

NPC 0318 INNOVATION POLICY**MANAGEMENT****Version 01 of January 24, 2024**

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1. PURPOSE

To establish the guidelines for the innovation actions of Companhia Paranaense de Energia – Copel (Holding) in its (direct and indirect) wholly-owned subsidiaries and (direct and indirect) controlled companies, respecting their corporate procedures.

For the purposes of this Policy, the group of companies listed in the previous paragraph will henceforth be referred to as Copel.

It is also applicable, as a recommendation, to jointly controlled companies, affiliated companies, and other equity interests, respecting their corporate procedures.

2. DEFINITIONS**2.1 - INNOVATION**

Innovation is defined as the continuous process of identifying, developing, and implementing new products, services, processes, methods, or systems, whose fundamental characteristics (technical specifications, components and materials, embedded software, methodology, production technology, ease of use, intended functions or use) are significantly different from those already existing, which may result in improvements, exploration of emerging opportunities, and actual gains in quality or performance, generating or redistributing value.

2.2 - OPEN INNOVATION

Strategic approach that seeks to create and capture value through the interaction of external partnerships with customers, suppliers, universities, startups, the innovation community, and other organizations.

2.3 - RESEARCH AND DEVELOPMENT - R&D

It comprises creative work, undertaken systematically, which aims at increasing knowledge and its use to develop new applications, as well as new or materially improved products (goods, services, or processes). It involves the collection of data/information in the field or scientific collection, its processing and application to improve practices, products, and services.

2.4 - ANEEL's PDI PROGRAM

Research, development, and innovation program governed by Aneel (Brazilian National Agency of Electric Power) Normative Resolution No. 1045/2022, applicable to companies regulated by the Agency. ANEEL's PDI program determines the procedures to be adopted by companies that must comply with Law No. 9991, of July 24, 2000, for the preparation and execution of the Research, Development, and Innovation Strategy, Portfolio, Plan, and Projects.

2.5 - INTRAPRENEURSHIP

Approach by which an organization takes advantage of the talent and creativity of its own employees to face challenges and explore business opportunities with a focus on revenue, in an agile and effective manner.

2.6 - ACQUISITION OF OTHER EXTERNAL KNOWLEDGE

Technology transfer agreements originating from the purchase of licenses for rights to exploit patents and use trademarks, acquisition of knowledge, and other types of technical-scientific knowledge from third parties, so that Copel can develop or implement innovations.

2.7 - HUMAN AND INTELLECTUAL CAPITAL

Intellectual capital is the sum of the knowledge of everyone who works at Copel, which provides it with a competitive advantage. Unlike human capital, which is measured by the sum of knowledge and expertise within the company, it is based on intangible values.

2.8 - INNOVATION THESIS

Guiding instrument that sets out the innovation initiatives aligned with the corporate strategy to be carried out by the company, in order to focus efforts on prospecting projects and businesses that fit into this thesis. The thesis takes into account the organization's current scenario and market trends, classifying and establishing the financial resources that will be allocated to the development of innovation initiatives. It should be reviewed whenever the company's strategy requires.

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2.9 - CORPORATE VENTURE CAPITAL - CVC

Corporate Venture Capital (CVC) is an advanced approach to the interaction between startups and large companies, in which the corporation makes investments or acquires startups. This strategy provides significant benefits to the main company, working as a complement to internal research, development, and innovation activities, as well as corporate development.

Furthermore, CVC provides access to new technologies and innovative and disruptive business models, which may represent opportunities for significant growth or even protection for the company's future.

2.10 - INNOVATION VERTICALS - PORTFOLIO

These are the Company's strategic challenges, to be achieved in horizons 1, 2, and 3, aligned with the Strategic Planning.

- Horizon 1 - Core business – the company's main activity, where innovation aims at increasing efficiency.
- Horizon 2 - Adjacent businesses – the objective is to explore new business opportunities that constitute a direct extension of the current business.
- Horizon 3 - Transformation - work with hypotheses that need to be tested and validated, without concrete prediction of the result.

2.11 - INTELLECTUAL PROPERTY

It refers to a group of legal rights granted to creators and holders of intellectual and creative works. The objective is to establish rights regarding products and/or processes of knowledge, whether tangible or intangible.

2.12 - ESG

Acronym that brings together the Environmental, Social, and Governance dimensions, considering best practices to guide the performance of organizations in relation to sustainability and responsible development.

2.13 - STRATEGIC PLANNING

Plan prepared by Copel's Officers and managers that guides, among other things, the prospecting and implementation of its businesses, being recommended by the Executive Board Meeting for approval by the Company's Board of Directors - BoD.

2.14 - INVESTMENT AND INNOVATION COMMITTEE - CII

Advisory body to the Board of Directors - BoD that establishes the criteria for selection, assessment, approval, and monitoring of investments aligned with the strategic planning.

2.15 - STAKEHOLDERS

Copel's stakeholders. The stakeholders may be internal and external, current and potential, relevant to the innovation management system and areas of opportunity.

2.16 - STARTUPS

Young technology-based company that seeks to create and offer on the market innovative products, services, or solutions. They are characterized by their entrepreneurial nature, agility, focus on technology, and capacity for quick growth. They concentrate on finding solutions to specific market problems. Startups also tend to be funded by venture capitalists and are constantly looking to scale their operations and gain market share.

2.17 - INNOVATION CULTURE

Practices and actions that permanently stimulate creativity and innovation in companies, becoming part of the companies' values and habits. Communication, training, and assessment and reward processes are part of these ongoing practices.

2.18 - INNOVATION VEHICLES

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Projects, initiatives, channels, platforms, or financing methods that play an essential role in promoting innovation in an organization or ecosystem. They are the means by which new ideas are generated, tested, developed, and implemented to drive growth and competitiveness.

3. PRINCIPLES

The guiding principles of this Policy are Copel's organizational values (Ethics, Respect for People, Dedication, Transparency, Safety and Health, Responsibility and Innovation), ESG principles, and the principles established in the Company's Code of Conduct.

4. GUIDELINES

4.1 - Encouraging and strengthening innovation, in its different aspects, seeking to achieve the strategic objectives of Copel's Business Strategic Planning, being recognized for offering innovative and digital products and services.

4.2 - When Strategic Planning reviews point to changes in the direction of Copel's business, reviewing the verticals, and, if necessary, other aspects of the Corporate Innovation Thesis.

4.3 - Copel (Holding) and the wholly-owned subsidiaries must act in an integrated manner so that innovation efforts are enhanced, taking advantage of synergies, minimizing gaps, disseminating and sharing results and maximizing performance.

4.4 - Implementing and maintaining an innovation management system, with the establishment of annual goals and objectives, aiming at monitoring and continuously improving the Company's innovation processes.

4.5 - Organizing and systematically storing all information related to innovation generated at Copel.

4.6 - Enhancing the innovation culture throughout the Company, with the purpose of integrating innovation into the strategic, tactical, and operational levels, developing motivating environments that encourage and reward the generation of ideas and innovative practices.

4.7 - Disseminating the knowledge generated, contributing to strengthening the Innovation Culture.

4.8 - Encouraging open innovation, seeking to improve processes and develop new business models, products, and services.

4.9 - Selecting, supporting, and managing ANEEL's PDI projects that contribute to achieving operational excellence, financial return, and other results recommended by the regulatory Agency.

4.10 - Recognizing and rewarding Copel's employees for ideas they conceived and/or developed that generate value.

4.11 - Valuing Copel's intellectual capital and encouraging the employees' autonomy to carry out their innovation activities.

4.12 - Fostering intrapreneurship, aiming at generating innovative products and services.

4.13 - Seeking opportunities for tax and financial incentives for innovation activities.

4.14 - Investing in innovation through vehicles approved by the Innovation Thesis and aligned with the Strategic Planning.

4.15 - Expanding and strengthening Copel's relationship with innovation ecosystems.

4.16 - Ensuring compliance with legal criteria relating to intellectual property, technological transfer, and licensing.

4.17 - Ensuring the confidentiality of strategic information.

4.18 - Fostering the development of innovation vehicles suitable for the different maturity stages of innovation actions.

4.19 - Ensuring that innovation initiatives are aligned with the Sustainable Development Goals - SDGs and best ESG practices.

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5. LAWS AND REGULATIONS RELATED TO THE MATTER

- a) Federal Law No. 9279/1996 (regulates rights and obligations relating to industrial property);
- b) Federal Law No. 9991/2000 (addresses R&D in the electrical sector);
- c) Federal Decree No. 3867/2001 (regulates Law No. 9991/2000);
- d) Federal Law No. 10973/2004 (*Lei do Bem*, also known as the Science, Technology, and Innovation Legal Framework);
- e) Oslo Manual, 3rd Edition - 2005 (Guidelines for Collecting and Interpreting Innovation Data);
- f) Federal Law No. 13243/2016 (improves Law No. 10973/2004);
- g) Federal Decree No. 9283/2018 (regulates Law No. 10973/2004 and Law No. 13243/2016);
- h) Brazilian Standard ABNT NBR 16501/2011 (provides for RD&I Management);
- i) Federal Decree No. 10534/2020 - National Innovation Policy;
- j) Brazilian Standard ABNT NBR 56002/2020 (provides for Innovation Management);
- k) State Law No. 20541/2021 - Innovation Law;
- l) Aneel Normative Resolution No. 1045/2022 (Procedures of the Research, Development, and Innovation Program — PROPDl);
- m) Aneel Normative Resolution No. 1074/2023 (Approves the review of the Procedures of the Research, Development, and Innovation Program — PROPDl);
- n) Sustainability Policy – NPC 0303;
- o) Corporate Governance Policy – NPC 0308;
- p) Integrated Corporate Risk Management Policy - NPC 0104;
- q) Investment Policy – NPC 0109;
- r) Information Disclosure and Confidentiality Preservation Policy – NPC 0103;
- s) Innovation Thesis; and
- t) Corporate Venture Capital (CVC) Regulation.

This Policy was approved at the 2,586th Executive Board Meeting - *Redir*, on January 18, 2024, and at the 246th Annual Meeting of the Board of Directors - *ROCAD*, on January 24, 2024.