 and 14001, and SA 8000);
- Training and knowledge management for the new team responsible for the VTCE process; Implementation of the RACI matrix tool used to optimize project management in the supplier assessment process, and
- Training of field teams to perform ATEs, geared at greater autonomy of regional branches and improving knowledge management.

Main Monitoring Items

Suppliers	2020	2021	2022
No. of Suppliers with Executed Contract(s)	633	801	1.097
No. of Registered Local (MG) Suppliers	2,128	2,292	2,476
No. of Registered Local (MG) Registered Suppliers – valid documentation	557	578	681
No. of Local (MG) Suppliers with Executed Contract(s)	336	123	227
No. of New Critical Suppliers	227	609	143
No. of Critical Suppliers with Contracts in Effect	646	782	623

Competitive Biddings and Contracts	2020	2021	2022
Public Tenders	367	493	1,237
No. of Executed Contracts	1,329	968	1,237
No. of Contracts Executed with Local Suppliers (MG)	685	343	604

Retentions and costs per supplier type

Category	Contracted Amount (2022)	Disbursed Amount (2022)	Contracts in Effect	Number of Suppliers
Material	BRL 3,829,054,972.00	BRL 1,129,721,870.00	482	229
Service	BRL 11,739,403,713.00	BRL 1,132,942,372.00	846	326

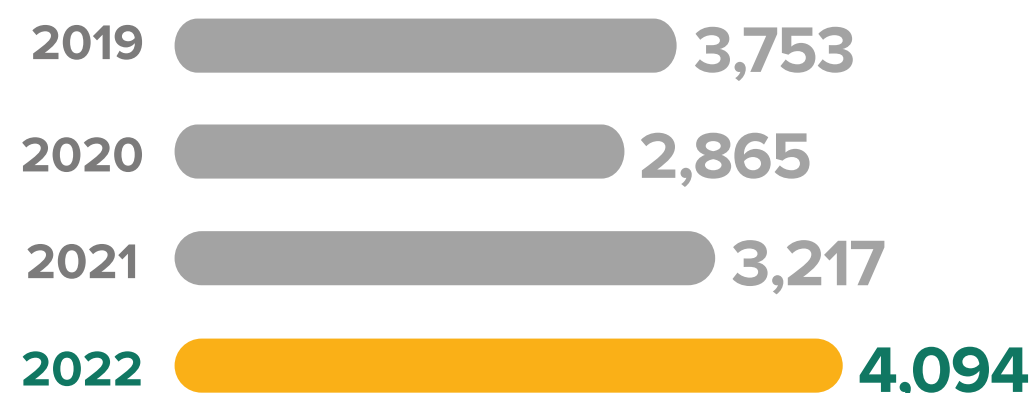
ECONOMIC PERFORMANCE

[2-2; 2-6; 2-7] Cemig holding includes in its economic and financial indicators all the companies under its control and described in the organization chart in chapter 4 of this document.

In 2022, Cemig displayed a net income of BRL 4,094 million against a net income of BRL 3,753 million in 2021, representing an increase of 9.09%.

The positive variation in the Company's earnings is mainly due to the increase in profit in the energy trading segment, summarized as a 55.89% increase against the previous year. Also noteworthy, among the factors for the increase in revenue against the previous year, is the improved performance of the Equity and Holding segment, which in 2021 ended the year with a loss of BRL 196 million. Main variations in revenue, costs and expenses and the financial result are presented below in this report.

Net earnings historical series (million BRL)



Major financial indicators

EBITDA

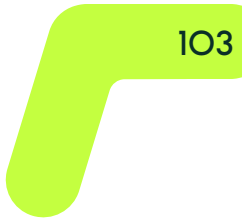
Cemig's consolidated EBITDA, adjusted by the exclusion of non-recurring items, increased by 16.77% in 2022 against 2021, while the adjusted EBITDA margin increased from 17.63% to 20.10%.

Operational revenue

[3-3 (201)] Generally, for the businesses of the Company and its subsidiaries, gas and other revenues are recognized when a performance obligation is met. The Company recognizes revenue only when it is probable that it will receive the consideration in exchange for the goods or services transferred, considering the customer's ability and intention to fulfill the payment obligation.

[2-6] The composition of operating revenue for fiscal years ending on December 31, 2022, is as follow:.

	Operating Revenue		
	2020	2021	2022
Gross supplying of power (a)	26432081	29619254	30158388
Revenues from the use of power distribution systems – TUSD (b)	3021614	3448318	3448318
CVA and other financial components (c)	454741	2146043	2146043
Refunding of PIS/Pasep and Cofins credits to consumers – Execution (f)	266320	1316995	1316995
Revenues from transmission			
Revenues from operation and maintenance (d)	279263	354910	413044
Revenues from transmission construction (d)	201451	251973	407193
Financial remuneration of the transmission contract asset (d) (note 14)	438393	660457	575449
Revenues from generation indemnity	NA	NA	47028
Revenues from distribution construction	1434823	1852263	3245688
Adjustment of the cash flow expectations for the recoverable financial asset of the distribution concession (e)	15464	53751	39369
Revenue from the financial correction of the grant share dividend (f)	347057	523105	466857
Winding-up at CCEE (g)	153762	1156503	182893
Transactions in the surplus sale mechanism (h)	234347	452896	453131
Gas supplying	2011084	3470406	4529123
Penalty for violation of continuity indicator standard	(50,532)	(70,948)	(94,035)
Revenue from early service provision (i)	-	153970	-
PIS/Pasep and Cofins credits to refund to consumers	NA	NA	(829,783)
Other operating revenues (j)	1709486	1935273	2657114
Taxes and burdens on revenues (k)	(11,721,729)	(13,679,051)	(12,686,721)
Net operating revenues	25227625	33646118	34462808

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Revenue from gross power supply was BRL 30,158 million in 2022, against BRL 29,619 million in 2021 fiscal year, amounting to a 1.82% increase. The main impacts on revenue are due to the 2.45% reduction in the volume of energy sold in 2022 against 2021, and, additionally, the reduction in the ICMS rate in the second half of 2022, with a reduction in the energy tariff. It should be noted that this ICMS reduction has no impact on the Company's earnings, as the reduction in gross revenues was offset by a reduction in ICMS payments

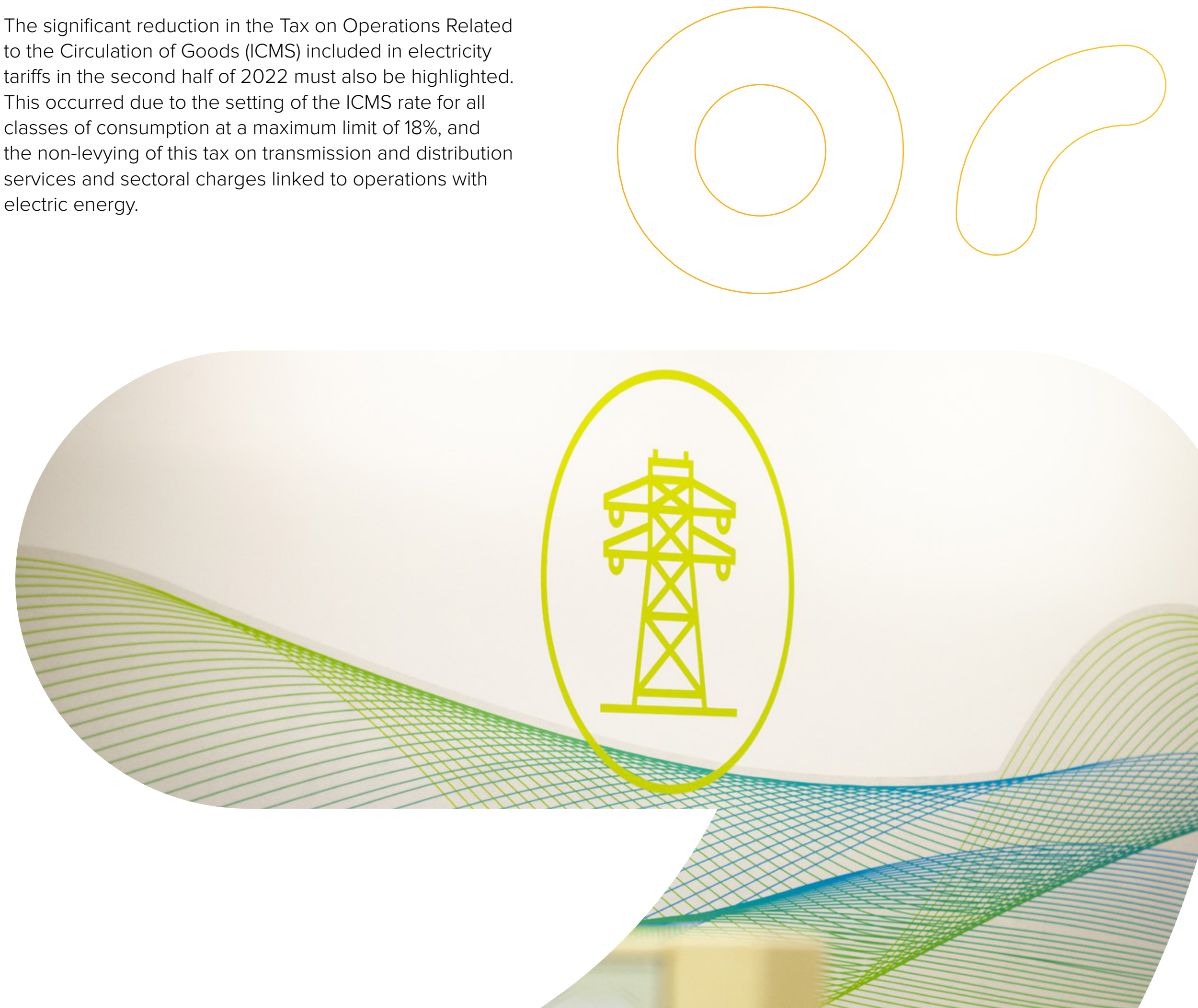
Major impacts on revenue in 2022 stem from the following factors:


- Reduction of 22.20% in the amount of energy billed to consumers in the rural class, mainly due to the 31.3% reduction in the number of consumers in this class, who migrated to other classes as a result of complying with the Normative Resolution (REN) Aneel No. 901/2020, which determined the readjustment of customers who did not carry out their re-registration and proof of activity generating the tariff benefit they were entitled to;
- Reduction of 11.26% in the amount of energy billed to industrial consumers, due to the migration of customers from the captive market to the free market, added

to the retraction of the industrial sector in the state of Minas Gerais in relation to the previous year;

- Reduction of 7.15% in the amount of energy billed to consumers in the street lighting class, mainly due to the replacement of common lamps for LED lamps, which occurred in some municipalities;
- Increase of 17.33% in the amount of energy billed to the government class, due to the return of post-pandemic activities and the reclassification of consumer units from the Rural and Public Service classes to the Public Power class, in compliance with Aneel REN No. 901/2020;
- Increase of 7.47% in the amount of energy billed for the commerce and services class, due to the increase in the number of consumers in this class, mainly due to the migration of customers from the Public Services and Rural classes, in compliance with Aneel REN No. 901/2020

The significant reduction in the Tax on Operations Related to the Circulation of Goods (ICMS) included in electricity tariffs in the second half of 2022 must also be highlighted. This occurred due to the setting of the ICMS rate for all classes of consumption at a maximum limit of 18%, and the non-levying of this tax on transmission and distribution services and sectoral charges linked to operations with electric energy.



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Revenues from the use of power distribution systems (TUSD)

It refers to the Tariff for the Use of the Distribution System (TUSD), arising from charges levied on free consumers for distributed energy. In 2022, this revenue amounted to BRL 3,685 million, against BRL 3,448 million in 2021, representing a 6.87% increase.

This variation is mainly due to the 22.82% increase in the average tariff on free customers in 2022, against the same period in 2021, partially offset by the reduction in the ICMS rate, as indicated in the previous section. Additionally, there was an increase of 1.99% in the energy transported in the 2022 fiscal year against the previous fiscal year.

Other revenues

Revenue from energy transaction at CCEE was BRL 183 million in 2022, against BRL 1,157 million in 2021, amounting to an 84.19% decrease. This reduction is mainly due to the 78.9% reduction in the average value of the Spot Price in the Southeast/Midwest, with an average value of BRL 58.99/MWh in the 2022 fiscal year against BRL 279.61/MWh in 2021, due to better hydrological conditions.

The Company recorded revenue from gas supplying amounting to BRL 4,529 million in 2022, against BRL 3,470 million in 2021, amounting to a 30.52% decrease. This variation is basically due to the readjustment by the IGP-M in the natural gas margin of 16% until May 2022, when Gasmig's new margins were defined, which are higher than those of 2021.

Revenues from construction of assets related to the electricity distribution concession infrastructure were BRL 3,246 million in 2022, against BRL 1,852 million in 2021, showing an increase of 75.27%. This increase is due, basically, to the greater execution of Cemig D's investment plan in relation to the previous year, with emphasis on the increase in services to the market, mainly due to the increase in requests for connections from customers. There was also the execution of the Advanced Metering Infrastructure project, with the

installation of 230,000 smart meters, in addition to the expansion of the high voltage system, with the energizing of 45 new and expanded substations, and the construction of 896 km of distribution power lines.

This revenue is fully offset by construction costs, in the same amount, and corresponds to Cemig D's investment in concession assets during the year.

The other earnings from the Company and its subsidiaries were BRL 2,657 million in 2022 against BRL 1,934 million in 2021, an increase of 37.29%.


Operating Costs and Expenses

Operating costs and expenses amounted to BRL 29,675 million in 2022, against BRL 28,236 million in 2021, a 5.09% increase. The main variations in expenses are described below.

Expense with staff was BRL 1,352 million in 2022, against BRL 1,240 million in 2021, amounting to an 8.99% increase. Variation is mainly due to the 11.08% salary readjustment, as of November 2021, due to the Collective Bargaining Agreement, against the 4.00% salary readjustment as of November 2020, also due to a Collective Bargaining Agreement.

The expense with profit sharing of employees and managers in the net profit was BRL 83 million in the year of 2022, against BRL 134 million in the previous fiscal year, amounting to a 38.06% decrease. This variation stems basically from the change in the criteria for calculating participation, as provided for in the collective agreements related to Cemig's Profit and Results Participation Program for 2022 and 2021.

The amount of the Company's post-employment obligations in the 2022 operating result was an expense of BRL 626 million, compared to BRL 15 million in 2021. This variation is mainly due to changes made in 2021 by the Company in the 2021/2023 Collective Bargaining Agreement, for the offer and cost of life insurance to employees and former employees. The Company ended the payment of this post-employment benefit and, therefore, wrote off the balance of the obligation against income.

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Expense with third party services was BRL 1,706 million in 2022, against BRL 1,450 million in 2021, amounting to a 17.66% increase. Major variations that explain this increase are:

- a 21.36% increase in expenses with maintenance and conservation of power facilities and equipment, amounting to BRL 589 million in 2022, against BRL 485 million in 2021;
- a 56.49% increase expenses with information technology, which was BRL 146 million in 2022, against BRL 93 million in 2021.

CAPEX e OPEX (in BRL thousand)

Business	Generation	Transmission	Distribution	Cemig Sim
CAPEX	136,998	338,937	3,501,204	-

Cemig D: includes Consumer Financial Participation (PFC) in the amount of BRL 578,354
 Cemig SIM: 2022 financial statements not available
 Source: CEI Report (Investment Execution Control)

Business	Generation	Transmission	Distribution	Cemig Sim
OPEX	-656,643	-285,918	-3,651,005	-

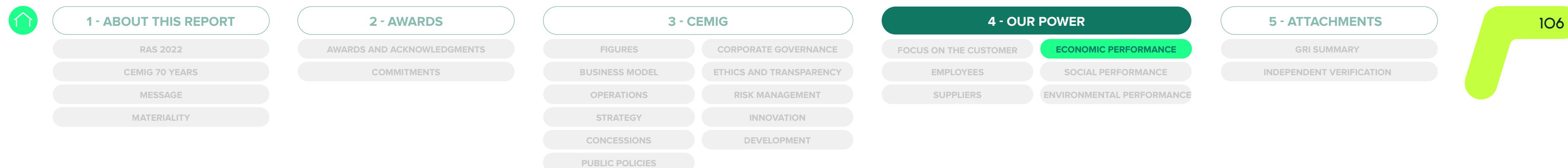
Generation and Transmission: consolidated businesses
 Cemig SIM: 2022 financial statements not available
 Source: HSF

OPEX breakdown	Generation	Transmission	Distribution
People	- 151,750	- 123,571	- 858,654
Materials, services and other	- 218,374	- 88,666	- 1,660,894
POS	- 11,554	- 10,940	- 54,449
PLR (profit sharing)	- 10,822	- 10,838	- 39,834
Post employment obligations	- 67,607	- 41,786	- 420,896
PECLD (Estimated Losses on Bad Debts)	-	-	- 108,141
Labor provision	- 10,066	- 9,436	- 68,061
Other provisions	- 8,562	6,425	- 221,770
Other results	- 177,909	- 7,106	- 218,307
Operational expenses	- 656,643	- 285,918	- 3,651,005

Net Income for the Year

The financial result corresponded to a net financial expense of BRL 1,567 million in 2022 against a net financial expense of BRL 2,253 million in 2021. This variation is mainly associated with the following factors:

- Negative variation of the dollar against the real in 2022 of 6.5%, against the positive variation of 7.39% in 2021, generating the recording of revenues in the amount of BRL 338 million and expenses of BRL 353 million in the financial years 2022 and 2021, respectively;
- The fair value of the financial instrument contracted to protect risks linked to Eurobonds showed a negative variation in 2022, in the amount of BRL 438 million, against the recognition of losses in the amount of BRL 538 million in 2021. The variation is mainly due to the increase in the yield curve in relation to the expectation of growth in the dollar rate against the real;
- Recognition of goodwill on the repurchase of debt securities in the amount of BRL 47 million in 2022 (BRL 491 million in 2021) as a result of partial repurchases of Eurobonds – Tender Offer; and
- Increase of 189.06% in the net result of monetary variation related to CVA balances and other financial components, with financial income of BRL 185 million in 2022, compared to BRL 64 million in 2021. This variation is basically due to the increase in the Selic rate, which indexes the balance, when compared to the previous year.



Income Tax and Social Security

In the financial year of 2022, the Company determined expenses with income tax and social contribution in 2022 amounting to BRL 26 million against a profit of BRL 4,121 million before taxes, amounting to an actual tax bracket of 0.64%. In the 2021 financial year, the Company determined expenses with income tax and social contribution amounting to BRL 945 million against the profit of BRL 4,698 million before taxes, thus amounting to an effective tax bracket of 20.12%.

Cash and Cash Equivalents

Cash and cash equivalents on December 31, 2022 totaled BRL 1,440,661 million, against the BRL 825,208 million balance on December 31, 2021, and were not maintained in currencies other than the Real. The reasons for this variation are given below.

Cash flow from operational activities

Net cash from operating activities in 2022 and 2021 totaled BRL 6,613 million and BRL 3,683 million, respectively. This variation is mainly due to the higher expenditure of resources in 2021, with the purchase of energy and charges for the use of the basic transmission network in relation to the amounts that had been included in the tariff readjustment.

Cash flow from investment activities

Net cash used in investment activities in 2022 totaled BRL 3,206 million, against net cash used in investment activities in 2021 of BRL 1,371 million. This result is mainly due to the increase in investments made in electricity and gas distribution infrastructure assets, of which BRL 3,112 million in 2022 (BRL 1,798 million in 2021).

Cash flow from financing activities

Cash flow consumed in financing activities during 2022 totaled BRL 2,792 million, against net cash consumed of BRL 5,910 million in 2021. Despite the increase in interest on equity and dividends paid, there was a reduction in loan and debenture payments, as well as new funding during 2022.

Capital markets and dividends

Cemig’s shares were initially listed on the Minas Gerais State Stock Exchange as of October 14, 1960, and from 1972, on the São Paulo Stock Exchange (B3) with the CMIG3 (ON) and CMIG4 (PN) symbols. Since October 2001, they are listed on Bovespa’s Corporate Governance Level 1. In addition, the Company’s shares have been traded on the New York Stock Exchange (CIG and CIG/C) since 1993, and at Level 2 of corporate governance since 2001. And on the Madrid Stock Exchange (XCMIG) since 2002.

Below are the closing quotes for years 2021 and 2022 of shares in São Paulo (B3), New York (NYSE) and Madrid (LATIBEX).⁴⁵

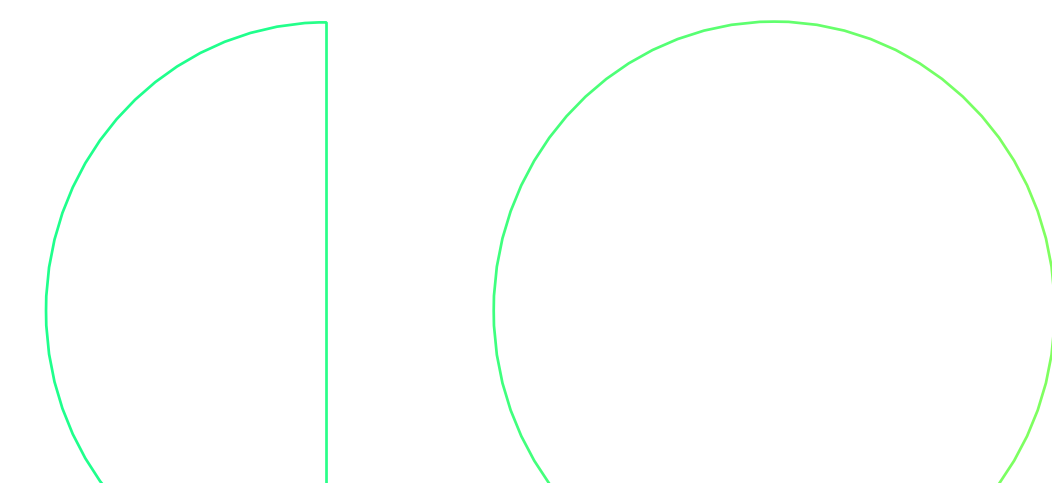
In 2022, CMIG4 preferred shares registered a trading volume of BRL 30.24 billion, with a daily average of BRL 120.66 million. This amount traded makes Cemig’s preferred share (PN) one of the most traded shares on B3 providing security and liquidity for investors.


The average daily volume of trading with preferred shares on the New York Stock Exchange in 2022 was USD 14.99 million and had transactions of USD 3.79 billion, which consolidates Cemig’s position as a worldwide investment option. Cemig had one of the highest amounts traded in 2022 among the ADRs of the Brazilian electricity sector traded on the NYSE.

In terms of performance, Company shares were among those that showed the best profitability of the power industry at B3, as it was the third most traded Company. Both Cemig’s shares traded at B3 had a performance better than the one verified by the energy industry index (IEE) and B3’s main indicator, Ibovespa.

Name	Symbols	Currency	2021 Closing	2022 Closing
Cemig PN	CMIG4	BRL	8.92	11.14
Cemig ON	CMIG3	BRL	13.06	16.15
ADR PN	CIG	US\$	1.63	2.03
ADR ON	CIG.C	US\$	2.64	3.12
Cemig PN (Latibex)	XCMIG	Euro	2.06	1.88

45. Source - Economática – quotes restated by proceeds, including dividends



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Market Value

The market value is represented by the totality of the Company’s shares at their market value on the last trading day of each year, with a growth in relation to the previous year of 11.67%.

Market value - BRL millions:

2020: **22,605**

2021: **25,254**

2022: **28,200**

Sustainable finances

In December 2022, Cemig GT concluded the settlement of its 9th Issue of Simple Debentures of the unsecured type, with personal guarantee and with a volume of BRL 1 billion in 2 series. The 1st series was issued in the amount of BRL 700 million with interest at CDI + 1.33% p.y., amortizations in the 36th, 48th and 60th months and a total term of 5 years. The 2nd Series, characterized as “Green Debentures”, was issued in the amount of BRL 300 million, with interest corresponding to IPCA + 7.62% p.y., with a 7-year term.

Validated by an international certifier, the program has 20 eligible projects that support the issuance of the title, distributed among different generating units of Cemig. The expected impacts of the projects will be measured using impact indicators defined by Cemig GT and Cemig D, listed based on their socio-environmental benefits and divided into Renewable Energy and Energy Efficiency indicators. These benefits and indicators have also been aligned with the corresponding⁴⁶.



For 2022, the performance of the indicators was as follows:

Use of resources	Impact indicators	Performance
Renewable Energy	1. Total capacity of renewable energy sources (MWh)	5519.60
	2. Increase in renewable energy output (GWh)	NA
	3. Installed renewable energy capacity (proportional or absolute)	5519.6
	4. IREC sold from renewable sources (unit)	109007
	5. Energy conversion rate (%)	NA
Energy Efficiency	1.1 Increase in transformation capacity % (in terms of MVA)	19078.15
	1.2 Energy savings (MWh/year)	24221
	1.3 CO2e avoided (ton)	10604.25
	1.4 Losses in the transmission system (GWh)	132,747

46. O Parecer de Verificação com mais informações sobre o projeto pode ser acessado em: <https://www.com.br/wp-content/uploads/2022/11/spo-green-bonds-cemig-gt.pdf>



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SOCIAL PERFORMANCE

Cemig acknowledges that its business causes direct and indirect impacts to several communities. The Company also believes that the success of its business and the quality of its products depend on the relationship with various stakeholder categories. Thus, it values a harmonious interaction, respecting and considering the needs and contributions of each stakeholder. The primary focus of the Company's social management has been strengthening relationships and promoting social development in the communities (i) surrounding hydroelectric plants, (ii) along transmission networks, and even (iii) in places mostly influenced by Distribution, such as large urban centers.

Relationship with the community

Cemig's relationship with stakeholders is based on clear guidelines and criteria to ensure integrity, ethics, responsibility and enthusiasm for work and valuation of the Company.

Cemig's strategic position in relation to local communities in the areas where it operates includes social, environmental and economic aspects to be considered in all the Company's projects. Its Policy of Communication with the Community determines that communication and engagement with stakeholders is the major route for corporate social responsibility.

This policy reinforces Cemig's commitment to transparency in its management efforts, with a focus on joint responsibility with the community, and the encouragement of local economic and social development, making public the fundamentals and premises that guide the definition of communication strategies and practices. They include the objectives to create and perfect adequate communication tools between the stakeholders and the Company's main areas of activity, mainly those of generation, transmission, distribution, and energy development.

[2-25; 413-1] Feasibility studies are performed for the development and implementation of new projects demanding acquisition or expropriation of a property. These studies are prepared by Cemig internal teams. The previously-defined layout options are compared with areas of statutory reserve, preservation, consolidated land subdivisions and, simultaneously, with the mapping of impacted areas; this shows, for example, if there are leasehold improvements to be suppressed when deploying projects and provides for confirmation of the people that will be affected by the projects. From those studies, the Company gathers views on project acceptance by the impacted owners, indemnity amounts, and other relevant factors.

The Company respects the individual integrity of each citizen, the history and culture of the communities affected by the projects, and also values friendly negotiations, seeking compensation at fair market price based on appraisal reports prepared in accordance with the Brazilian Association of Technical Standards NBR-14,653.



Cemig also has a Company's Communication Plan, which, together with the Policy of Communication with the Community, makes up the set of communication strategies adopted in the relationship with communities and directs the Social and Environmental Diagnostics prepared for each project or program. Other documents that support and guide practices in the relationship with the community are the instruction on Social and Environmental Negotiations at Cemig (IS-48) and the Code of Conduct.

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Territory Management

[3-3 (413); 413-1; 413-2] Considering a territory as a space defined by power relations - where there is a presence and/or human or political activity - its management is vital to outline strategic guidelines and fair practices when Cemig carries out its activities. In this context, the relationship with the community is essential to mitigate negative impacts and optimize opportunities.

Dam safety

[EU-21] The process intended to ensure safety at dams operated and maintained by Cemig uses a methodology supported by the best domestic and international practices and in specific legislation in all its stages.

Dam safety measures include procedures for field inspections, collection and analysis of instrumentation data, drafting and updating of dam safety plans, planning and monitoring of maintenance services, analysis of results, and ranking of civil structures. Based on the ranking of the structures, the frequency of safety inspections and the monitoring routine are defined.

Each dam vulnerability is automatically monitored and calculated continuously by a system specialized in dam safety. The activities also include periodic reviews of dam safety, involving both Company professionals and, sometimes, multidisciplinary teams of external consultants. At those times, all issues related to dam safety are carefully checked over by professionals of recognized qualifications.

Among other dam management activities, periodic safety reviews (RPS) are also carried out, with the objective of verifying the general safety state of the dam, considering the current state of the art for design criteria, the update of the hydrological data, and changes in conditions upstream and downstream of the dam. In addition to Cemig's professionals, these activities involve a multidisciplinary team of external specialists. Security-related issues are carefully checked.

Also as part of these activities, Cemig prepared the Emergency Action Plans (ERPs) specific to each dam; prepared a new Proximity Program Proposal to interact more intensively with the Municipal Civil Defenses (COMPDEC); established the "Work Group: "Dam safety of hydroelectric plants operated and maintained by Cemig GT Working Group", and prepared the Crisis Management Plan for the dams.

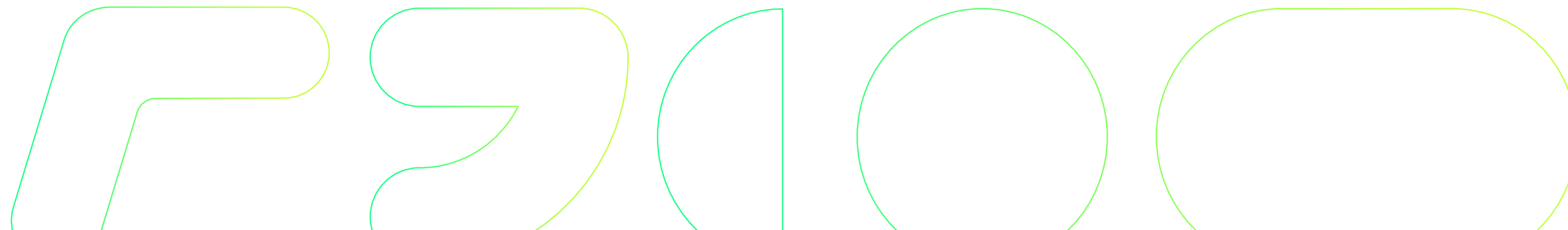
I - Emergency action plans


Cemig pioneered Emergency Readiness Plans (ERPs) in Brazil for dam failure, having started studies on the matter in 2003.

In compliance to the law regarding dam safety, Cemig prepared the Internal and External ERPs detailed below:

- **Internal ERP:** a document where all detection, prevention and correction procedures to be adopted by Cemig in an emergency are detailed. The document aims to impart a relative degree of certainty and agility to the decision-making process of the technical staff involved, and, where possible and appropriate, to preserve the structure of the dam, thus preventing accidents;
- **External ERP:** a document detailing the interfaces between Cemig and the external public to be put into place when emergencies are detected.

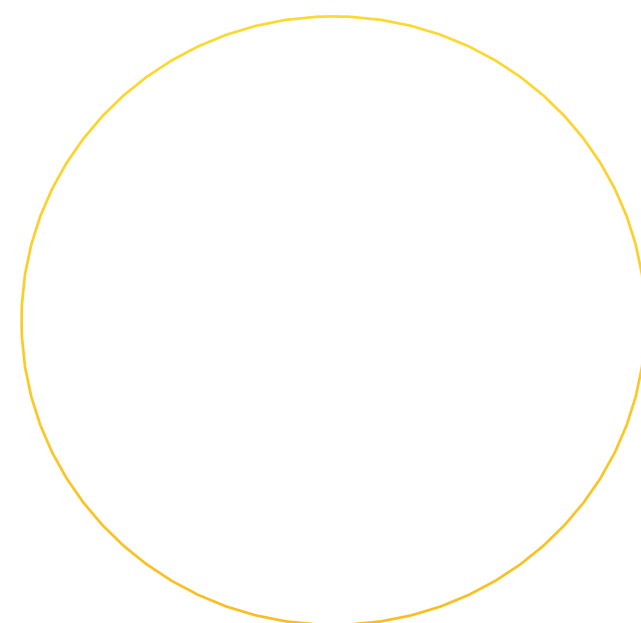
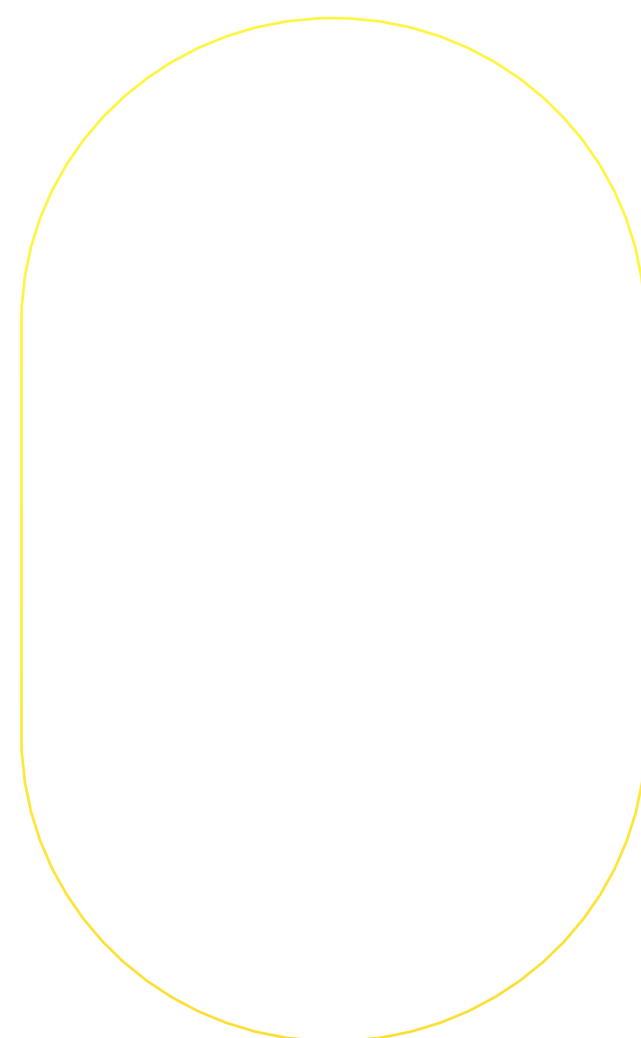
In compliance with Aneel Normative Resolution No. 696/2015, internal ERPs have been addressed by the Company's internal department responsible for the operation and maintenance of hydroelectric plants; these ERPs are now being made available for the projects and the dam and civil maintenance and technical staff. External ERPs must be available at the ventures, in the city halls involved, and also be handed to the competent authorities and civil defense organizations. The external document focuses on presenting the risk of flooding caused by normal floods and possible dam breach events. The objective is to build a culture of readiness for flood situations in the communities established along the rivers where Cemig's plants are located.



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Cemig prepared specific External ERPs for the 42 dams, as determined in a Normative Resolution. The 42 dams run by Cemig impact the life dynamics of 122 municipalities, and in some cases, the same municipality is covered by two ERPs, since there are two dams operating in its territory. ERPs specific to each dam comprise the following items:

- Identification and analysis of possible emergencies;
- Procedures for identifying malfunctions or potential failure conditions;
- Notification procedures;
- Preventive and corrective procedures to be adopted in emergencies;
- Responsibilities and contact list



Maintaining its policy of strengthening the relationship with the external public, in 2022, Cemig maintained its focus on actions that promoted the integration of the ERPs of its plants with the Contingency Plans (PLANCON) of the correlated municipalities. Continuing with the 2021 efforts, these were prepared with the Municipal Protection and Civil Defense Coordination (COMPDEC), and face-to-face and virtual meetings were held for workshops and training.

In 2022, Cemig continued to work on topics included in the treatment of Act No. 12,334/2010 (14,066/2020) and ANEEL Normative Resolution No. 696/2015, presenting the Alert/Alarm strategy and means of communication in emergency scenarios in dam failures that will be carried out with potentially affected communities.

ERPs also focus on presenting risks of flooding caused by normal floods and possible dam breach events. The intention is to build a culture of readiness for flood situations in the communities established along the rivers where Cemig's plants are located, since floods are the most recurring events.

In 2020 and 2021, negotiations of ERPs of the Company's dams, together with the Municipal Civil Defenses, were carried out on an "individual basis" and with a specific agenda, and through the Proximity Program. As of July 2022, Cemig's Energy Planning Management, as responsible for the relationship with the Municipal Civil Defense, created the VAMOS Project, which concentrates a dedicated methodology for integrating the ERPs to PLANCONs, aiming at improving and standardizing these negotiations.



Created by Cemig in 2005, the Proximity program has the objective of strengthening the relationship with the communities surrounding the hydroelectric plants and, together with other areas of the Company, bringing technical knowledge and promoting the social development of the communities. Meetings are promoted in which specialists give technical lectures to clarify topics such as operational aspects of reservoirs/plants, dam safety, in addition to disclosing the socio-environmental actions of the undertakings. In 2022, it was improved after the creation of the Vamos Project.

As an initial step, ERP Integration Committees (CI) were set up for each dam, a multidisciplinary forum that has the representation of various actors from the municipalities, an environment in which ERP negotiations began to take place in a group manner. At a minimum, institutions of direct interest to the topic participate, namely, COMPDECs, Municipal Civil Defenses, Regional State Civil Defense (REDEC) and units of the Military Fire Brigade of the State of MG (CBMMG), correlated to the mapped municipalities.

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In total, 17 ICs were constituted for 18 dams. In these committees, discussions and implementation of various topics were proposed and initiated, following an Action Plan to be developed and worked on, according to the following list:

1. CI - Integration Committee Composition;
2. IC Work Plan- planning and schedule of activities;
3. Socioeconomic Registration Campaign at ZAS (Self-Rescue Zones);
4. Development of an External Communication Plan;
5. Execution of the Communication Plan;
6. Elaboration of the Evacuation Plan;
7. Revision and update of the Municipal PLANCON;
8. Implementation of the Notification System;
9. Execution of Training and Drills.

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

II -Crisis management plan

Cemig has a crisis management plan for dams, whose main objective is to establish synchronized actions to be taken in the event of emergencies involving dams, with a view to:

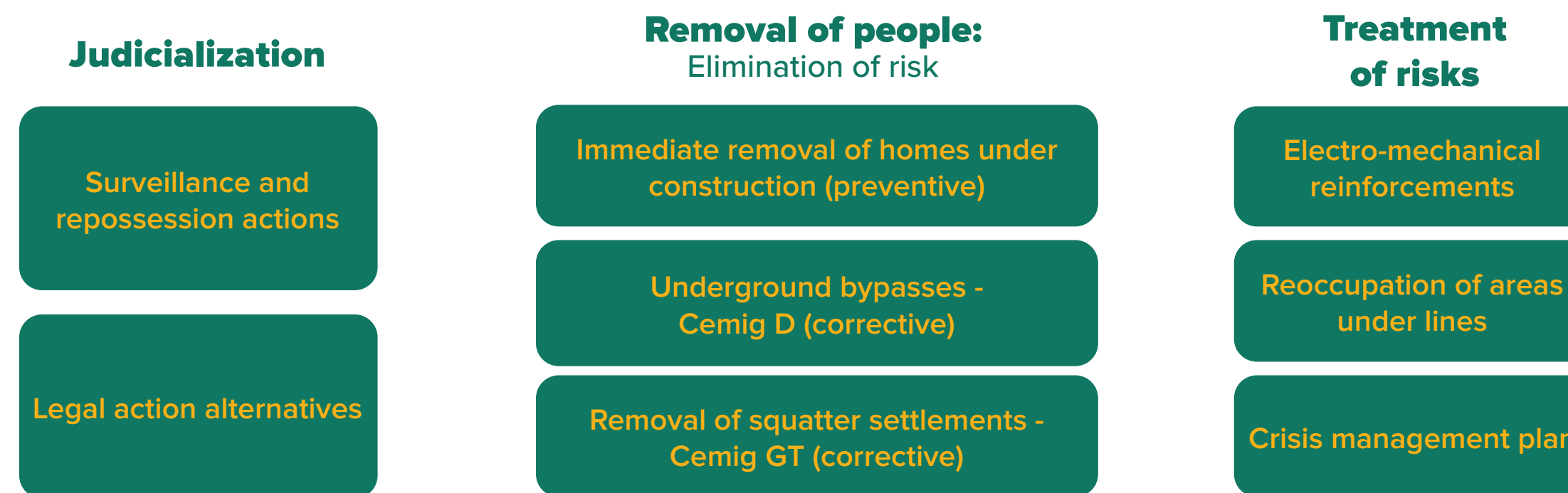
- Formalizing synchronized actions that will be taken in case of dam emergencies, aiming at avoiding human losses and reducing material losses;
- Ensuring continuity of the company's activities;
- Preventing the Company critical business processes from being affected;
- Preserve the company's image;
- Provide information to the several publics; and
- Minimize impacts on the potentially-affected population



Safety in occupancy belts

[413-2, EU-21] In view of this situation, and in line with its strategic planning, Cemig saw the need to work on safety solutions for the population. The objective is to revert this critical situation represented by the occupations of the safety belts of electric power transmission and distribution lines. This is done by the implementation of short, medium and long term measures capable of restraining the spread of occupations via continuous surveillance, and of reducing the existing amount of irregular occupations that are already there. This second action front is developed in partnership with the municipalities by signing agreements that allow the removal of illegal households and the resettlement of families to decent housing units.

Through a land inspection contract, Cemig periodically visits the lines where there are invasions of the lane, and, when it detects a new occupation, it promotes judicialization and awareness of the person responsible for the trespassing regarding the risks existing there. Cemig also uses another contract to verify invasions using a satellite system, in order to complement land inspection.

When complying with court decisions for trespass to try title, the subject is removed as determined in the court order.



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The issue is managed through an indicator that measures the number of families that occupy the security zone and that were relocated in the calculation period based on the historical average, and the number of families that occupy the safety zone that were impacted by electromechanical reinforcement works carried out on high voltage lines.

In 2022, 14 trespasses to try title writs were enforced 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.

Safety and cable replacement

[3-3 (416); 416-01] Whenever necessary, Cemig carries out technical and communication actions related to cabling, aiming, above all, at greater safety for the population living in the vicinity of locations identified as having a problem of this nature. In 2022, actions of that kind were carried out in different moments and regions of Belo Horizonte and the city's Metropolitan Region. The technical action consists in replacing damaged lightning rod cables, to avoid breakage and consequent risk to the population and accidental disconnection of the lines. Communication actions, in turn, can be summarized as the involvement of leadership and the local population in services, providing guidance on safety practices during this process.

Actions like this are carried out with prior planning and require, as mentioned, the participation of the population and dialogue with Cemig's team. With

the engagement of a Cemig community relationship professional from and the Civil Defense, face-to-face meetings are held for mapping and alignment with leadership and the population, in order to ensure that operations have the least possible impact on the routine of residents.

Integrated Communication Plan for Population Safety

[3-3 (416)] Cemig continuously provides information and clarification regarding the safe use of energy and promoting the population's awareness of the care necessary to live near power grids, thus avoiding accidents and saving lives.

The safe use of energy is a relevant matter for to Cemig precisely because it directly addresses issues that include the safety of both customers and the general population. The Company is aware of the risks and dangers inherent in the use of electric energy by the population and is dedicated to preventing and monitoring the occurrence of accidents throughout its concession area. In addition to this, Cemig has been promoting and encouraging the participation of all students from schools in the concession area, together with ABRACOPEL, to join in the writing, drawing and video contest on the topic of safety with electricity.

Cemig invests in communication about the safe use of energy, carrying out information campaigns, providing technical instructions in its relationship channels,

providing teams for verification and guidance on risk situations, to inform about the safe use of electricity, and other issues.

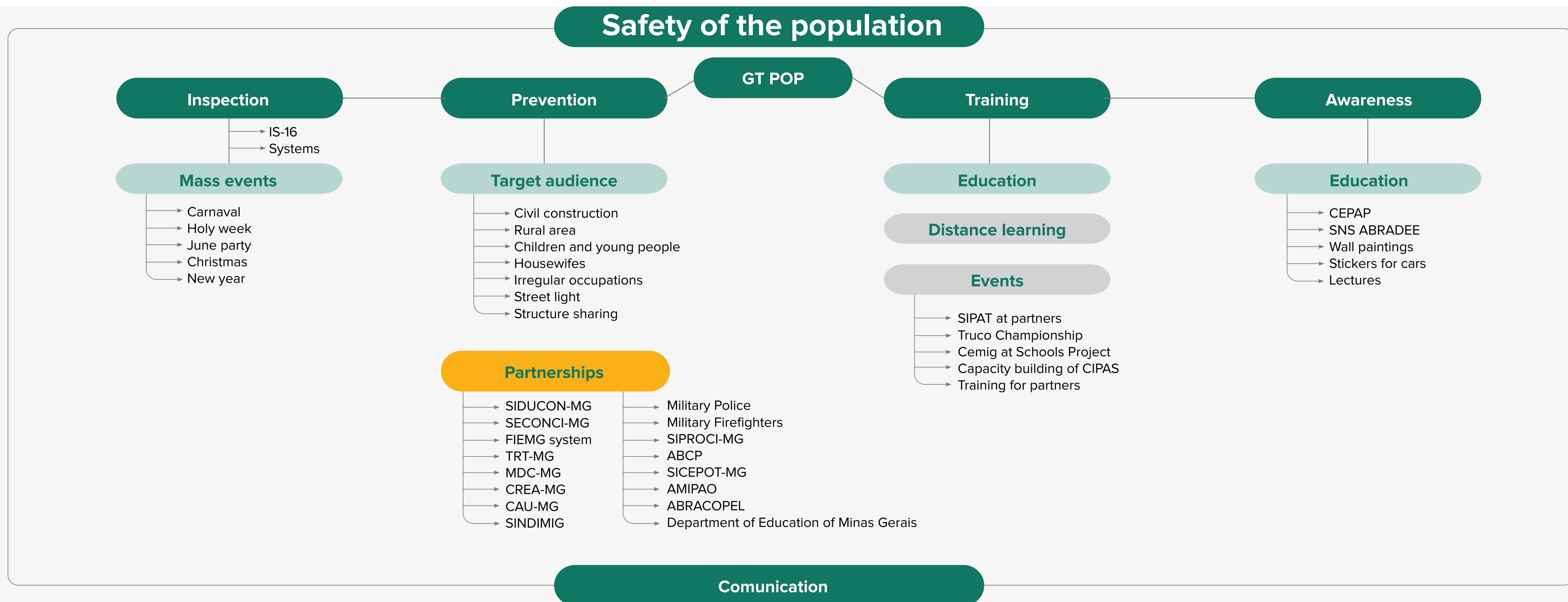
Throughout its concession area, Cemig implements accident prevention actions, instructing the population directly via news reports (radio, newspapers, digital media and TV) and posts in social networks, and indirectly using different types of educational material published in electronic media, and also booklets, folders and posters, besides sporadic campaigns at the communities.

Cemig annually updates the Strategic Plan for Integrated Communication for Safety with the Population, rewriting actions and strategies to ensure effectiveness with its stakeholders regarding the safe use of electricity.

Among the objectives of this Plan are awareness-raising among the population, the mobilization of the various stakeholders of the Company to include guidelines on safety in the use of energy, and awareness-raising among employees regarding preventive actions inside and outside the Company. The Plan also intends to: i) Disseminate mass communication campaigns, providing information of public interest to a wide audience, and to launch targeted communication campaigns, providing information of interest to specific audiences



Organizational chart of the Strategic Plan for Integrated Communication for Population Security








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Cemig established technical cooperation agreements with 26 entities that have common objectives regarding the prevention of accidents with the population, such as the Union of Civil Construction Industries of the State of Minas Gerais (SINDUSCON/MG), Council of Architecture and Urbanism of Minas Gerais (CAU/MG), and the Fire Department. The capillarity and specificities of these entities assist Cemig in the dissemination of safety information, in addition to providing support in risk situations identified by the parties.



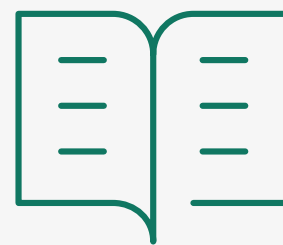

Acting on the pillar of education, Cemig offers “Segurança com a Energia Elétrica” (Safety with Power) training in the remote modality, free of charge and aimed at the population aged 10 and over. The course is also available for people with hearing and visual impairments. The training aims to enhance the dissemination of information on the safe use of electric energy and expand public knowledge on the subject. It is structured into 5 modules:

Electrical safety training


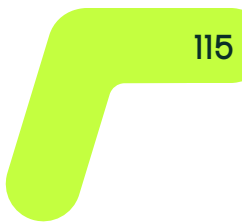
-  **module 1**
The pathways of energy: from generation to our homes
2 hours
-  **module 2**
Electric power system (SEP)
4 hours.
-  **module 3**
Basic rules for living well with SEP
6 hours.
-  **module 4**
Safe use of energy: prevention tips
20 hours.
-  **module 5**
Safe use of energy: extra tips - in the home
8 hours.

417-1; 417-2; 417-3 Cemig communications comply with the recommendations of the Brazilian Business Communication Association (Aberje) and ensure that companies hired for the campaigns follow the Brazilian Advertising Self-Regulation Code (Conar). So, there were no reported cases of non-compliance with regulations and voluntary codes related to marketing communications or information about Company services, besides complying with all provisions defined in the contracts in effect.

PRESS – YEAR-TO-DATE CONSOLIDATED FINANCIAL STATEMENT

	TV 1,879 NEWS ITEMS		RADIO 2,690 NEWS ITEMS
	PRINTED MATERIAL 2,449 NEWS ITEMS		DIGITAL 20,644 NEWS ITEMS

In **2022 96** releases were sent to the press, resulting in **12,418** positive media items and financial measuring of **BRL 75,167,929.81**. During the period, **4,874** service procedures to media outlets (3,311 in the interior and 1,563 on RMBH (Larger Belo Horizonte Metropolitan Area) and domestic and international media outlets).

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Besides that, Cemig makes various pieces of information available to the population on its website, regarding the safe use of power⁴⁷ both in urban and rural areas. These precautions involve the use of energy inside homes, on the streets, in the countryside, near buildings, during rainy periods, festivities, etc. In addition, there are other important matters such as announcement of investments, commercial and service information to make life easier for customers, dissemination of cultural activities, and others.

- **January** – Domestic Risks | Reservoirs | Broken Cable
- **February** – Carnival | Broken Cable | Energy Saving PEE Balance
- **March** – Construction and Renovations | Financial Profits (Annual)
- **April** – Tree pruning
- **May** – SEPAP | Tariff | Negotiation of debts | Financial Profits (1 Q)
- **June** – Kites | Festa Junina | Energy savings in summer
- **July** – Vegetation Cleaning Fires
- **August** - Safety on site | Financial Results (2 Q)
- **September** – TV and Internet Installations
- **October** – Children’s Day |
- **November** – Rainy Season | Broken Cable | Financial Profit (3 Q)
- **December** – Christmas Ornaments | Broken Cable

Thus, the Company considers that 100% of the customer segments served in its Concession area are covered by its communication actions regarding the population’s safety. There are no records of non-conformity with laws and/or voluntary codes relating to impacts on the health and safety caused by products and services during the period covered by the report.

Accidents with the population

EU-25 After a worsening of the 2018 and 2019 results, Cemig again reduced the number of recorded accidents with the population in the Company’s concession area as of 2020. On comparing results of accidents with the population regarding people entering into contact with the power grid, in 2022 the Company recorded its best result in the historical series.

When an accident takes place, an investigation process is triggered and the conditions of the event are assessed to check for a causal link between the occurrence and Cemig’s asset activity or operation.

Total number of accidents with the population (with and without fatalities) – 2020 to 2022


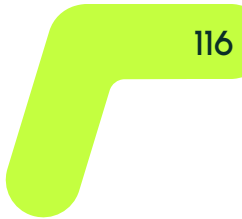
Impacts on health and safety	2020	2021	2022
Total number of accidents without deaths involving the population	47	55	36 ⁴⁹
Total number of accidents with deaths involving the population	22	21	10 ⁵⁰
Judicial disputes arising from accidents with the population – General Litigation Base	ND	51	53

In 2022, there were 53 lawsuits filed against Cemig related to accidents involving the population. Cemig continues to make efforts to pursue the goal of zero accidents involving the population.

47. Available at: <http://www.cemig.com.br/seguranca>

49. Data referring to the whole of Cemig Distribuição’s operation.

50. Data referring to the whole of Cemig Distribuição’s operation.

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Watershed Committees

Even though it does not consume water in its hydroelectric generation process, Cemig is a major user of this resource in powering turbines for the purpose of producing electricity. Thus, it actively participates in regulatory forums dedicated to water resources in its area of operation, such as the National and State Water Resources Councils, Hydrographic Basin Committees, Technical Chambers and Working Groups, etc. Operating in Minas Gerais, Cemig is a member of 20 state watershed committees and 4 federal committees, in addition to being a member of the Brazilian Association of Power Generating Companies (ABRAGE).

In these forums, the Company monitors, accompanies and proposes the drafting of laws and norms for the water sector, suitable for the power industry, always reconciling that with the multiple uses of river basins, together with the other participating stakeholders (government and civil society).

In critical situations, whether severe drought (such as the one that between 2013 and 2019), a localized water crisis (that occurred in 2021) and heavy rains (that occurred in the 2021/2022 and 2022/2023 rainy seasons), the action of the Company in weather forecasting, monitoring and operating the reservoirs was essential for controlling floods in several neighboring municipalities in various river basins and for guaranteeing public supply within the period of droughts.

The constant dialogue with public authorities, civil society and other users in the environment of water resources forums was essential to ensure energy generation, as well as to guarantee other uses and the safety of the population. Examples of this work in 2022 include:

- **Cemig’s participation, since 2013, in CONVAZÃO CBH Rio das Velhas Working Group to ensure public water supply in the Metropolitan Region of Belo Horizonte (RMBH) through Bela Fama/Rio das Velhas – COPASA catchment, an**
- **In the operation of UHE Três Marias in the rainy season, with control of outflows for flood control in the neighboring municipalities in the Minas Gerais portion of São Francisco River, in particular, in Pirapora and Buritizeiro.**

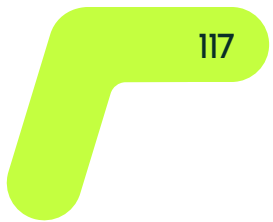
Vegetation cleaning fire prevention and control

Cemig currently has two projects to monitor fire outbreaks and assist in firefighting. The first is a fire warning system in areas close to transmission lines in operation, and the other is the Apaga o Fogo! (Put the Fire Out) website.

The fire warning system uses satellite data and meteorological models to identify, monitor and predict the movement of fires near its distribution and transmission lines, allowing field teams to carry out inspections at specific points to assess risks of possible shutdowns. This makes it possible to act proactively in combating fires, reducing both the frequency and duration of these shutdowns.

The objective of Apaga o Fogo! website is to reduce interruptions in power supply caused by fires and to help preserve environmental protection areas. The application of this technology should represent an important ally in combating and preventing future fire outbreaks in the monitored areas. An application available for iOS and Android is being developed and improved to facilitate access to information by the population.



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Corporate citizenship and social investments

Cemig’s philanthropic and corporate citizenship strategies are aligned with its mission, vision and values and aim at economic and social development in the places where it operates, through support for communities, providing lasting transformation and social impact to achieve the integral development of individuals.

Business activities also include promoting sustainable development principles, supporting energy savings, promoting new technologies and creating an environment that supports career advancement for employees. By supporting public benefit projects and collaborating with municipalities, states and regions, Cemig strives to increase the quality of life throughout the community in operates in.



[201-1] Towards that, several projects are developed and executed, prioritizing those that serve the largest possible number of beneficiaries in all regions of operation in the state of Minas Gerais with quality. Here, diversity is taken into account and focused on entrepreneurship, income generation, health, culture and digital inclusion. Cemig contributes to community institutions, NGOs and Research Institutes, providing infrastructure, facilities and direct costs in artistic and educational events.

[203-1] An example of a program is the SESI Energy Efficiency Space, which aims to educate the community on the good use of energy. This is an initiative of Cemig’s Energy Efficiency Program, regulated by the Brazilian Electricity Regulatory Agency (Aneel), whose objective is to disseminate the culture of efficient use of energy, with a focus on sustainability and in line with the Sustainable Development Goals (SDGs) of the United Nations Organization (UN), mainly those related to the promotion of learning opportunities and access to innovation. Further project details in the “Energy Efficiency” section.



Some projects that stood out in 2022 include:

- **Sponsorship program:** consists of collecting donations from third parties (sponsors) for selected institutions through the power bill, those donations being then transferred in full, via bank deposit. In 2022, 178 institutions received approximately BRL 73 million in donations. .
- **AI6% Program:** encourages employees and retirees to pass on 6% of their income tax due to the Childhood and Adolescence Fund (FIA). AI6% 2022 Campaign included participation of 1,391 employees who, voluntarily, allocated over BRL 1 million, with the aim of benefiting around 20,000 children and adolescents in vulnerable situations, assisted by the 145 participating institutions. Cemig also allocated BRL 1.5 million of its income tax due to the same FIAs. In total, BRL 2.5 million were allocated to entities distributed throughout 77 municipalities in the Company’s area of influence.
- **Corporate Volunteering Program:** Corporate volunteering is acknowledged in the corporate world as an important tool for improving organizational climate and skills development, in addition to contributing to the improvement of society, and the image and reputation of companies. Offering help without receiving any financial compensation for this changes the way you look at the world, serves as an example for new generations and brings benefits such as generating empathy, personal development and strengthening ties with those around you.
- **Voluntariado Cemig – Você:** includes several actions to encourage and support the engagement of employees in voluntary activities. Structured to enhance the ongoing volunteering actions, whose trajectory gradually migrates from assistance to participatory citizenship and social transformation, Você has three pillars: i) incentive to volunteering, to disseminate the culture in the Company and offer the first contact with the topic ; ii) performance of transformative actions, with a focus on entrepreneurship, education and women’s empowerment; iii) actions proposed by employees on the volunteering platform, which coworkers can join in.

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In order to implement improvements in the process and meet the needs of beneficiaries and volunteers, a new strategic plan was carried out in 2022 for Você, conducted by an organization specialized in the subject. For its structuring, the various related parties were heard, such as employees participating and not participating in the Volunteer Program, communities, beneficiary institutions, Cemig leadership, and others.

As a result of this effort and some restrictions imposed by the election period, 2022 was an atypical year, with changes in Volunteering and the return of face-to-face actions. Despite this context, several actions were carried out with positive impacts on society:

SOS Chuvas Campaign – In the rainy season of 2022, over 600 cities were under alert and thousands of people were harmed by the damage caused by heavy rains in the state of Minas Gerais. To contribute to emergency actions, Cemig, in partnership with the Autonomous Social Service (Servas), made donation collection points available at branches in 17 municipalities in Minas Gerais, for the collection of mineral water, personal hygiene items, non-perishable foods, cleaning materials, bed and bath linen, which helped people impacted by the floods at the beginning of the year.

Campanha do Agasalho (Warm Clothing Campaign) – With the objective of warming up the winter of vulnerable people, a campaign was carried out in June and July 2022, in partnership with Servas, in Belo Horizonte and the metropolitan region to collect warm clothing and blanket donations, which were distributed to social assistance entities who help elderly and homeless people, children and adolescents in several Minas Gerais municipalities. The campaign also had the participation of volunteers from six cities in the interior (Araxá, Frutal, Juiz de Fora, Patrocínio, Uberlândia and Varginha) who helped local institutions with collections.

Return to Face-to-face


V-Day – Volunteer Day – After two years without the traditional volunteering event, normally held in August, in 2022, V-Day happened again. This edition took place in Santa Luzia, at the Tancredo Neves State School, and attended the residents of the surroundings and the Vitória occupation, a community in the Isidoro region, in Belo Horizonte. 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 measurements), guidance on oral health, solidarity bazaar, beauty workshop (braids, haircuts, eyebrows, makeup and nail painting), legal assistance (family court), curriculum guidance and construction, financial guidance, guidance on public safety with the electricity grid, artistic presentation, solar telescope, in addition to a play event for children full of popcorn and cotton candy.

Partnerships in Christmas Campaigns

Christmas Letters – Once again, in partnership with Servas, the Santa Claus letter campaign brought the joy of many assisted by institutions in the metropolitan region of Belo Horizonte. 150 letters were sponsored with requests from children, adolescents and elderly people, residents of shelters and long-term institutions.

Network Solidarity Christmas – To celebrate the Official Donation Day, Cemig participated in a network action, together with other companies, to raise funds for Christmas in Cidade dos Meninos (Children’s Town), in Ribeirão das Neves. The institution helps over 2,700 children and young people. In addition to the donation campaign, on the day of the institution’s Christmas event, the Company sent the interactive activities truck of the Energy Efficiency Program, regulated by Aneel.

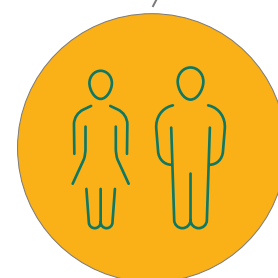
In 2022, the Cemig Volunteer Program published a total of 21 actions on its volunteer platform, including social assistance, information, item donations, financial donations and actions proposed by employees. 183 employees participated in the actions as volunteers, totaling over 400 hours of volunteer work by the Cemig Group’s workforce.

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Social investments

OUR PURPOSE

Support local communities and provide transformation and lasting social impact to achieve the integral development of individuals. Prioritize projects that serve the largest possible number of beneficiaries in all regions of operation in the state of Minas Gerais, taking diversity into account and focusing on entrepreneurship, income generation, health, culture and digital inclusion.



CARING FOR GENERATIONS

Contribute to the well-being of society, supporting the most needy population of different generations, providing quality of life from childhood to old age, through: sports activities, coping with cancer, energy efficiency services, support for the elderly, people with disabilities and children and adolescents.



CULTURE ENERGY

Create bridges of contact between the cultural diversity of Minas Gerais, teaching spaces (formal or informal) and transmission (personal or mediated by technology). Increase the cultural potential of Minas Gerais, promote the autonomy of young people and the motivation of educators, preserve artistic expressions linked to the tangible and intangible heritage of Minas Gerais, encourage the creative economy and enable access to and decentralization of culture.



TRANSFORMATIVE VOLUNTEERING


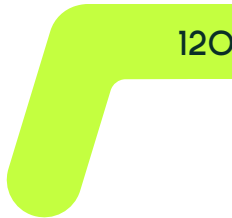
Encourage the practice of volunteering, offering employees and society opportunities to make a difference and transform lives.

Cemig invests resources in culture, sports, health, education and citizenship, considering interests usually common to its 8.6 million clients, from 774 municipalities served in Minas Gerais. The priority of initiatives to encourage social projects, whether by allocating social investments or by sponsoring projects, is to contribute to social transformation in multiple municipalities.

The Company works in partnership with the Government, represented by the respective Secretariats and Ministries, according to the project topic. Social Investment covers tax incentives and the voluntary transfer of private resources to public interest initiatives. For sponsorships, Cemig uses its own policy and encourages the cultural, sporting, educational and social sectors. Together with the Policy, Cemig also makes use of the Internal Service Instruction (IS58 – Preparation and Management of Corporate Social Responsibility Projects) making the agents involved accountable and defining indicators to guarantee efficiency in the management of social project.

203-11 The Company's business activities are governed by strict ethical standards that include responsible behavior towards the environment, employees and society.

Resources are invested in culture, sports, health, education and citizenship, as these interests end up being common among its customers spread across the 774 municipalities it serves. The main objective of these contributions is to generate a positive impact on the lives of thousands of families, and thus contribute to change and social development in the state.

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Culture: Cemig is the largest promoter of culture in Minas Gerais and one of the largest in Brazil. In 2022, 69.8 million were invested in 146 projects. In addition to encouraging producers and artists, Cemig’s support brings direct benefits to the population, who now have access to cultural assets in a safer and more democratic way.

This investment in culture contributes to building the heritage of Minas Gerais and positions Cemig as a great promoter of the development of the creative economy, maintenance of traditional groups, and heritage equipment. In addition, the supported projects aim at occupying the urban space, transforming communities and promoting innovative art.

Cemig plays a key role in sponsoring notable cultural spaces in Minas Gerais, including the Clóvis Salgado Foundation, Inhotim Institute, Minas Gerais Philharmonic Orchestra, Galpão Group, Corpo Group, and others.

Sports: Cemig launches an annual public call to select projects that promote the practice of sports and offer social and citizenship benefits, especially for children and adolescents. In addition, these projects reinforce the Company’s commitment to the well-being and development of local communities. In the past 4 years, Cemig allocated over 17 million reais to sports projects, positively impacting the lives of over 10,000 children and adolescents, in 35 municipalities in all regions of Minas Gerais. Of this amount, 30% originated from state sports act and 70% from the federal act.

For Cemig, diversity is a value and should also be included in sports. Since 2019, the Company has invested in the “Joge como uma garota” (Play like a girl) project,

which aims to promote sports for girls in situations of social vulnerability in the metropolitan region of Belo Horizonte. With over 1.5 million reais invested, the project has managed to contribute to the training of leaders, the appreciation of diversity and the promotion of gender equality.

In addition, in the last 4 years, almost 12% of the resources allocated to sports were directed to projects that work exclusively with people with disabilities in different sports and regions of the state. An example of these investments is the “Natação Paralímpica” (Paralympic Swimming) project, which has brought important recognition to Minas Gerais. Through training of athletes and supporting training, many of these young people were successful at the Tokyo Paralympics. Six athletes and a coach from Praia Clube Uberlândia went to this edition of the Paralympics, obtaining 6 medals. Counting all the Paralympic projects sponsored by Cemig since 2019, over 550 young people have benefited from them, to date.

Fund for the Elderly: The population over 60 has increased and so has life expectancy. In this context, through the allocation of incentive resources, Cemig seeks to allow for projects of protection and assistance to the elderly in the state of Minas Gerais, aiming at expending and improving actions geared to that population. In addition, support for proposals that enable the structuring of Municipal and State Funds for the Elderly of the State are also priorities for the Company, improving the actions aimed at this public.

In 2022, a public call for tenders was launched in order to select the support projects for the elderly that are most in line with corporate guidelines. 32 projects were received and approximately BRL 1.5 million were allocated to the best evaluated projects.

Throughout 2022, 7020 individuals benefited from FIA, the Elderly Fund and the Sports Incentive Law

Healthcare: In 2022, Cemig invested BRL 18.05 million in different regions of Minas Gerais, where 166 hospital facilities were served, involving the installation of photovoltaic plants.

SECTOR	2020	2021	2022
Culture	BRL 20,449,013.93	BRL 22,393,958.64	BRL 69,839,107.44
Education	BRL 2,413,165.44	BRL 1,902,375.13	BRL 9,929,492.28
Sports	BRL 4,940,834.11	BRL 3,381,299.47	BRL 4,886,008.30
Social Actions	BRL 55,739,000.00	BRL 42,909,245.68	BRL 96,404,639.42
Healthcare	BRL 5,000,000.00	BRL 1,130,653.94	-*
Public Property	BRL 0.00	BRL 0.00	-
Total	BRL 88,542,013.48	BRL 71,717,532.86	BRL 181,059,247.44

*Stated investment in healthcare refers to the Energy Efficiency program described below. To avoid counting it twice, the value is not accounted for on this table





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Access to energy

Cemig also operates with the social tariff, a discount on the electricity bill for low-income families. In 2022, about 1.18 million Cemig consumers received monthly tariff benefits from the power bill tariff, totaling BRL 319 million. The benefit allows more people to have access to quality energy, enabling an improvement in the quality of life and dignity. In addition, it is an important instrument in reducing socioeconomic inequalities, including between the different regions and Brazilian states, which have suffered different effects with the increase in the cost of electricity supply in recent years.

With the regulation of Act No. 14,203/2021 and the signing of a protocol between ANEEL, the Ministry of Mines and Energy and the Ministry of Citizenship, the Social Tariff started to be granted automatically as of November 30, 2021 for families entitled to it, and it is no longer necessary to ask the distribution company for that. Currently, around 15.5 million families in Brazil receive the social tariff.

The right to benefit is granted to consumers who are enrolled in the Single Registry for Social Programs of the Federal Government, or who receive the Benefit of Continued Provision of Social Assistance, pursuant to Art. 20 and 21 of Act No. 8742 of December 1993. The discount, in this case, only happens for cases where consumption is up to 220 kWh. In addition, the discount is cumulative and complies with the following consumption ranges:

-  **65% discount for consumption in the 0 to 30 kWh range;**
-  **40% in the 31 to 100 kWh range;**
-  **10% in the 101 to 220 kWh range**
-  **0% 0% over 220 kWh.**

Indigenous and quilombola families have a 100% discount up to a consumption limit of 50 kWh/month.

The risks related to this program come from delays in the transfer of these funds and the consequent impact on the distribution company utility's cash flow. Revenue losses from the distribution company utilities due to the subsidy granted to Low-Income residential consumers, as well as to other subsidies, are monthly covered by an investment of funds from the Energy Development Account – CDE.

Legal Energy Program


The Legal Energy Program will bring a new energy distribution network standard to 120,000 families located in urban areas within the Company's concession area, many of which still lack regular power supply. This new standard is composed of a modern and automated Centralized Measurement System, which allows the execution of various services remotely, such as reading, cutting and reconnection, making the entire customer service process faster, safer and more efficient. In addition, this system will contribute significantly to combating irregular energy use and payment default.

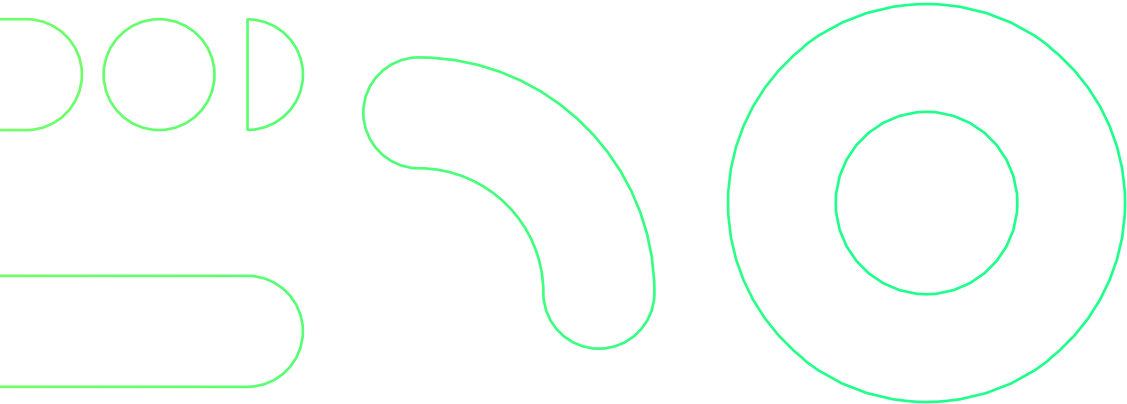
Smart meters are installed through this project, shielding the grid and making it impossible to put up power hogs and clandestine connections. The process is automated through computers, so measurement takes place through a digital transformer that transmits the reading in real time to Cemig, without the need to ask the consumer.

As part of this program, Cemig intends to establish an intense relationship with all the communities to be served, bringing various benefits and social projects, such as:

- Professional training courses;
- Sports schools for children;
- Performance of individual family diagnoses;
- Distribution of efficient light bulbs;
- Assessment of equipment (refrigerators) for replacement;
- Guidance for residents with tips on savings and safety with the power grid;
- Debt negotiation and registration for new connections;
- Social tariff registration.



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In 2022, actions were aimed at:

- Replacement of public school lighting throughout the concession area;
- Replacement of lighting, dryers, autoclaves, surgical lights and installation of photovoltaic plants in public and philanthropic hospitals in the concession area;
- Installation of photovoltaic plants in Support and Protection Institutions for Convicts - APACs, replacement of lighting in installations of public security forces;
- Holding of lectures using mobile units for public school students
- Guidance and replacement of light bulbs and refrigerators in low-income communities within the concession area.
- Financing of selected projects through Energy Efficiency Public Calls for Proposals
- Replacement of public lighting in municipalities in the concession area.

Energy Efficiency

[EU-7] Cemig has historically invested in the dissemination of and awareness-raising on efficient consumption, aiming to combat waste of electricity and to preserve natural resources.

Cemig D annually develops the Energy Efficiency Program (PEE). This program is ruled by sectoral legislation and determines the allocation of a percentage of the Company's annual net operating revenue to projects at consumer facilities, aiming at increasing energy efficiency in end use of power. Projects are carried out in various sectors, with emphasis on work in hospitals, philanthropic entities, schools, low-income communities and government facilities. Some projects are developed directly by Cemig and others are originated in annual Public Calls. Some projects are developed directly by Cemig and others are originated from annual Public Calls for Proposals.

In 2022, the program invested over BRL 100 million in projects in the entire Cemig D. It also provided BRL 50 million in a new Public Call for Tenders in order to select tenders for composing the portfolio of projects to be financed in 2023.

Detailing of PEE actions by target audience

Description of energy efficiency projects	Target Public	Amount completed (consumers)	Investment (BRL)	Energy savings (MWh/year)	Reduction of peak demand (kW)	tCO2 avoided
Cemig in communities	Families in low income urban communities	21255	BRL17,294,059.00	1,613	244	69
Cemig in schools (educational)	Primary and secondary public school students	264949	BRL9,929,492.00	0	0	0
Cemig in schools	Replacement of public school lighting	302	BRL9,456,448.00	4,402	1,103	188
Cemig in hospitals	Public and philanthropic hospitals	166	BRL18,476,802.00	14,243	3,236	607
Cemig in cities/towns - minas led	Street lighting of municipalities	34	BRL2,611,335.00	512	580	22
Cemig in cities/towns - security force and courts	Military police, prison system, civil polite, military fire brigade and justice court facilities	39	BRL10,516,368.00	1,789	135	76
Cemig in the countryside	Families in rural low income communities	0	BRL125,476.00			0
Calls for proposals	Funding of projects tendered by society	3	BRL11,273,602.00	1,662	243	71



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Cemig Sesi Energy Efficiency Center at the Belo Horizonte Museum of Arts and Crafts

The result of a partnership between CEMIG and SESI MAO, the CEMIG Sesi Space for Energy Efficiency is a great cultural attraction for the weekend. The site remains open for visitation from Tuesday to Saturday at the Museum of Arts and Crafts, located at Praça da Estação Square, in Belo Horizonte.

SESI Museu de Artes e Ofícios was included in the Science circuit of the Municipality of Belo Horizonte, which allows students from the municipal education network to have access to Sesi CEMIG Space for energy efficiency, thus expanding access to knowledge in an enriching way.

Through augmented reality devices, interactive games, models, exhibitions by artists who use energy matrices in their work, workshops and other attractions, the space provides the public with the opportunity to learn about the evolution of electrical energy from the beginning of industrial development to new and sustainable sources of renewable energy, disseminating the culture of efficient use of energy with a focus on sustainability.

Human Rights

[2-23; 416-1] In line the UN Universal Declaration of Human Rights and its Guiding Principles, with the International Labor Organization (ILO) fundamental norms and the UN Global Compact, Cemig declares that it respects and supports the protection of internationally recognized human rights in its area of influence, aiming at making sure that it is not an accomplice or supporter of abuses and violations.

The Company publicly declares its commitment to the topic through the following documents:


- **Commitment to Human Rights⁵¹**
- **Cemig Code of Conduct⁵²**
- **Diversity and Inclusion Valuation Policy⁵³ was approved by the Board of Directors in July 2022, making explicit Cemig Group’s commitment to spreading culture of valuing diversity, equity and inclusion in its various forms public.**



51. PRD and Circular Cemig Holding, Geração e Transmissão e Distribuição, disponível em: <https://novoportal.Cemig.com.br/wp-content/uploads/2020/12/compromisso-com-os-direitos-humanos.pdf#:~:text=%E2%80%9CCOMPROMISSO%20COM%20OS%20DIREITOS%20HUMANOS%E2%80%9D%20est%C3%A1%20baseado%20em,estes%20direitos%20sejam%20preservados%20e%20respeitados%20por%20todos.>

52. Available at: https://www.CemigCemig.com.br/wp-content/uploads/2022/06/codigo_de_condutaCemig-1.pdf

53. Available at : <https://www.Cemig.com.br/wp-content/uploads/2022/08/no-02.50-politica-de-valorizacao-da-diversidade-e-inclusao-Cemig.pdf>

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For Cemig, human rights related to the workplace include, as a priority, the fight against corruption and moral and sexual harassment, respect for the individual, health and safety, development, fair and equitable employment practices, prohibition of discrimination, agreements of collective bargaining and prohibition of child labor and work analogous to slavery.

In 2022, mandatory annual training on the Code of Conduct for the entire workforce reached 100% of active own employees and 86% of third parties. The training covered topics such as combating discrimination and valuing diversity, in addition to reinforcing Cemig's Commitment to Human Rights.

Cemig seeks to prevent, mitigate and repair violations of human rights that may occur in its operations, along its value chain, or in communities where it operates, even if it has not contributed to causing them. The Company carries out a due diligence⁵⁴ process on human rights in line with the UN Guiding Principles on Business and Human Rights.

Held for the first time in 2017 and reviewed on an annual basis, the process starts from the identification of the impacts of the Company on human rights. Cemig uses a specific methodology that makes it possible to assess the impact on 100% of its own operations and those of its suppliers, as well as the impact on local communities.


The assessment of the impacts of Cemig's activities that impose a greater risk to fundamental rights resulted in a matrix of risks of violation of those rights. The impact assessment included severity, extent, duration, remediation, and whether the Company is directly related or contributed indirectly to the risk of violation. In order to assess risks and identify real or potential impacts, in addition to the knowledge of internal specialists in the workforce, Cemig takes into account various sources of consultation such as the Engagement Survey, Consumer Survey (ISQP), complaint channel and ombudsman, and comments on the Company's official social networks.

Percentage of employees trained in human rights policies		
	2021	2022
Percentage	99%	100%

Groups / individuals	Consultation source
Employees and leaders	Climate Survey, Organizational Culture Survey and Reporting Channel.
Suppliers	Human rights audits and Reporting Channel.
Customers and community	Survey with customers, engagement actions with the community and Cemig's ombudsman office, comments on Company official social networks.
Vulnerable or minority groups (women, immigrants, black people, native people, children, people with disabilities, LGBT+), inside and outside Cemig	Internal and external surveys, Complaints Channel, investigation of cases of harassment, discrimination or violence in Cemig's operations and/or involving employees and suppliers and forums on the subject of Human Rights, Diversity and Inclusion.



54. https://www.Cemig.com.br/wp-content/uploads/2020/12/due_diligence_direitos_humanos-2021.pdf

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After identifying the greatest risks and right holders, Cemig invests heavily in risk mitigation and monitoring actions.

As examples of mitigation actions, **Cemig** carries out:

- Safety inspections and training for its entire workforce;
- Awareness campaigns on the issue of valuing diversity for employees and on social networks;
- Educational booklets and contractual clauses for suppliers;
- Lectures and educational work in schools on energy use.

As examples of **monitoring** actions, Cemig carries out:

- Safety audits in the field;
- Human rights audit of suppliers;
- Monitoring and investigating cases of harassment and discrimination.

Human Rights mitigation and monitoring actions are described in the human rights due diligence document⁵⁵.

According to the recommendations of the UN Guiding Principles on Business and Human Rights, Cemig defines actions geared to mitigate, prevent and monitor, and defines a formal reparation process, when rights are violated. For example, when an accident occurs with employees or the population within the Company's operations or area of influence, the health, safety and social service teams accompany the entire process, supporting the victim and their family. Expenses related to the accident that are not covered by Unified Healthcare System (SUS) are paid - including accommodation, transportation, medications, medical appointments, exams, and prostheses. Depending on the severity of the accident, the victim is granted a lifelong monitoring.

Annually, Cemig submits accounts on its human rights actions via the United Nations Global Compact Report, the Sustainability Report (RAS), ISE B3 and Dow Jones Sustainability Index (Global S&P). Participation in business groups of the Global Compact and in the main world investment ratings not only measure the Company's performance in human rights, but also point out the main points for improvement. Based on the diagnoses obtained, Cemig continually seeks to review its actions and promote changes in favor of corporate sustainability and society.

Asset and industrial security

[410-1] Cemig has an Industrial and Asset Security team at its units. This team is outsourced and specialized, carrying out security tasks to control access to the Company's premises and buildings, and to prevent theft on these facilities.

For the provision of services, it is required that subcontractors comply with the legislation, and that their employees are properly trained in the applicable aspects of the security services provided and relevant human rights, including compliance with the law, non-discrimination, respect for individuals and health care and occupational safety. In 2022, 100% of the staff was trained, which corresponds to 148 team members.



55. https://www.Cemig.com.br/wp-content/uploads/2020/12/due_diligence_direitos_humanos-2021.pdf

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ENVIRONMENTAL PERFORMANCE

Environmental management

3-3 (303); 3-3 (304); 3-3 (307) Cemig acknowledges its responsibility towards the environment and is committed to adopting and disseminating good environmental management practices. The Company has an Environmental Policy available to the public, which contributes to taking environmental aspects into account in the Company's decision-making processes and establishes respect for the environment as a value that must be practiced by all employees and other stakeholders acting on its behalf, including its suppliers. As a tool to measure its environmental performance, Cemig uses indicators related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste). In addition, monitoring related to biodiversity, environmental compliance, and other relevant information, such as impacts of products and services throughout the value chain, is also carried out.

Cemig's Environmental Strategy

For the management of the topic, the Environmental Policy⁵⁶ widely publicized, is dedicated to addressing the importance of interactions of possible environmental impacts, 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, the preservation of/lesser impact on biodiversity and the conscious use of natural resources, as follows:

- I. Strategy;**
- II. Management;**
- III. Compliance with legal requirements;**
- IV. Pollution prevention;**
- V. Commitment to continuous improvement; and**
- VI. Communication and environmental education, which guide Cemig's management processes and routine.**

Cemig's environmental management is based on its policies and guidelines, aligned with the Company's strategic planning. It includes all its operational and support processes, whether planning, construction, and operation, and decommissioning of projects. Thus, the way the Management Systems are structured ensures that the premises are considered and applied by the whole of Cemig's workforce.

To that end, the Environmental Management System (SGA), based on ISO 14001:2015 standard, allows for the adoption of best practices to minimize environmental risks and to optimize operating costs. Working preventively, it aims at reducing possible environmental impacts and sporadic occurrences tied to them, prepare

employees appropriately to respond to emergencies, and also achieve greater assertiveness in both the execution of the environmental strategy and the commitments taken on before the competent bodies.

Overall, the standard is Cemig's main environmental management tool, as it considers environmental aspects influenced by the organization and others that can be controlled by it. Therefore, ISO guides the Company in understanding the needs and expectations of interested parties and in assessing the environmental impacts of undertakings, from the beginning to the end of its value chain.

In SGA, all enterprises are classified: those that have environmental licenses are certified in the NBR ISO 14001:2015 standard, and those that are still in the process of corrective licensing have the Internal Management System called EMS Level 1. All certified areas now conduct their activities in a controlled manner, with a focus on complying with legal requirements applicable to environmental management. To ensure control, the areas undergo independent internal and external audits conducted annually by a certifying body accredited by the General Coordination for Accreditation of Inmetro (Cgcre).



The normative requirements are applied and met by Cemig pursuant the provisions in its Management System Manual. The manual, published for instructional purposes, serves to specify the most relevant environmental topics and, thus, guide internal management so that the requirements demanded by the standards are met. At the same time, online training is carried out in order to present, in a clear

and objective way, the content of the Management System Manual and to train and engage all employees to meet the normative requirements of NBR ISO 9001:2015, NBR ISO 14001: 2015 and ISO 45.0001:2018. Below is the coverage of Cemig's Environmental Management System:

Coverage of the Environmental Management System at Cemig - 2022			
Activity	ISO 14001	SGA Level 1	Minimum requirements
Generation	65%	20%	15%
Transmission	72%	28%	0%
Distribution	0%	0%	100%



56. The Environmental Policy is available at Cemig's website: <https://www.cemig.com.br/wp-content/uploads/2020/12/politica-ambiental-no-02-01.pdf>

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In line with the Company’s environmental goals, for the year 2023, expanding the coverage of the Environmental Management System is planned, especially regarding the generation activity, since Sá Carvalho Plant will be included in the scope of assessment and certification.

To measure and monitor its environmental performance, Cemig has developed and uses several internal indices.

Under concept, Cemig has the Condition Compliance Index (ICC), which measures compliance with environmental constraints annually, respecting the deadlines and definitions imposed by environmental agencies. Thus, the aim is to guarantee environmental compliance of Cemig Generation and Transmission projects.

Also, seeking to ensure compliance of the projects in relation to the vegetation suppression activity, Cemig Distribuição has the Forest Compensation Compliance Index (ICCF). The index measures the annual fulfillment

of forest compensations established in environmental licenses or in authorization acts that are related to the reconstitution of flora.

Another way of managing involves determining the Environmental Licensing Index for generation and transmission installation operation (ILOI), intended to show the percentage of Cemig G and T facilities in operation with an environmental license in force. It is calculated every six months, its goal grows annually, and is targeted to reach 100% in the coming years.

In addition to these indices, external audits of Legal Compliance and the Environmental Management System are carried out, which aim to assess the Company’s performance in relation to the principles defined in the Environmental Policy. Besides that, it is also designed to monitor compliance with current environmental legislation, as well as control the environmental impacts of its activities.

Legal Compliance audits are held every 2 years, and in them only one management department of Cemig Geração is assessed in order to verify compliance with all environmental legislation within the scope of the SGA. Within 10 years, 100% of Cemig Geração’s facilities will be assessed. Therefore, the results presented here refer to the facilities located in Centro Sul region that are certified in NBR ISO 14001: 2015.

At Cemig Transmissão, Legal Compliance audits are held every two years, and all facilities that are certified under NBR ISO 14001: 2015 are evaluated.

The results are presented below:

Regarding the EMS external audit, in 2022, 8 non-conformities were registered, and, as part of the environmental performance objectives, all negotiations are in progress so that the points raised externally are adapted to the current environmental policy and the requirements of the standard.

2-271 No In the 2019 4th quarter, Cemig GT’s Conditioner Compliance Index - ICC achieved 98.60%, against the 100% target. Among the justifications for this result, the following can be highlighted: Impediments caused by health restrictions due to the COVID 19 pandemic. In relation to Cemig D, the Forest Compensation Compliance Index - ICCF reached a 100% performance, against the 100% goal.

In relation to ILOI, 86% of the projects of Cemig GT and its wholly owned subsidiaries were duly licensed and 14% were in the process of obtaining the respective environmental licenses.

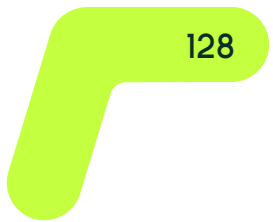
In 2022, Cemig GT recorded four penalties, three of which were considered significant (minimum amount of BRL 50,000.00). The highest amount, however, had its notice of deficiency repelled, after the Company contested it.

In relation to the other penalties recorded in 2022, Cemig states that the respective administrative defenses were presented, and is currently awaiting the investigation of the facts and the verification of responsibilities and non-compliance. The fine paid in 2022 is not related to water incidents.

Monetary value of penalties considered significant received by Cemig GT and Cemig D in the past 4 years

	2019	2020	2021	2022
Number of violations of legal obligations/regulations	0	1	0	0
Fines paid in the period (referring to the same year)	0	0	0	0
Total amount of fines/penalties related to previous years	0	R\$ 83,511.00	0	R\$ 77,922.16



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Environmental controls in transmission and distribution grids

[304-2] Through an internal directive on environmental controls, Cemig establishes measures to control and mitigate environmental impacts along its transmission and distribution networks.

One of the main measures adopted is to redraw the lines and distribution networks in areas of high tree density, in order to avoid or reduce the suppression of local vegetation, as well as to prioritize the elevation of its structures to reduce deforestation. Towards that, measures are adopted to preserve the cultural, speleological or tourist heritage, consisting of actions that eliminate any impact, from alternative routes to underground networks.

As for fauna and flora, measures are adopted to relocate nests present in distribution networks and substations, in addition to actions to prevent birds and small animals from getting close to the equipment.

Financial resources invested

In 2022, Cemig invested a total of BRL 40.68 million in funds invested in the environment. Investments had a significant increase compared to the previous year, due to the Company's development project, as decided by the Executive Board.

Among the three investment fronts, the following are worth mentioning:

BRL483 thousand for waste management;

BRL6 million to Research and Development projects;

Approximately **BRL35 million** related to compliance with obligations and environmental improvements.

Investment Operation of the Company	2020	2021	2022
Capital investment	3,142,000.00	1,997,226.00	15,333,607.87
PMSO (expenses)	25,573,023.51	31,084,618.75	19,068,659.09
R&D	7,870,057.53	4,145,804.92	6,281,033.87
Total	36,585,081.04	37,227,649.67	40,683,300.83

The prioritization and allocation of these resources are periodically reviewed by the Monitoring Group for the Environmental Adequacy Plan.

Below is the historical series of investments made over the three-year period:

Below, it is possible to assess investments in the environment performed by subsidiaries (Geração Três Marias, Salto Grande, Itutinga, Camargos, Sul, Leste, Oeste, Central Eólica Volta do Rio, Sá Carvalho, Rosal and Cemig PCH, CH Poço Fundo, Horizonte, Centroeste and Central Eólica Praias de Parajuru) during the past few years.

Investment in the environment (subsidiaries)	2020	2021	2022
Total	2,347,718.4	4,165,873.2	3,042,212.59

Natural resource management

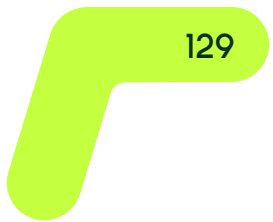
From the responsible management of its operations, Cemig always seeks to implement the practice of efficient consumption and, in this way, contribute to the conservation of natural resources. Yet to be presented, the approach to managing natural resources converges with the environmental commitments established by Cemig and with the objectives of sustainable development defined by the United Nations (UN).

Energy consumption

In carrying out its operations, Cemig consumes energy in the form of fuel and electricity. The 2022 data for energy consumption in the organization are detailed in the table below.

[302-1] Cemig inventories its gases using the GHG Protocol method and, with that, analysis in detail its consumption of fuel and energy (self-generated or purchased), considering the classifications of the framework. Based on these, Cemig consistently seeks to identify, measure and control the so-called scopes 1 and 2, which are, respectively, the organizations direct consumption and indirect energy (or thermal) consumption.



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Regarding scopes 1 and 2, the results for 2022 were:

Power consumption in the organization [302-01]

Forerunner	Consumption	
Non-renewable fuel	(MWh)	(GJ)
Diesel - Brazil	25,754.14	92,714.92
Gasoline - Brazil	5,893.16	21,215.38
Liquid Petroleum Gas (LPG)	3,732.75	13,437.90
Natural Gas	37.11	133.61
Natural Vehicle Gas (NVG)	348.72	1,255.39
Jet Fuel	493.43	1,776.35
Fuel oil	-	-
Renewable fuel	(MWh)	(GJ)
Hydrous ethanol	403.18	1,451.47
Total fuel consumption	36,662.50	131,985.01
Power Consumption	40,230.49	146,315.07
Total energy consumption	76,892.99	276,814.76

[302-4] For comparison purposes, Cemig’s consumption history is presented grouped up in the major kinds of fuel: electric energy, fuel for the vehicle fleet, emergency generators, machinery and equipment.

Water consumption by source

Consumption per source (GJ)	2020	2021	2022	Variação 2021/2022 (%)
Power	135,436	134,915.90	146,315	8.44%
Fuels for generators	2,772	1,756.65	1,838	4.65%
Fuels for the fleet	125,254	115,148.74	131,851	14.50%
Combustíveis em UTE	0	N/A	N/A	N/A
Total Energy	263,462	251,821	280,041	11.20%

Past 4 year history of renewable or non-renewable energy consumption at the organization

Total energy consumption	2019	2020	2021	2022
Non-renewable energy consumption (MWh)	178,333	40,738	56,115	34,916
Renewable energy consumption (MWh)	38,388	32,446	13,835	35,331

The data shown above follow the conversion factors confirmed by the Brazilian Energy Policy Council (CNPE), the Intergovernmental Panel on Climate Change (IPCC), the Brazilian GHG Protocol Program, and the Brazilian National Energy Balance.

The Company has a goal of maintaining electricity consumption at 41,334 MWh (2017 value) until 2022. In 2022, power consumption was 35,263.01 MWh, 14.7% below the value reported in the base year.

Cemig also performs the quarterly measurement of electricity consumption by employees, which, in 2022, remained, on average, at 1.78 MWh/employee, the same value reported in 2021.

As a measure to reduce energy consumption within the Company, Cemig has as a directive requiring the average manufacture date of vehicles in its fleet must be less than five years, the legal depreciation period set by the granting authority. The Company renews its vehicle fleet on an annual basis, which allows a decrease in fuel consumption. The other initiatives are external, like the Energy Efficiency Program.



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Cemig also accounts for the energy consumption in its value chain, divided into the following GHG Protocol categories: stationary combustion, mobile combustion, acquisition of electric energy, commuting of employees (home-to-work), movement and distribution (upstream and downstream) and the use of goods and services sold. The 2019 data for energy consumption outside the organization are detailed in the table below.

[302-02 | 306-01 | 306-02]

Energy consumption outside of the organization

Forerunner	Consumption	
	(MWh)	(GJ)
Non-renewable fuel		
Diesel - Brazil	127,778.20	460,001.52
Gasoline - Brazil	14,378.69	51,763.30
Liquid Petroleum Gas (LPG)	333.2	1,199.51
Natural gas	-	-
Aviation kerosene	(*)	-
Renewable fuel		
Hydrous ethanol	3,676.66	13,235.96
Total fuel consumption	146,166.74	526,200.28
Power Consumption	60,194,802.59	216,701,289.30
Total energy consumption	60,340,969.33	217,227,489.60

(*) The emission of 328,914 tCO2e was registered in business trips. Calculation made from source and destination data



Consumption of materials


[306-1] Since 2018, Cemig has used its own methodology to measure materials consumed, based on materials of greater intensity and relevance in the operation.

With the intensification of the Company's investment plan for modernization, reinforcement, expansion and improvements of the power system in Minas Gerais, the trend for the coming years is to continue increasing this materials consumption.

The main categories responsible for the consumption of materials were:

- 1) Post, structure, crosspiece and concrete accessory
- 2) Wooden post, frame, crosspiece and accessory
- 3) Power conduit
- 4) Transformer and regulator for transmission
- 5) Electrical hardware, screw and fastenings



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Equipment (distribution transformers) and insulating mineral oil regeneration were also carried out, which, after refreshing all the physical and chemical characteristics of the oil after the process, returns the input to its post-treatment operations.

The reform of transformers also contributes to the reduction in the generation of scrap, returning the equipment to the Company's power system. In 2022, 779 transformers were renovated, generating savings of approximately BRL 1,799 thousand (expense with the purchase of new transformers avoided).

For 2022, the growth in the number of reclosers consumed is related to the Company's investment in the installation of three-phase and single-phase reclosers in its distribution network. This electronic equipment minimizes the interruptions caused by transient failures, and its installation aims to reduce the service time in events of the power system, as well as reducing operating costs and improving the DEC and FEC quality indicators. In addition to the protection functionality, three-phase reclosers make it possible to expand the operational flexibility of the Medium Voltage distribution network, reducing the number of customers affected in events and enabling the improvement of the performance of the power system.

Materials consumption in 2022

Year	Transformers for Distribution	Posts – Concrete, Wood and Fiberglass	Cables	Measuring equipment	Reclosers	Fittings
2020	18,048 units	97,559 units	3,859,163 km	543,563 units	6,139 units	1,103,338 units
2021	59,100 ton	15,600 ton	8300000	NA	NA	927,793 units
2022	28,033 units	Concrete and Wood = 111,710 units Fiberglass = 193 units	3,755,906,607 Kg (lined cables) 11,059,274.17 M (unlined cables)	1,010,805 unid.	6,709 unid.	1,494,845 units

Waste produced

[306-5] Cemig undertakes to manage its waste in accordance with the National Solid Waste Policy (PNRS). Therefore, its units follow the process of identifying, segregating, packaging and transporting their waste to the Cemig GT and D temporary waste storage facility at Igarapé Advanced Distribution Center (CDA-IG). From that point on, the Superintendence of Material and Service Supplies is responsible for the final destination of the waste.

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

[306-3; 306-4] In the fiscal year from January to December 2022, 45.02 thousand tons of industrial waste were sent to final disposal: 99.77% of this waste was disposed of or recycled and 0.23% was co-processed, sent for treatment (effluents and sludge) or disposed of in industrial landfills. There was no incineration in the reporting year.

* This value refers to the amount generated by the subsidiaries Cemig D and Cemig GT.



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Final disposal of waste (t)	Disposal, recycling and regeneration, reuse or decontamination (t)	Co-processing and incineration (t)	Industrial landfill (t)
2020	39,980	268.5	23.6
2021	50,978	200.2	1.3
2022	44,916	102.25	1.06

Total hazardous x non-hazardous waste generated (Tons) [306-05]				
TYPE	2019	2020	2021	2022
Hazardous	1064	1,116	1205	977
Non-hazardous	78499	39,156	49,975	44,042
Total	79563	40,272	51180	45,019

[306-4] Generally speaking, in 2022, Cemig generated 18.9% less hazardous waste and 12% less non-hazardous waste when compared to the previous year. The reduction was mainly driven by the more definitive return to activities in a post-pandemic context, which helped to achieve internal goals, especially in relation to recycling. In terms of total waste, in 2022, there was a significant variation in generation by Cemig compared to 2021, with a reduction of 26%.

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

In 2022, with the aim of improving its reverse logistics practices, Cemig hired a new logistics operator, which made it possible to optimize the Company's internal controls of unserviceable materials. The entire process

of reverse logistics and waste disposal is done in an environmentally correct and responsible manner, following internal rules and current environmental legislation. As a result, Cemig guarantees that all scrap and industrial waste generated is properly disposed of.

In the year 2022, 999.70 tons of oil were regenerated, reused, decontaminated and refined again. Of this amount, 40.40% (459,000 liters) of insulating mineral oil were regenerated and reused by the Company. This practice avoids the purchase of new oil, and generated savings of approximately BRL 9,974,070.00.

The reform of transformers continues constant, reducing the generation of scrap, returning the equipment to the Company's power system. In 2022, a total of 779 transformers were renovated, generating savings of approximately BRL 1,798,875.00. In addition, 10,065 light bulbs were sent for decontamination and recycling, and 234 tons of wood chip waste were sent for energy recovery to be used in ovens to generate heat in industrial processes.


Still, in financial terms, with the sale of scrap and used oil, the Company obtained gross revenue of BRL 59.8 million, representing an increase of 217% in relation to the previous year.

The Company holds destination certificates, as well as all documentation involving the process of selling, treating and recycling waste. The classification of waste is made between hazardous and non-hazardous and follows the Stockholm Convention of 2004 for its equipment contaminated with Polychlorinated Biphenyls (PCB), which will be withdrawn from operation by the year 2025 and must be destined for treatment within three years.

Currently Cemig only has the transformer serial number 56.123 operating, installed at SE Arcos contaminated by PCB at a concentration of 186 ppm. The other equipment contaminated by PCB has already been fully disposed of. Additionally, there are approximately 10,170 kg referring to contaminated small pieces of equipment to be destined together with the aforementioned transformers. It should be noted that all these residues are under control and properly monitored and stored. In addition, there was no disposal of contaminated with askarel and PCB in 2022.

[306-4] It is important to stress that, following the provisions of the Basel Convention, Cemig does not import or export hazardous waste; therefore, all of its unrecovered waste is sent to landfills or treatment, depending on the characterization.



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Water consumption and effluents produced

[303-01] Water is the main raw material for Cemig’s production of electricity, used to drive turbines, 100% of which is returned to watercourses. It is a resource sensitive to climate variations, vulnerable to the consequences of exploitation of other natural resources, greatly impacted by anthropic actions, and subject to the regulatory environment, making its management and conservation matters of high relevance for Cemig.

Administrative water consumption comes from taps, toilets, garden irrigation and other potable and non-potable activities and, after passing through treatment systems, treated industrial and sanitary effluents are disposed of again in the watercourse.

[303-04] The largest volume of effluent generated by Cemig comes from sanitary installations. The Company considers that 80% of the water consumed becomes effluent, therefore, for 2022, 152,087.3 m³ of effluent were discarded. Disposal is mostly done directly in the public network and another part is destined to septic tanks.

Disposals are carried out in compliance with Conama Resolution No. 430/11 and Joint Normative Deliberation COPAM/CERH-MG No. 01/08, which deal with the conditions and standards for releasing effluents into water bodies.

The Company does not dispose of effluents in water courses. Septic tanks or biodigesters that dispose of water in sinkholes installed in the ground are used and annual analyzes of liquid effluents are carried out as determined by CONAMA Resolution No. 430, of 13/May/2011⁵⁷.

[303-2] Some facilities have water and oil separator boxes that dispose of water in sinkholes installed in the ground and perform annual analysis of liquid effluents as determined by CONAMA Resolution No. 430.

Cemig has a target of 6% reduction in water consumption, established in 2020 with a consumption base year of 2019 and target year of 2025. In 2022, there was a 28% reduction in the total administrative consumption of water compared to the previous year, and, as a result, the Company reached the reduction target for 2022, obtaining a value 23% below the stipulated target. Although no specific actions have been implemented for this phenomenon, consumption varies depending on the activities carried out at the plants. Water consumption

reduction in 2022 was mainly related to surface catchment, motivated by the lower number of long maintenance operations or those involving large teams at the plants.

The graph below shows the total water consumption per source in m³:

Total water consumption by source (in m ³)	2021	2022
Supply (Utilities Network)	135375.1	120356.4
Underground Source (well)	50012.8	66565.8
Surface Catchment (water courses)	63807.6	3040.9
Total water consumption (in m³)	249195.5	190107.1

Water Administrative Consumption (m3)

2019	2020	2021	2022
254094.0	225561.0	249195.5	190107.1



57. Provides for the conditions and standards for the release of effluents, complements and amends Resolution No. 357, of March 17, 2005.

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Water Resource Management

3-03 (303) Water is the strategic main resource Cemig’s business depends on, since nearly 100% of the electricity generated comes from hydroelectric power plants. Cemig recognizes its role in conserving this resource and the potential impacts of its activities on water availability, and considers water management and conservation to be highly relevant matters for governance, with management based on its Water Resources Policy, formulated in 2016⁵⁹, whose principles are detailed below:

COMMITMENTS: Adoption of practices for the rational, integrated, and sustainable use of water resources. Prevention and defense against critical hydrological events, both of natural origin and resulting from the inappropriate use of natural resources.

GOALS: Conservation of water and preservation of water sources by establishing partnerships with public agencies and with society, aiming at the best use of this natural resource.

RESPONSIBILITIES: Participation in Public Management and compliance with the Water Resources legislation, with safe management of reservoirs, weather monitoring, water qualitative and quantitative monitoring, relationship with stakeholders and incentive to research and development.

Even though it does not consume water in its hydroelectric generation process, Cemig is a major user of this resource in powering turbines for the purpose of producing electricity. In this way, it actively participates in monitoring and proposing more appropriate decisions for the electricity sector, reconciling with the multiple uses of watersheds. Cemig engages in the regulatory scenario, monitoring, following up, proposing and support the drafting of laws and norms for the water sector, suitable for the power industry, always reconciling that with the multiple uses of river basins, together with the other participating stakeholders (government and civil society).

Also, based on its Risk Management System, Cemig analyzes scenarios and the Company’s degree of financial exposure to different risks. Regarding water resources, the following risks are mapped: Also, based on its Risk Management System, Cemig analyzes scenarios and the Company’s degree of financial exposure to different risks. Regarding water resources, the following risks are mapped:

- Silting and rupture of reservoirs;
- Deviations in the weather forecast;
- Loss of physical guarantee of PCHs, as a result of reduced water availability;
- Regulatory and pricing structure changes;
- Potential conflicts with stakeholders, which can arise both from prolonged droughts and the occurrence of flood events due to excessive rainfall.

The year 2022 was characterized by the recovery of storage in most of the reservoirs of the large hydroelectric plants located in the south-central region of the country, with flows assuming good levels, both in the dry season and in the rainy season. This phenomenon began in October, with an effective recovery in the 4th quarter of the year. Monitoring and forecasting reservoir levels and constant dialogue with public authorities, civil society and users of the hydrographic basin are essential

actions to ensure energy generation and other uses of water resources.

With the aim of strengthening this dialogue with other agents, Cemig provides various information regarding the operation of its plants, such as the variation in levels and flows of rivers and reservoirs in the region. The data is published through the PROX application, as well as via the Company’s website and social media. In addition, Cemig produces guidance videos and uses the community relationship program, called Proximidade, for clarification meetings with the population.

Surface water captured and not consumed for power generation:

2020:
52,758,899.34 m³

2021:
33,797,609.47 m³

2022:
46,832,235.23 m³

59. <https://www.Cemig.com.br/programa-sustentabilidade/recursos-hidricos/>



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The amounts presented above consider Cemig's hydroelectric plants and wholly-owned subsidiaries.

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

Storage progress:

	2018	2019	2020	2021	2022
Camargos	35.66	25.67	45.62	39.92	35.60
Emborcação	23.83	12.77	8.58	19.21	42.34
Irapé	31.34	22.99	41.32	52.20	82.96
Nova Ponte	24.67	16.69	10.80	15.65	40.86
Queimado	43.20	27.90	20.30	56.01	60.15
Três Marias	52.20	57.04	48.77	50.83	62.59

Hydrometeorological monitoring

Cemig takes a series of actions that enable the accurate management of possible impacts on its business related to water availability. In a preventive way, it invests in practices that place it in a situation of greater security, given the several possible scenarios, using modern techniques and several pieces of equipment, such as the Storm Location System, a Telemetry and Hydrometeorological Monitoring System, mathematical models of hydrological simulation and weather and climate forecasting. To this end, Cemig has a Meteorology sector with a permanent team, through which meteorological information is kept up-to-date for both Cemig Distribuição and Cemig Geração e Transmissão. Weekly meetings are held with all of Cemig's sectors and the weather forecast for the next few days is presented.

Currently, Cemig operates a hydrometeorological network that monitors 372 data series, with 178 from rains, 104 from water course flow rates, 53 for monitoring reservoir and river levels, and 37 climatological stations that monitor temperature, air humidity, wind speed and direction, solar radiation and atmospheric pressure. These stations are distributed throughout strategic locations in the states of Minas Gerais, Goiás, Rio de Janeiro, Espírito Santo and Santa Catarina, and their data are received in real time at the Company's headquarters in Belo Horizonte.

The main instrument for increasing assertiveness in hydrological forecasts, the Meteorological Radar, acquired by the Company in 2011, provides greater strategic security both for the control and operation

of the reservoirs of hydroelectric plants, as well as for society. Having early information on the direction of displacement and the intensity of rains, it is possible to estimate the amount of water that will reach a reservoir and adjust its hydraulic operation to minimize the effects of floods for the population and the project. Besides that, Cemig Company can issue alerts to the Civil Defenses about storms that could have serious consequences for the population, thus allowing for preventive actions.

Using the results of the climate model described above and a hydrological model of conversion of rainfall, Cemig prepared inflow scenarios for the main hydrographic basins of the national interconnected system. Based on these scenarios, the official hydrothermal optimization models (Newave and Decomp133), used by the Brazilian power sector, are fed back. These models determine energy prices in the short-term market and provide data on the operational policies of Brazilian electricity parks.

In general terms, the methodology for defining the policy for operating reservoirs that Cemig uses for hydroelectric power generation essentially involves considering the multiple uses of water for generation and by other users of the hydrographic basin. This approach, in turn, leads to the need to consider a series of restrictions of an environmental nature, safety, irrigation systems, human supply, waterways, bridges, among others, rigidly respected by Cemig. Based on the Risk Management System, Cemig analyzes the scenarios and determines the degree of exposure of the business and the risk for multiple uses. Short, medium and long-term meteorological and climate models are used, subsidizing the analysis of future water availability through hydrological models and allowing

the management of reservoirs for energy generation purposes and guaranteeing other uses of water in dry and rainy seasons.





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Water quality

With an energy matrix predominantly based on renewable energy sources, Cemig attributes a fundamental value to the environment and, in particular, water. Fundamental for maintaining biodiversity, all natural cycles and the preservation of life itself, water is increasingly becoming a strategic resource for humanity.

The Company monitors water quality in accordance with the Company's biodiversity policy guidelines, with the premise of developing more effective biodiversity conservation strategies and complying with state and federal decisions. This monitoring is an important tool for identifying and collecting information for assess and control of environmental impacts on aquatic ecosystems at all stages, from project design to operation.

Environmental studies prepared in the Water Quality Monitoring Programs are carried out in collaboration with teaching and research institutes and specialized companies. These partnerships help Cemig to advance in identifying opportunities and improvements that contribute to the implementation of methodologies and innovations referenced by the best practices reported at a global level.

Water Quality Monitoring includes 43 reservoirs with quarterly or half-yearly sampling frequencies, with more than 176 physical, chemical and biological data collection stations in the main river basins of Minas Gerais. Monitoring upstream and downstream the dams allows Cemig to identify any impact on water courses, reflecting data on the ecological integrity of ecosystems. This monitoring serves as an assessment of the quality of the project's effluent management and aims to ensure that the effluent parameters are in accordance with those specified by law. It is important to emphasize that the achievement of the objectives is gradual, and that the constancy, continuity and standardization of monitoring have provided effective interaction between the management bodies and users, with a view to achieving sustainable management of water resources.

Qualitative and quantitative parameters determined in regulatory standards are monitored systematically and periodically in the company's reservoirs and in tributary rivers.

For the monitoring of predefined sanitary and industrial liquid effluent sampling points, the simple sampling technique is used, whereby samples are taken at the exit of the industrial effluent treatment systems and at the entrance and exit of the sanitary effluent treatment

systems. In addition, in loco, with the aid of a previously calibrated multiparameter probe, water temperature and pH analyzes are carried out.

From this, the results referring to the sampling campaigns are compared with the maximum values allowed (MPV) by the legislation in force and then, the necessary corrective and mitigation measures are taken, as well as improvement in treatment efficiency. In this way, the minimization of environmental impacts on biological systems, through these programs, makes it possible to generate energy with environmental safety, contributing to the sustainability of human processes compared to ecological ones.



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As a result of these actions and processes, Cemig has a rich collection of information on the quality of the water and the ichthyofauna of the rivers and reservoirs in its concession area, both through the carrying out of research projects with various institutions, as well as through carrying out environmental monitoring programs. Faced with this extensive database, the growing demand for environmental information and the constant technological transformations, Cemig has been working on improving the Symbiosis system, developed as the base system to meet and integrate the specificities of the internal processes of environmental management in order to store, validate, integrate and make available the generated data.

The integration of these tools will provide important tools for understanding the data to help establish guidelines and decision-making in business management and strategy. In addition, Simbiose has a mobile application to ensure the quality of collections, referring to water quality programs carried out in the field. This mobile application contributes to the certification of predetermined points, through georeferencing using GPS. Thus, Simbiose helps in the data entry process, reduces errors in the transcription of the form to the Web system, and facilitates the routine of collecting limnological, physical-chemical and hydrobiological data in Cemig's reservoirs.

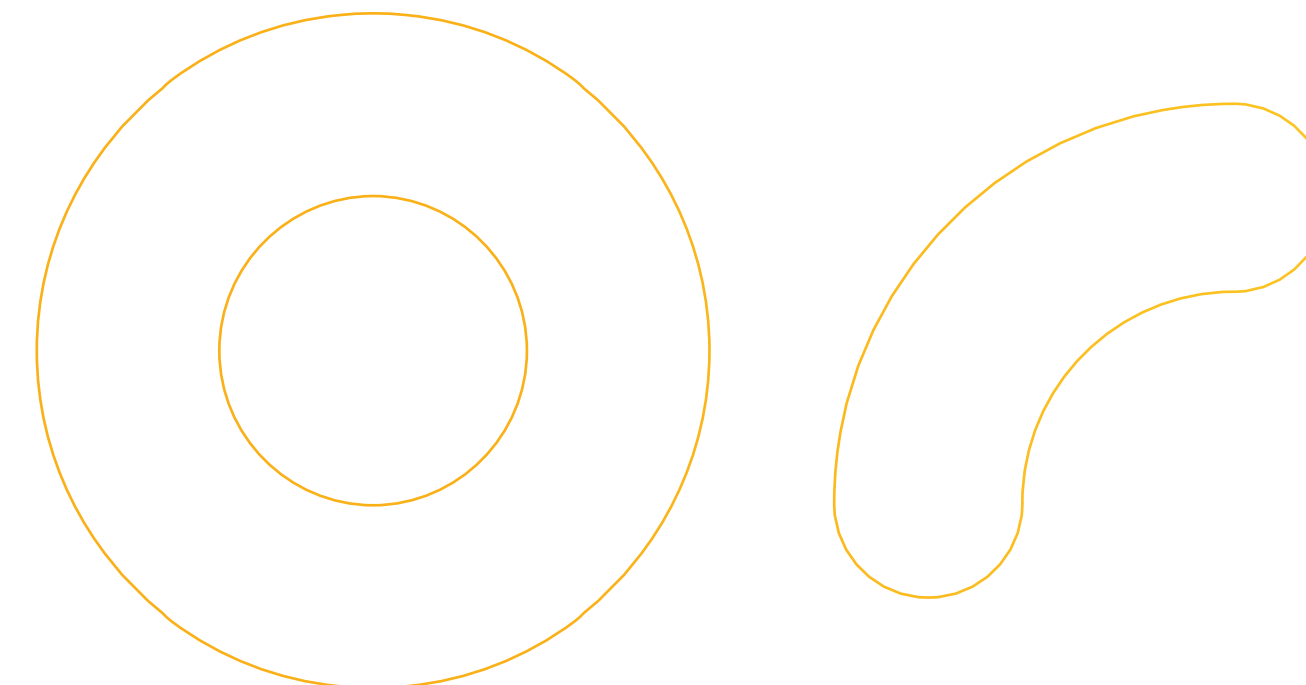
The Simbiose system, therefore, becomes a strategic management tool, capable of integrating programs, data collection and assessments within the structures of internal processes, contributing to the useful management and control of operational risks. In addition, it is an application capable of facilitating the availability of environmental data, reducing the asymmetry between organizations and their stakeholders, such as suppliers, customers, investors, civil society, government, scientific community, and others.

Water Quality Index (IQA)

Water quality indexes are applied to assess degradation condition of water resources. These indexes aim at simplifying, quantifying, analyzing and synthesizing communicating data generated during monitoring. Along these lines, with the aim of translating and facilitating communication with the public, Cemig uses and makes available the Water Quality Index (IQA)⁶⁰, aiming to provide basic information on water quality, as well as for the environmental management of the 43 plants monitored.

Average IQA results for 2022 for five Cemig plants located in several watersheds are shown on the table below. Average IQA results for 2022 for five Cemig plants located in different river basins are presented in the table below.

Average IQA for Cajuru Small Hydroelectric Station, Emborcação Hydropower Plant, Nova Ponte Hydropower Plant, São Bernardo Small Hydroelectric Station e Irapé Hydropower Plant. ⁶⁰		Water body	2020	2021	2022
Cajuru Small Hydroelectric Station		Pará	75.87	76.75	76.7
UHE Emborcação		Paranaíba	79.0	77.2	75.5
UHE Nova Ponte		Araguari	77.0	81.8	87.0
PCH São Bernardo		Ribeirão São Bernardo	81.75	65.0	65.0
UHE Irapé		Jequitinhonha	86.44	81.7	76.5



60. IQA sets out a set of nine parameters considered most representative for the characterization of water quality: dissolved oxygen, thermotolerant coliforms, pH, biochemical oxygen demand, nitrate, total phosphate, water temperature variation, turbidity and total solids

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PCH São Bernardo unit presented average water quality indexes, and the others presented good levels.

The Brazilian electricity sector has faced several environmental issues during the planning, implementation, and operation of its projects. It can be highlighted, specifically, that the implantation of dams in rivers entails considerable impacts from the hydromorphological changes in the water body. These changes can have a direct or indirect influence on the balance of an aquatic ecosystem, which is mainly characterized by its ability to continuously assimilate and transform the matter and energy there. With the

accumulation of matter and energy, one can consider the possibility of an imbalance in the ecosystem, which causes a series of physical, chemical and biological changes in the system.

The Water Quality team monitors the companies retained to carry out the monitoring through internal audits of the collections carried out, the databases and the reports generated for legal compliance.

Biodiversity

[3-3 (304)] Cemig dedicates special attention to the conservation of biodiversity in the environments where it operates. Its operating area interfaces with two land hotspots - Cerrado and Atlantic Forest - and the aquatic medium, and the Company is responsible for managing over 3,500 km² of freshwater in its reservoirs.

Cemig's Biodiversity Policy⁶¹ is a formal definition of its commitment to preserving fauna and flora and guides its performance. The Company works in different businesses and, for each project, specialized studies are developed for each project. These studies characterize, assess, and establish environmental programs aimed at controlling, mitigating, and compensating for negative impacts and enhancing positive impacts, according to their kind. Thus, there is involves synergy between research, innovation, and the practice of solutions that, in line with the project coverage, add value to society and the biomes where it operates.

Effects related to biodiversity directly impact Cemig's operations and financial results. For the Company, all risks related to legal compliance are relevant, since non-compliance (whether with deadlines, obtaining licenses or inadequate compliance with environmental conditions and not validated by environmental agencies) can lead to loss of environmental licenses, penalties / fines, shutdown of units and revenue losses. In this context, species are monitored as part of environmental programs to comply with licensing conditions. In addition, the Company has research projects and specific programs for ichthyofauna, terrestrial fauna, reforestation, among others.


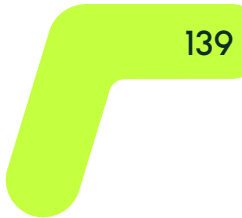
The studies carried out by Cemig contribute to the creation of a portfolio of endangered species of the following initiatives:

- IUCN - International Union for Conservation of Nature and Natural Resources Red List;
- National List of the Chico Mendes Institute (ICMBio) and Ministry of the Environment (MMA) (2018);
- Red Book of Brazilian Fauna Threatened with Extinction; and
- List of the State of Minas Gerais in Copam Normative Deliberation n° 147/10.

Based on this work, there is a legal commitment to recover, protect and conserve the forests, rivers and fauna surrounding the projects. Thus, the Company is also contributing to the fulfillment of UN SDG 15: "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss."



⁶¹ Cemig's Biodiversity Policy is publically available at: <https://www.Cemig.com.br/wp-content/uploads/2020/12/politica-biodiversidade-no-02-17.pdf>

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Care for the ichthyofauna

[EU-13] In view of the large number of hydroelectric power plants that Cemig manages and their interference in the aquatic environment, the Company recognizes and values responsibility in relation to this scope, specifically with regard to impacts on ichthyofauna, which have a wide range and environmental relevance. Thus, just as it does with the management of water resources, it also promotes a series of actions focused on the topic of ichthyofauna.

[304-2] The operation of a hydroelectric power plant is responsible for severe and irreversible changes in water courses and the organisms that inhabit them, especially fish. Considering the construction phase, there is a change from a running river to a region of still water or low flow, which changes the dynamics of the environment and can favor or harm species in the process of adapting to the modified habitat. In the operation phase of the plants, there is generally a greater impact on the areas downstream of the generation units or spillway, and although the impact normally occurs in a short term, the damage to the environment can be irreversible.

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

In the case of Peixe Vivo Program⁶², created in 2007 and whose mission is to minimize the impact on the

ichthyofauna, Cemig analyzed historical data and the risk classification of the impacts of the plants, creating a Service Instruction called "Protection of the ichthyofauna in the operation and maintenance of hydroelectric plants". In addition, the Program performs prior and periodic monitoring according to specific protocols to identify fish mortality in hydroelectric plants and, therefore, measure the affected biomass indicator. This control is part of Cemig's Top Risk and is audited within the Company.

During the operation and maintenance of the plants under the supervision of Peixe Vivo, the "Program for Risk Assessment of Fish Death at Cemig Group Hydroelectric Power Plants" is applied, in which risks are assessed through recurrent monitoring and prior to maneuvers through characterization of fish density and environmental conditions downstream of the plants.

So as to measure and monitor the impact on fish fauna, Peixe Vivo Program created the Affected Biomass (BA) indicator. This indicator adds up the whole dead fish biomass (in kilograms) due to the direct impacts caused by hydroelectric plants during the operation and maintenance of generating units. The annual thresholds are established as a result of the historical analysis, seeking a continuous reduction.

Exceeding the annual limit previously established for the indicator is the result of events at UHE Nova Ponte and UHE Três Marias, both directly linked to the natural density of fish in the tailrace of the plants, due to above-average rainfall levels in the watersheds of the Southeast Region. In both cases, Cemig acted immediately after

identifying the incidents, mobilizing teams and adjusting the flow of operations. Cemig's Environment and Operation and Maintenance teams also remained mobilized after the occurrences ended, working on measuring impacts and preventing new similar events, proposing medium and long-term strategies to mitigate possible impacts of future situations like these.

The development and use of the ichthyofauna risk assessment methodology ensured a reduction of 64.7% in the monthly average of affected biomass, considering the current scenario of Cemig's plant structure. The program also ensured a 97.7% reduction in the number of environmental fines imposed due to the occurrence of fish deaths.

Peixe Vivo Indicators		2022
Programs for the Conservation of Fishes and the Management of Watersheds	Investment in ichthyofauna research and management projects (BRL)	R\$7,048,798.23
	Affected biomass (kg)*	5431.2
Research	Undergraduate research internship (students)	17
	Master's (students)	10
	Doctorate (students)	6
	Researchers (post-doctorate, technical support and researchers)	125
	Scientific production	63

(*) It measures the quantity of dead fish (in kg) due to the maintenance and operation of plants.

62. Further information at <https://www.Cemig.com.br/programa-sustentabilidade/peixe-vivo/>

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Conservation units

For some projects, Cemig has conservation units as compensation for the suppression of native vegetation. Those units function as preservation sites for plant species native to the Atlantic Rainforest and Cerrado biomes, in addition to serving as spaces for scientific research, environmental education of nearby communities and havens for wildlife. Private Natural Heritage Reserve (RPPN) Galheiro, RPPN Usina Coronel Domiciano and RPPN Fartura represent important preserved areas in the state of Minas Gerais. Itutinga Environmental Station has a nursery with an average annual production of 22,000 seedlings used in reforestation carried out by Cemig and/or donated to the population.

[304-1; 304-3]] Cemig currently has conservation areas that are highly significant for the biomes they are located in. Considering the extent of the undertakings, in all areas considered environmentally relevant or sensitive with regard to biodiversity, there is some type of operational unit, whether substations, transmission and/or distribution lines, hydroelectric and/or wind power plants.

Complementarily, it should be noted that, in some cases, the protected zone was defined after Cemig's facilities were built there. Most of the Company's hydroelectric plants date back to the 1980s and 1990s, a period in which there was little representation of protected areas in the state of Minas Gerais or even areas considered relevant to biodiversity conservation. For example, there was the first systematic study of priority areas for conservation only in 2005 by Biodiversitas Foundation.

Towards that, the Company has three RPPN: one in Fartura in the Municipality of Capelinha-MG, with 1455 hectares of conservation, another is located in Perdizes-MG, with 2,695 hectares of conservation, and the third located between the municipalities of Muriaé and Rosário da Limeira, where PCH Coronel Domitiano is located. The latter, with an extension of 263.56 hectares, was established by Cemig itself, after the implementation of the project.


A similar case is registered for PCHs Salto do Passo and Salto Voltão, in the state of Santa Catarina, where the extension of the Xaçupé Indigenous Land borders the

plants. In consulting Terras Indigenas (Native Lands) website, it has been seen that it was established in 1991, while the operation of the plants began in 1960 and 1973, respectively.

Some other projects that were established prior to the establishment of protected areas stand out:

- PCH São Bernardo, inaugurated in 1948, which is within the Federal EPA of Serra da Mantiqueira, in the south of Minas Gerais established by Decree No. 91,304/1985 and validated by Act No. 9,907/1995.
- CGH Luis Dias, whose operation began in 1914, is located in the EPA buffer zone.
- Regarding Transmission Lines:
- Tls Jaguara-Pimenta I and II cross 59.5 km of the Serra da Canastra National Park.
- Praias de Parajuru Wind Power Plant, whose complex includes the Transmission line Parajuru-Beberibe, extends in part of the Environmental Protection Area of Lagoa do Uruaú, being close to Falésias de Beberibe Natural Monument and Prainha do Canto Verde Extractive Reserve, but without crossing over into their limits or buffer zones. TL extends for 34 km, starting from the Praias de Parajuru Wind Power Plant.
- Also, some power distribution lines run through Lagoa Santa Federal Karst EPA and Serra do Gandarela National Park, and Cavernas do Peruaçu Federal EPA. As these are energy delivery systems (common good and public interest) they are unlikely to be crossed by preserved areas or areas of environmental relevance.

63. <https://terrasindigenas.org.br/pt-br/terras-indigenas/3906>

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At the same time, it is known that, at Volta do Rio Wind Power Plant, the wind turbines are approximately 44 km away from areas considered to be protected in the State: Jericoacoara National Park and Lago da Jijoca Environmental Protection Area.

In addition to the areas mentioned above, the Company also has areas restored following the implementation of the Plan for the Recovery of Degraded Areas (PRAD) - one at Irapé plant and another at Emborcação plant. Various types of studies are developed for both, in addition to mitigation and area recovery activities.

Thus, for the year 2022, the Company had the following advances in reforestation and maintenance activities:

Project Type	Extension (ha)
Maintenance Actions	1162.06
Cemig D	813.65
Cemig G	348.41
Planting	115.1
Cemig D	82.39
Cemig G	32.71
Land Property Regulation	15.92
Cemig D	15.92
Grand Total	1293.08



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Fauna monitoring

[EU-13] Cemig develops specific environmental programs for the conservation and reduction of impacts on aquatic and semi-aquatic fauna. The monitoring of the animals is carried out in the long term in order to verify the environments that are being used by them as places of feeding, nesting (act of building nests) and/or shelter. Also, the populations occupying the new environments are checked for whether they show decline or stability/growth. In addition, it also monitors which ecological parameters are most relevant in maintaining viable populations, how they behave in the face of the structural dynamics of the landscape and which main phytophysionomies offer satisfactory conditions for survival.

At Queimado Hydroelectric Power Plant, for example, the Fauna Monitoring Program in Areas under Recovery has five subprograms in which swifts, otters, tortoises and crocodilians are monitored, with a view to understanding the changes resulting from the mitigation measures taken by the project at the local and landscape level, with regard to the local fauna. The following subprograms have been established:

Fauna Increase Subprogram

Swift Monitoring Subprogram

Crocodylian and Chelonian Monitoring Subprogram

Longicaudis otter Monitoring Subprogram

Fauna Monitoring Subprogram with a Focus on Landscape Ecology

In general, these programs seek to effectively maintain the monitored populations around the reservoir, as well as to establish them in heterogeneous environments in terms of phytophysionomies, in addition to proving the reproduction of many species. Data obtained from monitoring is also passed on to local communities through environmental education strategies, encouraging engagement in the context of biodiversity.





Vegetation management

[304-3] The presence of trees, green areas and massive forests in the urban area are crucial for maintaining safe environmental conditions and for the development of society.

However, the interaction of vegetation with electricity distribution cables can cause serious risks to the population, in addition to interruptions in the supply of energy to consumers. For this reason, Cemig annually carries out regular preventive maintenance programs, both in urban and rural regions.

In the urban area, maintenance mainly occurs through pruning trees that present a real or potential risk of reaching the power cables. Pruning is supervised by professionals legally qualified for this function and carried out by teams trained to preserve the power system and the health and safety of the trees.

In rural areas, lane cleaning takes place, which basically consists of removing vegetation, whether herbaceous, bushy or arboreal, located in grids and distribution lines right-of-way lanes. This activity is also supervised by qualified professionals and can be carried out on an occasional basis, in order to preserve the environmental conditions of the site as much as possible.

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With regard to vegetation management, Cemig has also developed research projects to generate innovative methodologies that help improve the Company’s environmental performance in this field of activities, with emphasis on:

R&D 601: Project “Quebra Galho: risk model of falling branches for preventive maintenance and reduction of impact on the distribution network”. Project in partnership with IPT (Institute of Technological Research of São Paulo), and its objective is the construction of a friendly mathematical model that can, according to the physical and morphological characteristics observed in tree branches on power networks, predict their falling risk. Thus, preventive measures can be taken to avoid accidents and interruption of power supply.

R&D 615: Development of a methodology for assessing urban trees regarding falling risk, using ground penetrating radar (GPR). Project in partnership with the Federal University of São João del Rei - Sete Lagoas Campus, which aimed to develop a methodology for assessing the conditions of the roots of urban trees, given that the main cause of tree falls on power lines is due to rupture or absence of supporting roots.

R&D 628: Development of a Computational Tool for the Management of Tree Planting next to the power grids - Extension and other causes. The project is a continuity of D509 project, in partnership with the Federal University of Rio de Janeiro. Its objective is the construction of a low-cost system for monitoring interruptions in power supply caused by the interaction of vegetation with the distribution cables.

Climate change

Climate management and its implications and risks, and opportunities arising from climate change

[201-2] Cemig spares no efforts to improve its processes, focusing on eliminating or mitigating the risks inherent to operations of its facilities and the provision of its services. Along this line of reasoning, the Company acknowledges the dependence and importance of climate resilience for the business, so it measures the risks and opportunities present in its operation based on its classification method, which takes a timeframe into account. Below are the risks related to climate change.

1. Chronic physical risk: Changes in rainfall patterns and extreme variability in weather patterns

Water availability and energy generation are directly related to Cemig and, therefore, drought is a factor to be watched. Through proper management of water resources and planning of operational measures for hydroelectric plants, Cemig works to ensure the best use of water for energy generation and mitigate risks in drought scenarios, without impacting other uses of this resource.

To this end, the following practices are adopted: Use of weather and climate forecast models and mathematical models of hydrological simulation, which make it possible to analyze the variability of rainfall and flow rates. Based

on the analysis of these data, operational measures are defined in periods of floods and droughts, in order to ensure adequate flow for the different uses of this resource.

Materialization of these risks may represent a financial loss due to the reduction in the physical guarantee of PCHs and the decrease in water availability, with impacts on the sale of energy.

Cemig has the Energy Risk Management Committee - CGRE intended to minimizing the risks in the purchase and sale of energy contracts), in addition to mitigating the risk of exposure in the short term from adverse hydrological conditions.

Efforts to manage this risk cost BRL 4,128,000.00. Management cost is calculated based on the Company costs with the tariff team an operative management of plants. Eight tariff team employees and ten strategic planning management employees were considered.

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2. Acute physical risk: Increased in the severity and frequency of extreme weather events;

Extreme climate phenomena, like cyclones, floods, intense rains and whirlwinds, are increasingly associated with the effects of an unfavorable microclimate, typical of large urban centers.

These phenomena represent a risk of damaging energy transmission and distribution facilities for Cemig, making the resource unavailable to customers. Consequently, it may pose an expense for the repair of structures and reimbursement to consumers, due to energy unavailability.

Cemig manages these adverse events with a view to reducing the magnitude of their impacts through adaptation measures such as tree pruning, monitoring by weather stations and weather radar, and through the emergency plan to immediately restore power. At the same time, the Company is carrying out improvements to its distribution system.

For the management cost calculation, the investments in expansion and reinforcement of high voltage lines (BRL 906 million), renovation of the high voltage system (BRL 32 million), reinforcement of medium and low voltage grids (BRL 126 million) and renovation of the medium and low voltage grids (BRL 159 million) were added up. The total amount is 1.22 million.

3. Transition risks: Adaptation to regulatory changes

The greatest climate risk to which Cemig is exposed today is adapting to possible regulatory changes, resulting from the commitments established in the Brazilian National Policy on Climate Change. The main commitments refer to reducing emissions by 2030 and emerging regulations covering carbon pricing mechanisms.

Risk materialization would be the application of a regulation incident on the consumption of fossil fuels. The carbon price applied in the fuel sector would imply an increase in the prices of fossil fuels or in thermal power plants from fossil sources, representing possible increases in the Company's indirect costs.


To mitigate this risk, Cemig plans to renew its vehicle fleet (medium term) and lease electric vehicles. The Company also uses the internal carbon price in the feasibility analysis stages of new power generation projects. Currently the stipulated price is USD 20.00/ton CO2 or 103.2 BRL/ton CO2.

It is important to mention that the Company seeks to increase its portfolio of clean and renewable energy generation, so as not to have to resort to fossil generation sources. In addition, it participates in industry associations with the purpose of benchmarking and continuous improvement.

The table below shows risk management costs in 2021 and 2022.

2021		2022	
Total risk management cost	Total opportunity management costs	Total risk management cost	Total opportunity management costs
553067784.33	2539776076.66	1366016736.24	1,450,000.00



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The global importance of discussions on the effects of climate change boosts the special attention that Cemig gives to the identification of risks and business opportunities, in addition to intensifying the search for solutions for adaptation and mitigation, avoiding risks and impacts on the Company's business.

During risk identification activity, the area responsible for centralized risk management and internal controls consults the managers of the areas related to the identified topics, including areas that interact with external stakeholders, such as investor relations, strategic planning, sustainability and the general secretariat). As a result of this process, the Top Risk related to climate events was defined: Inefficacy of climate change mitigating and adaptation actions.

Major Impacts:

- **Damage to the power generation, transmission and distribution infrastructure, which may cause interruption of those services;**
- **Loss of revenue and market due to new low carbon solutions implemented by competitors**

Sample of Mitigation Actions:

- **Structuring and execution of the 2023–2027 Distribution Development Plan (PDD) referring to the 2023 – 2027 period;**

- **Research and Development (R&D) Program - Distribution Operations Center of the Future (deployment of software based on the concepts of time-oriented and hyper-vision visual analytics, responsible for providing situational awareness to operators via a graphic interface.**

- **Diversification of the energy matrix with expansion in wind and solar sources**

In addition, Cemig has the Sustainability Plan (2021-2025), which includes actions to combat climate change and the Strategic Planning (2020-2024) with approved investments in expanding renewable energy generation, modernizing distribution networks and smart grids, investments in distributed generation and energy efficiency, all in line with the low-carbon energy transition.

The main opportunities in the area are listed below:

Sale of CER in a cap-and-trade system

The establishment of a cap-and-trade emissions trading market in Brazil or worldwide, along the lines of the CDM, for example, could lead Cemig to position itself as an important provider of emission reduction certificates. This opportunity could lead to an increase in revenue at Cemig.

Sale of energy solutions projects:

In a scenario of larger corporate investments in energy efficiency aimed at reducing power consumption and GHG emissions, Cemig SIM subsidiary may have an increased demand for its services with the implementation of projects for use of lighting with LED, cogeneration, distributed generation, and other energy solution services.

Sale of certified renewable energy:


The Emborcação Plant, located in the municipality of Araguari (MG), was certified by the “International Renewable Energy Certificate Standard” (I-REC) system. It is a certificate that attests that the energy produced is from a renewable source. Having that certification, Cemig can sell energy to RE100 Companies, a group that brings together Companies committed to consuming 100% renewable energy, which already amounts to a demand of over 170 TWh. 109,007 I-REC were traded.

Creation of its own certification, called Cemig REC:

It meets international standards, such as the GHG Protocol and CDP, and ensures that the company's energy is renewable, through its own controls and the methodology proposed by a specialized consultancy. With this certificate companies can guarantee that the energy they consume comes from renewable sources. In 2022, 1,795,939 Cemig REC were traded, coming from UHEs Emborcação, Nova Ponte and Três Marias. Considering sale of I-REC and Cemig REC, 3,218,946 renewable energy certificates were traded in 2022.

Reference Year	CEMIG REC	I-REC	Subtotals
2022	1,795,939	1,423,007	3,218,946
2021	1,106,545	1,591,144	2,697,659
2020	712,842	57,432	770,274



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Climate strategy and adaptation plan

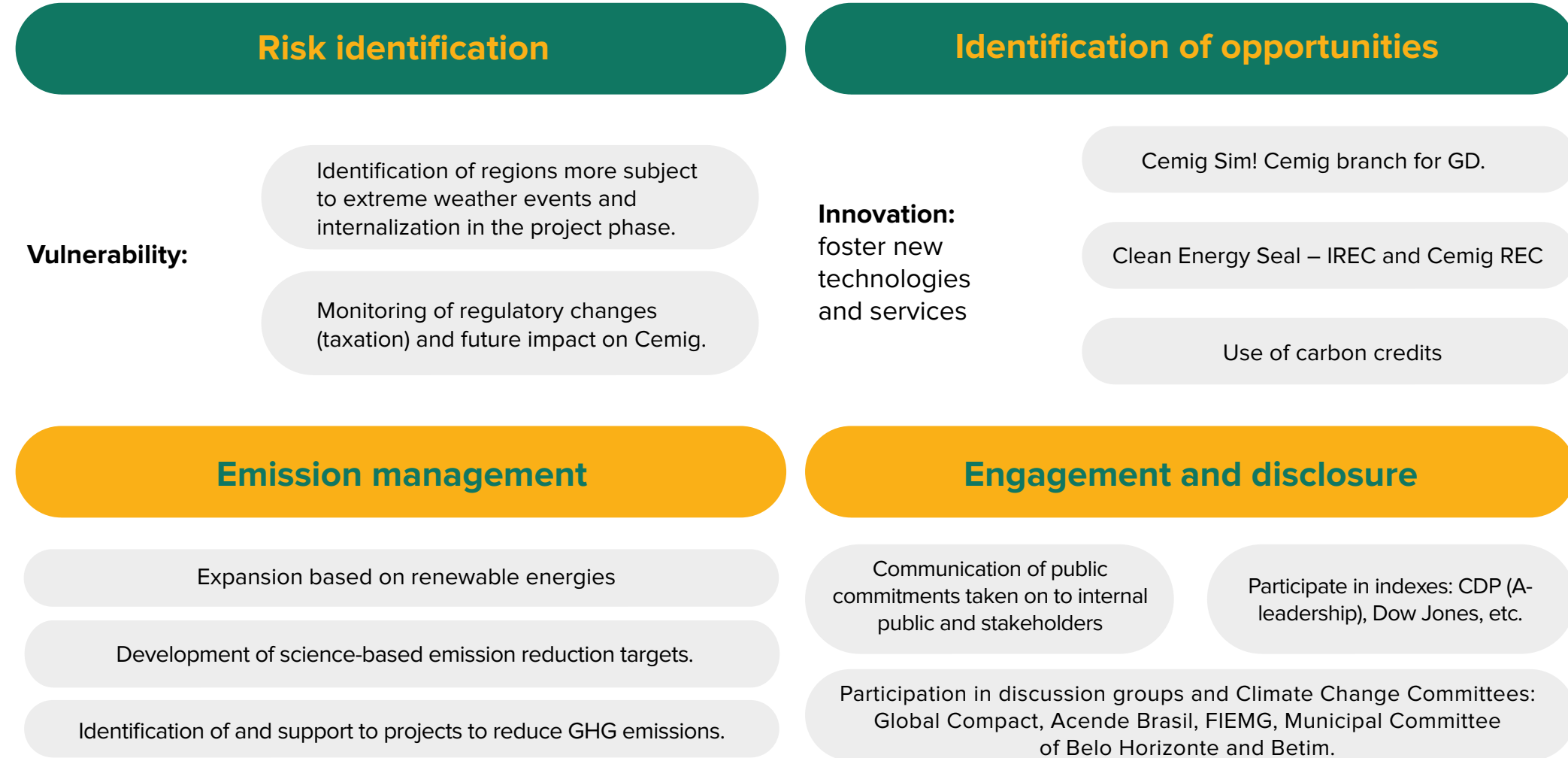
[3-3 (305)] Despite the characteristics of Cemig’s electric matrix, which are predominantly renewable and have low GHG emission, the senior leadership is engaged in defining strategies to reduce GHG emissions. This is made clear by their establishment of voluntary targets

for (i) emission reduction, (ii) electricity consumption, and (iii) energy losses. Cemig’s strategic campaign for mitigating, adapting and disseminating the topic to society and its investors is explained in the Report of Financial Disclosures Related to Climate, available at the Company website⁶⁴.

In 2021, Cemig prepared the Climate Change Adaptation Plan, which will be update on an annual basis. The Plan aims at describing climate risks, mitigation and adaptation actions and present climate scenario analyses and their possible impacts on the Company businesses.

In 2022, it prepared its first Financial Disclosure Report Related to Climate – TCFD. This report was built on the basis of an international framework implemented by the Financial Stability Board (FSB) through the Task Force on Financial Disclosures Related to Climate Change (TCFD) and seeks to meet the guidance on disclosing information related to risks climate-related organizations. The table below presents a summary of progress within the four thematic areas around which the Task Force has structured its recommendations, representing the core elements of the organizations’ operations: Governance, Strategy, Risk Management, and Metrics and Targets.

The main guidelines of Cemig’s Climate Strategy are exemplified in the figure below:



64. Further information at <https://www.Cemig.com.br/wp-content/uploads/2022/08/relatorio-de-divulgacoes-financeiras-relacionadas-ao-clima-2022.pdf>



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Thematic area	Background	Highlights	Outlooks
	<ul style="list-style-type: none"> Prospects Governance The Board of Directors reviewed and approved Cemig's Strategic Plan for 2021, prioritizing generation, transmission and distribution businesses, and seeking leadership in customer satisfaction, safety and efficiency. 	<ul style="list-style-type: none"> As part of the risk identification process and in line with the Risk Management and Internal Controls Policy, Cemig generates a risk matrix, where process risks, macro-process risks and Top Risks are identified, macro-process risks that can directly impact the Company's strategy 	<ul style="list-style-type: none"> Cemig monitors market progresses and positions itself in the face of them through a governance structure that engages all levels of the company by means of training and incentives related to climate change.
Governance	<ul style="list-style-type: none"> CEMIG also established guidelines that strengthen inclusion of climate issues in risk management and identification of new opportunities, as well as management of its greenhouse gas emissions. With the aim of providing senior management with information for making decisions regarding the most relevant risks and opportunities, Cemig operates a risk management program allowing mapping and assessment of both strategic risks and those arising from operational processes. The Sustainability Management surveys and assesses Cemig's risks and opportunities in the face of climate change. Cemig also has a Corporate Sustainability Committee, whose role is to propose policies, guidelines, actions, plans and projects to promote the Company's ESG agenda. 	<ul style="list-style-type: none"> Top Risks are forwarded for deliberation by the Executive Board and subsequently to the Board of Directors. In 2020, a Top Risk was identified capable of directly impacting the Company's strategy: Inefficiency in measures to minimize and adapt to the impacts of climate change at Cemig, referring to the inadequacy of measures to mitigate and adapt to climate change, whether due to non-implementation or inefficiency. To minimize the risk, mitigating actions were planned, such as participation in climate associations, continuous monitoring of weather forecasts, among others. 	<ul style="list-style-type: none"> In order to encourage employees on topics related to climate change, payment of employees' variable compensation is linked to two indicators related to the topic of climate change. Cemig participates in committees, working groups and initiatives that deal with issues related to climate change. Among the initiatives are participation in the Belo Horizonte Municipal Committee on Climate Change and Eco.
Strategy	<ul style="list-style-type: none"> Investments in expanding energy generation from wind and solar sources, as well as investments in distributed generation via Cemig SIM make up Cemig's strategy in line with the Company's climate commitments. Cemig's Strategy guides identification of climate-related opportunities. In this regard, the Company has been expanding the sale of renewable energy certificates (I-REC) and Cemig-REC In the Strategic Planning approved in 2021, a series of investment initiatives stand out: increase in renewable generation capacity, development of new solar farms via Cemig Sim, reinforcement and improvement of transmission systems using new technologies, reduction of losses, innovation actions, and others. 	<ul style="list-style-type: none"> In 2022, Cemig joined the UN's Net Zero Ambition Movement, which brings together non-state actors willing to take rigorous and immediate measures to halve global emissions by 2030 and zero net emissions of greenhouse gases by 2040. Within the scope of investments in Research and Development, Cemig has advanced in technological prospection studies on energy storage and on green hydrogen and carbon capture. As a result of the scenario analyses carried out by Cemig, physical risks of changes in the pattern of precipitation and intensification of extreme weather events were detected. In these cases, Cemig identifies coping measures such as energy matrix and investment in maintenance and modernization of power distribution network. 	<ul style="list-style-type: none"> Cemig will start preparing the Low Carbon Transition Plan in 2023, aiming to make its business strategy tangible and measurable in the medium and long term in order to reduce GHG emissions to limit global warming to 1.5°C and reach zero net emissions by 2040. In order to corroborate this plan and give widespread presence to the strategy throughout all levels of the company, Cemig reiterates its communication with the public through its various channels; participation in the main market indices, such as CDP and Dow Jones; and its engagement in relevant discussion forums, including the Global Compact and Instituto Acende Brasil. In order to deal with detected risks, Cemig defined measures to mitigate and adapt to climate change, ascertaining not only the necessary actions but also the investments that will be allocated to each one of them.
Risk management	<ul style="list-style-type: none"> Cemig is a company highly dependent on climate issues, as it generates most of its energy from water resources. Therefore, it has been carrying out a comprehensive climate assessment and seeks to identify how climate change could affect its business. The risks identified through Cemig's risk management program are addressed and monitored at all levels of the company from a standpoint integrated with the business; therefore, the Business Plan is influenced by climate change in the short, medium and long term. With the aim of expanding and estimating the impacts of climate change by 2050, Cemig carried out an assessment of the climate physical risk using scenarios available in the Coupled Model Intercomparison Project (CMIP6) sixth phase and an assessment of the transition risk based on the International Energy Agency (IEA): the Sustainable Development Scenario (SDS) and the Net Zero Emissions Scenario (NZE). 	<ul style="list-style-type: none"> Within the scope of transition risks, issues of Regulatory Change and Market risks were detected, for which Cemig identifies opportunities, such as participation in the emissions trading market and the sale of energy efficiency projects. 	<ul style="list-style-type: none"> Results expected from these investments include reduction of GHG emissions, reduction of water dependence, and increase in the power distribution system resilience, with a decrease in outages caused by weather events.
Metrics and goals	<ul style="list-style-type: none"> Cemig has carried out its emissions inventory since 2016. Since then, it has identified its main emission sources and reduction opportunities. Migration to a 100% renewable energy matrix represented a milestone in this context Now, the Company has been implementing compensation strategies and new reduction targets for the short, medium and long term, in line with a transition path towards a low-carbon economy. 	<ul style="list-style-type: none"> Understanding its impact on climate, Cemig establishes its commitment supported by two central goals: reduction in greenhouse gas emission intensity by 2030, in line with climate science, which indicates that action is necessary to limit global warming to 1.5°C from pre-industrial levels, and the ambition to reach zero net carbon emissions by 2040. 	<ul style="list-style-type: none"> Cemig is committed to developing a science-based GHG emission reduction target, in line with the Science Based Targets initiative (SBTi) recommendations establishing guidelines and methodologies for developing science-based emission reduction targets to limit global warming in 1.5°C. As part of its commitments, Cemig promotes expansion based on renewable energies and is in the process of drawing up a Transition Plan, which will include more ambitious goals and actions.

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Besides that, in 2022, the Company acceded to the Net Zero Ambition Movement of the Global Compact and took on the commitment of developing a Science-Based Emission Reduction Target (SBT). Cemig submitted to SBT Initiative goal, with the commitment of reducing scopes 1, 2 and 3 emissions by 75.8% per MWh, with 2040 as target year and 2021 as base year. The net zero goal of reducing scopes 1,2 and 3 emissions by 90%, with 2040 as target year and 2021 as base year.

In 2021, Cemig participated in the project coordinated by an alliance between ACT-Assessing Low Carbon Transition and DDP-Deep Decarbonization Pathways innovative technologies that allowed for the assessment of the Company's decarbonization strategies in relation to the nationwide and sectoral decarbonization routes, in keeping with the Paris Agreement objectives. The project focused on:

Building of sectoral decarbonization scenarios and pathways;

Assessment of decarbonization strategies of local companies in relation to the routes developed;

Transfer of knowledge and communication on low carbon sectoral transition on a nationwide level;

Communication on an international level, with a focus on Latin America.

The result of the assessment received by Cemig showed the need for developing a Low Carbon Transition Plan, which will be prepared in 2023.

The objective of following the lines of action laid down in the Company's Commitment to Climate Change is to prepare Cemig for a low carbon economy, taking steps to align its businesses based on the assessment of climate risks and opportunities.

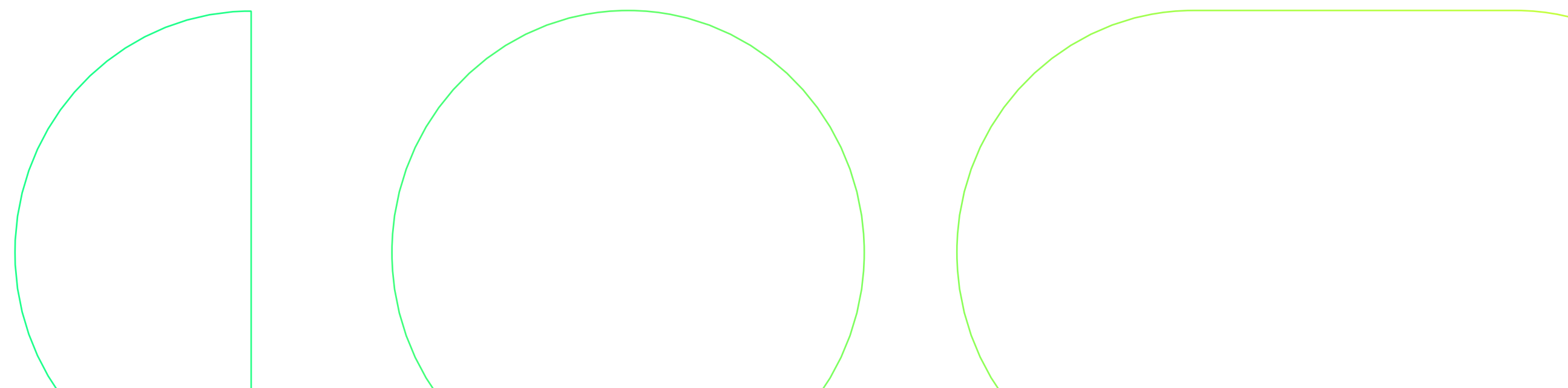
The topic of low carbon economy is a central issue for sustainable development, given the potential impacts of global warming and climate change. Therefore, Cemig has intensified the search for solutions for adaptation and mitigation, avoiding risks and impacts to its business, always seeking to reconcile economic development and protection of the climate system.

Clean Development Mechanisms (CDM) Projects

The Group participates in CDM projects registered at the United Nations Framework Convention on Climate Change (UNFCCC), including six PCHs with 96 MW capacity, and one hydropower plant with 96 MW generation capacity.

At Guanhães Energia, the credit generation pot is 44,488, amounting to 49% from Cemig; at PCH Cachoeirão, it totals 34,059 credits, with 49% from Cemig; and at UHE Paracambi, it totals 33.993 credits, 49% from Cemig. In 2022, those projects were monitored, amounting to 57,186.92 Cemig credits.

[EU-5] As part of the (2023-2027) Strategic Planning, the Company also has as a goal adding 15,849 MW of capacity (approx. 6.691 MW in average of guaranteed power output) to Cemig's portfolio, through water, wind and solar sources, with adequate payouts, thus keeping its matrix as 100% renewable.





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Several sites have CDM proceedings ongoing

Project	Registry Number	Status	Annual CO2eq (t) reduction estimate	Credit Period	Credits Emitted	Traceability
SPE Guanhões (4 PCHs, 44 MW)	3088	Registered	44,488	Jan 13 – Jan 20 31 Jan 20 – 30 Jan 27	–	http://cdm.unfccc.int/Projects/DB/RINA1280831660.48/view
Cachoeirão Small Hydroelectric Station (27 MW)	4788	Registered	34,059	03 Feb 19 – 02 Feb 26	0 (Jan 13- Dec 20) 15004 (Jan 21 – 30 Apr 21)	http://cdm.unfccc.int/Projects/DB/RINA1305214649.79/view
Solar Settesolar (3 MW)	9056	Registered	942	Feb 13 – Feb 20	–	http://cdm.unfccc.int/Projects/DB/RWTUV1356098187.07/view
PCH Pipoca (20 MW)	6382	Registered	17,051	Dez 12 – Dez 19	–	http://cdm.unfccc.int/Projects/DB/RINA1339141027.8/view
Paracambi Small Hydropower Plant (25 MW)	9893	Registered	38,161	09 Jul 21 – 08 Jul 28	–	http://cdm.unfccc.int/Projects/DB/RINA1392324439.94/view
Santo Antônio Hydropower Plant (3568 MW)	9282	Registered	4,015,196	Jan 13 – Dec 22	1,057,929	http://cdm.unfccc.int/Projects/DB/PJR%20CDM1356613142.79/view

External Initiatives

Acknowledging the impact of its business and with a view at solidifying its image and participate in climate agendas, the Company acceded to several initiatives on the topic; below, the most relevant ones are highlighted.

Initiative	Accession Year	Objective
CDP	2007	Report risks and opportunities for its businesses arising from climate changes and monitoring and control measures, and also set out goals and deadlines for reducing impacts.
Efficient Carbon Index ICO2 (B3)	2020	By accessing to the index, the Company expresses its commitment to being transparent regarding its emissions, advancing the visions of preparing for low carbon economies.
CDP Benchmark Club	2019	Individually support the Companies in their CDP reporting process in order to improve data quality and the effectiveness of the action plan produced by it.
Movimento Ambição Net Zero (Net Zero Ambition Movement)	2022	That is an initiative of Brazil Network from the Global Compact aimed at supporting companies that make UNO Global Compact so they can set out commitments regarding climate that are ambitious and science-based, and that become part of Sustainable Development Objective 13 (Climate Action) and the Paris Agreement objectives into their business strategies.
Platform of Action for Climate (Global Compact – UNO)	2020	Brazil Network's Platform of Action for Climate aims at mobilizing its members to become part of the Climate Agenda in their corporate strategies, contributing to build a resilient and carbon-neutral economy in a transparent, socially just and inclusive way.

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Green House Gas (GEE) Emissions

Cemig makes an annual inventory of its Green House Gases (GHG) emissions following calculation parameters set out by the Brazilian GHG Protocol Program.

Cemig’s leadership is engaged and involved in discussions related to Greenhouse Gas (GHG) emissions, focusing on effective action, a fact demonstrated by the establishment of voluntary targets for reducing (i) emissions, (ii) power consumption, and (iii) energy losses.

[3-3(305)] Besides monitoring, inventories are also used to assertively manage emission risks and opportunities of Cemig emissions to set out reduction goals, systematize monitoring and mitigation, and actions to participate in climate dissemination actions and for purposes of comparing the Company to other players in the industry.

In 2022, Cemig’s Board of Directors approved the Company’s Net Zero Commitment, which aims to reduce the company’s emissions and achieve emissions neutrality by 2040. The company committed to developing a science-based GHG emission reduction target, in line with the Science Based Targets initiative (SBTi) recommendations establishing guidelines and methodologies for developing science-based emission reduction targets to limit global warming in 1.5°C.


Goals proposed, but not yet approved by the SBT initiative, include:

- **90% reduction in absolute Scope 1, 2 and 3 emissions by 2040, considering the base year of 2021, reaching a residual value of 1,015,446.09 tCO2e considering Gasmig’s emissions. In 2022, total emissions of Cemig and Gasmig were 5,296,977 tCO2, amounting to a 30% reduction against 2021 (10,154,460.93 tCO2).**
- **Reduction of Scope 1, 2 and 3 emissions by 75.8% per MWh (traded energy) by 2030, considering 2021 as the base year and not including Gasmig emissions. For 2022, the target is 0.1 tCO2/MWh, and for 2030, the intensity target is 0.033 tCO2/MWh; in 2022, the scope 1, 2 and 3 emission intensity was 0.05 tCO2/MWh, and the target for 2022 is 0.1 tCO2/MWh. The target was achieved in 2022, remaining 54% below the stipulated intensity target.**
- **65% reduction in the intensity of SF6 losses based on the percentage value of the actual loss for the year 2019, with a target year of 2027.**

For the 2022 report, the reference adopted was NBR ISO 14064, together with GHG Protocol specifications. The emission factors and Global Warming Potential (GWP) were taken from the Intergovernmental Panel on Climate Change (IPCC).

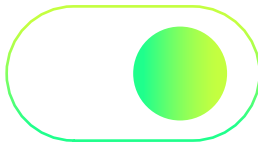
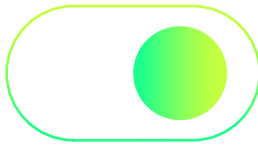
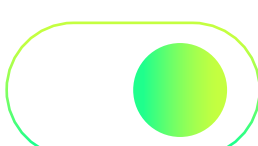
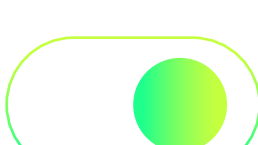
[305-1; 305-2; 305-3] All information used are subject to internal audits, including international reference ones such as NBR ISO 9001:2008, NBR ISO 14001:2004. Known as an operational control approach, Cemig fully quantifies emissions of companies it controls.



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At Cemig, CO₂, CH₄, N₂O and SF₆ gases are generated by the following activities:



-  **CO₂:** generated by mobile and stationary sources burning fossil fuels (such as diesel, natural gas, kerosene and liquefied petroleum gas). Also, there are CO₂ emissions related to waste treatment and the use of agricultural fertilizers;
-  **CH₄:** generated by mobile and stationary sources burning fuels, by fugitive emissions in natural gas distribution lines, and by the decomposition of organic matter in solid waste treatment processes;
-  **N₂O:** generated by mobile and stationary sources burning fossil fuels (such as diesel, natural gas, kerosene and liquefied petroleum gas). Also, there are N₂O emissions related to waste treatment and the use of agricultural fertilizers; and
-  **SF₆:** generated in the maintenance of energy transmission and distribution equipment, which use this gas as an insulator or to extinguish electrical arcs. In these maintenance actions, gas lost by fugitive emission is replaced.

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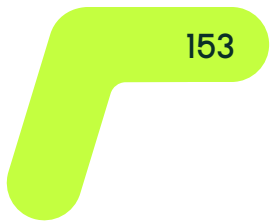
2022 Emissions by scope (tCO2e)

Scope 1	83,356.59
Scope 2	291,766.24
Scope 3	4,921,854.09

Historical series of Cemig emissions (tCO2e)

Historical series of Cemig emissions (tCO2e)	2020	2021	2022
Scope 1	11,419	12,848	83,356.59
Scope 2	448,083	861,233	291,766.24
Scope 3	5,246,668	9,280,380	4,921,854.09

Scope	Category	Emission (tCO2e)	Representativeness (%)
Scope 1	Stationary combustion	140	0.17%
	Mobile combustion	7,308	8.77%
	Fugitive emissions	6,314.44	7.58%
	Farming activities	5,757	6.91%
	Change in land use	63,836.5	76.58%
	Scope 1 Total		83,356.59
Scope 2	Power Consumption	1,734.83	0.59%
	T&D Losses	290,031	99.41%
	Scope 2 Total		291,766
Scope 3	Waste generated in operations	583	0.01%
	Employee commuting (home-work)	141	0.00%
	Goods and services purchased	3	0.00%
	Transportation and distribution (upstream)	33,012.14	0.67%
	Business trips	329	0.01%
	Use of goods and services sold	4,887,786	99.31%
	Scope 3 Total		4,921,854.09

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[305-1] In 2022, Cemig’s operations were responsible for direct emissions (Scope 1) of 83,356.59 tCO₂e, representing an increase of 548.8% compared to 2021, with land use change as the largest representative of emissions, 76.58% which means 63,836.50 tCO₂e. The increase was due to the inclusion of data, previously unavailable, on the removal of vegetation for the construction of distribution lines, which aim to meet the Distribution Development Program. Any removal is fully compensated by Cemig.

Fugitive emissions from natural gas leakage are also included in Scope 1. The Natural Gas Leak Rate is calculated by surveying the volumes emitted into the atmosphere in routine operations, such as preventive or corrective maintenance, new connections with customers (purgers), rare interventions in the network to change traces and estimates of the few Emergencies in the High Density Polyethylene (HDPE) grid, divided by the total volume of distributed gas. The volume of gas emitted in 2022 was 29,956.06 m³, referring to operation and maintenance services, including emergencies, all purged gases (ventilation) and the percentage of losses in relation to the total gas sold was 0.003%.

[302-4|305-2] Indirect emissions relating to the acquisition of energy (Scope 2) in the year 2022 totaled 291,766 tCO₂e, amounting to a 66.12% decrease against 2021 emissions (861,233 tCO₂e) and a reduction of 56,09% in relation to the base year of 2017 (664.413,00 tCO₂e). In terms of Transmission and Distribution Losses (which amount to 97.19% of the Scope 2 emissions) was a decrease of 99.41% in 2018 in relation to 2021.

[305-3] Cemig uses two indicators of emission intensity as a benchmark for its assessment of greenhouse gas emissions. The first relates total emissions in Scopes 1 and 2 to net operating revenues (tCO₂e/BRL) and the second, to the net energy generation (tCO₂e/MWh) in the year.

Scope 3 Company emissions in the year 2022 totaled 4,921,854 tCO₂e, amounting to a 46,96.15% decrease in relation to the previous year (in 2021, 9,280,380 tCO₂e). Scope 3 emissions are mainly associated with the sale of energy and natural gas, which is pigeonholed as Use of goods and services sold. Emissions in this category make up nearly the total of Scope 3 emissions, amounting to 99.31% of the total.

Other emissions

[305-7] At Cemig, major atmospheric emissions come from mobile sources (light and heavy vehicles), accounting mainly for NO_x, SO_x and Particle Material (PM) emissions. The table below shows those pollutants emissions in tons (t) per year.

	Pollutant emission (t)/year			
	2019	2020	2021	2022
NO _x	8.58	7.09	6.89	5.48
SO _x	0.76	0.60	0.66	0.56
MP	0.27	0.25	0.17	0.20

Data provided indicate there was a 20.5% decrease in NO_x emissions and 15.4% of SO_x emissions against 2021, this latter being due to smaller consumption of ordinary diesel.

The NO_x reduction goal set is a 25% reduction in vehicle emissions until 2025, having 2019 as base year. The 2022 goal was achieved, and emissions were accounted at 34% below the goal set of 7.35t.

The SO_x reduction goal set is a 25% reduction in vehicle emissions until 2025, having 2019 as base year. In 2022, SO_x emissions were 17% below the goal set (0.65t)

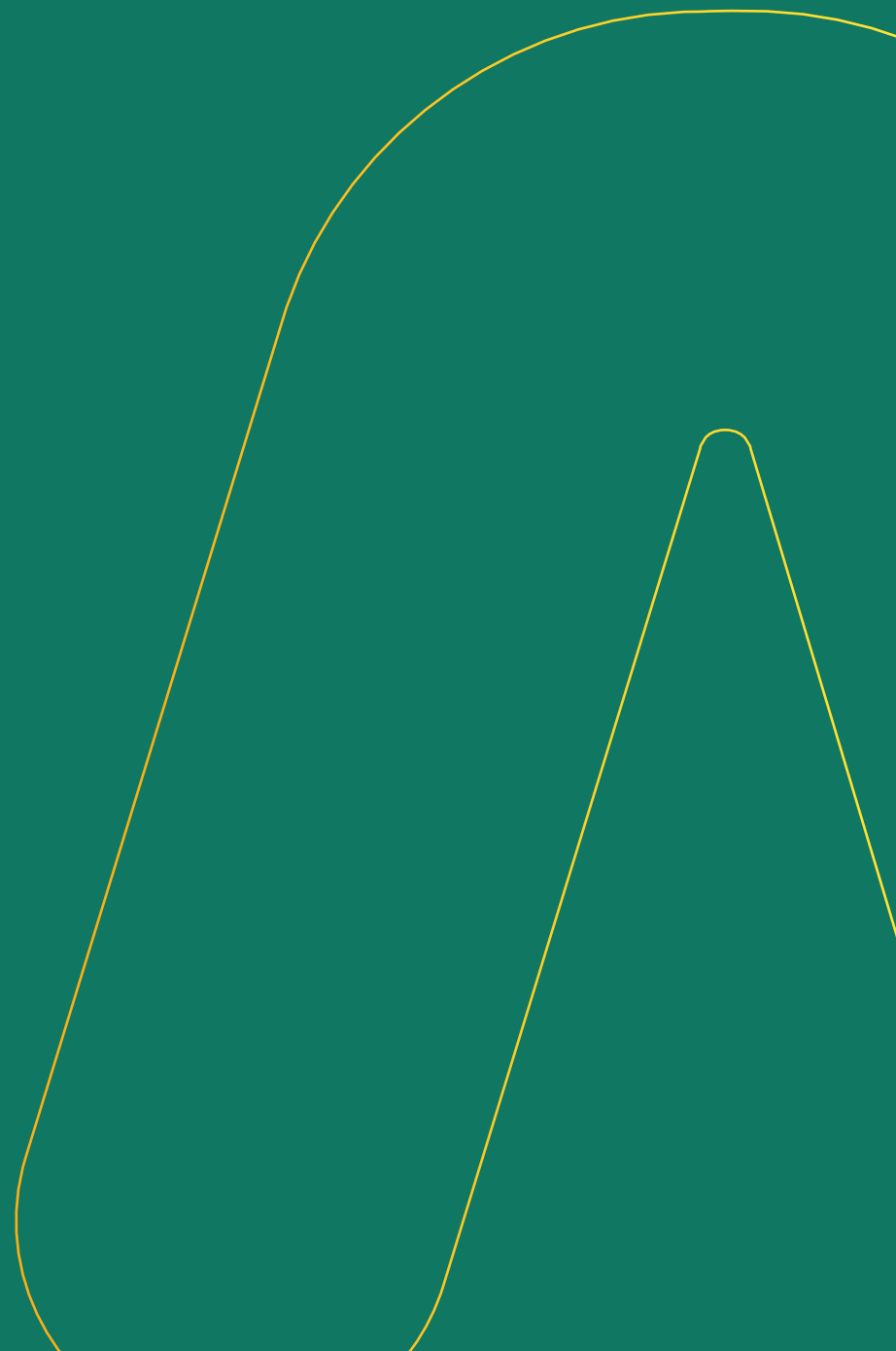
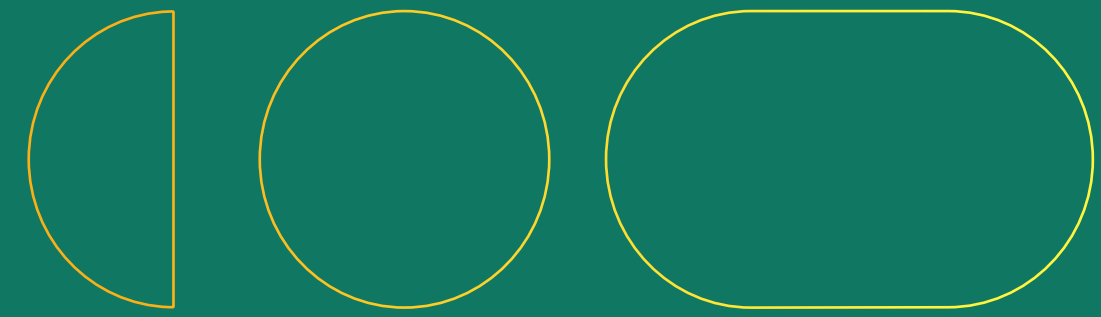
Particulate matter (PM) emission sources are vehicles and, in 2022, there was a 16% increase in PM emissions against 2021. This change is due to the increase in emission factor for light commercial vehicles. The emission volume was 7% below the goal set for 2022 (0.212).

[305-6] Emissions of ozone-depleting substances (SDG) are not relevant for the Company.



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GRI SUMMARY

Companhia Energética de Minas Gerais reported in accordance with GRI standards for the period from January 1, 2022 to December 31, 2022.

GRI Standards' Title	GRI Standards' Number	Year of Publication	Code	Norm Description	Page	Reason for omission
General disclosures	2	2021	2-1	Organizational details	4	
			2-2	Entities included in the organizations sustainability reporting	4	
			2-3	Reporting period, frequency, and contact point	4	
			2-4	Restatements of information	4	
			2-5	External assurance	4	
			2-6	Activities, value chain and other business relationships	17; 58; 101; 102	
			2-7	Employees	74; 102	
			2-8	Workers who are not employees	78	
			2-9	Governance structure and composition	36; 38-40	
			2-10	Nomination and selection of the highest governance body	38	
			2-11	Chair of the highest governance body	37	
			2-12	Role of the highest governance body in overseeing the management of impact	8	
			2-13	Delegation of responsibility for managing impacts	36; 39	
			2-14	Role of the highest governance body in sustainability reporting	4	
			2-15	Conflicts of interest	36; 43	
			2-16	Communication of critical concerns	37	
			2-17	Collective knowledge of the highest governance body	36	
			2-18	Evaluation of the performance of the highest governance body	38	
			2-19	Remuneration policies	39; 40	



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GRI Standards' Title	GRI Standards' Number	Year of Publication	Code	Norm Description	Page	Reason for omission
General disclosures	2	2021	2-20	Process to determine remuneration	78; 79	
			2-21	Annual total compensation ratio	79	
			2-22	Statement on sustainable development strategy	6	
			2-23	Policy commitments	43; 44; 123	
			2-24	Embedding policy commitments	41	
			2-25	Processes to remediate negative impacts	99; 108	
			2-26	Mechanisms for seeking advice and raising concerns	42	
			2-27	Compliance with laws and regulations	37; 127	
			2-28	Membership associations	34	
			2-29	Approach to stakeholder engagement	8; 66	
Disclosures on material topics	3	2021	3-1	Process to determine material topics	8	
			3-2	List of material topics	10; 11	
			3-3	Management of material topics	10	
Economic performance	201	2016	3-3 (201)	3-3 - Management of material topics 201- Economic performance	102	
			201-1	Direct economic value generated and distributed	117	
			201-2	Financial implications and other risks and opportunities due to climate change	143	
			201-3	Defined benefit plan obligations and other retirement plans	78; 79	
Market Presence	202	2016	202-2	Proportion of senior management hired from the local community	38	



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GRI Standards' Title	GRI Standards' Number	Year of Publication	Code	Norm Description	Page	Reason for omission
Indirect Economic Impacts	203	2016	203-1	Infrastructure investments and services supported	30; 117; 119	
Procurement Practices	204	2016	204-1	Proportion of spending on local suppliers	93	
Anti-corruption	205	2016	205-1	Operations assessed for risks related to corruption	41; 43	
			205-2	Communication and training about anti-corruption policies and procedures	42	
			205-3	Confirmed incidents of corruption and actions taken	42	
Anti-competitive Behavior	206	2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	42	
Energy	302	2016	302-1	Energy consumption within the organization	128	
			302-2	Energy consumption outside of the organization	130	
			302-4	Reduction of energy consumption	129; 153	
Water and Effluents	303	2018	3-3 (303)	3-3 Management of material topics 303- Water and Effluents	126	
			303-1	Interactions with water as a shared resource	133	
			303-2	Management of water discharge-related impacts	133	
			303-4	Water discharge	133	
Biodiversity	304	2016	3-3 (304)	3-3 Management of material topics 304- Biodiversity	138	
			304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	140	
			304-2	Significant impacts of activities, products, and services on biodiversity	128; 139	
			304-3	Habitats protected or restored	140; 142	



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GRI Standards' Title	GRI Standards' Number	Year of Publication	Code	Norm Description	Page	Reason for omission
Emissions	305	2016	3-3 (305)	3-3 Management of material topics	146	
				305- Emissions		
			305-1	Direct Greenhouse Gas (GHG) emissions (Scope 1)	150; 153	
			305-2	Energy indirect Greenhouse Gas (GHG) emissions (Scope 2)	150; 153	
			305-3	Other indirect Greenhouse Gas (GHG) emissions (Scope 3)	150; 153	
			305-6	Emissions of ozone-depleting substances (ODS)	153	
			305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	153	
Effluents and Waste	306	2016	306-1	Water discharge by quality and destination	130	
			306-2	Waste by type and disposal method	130	
			306-3	Significant spills	132	
			306-4	Waste not destined for final disposal	131	
			306-5	Waste destined for final disposal	132	
Supplier Environmental Assessment	308	2016	3-3 (308)	3-3 Management of material topics	99	
				308- Supplier Environmental Assessment		
			308-1	New suppliers that were screened using environmental criteria	93	
	308-2	Negative environmental impacts in the supply chain and actions taken	99; 100			
Employment	401	2016	3-3 (401)	3-3 Management of material topics	89	
				401- Employment		
			401-1	New employee hires and employee turnover	89	
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	79	
	401-3	Parental leave	80			



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Labor/Management Relations	402	2016	3-3 (402)	3-3 Management of material topics 402- Labor/Management Relations	84	
Occupational Health and Safety	403	2018	3-3 (403)	3-3 Management of material topics 403- Occupational Health and Safety	85	
			403-1	Occupational health and safety management system	85	
			403-2	Hazard identification, risk assessment, and incident investigation	86	
			403-4	Worker participation, consultation, and communication on occupational health and safety	85	
			403-9	Work-related injuries	86	
Training and Education	404	2016	404-1	Average hours of training per year per employee	83	
			404-2	Programs for upgrading employee skills and transition assistance programs	82	
Diversity and Equal Opportunity	405	2016	3-3 (405)	3-3 Management of material topics 405- Diversity and Equal Opportunity	88	
			405-1	Diversity of governance bodies and employees	75; 89; 90	
			405-2	Ratio of basic salary and remuneration of women to men	90	
Non-discrimination	406	2016	3-3 (406)	3-3 Management of material topics 406- Non-discrimination	88	
			406-1	Incidents of discrimination and corrective actions taken	42; 88	
Freedom of Association and Collective Bargaining	407	2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	99	
Child Labor	408	2016	408-1	Operations and suppliers at significant risk for incidents of child labor	99	
Forced or Compulsory Labor	409	2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	99	



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Security Practices	410	2016	3-3 (410)	3-3 Management of material topics 410- Security Practices	123	
			410-1	Security personnel trained in human rights policies or procedures	125	
Local Communities	413	2016	3-3 (413)	3-3 Management of material topics 413- Local Communities	109	
			413-1	Operations with local community engagement, impact assessments, and development programs	108	
			413-2	Operations with significant actual and potential negative impacts on local communities	109; 112	
Supplier Social Assessment	414	2016	3-3 (414)	3-3 Management of material topics 414- Supplier Social Assessment	94; 99	
			414-2	Negative social impacts in the supply chain and actions taken	99	
Customer Health and Safety	416	2016	3-3 (416)	3-3 Management of material topics 416- Customer Health and Safety	112	
			416-1	Assessment of the health and safety impacts of product and service categories	112; 123	
Marketing and Labeling	417	2016	417-1	Requirements for product and service information and labeling	114	
			417-2	Incidents of non-compliance concerning product and service information and labeling	114	
			417-3	Incidents of non-compliance concerning marketing communications	114	
Customer Privacy	418	2016	3-3 (418)	3-3 Management of material topics 418- Customer Privacy	68; 70	
			418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	70	



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GRI Standards' Title	GRI Standards' Number	Year of Publication	Code	Norm Description	Page	Reason for omission
Disclosures for the Electric Utility Sector GRI G4: Organizational Profile	N/A	2014	EU- 01	Net energy output broken down by primary energy source and by regulatory regime	20	
			EU- 02	Number of residential, industrial, institutional and commercial customer accounts	21	
			EU- 03	Length of above and underground transmission and distribution lines by regulatory regime	22	
			EU-04	Allocation of co2e emissions allowances or equivalent, broken down by carbon trading framework	22	
			EU- 05	Atribuição de licenças de emissão de CO2 ou equivalentes, por estrutura de comércios de carbono-	148	
Disclosures for the Electric Utility Sector GRI G4: Biodiversity	N/A	2014	EU- 13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	139; 142	
Disclosures for the Electric Utility Sector GRI G4: Access	N/A	2014	EU- 27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	64	
			EU- 28	Power outage frequency	62	
			EU- 29	Average power outage duration	62	
				Average plant availability factor by energy source and by regulatory regime	62	



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INDEPENDENT VERIFICATION STATEMENT



DECLARATION OF INDEPENDENT VERIFICATION – BUREAU VERITAS

INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was contracted by Companhia Energética de Minas Gerais S.A. (CEMIG), to conduct an independent verification of its 2022 Annual and Sustainability Report (hereinafter referred to as Report).

The information published in the report is the sole responsibility of the CEMIG management. Our responsibility is defined according to the scope below.

WORK SCOPE

The scope of this verification covered the Global Reporting Initiative™ standards and Principles¹ for Sustainability Reporting and refers to the rendering of accounts for the period from January 1 to December 31, 2022.

RESPONSIBILITIES OF CEMIG AND BUREAU VERITAS

The preparation, presentation and content of the Report are the sole responsibility of the CEMIG management. Bureau Veritas is responsible for providing an independent opinion to the stakeholders, in accordance with the scope of work defined in this declaration.

METHODOLOGY

The verification covered the following activities:

- Interviews with those responsible for the material themes and the content of the Report;
- Analysis of documentary evidence provided by the CEMIG for the period covered by the Report (2022);
- Evaluation of the systems used to compile data;
- Analysis of engagement activities with *stakeholders* developed by CEMIG;
- Evaluation of the system used to determine the material themes that form the basis of the Report, considering the context of sustainability and scope of the published information.

The verification level adopted was Limited, in accordance with the requirements of ISAE 3000², incorporated into Bureau Veritas internal verification protocols.

EXCLUSIONS AND LIMITATIONS

Excluded from this verification was any evaluation of information related to:

- Activities outside the reported period;
- Position declaration (expressions of opinion, belief, objectives or future intentions) by CEMIG;
- Accuracy of economic and financial data contained in this Report, extracted from financial statements, verified by independent auditors;

The following limitations have been applied to this verification:

- The principles of Data Accuracy and Reliability were verified on a sample basis, exclusively in the light of the information and data related to the material themes presented in the Report;
- The economic information presented in the Report was verified specifically against the GRI Equilibrium principle.

1. Context of Sustainability, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity and Verifiability
 2. International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information

- CEMIG's Greenhouse Gas (GHG) emission inventory was verified by another BV team in specific work, according to the criteria of ISO 14.064-1/07 and GHG Protocol. A Verification Declaration has been issued exclusively regarding the verification of the GHG inventory.

OPINION ON THE REPORT AND THE VERIFICATION PROCESS

- CEMIG presents its Report based on 7 material themes, updated through a materiality test carried out in 2023. The update of the materiality report was verified.
- CEMIG reported its performance in relation to sustainability goals, enabling an objective analysis by the reader;
- During the Verification process, the inconsistencies found in the data to be reported in relation to one or more GRI Principles were satisfactorily corrected;
- It is our understanding that sufficient indicators have been reported, including those in the Electricity Sector Supplement, in accordance with the GRI Principles for Sustainability Reporting.

CONCLUSION

As a result of our verification process, nothing has come to our attention that could indicate that:

- The information provided in the Report is not balanced, consistent and reliable;
- CEMIG has not established appropriate systems for collecting, compiling and analyzing quantitative and qualitative data used in the Report;
- The Report does not comply with the Principles for defining the content and quality of GRI standards for sustainability reporting.

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with more than 185 years of experience in independent assessment services.

Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their daily activities. We are particularly attentive to avoid conflicts of interest.

The verification team has no other link with CEMIG, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and the verification performed by our team.

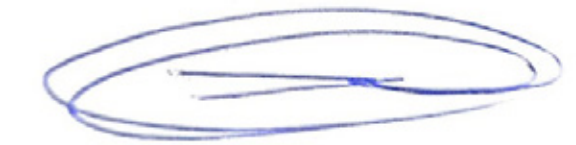
The team that conducted this verification for CEMIG has extensive knowledge in verification information and systems that involve environmental, social, health, safety and ethical issues, which combined with the experience in these areas, allows us a clear understanding of the presentation and verification of good corporate responsibility practices.

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São Paulo, May 2023.



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