

**Report of
Participation of
Industry
Associations and
Social
Investments**



1 PUBLIC POLICIES

The electricity industry is regulated by the Brazilian Electricity Regulatory Agency – Aneel, which, through technical standards, sets out standardization for generation, transmission, distribution and commercialization of electricity in Brazil. In addition, the agency economically regulates tariffs, the functioning of the market and even research and development and energy efficiency projects. Therefore, Cemig must meet the demands of established public policies and report to the public bodies responsible for each demand at the municipal, state and federal levels. Communication at the municipal level occurs mainly in distribution and is usually directly related to the supply of energy for street lighting. At the state level, it is more common for contact to occur between Cemig's senior management and representatives of the leadership of executive bodies, as well as with the Minas Gerais State Legislative Assembly. This relationship takes place through public hearings and quarterly rendering of accounts. Interactions at the federal level, on the other hand, take place in different ways, e.g., through associations, direct requests for clarification or in the context of building new or updating sectoral public policies.

It is important to note that Cemig does not make direct or indirect political contributions. We participate in trade associations, as describe below.

2 TRADE ASSOCIATION

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

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

Cemig actively participates in the activities of industry associations. The need for synergy between entities in the industry encourages the organization of industry associations to exchange experiences and disseminate best practices, and to contribute to the evolution of regulation in the electricity industry.

In 2023, Cemig allocated BRL 2,057,718.12 in annual fees to the main associations in the industry – as detailed below:

3 Associations contributions

Currency: BRL (Real)	2020	2021	2022	2023
Lobbying, representation of interests or similar	0	0	0	0

Currency: BRL (Real)	2020	2021	2022	2023
Local, regional or national campaigns, organizations, political candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	BRL 1,186,052.20	BRL 1,269,494.14	BRL 1,755,189.66	BRL 2,057,718.12
Others (e.g. expenditure related to electoral votes or referendums)	0	0	0	0

❖ **ABRADEE (Brazilian Association of Electricity Distributors):**

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

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

The Vice President of Distribution makes up the Board of Directors of ABRADEE. Several employees of Cemig operate in different work groups, with emphasis on energy efficiency and socio-environmental responsibility. Cemig contributes an annual fee to ABRADEE, established at the shareholders' meeting of the institution, pursuant to its articles of association. In 2023, this value was BRL 1,052,796.96.

❖ **ABRAGE (Brazilian Association of Electricity Generating Companies):**

ABRAGE aims to exchange technical, commercial, financial and legal information regarding electricity generation activities. The organization also prepares analyzes and studies of common interest; enters into technical cooperation and information exchange agreements and agreements with public and private, national and international entities; and prepares defense of proposals to solve common problems.

The most relevant issue concerns the adjustment factor of the energy reallocation mechanism, which has strongly impacted energy market operations. The association seeks, together with qualified authorities and bodies, business alternatives for dealing with impacts and structural measures aimed at reformulating the mechanism.

Cemig has been in line with the actions of the association, which proves adherence to the business and purposes of the company, thus supporting these actions. Cemig contributes

an annual fee to ABRAGE, established at the shareholders' meeting of the institution, pursuant to its articles of association. In 2023, this value was BRL 178,000.74.

❖ **APINE (Brazilian Association of Independent Electricity Producers):**

APINE has purposes making the association a strategy for Cemig. The purpose of promoting the defense of the interests of the electricity generation segment stands out, especially with regard to independent producers and similar generators, promoting the expansion of their market space and their profitability preserved.

The organization also operates in cooperation with public authorities, national and international authorities and institutions, as a technical and consultative body, in the study and solution of issues related to the activities of its associates, aiming to preserve free competition in supply and preservation of the economic order of the electricity market.

Cemig contributes an annual fee to APINE, established at the shareholders' meeting of the institution, pursuant to its articles of association. In 2023, this value was BRL 227,016.72.

❖ **ABRATE (Brazilian Association of Electric Energy Transmission Companies):**

ABRATE seeks to represent the interests and add value to associated companies, with proactive action to ensure the sustainability, development and attractiveness of the electricity transmission business. The association aims to be recognized as a leading institutional agent in promoting the sustainability, development and attractiveness of the electricity transmission industry.

Cemig contributes an annual fee to ABRATE, established at the shareholders' meeting of the institution, pursuant to its articles of association. In 2023, this value was BRL 265,043.20.

❖ **ABRACEEL (Brazilian Association of Energy Traders):**

The association aims to defend free market competition as an instrument to promote efficiency and security of supply in the areas of electricity, ethanol and natural gas. Furthermore, it aims to stimulate the growth of carbon credit negotiations and promote the union of members, representing them before public authorities, national and international bodies and institutions. ABRACEEL defends the rights, interests and aspirations of its members and cooperates with public authorities and national and international institutions, as a technical and advisory body.

Cemig does not have a representative in the governance structure of the association. The Company operates through a technical group responsible for discussing, proposing and sending contributions to public hearings of MME1/Aneel on the participation of the association in government instances. Cemig contributes an annual fee to ABRACEEL, established at the shareholders' meeting of the institution, pursuant to its articles of association. In 2023, this value was BRL 84,600.00.

❖ **ABDIB (Brazilian Association of Infrastructure and Basic Industries):**

The purpose of ABDIB is to contribute to economic growth and social development in Brazil through the expansion of investments in infrastructure and basic industries. In addition, it seeks to strengthen the competitiveness of companies providing goods and services for infrastructure and basic industries and collaborate with public and private agents in the search for consistent solutions to enable investments and expand the participation of Brazilian companies in the global infrastructure market.

Cemig contributes an annual fee to ABDIB, established at the shareholders' meeting of the institution, pursuant to its articles of association. In 2023, this value was BRL 120,588.00.

❖ **ABRAGEL (Brazilian Clean Energy Generation Association):**

ABRAGEL currently represents the most relevant generation agents for Hydroelectric Hydropower Generating Plants – HGP, Small Hydroelectric Power Plants – SHPs and Hydroelectric Power Plants – HPPs up to 50 MW in the country. Its main purpose is to promote the union of small and medium-sized electricity producers, companies, entities and associations interested in this market, representing their associates before public authorities, national and international bodies and institutions, defending their rights, interests and aspirations. Furthermore, it aims to cooperate with interested parties as a representative, technical and consultative body, in the study and solution of issues related to the activities of its associates.

Cemig contributes an annual fee to ABRAGEL, established at the shareholders' meeting of the institution, pursuant to its articles of association. In 2023, this value was BRL 129,672.50.

Total contributions to industry associations were:

INDUSTRY ASSOCIATION	CONTRIBUTIONS IN 2023
ABRADEE – Brazilian Association of Electricity Distributors	BRL 1,052,796.96
ABRAGE – Brazilian Association of Electricity Generating Companies	BRL 178,000.74
APINE – Brazilian Association of Independent Electricity Producers	BRL 227,016.72
ABRATE – Brazilian Association of Electric Energy Transmission Companies	BRL 265,043.20
ABRACEEL – Brazilian Association of Energy Traders	BRL 84,600.00
ABDIB – Brazilian Association of Infrastructure and Basic Industries	BRL 120,588.00
ABRAGEL – Brazilian Clean Energy Generation Association	BRL 129,672.50
TOTAL	BRL 2,057,718.12

Furthermore, Cemig is increasingly joining forces in the fight against climate change. In this regard, it is worth highlighting the participation in the Global Compact, for the institutional agenda linked to climate change and in ABRAGEL, which represents hydroelectric generators.

The corporate strategy to support the energy transition aligned with the ambition of the Paris Agreement and the monitoring of climate lobbying activities are reported in the document “Political Position Aligned with the Paris Agreement Documento1 (2).docx”².

4 Social Investments

Cemig's philanthropic and corporate citizenship strategies are aligned with its mission, vision and values and aim at economic and social development in the places where it operates, through support for communities.

The corporate citizenship and philanthropy strategy defined by Cemig has as priorities: social and educational development, strengthening the cultural sector and increasing the sports sector, and strengthening the Company's brand and image in the market and society. To implement this strategy, the Company works in partnership with the Government (Secretariat of Health, Secretariat of Education, Secretariat of Sport, Secretariat of Culture, Ministry of Sport, and Ministry of Health), with municipalities (Municipal Councils for the Rights of the Child and of Adolescents) and with philanthropic institutions.

By supporting public benefit projects and collaborating with municipalities, states, and regions, Cemig strives to increase the quality of life throughout the community in which it operates.

Cemig invests resources in culture, sports, health, education, and citizenship, considering interests usually common to its 9.2 million clients, from 774 municipalities served in Minas Gerais. The priority of initiatives to encourage social projects, whether by allocating social investments or by sponsoring projects, is to contribute to social transformation in multiple municipalities.

External Social Investments:				
Sector	2020	2021	2022	2023
Culture	BRL 20,449,013.93	BRL 22,393,958.64	BRL 69,839,107.44	BRL 77,328,141.27
Education	BRL 2,413,165.44	BRL 1,902,375.13	BRL 9,929,492.28	BRL 1,239,640.00
Sports	BRL 4,940,834.11	BRL 3,381,299.47	BRL 4,886,008.30	BRL 12,110,693.78
Social Actions (Subtotal of: Fia, AI6% and Donations + grants)	BRL 55,739,000.00	BRL 42,909,245.68	BRL 96,404,639.42	BRL 146,225,009.47
Healthcare	BRL 5,000,000.00	BRL 1,130,653.94	-*	BRL 2,332,126.43
Public Property	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Total	BRL 88,542,013.48	BRL 71,717,532.86	BRL 181,059,247.44	BRL 239,235,610.95