June 2023

SECOND-PARTY OPINION
on the Sustainability-linked loan issued by Neoenergia[1] in 2023

Sustainability Linked Loan Principles (SLLP)

Loan amount: BRL 800,000,000.00		**Maturity date:** May 2031
Key-Performance Indicator (KPI)	**#1** Percentage of female electricians out of total electricians (%).	**#2** Network Digitalization (%)
Sustainability performance target (SPT)	Reach 12.2% of female electricians by December 2027	Reach 86.6% of digitalized networks by December 2027

Selection of Key Performance Indicators (SLLP 1)	**KPI # 1**	**KPI #2**
Relevance and materiality for the company's business	●●● High	●●● High
Alignment with the company's sustainability strategy	●●● High	●●● High
Measurable	☑ Yes	☑ Yes
Verifiable	☑ Yes	☑ Yes
Comparable	☑ Yes	☑ Yes

Calibrating Sustainability Performance Targets (SLLP 2)	**SPT # 1**	**SPT #2**
Level of ambition	●●○ Moderate	●●○ Moderate
• *Company's historical performance*	●●○ Moderate	●●● High
• *Peer companies*	●●● High	Inconclusive
• *Scientific scenarios*	Inconclusive	Inconclusive

Operation Characteristics (SLLP 3)

- The loan agreement establishes the definition of the key performance indicators (KPIs) and its sustainability performance targets (SPTs)
- The company has not established alternatives to be adopted in case it fails to implement strategies to meet the SPTs (backup mechanisms)
- According to the loan agreement, the interest rate will be CDI+2.20%, with interest payments happening in April and October each year.
- Achievement by Neoenergia of SPT 1 and SPT 2 the Reference Date will trigger a step-down of 10bps in the applicable margin, beginning in April 2028

Reporting and Verification (SLLP 4 e 5)

- The KPIs performance and SPTs achievement will be annually published on Neoenergia's Sustainability Report, which is audited by a third-party on an annual basis.
- Following Neoenergia's Sustainability-Linked Finance Framework, its Sustainability Report will also include an illustration of potential positive impacts of enhanced sustainability performance in relation to the SPTs, and exceptional events that might substantially impact the calculation of KPIs or restatement of SPTs.
- In 2028, there will be a post-issuance report elaborated by an external party that will assess the KPI's performance and SPT's achievement. This second-party opinion report will be published on Neoenergia's corporate website.
- The definition and calculation methodologies of the KPIs and SPTs are disclosed in Neoenergia's Sustainability-Liked Finance Framework of May 2023.

[1] Loan agreement between Neoenergia Elektro as the 'Borrower' and International Finance Corporation ("IFC")

About NINT

NINT (Natural Intelligence), formerly known as SITAWI's Sustainable Finance Program, is the largest ESG research and advisory firm in Latin America, with a +100 staff and local presence in Brazil and Latin America. We are one of the 5 best environmental and social research houses for investors according to Extel Independent Research in Responsible Investment - IRRI 2019 – and a pioneer in the green bond market in Brazil. We have provided second-party opinions for more than 200 ESG debt instruments. Since 2020 we are among the top 10 global providers of second opinions for sustainable bonds, according to Environmental Finance. In February 2023, NINT became part of ERM group.

SUMMARY

1. Scope

This Second Party Opinion (SPO) report aims to provide an opinion on the Sustainability-Linked Loan provided by International Finance Corporation (IFC) to Neoenergia Elektro (borrower). The operation amounts to BRL 800,000,000.00 (eight hundred million Brazilian reais) and matures in April 2031. Neoenergia Elektro is part of Neoenergia Group which is controlled by Iberdrola Energia, a Spanish company from the energy sector.

NINT – *Natural Intelligence* used its proprietary assessment method, which is aligned with the *Sustainability-Linked Loan Principles* (SLLP)[2].

NINT's opinion is based on:

- Assessment of key performance indicators (KPIs) and calibration of the sustainability performance targets (SPTs), loan characteristics, reporting and verification (sustainability-linked characteristics).
- Corporate assessment of the company, including research of ESG controversies in which the company has been involved (corporate ESG assessment).

The assessment was based on information and documents provided by IFC and Neoenergia, some of them confidential, desk research and interviews with professionals from the financial and sustainability areas. This process was carried out between May and June 2023.

The assessment process was performed in accordance with relevant general principles and professional standards for independent auditing, and in line with the International Standard on Valuation Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), International Standard on Quality Control (ISQC 1, 2009) and Code of Ethics for Professional Accountants of the International Ethic Standards Board for Accountants (IESBA, 2019).

NINT had access to all requested documents and key staff, thus being able to provide an opinion with a limited level of assurance regarding completeness, accuracy, and reliability.

Neoenergia Elektro and IFC intend to obtain a Sustainability-Linked Loan classification for the loan, as defined by the SLLPs[3], April 2023 version. This classification will be confirmed in 2028 before the maturity of the operation, based on an independent assessment conducted by an external verifier to be hired by Neoenergia Elektro/IFC.

[2] https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/
[3] https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/

Declaration of Responsibility

NINT (Natural Intelligence)[4], formerly known as SITAWI's Sustainable Finance Program, is not a shareholder, subsidiary, supplier or client of Neoenergia Group or its subsidiaries. NINT declares that it has no conflict of interest and is able to issue an independent opinion.

NINT was responsible for second-party opinion reports of Neoenergia Group's previous green issuances. NINT has also conducted ESG strategy projects for Neoenergia's subsidiaries. To mitigate the potential conflict of interest and ensure objectivity and impartiality, the professionals responsible for the current Second-Party Opinion have not been involved in the subsidiaries' ESG strategy projects and vice versa. Furthermore, the ESG strategy projects do not involve the development of green criteria, frameworks or fundraising approaches. Therefore, NINT declares that it is able to issue an independent opinion in line with the Sustainability-Linked Loan Principles.

The analysis contained in this Second-Party Opinion is based on public and confidential documents, provided by the company. We cannot attest to the completeness, preciseness, or reliability of these sources. Therefore, NINT will not be held responsible for any decisions based on the information contained in this report.

THIS IS NOT A RECOMMENDATION

We emphasize that all the evaluations and opinions indicated in this report do not constitute an investment recommendation.

[4] In February 2023, NINT (Natural Intelligence) integrated ERM Group.

2. Opinion

Nothing has come to our attention that causes us to believe that, in all material respects, the loan raised between IFC and Neoenergia Elektro is not in conformance with the Sustainability-Linked Loan Principles (SLLP).

The sustainability-linked loan has two indicators (KPIs), namely: KPI #1: Percentage of female electricians out of total electricians (%) and KPI #2: Network Digitalization (%). Under the 'non-financial materiality'[5] lenses, both KPIs #1 and #2 have high relevance and materiality, with the first generating social impacts and the second generating environmental and social benefits.

According to the SLLP, on the subject of the level of ambition of the sustainability performance targets (SPT), the SPTs were assessed under i) their historical performance; ii) scientific scenarios or benchmarks; iii) peer companies' targets. NINT concluded that both KPIs and the SPTs' calibration are aligned with the SLLP.

Therefore, the current financial operation should be properly classified as a Sustainability-Linked Loan. This opinion will be confirmed in 2028 through a post-issuance second-party opinion, that will assess the company's performance regarding the SPTs defined.

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[5] Non-financial materiality focuses on *stakeholders* – society and environment.

2.1 Sustainability-Linked Loan (SLL) Assessment

2.1.1. SLLP1 and SLLP2 – Selection of Key Performance Indicators (KPIs) and calibrating sustainability performance targets (SPTs)

Key-Performance Indicator (KPI) #1		
Percentage of female electricians out of total electricians		
Baseline: 4.3% of female electricians in 2022		
Scope: Total electricians at Neoenergia level.		
Relevance and materiality	**High**	●●●

According to *Instituto Brasileiro de Geografia e Estatística* (IBGE), the only age group in which there are more men than women with higher education is 'above 65 years of age or older', proving that there were restrictions on access to education in the past decades. Currently, Brazilian women are more educated than men, with more access to higher education[6] and are more likely to graduate[7].

Despite this, women continue to receive lower wages[8] and face slower career progressions compared to men. In the World Economic Forum's Global Gender Gap Index survey on gender inequality[9], Brazil ranks 94th overall out of a total of 156 countries and ranks in the penultimate position (20th) in relation to Latin American countries.

Also, the COVID-19 pandemic has had a negative effect on gender equity[10,11,12]. It is estimated that the gender gap worldwide will take an extra 36 years to close after the COVID-19 pandemic[13]. Among the challenges for this scenario to change is the need for companies to engage in the cause and adopt policies that promote equity in the work environment.

The 4th edition of the Women in Leadership survey, carried out by Women in Leadership in Latin America (WILL) in 42 sectors of the economy and with the

[6] https://biblioteca.ibge.gov.br/visualizacao/livros/liv101551_informativo.pdf
[7] https://www.bbc.com/portuguese/geral-49639664
[8] https://www.scielo.br/j/cebape/a/Wwqj4gNdm8k8jcGRjCFxvqm/?format=pdf&lang=pt
[9] https://www.weforum.org/reports/global-gender-gap-report-2022
[10] https://iris.paho.org/handle/10665.2/55432
[11] https://www.oxfam.org.br/blog/6-razoes-pelas-quais-o-impacto-do-coronavirus-sobre-as-mulheres-e-maior/?gclid=EAIaIQobChMIv6K14aKS-gIV4EFIAB3eFw-jEAAYASAAEgKDcfD_BwE
[12] https://www3.weforum.org/docs/WEF_GGGR_2021.pdf
[13] https://brasil.elpais.com/sociedade/2021-03-31/pandemia-adia-igualdade-de-genero-por-mais-uma-geracao.html

participation of 138 medium and large companies, identified that 58% of them have formal diversity policies and 70% of them have specific areas to ensure the promotion of gender equity, with clear goals and actions planned in 2021[14].

As in other sectors, in the energy sector the presence of women is lower compared to men. According to a report by the International Renewable Energy Agency (IRENA)[15], women represent 22% of the oil and gas sector and 32% in the renewable energy sector, which demonstrates that women remain underrepresented in the sector as a whole, despite the higher presence in renewable energy.

When it comes to positions specifically in science, technology, engineering, and mathematics those numbers are even lower, in the renewable energy sector it drops from 32% to 28%. IRENA's analysis finds that women are more likely to be employed in low-paying non-technical, administrative and public relations positions than in technical, managerial or decision-making positions. This contrasts sharply with the higher level of education among women than among men.

The document points out that women face a series of barriers, perceptions and structural obstacles that can make it difficult for them to remain and progress in their careers, throughout society and not exclusively in the energy sector. The main barriers identified were cultural and social norms, lack of gender-sensitive programs and policies, and lack of skills and training opportunities.

For the promotion of inclusion, IRENA points to the fundamental role of education and training in creating a qualified workforce, including for electrician positions, in close coordination between industry and education and training institutions to attract a wide and diverse audience.

Several companies report that gender diversity has delivered a 5% to 20% increase in profits[16] and innovation. Those that already have the theme of diversity at the center of their strategies report positive performances. A corporate organization that illustrates the plurality of society, creates an environment of greater respect for cultural differences, greater tolerance for divergent opinions, and lower rates of discrimination and prejudice[17]. Diversity and inclusion stimulate greater sensitivity in communication between employees, avoiding multiple forms of microaggressions[18].

IRENA estimates that the renewable energy sector will employ 43 million people by 2050 under a 1.5°C scenario, out of the 122 million people employed in the energy sector as a whole, with technical positions including electricians, corresponding to most positions[20].

[14] https://agenciabrasil.ebc.com.br/economia/noticia/2021-12/no-brasil-58-das-empresas-tem-politicas-para-equidade-de-genero
[15] https://www.irena.org/publications/2021/Oct/Renewable-Energy-and-Jobs-Annual-Review-2021
[16] https://exame.com/esg/diversidade-impacto-positivo-negocios/
[17] https://www.kenoby.com/blog/diversidade-no-ambiente-de-trabalho
[18]https://www.mckinsey.com/~/media/mckinsey/featured%20insights/diversity%20and%20inclusion/diversity%20wins%20how%20inclusion%20matters/diversity-wins-how-inclusion-matters-vf.pdf?shouldIndex=false

Considering that women are 51,8% of Brazilian population[19], among Brazilian professionals registered with *Conselho Federal de Engenharia e Agronomia* (CONFEA), including electricians between its categories, 17.85% are women[20]. For a specific category comparison, in the United States, only 2.4% of electrical professionals are women[21]. According to McKinsey & Company[22], "the talent pipeline varies by industry. Some industries struggle to attract entry-level women", while sectors such as Energy, Utilities, and Basic Materials fail to advance women into middle management.

Considering: (i) the scenario of gender inequality in Brazil and in the world; and (ii) the positive impacts that diversity and inclusion bring to society as a whole, the proposed indicator has **high** relevance and materiality.

Alignment with the company's sustainability strategy	**High**	

Neoenergia is committed to increasing women's participation in the market through employment opportunities, aligned with Sustainable Development Goal 5 "Achieve gender equality and empower all women and girls". In 2021, the company launched its diversity position "Together, our energy is made of diversity", reinforcing the theme as a company value. New recruitment and selection guidelines were defined to bring diversity into the company, focused on women attraction and recruitment for operational positions such as electricians.

Neoenergia's diversity work groups are also connected to Iberdrola, Neoenergia's controlling shareholder, and its Global Diversity Committee, which gathers every two months to discuss diversity actions that has been taken in the countries where it is present.

Currently, Neoenergia has more than 15 thousand employees, but only 18% are women. There are 102 women in direct leadership roles (directors, superintendents and managers), which corresponds to 43% of Neoenergia's corporate team and 26.3% of the total in the functional category. **The company goal is to have 32% of women in leadership roles by 2030[23].**

Regarding operational roles, one of the initiatives promoted by Neoenergia is the "School of Electricians" Program, which aims to promote female participation in the electricity sector. Women receive free training through gender-specific classes and, after graduation, they can participate in the company's selection process for technical jobs. From 2019 to 2022, 617 women were trained in the "School for Electricians" Program and 353 (57%) were hired by Neoenergia.

[19] https://educa.ibge.gov.br/jovens/conheca-o-brasil/populacao/18320-quantidade-de-homens-e-mulheres.html#:~:text=Segundo%20dados%20da%20PNAD%20Cont%C3%ADnu,%C3%A9%20superior%20ao%20de%20homens.&text=Totalizaram%2C%20em%202019%2C%2017%2C,feminina%20da%20mesma%20faixa%20et%C3%A1ria.
[20] https://www.confea.org.br/mulheres-representam-cerca-de-18-dos-profissionais-da-area-tecnologica
[21] https://www.nytimes.com/2020/03/05/business/women-electricians.html
[22] https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace
[23] https://www.neoenergia.com/pt-br/sustentabilidade/modelo-negocio-energia-sustentavel/Paginas/esg.aspx

To take the course, students must be at least 18 years old on the date of enrolment in the selection process; the candidates must have finished high school, or equivalent; and must have a driver's license.

The "School for Electricians" program has been recognized as a role model to the Women Empowerment Principles (WEP) by the UN Women, the International Labor Organization, and the European Union. Iberdrola, Neoenergia's controlling shareholder, is also a signatory of WEP.

Considering the commitments and the efforts made by the company to increase women's participation in the market, both in leadership and operational roles, KPI #1 is **highly** aligned with the company's sustainability strategy.

Measurable	Yes	☑

The Superintendence of Organizational Development is responsible for recruiting new partners and training employees. Since the KPI definition, in January 2022, the KPI has been monthly monitored by the Human Resources Department of Performance and Indicators through a dashboard which is based on the closing of the headcount.

Verifiable	Yes	☑

The data is internally verified by the Human Resources team according to the monthly closing of the company's headcount. It is worth mentioning that this KPI's baseline was not evidenced, and it was not possible to have access to payroll or internal system reports with personal data of employees because of the General Law of Protection of Personal Data (LGPD).

Comparability	Yes	☑

This KPI follows the Global Reporting Initiative indicator GRI 405-1. Thus, it can be compared to the data of other companies from the energy sector that promote similar programs.

Sustainability Performance Target (SPT) #1		
Reach 12.2% of female electricians by December 2027		
Baseline: 4.3% of female electricians in 2022.		
Company's historical performance	SPT #2 Moderate	

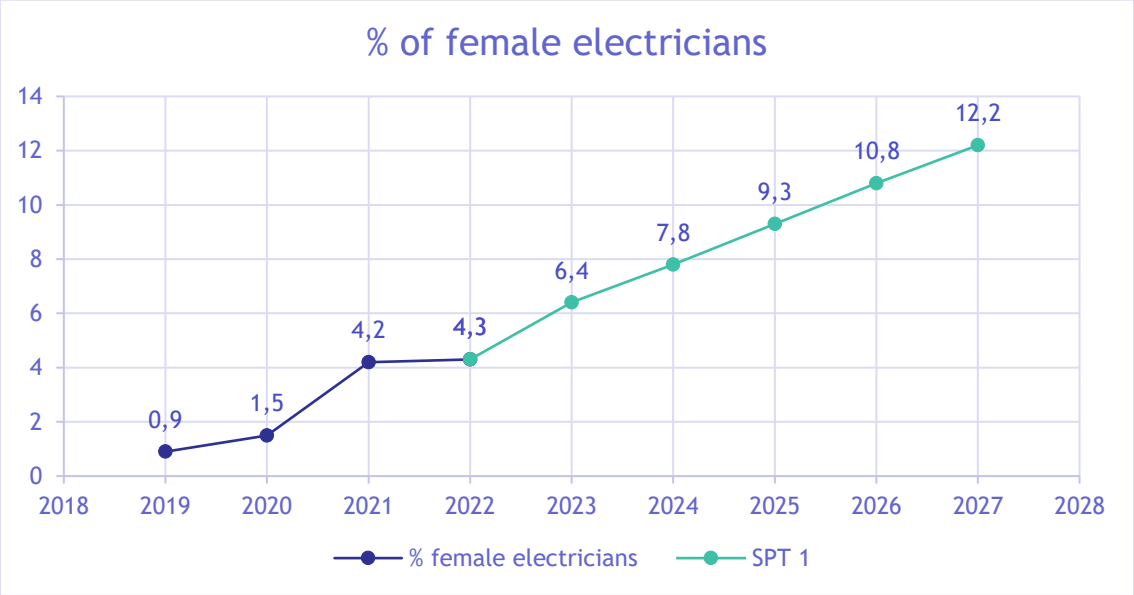
The program 'School for Electricians' began in 2019 and focused on security, qualification and skills development for electricians to improve services and quality of

customer service. The program offers free training in Basic Network and all approved students are included in 'Neoenergia's Talent Bank' for possible job opportunities.

According to the company, 2020 and 2021 years was an atypical period to the Coronavirus pandemic. In 2020, the 'School for Electricians' Program had low adherence which led to higher participation in 2021.

In 2022, women represented only 4.3% of Neoenergia's electricians in all its distribution business. The company aims to reach 12.2% of female electricians in 2027 (See Graph 1 below).

Graph 1 - SPT#1



It is worth mentioning that this target is part of Neonergia's long-term ESG strategy. Under this strategy, the company publicly discloses its commitments, which includes (i) having 35% of women graduated in the 'School for Electricians' Program and (i) having 12% of female electricians in Neoenergia's operations by 2030[24].

The company is proposing a 7.9 p.p. increase in five years, which represents a 183% growth in the percentage participation.

Neoenergia stated that external hiring for electricians' positions is not likely. The electricians' workforce is expected to grow only through internal hiring of the internalization projects of 2023 (in progress) and 2024 (to be started).

In April 2023, there were 6,790 electricians in the Neoenergia group. The company expects to hire 170 electricians and 50 more in the following year (2024), representing an electrician workforce growth of 3%. These numbers may vary, however, according to company strategy reviews. Neoenergia reported that the baseline data is in the

[24] https://www.neoenergia.com/pt-br/sustentabilidade/modelo-negocio-energia-sustentavel/Paginas/esg.aspx

Sustainability Report, but it was not identified in the most recent version of the document.

Analyzing the growth of female electricians in Neoenergia per year (CAGR – compound annual growth rate), taking into consideration the first data from 2019, the annual growth rate proposed is lower than the real growth of the past years.

Table 1 - Compound Annual Growth Rate - Female electricians in Neoenergia

Period	CAGR
2019 – 2020	0.87
2019 - 2021	1.32
2019 - 2022	0.68
2022 – 2027 (proposed)	0.23

Source - Own elaboration

Thus, considering the company's historical performance the ambition of this SPT is **moderate**.

Peer companies	SPT #2 High	●●●

The peer companies research took into account companies that operate in the electric utilities sector, including generation, distribution, transmission, and energy trading, in Brazil and other countries. This research is fully presented in the Annex I of this report.

Of the 12 companies analyzed, three of them had a similar program that could be compared to Neoenergia's "School for Electricians" Program, namely, Energias do Brasil (EDP), CPFL, and Taesa. However, none of them established targets regarding the percentage of female electricians in its workforce.

In addition, the Federal Council of Engineering and Agronomy (Conselho Federal de Engenharia e Agronomia - CONFEA) was consulted, referring to the number of active professionals registered in the Confea/Crea[25] Information System - by professional title and gender on May 17, 2023[26]. **The number of female electricians in the Electricity Technologist and all types of Electrical Engineer professions represents, respectively, 2.9% (or 7) of a total of 243 professionals and 8% (or 11,155) of a total of 138,649 professionals with active registration throughout the country.**

Thus, Neoenergia's SPT#1 is **highly** ambitious compared to its peer companies.

Scientific scenarios	Inconclusive

Globally, there are many initiatives that aim to integrate women into the labor market, including in non-traditional employment. The US Department of Labor defines a non-traditional career as one in which 25% or less of those employed across the field are

[25] CREA - Conselho Regional de Engenharia
[26] CONFEA | Conselho Federal de Engenharia e Agronomia

women. That encompasses a range of occupations, from architects and civil engineers to computer programmers, mechanical engineers and others[27].

There are several programs focused on training women to work in the electrical sector – some examples are 'Electrical Pre-Apprenticeship Program for Women' in Canada, 'Women in Non-Traditional Employment Roles (WINTER)' in the United States and 'Electrical Trades Union - ETU' in Australia. However, no scientific reference or multilateral initiatives have proposed measurable and time-based targets for female electricians in job positions.

As it was not possible to evaluate the SPT#1 ambition under scientific scenarios, the scientific scenarios research was **inconclusive**. More details about the initiatives found are presented in Annex II of this report.

Target level of ambition	SPT #1 Moderate	

NINT is of the opinion that SPT #1 - Reach 12.2% of female electricians by December 2027, with a baseline of 4.3% of female electricians in 2022 is **moderately** ambitious. This analysis considered the SPT #1 ambition under the following aspects:

- Company's historical performance: **moderate**
- Peer companies benchmark: **high**
- Scientific scenarios benchmark: **inconclusive**

Key-Performance Indicator (KPI) #2

Network Digitalization (%)

Baseline:
74.5% of digitalized networks in 2022

Scope:
Neoenergia's networks

Relevance and materiality	High	

According to data from the Brazilian Energy Balance (Balanço Energético Nacional – BEN, in Portuguese acronym) the total energy consumption in Brazil was 262 Mtep in 2021[28]. The Ten-Year Energy Expansion Plan (Plano Decenal de Energia - PDE in Portuguese acronym)[29] of the Energy Research Office (Empresa de Pesquisa Energética - EPE in Portuguese acronym) estimates that, in 2032, the energy consumption in Brazil will be equivalent to 341 Mtep.

[27] https://www.learnhowtobecome.org/career-resource-center/underrepresented-careers-for-women/
[28] https://www.epe.gov.br/sites-pt/publicacoes-dados-abertos/publicacoes/PublicacoesArquivos/publicacao-675/topico-638/BEN2022.pdf
[29] https://www.gov.br/mme/pt-br/assuntos/secretarias/spe/publicacoes/plano-decenal-de-expansao-de-energia/pde-2032/cadernos/caderno-de-demanda-e-eficiencia-energetica/view

This growing consumption of energy demands a more efficient energy system. For that, digitalization is essential to improve the energy system not only in Brazil, but also in the world. The digitalization of the energy system is the process of implementing and operating a set of assets by monitoring, transferring and analyzing data which have been generated by one of the actors in the energy system[30].

In Europe, for example, the European Union is making efforts to digitalize its energy system focusing on the sector integration, decarbonization, and energy and resource efficiency. It is estimated that around EUR 170 billion investments in digitalization will be needed out of a total of around EUR 400 billion investments in the distribution grid over the period 2020-2030[31].

The International Energy Agency (IEA) estimates that investments in smart grids will need to more than double through to 2030 to get on track with the Net Zero Emissions by 2050 Scenario, especially in emerging markets and developing economies[32]. The EMDEs (emerging market and developing economies) require around USD 220 billion per year through 2030, whereas investment in electricity transmission and distribution in these countries has been only around USD 80 billion annually since 2015, according to the IEA.

Digital technologies can improve end-use and systems efficiency through avoided investments in energy infrastructure (such as peaking plants), enhanced energy security[33], and improved integration of renewables, including a flexible electricity system with demand-side solutions and energy storage[34]. The digitalization of the energy system also brings benefits for consumers, small and medium enterprises (SMEs) through innovative data-driven services that enable them to better manage their bills, know their energy consumption in real-time, sell electricity back to the market, in case they generated electricity themselves, and other benefits[35].

Hence, considering network digitalization and its benefits for the energy system, including renewable energy integration and decarbonization, and other benefits for consumers, KPI#2 is considered of **high** relevance and materiality.

Alignment with the company's sustainability strategy	**High**	●●●

According to Neoenergia's Sustainability-Linked Finance Framework, the company believes that integrating renewable energy sources into the generation mix can facilitate the Brazilian transition towards sustainable energy patterns and overcome associated challenges, with electricity playing a pivotal role. For that, it is required a more efficient, intelligent, and flexible electricity transmission and distribution infrastructure. With that, new requirements in terms of connectivity, digitalization, and demand management can be met.

[30] https://smartgrid.ieee.org/bulletins/september-2016/the-digitalization-of-distribution-systems
[31] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0552
[32] https://www.iea.org/reports/smart-grids
[33] https://www.iea.org/articles/energy-efficiency-and-digitalisation
[34] https://energy.ec.europa.eu/topics/energy-systems-integration/digitalisation-energy-system_en
[35] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0552

With a focus on decarbonization and digitalization through renewable energy and smart grids, Neoenergia is committed to investing R$ 25 billion until 2025. In 2022, the company invested R$ 9.9 billion in capex. Roughly R$ 8.1 billion was allocated to network projects and R$ 1.7 billion to renewable energy. The following table presents details about the proceeds allocation.

Table 2 - Neoenergia's investments – 2022 (CAPEX)

Year	CAPEX	Projects	Details
2022	R$ 9.9 billion	Networks	- R$ 5.5 billion in expansion and enhancements of distribution networks - R$ 2.6 billion in new transmission lines
		Renewable energy	- Chafariz (471.2 MW) and Otis (566.5 MW) wind facilities - Luzia (149.3 MWp) solar park

Source: Neoenergia's Sustainability-Linked Finance Framework

Neoenergia's energy transition commitments are directly aligned with Sustainable Development Goal 7 ("Ensure access to affordable, reliable, sustainable and modern energy for all") and 13 (Take urgent action to combat climate change and its impacts). Digitalization and innovation are strategic pillars of Neoenergia's business. Both play a transversal role by supporting the expansion of smart projects and then offering more clean solutions.

According to Neoenergia's Sustainability Report (2021), the company is focusing on digital technologies to allow operational efficiency and excellence. Through automation, the company aims to reduce intermittences in energy systems and be more agile in re-establishing power. Also, digital technologies allow more efficiency in energy reading, lost controls and default controls by the expansion of 'smart measures'.

One opportunity pursued by Neoenergia is to be a benchmark in terms of efficiency. Therefore, it has been enhancing efforts in digitalization, exchanges of best practices, innovation and use of economies of scale. For that, Iberdrola developed the Global Smart Grids Innovation Hub[36] to boost knowledge on smart grids and energy transition, helping Neoenergia to be immersed into an ecosystem to promote innovation.

Iberdrola, under its Strategic Plan 2023-2025, also has targets related to smart grids, namely, to have 83% of high-voltage (HV) and medium-voltage (MV) of smart grids by 2025[37].

Considering the commitments made by the company and the efforts made towards that, both in decarbonization and digitalization roles, KPI #2 is **highly** aligned with the company's sustainability strategy.

[36] https://www.iberdrola.com/innovation/global-smart-grids-innovation-hub
[37] https://www.iberdrola.com/wcorp/gc/prod/es_ES/estaticos/informe-integrado-esg/assets_en/pdf/business_model/business-model_esgf-targets.pdf

Measurable	Yes	☑

The KPI is calculated as a weighted average of the following sub-components:

40% - **Automated substations (%)**: This KPI is calculated as the number of automated substations out of total substations. To be considered automated, a substation must have remotely controlled devices that acquire real-time information and allow it to monitor/perform remote operations.

$$Automated\ substations\ (\%) = \frac{Number\ of\ automated\ substations}{Total\ substations}$$

40% - **Automated equipment** (%): This KPI measures the density of automated reclosers/switches in the network- which are used to protect and restore the grid in case of outages; compared to a target (17 km/equipment – i.e. when automation of new equipment is expected to have a low contribution to Neoenergia's grid performance).

$$Automated\ Equipment\ (\%) = 1 - \frac{km\ /\ equipment\ - target(17\ km\ /\ equipment)}{km\ /\ equipment}$$

20% - **Real-Time System (RTS) Maturity (%)**: This KPI evaluates the implementation of various functionalities in Neoenergia's grid, such as SCADA technology, GIS integration, and others.

The methodology will be disclosed in Neoenergia's Sustainability-Linked Finance Framework, which will be available to the public.

Verifiable	Yes	☑

Annually, Neoenergia will internally verify the targets, according to an internal process of control that is being developed by the company to monitor the KPIs. The verification processes will be conducted by a qualified external reviewer with relevant expertise, and it will occur in 2025 and 2030. It is worth mentioning that this KPI's baseline was not evidenced by Neoenergia.

Comparability	Yes	☑

The KPI is built upon a methodology properly constructed by Iberdrola. It is important to point out that Neoenergia is a pioneer in monitoring the level of network digitalization, by working with Iberdrola's innovative methodology. When Iberdrola's methodology is available, other companies can reply to the KPI, in order to be properly comparable with Neoenergia's performance.

It is also possible to verify the level of energy system digitalization, in general terms, if companies publicly disclose any information about the level of automated substations, the level of automated equipment, Real-Time Systems implementation and/or similar indicators.

Sustainability Performance Target (SPT) #2		
Reach 86.6% of digitalized networks by December 2027		
Baseline: 75% of digitalized networks in 2022.		
Company's historical performance	**SPT #2 High**	●●●

In 2018, Neoenergia started the implementation of the SISCON Project, responsible for developing the new company's Control System, which has the potential to enhance the network management of Neoenergia Coelba (BA), Neoenergia Pernambuco (PE), Neoenergia Cosern (RN) and Neoenergia Elektro (SP/MS) – Neoenergia's energy distributors. The Project is using technologies adopted by its holding (Iberdrola) and has already generated a great data volume among the world's power utilities through smart grids. Also, it is including GIS tools, allowing more precise control of the electrical grid's operation.

According to Neoenergia, SISCON has no precedent, becoming a global innovation. For that, a huge infrastructure has been required, such as the implementation of data centers, operation centers and digitalization of networks and operations.

From 2016 to 2022, Neoenergia invested roughly RS 80 million in the automation processes. In 2022, it was allocated ~R$ 8,4 million to that, as well as ~R$ 12 million to SISCON Project. The investments applied have contributed to the increase in the level of the network's digitalization since 2020.

The SPT evolution depends on the conclusion of the SISCON Project and it is linked to the compliance with the substation and recloser automation plans. Until 2027, Neoenergia expects to allocate more than R$3,5 billion in digitalization and automation of the energy distribution systems, and in the SISCON Project.

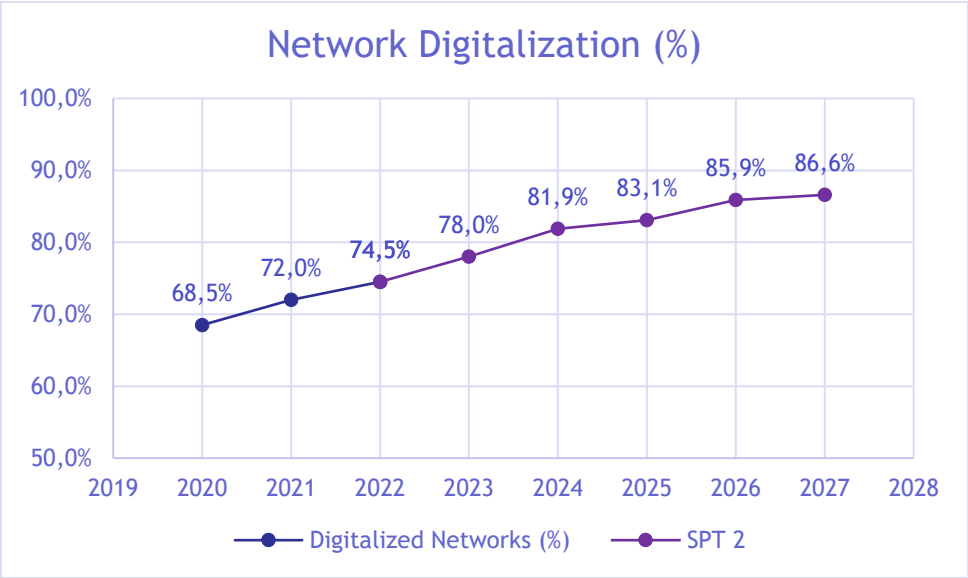
Additionally, Neoenergia expects to annually allocate a great amount of investment in CAPEX to its energy distributors, in order to support the target achievement. Such investment is already foreseen in the investment plans for the coming years.

Concerning the company's historical performance, with 100% of substations already automated, the level of automated equipment and real-time systems increased by 1.6% and 25.3%, respectively. With that, KPI#2 has jumped from 68.5% to 74.5% - an increase of 2.8% in the period.

Graph 2 illustrates the target proposed - reach 86.6% of digitalized networks by December 2027 – and the expected annual increases. From 2022 to 2027, the level of

network digitalization will increase by 3.06%, which is 12.1% p.p. in relation to what has been observed so far.

Graph 2 - SPT – KPI #2



Source: Neoenergia

Regarding the SPT achievement, Neoenergia informed that it is possible to reach 100% of network digitalization. However, it will demand additional investments that bring minor returns, concerning operational efficiency and financial return. Thus, the company has designed a plan to reach an optimum level of investments compared to results.

Today, the company already has 100% of automated substations. The company also plans to reach 96% of Real-Time System (RTS) Maturity by 2030. Currently, the system has only 20% of RTS Maturity. Concerning the automated equipment, the company expects to reach 100% of automated equipment by 2045, when it will have 17 pieces of equipment per kilometer of medium voltage network. Therefore, the SPT achievement is associated with ongoing investments not only in the SISCON Project, but also in automation and digitalization, including investments in the RTS maturity and automated equipment, at least by 2030.

About the challenges that may impact the SPT achievement, changes in the macroeconomic scenario may impact equipment prices. Impacts on the logistics chain of automation equipment supply also may impact the implementation of automation plans. Also, supplier delays can negatively impact the implementation of the SISCON Project.

Thus, considering (i) the investments amount needed to reach the SPT not only in digitalization but also in other associated infrastructure and related projects, such as Real-Time System (RTS) Maturity and the SISCON Project; and (ii) that the SPT achievement depends on the enhancement of the RTS Maturity as well as the development of automated equipment per kilometer, the ambition of this SPT considering the Neoenergia's historical performance is **high**.

Peer companies	Inconclusive

The peer research took into account companies that operate in the electric utilities sector, including generation, distribution, transmission and energy trading, in Brazil and other countries. The peer research is presented in Annex I of this report.

In general, grid digitalization commitments are commonly associated with the commitment to decarbonization and decentralization, as these trends are fundamental keys to reduce greenhouse gas (GHG) emissions from the energy sector. Of the 12 companies analyzed, three of them had investment volume targets in network digitalization (CPFL, Cemig and Eletrobrás). However, none of them established targets regarding the level of digitalized networks.

As it was not possible to assess how Neoenergia's SPT#2 is positioned in relation to its peers, the peer companies benchmark research was **inconclusive**.

Scientific scenarios	Inconclusive

There are many initiatives around the world related to the decarbonization of energy systems and their digitalization. One example is the European Green Deal[38], in which one of its main objectives is to build interconnected energy systems and better-integrated grids to support renewable energy sources[39]. In October 2022, the European Commission adopted the 'Digitalisating the energy system – EU action plan (COM/2022/552)', a digitalization energy action plan that aims to contribute to the EU energy policy objectives, including supporting investment in digital energy infrastructure[40]. However, under this Action Plan, no specific goal regarding the percentage of energy system digitalization was defined yet[41].

The publication 'Digitalization in Urban Energy Systems – Outlook 2025, 2030 and 2040'[42] of the European Commission also establishes recommendations for the energy system infrastructure. For 2025, the publication recommends digitalizing the energy system infrastructure in different sectors and promoting the development of the first layer of digital twins[43] at the European Union and at national governmental levels. For 2030, to strengthen digitalization in the energy service and promote the development of a second layer of digital twins on national levels. And, in 2040, to digitalize the urban energy system as a whole in the European Union. However, no measurable and time-based target was proposed.

Although all these initiatives are related to smart grids and energy systems digitalization, they do not present a target related to the percentage of network

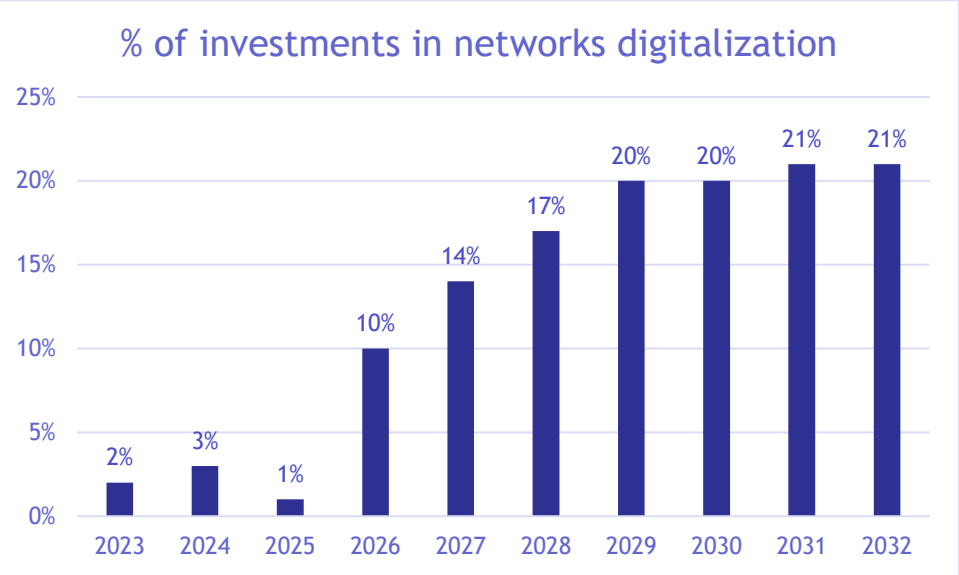
[38] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/energy-and-green-deal_en
[39] https://energy.ec.europa.eu/topics/energy-systems-integration/digitalisation-energy-system_en
[40] https://energy.ec.europa.eu/topics/energy-systems-integration/digitalisation-energy-system_en
[41] https://digital-strategy.ec.europa.eu/en/policies/digitalisation-energy
[42]https://energy.ec.europa.eu/system/files/2022-10/pulication%20on%20digitalisation%20in%20cities.pdf
[43] Digital twins in the energy sector are virtual – and often real-time – representations of the physical grid assets. Digital twins help utility companies improve planning and specifications, operational efficiency and personnel training. Source: https://www.iec.ch/blog/how-digital-twins-are-used-energy-sector#:~:text=Digital%20twins%20in%20the%20energy,operational%20efficiency%20and%20personnel%20training.

digitalization. So, in order to evaluate Neoenergia Elektro's performance in digitalization, it was decided to assess the investments foreseen in comparison with what has been the global average level.

According to IEA (2023), the global investment in digital electricity infrastructure and software in the pre-Covid period was being, approximately, 20% annually. Also, according to IEA (2023, p. 9)[44], "annual investment in grids will need to more than double from around USD 330 billion per year to USD 750 billion by 2030, with around 75% of the investments allocated to the distribution grids to expand, strengthen, and digitalise technologies".

When examining Neoenergia Elektro's investment plan (Graph 3), it becomes evident that it is only from the seventh year of the loan agreement that the projected annual investment will be aligned with the global average investment in digitalization in the pre-Covid period.

Graph 3 - Neoenergia's CAPEX Investment Plan



Source: Neoenergia. It is not considering all its distribution companies

From 2023 to 2032, Neoenergia Elektro expects to allocate, on average, 13% of the investments directed to distribution for digitization projects, which is considered a percentage well below the investment level needed to achieve global carbon neutrality. However, if we compare Neoenergia's digitalization investments in 2023, which is the baseline year, with digitalization investments in 2027, the deadline year for the SPT achievement, there is an increase of more than double – as recommended by IEA - in the company's investments in digitalization.

[44] https://iea.blob.core.windows.net/assets/0b8c1500-2b02-4aaf-9072-90d88ae1e66c/UnlockingSmartGridOpportunitiesinEmergingMarketsandDevelopingEconomies.pdf

It is worth highlighting, however, that it was not found enough data to compare Neoenergia's baseline in digital electricity infrastructure against a baseline of a global average digital electricity infrastructure in the pre-Covid period or even nowadays.

Thus, it is not possible to affirm that Neoenergia is more engaged in digitalizing its networks, including concerning investments in digitalization, when compared to a global average. Therefore, we consider the ambition of the target in relation to scientific scenarios to be **inconclusive.**

Target level of ambition	SPT #2 Moderate	

NINT is of the opinion that SPT #2 - Reach 86.6% of digitalized networks by December 2027, with a baseline of 74.5% of digitalized networks in 2022 is **moderately** ambitious. This analysis considered the SPT #2 ambition under the following aspects:

- Company's historical performance: **high**
- Peer companies benchmark: **inconclusive**
- Scientific scenarios benchmark: **inconclusive**

2.1.2. Operation Characteristics (SLLP 3)

The loan between Neoenergia Elektro (borrower) and International Finance Corporation (IFC) amounts to BRL 800 million and matures in April 2031 (8-year term). The borrower (Neoenergia Elektro) shall repay the loan as follows:

Table 3 - Loan repayment conditions

Date	Due Value (% of aggregate disbursements)
October 15, 2025	8,33%
April 15, 2026	8,33%
October 15,2026	8,33%
April 15, 2027	8,33%
October 15,2027	8,33%
April 15, 2028	8,33%
October15, 2028	8,33%
April 15, 2029	8,33%
October 15, 2029	8,33%
April 15, 2030	8,33%
October 15, 2030	8,33%
April 15, 2031	8,37%

All sustainability Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) are defined in the loan agreement.

The achievement of the SPT 1 and 2 by the Reference Date will trigger a step-down margin of 10bps, bringing to a decrease in the interest rate applicable to interest periods following April 2028. IFC informed that the interest rate will be CDI+2.20%

Following the Sustainability-Linked Loan Principles of LSTA (Loan Syndications and Trading Association) of February 2023, updated on April 2023, often there is a reduced margin when the borrower satisfies a pre-determined SPT.

According to an Environmental Finance article of August 2021[45], some investors have negative perceptions of the step-down mechanism, which in their opinion may discourage issuers from making more effort to improve their social and environmental performance. The article also mentions the fact that while the step-down mechanism is not commonly used in Sustainability Linked Bonds, it is widely used in Sustainability Linked Loans.

An article from Reorg, published on 2023, pointed out that the applicable cumulative ESG margin ratchet step-downs and step-ups of European SLLs in 2022 leveled off within the range of -/+7.5 bps to -/+10 bps. Compared to 2021 SLL's distribution of margin adjustments, data suggests that the European market is moving towards a standardized ESG margin ratchet adjustment[46].

In relation to the 10bps variation, in NINT's perception this seems lower than loans and bonds issued in the Brazilian market, which typically use of variations of 20 to 25 bps.

About the factors that may negatively affect the achievement of the SPTs, regarding the SPT 1 (Reach 12.2% of female electricians by December/2027), some of these factors are market competitiveness, failure throughout the training that prevents the completion of the course, withdrawal of the course, lack of interest of the female audience in working in the electrician career, and public health issues such as new epidemics.

Concerning the achievement of the SPT 2 (Reach 86.6% of networks digitalization by December 2027), changes in the macroeconomic scenario that might impact equipment prices, an imbalance between the physical and financial realization of automation plans, delays in the logistics of supply chain equipment for automation, and suppliers' delays in the implementation of the SISCON Program are some of the factors that may negatively affect this SPT.

Neoenergia Elektro has not established strategies it will adopt in case it cannot achieve its sustainability performance targets (back-up mechanisms).

[45]https://www.environmental-finance.com/content/analysis/sustainability-linked-bonds-one-year-after-the-principles-where-to-next.html

[46] https://reorg.com/2022-european-sustainability-linked-loans-wrap/

2.1.3 Reporting and Verification (SLLP 4 and 5)

All KPIs and Neoenergia's progress against its SPT(s) will be disclosed through Neoenergias's Sustainability Report.

Following Neoenergia's Sustainability-Linked Finance Framework, the non-financial information in its Sustainability Report, including the SPTs, will be verified by Neoenergia's internal audit, an internal control tool, and an external audit by KPMG advisors on an annual-basis. Additionally, the company informed that a monitoring process is being developed to track Neoenergia's SPTs.

According to Neoenergia's Sustainability-Linked Finance Framework, the company will provide aggregated reporting for all its sustainable financing instruments through its Integrated Sustainability Report, including:

- Definition of KPI(s) and SPT(s) for sustainability-linked financings, including calculation methodologies, strategies for SPT achievement, and explanation of planned back-up mechanisms if SPTs cannot be calculated or observed.
- Description of the agreed financial incentives and other relevant structural characteristics for sustainability-linked bonds.
- Annual update on the performance of the selected SPT(s), with reference to original baseline.
- Illustration of potential positive impacts of enhanced sustainability performance in relation to the SPT(s).
- Exceptional events (such as significant change in consolidation scope because of material M&A activities, drastic changes in regulatory environment or extreme events) that might substantially impact the calculation of KPI(s), restatement of SPT(s) and/or pro-forma adjustments of baselines or scope.

The Sustainability-Linked Finance Framework will be published on Neoenergia's website. This second-party opinion (SPO), about the loan between IFC and Neoenergia Elektro, will also be published on Neoenergia's corporate website. The company's performance regarding the established SPTs will be externally reviewed by NINT in 2028 through a post-issuance second-party opinion report.

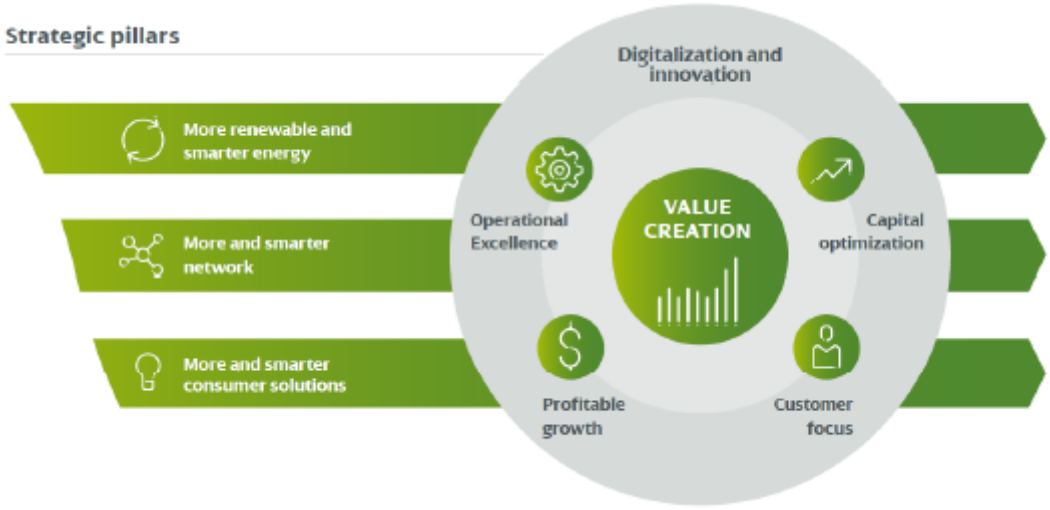
3. Neoenergia's ESG Performance

Neoenergia S.A. is an integrated energy company that operates in three strategic segments: Networks (distribution and transmission); Renewables (wind and hydroelectric generation) and Free Market (thermal generation, energy trading, and services). It is controlled by the Spanish Group Iberdrola which, on May 18, 2023, held 53.5% of the shares. On that same date, PREVI had 30.3% of the shares, and the remaining 16.2% was free float. Neoenergia operates as a holding company, with a stake in other companies with businesses in the same area of activity, including energy distributor Neoenergia Elektro.

Social responsibility and sustainability are part of Neoenergia's Strategic Plan, which is based on its purpose, values, and management policies, as well as the outlook for the energy industry. The plan is organized around five pillars: (1) Operational Excellence, (2) Customer Focus, (3) Profitable Growth, (4) Capital Optimization, and (5) Digitalization and Innovation – which is cross-cutting and applies to all projects and processes. Together, these five pillars support the development of smarter businesses to bring more renewable energy, networks, and smart solutions to consumers.

Financial stability is also considered a key balancing factor. The company strives to maintain high levels of solvency and liquidity to ensure regular operations, good access to the capital market, and compliance with a policy-oriented toward growing dividends, in line with the improvement of company results.

Figure 1 - Neoenergia's strategic pillars



Source - Neoenergia

Environmental

Neoenergia owns thermal and hydro power plants. As part of its Sustainable Management Policy[47], Neoenergia is committed to reducing the environmental impact of all its activities and to the efficient use of water and natural resources across its operations. The company is also committed to the decarbonization of its electricity matrix and the promotion of renewable sources, in line with its Policy Against Climate Change, which, together with the Environment, Sustainable Management, and Biodiversity policies, define the company's best practices in this area.

Currently, 88.3% of the company's installed generation capacity is renewable. Renewable investments aim to increase this level to 92.6% in 2022, resulting from an expected 4.8 GW of greenfield pipeline (solar and wind).

Since 2021, new investments (in solar and wind generation) consider a 'Climate Dossier' for decision-making, which considers future scenarios of climate threats and the sensitivity of the business to them, aiming to minimize the climate risk on the enterprise at the territory level, supporting the decision on the financial contribution to the new business and plant.

The Iberdrola Group, Neoenergia's controlling shareholder, has a Policy Against Climate Change in which it formalizes its commitment to decarbonizing its energy matrix by 2050[48].

Following the global strategy of the Iberdrola Group and its Climate Action Policy, Neoenergia started to consider the **TCFD recommendations**[49] as one of its basic principles for corporate management and the reporting of non-financial indicators. In addition, Neoenergia has a goal of transitioning from the use of gasoline to ethanol in corporate vehicles in the medium term, and electric vehicles in the long term, to mitigate its GHG emissions, and in its 2021 Sustainability Report – most recent Report available as of May 2023 -, it states that there was a 22.6% decrease in diesel consumption and a 39.9% decrease in gasoline consumption.

In accordance with its Biodiversity Policy[50], the company promotes the protection, conservation, and sustainable use of the landscape that may be impacted by its operations.

Social

[47] https://www.neoenergia.com/pt-br/governanca-corporativa/sistema-de-governanca-corporativa/Paginas/politicas-meio-ambiente-mudanca-climatica.aspx
[48] https://www.iberdrola.com/documents/20125/42427/climate_action_policy.pdf
[49] Força-Tarefa sobre Divulgações Financeiras Relacionadas ao Clima | TCFD) (fsb-tcfd.org)
[50] https://www.neoenergia.com/pt-br/governanca-corporativa/sistema-de-governanca-corporativa/Documents/agosto/Politica-de-Biodiversidade-13032019.pdf

The company's projects may generate several impacts on surrounding communities. However, according to the company, in 2021, there was no resettlement of people in any project.

In relation to traditional communities, Neoenergia is concerned with minimizing the impacts of its generation and transmission projects. The company doesn't have a formal procedure for evaluating the socioeconomic impacts caused by its activities, but it states that adopts compensation programs and voluntary initiatives to address the needs of the affected populations and minimize any identified negative aspects. It also has practices of dialogue with communities around its projects about its possible impacts on these locations and compensation in accordance with the legislation.

Neoenergia establishes in its Relationship Policy with Interest Groups the establishment of communication and relationship channels with its customers. Quality processes and action plans are also established to improve the relationship with these stakeholders. In this sense, the Group established a Supplier Code of Ethics[51], which defines principles of business ethics and transparent management between Neoenergia and its suppliers.

In relation to employees, Neoenergia guarantees the right of free association, organization, and union mobilization in its Code of Ethics[52], as well as using internal communication channels to publicize and inform the progress of negotiations. The company also holds meetings to monitor the Collective Bargaining Agreement throughout the year.

In addition, the Group has been a signatory to the UN Global Compact since August 2007 and, each year, Neoenergia reports its actions and advances related to the ten principles through its Sustainability Report.

Neoenergia also has an Equality, Diversity, and Inclusion Policy whose purpose is to obtain a favorable environment that facilitates and enhances equal opportunities, non-discrimination, diversity, and inclusion of professionals from the companies belonging to the Group, betting on a management model of people committed to professional excellence and quality of life[53].

Governance

The company has a confidential and independent channel for complaints open to all its stakeholders[54]. It has internal procedures for investigation of misconduct, assessment of corruption risks, and supplier due diligence. Neoenergia does not sponsor partisan political activities.

[51]https://www.neoenergia.com/pt-br/fornecedores/Documents/pdf/Codigo_de_Etica_do_Fornecedor_Neoenergia.pdf
[52] Reglamento de la Comisión de (neoenergia.com)
[53]politica-igualdade-diversidade-inclusao.pdf (neoenergia.com)
[54]https://canalconfidencial.com.br/neoenergia/

The Neoenergia Group is also associated with the Ethos Institute of Business and Social Responsibility. The Institute is dedicated to helping companies manage their businesses in a responsible manner, to build a fair and sustainable society. In 2017, Neoenergia was one of the 23 companies that received the Selo Pró-Ética, an initiative of the Ministry of Transparency, Inspection and General Controllership of the Union and of the Ethos Institute. The Pró-Ética recognizes companies that adopt and disseminate lawful, ethical, and transparent practices in their activities and that maintain effective integrity programs in compliance with Brazilian anti-corruption legislation. The validity of the seal has been extended for three consecutive years.

According to the company's 2021 Sustainability Report, the Board of Directors is composed of 19 members, including full members and alternates, elected by the Extraordinary General Meeting (AGM), who were elected and/or reelected for a term of office until August 2023. Two holders are independent and selected on the market. All members are men, and the chairman of the Board of Directors does not have an executive role at Neoenergia. The assessment of the management bodies, including the Board of Directors, is carried out in a collegiate manner, annually, by an external auditor hired for this purpose.

ESG Controversies research

NINT carried out a desk research in the media and identified a history of environmental and social controversies involving Neoenergia Elektro. Two of the cases are of high severity and one is medium. Neoenergia Elektro sent responses and evidences about the cases. The table below provides a short description of the events.

Social		
Controversy	**Severity Level**	**Responsiveness**
Oct/2022: Loose electrical wire causes the death of siblings by electrocution in the municipality of Lagoinha, in the state of São Paulo (SP).	**High:** The 30-year-old and 19-year-old siblings were returning from a party when they spotted a fire outbreak in a rural area. One of them stepped on a loose electrical wire at the scene and received an electric shock. The other brother tried to help him and was also electrocuted. Both of them died at the scene.	**Defensive:** According to the news, Neoenergia Elektro expressed its condolences for the accident and stated that it will investigate the causes while assisting the relevant authorities. The company also offered its support to the affected families. Through an e-mail, Neoenergia Elektro stated that the accident was caused by a fall of an eucalyptus tree from 35 meters from the distribution network. This caused the rupture of a cable that broke and fell to the ground. The eucalyptus tree was outside the right of way (15

		metres), but projected itself over the network in a windstorm. The cable was suspended over dry vegetation, which resulted in a very low fault current, so that even with extremely sensitive protection settings, with SEF – Sensitive Earth Fault and RAI (self-impedance relays), the protection failed to take action, keeping the cable energized. The Neoenergia Elektro team was called to attend the occurrence of a power outage, but when arriving at the site, the accident had already occurred. The company sent some pieces of evidence of actions with local communities that aimed to produce awareness. In 2022, 166 thousand people were reached by awareness-raising actions (lectures, Commission for the Prevention of Accidents (CIPA) actions, workshops, interventions in real risk situations). 650 thousand safety guidance leaflets on risk of Civil Construction and Cable to the Ground were distributed to Neoenergia clients. Neoenergia Elektro also installed 78 safety guidance banners in strategic locations (rural area, public squares, bus stations, etc).
Feb/2023: Residents of the municipality of Ilhabela, in São Paulo state, were without electricity for 22 hours.	**Medium:** The central region of Barra Velha, in the municipality of Ilhabela, was without electricity for over 22 hours due to a storm. Residents complained about the damages incurred, such as spoiled food and damage to electronic devices, among others.	**Non-responsive:** According to Neoenergia Elektro, the Barra Velha neighbourhood covers 25% (about 5,000 clients) of Neoenergia's clients in the municipality of Ilhabela. The company registered only one interruption of long duration (more than 11

		hours) for 30 clients in this neighbourhood on February 15, 2023. This interruption was caused by vegetation on the network that damaged the conductors. The re-establishment time was affected due to the activities to be carried out in the repair and the large number of accidental occurrences caused by a strong storm on the island. In February 15 and 16, the municipality of Ilhabela registered an interruption index around 7 times higher than the daily average of February on days considered within normality.
Mar/2023: Electrician dies due to an electric shock in a work accident in the municipality of Votuporanga, in the state of São Paulo (SP).	**High:** The electrician had been working at Neoenergia Elektro, in the municipality of Votuporanga, for over 10 years. During one of his night shifts at a rural property in the municipality of Floreal, he suffered a severe electric shock and lost consciousness. The Emergency Department of Valentim Gentil was contacted, and the electrician was taken to the hospital in the neighboring city. According to the doctors, he arrived alive, but unfortunately had a cardiac arrest and did not survive.	**Non-responsive:** Neoenergia Elektro stated that the accident that occurred on March 08, 2023, happened during a low complexity activity of installation of a phase separator in secondary network (127/220 V). The electrician did not comply with the adequate operational procedures for the activity. He did not use PPE (personal protective equipment) such as insulating gloves and face protection with a balaclava, and lack of insulating cover on the network. Both materials were available in the vehicle engaged for the service. Neoenergia Elektro stated that the electrician had more than 12-year experience, more than 180 hours in formal training, and had recently undergone recycling in NR 10 and operational procedures. As a mitigation procedure, the company is intensifying the monitoring of activities in the field and expanding its virtual inspection using

	monitoring cameras. A dedicated security monitoring center was set up to analyze images from the security cameras used by employees in the field, enabling an increase of over 1500% in the number of teams monitored. Another action taken by Neoenergia was a dialogue with its operational employees on March 16th - DESC - Diálogo de Estratégia, Segurança e Comportamento in Portuguese -, that focused on security procedures to be followed during operations.

Method

Subtitles

Assurance Level

Assurance Level	
Reasonable	An assessment in which the assurance risk is acceptably low under the circumstances of the engagement undertaken. The conclusion is expressed in a way that conveys the professional's opinion on the outcome of the assessment in relation to the criteria observed.
Limited	An assessment in which the engagement assurance risk is greater than a reasonable assurance level but still capable of supporting the main arguments used in the analysis.

KPI Dimension Classification

Rating Levels	
High	The evaluated KPI is directly associated with the issuer's performance on a topic that is highly aligned with the company's activities and practices, its generated impacts, or its ESG strategy.
Moderate	The assessed KPI is directly associated with the issuer's performance on a topic partially aligned with the company's activities and practices, its generated impacts or its ASG strategy.
Low	The assessed KPI is not directly associated with the issuer's performance on issues aligned with the company's activities and practices, its generated impacts or its ESG strategy.
Insufficient	The assessed KPI has no relation to the issuer's performance on topics relevant to the company's activities and practices, its key impacts, or its ESG strategy.

Dimension Classification of SPTs

Rating Level	
High	The SPT ambition places or maintains the company as a leader relative to the peer group, represents a significant improvement relative to the company's history or is aligned to scientific/*best-available-technology* scenarios (e.g., goal aligned to 1.5°C climate change scenario).
Moderate	SPT's ambition is aligned with the best peers in the market, represents a representative improvement in the company's track record, or approximates scientific scenarios and benchmarks (e.g., target aligned to the 2ºC climate change scenario).
Low	The SPT does not represent an improvement of the company's track record, is aligned with regulatory scenarios or does not position the company among the best peers in the market.
Insufficient	The SPT represents a worsening or stagnation in relation to the peer group and the company's history or does not reach regulatory scenarios.

Controversies

Severity Level	
Low	Breaches the law and/or negatively affects *stakeholders*, but causes no or minimal harm that does not require remediation.
Medium	It breaks the law and/or negatively affects *stakeholders*, and the level of difficulty and cost of remediation is average.
High	It breaks the law and negatively affects the stakeholders, and the damage is irremediable or difficult or costly to remediate.

Responsiveness Levels	
Proactive	In addition to the company acting in a remedial manner when faced with a controversy, the company takes measures that go beyond its obligation. In addition, the company carries out systematic procedures to prevent the problem that occurred from recurring.
Remedial	The company takes the necessary actions to correct the damage and communicates appropriately with the impacted stakeholders.
Defensive	The company takes insufficient action to correct the damage or issues a statement without corrective action
Non-responsive	There is no action or communication from the company regarding the controversy.

Sustainability-Linked Loan Form

Section 1. Basic Information

Borrower name: Neoenergia Elektro

Sustainability-Linked Bond ISIN: N/A

Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3): NINT (Natural Intelligence), an ERM Group company

Completion date of second party opinion pre-issuance: June 23rd, 2023

Independent External Review provider's name for post-issuance verification (section 4): N/A

Completion date of post issuance verification: N/A

At the launch of the bond, the structure is:

☐ a step-up structure

☒ a variable redemption structure

Section 2. Pre-Issuance Review

2-1 SCOPE OF REVIEW

The review:

☒assessed all the following elements (complete review)
☐only some of them (partial review):

☒ Selection of Key Performance Indicators (KPIs)
☒ Calibration of Sustainability Performance Targets (SPTs)
☒ Verification
☒ Loan characteristics *(acknowledgment of)*
☒ Reporting

☒ and confirmed their alignment with the SLBP.

2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

☒ Second Party Opinion
☐ Verification
☐ Certification
☐ Scoring/Rating

2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

This sustainability-linked loan is an operation between International Finance Corporation ("IFC") and Neoenergia Elektro, a subsidiary from Neoenergia, an energy company controlled by Iberdrola. The loan amounts to BRL 800 million and matures in 8 years, in April 2031.

The operation has two key-performance indicators: KPI #1: Percentage (%) of female electricians out of total electricians in Neoenergia's business, and KPI #2: Percentage (%) of network digitalization. Both KPIs are relevant and material, and are aligned with the company's sustainability strategy. They are measurable, verifiable and comparable.

The SPTs #1 is: to increase the percentage of female electricians from 4.3% in 2022 to 12.2% in 2027. And the SPT #2 is: to increase the share of digitalized networks from 75% in 2022 to 86.6% in 2027.

The ambition of the SPT#1 was classified as moderate. Considering the company's historical performance, the SPT#1 was considered of moderate ambition. In comparison to peer companies, the SPT#1 is highly ambitious and, the scientific scenario benchmark research was inconclusive.

The ambition of the SPT#2 was classified as moderate. Considering the company's historical performance, the SPT#2 is highly ambitious. The scientific scenario research and, the peer companies' benchmark research were inconclusive.

Section 3. Detailed pre-issuance review

3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPIS)

Overall comment on the section *(if applicable)*: The operation has two key-performance indicators (KPIs):
KPI #1: Percentage (%) of female electricians out of total electricians in Neoenergia's business; and
KPI #2: Percentage (%) of network digitalization.

The KPIs were assessed regarding its (i) relevance and materiality and (ii) alignment with the company's sustainability strategy. They are also measurable, verifiable and able to be benchmarked.

List of selected KPIs:

- ✓ Percentage (%) of female electricians out of total electricians in Neoenergia's business
- ✓ Percentage (%) of network digitalization.

Definition, Scope, and parameters

☒ Clear definition of each selected KPIs ☒ Clear calculation methodology

☐ Other *(please specify)*:

Relevance, robustness, and reliability of the selected KPIs

- ☒ Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy.
- ☒ Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis
- ☒ Evidence that the KPIs are externally verifiable
- ☒ Evidence that the KPIs can be benchmarked
- ☐ Other *(please specify):*

3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Overall comment on the section *(if applicable)*: The sustainability-performance targets (SPTs) ambition was assessed according to the company's historical performance and benchmarked against its peer companies and scientific scenarios.

The SPTs #1 is: to increase the percentage of female electricians from 4.3% in 2022 to 12.2% in 2027. And the SPT #2 is: to increase the share of digitalized networks from 75% in 2022 to 86.6% in 2027.

The ambition of the SPT#1 was classified as moderate. Considering the company's historical performance, the SPT#1 was considered of moderate ambition. In comparison to peer companies, the SPT#1 is highly ambitious and, the scientific scenario benchmark research was inconclusive.

The ambition of the SPT#2 was classified as moderate. Considering the company's historical performance, the SPT#2 is highly ambitious. The scientific scenario research and, the peer companies' benchmark research was inconclusive.

Rationale and level of ambition

- ☒ Evidence that the SPTs represent a material improvement
- ☒ Evidence that SPTs are consistent with the issuer's sustainability and business strategy
- ☒ Credentials on the relevance and reliability of selected benchmarks and baselines
- ☒ Credentials that the SPTs are determined on a predefined timeline
- ☐ Other *(please specify):*

Benchmarking approach

- ☒ Issuer own performance
- ☐ reference to the science
- ☒ Issuer's peers
- ☐ Other *(please specify)*:

Additional disclosure

- ☐ potential recalculations or adjustments description
- ☒ identification of key factors that may affect the achievement of the SPTs
- ☒ issuer's strategy to achieve description
- ☐ Other *(please specify)*:

3-3 LOAN CHARACTERISTICS

Overall comment on the section *(if applicable)*: The loan between the International Finance Corporation (IFC) and Neoenergia Elektro amounts to BRL 800 million and has an 8-year tenor. The interest rate will be of CDI+2.20%, with interest payments happening in April and October of each year. If the sustainability-performance targets are met, there will be a step-down of 10bps, starting in April 2028.

Financial impact:

- ☒ variation of the coupon
- ☐ Other *(please specify)*:

Structural characteristic:

- ☒ Step-down
- ☐ Other *(please specify)*:

3-4 REPORTING

Overall comment on the section *(if applicable)*: The KPIs and SPTs performance will be annually disclosed on Neoenergia's Integrated Sustainability Report. This report is verified by an external auditor. In addition, a process for monitoring the SPTs' performance is being developed by Neoenergia.

Neoenergia's Sustainability-Linked Finance Framework will be publicly disclosed on its website, as well as this second-party opinion report. The company's performance regarding the established SPTs will be externally reviewed in 2028 through a post-issuance second-party opinion report.

Information reported:

- ☒ performance of the selected KPIs
- ☐ level of ambition of the SPTs
- ☐ verification assurance report
- ☐ Other *(please specify):*

Frequency:

- ☒ Annual
- ☐ Other *(please specify):*
- ☐ Semi-annual

Means of Disclosure

- ☐ Information published in financial report
- ☒ Information published in sustainability report

☐ Information published in ad hoc documents
☐ Other *(please specify):*
☒ Reporting reviewed *(if yes, please specify which parts of the reporting are subject to external review):* Financial and non-financial information are reviewed on an annual basis.

Where appropriate, please specify name and date of publication in the "useful links" section.

Level of Assurance on Reporting

☒ limited assurance
☐ reasonable assurance
☐ Other *(please specify):*

USEFUL LINKS *(e.g. to review provider methodology or credentials, to issuer's documentation, etc.)*

https://www.neoenergia.com/pt-br/sustentabilidade/modelo-negocio-energia-sustentavel/relatorios-sustentabilidade/Paginas/default.aspx

https://ri.neoenergia.com/sustentabilidade/documentos-dividas-verdes/

Annex I - Peer companies Benchmark

The peer/competitor benchmark was carried out considering electric utilities companies that have generation, distribution, transmission and energy trading activities, in Brazil and other countries. The companies used for comparing indicators, its targets and other initiatives, are presented below.

Table 4 - Peer companies

Energy distribution, transmission, and generation sector	
Company	**Description**
Alupar	Alupar operates in the area of energy transmission and generation. Alupar's Transmission Companies have a broad national transmission network composed of overhead lines and substations with varying voltage levels. Regarding generation, the company's energy matrix is diverse. It invests in small and medium-sized generation assets, such as hydroelectric plants, small hydroelectric plants, wind farms, and photovoltaic plants in Brazil, Colombia, and Peru.
Cemig - Companhia Energética de Minas Gerais	It operates in the generation, transmission, distribution, and commercialization of electric energy and natural gas distribution.
CPFL	CPFL Energia is an energy company with business in distribution, generation, transmission, and commercialization of electric energy and services, with operations in all regions of the country.
Copel - Companhia Paranaense de Energia	The company is one of the largest electricity companies in Brazil and operates in the areas of generation, transmission, distribution, and energy commercialization.
EDP - Energias do Brasil S.A.	EDP operates in the electric energy transmission segment in Brazil.
Energisa	Energisa is a reference in the generation, transmission, distribution, and commercialization of energy and integrated solutions for the market.
Eletrobrás	Eletrobras is engaged in promoting studies, construction projects, and the operation of power plants, transmission lines, and substations intended to supply the country's electricity.
Enel (Italy)	Electric Utilities and Independent Power Producers and Energy Traders (including fossil, alternative and nuclear energy)
EDF Group (Électricité	EDF is a French multinational electric utility company

de France S.A)	
Engie	ENGIE is a global energy player, focused on Renewable energy and low carbon distributed energy infrastructures[55]
SRP (Salt River Project)	Salt River Project is a community-based, not-for-profit organization providing affordable water and power to more than 2 million people in central Arizona. It's made up of two separate organizations: the "Association," a private water corporation founded in 1903, and the "District," an electricity provider formed as an agricultural improvement district and a political subdivision of the State of Arizona in 1937.
Taesa - Transmissora Aliança de Energia Elétrica S.A.	It is one of the largest private electric energy transmission groups in Brazil in terms of Annual Permitted Revenues (also known as RAP). The company is exclusively dedicated to the construction, operation and maintenance of transmission assets, with 12,122 km of lines in operation and 1,985 km of lines under construction, totaling 14,107 km of extension and 104 substations.

The scope of the indicators and targets' assessment includes the comparison of the issuer's initiatives against its peer companies. The research conducted is briefly presented below.

- **Assessment of the KPI#1 and SPT#1**

Table 5 - Peer companies benchmark - KPI#1 and SPT#1

Company	Indicator and Targets
Neoenergia	KPI: Percentage of female electricians of total electricians (%) SPT: Reach 12.2% female electricians by December 2027
Alupar	**There is no specific target concerning the participation of female electricians in the company.**
Cemig - Companhia Energética de Minas Gerais	**There is no specific target concerning the participation of female electricians in the company.**
CPFL	In 2021, two Electrician Schools were created exclusively for women, one in the Distribution area in the state of Rio Grande do Sul and the other in the Services area in the state of São Paulo, which allowed an increase of approximately 4.8 times the number of employees in the position of Electrician in 2021. **However, there are no targets related to the participation of female electricians in the company.**

[55] https://www.engie.com/en/group/our-vision/our-strategy

Copel - Companhia Paranaense de Energia	**There is no specific target concerning the participation of female electricians in the company.**
EDP - Energias do Brasil	There are schools for female electricians and trans electricians. The training school for women has already formed two groups, training 28 women, all of which were hired by EDP or partner companies. **However, there is no specific target concerning the participation of women electricians in the company.**
Energisa	**There is no specific target concerning the participation of female electricians in the company.**
Eletrobrás	**There is no specific target concerning female electricians.** However, through the Global Compact's "Equity is a Priority" initiative, the company has committed to achieve 30% of senior leadership positions (superintendence and directors) held by women by 2025.
Enel	**There is no specific target concerning the participation of female electricians in the company**
EDF Group (Électricité de France S.A)	EDF had set a gender equality target to have 28% of its management committee positions occupied by women in 2023. **However, there is no specific target concerning female electricians.**
Engie	The company aims to reach 50% of women in management positions by 2030. **However, there is no specific target concerning female electricians.**
SRP (Salt River Project)	**There is no specific target concerning the participation of female electricians in the company**
Taesa - Transmissora Aliança de Energia Elétrica S.A.	The company aims to expand women participation in the company, especially in areas mostly occupied by men, from 19% in 2021 to 30% by 2030[56]. As part of its Diversity and Inclusion Program, the company offers a free training for women to be electricians. The course is given remotely by TAESA's internal collaborators. **However, no specific target concerning the participation of female electricians in the company was found.**

[56] https://institucional.taesa.com.br/wp-content/uploads/2022/05/Relatorio-Taesa-2022-alta.pdf

- **Assessment of the KPI#2 and SPT#2**

Table 6 - Peer companies benchmark - KPI#2 and SPT#2

Company	Indicator and Targets
Neoenergia	KPI: Network Digitalization (%). SPT: Increase the share of digitalized networks from 75% in 2022 to 86.6% in 2027.
Alupar	**There is no specific goal concerning the Network digitalization**, however, according to the company's Sustainability Report, as of 2021, software will be implemented to monitor all assets in real time, the BI (Business Intelligence) tool to broaden the spectrum of information.
Cemig - Companhia Energética de Minas Gerais	**There is no specific goal concerning the Network digitalization**. However, the company intends to invest in smart grids, digitalization and analytical capacity, with investments of R$12.5 BI by 2025.
CPFL	The company reported in its sustainability report for 2022 that it has reached the goal of implementing telemetry for 100% of the customers in the group made up of large industries and commerce. It also reports the intention to invest R$350 million in automation of the distribution network by 2024.
Copel - Companhia Paranaense de Energia	**There is no specific goal concerning the Network digitalization.** However, according to Copel's 2021 Sustainability Report, the company has "the largest Intelligent Electric Grid program in Brazil".
EDP – Energias do Brasil	The company reports that it is committed to anticipating industry trends, such as decarbonization, digitalization, and decentralization, to stimulate the energy transition in the country. But there is no specific goal concerning the Network digitalization.
Energisa	Energisa says it is committed to "helping customers in the energy transition by offering solutions aligned with the 4Ds (digitalization, decarbonization, decentralization), contributing to the avoided emission of at least 510.8 thousand tCO_2e per year from our customers, starting in 2026. But there is no specific goal related to the Network digitalization.
Eletrobrás	Eletrobrás is committed to the digitalization of the networks is in the sphere of research and development. The Innovation and Digital Transformation index is calculated as: $$\frac{Investment\ in\ technology\ and\ innovation\ (R\$)}{Return\ on\ Learning\ (ROL)(R\$)}$$ Eletrobrás reached the index of 1.69% in 2022, exceeding the goal set for this year of 1.3%.

Enel	There is no specific goal concerning the Network digitalization.
EDF Group (Électricité de France S.A)	There is no specific goal concerning the Network digitalization
Engie	There is no specific goal concerning the Network digitalization
SRP (Salt River Project)	There is no specific goal concerning the Network digitalization
Taesa - Transmissora Aliança de Energia Elétrica S.A.	There is no specific goal concerning the Network digitalization

Annex II - Scientific Scenarios Benchmark

- **SPT#1 - Reach 12.2% of female electricians by December 2027**

Despite many initiatives regarding women in non-traditional roles found, none of them had specific and measurable goals. Thus, the scientific scenarios research was inconclusive.

Table 7 - Scientific scenarios benchmark SPT#1

Program/Initiative	Description	Goal
Women in Non-Traditional Employment Roles (WINTER) - Los Angeles, California (United States)	It is a non-profit development program whose mission is to "Train, educate, and prepare women for transformative careers in the construction industry"[57] WINTER serves low-income families and underserved communities, who have a desire to increase their earnings by entering a construction and building career. It is a free training program, and all applicants must have their High School Diploma or GED (General Educational Development) and a valid driver's license.[58]	WINTER's Goals are: - To increase the percentage of women working in union construction and building trades industry; - To promote construction careers for low-income women of color; - To prepare low-income women to attain the skills to become competitive in the workforce. **No measurable and time-bound goal was identified.**
Tradeswomen Inc (TWI) - California (United States)	Founded in 1979 as grassroots recruitment, retention, and leadership & development for women in blue-collar skilled craft. The TWI has trainings for automotive machinists, electricians, ironworkers, firefighters, operating engineers, and others.[59]	TWI's goals are to: - Recruit more women into construction and related trades - Promote retention of women in the trades; and - Develop their capacity for leadership and career growth, on the job and in their unions **No measurable and time-bound goal was identified.**
Electrical Trades Union (ETU) - Australia	It is a union of more than 60,000 electricians, apprentices, and electrical workers around Australia.	**No measurable and time-bound goal was identified.**

[57] https://www.winterwomen.org/
[58] https://www.winterwomen.org/adult-program
[59] https://tradeswomen.org/various-trades/

	ETU campaigns to raise wages, improve conditions, secure safety, and improve life for all Australians. The ETU has a National Women's Committee that encourages women to take up a trade and join its Union. It aims to improve conditions for women across the Union and the industry, breaking down employment barriers for women and advocating for action on issues like gender bias, and sex discrimination.[60]	
Women in Apprenticeships Victoria Electrical Program (WAVE) - Victoria (Australia)	This program is an initiative funded by Apprenticeships Victoria and delivered by The Centre for U (ETU member training providers).[61] The program aims to increase the number of women entering the electrical trade and support them as they make the transition from an electrical pre-apprenticeship to employment in the electrical industry.	WAVE's goals are to: - Attract 100 women to a Women in Trades, information event. - Recruit 30 women into well supported pre-apprenticeship programs to develop a community of practice to transition to electrical apprenticeships. - Retain and support 30 women in electrical apprenticeships through the initial 6-10 months of their apprenticeship by matching them with industry mentors and engaging in an innovative "Kommunity of Practice" mentoring application.
National Electrical and Communications Association (NECA) - Women and Their Trade (WaTT) - Australia	This initiative is endorsed and supported by the Governments of Victoria and Tasmania, and their ambition is to encourage more women into electrical apprenticeships.[62] Women and Their Trade (WaTT) Victoria was launched in September 2021. WaTT includes specific incentives for women to access and assist them in their electrical careers when they become part of the Group Training services.	The Women and Their Trade initiative will focus on attracting over 30 women into the electrical industry over the next two years in both Victoria and Tasmania.
Electrical Pre-Apprenticeship Program for Women - Canada	The Electrical Pre-Apprenticeship Program for Women is led by Women's Enterprise Skills Training of Windsor, Inc. (WEST)63 in partnership with St. Clair College64. The Program was	**No measurable and time-bound goal was identified.**

[60] https://www.etunational.asn.au/your-union-at-work/women-in-the-trades/

[61] Women in Apprenticeships Victoria Electrical Program - The Centre For U
[62] https://necaeducation.com.au/job-seekers/empowering-women-to-succeed-in-electrical/
[63] https://www.westofwindsor.com/electrical-pre-apprenticeship-program-for-women/
[64] Electrical Pre-Apprenticeship Program for Women - The First Step Toward a New Career | St. Clair College (stclaircollege.ca)

	funded by the Ministry of Labour, Immigration, Training, and Skills Development under the Skills Development Fund. This program provides free tuition and paid placements to help women develop technical skills and gain employment in the skilled trades sector.	
Electrical Joint Training Committee (EJTC) - Canada	EJTC is a partnership between two workers associations, which provides technical training for the electrical trades. With the support of the government, they recruit women through online media and career fairs. The EJTC is allied with the IBEW 213 Women's Committee, the BC Centre for Women in the Trades, and other tradeswomen's organizations.[65]	Reach 20 percent of women's share in the EJTC's apprenticeship program soon. **No time-bound goal was identified.**
NICEIC – Jobs for the Girls - United Kingdom	NICEIC is a UK voluntary register of electrical businesses.[66] It launched the 'Jobs for the Girls' bursary scheme that aims to encourage more women into the electrical industry. It is open to women of all ages and can help cover training or other associated costs up to a maximum of £500. The bursary is open to women who are working in or looking to work in the electrical sector. The bursary could be for financial help, direct training, technical help, or advice on what to do next.	**No measurable and time-bound goal was identified.**

[65] Electrical Joint Training Committee | EJTC | Electrician Training BC
[66] NICEIC lança subsídios para incentivar as mulheres na indústria elétrica (tradeskills4u.co.uk)

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