

CEMIG'S ENVIRONMENTAL MANAGEMENT SYSTEM



1 Environmental Management

Cemig acknowledges its responsibility towards the environment and is committed to adopting and disseminating good environmental management practices. The Company has an Environmental Policy available to the public, which contributes to taking environmental aspects into account in the Company's decision-making processes and establishes respect for the environment as a value that must be practiced by all employees and other stakeholders acting on its behalf, including its suppliers.

As a tool to measure its environmental performance, Cemig uses indicators related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste). In addition, monitoring related to biodiversity, environmental compliance, and other relevant information, such as the impacts of products and services throughout the value chain, is also carried out.

2 Cemig's Environmental Strategy

Cemig aims to reconcile its development with environmental protection, biodiversity preservation, rational use of natural resources, and compliance with environmental legislation. This objective is based on its business mission and vision and is reinforced in the Company's Strategic Planning. The planning considers current and future risks and opportunities, challenges, medium and long-term scenarios, and the expectations of its stakeholders.

This entire process is guided by the Environmental Policy, Biodiversity Policy, Water Resources Policy, Commitment to Climate Change, and internal procedures. Based on these guidelines, the Company constantly contributes to creating shared value in the regions where it operates, as well as to achieving the UN Sustainable Development Goals, especially goals 7 (Affordable and Clean Energy), 13 (Climate Action), and 15 (Life on Land).

The Environmental Adequacy Program, multi-year and with a transversal approach throughout Cemig, is the instrument that details the corporate strategy at a tactical level, in which several guidelines are established. Through a prioritization matrix, the operationalization of the environmental strategy is conducted based on the definition of programs and initiatives, with their respective responsibilities, actions, goals, objectives, indicators, and resource allocation, composed of themes such as Biodiversity, Water, Waste and Climate Change. The goals related to these and other themes are listed in the Strategy chapter of this Report.

The Environmental Adequacy Program is periodically monitored by the Socio-Environmental Adequacy Committee, made up of representatives from Cemig's management, in which compliance with the proposed actions is assessed.

Therefore, it is considered essential to involve multiple stakeholders through action networks, as well as building partnerships in the preparation and execution of all environmental programs. Based on this bias, the Company continually invests in R&D and new technologies that aim to mitigate impacts and reduce environmental risks.

Strategic pillars:

- Strengthen Cemig's performance on environmental issues;
- Minimize environmental risk, avoiding fines, disputes and lawsuits;
- Strengthen the company's sustainability.

Drivers:

- Preparation of the company for future environmental issues;
- Conservation of Ichthyofauna;
- Adequate waste management;
- Adequate management of vegetation;
- Climate change management;
- Water management.

Programs and initiatives:

- Peixe Vivo (Alive Fish Program);
- Afforestation Management Program;
- Management of corporate goals related to GHG emissions, water and energy use;
- Assessment of carbon risk in new ventures;
- Relationship with the community and environmental agencies;
- Strengthening reserve logistics;
- Reservoir management.

When conducting its activities, Cemig faces the need to obtain various government authorizations and approvals, involving state and federal bodies, city halls, and environmental departments. Historically, the company has been successful in fulfilling environmental obligations, obtaining authorizations for its operations, such as hydroelectric plants, transmission lines and wind farms.

Compliance with municipal, state, and federal legislation is essential, and it is necessary to implement environmental projects and programs to mitigate impacts and be aligned with current environmental policies.

The protection of natural resources is governed by several regulations, such as the National Environmental Policy and the Forest Code, which limits deforestation and establishes areas where vegetation must be preserved. Environmental compensation is an adopted practice, with companies required to invest in protected areas to mitigate impacts.

Cemig has Private Natural Heritage Reserves and an Ecological Station, playing an important role in environmental education and the production of seedlings of native species. The company is also subject to forestry compensation due to the suppression of vegetation, legally authorized and necessary for its operation.

Specific legislation, such as the Fauna Law, regulates the protection of wild animals, while the management of water resources is guided by the National Water Resources Policy. Cemig monitors the quality of water in its plants, ensuring compliance with regulations. In waste

management, the company follows the National Solid Waste Policy, disposing of it appropriately. Environmental responsibility includes environmental education programs for the community and employee training.

Environmental licensing is essential for projects, involving several studies and obtaining specific licenses. The environmental conditions established in the licenses guarantee compliance with legal obligations and the execution of environmental programs.

Cemig develops a series of environmental programs, including monitoring fauna, fish, erosion, recovery of degraded areas, and actions with the community. The conservation of Permanent Preservation Areas is fundamental, with measures being adopted to avoid irregular occupations.

In addition to complying with legal obligations, Cemig adopts internal initiatives to control and reduce environmental impacts, following a corporate Environmental Policy. The company seeks sustainability in its activities, establishing programs to prevent and control socio-environmental impacts, in line with the principles of sustainable development. These actions go beyond legal requirements, reflecting Cemig's commitment to protecting the environment.

Policy is based on six fundamental pillars that consider the development of the business, the preservation of, lesser impact on biodiversity and the conscious use of natural resources, as follows:

- Strategy;
- Management;
- Compliance with legal requirements;
- Pollution prevention;
- Commitment to continuous improvement;
- Communication and environmental education, which guide Cemig's management processes and routine.

The development of Cemig's Environmental Education Programs is based on the application of Participatory Socio-Environmental Diagnoses, conducted through workshops with local communities and complemented by surrounding municipalities.

The main objective is to raise awareness and involve the population around the reservoirs, including employees, promoting socio-environmental awareness.

The specific objectives include the search for partnerships with municipal bodies, the promotion of local socio-environmental actions, the development of activities aligned with the needs identified in the diagnosis, the training of the population to fully exercise citizenship, and the training of workers to identify and mitigate environmental impacts.

The target audience includes public bodies, NGOs, associations, and plant workers, covering environmental, social, and health aspects.

It includes all its operational and support processes, whether planning, construction, operation,

or decommissioning of projects. Thus, the way the Management Systems are structured ensures that the premises are considered and applied by the whole of Cemig's workforce.

To that end, the Environmental Management System (SGA), based on ISO 14001:2015 standard, allows for the adoption of best practices to minimize environmental risks and optimize operating costs. Working preventively, it aims at reducing possible environmental impacts and sporadic occurrences tied to them, prepare employees appropriately to respond to emergencies, and achieve greater assertiveness in both the execution of the environmental strategy and the commitments taken on before the competent bodies.

Overall, the standard is Cemig's main environmental management tool, as it considers environmental aspects influenced by the organization and others that can be controlled by it.

Therefore, ISO guides the Company in understanding the needs and expectations of interested parties and in assessing the environmental impacts of undertakings, from the beginning to the end of its value chain.

In SGA, all enterprises are classified: those that have environmental licenses are certified in the NBR ISO 14001:2015 standard, and those that are still in the process of corrective licensing have the Internal Management System called EMS Level 1.

All certified areas now conduct their activities in a controlled manner, with a focus on complying with legal requirements applicable to environmental management. To ensure control, the areas undergo independent internal and external audits conducted annually by a certifying body accredited by the General Coordination for Accreditation of Inmetro (Cgcre).

The normative requirements are applied and met by Cemig pursuant to the provisions in its Management System Manual. The manual, published for instructional purposes, serves to specify the most relevant environmental topics and, thus, guide internal management so that the requirements demanded by the standards are met.

At the same time, online training is carried out to present, clearly and objectively, the content of the Management System Manual and to train and engage all employees to meet the normative requirements of NBR ISO 9001:2015, NBR ISO 14001: 2015 and ISO 450001:2018.

In 2023, the concessionaire was successfully recertified in its Environmental Management System, maintaining the certification it has had since 2014. The certification covers the Generation Maintenance Planning and Execution Processes, as well as the Transmission Maintenance Planning and Execution Process of the Vice-Presidency of Generation and Transmission (VPG).

This achievement reaffirms the company's commitment to environmentally responsible practices in its energy generation and transmission operations.

In addition to certification, Cemig developed and uses several internal indices to measure and monitor its environmental performance:

- Condition Compliance Index (ICC): which measures compliance with environmental constraints annually, respecting the deadlines and definitions imposed by environmental agencies. Thus, the aim is to guarantee environmental compliance of Cemig Generation and Transmission projects;
- Forest Compensation Compliance Index (ICCF): which measures the annual fulfillment of forest compensations established in environmental licenses or in authorization acts that are related to the reconstitution of flora;
- Environmental Licensing Index for generation and transmission installation operation (ILOI): intended to show the percentage of Cemig G and T facilities in operation with an environmental license in force.

As well as these indices, external audits of Legal Compliance and the Environmental Management System are carried out, which aim to assess the Company's performance in relation to the principles defined in the Environmental Policy. Besides that, it is also designed to monitor compliance with current environmental legislation, as well as control the environmental impacts of its activities.

Legal compliance audits take place every two years, and only one Cemig Geração management is evaluated, that is, the facilities located in the Centro Sul region, which have NBR ISO 14001:2015 certification. Within a period of 10 years, 100% of Cemig Geração's facilities are evaluated, with the aim of verifying compliance with all environmental legislation within the scope of the SGA.

At Cemig Transmissão, Legal Compliance audits are held every two years, and all facilities that are certified under NBR ISO 14001:2015 are evaluated.

The results of the main indices are presented below:

Index	2022 Results		2023 Goals		2023 Results	
	Cemig D	Cemig GT	Cemig D	Cemig GT	Cemig D	Cemig GT
Condition Compliance Index (ICC)	N/A	98.60%	N/A	100%	N/A	100%
Forest Compensation Compliance Index (ICCF)	100%	N/A	100%	N/A	100%	N/A
Environmental Licensing for generation and transmission installation operation (ILOI)	N/A	86%	N/A	100%	N/A	100%

The Forest Compensation Compliance Index (ICCF) is only applicable to Cemig D (Distribution), and the Environmental Licensing Index for generation and transmission installation operations (ILOI) is only applicable to Cemig GT (Generation and Transmission).

3 Coverage of Cemig's Environmental Management System

Activity	2023		
	ISO 14001	SGA Level 1	Minimum Requirements
Generation	65%	20%	15%
Transmission	72%	28%	0%
Distribution	0%	0%	100%

Considering the percentage of EBITDA for each activity (Generation, Transmission and Distribution), Cemig is **43.33%** certified (35.53% for Generation and 7.8% for Transmission) according to international standards (ISO 14001 and Environmental Management System) and internally audited in the rest of the operations by the company's own professionals.

4 Internal Audit

All Cemig units that interfere with the environment shall meet a set of minimum requirements necessary for environmental suitability established in the internal procedure called IS-62 Service Instruction.

Internal audit verifies **56.67%** of the operations by the company's own professionals.

The coverage presented above refers to the proportion of net income of the units that meet these requirements and are not certified under ISO 14001 or EMS Level 1.

The audit of IS-62 is carried out periodically by the experts of Cemig's Internal Audit Superintendence, based on a risk analysis in all areas of the Company whose processes have an impact on the environment.

The reports with the results are submitted to the managements and boards of the audited areas for the implementation of a critical analysis and action plan to handle the nonconformities identified.

5 Instruction IS-62

This instruction establishes the minimum requirements to be met by the Company's departments, related to responsibility for environmental issues inherent to the processes they conduct, as well as the criteria that will guide the budgetary management necessary for the execution of

environmental adequacy and compliance projects, in order to:

- continue to adopt actions aimed at adapting and continuously improving CEMIG's environmental performance, in compliance with environmental legislation;
- promote the awareness of all hierarchical levels of the Company regarding their responsibility in relation to environmental issues, considering the stages of the project, implementation, maintenance, operation and management of assets, in addition to the evaluation of new investments;
- define the criteria to be noted when allocating financial resources for the execution of environmental adequacy projects;
- establish environmental adequacy requirements to be fulfilled, aiming at prevention in relation to environmental impacts and risks;
- strengthen CEMIG's image as a company committed to environmental compliance and sustainability;
- minimize environmental risks arising from the Company's business and activities.

This instruction applies to all departments of the Company that carry out activities that may cause impacts on the environment, including those responsible for the design, implementation, operation, maintenance and management of assets, as well as those that perform the management of services performed by contracted companies that, likewise, may impact the environment.