

 auren
annual
report

2023



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A Message from the Board of Directors

GRI 2-22

Once again, we have good reasons to celebrate. Despite the challenging scenario, Auren pursued its strategy and, in 2023, demonstrated good performance, with consistent financial and operational results that demonstrate its flexibility, ability to adapt and agility when faced with different contexts.

We are proud of the milestones that Auren achieved over the course of 2023. The Company ended the period showing growth of 7.4% in its Net Revenue and 9.7% in its Adjusted Ebitda, which largely reflect the increased energy trading and improved results obtained from the trading operations, compared to the previous year. One of the main highlights during the period was the securitization of R\$ 4.2 billion relating to the receivables arising from the court settlement reached with the Federal Union concerning the claim on the Três Irmãos HPP. This operation opened the way for the payment of R\$ 3 billion to our shareholders in dividends whilst still enabling the company to continue with a solid and robust capital structure. High cash conversion is a central characteristic of Auren and one of the qualities necessary to support its growth strategy, be it in the form of greenfield projects or the acquisition of operational assets, together with the payment of dividends.

Auren's Board of Directors has assumed the responsibility of encouraging and supporting the Company's growth journey towards a sustainable model that can generate shared value, whilst maintaining a focus on financial discipline. We foresee a promising future for the electricity sector, with the opening of the

free energy market, and we have full confidence in the ability of the Company to recognize trends and seize business opportunities in the short, medium and long-term. Auren has been preparing itself for this opening, investing in technology, in the qualification of its professionals, and in the diversification of solutions to meet the needs of customers of all sizes, working in all market segments.

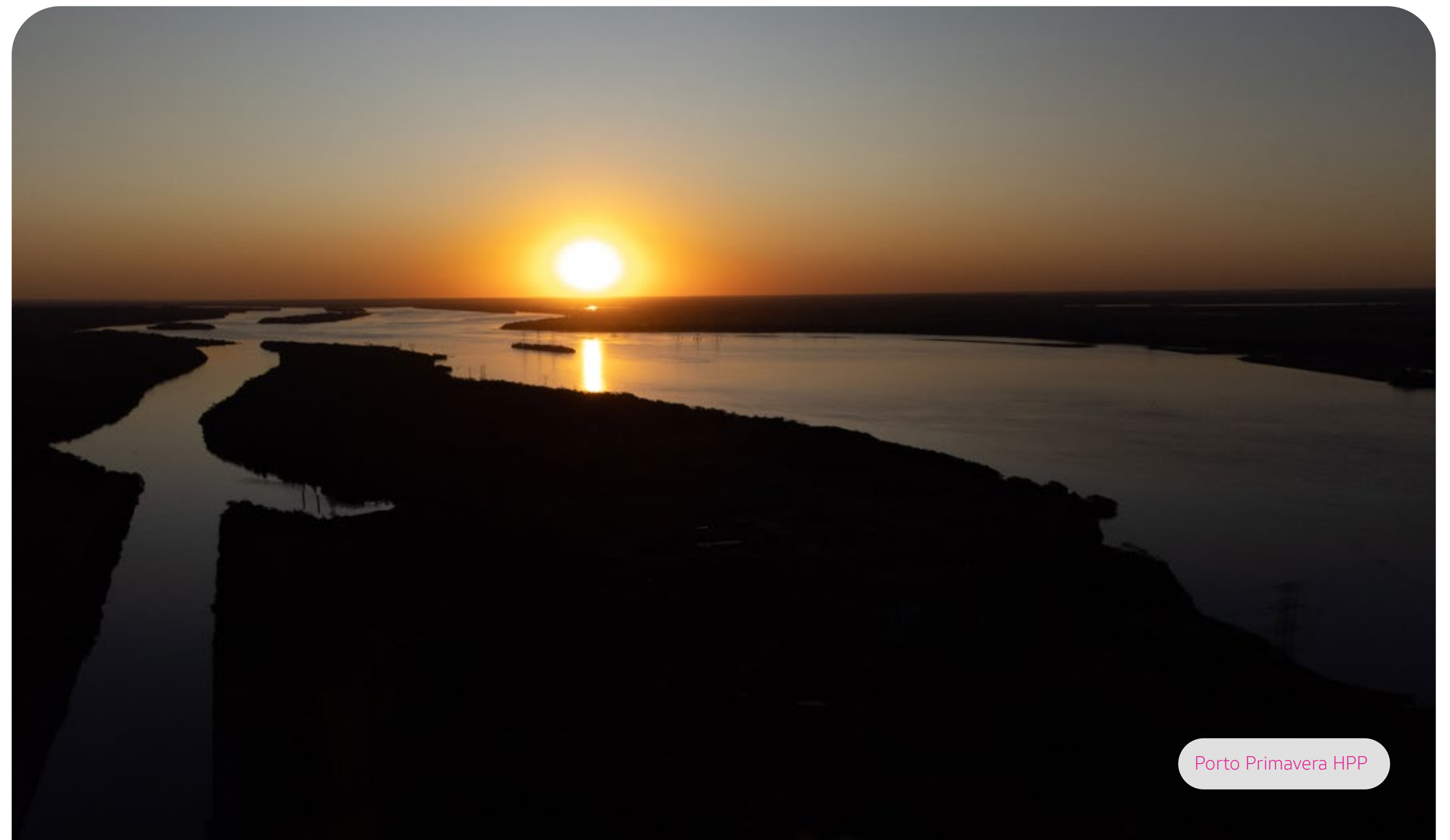
In 2023, the Board was involved in reflecting upon the company's ambitions, and we moved forward in our formation of strategic partnerships for boosting the growth of trading business. This led to Auren entering into a joint venture with Vivo aimed at increasing both its capillarity and its sales channels. From this moment on, we have sought to make the company increasingly more agile in order to meet the enormous potential evident in the number of consumers with conditions to enter this market in the coming years.

In relation to projects, Auren also succeeded in taking the planned steps forward, with the implementation project for the Sol de Jaíba complex, which is being constructed in the north of Minas Gerais and has a solar generation installed capacity of 630 MWp. Another important milestone was the inauguration of the Sol do Piauí hybrid park, a pioneering initiative in Brazil, combining a solar generation plant with a wind plant. The synergy of different sources aimed at optimizing the production of energy is one of Auren's strategies for developing the portfolio. The Company is increasingly seeking to expand the complementary nature and scale of the business, and the hybrid project is of utmost importance as it represents a model that can be reproduced in the future to make the existing renewable energy assets even more efficient.

Significant advances have also been made in the company's socio-environmental and corporate governance agendas. In 2023, Auren presented its ESG strategy and public commitments aligned with the UN's Sustainable Development Goals (SDGs). The investment decisions at Auren are guided by the consistency and alignment of this strategy, based upon an associative agenda that offers profitability and increased scale whilst complementing the portfolio. We are confident that this approach contributes to making assertive decisions that guide us along the right path towards where we eventually want to go.

In 2023, the company continued to adopt rigorous standards of ethics and integrity, as well as a set of initiatives that reinforce its objective, values and commitment to generating shared value and commendable results. We understand the importance of having a code of conduct and ethics for the longevity of the business. In recognition of the Company's efforts along these lines, Auren has been selected to join the Brazilian Stock Exchange's (B3) Corporate Sustainability Index (ISE) in 2024. For the Board of Directors, this is an achievement that validates the excellence of the work performed over the short period of time since the company was founded in 2022.

We have continued to adopt a brave and optimistic approach to our work, taking great care over the safety of everyone involved, whilst remaining confident of the abilities of the company's leaders and the quality and skills of all the professionals who contribute to Auren. We are convinced that this human capital and the resilience of the Company's assets are the drivers that will transform Auren into a company that both generates value and gets increasingly stronger. The priority for 2024 will be to continue to push for growth, be it through the development of new (greenfield) generation projects, or via acquisitions, at the same time as we continue investing strongly in strengthening energy trading.



Porto Primavera HPP



Fabio Zanfelice, CEO

A Message from the CEO

GRI 2-22

In 2023, we took important steps along the path towards establishing ourselves as a benchmark company in renewable generation and energy trading in the Brazilian electricity sector. It was a year of great activity and many achievements for Auren, reflecting the consistency of our strategy, the strength of our assets, the solid structure of our corporate governance and our commitment to admirable and sustainable results.

Based upon the goal of driving people and business, we concluded a number of important projects and established partnerships that have added even more potential and innovation to our journey of growth. We are proud to have

collaborated for the future of the electrical energy industry, with the development and implementation of the Sol do Piauí project, the first wind-solar hybrid energy generation project to have been approved in Brazil by the National Electrical Energy Regulatory Agency (ANEEL). This is an innovation, devised by Auren, which has brought about and influenced regulatory changes for the creation of a new dimension and business model in renewable generation that will bring benefits to the entire chain operating within the sector - from the generator to the end customer.

We have made enormous advances with respect to trading, achieving significant results in our business model and customer management. We invested even more in technology, automation and data intelligence to achieve greater efficiency, assertiveness in

the decision-making, and gains in scale with a reduction of service costs. The framework we have established for data and tools allows us to better understand consumption behavior, to create a diverse portfolio, and develop solutions that meet the needs of our customers. Being a company which bases its management upon data has become an even more pressing condition as we seek to ensure the future of the company in light of the new stage in the opening of the free market set to begin in January 2024.

During 2023, despite the challenging scenario, we signed 340 new contracts and surpassed the milestone of 1,000 customers, whilst also consolidating our leading position in the energy trading market with the highest volume of energy sales in the Free Energy Market (ACL), according to information from the Electricity Trading Chamber (CCEE). In order to remain competitive and seize the opportunities that are on their way, we have adopted new practices focused on expanding the sales channels and capillarity. We have gone after strategic partnerships that are allowing us to explore synergies to optimize our sustainable growth. Based upon this strategy, we have developed a joint venture with Vivo, focused on retail trading. The new company will be operating throughout Brazil with its own independent team. This is an alliance that aims to increase even more in scale by adding to Auren's energy capabilities the capillarity and access to channels and expertise in relations that Vivo has already established.

To increase the positive impacts of our work, in 2023, we assumed commitments that connect our business aspirations with the world's needs. Through our social, environmental and governance strategy, launched in the first quarter of the year, we have established the

essence of our culture in the shape of ten commitments to people, planet and prosperity, that are being deployed as 15 targets to be achieved by 2030.

An approach based upon integrity and transparency has always formed a central part of our history, and the Company's efforts on behalf of this agenda have received market recognition. Since 2022, we have been part of the Brazilian Stock Exchange's (B3) 'ICO2', the Carbon Efficient Index. In 2023, we were selected to join two other important indexes. The first of these is the IDIVERSA, involving 75 companies which have adopted practices that encourage diversity and race in Brazil. The second is the Corporate Sustainability Index (ISE) portfolio, which will come into effect in 2024. The ISE is one of the market's most important forms of recognition for good corporate governance and management, evaluating the performance of the member companies in relation to sustainability. It represents the success of our strategy that has been achieved in the very short amount of time since the company was founded.

Our constant quest to learn, unlearn and relearn is what allows us to strengthen our abilities, enabling our team to face up to challenges such as the energy transition, technological evolution and increased competition in the free market. We believe that our human capital is the fundamental factor in the Company's excellence. As such, we have expanded the range of initiatives and practices focused on training, and increased the number of training hours provided for our leaders and professionals by 40% compared to 2022. This demonstrates the Company's efforts to keep itself up-to-date on new perspectives and fully prepared for the future, with a focus on the development of people.

We continue to deliver commendable results in a way that is sustainable, whilst generating shared value. We have advanced on our journey to create a leading renewable energy platform in Brazil, with the improvement of our management and operational efficiency differentials. We ended 2023 on a high, with a 7.4% growth in net revenue and a 9.7% increase in Adjusted Ebitda in relation to 2022. Another highlight in our financial performance was the securitization of the receivables arising from the the settlement we reached with the Federal Union concerning the claim on the Três Irmãos HPP, which led to the early receipt of R\$ 4.2 billion. The discipline we have adopted in our financial management of the business enabled the distribution of R\$ 3 billion in dividends to our shareholders this year.

We are extremely optimistic about the new challenges we are facing and we are prepared for one more cycle of new deliveries and achievements, including the Sol de Jaíba, a solar complex under construction in the state of Minas Gerais that is expected to be in operation in 2024, as well as the increase in the number and satisfaction of our customers. Energizing the future means having the courage to face the new. We have begun another year with the same willingness to invest and the discipline to assess potentially promising opportunities that drive our development towards a lighter, cleaner and more sustainable future.

Fabio Zanfelice, CEO

Presentation

About the report

GRI 2-2 | 2-3

We are presenting here the second Auren Energia S.A. Annual Report, providing information on the Company's initiatives and projects concerning the environmental, social and governance pillars, as well as the main results from 2023, a period that was notable for the consolidation of our business. The report covers the period between January 1 and December 31, 2023.

The content of this publication highlights both our commitment to driving people and business forward, and the motivation we have to construct a legacy that has a positive impact, through irreproachable and responsible operations on behalf of the environment, society and the shared generation of value.

Over the course of four separate chapters ('About us', 'Planet', 'People' and 'Prosperity'), we highlight our operations, our Sustainability Strategy (published in 2023), and different actions connected to the Company's material topics, all of which are of interest to our different publics, including shareholders, employees, customers, suppliers and other stakeholders, including indicators considered to be priority for both management and reporting.

This report covers all our subsidiaries and the entities controlled¹ by Auren, and has been developed in accordance with the Global Reporting Initiatives (GRI) and the Sustainable Development Goals (SDGs) established by the United Nations Organization (UN), to which Auren is a signatory, as well as the indicators applicable to Electric Utilities & Power Generators published by the Sustainability Accounting Standards Board (SASB). The publication shows the efforts we have made to ensure a responsible and efficient operation, along with the sustainability of our entire value chain and the paths we are traveling to achieve greater competitive standing in the business.

Should you have any doubts about the content of the report, please write to: comunicacao@aurenenergia.com.br.

We hope you enjoy the report!

¹ Adjustments were made to the Minority Shareholdings in the consolidation of information. For the Picada HPP, adjustments have been made in accordance with the Equity Interest of 71.4%, for example, concerning the energy generated. **GRI 2-2**



Ventos do Piauí I Wind Complex

The year's highlights

We maintained listed on the **Carbon Efficient Index (ICO2)** and have now been included in the **Brazilian Stock Exchange's (B3) diversity (IDIVERSA) and sustainability (ISE)** indexes. – *Brasil, Bolsa, Balcão*.

We attracted **more than 385 new customers**, meaning we have surpassed the milestone of **1,000 customers** now making use of our energy

We were awarded the **Brazilian GHG Protocol Program's Gold Seal** for the transparency of our greenhouse gas emissions inventory

For the second time, we were awarded the **Anafec Transparency Trophy** from the National Association of Finance, Administration and Accounting Executives for the manner in which our financial results were disclosed

We were awarded **ISO 14001 and 45001** certifications for our wind parks

More than **1.65 million carbon credits** were traded

We launched Sol do Piauí Park, Brazil's first **solar-wind hybrid** project, approved by the National Electrical Energy Regulatory Agency (ANEEL)

We distributed **R\$ 3 billion** in dividends to our shareholders

We established ourselves as the country's biggest energy trader, with more than **4.2 GWavg** being traded

We assumed **10 public commitments** in our Sustainability Strategy, each of which are to be fulfilled by 2030

We established a **joint venture with Vivo** which will be operating in the retail **trading market**



Porto Primavera HPP

About us

About us

GRI 2-1 | 2-6

Auren Energia (B3 ticker; AURE3) is one of the country's biggest renewable energy generation platforms and the leading energy trader in the Brazilian market, with more than 4.2 GWavg traded in 2023.

As a publicly traded, private-sector company, with shares listed on the B3 S.A. - *Brasil, Bolsa, Balcão*, and traded in the *Novo Mercado* segment, we base our operations on the adoption of best corporate governance practices, grounded in the principles of transparency, equity and integrity, with an overriding commitment to generating commendable results. In 2023, we were selected to form part of the 19th Corporate Sustainability Index (ISE), a decisive milestone in our trajectory, representing another important recognition of our good practices in the pillars of People, Planet and Prosperity. [Read more about our selection for the ISE on page 15.](#)

The focus on the customer is at the heart of our strategy. The variety of products and services, as well as extensive reach and a broad network of sales channels are fundamental for the future of our business, above all in the energy trading segment. We invest in technology, data intelligence and studies focused on innovation in order to develop our capabilities and prepare ourselves to perform a leading role in the market. We also seek to establish partnerships that are aligned with

our expansion strategy and preparation for the opening of the free energy market.

The development of our solutions portfolio in electricity and sustainability has been based upon the needs of companies of all sizes operating in a broad range of market segments, from wholesale to retail. Auren's products are focused on offering our customers greater electrical efficiency and reduced costs, as well as on supporting them in achieving their decarbonization targets for neutralization of their Greenhouse Gas (GHG) emissions.

Acting ethically, caring for people and focusing on sustainability all form part of our culture. As such, we pursue initiatives, projects and programs focused on innovation, governance and compliance, occupational health safety, environmental management and social development. These aspects form part of our Sustainability Strategy, published in 2023, the results and evolution of which are described over the course of this report. [Read more about our Sustainability Strategy on page 11.](#)

Our operating structure

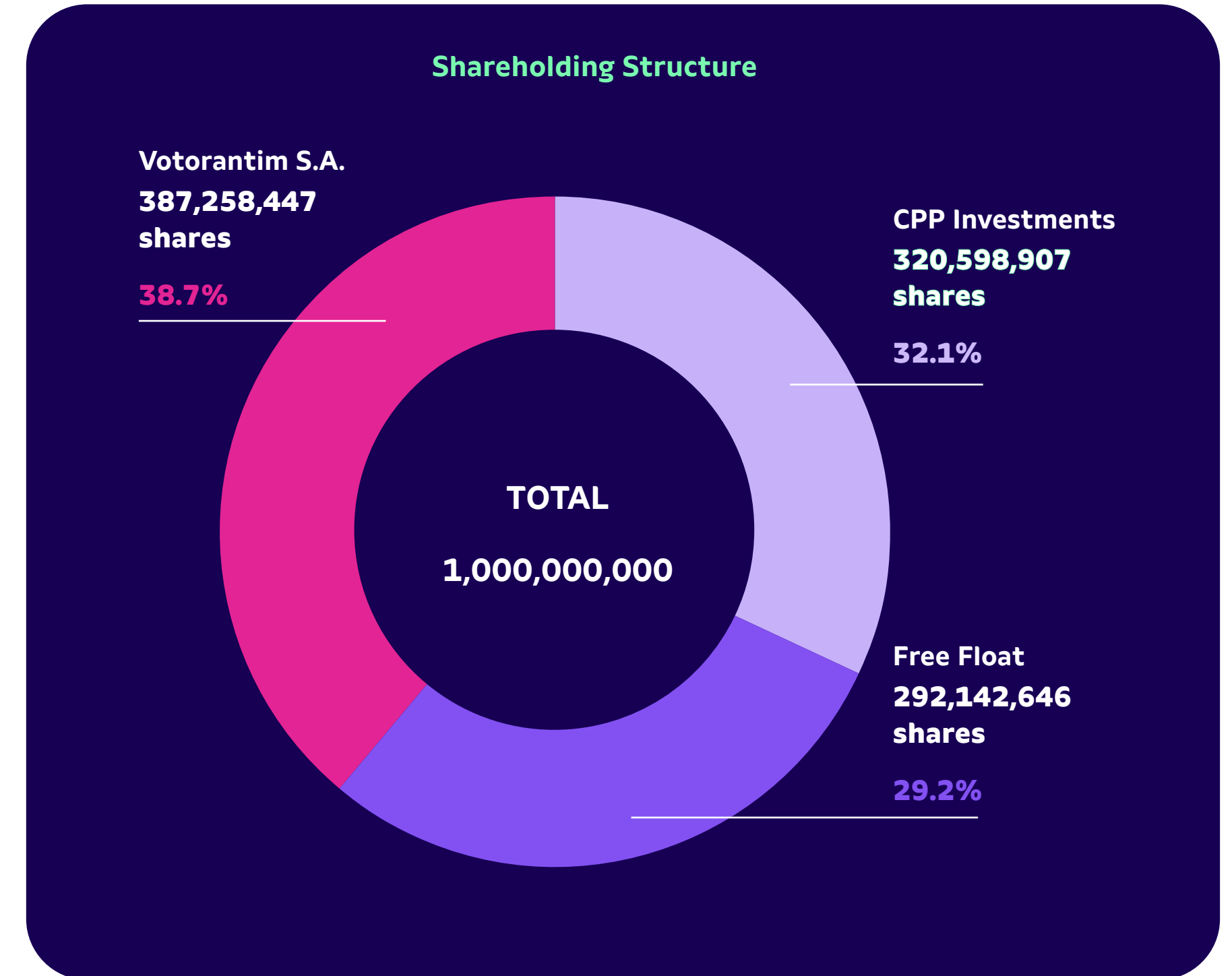
GRI 2-1 | 2-6

The diversification of renewable sources which bring complementarity and efficiency to the portfolio leads our strategy for the growth of our energy generation capacity, based upon both the acquisition of assets that are already operational and the construction of new projects.

Our portfolio combines hydroelectric, wind and solar generation sources, in assets located in the states of São Paulo, Mato Grosso do Sul, Minas Gerais, Pernambuco and Piauí. We also participate in hydroelectric assets in the states of Minas Gerais, Santa Catarina and Rio Grande do Sul. [Find out more about our operations on page 10.](#) **GRI 2-1**

Auren's installed operational capacity stands at approximately 3,200 MW. Of this total, 2,174.5 MW are generated from hydroelectric sources, including 507.8 MW from assets in which we share participation, 982.2 MW from wind sources and another 48.1 from solar sources. The Sol do Piauí hybrid park began operations in January of 2024, this being the first of its kind in Brazil to be approved by the Electrical Energy Regulatory Agency (ANEEL). [Find out more on page 19.](#) During the reported period, we also invested in the construction of one of the country's biggest photovoltaic power stations, the Sol de Jaíba, in Minas Gerais, with a capacity of 630 MWp.

In 2023, we increased our portfolio of customers as well as that of our products and solutions, whilst always maintaining our focus on the needs of our public and on our culture of ethics and integrity, thereby strengthening our reputation in the market. [Read more on page 57.](#)



To achieve these results, we can count upon the enormous contributions made by our own employees and outsourced workers. They are all fully engaged in participating in professional development actions, which is one of our strategic priorities.

_Our goal is to provide Energy which drives people and businesses.

Areas of activity

GRI 2-6

Our business model is focused on two segments of the electricity sector: generation of renewable energy (hydroelectric, wind and solar) and energy trading. Given the transformation that the energy market is experiencing, we are investing more and more in technology, automation and data intelligence, as a means of promoting greater efficiency, gains in scale with reductions in cost, and increased assertiveness in decision-making, as well as offering solutions and services based on the customers' needs. We are increasingly aiming for consistency and excellence in our operations with a view to generating positive impacts for society both now and in the future.

1 Energy

A diverse platform of clean and renewable energy generation

2 Operations Center

Intelligence center and generation operations control

3 Trading

- The biggest trader in the country
- Activities throughout Brazil

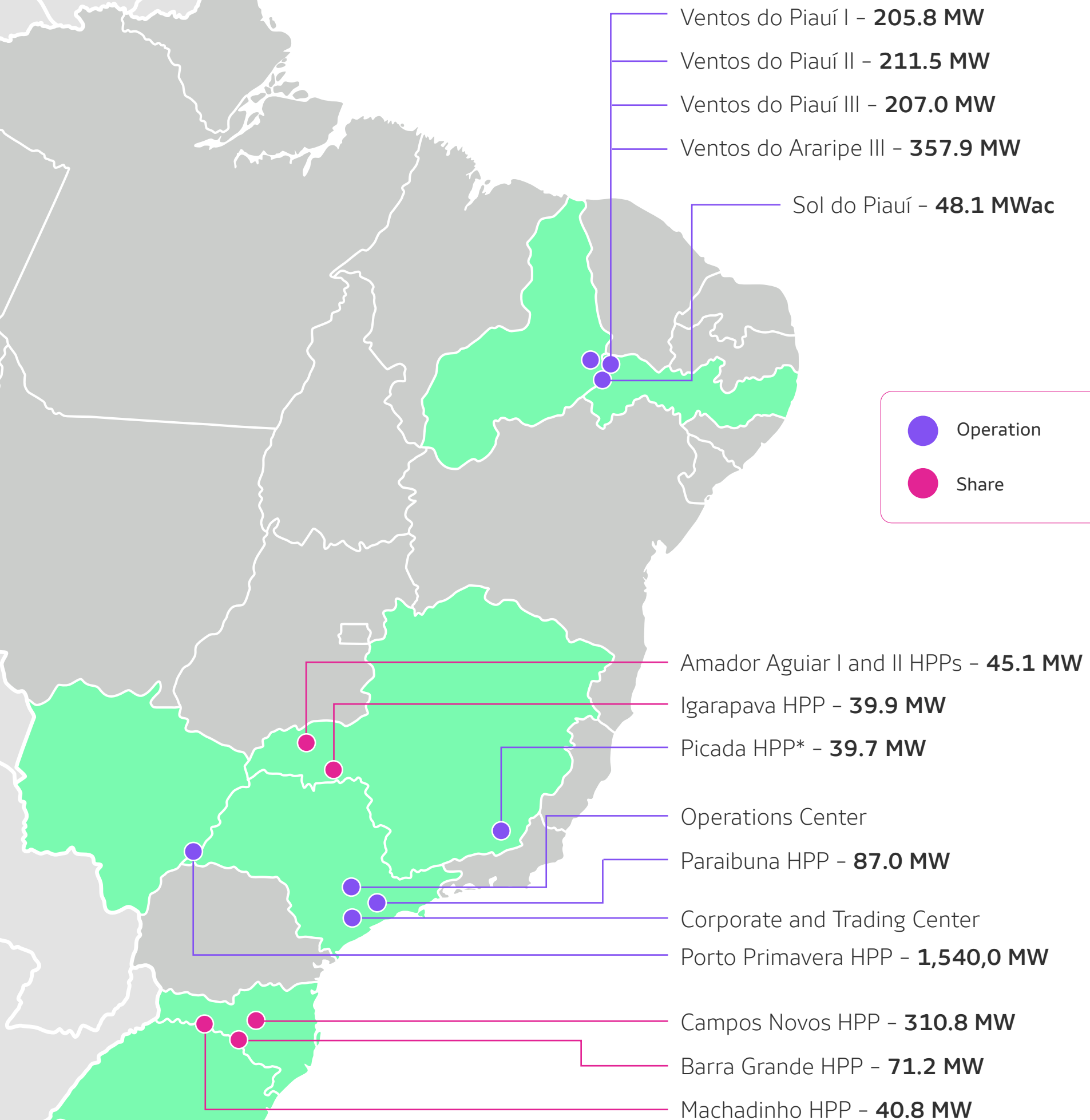
4 Initiatives and business

Oriented towards working with energy, technology and sustainability

- Business partners network
- Technology and energy companies ecosystem
- Digitization and innovation in product processes
- Carbon credits and I-RECs trading

Our operations

The figure stated after the name of each asset refers to its installed capacity.



*The concession of the Picada HPP asset is being operated jointly with Nexa Recursos Minerais S.A. The companies hold an indirect equity interest in the asset, with Auren being responsible for the operation and management.

Energy generation

Auren currently has a generation portfolio of 3,204.8 MW including its own assets and interests in operations located in seven Brazilian states. We aim to operate with a diversified generation portfolio including hydroelectric, wind and solar assets. With a view to complementarity, efficiency and greater resilience, we also invest in hybrid solutions, such as the Sol do Piauí Complex, one of the highlights of our operations in 2023.

This innovative project, devised by Auren in 2018, was regulated by the National Electrical Energy Regulatory Agency (ANEEL) by means of Normative Resolution n. 954/2021. The investment in the Sol do Piauí Complex is directly aligned with our strategy of creating solutions for the energy transformation of the country. Read more about this project in the chapter entitled [Planet](#).

The synergy of different sources aimed at optimizing production is one of the premises for development of our portfolio. We always work to achieve complementarity and scale, and the hybrid project is a good example of this, being a model that can be reproduced in the future to add more efficiency to our renewable generation assets. In addition to this, we are investing in the generation of photovoltaic energy, through construction of one of the biggest power stations in the country, the Sol de Jaíba, in Minas Gerais.

We have an extensive understanding of the modernization trends within the electricity sector, and we have the capacity to recognize opportunities and create solutions that increase both our operational efficiency and customer satisfaction.

Trading and solutions

We have a diverse portfolio of innovative energy solutions aimed at meeting the most pressing needs of our more than 1,000 customers. Alert to market trends and the challenges they present to the segment, in 2023, we invested even more in technology and innovation, focusing on the digitization and automation of the processes, in order to increase our operational efficiency and improve our customers' experience, enhancing our understanding of each of their consumption profiles to be able to develop customized solutions for each business.

The solutions focused on expansion in the free market and carbon credit trading accounted for some of the Company's biggest investments in 2023, when we achieved first place in Brazil's energy trading rankings, thereby further strengthening our credibility in the segment. Read more about this in the [Prosperity](#) chapter.

Sustainability strategy and management

GRI 2-24

We are committed to collaborating to make the electricity sector more innovative, digital and sustainable. These challenges strengthen our ambitions and reaffirm our commitment to the future. For our customers and shareholders to recognize us as leaders in the energy sector, it is essential that we deliver commendable results to all our stakeholders.

Amongst the key initiatives emerging from our strategic planning is the advances witnessed in making our parks more hybrid in nature, with a focus on the increase in generating capacity. We are also closely monitoring the new phase in the opening of the free energy market, which began in 2024, and will be offering consumers connected to voltage levels of above 2.3 kilovolts (kV) the freedom to choose their energy suppliers, which includes opting for renewable sources. This shift means there will be an acceleration in the move towards digitization and in competition within the sector.

In 2023, we took an important step in defining the future of Auren: we consolidated the Company's Sustainability Strategy, and had it approved by the Board of Directors. This strategy is focused on the year 2030 and aims to strengthen the company's objective of driving people and business.

The strategy connects our business with the world's needs, by establishing targets connected to the UN's Sustainable Development Goals (SDGs).

Inspired by our ethical values of transparency, and respect and appreciation for people, the Sustainability Strategy is divided into three pillars: Planet (which addresses environmental issues), People (focused on social concerns), and Prosperity (concerned with governance of the business). By means of these pillars, we have established ten commitments (based on the company's core strategic topics), that are being deployed in the form of 125 targets which reflect how and where we wish to go. To read more about this, [please refer to our Sustainability Strategy and 2030 Commitments Manifesto](#).

Auren's Sustainability Policy was one of the essential tools used for the construction of the Company's Sustainability Strategy. This document, which is applicable to all of Auren's employees and those of our service provider companies, aims to consolidate our beliefs and strategic vision in relation to increasingly more sustainable operations.

Guiding principles

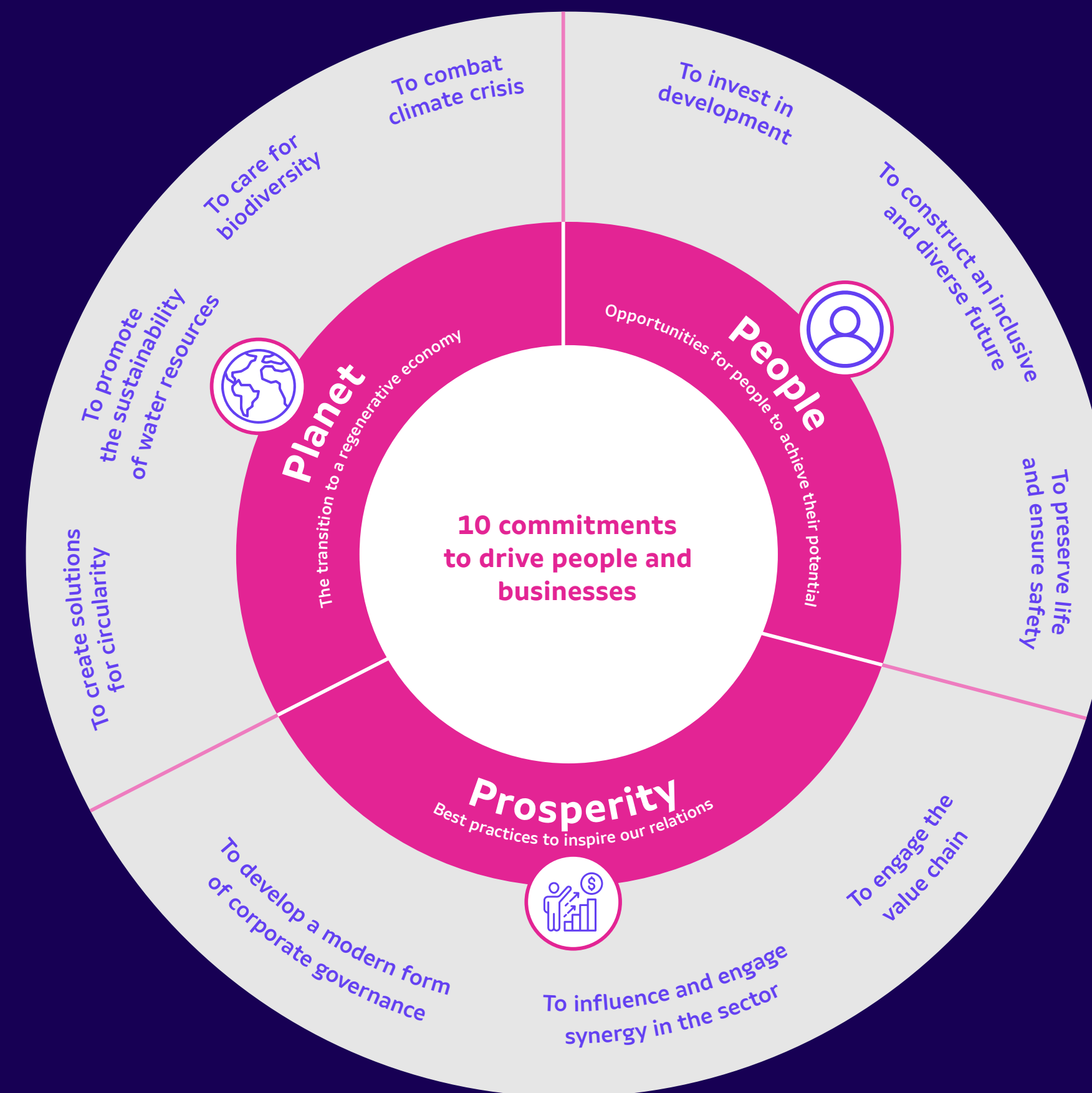
In 2023, we restructured our strategic planning process. Through a comprehensive analysis of the business' core issues and a joint construction of our visions for the future, we defined an investment strategy guided by economic criteria and environmental, social and governance aspects, ensuring that each investment is aligned with the pillars of our Sustainability Strategy.

The principles that guide our actions and decisions are:

- Finding innovative solutions inside and outside the conventional limits of companies and business models, integrating the social aspect into our core business.
- Connecting people and stakeholders with different skills and objectives in the pursuit of sustainable development.
- Strengthening our relations with the local communities, creating democratic spaces for discussion and collaboration.
- Positioning the UNs Sustainable Development Goals (SDGs) as guides for our actions, reflecting the magnitude of our ambitions and the vocation.

Premises of our Sustainability Strategy

- To be an inspiring vision connected to the commitment to the generation of a positive impact that the current context demands.
- To act transparently in communicating Auren's strategy, commitments and intentions to its stakeholders.



Materiality

GRI 3-1 | 3-2

The materiality that guides the reporting of the information contained in this, Auren Energia's Second Annual Report, is the result of a revision process undertaken in 2022, in which we considered the updated materiality of the companies which formed the basis for the founding of Auren - CESP and Votorantim Energia - with these updating processes being performed in 2020 and 2021, respectively.

Auren's materiality matrix reflects the perspectives of the wide range of internal and external stakeholders consulted as part of these two studies. The results of the Company's materiality review highlighted new material topics, which are connected to the potential contribution that can be made to fulfilling the Sustainable Development Goals (SDGs) and which support our initiatives:

• **Environmental management**

• **Our people**

• **Social development**

• **Safety for all**

• **Climate strategy**

• **Dam safety**

• **Ethics, transparency and good governance practices**







• **Customer relations**







• **Digital innovation and transformation**





Over the course of this report, our targets and commitments will be identified by a symbol on the left.

Commitment	Target	SDGs and Materiality	Indicator	Planning (2030)	Achieved (2023)	2023 advances
1. To combat climate change	1. To have a net positive balance between the sequestering and emission of Scopes 1 and 2 greenhouse gases.	 <ul style="list-style-type: none"> Climate Strategy Environmental Management 	tCO ₂ e	>0	161,507	<ul style="list-style-type: none"> Sequestering on reserves and through reforestation = 283,774 tCO₂e Scope 1 and 2 emissions = 122,2667 tCO₂e. Pages 22, 23 and 25
	2. To trade 8 million credits in promotion of the carbon market.		tCO ₂ e	8,000,000	1,660,000	<ul style="list-style-type: none"> Credits mostly from the Company's wind operations. Page 54
2. To care for biodiversity.	3. To expand the biodiversity regeneration program by means of additional voluntary conservation and reforestation actions in the Caatinga and Atlantic Rainforest regions.	 <ul style="list-style-type: none"> Environmental Management 	Caatinga hectares	1,000	0	<ul style="list-style-type: none"> Identification of areas for reforestation and creation of a reserve. Page 21
			Atlantic Rainforest hectares	1,000	0	<ul style="list-style-type: none"> Definition of the land in the area of influence within the Rio do Peixe State Park that is to receive additional reforestation. Pages 21 and 22
3. To promote the sustainability of the water resources	4. To provide support to seven municipalities for the development of projects relating to the management of water resources.	 <ul style="list-style-type: none"> Environmental Management 	# Projects	7	-	<ul style="list-style-type: none"> To perform land evaluation aimed at prioritizing seven municipalities located in the regions where Auren is active. Page 26
4. To create solutions for circularity	5. To develop processes and technologies to take advantage of unserviceable materials that are generated at the end of the life cycles of the assets.	 <ul style="list-style-type: none"> Environmental Management Digital Innovation and Transformation 	# Projects	1	1	<ul style="list-style-type: none"> Mapping of technologies and public calls for prospecting and development of solutions. Page 27
5. To invest in development	6. To promote the training of people in relation to the matter of energy, aiming to ensure that 50% of the participants are women and/or people of color (Black and mixed race).	 <ul style="list-style-type: none"> Social Development Our People Digital Innovation and Transformation 	# Benefited	1,000	245	<ul style="list-style-type: none"> 180 people trained in Renewable Energies at the Araripina (PE) State Technical School, and 65 people in Electrical Installations and Photovoltaic Systems in Jaíba (MG). Pages 32 and 33
	7. To implement the Auren Socio-environmental Education Program in all operations and projects.		# Initiatives	6	2	<ul style="list-style-type: none"> Development of the Socio-environmental Education Program Page 37

Commitment	Target	SDGs and Materiality	Indicator	Planning (2030)	Achieved (2023)	2023 advances
6. To construct an inclusive and diverse future	8. To ensure that 50% of the general workforce are women and 35% people of color (Black and mixed race).	 <ul style="list-style-type: none"> Our People Social Development 	% of Women in the General Workforce	50	36.8	<ul style="list-style-type: none"> Promotion of respect and acceptance of every individual through initiatives that raise awareness on the theme, promoting respect for individuality and eliminating undesirable attitudes within the Company. Hiring of apprentices from areas in socially vulnerable situations with the support of the Gerando Falcões NGO. Exclusive internship program for students from public schools or students on scholarships at private schools. Pages 32 and 33
	9. To ensure that 40% of the leadership positions are occupied by women and 20% by people of color (Black and mixed race).		% of Black People in the General Workforce	35	30.5	
			% of Women in Management Positions	40	32.7	
			% of Black People in Management Positions	20	11.5	
	10. To ensure that 50% of the general workforce and 20% of the management positions are occupied by people sourced from the regions in which Auren is active.		% of Local Employees in the General Workforce	50	39.8	
7. To preserve life and ensure safety	11. To coordinate the application of technologies to ensure safe operations and continue with safe behavior, eliminating events leading to lost time.	 <ul style="list-style-type: none"> Safety for all Dam Safety Social Development Our People 	% of improvements implemented	100	12.5	<ul style="list-style-type: none"> Implementation of current identification and electromagnetic field devices, and a technological-based test involving geolocation designed to grant permission to access. Page 35 Reorganization of the Families Committee in the regions in which the wind complexes are located and an Integrated Relationship Plan with the Communities Neighboring the Porto Primavera HPP. Pages 37 and 38
	12. To ensure that a majority of the communities are supportive of Auren's presence.		% favorable	50	16	
8. To develop a modern form of corporate governance	13. To train 100% of the Executive Board, councils and committees on ESG (environmental, social and governance) topics.	 <ul style="list-style-type: none"> Ethics, Transparency and Good Governance Practices 	%	100	0	<ul style="list-style-type: none"> Board Member Journey developed in 2023.
9. To influence and create synergy in the sector	14. To ensure that 20% of the ESG projects are executed in partnership with public and private entities (companies, customers, suppliers and other partners).	 <ul style="list-style-type: none"> Ethics, Transparency and Good Governance Practices 	%	20	3.8	<ul style="list-style-type: none"> 18 initiatives undertaken in partnerships that provided financial support and/or technical contributions.
10. To engage the value chain	15. To evaluate 100% of the supply chain on ESG themes, involving results-based recognition and penalization mechanisms.	 <ul style="list-style-type: none"> Customer Relations 	%	100	0	<ul style="list-style-type: none"> Questionnaire connected to sustainable practices for suppliers of different sizes. Page 58

Awards and recognition

B3 IDIVERSA

Recognizes racial and gender diversity at publicly held companies.

B3 Carbon Efficient Index (ICO2)

Recognizes the company's commitment to the transparency of its emissions and the perspective it takes in preparing itself for a low-carbon economy.

Brazilian GHG Protocol Program (PBGHG) Gold Seal

The companies holding the Gold Seal are those which have presented a full, audited statement of their emissions, fulfilling the accounting and gases analysis requirements, and adopting international instruments and standards.

[Read more on page 25.](#)

ISO Certification

Ventos do Araripe III, and Ventos do Piauí I, II and III plants have obtained the ISO 14001 and 45001 certifications, demonstrating evolution in the management processes of the environment and occupational health and safety at Auren Energia units.

Ekos Platform

We are now members of this platform which connects companies that are committed to having a positive impact through socio-environmental projects, aiming to contribute, jointly and on a large scale, to the responsible offsetting of Greenhouse Gas Emissions, the mitigation of climate change and the conservation of biodiversity.

Transparency Trophy

Awarded to those companies demonstrating best practices in the publication of their financial statements by the National Association of Finance, Administration and Accounting Executives (Anefac).

Empresas Mais

We are included in the Estadão newspaper's "Empresas Mais" ranking, in the Utilities and Services category.

External commitments

GRI 2-23

Global Compact

We are signatories to the UN's corporate sustainability initiative. We have committed ourselves to the ten principles of the Global Compact, tied to the themes of Human Rights • Labor • Environment • Anti-corruption.

100% Transparency Movement

We are members of the 100% Transparency Movement, part of the UN's Global Compact, which aims to encourage Brazilian companies in tackling corruption and in the commitment to the target of establishing a transparent business model by 2030. In being an important initiative in the promotion of corporate transparency in Brazil, it strengthens our mechanisms of transparency and integrity.

Auren is included in the B3's ISE

In January 2024, just a little over a year and a half since our founding, we were included in the B3's Corporate Sustainability Index. Being named in the ISE is another important instance of recognition in Auren's upward journey, since it reflects our commitment to ethics, transparency and sustainability, aligned with our directives and values, and reinforces our objective of driving people and businesses.

In being an indicator of performance and commitment to sustainability and corporate governance, we have thus strengthened our mission to create a better future for all. To be included in the ISE, the B3 methodology evaluates diversity and inclusion practices, as well as those relating to the governance bodies' decision-making, sustainability within the business model, risk management, performance in relation to climate change, shareholders' rights, transparency and ethics in the business, human rights, community relations, management of the legal and regulatory scenarios, governance of the supply chain, maintenance of the competitive environment, and data security, amongst other issues of importance to the business, stakeholders and society.

Participating in the selection for the ISE allowed us to evaluate the opportunities for advancement in our agenda with a focus on sustainable practices, whilst promoting internal engagement and perspectives within the ESG plan. [Click here](#) to find out more about the full make up of the index portfolios for 2024.



- Material topics
- Environmental Management
 - Climate Strategy
 - Digital Innovation and Transformation

Planet

Planet

At Auren, we believe in the combination of technology and sustainability as tools for transformation and the opening of new frontiers in the energy market, bringing about enormous benefits for the environment and society. We are committed to building a positive legacy in the regions where we are present, for both Brazil and the world as a whole. Playing a central role in the future and developing skills and abilities for this forms part of our essence.

We aim to pursue the sustainable management of our business with a view to expansion in Brazil. We are concerned about the management of consumption and costs throughout our chain and we invest in intelligence services to support innovative initiatives in the environmental, social and governance areas.

We work with projects that produce an essential element for people's lives. In the implementation and operational phases of these projects, interventions are required that can generate impacts on the environment, as well as on the communities. However, the positive effects of the company's arrival in the regions should be highlighted, since it is promoting significant positive transformations, through social development and environmental protection programs. Read more on the following pages.

All of our projects involve professionals who are specialized in the social and environmental areas and who closely adhere to their socio-environmental management and control plans.

We work to sustainably integrate technological development, as well as conservation of biodiversity and natural resources, ensuring continuation of the ecosystemic services operating in the municipalities of our operations.

We are committed to generating a positive balance. More than compensating external factors, restoring biodiversity and contributing to the climate change agenda, we aim to inspire our customers and mobilize our partners along these lines, thereby leaving a positive legacy in each action.



Building a regenerative economy is one of the objectives established as part of Planet pillar and our commitments are:

- To combat climate change
- To care for biodiversity
- To promote the sustainability of water resources
- To create solutions for circularity

Ventos do Araripe III Wind Complex

2023 highlight:

R\$ 21 million were invested in environmental initiatives and programs involving preservation, reforestation and biodiversity.

Our Integrated Management System

Our Integrated Management System (IMS) includes regulations, processes and procedures that bring together guidelines relating to the environment, occupational health and safety and social responsibility. The IMS is also guided by our Sustainability Policy.

At Auren, the Health, Safety, Environment and Social Responsibility Technical Group, involving the senior management and specialists, has a regular agenda for critical analysis, addressing issues such as the identification and evaluation of risk situations, environmental aspects and impacts, and the prevention, evaluation and control of Occupational Health and Safety and Environmental events, ensuring the continued compatibility, adjustment and effectiveness of the Integrated Management System.

The critical analysis considers opportunities for improvement with evaluation of the indicators, the effectiveness of the actions implemented, targets and objectives, and the process of sharing good practices.

We also have an internal norm related to the Communication and Analysis of Occupational Health and Safety and Environmental events. This document establishes directives for the classification, communication, analysis and registration of irregularities and events involving safety and sustainability in which damages occurred to the direct employees, outsourced workers, visitors or the environment. With regard to this, depending upon the seriousness of the event and its classification, it is expressly required that the event should be reported and the relevant information distributed to the Company's different hierarchical levels, including the Board of Directors. **GRI 2-16**

In 2023, we focused our efforts on strengthening the IMS, with the implementation of procedures for the critical analysis of the system, strengthening of the communication and awareness-raising processes, training sessions involving all the teams at the different units, and implementation of practices and procedures for ongoing improvement. These initiatives culminated in the Company being awarded the ISO 45001 (Occupational Health and Safety Management) and ISO 14001 (Environmental Management Systems) certifications for Ventos do Piauí I, II, III and Ventos do Araripe III wind parks. The results demonstrate that the Management System was effectively implemented and maintained in accordance with the defined requirements.

Renewable and diverse generation

GRI 3-3 CLIMATE STRATEGY

We prioritize the diversification of our portfolio based upon competitive and sustainable assets that provide the energy generation business with flexibility and complementarity, making it strong and resilient with less exposure to the different risks involved. We are focused on constructing a diversified asset base, guaranteeing our position amongst the biggest renewable energy platforms in Brazil. The diversification of sources, geographical variation, and exploration of economies of scale are at the core of our energy generation strategy, aiming to ensure a robust portfolio and greater operational efficiency.

We began our activity in photovoltaic generation with the construction and operation of the Sol do Piauí project. This enterprise will add clean energy to the national interconnected grid, using the same transmission infrastructure as the Ventos do Piauí I wind complex. This initiative has created opportunities for the country's entire energy generation segment.

Strengthening our presence in the generation of photovoltaic energy, work has continued on the construction of one of the biggest plants in the country, namely the Sol de Jaíba, in the São Francisco Valley, in Minas Gerais, with a 630 MWp capacity and investments of approximately R\$ 2.0 billion. The complex began powering its substation at the end of 2023 and is set to begin commercial operations in 2024, occupying an area of more than 941 hectares, with the capacity to meet the consumption needs of more than one million people.

The technology can also be found in the management of the generation assets. We have an Operations Center, located in Campinas (SP), which manages the remote, integrated and intelligent operation of our plants and wind parks. We invest in security, modern technology and professionals specialized in planning, monitoring and controlling our operations quickly and efficiently.

Furthermore, in 2023, we implemented the Assets Intelligence and Monitoring Center (Cima), which has become an integral part of the Operations Center and which principally aims to monitor the performance of the generation assets, allowing for the early recognition of defects and the reduction of operational risks. The first stage involved the start of the monitoring process at the main assets of our substations and hydroelectric plants.

Our portfolio currently in operation includes four wind complexes, with 347 wind turbines; one photovoltaic park; two hydroelectric plants; and stakes in another seven power-plants in the South and South-east regions of the country.

Our assets in figures

Asset under construction	Start of operations	Source	Installed capacity (MWac)	Physical Guarantee (average MW)
Sol do Piauí (Hybrid) (PI)	Jan/24 (in operation)	Solar	48.1	11.8
Sol de Jaíba (MG)	Expected in 2024	Solar	500.0	154.2
Total			548.1	166.0

Asset operated by Auren	Source	Installed capacity (MW) ¹	Physical Guarantee (average MW)
Porto Primavera (SP)	Hydroelectric	1,540.0	886.6
Paraibuna (SP)	Hydroelectric	87.0	45.2
Picada (MG) ²	Hydroelectric	39.7	39.7
Ventos do Piauí I (PI)	Wind	205.8	23.5
Ventos do Piauí II (PI)	Wind	211.5	106.3
Ventos do Piauí III (PI/PE)	Wind	207.0	105.7
Ventos do Araripe III(III/ PE)	Wind	357.9	178.5
Total		2,648.9	1,446.6

¹ Installed capacity weighted by the Company's indirect equity interest in the assets.

² The concession of the Picada HPP asset is being operated jointly with Nexa Recursos Minerais S.A. The companies hold an indirect equity interest in the asset, with Auren being responsible for the operation and management.

Asset not operated by Auren ¹	Indirect economic participation ²	Source	Installed capacity - Auren participation (MW) ³	Physical guarantee (average MW) ³
Barra Grande (BAESA)	10.3%	Hydroelectric	71.2	36.7
Campos Novos (ENERCAN) ⁴	17.8%	Hydroelectric	153.9	66.9
Campos Novos (ENERCAN) ⁵	17.5%	Hydroelectric	156.9	68.1
Amador Aguiar I and II	10.0%	Hydroelectric	45.1	27.3
Igarapava	19.0%	Hydroelectric	39.9	24.1
Machadinho	3.6%	Hydroelectric	40.8	18.6
Total			507.8	241.7

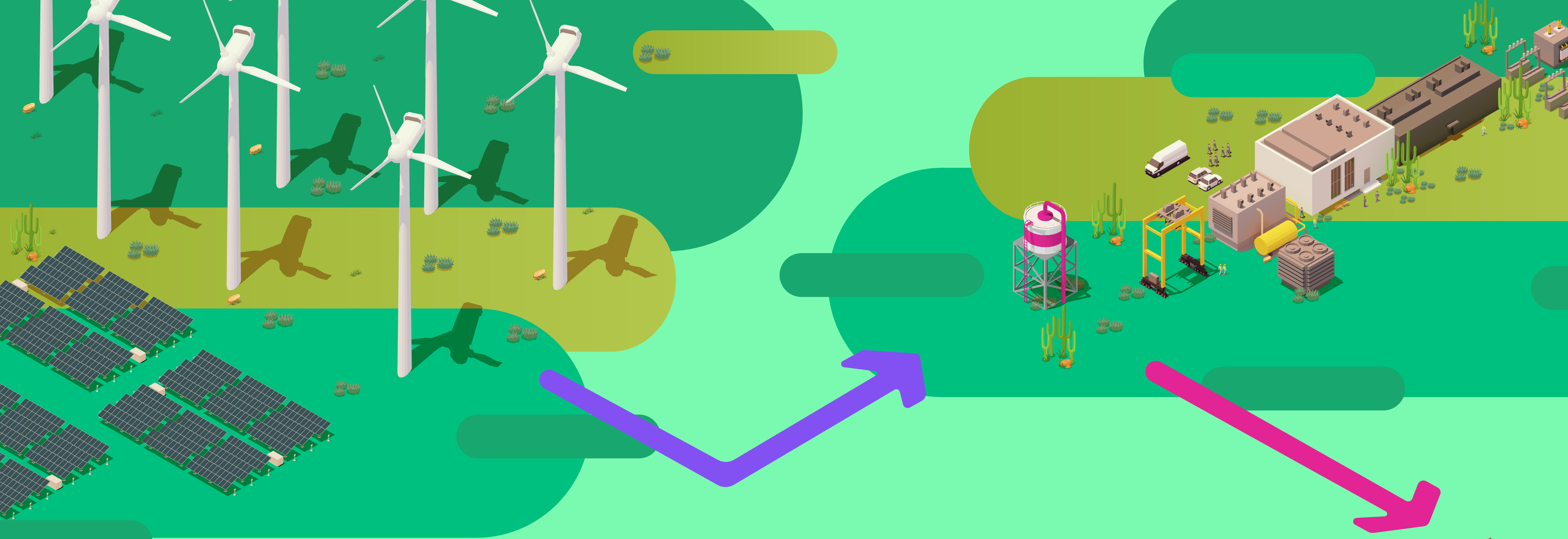
¹ Includes assets in which the Company has investments. CBA Energia, Pollarix and Pinheiro Machado.

² Installed capacity weighted by the Company's indirect equity interest in the assets.

³ Indirect economic participation of Auren in the assets. At the holding company level, Auren has a differentiated dividend share (CBA Energia +10%; Pollarix +25%; Pinheiro Machado +50%).

⁴ CBA Energia holding company.

⁵ Pollarix holding company.



Hybrid innovation

GRI 2-6

The first commercial scale, hybrid (solar and wind) power generation project to be approved in Brazil by the National Electrical Energy Regulatory Agency (ANEEL).

Click on the titles to find out more about the dynamics of each hybrid project.

Dam safety

GRI 3-3 DAM SAFETY | SAFETY FOR ALL

In order to ensure the safety of our hydroelectric stations and the communities neighboring our operations, all our plants have Dam Safety Plans that govern the round-the-clock monitoring of all the projects' structures, and the routine performance of visual field inspections. To mitigate any risks or impact on civil structures, we undertake preventive and corrective maintenance work which is guided by a set of indicators. This is performed by an internal team with extensive experience in the matter and which provides support for the specialist engineering consultants.

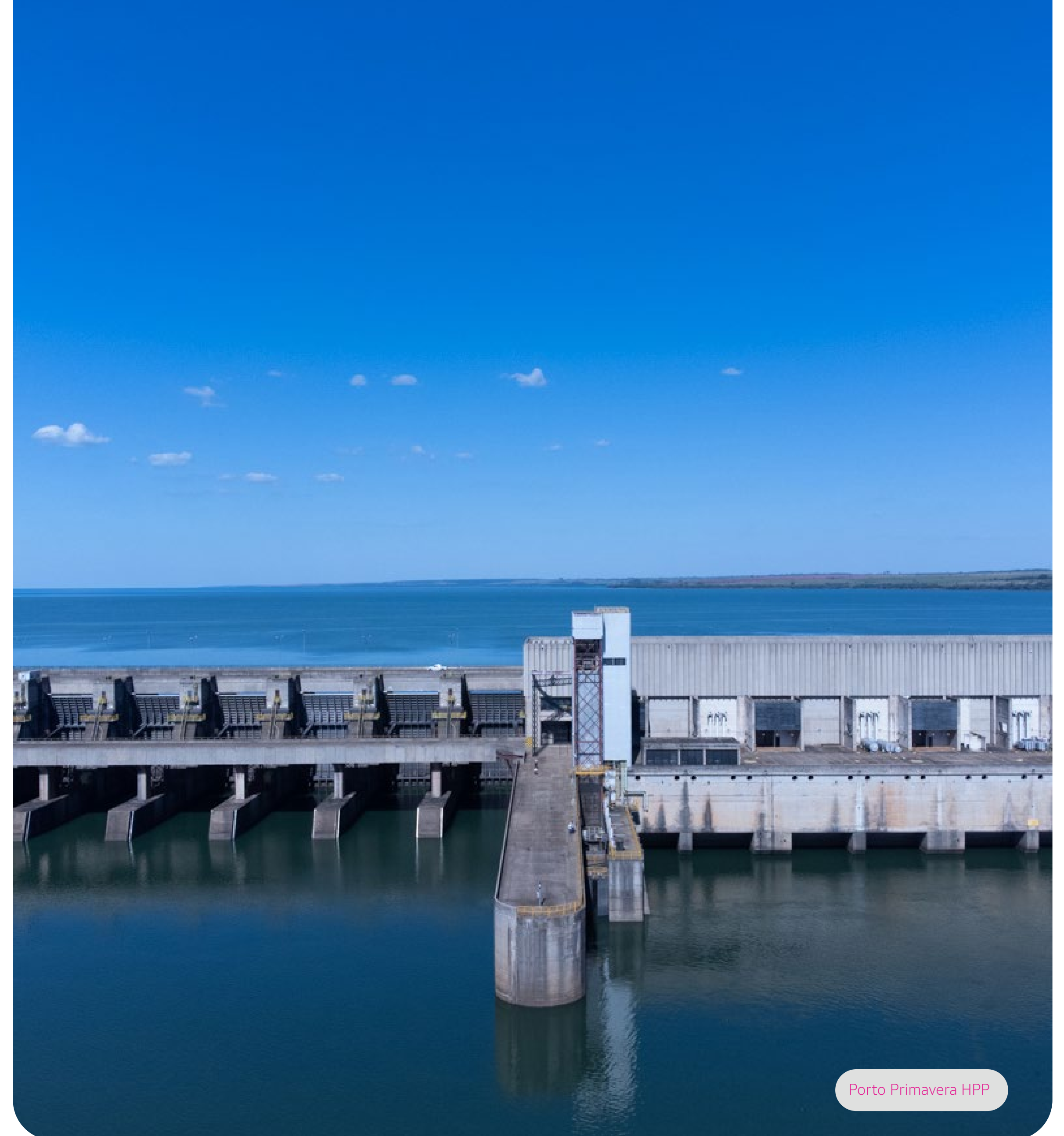
ANEEL has classified all of our projects as Category B in the dam classification matrix, meaning they present a low level of risk, but have greater associated damage, principally due to their size. Our Recommendations Management Plan allows us to integrate all the dam safety processes across all the projects, thus ensuring the level of governance and monitoring necessary to map and control the risks. In 2023, 53 actions were undertaken to fulfill all the recommendations made for the year and a number of others are planned for 2024 and 2025.

We also keep all the Emergency Action Plans (EAP) up to date, having been defined in partnership with the Civil Defense bodies operating in the municipalities where our plants are located. Amongst other information, the EAP includes the correct manner in which information should flow in case of an emergency and the activities that should be implemented in the short and medium terms.

In 2023, in partnership with the National Civil Protection and Defense Department (Sedec), we hosted a workshop focused on the integration of the Emergency Action Plans (EAP) and the Municipal Contingency Plans (Plancon). This initiative fortified the integration with the municipal Civil Defense organs, paving the way for the definition of the best protection systems possible (escape route signposting, assembly points and warning systems) in service of the regions located downstream from the dams.

Furthermore, in 2023, with a view to implementing the EAP at other plants, we held another 15 meetings on the issue with the Civil Defense organizations and the communities, as well as presenting 17 talks designed to spread the culture of safety. We also staged internal training sessions and simulations, involving participation from the Municipal Civil Defense organizations, at all our units, to improve understandings of dam safety, and test the internal communication routines and interactions with Civil Defense bodies in response to emergencies. This interaction allowed for the implementation of public protection signposting (escape routes and assembly points) and warning systems (sirens).

_In 2023, we presented 17 talks in 14 schools located in the regions where we operate, impacting 1,800 people with information on Auren's dam safety initiatives.



Porto Primavera HPP

Biodiversity

GRI 304-2 | 304-3

The conservation of biodiversity in the regions surrounding the operational units is one of our central commitments. As part of this, we have implemented initiatives designed to map, monitor and control the impacts that our business can have on the environment, as well as assess, offer technical support and invest in opportunities to boost the biodiversity restoration and conservation processes.

Our target for 2030 is to recover 1,000 hectares of the Atlantic Rainforest and create ecological corridors and/or conservation units on 1,000 hectares of the Caatinga biome. In support of this work, we take part in councils, such as the basins committee and conservation unit management committees.

We have four environmental units that are now national benchmarks for conservation actions: one nursery for the cultivation of saplings native to the Atlantic Rainforest and Cerrado biomes, one wild bird conservation center, one native fish reproduction center in the state of São Paulo, and one nursery for the cultivation of saplings native to the Caatinga biome in the state of Piauí. The fourth of these centers was implemented in 2023, in the municipality of Curral Novo do Piauí, with an infrastructure including 590 m² of constructed area and the capacity to produce 64,000 saplings and 35 species each year. **GRI 304-1**

We also manage the Cisalpina Private Natural Heritage Reserve (RPPN), a Conservation Unit located in the state of Mato Grosso do Sul. We are also one of the companies involved in the founding and running of the Legado das Águas, the biggest Atlantic Rainforest private reserve in Brazil.

Over the course of the year, we intensified our actions aimed at promoting and encouraging environmental reforestation in the regions neighboring the Porto Primavera hydroelectric plant, to raise public awareness of the importance of conserving the existing forest and promote environmental reforestation on their own properties. The campaign forms part of the Company's Forest Promotion Program which, with the involvement of partners, donates native saplings to assist with the ecological restoration of damaged lands in the areas affected by the reservoir beyond the regions directly covered by the company's operations.

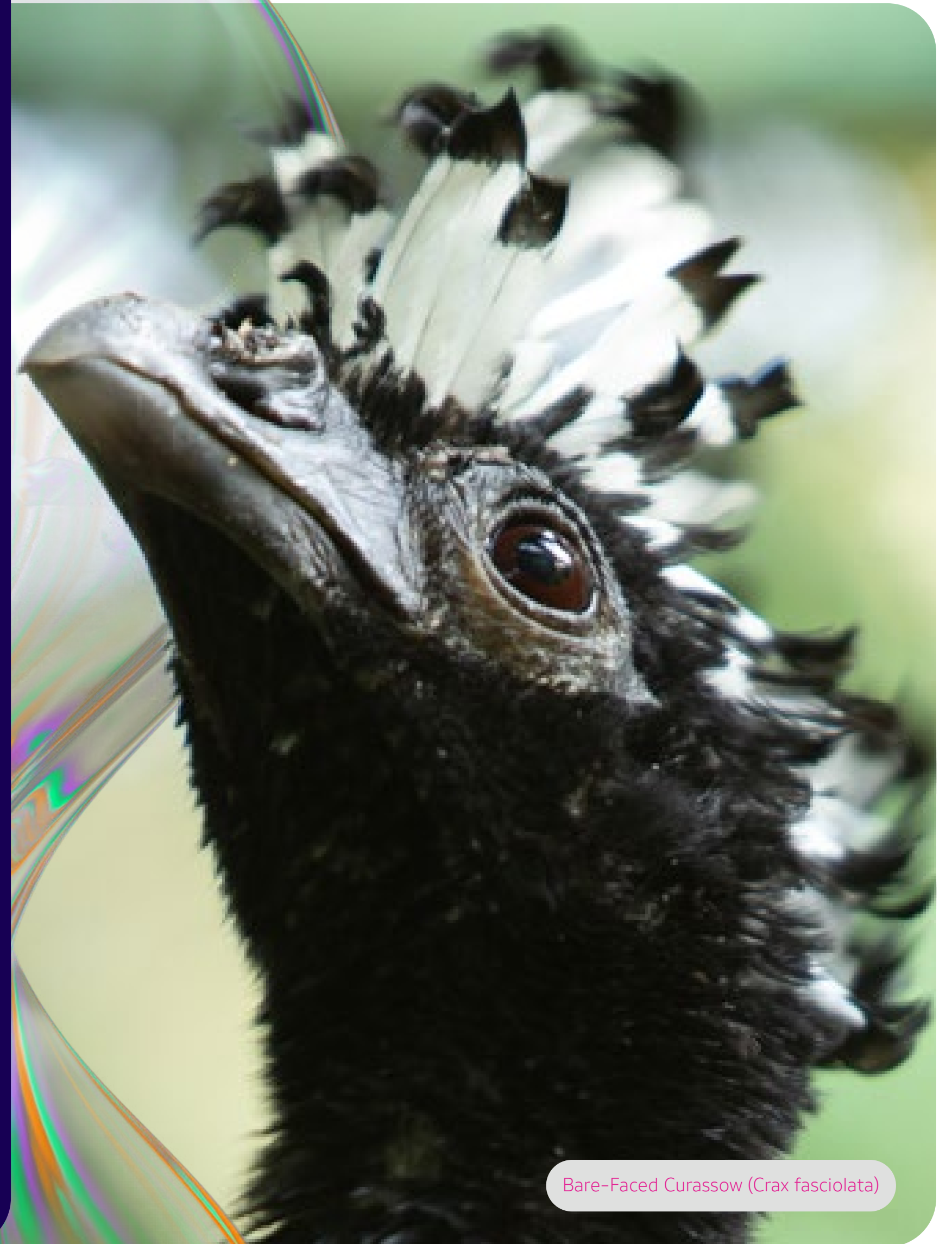


Conservation of Biodiversity

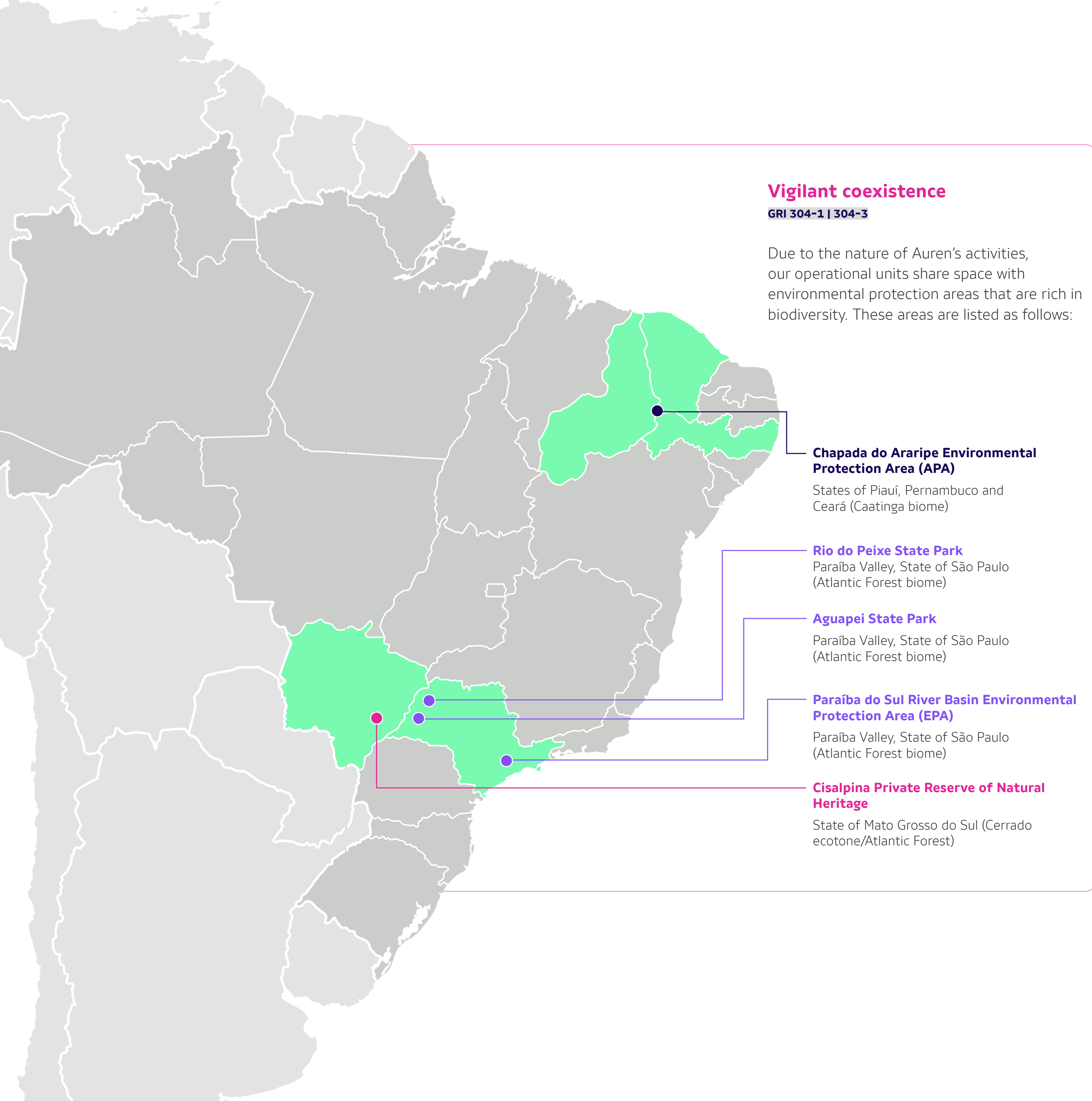
As part of our 2030 Sustainability Strategy, we have included the target of caring for biodiversity. One of the initiatives involved in this objective is the Bare-Faced Curassow (*Crax fasciolata*) Release Project. 2023 saw the second release of this species threatened with extinction, with the reintroduction of 20 more birds into the wild, whilst we also performed parallel activities designed to restore the habitat of the species, involving the local community to raise people's awareness of the importance of preservation.

The animals returned to their new environment were fitted with radio-transmitters, designed to allow environmental teams to monitor them during the adaptation process. The results of this monitoring have shown a survival rate following their reintegration into the wild of more than 75%, suggesting that the adaptation has been successful. In addition to this, 20 trap cameras have been installed to record the birds' movements within the areas studied. In 2023, 1,045 photographs of the bare-faced curassow were taken, including shots of both those that had been reintroduced into their natural environment and those which had been born in the wild and now inhabit the Cisalpina RPPN.

New species of wild animals on the reserve, including birds and mammals, have also been spotted by the cameras. Some of the animals photographed are in the "Vulnerable" category of the list of species threatened with extinction published by the International Union for Conservation of Nature (IUCN), as well as others identified as being rare or of ecological importance to the region.



Bare-Faced Curassow (*Crax fasciolata*)



Vigilant coexistence

GRI 304-1 | 304-3

Due to the nature of Auren’s activities, our operational units share space with environmental protection areas that are rich in biodiversity. These areas are listed as follows:

Chapada do Araripe Environmental Protection Area (APA)

States of Piauí, Pernambuco and Ceará (Caatinga biome)

Rio do Peixe State Park

Paraíba Valley, State of São Paulo (Atlantic Forest biome)

Aguapei State Park

Paraíba Valley, State of São Paulo (Atlantic Forest biome)

Paraíba do Sul River Basin Environmental Protection Area (EPA)

Paraíba Valley, State of São Paulo (Atlantic Forest biome)

Cisalpina Private Reserve of Natural Heritage

State of Mato Grosso do Sul (Cerrado ecotone/Atlantic Forest)

Forest preservation and restoration

GRI 304-1 | 304-2

We have operations in the Northeast, Southeast and Central West regions of the country, which are predominantly covered by the Caatinga, Atlantic Rainforest and Cerrado biomes.

The forest restoration of the Atlantic Rainforest and Cerrado regions, which began in 2020, forms part of our environmental strategy.



Each year, we plant around 250 hectares of vegetation, meaning roughly 500,000 saplings, which afterwards are tended and monitored.

We also have vegetation regeneration and enrichment actions under way.

In order to support the restoration processes, we have a native sapling cultivation nursery, located at the Forest Nursery at the Porto Primavera HPP, in the municipality of Rosana, São Paulo. The nursery has an annual average production capacity of 800,000 saplings.

The majority of the saplings produced at the Porto Primavera HPP originate from seeds collected from two Active Germplasm Banks (AGB) located in the states of São Paulo and Mato Grosso do Sul. These preserved, conserved and forests are home to 65 species of trees native to the Atlantic Rainforest and Cerrado biomes, many of them threatened with extinction. These AGBs guarantee the production of traceable and genetically diverse saplings.

Also in relation to preservation of the natural habitat, we manage one of the largest hydroelectric reservoirs in Brazil, that of

the Porto Primavera Hydroelectric Power Station. As part of our monitoring activities, we have recorded 68% of all the species of fish present in the Upper Paraná River Basin, thus attesting to the quality of the water resource. These monitoring activities form part of the Ichthyofauna Program which, between 2019 and 2023, registered the presence of 144 of the 211 species of fish present in the drainage basin as a whole.

Our actions in the Caatinga biome, where our wind and solar complexes in the states of Piauí and Pernambuco are located, provide support for small rural landowners in the form of land and environmental regularization. This stage enables the creation of Legal Reserves and the demarcation of Permanent Conservation Areas, thus allowing for the establishment of conditions of regeneration and fauna corridors for this important, exclusively Brazilian, biome.

The reforestation process in the Caatinga region involved the implementation of an interim nursery (where the saplings wait and acclimatize until the moment comes for planting), which already boasts 30,000 saplings. It is expected that approximately 280 hectares will be replanted over the course of the next three years.

The Social Reforestation Program for the region is planning to plant orchards in the community. The areas covering approximately 5,000 square meters, with fruits native to the Caatinga biome, should serve to attract fauna and flora to the region for feeding and generate income for the small landowners.

We maintain three private forest reserves:

GRI 304-1

Exu Reserve

Located in the municipality of Exu, in the state of Pernambuco, the preservation areas owned by Auren form part of the Chapada do Araripe EPA.

The reserve occupies an area of 140 hectares and is home to at least 20 species of caatinga trees that are monitored and assessed in terms of their evolution on an annual basis. The conservation and research work is outlined in our environmental program and the results generate important information for academic work and as a means of understanding the biome.

Cisalpina reserve

The Cisalpina Private Natural Heritage Reserve (RPPN), covering 3,857 hectares, is located in the municipality of Brasilândia (MS) and lies within the Permanent Conservation Area of the Porto Primavera HPP, which covers 65,000 hectares. Environmentally, this is an extremely complex region, with areas of transition between the Cerrado and Atlantic Rainforest biomes, providing a home to interconnected paths, rivers and lakes, forming a system of wetlands extending out from the Paraná river. Due to the environmental complexity, the Cisalpina Reserve provides a refuge for the region's biodiversity of flora and fauna. More than 50 species of wild mammals have been spotted within the limits of the reserve, including rare and threatened species. The richness of the reserve has contributed both to the conservation of the biodiversity and to the performance of scientific studies dedicated to the development of ecological knowledge in partnership with research institutions.

Legado das Águas

Located between the municipalities of Juquiá, Miracatu and Tapiraí, in the Ribeira Valley region of the state of São Paulo, the Legado das Águas Atlantic Rainforest Private Reserve is the biggest of its kind in Brazil. With 31,000 preserved hectares, it is maintained by means of investments from Votorantim S.A. and its investees, including Auren. Its indicators have been monitored in accordance with the Sustainable Development Goals (SDGs) for more than two years, with the aim of allying forest protection and the development of scientific studies with the activities of native plant cultivation for reforestation and wild landscaping, as well as ecotourism activities.



Forest Nursery at the Porto Primavera HPP

Science and environmental actions

We understand the environmental complexity of our operations, which is why our actions are guided by solid data bases and scientific research, developed in partnership with national institutions.

In 2023, a portion of our environmental programs was conducted in direct or indirect partnership with university-based researchers, generating knowledge, training human resources, and guaranteeing that the actions of the Company are aligned with technical-scientific principles, thus reducing risks and generating value.

Listed below are the institutions to which the partner researchers belong:

- State University of Western Paraná - Unioeste.
- State University of Londrina - UEL.
- State University of Northern Paraná - Uenp.
- Federal Center of Technological Education of Minas Gerais - Cefet/MG.
- State University of Mato Grosso do Sul - UEMS.
- State University of Maringá - UEM.
- Federal University of Mato Grosso do Sul - UFMS.
- Federal University of Rio Grande do Sul - UFRGS.
- Júlio de Mesquita State University of São Paulo - Unesp.

Technology applied to environmental conservation

Auren invests in technology and innovation to optimize the biodiversity conservation activities.

One of the leading projects is the Monitoring of the Fish Transition System by means of a system that evaluates the movements of migratory species, using PIT tags (a form of electronic chip) and data collected via radio antenna. The aim is to evaluate the efficiency of the transition system in relation to the migratory movements of the species of fish and thus be able to direct specific actions for conservation of the ichthyofauna.

Through the use of high-frequency (VHF) radio-transmitters, we also monitor the bare-faced curassow bird species, after its release into the wild through until the adaptation phase. The intention is to evaluate the result of the adaptation and gain access to data on the use of the habitat, in reforested areas, amongst other ecological and behavioral aspects.

Another project undertaken in the reported period involved the production of biodegradable tubes that can replace the plastic used in the production of saplings at Porto Primavera. The aim of the initiative is to gradually reduce the use of plastic tubes and make the nursery's operations even more sustainable.

Management of Preservation Areas

GRI 3-3| ENVIRONMENTAL MANAGEMENT

One of our main concerns relates to the management of external events that could have a negative impact on the areas of forest preservation.

In 2023, we focused our efforts on improving our plans for the monitoring, prevention and control of wildfires in the regions where we operate. In order to monitor the areas, we use

a system of satellite images and drones that capture images using heat sensors to be able to accurately coordinate the fighting of the focal points of the fires. The equipment is used to both identify the focal points and ensure the safety of the firefighters, since it highlights the points where the temperature is at its highest and the locations where physical approach would be most dangerous - information that is not visible to the naked eye or in normal images due to the presence of smoke. This heat monitoring also supports the actions undertaken to save wildlife, since it identifies the animals and directs the rescue teams.

As well as employing technology, we provide additional training initiatives for the firefighting teams and have acquired new equipment (pumps and sprinkler-truck systems). We also invest in the construction of firebreaks and access points, and perform open inspections on all the areas.

Recognizing that prevention is the most important means of avoiding wildfires, economic damages and risks to life, we conduct awareness raising campaigns amongst our employees and the community which take the form of Socio-environmental Education programs.



Porto Primavera HPP

Climate change

Our leading action in the fight against climate change is the generation of clean and renewable energy which, in 2023, contributed to preventing the emission of 4.7 million tons of CO₂e into the atmosphere. Furthermore, our forest areas, made up of preserved and reforested areas, contributed to the sequestering of approximately 284,000 tons of CO₂e, **meaning we succeeded in our commitment to fighting the effects of climate change and the target of achieving a net positive balance in relation to the capture and emission of greenhouse gases (GHG) in Scopes 1 and 2.**



Our directives and criteria for the management of GHG emissions, with the aim of recording,

quantifying and evaluating risks and opportunities for the Company, resulted in the emissions inventory that covers all the units which we operate. This inventory follows procedures aligned with the recommendations of the Brazilian GHG Protocol Program.

Our inventory is audited by a third party and published on the CDP platforms (Disclosure Insight Action and the Public Emissions Register), which recognized the quality and transparency of our information by awarding us the Gold Seal.

In 2023, we joined the B3's Carbon Efficient Index (ICO2), thus demonstrating the efficiency of our company in relation to GHG emissions and our work on behalf of a low-carbon economy.

Carbon credit trading

In line with our commitment to contributing to a low-carbon economy, we work extensively in the sale of the carbon credits generated by our own assets and those operated by third parties. In our operations, we commercialize more than four million high-integrity carbon credits. [Find out more about how we can contribute to the decarbonization efforts of our customers on page 54.](#)

Hydro-resources

GRI 303-1

We wish to promote the sustainability of water resources, since the management of its multiple uses is one of the biggest challenges for the generation of hydroelectric energy. We have a close relationship with the Drainage Basin Committees, national agencies and environmental organs, with the aim of conserving water resources, prioritizing public supplies together with the generation of energy, and minimizing socio-environmental impacts.

The reservoirs serving the hydroelectric plants play an important role in mitigating floods and droughts, and contribute to the irrigation and supply processes, whilst also storing

water for the production of electricity. The clean and renewable energy generated from this source contributes to the reduction of greenhouse gas emissions, meaning benefits for the whole of society and planet.

We operate three hydroelectric power stations and at each one of them the most important factor in relation to interaction with the stakeholders involves ensuring the shared use of the water resources. The sharing takes place in a number of ways, including, for example, the waterway shipping at the Porto Primavera plant, where we operate a sluice system that ensures transport along the Paraná river. This same reservoir is also home to fishing, animal watering and leisure activities. It should be highlighted that all the activities should fall into line with the relevant legal requirements and hold the applicable licenses.

Our objectives and targets in relation to water are aligned with current legislation to ensure water and energy safety, in line with socio-environmental development. We have a specialist team and a specific action plan focused on managing the water resources, principally in emergency situations, always prioritizing protection of the environment and the local communities that are directly affected by the activities. We have implemented the proper communication procedures to guarantee a transparent relationship with society.



In our Sustainability Strategy we have committed ourselves to supporting seven municipalities in their management of water resources. In 2023, Auren was focused on better understanding the context of the different regions to be able to develop a proposal involving prioritization and intervention. The development of this study was based on SDG 6 (Clean Water

_We received the Gold Seal from the Brazilian GHG Protocol Program, certifying the corporate inventory as having achieved the highest level of qualification and transparency for greenhouse gas (GHG) emissions data, by means of the Public Emissions Register.



Forest Nursery at the Porto Primavera HPP

and Sanitation), the National Policy for the Integrated Management of Water Resources, and the National Climate Change Adaptation Plan. Construction of the regional assessment was based upon an analysis and systematization of indicators, which allowed for an in-depth and comparative study of the municipalities. The prioritization was also supported by an analysis of technical and institutional criteria, taking into account an alignment with Auren's commitments to sustainability.

The strategic objectives of each region, by operation, was the subject of discussion for the definition of four dimensions characterizing the project: identification of the types of water available; the factors affecting the water pressure; the company's assets; and the strategic objective considering the purpose of the intervention and the intended results. Amongst the indicators assessed were those relating to basic sanitation (the water and sewage system), the quality of the piped water, water safety, and safety in the event of intense rainfall. Municipalities defined as being of priority concern were: Rosana (SP), Batayporã (MS), Jaíba (MG), Betânia do Piauí (PI), Curral Novo do Piauí (PI), Ouricuri (PE) and Belmiro Braga (MG).



By 2030 Auren aims to implement initiatives involving:

- Improving the water resilience of the regions;
- Mitigating the impacts of extreme events such as droughts and floods;
- Guaranteeing the availability and access to water for human and animal consumption;
- Enabling infrastructure projects for water supply, with the aim of reducing the risk of water insecurity for humans and animals in the regions;

- Reducing the amount of solid waste in the water resources, ensuring the quantity and availability of water for the public and safety of the operation.

Our management follows the guidelines provided by the National Electric System Operator (ONS) in relation to the operation and water flow of the plants, including monitoring and control in the rainy and dry seasons. The measures taken vary according to the region and its specific local needs.

Auren's manufacturing processes do not consume significant amounts of water. At the hydroelectric plants, where the productivity depends enormously on the volume and availability of water resources, the force of the water is used to drive the turbines and in the cooling process in such a way that the water passes through the equipment without being extracted from the body of water. The consumption and discharge of water at the different units essentially involves consumption by our employees and outsourced workers, cleaning activities, and the supplying of the hydraulic and sanitary infrastructure of the administrative buildings. The effluents generated in these areas of consumption are treated by waste treatment stations and septic tanks. **GRI 303-2**

Amongst the company's concerns in relation to water resources, especially at the hydroelectric plants, is the presence of oils in the activities and the potential risk of contamination. To address this concern, we have established a series of environmental safety protocols and structures, including containment basins, water and oil separator containers, and removal kits, all designed to contain any possible contaminations. **GRI 303-4**

Water Plan **GRI 413-2**

We have developed a multi-disciplinary plan called the 2023/2024 Water Plan, with the aim of promoting environmental and social actions for the Company's employees and communication actions together with the communities neighboring our plants.

The Plan outlines future training sessions, community meetings and communication with the public, talks designed to explain the hydrological cycle of dry, rising and flood periods, contextualizing its ecological importance, and the risks associated with floods in the rainy season and preventive measures.

We take great care to work increasingly more closely with the community, taking transparency and responsibility as our guiding principles. The initiative operates on two different fronts: dialog with the Civil Defense bodies of the municipalities and communication with the public, principally by means of the Open Dialog channel, with the periodic release of information, including the Water Bulletin, which provides forecasts of waters to be released by the units, amongst other actions designed to keep the public informed.



Fish ladder at the Porto Primavera HPP



Ventos do Piauí I Wind Complex

Climate risk management

GRI 3-3 CLIMATE STRATEGY

We map climate risks, for which we have specific action plans: (i) dam safety plan ([find out more on page 20](#)); and (ii) strategic management of the hydrological risk known in the sector as Generation Scaling Factoring (GSF).

Due to the positive advances in the hydrological scenario in 2022 and 2023, and the expectation of a downward trend in prices due to the supply conditions of the National Interconnected Grid (SIN), we have implemented an energy sales strategy for the years 2023 to 2025, as detailed in our previous report. We are also investing in infrastructure, technology and specialists, with a view to constructing scenarios and developing climate forecasts that will support our strategic and operational management.

GRI 201-2

At the end of 2023, we faced a challenging scenario in relation to rainfall levels, especially in the Southeastern, Central Western, Northeastern regions, connected to the El Niño phenomenon, resulting in the reservoirs not recovering as fully as expected, in relation to previous years. Responding proactively to this scenario, our energy balance management brought its schedule forward and made strategic energy purchases. This predictive approach allowed us to take advantage of a rise in prices, following two years of less adverse conditions and lower prices.

This quick response demonstrates our adaptability and commitment to the efficient and sustainable management of the generation and trading portfolio. We are continuing to closely monitor the scenario and adjust our strategy as necessary. **GRI 201-2**

In the field of opportunities, the demand for renewable energy and Renewable Energy Certificates (I-REIs) is growing as companies seek to mitigate their Scope 2 emissions. As such, we have developed strategies to expand the supply of this service and established partnerships with companies looking for cleaner and more sustainable solutions. The evolution of the carbon credits market, both domestically and globally, will contribute to maximizing our operations in the carbon credit trading market ([read more on page 54](#)). **GRI 201-2**

Circularity

GRI 306-1

Our Sustainability Strategy contains a target related to circularity, by means of which we have committed ourselves to developing processes and technologies that can take advantage of the unserviceable materials that will be generated at the end of the life cycle of the energy generation assets.



During 2023, the actions involved in achieving this target were focused on seeking, discussing and understanding the existing solutions and those which could potentially be developed. An internal multi-disciplinary group was created, involving groups from the Innovation, Sustainability, Engineering and Supply areas, amongst others, with the aim of constructing a comprehensive vision of the issue.

The published literature on the matter was analyzed and the technologies were mapped with the assistance of universities, companies and equipment manufacturers, which identified a series of solutions and projects, ranging from the mechanical decharacterization of the wind turbine blades and recycling of the material for other applications, to reusing them as structural elements in engineering and civil construction.

At the end of 2023, Auren, together with its technical partner, opened a public call for the research and development of technology allowing for the circularity of the wind turbine blades that are to be disposed of at the end of the parks' life cycles.

This initiative will continue into 2024 and the result achieved will contribute to the proper disposal of the wind turbine blades, thus reducing disposal costs, creating new applications that make use of the materials, and reducing the costs involved in the demobilization of the wind parks.

Waste management

GRI 306-1 | 306-2

Our waste management involves all the recognized stages, from production to final disposal. The processes adhere to all environmentally-correct practices and applicable legislation, and are guided by each unit's specific Solid Waste Management Plan (SWMP). All of Auren's SWMPs were updated over the course of 2023. We also perform periodic inspections and evaluations to ensure continual improvement.

The treatment processes employed, depending upon the type of waste, include: re-refinement of lubricants, incineration of contaminated materials, coprocessing, recycling and reverse logistics.

Auren is responsible for the treatment and final disposal stages whilst they are executed by contracted technical partners that specialize in this field. The companies undergo due diligence in relation to all the environmental certifications and licenses necessary for the transportation and handling of the types of waste generated at the hydroelectric and wind plants.

We follow rigorous procedures in relation to the entry and exit of waste that could have an impact on the company or the community, such as the transportation of lubricants or other hazardous products. The care taken in this area involves storage in warehouses at the operational units, under properly ventilated conditions, with waterproofing and the use of container boxes and special equipment designed to prevent leaks, involving control procedures undertaken for maintenance of the equipment.

With the aim of making responsible use of the resources, we adopt best waste disposal practices, reducing generation, and reusing products and materials as much as possible, as well as recycling all that reaches the end of its lifespan. In 2023, 25% of the waste generated in our operations was sent for recycling or composting.

We understand that the efficient management of waste should involve the company's direct employees and third parties. As such, through the Environmental Education Program, we provide training sessions at all the units to the raise awareness of our workers. Furthermore, during the Internal Occupational Accident Prevention and Environment Week (Pipatma), reinforcement activities were conducted involving the entire organization.



- Material topics**
- Our People
 - Social Responsibility
 - Safety for All

People

Auren's organizational culture inspires people and actions. Generating results that have a positive impact on our entire ecosystem is a fundamental value in our culture. We work to boost the potential that exists in each individual and community, through dialog and the construction of relations that enable shared growth. Our principal objective within this pillar is to promote opportunities, dignity and equity, so that people can take control of their own futures.

Our strategy, aimed at having a long-term impact on society in a real and definitive manner, involves working to intensify the impetus of socioeconomic development in the communities that are located near our operations. We want to construct a consistent social legacy for these municipalities, creating shared value and positive results.

Stakeholder engagement

GRI 2-29

We are committed to maintaining an ongoing and transparent dialog with our stakeholders, including shareholders, employees, customers, suppliers and the communities in the regions where we operate, amongst others. By mapping and engaging these stakeholders, we aim to understand their needs, foresee potential challenges, establish and maintain relationships with the interested parties, build confidence and a good reputation, and promote shared responsibility in relation to the material topics for all those involved.

The table on the right outlines the principal interaction strategies pursued by Auren, organized according to each stakeholder group.

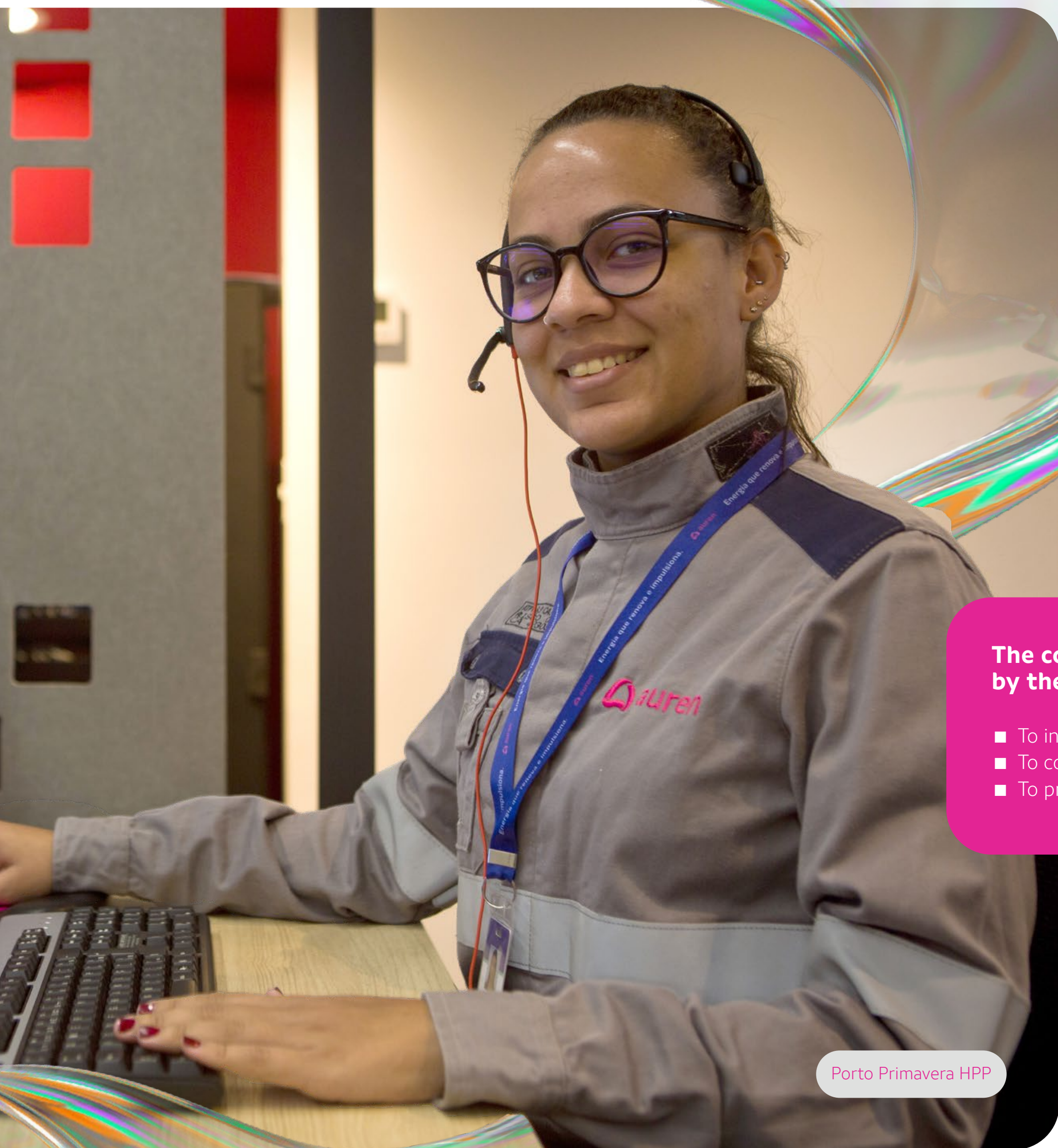
Since its foundation, Auren has been working on the development of our employees and the residents of the regions in which we operate. As part of this mission, we invest heavily in education, in its various dimensions, as a means of collaborating in the development of more prepared citizens and more qualified workers, which benefits not only Auren, but the entire local economy. We have also made a commitment to inclusion and diversity, values that are taking an increasingly more central role in the culture of Auren. We have undertaken a series of actions designed to ensure the preservation of life and the maintenance of safe spaces, whilst also promoting the wellbeing of our employees.

Stakeholder engagement

Channels ¹	Employees	Customers	Suppliers	Shareholders and Investors	Civil Society and Communities	Government and Public Authorities	Sector Organizations
Compliance Hotline	●	●	●	●	●	●	●
Sustainability Report	●	●	●	●	●	●	●
Website	●	●	●	●	●	●	●
Investors Relations				●			
Internal communication	●						
Social media (Facebook, Instagram, LinkedIn)	●	●	●	●	●	●	●
Socio-environmental programs	●		●		●	●	
Volunteering	●		●		●		
Open Dialog Channel					●		
Events ²	●	●	●	●	●	●	●

¹ The Company is evaluating other means of dialog or channels of communication with the intention of increasing the intake of advice from the stakeholders.

² Events are considered as being institutional communication actions.



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The commitments covered by the People Pillar:

- To invest in development.
- To construct an inclusive and diverse future.
- To preserve life and ensure safety.

_In 2023, we consolidated our development (Evolu.A) and evaluation of personnel (Conect.A) strategies.

Employees
GRI 3-3 OUR PERSONNEL

We take special care over the engagement and development of our employees, which is one of the reasons we have firm governance practices that place people at the heart of the business.

Each month we monitor the general mood within the company, using a specific tool to identify the strengths and opportunities in the organizational climate and continually work to construct a healthy environment and encourage the employees' productivity, wellbeing and development.

GRI 2-26 In 2023, we achieved an engagement level of 8.3 (on a scale of zero to ten), with the highest ratings going to issues relating to pride in belonging, associated with an environment that is favorable to engagement and collaboration.

The areas in which we identified opportunities for improvement have been advancing continually, through the maturing of the processes, programs and action plans that are monitored by the Company's leaders. We are evolving in those practices which encourage career development, and these areas of activity will be presented over the course of this chapter.

In our recruitment and selection processes, we pay close attention to the diversity of profiles and experiences, with the aim of ensuring a working environment that is collaborative and conducive to innovation. In 2023, 22% of the job openings that became available were filled internally or through hiring from other investees of Votorantim S.,A., 31% following recommendations from our own employees (by means of our incentives program, that

rewards those making the recommendation if the new employee is approved following the trial period), and 47% were filled by professionals from outside the organization. In relation to turnover, which totaled 22.2% over the year, the following factors are worthy of mention: an increase in the workforce relative to the expansion of the operations and the opening of the free market; the global competition for talents considering the scarcity of qualified labor in the sector, with resignations occurring especially in the engineering and projects areas; and the growth expectation for leadership positions at the level of consultant, these professionals accounting for the majority of individuals resigning.

Since 2022, the personnel management strategy has begun receiving support from the People Analytics department, combining different data sources in dashboards accessed at each management level. This initiative improved the agility and availability of information, thus providing better guidance for decisions.

Development of people

In 2023, we consolidated our personnel evaluation and development strategy with the improvement of 'Conect.A', a cycle involving evaluation of performance and potential, and construction of a succession plan, designed to guarantee the continuity and contingency of the business. Conect.A is structured in three phases: evaluation of performance, evaluation of potential, and construction of the succession plan.

The performance evaluation process follows a 360° format, meaning the employees are evaluated by their managers, peers and subordinates. The evaluation of their potential,

given its importance for the Company's strategy, includes an opinion presented to the senior management by an external consultancy, thereby ensuring that the process remains independent. Based upon these results, we develop the succession plan, which will find alignment with the business continuity strategy

The investment in personnel development and training is one of Auren's strategic priorities. In 2023, the average number of training hours provided was 34.04 hours for men and 19.35 for women. The difference results from the higher number of obligatory training sessions required for the operator and technician positions, which are currently mostly occupied by men. This is a situation which is still predominant within the energy sector, but one which **Auren is committed to changing through the establishment of its target of ensuring that women occupy 50% of the general employee workforce by 2030.**

GRI 404-1

In the reported period, we pursued initiatives such as:

GRI 404-2

- **Evolu.A Learning Hub:** our learning platform which is an important tool for ensuring that the teams keep up-to-date on all new trends. The development plans are personalized and aligned between the leaders and their teams, taking as their base the results of the evaluations of potential. In 2023, each person received an average of 24.5 training hours, meaning an increase of 36% in relation to the previous year. This increase reflects the consolidation of Auren's culture of development, focused on people, and the concern over preparing the company for the future.

- **Academic Extensions:** in partnership with the Institute of Teaching and Research (Insper), 62 employees had the opportunity to participate in two courses, one on Strategic Business Management, aimed at improving business perspectives, and another on the Future of Energy. The latter is a pioneering initiative in the market that was developed to prepare our employees for the changes likely in the scenario within which we operate, addressing themes such as energy transition and decarbonization, the expansion of renewable sources, management of environmental risks, technology, and innovation and innovation. The prioritization of these themes is in line with the transformation trends under way in the electricity sector.
- **Aurencast:** developed in 'videocast' format, allowing employees to watch interviews or simply listen to them whilst they perform other activities. The program welcomes specialists from within Auren and from the broader market to discuss business matters that are of relevance to the Company.
- **Targeted Grid:** focused on specific development, we have created a list of unique initiatives. This portfolio involves actions such as internal and external mentoring, coaching, counseling, international experiences and immersions, and a leadership acceleration program, amongst others.

Read more about the make up of our workforce in the Annexes.



Inclusion and diversity

At Auren, we are focused on opening up paths to bring together different experiences and perspectives. Our efforts are directed towards:

- Continually learning about inclusion and diversity, and working on our own biases and prejudices.
- Increasing awareness of the importance of assuming personal responsibility for the issue and actively positioning ourselves in day-to-day situations.
- Creating and supporting opportunities within the ecosystem to contribute to equity and justice.

Focused on the commitments made under the 2030 Agenda, we are advancing in terms of our representiveness in the areas of



Gender and Race, amongst other results that we present below, all of which is guided by our Inclusion and Diversity Working Group.

Auren's strategy concerning this issue is guided by the following principles:

- **Awareness-raising:** raising the awareness of our stakeholders by means of educational initiatives aimed at reducing unconscious bias, and encouraging a more respectful and inclusive environment.
- **Investment:** promoting social projects that offer technical education to the communities in which Auren operates, thus increasing employability and developing the pipeline of professionals.
- **Entrance programs:** in a scenario in which there is a high demand for qualified labor, supporting basic training contributes to the inclusion of workers from under-represented groups, who can benefit from programs specifically designed for young trainees and interns.

To make our working environment more inclusive and promote the respect and acceptance of each individual, we invest in initiatives that raise awareness on this theme and encourage respect for individuality, with the aim of eliminating undesirable and unacceptable attitudes and comments within the Company. In 2023, there were no recorded cases of discrimination at Auren. **GRI 406-1**

Furthermore, we understand that contributing to equality requires specific actions, especially for those that challenge the difficulties involved in accessing job opportunities. Our apprentices, for example, aged between 16 and 19, come to us from the projects run by the 'Gerando Falcões' NGO, that aims to insert young people from marginal communities in the work market. Since 2019, 43 young people have participated in the apprentices program, with four of them being taken on as trainees.

_In 2023, the B3 launched a new index named 'IDIVERSA', to recognize racial and gender diversity in publicly held companies, and Auren is amongst the 75 Brazilian companies highlighted in this area.

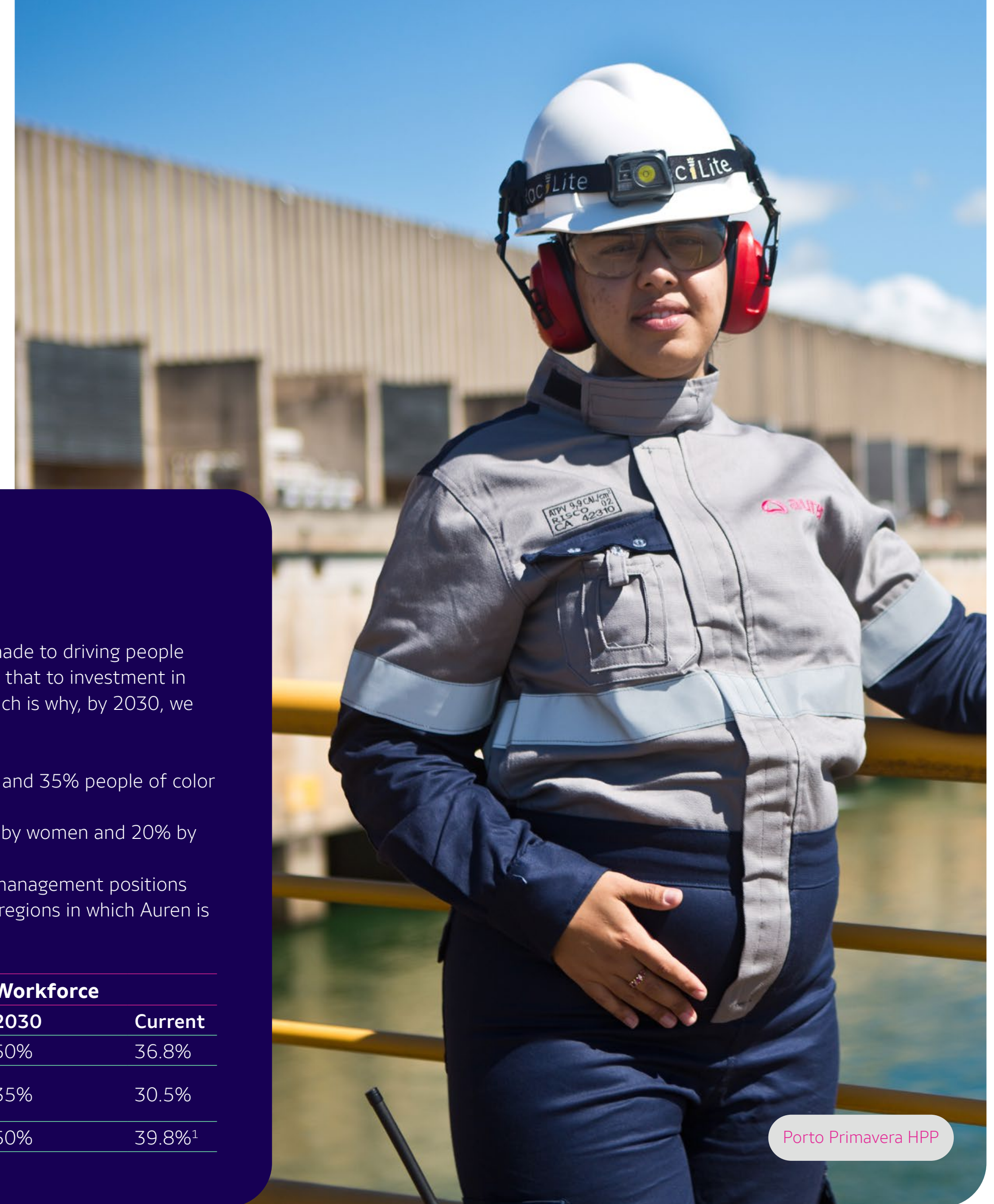


Amongst the ten commitments that we have made to driving people and businesses in our Sustainability Strategy, is that to investment in constructing a diverse and inclusive future. Which is why, by 2030, we want :

- 50% of the general workforce to be women and 35% people of color (Black and mixed race).
- 40% of leadership positions to be occupied by women and 20% by people of color (Black and mixed race).
- 50% of the general workforce and 20% of management positions to be occupied by people sourced from the regions in which Auren is active.

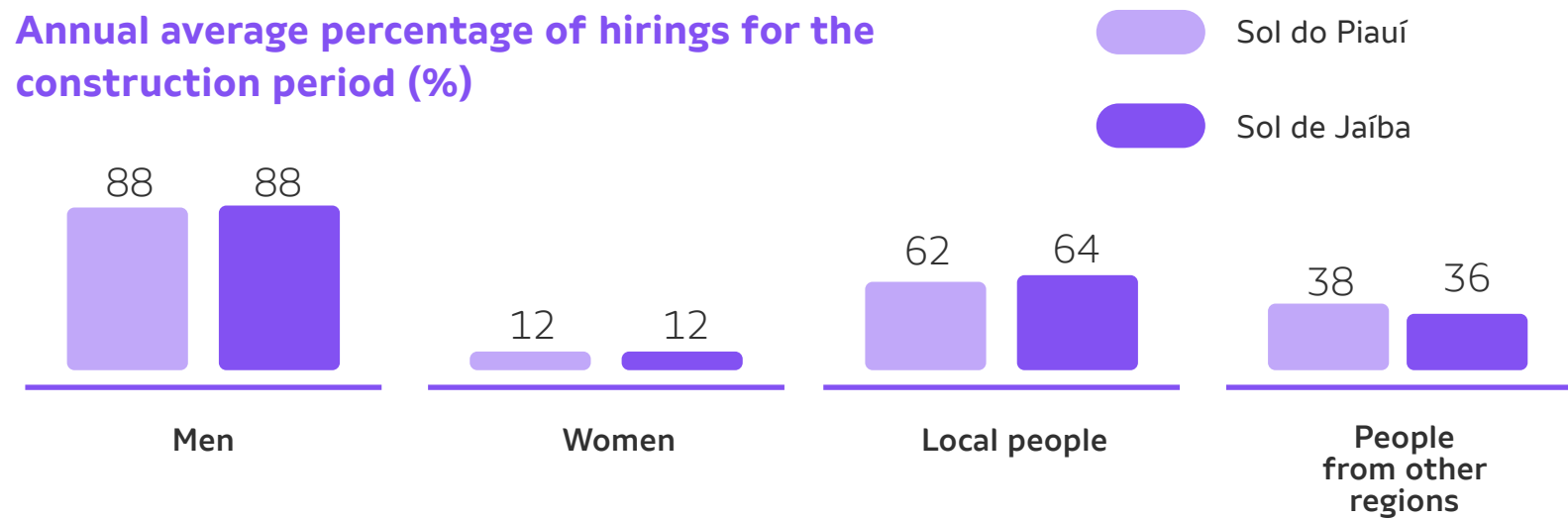
Categories	Leaders		Workforce	
	2030	Current	2030	Current
women	40%	32.7%	50%	36.8%
Black and mixed race	20%	11.5%	35%	30.5%
local people	20%	15.8%	50%	39.8% ¹

¹ For the general workforce, all the employees are included through to the level of consultant (specialist), apprentices and trainees with a direct employment relationship with Auren. For the leaders, those included are the employees between the level of supervisor and C-level.



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Annual average percentage of hirings for the construction period (%)



Hiring of labor GRI 203-2

In 2023, at the two projects currently being implemented, Sol de Jaíba (MG) and Sol do Piauí (PI), Auren has defined formal targets with the contractors for the hiring of women (10%) and local people (30%) in each one of the regions.

Auren's specialist team has been monitoring these figures each month, and every effort has been made in the region to announce job vacancies by means of communication bulletins,

pamphlets, the Open Dialog channel, and other means of communication.

The results show that it has been possible to ensure that women account for an average of 10% to 13% of the workforce. Despite this appearing to be rather a low figure, it is very high for the construction sector and for the regions in question.

The hiring of local people exceeded expectations, with an average of over 50%.

Diversity in the entry programs in 2023

- **45%** are women.
- **40%** identify as Black or mixed race
- **86%** come from families with a total income of **up to three minimum wages**.

The trainee program is exclusively designed for students who graduate from a public high school or through having received a scholarship to attend a private school. Of the 43 apprentices who have taken part in the program, 15 are still active and 12 have been hired by the Company.

In 2023, one of the highlights was the hiring of young people through our internship program, all of whom graduated from the Renewable Energy Systems technical course offered by the Pedro Muniz Falcão State Technical College (ETE), in Araripina (PE). The development of the technical course, which began in 2020, aligned the region's abundant availability of the renewable energy resource, above all wind and solar power, with the local economic potential. The ETE involved the technical knowledge of Auren's multi-disciplinary team along with other public and private partners to create the course curriculum. Since the start of the partnership, a total of five trainees have been hired, of whom two were taken on as permanent employees by the Company in 2023.

On another front, in Jaíba (MG), focusing on gender equity, we offered a course

on Electrical Installations and Photovoltaic Systems, in partnership with the Montes Claros National Industrial Learning Service. This course was focused on training women to enable them to enter the labor market and work on the assembly of solar panels as part of the Sol de Jaíba project under construction in the region.

Principal inclusion and diversity actions performed in 2023

We have an Inclusion and Diversity Working Group that works to create, implement and monitor actions, increasing diversity and representativeness in our teams, as well as produce content and events that increase the awareness of everyone connected with Auren. Below we look more closely at some of actions that took place in 2023:

- **Diversity Week:** we held the first edition of the week focused on diversity, with actions relating to gender, race and the people living in the regions where we operate. The actions took various formats, including workshops, film debates and discussion forums, as well as initiatives taking place at different times, including a diversity mural, where our employees could leave messages about what diversity means to them and its importance.
- **Women's Month:** as part of our agenda for Women's Month, we brought our team together for a conversation about Impostor Syndrome and Female Leadership. The gathering resulted in interactions and pertinent questions posed by the women and men who took part.
- **Launch of the Inclusion and Diversity agenda as part of Evolu.A:** our Learning Hub, recognizing that the issues should continue to be discussed and encouraged all year long, developed a specific agenda on I&D. Involving four two-hour modules,

the agenda offers the following training sessions: 'Introduction to Diversity, Equity and Inclusion in Organizations'; 'Unconscious Bias', 'Non-Inclusive Behavior - From Jokes to Harassment'; and 'Privilege, Empathy and Allies'.

- **Actions relating to Black Awareness Day:** we hosted walks involving our employees around the center of São Paulo, visiting locations of importance to the history of the city's Black community. The idea was to take back the buried history of the Black people who had been brought to São Paulo and other individuals who have been important to the country, as well as the culture and activities of the current Black movements. An online version of our operations was also developed, highlighting different historical locations around the country. On one of these walks, we included a volunteer action involving students from an organization that promotes employability through the teaching of digital programming, who participated in a discussion on leadership, diversity and careers in the past and present as a means of constructing futures.

Occupational health & safety

GRI 3-3 | SAFETY FOR ALL | 403-1 | 403-2 | 403-5 | 403-8

People's health and safety is a fundamental value for Auren, providing an essential foundation for our culture. We prioritize the wellbeing of people, recognizing the importance of combining efforts to construct an environment based upon collaboration, respect and confidence. The activities are directed depending upon the Company's occupational health and safety regulations, with the aim of ensuring compliance with the legal requirements in order to prevent negative impacts such as the occurrence of accidents and non-compliance with legislation.

Our operations are founded on a strong Occupational Health and Safety (OHS) program, concentrating efforts on prevention and encouraging safe behavior in all our activities. One hundred percent of our employees are protected by actions developed as part of the OHS system. The Safety Management System (SMS) implemented in all of the Company's operations, is founded on three key elements - Physical, Systemic and Behavioral - which are

aligned with ISO Norm 45001:2018 and the Integrated Management System. [GRI 403-1](#)
[Find out more about the IMS on page 17](#)

The management of occupational health and safety includes the standardization of routine activities. This is followed by the creation and/or revision of controls and key performance indicators (KPIs) that allow us to analyze the expected results of the respective activities. In turn, this is followed by the performance of management procedures that allow us to carefully analyze the controls and KPIs, transforming data into information, and providing support for the decision-making. Finally, these results are reported to the Company's executives, allowing for feedback that can assist in improving the operational routines.

In 2023, Auren published the Occupational Health and Safety Master Plan, a document that establishes directives designed to strengthen those practices that are essential for the active care of individuals, as well as measures designed to control the exposure

to critical risks and a tool to assist in the expansion of the OHS management model should the Company grow, either through acquisitions or the construction of new assets. In order to gauge the adherence of the operational units to the OHS Master Plan, a new management procedure was implemented. This involves cross-auditing, within which members of the OHS, O&M (Operations and Maintenance) and other business areas from one unit form a team which then travels to perform an audit on another unit, using a standard checklist made up of 92 questions divided into 30 general themes. At the end of the cross-audits, the unit with the best result is presented with an award. This year the award was presented to the Picada HPP.

The content of the Master Plan concentrates the OHS management model, combining everything from its strategy to its associated procedures. It provides direction on the roles and duties of those involved in spreading the culture of safety and offers support to the governance bodies on monitoring the safety routines and indicators in all the operations.

We have also created an Integrated Health, Safety at Work and the Environment (HSE) Manual for Projects related to the construction of new power generation unit. This guide contains directives and guidance that should be followed by those companies contracted to provide services relating to the construction of Auren's new energy projects. The aim is to ensure that the contractors execute the work under safe and healthy conditions. As this type of project involves a great deal of work contracted from third parties, we recognize



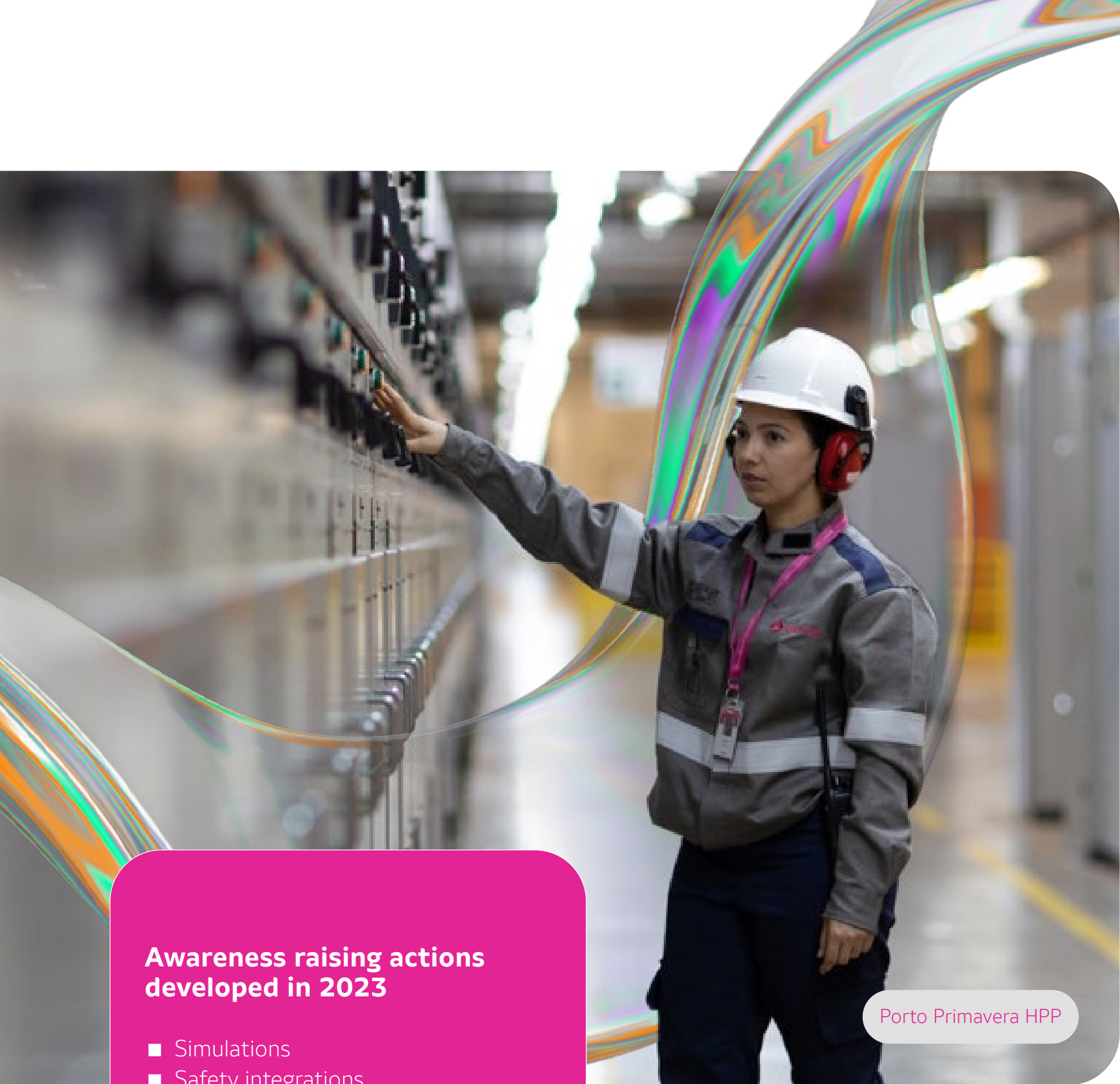
Porto Primavera HPP

the need for a document to ensure that the outsourced companies fully understand Auren's culture and the directives concerning health and safety. We use this manual as a basis for the training of all of the specialist companies contracted to execute large-scale projects/works involving engineering, procurement, assembly and construction.

Furthermore, the OHS team working on the projects, together with Auren's in-house

specialists, perform monthly audits on the companies working on the construction of the units in relation to their adherence to the manual, making use of a standard checklist involving 80 questions. The results of the audits are presented at meetings held to monitor the projects attended by the project team and executives.

_The launch of the OHS Master Plan and the HSE Integrated Manual for Projects, as well as the ISO 45001 certification for Ventos do Piauí I, II, III and Ventos do Araripe III wind parks, were all important milestones in consolidating and demonstrating our Occupational Health and Safety management model.



Awareness raising actions developed in 2023

- Simulations
- Safety integrations
- HSE journeys
- Theme-based inspections (critical risks, PPE, emergency equipment, and working fronts, amongst others)

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The publication of the OHS Master Plan and the HSE Integrated Manual for Projects demonstrates Auren's evolution on this theme. In addition to this there have been investments in infrastructure and improvements in the processes. We ended 2023 with the lowest accident frequency rate of the last four years, with just one accident with time off work in the operations and three accidents on the projects. At the Paraíba HPP, we achieved 1,000 days without accidents with time off work. Another highlight was the recognition the Picada HPP

received for having completed its large-scale maintenance stoppage without registering any accidents (this stoppage was performed on a scale never before performed at the unit).

Strengthening of the culture

Over the course of the year, we implemented acceptance actions and increased awareness by means of initiatives and encouragement of safety, health and wellbeing practices. In order to strengthen the OHS culture, we have a set of directives that define the safety at work standards that should necessarily be fulfilled by all the employees (direct and outsourced). In the event of non-compliance, the individuals may be subject to consequences.

All the employees receive the proper training according to their area of activity, meaning that they are made aware of the risks to which they may be exposed and how they should be controlled. Processes and minimum requirements are established and communicated to everyone to ensure that they are properly prepared to follow the Company's OHS standards. Auren has established a skills matrix for each position within the company, mapping out all the practices required for the performance of the different activities and identification of any training requirements. Following this, an Annual Training Plan (ATP) is developed, including training on regulations, behavior and the OHS Management System.

We have continued to invest in the application of technologies in line with our 2030 commitments, in order to maintain safe behavior. As a means of mitigating risks, we have implemented a tool used in the energy distribution sector in our power generation operations, consisting of a

voltage detector attached to the technicians' helmets which can identify the presence of electromagnetic currents and fields. We have also begun testing a technological solution involving geolocation devices on our wind parks, allowing us to create regulations governing access to specific locations (training sessions, approvals and exams, amongst others), meaning we can check that all the employees present are fully qualified.

Our principles and directives include:

- Providing incentives for occupational health and safety practices to be at the heart of our business strategy.
- Strengthening the culture of safety in such a way that people understand that the Company's OHS practices are of non-negotiable importance.
- Strengthening the safety management system within the Company and its affiliates.
- Ensuring the training and compliance with the Rules for Life in all of the Company's operations and corporate offices.

Prevention and mitigation of impacts

The risks of work-related accidents are identified by means of the Risk Management Program (RMP) and the performance of the Preliminary Analysis of Risks. The company's procedures are made available for consultation and the employees are provided with guidance in the form of training sessions and safety discussions.

Amongst our actions for the prevention and mitigation of impacts and the strengthening of our culture of safety, we adopt the following processes and practices:

- Preliminary Risk Analysis and Permit to Work, Rules for Life, training sessions, the 'Ops, Relate' tool, Refusal to Perform a Risk-related Task, and Integrated Management of Third Parties.
- Work permits are required for critical tasks, requiring approval from the senior management before authorization is permitted.
- Ongoing investments in collective protection measures, including bodyguards, lifelines and equipment adapted to safety regulations.
- Provision of personal protective equipment (PPE), with the adoption of field actions and inspections designed to ensure that everyone uses it.

We have specific procedures in place for the investigation of any possible irregularities occurring in our operations that could place our employees, contractors, communities or the environment at risk, or harm them in any way, so that actions designed to address such incidents can be developed. We prioritize those initiatives relating to physical protection and compliance with legal requirements, followed by fulfillment of Auren's own regulations and standards, before addressing those initiatives related to safe behavior. In 2023, we recorded no work-related accidents in our operations.

GRI 403-9

_We ended 2023 with the lowest accident frequency rate of the last four years.

Caring for health

GRI 403-3| 403-6| 403-7| 403-10

Based upon the understanding that people who are physically healthy and emotionally supported are more focused and attentive to the performance of those activities in which they are exposed to risk, Auren has a number of integrated procedures and initiatives designed to guarantee the health and wellbeing of its employees.

The dangers and risks related to work-related illnesses are identified by the Risk Management Program (RMP). We also have an Occupational

Health Medical Control Program (PCMSO) to ensure that all potential risks to health are known, evaluated and controlled, thus preventing the occurrence of occupational illnesses. We also undertake periodic studies to check the health of the employees, using online surveys completed by the individuals themselves.

The engagement of the leaders is also strategic in this process, with this group of executives working together with the Occupational Health and Safety team to ensure that the programs and procedures at each unit are up to date and the employees' occupational medical examinations are in order. The leaders also work to encourage everyone to participate in campaigns and events related to OHS.

By means of the Viv.A program, Auren looks after the employees' entire health program. The initiative is anchored in four pillars, connected to the Company's safety premises:

- **Coordinated Care:** support for the employees in relation to their physical and mental health demands.
- **Medical Support and Assistance:** compliance with all legal requirements (Occupational Health Certificate, Occupational Health Medical Control Program (PCMSO), an infrastructure for Disabled Persons, certified by the National Institute of Social Security (INSS), Occupational Health and Safety Software (SOC), etc.).
- **Accident Management:** analysis of the use of medical health plans and the costs involved.
- **Occupational Health:** assistance and flow/demand for corporate healthcare and the operations.

Mental healthcare is also one of our pillars of activity. We are committed to providing a safe, healthy and welcoming work environment. By means of the '360° Care' channel, we offer our employees and their dependents unlimited, round-the-clock, confidential and personalized psychological support.

Other initiatives focused on ensuring our employees' wellbeing are: **GRI 401-3**

- **Pregnancy Program:** monitoring for pregnant women and the baby, involving healthcare advice during this stage of life. The person has access to telephone support to discuss doubts, support via WhatsApp and the EVVA application, which offers readings depending upon the month of pregnancy, as well as monitoring of vaccines. Auren also offers flexible hours

and home office options at the end of the pregnancy, whilst the return from the period of maternity leave is performed gradually, with a reduced workday of six-hours during the first month back at work. The employee can also request a parking space at the office building to allow greater comfort during the pregnancy period. In 2023, eight women took maternity leave.

- **Increase of paternity leave** from 20 to 30 days. In 2023, 11 men took paternity leave.
- Presentation of **talks designed**

to raise awareness of important issues such as Mental Health.

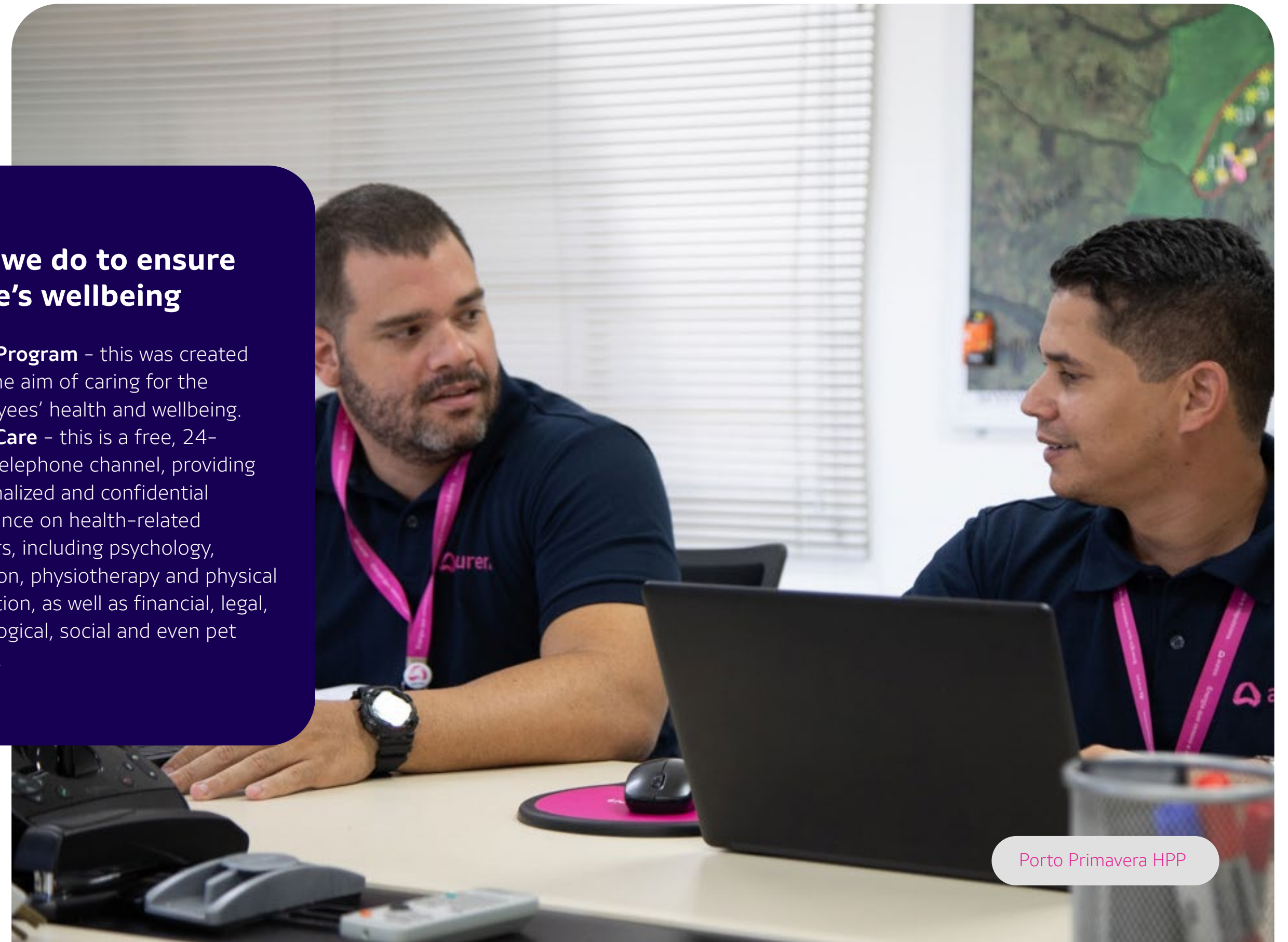
- **An annual calendar of health campaigns,** involving initiatives such as vaccination and blood donation drives, and awareness-raising events promoting the visibility of important causes in the area of healthcare (taking the form of theme-months allocated with different colors). These campaigns are staged over the course of the year to encourage the donation of blood and organs, and the prevention of illnesses such as cancer and mental disturbances, amongst other themes.

In 2023, there were no recorded cases of work-related illness.

GRI 403-10

What we do to ensure people's wellbeing

- **Viv.A Program** – this was created with the aim of caring for the employees' health and wellbeing.
- **360° Care** – this is a free, 24-hour, telephone channel, providing personalized and confidential assistance on health-related matters, including psychology, nutrition, physiotherapy and physical education, as well as financial, legal, pedagogical, social and even pet advice.



Porto Primavera HPP

Social development

GRI 3-3 SOCIAL RESPONSIBILITY | 203-2| 413-2

One of Auren's core values is "Generating results that have a positive impact on the ecosystem". This has resulted in a commitment to boosting the potential of individuals and the community, promoting growth through dialog, constructing relations, and supporting dignity, equity and opportunities so that people can take control of their own lives.

The Company's long-term objective is to be an agent for transformation in the communities in which it is present. Concentrated on three fronts - basic infrastructure; generation of employment and income; and child education and protection - the company aims to strengthen the foundations for development in these regions.

As such, we perform studies designed to understand the socioeconomic reality of each region in which we operate. We are therefore able to identify the needs of the region and, employing our own unique abilities, offer education programs, infrastructure and income opportunities. In each one of these strands, we have a set of initiatives adapted to the specific nature of the individual regions.

We develop our social projects in accordance with the procedures outlined in Auren's internal policies and norms: Regulations for the Safeguarding of Human Rights; Planning and Management Procedure for Social Investment and Community Relations; and Volunteer Procedures. All of the projects are monitored using indicators and, for each initiative, we establish targets that are

monitored on a monthly basis by the Social Projects Management System (GPSV), together with our partner, the Votorantim Institute. At the end of the cycle, we evaluate the performance of each project.

Environmental Education Program

With the aim of strengthening the environmental education program and connecting them to Auren's strategic drivers and aspirations, we have assumed a commitment to develop and implement a new methodology for the Socio-environmental Education Program in all of the Company's operations and projects.

Over the course of 2023, a milestone was achieved with environmental education projects executed by companies from the electricity sector, other business sectors, public agencies and other organizations, as well as a survey of the criteria required to meet the environmental licensing requirements of the Company's projects.

The program was therefore developed based upon the premises of being either directly or indirectly tied to the Company's core business, in line with the Strategic Planning, the sustainability strategy and material topics, as well as good market practices relating to socio-environmental education initiatives and official guidelines. Another of the Company's concerns involved adapting itself to the local reality, including that of the municipal and environmental authorities and types of project.

A number of action fronts have been established, focusing on different publics,

_We have invested in partners and synergies as a means of increasing our social impact. We collaborate with the public authorities and the local communities with the aim of training people to work in the energy sector, guaranteeing that at least 50% of those involved are women and people of color (Black and mixed race).

including the school community, involving teachers and students from the public school network, as well as civil society organizations, people from the communities neighboring Auren's operations and projects, as well as government representatives. The program aims to embrace the creative fronts and the sharing of knowledge on socio-environmental issues, encouragement for leadership in sustainability and the acceleration of innovative initiatives in sustainability.

Technical partners were contracted in 2023.

Families Committees

With the intention of establishing a forum for discussion on socio-environmental and economic shifts in the area of direct influence of the wind complex as a result of the implementation works and its operation, we created Families Committees in each of the communities neighboring our operations. The aim is to encourage participation by the affected population in order to share information, clarify doubts, and receive criticism, complaints, suggestions and feedback.

Six committees have been created with the participation of families from the Serra do Azulão, Serra do Marinheiro, Serra da Rancheira, Serra do Jatobá, Serrinha, Ramada, Vila do Mel, Zé Martins and Damascena regions. An average of 50 people take part in each committee.



Beneficiaries of the 'Bem Viver no Semiárido I' project, at the Ventos do Piauí I Wind Complex

Community relations

GRI 2-25 | 3-3 | SOCIAL RESPONSIBILITY | 413-2

Auren understands that it has the power to alter the dynamic of the communities in which it operates. Along these lines, we have been looking to recognize the needs of our stakeholders and understand the implications of the Company's activities on the local way of life. We have implemented engagement actions, impact assessments and development programs focused on the local community in 100% of our operations.

GRI 413-1

We are extremely concerned about the socio-environmental impacts in the regions that are identified by environmental licensing processes and monitored with the additional execution of mitigation or environmental offsetting programs. Going beyond the minimum legal requirements, Auren pursues other voluntary projects focused on the land development of the regions where it is active.

We want to leave a legacy for the communities in which we are present, which is why we pursue actions aimed at social, economic, educational, cultural and environmental development. They are all aligned with the Company's strategy, social responsibility directives, and compliance and governance regulations, as well as Brazilian legislation.

As part of a number of different relationship and development programs and projects, the company conducts satisfaction and/or evaluation questionnaires on specific initiatives, such as, for example, relationship and engagement meetings with the communities, and actions designed to

mitigate the effects of noise and strobes. We are committed to supporting sustainable advancement in the regions where we operate, which means our initiatives are based upon socioeconomic analyses and attention to the express needs of the communities.

With the objective of constructing a positive presence, by 2030, Auren is aiming to be recognized by the majority of its stakeholders as a company that benefits the communities of which it forms a part. For Auren, the concept of favorability is found in those people who effectively support the company and are ambassadors for the positive contribution it makes to the regions and planet. A neutral stance in relation to the company's presence in the region is not taken into account for this objective.

Monitoring of this gauge of favorability is performed on a weekly basis, to monitor the impacts of the operations, the development of the socio-environmental projects and the perception of the communities in Auren's areas of activity. Even considering the challenging scenario faced by the company in 2023, partly due to the intense rainy period at the beginning of the year and the consequent need to open the spillways at the Porto Primavera HPP (see page 26 - Water Plan), which was in turn partially due to the application of the annual and four-yearly adjustments at the parks forming part of the regulated market in the wind projects, at the end of 2023, our favorability stood at 16%. The results demonstrate that, even under challenging conditions, the development of projects and relationships with the communities are evolving every year.

In 2023, we undertook 51 social initiatives in 27 municipalities distributed across five Brazilian states, involving a total investment of R\$ 6.3 million.

Open Dialog Channel

GRI 2-26

WhatsApp Open Dialog – this is a channel that is widely used in the regions where we operate to allow people to register requests of complaints. Each region has its own number, which is attended by people from the community itself, as a means of maintaining a close relationship between the Company and the region.

There are also other ways of accessing the channel, including e-mail, telephone numbers, and social relationship and engagement forums which take the form of meetings and campaigns, with the involvement of representatives from the communities and the local government, amongst others.



2023 Highlights:

- **School management:** the municipality of Ouricuri (PE) was presented with the National Highlight Award by the Partnership for Recognition of Education program (PVE), an initiative developed by Auren together with the Votorantim Institute. The award recognizes good practices that have been implemented in the areas of educational management, school management and social mobilization which contribute to the learning and teaching process.
- **Technical Vocational Training:** Our technical course project focusing on Renewable Energy, developed in partnership with Itaú Education and Work and the State Education Department of Pernambuco, was the subject of an edition of the 'Globo Reporter' TV show in July 2023. [Click here to watch the show.](#)

Beneficiaries of social projects at the Porto Primavera HPP



Porto Primavera HPP

Human Rights

GRI 2-24

People and relations are essential, and they lie at the core of our business. As such, respecting human rights is a non-negotiable commitment in our operations.

Auren, guided by national and international references and standards relating to the issue of human rights, has publicly declared its commitment to working on the protection and respect for the basic rights of all the individuals with whom it relates, either directly or indirectly, preventing, mitigating or remedying any possible impacts or violations that could affect their access to such rights.

Auren's Code of Conduct reflects international regulations, being guided by the United Nations' (UN) Universal Declaration of Human Rights, expressed by the UN's Guiding Principles on Business and Human Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our commitments, expressed in both the Code of Conduct and in the Company's corporate policies and directives, are centered on three strands: People, Communities and Business Partners. These commitments guide the day-to-day management at all the units and are passed along the entire supply chain, with the intention of encouraging our commercial partners to adopt and disseminate these practices in their businesses and relations.

We are signatories to the UN's Global Compact and, as such, we have formalized the direction of our strategy and operations in line with the Ten Universal Principles, as well as the UN's Guiding Principles on Business and Human Rights.

With the intention of increasing our strength and breadth, and meeting the demands and practices of the market in relation to Human Rights, in 2022, we undertook an analysis involving all of Auren's units. By means of an interdisciplinary working group, supported by the methodology of the 'Rede Brasil' ('Brazil Network') of the Global Compact (UN), we performed a study which highlighted those aspects that the Company should prioritize in relation to guaranteeing human rights.

This study was performed using the "Human Rights Thermometer" developed by the Proactiva network (Global Compact/UN), by means of a self assessment that provides a preliminary representation of compliance with the principal guidelines on Business and Human Rights ("BHR"). This tool is technically based on best BHR practices, including the UN's Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises.

In order to address the most critical points raised, Auren developed its Management Standard for Guaranteeing Human Rights, that formalizes the Company's position on the issue. The document responds to the UN's Guiding Principles on Business and Human Rights, whilst it also meets the requirements established in the B3's Corporate Sustainability Index (ISE) and the Global Reporting Initiative (GRI). As was the Public Commitment on Respect for Human Rights, the Standard was approved by a meeting of the Executive Board and the Board of Directors, before publication for the employees, stakeholders, the market and society.

Auren believes that respect for human rights should be guaranteed to everyone and the business conducted by the Company is always guided by:

- Rejection of child or slave labor and work performed in conditions analogous to slavery.
- The fair offering of employment with deserving salaries.
- Promotion of diversity, inclusion and the offering of equal and fair opportunities to everyone.
- Guaranteeing of a healthy workplace, free from any form of harassment, bullying, prejudice or discrimination.
- The employees' freedom of expression and association.
- Provision of safe, equitable and respectable working conditions.

Generation of shared value

GRI 203-1 | 203-2

Aiming to contribute to the social development of communities, we work on three principal and complimentary fronts: Basic Structure; Work and Income; and Education and Rights.

Click on the titles to find out more about the impact we have in the communities neighboring our operations.





Prosperity

- Material topics**
- Ethics, transparency and good governance practices.
 - Customer relations.
 - Digital innovation and transformation.

Corporate governance

GRI 2-1 | 2-9 | 2-10 | 2-11 | 2-12

Being a publicly held company that is included in the B3's highest level of corporate governance, the 'Novo Mercado', our activities are focused on the adoption of best practices, based upon the principles of transparency, equity, accountability, integrity in the conducting of the business, and corporate responsibility.

Governance structure

GRI 2-9 | 2-10 | 2-11 | 2-12

Our corporate governance structure is integrated to be able to achieve the business' economic, financial, social and environmental results, with the aim of guaranteeing sustainable value in the short, medium and long-terms.

The principal functions and features of Auren's current corporate governance bodies are outlined below.

- **General Shareholders' Meeting:** The company's highest decision-making body, held both ordinarily and extraordinarily, whenever necessary, which, as well as deciding on matters set forth in legislation and the Bylaws, also decides on any matters of interest to Auren. Amongst other functions, the meeting has the responsibility and power to receive the administrators' annual accounts and decide upon the annual financial statements, as well as any merger, spin-off or acquisition operations involving the Company.
- **Board of Directors:** The Board of Directors is responsible for monitoring the performance of the company, guide

and decide upon the business' strategic directives and issues. It is currently composed of seven members, with the collective including a total of two independent members and two women members, one of whom is also an independent member. All the members are elected for single, two-year mandates, with reelection permitted.

- **Statutory Audit Committee:** This advisory committee is tied directly to the Board of Directors. The committee provides advice on the evaluation of the financial statements and supervision of the activities of the independent auditors, whilst also evaluating the Company's exposure to risk. Made up of three independent members (one board member and two external members), with the independent board member acting as coordinator and one of the external members having recognized experience on corporate accounting, under the terms of the applicable regulations. All are elected by the Board of Directors every two years for single, two-year mandates, with reelection permitted, although they may only perform their roles for a maximum of ten consecutive years, under the terms of the applicable regulations.
- **Statutory Board:** The Statutory Board is elected by the Board of Directors, its main objective being to ensure that the Company fulfills its corporate purpose, with the responsibility of managing the company as well as proposing and executing its strategic and budgetary plan. It is made up of four members, all of whom are elected for single, two-year mandates, with reelection permitted.

Amongst the principal actions of 2023, the following are worthy of special mention:

- A significant increase in adherence to the Brazilian Code of Corporate Governance (BCCG) Report.
- Approval of the Company's Granting of Restricted Share Plan.
- Approval of the Indemnity Policy.
- Provision of training on Corporate Governance specifically for the management body (Board, executive directors, managers and coordinators).
- Performance of the first evaluation of Auren's Board of Directors.
- Approval of the new Internal Regulation of the Board.
- Distribution of the Corporate Governance Manual to all of the Company's employees, containing directives on the topics which most recur in the company's routines.

Evolution in BCCG Good Practices

In 2023, Auren advanced in its adherence to the practices recommended in the Brazilian Code of Corporate Governance - Listed Companies, a document established by CVM Resolution n° 80/2022, which made the reporting of corporate governance practices obligatory for publicly-held company registered in category A, under the "practice or explain" model. According to the Brazilian Code of Corporate Governance Report (BCCG Report), Auren adheres to 67% of the recommended practices, **an increase of 25% against 2022.**

Amongst the most important advances in the year, special mention should be made of the new corporate policies (Risk Management, Indication of Members of the Governing Bodies, Remuneration and Evaluation of Administrators, and Related-Party Transactions), the adoption of the Internal Regulation of the Board, and the process for evaluation of the administrative bodies and their members and the succession plans. To read more about our Policies and the feedback from the 2023 BCCG, [click here](#).

Porto Primavera HPP



Auren Organizational Chart

GRI 2-9



Mateus Ferreira
Chairman of the Board



Leticia Costa
Effective and Independent Board Member



Megan Hansen
Effective Board Member



Fabio Zanfelice
Effective Board Member



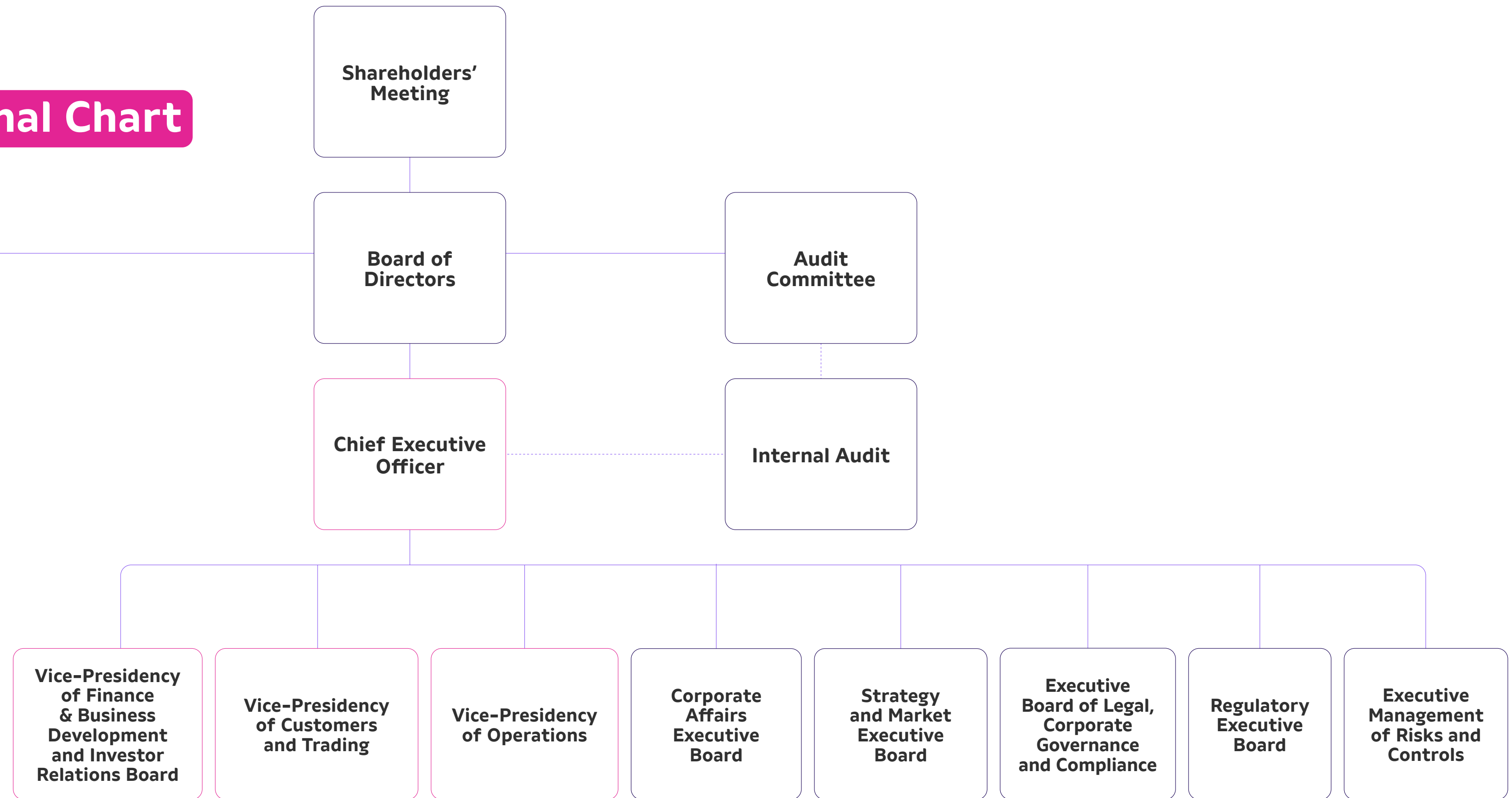
João Schmidt
Effective Board Member



Ricardo Szejf
Effective Board Member



Sergio Romani
Effective and Independent Board Member



Statutory Board

- Fabio Zanfelice** Chief Executive Officer
- Mario Bertoncini** Vice-President of Finance & Business Development and Chief Investor Relations Officer
- Márcia Cunha** Vice-President of Operations
- Raul Cadena**¹ Vice-Presidency of Customers and Trading

¹ At the end of 2023, Raul Cadena formally announced his resignation from the position of director, with responsibility for the Vice-Presidency of Customers and Trading. The statement to the market issued at the time is available [here](#).

Members of the Statutory Board GRI 2-9

Name	Position	Election Date	End of Mandate
Fabio Zanfelicé	Chief Executive Officer	March 28, 2022	
Márcia Cunha	Vice-President of Operations	March 28, 2022	Depends on the date upon which the Annual General Meeting will be held, at which the 2023 financial year will be analyzed.
Mario Bertoncini	Vice-President of Finance & Business Development and Chief Investor Relations Officer	March 28, 2022	
Raul Cadena ¹	Vice President of Customers and Trading	March 28, 2022	December 19, 2023

¹ Raul Cadena resigned from the position on December 19, 2023, effective as of December 31, 2023. Mario Bertoncini will assume his functions until the election and investiture of a replacement.

Statutory Audit Committee

Name	Position	Election Date	End of the Mandate
Sergio Romani	Committee Coordinator	02-Mar-2022, with the mandate beginning on 28-Mar-2022	March 28, 2024
Heraldo Gilberto de Oliveira	Committee Member	02-Mar-2022, with the mandate beginning on 28-Mar-2022	March 28, 2024
Marcos Antonio Quintanilha	Committee Member	02-Mar-2022, with the mandate beginning on 28-Mar-2022	March 28, 2024

Members of the Board of Directors

Name	Position	Election Date	End of the Mandate
Mateus Ferreira	Chairman of the Board	March 23, 2022	
Fabio Zanfelicé	Board Member	March 23, 2022	
João Schmidt	Board Member	March 23, 2022	
Leticia Costa	Effective and Independent Board Member	February 28, 2023	Depends on the date upon which the Annual General Meeting will be held, at which the 2023 financial year will be analyzed.
Megan Hansen	Effective Member	March 23, 2022	
Ricardo Szejf	Board Member	March 23, 2022	
Sergio Romani	Effective and Independent Board Member	March 23, 2022	

Senior management training

GRI 2-17

Offering training to the members of the Board of Directors is one of Auren's many initiatives. The learning paths offer spaces for discussion and opportunities for expansion of the body of work that makes up the Company's business strategy and commitments to sustainable development.

The Company has a program of integration and training for new board members, which aims to develop the executive's understanding of the Company's activities and business, as well as introduce them to general information concerning the organization. This program is formally established in the Internal Regulations for the Administrative Council.

During the integration process, the new board member begins to understand how the governance bodies operate and the functions of the board members and their respective areas of responsibility, whilst they also obtain a variety of information concerning the Company, including: the business strategy, the principal financial, operational, corporate governance and sustainability indicators, in addition to the commitments relating to the 2030 Sustainability Strategy.

Performance evaluation of the Board of Directors

GRI 2-18

Auren has a formal process designed to evaluate the Board of Directors and its advisory committees, involving analysis of its performance as a collective, as well as that of the individual members. Based upon the Company's Administrators' Remuneration and Evaluation Policy, the evaluation process is performed once during each mandate, with support provided by an external technical partner.

The Policy establishes that the evaluation should, at least, consider the specific characteristics and responsibilities of each body of the administration and their members, as well as other factors such as:

- i.** the rate of attendance of the member of the administrative body, their participation in the examination and discussion of the matters addressed, as well as their contribution to the decision-making process, as applicable;
- ii.** the commitment of the member of the administrative body to the exercising of their functions;

- iii.** the attainment of any possible performance, financial or non-financial targets;
- iv.** their alignment with the Company's culture, principles and objectives;
- v.** their impartiality and independence in the activities;
- vi.** evaluation of their technical qualification and/or skills and abilities;
- vii.** the suitability of the number of members of the administrative body;
- viii.** the extent of their knowledge, experience, behavior and cultural aspects;
- ix.** the diversity of gender, age and representativeness of marginalized groups amongst the members of the Board of Directors; and

- x.** the identification of areas which could be improved and corrective actions implemented.

The evaluation process takes into consideration the achievement of established evaluation directives, the effort made in the examination and discussion of priority issues, the active contribution in the decision-making process, and the commitment to the exercising of their functions.





Corporate center

Remuneration of the Management

GRI 2-19 | 2-20

In accordance with the Remuneration Policy, the sums of remuneration paid to the members of the Board of Directors and its Administrative Committees, and to the Executive Board should be proposed by the Personnel and Communication Department to the CEO. Finally, the proposal is submitted for analysis by the General Meeting of Shareholders and/or the Board of Directors, depending upon the case and under the terms of the application legislation.

In relation to this, the Company's Personnel and Communication Department is responsible for annually surveying the data corresponding to the remuneration practices of the market, based upon independently obtained studies, through the contracting of specialist consultants. These consultants should evaluate companies of a similar size and complexity to Auren, with structured remuneration policies and good human capital management practices.

More information on the remuneration provided for the Administration is available in the Reference Form, which can be accessed here.

Components of the Remuneration

The Administrators' remuneration models should be based upon components and criteria that ensure fair standards of recognition, whilst also taking into account market practices and the components listed below, amongst others:

- **Fixed Remuneration:** this is the basic remuneration, paid monthly and subject to the deduction/retention of all the taxes and social and labor contributions applicable under the terms of Brazilian legislation.
- **Short-Term Incentives ("STI"):** this includes part of the total annual remuneration calculated on the performance and results achieved in the previous year, allowing the Company to reward the achievement and surpassing of the business' financial and strategic targets, as well as strengthen and renew the commitment of the Administration to the sustainability of the business.
- **Long-Term Incentives (LTI):** the long-term incentive consists of remuneration based upon actions, by means of the Granting of Restricted Share Plan, which, in addition to reinforcing the retention of the executives, ensures the competitiveness of the salaries and the alignment of interests to create value and encourage long-term commitment to the sustainability of the business. The granting of the LTI requires the approval of the Board of Directors, that decides which administrators are eligible and the conditions for the concession as detailed in the Plan. The full document is available on Auren's [Investor Relations website](#).
- **Benefits:** the benefits are designed to complement the public social welfare support and provide the executives and their families with security as part of usual market practices. The directors are provided with the following benefits:

a health plan; a private pension; life insurance; a meal or food allowance; and a medical check-up, depending upon the Company's internal regulations.

The members of the Board of Directors receive a fixed monthly remuneration, made up of 12 equal installments distributed over the year, whilst their participation in meetings does not figure in the calculation of their remuneration. The remuneration is adjusted according to the duties and responsibilities of each board member, as well as the demands made on their time, with variations permitted considering their additional responsibilities, such as acting as Chair or Vice-Chair of the Board, or participation in advisory committees. Neither variable remuneration nor benefits are granted to members of the Administrative Council. The members of the Board of Directors' Advisory Committees, including the Statutory Audit Committee, receive a fixed monthly remuneration, paid in 12 installments over the course of the fiscal year. The remuneration of each member is determined considering their responsibilities, time dedicated to the position, skills and professional reputation, as well as the market value of their fees. The Coordinators or Chairpersons of the Committees may receive different levels of remuneration depending upon the additional responsibilities involved in the coordination work. Neither variable remuneration nor benefits are granted to members of the Advisory Committees.

The total remuneration of the Statutory Board is composed of four elements: Fixed remuneration, Short-term and Long-term Incentives, and Benefits. The remuneration does not include unforeseen extraordinary mechanisms, such as Board targets, designed to attract, retain or encourage the delivery of differentiated value for the Company. If applicable, such mechanisms need to be approved by the Board of Directors.

Composition of the remuneration provided for the administration

	Fixed Remuneration	Short-term Incentives	Long-term Incentives	Benefits
Board of Directors	x			
Advisory Committees	x			
Statutory Board	x	x	x	x

Financial performance

At the end of 2023, Auren achieved important results, confirming a period of progress and continuity in relation to its growth strategy, showing discipline and preservation of the capital structure. We remain focused on expanding the renewable energy platform, with the conclusion and entry into operation of our Sol do Piauí hybrid park, whilst we have also moved ahead with the diversification of services and the seizing of opportunities that have positioned the Company as a leader in the energy commercialization market, with an average of 4.2 GW traded.

Energy market and energy balance

The equivalent reservoir level of the National Interconnected Grid (SIN) reached a maximum capacity of 60% at the end of 2023 against the 58% observed at the end of 2022. As a result of this, the conditions for energy supply proved to be extremely favorable over the course of the year.

In 2023, energy consumption¹ grew by 5.5% compared to the previous year, reaching an average level of 74.7 MW. As of the second half of 2023, there was a rise in the average temperatures in the Center-North region of the country due to the effects of the El Niño phenomenon, which led to a higher level of consumption during the period compared to the previous year.

The average short-term pricing (Settlement Pricing of Differences - PLD) in the Southeast/Center-West sub-market in 2023 was R\$ 72/MWh, compared to R\$ 59/MWh in 2021.

With regard to hydroelectric displacement, according to the Electricity Trading Chamber (CCEE), the Generation Scaling Factoring (GSF) registered in 2022 was 90%, compared to the 85% observed in 2021. GSF is the ballast adjustment factor available for hydroelectric power, which is equivalent to the amount available for sale, and is defined by the relationship between the total generation of the hydroelectric plants and the sum of their physical guarantees. The best hydroelectric potential, in 2023, is associated directly with the highest storage level compared to previous years.

Auren has continued with its strategy of maintaining high contracting and energy levels for the forthcoming years. As such, for the period spanning 2023 to 2025, the contracting level is, approximately, 93% of the company's resource composed of the total sum of the physical sum guaranteed by its assets and the energy purchase agreements already signed².

Operational & Financial Performance

The production of electricity at the wind parks reached an average of 442.1 MW, 31.5% greater than 2022 (336.1 MW average), considering the effect of the entry into full operation of the Ventos do Piauí II and III wind complexes. In terms of hydroelectric generation, the average energy production of the Porto Primavera HPP was 922.4 MW, which was 19.6% greater than in 2022 (771.0 MW average).

Following the growth strategies in businesses connected to the trading business, in 2023, for solutions and products focused on the offsetting of CO₂ emissions, we traded more

than 9.2 million renewable energy certificates (I-RECs) and 1.6 million carbon credits.

Within this scenario, Auren recorded a consolidated net revenue of R\$ 6,181.9 million, an increase of 7.4% against the previous year, reflecting the greater volume of energy traded in the commercialization sector during the period. The consolidated Adjusted Ebitda totaled R\$ 1,793.5 million. The 2023 Adjusted Ebitda rose 9.7% in relation to the previous year, which can mostly be explained by the higher levels of generation by the Ventos do Piauí II and III wind parks, and by the combination of a greater volume and an improvement in the margin of the energy trading operations. The Company ended 2023 with a net loss of R\$ 317.7 million, due to the accounting of expenses relating to taxes on the updating of the gains relating to the claim on the Três Irmãos HPP.

The operating cash flow, following the debt servicing, was R\$ 788.5 million, with a cash conversion ratio of 44.0%, an important indicator for cash generation at the Company.

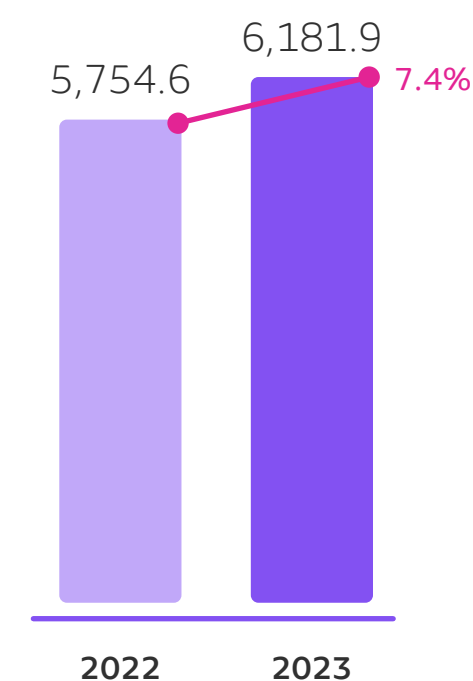
¹ The energy consumed by the SIN relates to the consumption estimates served by the Micro and Mini Distributed Generation systems.

² It should be stressed that this level of contracting does not take into account the amount of energy necessary to deal with the possible impact on the physical guarantee of the hydroelectric plants brought about by the hydrological risk (GSF) - if this were to be considered, the contracting level would be higher.

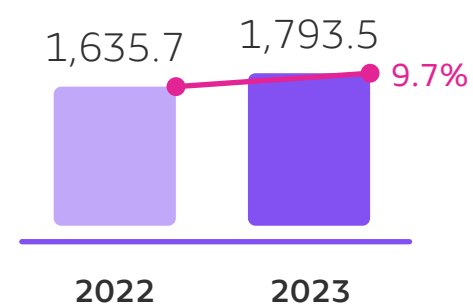
³ The 2022 consolidated results are pro-forma a unaudited, having been prepared to reflect the effects of the corporate restructuring which was finalized on March 28, 2022, as though it had occurred on January 1, 2022.

Consolidated results³ (R\$ millions)

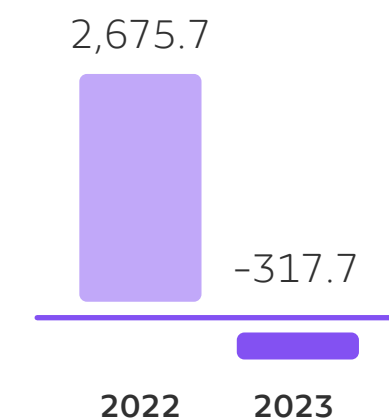
Net Revenue (NR)



Adjusted Ebitda



Net Result



Lines of growth

Indebtedness

The Company's gross indebtedness at the end of 2023 totaled R\$ 6.4 billion, against R\$ 5.8 billion in 2022, meaning an increase of R\$ 522 million between the two periods, principally explained by the finances raised for the Ventos do Piauí II and III wind complexes and for the Sol de Jaíba and Sol do Piauí photovoltaic units, which totaled R\$ 488 million.

The cash balance, cash equivalents and financial investments at the end of 2023 totaled R\$ 3,238.4 million, an increase of R\$ 7.1 million in relation to the R\$ 3,231.3 in 2022.

At the end of 2023, the Company's consolidated net debt totaled R\$ 3.2 billion, with an average term of 7.2 years, at a cost of 4.3% per year on top of the Average Broad Consumer Price Index (IPCA) – Brazil's main inflation index used by the Government and Central Bank. The financial leverage, measured by the ratio between the net debt and Adjusted Ebitda, ended the year at 1.8x.

Net debt and leveraging

2023

**_net debt of
R\$ 3.2
billion and
leveraging of
1.8x**

Economic value generated and distributed (in R\$ millions) GRI 201-1

	Consolidated 2023	Consolidated 2022*
Generation of added value		
Gross revenue	6,994,483	6,589,317
Provision for reimbursement	(40,828)	(59,266)
Other operating revenue	64,037	94,979
	7,017,692	6,625,030
Inputs		
Purchased energy and charges for use of the electricity grid	(4,020,503)	(3,869,277)
Third-party services and operation and maintenance	(292,226)	(222,773)
Materials	(6,700)	(19,256)
Other operating costs	(2,382)	(35,429)
	(4,321,811)	(4,146,735)
Gross added value	2,695,881	2,478,295
Withheld revenue		
Depreciation and amortization	(641,809)	(580,454)
Amortization of surplus value	(35,466)	(35,466)
Energy futures contracts	(13,402)	155,965
	(690,677)	(459,955)
Net added value generated	2,005,204	2,018,340
Transfers		
Equity equivalence	73,312	135,312
Financial revenues	683,225	420,327
Updating of assets payable by the Federal Government	262,264	2,421,617
Gain from migration of post-employment benefits	-	20,148
	1,018,801	2,997,404
Others		
Reversal of litigation	137,255	59,519
Write-off of escrow deposits	2,426	(2,486)
Reversal of impairment of assets viable for indemnification by the Federal Government	-	230,924
Recovery of taxes	2,201	-
Insurance	(20,447)	(18,027)
Sum gained from early settlement of contracts	-	(54,000)
Other net operating expenses	(34,023)	8,369
	87,412	224,299
Added value to distribute	3,111,417	5,240,043

Economic value generated and distributed (in R\$ millions) GRI 201-1

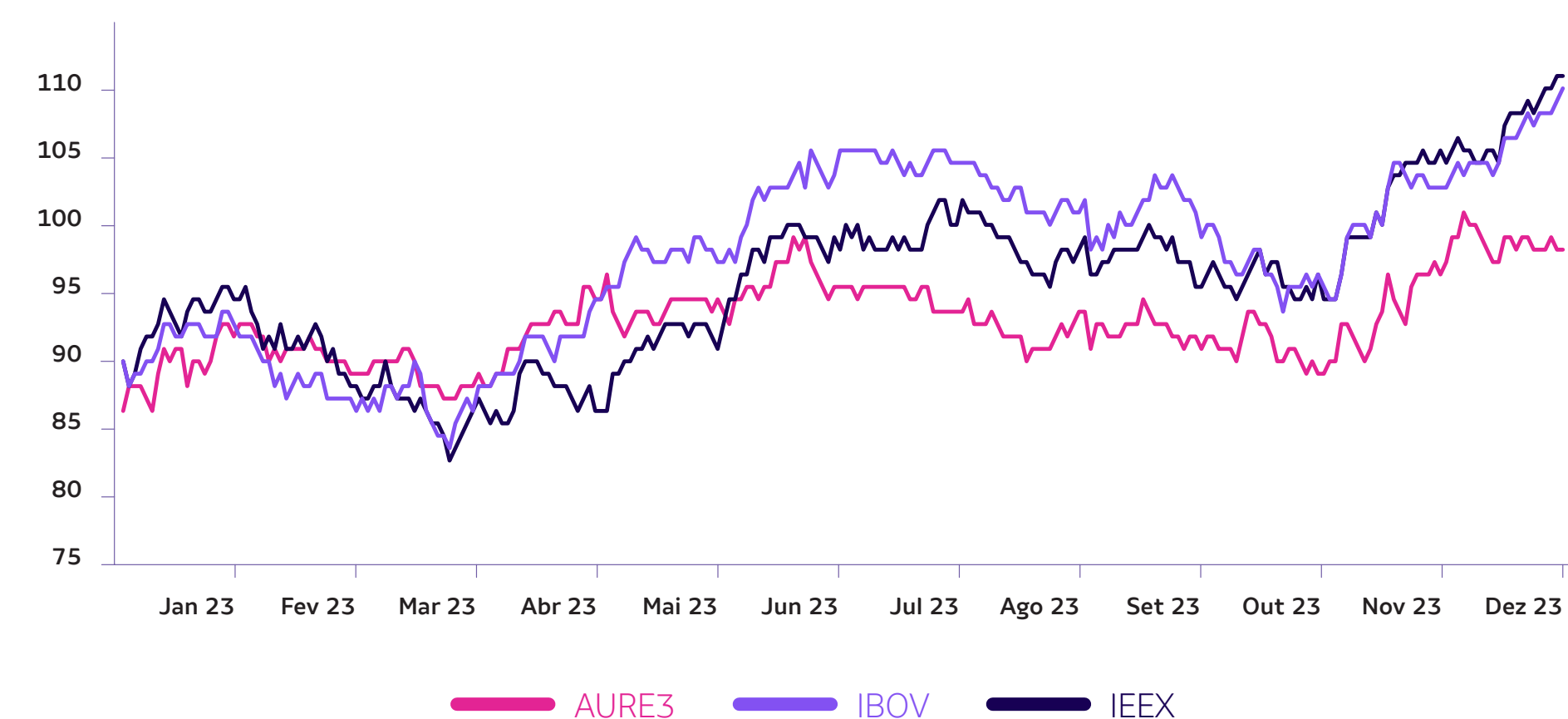
	Consolidated 2023	Consolidated 2022*
Distribution of added value		
Personnel		
Direct compensation	154,169	138,227
Social contributions	58,343	61,700
Benefits	25,828	23,004
	238,340	222,931
Debt capital remuneration		
Interest and financial restatement	854,097	771,148
Adjustment to present value on assets payable by the Federal Government	-	231,822
Financial cost of securitization	236,595	-
Other financial expenses	92,804	178,715
Rentals and leasings	17,872	15,497
	1,201,368	1,197,182
Intrasectoral - Regulatory charges		
Financial compensation for the use of water resources - CFURH	52,174	40,043
Research and Development - R&D	12,675	17,110
Inspection fee for electricity	10,032	7,368
services - TFSEE	-	-
Global Reversal Reserve - RGR	-	1,321
	74,881	65,842
Taxes and social contributions		
Federal	1,748,898	932,635
State	165,222	145,336
Municipal	397	437
	1,914,517	1,078,408
Return on proprietary equity		
Dividends	-	635,169
Retained earnings / Fiscal year losses	(317,689)	2,036,297
Net income attributable to non-controlling shareholders	-	4,214
	(317,689)	2,675,680
Value-added distributed	3,111,417	5,240,043

³ The 2022 consolidated results are pro-forma and unaudited, having been prepared to reflect the effects of the corporate restructuring which was finalized on March 28, 2022, as though it had occurred on January 1, 2022.

Share Performance

In 2023, Auren celebrated one year since its shares began trading on the special *Novo Mercado* segment. The Company's shares began trading on this segment on March 28, 2022, under the code AURE3. On December 28, 2023, Auren's shares were listed at R\$ 13.31 each, reflected in the Company's market value of R\$ 13,3 billion. In 2023, the Company's shares varied 14.9%, whilst the Ibovespa Index and the Electric Power Index (IEEX) closed with increases of 26.1% and 24.4% respectively.

AURE3, IBOV and IEEX variations
(base 100 - 28-Dec-2023)



Integrated risk management

GRI 2-13

In 2022, we continued with the consolidation of the Integrated Management of Risks process, with the aim of implementing the directives defined in our Risk Management Policy into every organizational level of the Company, especially for the leaders of the business areas – the first line of action. Given the importance of this process in relation to Corporate Governance and the essential support it provides for the decision-making in the management and business strategy, Auren concentrated its efforts on ensuring greater consistency in this area, increasing the level of maturity and strengthening the risk management culture within the Company.

We evolved in the division of the risk matrix into two large groups: “strategic risks” and “operational risks”, with the first group involving events that directly influence the ability to meet the strategic objectives, and the second involving those factors that could compromise the management of the trading and generation activities. This separation allowed the Company to be able to integrate the actions performed for the sustainable growth of the business and the movements related to the long-term objectives.

We evaluate these risk groups and define the response strategies by means of a process and governance based upon the “Three Lines of Operation Model”, which involves Auren’s business areas (first line), which are responsible for conducting this process with a cross-sectional perspective of the multi-disciplinary groups, validated by the Risk Commission, made up of the Company’s senior management, which performs a fundamental role in prioritizing the efforts and initiatives to mitigate the business risks. This process also involves the participation of the Risks and Internal Controls Management Department (second line), which is responsible for supporting the business with a complementary vision, as well as providing guidance for a realistic evaluation and assertive handling of the risks. Finally, the Internal Auditor (third line) performs an independent evaluation of the work and reports the results back to the Board of Directors and the other governance bodies.

The entire process involved in evaluating the business risks was further strengthened by the establishment of Auren’s Appetite for Risk, which most importantly performed a qualitative evaluation of 12 categories of risk. From an understanding of the level of risk established, this measurement aims to provide clarity for management of the limits on the choices and risks that can be taken considering the strategic objectives and management of the business.

In 2023, with the aim of strengthening the integrated risk management culture, we provided training sessions on the importance of this process which is such an integral part of Auren’s strong Corporate Governance structure, whilst also strengthening our commitment in the form of the Prosperity Pillar. A total of five

in-person classes were held, involving more than 70 of the Company’s leaders, and one online session for the employees, followed by four e-learning modules, which over time came to incorporate the portfolio of onboarding training sessions for new employees. Our efforts were concentrated on increasing awareness in the business areas, highlighting the importance of leadership for the first line of action in the effective management of the business risks thus consolidating a culture which integrates this topic into the management of the businesses and the Company’s decision-making.

Management of Business Continuity

In 2023, we began structuring the Business Continuity Management project, establishing a comprehensive *framework* covering the entire cycle, from prevention to reestablishment of critical processes following the materialization of risk events. As a result of this work, we evaluated the business processes using the *Business Impact Analysis* (BIA) tool, which helped us to define the processes with the most impact and those risk events requiring support from the operational continuity, incident response and crisis management plans. We also developed the Business Continuity Management Manual, which highlights the elements that are essential for the continuity and sustainability of the business, and establishes the Company’s governance, structure, responsibilities and performance model in relation to contingency and crisis situations. The aim of these initiatives is to strengthen our ability to respond to these challenges and reinforce the Company’s resilience process.

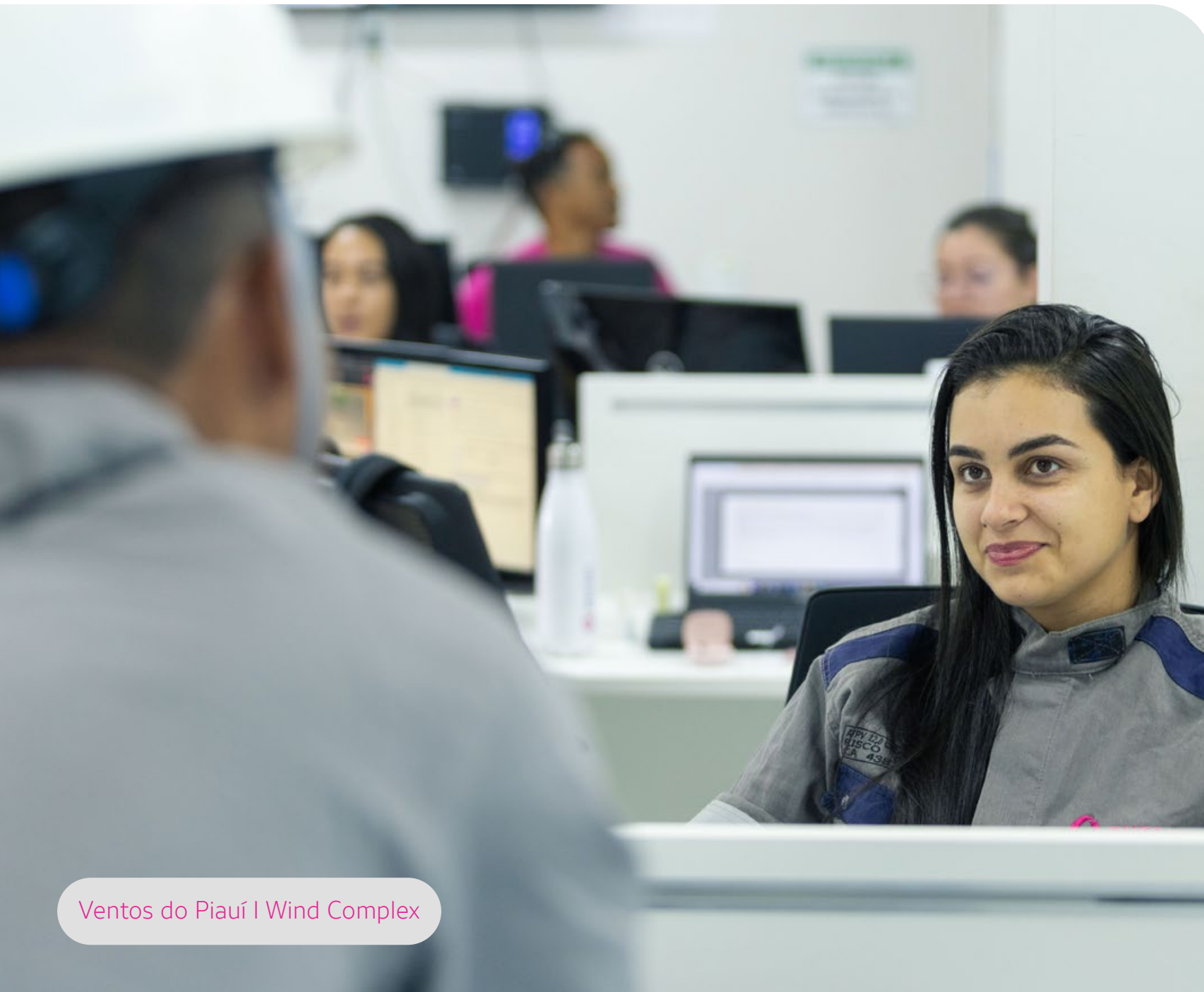
Auren’s appetite for risk

The Board of Directors’ establishment of the Appetite for Risk was fundamental in consolidating Auren’s Risk Management process, since it clearly defined the management’s operational limits and the level of exposure that the Company is willing to assume in relation to its risks in order to achieve its strategic objectives and generate value for the business, making it a point of reference recognized by all those involved in the process.

In seeking a pioneering methodology in relation to Appetite, we incorporated both quantitative (financial) and qualitative aspects. Primary emphasis was placed on the qualitative model which included 12 risk categories based upon the following guidelines: (i) our culture and principles; (ii) our strategic drivers; (iii) our ESG commitments; and (iv) the Company’s management system.

The 12 categories of risk are supported by three appetite levels (conservative, moderate and bold) and include the respective formal declarations that guide the management for Auren’s journey of growth and transformation. Each of the 23 business risks noted in the Company’s matrix are connected to a specific category, with their adherence in relation to the level of appetite established by the Management being monitored.

At Auren, we have adopted a conservation approach, especially in relation to the categories of risk relating to the preservation of life, socio-environmental aspects, governance, and compliance. amongst other themes that form part of the basis of our culture (Ethics, Life and Safety). This conduct, that is aligned with corporate responsibility, is one of the pillars of our commitment to prosperity, in which our constant efforts are guided by sustainable development, thus ensuring a balance between the economic, social and environmental aspects.



Ventos do Piauí I Wind Complex

Internal controls and Internal audit

Over the course of 2023, we took significant steps forward in improving the maturity of the internal controls environment, bringing it into alignment with the strategic and operational risks matrix. This revision addressed financial, regulatory, technological and operational aspects. We also consolidated a strong environment of internal controls, ensuring compliance with the regulatory requirements of the B3's *Novo Mercado* and the CVM (Brazilian Securities Commission).

This work involves an updating of the Company's key controls into significant processes related to financial statements and the relevant operational risks, covering areas such as Accounting, Tax, Financial Reporting, Treasury, Asset Management, Energy Trading, Energy Planning, Regulatory, Health and Safety, Technology and Information Security.

Worthy of special mention in this work is the beginning of the automation of controls and the implementation of continuous monitoring mechanisms, aimed at making the business processes more effective and productive. This initiative will continue over the course of the coming year, seeking to encompass new important processes and key controls as a means of contributing to the Company's ability to be fully prepared to manage the growth of the business.

As a result of these initiatives during 2023, in partnership with the business areas – the first line of action – an independent auditor announced a positive evaluation of our internal controls environment.

With the ongoing aim of improving the integration between the three lines of action, the Internal Audit Department reviewed its own methodology, increasing its scope of operations beyond the operational area to incorporate initiatives focused on consultation (whilst still maintaining its independent approach) and assuring the map of risks in relation to evaluating the effectiveness of the Company's respective mitigation responses. The Internal Auditor's new operational model strengthens our integrated approach to Risk Management, whilst also contributing to the generation of value achieved by the business areas, whilst dealing with the challenges involved in the transformation and growth of the business.

Information security and data privacy

Our Information Security Policy incorporates the requirements set forth by the National Electrical Energy Regulatory Agency (ANEEL) and the National Electrical Energy Regulatory Agency (ONS), directing the investments and adjustments made to the infrastructure and security of the network operating system (Regulated Cyber Environment).

We have also developed a multi-annual Information Security (IS) master plan, involving the implementation of 27 projects across the entire Company between 2022 and 2023. These projects involve Threat Management, Information Protection, Information Security Management, Incident Response Management, Infrastructure Protection and Access Management.

We have also developed an awareness-raising program concerning this theme for all the employees, and we host a one-day

event dedicated to matters of Information Security and Data Privacy. Always striving to develop and improve our controls, each year we analyze the maturity of the IS based upon the consolidated structures of the National Institute of Standards and Technology Cybersecurity Framework (NIST-CSF) and the Cybersecurity Capability Maturity Model (C2M2), as well as intrusion tests with support from specialist consultants. The results of these analyses and improvement opportunities have been included in a new IS and privacy master plan for the years 2024 and 2025, thus consolidating our commitment to the agenda.

We respect the General Personal Data Protection Law (LGPD), but we also seek to go beyond the established legal requirements. This is because we believe that privacy and data protection are rights that are fundamental to every individual. As such, we are always looking to develop the best practices and processes, regardless of the regulatory demands.

We also have a multi-disciplinary Working Group providing support for the Data Protection Officer (DPO), with the participation of the Compliance, Legal, Technology and Information Security, Internal Controls and Commercial departments. The support provided assists the Company in its evaluation of Information Security and data privacy, and in its improvement of the procedures and controls related to the data privacy processes. In 2023, no complaints were registered with regard to breaches of customer privacy and losses of customer data. **GRI 418-1**

In 2023, we staged a series of events focusing on issues relating to Information Security and Privacy, including the "1st Cybersecurity and

Data Privacy" live online event, and talks about cybersecurity and data privacy, amongst others. We published a pamphlet on phishing on the Evolu.A platform, as well as training sessions on the general concepts of IS and Data Privacy (LGPD), which were integrated into the portfolio of training sessions for Auren employees.

All these initiatives form part of a journey based upon a multi-annual plan for matters involving Data Privacy and LGPD, supported by five pillars: data mapping, governance, roles and responsibilities, processes and tools, awareness-raising and continued improvement.

–We have developed a multi-annual Information Security (IS) master plan, involving the implementation of 27 projects across the entire Company between 2022 and 2023.



Management of integrity and compliance

GRI 3-3 | ETHICS, TRANSPARENCY AND GOOD GOVERNANCE PRACTICES

In 2023, we consolidated our new Compliance Program, which had been redrafted in 2022 in line with the demands arising from Auren's admittance to the *Novo Mercado* listing segment on the B3. Developed in accordance with the guidelines of the Anti-Corruption Law (Law n° 12,846/2013) and containing the most important and current market practices, this program operates on the following work fronts: employee orientation and training, monitoring of government relations, drafting and revision of the internal regulations, monitoring of conflict of interests, management of the complaint hotlines, internal investigations and due diligence of integrity.

We also have a Compliance and Anti-corruption Policy, which guides our approach in relation to topics such as integrity, prevention of fraud, tackling tax evasion, interactions with the public authorities, anti-competitive behavior, donations and gifts, amongst others. The policies and codes making up the Compliance Program undergo periodic reviews and updates and, whenever applicable, require formal acceptance from the employees and administrators, as well as specific training.

In 2023, we celebrated the first year anniversary of our Code of Conduct, which applies to our employees, administrators, suppliers and other interested parties. The document addresses issues such as social responsibility, diversity and inclusion, tackling harassment and discrimination, anti-bribery and anti-corruption practices, relationships

Find out more
Access our [Code of Conduct](#).

with the public authorities, health and safety at work, confidentiality and conflict of interests, amongst others. The Code of Conduct strengthens the strict approach we take towards day-to-day ethics and integrity, reaffirming our commitment to the values of fairness and integrity in all our relations.

All of our policies need to be approved by the company executive, whilst the Code of Conduct, Compliance and Anti-corruption Policy, and Sustainability Policy, require the specific approval of the Board of Directors. These commitments also apply to all our subsidiaries and the entities controlled by Auren Energia and are distributed amongst the stakeholders by means of specific communications, made available by means of freely accessed portals and institutional materials. The Company's policies and other regulatory documents formally set forth items specifically relating to the roles and responsibilities performed by those operating at all the different levels of the company, whilst also outlining their applicability to the other stakeholders and business partners.

[Click here to access our policies](#) GRI 2-23 | 2-24

In order to meet the different regulations demanded of the companies listed on the B3, as well as the best practices applicable to Auren's business, in 2023 the Compliance Program included a number of different initiatives, amongst which the following deserve special mention:

- Visits to the Sol do Piauí and Sol de Jaíba implementation projects, including compliance training, involving around 1,300 employees and third parties.
- In compliance with Law n° 14,457/22, support from the Compliance Department for the Internal Accident Prevention

Commission (CIPA) in the provision of training sessions on moral and sexual harassment, as well as assistance in approaching the issue during the Internal Occupational Accident Prevention and Environment Week (Pipatma).

- Internal communications via intranet and e-mail, providing guidance on the norms of compliance, sent out at least once a month.
- Hosting of the second edition of the 'Compliance Day', an event which all Auren employees at all the units are required to attend, involving talks and discussions focusing on ethics, integrity and the connection with the Prosperity Pillar and other ESG topics.
- The launch of annual compliance

training for all Auren employees on the educational platform Evolu.A.

- Participation in the evaluation of around 650 business partners based upon integrity criteria, as well as the provision of consultative support in the development of commercial contracts and partnerships and M&A (Mergers and Acquisitions).

Structuring of all the training sessions and communications on the topic were based upon the main compliance regulations established in our Code of Conduct and Compliance and Anti-corruption Policy. All Auren employees participate in obligatory training on the issues related to compliance, with this training also made available for third parties.



Compliance Day 2023

Compliance Hotline

GRI 2-16 | 2-26

The Ethics Hotline is the main mechanism available for all our stakeholders to be able to raise their concerns relating to the corporate conduct of the organization. An independent company receives the records, ensuring that all the information remains confidential and secret. These reports are sent for investigation, after which they are forwarded to the Conduct Commission, which evaluates the cases and decides upon the applicable measures. In 2023, the cases reported via the Ethics Hotline were reported to the Board of Directors and to the Statutory Audit Committee. During the reported period, no cases involving issues of crucial concern to the business were registered.

The channel can be accessed by anyone, by phone or online, and is available 24 hours a day in Portuguese, English and Spanish.

Communication channels

Compliance Hotline

Tel:

0800 591 7192 (free of charge)

Website:

<https://www.canalconfidencial.com.br/aurenenergia/#>

E-mail:

linhaetica.auren@canalconfidencial.com.br



Corporate Center

_In 2023, Auren achieved the Global Compact's 100% Transparency Movement target, with the publication of our compliance and corporate governance structure.

Anti-corruption

We are committed to being a benchmark for integrity and ethics standards. With this in mind, we direct our efforts towards reinforcing our culture of transparency and observation of the compliance laws, regulations and good practices which guide the operation of our business. In 2023, all of our operations were assessed in terms of the risks relating to corruption. **GRI 205-1**

Our [Compliance and Anti-corruption](#) Policy provides directives on compliance and aims to contribute in the form of measures designed to prevent and detect acts of corruption and other practices which it is felt do not adhere to the values and culture of the Company. In this Policy, we set out our position of zero tolerance in relation to acts of corruption, fraud, money laundering, financing of terrorism and access to weapons of mass destruction, anticompetitive practices, tax evasion and violations of regulations relating to sanctions and embargoes.

The principle of combating corruption is also clearly established in our Code of Conduct, which reflects our values and what we expect of our professionals with respect to ethical dilemmas. In our relationship with the Company's different stakeholders, we reinforce our stance as upholders of a culture of ethics, integrity and respect.

In 2023, all our employees and business partners were contacted and received orientation concerning the procedures and policies for tackling corruption adopted by the organization. Roughly 93% of the employees and 100% of the board members received training on this issue. In addition to this, 100% of the members of the governing bodies, employees and partners of Auren received communications on our anti-corruption policies and procedures. **GRI 205-2**
In 2023, there were no confirmed cases of corruption. **GRI 205-3**

Furthermore, as signatories to the UN's Global Compact, we have publicly assumed the commitment to operating transparently and tackling corruption in all its forms. In 2022, we joined the Global Compact's 100% Transparency Movement, which is designed to encourage and empower companies to go beyond legal obligations, strengthening their mechanisms of transparency and integrity to make them more resilient and examples of success for other companies in the country.

Trading and new business

Energy trading

In 2023, Auren became the biggest trader on the free energy market, trading 4.2 GWavg over the course of the year, an increase of 59% in relation to 2022. Aware of the sustainable demands of our clients, the trends developing as a result of the global movement towards an energy transition, and the gradual opening of the free energy market, we have prepared ourselves to operate within new business models.

Our commercial activities are organized on three fronts: energy, technology and sustainability. During the reported period, we increased our investments in technology, the automation of processes, and new capabilities, and advanced our business units based upon sustainability. By doing so, we were able to increase our number of customers from 765 in 2022 to 1,033 at the end of 2023.

We have 124 partner energy managers, responsible for offering Auren products to energy consumers on the free market.

Between December 2023 and January 2024, we launched our first digital platform to sell carbon credits. This is our first step in the sale of products to individual consumers, including in segments such as events and logistics processes, amongst others.



Corporate Center

Carbon credit trading

GRI 201-2

Innovation, sustainability and intelligence are all pillars in the development of our business model. Also part of our commitment is the intention to contribute to tackling the climate crisis, creating solutions to boost a positive carbon economy together with our customers.

This is why, inspired by the transformative trends experienced by the energy sector and concerned about the environmental issues related to the operations of our new customers and consumers, in 2023, we worked on development of the portfolio of solutions focused on carbon credit trading.

Generated by the Ventos do Araripe II and Ventos do Piauí I wind assets, which, together, per year, can generate roughly one million carbon credits, whilst from our partners' assets, the traded credits are drawn from different activities and sources, including energy, forest reserves and landfill gases, amongst others.

We have a commercial team dedicated exclusively to carbon credit trading. In 2023, we were also licensed to trade carbon credits under the '*Compromisso com o Clima*' ('Commitment to the Climate') program developed by the Ekos Institute, a non-profit organization that encourages sustainability and works to preserve Brazil's biodiversity, counting a number of large Brazilian companies amongst its partners. Our entry into the Ekos Institute's platform, with a high level of evaluation, has afforded us even more credibility in the carbon offsetting market, and allowed us to make direct sales to end consumers in a very short period of time, always in compliance with the governance and control that this business demands.

Over the course of the year, our carbon credit trading has grown significantly, with an 800% increase in the purchase and sale volume in relation to the previous year. The sale of carbon credits already represents R\$ 20 million in annual invoicing for Auren, and more than four million credits have so far been traded, with more than 1.6 million in 2023 alone. **One of the targets of our Sustainability Strategy is to promote this market and trade eight millions carbon credits by 2030.**

One of the challenges of this area of business involves contributing to the development of the regulated carbon market in Brazil, which is currently under debate. As such, we have established partnerships with

a number of associations and dedicate great effort to this matter internally.

Free market

GRI 201-2

The movement towards a free energy market in Brazil has opened the way for a great many opportunities for companies, including Auren, which, in 2023, expanded its activities in this segment, establishing its leading position in the Free Contracting Environment with the highest volume traded in Brazil.

In relation to this, as of 2024, all high voltage consumers (that is, businesses and industries of any size) will be able to choose their electricity suppliers.

As such, as a means of making an early start on taking advantage of these opportunities in the market, we have made investments aimed at developing the products, services and solutions for our current and future customers, including small businesses. This new business area has required us to perform analyses and develop plans focused on the customer experience and satisfaction, since the plan is to expand energy sales as of 2024.

The migration to the free energy market will bring about an immediate reduction in costs, since the customer can negotiate the price with the supplier, leading to savings on the energy bill of as much as 25%. This also means that it will be easier to plan budgets and allow for greater power in taking the decision concerning which company will supply power to your business. Furthermore, the consumer can choose to consume energy drawn from renewable sources, thus promoting the sustainability of their production chain.



Sol do Piauí in the foreground, Ventos do Piauí in the background

Within this context, Auren signed an agreement for the creation of a joint venture with the telecommunications company Vivo.

With a 50% share held by each company, the joint venture intends to operate in the electricity retail sector, which includes small and medium-sized companies with a demand for energy of up to 500 kW.

The joint venture will combine the experience of Auren, a reference in the generation of renewable energy and leader in the energy trading in Brazil, and Vivo, a leader in the Brazilian telecommunications sector and a benchmark in the supply of digital services.

This operation represents an important step forward in the Company's growth strategy and long-term objective as it seeks to maintain its leading position in energy trading in Brazil. This extremely valuable partnership combines capillarity, excellence with customers, and the ability to customize energy trading products.

Digital innovation and transformation

GRI 2-6| GRI 3-3| DIGITAL INNOVATION AND TRANSFORMATION

Auren believes in innovation based upon the pillars of Culture, Ecosystems & Business, Experimentation, and Research & Development.

In the Culture pillar, we promote actions that engage the employees at the heart of innovation - experimenting in a controlled manner, minimizing risks and testing hypotheses with great potential for return, be it reputational, financial or operational. Along these lines, we launched our Ideas Program, 'Idealiz.A', aimed at finding and unlocking value for the business. In its first year, we engaged 40% of the employees and we received more than 60 ideas that were then developed for testing and implementation.

In the Ecosystems & Business pillar, meanwhile, we approached companies that were aligned with our market vision and developed a relationship with each of them with the aim of constructing value together. This relationship format can take different forms, including the possibility of direct investment. Currently, Auren has three companies in its portfolio - Way2, Aquarela and Flora - providing complementarity to our supply for many different stakeholders. Amongst the initiatives, we can highlight cross-sell offers, the application of artificial intelligence in market intelligence processes and new products, as well as the structuring of R&D projects focused on the development of the free energy market, amongst others.

Our Experimentation pillar, meanwhile, involves a structure that is prepared to directly lead the development of new initiatives by means of the construction and structuring of pilot projects and/or proofs of concept in areas of importance for Auren. In 2023, 11 initiatives were discussed and structured with the teams, for the approval of business hypotheses, including opportunities in the areas of Occupational Health and Safety, Sustainability and Organizational Productivity.

The Research & Development pillar involves substantial investments in areas of importance for the development of the electricity sector. In 2023, eight initiatives were included in the R&D Portfolio, totaling expenditures of around R\$ 5.2 million in the areas of Digitization and Performance, Energy Transition, ESG and the Opening of the Market. Worthy of special mention is our registration of the "IA Comercializadora" ("AI Trader") algorithm as Intellectual Property with the INPI (Brazil's National Institute for Intellectual Property), the publication of articles in Australia and Uruguay, and the inclusion of doctorate and post-doctorate theses in our projects. Furthermore, our projects were highlighted in articles published in large communication vehicles due to their uniqueness and importance.

Within this context, the development and innovation at Auren aims to generate value through the financial, operational and reputational impact in trading, renewable generation and new business. In addition, we believe that developing innovation on different business fronts and in different ways is essential for the Company's sustainability.

As such, in 2023, Auren defined four paths of innovation for future development:

1. **Performance management**, as a means of improving the margin of generation and increasing the production of energy, amongst other desired results.
2. **Organizational productivity**, with the aim of developing new tools and technologies for the day-to-day operations, thus making the Company more competitive.
3. **Retail trading**, with a view to creating paths that allow us to develop and generate value for our customers considering the context of the opening of the market.
4. **Implementation and active projects**, with the aim of developing initiatives connected to the development of new projects within the Company.

Over the course of 2023, different procedures and processes were established to support the Auren transformation process, operating in three principal dimensions: Governance of Innovation, a Culture of Experimentation and Ecosystems.

- **Management and Governance Procedures:**
 - i. Restructuring of the Research, Development and Innovation Commission, which now involves the participation of the Company's C-levels, and aims to ensure that the actions contained in the portfolio are aligned with the strategy. Along the same lines, this Commission provides support for the team to be able to discuss and foresee

any possible needs and/or opportunities for the business.

ii. Undertaking of facilitation processes together with the business areas to ensure that the culture of experimentation is recognized and can gain in scale, capillarity and relevance.

iii. Support in the strategy definition process, the governance processes, and the establishment of synergies with the investees, which currently include Way2, Aquarela and Flora. Each partner plays an important role in the materialization of the long-term strategy, since this allows for the incorporation of essential skills that will ensure our continued innovation and growth.

■ **Organizational processes:**

i. Establishment of a set of innovation indicators that are reported periodically to the leaders of Auren and which allow for adjustments to be made to the strategy, whenever necessary.

ii. We hold periodic meetings with the leaders connected to the priority themes in order to update the backlog of opportunities, as well as monitoring forums with the teams involved in developing the projects.

iii. Application of innovation methodologies, identification and execution of opportunities connected to cross-selling, development of new products (for example, Tactics Energy), and application of technologies, such as Artificial Intelligence, to support the exploration of opportunities

arising from the Opening of the Market. In addition to this, a procedure was established for Auren to be able to monitor the results of the investees.

The digitization of Auren

The digitization of Auren's processes forms part of the concept of providing the best in customer service, constantly searching for gains in productivity and improvements in the working experience for our employees. This means that the Company, through technology and the continued use of data and analytics, with the mentality of a data-driven company, is always seeking to optimize its employees so that they can perform their functions in the best way possible, thereby creating value for the Company.

This approach allows Auren to grow with a lean framework, highly developed governance and superior quality. We have a corporate structure that is a benchmark in the market, guided by best market practices and connecting the investment strategy and portfolio with the business and technological structure expanding in the form of more consistent automated processes and controls that truly reflect gains in productivity. This approach has helped the Company avoid sunken costs or any sort of friction in the processes that are very often caused by excessive digitization.



Ventos do Piauí II Wind Complex

Customer management

GRI 2-6 | 3-3 | CUSTOMER RELATIONS

Over the course of our journey, we have built a solid reputation in the market. This is the result of a genuine interest in our customers, as well as a firm strategy, with clearly defined targets based upon the environmental, social and governance pillars. This credibility meant that, in 2023, we achieved first place in Brazil's energy trading rankings for the first time in our history. We also stood out in the carbon credit market in the countries where we operate. Furthermore, 2023 was a year in which our strategy was especially focused on the free market ([read more about our operations in these areas on page 54](#)).

2024 is set to be a year of enormous opportunities, both for increasing our energy customer base and for expanding our portfolio of customized products and solutions. In preparation for this, Auren has been investing in technology and automation, meaning we will be that much more prepared to make the right decisions. The use of technologies has helped to generate more sophisticated resources for the creation of products and services, thus adding value to the trading portfolio. As such, we can more simply and intelligently offer highly automated solutions. Another example that shows the benefits of this investment was the use of Artificial Intelligence in energy trading, which allowed Auren to achieve a 68% efficiency rate in the purchase and sale of energy. Working through a partnership, we were able to develop a robot guided by 50 premises to assist in the price formation of energy in the short and medium terms.

Over the course of 2023, Auren surpassed the milestone of 1,000 customers.

The large corporate clients and small retail customers, along with the trading desk capacity to trade large volumes last year, resulted in the company assuming a leading position in the energy trading in Brazil.

The majority of our customers operate in the manufactured products, services and commerce sectors.

385+ new customers in 2023

830 wholesale customers

160 retail customers

40+ I-REC, Carbon Credit and Management Services customers

In order for us to be competitive in the free market and attract more retail customers, in 2023, we worked to understand this new client, developing different partnership models that will ensure us greater capillarity. Today, more than 15% of Auren's customer portfolio is made up of retailers. For 2024, we expect the retail customer market to expand, with the shifting of this public to the free market, an area which represents new business opportunities and new challenges, such as understanding the journey this public is taking, the creation of simplified products, and loyalty in a more competitive environment.

Monitoring customer satisfaction

None of this could have been achieved if we had not placed the customer at the heart of our business. We monitor the customer satisfaction level by means of the Net Promoter Score (NPS). In 2023, the NPS sat at 79, a level far higher than the average for the energy industry, a result that placed us in the 'Zone of Excellence'. At the same time, our churn dropped from 16.6% in 2022 to 11% in 2023.

This result was only possible due to the initiatives undertaken over the course of the year, including a review of our customer service processes, an evolution of the communication reports and measurements, creation of a pre-sales cell, optimization of the contractual instruments, simplification of supplies, and improvement of the sales materials. We also conducted interviews with customers with the intention of understanding their most pressing problems and addressing them through the ongoing improvement of our processes. We also listened to the customers' opinions by means of focus groups, through



which we were able to explore complex issues concerning the clients' procurement journey and either confirm or refute hypotheses for the development of our solutions.

The customer's behavior was also evaluated using digital tools, including usability tests and analytics reports, allowing for gradual, but continuous, gains through the analysis of metrics on our platforms.

We also took part in events such as trade fairs and entered into partnerships with business organizations, which meant we could improve our proximity to strategic channels for the sale of the solutions in our portfolio. Actions such as these contributed to boosting the presence of the Auren brand as a potential business partner for small and medium

consumers, a market that has been opening up as an opportunity in energy trading.

As part of the internal processes focused on the dissemination of best practices, worthy of special mention is the monthly Customers and Trading Forum. At this event, all areas of the Trader share the results and advances achieved during the month, suggesting constructive discussions on how to approach challenges and development of the Company's commercial strategy.

Our challenge for 2024 is to digitize our customer services and relationship, by means of solutions that enable self-service, with all the information contained in the contract being available online.

Customer relations

GRI 3-3 CUSTOMER RELATIONS

Our relationship with the customer is guided by transparency, flexibility and quality in communication. In operating with energy trading, we aim to offer products and services that provide solutions to our customers' most pressing challenges, be they in the reduction of costs, gains in efficiency and conservation of energy, or the offsetting of greenhouse gas emissions.

To reduce costs, we provide competitive solutions for the purchase of energy, allowing the consumer to reduce their spending on this input and consequently make investments that enable increased competitiveness, such as in the form of new machinery or personnel. This dimension of our supply in the relationship with the customer drives the local economy, allowing structural gains for the chain of suppliers and a possible reduction in the cost of the products traded by our customers.

In relation to the energy efficiency and conservation, we provide solutions tied to our energy products that allow the client to visualize their consumption profile in detail along with the benefits obtained from what we have to offer. This also involves the support provided by our consultants and services to boost the gains that are a feature of this level of detail. Our digital solutions, including reports, graphs and analyses, allow the customer to become more knowledgeable concerning their own consumer profile and draw up personalized action plans to be able to reduce their consumption and therefore their impact on the Brazilian energy grid.

We also provide our customers with the opportunity to offset their greenhouse gas emissions through the trading of Renewable Energy Certificates (I-REC) and Carbon Credits, instruments that allow them to reduce their impact on the environment through the acquisition of official certificates for the offsetting of Scope 1, 2 and 3 emissions as defined by the International GHG Protocol.

Supply Chain Management

GRI 3-3 SOCIAL RESPONSIBILITY | 204-1 | 308-1 | 308-2 | 414-1

The process at the base of our supply chain is firmly rooted, having evolved in 2023 in line with the best social and environmental practices. A great many companies are included in our chain of suppliers, including energy infrastructure construction companies, wind turbine and hydroelectric equipment manufacturers, engineering and sustainability maintenance and consultation services companies, mostly located in Brazil, with some components being imported from countries that lead the way in renewable energy technology. We are served by 1,060 direct suppliers, of which 34 are considered strategic, since they accounted for 75% of the company's purchases in the last year. The supply companies operate in a variety of sectors, including engineering, civil construction, environmental and vegetation restoration services, mechanical and electrical maintenance of machinery and equipment, and mechanical and electrical equipment supply. Of the total number of suppliers, 16% are companies operating in the regions close to our units.

During the contracting process, 100% of our suppliers, working on either projects under development or the operations at the power plants or the corporate head office, in different categories, are ratified.

The ratification process guarantees the verification of sustainable socio-environmental practices in our sourcing of suppliers. At the heart of our principles, we seek to promote the development of regional suppliers, contributing to the creation of employment opportunities and, consequently, driving the economic growth in those areas in which we are present.

Another positive impact in the supply area involves the reduction of consumption of natural resources and waste disposal. By adopting sustainable practices in our sourcing, we can contribute to the preservation of the environment.

Along these lines, 2023 was a year in which we evolved enormously, since we managed to adapt our questionnaire concerning sustainable

practices for companies of different sizes, from the largest to the smallest, such as corner stores or restaurants. This was a complex and multi-faceted job, involving many departments within Auren, including the governing bodies, Information Security, social and environmental, and third party risks, amongst others, aimed at including this risk bias through an understanding of the specific characteristics of these suppliers, each of which have a different specific profile.

Transparency in the supply chain

GRI 204-1

In 2023, the total financial sum transacted in our supply chain reached approximately R\$ 500 million. It should be highlighted that all the suppliers contracted must formally agree to the principles established in Auren's Code of Conduct.

With the intention of ensuring excellence and sustainability in our production chain, the Compliance team performs a Due Diligence procedure to verify the potential supplier's integrity during the ratification process. This process involves a prior evaluation of the supplier based upon the level of risk and exposure they may present to Auren. The Due Diligence on Integrity process includes verification of aspects including reputation, blacklists and sanctions, and an analysis of any conflicts of interest, amongst other criteria. The process forms a part of the risk management of the supply chain.

In addition to this stage, we apply a questionnaire, focused on environmental, social and governance matters, which aims to evaluate the suppliers' commitment in relation to these aspects, whilst we also provide training on sustainable procurement for all our supply companies.

The outlook for 2024 is to work on an automated ratification process, which will involve a scoring system to indicate the supplier's level of compliance with the process. The aim is to establish the foundations necessary for the complexity of our relationship with the suppliers without the need to increase the length of time spent on the contracting process. The exception here involves the Due Diligence on Integrity process which, due to its complexity, cannot be fully automated.

In each contract signed, we monitor the possible negative socio-environmental impacts and implement risk control and mitigation actions whenever necessary. To manage the impacts, we use a panel that allows us to monitor the suppliers based upon their financial performance and their sustainability practices. We are also always in contact with the suppliers to strengthen the partnership and ensure continued improvement. In 2023, no negative environmental impacts were registered. **GRI 414-2**

Over the course of this process, we were able to understand the social and environmental impacts of our supply sourcing. Critical analysis is now a consolidated practice at the company, with it being considered a premise for all sourcing and development of our suppliers.

All contracts include clauses related to observation of human rights and the combating of corruption, bribery and child or compulsory labor, amongst other topics set forth in our Code of Conduct, whilst they also establish criteria on environmental aspects and conditions for the rescission of the agreement in the event cases involving the occurrence of these topics come to light. This stage is essential for ensuring that all our suppliers are aligned with Auren's principles and guaranteeing compliance with all the legislation to which we are subject. In the event of non-compliance, the process is automatically suspended, be it in either the contracting or execution phase.

Regulatory management

The last year was notable for the sector's preparation for the opening of the free market. Under the terms of Ordinance 50/2022, published by the Ministry of Mines and Energy, all high voltage connection users will be able to freely choose their energy supplier as of January 1, 2024.

One of the measures implemented was the close monitoring of the market by the Electricity Commercialization Chamber (CCEE). This measure allows the CCEE to periodically monitor the exposure of market agents, through the gauging of a leveraging factor that considers the energy purchase and sale operations planned for the coming six months. The implementation of monitoring of this kind is an important step forward in guaranteeing a reliable and safe environment for the free trading of energy, since it allows the CCEE to foresee questionable operations that could present risks during financial liquidations.

Another important milestone for Auren was the beginning of operations at the Sol do Piauí solar park, the first combined generation pilot project authorized by ANEEL in Brazil, which will be operating in conjunction with the Ventos do Piauí I wind complex. Auren was at the forefront of the regulatory discussion, participating actively in the development of solutions for the optimum use of the transmission infrastructure by projects involving complementary profiles of energy production. Intense discussions were held with the regulatory bodies over the course of four years, until Normative Resolution 954/2021 was published, addressing the issuing of grants for hybrid and associated projects.

For the coming year, the Company expects to be participating in the next Capacity Reservation Auction, aiming to facilitate four additional generation units at the Porto Primavera plant, providing the system with operational flexibility and the capacity to provide high-tech services that are, these days, essential and increasingly more required by the operator.



Corporate Center

Associations and organizations

GRI 2-28

Auren is a member of the following associations and organizations:

- *Associação Brasileira dos Investidores em Autoprodução de Energia* (Brazilian Association of Investors in Self-Production of Energy - Abiape)
- *Associação Brasileira das Empresas Geradoras de Energia Elétrica* (Brazilian Association of Electricity Generating Companies - Abrage)
- *Instituto Acende Brasil*
- *Câmara de Comercialização de Energia Elétrica* (Electricity Trading Chamber - CCEE)
- *Comitê Brasileiro de Barragens* (Brazilian Dams Committee - CBDB)
- *Associação Brasileira de Energia Eólica* (Brazilian Wind Energy Association - Abeólica)
- *Associação Brasileira dos Comercializadores de Energia* (Brazilian Association of Energy Traders - Abraceel)
- *Associação Brasileira dos Produtores Independentes de Energia Elétrica* (Brazilian Association of Independent Electricity Producers - Apine)
- *Instituto Brasileiro de Governança Corporativa* (Brazilian National Corporate Governance Institute - IBGC)
- *Associação Brasileira da Indústria do Hidrogênio Verde* (Brazilian Association of the Green Hydrogen Industry - ABIHV).
- *Associação Brasileira de Energia Solar Fotovoltaica* (Brazilian Association of Photovoltaic Solar Energy - Absolar).
- *Conseil International des Grands Réseaux Electriques* (International Council on Large Electric Systems - Cigre).

Annexes

- GRI Content
- ANEEL Content
- GRI Summary
- SASB Summary
- ANEEL Summary

GRI content index

GRI 2-7 Employees^{1,2}

By gender and region

	Region	Female	Male	
Profile		152	175	
Operations Center		3	21	
Sol de Jaíba	Southeast	2	10	447
Picada HPP		0	14	
Paraibuna HPP		1	15	
Porto Primavera HPP		7	47	
TOTAL		165	282	
Sol do Piauí	Northeast	0	7	45
Wind Farms ³		9	29	
TOTAL		9	36	

By gender, region and employment agreement

	Female			Male		
	Southeast	Northeast	Total Women	Southeast	Northeast	Total Men
Permanent	165	7	172	279	29	308
Temporary	0	2	2	3	7	10

	Full time	Part time
Female	173	1
Male	293	25
Northeast	45	0
Southeast	421	26

GRI 2-8 Workers who are not employees^{1,2}

By gender

	Female	Male
Board Members and Committee Members	2	7
Apprentices ⁴	4	3
Interns ⁴	8	9

205-2 Communication and training on anti-corruption policies and procedures

	Southeast		Northeast		
Assistants	1	100%	Assistants	4	100%
Technicians	73	99%	Technicians	22	100%
Operational Employees	8	100%	Operational Employees	1	100%
Analysts	122	95%	Analysts	13	100%
Consultants	116	98%	Supervisors	1	100%
Supervisors	9	100%	Coordinators	1	100%
Coordinators	7	100%	Managers	1	75%
Managers	54	96%			
Executives-Managers	15	94%			
Directors	14	93%			

¹ For the compilation of the data, Auren has used the base of employees active in December 2023 (the last month of the reported period), without the inclusion of trainees, apprentices or board members.

² There were no significant variations during the reported period or between the reported periods.

³ 'Wind Complexes' consolidates the data concerning the teams at the units: Ventos do Araripe III, Ventos do Piauí I, II and III.

⁴ Trainees and apprentices: support and/or administrative functions under the supervision of a more senior employee.

302-1 Energy consumption within the organization

Breakdown	Unit Measurement	Auren (Consolidated)	Auren (Corporate)	VVIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
a. Energy consumption within the organization from non-renewable sources.	GJ	2,837.1	5.9	504.8	504.8	3.1	3.1	232.7	123.7	1,458.7
b. Energy consumption within the organization from renewable sources.	GJ	217.8	13.9	-	-	-	-	82.1	11.3	110.5
c. Total electricity consumption in joules, watt-hours or multiples.	GJ	361,721.5	1,628.8	101,479.1	27,532.7	59,253.7	67,752.5	20,574.3	3,501.0	80,449.1
d. Total electricity sold in joules, watt-hours or multiples.	GJ	-	-	-	-	-	-	-	-	-
e. Total energy consumption within the organization.	GJ	364,776.5	1,648.7	101,938.9	28,037.5	59,256.9	67,755.7	20,889.1	3,186.0	82,018.4

302-2 Energy consumption outside the organization

Breakdown	Unit of Measurement	Auren (Consolidated)	Auren (Corporate)	VVIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
a. Total energy consumption within the organization, in joules or multiples.	GJ	11,997.9	5,706.0	368.3	368.3	570.6	570.6	654.0	481.1	3,278.7

302-3 Energy intensity¹

Breakdown	Unit of Measurement	Auren (Consolidated)	Auren (Corporate)	VVIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
a. Energy intensity ratio for the organization.	-	0.01	N/A	0.02	0.01	0.02	0.02	0.02	0	0
Denominator - Gross Energy generated	-	45,161,560.5	No energy was generated	5,010,561.6	2,866,749.9	3,274,095.6	3,046,769.3	919,083.6	878,130.0	29,166,170.4

¹ Energy consumed within and outside the Organization (GJ) / Gross Energy (GJ)

303-3 Water withdrawal^{1,2}

	Unit measurement	Auren (Consolidated)	Auren (Corporate)	VAIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
i. Fresh water (total dissolved solids ≤1,000 mg/L); TOTAL	MI	16.7	4.0	0.9	0.6	0.1	0.1	1.3	1.3	8.3
a-b.i. Surface water	MI	2.6	0	0	0	0	0	1.3	1.3	0
a-b.ii. Groundwater	MI	6.5	0	0	0	0	0	0	0	6.5
a-b.iii. Third parties water	MI	7.6	4.0	0.9	0.6	0.1	0.1	0	0	1.8

¹ 100% of the withdrawal, consumption and disposal at the Wind Complexes (VAIII, VDP I, VDP II and VDP III) relates to regions suffering water stress.

² The data were compiled in accordance with the following specifications: PPR: sum of the consumption registered by a hydrometer; Wind Complexes: volume of water contracted in the form of spray tankers; Picada and Paraibuna: consumption per capita for working days.

303-4 Water discharge¹

	Unit of measurement	Auren (Consolidated)	Auren (Corporate)	VAIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
Municipal sewage system	MI	4.6	3.2	0	0	0	0	0	0	1.4
Septic tank	MI	3.6	0	0.7	0.5	0.1	0.1	1.0	1.1	0
Sewage treatment station	MI	1.4	0	0	0	0	0	0	0	1.4
Biodigestor system	MI	1.8	0	0	0	0	0	0	0	1.8
Surface discharge	MI	0.5	0	0	0	0	0	0	0	0.5
TOTAL		11.9	3.2	0.7	0.5	0.1	0.1	1.0	1.1	5.2

¹ 100% of the withdrawal, consumption and disposal at the Wind Complexes (VAIII, VDP I, VDP II and VDP III) relates to regions suffering water stress.

303-5 Water consumption^{1,2}

	Unit of measurement	Auren (Consolidated)	Auren (Corporate)	VAIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
Total consumption of water	MI	4.8	0.8	0.2	0.1	0.03	0.03	0.3	0.3	3.1

¹ 100% of the withdrawal, consumption and disposal at the Wind Complexes (VAIII, VDP I, VDP II and VDP III) relates to regions suffering water stress.

² The data were compiled in accordance with the following specifications: Porto Primavera HPP: sum of the consumption registered by a hydrometer; Wind Complexes: volume of water contracted in the form of spray tankers; Picada HPP and Paraibuna HPP: consumption per capita for working days.

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside environmentally protected areas

For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas:

	Porto Primavera HPP	Paraibuna HPP	Wind Complexes
i. Geographical location.	Paraíba Valley, State of São Paulo (Atlantic Forest biome) Mato Grosso do Sul (Cerrado ecotone Atlantic Forest)	State of São Paulo (Atlantic Rainforest biome Paraíba Valley)	States of Piauí, Pernambuco and Ceará (Caatinga biome)
ii. Surface and underground areas owned, leased or managed by the organization.	Surface areas managed by the organization	Surface areas managed by the organization	Leased surface areas
iii. Position in relation to protected areas (in, adjacent to, or occupying parts of protected areas) or areas of high biodiversity value outside protected areas.	In the regions adjacent to the parks and reserves, with permanent protection areas neighboring the Conservation Units.	Part of the project lies inside an Area of Environmental Protection.	Ventos do Araripe III lies within an Area of Environmental Protection and Ventos do Piauí I, II and III in neighboring regions
iv. Type of operation (office, manufacturing/production or extraction).	Hydroelectric power station	Hydroelectric power station	Wind Complexes
v. Size of operational site in km² (or another unit, if appropriate);	2,250 km ² of reservoir area 710.65 km ² of Permanent Conservation Area and damaged areas under recovery	177 km ² of reservoir area 10.72 km ² of Permanent Conservation Areas (PCAs);	Ventos do Piauí I: 21.76km ² Ventos do Piauí II: 14.95km ² Ventos do Piauí III: 15.13km ² Ventos do Araripe III: 32.30km ² Total: 84.14 km ² under transfer of use
vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem).	High value, with the presence of endemic and threatened species	High value, with the presence of endemic and threatened species	High value, with the presence of endemic and threatened species
vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	Rio do Peixe State Park Aguapei State Park Cisalpina Private Natural Heritage Reserve Várzeas do Rio Ivinhema State Park	Environmental Protection Area (EPA) Paraíba do Sul River Basin	Environmental Protection Area (EPA) Chapada do Araripe

304-2 Significant impacts of activities, products, and services on biodiversity

Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:

i. Construction or use of factories, mines and transportation infrastructure.	<p>In the installation phase, all the structures within the operational area are valued and indemnified. Once they begin operations, lease payments are made to the owners of the lands upon which the wind turbines and solar panels have been installed, depending upon the power generated, thus creating a positive impact.</p> <p>Socio-environmental, studies, diagnoses and programs are performed, with a view to identifying possible impacts and mitigating them, if possible and necessary.</p>
ii. Pollution (introduction of substances not occurring naturally in the habitat, from isolated or non-isolated sources).	There was no environmental pollution caused by any of the organization's units.
iii. Introduction of invasive species, pests and pathogenic agents.	No invasive species were introduced as a result of the activities of any of the organization's units.
v. Reduction of species.	During the implementation and during the initial years of the operation of the hydroelectric plants, through the construction of the dam that creates different environments (river/reservoir transition), favoring species that are adapted to this new environment. With the passage of time, these environments become more stable, with no recurrence of the species reduction process.
vi. Conversion of habitats.	This occurs during the project installation phase, through the suppression of vegetation for construction of the structures, and also during the reservoir filling phase, when flowing river habitats are converted into semi-static water reservoir environments. The first impact can be mitigated by means of fauna removal and retrieval, and recovery of damaged areas, being compensated in the form of forest restorations and environmental compensation. To minimize the second, when the ecological conditions of the river basin are suitable, some HPPs have fish transition systems to enable the migration flow of the species of fish during their reproductive period.
vii. Changes in ecological processes outside of the natural range of variation (e.g.: salinity or change in the level of ground water).	For the reported period there were no alterations in the ecological processes arising from the activities of any of the organization's operating units.

305- 1 Direct (Scope 1) GHG emissions^{1, 2, 3, 4, 5}

Breakdown	Unit of Measurement	Auren (Consolidated)	Auren (Corporate)	VAIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
Gross direct GHG emissions (Scope 1) in metric tons of CO ₂ equivalent	Values in tCO ₂ e	122,245.2	0.4	31.2	31.2	0.2	0.2	24.7	42.9	122,114.2
b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	Values in tCO ₂ e	CH ₄	CH ₄	CH ₄	CH ₄	CH ₄	CH ₄	CH ₄	CH ₄	CH ₄
		CO ₂	CO ₂	CO ₂	CO ₂	CO ₂	CO ₂	CO ₂	CO ₂	CO ₂
		N ₂ O	N ₂ O	N ₂ O	N ₂ O	N ₂ O	N ₂ O	N ₂ O	N ₂ O	N ₂ O
		SF ₆	SF ₆					SF ₆	SF ₆	SF ₆
		HCF	HCF							
c. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent.	Values in tCO ₂ e	8,863.6	1.0	12.8		0.04		8.1	202.1	8,639.5

¹ There was a significant increase from 2022 to 2023, due to the occurrence of wildfires in the permanent conservation areas in which the Porto Primavera HPP is located, caused by the unfavorable climate conditions and human activity in the neighboring regions. The initiatives adopted by the company for the prevention and combating of wildfires are presented on [page 24](#).

² The year considered for calculation was 2022, the first year in which Auren performed an inventory of greenhouse gas emissions. It should be stressed that the VDP II and VDP III units were in the implementation phase and were not included in the base year inventory.

³ The methodology used for the calculation was that of the GHG Protocol and the operational control was used for consolidation.

⁴ The data relate to the inventory closing date for the Annual Report on 29-Feb-2024. The final inventory may be consulted in the Public Record of Emissions.

⁵ The final data assured in the inventory of the 2022 base year may be consulted in the Public Record of Emissions. **GRI 2-4**.

305- 2 Indirect (Scope 2) greenhouse gas (GHG) emissions from the acquisition of energy^{1, 2, 3, 4}

Breakdown	Unit of Measurement	Auren (Consolidated)	Auren (Trader)	VVIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.	Values in tCO ₂ e	23.7	17.3	-	-	-	-	4.5	1.0	0.8
b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.	Values in tCO ₂ e	-	-	-	-	-	-	-	-	-
c. If available, the gases included in the calculation; whether CO₂, CH₄, HFCs, PFCs, SF₆, NF₃, or all.	Values in tCO ₂ e	CO ₂	CO ₂	N/A	N/A	N/A	N/A	CO ₂	CO ₂	CO ₂

¹ The year considered for calculation was 2022, the first year in which Auren performed an inventory of greenhouse gas emissions. It should be stressed that the VDP II and VDP III units were in the implementation phase and were not included in the base year inventory.

² The methodology used for the calculation was that of the GHG Protocol and the operational control was used for consolidation.

³ The data relate to the inventory closing date for the Annual Report on 29-Feb-2024. The final inventory may be consulted in the Public Record of Emissions.

⁴ The final data assured in the inventory of the 2022 base year may be consulted in the Public Record of Emissions. **GRI 2-4.**

305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions^{1, 2, 3}

Breakdown	Unit of Measurement	Auren (Consolidated)	Auren (Trader)	VVIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.	Values in tCO ₂ e	1,169.8	385.7	36.6	36.6	46.6	46.6	26.4	138.7	452.5
b. If available, the gases included in the calculation; whether CO₂, CH₄, HFCs, PFCs, SF₆, NF₃, or all.	Values in tCO ₂ e	-	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O
c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.	Values in tCO ₂ e	92.6	24.7	5.4	5.4	5.6	5.6	21.2	11.4	13.2

¹ The data relate to the inventory closing date for the Annual Report on 29-Feb-2024. The final inventory may be consulted in the Public Record of Emissions.

² Operational control was used as the consolidation approach.

³ The final data assured in the inventory of the 2022 base year may be consulted in the Public Record of Emissions. **GRI 2-4.**

305-4 Intensity of Greenhouse Gas (GHG) emissions^{1,2}

Breakdown	Unit of Measurement	Auren (Consolidated)
a. GHG emissions intensity rate for the organization.	Total emissions/Gross Revenue	19.0
b.i. Absolute GHG emissions (numerator)	tCO ₂ e	132,394.8 tCO ₂ e
b.ii. Specific metric (the denominator) chosen by the organization to calculate this ratio.	Gross Revenue associated with the sale of electricity	R\$ 6,953.6 M
c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), indirect (Scope 2) arising from the acquisition of energy, and/or other indirect emissions (Scope 3).		Scopes 1, 2 and 3

¹ The data relate to the inventory closing date for the Annual Report on 29-Feb-2024. The final inventory may be consulted in the Public Record of Emissions.

² The final data assured in the inventory of the 2022 base year may be consulted in the Public Record of Emissions. **GRI 2-4.**

Breakdown	Unit of Measurement	Auren (Consolidated)	Auren (Corporate)	VVIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP
d. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ or all.		CH ₄ CO ₂ N ₂ O SF ₆ HCF	CH ₄ CO ₂ N ₂ O SF ₆ HCF	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O	CH ₄ CO ₂ N ₂ O SF ₆	CH ₄ CO ₂ N ₂ O SF ₆	CH ₄ CO ₂ N ₂ O SF ₆

306-3 Waste generated

Total waste generated, by composition (in tons)¹

Uncontaminated plastic, paper, cardboard or glass packaging (Class II - Non-hazardous - Non-Inert)	4.7
Organic and Non-Recyclable Waste (Class II - Non-hazardous - Non-Inert) ²	330.4
Organic Waste - directed for composting (Class IIA - Non-hazardous - Non-Inert)	23.4
Wood (Class II - Non-hazardous - Non-Inert)	10.7
Scrap metals (Class IIB - Non-hazardous - Inert)	2.0
Civil Construction (Class IIB - Non-hazardous - Inert)	700.8
Contaminated solids in general (Class I - Hazardous)	41.7
Electronic Components (Class I - Hazardous)	0.1
Asbestos Waste (Class I - Hazardous)	18.8
Used Oils (Class I - Hazardous)	16.1
Total	1,148.7

¹ The data on waste presented above cover all of Auren Energia's operational and administrative units. The information relating to the Auren Corporate Center were provided for the entire building by the administrator of the corporate building. As such, to arrive at the results, the amounts were assessed per floor. To arrive at the sum of the Auren Corporate Center, the sum per floor was multiplied by 1.5 (relating to the one and a half floors occupied by Auren Energia).

² Including the amounts relating to the disposal of sludge in Class II A landfills for VDP and VA III.

³ In 2022, 15,621 t of asbestos were reported. The correct sum is 15.62 t, which was not disposed of in 2022. In 2023, another 3.18 tons were generated, totaling 18.8 t, which were fully disposed of in Class I waste landfills. **GRI 2-4.**

306-4 Waste diverted from final disposal

Total waste diverted from final disposal, by type (in tons)¹

Uncontaminated plastic, paper, cardboard or glass packaging (Class II - Non-hazardous - Non-Inert)	4.7
Organic and Non-Recyclable Waste (Class IIA - Non-hazardous - Non-Inert)	222.5
Organic Waste - directed for composting (Class IIA - Non-hazardous - Non-Inert)	23.4
Wood (Class II - Non-hazardous - Non-Inert)	10.7
Scrap metals (Class IIB - Non-hazardous - Inert)	2.0
Contaminated solids in general (Class I - Hazardous)	2.3
Electronic Components (Class I - Hazardous)	0
Asbestos Waste (Class I - Hazardous)	0
Used Oils (Class I - Hazardous)	11.1
Total	276.7

³ In 2022, 15,621 t of asbestos were reported. The correct sum is 15.62 t, which was not disposed of in 2022. In 2023, another 3.18 tons were generated, totaling 18.8 t, which were fully disposed of in Class I waste landfills. **GRI 2-4**

Total hazardous waste diverted from final disposal, by recovery operation

i. Preparation for reuse.	0
ii. Recycling.	2.3
iii. Other recovery operations.	11.1

Total non-hazardous waste diverted from final disposal, by recovery operation

i. Preparation for reuse.	0
ii. Recycling.	10.4
iii. Other recovery operations.	252.8

Total waste (hazardous and non-hazardous) diverted from final disposal, by recovery operation

i. within the organization.	252.8
ii. outside the organization.	23.8

306-5 Waste directed to final disposal

Total waste directed for final disposal, by type (in tons)

Organic and Non-Recyclable Waste (Class IIA - Non-hazardous - Non-Inert)	107.9
Contaminated solids in general (Class I - Hazardous)	39.3
Electronic Components (Class I - Hazardous)	0.1
Asbestos Waste - Class I - Hazardous ¹	18.8
Used Oils (Class I - Hazardous)	4.9
Civil Construction (Class IIB - Non-hazardous - Inert) ²	700.8

Total hazardous waste directed for final disposal, by recovery operation

i. Incineration (with energy recovery).	44.3
ii. Incineration (without energy recovery).	0
iii. Landfill	19.4
iv. Other disposal operations.	0

Total non-hazardous waste directed for final disposal, by recovery operation³

i. Incineration (with energy recovery).	0
ii. Incineration (without energy recovery).	0
iii. Landfill	107.9
iv. Other disposal operations.	700.8

Total waste (hazardous and non-hazardous) directed for final disposal, by recovery operation

i. within the organization.	0
ii. outside the organization.	872.0

¹ In 2022, 15,621 t of asbestos were reported. The correct sum is 15.62 t, which was not disposed of in 2022. In 2023, another 3.18 tons were generated, totaling 18.8 t, which were fully disposed of in Class I waste landfills. **GRI 2-4**

² There was a greater generation of waste in 2023, due to maintenance work performed at the Picada HPP.

³ Other disposal operations: Picada HPP: Civil Construction Waste dumping area.

401-1 New hirings and employee turnover

Breakdown	Unit of Measurement	Auren (Consolidated)	Under 30	Between 30 and 50	More than 50 years of age
			Female	Male	
ab.i. Total number of employees hired, terminated and turnover rate, by age group.	Absolute n°	Hired:	32	92	2
		Dismissed:	16	62	14
	%	Turnover Rate ¹	37%	20%	21%
ab.ii. Total number of employees hired, terminated and turnover rate, by gender.	Absolute n°	Hired:	49	77	
		Dismissed:	27	65	
	%	Turnover Rate	21.8%	22.3%	
ab.iii. Total number of employees hired, terminated and turnover rate, by region.	Absolute n°	Hired:	114	17	
		Dismissed:	81	11	
	%	Turnover Rate	21.8%	31.1%	

¹ In relation to turnover, the 22.2% total over the year is the result of the following factors: an increase in the workforce due to the expansion of the operations and the opening of the free market; the global competition for talents considering the scarcity of qualified labor in the sector, with resignations occurring especially in the engineering and projects areas; and the growth expectation for leadership positions at the level of consultant, these professionals accounting for the majority of individuals resigning.

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

- Life insurance.
- Health care plan.
- Food/Luncheon vouchers.
- Private Pensions.
- Transport passes.
- Day-care support.
- Gympass.
- Maternity/Paternity leave

404-1 Average hours of training per year, per employee

By employment category¹

Category	Total number	Average number of hours
Assistants	127	21.2
Operators	285	28.5
Technicians	7,005	73.0
Analysts	2,374	16.4
Consultants	1,601	13.1
Supervisors	704	78.2
Coordinators	139	17.4
Managers	1,108	17.3
Executives-Managers	414	25.9
Directors	427	28.5

¹ Online and in-person training sessions for active and inactive employees in the reported period were included in the calculations, but external workers, trainees and young apprentices were not.

404-3 Percentage of employees receiving regular performance and career development reviews^{1,2}

	Male		Female			
	% and absolute n°		% and absolute n°			
a. Total percentage of employees, discriminated by gender and functional category, who received regular performance and career development reviews in the reporting period. ^{1,2}	Operators	8	100%	Operators	0	-
	Technicians	67	82%	Technicians	5	75%
	Assistants	1	100%	Assistants	3	84%
	Analysts	57	87%	Analysts	43	87%
	Consultants	40	82%	Consultants	39	83%
	Supervisors	8	90%	Supervisors	1	100%
	Coordinators	4	89%	Coordinators	2	100%
	Managers	24	74%	Managers	19	84%
	Executives-Managers	12	92%	Executives-Managers	2	67%
	Directors	10	83%	Directors	3	100%

¹For the corporate public: the evaluation began in March/2023. The data include those people who joined the Company through to September/2022.

²For the operational public: the evaluation began in June/2023. The data include those people who joined the Company through to March/2023.

405-1 Diversity of governance bodies and employees

Members of governing bodies

By gender (%)	
Men	78% (seven men)
Women	22% (two women)
By age group (%)	
Under 30	0%
30 to 50 years of age	56%
Over 50	44%

Employees by employment category and gender

	Total	Men (absolute n°)	Women (absolute n°)	Men (%)	Women (%)
Assistants	6	2	4	33%	67%
Operators	10	10	0	100%	0%
Technicians	97	88	9	91%	9%
Analysts	145	78	67	54%	46%
Consultants	122	65	57	53%	47%
Supervisors	9	8	1	89%	11%
Coordinators	8	6	2	75%	25%
Managers	64	36	28	56%	44%
Executives-Managers	16	13	3	81%	19%
Directors	15	12	3	80%	20%
	492	318	174	65%	35%

405-1 Diversity of governance bodies and employees

Employees by employment category and age group

	Total	Under 30 years of age (absolute n°)	30 to 50 years of age (absolute n°)	Under 50 years of age (absolute n°)	Under 30 years of age (%)	30 to 50 years of age (%)	Over 50 years of age (%)
Assistants	6	4	1	1	67%	17%	17%
Operators	10	0	7	3	0%	70%	30%
Technicians	97	21	64	12	22%	66%	12%
Analysts	145	27	110	8	19%	76%	6%
Consultants	121	13	104	4	11%	86%	3%
Supervisors	10	0	7	3	0%	70%	30%
Coordinators	8	0	8	0	0%	100%	0%
Managers	64	0	61	3	0%	95%	5%
Executives-Managers	16	0	16	0	0%	100%	0%
Directors	15	0	11	4	0%	73%	27%
	492	65	389	38	13%	79%	8%

Employees by employment category and other indicators of diversity¹

	Total	Black and Mixed Race (absolute n°)	Black and Mixed Race (%)
Assistants	6	5	83%
Operators	10	4	40%
Technicians	97	46	47%
Analysts	145	36	25%
Consultants	121	22	18%
Supervisors	10	4	40%
Coordinators	8	1	13%
Managers	64	7	11%
Executives-Managers	16	1	6%
Directors	15	0	0%
	492	126	26%

¹ In 2022, the total percentage of people identifying as Black and mixed race at the Company was incorrectly reported, consolidating the sum of all the categories, which totaled 90.9%. The correct data is the general average of 23.9%. **GRI 2-4**

ANEEL Content

Employees who perform voluntary work for the company in the external community / total employees (%)

In 2023, we had a total of 79 volunteers, such being:

2023 - Type of agreement	n° of Volunteers	n° of Contracted Workers	Total %
Direct employees	55	492	11%
Outsourced workers	6	No information available	No information available
Workers not directly employed (Apprentices and Trainees)	18	33	55%

2022 - Type of agreement	n° of Volunteers	n° of Contracted Workers	Total %
Direct employees	91	439	21%
Outsourced workers	8	No information available	No information available
Workers not directly employed (Trainees)	6	28	21%

Technological and scientific research and development

Description	Monitoring of hillsides using Unmanned Aerial Vehicles (UAVs), for which drones and catamarans are used and a georeferenced image bank is developed.	Methodology for evaluating the ESG performance of SEB companies based upon the use of KPIs that can gauge the reach and effectiveness of ESG programs and actions.	Method for the operation of a Brazilian thermo-solar plant aimed at improvement of its technical-operational performance.	Technological platform for the digitization of the portability and grouping of the measurement in the energy retail environment.
Topic	Management of River Basins and Reservoirs	Environment	Alternative sources of electricity generation	Measurement, invoicing and tackling of commercial losses
Phase in the Chain	Experimental Development	Applied Research	Applied Research	Applied Research
Duration	37 months	30 months	24 months	24 months
Segment	Hillside Engineering	Generation, Transmission, Distribution and Commercialization	Energy	Retailer Commercialization of Energy and Energy Distribution
Objectives	<ol style="list-style-type: none"> 1. Application and testing of new equipment amenable to the performance of multi-mission surveys; 2. Development of a georeferenced image bank; 3. Assistance in the topographic surveys and performance of property inspections on the riverbanks. 4. Configuration of WebGis applications for the handling of the monitoring data. 	<ol style="list-style-type: none"> 1.E - Optimization of allocation of resources in environmental activities; 2.S - Improvement of the relationship with the communities neighboring the projects; 3.G - Strengthening of the company's governance structure; 4. Greater adherence to the Brazilian and international protocols related to corporate sustainability and ESG initiatives. 	<ol style="list-style-type: none"> 1. Optimization of the solar tracking software; 2. Optimization of the thermal storage and dispatching of energy; 3. Analysis of the lifespan and degradation of the thermal transfer fluid, the generation system, and the cylindrical parabolic collectors. 	<ol style="list-style-type: none"> 1. Complementary study in addition to the regulatory proposals under discussion in the market (public hearings, CCEE and association studies), focused on the aspects of technological viability. 2. Implementation of a reference for the Central Registration of Portability. 3. Platform prototype for the Grouping of the Measurement.
Investment in 2023 (R\$)	885,016	698,083	1,690,257	1,056,613

Environmental performance indicators

Performance Indicator	Unit of measurement	Disclosure Objective	WIND				HYDRO			N.B.:
			V AIII	VDP I	VDP II	VDP III	Picada HPP	Paraibuna HPP	Porto Primavera HPP	
Recovery of riparian forest	Area planted/recovered in hectares per year.	To gauge the riparian forest recovery and preservation actions in the concession and PCA areas.	N/A	N/A	N/A	N/A	0	0	408.1	230.0 hectares of reforestation 40.6 hectares of enrichment 137.5 hectares of regeneration
Rescue of fish from turbines	kg of fish per machine shutdown.	To gauge the number of fish rescued during each machine shutdown.	N/A	N/A	N/A	N/A	9.3	15	1,896	The data reflect a machine shutdown with fish rescue by hydroelectric power station.
Leakage of lubricant oils and water from turbines	Tons/year or m ³ /year, depending upon the type of oil.	To gauge the corrective and preventive actions for the quality of the water passing through the turbines.	N/A	N/A	N/A	N/A	0	0	0	
Noise associated with power generation	Sound measurement unit (Decibels)	To gauge the optimization of the energy generation in relation to the environmental impact caused by the noise.	41.9	41.2	40.6	40.2	-	-	-	Sound pressure (annual daytime and nighttime average)
Interference in radio waves	Unit of measurement for interference or occurrences of interferences per year.	To gauge the optimization of the energy generation in relation to the impacts of the radio interference.	No Occurrences	No Occurrences	No Occurrences	No Occurrences	No Occurrences	No Occurrences	No Occurrences	
Bird fatalities	Number of birds dying as a result of hitting the blades per year.	To gauge the optimization and adjustment of the wind plant to the local conditions as they relate to bird flight paths.	3	2	0	3	N/A	N/A	N/A	
Suppression of vegetation	A suppressed area exists	To measure the areas that are the object of suppression of vegetation be it for the construction of substations, or to open easement strips.	0	0	0	0	0	0	3.1	Suppression of vegetation at Porto Primavera in relation to the execution of hillside protection works.

Operational performance and productivity indicators¹

Description	Unit of Measurement	Response
Installed capacity (MW), by primary energy source and by regulatory regime	MW	3,156.7
Net energy output by primary energy source and by regulatory regime	MW	12,445,839.7
Gross energy output by primary energy source and by regulatory regime	MW	12,544,877.9

¹ The Sol do Piauí unit was not included since its commercial operations only began in 2024.

GRI summary

Declaration of use	Auren has created this report in accordance with the GRI Standards for the period between January 1 and December 31, 2023.
GRI Standard 1 used	ed. 2021
GRI Sectoral Standards applied:	N/A

GRI Standard	Contents	Location	Omission	SDGs	Global Compact	External assurance (Y/N)
GRI 2: General Disclosures 2021						
The organization and its reporting practices	2-1 Information on the organization	Pages 8 and 42 .				
	2-2 Entities included in the organization's sustainability reporting	Page 5 .				
	2-3 Period reported, frequency and point of contact	Page 5 .				
	2-4 Restatements of information	Pages 69 , 70 and 72 . (1) Correction of Data Relating to the Waste Management of Asbestos (GRI 306-3 TO 5) We identified a discrepancy in the unit of measurement reported for the asbestos waste in our previous communication (2022 Sustainability Report, published in 2023). The amounts, previously expressed in tons (t), should be corrected to reflect the correct unit of measurement - kilograms (kg). Therefore, the amount of asbestos waste, initially reported as 15,621 tons, actually corresponds to 15,621 kilograms. (2) Correction of Data Relating to Emissions (GRI 305-1 TO 3) For a precise analysis of the Greenhouse Gas (GHG) emissions relating to the 2022 base year, we suggest consulting the GHG inventory available in the Public Record of Emissions. Corrections and increases in the accounting of emissions are included in the <i>online</i> record.				
	2-5 External assurance	No external assurance was performed by a third party in 2023. Only the financial data will undergo this assurance, in accordance with regulations.				
Activities and workers	2-6 Activities, value chain and other commercial relationships	Pages 8 , 19 , 55 and 57 .		3		
	2-7 Employees	Page 61 .				
	2-8 Workers who are not employees	Page 61 .		8, 10		

GRI Standard	Contents	Location	Omission	SDGs	Global Compact	External assurance (Y/N)
Governance	2-9 Governance structure and composition	Pages 42 and 43				
	2-10 Nomination and selection of the highest governance body	Page 42.				
	2-11 Chair of the highest governance body	Page 42.				
	2-12 Role of the highest governance body in the overseeing of management of impacts	Page 42.			16	
	2-13 Delegation of responsibility for managing impacts	Page 50.			5, 16	
	2-14 Role of the highest governance body in sustainability reporting	The 2023 Annual Report was approved by the Board of Directors.			16	
	2-15 Conflicts of interests	For more information on the topic of the highest governing body, the Internal Regulations for the Board of Directors can be accessed here ,			5, 16	
	2-16 Communicating critical concerns	Page 17.			16	
	2-17 Collective knowledge of the highest governance body	Page 45.				
	2-18 Evaluation of the performance of the highest governance body	Page 45.				
	2-19 Remuneration policies	Page 46.				
2-20 Process to determine remuneration	Page 46.			16		
2-21 Annual total compensation ratio		A ratio between the annual compensation (base salary, benefits and variable remuneration) of the highest paid individual in the organization and the median annual total compensation for all employees (excluding the highest-paid individual) in 2023, was: 18.6 times more. It should be stressed that the Long-term Incentives factor was not included in this comparison.				
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Pages 3 and 4.				
	2-23 Policy commitments	Pages 15 and 52.				
	2-24 Embedding of policy commitments	Pages 11 , 39 and 52.				
	2-25 Processes to remediate negative impacts	Page 38.				
	2-26 Mechanisms for seeking advice and raising concerns	Page 30.				
	2-27 Compliance with laws and regulations	There were no cases of non-compliance, nor were there any cases in which fines and/or sanctions were applied.				
Stakeholder engagement	2-28 Membership of associations	Page 59.			16	
	2-29 Approach for engagement of stakeholders	Page 29.				
	2-30 Collective bargaining agreements	All employees are covered by collective bargaining agreements.			8	
GRI 3: Material topics 2021						
Environmental Management	3-1 Process to determine remuneration	Page 12.			17	
	3-2 List of material topics	Page 12.				
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 24.				

GRI Standard	Contents	Location	Omission	SDGs	Global Compact	External assurance (Y/N)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 62.		7, 8, 12, 13	7, 8	
	302-2 Energy consumption outside the organization	Page 62.		7, 8, 12, 13	8	
	302-3 Energy intensity	Page 62.		7, 8, 12, 13	8	
	302-4 Reduction of energy consumption		Indicator omitted. There is no specific target for reduction. The data concerning the 2023 inventory have not yet been concluded.	7, 8, 12, 13	8, 9	
	302-5 Reduction in the energy requirements of products and services		Indicator omitted. There is no specific target for reduction. The data concerning the 2023 inventory have not yet been concluded.	7, 8, 12, 13	8, 9	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 25.		6, 12		
	303-2 Management of water discharge-related impacts	Page 26.		6		
	303-3 Water withdrawal	Page 63.		6	7, 8	
	303-4 Water discharge	Pages 26 and 64.		6	8	
	303-5 Water consumption	Page 64.		6		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside environmentally protected areas	Pages 21, 22, 23 and 65.		6, 14, 15	8	
	304-2 Significant impacts of activities, products, and services on biodiversity	Pages 21, 22 and 66.		6, 14, 15	8	
	304-3 <i>Habitats</i> protected or restored	Pages 21 and 22.		6, 14, 15	8	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 27.		3, 6, 11, 12		
	306-2 Management of significant waste-related impacts	Page 27.		3, 6, 8, 11, 12		
	306-3 Waste generated	Page 69.		3, 6, 11, 12, 15		
	306-4 Waste diverted from final disposal	Page 69.		3, 11, 12		
	306-5 Waste directed to final disposal	Page 70.		3, 6, 11, 12, 15		
Our People						
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 30.				

GRI Standard	Contents	Location	Omission	SDGs	Global Compact	External assurance (Y/N)
GRI 401: Employment 2016	401-1 New hirings and employee turnover	Page 70.		5, 8, 10	6	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 70.		3, 5, 8		
	401-3 Parental leave	Page 36. All the employees (100%) have the right to take maternity/paternity leave. In 2023, eight women took maternity leave and 11 men took paternity leave. All (100%) returned to work following the period of leave and remained employed twelve months after their return.		5, 8	6	
GRI 402: Labor Relations 2016	402-1 Minimum notice periods regarding operational changes		Currently, Auren does not have a policy of operational procedures that determines this period.	8	3	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Page 34.		3, 8, 12		
	403-2 Hazard identification, risk assessment and incident investigation	Pages 34 and 35.		3, 8, 12		
	403-3 Occupational health services	Page 36.		8		
	403-5 Worker training on occupational health and safety	Pages 34 and 35.		8		
	403-6 Promotion of worker health	Page 36.		3, 8, 12		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 36.		8		
	403-8 Workers covered by an occupational health and safety management system	Pages 34 and 35.		8		
	403-9 Work-related injuries	Page 35.		3, 8, 12, 16		
	403-10 Work-related ill health	Page 36.		3, 8, 16		
	GRI 404: Training and Education 2016	404-1 Average hours of training per year, per employee	Pages 31 and 71.		4, 8	6
404-2 Programs for upgrading employee skills and transition of assistance programs		Page 31.		8		
404-3 Percentage of employees receiving regular performance and career development reviews		Page 71.		5, 8, 10	6	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 71 and 72.		5, 8, 10	6	
	405-2 Ratio of basic salary and remuneration of women to men		According to Auren's Remuneration Policy, the salary bands are established in accordance with the level of the position, regardless of the employee's gender. The slight variations observed are principally due to the length of time male employees have been with the company: Parks - technicians: +6%/ analysts: -7%; Porto Primavera - technicians: -10%/ analysts: -14%	5, 8, 10	6	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 32.		5, 8	6	

GRI Standard	Contents	Location	Omission	SDGs	Global Compact	External assurance (Y/N)
Social Responsibility						
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 58.				
GRI 202: Market Presence 2016	202-2 Ratio of senior management hired from the local community		There are no members of the senior management located at the operational units.	1, 8, 5	6	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers selected following consideration of environmental criteria	Page 58.				
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 58.				
GRI 408: Child labor 2016	408-1 Operations and suppliers considered to have significant risk for incidents of child labor		None of the operations are considered to carry a significant risk for incidents of child labor.	5, 8, 16	5	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor		No operations represent a significant risk for incidents of forced or compulsory labor.	5, 8	4	
GRI 410: Security Practices 2016	410-1 Security personnel who have received formal training in human rights policies or procedures		There was no formal training in 2023.		1	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving the rights of indigenous peoples		In 2023, there were no operations involving relationships with indigenous peoples.	2	1	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Page 38.			1	
	413-2 Operations with significant (actual and potential) negative impacts on the local communities	Pages 26 , 36 and 38 .		1, 2	1	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 58.		5, 8, 12, 16	2, 8	
	414-2 Negative social impacts in the supply chain and actions taken	Page 59.		5, 8, 16	2, 8	
Ethics, Transparency and Good Governance Practices						
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 52.				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pages 48 and 49 .				
GRI 202: Market Presence 2016	202-1 Ratio between standard entry level wage, compared to the local minimum wage, broken down by gender		Parks: Lowest wage: 60% higher than the 2023 minimum wage (men and women). Porto Primavera: Lowest wage: 79% higher than the 2023 minimum wage (men and women).	1, 8, 5	6	
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	Page 40.				
	203-2 Significant indirect economic impacts	Pages 33 , 37 and 40 .				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 58.				

GRI Standard	Contents	Location	Omission	SDGs	Global Compact	External assurance (Y/N)
GRI 205: Anti-corruption 2016	205-1 Operations assessed in terms of the risks relating to corruption	Page 53.				
	205-2 Communication and training on anti-corruption policies and procedures	Pages 53 and 61 .				
	205-3 Confirmed incidents of corruption and actions taken	Page 53.				
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2023, there were no legal actions for unfair competition, anti-trust or monopoly practices.				
Safety for All						
GRI 3: Material topics 2021	3-3 Administration of material topics	Pages 20 and 34 .				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	N/A. Whilst Auren is a power generation and trading company, its product and service is electricity. The impacts on the health and safety of the end consumers do not apply to the Company, since any risks associated with electricity accidents by the end consumers are more closely related to the quality and maintenance of the distribution networks and the residential electrical, commercial or even industrial installations.				
	416-2 2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A. Whilst Auren is a power generation and trading company, its product and service is electricity. The impacts on the health and safety of the end consumers do not apply to the Company, since any risks associated with electricity accidents by the end consumers are more closely related to the quality and maintenance of the distribution networks and the residential electrical, commercial or even industrial installations.				
Climate Strategy						
GRI 3: Material topics 2021	3-3 Administration of material topics	Pages 18 and 27 .				
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Pages 27 and 54 .				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) emissions of greenhouse gases (GHG)	Page 66.				
	305- 2 Indirect (Scope 2) greenhouse gas (GHG) emissions arising from the acquisition of energy	Page 67.				
	305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions	Page 67.				
	305-4 Intensity of emissions of greenhouse gases (GHG)	Page 68.				
	305-5 Reduction of emissions of greenhouse gases (GHG)	No reduction targets were established and the results of the 2023 inventory are not yet available.			16	10
	305-6 Emissions of ozone depleting substances (ODS)	Scope 1, 0.00011 tons of HCFC-22			16	10
	305-7 Emissions of NO _x , SO _x , and other significant air emissions	No significant emissions of NO _x or SO _x arise from Auren's activities.			16	10

GRI Standard	Contents	Location	Omission	SDGs	Global Compact	External assurance (Y/N)
Customer Relations						
GRI 3: Material topics 2021	3-3 Administration of material topics	Pages 57 and 58 .				
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Pages 36 , 37 and 40 .		1, 10, 17		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints relating to breaches of customer privacy and losses of customer data	Page 51 .		16		
Dam Safety						
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 20 .				
Digital Innovation and Transformation						
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 55 .				

SASB Summary

Topic	Indicator	Category	Unit of Measurement	Code	Corresponding GRI	PAGE/RESPONSE
Greenhouse Gas Emissions and Energy Resource Planning	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions reporting regulations	Quantitative	Metric tons (t) CO ₂ -e, Percentage (%)	IF-EU-110a.1	305-1	Page 66.
	"Greenhouse gas (GHG) emissions associated with power deliveries"	Quantitative	Metric tons (t) CO ₂ -e	IF-EU-110a.2	305-2	Page 67.
	"Discussion of a long or short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets"	Discussion and Analysis	N/A	IF-EU-110a.3	305-4, 305-5	Page 68.
Air quality	"Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population"	Quantitative	Metric tons (t) Percentage (%)	IF-EU-120a.1	-	No significant emissions of NO _x or SO _x arise from Auren's activities.
Water management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	IF-EU-140a.1	303-1, 303-3, 303-5	Pages 25 , 26 and 64 .
	Number of incidents of non-compliance with water quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	307-1	There were no cases of non-compliance in the reported period
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	IF-EU-140a.3	303-2	Page 26.
Coal Ash Management	Amount of carbon fuel waste (CCR) generated, percentage recycled	Quantitative	Metric tons (t) Percentage (%)	IF-EU-150a.1	305-6	N/A - no Carbon fuel waste generated
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	Number	IF-EU-150a.2	-	N/A - no Carbon fuel waste generated
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Quantitative	Rate	IF-EU-240a.1	-	N/A - Distribution
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000kWh of electricity delivered per month	Quantitative	Presentation currency	IF-EU-240a.2	-	N/A - Distribution
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	Number, percentage (%)	IF-EU-240a.3	-	N/A - Distribution
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	N/A	IF-EU-240a.4	-	Page 50.

Topic	Indicator	Category	Unit of Measurement	Code	Corresponding GRI	PAGE/RESPONSE
Occupational Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	403-9	Page 35.
End-Use Efficiency and Demand	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.1	-	N/A - Distribution
	Customer electricity savings from efficiency measures, by market	Quantitative	Megawatt-hours (MWh)	IF-EU-420a.2	-	N/A - Distribution
Nuclear Safety and Emergency Management	Total number of nuclear power units, broken down by results of most recent independent safety review	Quantitative	Number	IF-EU-540a.1	-	N/A - Nuclear Energy
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	N/A	IF-EU-540a.2	-	N/A - Nuclear Energy
Grid resilience	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	418-1	Page 51.
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	Minutes, Number	IF-EU-550a.2	-	N/A - Generation and Trading
	Activity Standard	Category	Unit of Measurement	Code	Corresponding GRI	
	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	IF-EU-000.A	-	N/A - Distribution
	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Quantitative	Megawatt-hours (MWh)	IF-EU-000.B	-	N/A - Distribution
	Activity Standard	Category	Unit of Measurement	Code	Corresponding GRI	
	Length of distribution and transmission lines	Quantitative	Kilometers (km)	IF-EU-000.C	-	N/A - Generation and Trading
	Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	Percentage (%) of megawatt hours (MWh)	IF-EU-000.D	-	Net Energy Generation (unregulated market) Hydroelectric source: 8,573,018.00 MWh (68.88 %) Wind source: 3,872,821.74 MWh (31.12 %)
	Total wholesale electricity purchased	Quantitative	Megawatt-hours (MWh)	IF-EU-000.E	-	N/A - Distribution

ANEEL Summary – Annual Report on Socio-Environmental and Economic-Financial Responsibility

DIMENSION AND INDICATORS	GRI	PAGE/RESPONSE
General		
A message from the management	2-22	Pages 3 and 4 .
The Company – Profile information, mission, vision, principles and values, organization and management	2-1, 2-22	Pages 3 , 4 , 8 and 42 .
Responsibility to stakeholders	2-29, 2-30	Page 29 and GRI Summary .
Operational performance and productivity indicators	2-7	Page 61 .
Corporate governance		
Governance structure and composition	2-9	Pages 42 and 43 .
Codes of conduct and tools for their operationalization	-	Page 39 .
Capital structure	-	Pages 40 and 47 .
Role of the highest governing body		
In defining the organization's purpose, values and strategy;	2-12	Page 42 .
In risk management;	2-12	Page 42 .
In the sustainability reports;	2-14	GRI Summary .
In assessing economic, environmental and social performance;	2-12	Page 42 .
Responsibilities and performance evaluation of the highest governance body;	2-18	Page 45 .
Remuneration and incentives.	2-19, 2-20	Page 46 .
Economic – financial		
Direct economic impacts	201-1	Pages 48 and 49 .
Generation and distribution of wealth	201-1	Pages 48 and 49 .
Statement of Added Value (SAV)	201-1	Pages 48 and 49 .
Investments in distribution, transmission and sub-transmission	203-2	Pages 36 , 37 and 40 .
Social and sectoral		
Internal social indicators		
Employees and collaborators		
	2-7	Page 61 .
General information	2-8	Page 61 .
	401-1	Page 70 .
Diversity and discrimination	405-1, 405-2	Pages 71 , 72 and in the GRI Summary .

DIMENSION AND INDICATORS	GRI	PAGE/RESPONSE
Remuneration, benefits and career	201-1, 401-2	Pages 48 and 49 .
Profit sharing	2-21, 201-1 202-1	Pages 48 , 49 and in the GRI Summary .
Remuneration profile (average salary in the current year, by employment category)	-	Data unavailable
Occupational health and safety	403-1, 403-3, 403-6	Pages 34 and 36 .
Professional development	404-1	Pages 31 and 71 .
Behavior in the face of dismissals	401-1	Page 70 .
Preparation for retirement	201-3, 404-2	Page 31 .
Level of internal satisfaction	-	Page 30 .
External social indicators		
Consumers		
Customer service	2-29	Page 29 .
Commercial communication policy	-	N/A - Distribution
Suppliers		
Supplier selection and evaluation criteria	308-1, 414-1	Page 58 .
Critical suppliers	2-6, 204-1, 407-1, 408-1, 409-1	Pages 8 , 19 , 55 , 57 , 58 and in the GRI Summary .
Monitoring actions to verify compliance with legal standards	2-27	In the GRI Summary .
Relationship channels and policies	2-29	Page 29 .
Policies, practices and proportion of spending on local suppliers	2-6, 204-1	Pages 8 , 19 , 55 , 57 and 58 .
Support for supplier development	3-3 Supplier management	Page 58 .
Community		
Local community relations	413-1	Page 38 .
Economic impact on neighboring communities and local economies	413-2	Pages 26 , 36 and 38 .
Impacts on health and safety	-	N/A - Distribution
Assessment and management of impacts of operations on local communities	413-2	Pages 26 , 36 and 38 .
Low income rate	-	N/A - Distribution

DIMENSION AND INDICATORS	GRI	PAGE/RESPONSE
Involvement of the company with social action	203-1	Page 40.
Employees who perform voluntary work for the company in the external community / total employees (%).	-	Page 73.
Involvement of the company in cultural, sports projects, etc.	-	Pages 37 and 38 .
Government and Society		
Anti-corruption and anti-bribery practices	205-1, 205-2, 205-3	Pages 53 and 61 .
Policy of participation in associations, trade unions and business forums	2-28	Page 59.
Participation in government social projects	-	Page 37.
Benefits or financial aid from the Government	-	N/A - No provision of benefits or government financial assistance
Participation in the preparation of public policies	-	Page 59.
Electricity sector indicators		
Universal access	-	N/A - Generation and Distribution
Energy Efficiency Program (PEE)	-	N/A - Generation and Distribution
Technological and scientific research and development	-	N/A - Generation and Distribution
General description of the set of projects by research topics, according to the Research and Development Manual - ANEEL	-	Page 73.
Resources applied in technological and scientific research and development, by research topics (Research and Development Manual - ANEEL)	-	Page 73.
Projects of greater relevance to social responsibility	-	Page 73.
Results of projects and benefits generated	-	Page 73.
Environment		
Impacts, life cycle and environmental preservation		
Socio-environmental impacts generated by the company's activities	303-2, 304-2, 306-2, 308-2, 413-2, 414-2	Pages 26 , 36 , 37 , 38 , 58 and 66 .
Significant impacts on biodiversity	304-2	Pages 21 , 22 and 66 .
Policies on action in areas of environmental preservation	-	N/A - Auren's activities do not take place in environmental preservation areas
Preservation of federal heritage areas	304-3	Pages 21 and 22 .
Recovery of damaged areas	304-3	Pages 21 and 22 .
Waste generation and treatment	306-1, 306-2, 306-3, 306-4, 306-5	Pages 27 , 69 and 70 .

DIMENSION AND INDICATORS	GRI	PAGE/RESPONSE
Use of resources in the organization's production process		
Energy	302-1, 302-2, 302-3, 302-4, 302-5	Page 62.
Water	303-1, 303-2, 303-3, 303-4, 303-5	Pages 25 , 26 , 63 and 64 .
Education and environmental awareness	-	Pages 27 and 52 .
Environmental health	-	Data unavailable
Greenhouse gases (GHG)	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Pages 66 , 67 and 68 .
Environmental performance indicators		
For electric power generation companies, by generation source		
Water	-	Page 74.
Water consumption by KWh generated	-	Page 74.
Recovery of riparian forest	-	Page 74.
Rescue of fish from turbines	-	Page 74.
Leakage of lubricant oils and water from turbines	-	Page 74.
Noise associated with power generation	-	Page 74.
Interference in radio waves	-	Page 74.
Suppression of vegetation	-	Page 74.
Wind	-	Page 74.
Noise associated with power generation	-	Page 74.
Interference in radio waves	-	Page 74.
Bird fatalities	-	Page 74.
Suppression of vegetation	-	Page 74.

Credits

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Av. Dr. Ruth Cardoso, 8,501 - 2º andar

05425-070 | São Paulo - SP

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