

**NPC 0312 - POLICY ON CLIMATE CHANGE****SOCIOENVIRONMENTAL****Version 03 of Apr. 20, 2022**

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**1. PURPOSE**

To establish guidelines to promote actions that reduce greenhouse gas (GHG) emissions, and carry out plans capable of dealing with the effects of climate change on businesses of the Companhia Paranaense de Energia - Copel (Holding), its wholly-owned subsidiaries - WOSs and controlled companies, respecting their corporate procedures.

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

For the purposes of this Policy, the group of companies listed in the previous paragraphs hereinafter shall be referred to as Copel.

**2. CONCEPTS****2.1 - CLIMATE CHANGE ADAPTATION**

Initiatives and measures related to the adequacy of the physical, operational and project structure capable of withstanding the impacts of current and future climate change in order to reduce risks or enable gains as a result of these changes.

**2.2 - VALUE CHAIN**

The Value Chain reflects the way the company organizes its various macro-processes, with the objective of creating value for stakeholders and ensuring its current and future strategic positioning. These are processes relating to core business operations and supporting operations downstream and upstream in the supply chain.

**2.3 - ENERGY EFFICIENCY AND CONSERVATION**

Projects with the objective of improving the use of energy, both through proper management and through the promotion of initiatives that result in the reduction of waste and enable the generation of energy from other sources such as distributed generation.

**2.4 - GREENHOUSE GAS EMISSIONS (GEE)**

Emission of a group of gases (carbon dioxide – CO<sub>2</sub>, methane – CH<sub>4</sub>, nitrous oxide N<sub>2</sub>O, sulfur hexafluoride – SF<sub>6</sub>, hydrochlorofluorocarbon – HCFC) from natural sources or resulting from human activities (burning fuels, agriculture, etc.) that leads to the warming of the planet.

**2.5 - GREENHOUSE GAS EMISSIONS INVENTORY (GEE)**

Instrument for quantifying greenhouse gas (GEE) emissions used as a basis for defining emission limits, targets and management of processes that emit greenhouse gases (GEE).

**2.6 - GREENHOUSE GAS EMISSIONS MITIGATION**

Actions carried out with a view to reducing the concentration of greenhouse gases (GEE) in the atmosphere by reducing the use of resources and emissions or by increasing carbon-consuming agents (carbon sinks).

**2.7 - CLIMATE CHANGE**

Modification of the terrestrial climate as a result of natural or anthropic actions that lead to changes in average meteorological parameters or that intensify extreme events, bringing impacts to society.

**2.8 - LOW CARBON TECHNOLOGY**

Alternative processes or methods that allow the same activities to be carried out, resulting in lower greenhouse gas (GHG) emissions, such as, for example, the use of ethanol by the Company's fleets.

**3. PRINCIPLES**

This policy is based on the commitments made under the Paris Agreement, on the principles defined by the Nationally Determined Contribution (NDC) Brazil to sustainable development and to the Global Compact of the United Nations - UN, the Company's Carbon Neutrality Plan, the best practices of Corporate Governance, as well as the guiding values of the Copel's code of conduct.

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**4. ASSUMPTIONS**

- 4.1 - Sustainable conduct that adds value to the business, and provides the conditions to better face economic, social and environmental challenges.
- 4.2 - Environmentally correct, socially fair and economically viable performance.
- 4.3 - Respect for applicable legislation and voluntarily assumed commitments.
- 4.4 - Commitment to future generations, to the well-being of today's society, and the generation of value for all stakeholders.

**5. GUIDELINES**

- 5.1 - To become an increasingly sustainable and competitive company, ensuring that its processes, products and services incorporate the risks and opportunities linked to climate change.
- 5.2 - To ensure that the Company's senior management incorporates the guiding principles of this policy into its decisions.
- 5.3 - To incorporate the topic of climate change into strategic planning, integrated management of corporate risks, financial assessment and identification of opportunities.
- 5.4 - To incorporate climate change into business strategy, especially the expansion and operation of its assets.
- 5.5 - To promote and monitor the progress of actions related to climate change by setting goals and bonuses for their achievement.
- 5.6 - To consider the investment and maintenance of low carbon assets in Generation as a mechanism to supply renewable energy to the National Grid and to the Free Consumer.
- 5.7 - Consider investment in Transmission as a mechanism that facilitates the connection of renewable energies to the National Grid.
- 5.8 - To prioritize energy from renewable sources in the purchase and sale of energy.
- 5.9 - To invest primarily in energy efficiency and conservation projects.
- 5.10 - To consider, in the construction of assets, the appropriate constructive practices and technologies for the minimum emission of greenhouse gases, such as armored substations, use of drones, and more.
- 5.11 - To consider, in the business portfolio, mechanisms linked to climate change that enable the use of low carbon energy, such as I-REC, *Greenbonds*, among others.
- 5.12 - To incorporate climate change adaptation measures in the operation and expansion of assets, in each of the businesses.
- 5.13 - To prepare, verify and disclose inventories of greenhouse gas (GEE) emissions, and to carry out the management of their emissions.
- 5.14 - To promote engagement (training, dissemination, stimulation and development) of stakeholders, with a view to integrating actions against climate change in all stages of the value chain processes.
- 5.15 - To monitor greenhouse gas (GEE) emissions from critical suppliers, proposing joint actions for their reduction and/or mitigation.
- 5.16 - To adopt measures to reduce and mitigate greenhouse gas (GHG) emissions that enable the offer of low carbon products and services.
- 5.17 - To promote research, development and innovation, seeking and implementing solutions that include adaptation to climate change and reduction of greenhouse gas emissions in the operation and expansion of businesses.
- 5.18 - To adopt, develop and encourage low carbon technologies in the processes.

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5.19 - To encourage the employment of suppliers and the establishment of partnerships with organizations and institutions committed to the mitigation of greenhouse gas emissions (GEE).

5.20 - To actively participate in discussion forums on the topic and related subjects, seeking to take the lead.

5.21 - To promote the engagement and dissemination of the topic of climate change among stakeholders, improving communication, awareness, training and dissemination of related issues.

**6. REFERENCES**

- a) Act 12187/09 - National Policy on Climate Change;
- b) Act 17133/12 - State Policy on Climate Change;
- c) Paris Agreement;
- d) Nationally Determined Contribution (NDC) Brazil;
- e) 10 Universal Principles of the UN Global Compact;
- f) UN 2030 Agenda;
- g) Code of Conduct;
- h) NPC 0303 - Policy on Sustainability;
- i) NPC 0323 - Policy on the Environment; and
- j) NPC 0308 - Policy on Corporate Governance.

This policy is an update of NPC 0312 of Jan. 23, 2019.

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This Policy was approved at the 225th Meeting of the Board of Directors - ROCAD, on Apr. 20, 2022.

This rule becomes effective immediately upon publication.