



# 2022 Annual Report

**CPFL 110 YEARS, READY FOR 220.**



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## Related SDGs



Campinas - SP



# About the Report

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**CPFL Group is immensely pleased to present its 2022 Annual Sustainability Report**, which comprises the Company's information from January 1st and December 31st, 2022.

Through this report, we put into practice our commitment to inform all stakeholders about the main projects, initiatives, challenges and achievements of CPFL Group in terms of corporate sustainability and ESG (environmental, social and governance) pillars during the period.

**Our performance is marked by constant advances, seeking reports that are increasingly transparent, complete and in line with the society and market demands.**

For this reason, the publication was prepared in accordance with the Global Reporting Initiative (GRI) and following the framework of the **Value Reporting Foundation (Integrated Report)**, internationally recognized reporting guidelines. For the first time, we also followed the **Sustainability Accounting Standards Board (SASB)**, demonstrating our commitment

to evolution of good reporting practices. The content also includes our efforts regarding the United Nations (UN) **Sustainable Development Goals (SDGs)**, linked to the principles of the Global Compact.



Through the chapters and subchapters, we highlight the indicators with the symbol **"GRI XXX-X"**. You will also find the full summary on page 159.

**Learn more on:**  
<https://www.globalreporting.com/>



Likewise, we highlight the SASB indicators, which propose reporting priority ESG indicators for each sector, with the symbol **"SASB XXXX"**. The complete table can be found on page 169.

**Learn more on:**  
<https://www.sasb.org/>



Since the CPFL Group is a signatory to the Principles of the UN Global Compact, our Report is aligned with the 2030 Agenda, which aims to achieve the **17 SDGs** proposed by the UN. You can access the complete map that links our content to the SDGs on page 171.

**Learn more on:**  
<https://odsbrasil.gov.br/>

The chapters and contents, in turn, are based on **our material topics and on the 2030 ESG Plan**, which was revised and launched in 2022, and sets out the CPFL Group's guidelines and commitments to be achieved over the next eight years. This process reinforces our ongoing concern to improve our relationship with different audiences, in addition to ensuring greater engagement in sustainability issues.

Development and validation involved dozens of areas, from all the Company's businesses, under the coordination of the Environment and Sustainability Board and the Legal and Institutional Relationships Vice-Presidency, in addition to external verification by means of a specialized independent audit.

It is worth mentioning that the information disclosed in the **Report and in the financial statements includes the operations of all CPFL Group's businesses** and that, throughout the text, the holding company will be referred to as "CPFL Group", "CPFL Energia" and "Company".

Suggestions, doubts and requests can be emailed to [sustentabilidade@cpfl.com.br](mailto:sustentabilidade@cpfl.com.br)



# Message from the Board of Directors

GRI 2-22

The year of 2022 marks the celebration of 110 years of CPFL Energia. Despite being a period of recovery from the economic and social impacts of COVID-19, for the Company it represented the overcoming of many challenges, the integration of our businesses and the achievement of great results. **We pursue to be the leading power utility in South America that supplies reliable electric energy and credible services, while developing its business based on the sustainability and ESG pillars.**

The Board of Directors is committed to work towards the business development in harmony with the best corporate sustainability practices and with the the guidelines from State Grid Corporation of China (SGCC), controlling shareholder and the world's leading company in the power sector. Based on a broad exchange focused on business, social and environmental responsibility, SGCC strategically supports all segments and CPFL Group's operations.

CPFL Energia is a company focused on operational excellence and financial discipline, widely recognized by the market, which values the outstanding management and strong corporate governance practices we adopt. By acting consistently in this direction, we aim to generate value for the company, our shareholders and stakeholders.

Our management model and service efficiency, with cross-sectional action in the technical and administrative areas, enable the exchange of good practices and the standardization of procedures among our distribution companies. These measures, combined with a growing focus on customer services and satisfaction, contribute to the continuous evolution of the quality indicators such as SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index). Considering our four distribution companies, three are the companies with the best SAIDI performance in the Brazilian power sector.

We have also invested in the generation segment by maintaining our wind farms and our hydro plants, always focusing on the availability, operational efficiency and safety of our generation complexes. In addition, throughout 2022 we completed the full integration of CPFL Transmissão with the Company's other businesses, which now work in a unified and joint manner on solutions to ensure access to more sustainable, reliable and safe energy.

Supported by SGCC, we strive to add even more importance to the topic of safety - a non-negotiable value of CPFL Energia - through a strategic plan that consolidates the achievements of safety management and makes it a premise of our work. We are delighted

to report that the severity and frequency rates for CPFL employees have reached the lowest numbers record in history, as a result of all the training efforts and process improvements carried out by our teams. The Life Guardian Program is also a key initiative to strengthen the safety culture in the communities in which we operate. Over 23 million people were impacted by the awareness campaigns delivered in several formats and channels – workshops, social media, lectures etc.

We continued to dedicate our best efforts to the Corporate Culture Inclusion Program. With the conclusion of all the 109 actions planned for the year and undertaken by its 3 Foundations (Asset Quality, Employee Competence, Stakeholders' Recognition) and 5 Pillars (Safety, Governance & Management, Innovation, Compliance and Sustainability), the synergies and the mutual promotion of strategy and culture in the company were reinforced. CPFL Energia was honored to be among the best companies in the Award ECO Amcham, with the initiative "Corporate Culture Inclusion Program: the case of CPFL and RGE in the Hospitals", that presented our work to contribute to the improvement of public health in the areas where we operate.

When we talk about the Company's advances in environmental, social and governance aspects, we

progress with a leading role through actions and projects structured and consolidated in our new ESG 2030 Plan. Effective as of 2023, the Plan is the evolution of the Sustainability Plan 2020-2024 and reinforces CPFL Energia's public commitment to the topic based on new goals to be achieved by 2030, and in line with the Sustainable Development Goals and Agenda 2030 of the United Nations.

On the social front, we continued to invest in the local community, striving to assist in its socio-economic development. The desalinization project in João Câmara (RN), carried out by State Grid in partnership with CPFL Energia with an investment of over R\$ 8 million, was successfully implemented in the second semester of 2022, benefiting more than 3,000 people of 3 communities. Other significant projects continued to be supported and conducted by Instituto CPFL on the five fronts, with investment totaling over R\$ 34 million. In addition to strengthening support for social causes, our work also strengthens the CPFL Energia brand in view of its positions and public commitments.

The outstanding performance of CPFL in environmental, social and governance aspects has been highly recognized by the market, the company was selected to integrate B3's 2023 ISE portfolio, occupying 3rd place in the ranking. It was granted the Top Employers certification for the fourth consecutive year, which is a recognition for excellence in People Management practices and employer brand. Also, we won first place

in the categories of Energy, Financial Sustainability, Innovation and Quality, Social Responsibility and Corporate Governance by the Award "As Melhores da Dinheiro", from Isto é Dinheiro magazine.

When looking to the near future, we see opportunities related to opening the market and we are already preparing to operate in this new business environment. Looking at the longer term, we see a business that is increasingly efficient and integrated with ESG aspects, capable of generating value from our operations in the generation, transmission and distribution segments, as well as continuing with portfolio diversification and robustness, also ensuring a strong and reliable relationship with investors and shareholders.

Furthermore, aware of the uncertainties surrounding the macroeconomic and hydrological scenarios, which are intrinsic to our business, and of the regulatory discussions for modernizing the sector, we will center our strategic efforts on measures capable of managing costs, expanding investments, and achieving the sustainable growth of CPFL Energia - always with plenty of financial discipline and with a guaranteed return for shareholders.

On behalf of the Board of Directors of CPFL Energia, I would like to thank the management team and all employees for their commitment to the Company's mission, vision and value, and we remain very enthusiastic about the next cycles, with the conviction and reassurance of our performance



**Daobiao Chen**  
*Chairman of CPFL Energia's Board of Directors*

in providing electricity to the thousands upon thousands of Brazilians who rely on this crucial service. We believe that with SGCC's expertise we will move on increasingly confident and secure, firmly working towards the fulfillment of our goals and the materialization of our purpose.

**Having 110 years of history, we are ready for 220.**

**Daobiao Chen**  
*Chairman of CPFL Energia's Board of Directors.*

# Message from the CEO

GRI 2-22

The year 2022 was marked by numerous challenges, achievements, and triumphs for CPFL Energia. Despite an still unstable macroeconomic environment, we achieved excellent financial and operational results. It's worth highlighting that part of these results were only possible due to the strategic support of our controlling shareholder - State Grid Corporation of China (SGCC) -, which is now the world's leading company in the energy sector, providing great expertise for the CPFL Group.

Regarding investments in the concession area of our four distributors, we reached a total of R\$ 4.791 billion in 2022 - the highest number in our entire trajectory. This milestone demonstrates the Company's continuous concern with operational excellence and the quality of services we offer to our customers, based on the use of automatic reclosers, protected networks, and intelligent monitoring systems. The process is anchored by the ADMS Project, which uses automated components to identify and correct faults in the electrical system. Our DEC - Equivalent Duration of Interruption per Consumer and FEC - Equivalent Frequency of Interruption per Consumer parameters were the best internally in recent years, and also among the best indicators in the country, demonstrating CPFL Energia's constant search for innovative solutions.

We completed the integration of CPFL Transmissão, resulting from our victory in the privatization auction of the Companhia Estadual de Transmissão de Energia Elétrica (CEEE-T) in 2021, consolidating CPFL Group's position in the transmission segment.

On the generation front, we maintained our focus on developing our renewable sources and continued with the construction of the Cherobim Small Hydropower Plant (SHP), which is expected to be completed in 2024. We worked on a number of social projects with the local community in Porto Amazonas - PR, in order to contribute to the socioeconomic development of the region, thus generating more value for families.

As for CPFL Soluções, we continued to expand our equipment refurbishment activities to ensure their safe and efficient return to the network. By the end of 2022, we had refurbished 11,565 transformers, which translated into a gross revenue of R\$ 15.14 million and over 298 direct jobs generated. With regard to waste disposal, we achieved a total of 312.5 tons recycled during the period.

All advances in terms of business results and excellence are connected and guided by the best practices in corporate sustainability and the environmental, social, and governance (ESG) pillars.



**Gustavo Estrella**  
Chief Executive Officer of CPFL Energia

Thus, during the year 2022, we approved CPFL Energia's ESG 2030 Plan, an evolution in our long-term strategy and vision, which takes effect from the beginning of 2023. The new Plan, guided by the CPFL Group's Strategic Plan and the United Nations' Sustainable Development Goals (SDGs), has four pillars - Renewable & Intelligent Solutions, Sustainable Operations, Shared Value with Society, and Safe and Reliable Operations. Currently, it consists of 23 public commitments to be achieved by 2030, with ambitious targets that will transform the way we operate our business and impact our

stakeholders. Its progress is periodically monitored by our governance bodies, and we already anticipate investing at least R\$ 1 billion over the next years to achieve it.

Safety, on the other hand, is a non-negotiable value for us at CPFL Energia. We act through several projects and initiatives aimed at promoting a culture of safety in all our activities and with all our stakeholders, such as awareness campaigns for professionals and residents in the areas surrounding our activities, such as the Life Guardian Program and the Safe Tree Program, exchange of uniforms and protective equipment for electricians, engineering projects in dams, among others.

Regarding our socio-environmental impacts, I would like to highlight some important achievements we had in 2022: on environmental aspects, we continued to work actively with Research & Development (R&D) projects, studies for future use of green hydrogen (clean and renewable biofuel), energy storage in batteries, electrification of the fleet, among others.

We continue with 96% of our energy sources coming from renewable sources, with the commitment to reach 100% by 2030, according to our ESG Plan. In relation to the mitigation of our greenhouse gas (GHG) emissions, CPFL Energia is committed to becoming carbon neutral from 2025, also predicting a 35% reduction in its total emissions by 2030. This is

a pioneering step in the energy sector, allowing the company to contribute to the transition to a low-carbon economy, directly impacting civil society, as well as adding value to its value chain.

In social aspects, we continued the work initiated in 2019 with the CPFL and RGE in Hospitals project. Throughout 2022, we reached investments exceeding R\$ 203 million with 367 projects completed in municipalities in our concession area. Due to the project's relevance for CPFL Energia and society, we were recognized by the ECO 2022 Award, promoted by Amcham and Época.

We remain actively engaged in Diversity, Equality, and Inclusion issues through the CPFL +Diversa program and its affinity groups. During 2022, we promoted the first Diversity Week, which included activities in various formats, engaging a total of 3,300 participants, as well as the second class of the Women's Exclusive Electricians School, which had 110 graduates at the end of the period.

The investments of Instituto CPFL, which celebrates 20 years of history in 2023, totaled R\$ 34.06 million, and its actions, focused on education, culture, and sports, reached over 719,000 people in the community, especially children and young people in vulnerable situations.

And, of course, it is very important to mention the consolidation of our customer-focused purpose in 2022. We expanded our digital service offerings due to increased use of data analytics within the CPFL Group, promoting greater accuracy and efficiency in our activity management. Additionally, we are strengthening our internal culture through training and informational sessions for employees, in order to reinforce the importance of improving the Customer Journey through good service and innovation practices.

I am immensely grateful to all of our employees, shareholders, investors, partners, communities, and other individuals who worked with us in 2022. We have reached the end of this period proud of the numerous achievements so far and confident in the next steps. We will continue to work to expand our ability to add value to the business, our supply chain, society, and the environment.

**With a 110-year history, marked by our delivery of sustainable, accessible, and reliable energy to the population in all times, we are ready for 220.**

Best regards, and I hope you enjoy the reading.

**GUSTAVO ESTRELLA**

*Chief Executive Officer of CPFL Energia*



# Highlights from 2022

GRI 2-22

## Automation and modernization

of networks, and the best SAIDI performances in the country



**R\$ 39,4 billion** net revenue and **R\$ 5,2 billion** net profit of CPFL Energia, including CPFL Transmissão

Launch of the **2030 ESG Plan**

**CPFL Group Commitments:** to be carbon neutral from 2025 and reduce 35% of our total GHG emissions by 2030

**Over 1,000 courses** available in the CPFL University portfolio



**Over 23 million** people impacted by the Guardian of Life Program: safety is a non-negotiable value for CPFL Energia

First **Diversity Week** held with the support of CPFL +Diversa affinity groups



Improvement of R&D studies, focusing on **innovation and environmental management**



**100% of the Indaiatuba – SP** fleet is made up of electric vehicles, with 16 charging stations

**Over 40,000** children and young people impacted by the CPFL Institute



Reformulation of **Nosso Jeito de Ser** (Our way of being)  
– **People at the center**

**11,565** refurbished transformers and **312.5 ton** materials sent for **recycling**



**90%** of our services currently take place through digital channels, **improving the Customer Journey**

Completion of **CPFL Transmission** integration

**167 hospitals** impacted by the CPFL and RGE Program in Hospitals

**14,222 employees** trained in anti-corruption policies

# Who we are

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Strategy and ESG



COI Employees - Campinas Headquarters - SP



# CPFL Energia's Businesses

GRI 2-1 | 2-6

CPFL Energia S.A. is a Brazilian company, headquartered in the city of Campinas - SP which operates in all segments of the power sector, including **generation, transmission, distribution, commercialization and services**. We have a complete and increasingly diversified portfolio, guaranteeing the creation of value in our chain for customers, shareholders, employees and suppliers, in addition to contributing to society's energy demands and its socioeconomic transformation.

Our majority shareholder, State Grid, is the largest energy company in the world. They are located in China and the technical and cultural exchange resulting from this relationship is responsible for strengthening the quality of our products and services, encouraging advances on several fronts, such as innovation, focus on the customer, safety and diversity.

Currently, we serve over 10 million people in the national territory, and we put customer satisfaction as one of the central pillars of our strategy. We constantly invest in the digitization, automation and systematization of our portfolio, in order to guarantee access to energy that is sustainable, safe and reliable - always based on the ESG pillars.



Front of the headquarters of CPFL Energia Campinas - SP

We work, day after day, so that our energy can improve the quality of life of all the people and families we serve.

# Our Businesses



**Click** on electricity sector chain icons and learn more about our brands.



# Generation

Produces and sells energy in the regulated contracting environment and in free contracting environment.

The generation segment, in which **CPFL Renováveis** is the main growth driver, aims to increase renewable energy availability to customers. All hydroelectric plant projects have hedging contracts to protect the Company in cases where hydraulic generation is lower than the physical guarantees resulting from lack of rain.

Throughout 2022, CPFL Renováveis continued to work on the works in **SHPP Cherobim**, located on the Iguaçu River, between the municipal boundaries of Porto Amazonas and Lapa – state of Paraná (PR), in the Salto Caiacanga region. The project is scheduled for completion in 2024, and the capacity of the installed generator will reach 28 MW. The reservoir, in turn, has a 1.47-km<sup>2</sup> area, capable of **supplying around 11,000 homes** (see other initiatives on page 145).

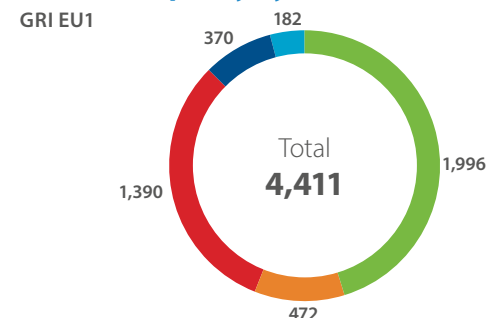


## OUR ASSETS

- » 8 hydroelectric power plants (HPPs)
- » 49 wind farms
- » 21 micro hydroelectric power plants (MHPPs)
- » 25 small hydroelectric power plants (SHPPs)
- » 8 biomass-powered plants
- » 2 thermal power stations (TPPS)
- » 1 solar plant

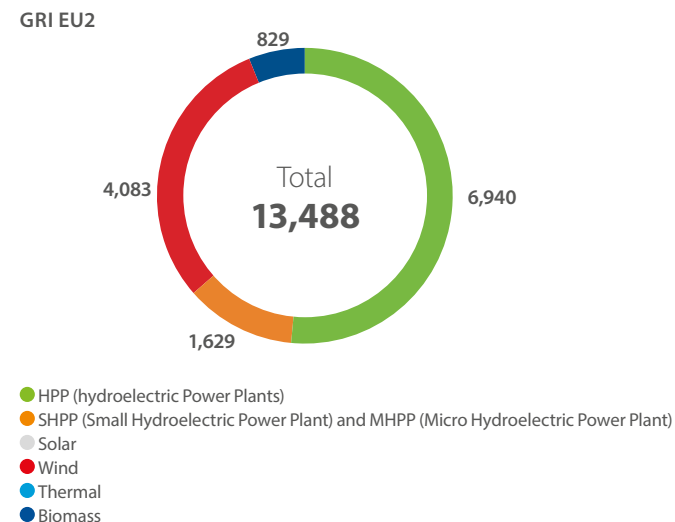
Such advances reinforce our commitment to a more sustainable, accessible and reliable energy generation for the population. In line with this, 96% of CPFL Energia's generation portfolio comes from renewable sources.

## Installed capacity by source (MW)<sup>1</sup>



1. Considers the installed capacity of each project, proportional to the shareholding of CPFL Geração or CPFL Renováveis. Photovoltaic (solar) generation assets add another 1.1MW to the installed capacity.

## Net energy production by source (GWh)



# Transmission

Sector responsible for the connection and transport of energy between generators and distributors, with remuneration for service provision.

The transmission segment plays a crucial role in the development of the Brazilian power sector, since the transmission networks, including substations, are responsible for the connection between the generation parks and the distribution companies. Consequently, it is through transmission that we guarantee the energy supply to all final consumers.

In 2021, CPFL Group won the auction for the privatization of CEEE-T, in Rio Grande do Sul, more than 6,000 kilometers of lines and more than 15,700 structures. Today, **we are CPFL Transmissão - one of the largest private transmission companies in the country.** Additionally, our transmission portfolio includes CPFL Piracicaba, CPFL Morro Agudo and CPFL Maracanau.

**6,120** kilometers of transmission lines  
**88** sub-stations  
**129** transmission lines

Considering: CPFL Transmissão, CPFL Piracicaba, CPFL Morro Agudo and CPFL Maracanau.



Transmission tower - Campinas - SP

Throughout 2022, we **completed the full integration of the asset** with the Company's other businesses, which now work in a unified and joint manner on solutions to ensure access to more sustainable, reliable and safe energy. We know that this milestone in our history was due to the expertise and planning of our leaders and internal teams, who employed a robust strategy throughout the process.

Inaugurated in August 2022, the new headquarters of CPFL Transmissão Operations Center has modern facilities, large open areas and collaborative spaces – all in line with the CPFL Group's facilities model. The event was marked by an inauguration ceremony, which was attended by employees, directors, the press and authorities.

Since then, we have already reached important milestones, such as the creation of a new department, with emphasis on Construction Engineering, whose focus is on expanding CAPEX – Capital Expenditure or Investments in Capital Goods; completion of employee data migration to the CPFL domain and replacement of all computers; in addition to the integration of all internal activities and communications that are part of CPFL Group.

<sup>1</sup> CAPEX is the type of cost required to maintain or expand a company's operations.

# Distribution

Distributors supply electricity to homes, commercial establishments, industries and other types of establishments in urban and rural areas.

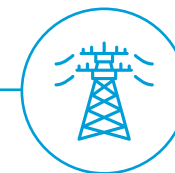
**CPFL Energia is the second largest distribution company in Brazil in terms of volume of energy sold, with a 14% market share in the domestic market.** We are supported by four distributors, of which three are among the companies in the sector with the best performance in the main ANEEL indicators, i.e., the Customer Average Interruption Duration Index (SAIDI) and the Customer Average Interruption Frequency Index (SAIFI).

It is worth noting that 2022 was the period in which the Company invested the most in the distribution front, totaling R\$ 4,791 million. We focus on equipment renovation, network automation and security, installation of automatic reclosers and remotely controlled switches, allowing the return of energy supply to customers with greater agility and speed in cases of network failures.

All these efforts and investments have resulted in improving the quality of our service and creating value for our chain.

**Customer Average Interruption Duration Index (SAIDI) and the Customer Average Interruption Frequency Index (SAIFI) per consumer unit** GRI EU28 | EU29 | SASB IF-EU-550A.2

Company	SAIDI		SAIFI	
	ANEEL Limit	Performed	ANEEL Limit	Performed
CPFL Paulista	6.77	5.25	5.47	3.56
CPF Piratininga	6.21	4.95	5.15	3.65
CPF Santa Cruz	8.13	4.74	6.92	3.22
RGE	10.76	10.55	7.69	4.63



**10.3 million customers served by distributors**

- » 90.4% of homes
- » 5.6% of industries, commerce and service companies
- » 3.2% of rural consumers
- » 0.8% other

## Our Distributors

  
cpfl paulista

  
cpfl santa cruz

  
cpfl piratininga

  
RGE



## CPFL Paulista, São Carlos and modernization works



The power distribution system in São Carlos – SP included the delivery of the expansion of Bela Vista Substation, which features Eco Friendly technology and the installation of the first green transformer in a CPFL Group substation. The equipment has the function of reducing high voltage to distribution levels that will serve customers, impacting around 72,000 people, in addition to having insulating vegetable oil that is 100% biodegradable and non-toxic, with a cooling function during operation. The works were carried out by CPFL Paulista in the last two years and reached an investment of R\$ 32.6 million.

In addition to Bela Vista, we also invested another R\$ 15.1 million in expanding Bethânia Substation, which doubled its capacity. Additionally, in 2022 alone, around R\$ 21.9 million was invested in customer service and in the maintenance and improvements of the electrical system, totaling around R\$ 70 million in the city.





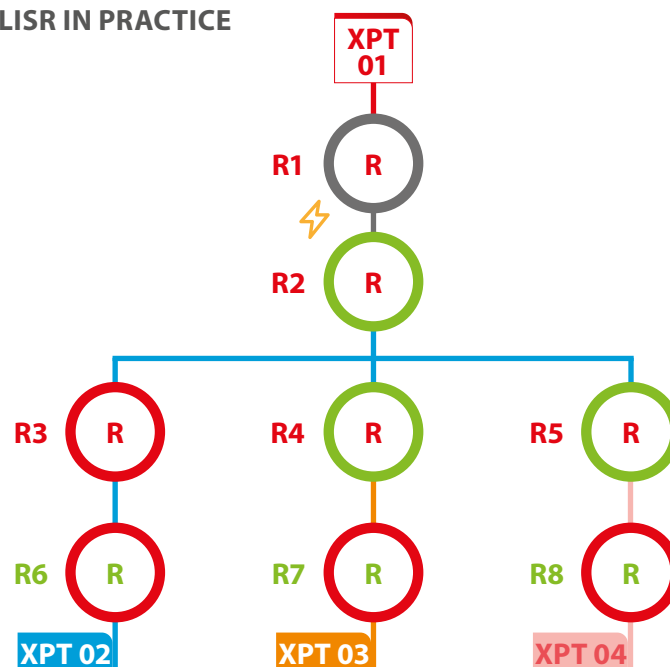
## Project ADMS

SASB IF-EU-240A.4

The Advanced Distribution Management System (ADMS) is an ultramodern platform used to manage and optimize energy distribution systems in more than 160 distribution centers around the world.

CPFL Energia was one of the first companies capable of implementing such a project in the Brazilian power sector, in 2020, after almost two years of evaluations, studies and pilots. With a series of integrations in software and new technologies for monitoring networks and equipment, the ADMS works by identifying failures in the network supply and the necessary actions to reduce the impacted area in a more agile way, always by reading algorithms that automate the operation. Additionally, the platform expands the integration of new intelligent equipment through the installation and virtual mapping of reclosers and remote-controlled switches, with no risk of computer memory collapse. ADMS also allows the operation teams to have greater flexibility in decision-making, since the system issues alerts indicating possible impacts and alternatives in order to improve the network efficiency, locating points of failure more quickly.

### FLISR IN PRACTICE



1. Recloser R1 is turned off and blocked;
2. The system estimates that the defect is between R1 and R2 (Fault Location);
3. The section is isolated by opening Recloser R2 (Isolation);
4. Restoration comes into action, i.e., Reclosers R4 and R5 are opened, as the system understands that it is not possible to meet the entire XPT01 load using any of the available options (Supply Restoration);
5. Continuing with the restoration, the system closes Reclosers R6, R7 and R8. In this way, Feeder XPT01 is partially transferred to Feeders XPT02, XPT03 and XPT04.

For example, Fault Location, Isolation and Supply Restoration (FLISR) is a system component capable of providing the ideal control actions to detect, locate and isolate faults, restoring power on a dynamic distribution feeder with multiple levels of automation. As a result, we can observe continuous improvements in the SAIDI and SAIFI indices and in customer service. FLIRS can be handled automatically or manually, and CPFL Energia currently uses it automatically in most concessionaires in São Paulo – SP, that is, CPFL

Paulista, Piratininga and Santa Cruz, reaching a total of 2,128 automatic assets.

Since its implementation, our focus has been on professionals' qualification and technical training, with virtual simulations and applied tests. In this sense, in 2022, we had more than 50 employees trained in the use of the tool, totaling more than 600 training hours.

# CPFL Soluções

It offers an integrated portfolio of energy solutions, including carbon credits and renewable energy stamps.

CPFL Energia has an exclusive front to help its generation, transmission and distribution businesses: CPFL Soluções. The business is responsible for **developing integrated solutions to modernize and generate greater efficiency in the customer's relationship with electricity**, ensuring savings and improved performance.

The specialist teams work in consultancy, planning, management, commercialization, infrastructure projects, distributed generation, energy efficiency, carbon credits offer, and renewable energy certificates.

**With 2,108 customers across the country, CPFL Soluções is a brand that offers energy solutions, management, Infrastructure, Energy Efficiency and distributed generation (DG) for Group A customers in the public and private sectors.**

Over the last ten years, CPFL Serviços, which is under the governance structure of CPFL Soluções, has invested heavily in **reverse logistics and transformer refurbishment**, translating into an investment of R\$ 91,94 million since 2020, with the start of project. Since then, more than 11,656 transformers have been refurbished, equivalent to 312.5 tons of recycled materials (learn more on page 98).



CPFL Soluções - Sorocaba - SP

## Our Portfolio



### ENERGY MANAGEMENT

Consultancy for energy management and savings.



### ENERGY EFFICIENCY

Customized solutions that allow for greater efficiency and profitability.



### I-RECs and CER

Commercialization of renewable energy certificates (I-RECs) and sale of carbon credits (CER).



### FREE ENERGY MARKET

Freedom to choose the energy supplier and negotiate supply conditions, price and contract terms.



### DISTRIBUTED GENERATION

Self-production from renewable sources.



### ENERGY INFRASTRUCTURE & SERVICES

Diagnosis and solutions for project execution of transmission lines, substations, measurement cabins and distribution networks with full project management, from construction to final energization.

# Shared Services

The Shared Services Center (SSC) is a competitive advantage of CPFL Energia.

The SSC operates within the Company in order to **add value to the business through support to administrative and operational activities, in addition to expertise to meet internal demands** on the finance, people and infrastructure fronts, among others.

During 2022, the SSC made strong progress in service vehicle fleet electrification projects, as well as in the eco-efficiency of our buildings. Find out the details of the projects on pages 85 and 97.

## Financial Services

In order to add value and offer new solutions to customers, we are working to develop new business models that are synergistic to our diversified portfolio.

### Shared Services Center



Customer service through the distributors' toll-free telephone number, virtual chat, social network and e-mail



Organization and financial operation to support business decision-making



Logistics and supply chain planning and management, with purchasing, materials and distribution services



Asset management service, such as car fleet, real estate, administrative services and building maintenance and security



People and human resources management service, such as payment, benefits, selection and admission of employees



We offer financial services allowing companies to connect to unbanked customers in the concession area, to perform collection and advertising on energy bills



A financial institution authorized by the Brazilian Central Bank, it is the financial arm of CPFL Energia that operates with credit to pay bills. It arrived on the market in April 2021 with the proposal of helping customers of the Company's distributor who are having problems paying their energy bill. Initially launched for CPFL Piratininga customers, in 2022, it expanded and started serving CPFL Santa Cruz customers as well, evolving, afterwards, to CPFL Paulista



# Market opening

The opening of the energy market for Group A consumers, that is, those units that receive electricity at a voltage equal to or greater than 2.3 kV, as of January 2024, has been the subject of important government discussions over the recent years in the Brazilian scenario.

The expectation is that throughout 2023, the entire modernization process of the sector, including the opening, is expected to be revisited and put up for debate again by the current public power, drawn between the Executive and the new Congress.

For this reason, CPFL Energia has consistently acted on the subject, as we support the liberalization process. However, we follow all the necessary measures in order to avoid possible imbalances in the sector, that is, we aim at a sustainable market opening.

We have a specialized team responsible for monitoring changes and innovations in the process in real time, aiming to adapt to the challenges of new scenarios, always in line with regulatory standards. Thus, we continue offering sustainable, accessible and reliable energy to the Brazilian population.



São Leopoldo - RS

# Culture

GRI 3-3

For us, Culture is not just what is said or written, but what we actually practice, accomplish, recognize and aspire to in our daily lives. In this context, the CPFL Group's Culture model is connected to our strategy and the pillars of corporate sustainability, taking into account the best practices in environmental, social and governance (ESG) aspects.

This process not only leads us to financial and operational results that constantly exceed expectations, but also allows us to act in the development of our people and the communities surrounding our operations. The model is part of what the Company and its shareholders believe is a fundamental premise for increasingly responsible action.

In addition, in order to guide the changes, we want to see in our society, we value a diverse, inclusive and safe work environment, in which our employees can act directly in solving the challenges we face, with all their potential, history of life and excellence, always connected with our Mission, Vision and Values.

## VALUES



- » To us, safety is a nonnegotiable commitment;
- » Our strength comes from collaboration among people;
- » We innovate to deliver the best solutions to our customers;
- » We strive to evolve always in the pursuit of excellence;
- » We are ethical and responsible in all we do to deliver sustainable results.

## MISSION



- » We provide sustainable, accessible and reliable energy to all walks of life, and enhance a safer, healthier and prosperous life of people in regions where we operate;
- » We propel our business growth in a more strategic and competitive way, keep its dynamics and vitality, and create a more standardized, diversified and international corporate culture, while nurturing its legacy;
- » We protect the level playing field for each employee's growth and attract all talents to join CPFL.

## VISION



- » We pursue to be the leading power utility in South America that supplies reliable electric energy and credible services;
- » We pledge to forge the prolonged strength in developing business and innovation as well as culture.

# Nosso Jeito de Ser (Our Way of Being)

**Nosso Jeito de Ser (Our way of being) is directly connected to our Mission, our Vision and our Values,** as they guide our behavior model by showing us how we should move our "corporate body". If we relate this analogy to the human body, we might think that:

- The brain represents our vision, that is, it is the description of what we want to be in the future;
- The heart is our mission, that is, it is the statement of the CPFL Group's purpose and our responsibility towards our people, customers and communities;
- Our values are like the backbone, that is, the principles that guide our people's attitudes on a daily basis;
- Finally, Nosso Jeito de Ser (Our way of being) is **the way our company moves to ensure we are walking together in the same direction.** It is the way we move our legs and arms.

Thus, Nosso Jeito de Ser (Our way of being) indicates the expected behaviors from our employees and has been present at the Company since 2020. In 2022, in turn, we revisited and reassessed the project drivers in order to ensure they were in line with the advances made by the CPFL Group over these two years, such as the new 2030 ESG Plan, progress in the CPFL +Diversa program and the movement with focus on the customer .

To this end, we heard colleagues from all areas, including leaders and other employees, who participated in focus groups, totaling 150 people involved in the process.

The new mandala represents a clear evolution of our positioning, without changing our essence, but

including people at the center and our strategies in the dimensions. This leap reinforces the Company's commitment to working with a more focused eye on the development and satisfaction of our stakeholders.

**nosso  
jeito  
de ser**



- People at the heart
- Customers
- Collaboration
- Diversity
- Sustainable results
- Protagonism in the development



Check out some testimonials from our employees collected throughout the process of reviewing **Nosso Jeito de Ser (Our Way Of Being)**:

"Nothing is done by itself. Everyone, each one doing their part, we manage to do the whole. New ideas make the difference. Think differently so that we can achieve faster and more agile solutions. In fact, it is something that CPFL itself encourages and gives us the opportunity to make it happen."

**Clayton Romero Dias, Electro-technical technician at CPFL Energia**

"When you power up and you see the customer clapping for you, 11:30 pm, midnight. Sometimes, a person hasn't taken a shower yet because everything is turned off, there's no power and the person still claps for you. You go home very happy."

**Wellington Lincoln Maia, CPFL Energia's Distribution Live Line Electrician.**

"I learned and what I didn't know, I tried to understand the purpose of the equipment. And what I learned, I explained to the other, so he could learn, and he would also know what he was doing. I want to teach. I really learned here that the greatest value is people. We work with people. I build substations to serve people and it's not just talking, indeed it's the people."

**Jonathas Amaral, Works Execution coordinator at CPFL Energia**

"I believe that doing work like ours, on the scale that we are doing, is something memorable. We connect not only with CPFL's culture, but we understand the impact of our work beyond that. How it touches families, how it touches society. It was a discovery. We are working with this whole evolution of our culture and our mandala."

**Luiza Hernandez e Murilo Camargo Biando, Talent Management Analyst at CPFL Energia and Murilo Camargo Biondo, Talent Management Analyst at CPFL Energia**

"When you love what you do, things become lighter. What exists today at CPFL that I hadn't seen elsewhere is the work climate. This environment for you to work with joy. I do my job with pride. Because I know that at the other side there is the person who needs it. This is more human than process. You put yourself in the person's shoes. It's you feeling what he might feel, his satisfaction. It's not a simple registration."

**Carlos Augusto de Camargo Leme, Employee, Benefits and Registration Services Analyst at CPFL Energia**

"Trying to get rid of this bureaucratization and make people's lives easier is something that, despite having 100 years of history, there comes a time when you have to face this reality, otherwise you will be left behind. You don't grow, you don't develop. Today I feel part of, owner of CPFL. An essential part. I feel like a key piece that makes that whole gear turn."

**Daiane Teixeira Amaral, Corporate Education Analyst at CPFL Energia**

"Leadership is something I have learned gradually. You are that mirror which people will look at, you will give guidelines. But the team is what really matters. It's the people, it's the care. Inspiration is not about what I did, but what I awakened in people. So, it has more to do with the other than with myself."

**Gislaine Midori, Regulated and Digital Service Manager at CPFL Energia**

"When we're listening, we always have to turn around and put ourselves in the customer's shoes. Would you like to be treated that way? It's a humanized service, a service where you respect others. When you serve well, you become a reference. The satisfaction of hearing the customer thank you for a simple service is very rewarding."

**Orzila Ortega, CPFL Energia's Expert Relationship Consultant**

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# CCIP Program

In 2020, we launched the Corporate Culture Inclusion Program (CCIP) with the aim of promoting greater synergy between CPFL Energia and its majority shareholder, State Grid Corporation of China (SGCC), located in China.

Based on an international methodology, which takes into account market benchmarks, evaluation indicators and innovative SGCC techniques, the project has a robust and inclusive governance structure, in order to support our operating strategy, goals and long-term objectives. The platform aims to achieve excellent performance on several fronts based on the execution of eight Working Groups, which are coordinated by the Steering Committee.



## We won the ECO 2022 Award

with the project CPFL and RGE in Hospitals in the modality "Sustainability Practices".



Since then, we have observed several advances with the improvement of the program. In 2021, CCIP was awarded among the Top 10 International Image Building Cases of Chinese Enterprises, which is highly recognized in the power sector and by our peers globally.

In 2022, CPFL Energia was honored to be among the best companies in the ECO Amcham Award, with the initiative "Corporate Culture Inclusion Program (CCIP): case CPFL and RGE in Hospitals". The analysis, referring to 2021, was based on our work to contribute to the improvement of public health in the areas where CPFL

Energia and the distributor RGE operate. Through the CPFL in Hospitals program (learn more on page 141), 325 hospitals were selected by 2021, benefiting around 463,000 people through humanization actions, in addition to avoiding the emission of 2,287 tons of carbon equivalent into the atmosphere.

It is worth mentioning that the ECO Amcham Award is currently an initiative recognized in the national territory for awarding companies that adopt good ESG practices, which confirms the commitment of our work with the theme and puts us on a level of constant evolution.

# Financial and operational performance in 2022

## Macroeconomic Environment

2022 began under the auspices of a new global wave of Covid-19, caused by the Omicron variant. The variant, although considered more transmissible, is less lethal for the vaccinated population. Its wide dissemination, along with the increase in vaccination coverage, led to a great reduction in circulation restrictions around the world. Thus, the pandemic has become a matter of lesser economic impact.

However, this did not mean immediate normalization of the economy. To the imbalance of production chains that already existed at early 2022, a new shock was added, brought about by the invasion of Ukraine by Russia. Fears regarding grains, metals and energy availability resulting from the conflict greatly increased the prices of the main commodities.

In turn, the post-pandemic pickup in activity boosted consumption of services and the labor market, impacting consumption in general. Global inflation became a major concern throughout the year and the main world central banks

promoted a synchronized and significant tightening of monetary conditions.

Brazil benefited from the rise in commodity prices in the international market on two fronts. The first was in the external accounts: with good performance in the trade balance, it was possible to keep the current trade deficit and the external debt indicators at a comfortable level. The second benefit was the increase in federal tax collection associated with the iron ore (2021) and oil (2022) sectors, which was decisive for the Brazilian consolidated public sector to resume presenting primary surpluses in 2021 and 2022 - something that had not been observed since 2013.

However, such surprises made room for increased expenses and tax cuts, raising uncertainties about Brazil's fiscal sustainability, especially since the fiscal rule that came into effect - the spending cap - was changed to make it feasible for the Federal Government to expand its spending during an election year. This scenario led to a sharp deterioration in the outlook for public debt. A good number of analysts began to forecast a significant

increase in the debt/GDP ratio over the current decade (starting from a level in 2022 that was already relatively high for an emerging economy).

These uncertainties regarding fiscal sustainability were also responsible, to a large extent, for maintaining more pressure on the exchange rate in the second half of 2022. This pressure on the exchange rate occurred despite the strong increase in real interest rates and the good results of the external accounts.

On the other hand, tax cuts allowed for a significant decompression of inflation, especially in the second half of the year, when deflation was registered in the monthly comparison for three consecutive months (July-September). Thus, despite having reached 12.1% in the accumulated in 12 months through April, inflation ended 2022 at 5.8%. Despite being above the target ceiling for the second consecutive year, it is well below the 10.1% rate registered in the previous year and the expected values if there had been no tax cut measures.

Economic activity also benefited from the fiscal boost, especially in the second half of the year. The first half was marked by the strong expansion of the labor market and increased consumption, especially of services provided to families (reflecting the post-pandemic recovery), which ensured a 1.4% expansion compared to the end of 2021. Tax cut and spending measures, on the other hand, consolidated the expansion of real income (through the boosted Auxílio Brasil, payroll from Auxílio Brasil, drop in inflation, among others) and ensured an expansion of the GDP in the third quarter of the year, despite the negative effects of monetary contraction already being felt, which must have led to a slight margin decline in the GDP in the fourth quarter.



## Regulatory environment

The key changes in sector regulations in the **distribution segment** in 2022 are outlined below:

### 1) Automatic Registration in the Social Electricity Tariff Program

Pursuant to Federal Law 14,203/2021, regulated by ANEEL Normative Resolution (REN) 953/2021, the automatic registration of families meeting the eligibility criteria for the Social Tariff benefit began in January 2022. Until then, many consumers who met the eligibility criteria for the Social Tariff benefit but, for some reason, such as ignorance of the benefit or commuting difficulties, never requested the benefit from the electricity distributors.

### 2) Market Opening, Rules for Energy Market and Improvement of the Management of Energy Contracting by Distributors

During 2022, several discussions were held on the subject of market liberalization, its consequences and prior regulations required for its sustainability.

In January 2022, as required by Administrative Rule 465/2019, ANEEL published the results of Request for Comments No. 10/2021, through Technical Note 10/2022–SRM/ANEEL, mapping the regulatory measures necessary to permit the opening of the free market for consumers with load less than 500 kW. Together with the CCEE Technical Note “Concept Proposal for Market Opening”, published in September 2021, these studies would be the basis for technical discussions on market opening.

The topic was also widely discussed in parliament through bills (PLs) 414/2021 and 1,917/2015. Despite the stated intention to vote on PL 414/21 in 2022 itself, the Bill was subject to 103 proposed amendments in the Chamber of Deputies (the lower house), including several controversial issues in the sector, which made voting difficult as it coincided with the parliament recess.

Faced with the possibility of the PLs not being voted in 2022, the Ministry of Mines and Energy (MME) decided to hold a public discussion on market opening through ministerial decrees. It launched Public Consultations MME 131/2022 and MME 137/2022 with the proposal to open the market of entire Group

A from January 2024 and the staggered opening of Group B between January 2026 and January 2028.

After these public discussions, the Ministry only published Normative Rule 50/GM/MME on September 27, 2022, which defined the market opening for the entire Group A, regardless of the load. Market opening for Group B by way of an administrative rule will be assessed by the new team at the Ministry or will continue through the Bills pending in parliament, whichever occurs first.

At the same time, throughout 2022, ANEEL was discussing and bringing clarity to issues related to market opening in order to strengthen the regulations for the energy market, such as: criteria for entry, operation and exit of agents in the energy market, financial guarantees, market monitoring and the figure of the energy trader.

### **3) Management of Energy Contracting by Distributors**

In April 2022, through REN 1,018, ANEEL streamlined the New Energy Surplus and Deficit Offset Mechanism (MCSDEN) for processing and managing the contracting of electricity by distributors. The regulation, which amends REN 1,009 of March 22, 2022, is designed to optimize the Mechanism in order to obtain better results in the balance

between distributors with energy deficits and surpluses in relation to the market.

ANEEL also included MCSDEN A-6 and A-7 in the new standard, exceptionally held MCSDEN A-6 in 2022, in view of the possibility of holding the auction in August 2022, and addressed the principle of maximum efforts by the distributor to adjust its contracted level.

In November 2022, ANEEL also approved the improvement of the tariff pass-through of the monthly and multi-year products of the Surplus Sale Mechanism (MVE), improving Submodule 4.3 of the Tariff Regulation Procedures (PRORET). The topic was discussed in Public Consultation 72/2021, which received inputs from December 1, 2021 to January 31, 2022. As per the decision, the transfer to multi-year products (two, three, four and five years) will follow the same methodology as annual products defined in REN 955/2021. For monthly products, the methodology established in the same Resolution for quarterly and semi-annual products must be followed.

### **4) Water Scarcity Account – Sector Loan**

The Water Scarcity Account was created to help the electricity sector in light of costs resulting from the scenario of low water levels and the increase in thermal power generation throughout 2021. Pursuant to Provisional Presidential Decree 1,078/2021 and

Decree 10,939/2022, the account was established through a joint effort by the MME, the Ministry of Economy (ME) and ANEEL, whereby the operation was contracted and is managed by the Electric Energy Trading Chamber (CCEE).

The initiative allowed the postponement and payment in instalments of tariff impacts caused by the water crisis, thus not immediately impacting energy bills. As such, any tariff increases required in view of the situation were diluted over 54 months, which is the period for repaying the loan.

As approved by Order 1,177 of May 3, 2022, CPFL Energia used the maximum limit of the loan, totalling R\$ 798.7 million. The cost of the financing operation was officially disclosed by CCEE and financial institutions, which is an interest rate equivalent to CDI + 2.8% p.a. of remuneration, structuring fee of 2.5% on the total operation amount (R\$ 5.3 billion) and 0.9% p.a. commitments on undisbursed amounts.

### **5) Transfer from CDE to Fair Tariffs mechanism**

ANEEL improved the provisions of Federal Law 14,182/2021 (Capitalization of Eletrobras), which dealt with fair tariffs. ANEEL REN 1,049 of November 22, 2022, establishes the transfer of funds from the Energy Development Account (CDE), resulting from the capitalization of Eletrobras, to mitigate the tariff readjustment indices of energy distributors.



The disbursement and corresponding transfer to distributors was made throughout 2022 in the total amount of R\$ 5.274 billion, which helped reduce tariffs for Brazilian consumers by 2.3% on average, according to ANEEL.

## **6) Locational Signal TUST and TUSDg**

In June 2022, ANEEL approved the streamlining of regulatory procedures related to the locational signal of TUST and TUSD. With the approval of REN 1,041 of September 20, 2022, ANEEL has signaled a regulatory change by amplifying the locational signal of transmission tariffs gradually between 2023 and 2028.

However, the Chamber of Deputies approved Draft Legislative Decree 365/2022, which suspends the effects of ANEEL's decision. The Bill was sent to the Senate, where it is awaiting inclusion on the agenda.

## **7) Tariff Sandbox Projects**

Continuing with what was defined in REN 996/2021, in May 2022, ANEEL approved, through Order 1,291/2022, the Tariff Sandbox Governance project carried out by CPFL Paulista, the leader of a cooperative effort comprising 31 distributors. The project will consolidate the studies of pilot

subprojects for tariff experimentation in Brazil's electricity sector.

At the same, the 1st Public Call for Tariff Sandboxes was announced, inviting distributors to submit pilot projects on experimenting with new tariffs and other projects involving the billing of energy consumers. The first public call was announced on August 29, 2022 and project proposals will be accepted for scrutiny until February 10, 2023.

## **8) Improvement of REN 1,000/21 and REN 950/2021**

In July 2022, the board of ANEEL decided to approve the change in the term of three articles (64, item III; 257 and 598) of Resolution 1,000/2021, which consolidated 64 ANEEL resolutions related to the rights and duties of consumers and others involved in electricity supply. The changed timeframes refer to the production of evidence on lawsuits regarding measurement defect and irregularity (articles 257 and 598) and issuance of connection budget (article 64, III).

In September 2022, ANEEL approved the improvement of RENs 950 and 1,000 of 2021. The changes were due to the publication of Decrees 11,016 and 11,034 of 2022, which deal,

respectively, with the regulation of a Single Register for Social Programs of the Federal Government and the establishment of guidelines and norms on Consumer Service.

In November 2022, ANEEL amended REN 1,000/2021 and Submodule 2.7 and 2.7A of the Tariff Regulation Procedures (PRORET) to regulate Law 11,445/2007, whose text was given by Law 14,026/2020 and which brings the possibility of collecting, through electricity bills, the fees or tariffs resulting from the provision of urban cleaning and solid waste management services.

## **9) Demand Response Program**

The Demand Response Program, which opens up the possibility of voluntarily reducing or shifting the demand for electricity by large consumers, started operating as a structural program in the electricity sector on October 1, 2022. Approved by ANEEL, the mechanism is since being used by the National Electricity System Operator (ONS) for managing resources and operating the National Interconnected System (SIN). The program is optional and is targeted at free or potentially free consumers.

## 10) Regulation for Research, Development and Innovation Procedures (PROPDI)

In October 2022, ANEEL approved improvements to the Procedures for Regulation of the Research, Development and Innovation Program (PROPDI) of ANEEL. The new regulation will come into effect on July 1, 2023. The revision was aimed at creating an environment favorable for innovation in the electricity sector. The main structural change in relation to the previous procedures regulated by ANEEL is that Innovation is the main purpose of PROPDI, for which it will use the instruments related to research and development already regulated and others that may represent new ways of application, such as startups.

## 11) Distributed Micro- and mini-generators

On January 7, 2022, Federal Law 14,300 of January 6, 2022 was enacted with presidential vetoes, which established the regulatory framework for distributed micro- and mini-generators, the Electricity Compensation System (SCEE) and the Social Renewable Energy Program (PERS), among other measures.

Said Law established rules that differ from the current ANEEL standard and need to be regulated, which include:

- Payment in the Energy Development Fund (CDE) for use of compensated energy. The SCEE in force permits consumers with distributed micro- or mini generators to not directly pay the costs for the use of electricity grid when the energy equivalent to that supplied previously is returned to them. These costs are shared among all consumers in the electricity tariff, as a subsidy. With Law 14,300/2022, CDE now temporarily includes these costs incurred on compensated electricity. Consumers in the regulated environment will pay for this cost in CDE. This specific issue is the subject of Public Consultation 50/2022, open until December 12, 2022.
- Special rule for adhesions until January 6, 2023. Any consumer with existing micro- or mini-generators or who requests connection to the distribution grid by January 6, 2023 will be fully exempt from TUSD until 2045. In this period, the cost of these consumers will continue to be apportioned in the tariff of consumers, according to the location of the micro- and mini-generators and the concession area of each distributor. ANEEL must regularly disclose the value of the implicit subsidy.
- Progressive reduction of TUSD cost. For consumers who request connection to the distribution grid after January 6, 2023, Law 14,300/2022 has established a transition period with progressive reduction of TUSD cost until the final rule on

the issues becomes effective in 2029. As of that date, consumer units in SCEE will be levied tariff components not associated with the cost of energy on the quantity compensated, net of the benefits to be valued by the National Energy Policy Council (CNPE) and the calculations made by ANEEL 18 months after the enactment of Law 14,300/2022.

Law 14,300/2022 sets other provisions that depend on ANEEL regulations to become effective, which include:

- Connection of distributed micro- or mini generation with storage systems. It is necessary to establish technical parameters for the storage systems to ensure the functioning of the electricity grid and guarantee the operation of SCEE from renewable sources.
- Guarantee of faithful compliance. Law 14,300/2022 makes it mandatory to submit a guarantee prior to the connection for generation units above 500 kilowatts (kW). For the legal requirement to take effect, the criteria, modalities, and conditions for the presentation of guarantee must be defined.
- Compensation outside the permission area. ANEEL must determine how the compensation will be made by distribution concessionaires of the surplus generated in the consumer unit connected to a permit holder.

- Billing of the transition period. It is necessary to define how billing will be made in cases of compensation of generation units that do not fit the conditions established by law.

In July 2022, the Brazilian Congress overrode two presidential vetoes to certain provisions of the Law, one of which authorizes the inclusion of projects in the Special Infrastructure Development Regime (Reidi) and the other permits the classification as micro- or mini generators the floating photovoltaic generation units installed on reservoirs of hydroelectric plants, dams and natural and artificial lakes.

During 2022, ANEEL initiated a series of public discussions to debate the regulations on the subject, including Public Consultations 31/2022, 50/2022 and 51/2022, which dealt with, respectively, the regulation of articles 21 and 24 of Law 14,300 (involuntary overcontracting), regulation of the economic aspects of Law 14,300/2022 and adjustment of the regulations applicable to the distributed micro- and mini generators, by virtue of the provisions established in Law 14,300/2022.

In December 2022, there was a legislative effort to amend the recently created Law 14,300/2022

to extend the deadline for requesting access from the distributor without the application of new, less advantageous tariff rules to the distributed micro- and mini-generator units, and for including SHP projects in the compensation system. Bill 2,703/2022 was approved in the chamber of deputies on December 6, 2022, and sent to the Senate for analysis.

Through Ratification Resolution (REH) 3,169/2022, ANEEL published the percentages of reduction to be applied to the Tariff for Use of the Distribution System (TUSD) and the Energy Tariff (TE) for establishing the tariff used in billing the consumption associated with the SCEE, effective from January 8, 2023.

## **12) Refund of PIS/Cofins Taxes on ICMS in the Tariffs**

Law 14,385/2022 defined the refund of amounts resulting from lawsuits on which final and unappealable decisions determined the exclusion of ICMS from the PIS/Cofins calculation base charged in the electricity bill.

ANEEL had been refunding the taxes in an exceptional manner since 2021, as determined by Order 361/2021. Before the enactment of the Law,

in tariff processes between 2021 and 2022, in light of exceptional situations, ANEEL already considered that a part of PIS/Cofins credits could be used.

Even after the exceptional refund made, the residual amount had to be transferred until the approval of the Law. Therefore, ANEEL conducted a series of Extraordinary Tariff Reviews (RTEs) during which CPFL Santa Cruz and CPFL Paulista had new tariffs defined, which reduced the previously approved indexes, to consider the refund of amounts resulting from lawsuits on which the final judgement had been made.

## **13) Transfer of Balance in the Itaipu Trading Account to Distributors**

In compliance with Decree 11,027/2022, ANEEL approved the transfer of the positive balance in the Itaipu Energy Trading Account to distributors in order to minimize the impact of the tariff adjustments in 2022. Only concessionaires in the South, Southeast and Midwest regions that are not fully supplied by other concessionaires, that is, concessionaires that have quotas of Contracted Power and Electricity amounts from the Itaipu Hydroelectric Plant, were benefited.

#### 14) Alteration of ICMS – Supplementary Law 194/2022

Supplementary Law 194/2022 brought changes to the National Tax Code (CTN – Law 5,172/1966) and Kandir Law (Supplementary Law 87/1996), determining the application of ICMS floor rates (17% or 18%) on fuel, electricity, communications, and public transport.

The Law recognized the essential nature of electricity, prohibited the establishment of ICMS rates higher than the State's general internal rate and defined that ICMS not be levied on transmission (TUST) and distribution (TUSD) services and sector charges in operations involving electricity.

However, since the enactment of the Law in August 2022, neither ANEEL nor the Tax Authorities of the States of São Paulo – SP or Rio Grande do Sul – RS had determined the ICMS calculation base. Hence, to mitigate the risks and comply with the Law, CPFL Energia Group has been charging ICMS only on the tariff portion of Electricity, called TE, until a formal decision from the State Tax Authorities.

#### 15) Reduction of Itaipu Tariff

On December 29, 2022, through REH 3,168/2022, ANEEL established, temporarily and until the Budget Base for Exploration Expenses is deliberated by the Board of Directors of Itaipu Binacional, the transfer tariff of contracted power of Itaipu Binacional to be charged by Empresa Brasileira de Participações em Energia Nuclear e Binacional S.A. – ENBPar, at an amount equivalent in Brazilian Real to US\$16.19/ kW.month (sixteen dollars and nineteen cents per kilowatt month), applicable to billings from January 1 through December 31, 2023.

The key changes in sector regulations in the **transmission segment** in 2022 are outlined below:

#### 16) MME Administrative Rule 11,314/2022

Consequent to Public Consultation 136/2022, MME approved through Decree 11,314/2022 the guidelines for auction or extension of the concession of expired transmission agreements. Therefore, the MME must define these guidelines and the core idea of the debate to guarantee:

1. transparency of the criteria and procedures that will be adopted;
2. predictability for concessionaires and investors in the electricity sector.







Campinas - SP







In practical terms, Decree 11,314/2022 regulates the possibility of extending expired Transmission concessions through a Public Consultation ("CP") with the participation of society, provided the CP concludes that there are no benefits in the auction for the service or for clients. In case of extension, there will be no indemnity for the eligible asset base.

On the other hand, the erstwhile Transmission Concessionaire must be prepared for the auction or for a possible transition between concessionaires. In case of transition, the current concessionaire must bring forward the assessment of the eligible asset base and keep the base updated during the process, with accuracy and quality, observing the 36 months prior to the end of the concession agreement. In this case, the new concessionaire will be responsible for indemnifying the current one.

## EXTENSION OF CONCESSION

≥36 months	≥21 months	≥18 months	≥11 months
 <p>Transmission companies must request ANEEL for extension of Concession Agreement</p>	 <p><b>a)</b> ANEEL CP: bid is impracticable or results in damage to public interest. <b>b)</b> ANEEL submits to MME the decision with reasons.</p>	 <p><b>a)</b> MME publishes the decision. <b>b)</b> Amendment of concession agreement will be available.</p>	 <p><b>a)</b> Amendment signed (to extend the Concession Agreement). <b>b)</b> No indemnity will be analyzed.</p>

## CONCESSION AUCTION

≥36 months	≥21 months	≥18 months	<18 months
 <p>Transmission companies must request ANEEL for extension of Concession Agreement.</p>	 <p><b>a)</b> ANEEL CP: bid is impracticable or results in damage to public interest. <b>b)</b> ANEEL submits to MME the decision with reasons.</p>	 <p><b>a)</b> MME publishes the decision. <b>b)</b> Auction process starts.</p>	 <p><b>a)</b> Assessment of indemnity of expiring concession. <b>b)</b> Definition of new Transmission Concessionaire.</p>

For CPFL Energia, the following table shows the expiry date of the Transmission Concession Agreements:

Transmission Concession Agreements		
Transmission Concession	Concession Agreement	Expiry Date
CPFL Transmissão (CEEE-T)	080/2002	12/18/2032
CPFL Transmissão (CEEE-T)	055/2001	01/01/2043
CPFL Transmissão (Piracicaba)	003/2013	02/25/2043
CPFL Transmissão (Morro Agudo)	006/2015	03/27/2045
CPFL Transmissão (Maracanau)	020/2018	09/21/2048
CPFL Transmissão (SUL I)	005/2019	03/22/2049
CPFL Transmissão (SUL II)	011/2019	03/22/2049
CPFL Transmissão (CEEE-T)	004/2021	03/31/2051

## 17) Administrative Rule MME 53/2022

On October 27, 2022, Administrative Rule MME 53/2022 was published, permitting Transmission Infrastructure Projects approved by the National Electricity System Operator (ONS) in the Plan for Modernization of Installations (PMI) as priority projects.

This makes investments in **Minor Improvements (according to REN ANEEL 905/2020, Module 3 – Installations and Equipment)** and without prior establishment of RAP, provided these are approved by the ONS in the PMI, eligible for the issue of incentivized debentures.

Therefore, the range of CPFL Transmission works eligible for this type of funding widens because most of the works involving the company's capex plan are structured with a mix of items with ANEEL authorization (eligible for this benefit) and PMI items.

## 18) Improvement of Regulations Associated with RETROFITTING and IMPROVEMENTS Projects in Electricity Transmission Installations

Published on May 27, 2022, REN ANEEL 1,020/2022 deals with improvements of the regulations associated with the RETROFITTING and IMPROVEMENTS projects in electricity transmission installations. With this, it altered

Modules 1, 3 and 4 of the Transmission Services Rules and submodules 9.1, 9.2 and 9.7 of PRORET.

It consolidated the differentiation between **“Large” and “Small” RETROFITTING** projects:

- a) **“Large” RETROFITTING projects:** involving transformation equipment or compensation of reactive power, and increasing the capacity of transmission lines, provided these involve at least 50% of the structures or conductors. It also included in the list of works of “sectioning of transmission lines (LT) through connection in existing substations, when indicated by the sector planning”;
- b) **“Small” RETROFITTING projects:** Other RETROFITTING projects.

It also ratified ANEEL's proposal authorizing the implementation of **“Large” RETROFFITING** with prior establishment of RAP, based on the scope determined in the Concession Plan. In a second phase, after the RETROFITTING project starts commercial operation, the transmission company should send the information “as constructed” to ANEEL, which may proceed to reappraise the number of employees for establishing additional (“RAP”), if the investment made is 25% higher or lower than that originally authorized.

As for **“Small” RETROFITTING projects**, the establishment of additional RAP changes from annual (in the periodic tariff adjustment) to five years (in the periodic tariff review: 2023, 2028, 2033, etc.).

For IMPROVEMENTS, the normative concept evolved, based on the accounting logic of investment, differentiating them from operation and maintenance activities. It also limited the concept to replacements and repairs of existing eligible assets, provided the equipment replaced or repaired is informed, in order to differentiate IMPROVEMENTS from RETROFITTING projects, and separate the investments inherent to the ample liberty enjoyed by transmission companies in conducting their businesses and the use of appropriate technologies for the service offered. In this concept, the difference between **“Large” and “Small” IMPROVEMENTS** was also kept, as well as the differentiation in the establishment of RAP for IMPROVEMENTS, depending on the type of concession agreement involved (whether postponed or bid).

Still with regard to IMPROVEMENTS, the procedure for treating **“Large”** equipment losses was implemented with the purpose of enabling the reestablishment of transmission functions relevant for SIN in a timely manner.

For all cases (RETROFITTING or IMPROVEMENTS), the right to additional RAP to the Transmission Company is guaranteed from the date the commercial operation is recognized by the ONS.

### 19) Specific Changes in ANEEL Reference Price Bank (“BPR”)

With the publication of [ANEEL Order 2,024/2022](#) (subsequently rectified by [Order 3,246/2022](#)), adjustments to the text were approved in the items in the Appendices of REH ANEEL 758/2009 (which approved the methodologies to define and update ANEEL’s BPR to be used in the processes of authorization, bid for concession and tariff review of the electricity transmission concessionaires).

These adjustments reconciled the quantities of materials and equipment of ANEEL’s BPR with those required by the Network Procedures of ONS, which contains the technical specifications of the Electric Power Transmission Sector. It also established, the (i) modular standardization for the 88 kV and 440 kV voltage levels, and the (ii) physical arrangement “Five Disconnectors Double Busbar – BD5” in substations.

### 20) Publication of Norm Regulating the Use of Areas Surrounding Substations

Published on January 3, 2023 and effective from April 1, 2023, REN ANEEL 1,055/2022 establishes the regulatory treatment for isolating the Basic Grid substations by generation Installations, which limit the expansion and access of transmission lines to substations.

As a result, the Substation Development Area (“ADS”) was established, which corresponds to a circle with a 2km radius from the geometric center of the Basic Grid substation. As such, the construction of generating units in the ADS will be prohibited.

This area will be valid for all transmission substations, whether new or existing, provided they are part of the Basic Grid, including substations divided into sections implemented by connectors and subsequently transferred and classified as Basic Grid, as per the regulations on access to the transmission system. The transmission company responsible for the installation must also approve the layout of the transmission lines within the ADS.

Considering that the ADS will be represented by a circular area, a specific command was included in the Transmission Rules establishing the obligation for transmission companies to inform the coordinates of the geometric center of the land where the substation is located.

The key changes in sector regulations in the **generation segment** in 2022 are outlined below:

## 21) Access auction

On March 1st, 2021, the Federal Law 14,120/2021 was published, which introduced several changes, including amendments to article 26 of the Law 9,427/1996. In a direct way, a transitory period was determined for agents to still be able to have the discounts in the distribution and transmission system usage tariffs (TUSD and TUST) for that it was necessary to request the grant until March 2nd, 2022.

With the objective to speed up the analysis of the increased number of grant requests, the Presidential Decree 10,893/2021 was published and established specific and temporary guidelines, permitting grant to be requested without the access documentation (DRO and Access Information).

In the same the decree, the article 2 enabled a new Competitive procedure, called Access Auction, to prioritize the projects to be connected to the SIN. As such, Public Consultations 141/2022 and 148/2022 were opened, respectively, to bring a proposal for regulating the guidelines for the Competitive Process for Contracting the Flow Margins to Access SIN, called Competitive

Procedure by Margin (PCM) and for defining the system to be used in the Auction.

The results of the Public Consultations have not been published yet, however the PCM bidding is scheduled for June 2023.

## 22) Offshore Electricity Generation

In January 2022, Decree 10,946/2022 was published, which deals with the regulation of the daily section in the internal waters under the domain of the Federal Government, the territorial sea, the exclusive economic zone in the continental platform for the generation of offshore electricity.

The decree addressed the main entities in the sector involved in the offshore process (EPE, MME, ANEEL, Ministry of Infrastructure (MINFRA), Ministry of Agriculture (MAPA), Ministry of Tourism (MTur), Brazilian National Agency for Petroleum, Natural Gas and Biofuels (ANP), National Telecommunications Agency (ANATEL), Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), Air Force Command, Navy Command), presenting the guidelines of how the assignments should be addressed, for example, being planned or independent and for free or for payment, among other pertinent topics.

Moreover, on October 20th, 2022, two administrative rules were published, which lay down the complementary regulations and guidelines to those established in Decree 10,946/2022 and the creation of a Single Portal for Management of the Use of Offshore Areas (PUG-Offshore) where all information related to the Offshore process is consolidated and provided to entrepreneurs and entities involved: Administrative Rule 52/GM/MME/2022 and Inter-Ministerial Administrative Rule MME/MMA 03/2022, respectively.

Also, ANEEL scheduled the continuity of the regulations for offshore wind power plants for the 1st half of 2024, as established in the regulatory agenda of the 2023/2024 cycle.

## 23) Green Hydrogen

The Brazilian government launched in August 2021 the Guidelines for the National Hydrogen Program (PNH2), which was established by the National Energy Policy Board (CNPE) through Resolution 6 of June 23rd, 2022, to strengthen the hydrogen market and industry in relation to the energy vector in Brazil.

PNH2 is formed by a Management Committee, coordinated by MME and formed by several government bodies and entities. It initially had five Thematic Chambers to discuss specific issues:



- I. Strengthening of the Scientific and Technological Bases – under the coordination of the Ministry of Science, Technology and Innovation;
- II. Human Resources Training – under the coordination of the Ministry of Education;
- III. Energy Planning – under the coordination of MME;
- IV. Legal and Regulatory-Normative Framework – under the coordination of MME;
- V. Market Opening and Growth, and Competitiveness – under the coordination of the Ministry of Economy.

To give a direction to the guidelines, through CNPE Resolution 6/2022, MME launched a public consultation to gather inputs to the Three-Year Work Plan of the National Hydrogen Program (2023-2025), which consists of proposed actions to strengthen the scientific and technological bases, human resources training, energy planning, legal and regulatory-normative framework, opening and growth of the market, and competitiveness.

## 24) Hybrid and Associated Power Plants

In 2021, ANEEL published REN 954, which regulated the implementation of hybrid and associated projects.

After approval, during 2022 amendments to the Electricity Trading Procedures and Rules applicable to

hybrid and associated power plants were published. The amendments proposed by the Electricity Trading Chamber refer to Physical Measurement, Accounting Measurement, Energy Reallocation Mechanism (MRE), Energy Penalty, Calculation of the Discount on TUSD/TUST.

The new rules permit safer investment in the hybrid and associated segment, enabling a more rational and optimized use of the network, as well as greater energy efficiency and security of the generating system in its delivery.

## 25) Review of Physical Guarantees (HPPs)

MME published on December 2nd, 2022 Administrative Rule 709/GM/MME with Revised Physical Guarantees of Electricity from the Hydroelectric Power Plants Dispatched Centrally in SIN, which became effective on January 1st, 2023.

The calculation of Physical Guarantee of energy from hydroelectric generation plants dispatched centrally in SIN and its revisions are made by EPE following the methodologies and criteria defined by MME. The periodical revision, which occurs every five years, called the Ordinary Revision of Physical Guarantees, was established in Decree 2,655/1998 to encourage the balance between the plants in the Energy Reallocation Mechanism (MRE) and, at the

same time, maintain the security of the receivables of hydroelectric concession agreements.

The revision in 2022 covered 120 of the 150 hydroelectric power plants in the reference configuration, representing 80% of the hydroelectric generator complex centrally dispatched.

## 26) Review of Physical Guarantees (Wind Power Plants)

MME published on December 15th, 2022, the revised physical guarantees of wind power plants based on the verified electricity generation. The new physical guarantees came into effect on January 1, 2023.

According to Administrative Rule 63, the wind power plants had a reduction in their physical guarantees because their average generation was lower than 90% of their physical guarantees in effect. Fifteen other plants saw an increase in their physical guarantees because their average generation was higher than 105% of their physical guarantees in effect.

For this review, the study findings showed that the constrained-off events that occurred would not affect the revised physical guarantee of the projects such that the application of the review methodology did not influence plants that registered constrained-off events in the period analyzed. Although studies

have indicated that constrained-off events would not affect the revised value, said result was caused by the low representativeness of the amounts considered in the studies compared to the whole history. In general, the agents have sought ways to equally include the constrained-off effects in the physical guarantee reviews.

## 27) Capacity Reserve Auction

The Capacity Reserve Auction is aimed at adapting the expansion of energy supply concomitantly with the guarantee of continued electricity supply in SIN.

The first such Auction was held in 2021. New thermoelectric projects using natural gas and biomass were contracted. The operation is expected to start in 2026.

Over the coming years, there will be new Capacity Reserve Auctions in the form of Reserve Energy under Law 14,182/2021 and in the form of power. Auctions are expected to be held in July and November, respectively, in 2023, 2024 and 2025.

## 28) Ancillary Services

One of the major topics that are shown as priority in improving the MME and ANEEL agendas is Ancillary Services provided by agents connected to SIN.

In recent years, institutions in Brazil's electricity sector have held discussions on the topic, contributing inputs

regarding the operation, planning and regulation, to ensure a robust system required for operating the SIN, such as workshops, public consultations (CP ANEEL 083/2021, CP MME 145/2022) and meetings among sector entities.

Finally, it should be pointed out that the improvement in regulations for the provision and remuneration of ancillary services in SIN is in the 2023/2024 Regulatory Agenda scheduled for the 1st and 2nd halves of 2023, and the new regulation is expected to be published in the 1st half of 2024.

# Operating performance

Despite the challenging scenario, the operational results of our businesses in 2022 were extremely positive.

Our teams showed expertise and managed to plan in the face of challenges, creating strategies that ensured the allocation of capital aimed at maximizing opportunities and efficiently managing our costs and expenses.

The distribution segment showed distributed load and sales with a reduction of 0.9% and 0.6% respectively, in relation to the previous period, reflecting a still unfavorable economic environment, with unemployment and income in the year.



*Integrated Operations Center in Campinas headquarters - SP*

As for default levels, these were found to remain high throughout the power sector, however, showing some level of optimism compared to 2021, with a -13,3% drop between the years. We also continue to work on initiatives to renegotiate debts associated with the power cut in order to minimize these percentages.

With respect to generation, we maintained a high level of availability of generating assets, totaling 4,411 MW of installed capacity in operation. Additionally, we continued with the construction of SHPP Lucia Cherobim, in addition to having wind, solar and SHP projects under development, totaling 4,399 MW.

# Economic-financial performance

## GRI 201-1

The year 2022 was challenging for several sectors, following developments in Brazil's political and economic scenarios. The 2022 results reflected our discipline in managing costs and expenses, actions to control default and efficient cash management, ensuring the Company's financial health.

## Key indicators

### Gross operating revenue

3.0% reduction in relation to 2021 (-5.4% without CPFL Transmissão), with emphasis on the reductions in the sector financial assets and liabilities (-97.2%) and in electricity supply revenue (-5.4%), partially offset by the increase in other operating revenues (23.4%).

- 2021 – R\$ 56,341 million
- 2022 – R\$ 54,651 million

### Electricity cost

21.8% reduction compared to the previous period, due to lower costs with Itaipu electricity and electricity acquired by and in energy acquired through Auctions in the Regulated Environment, Bilateral Contracts and Short-Term Energy

- 2021 – R\$ 23,107 million
- 2022 – R\$ 18,070 million

### Operating costs and expenses

25.2% increase (+20.3% without CPFL Transmissão), mainly due to the increase in infrastructure

## Summary Income Statement For The Year – CPFL Energia (R\$ Million)

	2020	2021	2021 (without CPFL Transmissão)*	2022	2022 (without CPFL Transmissão)*
Gross operating revenue	45,363	56,341	55,990	54,651	52,984
Net operating revenue	30,898	39,210	38,921	39,354	37,941
Electricity cost	(18,486)	(23,107)	(23,107)	(18,070)	(18,070)
Operating costs and expenses	(7,709)	(9,217)	(9,030)	(11,543)	(10,866)
Service result	4,704	6,886	6,783	9,740	9,005
EBITDA	6,780	9,160	9,038	12,263	11,455
Financial result	(316)	(792)	(785)	(2,911)	(2,915)
Profit before taxation	4,797	6,615	6,517	7,320	6,578
Net profit	3,707	4,854	4,813	5,219	4,734

\* Companhia Estadual de Transmissão de Energia Elétrica – CEEE-T (CPFL Transmissão), acquired in 2021, is now consolidated in CPFL Energia's results in 4Q21.

construction costs (+53.2%). Other costs increased by 8.0% on a consolidated basis and 3.0% without CPFL Transmissão.

- 2021 – R\$ 9,217 million
- 2022 – R\$ 11,543 million

### EBITDA

33.9% increase (+26.7% without CPFL Transmissão), driven by the good performance of the Distribution, Generation and Transmission segments.

- 2021 – R\$ 9,160 million
- 2022 – R\$ 12,263 million

### Net profit

7.5% increase (-1.6% without CPFL Transmissão), mainly reflecting the increase in EBITDA (+33.9%), partially offset by the worse financial result arising from the increase in interest rates.

- 2021 – R\$ 4,854 million
- 2022 – R\$ 5,219 million

## Tariff adjustments

In 2022, the distribution companies CPFL Santa Cruz, CPFL Paulista, RGE and CPFL Piratininga achieved positive average tariff adjustments of 8.83%, 14.97%, 10.98% and 14.72%, respectively. In addition, on July 12, 2022, distribution companies CPFL Santa Cruz and CPFL Paulista underwent the Extraordinary Tariff Review process, which reduced the effect of the adjustment for the consumer to 6.51% and 12.53%, respectively.

## Indebtedness

At the end of 2022, our net debt under IFRS reached a total of R\$ 23.4 billion, a 12.1% increase compared to the previous year. The debt, which considers loans and financing, debentures and intercompany loans, was R\$ 28.0 billion at the end of December 2022. The increase in debt was mainly due to the greater need for indebtedness of the group's distributors, for the Capex plan.

It is worth mentioning that we seek to mitigate possible exposure to the risks of market fluctuations. In this sense, part of the debt, around R\$ 6.6 billion, has hedge operations. For cases in foreign currency, for example, which account for approximately 23.5% of the total amount of debts (in IFRS), swap operations were contracted, aiming at protecting the exchange rate and the rate linked to the contract.

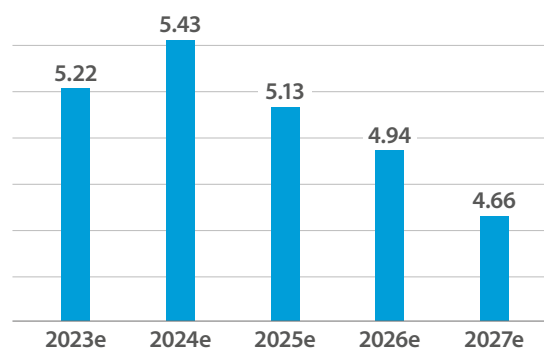
In the year, leverage in the financial covenants criterion (which considers the proportional consolidation of assets CPFL Transmissão, Ceran, Enercan, Foz do

Chapecó and Epasa) went from 2.13x in December 2021 to 1.88x Net Debt/EBITDA in December 2022.

## Investments

Even in the face of a challenging period, we continued with our investment plan, which totaled R\$ 5.8 billion in 2022, a 45.1% increase compared to R\$ 4.0 billion in 2021. Most investments, 82.5% of the total, were allocated to the Distribution segment, with a special focus on expansion, modernization and maintenance of the electrical system.

For the coming years, we have investment projections for the period between 2023 and 2027, in the order of R\$ 25.38 billion, as previously discussed by the Budget and Corporate Finance Committee and approved by the Board of Directors in 2022.



## Capital market

CPFL Energia's shares are traded on B3, Novo Mercado, the segment with the highest level

of corporate governance. On December 31, 2022, shares closed at R\$ 33.20, a 23.7% increase compared to the end of 2021. The average daily trading volume in the period was R\$ 92.4 million, which represents a 24.2% increase compared to the previous year.

## Dividends

In 2022, the payment of 100% of the distributable dividends related to the outcomes for the 2021 fiscal year was approved. In addition to the interim dividend totaling R\$ 804 million, related to the 2021 result, which was approved in 2021, the payment of dividends in the amount of R\$ 3,736 million, equivalent to BRL 3.242280516 per common share, was approved at the Annual General Meeting (AGM), held on April 29, 2022. Shareholders holding shares on April 29, 2022 were entitled to dividends, and as of May 2, 2022, shares began to be traded "ex-dividend" on B3.

Therefore, for 2021, dividends in the amount of R\$ 4,540 million were paid, equivalent to R\$ 3.940043070 per common share.

It is worth mentioning that, according to our Dividend Policy, we follow the dividend distribution rule of at least 50% of adjusted net income, which is above the 25% provided for by the Brazilian Corporate Law. The Dividend Policy is available on the Investor Relationship website [www.cpfl.com.br/ir](http://www.cpfl.com.br/ir).



## ADDED VALUE DISTRIBUTION (DVA IN THOUSANDS OF REAIS)

GRI 201-1

	Consolidated	
	2022	2021
	Annual	Annual
<b>1 – Revenues</b>	<b>54,959,613</b>	<b>56,544,895</b>
1,1 Operating revenues	49,293,928	53,028,427
1,2 Revenues related to the construction of own assets	627,638	543,076
1,3 Revenue from infrastructure construction of the concession	5,356,676	3,312,656
1,4 Allowance for doubtful accounts	(318,628)	(339,265)
<b>2 – (-) Inputs</b>	<b>(27,744,819)</b>	<b>(31,433,850)</b>
2,1 Electricity Purchased for Resale	(20,204,658)	(25,618,449)
2,2 Material	(3,655,761)	(2,510,615)
2,3 Outsourced Services	(3,010,690)	(2,293,049)
2,4 Other	(873,711)	(1,011,736)
<b>3 – Gross added value (1+2)</b>	<b>27,214,794</b>	<b>25,111,045</b>
<b>4 – Retentions</b>	<b>(2,038,567)</b>	<b>(1,759,502)</b>
4,1 Depreciation and amortization	(1,720,235)	(1,461,309)
4,2 Amortization of intangible assets of the concession	(318,331)	(298,193)
<b>5 – Net added value generated (3+4)</b>	<b>25,176,227</b>	<b>23,351,543</b>
<b>6 – Added value received in transfer</b>	<b>2,764,652</b>	<b>1,716,691</b>
6,1 Financial Income	2,274,122	1,194,886
6,2 Equity interests in subsidiaries, associates and joint ventures	490,530	521,805
<b>7 – Added value to be distributed (5+6)</b>	<b>27,940,879</b>	<b>25,068,234</b>
<b>8 – Distribution of added value</b>		
<b>8,1 Personnel and Charges</b>	<b>2,235,835</b>	<b>1,731,008</b>
8,1,1 Direct Remuneration	1,178,292	928,562
8,1,2 Benefits	944,017	724,349
8,1,3 Government severance indemnity fund for employees - F,G,T,S,	113,527	78,097
<b>8,2 Taxes, Fees and Contributions</b>	<b>15,311,474</b>	<b>16,435,877</b>
8,2,1 Federal	9,477,863	8,294,676
8,2,2 Estate	5,786,159	8,100,367
8,2,3 Municipal	47,453	40,834
<b>8,3 Interest and Rentals</b>	<b>5,174,755</b>	<b>2,047,600</b>
8,3,1 Interest	5,107,758	1,950,005
8,3,2 Rental	66,997	97,595
8,3,3 Others		
<b>8,4 Interest on capital</b>	<b>5,218,813</b>	<b>4,853,751</b>
8,4,1 Dividend (including additional proposed)	2,564,205	4,629,039
8,4,1 Retained Earnings	2,654,608	224,712
	<b>27,940,879</b>	<b>25,068,234</b>

# Awards and recognition

## ISE B3

CPFL Energia was selected to integrate B3's 2023 ISE portfolio, occupying 3rd place in the ranking.



*Mario Bhering" award, in November 2022*

## Mario Bhering Award

CPFL Energia was awarded by Eletrobrás with the Mario Bhering Historical and Social Responsibility Award for CPFL Institute's work in social and sporting projects in several Brazilian cities. The award, held by the Electricity Memory Center, linked to Eletrobrás, recognizes actions with good practices for preserving historical and cultural heritage, carried out by companies, organizations and employees within the Brazilian power sector.

## 2022 Eco Award

In 2022, we were recognized by the ECO award, organized by AMCHAM and Época, in the category Sustainability Practices with the project "Corporate Culture Inclusion Program (CCIP): case CPFL and RGE in Hospitals".

## Top Employers Certification

We were granted the Top Employers certification for the fourth consecutive year, which is recognition for excellence in People Management practices and employer brand.

## 2022 Abradee Award

CPFL Piratininga won the Abradee Award in July 2022 in the Social and Environmental Responsibility category.

## Época 360°

CPFL Energia ranked 32nd in the General Ranking; ranked 2nd within the Power sector; ranked 3rd in Innovation; ranked 2nd in People; and ranked 1st in ESG and socio-environmental practices.

## 2022 Reclame Aqui Award

CPFL Energia won the Reclame Aqui Award in the Service Concessionaires category, in 2022, among the Brazilian service companies that are most committed to good customer service. Reclame Aqui Award annually recognizes hundreds of Brazilian companies with the most efficient customer service operations and the best reputations.

## 500 Maiores do Sul Award

RGE ranked 6th in the award, receiving a trophy and a Rio Grande do Sul top 10 certificate. In the general classification, it ranked 18th among companies in states of Rio Grande do Sul, Santa Catarina and Paraná. CPFL Transmissão, which participated for the first time, ranked 32nd in Rio Grande do Sul, receiving a certificate for the achievement. In relation to the general classification of the South region, it ranked 82nd.

The regional ranking recognizes the 500 largest companies in the South region through analysis of profitability and net revenue. Among the 500 companies, the award also highlights the 100 largest companies in each state.

### **Aneel Quality Award**

CPFL Santa Cruz was granted the Aneel Quality award in the category of over 400,000 consumer units in the Southeast region and in Brazil.

### **National Seminar On Electricity Production And Transmission**

In the 26th edition of the event, CPFL Energia presented the winning work, which addressed the theme "Assessment of degradation and reliability of high-voltage circuit breakers using Data Science techniques".

### **Fundação Nacional de Qualidade**

CPFL Piratininga was recognized, in March 2022, with the National Quality Foundation Best in Management award ("*Prêmio Melhores em Gestão da Fundação Nacional de Qualidade*").

### **São Paulo Environmental Agreement**

CETESB published in the book "91 successful cases in the Climate Agenda", in 2022, 5 new cases of CPFL Energia projects, which promote appropriate mitigation measures for global climate phenomena. The themes of the projects presented were: "Hybrid management of a multi-source energy system", "CPFL and RGE in Hospitals", "Safer Afforestation", "Development of a Sustainable Campus model" and "Integration of a sustainable charging station, broad monitoring and real time connectivity".

### **Brazil For The Environment**

BPMA (Portuguese acronym for Brasil Pelo Meio Ambiente [Brazil for the Environment]), an initiative by Amcham and ICC, recognized 4 CPFL Energia cases, namely: "CPFL and RGE in Hospitals"; "Safer Afforestation"; "Equipment Reformer"; "Forest Fire Prevention in Conservation Units".

### **2022 Institutional Investor Ranking**

CPFL Energia was top 3 in seven categories of the 2022 Institutional Investor ranking, an award that reflects the perception of investors and market analysts in relation to the companies' IR programs and executive leadership.

Among the categories, we ranked 3rd as Best CEO and Best CFO; 2nd in Best IR Team, Best IR Program, Best ESG and Best Crisis Management – COVID19; and 1st as Best Analyst Day and Best IR Professional. As a result, we were the most recognized company among Latin America Midcap companies.

### **Valor Econômico**

In July 2022, CPFL Energia received the Valor Inovação Brasil 2022 award, as it acts as a reference in innovation within the sector.

### **As Melhores Da Dinheiro**

We won first place in the categories of Energy, Financial Sustainability, Innovation and Quality, Social Responsibility and Corporate Governance.



ECO Amcham 2022 Award



## Strategy and ESG

GRI 2-12 | 2-13 | 2-23 | 2-24 | 3-3

CPFL Energia has a strategic structure that includes actions to maximize our operational and economic-financial performance, business excellence, best customer service, positive returns for shareholders and the society, professional development of our employees, as well as advances and improvements of our ESG practices.

This structure concerns our Strategic Plan and 2030 ESG Plan, which, walking side by side, have driven the evolution and results of our projects and initiatives, as they take into account the Company's various capitals in an interconnected way, in the short, medium and long run. We also have our Materiality study, through which we map our priority material topics, that is, those that have the greatest internal and external impact from our sector of activity, in order to encourage assertive oriented performance.





# Materiality study

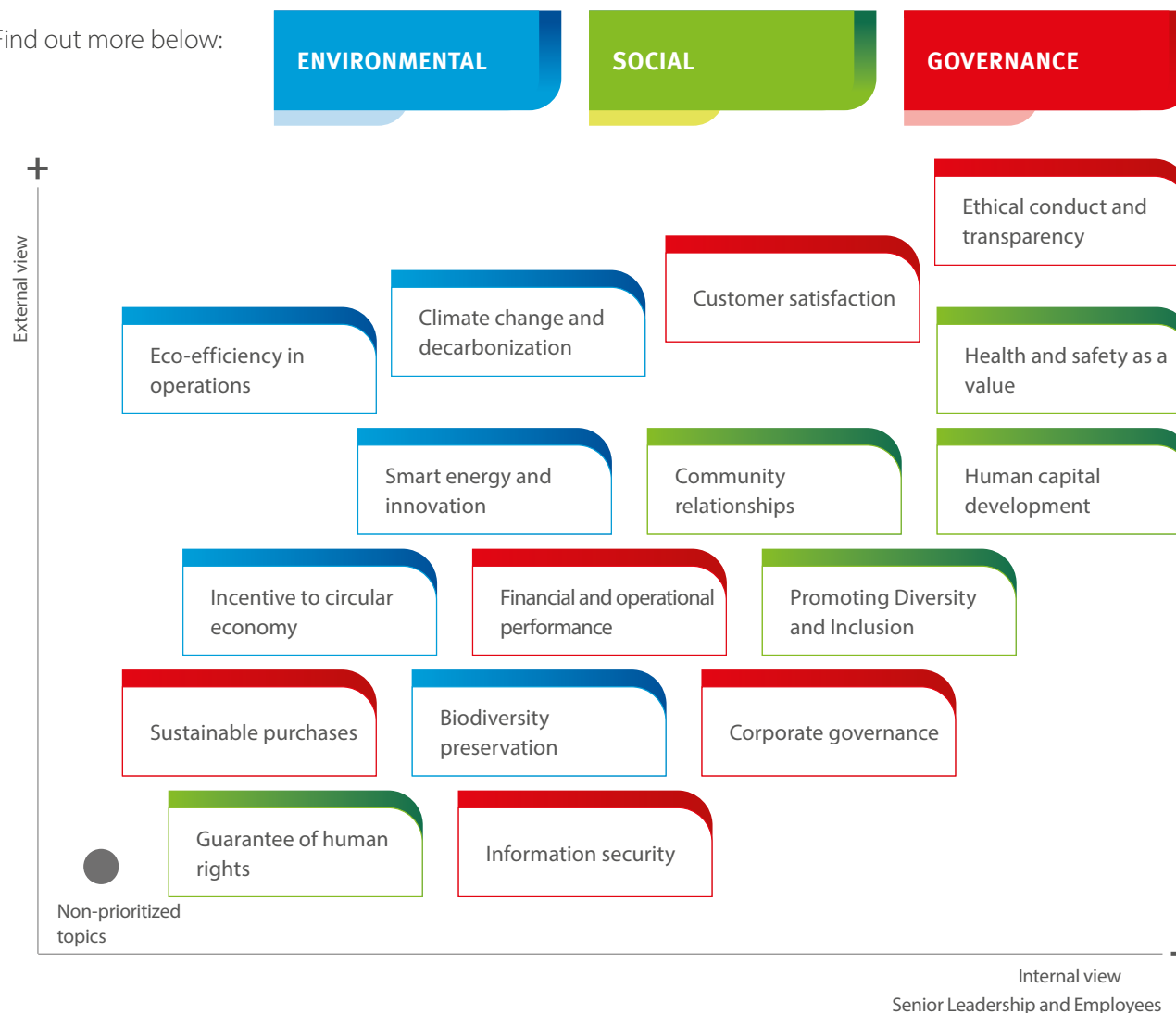
GRI 3-1 | 3-2

The CPFL Group's Materiality study was updated in 2022 through a partnership with an independent specialized company. The process considered online consultations, submitted to five mapped relevant stakeholders, and analysis of secondary sources, related to these and other (internal and external) stakeholders of the Company. The following players were consulted: associations, customers, employees, communities, investors, suppliers and the press. We searched publications and studies from competitors, regulators and civil society.

The audiences were asked to prioritize the suggested themes according to their perception of impacts on the sector and on the business, as well as the Sustainable Development Goals (SDGs) most relevant to our chain. In addition to these consultations, we also used market research, our 2020 Materiality study and the construction of the 2030 ESG Plan as references.

The consolidation of the steps resulted in 16 priority material topics for the CPFL Group, revealing the refinement in the nomenclature of these themes to make them clearer. In addition, "Promotion of Diversity and Inclusion" and "Ethical Conduct and Transparency" gained greater importance in the materiality result compared to the previous year. These should guide our actions and leadership decision-making more assertively, especially with regard to ESG initiatives.

Find out more below:



The prioritized SDGs, in turn, are those mentioned in our SDG map (check it out on page 171).

## 2030 ESG Plan

Aiming to further evolve our ESG agenda - as we have rapidly advanced in the commitments previously announced in the Sustainability Plan 2020-2024 - CPFL Energia developed and approved the ESG 2030 Plan, in November 2022, together with its leadership and internal stakeholders.

The process to reach the new commitments involved the analysis of trends and practices in the electric sector, including critical issues for the future of the business; internal diagnosis; interviews with leaderships; and the construction of proposals by the internal areas with 12 thematic meetings.

So, from a viewpoint interconnected with the Strategic Planning roadmap, taking into account a long-term view and the results achieved so far, we have reached the validation of our new ESG strategy. It is worth reinforcing that the unfinished commitments of the 2020-2024 Sustainability Plan were incorporated into the 2030 commitments, in order to maintain a continuous performance.

**The main challenges of the new ESG Plan are the greater coverage of ESG aspects and the long-term vision (2030) more aligned with the 2030 Agenda and the United Nations Sustainable Development Goals (SDGs).**

Driving the transition to a more sustainable, safe and intelligent way of producing and consuming energy, while maximizing our positive impacts on society, summarizes the objective of the ESG 2030 Plan.

Next, we detail the structure of the strategy in four pillars, our long-term vision for the incorporated themes, as well as the 23 publicly assumed commitments.



CPFL Renováveis Wind Farm in Ceará

	RENEWABLE & SMART SOLUTIONS	SUSTAINABLE OPERATIONS	SOCIETY SHARED VALUE	SAFE AND RELIABLE OPERATION
OUR LONG TERM VISION	<p>Offering solutions for a carbon neutral future</p> <ul style="list-style-type: none"> <li>» <b>Decarbonization</b> Promote a carbon neutral business based on renewable energy and minimal emissions</li> <li>» <b>Smart energy</b> Promote and implement smart energy solutions</li> </ul>	<p>Aiming for the smallest possible environmental footprint</p> <ul style="list-style-type: none"> <li>» <b>Eco-efficiency</b> Continuously advance in the efficient use of natural resources</li> <li>» <b>Circular economy</b> Integrate the circularity perspective into our operations</li> <li>» <b>Biodiversity</b> Maximize our net positive impact on biodiversity</li> </ul>	<p>Creating shared value with our stakeholders</p> <ul style="list-style-type: none"> <li>» <b>Customer relationship</b> Promote a customer-oriented culture</li> <li>» <b>Community</b> Be part of the solution to the social challenges in our communities</li> <li>» <b>Diversity</b> Create an inclusive culture, leveraging the diversity potential</li> <li>» <b>Sustainable purchases</b> Promote the sustainable development of our supply chain</li> </ul>	<p>Promoting a security and responsibility culture</p> <ul style="list-style-type: none"> <li>» <b>Health and safety</b> Ensure a safe and healthy environment for everyone</li> <li>» <b>Corporate governance</b> Seek the best governance and integrity standards</li> <li>» <b>Data protection and security</b> Ensure transparency and alignment with the best data protection and security practices</li> </ul>
OUR COMMITMENTS	<ol style="list-style-type: none"> <li>1. Generate 100% renewable energy by 2030</li> <li>2. Be carbon neutral from 2025<sup>1</sup>, reducing 35%<sup>2</sup> of scope 1, 2 and 3 emissions by 2030</li> <li>3. Offer our customers with low-carbon solutions, with annual revenue targets from IRECs and carbon credits</li> <li>4. Achieve at least 15% electrification of the Technical Operational Fleet in the state of São Paulo<sup>3</sup> by 2030</li> <li>5. Invest at least R\$ 40 million in green hydrogen technologies by 2030</li> <li>6. Achieve at least R\$ 560 million in investments in smart energy solutions by 2027</li> </ol>	<ol style="list-style-type: none"> <li>7. Consolidate CPFL's eco-efficiency management program, setting goals by 2024 to promote conscious energy and water consumption and reduce waste sent to landfills<sup>4</sup></li> <li>8. Phase out single-use plastics in our administrative plants by 2025</li> <li>9. Create the CPFL Biodiversity Policy by 2025, in order to maximize the benefits and value generated by our operations for the environment and society</li> <li>10. Refurbish at least 70,000 power grid equipment<sup>5</sup> by 2030</li> <li>11. Guarantee 100% of the main components of the network destined for recycling or reverse chain systems</li> </ol>	<ol style="list-style-type: none"> <li>12. Invest at least R\$ 230 million in socio-environmental projects that maximize communities transformation by 2030</li> <li>13. Invest R\$ 140 million in energy efficiency initiatives in public hospitals by 2025</li> <li>14. Have 30% of women in leadership positions by 2030 and continuously work to increase diversity and representativeness</li> <li>15. Evaluate 100% of critical suppliers on sustainability criteria<sup>6</sup> and reach at least 85% of our spend<sup>7</sup> with companies that have advanced sustainability practices by 2030</li> <li>16. Maintain at least 90% of customer service through digital channels</li> <li>17. Maintain at least 1 distributor among the top 3 in the IASC - ANEEL Consumer Satisfaction Index</li> </ol>	<ol style="list-style-type: none"> <li>18. Strengthen the safety culture to reach zero fatalities, reduce the frequency and severity rate of accidents involving employees and service providers</li> <li>19. Invest R\$ 50 million in projects to raise awareness and reduce risks<sup>8</sup> for the population by 2030</li> <li>20. Promote a healthy work environment by raising awareness of mental well-being and establishing supportive actions for our employees</li> <li>21. Guarantee 100% of employees<sup>9</sup> trained in the Integrity Program</li> <li>22. Train 100% of administrative employees<sup>10</sup> in data protection and security</li> <li>23. Continually seek best practices in accountability, transparency, equity and responsibility</li> </ol>

<sup>1</sup> Neutralization in 2026 referring to the 2025 GHG Inventory. <sup>2</sup> Baseline for emission reduction: average scopes 1, 2 and 3 emissions from 2019 to 2021. <sup>3</sup> Distributors in the State of São Paulo <sup>4</sup> Waste disposal at Headquarters Campinas, EA Jundiá, Headquarters CPFL-T Porto Alegre, Headquarters RGE São Leopoldo, Former Headquarters RGE Caxias, CSC Indaiatuba, CPFL Serviços Rio Pardo. <sup>5</sup> Transformers, voltage regulators, reclosers. <sup>6</sup> As defined in SBM, critical for operation. <sup>7</sup> Distribuidoras + CPFL Renováveis - the portfolios of other businesses will be evaluated and worked on in the period, it is not possible to propose a target now <sup>8</sup> Guardian of Life and Safer Afforestation. <sup>9</sup> CPFL Energia, its subsidiaries and affiliates with the same management and governance model, in which CPFL Energia manages the administration <sup>10</sup> Except for employees with a suspended employment contract either by agreement between the parties or by legal imposition, as established in the CLT.

The execution, evolution and status of the 2030 ESG Plan goals, effective from 2023, are periodically monitored by the leadership bodies, including the Sustainability Committee, the Executive Board, the Strategy, Growth, Innovation and ESG Committee, and the Board of Directors, according to the structure of our Sustainability Management (learn more on page 62).

Below, you can also check the completion status for each of the commitments of the 2020-2024 Sustainability Plan:

SUSTAINABLE ENERGIES – Aiming for the smallest possible environmental footprint				
	Commitment	2022 Status	2022 Results	2022 Target
1	Maintain at least 95% renewable sources in our generation portfolio by 2024	Achieved	96%	95%
2	Reduce our carbon intensity by 10% by 2024	Achieved	-74% in carbon intensity <sup>1</sup> compared to base year 2018.	-10% in carbon intensity <sup>1</sup> compared to base year 2018.
3	Publish CPFL Energia's actions to adapt to climate change	Achieved	Completed	Completed
4	Refurbish at least 40 thousand equipment (transformers, voltage regulators, reclosers, among others) by 2024	Achieved	11,565 units	10,692 units
5	Guarantee the destination of 100% of the main network components for recycling or for reverse chain systems by 2024	Achieved	98%	95%

SMART SOLUTIONS – Offering solutions for the future of energy				
	Commitment	2022 Status	2022 Results	2022 Target
6	Implement telemetering for 100% of Group A customers by 2020	Achieved	Completed	Completed
7	Invest R\$ 350 million in automation of the distribution network by 2024	Achieved	97.18 million	78.81 million
8	Achieve 90% of customer service via digital channels by 2024	Achieved	91%	90%
9	Invest R\$ 60 million in the development of electric mobility technologies by 2024	Achieved	Completed	Completed
10	Offer our customers low-carbon solutions for energy transition	Achieved	100%	Ongoing

<sup>1</sup> (tCO2e Scope 1 + Scope 2 / R\$ million)



\* Unfortunately, due to the death of four of our outsourced workers in the period, the commitment was not met. However, we emphasize that Safety remains a non-negotiable value for CPFL Energia and we already have action plans in place to ensure that these cases do not recur in the next cycle. We also reinforce that the results related to our team were excellent, with an improvement with the population as well.

## SHARED VALUE – Maximizing our positive impacts on the community and the value chain

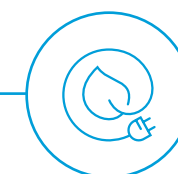
Commitment	2022 Status	2022 Results	2022 Target
<b>11</b> Invest R\$ 150 million in energy efficiency actions in public hospitals by 2022	Achieved	Completed	Completed
<b>12</b> Invest R\$ 200 million in energy efficiency actions for low-income communities by 2024	Achieved	26.04 million	20.16 million
<b>13</b> Maximize our positive impact on communities by investing R\$ 60 million in social projects by 2024	Achieved	18.10 million	14.00 million
<b>14</b> Continuously seek to improve health and safety indicators, intensifying our actions for employees, communities and suppliers	Not achieved	Specific Parameters*	Specific Parameters*
<b>15</b> Integrate sustainability aspects into the monitoring process for 100% of critical suppliers by 2024	Achieved	87.5%	80%



Throughout the chapters, we will use this symbol to mention the commitment made within the 2030 ESG Plan in relation to the topic in question.

***“We have already met most of the previously announced commitments, and we understand it is time to accelerate our activities. I am really happy we were able to approve even more ambitious measures.”***

**Rodolfo Sirol**, Sustainability and Environment Director at CPFL Energia.



# CPFL Energia Strategic Plan

Over the last few years, the Brazilian power sector has been undergoing a true transformation, considering phenomena such as the opening of the free contracting environment, which allows the migration of customers with increasingly lower consumption loads, to the increase in digitalization, a process that is directly linked to internal performance regarding network modernization, in addition to increasingly efficient customer services.

Additionally, it is necessary to understand the growing demand from society and the market for the pillars of sustainability and ESG to be adopted in a robust way, making them be put into practice in a continuous and integrated manner.

In this context, our strategic direction, built for a five-year horizon and reviewed in an annual basis,

has two fundamental pillars: 1. the optimization of current businesses and 2. the growth of segments in which we operate. It is worth mentioning that the Strategic Plan and the 2030 ESG Plan are integrated and connect the best market practices based on actions that bring benefits and add value both to the businesses and to the communities in which we operate.

## 1.

### Optimize current business

- » Safety: of our people, assets, financial and IT;
- » Focus on the customer: be a Company that is focused on the best experience for its customers;

## 2.

### Growth in business segments

- » M&A and greenfield projects in generation and transmission;
- » Consolidation culture (Plug&Play structure)

SMART NETWORKS

DIGITALIZATION

MARKET LIBERALIZATION

FOCUS ON THE CUSTOMER

ESG FOCUS

# Safe and reliable operation

52

Corporate governance

63

Ethics and transparency

66

Privacy and data protection

68

Security: a non-negotiable value

75

Health and quality of life

## Related SDGs

4

QUALITY  
EDUCATION



16

PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



CPFL employees

# Corporate governance

GRI 2-1 | 2-9 | 2-12 | 2-13 | 2-23 | 2-24 | 2-25 | 2-29 | 3-3



20. Continually seek best practices in accountability, transparency, equity and responsibility.

CPFL Energia is a publicly-held company, holding company of the CPFL Group, with shares (CPFE3) traded on B3 – Brasil, Bolsa, Balcão S.A. (B3) - the São Paulo stock exchange. The shares are listed on the Novo Mercado segment, which establishes the highest standards of corporate governance and the adoption of practices that favor transparency, independence, diversity and accountability.

Our performance in governance has as its major objective to add value to stakeholders in a sustainable, transparent, isonomic, and responsible way, considering the economic, social, and environmental reality in which our business is inserted.

The CPFL Group has a solid governance structure, which is in line with the best corporate practices in the market involving the Company's ethics, sustainability and growth vision. We seek an environment of continuous interaction between shareholders, Board of Directors (BoD), BoD Advisory Committees and Commissions, Fiscal Council and Board of Executive Officers.

All our corporate governance bodies seek sustainable results in the medium and long term and promote a culture centered on our Mission, Vision, and Values.

The management, control and ongoing improvement of the CPFL Group's governance processes are carried out by the Corporate Governance Board, which functionally reports to the Board of Directors of CPFL Energia, operating on several fronts to ensure the adoption of best Corporate Governance practices.

The Corporate Governance Board is composed of two departments, that is, the Corporate Governance Management and the Legal and Corporate Management, which includes the Board's Coordination of Strategic Affairs.

The Coordination of Strategic Affairs of the Board of Directors follows up on strategic themes and projects of interest to the Board of Directors, monitoring the execution and development of the themes discussed by the Board of Directors with the support of the business areas of the CPFL Group. As a result of the work developed, and through the presentation of KPIs, the Board of Directors has an innovative management tool in the Brazilian market that ensures control, compliance, transparency and corporate responsibility in the governance processes of the CPFL Group. In 2022, the coordination monitored 142 themes and released 20 newsletters on relevant issues.

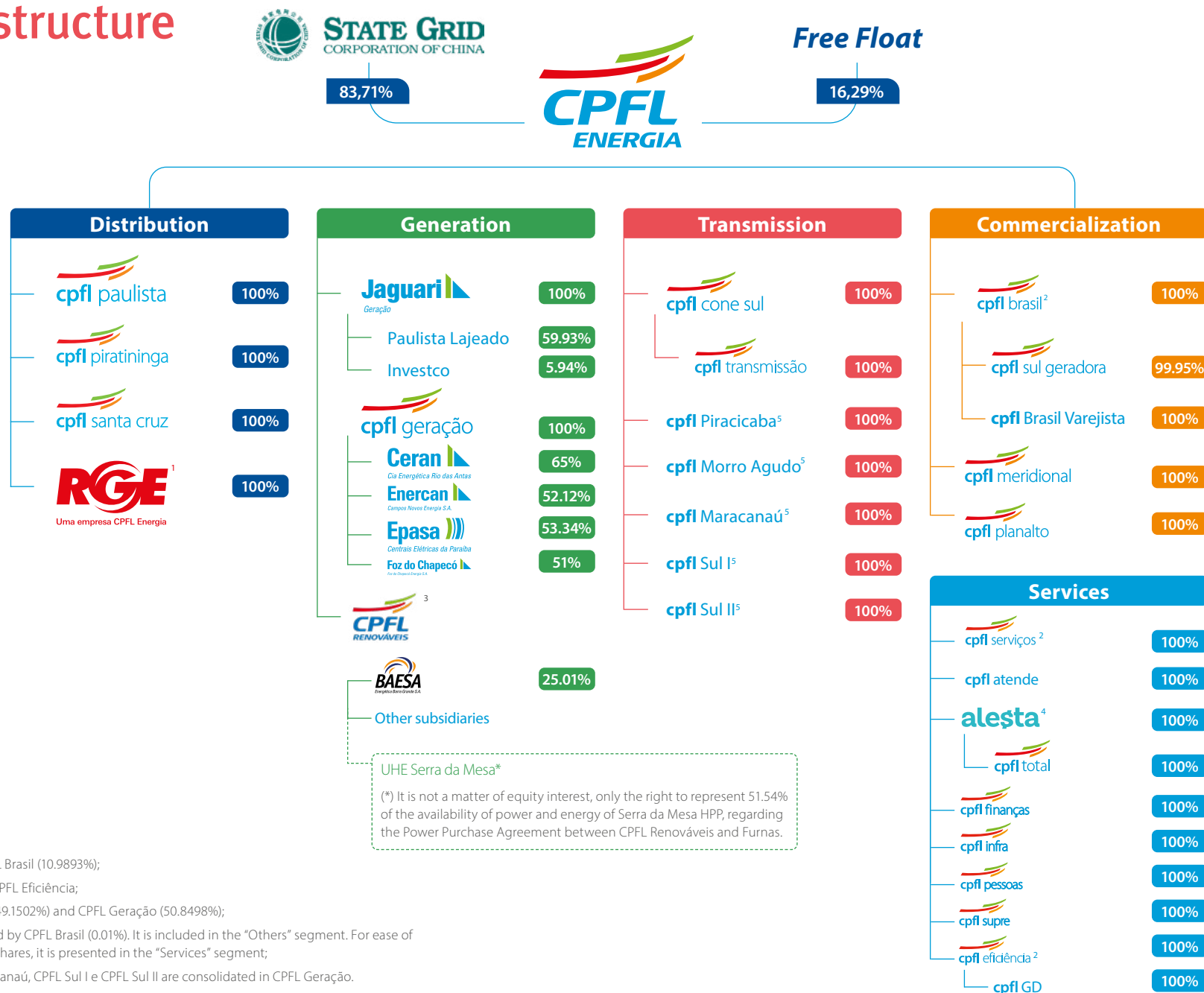


# Shareholding structure

GRI 2-1 | 2-2

Our direct controlling shareholder is State Grid Brazil Power Participações S.A. (SGBP), controlled by State Grid Corporation of China (SGCC), one of the largest companies in the world and a world leader in the power sector.

SGBP holds 83.71% of CPFL Energia's share capital, and the remaining 16.29% is traded on B3 (free float).



Notes:

- RGE is held by CPFL Energia (89.0107%) and CPFL Brasil (10.9893%);
- CPFL Soluções = CPFL Brasil + CPFL Serviços + CPFL Eficiência;
- CPFL Renováveis is controlled by CPFL Energia (49.1502%) and CPFL Geração (50.8498%);
- Alesta is controlled by CPFL Energia (99.99%) and by CPFL Brasil (0.01%). It is included in the "Others" segment. For ease of viewing and as it has incorporated CPFL Total's shares, it is presented in the "Services" segment;
- CPFL Piracicaba, CPFL Morro Agudo, CPFL Maracanaú, CPFL Sul I e CPFL Sul II are consolidated in CPFL Geração.

## About State Grid

Currently, State Grid Corporation of China (SGCC) ranks third in the Fortune Global 500 by revenue, according to Fortune magazine. The company serves more than 1.1 billion people in 26 provinces, autonomous regions and municipalities, covering about 88% of China's territory, with power transmission and distribution services.

In all the countries where it operates, SGCC is guided by the principle of being a responsible organization that seeks to promote social well-being and the development of an energy matrix with less carbon intensity. For this reason, there are massive investments in accelerating more sustainable energy options in the generation segment, electric car connectivity and low carbon solutions.

**4** continents

**9** countries and regions

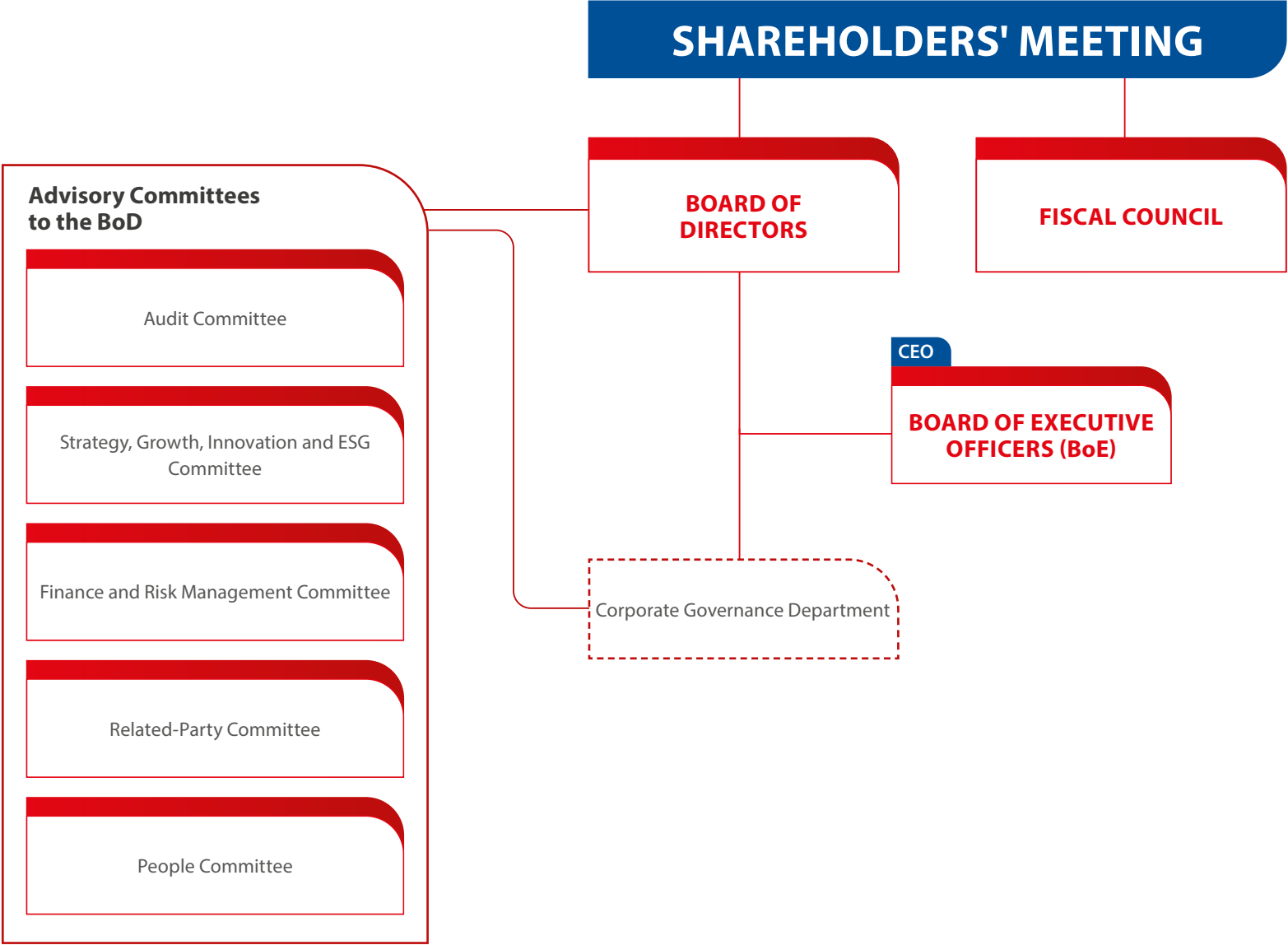
**3rd place**  
in the Global 500 ranking of  
the Fortune magazine

**Over 21 thousand**  
Foreign employees

Coverage of  
**of 88% China's territory,**  
serving  
**1.1 billion people**

# Governance Structure

The actions and deliberations taken by the governance bodies of CPFL Energia must be in compliance with the Bylaws, Corporate Governance Guidelines, Internal Regulations and Corporate Governance Policies - all documents are public and available on our Investor Relations website.





## Appointment

The CPFL Group's Appointment Policy, approved by the Board of Directors, defines the procedures, guidelines and criteria that must be observed by the Company in the process of nominating members of the bodies, always in line with the best governance and market practices.

The selection and nomination process of candidates takes into account, among other aspects:

Adequacy of the candidate's curriculum to the activities and attributions inherent to the respective position; Adequacy to the ethical rules listed in the CPFL Group's Code of Ethics and Conduct, as well as upstanding posture and unblemished reputation; Candidate's availability to have time for diligent exercise of the function; Complementarity of skills, experiences.

The appointing process shall also consider diversity of knowledge, of experiences of plural people, such as People with Disabilities, women, LGBTQIAP+, black people and people of different generations and nationalities, to allow the Company to benefit from different points of view in an effective debate in the quality decision-making process.

After election and investiture, to increase collective knowledge about the topics related to ESG and sustainable development pillars, we have initiatives and lectures, such as the Continuous Education Internal Program (CEIP), for members of the CPFL Group's governance bodies, bringing an increasingly deeper understanding of the CPFL Group's corporate sustainability, including industry trends, macroeconomic projections and customer-focused projects. For this reason, the Board of Directors plays a key role in the approval and application of our [ESG Plan](#).

In addition, the elected members participate in the continuing education program organized by the Corporate Governance Board, which seeks the constant improvement of the members in relation to the best governance practices and topics related to the duties and responsibilities of the CPFL Group's administrators.

## Conflicts of interest

Conflict of interest guidelines are addressed in the Conflict of Interest Procedure (GED 18.940), which provides for the rules for applying the Conflict of Interest Form, as well as for identifying and managing situations that may constitute a real, potential and/or apparent conflict of interest.

The mandatory information provided by employees on the Conflict of Interests Form is for information purposes and is intended to support the assessment of CPFL Group's level of exposure in relation to conflict of interest situations and the improvement of the Integrity Program.

In this aspect, as one of the mechanisms to prevent and mitigate possible conflicts of interest, the corporate governance documents, such as Internal Regulations, Related-Party Policy, and Corporate Governance Guidelines state that the Governance Agents are responsible for preventing and managing situations of conflict of interest or divergence of opinion, and must abstain from participating in a meeting that has a real or potential conflict of interest.

The BoD members must also declare compliance with the requirements set forth in art. 147 of Law 6.404/76 and CVM Resolution 80/2022, which includes not having conflicting interests with the Company and if an eventual conflict is identified in a Board of Directors meeting, it will be expressly stated in the meeting's minutes, duly disclosed to the market.



## Board Of Directors (BoD)

GRI 2-10 | 2-11 | 2-15 | 2-17 | 2-18 | 2-19 | 2-20

According to our governance structure, the CPFL Energia's Board of Directors is responsible, among other functions, for strategically directing the business and making decisions with greater impact on stakeholders, defining and ensuring compliance with corporate policies and preserving the purpose, the social objective and the corporate governance system of CPFL Group (it has no executive function).

### Evaluation

On an annual basis, the Board of Directors members carry out a self-assessment with the purpose of officially evaluating the body's performance in meeting its objectives, as well as analyzing the BoD's level of knowledge about the CPFL Group's businesses in relevant matters. Through this dynamic, board members seek to identify opportunities for improving processes regarding matters subject to BoD approval.

It is worth noting that the questionnaire contains questions related to the social and environmental impacts generated by the business, in addition to an agenda focused on sustainability, environment, and governance issues.

The results of the self-assessment are analyzed by the Corporate Governance Board and disclosed to all members. Through self-assessment, the effectiveness of the BD is analyzed and allows the body to engage in an improvement process through the implementation of action plans, enabling a culture focused on effective decision making.



Santos - SP

## Compensation

According to CPFL Group's Compensation Policy approved by the Board of Directors on December 16, 2021, the effective members of the Board of Directors are paid fixed monthly compensation (honoraria), not linked to their participation in meetings of the body. In turn, alternate directors, when elected, do not receive fees, unless they replace the sitting director to whom they are linked.

The Board of Directors' fees are periodically reviewed through market research, carried out in partnership with a specialized company. Possible adjustments are defined by the Board of Directors, with the support of the People Committee, and subsequently submitted for appraisal in the Company's Shareholders general meeting. With the exception of the Audit Committee, no Board of Directors member receives additional compensation for their duties as a member in other Advisory Committees and/or Committees. In addition, there is no payment of variable compensation to Board of Directors members.

## Board of Directors Composition

The BoD is made up of seven members, two of whom are independent and a woman, with a two-year term of office and possibility of re-election. In 2022, there was an election that defined the new Chairman, Mr. Daobian Chen, and a new member, Ms. Liu Yanli. The change in the BoD composition represents oxygenation into the body and the opportunity to introduce new knowledge and expertise, including with greater gender diversity.

Name	Position	Independence
Mr. Daobiao Chen	Chairman	External member
Mr. Gustavo Estrella	Member	CPFL Energia CEO
Ms. Liu Yanli	Member	External member
Mr. Yumeng Zhao	Member	External member
Mr. Yuehui Pan	Member	CPFL Energia CFO
Mr. Antonio Kandir	Independent member	Independent
Mr. Marcelo Amaral Moraes	Independent member	Independent

To access the Reference Form, [click here](#).

To learn about the résumés, professional experience, positions and commitments, as well as the core competencies of the Board of Directors members, [click here](#).



## Board of Executive Officers

GRI 2-19 | 2-20

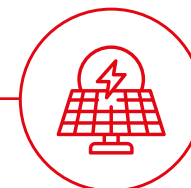
The Executive Board, among its duties, conducts the Company's business and is responsible for executing the strategy defined by the BoD, in addition to submitting proposals to such body, when applicable, always with the aim of protecting the CPFL Group's assets.

### Remuneration

The members of the Executive Board, in addition to fixed monthly compensation, are entitled to benefits and variable compensation, also receiving short and long-term incentives, in accordance with corporate and individual goals, established in accordance with the Company's Strategic Plan and previously defined and approved by the Board of Directors. The variable remuneration contract for all Executives includes the ESG target, composed of subgoals related to the 2020-2024 Sustainability Plan, performance on the B3 ISE, Decarbonization Strategy, Diversity in the Company and Ethical Conduct training.

According to the [compensation policy](#) on variable remuneration, the possibility of its partial or full reduction is agreed upon, after deliberation by the BoD, in extraordinary cases of exceptional gravity, with evident impacts on the market value and/or the Company's reputation, whose causes originated during the term of office of the board of directors member.

The monitoring and evaluation of the Executive Board performance in terms of meeting its annual targets, in turn, are presented to the Board of Directors, with support from the People Committee. The fixed remuneration is periodically reviewed through market research carried out by a specialized company. Possible adjustments are defined by the Board of Directors with the support of the People Committee, and subsequently submitted for appraisal in the Company's Shareholders general meeting.



### Executive Board Composition

Name	Position
Gustavo Estrella	Chief Executive Officer
Futao Huang	Strategy, Innovation and Business Excellence Vice-President Executive Vice-President (Interim)
Yuehui Pan	Finance and Investor Relationship Vice-President
Luís Henrique Ferreira Pinto	Regulated Operations Vice-President
Karin Regina Luchesi	Market Operations Vice-President
Gustavo Pinto Gachineiro	Legal and Institutional Relation Vice-President
Vitor Fagali de Souza	Business Development Vice-President
Flávio Henrique Ribeiro	Corporate Management Vice-President

To see the CVs and professional experience of the Executive Board members, [click here](#).  
To access the Reference Form, [click here](#).

## Advisory Committees to the Board Of Directors

In order to assist in the decision-making and monitoring of relevant and strategic themes of the BoD, ensuring greater assertiveness and efficiency, the Board of Directors has the support of five Advisory Committees, with permanent operation and members elected in accordance with its Internal Rules of Procedures, composed of three members whose terms of office are two years as of the signing of their respective Terms of Office, reelection being allowed.

### Strategy, Growth, Innovation and ESG

**Committee** is responsible for monitoring, analyzing and evaluating the CPFL Group's Strategic Plan and Sustainability Plan, as well as monitoring and analyzing the operational strategy of the CPFL Group's business. In addition, it performs the periodic review of corporate governance documents and monitors performance in ESG indicators and awards in which the CPFL Group participates.

The **People Committee** monitors the nomination process for members of the CPFL Group's governance bodies and the compensation criteria for these members, including the Short Term Incentive Plans (ICP) and Long Term Incentive

Plans (ILP). It also monitors and analyzes the Succession Plan and accompanies the diversity practices in the composition of the CPFL Group's administrative bodies, as well as the management practices, people development and guidelines for attracting and retaining talents.

The **Finance and Risk Management Committee** analyzes and monitors matters related to the economic-financial performance of the CPFL Group, such as dividend declarations and declarations of interest on equity, recommending protective measures for possible financial risks. It also analyzes the CPFL Group's proposed annual budget and multi-year continuous budget and plans to raise funds.

The **Related-Party Committee**, composed of a majority of independent members, is responsible for the strategic evaluation of transactions involving Related Parties under the terms of CPFL Energia's Bylaws, analyzing the procedure for selecting and contracting suppliers and service providers applied to the transaction, as well as the process for closing energy purchase and/or sale contract(s).

Finally, the **Audit Committee** provides the Board of Directors with information, opinions and proposals to ensure that the CPFL Group's business and operations are guided by sound and quality accounting and financial controls, serving as an auxiliary, consultative and advisory body, without decision-making power or executive attributions. This committee is governed by its own internal regulations and composed of three independent members, two of whom are also independent members of the Board of Directors - all with recognized experience in corporate accounting matters, in accordance with the B3 Novo Mercado Regulations.

These Committees make monthly reports to the BoD about their scope of action, in order to guarantee a broader view of the Company to the directors, subsidizing the BoD in its decision making process.

To see the CVs and professional experience of Advisory Committees members, [click here](#).

To learn more about their regulations and specific competencies, [click here](#).



# Risk Management

GRI 201-2

Risk Management at CPFL Energia is an extremely important front for our corporate governance, as it integrates both the Company's internal and external corporate risks, the main trends that may affect the business, as well as strategic risks.

The approach of the corporate risk management model, in turn, is based on four pillars, namely:

- **Planning:** consists of identifying existing and potential risks, through an annual survey carried out by the Audit, Risks, Compliance & DPO Board with executives, in addition to sources such as strategic planning, changes in regulation and legislation;
- **Execution:** refers to the development of risk models and/or indicators, as well as the establishment of acceptable risk limits;
- **Checking:** encompasses limit management through ongoing exposure monitoring;
- **Action:** discusses the development and implementation of mitigation plans to maintain exposures within established limits, involving timely reporting to interested parties.

Indicators and limits are continuously evaluated and, when necessary, the Executive Board proposes changes and submits them for deliberation by the Board of Directors.

As a method to expose the main trends that affect our business, as well as the main strategic risks to which we are exposed, we have the CPFL Energia Corporate Risk Map. It is organized into the following categories: Financial, Operational, Legal, Energy Market, Sectorial Regulation, Environmental and Reputation. They are all regulated by the Corporate Risk Management Policy, approved by the Board of Directors (this Policy provides models, indicators and risk exposure limits, detailing the treatment and required reporting in case of extrapolation).

We emphasize that the Corporate Risk Map includes strategic information from CPFL Energia and is submitted monthly to the directors responsible for the risk models for analysis and discussion.

Also, in the case of the Environmental category, it is worth mentioning that CPFL Energia has increasingly focused on climate risks, as the issue represents not only a point of attention for the business, but also a global concern. In this sense, over the next few cycles, we will consistently improve our management of the topic.



CPFL employees

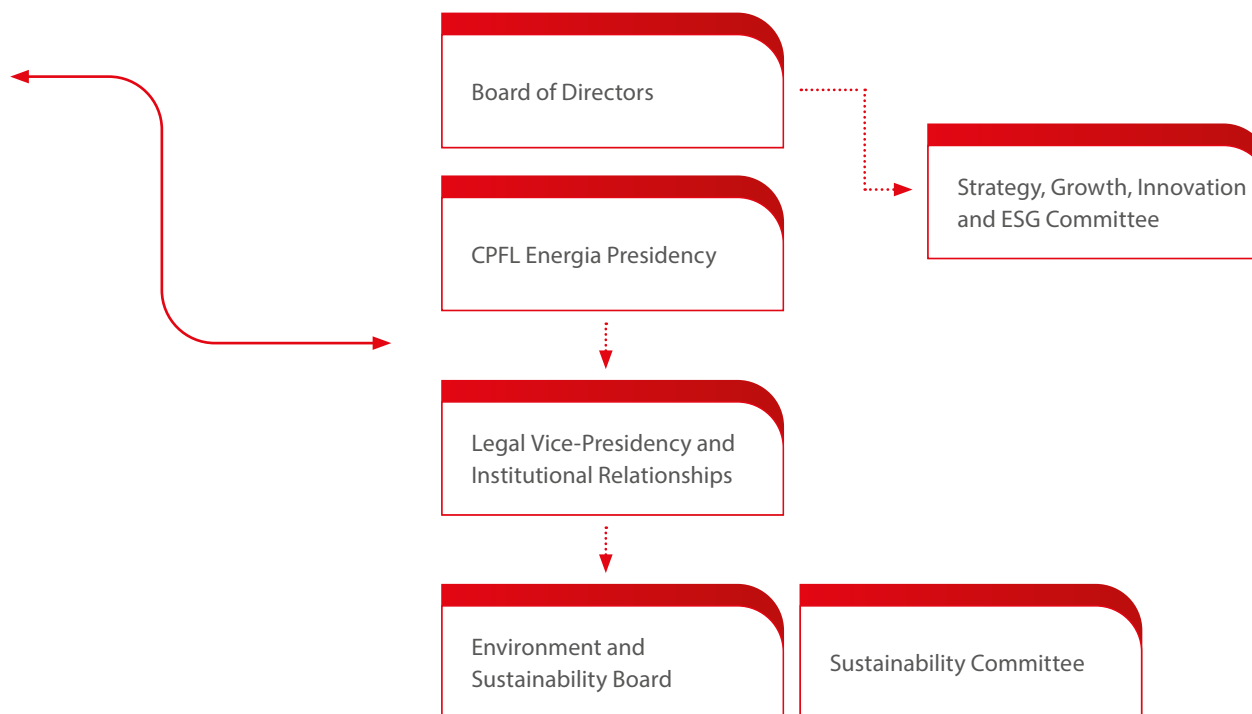
# Sustainability Management

GRI 2-12 | 2-13

- » **Board of Directors:** monitors the actions of the ESG 2030 Plan and observes aspects related to ESG impacts, in addition to regulatory and corporate guidelines;
- » **Strategy, Growth, Innovation and ESG Committee:** monitors the ESG 2030 Plan, the Sustainability Platform and other initiatives related to the topic, working with the Board of Directors for deliberations when necessary;
- » **CPFL Energia Presidency:** manages and leads issues related to sustainability, as well as defines and guarantees compliance with the legal principles and norms on the subject;
- » **Legal Vice-Presidency and Institutional Relationships:** analyzes and recommends sustainability issues whose approval level is from the Executive Board or the BoD, observing the definition and guarantee of compliance with the legal principles and rules on the subject;
- » **Environment and Sustainability Board:** proposes strategies and ensures the implementation of the ESG 2030 Plan, delivering results for the business;
- » **Sustainability Committee:** monitors the ESG 2030 Plan on a quarterly basis, evaluates and recommends the inclusion of socio-environmental criteria and guidelines in decision-making processes, proposes the development of new projects and monitors trends and critical issues under external scenarios.

Committed to increasingly advancing in the incorporation of guidelines and structuring of the Company's sustainability themes, CPFL Energia has a highly qualified management team guided by the main trends in corporate sustainability. The objectives include but are not limited to the management of the Sustainability Plan – updated to an ESG Plan as of 2023, including the assessment of environmental, social and corporate governance aspects, and the search for continuous improvement.

Decision-making involves, vertically, the various governance bodies, and, on a quarterly basis, the Sustainability Committee, the Executive Board, the Strategy, Growth, Innovation and ESG Committee, and the Board of Directors monitor the execution and evolution of the Plan, in order to chart new paths whenever necessary.



# Ethics and transparency

GRI 2-23 | 2-24 | 3-3

CPFL Energia's activities in all its businesses are guided by our Ethics and Transparency principles, which means we are in line with the required laws and regulations, in addition to maintaining a responsive relationship with stakeholders.

Such principles are applied in our day-to-day activities through the Code of Ethical Conduct, which is periodically revised by the Board of Directors, as well as through the Company's internal policies, such as the Anti-Corruption Policy.

The documents are intended to guaranteeing compliance and integrity of the CPFL Group in all its activities and projects, including employees, customers and suppliers.

*CPFL employees*



## ISO 37001: 2017

In November 2022, CPFL Energia was certified by ISO 37001:2017. The audit on the scope of "management and operation of the anti-bribery management system referring to Holding CPFL Energia's processes related to public concession operations" was recently conducted, assessing our policies, processes and procedures.

The process started in April and comprised the following stages: Integrity Program diagnosis; internal audit with the document phase, followed by requirements and systems analysis; and, finally, the external audit performed by the certifying body. The certification is valid for three years, with annual maintenance.

With the ISO 37001 certification, CPFL Energia is in line with the adoption of best practices regarding the prevention of bribery and corruption, according to internationally recognized standards, promoting the continuous improvement of the Integrity Program.

Furthermore, it brings competitive value in the market, since it increases the internal and external public's credibility, reaffirming the company's commitment to conduct its business guided by the highest ethical standards.

# CPFL Integrity Program

GRI 2-24 | 2-29 | 205-2 | 205-3

CPFL Group seeks to ensure that, during the development of its activities, the actions of its employees, suppliers, commercial partners and other stakeholders, who may act in its interest or benefit, are based on integrity and legality. To this end, we have the Integrity Program duly implemented, which formalizes our commitment to conduct business ethically, transparently, and guided by the highest compliance parameters. The Program is subject to the Anticorruption and Anti-bribery Rules, among which we highlight the Anticorruption Law (Law No. 12,846, of August 1, 2013) and its Regulatory Decree No. 11,129 of July 11, 2022, based on the values and principles of the CPFL Group. In line with the guidelines of

anti-corruption legislation, the CPFL Group has an Internal Anti-Corruption Policy.

The Program is supported by pillars and mechanisms to endorse our decisions, actions, improvement of internal controls and anti-corruption practices in all processes. Its management, supported by the Compliance Risk Assessment (CRA) and the Sensitive Audience Mapping, is responsible for assessing risks of corruption, ethical deviations and misconduct in operations, as well as the appropriate measures for each case.

During the year, training and communication actions are prepared in order to reach 100% of our workforce.

These actions address the guidelines of the main norms of the Integrity Program, such as, for example, the Code of Ethical Conduct and the Anti-Corruption Policy. Acceptance of and commitment to the Code of Ethical Conduct are carried out by means of e-learning, which makes up the mandatory track for all employees.

As in other years, we declare that in 2022 no cases of corruption involving the CPFL Group were identified or reported.



**21.** Guarantee 100% of employees trained in the Integrity Program.

Employees trained in anti-corruption guidelines							
		2022		2021		2020	
Job Level	Location	Trained employees	Percentage over total	Trained employees	Percentage over total	Trained employees	Percentage over total
Leadership*	SOUTHEAST	585	99%	560	90%	519	88%
	SOUTH	128	100%	160	98%	158	97%
Other employees**	SOUTHEAST	9,573	88%	7,677	78%	6,550	80%
	SOUTH	3,936	97%	3,378	100%	3,383	99%
TOTAL		14,222	91%	11,775	84%	10,610	88%

91% of CPFL Energia employees were trained in anti-corruption in 2022.

\* Leadership includes directors, managers, coordinators, supervisors and leaders.

\*\* It excludes employees on leave.



## Ethics Channel

GRI 2-16 | 2-25 | 2-26

CPFL Group has an Ethics Channel managed by an independent external company contracted to receive ethical records (denunciations, consultations and suggestions), ensuring the integrity, confidentiality of information and anonymity of users. The Ethics Channel is available to all of the Group's stakeholders, 24 hours a day, every day of the year. The Company prohibits any practice of retaliation against reports made in good faith which, if proven, will be subject to disciplinary measures.



Learn more at:  
<https://www.grupocpfl.com.br/institucional/canal-de-etica>

Also, the Ethics and Compliance area is responsible for monthly reporting the indicators related to the Ethics Channel to the Company's executives, using the Flash Report system. In addition, face-to-face presentations are made every six months to the Executive Board and the Board of Directors.

In 2022, we totaled 936 ethical records in the Ethics Channel, with disrespectful treatment being the main typology.

CPFL Energia Ethics Channel is available 24 hours a day, seven days a week and can be accessed by anyone using the following devices:

**0800 601 8670**

[www.contatoseguro.com.br/cpflenergia](http://www.contatoseguro.com.br/cpflenergia)

[eticacpfl@contatoseguro.com.br](mailto:eticacpfl@contatoseguro.com.br) (e-mail)

Apple Store e Google Play (app)



CPFL customer

# Privacy and data protection

GRI 2-23 | 2-24 | 2-29 | 3-3

**The commitment to data security and personal information of customers, employees and other stakeholders has always been present in the relationships and business we carry out.**

The entry into force of the Brazilian General Data Protection Law (Lei Geral de Proteção de Dados, LGPD) strengthened this responsible performance of CPFL Group with the structuring of the Governance and Data Protection Program, effective from 2021. This is considered a guide to ensure legal compliance, foster a data protection culture, ensure legitimate, ethical, and responsible data processing, without abusive or illegal discrimination, respecting the individuals' fundamental rights and guarantees in a safely manner.

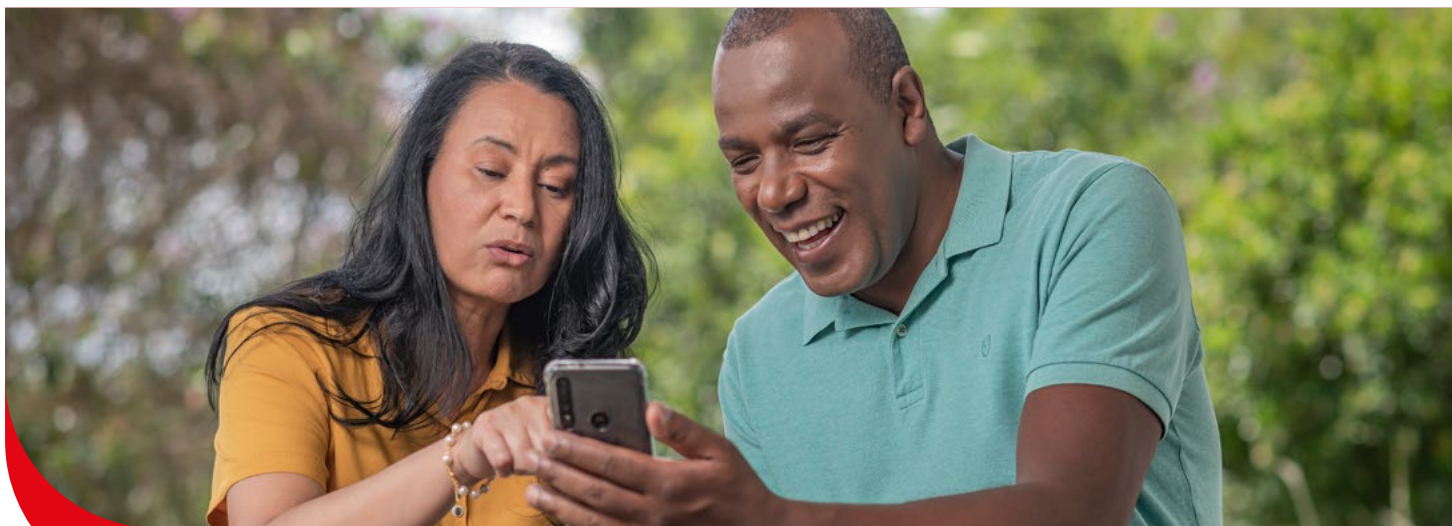
Its application permeates several areas of the Company and, through the Program, we make a commitment to society to carry out data processing in a legitimate, ethical, responsible, safe manner, without abusive or illegal discrimination, and with transparency to the data subject, in CPFL Group's various relationships and businesses.

Individuals' data protection in CPFL Group is closely linked to its maturity and secular tradition in personal security, which has been the theme included in the commitments established in the Group's Code of Ethical Conduct.

Transparency with the data subject is materialized in the privacy notices made available by the Group, in which information is provided on how our various segments treat individuals' personal data, as well as through the exclusive channel for meeting the data

subjects rights under the terms of the LGPD (both available through its website).

To manage the Program, processes and methodologies were instituted to monitor and control internal activities that use individuals' personal data to carry out their tasks, in addition to executive reports to committees and councils. This process guarantees transparency regarding the management of the Governance and Data Protection Program, sharing topics of greater relevance for discussion and decision-making.



CPFL customers

To keep the Program up to date, the CPFL Group also performs actions to identify and continuously monitor risks to data subjects, incorporating internal controls into the area's routine.

In order to manage the Program, CPFL Group has a team assigned to Data Protection Management, which reports to the Audit, Risks, Compliance and DPO Board.

The Data Protection Management, in turn, works together with the business, technology and infrastructure areas, advising on the data protection requirements to be implemented, and focusing on mitigating or eliminating privacy risks for the personal data subjects and the business sustainability.

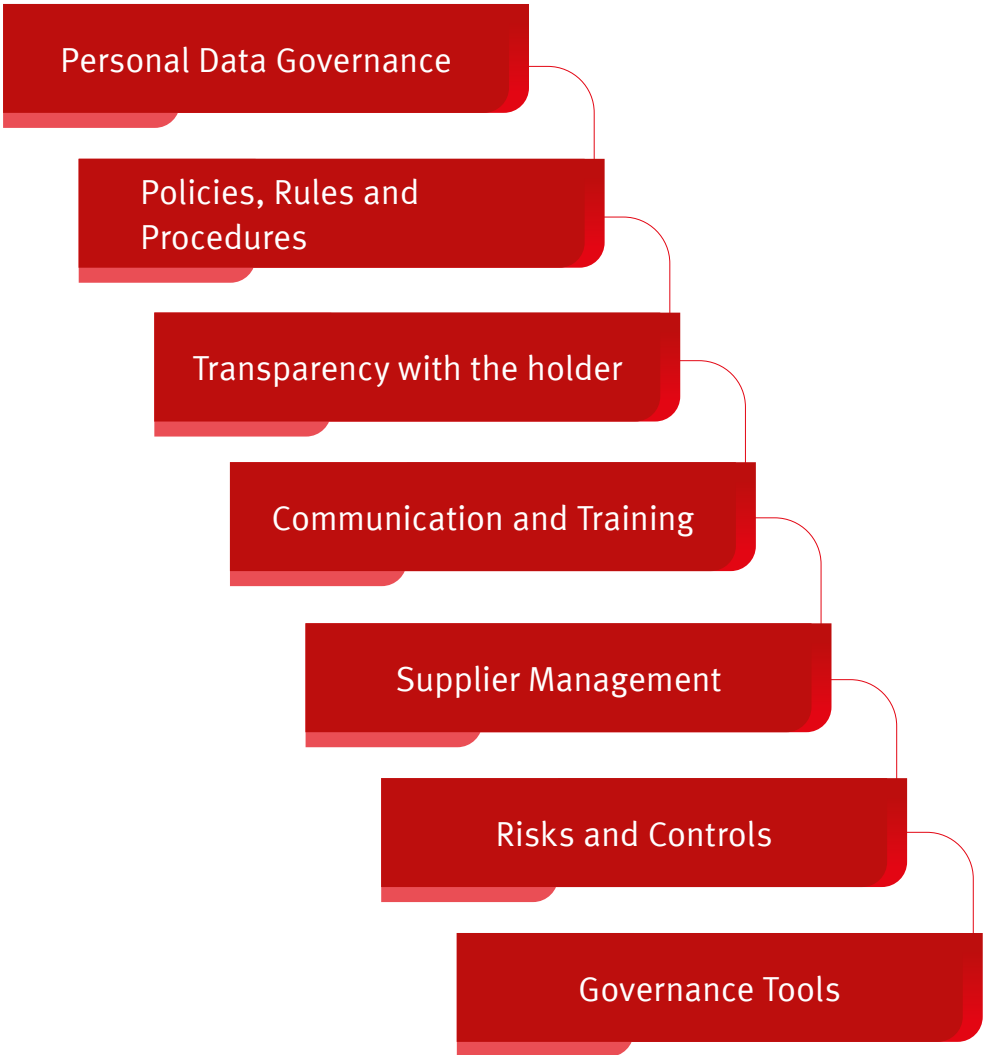
We believe that the LGPD requires the integration of a new culture inside and outside the Company, and therefore we work with internal and external acculturation actions. We aim to increase the maturity of our employees and partners with regard to new legal and regulatory requirements through mandatory training, workshops, advertising, lectures and courses related to privacy and data security.

It is worth mentioning that, in 2022, the CPFL Group established a commitment in the UN Global Compact related to Personal Data Protection.



22. Train 100% of administrative employees in data protection and security.

**Pillars of the Data Protection Governance Program:**



# Security: a non-negotiable value

GRI 2-29 | 3-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-7 | 403-8 | EU14 | EU21 | EU24

## For us, safety comes first.

As a non-negotiable value for CPFL Energia's operations, in line with the prerogatives of our majority shareholder, State Grid, we are committed to ensuring the physical safety of all our employees, outsourced workers, suppliers, customers and the community.

We seek to innovate in our projects and initiatives on a daily basis in order to increasingly mitigate the risks of interaction between these stakeholders and the power grid. It is not a coincidence that 2022 was the year in which we invested the most in safety, considering our entire trajectory, with a focus on structuring dams at generation plants and, in distribution, on reforming equipment, network automation and security, installation of automatic reclosers and remote-controlled switches.



**18.** Strengthen the safety culture to achieve zero fatalities, reduce the frequency and severity rate of accidents involving employees and service providers and **19.** Invest R\$ 50 million in awareness and risk reduction projects for the population by 2030.

The Company is supported by the Health and Safety Management System (SGSS), which in turn is responsible for the procedures for identifying and assessing risks in the various activities carried out by our teams. The SGSS was implemented based on internationally recognized management standards and guidelines (ISO 45001), and the hazard survey, risk assessment, identification of preventive measures and the preparation of action plans are conducted and recorded in a digital system, ensuring traceability and mapping of field activities. It is worth pointing out that 100% of CPFL Energia's own employees and third parties are covered by the SGSS, totaling 26,610 people.

All these steps, including occupational risks identification and assessment, are carried out by work safety professionals in accordance with internal regulations, which establish periodic checks, as well as the adoption of preventive measures. Such professionals undergo specific periodic training, aiming at the technical improvement of the SGSS, and consequently the operation excellence.

Furthermore, CPFL Energia provides all its employees with access to a computerized system in which anyone can and should report the occurrence of accidents or incidents, as well as

identified risk situations. The main guidelines regarding the platform and management of the theme are disseminated through the Occupational Health and Safety Guidelines Booklet. With it, we assume the formal commitment of the professional's right to refuse any activity that does not present the necessary conditions for his/her safety, even prohibiting reprisals of any kind.

Finally, in cases of risk or incident analysis, we act in accordance with internal regulations, which aim to identify the root cause of the occurrence in order to prevent the event from recurring.

It is worth mentioning that these guidelines are applicable to third parties and formalized through service provision agreements. Also, our third parties have periodic audits and inspections to assess compliance with legal requirements, procedures and SMSS requirements.

**117,259** inspections, audits, observations and IPS carried out with a focus on safety

**0** fatal accidents in own staff

**231,388** thousand hours of employee training focused on health and safety

<sup>1</sup> Safe Practice Index.



## Work accidents

GRI 403-9

Work accidents				
For all employees		2022	2021	2020
Deaths resulting from a work accident	Number	0	2	4
	Rate	0	0.06	0.12
Work accidents with serious consequences	Number	0	1	2
	Rate	0	0.03	0.06
Mandatory reporting work accidents	Number	36	49	46
	Rate	0.95	1.41	1.39
Number of hours worked		37,845,86	34,645,78	33,091,92
For all third parties		2022	2021	2020
Deaths resulting from a work accident	Number	4	7	2
	Rate	0.19	0.37	0.11
Work accidents with serious consequences	Number	5	3	2
	Rate	0.24	0.16	0.11
Mandatory reporting work accidents	Number	99	55	51
	Rate	4.76	2.89	2.82
Number of hours worked		20,778,50	19,016,16	19,016,16

Note: Calculation used: rate = number of injuries\*1,000,000/number of hours worked. This calculation is in accordance with the rules of the regulatory agencies and is practiced by the other energy distributors. Serious injuries are those with leave of absence for more than two months or with permanent sequelae.

Below is our main projects and results on this front during the period:



CPFL employees

# Dam safety

GRI | EU21

Dams safety, that is, hydroelectric generation assets, is one of the most relevant and crucial aspects for the continuity of CPFL Group's business. Our commitment is to act in accordance with all the requirements of the National Dam Safety Policy (Law No. 12,334/10, as amended by Law No. 14,066/20), and Normative Resolution No. 696/2015 of the National Electric Energy Agency (ANEEL), including the elaboration of the Dam Safety Plan (PSB) and the Emergency Action Plan (PAE), when required.

Monitoring of small hydroelectric plants (SHP) and Hydroelectric Generating Stations (HGS) is carried out through the Dam Safety Management System (SGSB) - a digital platform developed by CPFL Energia, which uses cloud-computing resources for real-time monitoring of structures evolution, as well as data science and machine learning tools applied to data analysis of the behavior of these assets.

The Emergency Action Plans (PAE) are presented and delivered to the city halls and civil defenses of the affected area municipalities in an eventual situation of dam failure. Once the contingency measures necessary for action in the event of

a breach have been discussed with the bodies, these are implemented and periodically tested through simulated training. Such simulations, organized by the civil defense, are intended to inform the population of the necessary actions for evacuation of affected areas.

In addition, we continuously invest in the innovation of engineering projects, aiming to make our operation increasingly efficient and risk-free. The technical team is responsible for data analysis and dam management, while the field team performs regular inspections and verification of high-precision instruments.



14 de Julho Hydroelectric Power Plant (CERAN)



# Arborização + Segura ("Safer Afforestation")

SASB IF-EU-240A.4

Arborização + Segura is CPFL Energia's revitalization program, in partnership with the public authorities, which identifies trees of inappropriate species, sizes and phytosanitary conditions present under the municipal power grid and replaces them with other more suitable species. In this way, we are able to prevent damage, accidents and power outages, mitigating risks and ensuring greater safety for the population.



Safer Afforestation project ("Arborização + Segura")

Afforestation in harmony with the urban environment.

We offer the service to city halls in the cities where we operate and guarantee that the work is carried out by professionals with specialization and qualification in all current safety standards. This team has the technical capacity to carry out a risk assessment of the site, identifying branches close to high voltage wires and acting proactively in order to avoid serious accidents.

The Arborização + Segura Program aims to establish a new culture of risk prevention and environmental preservation, providing more planned urban tree planting and orderly growth.

It is worth noting that the number of seedlings planted is always greater than the number of trees replaced. In addition to this work, CPFL Energia and the city halls also develop actions on environmental education in municipal schools, contributing to the knowledge of young people and teachers on the subject.

Since its creation in 2015, until December 2022, the Program has already served **107 municipalities**, totaling **8,434 trees replaced, with the adoption**

**and planting of over 50,000 seedlings.** In some locations, the residues from removed trees are destined for purposes such as structures for park benches, substrates and other ways of reusing the organic matter from the removed vegetation.

Finally, the project was highlighted in Amcham's Brazil for the Environment and São Paulo Environmental Agreement (CETESB) in 2022.



**More than 5,000 seedlings planted in São Paulo and Rio Grande do Sul in honor of Arbor Day**

To honor the Arbor Day (Sep, 21), the Arborização + Segura (Safer Afforestation) program, in partnership with the municipalities in our concession areas, planted 5,000 tree seedlings in the city of Campinas – SP.

The same happened in the cities of Cachoeirinha, Espumoso and Sertão, in Rio Grande do Sul, with the planting of regional plants seedlings.

# Guardião da Vida Program ("Life Guardian")

GRI 2-23 | 2-24 | EU25

[Guardião da Vida Program](#) has the purpose of generating awareness campaigns for the populations in our concession areas, addressing the risks of the electrical grid and its main causes of accidents, such as flying kites near the grid, civil construction work near energized cables and so on.

Messages are disseminated in different formats and languages, including educational lectures in schools, construction sites, workshops, social media, among others. One of the main innovation methods on this front over the period was the contracting of some geolocation services, which aim to push notifications on registered cell phones within a specific radius, allowing for much more assertive real-time communication.



From guardian to guardian,  
information can save lives.



## Judicial cases related to accidents in the electrical network with the population

	2022	2021	2020
Cases opened in the period	111	101	74
Cases closed in the period	88	58	73
Financial impact resulting from closed cases (R\$ thousand)	21,919.5	2,924.7	5,482.8
Other ongoing cases in the period	464	437	392

During 2022, we entered into a partnership with Climatempo (connected to weather forecast), which offers a series of safety tips to the population according to weather events in the region, such as storms.

In this way, we seek to bring greater knowledge to people and families surrounding our activities so that physical accidents are mitigated and avoided, making them guardians of life.

Our people, in turn, are encouraged to act as Life Guardians inside and outside the Company, based on greater awareness on the importance of the safety issue.

In 2022, over 23 million people were impacted by the initiative, which involved an investment of R\$ 2.7 million.

At the end of the period, despite all our efforts, we unfortunately had 18 fatalities with the population. We will continue to act with the commitment to be a positive reference in safety for the populations and communities in which we operate, after all, this is a non-negotiable value for CPFL Energia.



19. Invest R\$ 50 million in projects to raise awareness and reduce risks for the population by 2030.



# Safety Committees

GRI 403-4

In order to proactively contribute to the evolution of health and safety management practices and processes, we have two specific committees:

- Operational Safety Committee – made up of representatives from different transversal areas of the Company, among which we can mention Occupational Health and Safety, Operations, Engineering, Corporate Education and Supplies. The committee meets monthly for analysis, deliberations and eventual action plans;
- Safety Committee - made up of the CEO and vice-presidents, it operates in bimonthly meetings to critically analyze Health and Safety outcomes and make strategic decisions for the CPFL Group.

In this way, representatives of these committees receive information about all actions directed to the theme and can actively participate in the improvement of these processes.

We also have Safety Dialogues (DDS/DSS), in which content is shared daily and weekly with the teams, providing important moments of reflection on the subject. These dialogues deal with a wide range of categories, from vaccination campaigns, safety guidelines, dissemination of procedure changes, among others.

## Sinto Segurança (“Feel Safe”)

The program focuses on learning safe behavior through experience, that is, on the lessons learned, defining the responsibility of each person in preventing accidents at work. Awareness is aimed at operation professionals, safety technicians, leaders and members of the Internal Commissions for Accident Prevention (CIPA).



CPFL employees

# Safety Integration

Integration is aimed at new employees and contractors and aims to raise awareness about potential risks in their activities, established rules, correct use of protective equipment, healthy environment and safe conditions, prevention of accidents and occupational diseases, in accordance with the legislation in force and the Health and Safety Policy.

CPFL employee



# SIPAT

GRI 403-5

In 2022, we held our Internal Work Accident Prevention Week (SIPAT), this time in a hybrid format, with the theme **“I think, so I prevent myself”**, organized and conducted by the CPFL Group's CIPAs.

The event brought important reflections on the need for planning and safe conduct in relation to everything we do, with several face to face and online lectures, on an interactive platform.

We were honored to welcome **Pedro Leonardo**, musician and presenter, who shared how the power of a choice in traffic can save lives, and **Aretha Duarte**, entrepreneur and first Black Latin American woman to reach the summit of Everest, who reinforced the importance of having safety as a personal value. Also, local CIPAs addressed **mental health and post-pandemic care**, seeking a better balance between personal and professional life. In this sense, SIPAT exceeded expectations with a record number of participants. We counted, in total, with 30,414 participations involving male and female employees from all the CPFL Group's companies, together with the contracted companies' teams, during the five-day event.

# Mandatory Training

GRI 403-5

Our management aims to ensure safety is present in the daily lives and culture of each of our people, reinforcing its importance. For this reason, throughout the year, we developed specific training actions and qualifications for the teams on the main regulatory standards (NR-10, NR-33, NR-35, among others), involving topics such as electricity safety, confined spaces, height working, and so on.

# Health and quality of life

GRI 2-29 | 3-3 | 403-3 | 403-6



20. Promote a healthy work environment, raising awareness of mental well-being and establishing support actions for our employees.

An environment capable of contributing to the happiness and mental health of our employees is essential to guarantee the success and excellence of CPFL Group, since a team of healthy and motivated people is necessary for connection with the company's true purpose and culture.

For this reason, we act on several internal fronts – including with the strategic support of the SGCC on this front – which has been paying increasing attention to the subject, aiming to streamline the daily lives of the teams and ensure not only excellent professional development, but also the satisfaction of being part of our Company. Check it out below:



## Mente em Foco ("Mind in Focus")

On October 10, 2022, on the World's Mental Health Day, CPFL Group had the great pleasure of announcing its adherence to the #MenteEmFoco (Mind in Focus) movement, of the Global Compact Brazil Network.

With this step, we joined several companies in our country that carry out actions to recognize the importance of mental health in the work environment, combating the prejudice that still exists in society regarding the subject and assuming concrete commitments to be met by 2030.

#MenteEmFoco is directly connected to the UN's SDG 3, "Health and Well-Being", which seeks to ensure a healthy life and well-being for everyone, at all ages. Consequently, the movement is in line with our new ESG Plan (learn more on page 46).

Leadership with Impact (in Portuguese, Lideranças com ImPacto) – a project mobilized by the Global Compact Brazil Network – involves CEOs around the country who, in front of their companies, understood the importance of sustainability for the business progress, creating ways to insert the SDGs in the strategies of their main activities. In this sense, leaders are the protagonists of an internal and external transformation movement, positively influencing employees, other stakeholders and civil society in general.

In addition to what has already been put into practice so far (check out the next topics), we will continue to seek increasingly consistent advances in health care and quality of life of those who work with us.



Rede Brasil

MOVIMENTO  
MENTE EM FOCO



# Benefits

With the purpose of guaranteeing a better quality of life and comfort for our professionals and their families, CPFL Group offers a series of benefits, including with regard to mental health and well-being:



Meal and food allowance



Transportation allowance



Life insurance



Private welfare



Assistance with school supplies and daycare/nanny



Scholarship



Profit sharing program



Christmas gift vouchers for sons and daughters



Christmas basket voucher



Variable compensation program for managers

**Fale Comigo ("Talk to me"):** is a Quality of Life Program that offers free and specialized advice in times of difficulty, daily doubts or personal and family planning, and its main areas are:



Speech Therapy Area



Social Area



Psychological Area



Legal Area



Financial Area



GYMPASS



Medical and odontologic assistance



Einstein Conecta



Unimed telemedicine



Support program for pregnant or adoptive women



Healthy eating program

## EMPRESA CIDADÃ (CITIZEN COMPANY)

The CPFL Group is greatly happy to have the Empresa Cidadã (Citizen Company) seal, a program that guarantees extended 180-day maternity leave and 20-day paternity leave. The benefit is valid for all our employees, including same-sex couples and adoptive parents.

In addition to these, we also have a partnership with **Sesi São Paulo**, which allows our employees to use the leisure space at the entity's regional units, promoting greater well-being and quality for those who work with us and their dependents.



## Participation in associations

GRI 2-28

As a way of ensuring the longevity of its business and always seeking the best practices in its relationship governance inside and outside the power sector, CPFL Energia participates in and supports the following associations:

*Santa Maria - RS*



### Power sector

- Fundação COGE – Comitê de Gestão Empresarial;
- UTCAL – Utilities Telecom & Technology Council America Latina;
- ABRACONEE – Associação Brasileira dos Contadores do Setor de Energia Elétrica;
- FNQ – Fundação Nacional da Qualidade;
- ABEEOLICA – Associação Brasileira de Energia Eólica;
- ABRACEEL – Associação Brasileira dos Comercializadores de Energia;
- ABRAGEL – Associação Brasileira de Geração de Energia Limpa;
- APINE – Associação Brasileira dos Produtores Independentes de Energia Elétrica;
- CBDB – Comitê Brasileiro de Barragens;
- COGEN – Associação da Indústria de Cogeração de Energia;
- IBP – Instituto Brasileiro de Petróleo, Gás e Biocombustíveis;
- GEIDCO – Global Energy Interconnection Development and Cooperation Organization;
- CERNE – Centro de Estratégias em Recursos Naturais e Energia;
- CIGRÉ – Comitê Nacional Brasileiro de Produção e Transmissão de Energia Elétrica;
- ABRADEE – Associação Brasileira de Distribuidores de Energia Elétrica; and
- Sindienergia – RS.

### Other sectors

- ABDIB – Associação Brasileira da Infraestrutura e Indústrias de Base;
- CIESP – Centro das Indústrias do Estado de São Paulo;
- CEBC – Conselho Empresarial Brasil-China;
- ABERJE – Associação Brasileira de Comunicação Empresarial;
- ABRASCA – Associação Brasileira das Companhias Abertas;
- FGV – Centro de Sustentabilidade da Fundação Getúlio Vargas;
- ACREFI – Associação Nacional das Instituições de Crédito, Financiamento e Investimento;
- IBGC – Instituto Brasileiro de Governança Corporativa;
- AMCHAM – American Chamber of Commerce for Brazil (Campinas);
- CIC/ACI – Associações Comerciais e Câmara da Indústria (RGE);
- CIC/ACI – Associação Comercial de Campinas;
- ABNT – Associação Brasileira de Normas Técnicas;
- ABRASCE – Associação Brasileira de Shopping Center;
- ABGR – Associação Brasileira de Gerência de Riscos;
- ABRH – Associação Brasileira de Recursos Humanos;
- CREA – Conselho Regional de Engenharia;
- IIA Brasil – Instituto dos Auditores Internos do Brasil;
- CDP – Carbon Disclosure Protocol;
- Consulting House;
- Pacto Global da ONU;
- Movimento Mulher 360;
- Rede Empresarial de Inclusão Social;
- Fórum de Empresas e Direitos LGBTI+; and
- LIDE – Lideranças Empresariais.

# Renewable and smart solutions

79

Focus on renewables

83

Climate change

## Related SDGs



CPFL Electric Fleet



# Focus on renewables

GRI 3-3 | SASB IF-EU-240A.4

Since CPFL Energia's operations have a direct impact on the environment, our corporate strategy is to strengthen renewable sources in the national energy matrix, contributing to the reduction of fossil fuels, and consequently, greenhouse gas emissions.

**We work focused on having excellent management and operational activities, in order to avoid and mitigate possible adverse environmental effects.**

Therefore, as one of the main approaches in this front, we focus our efforts to expand energy generating parks from renewable sources, which have several benefits to the population. According to the study by the Energy Research Company (Empresa de Pesquisa Energética - EPE), the construction of small hydroelectric plants, wind farms and solar plants have positive socio-environmental impacts, as follows:

1. Contribute to the emissions reduction strategy proposed in the National Climate Change Policy (PNMC);

2. Promote the generation of direct and indirect jobs;
3. Complement the power supply of energy plants, with favorable conditions for generation during the dry period.

Since 2010, the company's policy has been based on investment in renewable generation sources only, directed by CPFL Renováveis work. We have a pipeline of Greenfield and Acquisition projects, including R&D, which already add up to 4,399 MW.

Mapped opportunities are carefully evaluated, considering the possible impacts of the energy price and the capital allocation strategy of our team and shareholders. In the current assets portfolio, we seek to achieve the best availability rates for generation and operational performance, with the reduction of unplanned outages and corrective maintenance.

One of the options for such scope is to optimize Operation and Maintenance (O&M) processes, with the implementation of new technologies for equipment monitoring, diagnostics, predictive maintenance, and training of field and engineering teams.

# 96 %

of the CPFL Energia Generation portfolio comes from renewable sources



Tanquinho Photovoltaic Plant in Campinas - SP



1. Generate 100% renewable energy by 2030.



## GREEN HYDROGEN

Hydrogen has a nascent presence in today's energy sector, accounting for less than 0.2% of global electricity generation. However, since green hydrogen **does not emit polluting gases during combustion and production processes**, in addition to being inexhaustible, this can be considered one of the **fuels of the future**.

In this context, **CPFL Energia has positioned itself in research and development projects** to start working with this renewable source in the coming years, becoming one of the pioneers in the Brazilian market.

Our goal, within the new ESG Plan, is **to invest at least R\$ 40 million in green hydrogen technologies by 2030**. Despite being ambitious, this goal reinforces our commitment to further increase the Company's portfolio in renewable sources, acting as agents of positive change.



5. Invest at least R\$ 40 million in green hydrogen technologies by 2030.



Gramado - RS



# Climate change

GRI 3-3 | 201-2 | SASB IF-EU-110A.3

Since the mid-1970s, the world has been undergoing true technological and productive transformation, resulting in advance in terms of innovation and the highest quality of life of society. However, this process has caused significant impacts on the environment, especially with regard to climate change.

In response to this, in 2015, international agents and agencies approved the Paris Agreement, by all UN signatory countries, aimed at restricting the average increase in global temperature by 1.5°C.

In this context, which is directly related to the world power sector, CPFL Energia, in direct contact with State Grid, has the opportunity to act not only in reducing its emissions, but also in expanding the generation of renewable sources (learn more on page 79), offering carbon credits and renewable energy certificates (I-RECS), also compensating for emissions from other productive sectors.

Our management on the subject is based on four fronts, through which we evaluate and implement various actions for business adaptation and impact mitigation in our operations. They are: **Engagement and Dissemination; GHG Emissions Management; Innovation; and Risk Management and Climate Opportunities.**

## Energy Transition Solutions

As part of our portfolio for the transition to a low-carbon market, we have developed a series of solutions capable of supporting our customers in the process towards less intensive production models. For example, we invested in **projects that generate carbon credits to offset greenhouse gas (GHG) emissions.**

In 2022, we had a total of 11 projects, with offset potential reaching an average of 2.4 million tons of carbon (tCO<sub>2</sub>e) per year. All projects are registered in the **regulated market (MDL) or in the voluntary market (VCS).** Among the 11 reported projects, nine are part of the regulated market and two are part of the voluntary market.

**Each certificate is equivalent to 1 ton of carbon that is no longer emitted.**

Regarding Renewable **Energy Certificates (I-RECs)**, from CPFL Soluções, **these guarantee free contracting environment customers the purchase of 1 MWh of energy produced from renewable sources.** Currently, 31 assets in our generation portfolio are already qualified for this marketing. At the end of 2022, we reached more than 2.2 million certificates sold.



3. Offer our customers with low-carbon solutions, with annual revenue targets from IRECs and carbon credits.



Strengthening our strategy in mitigating the impacts arising from climate change, in the 2030 ESG Plan, we make a commitment to be neutral carbon from 2025, compensating for all our emissions (Scopes 1, 2 and 3), which is pioneer within the sector. By 2030, we will generate 100% renewable energy and still reduce our total emissions by 35%.

These goals constitute very important advances for society in terms of energy transition and the results will only be possible thanks to the trajectory CPFL Energia has been developing for years to ensure an increasingly sustainable operation. For example, in 2021, we performed intense work in Scope 3 - indirect emissions related to the value chain - from the greater awareness of our management about the impacts of this front, aiming to make our inventory as complete as possible. To this end, we evaluated 15 categories within this scope, resulting in seven categories applicable to our business.

Several other actions are carried out together, both in the company's own operation and for customers, offering low-carbon solutions to communities, with projects such as energy efficiency, and suppliers, by promoting development actions.

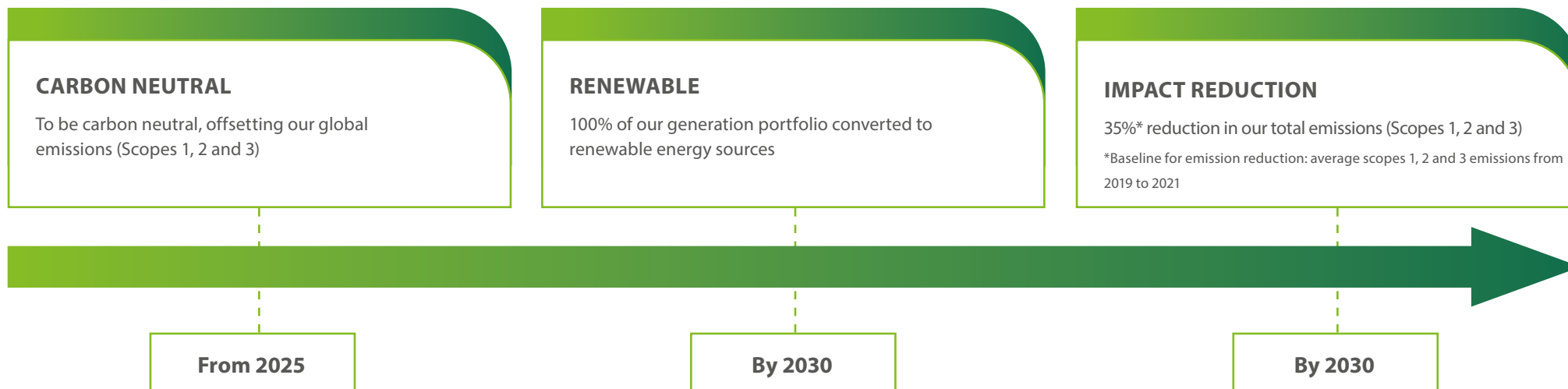


CPFL Renováveis Wind Farm in Ceará

## COP27

In November 2022, CPFL Energia was present at COP27 in Egypt, the world's **largest event to address climate change**, with the participation and speech of our Sustainability and Environment Director, Rodolfo Sirol.

During the event, **we launched the Company's new ESG Plan, with commitments to be achieved by 2030** (find out the details on page 46). Exposing public commitment at an international level reinforces our goal of driving the transition to a more sustainable, safe and intelligent way of producing and consuming energy.



In 2022, CPFL Energia joined the Net Zero Ambition Movement, movement, of the Global Compact Brazil Network, which aims to engage companies and leadership in commitments against climate change and in line with SGD 13 (Action against global climate change).



MOVIMENTO  
AMBIÇÃO NET ZERO



CPFL Renováveis biomass plant in Pirassununga - SP



Additionally, in 2022, considering new guidelines and advances promoted by the 2030 ESG Plan, we updated the publication **“Our Journey against Climate Change”**. It addresses the evolution of the management model and climate change mitigation and adaptation practices, aiming to give even more transparency to CPFL Energia positioning facing the transition to a low carbon economy. These advances reinforce the company's public commitment to make a cleaner energy feasible for society.

The document details, among other aspects, climate change-related risks and opportunities that we have identified for our business, procedures for quantifying greenhouse gas emissions and the way we engage our value chain. The classification of these risks and opportunities is based on the **Task Force for Climate-Related Disclosures** (TCFD) methodology, an initiative of which CPFL Energia is a signatory. In this sense, we detail, for each type of risk and/or opportunity, our management strategies and actions.

Check out the document “Our journey against Climate Change” [here](#).







Electric vehicle for fleet operation in Indaiatuba - SP

A project already in progress that demonstrates how we are preparing for these changes, aiming to mitigate such identified risks, is the electrification of the fleet.



4. Achieve at least 15% electrification of the Technical Operational Fleet in the state of São Paulo<sup>3</sup> by 2030.

*“One of the great highlights of our 2030 ESG Plan is the decarbonization goal - bold, and pioneer in the sector. We are committed to becoming neutral carbon from 2025 and continuing mitigation efforts to reduce our total emissions by 35% by 2030.”*

Gustavo Estrella, President of CPFL Energia.

## ELECTRICAL FLEET

Since 2007, CPFL Energia has been active in projects related to the electrification of its fleet, and was a pioneer in the installation of charging electric stations that connect the capital of São Paulo to the municipality of Campinas (SP). We seek to understand the impacts, risks and opportunities for the sector in the growth of the electric vehicle fleet and in the infrastructure for a good service of this new model of urban mobility.

For this reason, in 2020, the Company announced investments of R\$ 45 million in initiatives aimed at electric mobility over the next four years. In the project for the city of Indaiatuba – SP, under the scope of CPFL Piratininga, we invested R\$ 9.6 million in research and development, as well as in the replacement of all combustion vehicles in the fleet with 22 utility vehicles, including electric trucks. We also worked on the purchase of 53 vehicles for research on their risks and impacts, and on the development of the first electric truck in PTO (power train output), 100% domestic.

**In 2022, we completed the electrification of the entire operational fleet in Indaiatuba - SP, with 16 electric stations for recharging the batteries.**

In addition to reducing carbon emissions by approximately 64 tons per year, the electric fleet also brings benefits in terms of eliminating noise pollution, promoting important advances towards smarter cities.

As next steps, our aim is to expand the project to other local municipalities, in order to leverage this initiative, which is so crucial on the vehicular environmental front, as well as to structure new destinations and utilities for the batteries used by vehicles.

# GHG emissions

Greenhouse gas (GHG) emissions from our operations are monitored annually through our GHG inventory, produced according to the GHG Protocol Brazilian Program guidelines. The document covers the three emission scopes and has its information verified by a third party company. Our inventory data is public and can be consulted in detail on the website <https://registropublicodeemissoes.fgv.br/participantes/1077>.

Furthermore, it is important to point out that, since 2021, CPFL Energia has been part of the portfolio of the B3 Carbon Efficient Index (ICO2 B3), which aims to be an instrument that induces discussions about climate change in Brazil.

Since 2011, CPFL Energia has been awarded the Gold Seal for its GHG Inventory, along with the GHG Protocol, due to good reporting and management practices in terms of emissions, in addition to being part of the ICO2 B3 portfolio.

The Inventory enables us to identify opportunities to reduce emissions based on improvement initiatives in our daily activities. Among the main initiatives, we have the use of biofuels and electric vehicles in the fleets, in addition to planning to reduce vegetation suppression in the construction of transmission and distribution lines.

It is worth mentioning that GHG emissions from the generation of electricity at the Thermal Power Station (EPASA) account for more than 17% of Scope 1 and almost 1% of the CPFL Group's total emissions. The dispatch is directly controlled by the National System Operator (ONS), and we are only responsible for its maintenance and availability.



Small Hydroelectric Plant in Americana - SP

## GHG emissions (thousand tCO<sub>2</sub>e)

GRI 305-1 | 305-2 | 305-3 | EU5 | SASB IF-EU-110A.1 | IF-EU-110A.2

### Emissions by scope

	2022	2021	2020
Scope 1	127.54	607.30	308.30
Scope 2	250.06	592.40	290.70
Scope 3	314.04	424.50	13.20
Biogenic CO <sub>2</sub> emissions (tCO <sub>2</sub> equivalent)	3,710.24	3,661.20	5,568.10

Notes: 1 - Includes Kyoto GHG emissions in tCO<sub>2</sub> and CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFCs and PFCs; 2- The emission factors used are obtained by the Brazilian GHG Protocol Program; 3 - The consolidation approach is by shareholding; 4 - The calculation was performed according to the methodology of the Brazilian GHG Protocol Program and consolidation through software.

## GHG emissions intensity

GRI 305-4

### Emissions by scope

	2022	2021	2020
By generated energy (Scope 1 tCO <sub>2</sub> e/GWh)	9.5	45.60	27.0
By distributed energy (Scope 2 tCO <sub>2</sub> e/GWh)	3.6	8.62	4.4
By net operating revenue (Scope 1 + Scope 2 tCO <sub>2</sub> e) (considering Transmissão)	9.6	30.82	19.4

Note: Includes Kyoto GHG emissions in tCO<sub>2</sub> and CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFCs, and PFCs.

In comparison to the previous year, we had a favorable meteorological scenario for renewable energy generation, especially in the HPPs. There was less dispatching of thermoelectric plants, reducing the emission factor of the National Interconnected System and our overall emissions.



CPFL Renováveis Wind Power Plant



## Fuel Consumption (GJ) within the Organization

GRI 302-1

Precursor group				
	Precursor	Scope		Total
		Scope 1	Scope 2	
Non-renewable fuels	Acetylene	17.74		17.74
	Diesel/Brazil	406,343.97		406,343.97
	Type A marine diesel	2.67		2.67
	Gasoline/Brazil	21,493.58		21,493.58
	Liquefied petroleum gas (LPG)	124.13		124.13
	Natural Gas	16,599.96		16,599.96
	Fuel Oil	79,549.56		79,549.56
Total Non-renewable			524,131.61	
Renewable Fuels	Biomass/Sugar Cane Bagasse (BEN)	34,727,548.96		34,727,548.96
	Hydrous ethanol	73,753.36		73,753.36
	Wood from renewable sources (BEN)	180,653.27		180,653.27
	Ethanol (considers 27% of gasoline composition)	7,949.68		7,949.68
	Biodiesel (10% of diesel)	45,149.33		45,149.33
Total Renewable			35,035,054.60	
Total			35,559,186.21	
Purchased electricity (Brazil)				
Purchase of electric power			239,321.38	

## Fuel consumption (GJ) outside the organization

GRI 302-2

Precursor group			
	Precursor	Scope Scope 3	Total
Non-renewable fuels	Diesel / Brazil	136,276.72	136,276.72
	Gasoline / Brazil	32,076.67	32,076.67
	Aviation querosene	10,412.94	10,412.94
Renewable fuels	Hydrous ethanol	5,242.44	5,242.44
	Ethanol (considers 27% of gasoline composition)	11,863.98	11,863.98
	Biodiesel (10% of diesel)	15,141.86	15,141.86
Purchased electricity	Electricity/Brazil	6,621,516.00	6,621,516.00
Inputs and products from the petrochemical industry	Lubricant	9.06	9.06
Inputs for civil construction	CP II Cement	166.29	166.29
Total		6,832,705.96	6,832,705.96

Notes for 302-1 and 302-2: Source of TJ - MWh conversion factors is 277.77.



# Continuous innovation

GRI 3-3

**In CPFL Group, we are driven by continuous innovation. We use the best of the disruptive mindset and technology to promote an increasingly positive transformation within the power sector.**

Through a series of internal initiatives and programs, we seek to spread the culture of innovation to all the Company's stakeholders, with a focus on greater customer satisfaction and efficiency in our operations. Projects are interconnected with all spheres of business, as well as key market trends.

## Telemetering

Telemetering corresponds to one of the innovations with the greatest potential for transforming the power sector. Smart meters, which are connected to the distributor's databases, have the potential to increase efficiency in customer communication and billing processes, streamline the monitoring of network faults, among others.

In the concession area of CPFL Group's four distributors, all Group A<sup>2</sup> customers, i.e., large-sized industries and businesses (with electricity at a voltage equal to or greater than 2.3 kV), already have telemeters.

As for Group B (homes and small-sized businesses), in 2020, we concluded its telemetering project in the municipality of Jaguariúna – SP, by CPFL Santa Cruz. During 2021, we carried out studies to verify the feasibility of expanding this service to the other municipalities where we operate. In 2022, CPFL Energia included updates to the feasibility study on its permanent agenda, but the current scenario does not meet the conditions for expansion in Group B, maintaining only the vegetative growth of telemetering in Group A.

## Network automation

The installation of intelligent and automated equipment in the distribution networks is capable of adding value to the business, as it allows the resolution of problems and maneuvers for the energy replenishment in a more agile and efficient way.

Automatic reclosers, for example, are a solution to temporary interference in the electrical network, such as tree branches touching the cables due to rain and wind.

**In 2022, we reached over 16,500 automatic reclosers throughout our distribution network, which has promoted reductions in the time of supply outage for customers and in teams displacement.**

Remote-controlled transfer switches also allow for gains in quality and efficiency in the operation. The equipment responds to remote commands from system operators, allowing maneuvers to be carried out during critical events, which, in turn, isolates areas without electricity and reduces the number of customers affected.

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<sup>2</sup> Considera clientes ativos do Grupo A com medição indireta atendidos por telemetria

# Research & Development

GRI EU8

Investments in Research & Development (R&D) are directed towards projects of operational excellence and structuring initiatives, always with the purpose of aligning our business with the key trends in the sector and bringing sustainable, accessible and reliable energy to customers and communities. In addition, we work to promote a culture of innovation, involving our internal professionals and the startup ecosystem.

For example, we work with **Battery Energy Storage Systems**, through ANEEL's Research & Development Program, which is part of our entire electrical system chain, that is, from generation to the final customer. Energy storage systems were installed in selected locations based on studies of the electric grid, such as a wind farm substation, distribution substation, distribution pole, residential condominium and commercial consumer.

Also, since August 2017, in partnership with the State University of Campinas (Universidade Estadual de Campinas - UNICAMP), **CPFL Energia created a Sustainable Campus model, this being deployed at the "living laboratory"**. Aiming to improve the campus infrastructure, ten subprojects were implemented to disseminate energy efficiency and sustainability concepts and actions, promoting the resolution of complex problems present in the

energy transition agenda. These are: electricity supply management; distributed generation; energy efficiency; and teaching and research. Such subprojects range from the retrofit of electronic devices and light fixtures in campus buildings, to the installation of photovoltaic plants and energy storage, all of which were completed in 2022.

In addition, in 2022, with the purpose of identifying opportunities, a **complete mapping of scenarios and technologies that could anticipate the future of the power sector** for the CPFL Group was carried out, based on five axes:

- **Ultra-Efficiency:** foresees leaps in efficiency in all dimensions of the sector (network infrastructure and asset management, security and workforce efficiency);
- **End-to-End Digitization:** provides a better customer experience and competitiveness for the sector, in addition to greater monitoring of energy grids, telemetering and data management;
- **Total Decentralization:** in the future, customers will have greater independence from the network, increasing the complexity of its management and the demand for new solutions in products and services;

- **Matrix Transformation:** technological advances in different sources of generation and greater access to solutions lead Brazil to a path of diversification of its energy matrix;
- **Urban Electrification:** the increased demand for energy in urban centers and the expansion of electric mobility will enable significant improvements in infrastructure and connectivity.



*Integrated Operation Center in São Leopoldo - RS*



### Investment in R&D by distributors (R\$ thousand)

	2022	2021	2020
Alternative sources of electricity generation	0	0	29
Thermal generation	0	0	0
Management of basins and reservoirs	0	0	0
Environment	0	0	0
Safety	4,955	7,472	4,640
Energy efficiency	2,202	7,753	17,382
Electricity system planning	8,158	10,199	14,038
Operation of electricity systems	2,689	2,914	2,692
Supervision, control and protection of electricity systems	7,312	5,444	5,008
Quality and reliability of electricity services	4,316	1,260	1,839
Measurement, billing and combating commercial losses	3,772	4,841	6,687
Others	14,031	26,097	18,302
Management programs*	1,154	1,929	1,706
<b>Total</b>	<b>48,589</b>	<b>67,909</b>	<b>72,323</b>

### Investment in R&D of generators and transmission companies (R\$ thousand)

	2022	2021	2020
Alternative sources of electricity generation	2,944	28	15
Thermal generation	265	4,771	2,852
Management of basins and reservoirs	274	2,710	4,966
Environment	1,730	825	1,300
Safety	2,661	2,725	2,783
Energy efficiency	7	1,967	6,571
Electricity system planning	354	-28	1,242
Operation of electricity systems	4,329	1,043	-3
Supervision, control and protection of electricity systems	3,246	2,103	409
Quality and reliability of electricity services	355	320	0
Measurement, billing and combating commercial losses	0	0	0
Others	305	723	229
Management programs*	416	271	677
<b>Total</b>	<b>16,886</b>	<b>17,458</b>	<b>21,041</b>

\* Category that encompasses values related to the hourly dedication of team members, prospecting activities, disclosure of closed projects and other activities inherent to the R&D program.

# CPFL Inova

GRI EU8

CPFL Inova is an open innovation program of the CPFL Group. The initiative aims to promote the acceleration of startups based on disruptive innovation projects for the power sector and proof of concept, in which it is possible to test the ideas presented by entrepreneurs. Since its launch, more than R\$ 14 million have already been invested, with the participation of over 50 companies throughout the country.

## Innovation Week

Aiming to promote the Innovation culture, every year the CPFL Group organizes a week to disseminate the results and its Innovation projects to employees. In 2022, we held the event in a mixed form, resuming face-to-face communications in several locations and taking to our teams prototypes and innovative solutions.



*Employee at CPFL operation*



### PLANT INSPECTION:

Land vehicle that captures data in an automated way and **maps the places that need pruning**, contributing to freeing up the networks and reducing the occurrence of power outages.

### ULTRASONIC MEASUREMENT:

Development of a methodology for **evaluating the insulation degradation in energized transformers and lightning arresters through ultrasonic measurement of partial discharges**. With this tool, it is possible to reduce maintenance costs, since teams are able to assess early failures in these equipment.

### SIMPLIFY:

Through the design thinking methodology, **CPFL Energia's commercial service journeys were simplified, based on understanding customers' pain points and needs**.

### RDI:

System for identifying unfounded displacements, which **aims to reduce these occurrences at CPFL Group distributors**, using a tool based on mathematical models.

### CPFL GO:

App that uses game concepts and geolocation to **carry out field data collection for detecting irregularities in the distribution network**.

### NETWORK PLANNING:

Artificial intelligence-based system to **support designers in making decisions during the planning phase of works in the distribution network**, capable of evaluating a project and looking for alternatives for switching the network in order to reduce disconnected customers for its execution, helping the DEC and FEC indicators.

### MOVERS:

The Movers Digitalis app seeks to **help people who are moving house** and who need to turn on the energy at the new address or change the name of the energy bill holder.

## 2022 INNOVATION WEEK

CPFL Energia's Innovation Week 2022 had as its motto "Building the customer experience of the future". It was highlighted by interactions, lectures and exhibitions of innovative projects, characterized as a moment for the Company to connect and disseminate the results of projects and culture of innovation.

The event took place simultaneously for our employees at headquarters, operation centers, operational bases and advanced stations. Over the days, the professionals had the opportunity to learn about the main projects structured with this focus on the customer.

### SELF-GROUNDED POLE:

It brings greater reliability to the grounding system of distribution networks, greater protection against atmospheric discharges, operational efficiency and safety.

### REVERSE CHAIN MOBILITY:

Application for processing orders and generating item lists for collection for the CPFL Serviços Reverse Chain. The project aims to automate the process and reduce the use of paper.

### THERMOVISION:

System that uses thermal cameras to **identify hot spots**, and consequently problems in the electrical network in advance, which allows preventive action to reduce the chances of power outages.

### LINEAR MOTOVIBRATOR:

Mechanical vibration system that assists in the **efficient opening and closing maneuver of the Disconnect Switches** (actuated for preventive or corrective maintenance purposes). With this, we reduce the possibility of inoperability of the electrical system, reduce costs, increase safety and increase the equipment efficiency.

### FLEET ELECTRIFICATION:

We electrified 100% of the operational fleet. Installed in the city of Indaiatuba - SP, as electric vehicles contribute to **reducing the emission of polluting gases and noise pollution**, making it possible to carry out services during the night without commuting noise.

### CUSTOMER PORTAL (CPFL SOLUÇÕES):

Provides CPFL Soluções' customers with **access to various information about the contract, reports and control of their services**. With the novelty, it is also possible to better **understand customers' preferences and needs** in a more agile way and with more technology, thus improving the relationship.

### SECOND LIFE:

**Reapplication of used electric vehicle batteries** - aims to reduce risks related to the electric vehicle resale market, mitigate environmental impacts related to early disposal and maximize battery capitalization.

### MECHANICAL PRUNING:

In order to generate **gains in safety and productivity**, an equipment consisting of an articulated mechanical arm and a telescopic arm with a reach of 14 meters was developed. When installed on truck bodies, it is **capable of performing mechanical pruning with greater precision**.

# Sustainable operations

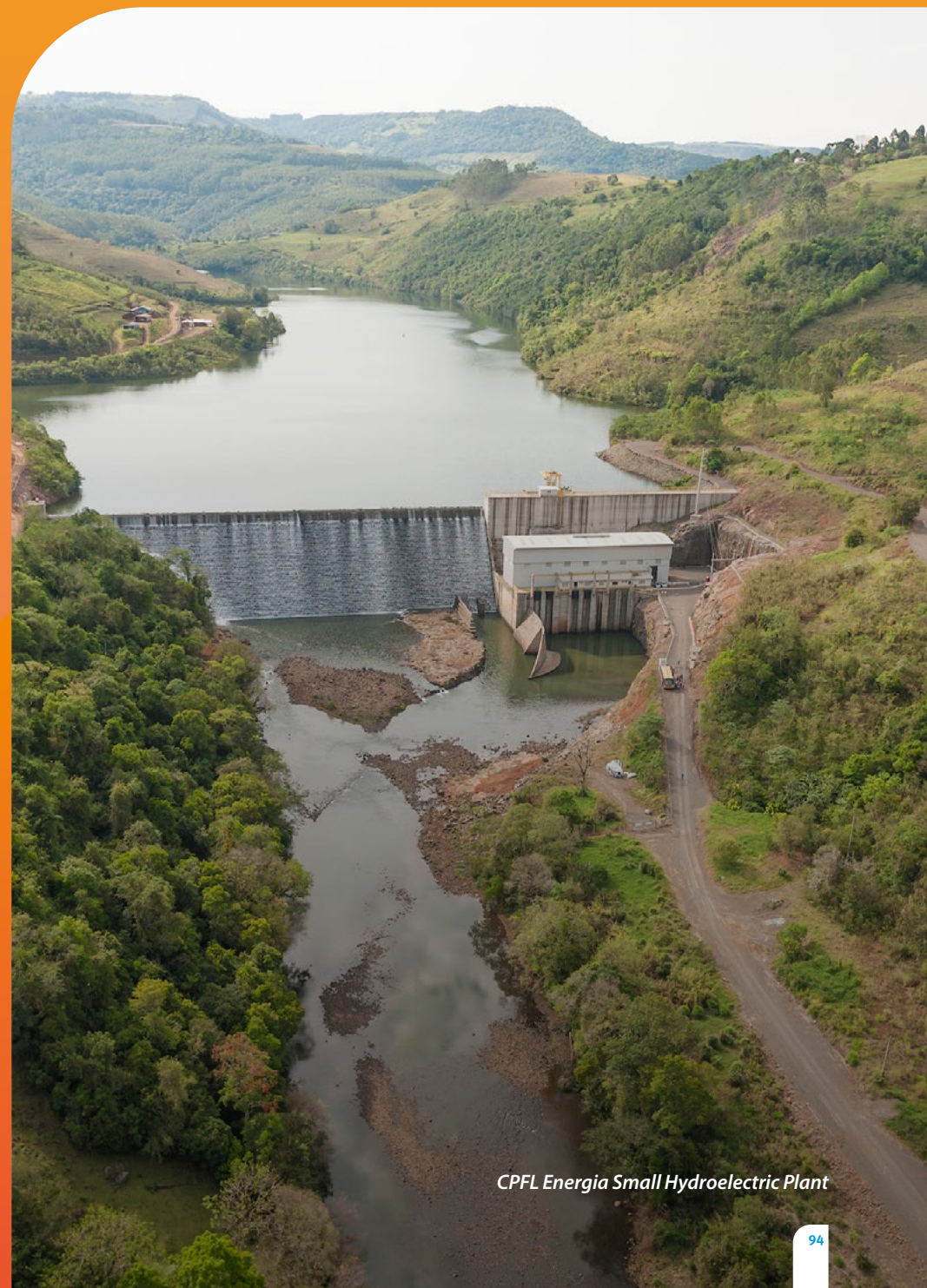
95

Eco-efficiency: water, energy and waste

101

Biodiversity

## Related SDGs



CPFL Energia Small Hydroelectric Plant



# Eco-efficiency: water, energy and waste

GRI 3-3

CPFL Group's Reformers and Distributors are certified under ISO 14001 and ISO 9001 standards, attesting to the environmental quality of our processes.



7. Consolidate CPFL's eco-efficiency management program, setting goals by 2024 to promote conscious consumption of energy and water and reduce waste sent to landfills.

operational purposes since the quality of the water resource is not altered. The dams associated with the projects allow the natural flow of rivers after power generation, guaranteeing the flow set forth in the granting document.

In the case of thermal power stations, however, water is collected from watercourses or artesian wells and used in a closed circuit to cool equipment

and in production processes (units and biomass), called produced water.

It is worth mentioning that CPFL Energia develops numerous communication and environmental education campaigns with the purpose of informing the communities and regions where we operate about the shared use of the reservoir and good practices for saving the natural resource.

## Water and Efluentes

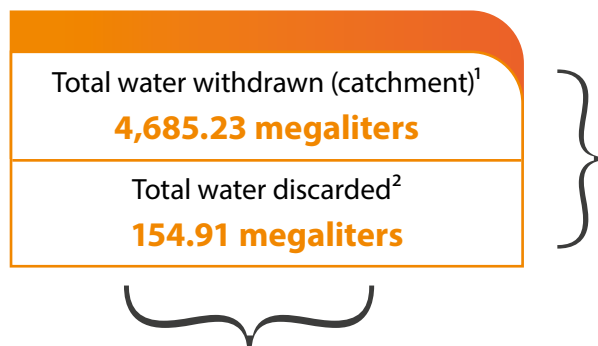
GRI 2-4 | 303-1 | 303-2 | 303-3 | 303-4 | 303-5 | SASB IF-EU-140A.1 | IF-EU-140A.3

CPFL Energia's production activities do not require intensive consumption of water, and above all we aim to meet human consumption, general cleaning and gardening. The water supply for the Company's distribution facilities and administrative buildings is provided by basic sanitation companies in the municipalities where it operates.

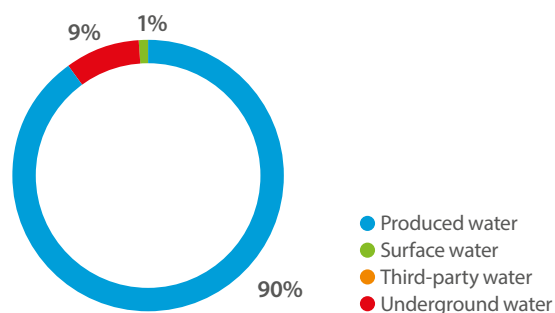
In the water generation plants (HPPs, SHPPs and HGP), there is no surface water consumption for



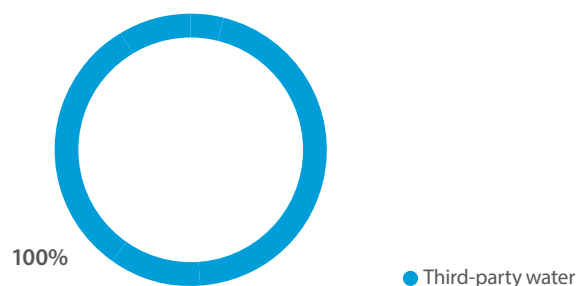
Foz de Chapecó Hydroelectric Power Plant Dam



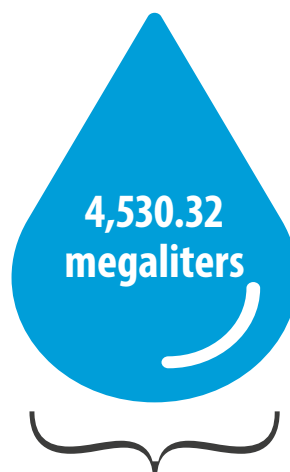
#### Water withdrawn by source (m³)



#### Water discarded by source (m³)



#### Consumed water<sup>3</sup>



#### Water use

- Equipment cooling
- Productive processes (units and biomass)
- Gardening
- Asset cleaning and maintenance
- Human consumption



Water produced: **4,224.06 megaliters**

With regard to the effluents generated in the production processes of the plants, we use preventive measures to avoid leaks and guarantee the integrity of the adopted structures. These have treatment systems aimed at adjusting the effluents physical-chemical and biological conditions, before disposing of in the nature, in order to reduce contamination or other harmful impacts on the quality of the receiving water bodies.

We act according to the rules established in the environmental licensing of each project, following the guiding parameters of CONAMA Resolution No. 357, of March 17, 2005, along with CONAMA Resolution No. 430, of March 13, 2011.

In 2022, the administrative units were responsible for disposing of 5.24 megaliters of effluents, classified as domestic and received by local basic sanitation networks, while the generating units disposed of another 149.67 megaliters of domestic effluents. Therefore, the Company generated a total of 154.91 megaliters.

<sup>1</sup> Of this total, 722.82 megaliters were withdrawn from water stress areas.

<sup>2</sup> Of this total, 141.16 megaliters were discarded in water stress areas. In addition, the calculation of effluent generation was made based on the number of employees and the number of days worked per unit.

<sup>3</sup> water consumed = water collected - water disposed.



## Eco-efficiency in buildings



We work strongly on the eco-efficiency front in our buildings with rigorous structures based on the following criteria:

- » Installation of photovoltaic panels;
- » Installation of a cistern for rainwater reuse;
- » LED lighting system;
- » Green areas to reduce heat zones;
- » Installation of automatic taps and actuators/Duoflex system for coupled boxes;
- » Units prepared to meet LEED certification;
- » Airy environments with cross ventilation;
- » Air insufflators for air exchange in continuous use environments;
- » Roofing in thermoacoustic tiles;
- » Electric car charging points.

All these points are being monitored by our teams in order to adapt existing developments (assuming that technical conditions are favorable), in addition to applying them to new buildings.

## Inauguration of the new Advanced Station (AS), in Venâncio Aires

With an investment of R\$ 3 million, the new CPFL Energia AS was inaugurated in April 2022 and concentrates the Company's operational activities, with innovative technology and a focus on sustainability.

Among the various aspects of the work that are in line with a more sustainable construction, we have the use of a Concrete-PVC-type Lean Construction system, allowing for less waste generation during execution and an excellent finish.

In addition, the unit also has a cistern for rainwater reuse, photovoltaic panels for electricity microgeneration and the installation of two charging stations, in addition to preserving native trees inside.

# Waste

GRI 3-3 | 306-1 | 306-2



8. Phase out single-use plastics in our administrative plants by 2025.

Waste management within CPFL Energia is a highly relevant topic, particularly in the distribution segment. Our work is guided by the circular economy concepts, aiming to reduce the amount of discarded material and expanding solutions for equipment reuse and waste recycling, in line with our materiality study.

One of the Company's main approaches on this front is the process of recovering transformers and regulators from the energy distribution system, through the Equipment Reformer, under the scope of CPFL Soluções. With an average shelf life of 20 years, this equipment is essential for electricity distribution. However, every month around 1,500 units need to be replaced, either due to obsolescence and damage, or due to system overloads.

In this way, we act proactively in the transformers reverse chain, aiming to reform them so that they can return to activity – in this process, even the equipment oil is completely

reused. Materials that eventually cannot be reused – such as copper wires, poles and insulators – are sent to recycling companies for correct disposal and improvement of our reverse logistics.



We are very pleased to share that more than **11,565 transformers were renovated** in 2022, and **gross revenue of R\$ 15.14 million**. In addition to the positive results in the environmental area, since its inception, **the initiative has already generated around 298 direct jobs**.

As for waste disposal, we reached a total of **312.5 tons recycled in the period**, including hazardous and non-hazardous waste, such as mineral and veg oil, and copper wire. It is worth noting that we monitor the entire journey of these materials, from their generation to their final destination, in order to guarantee an environmentally friendly process. Furthermore, within the scope of CPFL Soluções, we emphasize the service to other energy distribution companies in the market.



Transmission tower - Campinas - SP

We reinforce that the project was highlighted in the initiative Amcham's Brazil by the Environment and São Paulo Environmental Agreement (CETESB) in 2022.



10. Refurbish at least 70,000 power grid equipment by 2030 and 11. Guarantee 100% of the main components of the network destined for recycling or reverse chain systems.

## Waste generated in the period

GRI 306-3

### Waste Generated

	Unit	2022 <sup>3</sup>	2021 <sup>2</sup>	2020 <sup>1</sup>
Total Non Hazardous Waste	t	15,488.46	1,795.90	280.97
Total Hazardous Waste	t	3,181.56	1,168.60	1,810.90

<sup>1</sup> 2020 considering: CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz, RGE, CPFL Soluções and administrative buildings

<sup>2</sup> 2021 considering: CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz, RGE, CPFL Soluções, administrative buildings and Generation

<sup>3</sup> 2022 considering: CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz, RGE, CPFL Soluções/Serviços, CPFL Renováveis, administrative buildings and Generation. Within generation are considered units that started to be reported this year (Baesa, Enercan, Ceran, Foz do Chapecó, EPASA)

## Waste not destined for final disposal

GRI 306-4

### Generation Units, CPFL Renováveis, Serviços and Transmissão

Disposal method	Composting		Recycling and/or reuse		Sorting with storage	
Business Types	Non Hazardous (ton)	Hazardous (ton)	Non Hazardous (ton)	Hazardous (ton)	Non Hazardous (ton)	Hazardous (ton)
Biomass	0	0	0	0	0	0
Wind	32.95	0	0.40	788.09	0	244.63
SHP	1.31	0	0.44	0.65	0.22	267.01
Solar	0	0	0	0	0	0
HPPs	0	0	0	0	0	0
Thermal	7.64	0	8,519.02	5.39	1,011.00	656.09
Services	0	0	0	253.37	0	0
Transmission	0	0	0	0	0.04	0
<b>Total</b>	<b>41.90</b>	<b>0</b>	<b>8,519.86</b>	<b>1,047.50</b>	<b>1,011.26</b>	<b>1,167.73</b>

### Distribution Units (CPFL Paulista, CPFL Piratininga, CPFL Jaguari and RGE) + Corporate headquarters in Campinas and administrative unit in Jundiaí

Disposal method	Non Hazardous (ton)	Hazardous (ton)
Recycling and/or reuse	5.72	96.99
Composting	0	0
<b>Total</b>	<b>5.72</b>	<b>96.99</b>

## Waste destined for final disposal

GRI 306-5

### Generation units, CPFL Renováveis, Services and Transmissão

Disposal method	Landfill		Incineration with energy recovery = co-processing	
	Non Hazardous (ton)	Hazardous (ton)	Non Hazardous (ton)	Hazardous (ton)
Biomass	0	0	0	0
Wind	37.32	0	0	121.47
SHP	2,366.72	0	0	515.61
Solar	0.06	0	0	0
HPPs	756.38	0	0	0
Thermal	938.27	0	0	35.44
Services	0	0	0	0
Transmission	0.80	0	0	0
<b>Total</b>	<b>4,099.55</b>	<b>0</b>	<b>0</b>	<b>672.52</b>



### Distributor Units (CPFL Paulista, CPFL Piratininga, CPFL Jaguari and RGE)

Disposal type	Non-hazardous (ton)	Hazardous (ton)
Incineration (with energy recovery)	44.9	87.9
Incineration (with no energy recovery)	0	0.58
Landfill	92.27	108.34
<b>Total</b>	<b>137.17</b>	<b>196.82</b>

### All the companies in the CPFL Group with 100% shareholder control

Public collection service (non-hazardous) destined for landfill (ton)	<b>1,673.00</b>
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# Biodiversity

GRI EU21 | 2-25 | 3-3 | 304-1 | 304-2 | 304-3 | 413-2

Managing biodiversity issue is of paramount importance to CPFL Energia, as we work by establishing processes for obtaining prior licenses for new assets in the generation, distribution and transmission segments, taking care to have the least possible socio-environmental impact even in the project design. However, even if such processes strictly follow the legislation and environmental licensing rules, reducing biodiversity on a local scale ends up being inevitable.

Thus, as a means of repairing and mitigating the negative impacts in the medium and long term, we assume, before environmental agencies and communities, the commitment to reforestation through compensatory planting of tree species, operations to refrain the reduction of vegetation cover, loss of habitats for fauna, interference in third-party properties and changes in land use, as well as the maintenance of the entire area until ecological processes can guarantee its succession without human intervention.

The implementation phases of power plants and transmission lines, followed by the operation phase of these assets, where constant maintenance of their safety belts is required, represent the greatest impacts on biodiversity in our business model. The main aspect related to these impacts is the suppression of native vegetation.



It is no coincidence that, in addition to compensating for and avoiding possible damage, we are able to **maximize our net positive impact within the scope of biodiversity**, in accordance with the commitment defined on the subject in the 2030 ESG Plan:



CPFL Renováveis Wind Power Plant in Ceará

- Create CPFL Energia's Biodiversity Policy by 2025 to maximize the benefits and value generated by our operations on the environment and society.

All initiatives and investment decisions are based in three main objectives:

- i. Value Protection:** includes actions to avoid or cause the least possible socio-environmental impact from the beginning of project development, such as location studies to better use the topography and angle for installing transmission towers, use of drones in order to avoid cutting and pruning vegetation, removal or replacement of tree species that have the potential to reduce safety in electrical grids;
- ii. Optimization:** aims at greater-efficiency measures in compensating for impacts that could not be avoided. A preliminary study provides the premises for implementing compensation projects, i.e., choosing biomes without overlapping with other environmental commitments, such as legal reserves or APP;
- iii. Shared value generation:** we are focused on the development of local communities and the return generated for business, such as sustainable training and investment for family farmers, local labor, income generation, reforestation and environmental education in indigenous territories,

long term cost reduction with the use of technology to implement towers, among others.

Biodiversity management and community development are integrated into CPFL Energia's environmental management processes and take place in a systematic, constant, planned manner and in connection with the Engineering, Environment and Operations areas. In addition, one of the main means used in this management is the Company's partnership with environmental agencies and public authorities, aiming to strengthen the instrument of the Excess Legal

Reserve, provided for in Federal Law No. 12,651/2012. Through it, we prioritize the maintenance of forest remnants and biodiversity that exceed the mandatory percentage, strengthening areas of interest.

To date, in the state of São Paulo, 446.54 hectares have already been approved to implement the Excess Legal Reserve, and a further 28.5 hectares are still under analysis by CETESB. Another 20 hectares are also being analyzed by the IMA, in Santa Catarina, for later approval. In Rio Grande do Sul, however, we reached a total of 783.21 hectares approved.



*Castro Alves Hydroelectric Power Plant (Ceran)*



CPFL already has areas of Forest Compensation in the modalities of reforestation and management of exotic species in Conservation Units and acquisition of surplus Legal Reserve areas in private properties. CPFL's initiatives generate environmental and social benefits, whether in public (Conservation Units) or private areas, promoting gains that go beyond biodiversity conservation.

**Check below some projects in the area of biodiversity developed by CPFL Energia, with relevant social impacts:**

CPFL Energia monitors all impacts on the local biodiversity of its assets during the operation phase, with regular reports to environmental agencies, maintaining proximity to Conservation Units.

#### FETAG

The project aims to raise environmental awareness among farmers in Rio Grande do Sul and restore degraded areas in the Pampa and Atlantic Forest biomes, with an emphasis on the importance of environmental preservation, the rational use of natural resources and rural production. In this way, organized civil society and the public authorities aim to support the maintenance of man in the field with the function of ensuring its economic use in a sustainable way. This includes better management of the natural resources of the rural property, assisting in the conservation and rehabilitation of ecological processes and promoting the conservation of water and wild fauna and native flora biodiversity.

#### ASSOCIAÇÃO DE ESTUDOS E PROJETOS COM POVOS INDÍGENAS E MINORITÁRIOS – AEPIM (ASSOCIATION FOR STUDIES AND PROJECTS WITH INDIGENOUS AND MINORITY PEOPLE -AEPIM)

The project seeks to support the restoration of adequate environmental conditions for living in accordance with cultural traditions of the Mbya Guarani ethnic group, in two communities on the North Coast of Rio Grande do Sul: Nhu Porã village (Torres - RS) and Kuaray Rexë village (Osório - LOL). Environmental conditions are expected to be improved through forest replacement, support for traditional agriculture, community nursery and implementation of agroforestry backyards. Additionally, the project aims to strengthen exchange actions between these two indigenous lands and other Mbya Guarani communities.

### **QUARTA COLÔNIA STATE PARK – PHASE 1 AND 2**

The project aims to control 100% of the exotic individuals that invade the State Park, located in Rio Grande do Sul, comprising the ecological restoration of a 120-hectare area of the unit with the planting of 100,000 seedlings of late secondary species, integrated with the pioneers species. This dynamic forms ecological groups over time, returning to the succession process, in addition to concentrating the greatest focus on combating invasive species in the unit. Phase 2 of the project includes the implementation of a nursery and the necessary inputs so that the asset itself can produce seedlings of tree and shrub species native to the region.

### **CETAP**

In this project, the emphasis is on structuring a native fruits and sustainable extractivism productive chain, articulated and streamlined between different actors in rural and urban areas. We seek to promote the conservation of springs with farming families through the principles of agroforestry systems, appreciation and use of local socio-biodiversity products, recognition and appreciation of traditional systems.

The project covers a 211-hectare area, including 33 municipalities in the North and Northeast of Rio Grande do Sul, developing advisory actions together with city halls, cooperatives and unions (both rural and urban).

### **BEM-TE-VI**

Integrates actions and people aimed at genetic conservation, genetic improvement, sustainable rural development and recovery, along the transition between Campos Sulinos and Atlantic Forest, on the banks of Ibicuí-Mirim River, in the central region of Rio Grande do Sul. The chosen riparian forest areas are characterized by a very intense dynamic of land use and occupation, with alternation of winter and summer agricultural crops. In the first phase, seeds of 20 different forest species were collected, which resulted in the production of 100,000 seedlings. In the second phase, the seedlings are being used in crossing designs and biodiverse or agroforestry systems, in areas of riparian forests, comprising a range of 50 hectares. The Bem-Te-Vi Project is supported by solid genetic bases to guarantee the sustainability of the genetic variation of tree species, allowing the formation of biological communities for future generations.





### **ESCOLA MUNICIPAL DE ENSINO FUNDAMENTAL AGRÍCOLA, FLORESTAL E AMBIENTAL – EMAFA (MUNICIPAL AGRICULTURAL, FORESTRY AND ENVIRONMENTAL ELEMENTARY SCHOOL)**

Characterized by the implementation and handling of an agricultural greenhouse as a learning strategy for permanent protected cultivation of native species seedlings and organic food, the project consists of an integrated action for learning, preservation and technical qualification through the acquisition and installation of two greenhouses for: practice of protected cultivation in nurseries, production and conservation of species native to the region, with an emphasis on endangered species included in the List of Endangered Flora of Rio Grande do Sul, and the supply of quality seedlings to farmers in the region for the replacement of native forest, APP's and urban landscaping. The project also provides for the protected and permanent cultivation of organic food, thus ensuring the school's self-sufficiency in the production of leaves, grains, vegetables and greens that will serve to feed the school network in the municipality of Ilópolis - RS.

### **VERDESINOS**

VerdeSinos project was carried out on private and public properties, with the purpose of structuring the planting of vegetation characteristic of riparian forest, associated with the potential arising from the diversity of native species. The exercise resulted in reconciling the need for reforestation due to economic activities, with the demands listed by VerdeSinos together with its partners interested in making areas available to recompose riparian forest in Rio dos Sinos Hydrographic Basin, such as seedlings, fence posts, wires, staples, transportation, labor, machine hours, promotional material, among others. In this line, RGE's adherence was characterized by the offer of material means, insofar as it recognizes and values the methodology and organizational arrangement applied for the restoration of riparian forest in the region.

### **ENVIRONMENTAL EASEMENT**

Environmental compensation for expansion work on CPFL Energia's electrical system is carried out through innovative projects of greater environmental relevance; The environmental easement modality deals with compensation through the preservation of already formed forests, in which these compensations are directed to areas with an extension equivalent to that licensed and that have the same ecological characteristics. The CPFL Group has areas of 761 hectares of native forest that are preserved by this type of compensation. With the annotation of the Environmental Easement in the property registration, the owner renounces, in a permanent manner, totally or partially, his right to use, exploit or suppress natural resources existing in the property. The acquisition of areas relies on the contribution of monetary resources from the Mandatory Forest Replacement (RFO), resulting from the legal measure to offset for the cutting of native trees. Some locations of projects already executed in this modality are Torres and Cacequi - RS, Furnas Farm in Patrocínio Paulista - SP, Urtigão Farm in Marília - SP and Santa Zélia Farm in Altinópolis - SP.

## Interaction of our units with conservation units

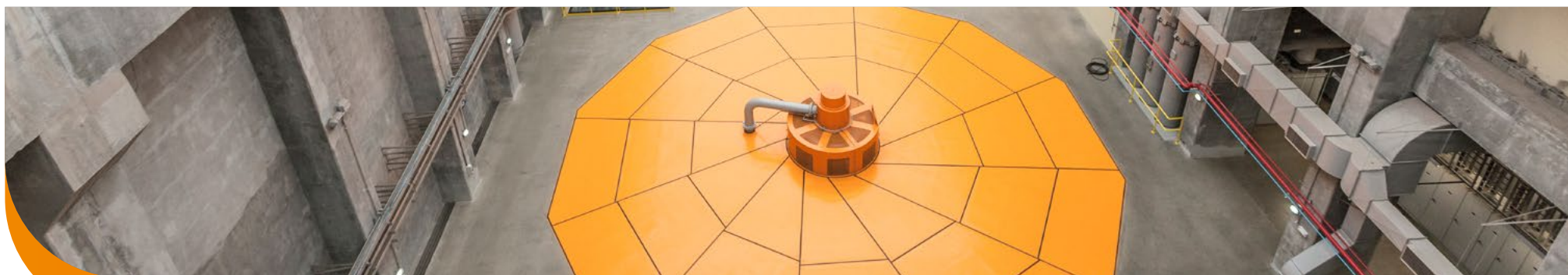
GRI 304-1

Operational Units	Company area (km <sup>2</sup> )	Position in relation to the conservation unit (outside/inside/adjacent/next)	Location
CGH Lavrinhas	0.51	Close (4km) to Parque Estadual Carlos Botelho	São Miguel Arcanjo - SP
CGH Pinheirinho	0.04	There is no conservation unit near the development	Monte Santo de Minas - MG
CGH Santa Alice	0.01	There is no conservation unit near the development	São José do Rio Pardo - SP
CGH São José	8.47	Adjacent to Parque Estadual Carlos Botelho	São Miguel Arcanjo - SP
CGH São Sebastião	0.08	There is no conservation unit near the development	Aceburgo - MG
CGH Turvinho	0.14	Close (5,5km) to Parque Estadual Carlos Botelho	São Miguel Arcanjo - SP
PCH Boa Vista II	2.14	Adjacent to Parque Estadual Nova Baden	Varginha - MG
PCH Jaguari	1.00	Adjacent to Área de Proteção Ambiental de Campinas and APA Piracicaba Juquerí-Mirim área II	Americana - SP
PCH Ludesha	10.14	Close (9Km) to Estação Ecológica de Mata Preta	Ipuçu - SC
PCH Macaco Branco	0.07	Adjacent to APA Piracicaba Juquerí-Mirim área II, also Adjacent to Área de Proteção Ambiental de Campinas	Campinas - SP
PCH Ninho da Água	0.21	Inside the Área de Proteção Ambiental Serra Da Mantiqueira	Delfim Moreira - MG
PCH Novo Horizonte	0.75	Adjacent to Parque Estadual Do Rio Turvo	Bocaiúva do Sul - PR
PCH Rio do Peixe II	1.26	There is no conservation unit near the development	São José do Rio Pardo - SP
PCH Salto Grande	0.17	Adjacent to Área de Proteção Ambiental de Campinas	Campinas - SP
PCH Santana	1.52	Adjacent to Estação Ecológica Mata do Jacaré	São Carlos - SP
PCH São Gonçalo	2.10	Close (5km) to Área de Proteção Ambiental Piracicaba	São Gonçalo do Rio Abaixo - MG
PCH Socorro	0.05	Close (10Km) to APA Piracicaba Juquerí-Mirim área II	Socorro - SP
UFV Tanquinho	0.43	Close (0,5Km) to Área de Proteção Ambiental de Campinas	Campinas - SP
UHE 14 de Julho (Ceran)	5.89	There is no conservation unit near the development	Northeastern region of Rio Grande do Sul

Operational Units	Company area (km <sup>2</sup> )	Position in relation to the conservation unit (outside/inside/adjacent/next)	Location
UHE Barra Grande - áreas protegidas e recuperadas (Baesa)	105.71	Adjacent to Reserva Particular do Patrimônio Natural Emilio Einsfeld Filho	Pinhal da Serra - RS
UHE Campos Novos - áreas protegidas e recuperadas (Enercan)	32.85	Adjacent to Parque Estadual Rio Canoas	Campos Novos - SC
UHE Castro Alves (Ceran)	7.83	There is no conservation unit near the development.	Northeastern region of Rio Grande do Sul
UHE Foz do Chapecó	129.04	Close (13km) to Floresta Nacional de Chapecó – FLONA	Foz do Chapecó - SC
UHE Luis Eduardo Magalhães	56.69	Adjacent to Áreas de Proteção Ambiental do Lajeado e do Lago	Miracema do Tocantins - TO
UHE Monte Claro (Ceran)	3.6	There is no conservation unit near the development.	Northeastern region of Rio Grande do Sul
Biomassa Baia Formosa*	-	Close (3Km) to Reserva Particular do Patrimônio Natural Mata Estrela	Baía Formosa - RN
Biomassa Baia Formosa*	-	Close (7Km) to Área De Proteção Ambiental Piquiri-Uma	Baía Formosa - RN
Biomassa Ester*	-	Close (8Km) to Área De Relevante Interesse Ecológica Matão De Cosmópolis	Cosmópolis - SP
Biomassa Ipê*	-	Close (5Km) to Estação Ecológica Municipal Guarani	Nova Independência - SP
UTES Termoparaíba e Termonordeste (Epsa)	0.79	There is no conservation unit near the development.	João Pessoa - PB

HPP: Hydroelectric Plant; TPP: Thermal Power Plant; SHP: Small Hydroelectric Plant; HGS: Hydroelectric Generating Station; Biomass: Thermoelectric Biomass Plant; PVP: Photovoltaic Plant.

\* The area of the plant operation represents an area significantly smaller than 1 km<sup>2</sup>.



Foz de Chapecó Hydroelectric Power Plant



Tanquinho Solar Power Plant - Campinas - SP

## CPFL Renováveis

GRI 304-4

CPFL Renováveis aims, based on its main objectives, to carry out environmental conservation and mitigate potential impacts on biodiversity, related to the operations and works of new undertakings, especially through the following programs:

- Fauna Monitoring Program;
- Fauna Rescue Program;
- Flora Rescue Program;
- Degraded Areas Recovery Program.

When there is a need to intervene on the environment, CPFL Renováveis acts with the utmost respect for laws and actions that mitigate potential impacts on nature. In this sense, it is worth mentioning the process related to the maintenance of the 138 kV Transmission Line, next to SHPP Novo Horizonte, in the State of Paraná (Atlantic Forest Biome). In this location, there will be compensation for 100 hectares of preserved area, to be allocated to Instituto de Água e Terra do Paraná.

This action will generate a substantial gain for the State Park Lauráceas, as a way to increase biodiversity and regional conservation, both of the vast vegetation present, and the rich and diverse population of mammals, reptiles, amphibians, birds, among other phyla. Therefore, it is worth mentioning that the region is known for the presence of Tapirs and brown jaguars, which are assisted by the Fauna Monitoring Program of the SHPP Novo Horizonte Operation License. Furthermore, around 50 species of flora and fauna that are on the IUCN red list and the MMA's are monitored by programs related to the conditioning factors of the environmental licenses.

As for the work fronts, weekly inspections are carried out, with the completion of the Environmental Impact Report (EIR) in order to guarantee preventive actions, as well as the application of corrective measures, if necessary. There is also a quarterly monitoring of the fauna regarding the impacts generated by the work.



# CPFL Geração

The operations of the generation plants, in electric and water sources, have fauna and vegetation monitoring programs, which seek to explore the particular potential of each location. The main Monitoring Programs are aimed at monitoring the ichthyofauna (fish) along the dams reservoirs, and the ornithofauna (birds) and winged mammals (bats) in the wind farms.

In our hydroelectric power plants, reforestation projects and recovery of degraded areas have already been concluded at HPP Barra Grande (BAESA), Campos Novos (ENERCAN), Monte Claro (CERAN), Castro Alves (CERAN) and 14 de Julho (CERAN). As an additional measure, in 2022, we implemented the Permanent Preservation Area (APP) Conservation Project for BAESA and ENERCAN, which aims to engage the neighboring community in helping to protect APP and adjacent areas.

In the case of the CERAN units, we are currently in the process of monitoring and inspecting the socio-heritage of the areas, and the Environmental Plan

for Conservation and Use of the Surroundings of the Artificial Reservoir (PACUERA) provides mechanisms for the regularization of access to water and APP.

At HPP Foz do Chapecó, we are guided by PACUERA, which consists of a document including studies and information that seek to order the use and occupation of the reservoir and the plant's Permanent Preservation Area (APP).

Foz do Chapecó has a commitment with Ibama to release at least 200,000 fingerlings per year, throughout the concession period. Therefore, from the time the enterprise was built, Foz do Chapecó has spared no efforts to meet the demand. In the plant's implementation, the company, in partnership with local institutions, provided for the installation of a fish farming station that supplies part of the native species required to reach the goal. During the more than ten years of operation, almost 1.5 million fingerlings have already been released, contributing to the repopulation of the reservoir and the Uruguay River.

## Hydropower plants and endangered species

**FOZ DO CHAPECÓ** - In the year 2022, two species were found to be considered vulnerable.

**CERAN** - In the year 2022, in the ichthyofauna studies, no species included on the IUCN Red List were found. It is noteworthy that the wildlife and flora monitoring programs in the area of influence of Ceran's projects were concluded a few years ago.

**ENERCAN** - In the year 2022, 4 species were found on Santa Catarina's list of endangered animals.

**BAESA** - No endangered species were found in the monitoring carried out.



*Foz do Chapecó Hydroelectric Power Plant*

# CPFL Transmissão

Within the scope of CPFL Transmissão, which has already completed 100% of its integration, all studies and monitoring related to the issue of biodiversity are managed by the Environment and Land Management Coordination. The reports and information generated aim to meet the conditions in licensing processes, which are reported to the competent bodies as established in each process.

Like for generation, the issue is extremely present in the transmission segment, since both the expansion and the operation of the electrical transmission system can have negative impacts on the local fauna and flora, which must be periodically managed and mitigated.

Some examples of our initiatives are:

- Efficacy studies on the implantation of avifauna flags;
- Studies to monitor species immune to cutting, protected by state legislation, which are transplanted;
- Reports on the destination of epiphytes removed from trees felled for the installation of Transmission Lines and Substations;
- Calculation of Mandatory Forest Replacement, due to vegetation management in the project's coverage area.

It is worth noting that SEMA Normative Instruction No. 01/2018 allows the Mandatory Forest Replacement to be carried out through investments in conservatory actions, so that the Company, through Transmissora de Energia Sul Brasil S.A. (SPE-TESB), carried out an Ecological Restoration project in Agroforests in Indigenous Areas.

For the next cycles, we will continue to act in line with the guidelines for environmental compensation, especially with the Mandatory Forest Replacement, as well as with regard to the advances of the goals and commitments listed in our 2030 ESG Plan on the subject.



Piracicaba Substation - SP



# Society shared value

112

Focus on the customer

115

Our People

135

Sustainable purchases

138

Community relationships

## Related SDGs



# Focus on the customer

GRI 2-29 | 3-3 | EU24

At CPFL Energia, the customer is at the heart of everything we do.

Over the last few years, the theme focus on the customer has increasingly gained the attention of our leaders and board of directors, including with regard to the guidelines of our majority shareholder SGCC, considering that CPFL Energia's main objective is to **guarantee a journey of greater autonomy and excellence for consumers** in relation to access to energy, services and products we propose to deliver.

It is not a coincidence that this is one of the most important indicators in the monitoring of leaders' goals and KPIs at all levels, who are responsible for mapping out actions and initiatives capable of promoting customer satisfaction on a daily basis and generating greater value for our chain.

The monitoring dynamic takes place mainly through the monthly meetings of the **Customer Forum** committee, created in 2021. Since its inception, supported by a significant increase in CPFL Energia's **digitalization** process, we have sought to continuously invest in projects that facilitate communication with the customer, as well as problem resolution in an agile manner, such as bill complaints and technical calls for new energy connections.

This structure includes advances in **Data Analytics operations**, which estimate the duration and efficiency of our operation, in addition to measuring the consumer approval rate for each service and/or assistance. From then on, new action plans are put into practice in order to further improve this customer's experience with us.

During **CPFL Energia's Customer Journey**, our customers can count on:



Exclusive service via **WhatsApp**, issuing a duplicate invoice in one click



Reformulation of the CPFL Energia **website** and **app**, allowing unified access to all our digital services



**Quickness in requests** to turn off and/or turn on the power, change documents and network failure



Optimized algorithms for predicting power outages and reconnection, promoting **more assertive information**



Self-service totems spread **across physical stores and other conveniences**, such as markets



Accessibility for **assistance to people with disabilities**

By the end of 2022, CPFL Energia already had 90% of its services carried out through digital channels, with an investment of more than R\$ 50 million in the period.





As an important result of our efforts, in 2022, CPFL Energia won the Reclame Aqui Award in the Service Concessionaires category, being among the service companies in the country that are most committed to good customer service.



16. Maintain at least 90% of customer service through digital channels.

### MINUTO DO CLIENTE (CUSTOMER MINUTE)

In order to disseminate the customer-focused culture internally as well, we periodically release information pills to employees on the subject, aiming to highlight the importance of a good service and the main tips for carrying it out.

All this movement has created a new environment within the CPFL Group, in which each area, regardless of the scope of action, understands the importance of working every day to achieve greater efficiency for our customers.

### INVESTOR DAY

In 2022, CPFL Energia held the Investor Day – an annual event to promote proximity between investors and our group.

The dynamic took place at BTG Pactual and featured a series of relaxed chats, the main theme of which was Focus on the Customer and all the digitization processes developed by the Company in order to improve the Customer's journey.

# Projeto Allegra Pacaembu (Allegra Pacaembu Project)

We at CPFL Energia are delighted to announce the partnership between CPFL Soluções and the concessionaire Allegra Pacaembu for the energy efficiency project at the Pacaembu stadium, in the city of São Paulo – SP.

The project will have a total of two 250kWp photovoltaic solar plants, one natural gas co-generation plant, two battery banks with a total of 1,000 MVA for supply stability, one 1,850 TR air conditioning plant for the entire complex, four generators with a total power of 4.7 MVA for own generation in the event of failure in the external grid, 47 medium voltage panels with 19 distributors, which will distribute the energy received from the network throughout the complex, one smart monitoring system and ten electrical vehicle chargers.

The project will start in Q1 2023, with expected completion in the end of the same year, and the investment will reach approximately R\$ 70 million. Nevertheless, CPFL Soluções will be responsible for the entire operation and maintenance of the systems with a resident team for the next 15 years, totaling around R\$ 300 million in contracts.

This achievement represents a major milestone for the Company in terms of solutions, electrical revitalization, infrastructure improvement and generators supply, highlighting CPFL Soluções' unique and pioneering position in the market.

**With our business and operations expertise, we are able to offer a set of initiatives and solutions for energy efficiency projects.**

*"We are the only company in the country capable of providing the energy solutions Pacaembu has been waiting for years. The Complex is born new and modern. We range from electrical revitalization, through infrastructure improvement – with air conditioning, pool heating, electric car chargers, to the supply of generators. All with #safety and efficiency."*

Flávio Souza, Commercial Director at CPFL Soluções.



Pacaembu Stadium - SP



# Our People

GRI 2-29 | 3-3

Our people are a fundamental part of everything we do. Nosso Jeito de Ser (Our way of being) emanates from them, as they are always willing to seek new solutions to achieve the CPFL Group's mission of providing sustainable, accessible and reliable energy at all times.

For this reason, our internal people management teams work daily in order to generate opportunities for the professional development of each employee of the Company, always based on the best management practices, with a focus on diversity, equity and inclusion and under the State Grid's main guidelines.

Over the last few years, we have focused on providing an increasingly flexible and autonomous environment for the teams – with all the necessary resources and tools - in which each professional is the protagonist of his/her own career.

**A purposeful, happy and motivated team is essential for business success and growth.**

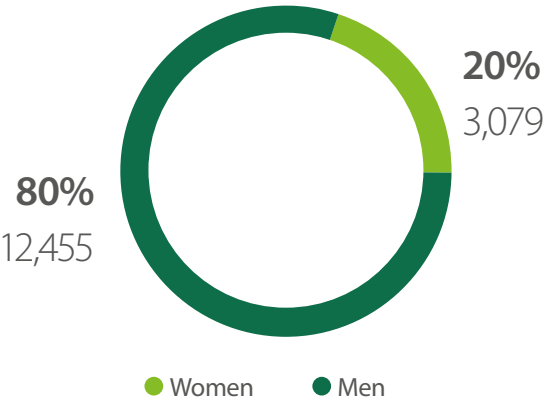


CPFL employees

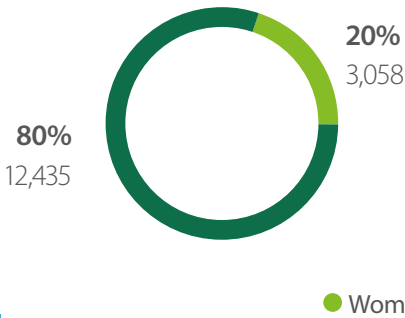
# Excellence team

GRI 2-7

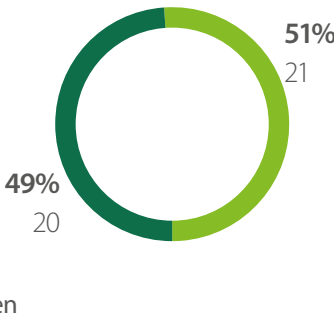
## By gender



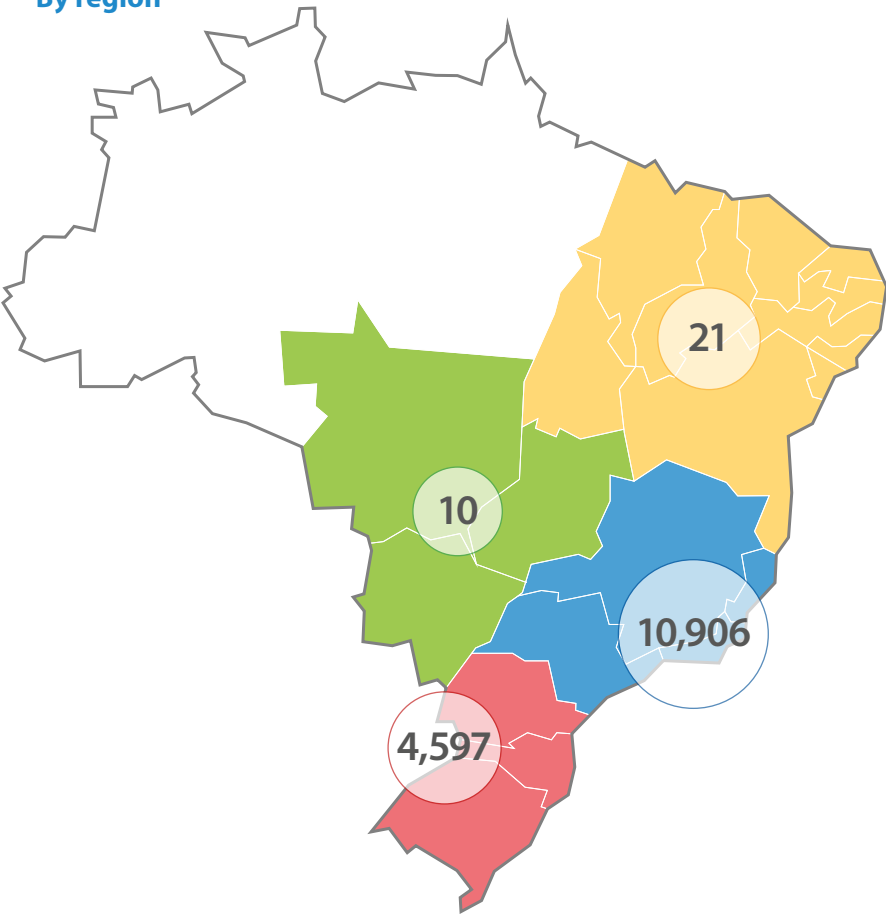
## Permanent and full-time employees



## Temporary and part-time employees (interns)



## By region



15,534 CPFL Group Employees



CPFL Group's team is a team of excellence. We are made up of people who are committed and passionate about what they do, with a learning culture that keeps us on the path of constant evolution.

## HYBRID MODEL

After a long period of uncertainty and distancing due to the Covid-19 pandemic, the **CPFL Group adopted the hybrid work system<sup>1</sup>** for all its administrative employees, enabling the best of each model:

### REMOTE WORK

Twice a week

It guarantees greater flexibility and autonomy to employees.

### ON-SITE WORK

Three times a week

It allows for the experience exchange between teams that only face-to-face is able to provide. In any case, the professional can opt for the 100% on-site model.

In this way, the CPFL Group takes an important step in line with market practices, focusing on the balance between delivering results and the quality of life of its employees.

<sup>1</sup> Exceptions and particulars must be dealt with directly with the manager of each area.



## Recruitment and selection

GRI EU14

Nosso Jeito de Ser (Our way of being) puts our people at the heart. Therefore, for CPFL Energia, attracting external talent and offering opportunities to our internal talent are essential measures aimed at the sustainability of our business.

In addition, our selection processes are aimed at ensuring that internal or external applicants have a positive experience with CPFL Energia.

These are based on evaluating the technical and behavioral competences established for the function to be occupied.

Regarding the type of recruitment, this may be chosen by the leadership. However, we encourage internal recruitment as an additional career development opportunity for our employees.

Also, Nosso Jeito de Ser (Our way of being) values diversity and respects differences, so we encourage the participation of plural people in our selection processes, such as People with Disabilities (PwD), women, LGBTQIAP+, Black people and people from various generations and nationalities. Both inside and outside the Company, our motivation is to build long-term relationships with each professional.

The team in charge has periodic training to carry out inclusive selection processes, free of unconscious biases and focused on technical training on how to attract and interact with candidates from disclosing job openings to the final admission stage, always with the objective of promoting a great experience. Most of the selection processes take place in an online model, and overall, the main steps are:

- Disclosure of job opening;
- Screening;
- Online or face-to-face tests/exams;
- Dynamics;
- Interview with the responsible team;
- Interview with leadership;
- Admission.

Additionally, in line with the 2030 ESG Plan, in 2022, we structured diversity guidelines to present candidates on the short list, including for leadership positions, with a minimum of 30% women, continuously working to increase the representativeness of this group. Furthermore, we updated the materials used in the selection process, by the recruitment team and leaders, ensuring alignment with *Nosso Jeito de Ser* (Our way of being) and more inclusive strategies, and created a plural people CV database.



*CPFL employees*

## Hiring

GRI 401-1

Category	Type	Hiring total	Hiring rate
Gender	Women	982	32%
	Men	1,993	16%
Age Group	Up to 30 years old	1,411	37%
	Between 30 and 50 years old	1,514	14%
	Over 50 years old	50	4%
Region	North	0	-
	Northeast	7	33%
	Center-West	0	-
	Southeast	2,287	21%
	South	681	15%
<b>Total</b>		<b>2,975</b>	<b>19%</b>

## Turnover

GRI 401-1

Category	Type	Turnover	Turnover rate
Gender	Women	774	25%
	Men	2,094	17%
Age Group	Up to 30 years old	868	23%
	Between 30 and 50 years old	1,533	15%
	Over 50 years old	467	33%
Region	North	0	-
	Northeast	3	14%
	Center-West	1	10%
	Southeast	2,192	20%
	South	672	15%
<b>Total</b>		<b>2,868</b>	<b>18%</b>

## Parental Leave

GRI 401-3

By Category	Women	Men	Total
Employees who were entitled to take leave*	3,058	12,435	15,493
Employees who actually took the leave	135	426	561
Employees who returned to work upon the end of their leave	131	426	557
Return rate	97.04%	100%	99%
Employees who have completed 12 months after returning from leave	113	403	516
Retention rate	83.70%	94.60%	92%

\*Interns and apprentices are not considered.

# Career Development and Acceleration Programs

GRI 404-2

CPFL Energia aims to foster an environment that promotes the attraction and engagement of talent with a focus on diversity, equity and inclusion, in addition to developing new leaders to ensure the future of the business.



**Talent Review** - valuing our people so that they can grow together with CPFL Energia has always been our priority.

To make it possible to strengthen our career aspirations, the Company has a structured Potential Mapping and Succession Planning program, the Talent Review.

Through it, we work with a best-in-class methodology, based on the concept of potential, based on Learning Agility. This process allows CPFL Energia to obtain a map of successors for management positions (management, board and vice-presidency).

In 2022, 89% of our positions were classified as “secure” or “apparently secure”, meaning that we have people mapped as internal talent to leadership

positions for the vast majority of positions. Such results are demonstrated in our Succession Plan effectiveness indicator, in which 83% of the job openings for these positions were filled internally with successors mapped during the period.



**Mentoring Program** - the Mentoring Program is a great opportunity to strengthen our people's protagonism in managing their careers, in addition to accelerating their development in skills that will add value to the Company's results. Whether as a mentor or mentee, our people have the opportunity to contribute and continually develop.

In line with our ESG strategy and positioning of the CPFL +Diversa Program, in 2022, we launched the +Diversa Mentoring Program, focusing on the protagonism and career acceleration of women at CPFL Energia. This was an important step towards the promotion of gender equality, as we seek to generate greater balance in relation to female participation in the Company leadership, in line with the UN Sustainable Development Goals established.

That year, the program was divided into two different audiences of mentored people, that is, **Corporate Mentoring**, aimed at people

in management-level positions; and **+Diversa Mentoring**, focused on the development of female leadership, with job openings exclusively for CPFL Energia female coordinators and specialists. A total of 50 pairs were formed, which included mentoring and follow-up sessions, webinars and conversation circles. The group started in 2022 will be completed in 2023, when a new group will be started.



CPFL employees





### **“Protagonistas do Futuro” (Protagonists of the Future) Program**

the main objective of the program is to promote the career of male and female employees who aspire to assume a leadership position. In 2022, in line with the CPFL +Diversa program, we launched an edition aimed at women with the aim of leveraging their careers, accelerating their readiness for leadership positions. Forty women will have access to exclusive content, practical activities and a robust individual development plan.



**Distributors Trainee Program** - we have the Distributors Trainee Program, an innovative initiative designed for the need to train talents with leadership potential for distributors, and the process involves a field learning program, focusing on on-the-job training and development, for a period of 18 months.

At the end of each stage, learning reports are submitted to management, which allows monitoring the knowledge and experience of these professionals in each area. The participants' development is monitored on a daily basis and includes an assessment in the last year of the program.

At the end of the period, the objective is to use the group of trainees for positions in the

distribution companies or related areas, adding talents with specific training and with an increasing preparation for the challenge of leading the distribution segment.

It is worth mentioning that, in 2022, the Program prioritized the participation of women, reaching 70% of female participants.



**Internship Program** - the Internship Program's mission is to attract and develop students with potential for career progress, so that they can build their professional future by contributing to the innovation and excellence of CPFL Group.

The Program is based on three pillars:

- **Business** – aimed at expanding the systemic vision through a challenge, the "Challenge" - a project in partnership with the innovation area with themes related to strategic planning
- **Behavior** - training aimed at developing skills related to Nosso Jeito de Ser (Our way of being)
- **Career** - annual performance assessment with feedback from leadership, with the opportunity to discuss and plan career opportunities at CPFL Energia



CPFL employees

Since 2019, we have carried out the hidden selection process as a strategy to mitigate unconscious biases, in which leadership does not have access to identity markers such as gender, age, race and other information such as the educational institution name, and since 2020, we have carried out all stages 100% online. Starting with the 2021 selection process, we monitor indicators referring to minorized social groups with the objective of providing a more significant participation of this public.

In the 2023 Internship Program, as a result of the actions developed throughout the attraction and selection process, we obtained 3,391 applications, 44% of which were women and 32% were black people.



**English Culture Program** - aims to promote language culture at CPFL Energia through awareness-raising actions, support and subsidy for employees, according to the degree of criticality of their work. The program supports the development of the English language and provides a global view of the person's evolution.

In 2022, we made 50 Speexx platform licenses available for group classes. For 2023, we revised the format with a new partner and expanded the scope to 129 vacancies, considering 29 new vacancies for CPFL Transmissão. The Intensive Program has 48 hours of online classes per year and requires at least three hours of dedication per week to have classes and access self-directed learning content. The selected people have already been informed and classes will start in January 2023 for the Intensive Program students. In addition to the Intensive Program, we have the Executive Program, aimed at CPFL Group's Directors who need language development.



**Academia CEO** - content platform with exclusive content from CEOs and executive members from various companies. It provides access to exclusive content, interviews with renowned leaders in the market, including Gustavo Estrella. It also addresses general topics related to leadership, diversity, communication, among others. In 2022, we made 97 licenses available to coordinators and specialists following prioritization criteria for minority social groups. The main objective is for the selected people to have access to content and an audience that they currently do not access frequently, so that they can develop their careers.



**Increasingly Connected Leadership – Leadership Check-in** - in order to support new leaders, either coming from the market or from internal movements, we carry out the Qualification Program. The purpose of this course is to train our leaders in basic management issues within CPFL Energia. On a monthly basis, we bring together leaders who have been hired or who have moved in the last month and talk about topics such as: Point and Access Management, Diversity, Compensation and Structure, Labor Relations, among others. This initiative supports the acculturation of the new leader, in addition to providing guidance on practical issues.



CPFL employees



CPFL employees



**Scholarship Program** - in 2022, CPFL awarded 1,455 scholarships to 1,336 employees, investing more than R\$ 3.76 million in the Program, generating professional development for our people. In the top 3, Higher Education stands out in first place with 484 scholarships awarded, followed by languages, with 458 scholarships and extension (graduate) courses, with 312 scholarships.



**Data Analytics** - the trail was born with the aim of aiding the use of tools to work with large data volumes, allowing innovative information-based solutions. In 2022, we had a total of 108 participants, with seven projects presented and three awarded – based on the criteria of idea originality and positive impact on the Company. The trail helps CPFL Energia get closer to a data-based culture.



**Data Driven** - started in September 2022, it aims to develop a data-focused culture, so that initiatives in the Information Technology, Shared Services Center, Logistics and Infrastructure areas are more assertive and strategic. The training is exclusive to the VPE (Vice-Presidency of Business Excellence) and was started with the leadership so that it could later be rolled out to all employees in the area, with a dissemination plan for the other employees of the area.



**Performance Management** - the Performance Management process is very robust and has been in place for over 15 years, counting on continuous improvement cycles to adapt to the culture and best market practices.

The performance evaluation covers all effective male and female employees hired until September 30 of the previous year in 100% controlled companies.

Annually, our people are encouraged to evaluate the results delivered and the grip of their performance at the four dimensions of Nosso Jeito de Ser (Our way of being), according to the behaviors expected by level.

The model promotes leadership autonomy and is conducted with a focus on dialogue and feedback between leaders and teams, with the purpose of stimulating the reflection of professionals about their contribution to the company's performance through deliveries and behaviors. From there, along with the leadership, action plans are prepared to be developed throughout the following year, composing the individual development plan (IDP) of each employee.

Twice a year, leaders and teams are invited and encouraged to make checkpoints to monitor this planning. Performance results guide leadership in people management processes and programs, providing inputs to act in the recovery of low performance and maintenance and leverage of high performance.





**"Atitude" (Attitude) CPFL** - in order to strengthen our culture and create a wave of recognition among our people, the Attitude Program was born, in which professionals can recognize each other when they notice attitudes that are aligned with Nosso Jeito de Ser (Our way of being) and other sub-themes linked to our values and strategy, such as sustainability and diversity, for example.

Through the slogan "If it's valuable to you, we recognize it", the Program brings visibility to **differentiated behaviors**, increases our people's **engagement**, sustains the **feedback** culture and makes the work environment and climate even better.



CPFL employee

## CPFL UNIVERSITY

GRI 404-2 | EU14

### UNIVERSIDADE CPFL EM 2022:



**+ 826 thousand hours of training (49 hours per professional)**



**+ 156 thousand participations and + 16 thousand people trained**



**+ 1,000 courses in the portfolio**



**Nearly 1,200 leader participations in 12 specific modules**

In order to improve the professional development of each of our people, we have CPFL University - an area focused on the development and training of teams through learning programs, courses and trails, both face-to-face and online.

The initiative has more than 1,000 contents in the portfolio, which are revisited annually for continuous improvement, as well as being directly linked to the technical jobs of professionals, as well as cultural and soft skill practices.

Therefore, we seek to establish an increasingly gamified environment, where employees are protagonists of their own development journey,

while CPFL University acts as a facilitator to reach the maximum of their potential.

For this reason, we highlight the following axes:

- **Explore seu potencial (Explore your potential):** Soft skills development training, such as time management, negotiation and communication;
- **Virtual Library:** platform that brings together a large free collection of books, audiobooks, scientific articles and other contents;
- **Knowledge Management:** Platform for experienced employees to structure and share teaching materials and programs, with business critical knowledge.



Regarding the development of leadership programs, leaders have three other support axes:

- **Decola Líder (Take-off Leader):** with a focus on the first leadership in the CPFL Group (leaders of all levels in their first people management journey), this axis aims to integrate the leader with the group's management practices. In 2022, the program modules - which are aligned with the four dimensions of Nosso Jeito de Ser (Our way of being) - were updated to introduce themes such as Inclusive Leadership, Learning Culture and Learning Agility;
- **Voando Alto (Flying High):** available to all leaders who have already completed the first axis, it aims to bring repertoire to leaders in relation to new practices, trends and current people management challenges. This program axis also featured specific meetings on Inclusive Leadership, Learning Culture and Learning Agility;
- **Expandindo horizontes (Expanding horizons):** directed to the executive level of CPFL Energia (board and vice presidents), it focuses on the development of trust and strategic vision relationships to address the group's challenges. In 2022, the themes worked on this axis were customer experience, diversity and Learning Agility.

## Average training hours per year

GRI 404-1

By gender	Average hours
Women	26
Men	55
By category	Average hours
Leadership*	6
Other employees**	65

In 2022, CPFL Energia offered, in all, over 826 thousand hours of training and qualification to its employees.

\* Leadership includes directors, managers, coordinators, supervisors, and leaders.

\*\* It excludes employees on leave.



Employees at the CPFL University

## OPERATIONAL EXCELLENCE SCHOOL

GRI 203-1



In addition to the courses offered internally, the CPFL University promotes training in the regions of the communities in which we operate, through three main lines of learning: Electricians School, Designers School and Operators Schools.

The modules are free and are intended to have a positive impact on society by inserting students into the job market, including at CPFL Energia itself. We hire electricians who are integrated into the Company through the godfathers and godmothers' program.

In 2022, 41 Schools for Electricians were held in 30 cities, with an investment of R\$ 7.6 million. Of the 500 participants, 87% were hired by companies in the CPFL Group.

## Engagement



In order to establish a communication and active listening channel between leaders and employees, we implemented our engagement strategy in 2022. It is a People Management Tool that demonstrates CPFL Energia's commitment to listen to our people, reply and do something about it, with the data collected.

- **Listen:** Analyze the results, read the comments and welcome people's opinion;
- **Reply:** Share the results with the team and demonstrate that this matters to our company;
- **Do something about it:** Create action plans to improve engagement and work environment.

This action represents an evolution of the climate research, which goes from a biannual to a semiannual diagnosis frequency. Through a friendly and easily accessible platform that can be accessed using any mobile phone via QR code, or computer via Link, people answer questions about their perceptions of:

- Alignment with the company
- Ambassadorism
- Innovation
- Well-being
- Justice structure
- Career
- Feedback and recognition
- Leadership
- Professional development
- Happiness
- Interpersonal relationship
- NPS
- Engagement
- Focus on the consumer
- Nosso Jeito de Ser (Our way of being)
- Diversity

After each survey, we continue with the steps of analyzing the results, sharing with people in each area and creating action plans to further improve our engagement (each leader can access the results of their team in real time via link or app).

In 2022 we ran two cycles and had great results. (1) Our adhesion rate, which represents the participation of our people, reached an average of 76% (and benchmarking is, on average, 60% in this methodology). (2) The results demonstrate that we are in an area of excellence in engagement, in addition to increasing the result from one research to another.

We also made approaches with areas that had the best results with each cycle to perform a recognition and sharing of good practices, aiming to inspire colleagues from other areas through a matter in our communication channels.



CPFL employees



## CPFL “+Diversa” (More Diverse) Program

There has never been so much talk about diversity, equity and inclusion, as there is today. And here at CPFL Energia is no different. **We believe Diversity, Inclusion and Equity are not punctual issues, but a constant learning journey** that we have traveled since 2020, when the CPFL +Diversa program has been launched. We recognize our achievements, as well as the need to advance even further, and with this objective, we continually perform the mapping of internal challenges regarding the representativeness of different social groups and cultural barriers to be an increasingly inclusive company.

From this, we work collaboratively with **affinity groups** to expand our ability to read and understand what **diversity and inclusion** in our business means.

*"Pride is the word that defines our advances in 2022 on our journey in diversity, equity and inclusion! Collaboration between groups of affinity, expert areas and leaders to create opportunities and implement improvements in our processes reinforce our commitment to the theme. I am immensely grateful for the opportunity to lead this theme here at CPFL Energia and be able to positively affect our people's lives! We recognize our challenges and go together to build an increasingly diverse and more inclusive CPFL!"*

Emilene Esbrisse, Specialist in Diversity, Equity and Inclusion at CPFL Energia.



In this way, we hope to have a **positive impact** on our people's lives, inclusion in the labor world and our ability to grow sustainably, generating new business and innovation, with greater operational efficiency and greater focus on customers.

**CPFL Group believes it is the differences that make us unique, expanding our ability as individuals and our potential as a company.**

In this sense, we work with an integrated look, focusing on the demands and needs of five specific social groups, which represent our results drivers:



**Generations:** We believe that **coexistence and respect between generations enriches learning and contributes to the delivery of differentiated results**, which is why we promote initiatives to break generational stereotypes and value talent from various generations;



**LGBTQIAP+:** Ensuring **pride, visibility, security and physical and psychological integrity for different types of identity and orientation** as characteristics of a place for growth and respect is fundamental for the CPFL Group. In line with this objective, we carried out awareness-raising actions and reviewed processes to make them more inclusive, such as extending parental leave and daycare assistance for same-sex couples. To support us in accelerating this journey, we have the **LGBTI+ Business and Rights Forum**, of which we are signatories;



**Women:** We seek **greater female representativeness in various positions, with an active voice, countless opportunities and respect**. There were several initiatives to support this objective and contribute to achieving our ambition of the ESG 2030 Plan, such as: programs to accelerate women development, electrician schools, parenting support actions, such as joining Empresa Cidadã, implementation of nursing rooms, in addition to actions to raise awareness and break gender-related stereotypes. Since 2021, we have been part of **Movimento Mulher 360º**, which has significantly increased through exchanges with other companies;



**People with Disabilities (PwD):** We want a **more inclusive culture that goes further, through hiring, development, opportunity generation, appreciation, respect and breaking barriers for people with disabilities. We are signatories of the Pact for the Inclusion of Persons with Disabilities, of the Social Inclusion Business Network**, and we are committed to specific projects that rely on multidisciplinary teams developing awareness actions, development and improvements in accessibility.



**Black people:** In order to promote a **racism-free environment, with racial diversity and more equitable for all talents**, we focus on awareness initiatives, with guides and training that enable dialogue on structural issues in our country, in addition to affirmative practices in R&S to increase representativeness.



In order to leverage the project, in 2021, with the support of a specialized external consultancy, we developed a robust governance strategy related to the theme, so as to organize our 2022 Tactical Plan in three pillars:

## 1 - Institutional commitment and governance:

- More than **100 actions** were taken in the **CPFL +Diversa Tactical Plan**;
- Engagement of over **250 multipliers**, from various areas and functions, and in the dissemination of initiatives in the company;
- **Structured communication plan** to present positioning and advances in the company's Diversity and Inclusion Journey, with more than **40** internal communications and more than **30** external communications, as well as content sharing with suppliers in a quarterly basis;
- We reached **134.61% of the variable remuneration goals of the company's entire leadership**, which established an **increased representativeness** of women in leadership and women, people with disabilities and black people in the general staff.

### DIVERSITY WEEK

As part of the Communication Plan, in June 2022, CPFL Energia held its first Diversity and Inclusion Week. There were five days with lectures that brought reflections aligned with the objectives of each of the affinity groups, in addition to curating additional content shared via WhatsApp.

The event had the participation of members of the affinity groups, including to choose the invited people. They were:

- » **Alexandre Correa**, founder of the "Revolução Prateada" portal, with the theme Generations;
- » **Guilherme Bara**, consultant for Diversity, Culture and Social Compliance, with the theme People with Disabilities;
- » **Tania Cosentino**, president of Microsoft in Brazil, with the theme Women;

» **Luana Génot**, founder of ID\_BR, with the theme Black People;

» **Maite Schneider**, co-founder of Transempregos, with the theme LGBTQIAP+.

The lectures were transmitted via Youtube, reaching more than 3,300 views and 930 interactions.

The first of many, the Diversity and Inclusion Week validates our commitment to work on the theme internally, in addition to engaging our people in this journey, which is so crucial and which is directly linked to our values.

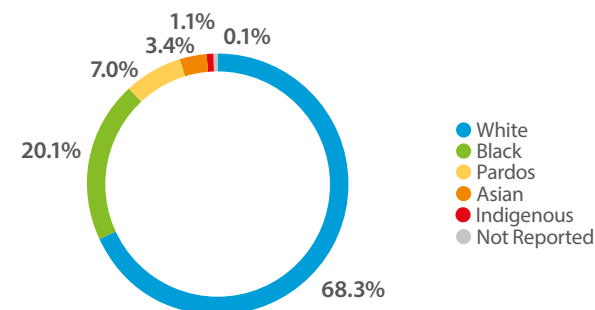
**#Exploring new possibilities is all about diversity!**

## Diversity at CPFL Energia

GRI 405-1

Job Level	Women	Men	Under 30 years old	Between 30 and 50 years old	Over 50 years old
Board of Directors	14%	86%	0%	60%	40%
Executive Board	9.50%	90.50%	0%	76.20%	23.80%
Leadership/coordination	22.60%	77.40%	4.40%	86.00%	9.50%
Management	18.10%	81.90%	0%	78.70%	21.30%
Administrative	52.20%	47.80%	26.50%	64.60%	8.90%
Operational	10.30%	89.70%	23.90%	67.30%	8.70%
Technical/supervision	23.50%	76.50%	11.40%	77.70%	10.80%
Trainees	70.00%	30.00%	80.00%	20.00%	0%
Interns	46.40%	56.60%	95.80%	4.20%	0%

### Other diversity indicators: by race\*



\* These indicators consider all of CPFL Energia's employees, that is, they are not divided by functional category. For the next cycles, our goal is to deepen the calculation of this data.



**14.** Have 30% of women in leadership positions by 2030 and continuously work to increase diversity and representativeness.



CPFL employees

## 2 - Increased Representativeness:

- **Technical Course in Electrotechnical exclusive for people with disabilities:**

completed in October 2022 in RGE: 50% of the people already hired by the company;

- **Improvements in R&S processes:**

Representativeness drivers for minorized social groups in the short list of approved people, Plural People's Curriculum Bank, Platforms and Channels for the Disclosure of Specialized openings, Hidden Recruitment, Interview Screenplay and Profile Alignment for mitigation unconscious biases in the selection process;

- **Project for the inclusion of people with disabilities at CPFL Serviços:** Formation of a multidisciplinary team focused on increasing the representativeness of people with disabilities in the company and actions to promote inclusive culture. In this project, specialized consultancy was hired to analyze the jobs and recommend the inclusion of people with disabilities, as well as map people and educational evaluation for profile diagnosis in some locations. As a result, the project made it possible to hire 47 new persons with disabilities in 2022 and continues with planned actions for 2023.

### ELECTRICIAN SCHOOL FOR WOMEN

GRI 203-1 | EU14

Since 2021, CPFL Energia has electrician schools exclusive for women, aimed to accelerate the insertion of women in the electrician function in the company by hiring graduated students.

Participation is 100% free and the planning has actions to attract women and prepare the workplace, leadership, staff and students, with a focus on creating an inclusive environment for women when admitted, in addition to conducting follow-up sessions and lessons learned after hiring.

Through this action, we are able to contribute to the training and insertion of more women into the job market, which, consequently, leads to a new generation of income and a future with plenty opportunities.

In 2022, **5 new classes of the women-only school were completed**, and **110 women were graduated**, also considering the mixed schools. As a result, our number of female electrician **more than tripled** compared to 2021.

*"I am grateful for CPFL Energia for providing the inclusion of women in this course, which added so much knowledge to my professional life and has paved new ways for future opportunities. I also thank and congratulate those responsible for the excellent content presented throughout the process."*

**Maria Rosimeire da Silva**, electrician graduated from the 1st CPFL Paulista School of Electricians.



CPFL employees



CPFL employees

### 3 – Inclusive Culture:

Assuming that knowledge transforms realities, we carry out various **training and awareness** actions, in several formats so that people could learn, each in their own way:

- **Diversity and Inclusion Journey:** E-Learning with four hours of content, distributed into seven modules, with simple and direct language. It was developed exclusively for our people to invite everyone to actively participate as agents of cultural transformation at CPFL Energia;
- **Guides** in concepts of diversity and inclusion, parenting and inclusive communication;
- **Monthly pills and good practices guide for inclusive leadership:** material with leadership guidelines regarding the analysis of area diversity indicators and tips on actions to be carried out for team mobilization, knowledge expansion and more effective participation in the construction of a more inclusive environment for everyone;
- **Training and conversation circles** with leaders of all levels of the company, R&S team, HR Business Partners, Ethics, Training Instructors and other areas;
- **Meetings with the CEO:** Five meetings were held, one with each affinity group, to share perceptions about advances and opportunities to make CPFL Energia increasingly diverse and inclusive.



# Human Rights

GRI 2-23 | 2-24

**CPFL Group is fully aligned with the international human rights guidelines, acting directly and proactively in combating discrimination of all natures.**

In this context, in December 2022, we developed and published our official commitment to human rights through a document that can be found on our IR website. In this document, we approach the main energy that moves us, i.e., the people.

We work in the search to strengthen our corporate culture in security and diversity, guiding strategic decisions based on company values and whose main responsibility is to respect and protect human rights not only in our operations, but together with suppliers, customers, communities and all other stakeholders. Only then are we able to generate both value and energy.

We consider as a reference the international principles of human rights indicated in the Universal Declaration of Human Rights; in the International Labor Organization Declaration on Fundamental Principles and Rights at Work; in the United Nations Global Pact; and in the United Nations Guiding Principles on Business and Human Rights.

Therefore, our commitment, which comes into practice through the principles of action, ensures respect for the human dignity of all people who act with us by:

- Zero tolerance for slavery-like work and the use of child labor;
- Initiatives focused on quality of life and safety at work and the community;
- Fair, equitable professional opportunities in accordance with local laws;

- Diversity and opportunities for all;
- Combating any and all form of harassment, bullying, prejudice and discrimination;
- Freedom of association of our employees.

It is worth mentioning that this commitment is applicable to the CPFL Group and all its subsidiaries, serving as a guide so that we can move more and more with the theme.

The document also provides for the use of listening, response and denunciation mechanisms so that any practices that violate human rights are reported and appropriate measures are taken by the group. Additionally, channels also work as means for doubts and suggestions. They are: Ethics Channel, Ombudsman, Reception Channel Talk to Me, and Channel for Improvements in Processes related to Diversity, Equity and Inclusion.

To check the full document, click [here](#).



## GLOBAL COMPACT



Since 2004, CPFL Group has been a signatory to the Global Compact Brazil Network, whose initiative, developed by the United Nations (UN), aims to promote the integration of ten universal principles on human rights, decent work, environmental preservation and combat to Corruption in corporate strategies, connecting these values to the 17 Sustainable Development Objectives (SDGs) of the 2030 Agenda.

It is noteworthy that our Environment and Sustainability Director has been in the presidency of the Board of Directors of the Global Compact Brazil Network since 2020. Our CEO, in turn, is part of the initiative "Liderança com ImPacto", acting as a spokesman for the ODS 3 - Health and well-being.

Furthermore, since 2021, we have also been part of the Net Zero ambition, aimed at accelerating ambitious climate goals aligned with scientific methodologies for achieving ODS 13 - Climate Action and Paris Agreement.

Making public commitments is an important way to give transparency to companies' short, medium and long-term objectives, that is, which direction it is walking and what challenges the company proposes to overcome for the benefit of the environment and the society.



CPFL employees

# Sustainable purchases

GRI 2-29 | 3-3 | 414-2

In order to maintain a healthy and long-term relationship with CPFL Energia suppliers, ensuring the generation of value in our chain, we have a management with structural and robust practices, aligned with corporate sustainability pillars and the new 2030 ESG Plan.



15. Evaluate 100% of critical suppliers on sustainability criteria and reach at least 85% of our spend with companies that have advanced sustainability practices by 2030<sup>5</sup>.

Our business's critical and strategic suppliers are monitored monthly through the Supply Base Management (SBM) tool, from the monitoring of indicators and technical performance, legal, documentary, safety, financial, ethics and sustainability criteria. The dimensions evaluated in the sustainability theme are: Sustainability and environment management; Consumption management; Climate change; and Shared value and protagonism. Considering the distribution companies, CPFL

<sup>5</sup> Initial focus on Distributors and Renewables (the other businesses will be considered in the future)

Serviços, CPFL Renováveis and CPFL Transmissão, 330 suppliers were monitored through the SBM in 2022. In this last year, besides the distribution companies, the sustainability pillar was consolidated for CPFL Renováveis and CPFL Transmissão.

In addition, part of our partners also receive annual audits under our Integrated Management System (SGI), depending on their level of criticality for our performance, which covers environment, social responsibility, quality, and health and safety issues. In 2022, 133 suppliers, considered critical, were evaluated through these audits. In no case have a real or potential negative social impacts been identified.

Also, with regard to socio-environmental risks, CPFL Energia conducts an analysis of its potential new suppliers prior to contracting. We automatically consult the public certificates of companies that wants to work with us, including information on labor aspects, embargoes or assessments by IBAMA and whether there are identified cases of slave-like or slave labor. Additionally, depending on the scope of a potential hire, an assessment related to our SGI is carried out. In addition to socio-environmental aspects, potential new suppliers are evaluated in terms of economic and financial aspects, documental and technical issues.

Out of more than 11,000 suppliers with active registration, 330 are considered critical.



CPFL employees



Finally, we seek to work continuously with our partners to encourage and drive their development in technical aspects and issues related to themes such as safety, ethics and sustainability. Rede de Valor is our main platform in this regard, and in addition to it, we also work with individual meetings with our partners to support the improvement of their practices. In 2022, after the consolidation of the sustainability issue in the SBM tool, and the evaluation of our suppliers' opportunities to mature, it gained even more space in the Rede de Valor and was the focus of a set of these individual agendas, in line with our commitment in the new ESG 2030 Plan.

## REDE DE VALOR

Rede de valor is CPFL Energia's main platform for engaging, developing and verticalizing our strategy and values with suppliers, comprising three initiatives:

- **Supplier Newsletter:** monthly publication in which we share key information about CPFL Group and the supply area, also featuring articles related to our main values;
- **Rede de Valor Meetings:** through them, we further address some relevant topics, encouraging the exchange of good practices among attendees. In 2022, three meetings were held, in which we addressed the following topics: 2022 Economic Scenario, CPFL Strategic Plan, General Data Protection Law (LGPD), Management

Practices, Sustainability, Free Energy Market and Occupational Safety;

- **CPFL Mais Valor Award:** the CPFL Mais Valor Award is an event held by CPFL Group to recognize suppliers that stood out the previous year for their excellence performance. In December 2022, we had our 13th edition, which took place in a face-to-face format and was attended by the speaker Luiz Drouet, founder of Prosper Tech Talents, partner of Share People Hub and president of the Executive Board of ABRH-SP. In order to explore new possibilities, Luiz spoke about Lifelong Learning.

Throughout the ceremony, Gustavo Uemura, Supply Director, welcomed the guests, reaffirming the importance of being together again for the celebration of such a special event. Luis Henrique Pinto, vice president of Regulated Operations, and Flávio Ribeiro, vice president of Business Management, reiterated the value of our partnership with suppliers in the search for business growth and development.

The winners and finalists were awarded with a trophy and a recognition plate, respectively, as well as a certificate. Check out the categories that were part of the awards and their respective winners:

- **Distribution networks construction and maintenance services** - Inova Construções Elétricas Ltda;



CPFL Mais Valor Award



- **Field commercial services** – LEC Brasil Gestão Comercial Ltda;
- **Vegetation services** - C&F Empreendimentos Elétricos Telefônicos e Serviços Ltda;
- **Undertakings of substations and subtransmission lines** - Caramurú Construções Ltda;
- **Administrative and infrastructure services** - Valid Soluções S.A.;
- **Energy Efficiency** - Qbanho Industrial Ltda;
- **Renewable Energy (BOP)** - Transfortech Engenharia Ltda;
- **Renewable Energy (WIND)** - Transnacional Transportes Ltda;
- **Personal and collective protection equipment (PPE/CPE)**- Full Safe Equipamentos de Proteção Ltda;
- **Distribution networks materials** - Induscabos Condutores Elétricos Limitada;
- **Distribution networks equipment** - Indústria de Transformadores Itaipu Ltda;
- **Subtransmission materials and equipment** - Balteau Produtos Elétricos Ltda;
- **Outstanding Quality Assurance** – Trael Transformadores Elétricos Ltda;
- **Vida 100% Highlight** - Distribution network construction and maintenance services - Michael & Martins Ltda;
- **Vida 100% Highlight** – Field commercial services – Energia Ativa – Eletricidade e Serviços Ltda;
- **Vida 100% Highlight** – Renewable Energy - Transnacional Transportes Ltda;
- **Sustainability Highlight** – ITB Equipamentos Elétricos Ltda;
- **IT Highlight** – Rimini Street Brazil Serviços de Tecnologia Ltda;
- **Year Highlight** – Start Engenharia e Eletricidade Ltda.

As a result of our efforts, audits and assessments, we did not identify risks of significant socio-environmental impacts among the suppliers assessed over 2022.

## Third-party management

GRI 2-8 | 202-1

We carry out monthly monitoring of labor and social security documentation of our suppliers' employees providing intensive labor services. In 2022, we evaluated monthly, on average, the documentation of 11,171 third parties of 349 contracts signed with 142 suppliers. This evaluation also includes the verification of compliance with the values established in the national and state minimum wages, as well as in collective agreements.



CPFL employee

# Community relationships

GRI 2-29 | 3-3 | 203-1 | 203-2 | 413-2



12. Invest at least R\$ 230 million in socio-environmental projects that maximize communities' transformation by 2030.

CPFL Group operates, with the strategic support of State Grid Corporation of China, to generate and share value with all its stakeholders, whether they are customers, shareholders, employees, suppliers or the local communities in the regions where we operate.

We work with actions and projects capable of contributing to the socioeconomic development of these populations, being part of the solution to the social challenges faced.

Check out the main initiatives of 2022 below:



## Desalination in Rio Grande do Norte



*Desalination Project in João Câmara - RN*

Started in 2020, State Grid and CPFL Energia officially delivered, on February 16th 2023, a water desalination system with unprecedented technology in Brazil for indigenous communities in João Câmara - RN, in partnership with the state government of Rio Grande do Norte.

The project's goal is to promote access to water for human consumption and production, through a model that integrates technological innovation, capacity building, and water management by

the community. The project received R\$ 8 million from State Grid, the world's largest public utility and management support from CPFL Renováveis, representing the largest undertaking of this type in the region. The potential is to serve the population of 800 families and over three thousand people from three local communities with indigenous predominance, where the Company has installed wind farms. Currently, the daily production reaches 80 thousand liters of drinking water.

Following the concept of sustainability and innovation, the system is fully automated and relies on photovoltaic panels to provide the necessary electricity, with 50 kWp of installed capacity. With more steps and better filtration than the traditional process, the technology used for desalination is more efficient: for each liter, 85% of the water becomes drinkable and 15% remains as waste.

Thus, drinking water will be distributed to three fountains, one in each community served, by means of a five-kilometer-long pipeline.

***"Water security is related to dignity, health, survival and equality. This project is the largest one in desalination built and donated by State Grid outside China, which has important significance in contributing to the well-being of the local people."***

Tang Jianchen, Project Manager.

***"The water brought a lot of joy and difference to my life, it used to be a dream and I had already lost hope in life to have this water in the region where I live. The health has improved, it was very good indeed what was done by the companies for our life and our community."***

Severino Afrânio de Oliveira, 78 years old,  
Resident in the community since he was born.

***"The desalination project is another achievement of the cooperation between China and Brazil, aimed at improving the quality of life and well-being of the population."***

Zhu Qingqiao, Chinese Ambassador to Brazil.

## CPFL Institute

CPFL Institute has been CPFL Group's Social Investment Platform for almost 20 years, generating actions that integrate social, sporting and cultural projects into a single network. With our work, we seek to positively impact communities, especially children and young people in social vulnerability situation.

Our structure is consolidated on five fronts, which organize the planning and execution of our initiatives in accordance with CPFL Group's Investment Policy. In addition to strengthening support for social causes, our work also strengthens CPFL Energia brand in light of its public positions and commitments.





## CPFL “Jovem Geração” (Young Generation)

Through our social development front, **CPFL Young Generation**, we contribute to reducing the levels of **social vulnerability in the communities where we operate**, transforming the reality of children and young people through music, culture, literature and sport.

In 2022, we worked with several institutions in 42 cities, benefiting more than 40,000 young people and developing full-time and after-school projects. Among the highlights, we have **Instituto Anelo**, which offers free music classes to over 500 young people in Campinas – SP; the project **Carreta Literária**, with itinerant libraries that have a collection of over 500 books, available to municipal schools in our partner cities; and **SEMEAR**, the CPFL Group's corporate volunteer program, which aims to engage internal volunteers in the Company's social actions, among more than 12 NGOs.

In addition, from 2022 onwards, we also started to act more directly on education, with the project **"Jovem Geração na Escola"** (Young Generation at School). We carried out the first public notice for the program, which amounted to R\$ 2 million, aiming to attract projects that could contribute to the teaching-learning process of students in after-school hours.



*Volunteers in action at SEMEAR*



## “CPFL nos Hospitais” (CPFL in Hospitals)

CPFL in Hospitals is another social investment front that also encompasses customer relationship initiatives and the CPFL Group's Energy Efficiency area, **with the aim of increasing the quality of service in public health institutions.**

Our work on this front is divided into two axes:

- » **Hospital humanization:** through performing arts, music, storytelling and clowning activities, we seek to **make hospitals more humane for both patients and professionals, helping in the recovery process.** In 2022, we worked with the partners Griots, Incríveis Histórias, Médicos do Sorriso and Leiturinhas nos Hospitais.
- » **Hospital research and infrastructure improvements:** integrates initiatives from the CPFL Group's Energy Efficiency area to benefit local hospitals. Learn more about CPFL in Hospitals on page 144.



CPFL and RGE in hospitals



Café Filosófico



## CPFL “Café Filosófico” (Philosophical Coffee)

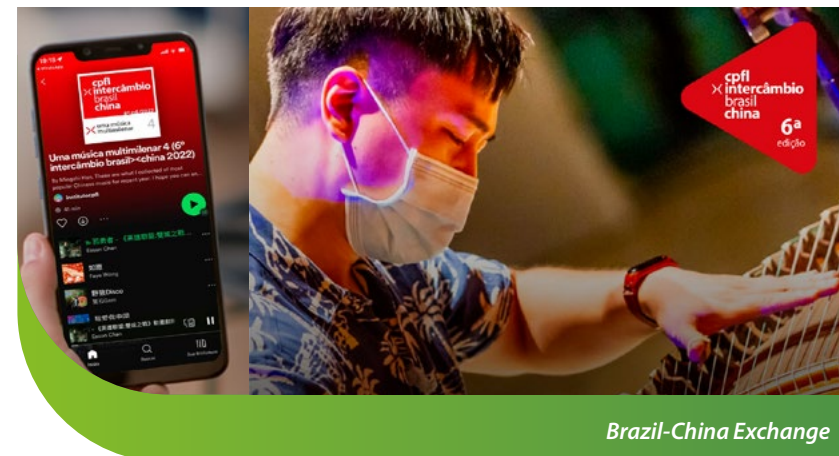
Since 2003, in partnership with TV Cultura, we have promoted Café Filosófico CPFL, one of the most relevant and recognized initiatives. **The TV show aims to promote meetings with great names in philosophy, psychoanalysis and history,** such as Monja Coen, Leandro Karnal and Mario Sergio Cortella, generating important debates and reflections on contemporary life.

The meetings are recorded and broadcast in the format of lives via **social networks**, and then edited and shown on **TV Cultura's** schedule, in addition to being recorded on the **Youtube** channel of Café Filosófico itself. During 2022, we had a total of 26 recordings, 102 programs shown on TV Cultura's schedule and more than **23 million viewers.**

## CPFL “Intercâmbio Brasil China” (Brazil-China Exchange)

CPFL Intercâmbio Brasil China front promotes ties of recognition between CPFL Energia and State Grid, promoting exchanges between both countries - Brazil and China - through concerts, films and lectures.

On our digital channels, such as Youtube and Spotify, you can find Chinese cinema and music content. Also, in 2022, we carried out the **6th edition of Intercâmbio Brasil China**, with digital activities and face-to-face meetings that reinforced intercontinental bonds of friendship, as is the case of Festival da Lua, which took place in the city of Campinas - SP. A total of over **598,000 people were impacted**.



Brazil-China Exchange



Cinesolar Session

## "Circuito CPFL" (CPFL Circuit)

Circuito CPFL front, in turn, works with **itinerant activities throughout the national territory, circulating movie sessions and street races and walks**. After two years of distancing due to the Covid-19 pandemic, in 2022, we resumed our actions and toured 83 Brazilian cities, with support for culture and sport initiatives:

- » **Culture:** **Cinesolar** (vehicle that promotes outdoor cinema sessions, powered by solar energy) mobilized 67 movie sessions and nine contemporary music concerts, in partnership with EPTV.
- » **Sport:** with Circuito CPFL Energia, we took **street running and walking stages** to nine cities in the states of São Paulo and Rio Grande do Sul.

**The project's actions benefited more than 30,000 people throughout 2022.**

CPFL Institute, energy that transforms realities. 719 thousand people benefited from CPFL Institute's initiatives in 2022, with an investment of R\$ 34,06million.



# Energy Efficiency

GRI 203-2 | SASB IF-EU-240A.4 | IF-EU-420A.3

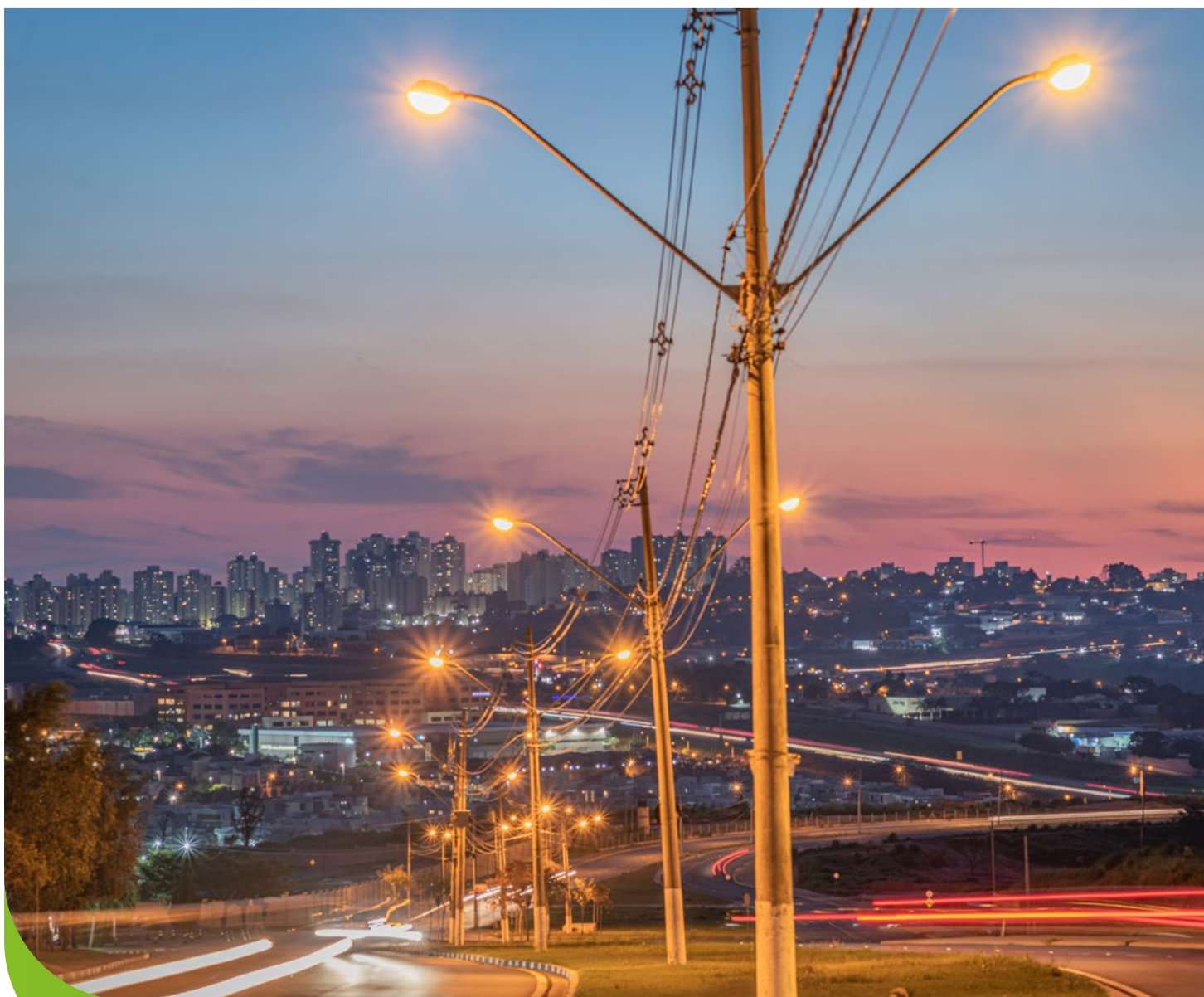
CPFL Energia's Energy Efficiency Program (EEP) follows the guidelines of ANEEL's normative instructions, benefiting low-income customers in the concession areas of our distributors, above all, through projects developed in hospitals.

Thus, we seek to combat electricity waste by replacing inefficient equipment, as well as carrying out educational actions for the conscious use of energy. Over the past five years, the Company has already invested over R\$ 520 million in projects, covering the following categories: residential, rural, public lighting, commerce & services, industrial, government and public services.

For 2023, 47 projects were selected, via public notice, to be executed in São Paulo - SP and Rio Grande do Sul - RS, with a total investment of R\$ 25.37 million. Among the main focuses, we will have improvements in public lighting points in cities in both states and efficiency works in the water and sewage networks in the countryside of São Paulo - SP.



13. Invest R\$ 140 MM energy efficiency initiatives in public hospitals by 2025.



Campinas - SP

## CPFL AND RGE IN HOSPITALS

Founded in 2019 under the scope of governance of the CPFL Energia's Energy Efficiency Program, the project CPFL and RGE in Hospitals is an integrated action that aims to promote energy efficiency and better service to the population in public and philanthropic hospitals. Within this scope of governance, the action takes place on three fronts:

- » **Energy Efficiency:** with PEE resources, we support hospitals in different efficiency actions. We install photovoltaic panels for energy self-generation, replace lighting with LEDs and ensure the use of more efficient equipment in order to generate savings in consumption;
- » **Social actions:** Through Instituto CPFL, we carry out actions aimed at humanizing patient care, focusing on games and recreational activities. In addition, initiatives are developed to continuously improve the infrastructure and support clinical research in oncology area;
- » **Financial collections:** the initiative "Hospitais com + Saúde" (Hospitals with more Health) opens up the opportunity for customers to make donations to hospitals through their energy bill.

**By 2022, more than R\$ 203 million were invested in actions - the largest volume of funds directed to hospitals within ANEEL's Energy Efficiency Program.**

This structure represents CPFL Energia's legacy and public commitment to the country's health. It is no coincidence that, in 2021, the UN recognized CPFL and RGE in Hospitals as one of the SDG Good Practices linked to the development of the Organization's 17 SDGs after analyzing 24 internal bodies.

In addition, in 2022, the project was also recognized in the ECO Amcham Award, one of the main tools for evaluating good corporate ESG practices (learn more on page 42).



IN 2022,  
**+ R\$ 48.2 million**  
in investments

**167**  
hospitals benefited



# Communities around the generation units

GRI 2-25 | 203-2

With the aim of supporting the socio-economic development of the communities and regions in which we operate, CPFL Energia is a pioneer in projects and initiatives capable of promoting these advances, always guided by the best sustainability practices.

Therefore, we put into action our commitment to be a positive reference in the sector for society, guaranteeing sustainable, accessible and reliable energy at all times.

Check out the 2022 initiatives below:

***"This will be what makes us join the community in the process of building a work plan for the implementation of socio-environmental programs that bring benefits to all."***

**Vinícius Nunes**, environmental licensing analyst at CPFL Energia.

## SHPP CHEROBIM

For the Cherobim SHP, studies were conducted to identify which positive and negative impacts could occur and which actions would be necessary to enhance the positive impacts and neutralize the negative ones. Among the negative impacts observed are an increase in vehicle traffic on the roads, an increase in noise pollution and pressure on public services. On the positive side, we highlight the increase in the job offer, a greater collection of goods and services, generating an increase in tax collection.

To this end, in the implementation projects of CPFL Renováveis plants, a social communication center will be installed in the city affected by the project, through which all social impacts will be monitored, as well as a place for the development of projects and actions that seek to integrate CPFL Energia with the region's residents. The monitoring of these actions, in turn, generates monthly reports on stakeholder service and satisfaction throughout the project. We reached, in 2022, a satisfaction level of 92.3% in the fulfillment of the requests that were made.

Under the scope of CPFL Renováveis governance, the works of Small Hydroelectric Plant (SHP) Lúcia Cherobim started in 2021, and it is expected to be completed in 2024. Throughout 2022, the project continued intensely and featured important actions in the community.

In March, CPFL Renováveis took Carreta Literária to students from the municipal network of Porto Amazonas - PR, an innovative project that seeks to encourage the habit of reading among younger people, through a traveling library with more than 500 books in the collection. All cultural equipment was donated to the city's education department.

Another important action is "Oficina Patchwork", with the participation of residents of Porto Amazonas - PR community. The dynamics was conducted by professor Sônia Mariana de Freitas, who explained techniques for modeling fabrics. Additionally, we had a series of courses dealing with financial planning for individual micro entrepreneurs (MEI), with the participation of accountant Fagner Talignani. The actions were aimed at encouraging entrepreneurship and income generation among residents, as well as bringing the Company closer to the community.



*Literary truck in the surrounding community*

Furthermore, from March to April 2022, we carried out fauna and flora monitoring campaigns on the islands and banks of the Iguaçu River, within the area of influence of SHP Lúcia Cherobim. During the studies, several animals species were recorded, such as Brazilian south wild cat, otter, small red brocket deer, among others.

Such monitoring aims to identify possible impacts on local diversity with the progress of works, so that we can mitigate any risks.

This happens because the SHP has a Basic Environmental Plan (PBA), with the main impacts raised during the pre-work studies, and consequently, the measures for mitigating and repairing impacts. These include, but are not limited to environmental and social measures, submitted in a weekly basis to the state Environmental Agency. In addition to these commitments, CPFL Energia has an on-site Social Communication Center (CEC), with the main objective of maintaining a close and friendly relationship with all project stakeholders.

**During 2022, including professional training actions, environmental awareness campaigns and home visits, we had a total of about 408 hours of activities and actions in the community, with more than 2,450 people directly benefited.**





*Foz de Chapecó Hydroelectric Power Plant*

## **FOZ DO CHAPECÓ ENERGIA**

Foz do Chapecó Energia is the company that holds the concession for Foz do Chapecó Hydroelectric Power Plant, located on the Uruguay River, between the municipalities of Águas de Chapecó, in the west of Santa Catarina, and Alpestre, in the north of Rio Grande do Sul.

In operation for over ten years, the venture's shareholders are CPFL Energia, Eletrobras Furnas and CEEE Geração, with an electrical capacity equivalent to 28% of all energy consumption in the state of Santa Catarina or 27% of the consumption in Rio Grande do Sul. This means that the hydroelectric plant has the capacity to generate 855 megawatts (MW) - enough energy to supply up to five million homes.

The dam and the 15 spillway gates are 1,045 meters long and 48 meters high, ensuring safety for the local population and the environment, as the analysis and review processes follow all legal guidelines.

The Environmental Plan for Conservation and Use of the Surroundings of the Artificial Reservoir (Pacuera) consists of a document containing studies and information that seek to order the use and occupation of the reservoir and the Permanent Preservation Area (APP) of Foz do Chapecó hydroelectric plant.

Additionally, Foz do Chapecó Energia uses the Tax Incentive Laws to sponsor projects that promote the sustainable development of the plant's area of

influence and the improvement of the surrounding communities' quality of life.

In the process of starting the works, for example, one of the main concerns of the local population was related to the decrease in the number of fish. Thus, in addition to having no direct impact from construction, and with the aim of increasing the fish population in the Uruguay River basin, Foz do Chapecó Energia entered into a partnership with Fundação Universitária do Desenvolvimento do Oeste (FUNDESTE), Instituto Goio-En and the Ministry of Fisheries and Aquaculture, which provided the construction of a Fish Farming Station in the municipality of Águas de Chapecó.

The site serves as an important genetic bank and has already promoted the release of almost 1.5 million fry. The goal is to release at least 200,000 fries a year during the 30 years of the undertaking's concession.

Also, with the aim of leveraging the income generation of local residents and strengthening family farming, we installed a Biofactory in the municipality of Alpestre – RS, in partnership with Cooperativa Extremo Norte. The project is a laboratory for the production of high quality fruit and ornamental seedlings. Farmers are receiving free training for the production and handling of seedlings. These are distributed free of charge.

## CERAN

Rio das Antas Energy Complex (CERAN) is located in the northeast region of Rio Grande do Sul, between the municipalities of Antônio Prado, Bento Gonçalves, Pinto Bandeira, Cotiporã, Flores da Cunha, Nova Pádua, Nova Roma do Sul and Veranópolis.

The Castro Alves, Monte Claro and 14 de Julho plants are responsible for generating 360 megawatts (MW) of energy for the region, meeting the needs of the local population.

In 2022, as a way of acting more actively in the community, CPFL Energia created an operating procedure to improve communication with stakeholders. All residents' demands are reported in the "Communications" module of the PM Driver System, with an indication of the responsible person, preparation of action plans and the obligation to return to the interested party at the end of the service.

The Environmental Education Program promoted several actions with internal and external audiences, aiming at greater sensitization and awareness about the environmental preservation theme. In the case of the internal audience, we had 180 people, and in relation to the external audience, there were around 2,500 participants.

## BAESA

Barra Grande Hydroelectric Power Plant (BAESA) is located in the rural zone of Pinhal da Serra (RS) with three generation units, which houses turbines, generators and other equipment (each with an installed capacity of 230 MW).

There are more than 690 MW of installed power, a dam 185 meters high and a reservoir measuring 90 km<sup>2</sup>, partially occupying land in nine municipalities, namely, Anita Garibaldi, Cerro Negro, Campo Belo do Sul, Capão Alto and Lages, in Santa Catarina; and Pinhal da Serra, Esmeralda, Vacaria and Bom Jesus, in Rio Grande do Sul.

BAESA also has a series of investments in social projects in local communities, in order to contribute to the socioeconomic development of the region. See below:

### Cultural Contest

Every year, BAESA awards 6th grade students from two municipalities surrounding Barra Grande Hydroelectric Power Plant. It is the Cultural Contest, which selects the best works carried out based on the book "Abelhudo e a Usina Natureza", published by BAESA and distributed free of charge to students with the aim of disseminating relevant lessons on environmental education and sustainability.



Barra Grande Hydroelectric Power Plant



### **“Parceria pela Valorização da Educação”** **(Partnership for Valuing Education)**

In partnership with Instituto Votorantim, BAESA develops the PVE (Parceria pela Valorização da Educação) program in the city of Campo Belo do Sul - SC. This is an initiative aimed at improving public education through the social mobilization of communities and the qualification of educational management practices. Throughout the school year, various pedagogical activities are carried out with the aim of enhancing teaching, reading practice, and social integration.

### **“Aproveitamento do Pinhão”** **(Utilization of Pine nuts)**

In the area of income aggregation, one of the most relevant projects is the “Strengthening of groups in extractive activities and the use of pine nuts”, developed by 12 families from Capela Fátima community, in the municipality of Vacaria – RS. The objective is to improve the processing and commercialization of pine nuts as a strategy for the conservation of Araucaria trees and to add income to the families.

### **“Mais Uva” (More Grape)**

Also, in the area of income aggregation, another highlight is the “Mais Uva” project, developed with rural producers in the municipality of Anita Garibaldi – SC, aimed at making grape planting a new economic activity to generate income for participating families. The project occupies a total of 3.62 hectares of vines.

### **ENERCAN**

Campos Novos Energia S/A (ENERCAN) is the company responsible for the operation, maintenance and administration of Campos Hydroelectric Plant, built on Canoas riverbed, between the cities of Campos Novos and Celso Ramos. Its reservoir also covers the municipalities of Anita Garibaldi and Abdon Batista, all in the state of Santa Catarina.

With an installed capacity of 880 MW and a reservoir with an area of only 29 km<sup>2</sup>, Campos Novos Hydroelectric Power Plant boasts one of the best

energy efficiency coefficients in Brazil, obtained by the ratio between installed capacity and flooded area.

Among its main social impacts, ENERCAN has a Sustainability and Social Investment Program, through which it supports actions and projects in the areas of the environment, health and safety, culture, children and adolescents, education, the elderly and income aggregation. They are all aimed at the communities surrounding the plant, in order to provide greater socioeconomic development for the region.



*School benefited by CPFL project*

# Social Tariff

SASB IF-EU-240A.4

The social tariff is a government benefit aimed at low-income families with a focus on including and maintaining electricity availability, helping to prevent losses in the distribution network.

Since 2021, due to the socioeconomic impacts resulting from the Covid-19 pandemic, CPFL Energia has intensified its efforts to identify customers who may access the benefit. In addition, it is worth noting that with ANEEL's approval for the automatic inclusion of beneficiaries, the classification began to be by crossing data from the Ministry of Citizenship and the distributors systems.

**727.7 thousand customer s of our distributors are included in the Social Tariff Program.**



CPFL customers



# Annexes

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SDG map

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Assurance statement



Integrated Operations Center in Campinas - SP

# Certificates

Reference Standard	Company	Scope	Expiry date	Certifying entity
ISO/IEC 27001:2013	CPFL Energia	CPFL Energia Datacenter Information Security Management System, including infrastructure control, operation, monitoring and maintenance services.	Mar/23	Bureau Veritas Certification
ISO 37001:2016	CPFL Energia	Management and operation of the anti-bribery management system and integrity program for the Company's business area activities.	Dec/25	ICV Brasil
ISO 9001:2015	CPFL Paulista CPFL Piratininga CPFL Santa Cruz RGE	Electricity Distribution and Commercialization. Operation of the Electricity Transmission System. Data Collection and Calculation of Individual and Collective Indicators of Electricity Supply Continuity. Call Center Management, including Data Collection and Generation for Determining Call Center Service Quality Indicators. Data Collection and Determination of Commercial Service Standards. Process for Handling Complaints from Electricity Consumers, including Ombudsman. Measurement, Data Collection, Calculation of Compensation Indicators related to Steady Voltage.	Dec/24	Bureau Veritas Certification
ISO 9001:2015	CPFL Serviços	Refurbishment and restoration of electrical equipment (energy distribution transformers) at the São José do Rio Pardo – SP unit.	Nov/22	Bureau Veritas Certification
ISO 17025:2008	CPFL Serviços	MOTORS, EQUIPMENT AND ELECTRICAL MATERIALS: Sampling and Chemical Testing; ELECTRICAL INSULATING LIQUIDS: Sampling of insulating liquids in drums, tanks and electrical equipment. Determination of Polychlorinated Biphenyls (PCB) by Gas Chromatography (GC-ECD).	Jul/23	INMETRO
ISO 14001:2015	CPFL Paulista CPFL Piratininga RGE	Co-existence of the Urban Electricity Distribution Network with the Environment and Electricity Transmission Services.	Dec/24	Bureau Veritas Certification
ISO 14001:2015	CPFL Santa Cruz	Co-existence of the Urban Electricity Distribution Network with the Environment	Jan/24	Bureau Veritas Certification
ISO 14001:2015	CPFL Serviços	Refurbishment and restoration of electrical equipment (energy distribution transformers) at the São José do Rio Pardo - SP unit.	Jan/23	Bureau Veritas Certification



Reference Standard	Company	Scope	Expiry date	Certifying entity
ISO 45001:2018	CPFL Paulista CPFL Piratininga CPFL Santa Cruz RGE	Electricity Distribution and Commercialization	Dec/24	Bureau Veritas Certification
ISO 45001:2018	CPFL Santa Cruz	Electricity Distribution and Commercialization	Jan/24	Bureau Veritas Certification
ISO 9001:2015 ISO 14001:2015	CPFL Geração – Ceran	Mechanical, Civil and Electrical Maintenance, Calibration, Deposit of Chemicals and Flammables and Surroundings/Waste. Integrated Management System, Senior Management, Commercial, Regulatory, Operation Planning and Power Plant Operation. Calibration, Purchasing, Warehouse, Waste Management and Human Resources.	Jan/24	BSI Certification
ISO 45001:2018	CPFL Geração – Ceran	Mechanical, Civil and Electrical Maintenance, Calibration, Deposit of Chemicals and Flammables and Surroundings/Waste. Integrated Management System, Senior Management, Commercial, Regulatory, Operation Planning and Power Plant Operation. Calibration, Purchasing, Warehouse, Waste Management and Human Resources.	Jun/25	BSI Certification
ISO 9001:2015	CPFL Geração – Enercan	Operation and maintenance of the generating units HPS Campos Novos for electricity generation, including transmission to SE - Eletrosul, dam management and reservoir management.	Dec/24	BSI Certification
ISO 14001:2015	CPFL Geração – Enercan	System for managing the environmental aspects and impacts of HPS Campos Novos, the activities of which include: Reservoir Management, Operation, Maintenance, Energy Generation and Transmission System, up to the Connection Substation Eletrosul - Campos Novos.	Sep/24	BSI Certification
ISO 45001:2018	CPFL Geração – Enercan	System for managing occupational health and safety hazards and risks at HPS Campos Novos, the activities of which include risks related to: Reservoir Management, Operation, Maintenance, Energy Generation and Transmission System to Connection Substation Eletrosul - Campos Novos.	Sep/24	BSI Certification
ISO 9001:2015 ISO 14001:2015 ISO 45001:2018	CPFL Geração - Foz do Chapecó	Corporate Management. Electricity Generation and Reservoir Operation.	Jan/26	BSI Certification
ISO 9001:2015 ISO 14001:2015 ISO 45001:2018	CPFL Geração – Baesa	Operation and maintenance of the generating plants HPS Barra Grande for electricity generation, including dam and reservoir management.	Dec/24	BSI Certification

# Annexes to GRI and SASB contents

## GRI EU1

### Total installed capacity per source (MW)

	2022	2021	2020
HPP (Hydroelectric Power Plants)	1,996	1,966	1,966
SHP (small hydroelectric plants) and HGS (hydroelectric generating stations)	472	475	477
Solar	1	1	1
Wind	1,390	1,390	1,309
Thermal	182	182	182
Biomass	370	370	370
<b>Total</b>	<b>4,411</b>	<b>4,384</b>	<b>4,305</b>

## GRI EU2

### Net energy production by source (GWh)

	2022	2021	2020
HPP (Hydroelectric Power Plants)	6,940	5,424	4,833
SHP (small hydroelectric plants) and HGS (hydroelectric generating stations)	1,629	1,185	1,266
Solar	0	1	1
Wind	4,083	4,703	4,023
Thermal	7	692	134
Biomass	829	985	1,072
<b>Total</b>	<b>13,488</b>	<b>12,991</b>	<b>11,329</b>

## GRI EU3

### Number of customers in the distribution segment

	2022	2021	2020
Homes	9,350,515	9,148,715	8,926,689
Industrial	51,596	52,735	55,865
Commercial	523,143	515,427	520,139
Rural	329,584	359,804	362,325
Public Power	65,594	63,891	63,350
Street lighting	10,441	10,181	12,300
Public service	11,259	11,108	10,786
<b>Total</b>	<b>10,342,132</b>	<b>10,161,861</b>	<b>9,951,454</b>

Own consumption and that of the concessionaires is not included.

### Energy delivered by distribution companies (GWh)\*

	2022	2021	2020
CPFL GROUP	69,301	69,692	66,561
Paulista	32,338	32,277	30,530
Piratininga	15,089	14,972	13,994
Santa Cruz	3,182	3,199	3,072
RGE	18,692	19,244	18,965

\* As of 2022, the sales in the concession area also included the amounts distributed to other concessionaires and permissionaires that use CPFL Energia's distribution network ("D use"), so that the free market amounts were changed throughout the history.

CPFL Group ended December 2022 with a total of 10,342,132 active customers, and 1.77% growth in the accumulated 12 months (Dec/21 x Dec/22). In absolute numbers, the increase is 180 thousand consumer units in the accumulated 12 months.

#### GRI EU4

Length of overhead and underground transmission and distribution lines, by regulatory system		2022					2021	2020	
		CPFL Paulista	CPFL Piratininga	Santa Cruz	RGE	CPFL Transmissão*	TOTAL	TOTAL	TOTAL
Transmission line length by voltage (km)	Less than 69 kV	-	-	-	228	-	228	1,512	1,496
	From 69 kV	5,938	727	526	4,661	6,120	17,772	12,595	11,492
Extension of the distribution network by type (km)	Urban	70,302	17,780	7,186	41,084	-	136,352	134,763	133,377
	Rural	62,931	9,144	16,625	113,396	-	202,096	199,849	198,102
	Underground	756	614	40	111	-	1,521	1,441	1,306

#### GRI EU6

##### Expasion planning

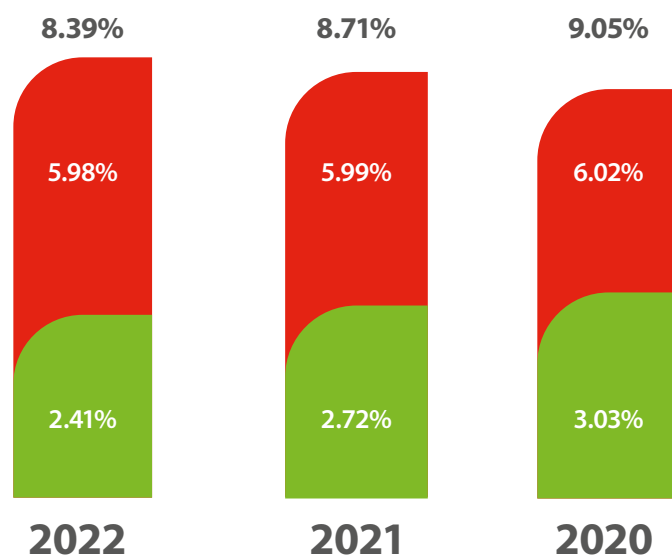
On an annual basis, our distributors review their Electric System Expansion Planning considering a diagnosis and solution proposition cycle for a ten-year horizon. This plan provides for the structural projects that will guarantee support for market growth and the reliability of electrical systems.

The stages of the processes include forecasting the market by substation or power transformer and modeling the electrical system, identifying needs for reinforcements or expansions. Such needs are dealt with through work proposals, which make up the Work Plan for Substations and High Voltage Distribution Lines.

\* Considering: CPFL Transmissão, CPFL Piracicaba, CPFL Morro Agudo and CPFL Maracanaú.

**GRI EU12****Transmission And Distribution Losses as a Percentage of Total Energy**

● Technical  
● Non-technical



The loss rate showed an improvement compared to previous years due to the implementation of a more aggressive loss reduction plan, mainly related to shielding actions arising from Capex projects (Armored Box and Measuring Sets), in addition to the regularization of illegal workers.

**GRI EU28****Customer Average Interruption Frequency Index (SAIFI)**

	2022	2021	2020
CPFL Paulista	3.56	4.24	4.27
CPFL Piratininga	3.65	4.13	4.32
CPFL Santa Cruz	3.22	4.21	3.68
RGE	4.63	4.83	5.27

**GRI EU29****Customer Average Interruption Duration Index (SAIDI)**

	2022	2021	2020
CPFL Paulista	5.25	6.21	6.81
CPFL Piratininga	4.95	5.95	5.84
CPFL Santa Cruz	4.74	5.66	4.89
RGE	10.55	10.84	10.84



## GRI 202-1

**Ratio between the lowest wage and the local minimum wage, by gender**

CPFL Group respects the national minimum wage, as well as the salary bases of positions established in Collective Bargaining Agreements, according to the union framework and in accordance with each company of the Group. In this way, 100% of the employees have base salaries equal to or higher than those stipulated in legislation and Collective Work Agreements/Conventions.

## GRI 303-5

**Water consumption in ML**

2022	2021	2020
4,225.22	4,379.56	-

For 2022, the CPFL Group opted to use the values defined in the granting documents for the generation units of CPFL Renováveis, with the exception of the biomass thermoelectric plants.

## GRI 405-2

**Ratio between the basic salary and compensation received by women and those received by men**

Job level	Ratio between basic salary of women and men	Ratio between women's and men's compensation
Board of Directors	99.60%	96.80%
Head/Coordination	103.00%	98.10%
Management	102.10%	45.90%
Administrative	66.50%	66.90%
Operational	61.30%	69.60%
Technical/supervision	54.50%	76.80%
Trainees	100.00%	76.80%
Interns	99.30%	100.90%

SASB IF-EU-240A.1

**Average retail electricity tariff for (1) residential, (2) commercial, and (3) industrial customers**

Company	Calculation class	Calculation (average revenue / average consumption)
CPFL Paulista	Residential	0.672
CPFL Paulista	Industrial	0.525
CPFL Paulista	Commercial	0.623
CPFL Piratininga	Residential	0.667
CPFL Piratininga	Industrial	0.527
CPFL Piratininga	Commercial	0.605
CPFL Santa Cruz	Residential	0.608
CPFL Santa Cruz	Industrial	0.480
CPFL Santa Cruz	Commercial	0.592
RGE	Residential	0.694
RGE	Industrial	0.505
RGE	Commercial	0.656

SASB IF-EU-240A.2

**Typical monthly electricity bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month**

Company	Calculation class	Calculation (average revenue / average consumption)	500 kWh	1,000 kWh
CPFL Paulista	Residential	0.672	336	672
CPFL Piratininga	Residential	0.667	333.5	667
CPFL Santa Cruz	Residential	0.608	304	608
RGE	Residential	0.694	347	694

# GRI Content Index

GRI Disclosures	Description	Reference (pg.) / Direct answer
<b>The organization and its reporting practices</b>		
2-1	Organizational details	CPFL Energia S.A. CNPJ: 02.429.144/0001-93 Headquarters address: Rua Jorge de Figueiredo Correa, 1632 - Bairro: Jardim Professora Tarcilia - Cidade/Estado: Campinas - SP - CEP: 13.087-397
2-2	Entities included in the organization's sustainability reporting	Companhia Paulista de Força e Luz ("CPFL Paulista"); Companhia Piratininga de Força e Luz ("CPFL Piratininga"); RGE Sul Distribuidora de Energia S.A. ("RGE"); Companhia Jaguari de Energia ("CPFL Santa Cruz"); CPFL Energias Renováveis S.A. ("CPFL Renováveis"); CPFL Geração de Energia S.A. ("CPFL Geração"); CERAN - Companhia Energética Rio das Antas ("CERAN"); Foz do Chapecó Energia S.A. ("Foz do Chapecó"); Campos Novos Energia S.A. ("ENERCAN"); BAESA - Energética Barra Grande S.A. ("BAESA"); Centrais Elétricas da Paraíba S.A. ("EPASA"); Paulista Lajeado Energia S.A. ("Paulista Lajeado"); CPFL Transmissão de Energia Piracicaba Ltda ("CPFL Piracicaba"); CPFL Transmissão de Energia Morro Agudo Ltda ("CPFL Morro Agudo"); CPFL Transmissão de Energia Maracanaú Ltda ("CPFL Maracanaú"); CPFL Transmissão de Energia Sul I Ltda ("CPFL Sul I"); CPFL Transmissão de Energia Sul II Ltda ("CPFL Sul II"); CPFL Comercialização Brasil S.A. ("CPFL Brasil"); Clion Assessoria e Comercialização de Energia Elétrica Ltda ("CPFL Meridional"); CPFL Comercialização de Energia Cone Sul Ltda ("CPFL Cone Sul"); CPFL Planalto Ltda ("CPFL Planalto"); CPFL Brasil Varejista de Energia Ltda ("CPFL Brasil Varejista"); CPFL Serviços, Equipamentos, Indústria e Comércio S.A. ("CPFL Serviços"); Nect Serviços Administrativos de Infraestrutura Ltda ("CPFL Infra"); Nect Serviços Administrativos de Recursos Humanos Ltda ("CPFL Pessoas"); Nect Serviços Administrativos Financeiros Ltda ("CPFL Finanças"); Nect Serviços Adm de Suprimentos E Logística Ltda ("CPFL Supre"); CPFL Atende Centro de Contatos e Atendimento Ltda ("CPFL Atende"); CPFL Total Serviços Administrativos S.A. ("CPFL Total"); CPFL Eficiência Energética Ltda ("CPFL Eficiência"); TI Nect Serviços de Informática Ltda ("Authi"); CPFL Geração Distribuída de Energia Ltda ("CPFL GD"); CPFL Jaguari de Geração de Energia Ltda ("Jaguari Geração"); Chapecoense Geração S.A. ("Chapecoense"); Sul Geradora Participações S.A. ("Sul Geradora"); CPFL Telecomunicações Ltda ("CPFL Telecom"); Alesta Sociedade de Crédito Direto S.A. ("Alesta").
2-3	Reporting period, frequency and contact point	Page 04
<b>A organização e suas práticas de relato</b>		
2-4	Restatements of information	With the conclusion of the integration of CPFL Transmissão in 2022, we are now reporting its data in this Report. Some information is already consolidated with the other businesses of the Company, and others are being reported separately. Over the next cycle, we will work more deeply in this consolidation process for greater clarity and improved reporting. In addition, we have changed the methodology for measuring water withdrawal for water concessions and observed an increase in Scope 3 of the GHG Inventory (see pages 96).
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Page 11
2-7	Employees	Page 116
2-8	Workers who are not employees	By the end of 2022, CPFL Energia had 10,602 outsourced workers.
<b>Governance</b>		
2-9	Governance structure and composition	Page 52
2-10	Nomination and selection of the highest governance body	Page 57
2-11	Chair of the highest governance body	Page 57

GRI Disclosures	Description	Reference (pg.) / Direct answer
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 44, 52 and 62
2-13	Delegation of responsibility for managing impacts	Pages 44, 52 and 62
2-14	Role of the highest governance body in sustainability reporting	Page 04
2-15	Conflicts of interest	Page 57
2-16	Communication of critical concerns	Page 65
2-17	Collective knowledge of the highest governance body	Page 57
2-18	Evaluation of the performance of the highest governance body	Page 57
2-19	Remuneration policies	Pages 57 and 59
<b>Governance</b>		
2-20	Process to determine remuneration	The process for global compensation of employees and executives, conducted by the Director of People Management and Performance, includes salary surveys with market references in the sector, aiming at the best practices. Learn more on pages 57 and 59.
2-21	Annual total compensation ratio	<p>The ratio between the annual total compensation of the highest paid individual in the organization and the average annual total compensation of all employees (excluding the highest paid) is 18.92 times.</p> <p>The ratio between the percentage increase in the annual total compensation of the highest paid individual in the organization and the average percentage increase in the annual total compensation of all employees (excluding the highest paid) is 1.37 times.</p> <p>The calculation considered the annual salary base of the employees and their respective averages, identifying the divisors according to the metrics indicated in the question's composition.</p>
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	Pages 05, 07 and 09
2-23	Policy commitments	Pages 44, 52, 63, 66, 72 and 133
2-24	Embedding policy commitments	The policies are presented during the on boarding of new employees at CPFL Energia.
2-25	Processes to remediate negative impacts	Pages 52, 65, 101 and 145
2-26	Mechanisms for seeking advice and raising concerns	Page 65
2-27	Compliance with laws and regulations	<p>The CPFL Group considers as significant non-compliance cases the penalties equivalent to at least 1% of the maximum value established by Art. 61 of Federal Decree 6,514/2008, i.e., fines starting at R\$ 500 thousand.</p> <p>In this regard, in 2022, the distributor RGE received an administrative notice of violation for carrying out suppressions of native trees and pruning within the Aparados da Serra and Serra Geral National Parks and buffer zones. The process is in the appeal phase (with reference to this Report's reporting period) with the issuing body (IcmBio). Amount involved: R\$ 3,000,500.00.</p> <p>CPFL Piratininga, in turn, received a notification from the Jundiá City Hall regarding the cleaning of an overgrown land and removal of material. The process is in the appeal phase (with reference to this Report's reporting period) with the issuing body. Amount involved: R\$ 552,316.00.</p> <p>For the other distributors, there were, in the period, no significant fines received or paid, as well as non-monetary sanctions imposed on the Company.</p>



GRI Disclosures	Description	Reference (pg.) / Direct answer
<b>Engajamento de Stakeholders</b>		
2-28	Membership associations	Page 77
2-29	Approach to stakeholder engagement	Pages 52, 64, 66, 68, 75, 112, 115, 135 and 138
2-30	Collective bargaining agreements	99.76% of CPFL Energia's employees are covered by collective bargaining agreements. The difference is due to 37 executives who are governed by a statutory contract regime, having labor rules established in a private contracting instrument for company management. Furthermore, interns and apprentices are also not included in the calculation.
<b>Material Topics</b>		
3-1	Process to determine material topics	Page 45
3-2	List of material topics	Page 45
3-3	Management of material topics	Pages 22, 44, 52, 63, 66, 68, 75, 79, 81, 89, 95, 98, 101, 112, 115, 135 and 138
<b>Specific Disclosures</b>		
<b>Economic Content</b>		
<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	Pages 39 and 41
201-2	Financial implications and other risks and opportunities due to climate change	Pages 61 and 81
<b>Market Presence</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pages 137 and 157
202-2	Proportion of senior management hired from the local community	100% of the board members were hired in the local community (national territory).
<b>Indirect Economic Impacts</b>		
203-1	Infrastructure investments and services supported	Pages 126, 131 and 138
203-2	Significant indirect economic impacts	Pages 138, 143 and 145
<b>Anti-corruption</b>		
205-1	Total number and percentage of operations assessed for risks related to corruption and significant risks related to corruption identified	100% of the CPFL Group's operations were evaluated during the period, through the Compliance Risk Assessment (CRA) methodology. In the CRA, the processes with the greatest exposure to corruption and bribery risks were evaluated, as well as the governance implemented to mitigate the risks related to this exposure. In the year 2022, after the analyses, it was concluded that the CPFL Group and its business areas have robust governance capable of mitigating, identifying and treating any exposure to compliance risks. In this scenario, no significant risk related to corruption was identified.
205-2	Communication and training about anti-corruption policies and procedures	Page 64
205-3	Confirmed incidents of corruption and actions taken	Page 64

GRI Disclosures	Description	Reference (pg.) / Direct answer
<b>Environmental Content</b>		
<b>Energy</b>		
302-1	Energy consumption within the organization	Page 88
302-2	Energy consumption outside of the organization	Page 88
<b>Water and Effluents</b>		
303-1	Interactions with water as a shared resource	Page 95
303-2	Management of water discharge related impacts	Page 95
303-3	Total water withdrawal by withdrawal source, including in areas with water stress	Page 95
303-4	Breakdown of total water discharge by types of destination, including in areas with water stress	The sanitary effluent discharge is not analyzed by type of water, as it is mostly sent for treatment by the sanitation concessionaire the municipality is served by. Learn more on page 95.
303-5	Total water consumption	Pages 95 and 157
<b>Biodiversity</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pages 101 and 106
304-2	Significant direct and indirect impacts on biodiversity from activities, products and services	Page 101
304-3	Habitats protected or restored	Page 101
304-4	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk	Page 108
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Page 87
305-2	Energy indirect (Scope 2) GHG emissions	Page 87
305-3	Other indirect (Scope 3) GHG emissions	Page 87
305-4	GHG emissions intensity	Page 87
<b>Waste</b>		
306-1	Waste generation and significant waste-related impacts	Page 98
306-2	Management of significant waste-related impacts	Page 98
306-3	Total weight of waste generated in metric tons	Page 99
306-4	Total weight of waste diverted from disposal in metric tons	Page 99
306-5	Total weight of waste directed to disposal in metric tons	Page 100

GRI Disclosures	Description	Reference (pg.) / Direct answer
<b>Specific Disclosures</b>		
<b>Social Content</b>		
<b>Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	CPFL Energia's new suppliers go through the Company's approval process in the pre-contracting process, which includes public consultations on the websites of INESS, IBAMA and others. By doing so, we are able to ensure that their performance is in line with the ethical standards of the business.
308-2	Negative environmental impacts in the supply chain and actions taken	No negative environmental impacts were identified in our supply chain during the period.
<b>Employment</b>		
401-1	Total number and rate of new employee hires and rate of employee turnover, by age group, gender and region	Page 119
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Part-time employees, i.e. CPFL Energia interns, receive: Meal Voucher, Transportation Aid, Life Insurance, Medical and Dental Assistance, Gympass, in addition to access to the Quality of Life programs. The other benefits mentioned on page 76 are directed only to permanent employees.
401-3	Return to work and retention rates of employees that took parental leave, by gender	Page 119
<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	Page 68
403-2	Hazard identification, risk assessment, and incident investigation	Page 68
403-3	Occupational health services	Pages 68 and 75
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 68 and 73
403-5	Worker training on occupational health and safety	Page 74
403-6	Promotion of worker health	Page 75
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 68
403-8	Workers covered by an occupational health and safety management system	Page 68
403-9	Work-related injuries	Page 69
<b>Training and Education</b>		
404-1	Average hours of training per year per employee, by gender and employee category	Page 125
404-2	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	CPFL Energia does not yet have a transition assistance (retirement and/or contract termination) but has a number of programs to improve the competencies of its employees, aiming at their best performance and professional growth. Learn more on pages 120 and 122.
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	89% of CPFL Energia's employees received a performance evaluation in 2022.

GRI Disclosures	Description	Reference (pg.) / Direct answer
<b>Specific Disclosures</b>		
<b>Social Content</b>		
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees with percentage of individuals by gender, age group, minority or vulnerable groups and other indicators of diversity	Page 130
405-2	Ratio of basic salary and remuneration of women to men	Page 157
<b>Non-Discrimination</b>		
406-1	Cases of discrimination and corrective measures taken	No cases of discrimination were identified during the period.
<b>Freedom of Association and Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No operations or suppliers were identified in which the right to freedom of association and collective bargaining could be at risk in 2022.
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	No cases, operations or suppliers with significant risk of child labor were identified during the period.
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No cases, operations and/or suppliers with significant risk for forced or compulsory labor were identified during the period.
<b>Security Practices</b>		
410-1	Security personnel trained in human rights policies or procedures	100% of the CPFL Group's private security team is outsourced, and the training in Human Rights is carried out by the supplier itself through its training school.



GRI Disclosures	Description	Reference (pg.) / Direct answer
<b>Specific Disclosures</b>		
<b>Social Content</b>		
<b>Rights of Indigenous Peoples</b>		
411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations of indigenous peoples' rights were identified during the period.
<b>Local Communities</b>		
413-2	Operations with significant actual and potential negative impacts on local communities	Page 101 e 138
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	CPFL Energia's new suppliers go through the Company's approval process in the pre-contracting process, which includes public consultations on the websites of INESS, IBAMA and others. By doing so, we ensure that their performance is in line with the ethical standards of the business.
414-2	Negative social impacts in the supply chain and actions taken	Page 135
<b>Customer Health and Safety</b>		
416-1	Assessment of customer health and safety impacts of product and service categories	All product and service categories of the CPFL Group are assessed for their impact on the health and safety of our customers, employees, aiming to mitigate any risks.
<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We had no substantiated complaints in 2022.

Sectoral Disclosures	Description	Direct Response/Page
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Pages 13 and 154
EU2	Net energy output broken down by primary energy source and by regulatory regime	Pages 13 and 154
EU3	Number of residential, industrial, institutional and commercial customer accounts	Page 154
EU4	Length of above and underground transmission and distribution lines by regulatory regime	Page 155
EU5	Allocation of co2e emissions allowances or equivalent, broken down by carbon trading framework	Page 87
EU6	Management approach to ensure short and long-term electricity availability and reliability	Page 155
EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	Pages 90 and 92
EU12	Transmission and distribution losses as a percentage of total energy	Page 156
EU14	Programs and processes to ensure the availability of a skilled workforce	Pages 68, 117, 124 and 131
EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Pages 68, 70 and 101
EU24	Practices to address language, cultural, low literacy and disability related barriers to access and safely use electricity and customer support services	Pages 68 e 112
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	Page 72
EU28	Power outage frequency	Pages 15 and 156
EU29	Average power outage duration	Pages 15 and 156

# SASB Table

Indicator	Description	Reference (page) / Direct response
IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Page 87
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Page 87
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Page 81
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	We observed two such incidents in the period (more details can be found in indicator 2-27, in the GRI Content Index).
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Page 95
IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Page 158
IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Page 158
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Pages 17, 71, 79, 143 and 150
IF-EU-420a.2	Percentage of electric load served by smart grid technology	56.3% of telemetered load.
IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Page 143
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (SAIDI), inclusive of major event days	Page 15

# SDG Map



Health and quality of life, Page **75**



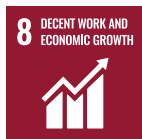
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# Assurance Statement

## **STATEMENT BY SGS DO BRASIL LTDA. (SGS) REGARDING THE SUSTAINABILITY ACTIVITIES PROVIDED IN “ANNUAL REPORT 2022” FROM CPFL ENERGIA S.A.**

### **NATURE AND SCOPE OF ASSURANCE**

The SGS was hired by CPFL Energia S.A. to carry out the third-party assurance of its Annual Report, which provides information for the year 2022 and that follows international guidelines for monitoring and reporting sustainability information, including the Global Reporting Initiative (GRI). The scope of assurance, based on the methodology for assurance sustainability reports from SGS, included the text and data related to GRI Standards 2021, current version of GRI.

The information provided in “ANNUAL REPORT 2022” and its presentation is a sole responsibility of CPFL Energia S.A. management structure. The SGS is not involved in the preparation of any material, including the in the said report, such as risk analysis, materiality tests and other critical issues that may affect severally the CPFL Energia S.A. business. We are liable for giving our opinion of the GRI disclosures and their texting, data, charts, and statement within the assurance scope in order to keep the CPFL Energia S.A. stakeholders informed.

The SGS Group has developed a set of assurance protocols for Sustainability Communication based on the best practices provided in GRI Sustainability Reporting Standards, in its most up-to-date version of 2021, and the assurance standard International Standard on Assurance Engagements - ISAE3000. Such protocols offer different assurance levels depending on context and capacity of organization.

This report was assured considering our protocols to assess the content authenticity and its alignment with the requirements of GRI Sustainability Reporting Standards 2021, Universal Standards (GRI 1\_ Foundation 2021, GRI 2\_ General Disclosures 2021, GRI 3\_ Material Topics 2021) and the requirements of Topic Standards (GRI 200, GRI 300 and GRI 400) according to the material topics identified by CPFL Energia S.A. through the process described in this report.

The assurance process comprised (i) interviews with strategic employees involved in the process of compilation and preparation of the report, where disclosures, data and processes related to sustainability management and the collection of GRI disclosures were reviewed, (ii) review of the documentation presented by CPFL Energia S.A. and comparison with the information entered by the company in the report and (iii) evaluation

of versions of this report for alignment with GRI standards and (iv) analysis of engagement activities with defined parties (stakeholders) and assessment of the form of sustainability as defined materials were and inserted in the context of the organization and in the content of this sustainability report. The accounting information of CPFL Energia S.A. contained and referenced in the “ANNUAL REPORT 2022” was not evaluated as part of this assurance process, but in a separate audit process. The information related to the inventory of greenhouse gases was verified and went through a specific audit process.

### **IMPARTIALITY AND COMPETENCE STATEMENT**

The SGS Group is global lead in inspection, analysis and verifications services, operating in more than 140 countries and rendering services that includes management system certification, audits and trainings on quality, environmental, social and ethic segments, sustainability assurance reports and greenhouse gases verification. The SGS attests your independence against CPFL Energia S.A. stating that is exempt from interest conflict with the organization, their subsidiary and stakeholders.

The assurance team was composed according to members' expertise, experience and competence for this activity, the team is composed of:

- An Audit Lead on Assurance of Sustainability Report, a Lead auditor on Socioenvironmental programs, a Lead Assessor of Greenhouse Gases (GHG), Lead auditor on Renovabio program.

## ASSURANCE OPINION

Regarding the verification carried out in the methodology, processes and data presented by CPFL Energia S.A., we are confident that the information and data contained in the "ANNUAL REPORT 2022" are reliable and a balanced representation of the sustainability activities developed by CPFL Energia S.A. in the base year 2022. The SGS has the opinion that the report can be used by the company's stakeholders as part of its company evaluation processes.

In our opinion, based on what was verified and on the materials presented by CPFL Energia S.A., the content of the report fully meets the requirements of the GRI Standards, which are: apply the reporting principles, report the disclosures in GRI 2: General Disclosures 2021, determine material topics, report the disclosures in GRI 3: Material Topics 2021, report disclosures from the GRI Topic Standards for each material topic, provide reasons for omission for disclosures and requirements that the organization cannot comply with, publish a GRI content index, provide a statement of use and after publication notify GRI.

## RECOMMENDATIONS, FINDINGS AND CONCLUSIONS OF ASSURANCE

- The Report of CPFL Energia S.A., "ANNUAL REPORT 2022" is aligned with GRI Standards 2021, and also with the requirements of the Topic-specific Standards (GRI 200, GRI 300 and GRI 400).
- CPFL Energia S.A. presents its Report with 16 material topics: 1. Ethical Conduct and Transparency; 2. Customer Satisfaction; 3. Financial and Operational Performance; 4. Corporate Governance; 5. Information Security; 6. Sustainable Purchases; 7. Health and Safety as Value; 8. Development of Human Capital; 9. Relationship with Communities; 10. Promoting Diversity and Inclusion; 11. Guarantee of Human Rights; 12. Climate Change and Decarbonisation; 13. Eco-efficiency in Operations; 14. Smart Energy and Innovation; 15. Biodiversity Preservation; and 16. Encouraging the Circular Economy. In our view, the material topics reflect the impacts of CPFL Energia S.A. activities in a balanced manner, and the report covers information on all topics considered as materials for the sector and stakeholders, according to GRI 3: Material Topics 2021.
- It stands out among the actions carried out by CPFL Energia S.A. in relation to material topics, actions and investments made in health and safety, in addition to assuming commitments such as strengthening the safety culture to achieve zero fatalities, reducing the frequency and severity rate of accidents involving

employees and service providers; e Invest R\$ 50MM in awareness projects and risk reduction for the population by 2030.

- Regarding the partial publication of information related to disclosures, disclosure 201-2 (Financial implications and other risks and opportunities due to climate change) are partially reported.

Finally, SGS believes in the importance of transparency and congratulates the company for the initiative of ensuring its report, as well as promoting sustainability in its actions and disseminating its code of conduct and compliance at all levels of the organization.

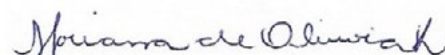
**March 21, 2023**

Executed by and on behalf of SGS.



**Gustavo Venda**

Business Manager - Sustainability



**Mariana de Oliveira Klein**

Lead Auditor for Sustainability Reporte

# Credits

## **Coordination**

CPFL Energia

Environment and Sustainability Director

Corporate Communication Director

## **Editorial Project: writing, consulting and translation**

Ricca Sustentabilidade

## **Graphic Design, Layout, diagramming and illustrations**

Ricca Sustentabilidade

