GREEN FINANCING

#Transformar vidas com a nossa energia.

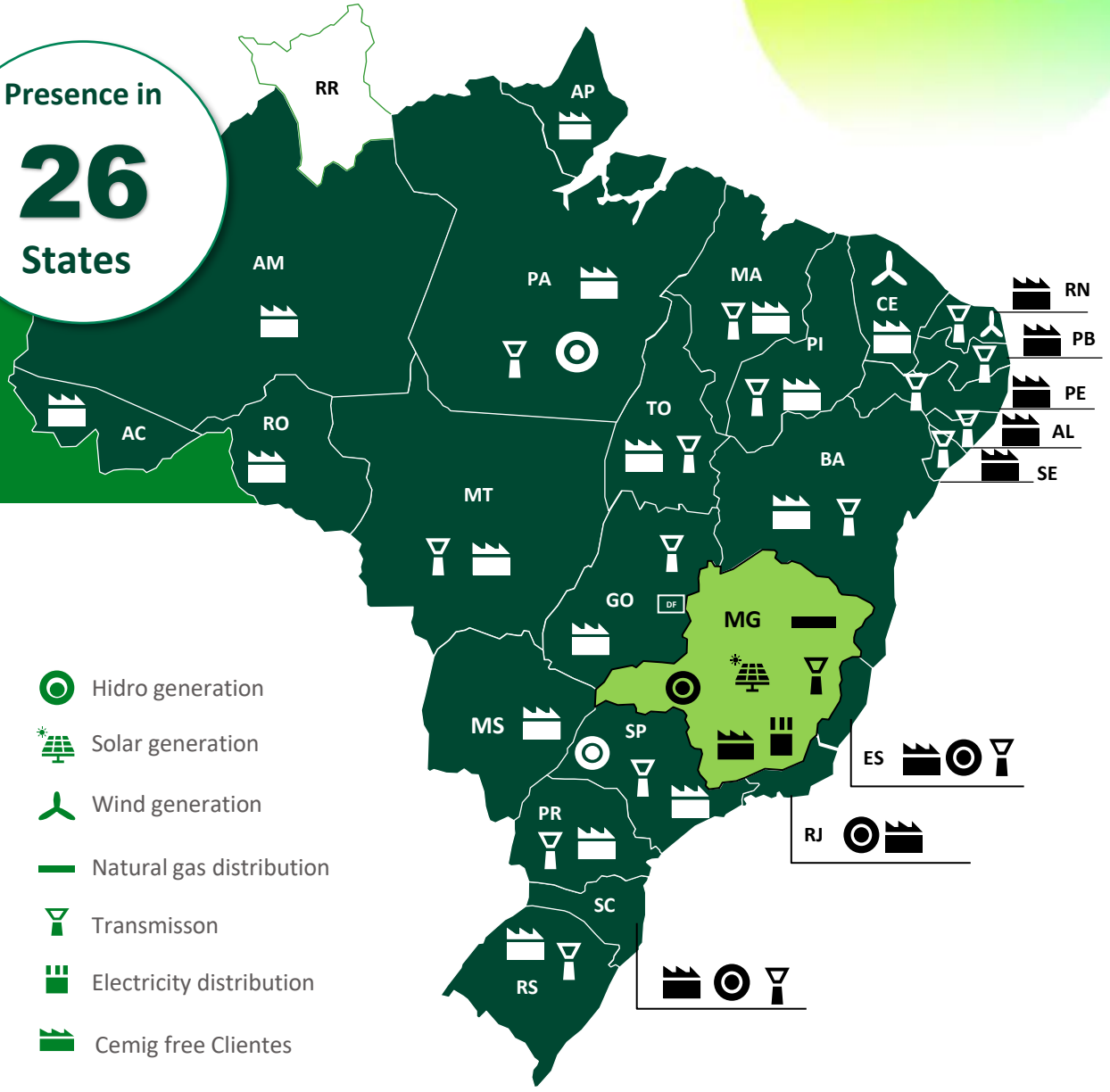
OVERVIEW

#Transformar vidas com a nossa energia.

CEMIG – LARGEST INTEGRATED UTILITY

#1 Integrated - Leader in Renewable
100% of our generation is renewable

Presence in **26** States



CEMIG GT
4 th largest transmission group*
6th largest generator group

Largest trading company
Largest energy supplier for free clients 15% market share

CEMIG D – Concession area the size of Spain
Largest energy distribution concession in the country
- ✓ >9. million clients in 2022
- ✓ 47.7 thousand GWh of distributed energy in 2022
- ✓ >574 thousand Km of lines

*Considering a proportional 21.68% stake in TAESA's RAP

CEMIG IN NUMBERS

Integrated portfolio making it possible to capture synergies and reduce risks

Generation

5.2 GW
68 Power plants

57 9 2

Trading

- Highest power trading
- 15% of market share
- More than 4,500 free clients

Natural Gas

- >95.000 customers
- 46 municipalities
- 2.8 million m³ Average daily volume

Transmission

- 5,060 km
- 41 substations
- 21.68% stake in TAESA's RAP

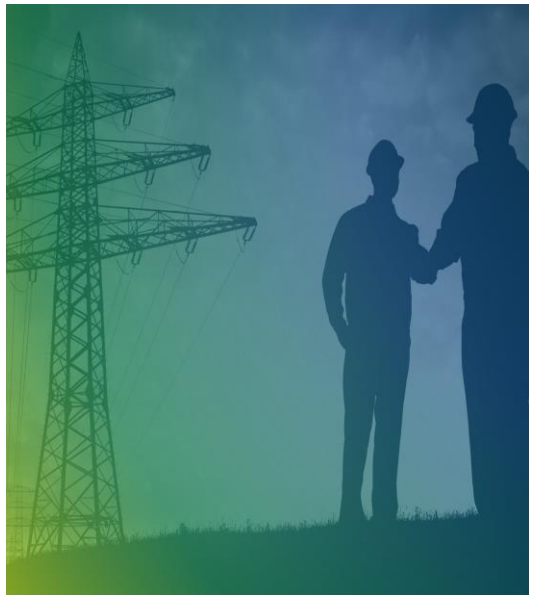
Distribution

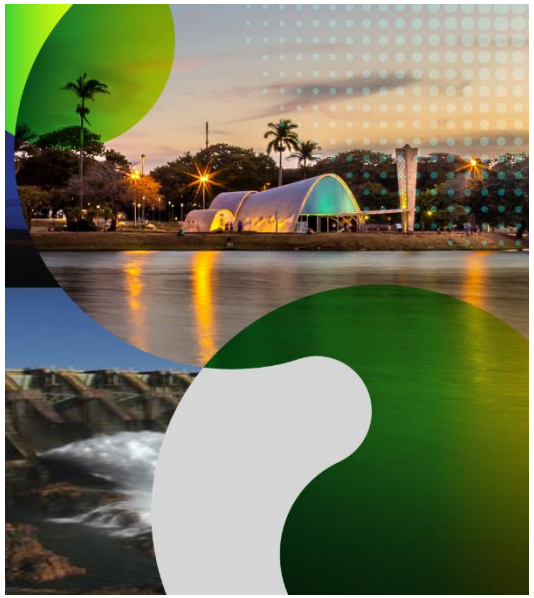
- >9.1 million customers
- Area size of Spain
- 774 municipalities
- 570,535 km Grid
- Retail largest distribution company

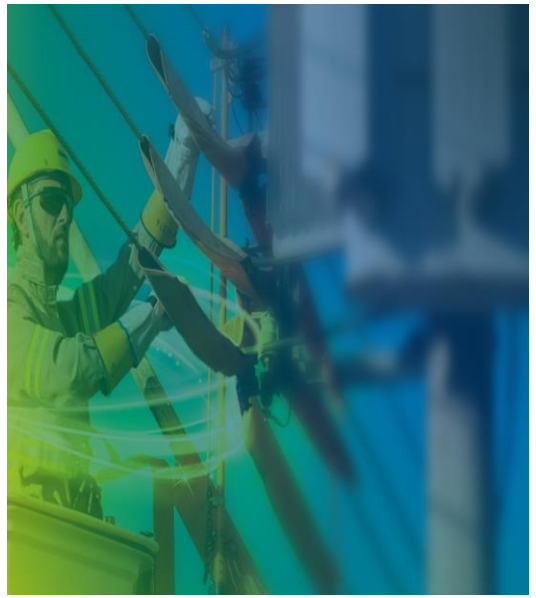
FOCUS ON MINAS GERAIS STATE

STRATEGY

INVESTMENTS **FOCUSED ON MINAS** GERAIS,
SEEKING **MAXIMIZATION OF RESULTS**
THROUGH **SUSTAINABLE MANAGEMENT**







ESG

#Transformar vidas com a nossa **energia.**

COMMITMENT TO ESG POLICIES

CEMIG reaffirms its **commitment** to sustainability through practices of **environmental conservation**, **social responsibility** and **corporate governance**

ENVIRONMENTAL PRACTICES

Proactive implementation of best environmental practices

SOCIAL WELLBEING

Action to enable social development through directed initiatives

CORPORATE GOVERNANCE

Corporate governance model led by transparency and equity

RECENT ESG ACTION

Initiatives ratify Cemig's commitment to being sustainable

TOP-RANKED
BRAZILIAN COMPANY
IN CARBON CLEAN200™

CLEAN200™

MOVIMENTO
AMBIÇÃO NET ZERO

INVESTMENTS IN CLEAN GENERATION;
DE-ACTIVATION OF CEMIG'S ONLY
THERMAL PLANT IN 2029

IN THE **DOW JONES INDEX** FOR THE
LAST 23 YEARS

Dow Jones
Sustainability Indexes

FIRST-EVER ISSUE IN CEMIG'S
HISTORY OF DEBT SECURED ON
SUSTAINABLE PROJECTS

CONSERVATION AND REFORESTATION OF ATLANTIC FOREST AND CERRADO TO RESTORE LOCAL LANDSCAPE AND BENEFIT BIODIVERSITY

Planting of more than
1 million saplings
In the next 5 years

Maintenance of **1200 hectares** (equivalent to 1,200 soccer fields)

Investment of
More than R$ 107 million

In line with the **Global Biodiversity Framework** and **SDG15**

ENERGY 100%
CLEAN AND RENEWABLE

97%

2%

1%

Renewable energy certificate

OTHER PROGRAMS

LOW INCOME TARIFF

1,187,000 families benefited

Number of beneficiaries increased by more than 100% from 2018 to 2022

Inclusion of a total population equal to that of Belo Horizonte

Families inscribed save an average of R$ 56.00 per month* on their energy bills

ENERGIA LEGAL PROGRAM

Regularize supply in poor communities

Greater safety for the population

– lower non-technical losses

– increased quality of supply

240,000 families benefited by 2027, for investment of ~R$ 1 billion

MINAS LED PROGRAM

490 municipalities participating

More than 120,000 public lighting points will be replaced

Investment of R$ 103 million

* Based on average ticket for Cemig low-voltage supply – 132 kWh (R$ 103.88).

AN NEW WAY OF DOING BUSINESS

Consolidation of a progressive organizational culture, creating a secure, meritocratic, diverse and inclusive environment, enabling sustainable enterprise results

CULTURE THAT VALUES THE CLIENT

Client satisfaction as principal factor directing the organization's culture

CULTURE OF EXCELLENCE

Inspirational leadership, high-performance teams, meritocracy and excellent results

PRESENCE IN MAJOR SUSTAINABILITY INDEXES

Cemig has been on the index **for 23 consecutive years**, and is **the only company in the Americas in the electric sector**

Rating AA, Best rating of the Brazilian electric sector

Member of the FTSE4Good Global Index (UK), with a score of 3.5, higher than the electricity sector average of 2.7

Present in B3's Corporate Sustainability Index since its creation, being one of the 40 Brazilian companies

One of the leading companies in water and climate management practices in Latin America, "A-"

Considered as "medium risk" by Sustainalytics

Cemig is part of B3's ICO2 Carbon Efficient Index portfolio

"Prime" rating, with **maximum score in Eco-Efficiency**

Bronze classification in Standard & Poor's sustainability ranking. Top 10% performance of companies in the electrical sector evaluated

Cemig ranks 37th - and 2nd best among Brazilian companies in the Top 100 Green Utilities Ranking based on carbon emissions and renewable energy

GREEN AND SUSTAINABLE BONDS

CEMIG - INVESTMENT IN RENEWABLES AND ENERGY EFFICIENCY

Expanding our energy matrix with renewable energy and energy efficiency.

Aligned with our strategic growth plan focused on Minas Gerais

Investment of BRL 824 million in Photovoltaic Solar Plants:

- Boa Esperança with 100 MWp of installed power
- Downstream with 87 MWp of installed power (7 plants)

Investment of BRL 218 million in energy efficiency

Investments in reinforcements and improvements in 25 substations (since 2021)

Investment of BRL 137 million in 9 Solar Photovoltaic plants:

- R$ 100 million at UFV Prudente Morais, Montes Claros and Jequitibá with
- 18.5MWp - Scheduled entry into operation from Jul/22 to Feb/23)

BRL 37 million in the acquisition of a 49% stake in 6 SPEs with 12.5MWp (in commercial operation)

CEMIG GT - GREEN DEBENTURES - 2ND SERIES

The 2nd Series Debentures will be characterized as “Green Debentures” based on the Framework aligned with the Green Bond Principles (GBP) of the International Market Association (ICMA), duly verified through the issuance of a Second Opinion Opinion. BRL 300 million

✓ Expansion in renewable, solar and wind generation

✓ Transmission enhancements and improvements

CEMIG D – LARGEST SUSTAINABLE DEBT ISSUE IN BRAZIL – BRL 2 BILLION

Debentures characterized as "Sustainable Debentures" based on alignment with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG), issued by the International Capital Market Association, duly verified by the Opinion issued by Bureau Veritas as Auditor Independent

7 ENERGIA LIMPA E ACESSÍVEL

- ✓ Regularization Program for distribution lines with lane invasion;
- ✓ Loss Management and Legal Energy;
- ✓ Energy Efficiency Program

9 INDÚSTRIA, INOVAÇÃO E INFRAESTRUTURA

- ✓ Minas Trifásico;
- ✓ Mais Energia;
- ✓ Reforma de Redes.

PROJETOS ESG - FRAMEWORK

Beneficts

- ✓ Energy efficiency;
- ✓ Access to basic infrastructure;
- ✓ Socioeconomic advancement and empowerment

- ✓ Programa Loss Management Program – replacing obsolete meters with smart ones;
- ✓ Legal Energy Program – Adaptation of 240 thousand families in the urban area;
- ✓ Energy Efficiency Program – replacement of obsolete equipment with more modern and economical ones.

- ✓ More Energy Program – construction of 200 new SE, between 2018-2027;
- ✓ Modernization and Digitization of SE – modernization of 150 SE;
- ✓ Network Regularization – regularization of occupied LD;
- ✓ Three-phase Minas – Conversion of 25,000 km of rural electrical network from single-phase to three-phase and construction of 5,000 km of three-phase interconnection;
- ✓ Network adequacy – adequacy of networks to technical and security standards

SUSTAINABILITY TAXONOMIES

GREEN TAXONOMY

A Green Taxonomy is a classification system defining the concept of environmental sustainability, which in turn clarifies for investors the economic activities and investments that different jurisdictions consider sustainable or not.

The Taxonomy lists economic activities considered green or environmentally sustainable.

Brazil does not yet have its taxonomy established, therefore, we shall voluntarily adopt the European taxonomy to categorize our financial expenditures.

The current European taxonomy for climate change mitigation and adaptation objectives includes technical criteria for several industries and activities (88 in the climate change mitigation objective and 95 activities in the climate change adaptation objective), including:

- Production of electricity, heat and cold, by energy source
- Electricity transmission and distribution
- Storage of electricity, thermal energy and hydrogen
- Heat pumps
- Biomass, biogas and biofuel production
- Other activities

GREEN TAXONOMY

European regulation considers an activity to be sustainable or green if it compies with a list of **six environmental objectives**:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- rotection and restoration of biodiversity and ecosystems

GREEN TAXONOMY

Other considerations aligned with the objectives mentioned above, and which must be taken into account:

1. Contribute to at least one of the six environmental objectives mentioned above;
2. Not to cause significant harm (DNSH – Do No Significant Harm) to any of the other objectives, whilst respecting human rights and labor standards;
3. Comply with minimum social safeguards and **not have a negative social impact**;
4. Comply with the technical screening criteria developed by the EU Technical Screening Group (TSG), which specify the performance requirements to determine points 1 and 2.

https://www.pwc.pt/pt/sustentabilidade/docs/pwc-sustentabilidade-taxonomia.pdf

GREEN TAXONOMY

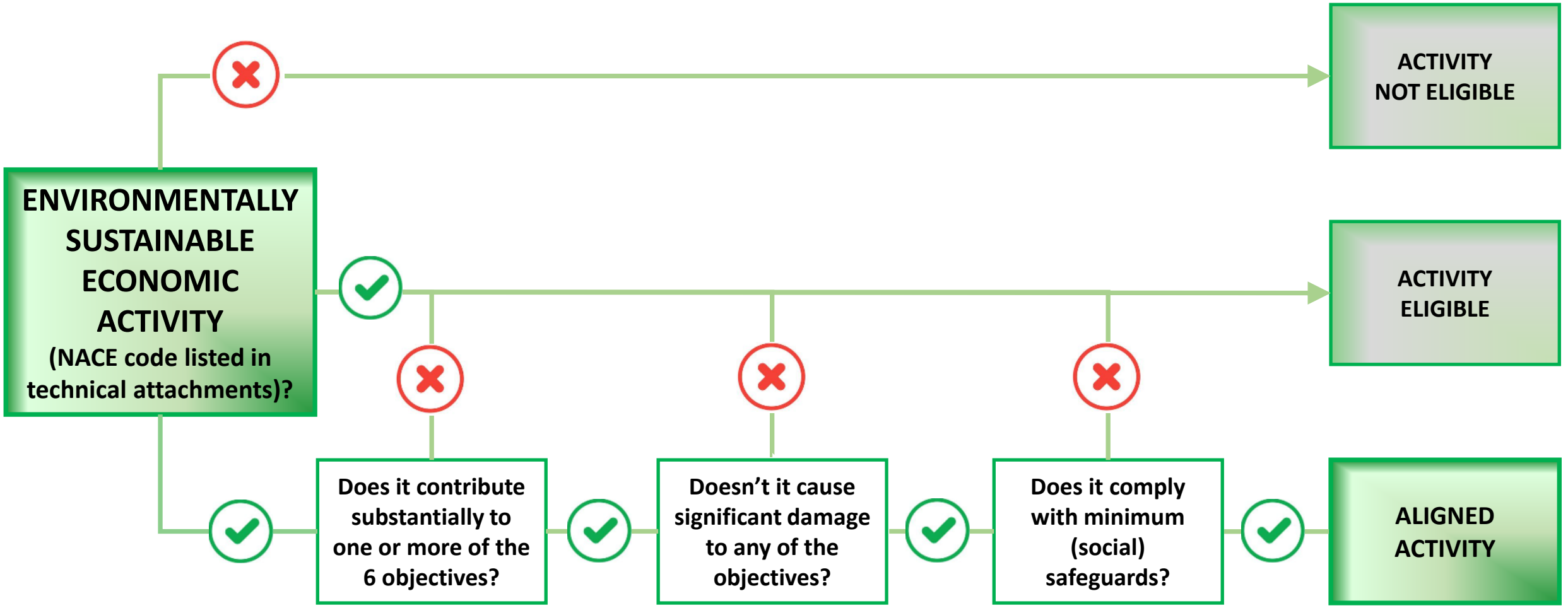
There is a third category:

Eligible: refers to an economic activity that has not been identified by the EU Taxonomy Regulation as a substantial contributor to climate change mitigation and for which no criteria have been developed. The logical reasoning of the iEuropean Commission is that these activities:

- do not have a significant impact on climate change mitigation or could be integrated into the EU Taxonomy Regulation at a later stage;
- have a very significant impact on climate change mitigation, so they cannot be eligible in any case.

https://www.pwc.pt/pt/sustentabilidade/docs/pwc-sustentabilidade-taxonomia.pdf

STAGES


ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITY
(NACE code listed in technical attachments)?
ACTIVITY NOT ELIGIBLE
ACTIVITY ELIGIBLE
Does it contribute substantially to one or more of the 6 objectives?
Doesn't it cause significant damage to any of the objectives?
Does it comply with minimum (social) safeguards?
ALIGNED ACTIVITY

STAGES of analysis

Identification of the eligibility of economic activities

Analysis of the contribution of the activity to environmental objectives

Assessment of the potential impact of the activity (DNSH – do not significant harm)

Verification of minimum social safeguards

Calculation of financial metrics

ALIGNMENT ANALYSIS

The following activities are considered to be in line with EU Taxonomy requirements:

- 35.1.2 - Transmission of electrical energy and 35.1.3 - Distribution of electrical energy

The average network emissions factor of the system, calculated as the total annual emissions from the production of energy connected to the system, divided by the total annual net production of electricity in that system, is below the limit value of 100 gCO2e/kWh measured based on in the life cycle in accordance with electricity production criteria, over a continuous period of five years. **In Brazil, the interconnected system had an emission factor of 22gCO2/KWh. Therefore, this activity is 100% aligned** with EU Taxonomy requirements

ALIGNMENT ANALYSIS

The following activities are considered eligible for EU Taxonomy requirements:

- 35.1.1 - Production of electrical energy
  - ✓ Electricity generation from wind energy
  - ✓ Electricity generation using solar photovoltaic technology
  - ✓ Construction and operation of electricity generation facilities that produce electricity from hydropower
    - ➢ Hydropower installations with a power density greater than 5 W/m^2 are currently exempt from carrying out the PCF or GHG Life Cycle Assessment (subject to regular review according to the decreasing threshold) and are considered aligned.
      - ➢ Because Cemig has its plants installed in regions with higher altitudes, at the headwaters of the river basins, many of its plants have the role of regulating the flow to the other plants in the Basin and, therefore, have large reservoirs.

      - ➢ **Thus, 13.74% of the installed capacity has a power density greater than 5 W/m^2, that is, they are considered in line with the EU Taxonomy requirements.**
      - ➢ **86.26% of installed capacity is considered eligible, but not aligned.**

ALIGNMENT ANALYSIS

The following activities are considered eligible, but not aligned to, for EU Taxonomy requirements:

Gas distribution, via Gasmig, was considered eligible and not aligned because we were unable to prove our customers' emission factor. European regulations require that “gas-fired power plants must not emit more than 270g CO2e/kWh or have average emissions of 550g CO2e/kWh over 20 years to earn a “green” label.

The energy trading activity does not appear in the EU Taxonomy requirements, therefore, according to the rule, it must be considered ineligible. However, it is important to highlight that in Brazil, 87% of the matrix is clean and renewable, therefore, it has a low environmental impact.

EUROPEAN TAXONOMY

Mapping in accordance with taxonomy

Eligible

Aligned

- 100% Wind and solar
- 13.7 Hydro

100% of Distribution and Transmission

Not - aligned

- 86,3% Hydro
- 100% Gas Distribution

Not eligible

100% Energy Trading

EU TAXONOMY

Cemig voluntarily classified its revenues and OPEX and CAPEX related to 2023 in terms of the classification of the European Union Taxonomy.

Em Milhões	Natural Gas	Energy Trading	Generation	Transmission	Distribution	Total
Revenues[3]	3,618	7,686	2,875	1,091	23,348	38,618
Opex	97.42	83.50	469.57	291.22	4,127	5,069
Capex[1]	302	0	991[2]	198	3,338	4,829

The revenue in 2023 was R$36,618 milhões

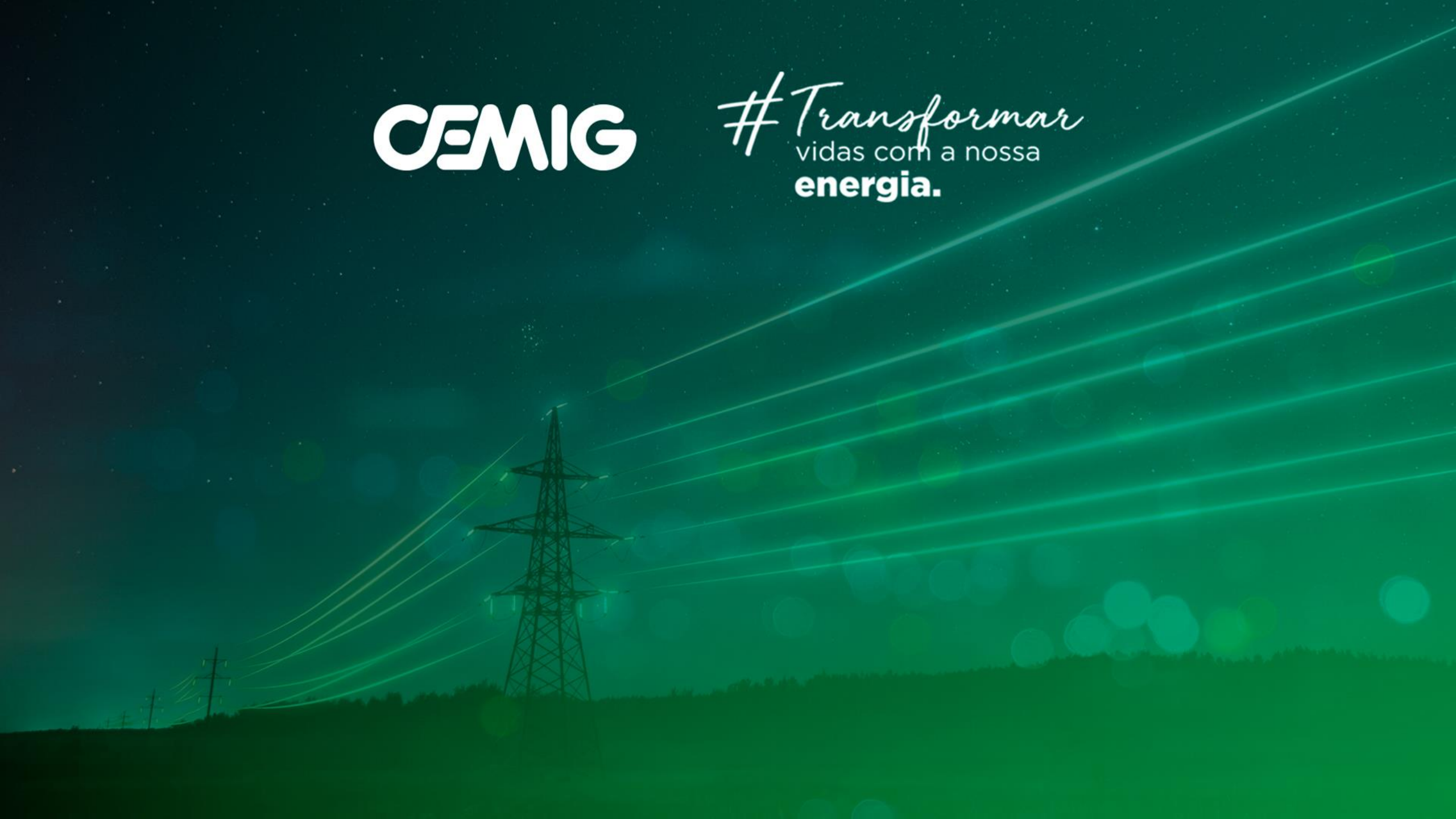
These information were not audited.

	Revenues	Opex	Capex
Total of which is Taxonomy-Eligible	80%	98.35%	100%
Total of which is Taxonomy-Aligned	64%	89	76%
Total of which is not Taxonomy Eligible	20%	1.65%	0

[1] https://ri.cemig.com.br/docs/Press-release-cemig-2023-12-31-kQmqwC9F.pdf pag 30

[2] considera GD e geração centralizada

[3] https://ri.cemig.com.br/docs/Demonstracoes-Financeiras-Anuais-Completas-cemig-2023-12-31-HRTHMj7t.pdf página 112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