



INVESTOR DAY 2021



Agenda

10:05	CPFL Energia Strategy	Gustavo Estrella CEO of CPFL Energia
10:45	State Grid's view on ESG themes	Yuehui Pan Chief Financial and Investor Relations Officer
11:00	Innovation Projects	Renato Povia Strategy Director
11:15	Climate Change	Rodolfo Sirol Environmental & Sustainability Director
11:30	CPFL Serviços Equipment Refurbisher	Eduardo dos Santos Soares Head of CPFL Serviços
11:40	Human Capital	Rodrigo Ronzella Human Resources Director
11:50	Governance	Valter Matta Governance Director
11:55	Risks, ethics and compliance	Jorge Lencastre Auditing, Risks, Compliance and DPO Director
12:05	Q&A Session	
12:30	Final Considerations	Gustavo Estrella CEO of CPFL Energia

CPFL Energia Strategy

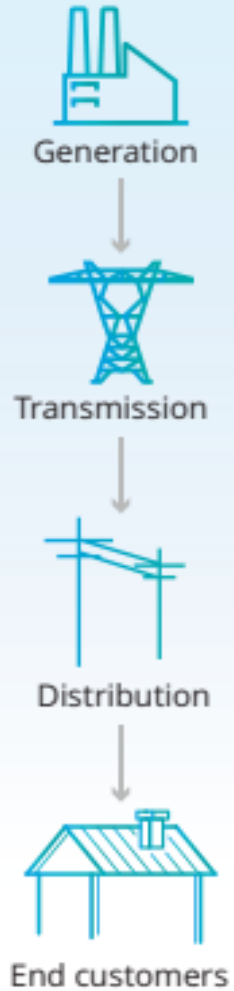
Gustavo Estrella
CEO of CPFL Energia



Energy market is in transition: in the next 10 years, probably there will be more changes than in the previous 100

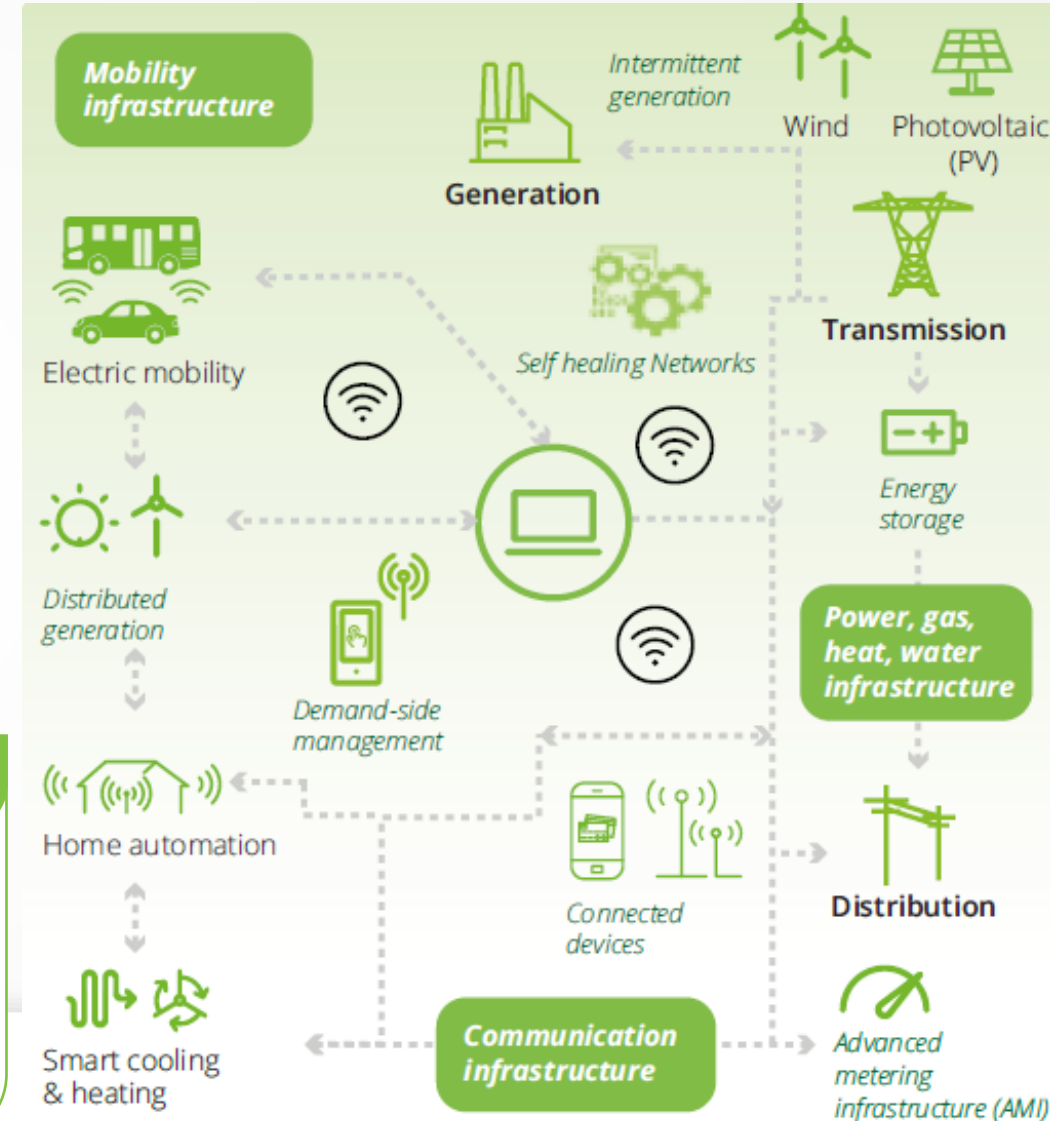
Current Power Market

- Centralized
- Predictable
- Vertically integrated
- One Way

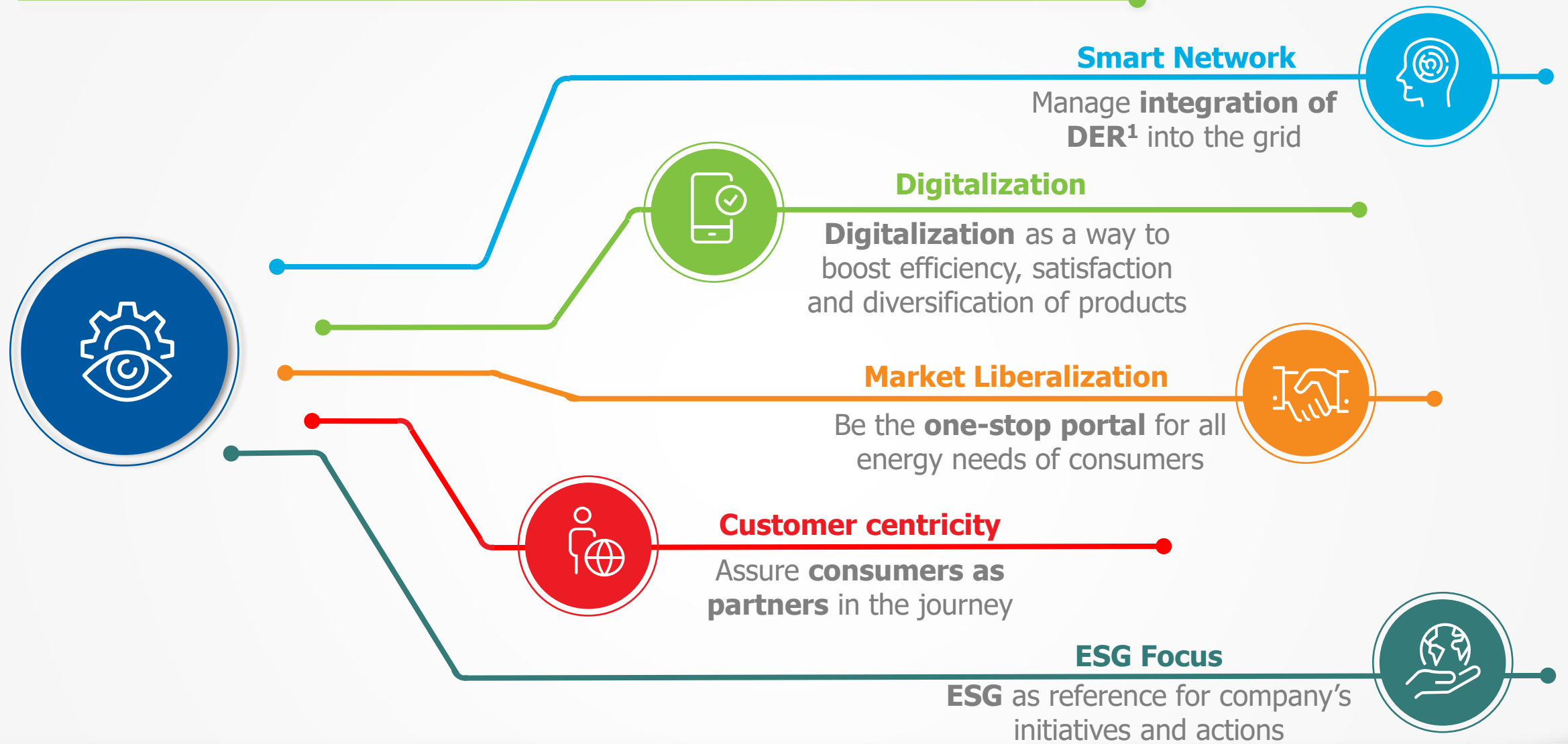


Future Power Market

- Distributed
- Intermittent
- Horizontally networked
- Bi-directional



Key trends and paths to play



1) Distributed energy resources

Key trends and paths to play



Smart Network

Manage **integration of DER¹** into the grid

Connected assets: Real-time infrastructure management and infrastructure to enhance data acquisition (Big Data)

Intelligent O&M: Drone inspection and technology to improve grid services (self-healing, augmented reality for field team)

Keep discussions with Aneel in order to make **smart meter** feasible

Health and safety **predictive models** that identify which assets, teams, or individuals are most vulnerable to incidents and reduce risks

Improve relations with free customers, developing a journey in digital platform, providing consultative support for real-time decisions, and automate processes and integrate database for analysis

1) Distributed energy resources

Key trends and paths to play



Digitalization

Digitalization as a way to boost efficiency, satisfaction and diversification of products

Need to expand **AI** and **Data Science** applications to consolidate **information received from the smart network**

Systems and digital tools to provide more information to field worker, increasing assertiveness, efficiency and safety

Enhance data privacy and control of **Cyber Security** vulnerabilities

Boost **Data Science applications** using data from various sources such as sensors, satellites, weather data to generate insights, forecasts, predictive maintenances

Assure **digitalization of the customer journey**, connecting the utility technology platform to the consumer and to the edge of the grid (**end-to-end**)

Key trends and paths to play



Market Liberalization

Be the **one-stop portal** for all energy needs of consumers

Liberalization will expand in the next decade, allowing **all consumers to access the free market**, attracting new players from outside the sector (i.e Big Techs, Multi utilities, etc.)

Matrix expansion will be based on **renewables** and the increase of investment in **distributed energy resources** (DER); increasing need for storage solutions and consolidation of **hybrid power plants**

Free Market (high and low voltage): Be ready for the increasing need of **virtual services, customized packages** that suit client lifestyle

New business model and multi utilities. New **competition landscape** with new products and services bringing new entrants

Key trends and paths to play



Customer centrality

Assure **consumers as partners** in the journey

Customer as a “partner”: establish a closer relationship with Customer (**customer experience journey**) and **diversify portfolio** to match clients needs

Prosumer: study opportunities to develop **peer-to-peer transactions** and promote **customer electricity trading** (with utility or others in real time)

Establish know-how and relationship to **provide services with the most modern technologies and new solutions** to clients

Key trends and paths to play



ESG Focus

ESG as reference for company's initiatives and actions

Boost commitment to **carbon neutralization**: seek to increase # of projects qualified for the sale of carbon credits and renewable energy

Diversity & inclusion must be a metrics-driven approach, combined with retaining and developing talent program

Provide customized products and consultative support for client's real-time decisions; develop **customer relation** in digital platform

Develop partnership with **suppliers and communities** to foster sustainable practices

Increase **transparency with stakeholders** through public commitments

Complementary businesses to create value

ASSET BASED BUSINESSES

- ~95% Ebitda
- Capex-based growth



DISTRIBUTION



GENERATION



TRANSMISSION



- ✓ Risk mitigation
- ✓ Synergies and cost control
- ✓ Explore potential new markets

- ✓ Assurance of RAB with margin capture
- ✓ Assurance of quality in the construction (SSs, transmission/distribution lines and power plants)

- ✓ Optimal energy sales
- ✓ PPA for free market

SERVICES BASED BUSINESSES

- ~5% Ebitda
- High potential growth with limited capital commitment



FINANCIAL SERVICES



SERVICES



TRADING

Distribution: scale & organic growth



Portfolio Synergies



FINANCIAL
SERVICES



SHARED
SERVICES



SERVICES

Segment main characteristics

- ✓ Regulated stable returns as basis + upsides (scale & efficiency)
- ✓ Revenues protected against inflation
- ✓ Constant Capex needs – organic growth with secured returns (regulatory WACC)
- ✓ Constant demand for equipment, materials and workforce

2022-2026 Strategic Plan

- ✓ Customer at the center, with focus on digital channels and processes simplification
- ✓ Investment in technology to modernize, strengthen and flexibilize the grid
- ✓ Make feasible Smart Metering large scale expansion
- ✓ New techs and analytical models to fight losses and ADA

Generation & Renewables: stable cash flow



Portfolio Synergies



Segment main characteristics

- ✓ 96% renewable energy
- ✓ Low exposure to GSF
- ✓ Stable cash flows, with long term PPAs protected against inflation

2022-2026 Strategic Plan

- ✓ Growth based on M&A and/or greenfield (auctions), considering energy prices and financial discipline
- ✓ Consolidate, increase reliability and standardize the current in-house models
- ✓ Implement a dam safety management model to improve remote analysis and guide technical decisions
- ✓ Complete automation process in HPPs and SHPPs

Transmission: capex and operational excellence



Portfolio Synergies



Segment main characteristics

- ✓ Low risk: stable cash flows, long term contracts protected against inflation
- ✓ Upside with future Capex

2022-2026 Strategic Plan

- ✓ Standardize and seek operational synergies in engineering and construction (for future growth)
- ✓ Integrate CPFL Transmissão's current portfolio processes with implementation of an enhanced operational model
- ✓ O&M integration based on a renovation and maintenance plan
- ✓ Increase competitiveness through CAPEX optimization
- ✓ Greenfield projects on transmission niche



Portfolio Synergies



Segment main characteristics

- ✓ Non-regulated business
- ✓ Focus on financial services and products through selected partners (10 MM energy bills/month)

2022-2026 Strategic Plan

- ✓ Create financial products and services to meet customers' needs
- ✓ Improve financial indicators intelligence with data analytics in order to gain scale
- ✓ Digitalize customer journey and automate processes

Services: synergies and protection



Segment main characteristics

- ✓ Non-regulated business
- ✓ Assure Capex RAB quality
- ✓ Risk mitigation

2022-2026 Strategic Plan

- ✓ Analytical Center for logistics and safety
- ✓ Increase operational efficiency with modernized equipment and with a reduction in manpower

Portfolio Synergies



Trading: know-how and future customer access



Portfolio Synergies



Segment main characteristics

- ✓ Cash flows in an “asset light” business: risk management as limit (Non-regulated business)
- ✓ B2B Platform with cross-selling value proposition (eg. DG, Energy Efficiency)

2022-2026 Strategic Plan

- ✓ Influence sector to strengthen market reliability (less volatile PLD, market exposure risk limit)
- ✓ Energy to Final Consumer: New products and features, focusing on long term sales using integrated portfolio
- ✓ Digitalize processes to be a platform to explore free market expansion (including CoVar)

In a nutshell, CPFL Strategy is:

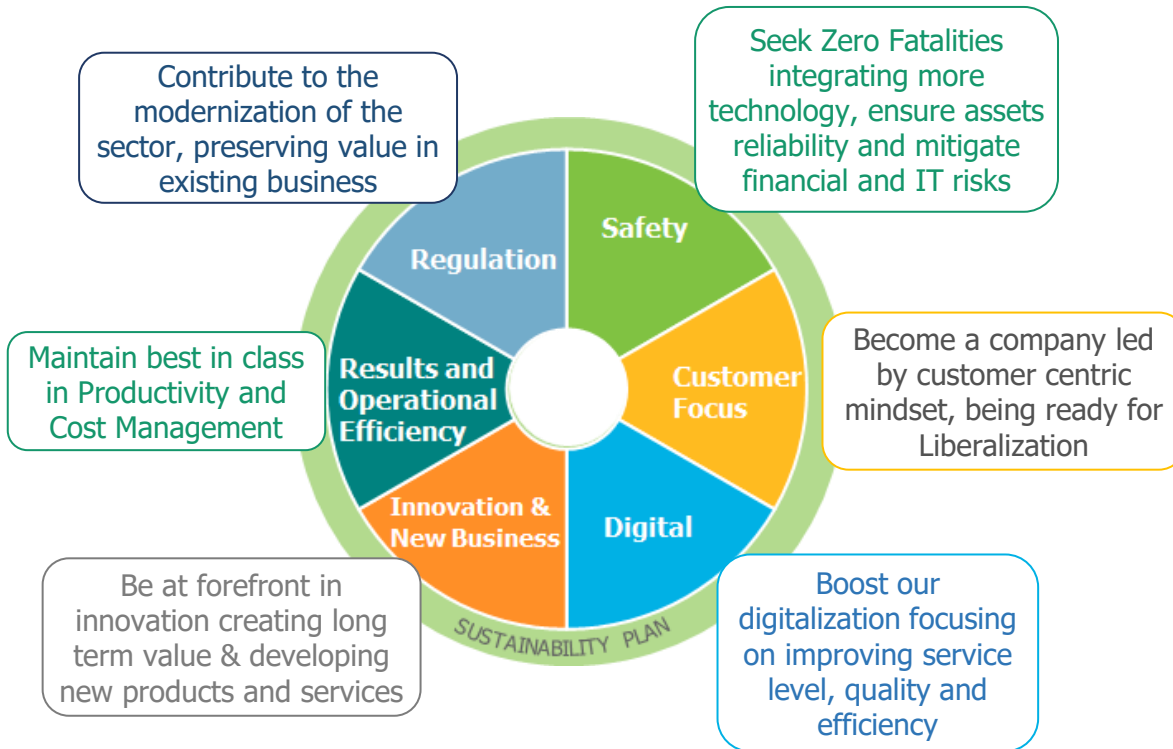
Increase Enterprise value through:

Maximize returns, with financial discipline and in a sustainable way

Mitigate risk, stabilizing future returns

Growth, with portfolio aligned with market trends, combined to high **dividend payout**

1. Optimize current business



2. Business Growth

Increase competitiveness:

- ✓ Strengthen **culture of consolidation** (Plug&Play structure)
- ✓ **Greenfield projects**: focus on the **execution**, ensuring the project's value creation assumptions
- ✓ **M&A**: ensure CEEE-T integration

Growth ambitions 2022-26

- ✓ **DisCos: RAB execution**
- ✓ **Renewables**: greenfield projects leveraging **synergies with Trading for Free Market** growth
- ✓ **Niche Transmission**: greenfield projects
- ✓ **Capture new opportunities** and **manage risks in Services-based businesses**
- ✓ Seek **opportunities in M&A**



Enablers

Corporate culture



People Development



Sustainability Plan

State Grid's view on ESG themes

Yuehui Pan
Chief Financial and
Investor Relations Officer



State Grid ESG Performance

Social Responsibility and Public Welfare

State Grid released the first CSR(Corporate Social Responsibility) report in China in 2006, a milestone for Chinese enterprises' CSR endeavor. In the principle of fulfilling its corporate social responsibility as a grid company, State Grid supports social welfare and promotes harmonious social development. While actively participating in social welfare undertakings, State Grid has forged several branding projects with extensive social influences, maximizing the comprehensive social benefit.

Duty fulfillment performance (YEAR 2020)

Society		S
Employee's rights and interests and development	Proportion of female managers	8.3 %
	Proportion of female employees	26.8 %
	Number of labor unions	2,748
	Operational staff training	52,500 person-times
	Managerial staff training	1.21 million person-times
	Technical worker training	320,600 person-times
	Skilled worker training	2.1938 million person-times
	Service staff training	26,100 person-times
	New employees training	49,100 person-times
	Per capita training person-times for different types of employees	
Health and safety	Identifying safety risks at work, and formulating policies and measures to ensure safe working	P 22/ P52
	Health and safety management related to contracto employees	P 22
Supply chain risk management	Enviromental and social requirements for supplier aces, and implementation situation	P 47
Responsabilitie s of users	Annual average gap between blackout duration for urban and rural users	12.27 hour/household
	95598 first-call resolution rate (complaint)	87.94 %

Branding Project

The Development of the "Bright Home" Project



- ✓ People from the Anhui Province **leave home to work** in big cities as migrant workers
- ✓ This leads to an increasing number of **"left-behind children"** in rural areas
- ✓ Unique volunteer service to **safeguard physical and psychological health**



特高压奖学基金

UHV Power Grid Scholarship Fund

- ✓ Grants for **R&D breakthroughs** for students in **power-related majors**
- ✓ **180** outstanding undergraduates from **20** universities

State Grid ESG Performance



Environment performance

State Grid earnestly perform all tasks and requirements of green development, and promote low-carbon energy development, sparing no effort to advance the construction of an ecological civilization.

Actively Consuming Clean Energy (Year 2020)

- New energy **generating capacity** of **6,018.18 TWh**
- New energy **utilization rate** of **96.9%**
- **Installed capacity of new energy** in State Grid's services areas achieved a **YoY increase of 15.86%**
- **Generating capacity** achieved a YoY **increase of 16.52%**

Internet Platform for Smart Vehicles (Accumulated until 2020)

- Connecting **430,000** charging piles to the platform
- Connecting **17,000** electric vehicles
- Proportion of charging piles in operation: **99.86%**
- Issuing **217,000** charging cards
- More than **2** million registered users

Establishing a Low-carbon Energy System (Year 2020)

- Installed capacity of **575 GW** from renewable energy
- Renewable energy generating capacity of **13,400 TWh**
- A YoY increase of **9.35%**
- Utilization rate of renewable energy for power generation **96.4 %**
- A YoY increase of **2.5 %**

State Grid ESG Performance

Transparent Operation and Acceptance of Public Supervision

STATE GRID always adhere to the principle of transparent operation. By comprehensively promoting engagement with our stakeholders, is committed to establishing sustainable partnerships, winning trust through communication, increasing consensus.

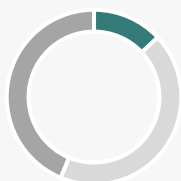
Improving Information Transparency (Year 2020)

2,316

press spokespersons

1,193

press conferences held in year 2020



1,109
on People's
Daily

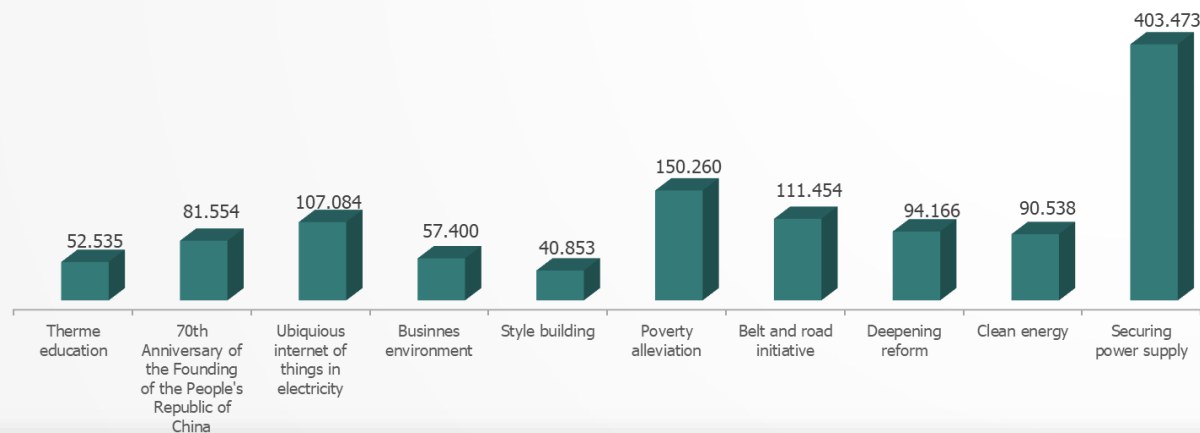


3,678
on Xinhua
News Agency



3,724
on CCTV

52
on CCTV
News



State Grid focus on:

Strengthening Social Communication

Accepting Supervision and Inspection

Building Sustainable Partnerships

Actively Promoting Stakeholder Engagement

Innovation Projects

Renato Povia
Strategy Director



Technology Roadmap

The **Technology Roadmap** is the translation of the **organization's vision of the future** and **strategy** into Innovation programs, projects and initiatives to support the company's development in a coordinated manner. The time horizon explored considers scenarios for the **next 10 years**

The strategy was carried out in 4 months of interviews with external and internal specialists, alignments, benchmarks and studies

Future Vision and Strategic Territories

Future trends to help assimilate movements and identify strategic "territories" of opportunity

5 Future Scenarios for Business

45 Strategic Territories of Opportunity

Themes and Technological Routes

Exploitation of strategic territories identified by evaluating the maturity of technologies, familiarity of the Company and scope of application

26 Technological Routes

+190 Mapped Technologies

Partners and Projects

Projects to address and start the exploration of strategic territories using technological routes as levers

71 Partners for Execution

119 Innovation Projects for the Next 10 Years

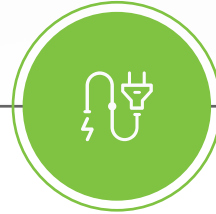
Aspects of innovation

The vision of Innovation, linked to strategy, implies some general guidelines for the CPFL Group's innovation process



Projects Of Operational Excellence, Short/Medium Term Results

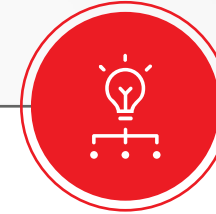
Through incremental improvements in processes, technologies, tools and materials.



Structuring Projects With Long-term Results

Preparing CPFL and the Electric Sector for the Future

R&D FOCUS



Promotion Of The Innovation Culture

Implementing projects and actions that promote employee engagement and foster Innovation in the CPFL Group

**STARTUPS
EMPLOYEES IDEAS**

R&D Projects – Strategic Projects

Electric Mobility



Pilot operational fleet and charging infrastructure for Electric Vehicles in Brazil

- Assessment of the impacts of recharging vehicles on the network
- Proposition of regulatory framework for Electric Vehicles and recharge equipment
- Indaiatuba Operational Fleet:
 - Charging Stations: 12 of 16 Installed
 - Electric Vehicles: 20 of 22 Delivered (1st national electric truck in development)

Benefits

AMI

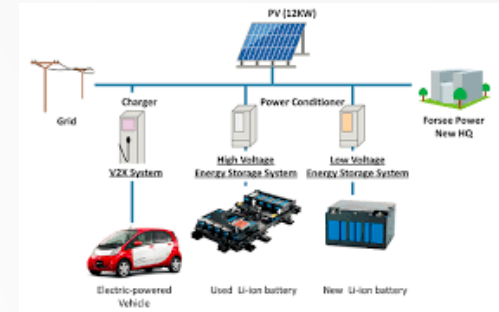


Development of Smart Metering Platform with Cybersecurity, Business Intelligence and Big Data

- Delivery of the loss assessment tool to the commercial team
 - Inspections performed using the tool with good results
- Availability of mass memory data from smart meters automatically
- Development of prepaid account proposal, presentation to aneel and ANEEL recommendation for prepaid account testing in the field

Benefits

Storage to end customer



Implementation of an energy storage system connected to a Medium Voltage consumer

- **Financial gains:** Cost reduction of ~R\$1,5k/month
- **Non-financial gains:**
 - There is no blinker (PISCA)
 - There is no need to turn on the diesel generator when there is an interruption in the power supply network as the battery takes over the entire load (island operation)
 - There is no emission of polluting gases

Benefits (x diesel generator)

R&D Projects

Damage Indemnities Claims

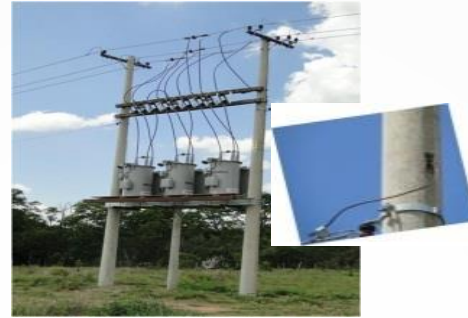


The Damage Claims Analytics Framework tool was developed and is in use by the Damages Indemnity Processes

- Methodology and system for evaluating PID requests in the current technological context, using big data, machine learning and int. artificial (12,281 subsidies from 2019 to 2021 for the defense of lawsuits, in 50% less time -> contributing 18MM of avoided cost of lawsuits)
- Recommendation of regulatory improvements, review procedures and network standards;

Benefits

Self-Grounded Post



Concrete pole with integrated ground for the distribution network

- Reduced operating costs at installation
- Reduction of occurrences
- PID cost reduction
- Royalties R\$ 11 MM (2021)

Benefits

Movers








Customer Service Platform comprising CPFL's Change of Ownership, Installation Activation and New Connection services

- Best Way for the Customer to Request Services (Easy and Intuitive);
- Greater Accessibility and Inclusion (Virtual Assistant);
- Validation Processes Automation;
- Improper Displacement Costs Reduction;
- Digital Services Promotion.

Benefits

CPFL INOVA cases

CPFL Inova Program held 2 rounds with Endeavor to scale up 12 startups in each program, improving CPFL's recognition in the ecosystem.

Startup	Admission	Project	Business Department	Results
 KASCO TECNOLOGIA	R&D Contact	R&D Thermovision	Operations	<ul style="list-style-type: none"> Vehicle in use at RGE Developed technology reduces vehicle inspection costs by 37%
 microblau CONTROLES E AUTOMAÇÃO	CPFL Inova 2019	Energy Efficiency project "CPFL nos Hospitais" (Unicamp and Ribeirão Preto)	Energy Efficiency and CPFL Serviços	<ul style="list-style-type: none"> Automation with remote monitoring of the status of each variable controlled in real time Estimated initial savings is BRL 200k/year
 FIELDLINK	CPFL Inova 2019	PoC for testin tools in field teams that do not have specific software	Large customers' relationship	<ul style="list-style-type: none"> Focus on the productivity of the O&M field team and maintenance consultants Rollout -> contract signed
 TRACKER ^{UP}	R&D Contact	PoC New Platform O&M Self-Production Efficiency team	CPFL Serviços (O&M Self-production Efficiency)	<ul style="list-style-type: none"> Control and management of the field team Travel time reduction and optimization 100% electronic inspection form by tablets
 niduu	CPFL Inova 2019	New Ethics Course	Corporate University	<ul style="list-style-type: none"> Validated with early adopter users Greater user engagement (up to 90%) Rollout -> contract signed

Climate Change

Rodolfo Sirol
Environmental &
Sustainability Director



Sustainability Plan

**CPFL
SUSTAINABILITY
DRIVER**

Provide sustainable, accessible and reliable energy to all walks of life, and enhance a safer, healthier and prosperous life of people in regions where we operate

**TRENDS IN THE
POWER SECTOR**

Transition to a low carbon matrix

Changing customer profiles and habits

New technologies and digitalization

Regulatory framework modernization

OBJECTIVE

Power the transition to a more sustainable and smart way of providing and using energy, maximizing our positive impacts in the community and value chain

PILLARS



SUSTAINABLE ENERGY

Aiming for the smallest possible environmental footprint



SMART SOLUTIONS

Providing the solutions for the future of energy



SOCIETY SHARED VALUE

Maximizing our positive impacts in the community and value chain

COMMITMENTS



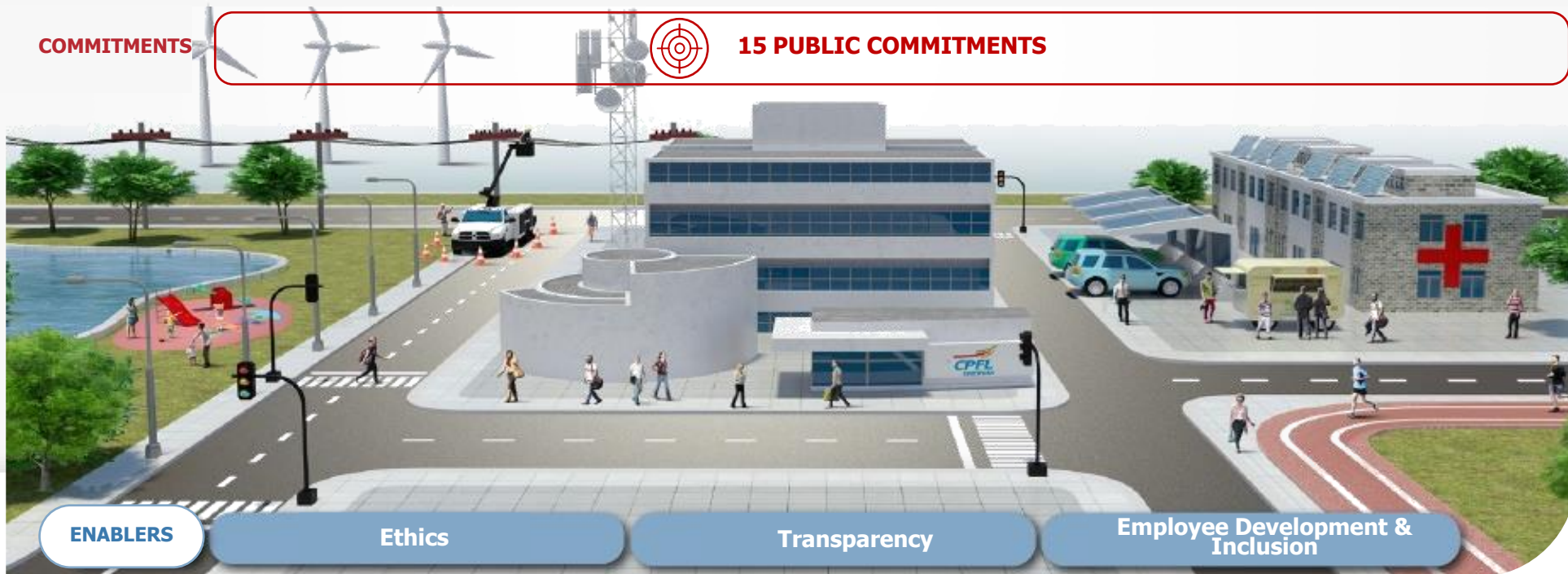
15 PUBLIC COMMITMENTS

ENABLERS

Ethics

Transparency

Employee Development & Inclusion



Sustainability Plan



Sustainable Energy

- 1 Keep at least **95% from renewable sources** in our generation portfolio until 2024
- 2 **Reduce in 10%** our carbon intensity indicator until 2024
- 3 Publish CPFL **adaptation actions** to climate change
- 4 Refurbish at least **40,000 equipment** (transformers, voltage regulators, reclosers, etc.) until 2024
- 5 Ensure the destination of **100% of the main grid components** to recycling or to reverse supply chain until 2024



Smart Solutions'

- 6 Reach **100% of Group A** clients with telemetering until 2020
- 7 Invest **R\$ 350 million** in distribution network automation until 2024
- 8 Achieve **90% of attendance** by digital channels until 2024
- 9 Invest **R\$ 45 million** in the development of electrical mobility technology until 2024
- 10 Offer to our clients **low carbon solutions** for their energy transition



Society Shared Value

- 11 Invest **R\$ 150 million** in Energy Efficiency actions in Public Hospitals between 2020 and 2022
- 12 Invest **R\$ 200 million** in Energy Efficiency actions toward low-income communities until 2024
- 13 Maximize our positive impact in the communities, investing at least **R\$ 60 million** in social projects until 2024
- 14 Continuously seek to **improve health and safety indicators**, intensifying our actions towards employees, community and suppliers
- 15 Integrate sustainability aspects in the monitoring process **for 100% of CPFL critical suppliers** until 2024

Enablers

Ethics

Transparency

Employee Development & Inclusion

SDG CONTRIBUTIONS



Sustainability Plan



Sustainable Energy

Aiming for the smallest possible environmental footprint

	3Q21	TARGET 2021
1. Keep at least 95% from renewable sources in our generation portfolio until 2024	<div><div></div><div></div><div></div></div>	95%
2. Reduce in 10% our carbon intensity indicator until 2024	Annual	-2%/y
3. Publish CPFL adaptation actions to climate change	<div><div></div><div></div><div></div></div>	CONCLUDED
4. Refurbish at least 40,000 equipment (transformers, voltage regulators, reclosers etc) until 2024	<div><div></div><div></div><div></div></div>	9,600 un
5. Ensure the destination of 100% of the main grid components to recycling or to reverse supply chain until 2024	<div><div></div><div></div><div></div></div>	92.5%



Smart Solutions

Providing the solutions for the future of energy

	3Q21	TARGET 2021
6. Reach 100% of Group A clients with telemetering until 2020	<div><div></div><div></div><div></div></div>	CONCLUDED
7. Invest R\$ 350 MM in distribution network automation until 2024	<div><div></div><div></div><div></div></div>	75,751 MM
8. Achieve 90% of attendance by digital channels until 2024	<div><div></div><div></div><div></div></div>	87.00%
9. Invest R\$ 45 MM in the development of electrical mobility technology until 2024	<div><div></div><div></div><div></div></div>	19.96 MM
10. Offer to our clients low carbon solutions for their energy transition	<div><div></div><div></div><div></div></div>	CER E REC



Society Shared Value

Maximizing our positive impacts in the community and value chain

	3Q21	TARGET 2021
11. Invest R\$ 150 MM in Energy Efficiency actions in Public Hospitals between 2020 and 2022	<div><div></div><div></div><div></div></div>	47.80 MM
12. Invest R\$ 200 MM in Energy Efficiency actions toward low-income communities until 2024	<div><div></div><div></div><div></div></div>	27.70 MM
13. Maximize our positive impact in the communities, investing at least R\$ 60 MM in social projects until 2024	<div><div></div><div></div><div></div></div>	22.87 MM
14. Continuously seek to improve health and safety indicators, intensifying our actions towards employees, community and suppliers	<div><div></div><div></div><div></div></div>	Specific parameters
15. Integrate sustainability aspects in the monitoring process for 100% of CPFL critical suppliers until 2024	<div><div></div><div></div><div></div></div>	80%

LEGEND: ● Fully achieved ● Partially achieved ● Not achieved

Adaptation to Climate Change

Fully aware of the role we play in addressing the question of climate change and in strict alignment with the pillars of our Sustainability Strategy, at CPFL Energia:



We are committed to the goals of the Paris Agreement and to the need to limit the increase in the average global temperature to 1.5°C, with the consequent reduction in GHG emissions



We invest in our vocation to generate energy from renewable sources, maintaining a diversified portfolio



We recognize that climate change not only presents **risks**, but also **opportunities** for the company and for its clients, and that these require the adoption of **adaptation measures**



We focus on **innovation** as a fundamental driver of the transition process to a low carbon economy



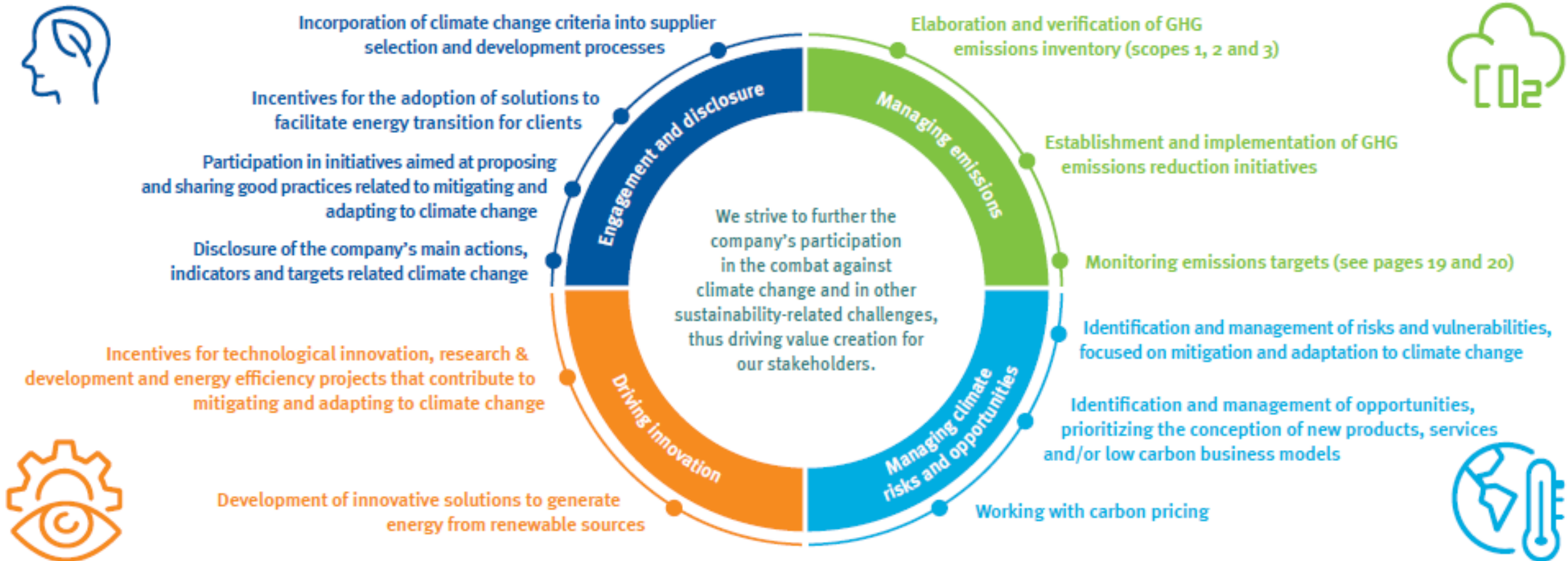
We support the **energy transition of our clients** through the provision of decarbonization solutions and energy efficiency measures



We believe in **partnering** with other organizations and actors to enable the systemic changes necessary to combat climate change, including the transformation of business models to confront the upcoming socio-environmental challenges

Adaptation to Climate Change

Our initiatives are concentrated on four major fronts, broken down into actionable guidelines. These are: Managing GHG emissions, Managing risks and opportunities, Driving innovation and Engagement and disclosure.



CPFL Serviços Equipment Refurbisher

Eduardo dos Santos
Soares
Head of CPFL Serviços



PILLARS



Sustainable Energy

Aiming for the smallest possible environmental footprint

COMMITMENT

4. Refurbish At Least 40,000 Equipment (Transformers, Voltage Regulators, Reclosers Etc) Until 2024

Results And Positive Impacts In 2021 (until November)



Activities related to the **equipment refurbish**, supported by the circular economy concept, aim to promote the reduction, reuse, recovery and recycling of materials. In this model, all elements of the value chain are reused in the manufacture of new products, reducing the extraction of raw materials from the environment and energy consumption.



More than 1,081 tons of reused materials, reducing waste generation, including mineral and vegetal oil and copper wire



10,538 units of transformers refurbished



189 units of voltage regulators refurbished



181 direct jobs at CPFL Serviços for the equipment refurbish



More than 70 suppliers trained and approved for joint action



R\$ 41 MM in gross revenues through equipment refurbish



188 units of reclosers refurbished



373 units of tools refurbished



The Equipment Refurbisher was certified according to **ISO 14001** (environmental management) and **ISO 9001** (quality management) standards, ensuring international compliance standards.

We are committed to refurbishing equipment and properly disposing the main grid components

PILLARS



Sustainable Energy

Aiming for the smallest possible environmental footprint

COMMITMENT

5. Ensure The Destination Of 100% Of The Main Grid Components To Recycling Or To Reverse Supply Chain Until 2024

Results And Positive Impacts In 2021 (until November)



Reverse chain activities aim to provide the correct destination of materials from the distribution network and dismantled due to inability to reuse. The screening process takes place in a safe environment, taking safeguard actions for minimum environmental impact.



More than 4,787 tons of aluminum, copper and iron scrap sent to reserve chain



More than 125,590 units of crosspieces sent to reverse chain



146 units of transformers sent to reverse chain



More than 158,000 units of 15 KV equipment sent to reverse chain



More than 90,845 units of poles sent to reverse chain



74 direct jobs at CPFL Serviços for reverse chain processes

OPERATION IN THE SOUTH REGION



Start of operation of the reverse chain at RGE (Oct/ 2020)



Increase of 3,168 tons for destination and gross revenues of R\$ 15 MM at CPFL Serviços



41 direct jobs to operate the reverse chain in the South (RGE)



Human Capital

Rodrigo Ronzella
Human Resources
Director



Inclusion & Diversity



The **Strategic Plan** was organized in 5 stages: **Awareness** and **Engagement**, **Diagnosis**, **Positioning**, **Tactical Plan** and **Monitoring**

INSTITUTIONAL POSITIONING AND RESULT GUIDELINES

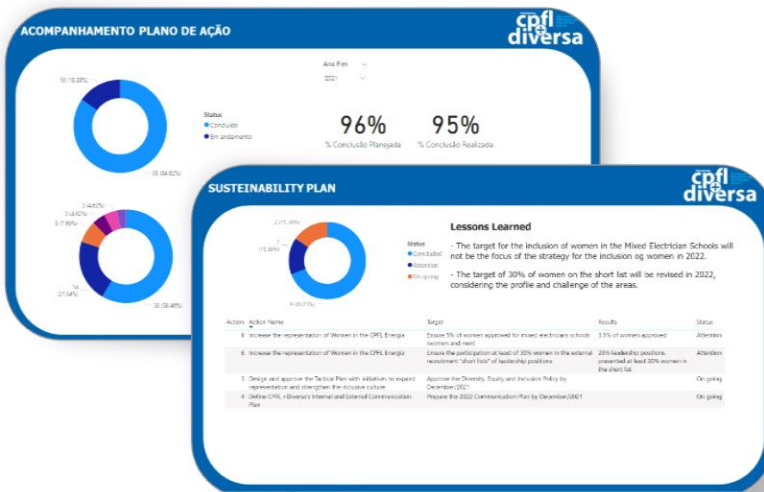
COMMITMENT AND GOVERNANCE

To reinforce our commitment and establish our governance

- **Communication Plan**



- **Diversity Dashboard and Sustainability Plan**



REPRESENTATIVENESS

How we can increase the diversity of people in the company

- **Affirmative Actions**



Oportunidades Especiais

20.488 seguidores

3 d •

Rio Grande Energia - RGE está contratando Profissionais com Deficiência.

VAGA - Assistente Jurídico



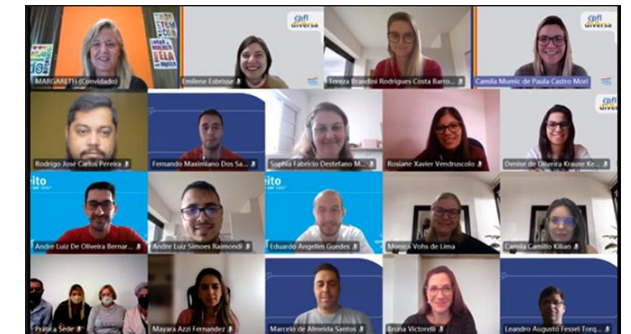
INCLUSIVE CULTURE

How we can be a better workplace for everyone

- **Executive Training**



- **+ Training - R&S, Ethics & Compliance, Communication and other areas**



Performance Management & Talent Review

PERFORMANCE MANAGEMENT

Program focused on promoting reflection and evaluation of employees considering their **contribution to the company performance** through deliveries (WHAT) and behaviors (HOW)

Also, encourage reflection of strengths and development opportunities to build solid Development Plans.

Feedback
Development Plan after feedback from leadership



Evaluation
based on behaviors (Nosso Jeito de Ser) and achievement of goals

Planning
Understand Strategic Plan and goals for CPFL and area

Define Goals
based on the individual actions to reach objectives of the area

2 main annual programs to support CPFL in the challenge of continue to excel in results – **now** and in the **future**

TALENT REVIEW

A best-in-class methodology to address the **preparation to the future through our people.**

Step 1 – Aspiration Survey to learn eligible employees career interests and aspirations

Step 2 – Potential Mapping



Based on trademarked concept of **Learning Agility**, Leaders participate of a structured interview with HR to map both capacity and willingness of employees to assume more complex positions in the future.

Step 3 – Succession Committees

HR and Leaders reunite to share and calibrate the mapping done in previous step and to discuss possible successors and their readiness, closing the actual **Succession Plan** for all Managers and above positions in CPFL.



Step 4 – Follow-Up Sessions to discuss, proactively, Talent Strategy per area (e.g. Safe, Apparently Safe and Problem Positions status)

Learning Experience... Through CPFL University

We believe that PEOPLE are capable to create develop opportunities and be protagonists in their own lives, careers and all the choices they make



Our goal is to increasingly **invest in deep content, dynamic methodologies and a platform to provide personalized learning experiences** and provoke new ways of thinking, learning and acting.



CPFL University opened in 2008. In these 13 years of history, we shared knowledge and also learned a lot



We always want to stimulate development through actions that bring people and creative ideas together, promote concepts and thoughts, trigger curiosity, encourage innovative attitudes and spur transformation



Leadership School

EMPOWERMENT
& TRUST
RELATIONS



Business and Innovation School

STRATEGY,
COMPETITIVENESS
& COLLABORATION



Operational Excellence School

QUALITY,
PRODUCTIVITY
& SAFETY



Excellence in Service School

EFFECTIVENESS
& CUSTOMER
EXPERIENCE



Electricians School

TRAINING OF NEW
ELECTRICIANS BY
THE COMMUNITY

Self-development Actions



Explore CPFL Series



Explore Energy Series



Explore your potencial



"Acelere" - learning trail



Vlogs and Podcasts



E-learning ("EAD")

INTERNAL (EMPLOYEES)

Attribution given to **everyone** who performs activities for the **CPFL Energia Group**, essentially prioritizing the **preservation of physical, mental and emotional integrity**.

MENTAL PRINCIPLE

THINK ABOUT
SAFETY



EMOTIONAL PRINCIPLE

FEEL THE
SAFETY



PHYSICAL PRINCIPLE

MAKE THE
SAFETY



RESPONSIBILITY

Be responsible for your safety and the safety of your co-workers.

GUARDIAN ROLE

Care, talk, guide, help, teach, be the example!

EXTERNAL (POPULATION)

The concept of **Life Guardian** was born and grew within **CPFL** and is in the **DNA of all employees**. Until one day, this concept became a **communication campaign** and this message that “**we can all help to save lives**” started to be disseminated to the **external public**.



Main Topics: Safety in Works and Makeover, in Painting, Flying Kites, in Agriculture, in Clandestine Connections, in Tree Pruning, at Home.

Main Medias:



TV



Radio



Press



Digital/Site



Videos



Int. Communication

Safety is our greatest value!

Governance

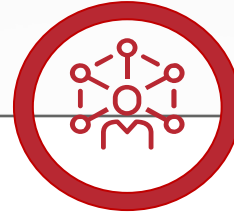
Valter Matta
Governance Director



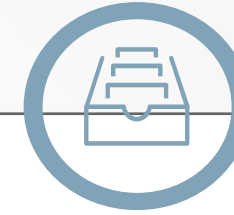
Corporate Governance



Creation of
monitoring area
to follow up and
report to the BoD



Establishment of
CPFL's **Audit
Committee**,
composed only by
independent
members



Creation and/or
review of
Policies

CPFL MORE ACCOUNTABLE AND WITH NEW REGULATIONS

Risks, ethics and compliance

Jorge Lencastre
Auditing, Risks,
Compliance and DPO
Director



PA Function



Risks

Identify, assess and manage risk in connection to the organization's business strategy, including mitigation actions



Ethics & Compliance

Ensure that processes are performed in **compliance** with **regulations and company's rules**



Data Protection

Develop, implement and monitor the data protection and privacy program in compliance to applicable laws (LGPD) and regulations



Internal Controls

Verify internal controls effectiveness and completeness to identify, address and **prevent financial statement errors or fraud**

2nd line of defense¹



Internal Audit

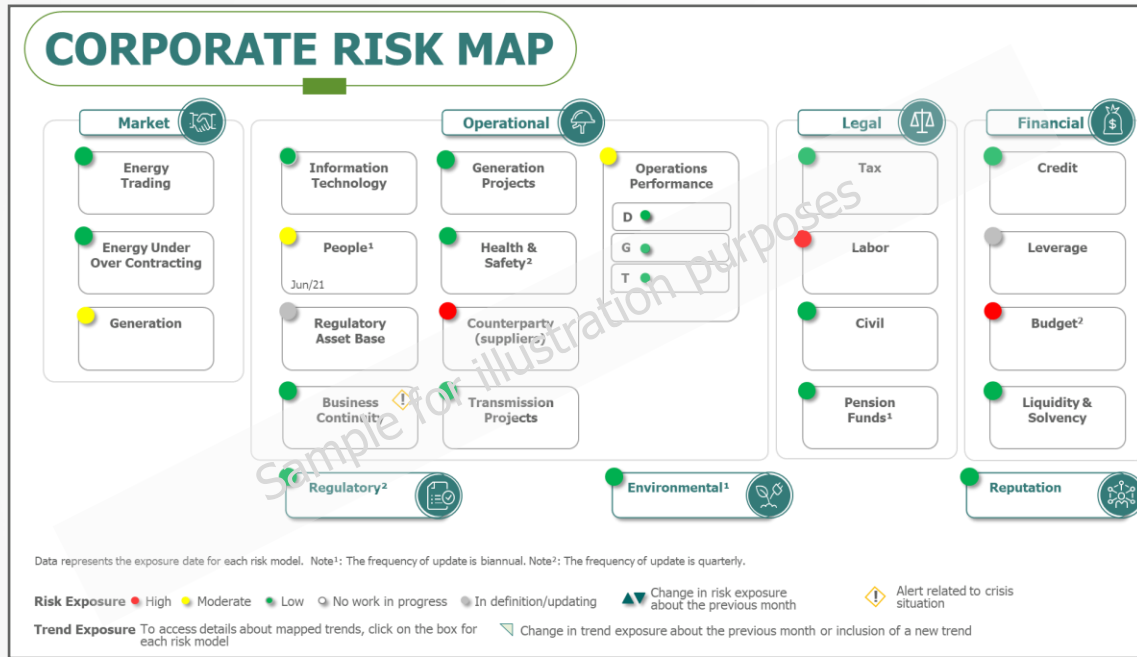
Provides **independent assessment** on company's **governance, risk management** and control environment **effectiveness**

3rd line of defense

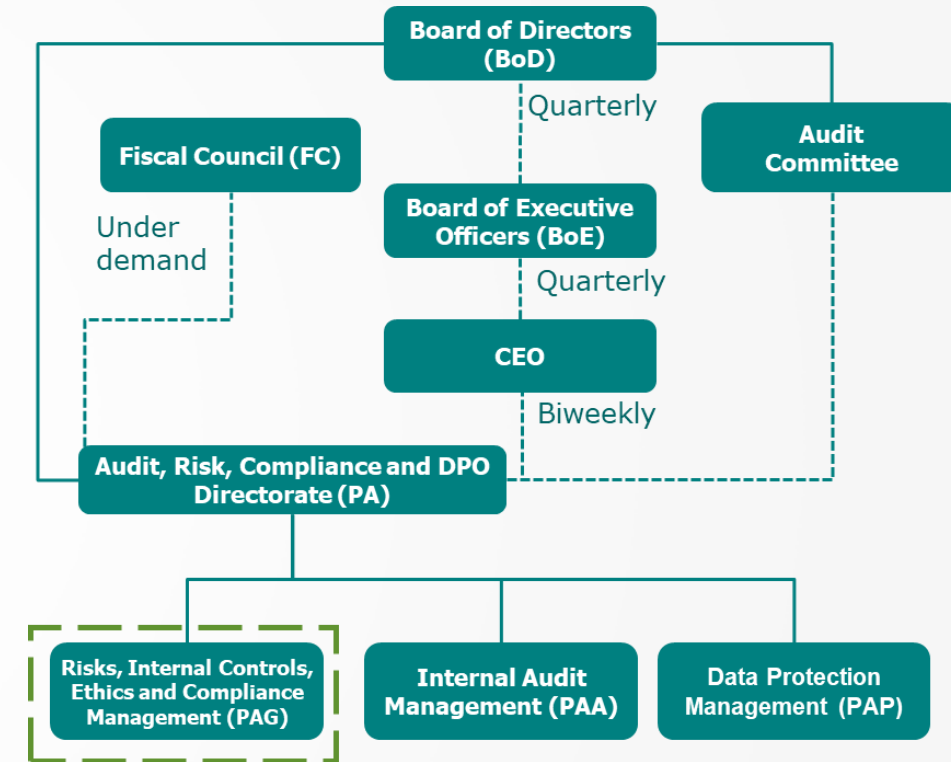
¹ <https://na.theiia.org/about-ia/PublicDocuments/Three-Lines-Model-Updated.pdf>

Risks

- **23 strategic risks** and **127 risk factors** periodically monitored/reported
- Risk limit **extrapolation** report to BoE, CoAud and BoD



- **Reporting structure**



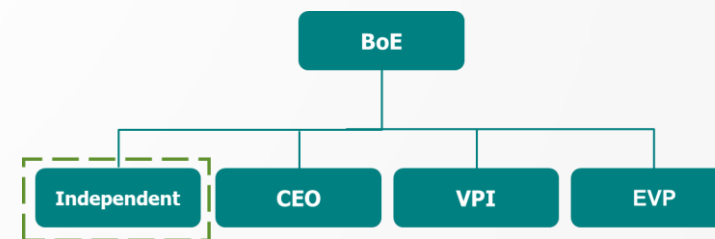
- **Risk assessment for new business and M&A**
- **Business Continuity Management** aiming to identify vulnerabilities and crisis situations and establish continuity plan for critical processes
- **Operational risks insights** leveraging Internal Audit, Internal Controls and Ethics and Compliance

Ethics & Compliance

- Company wide x-functional **Integrity Program**

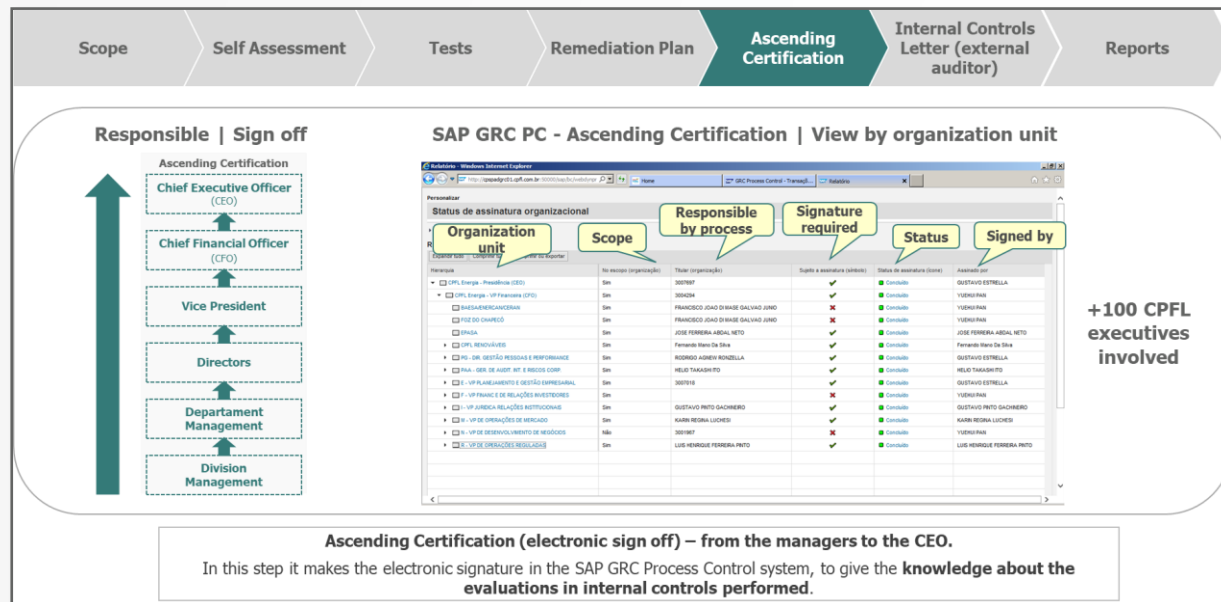


- Message** from our **CEO**
- Vision, Mission** and ethical **values commitments**
- Ethical conduct **guidelines**
- Code's** rules of procedural application
- Ethics Committee** composed of senior executives and one independent member to manage and oversee the **external and independent** ethics channel

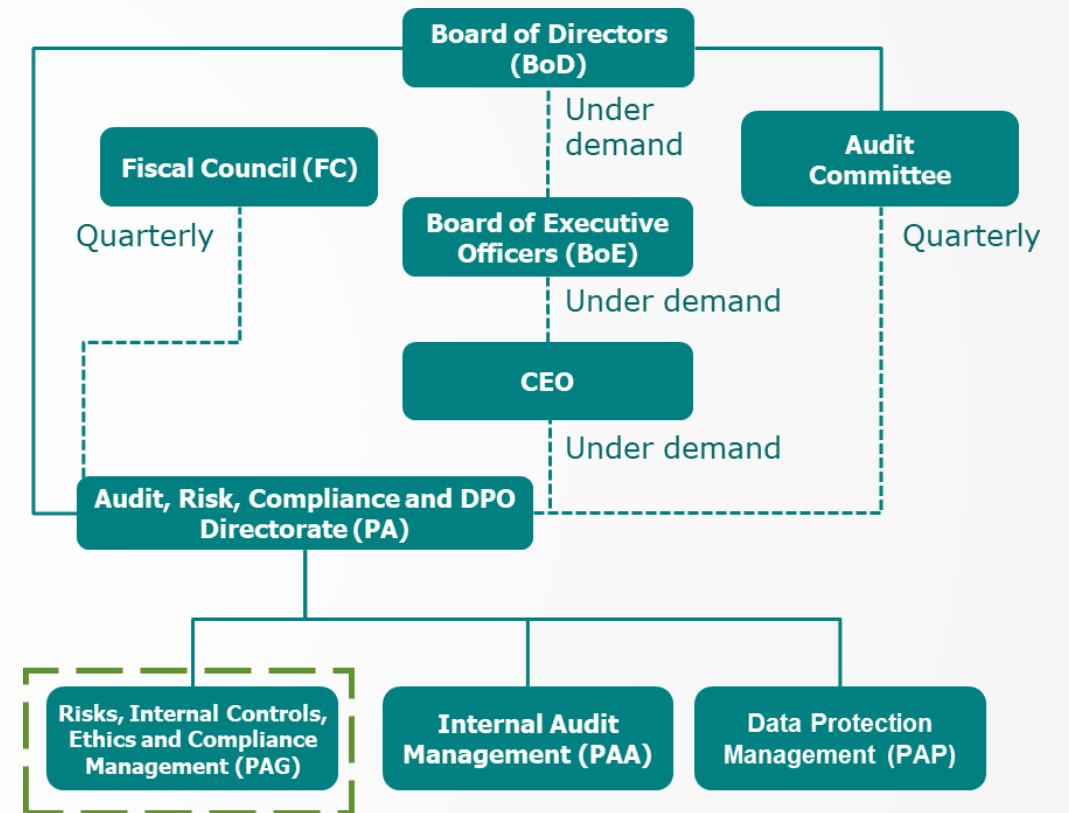


Internal Controls

- Company's key processes **operational risks continuous monitoring**
- 700** controls under annual self-assessment, and **effectiveness evaluations** over **400** internal controls
- Comprehensive **ascending certification process**



- Reporting structure

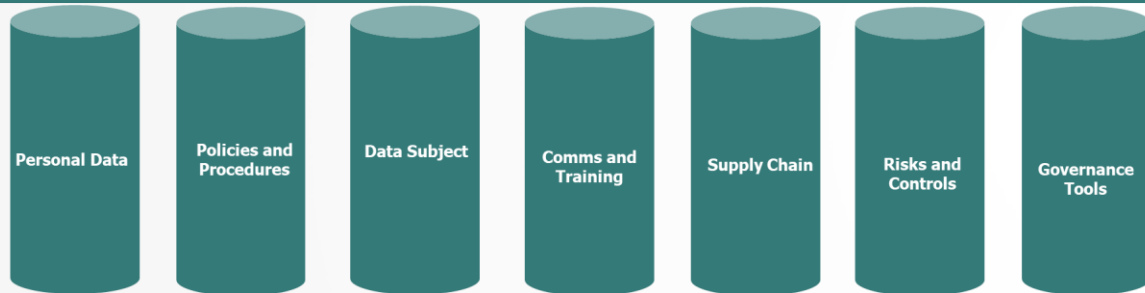


- Operational risk **assessment** in **new business** (M&A)

Data Protection

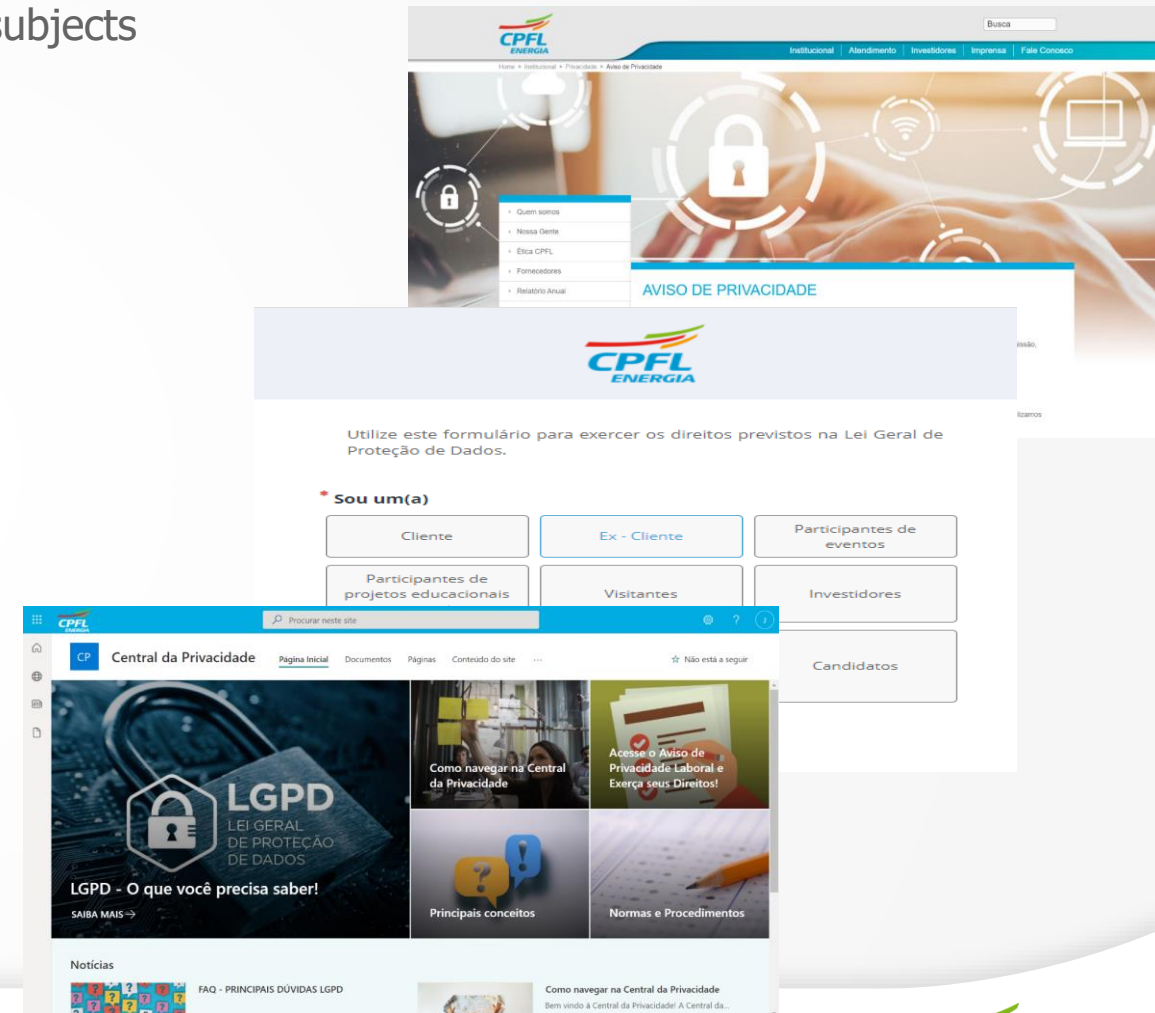
- In house **Data Protection Officer (DPO) and team**
- X-functional approach connecting IT, Legal and operational areas
- Comprehensive Data Protection Governance Program

DATA GOVERNANCE PROGRAM



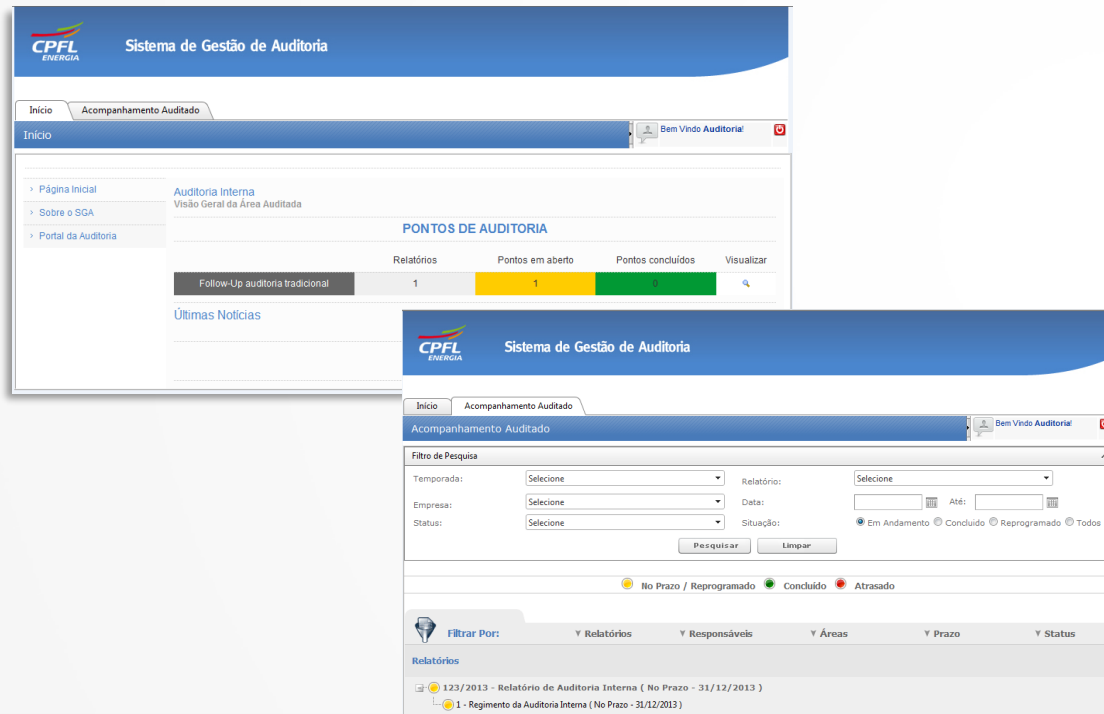
- Crisis management and structured **data incident response plan**
- Process **governance** to enable/evidence legal and regulatory compliance

- **Transparent** and **effective** approach towards data subjects

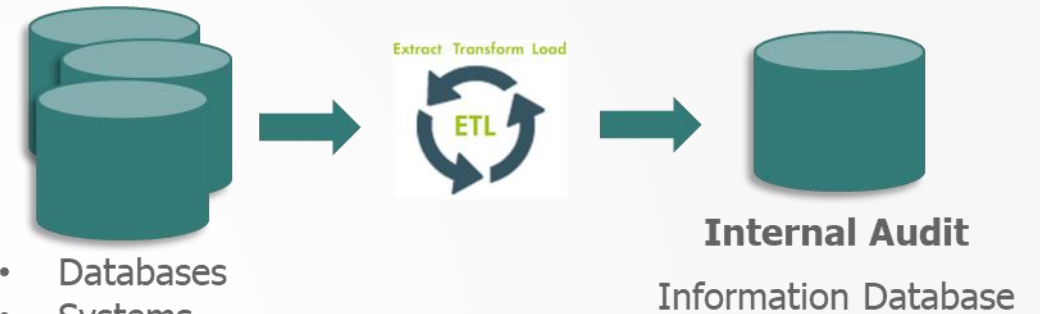


Internal Audit

- **Risk-based** assessment and advice
- Specialized team to cover **Corporate, Operations, Technical IT and Systems** Audits
- Traditional, Analytics (continuous) and Advisory Audit works
- Systems and controls to secure action plans timely completion



- **Audit Analytics** (continuous audit)

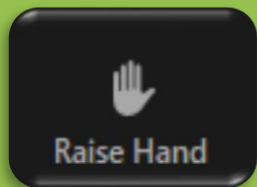


Results



- Over **1,000,000,000** records extracted, transformed and loaded on a monthly basis in collaboration with 1st and 2nd lines of defense

1st Step: Click on



2nd Step: ID yourself

- Your audio will be opened for you to ask the question **live** directly to the executives
- Inform your **name** and **institution**

Q&A Session

Satisfaction Survey

Please answer a few questions to help us keep getting better. It will only take 2 minutes!



Maximize returns,
with financial discipline and in a
sustainable way

Mitigate risk,
stabilizing future returns

Growth, with
portfolio aligned with
market trends, combined
to high **dividend
payout**

Satisfaction
Survey

