



**BUREAU  
VERITAS**



**BUREAU VERITAS CERTIFICATION**

**VERIFICATION STATEMENT**

**SECOND PARTY OPINION**

**LIGHT ENERGIA S.A.**





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## INTRODUCTION

BUREAU VERITAS Certification Brasil (BUREAU VERITAS) was engaged by LIGHT Energia S. A (LIGHT) to conduct a verification of the framework of the 7th Debenture issue as a Social Bond ("Social Bonds"), against the specific Project - "Implementation of a "By-Pass" circuit to the current structures of the Lajes Complex (hydraulic circuit and Nilo Peçanha power plant) for the routine maintenance of the generation facilities, which will increase the reliability of LIGHT's generation process and the hydric security of the Guandu system, for approximately 10 million inhabitants of the metropolitan region of the city of Rio de Janeiro.

The technical basis used for this verification was the International Capital Market Association (ICMA) Guideline entitled Social Bonds Principles (SBP), 2021, as "Voluntary Process Guidelines for Issuing Social Bonds".

The scope of the verification is limited to LIGHT's business, as detailed in this Statement.

## CONCLUSION

Based on the verification carried out by us and the evidence gathered, it is our opinion that LIGHT's project meets the ICMA Social Bonds Principles and, therefore, is suitable to be used in private debt transactions or in debt transactions made in the local and/or international capital markets.

Additionally, we have concluded that the scope and the characteristics of the project meet the eligibility criteria of the SBPs and are consistent with the relevant environmental and social impacts in the context of LIGHT's activities.



## PART 1

### 1.1 ABOUT LIGHT

The information in Part 1 (1.1 and 1.1.1) was extracted from LIGHT's 2020 Integrated Annual Sustainability Report, which content followed the methodology of the Global Reporting Initiative (GRI) and the principles of the International Integrated Reporting Council (IIRC). It is worth mentioning that this Report was submitted to an independent verification, as demonstrated in the website (<http://ri.light.com.br/sustentabilidade/relatorios/>).

LIGHT is a Brazilian company of the electric energy sector, operating in the segments of generation, transmission, distribution, and commercialization of energy. The energy generation process uses the hydraulic power of the Paraíba do Sul and Ribeirão das Lajes rivers in power plants located in the states of Rio de Janeiro and São Paulo.

In the State of Rio de Janeiro, which has an area of 43,750 km<sup>2</sup> and a population of approximately 17.2 million people, LIGHT's concession area covers 31 of the state's 92 municipalities, where 11 million people live, 7 million of which are customers.

LIGHT's workforce is composed of 5,531 employees - 160 of them disabled, 6,446 outsourced and 63 interns.

LIGHT S.A. is listed on the Novo Mercado of B3 S.A. - Brasil Bolsa Balcão, under the initials LIGT3, and on the American OTC market (Over the Counter) under the initials LGSXY. LIGHT S.A. holds 100% of LIGHT SESA, **100% of LIGHT Energia** and 100% of LIGHTcom.

LIGHT Energia S.A.'s generating complex comprises five hydroelectric power plants and a small hydroelectric power plant, with a combined installed capacity of 873 MW.

These are:

- ✓ UHE<sup>1</sup> Fontes Nova, UHE Nilo Peçanha, UHE Pereira Passos and PCH<sup>2</sup> Lajes, which constitute Lajes Complex in Piraí/RJ.
- ✓ UHE Ilha dos Pombos, in Carmo/RJ.
- ✓ UHE Santa Branca, in the municipality of Santa Branca/SP.

Lajes Complex also includes two pumping stations: Santa Cecília and Vigário.

LIGHT Energia controls the company Lajes Energia S.A., responsible for the operation, maintenance, and commercial running of Lajes PCH, with a nominal power of 18 MW.

### 1.1.1 LIGHT's General ESG Strategy

As a signatory of the Global Compact, LIGHT assumes the responsibility to contribute to the achievement of the Sustainable Development Goals (SDGs), instituted in 2015 by the United Nations (UN) which define the global priorities and ambitions for 2030. Out of the 17 SDGs, seven are strongly aligned with LIGHT's strategy:

- ✓ Affordable and clean energy (SDG 7).
- ✓ Sustainable cities and communities (SDG 11).
- ✓ Climate action (SDG 13).
- ✓ Industry, innovation, and infrastructure (SDG 9).
- ✓ Good health and well-being (SDG 3).
- ✓ Decent work and economic growth (SDG 8).
- ✓ Peace, justice, and strong institutions (SDG 16).

The relationship among these goals, the company's value chain and its operating strategy is established during the materiality process and demonstrates LIGHT's

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<sup>1</sup> Initials for Hydroelectric Power Plant

<sup>2</sup> Initials for Small Hydroelectric Power Plant

commitment to the generation of shared value. The table below shows the material topics, the SDGs impacted and the indicators used to assess the company's performance regarding the topic.

In 2020, LIGHT made public in its Sustainability Report the commitment to conclude the executive project in order to start the field activities for the implementation of the By-Pass tunnel, located in Lajes Complex, which will allow the transposition of water from the Vigário reservoir to the Ponte Coberta reservoir and will also allow maintenance work to be carried out on the UHE Nilo Peçanha adduction system, **ensuring the continuing flow of water and water security for approximately 10 million residents of the Rio de Janeiro metropolitan region.**

The table below maps our business strategy to our material topics, the affected SDGs and the indicators we use to assess performance on the relevant topic.

Strategy	Material Topic	SDG	Disclosure
Loss reduction Claims management and reduction	<ul style="list-style-type: none"> <li>Losses and Delinquency</li> <li>Relations with Customers and Society</li> <li>Quality of Service</li> <li>Service Area Development</li> </ul>	  	<ul style="list-style-type: none"> <li>Nontechnical Losses / Low-Voltage Market</li> <li>Legal claims</li> <li>Collection Ratio</li> <li>Customer Satisfaction</li> <li>EOD /EOF</li> <li>Community Investment</li> </ul>
Liability management	<ul style="list-style-type: none"> <li>Financial Health and the Capital Market</li> </ul>		<ul style="list-style-type: none"> <li>Net Debt</li> <li>Net Revenue</li> </ul>
Managing and reducing PMSO and prioritizing CAPEX	<ul style="list-style-type: none"> <li>Operating Efficiency</li> </ul>		<ul style="list-style-type: none"> <li>PMSO</li> <li>Investment</li> </ul>
The culture of a results- oriented, private corporation	<ul style="list-style-type: none"> <li>Governance, Ethics &amp; Compliance</li> <li>People Management</li> <li>Supplier Management</li> <li>Health &amp; Safety</li> </ul>	  	<ul style="list-style-type: none"> <li>Misconduct Reports</li> <li>Hours of Training</li> <li>Injury Rate</li> <li>Climate Survey</li> </ul>

## 1.2 SOCIAL BONDS PRINCIPLES

Social Bonds and Lending are a financing option where the proceeds are applied exclusively to finance or refinance social projects. The Social Bond Principles

recommend the alignment with its four main components, collectively known as "The Principles", and provide guidelines for any type of loan instrument that finances or refinances social projects.

In this regard, the components checked by us were:

- ✓ The use of revenue
- ✓ Selection of projects based on the SBPs
- ✓ Revenue management
- ✓ Bond characteristics
- ✓ Disclosure
- ✓ Verification

### 1.2.1 Eligibility Criteria

The following social eligibility criterion was considered by LIGHT as the main core::

- ✓ **Affordable basic infrastructure**

Specifically, the issue contributes to SDG 6, which aims to "ensure the availability and sustainable management of water and sanitation for all" and to target 6.1, which seeks to "achieve universal and equitable access to safe and drinkable water for all by 2030.”.

### 1.3 ON THE ISSUANCE OF SOCIAL BONDS

To enhance LIGHT's performance in ESG fronts that are relevant and material to its business and to contribute with positive transformations in society, the company intends to contract private loan transactions and/or issue bonds in capital markets (local and/or international) that are aligned with its sustainability targets.

The transaction intended by LIGHT is a R\$460,788,059.20 (four hundred and sixty million, seven hundred and eighty-eight thousand and fifty-nine reais and twenty centavos) Debenture issuance with a 7 (seven) year term, starting from the issuance date, therefore maturing on July 15th, 2028.

## 1.4 ABOUT THE PROJECT

The information about the By-Pass project was extracted from the Environmental Study conducted by the Company "Coba Brasil" and confirmed in meetings with LIGHT representatives.

The construction of the By-Pass tunnel will allow the transposition of water from the Vigário reservoir to the Ponte Coberta reservoir and the maintenance of the UHE Nilo Peçanha's adduction system. Such actions are not feasible today, due to the impossibility of reducing the flow of the Guandu system, which supplies the Metropolitan Region of the city of Rio de Janeiro. Therefore, the continuity of the water flow will be guaranteed by the perennation of the Guandu River through an alternative circuit (By-pass tunnel) and the water security, in case of partial or total stoppage of the current and single water adduction circuit.

The alternative water adduction system between the existing reservoirs is intended to create a reliable alternative to ensure the perennation of the minimum flow of 120 m<sup>3</sup>/s in the Guandu River, downstream of the Pereira Passos dam and hydroelectric power plant, to supply the Metropolitan Region of the city of Rio de Janeiro (Guandu Water Treatment Plant and other downstream users), with quality water compatible with the current water treatment system.

The locations of the new water intake and the restitution of the Vigário-Ponte Coberta alternative water adduction system, as well as the layout of the hydraulic circuit, will be located sufficiently far from the current structures of the Nilo Peçanha plant, in order to ensure that possible accident/failure of the current structures or hillside instability cannot affect or compromise the two hydraulic systems simultaneously.

It is also worth mentioning that, from the environmental point of view, the structures suggested in the project will not affect the flow upstream or downstream of the reservoirs and will only be used in cases of stoppage of the main system, which is old and presents critical issues that, in case of any failure, will be easily maintained, with no interruption of the water supply downstream of the plants. Therefore, the project will

not cause an increase of water to be collected at the intake but will rather guarantee that the minimum flow requirements necessary to assure the water supply to the metropolitan region of Rio de Janeiro will be met, if the old system must be shut down for any reason.

Considering the distance between the intake and return structures of both hydraulic circuits, they can be considered independent from the hydraulic point of view, although they share the same reservoirs both upstream and downstream. Under these conditions the risk of accidents that could compromise both hydraulic systems simultaneously are practically non-existent, thus ensuring the desired operational safety and the necessary perennation of the Ribeirão das Lajes river.

Lajes is the system's main reservoir, operating at a normal maximum elevation of 415.00 m, covering a flooded area of 30.7 km<sup>2</sup> and a total volume of 467.3 x 10<sup>6</sup> m<sup>3</sup>. This reservoir is located on the slopes of Serra das Araras mountain range, at an altitude of 415 meters, and is part of the LIGHT reservoir complex. This reservoir is almost a century old, and since 1939 it has been used by CEDAE for public supply by collecting 5.5 m<sup>3</sup>/s.

Due to the importance that these reservoirs represent for the metropolitan region of the city of Rio de Janeiro, this By-Pass tunnel project becomes essential to ensure the maintenance of the minimum 120 m<sup>3</sup>/s water flow to the Guandu River, and to ensure the supply to other users of this river, especially the industrial sector and the supply of the population, even if there is a need to shut down the current water adduction system.

It is important to emphasize that the new adduction alternative will not interfere in the quality of the waters of Ponte Coberta reservoir, and consequently, of the Guandu River, since in the current system (without the construction of the By-Pass) the waters of Vigário Reservoir are already directed to Ponte Coberta reservoir, however, via Nilo Peçanha and Fontes Novas power plants. In this case, the interference in the quality of the waters of Ponte Coberta will have a restricted and occasional nature.

### 1.4.1 On project tracking metrics :

Considering that water is a natural capital and raw material in electricity generation, LIGHT maintains an environmental management program to protect ecosystems and to ensure the quality of the water used in the Lajes Complex. The latter comprises Nilo Peçanha, Fontes Nova and Pereira Passos hydroelectric power plants and two pumping stations, which are under LIGHT Energia's concessions.

To increase the potential for generating positive impacts from the implementation of the By-Pass tunnel, LIGHT has conducted a study that demonstrates the company's targets and goals, in addition to the alignment of the main SDGs, since the company seeks not only to mitigate and neutralize the impacts, but also to promote the common well-being and water security, of about 10 million residents of the metropolitan region of the city of Rio de Janeiro.

The metrics proposed by LIGHT for the By-Pass project are shown below.

#### ➤ **By-Pass Project**

<b>SDG</b>	<b>Methods</b>	<b>Indicators</b>
<b>SDG 06</b> Drinking Water and Sanitation (Ensure supply)	<ul style="list-style-type: none"> <li>• Water safety;</li> <li>• Benefit to flood control (Nilo Peçanha Power Plant spillway).</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure supply to the Guandu System;</li> <li>• Number of hours avoided in the absence of supply to the Guandu System.</li> </ul>

➤ **Environmental Education Program – PEA**

SDG	Methods	Indicators
<p><b>SDG 04</b> Quality Education</p>	<ul style="list-style-type: none"> <li>• To develop specific actions for each social group of the public of interest.</li> </ul>	<ul style="list-style-type: none"> <li>• No. of educommunicative actions carried out, per group directly reached.</li> <li>• Pedagogical resources used in the educommunicative actions /per group directly reached.</li> <li>• Records of educational activities (attendance lists, minutes, photos, outputs, and evaluation forms);</li> </ul>
<p><b>SDG 11</b> Sustainable Communities</p>	<ul style="list-style-type: none"> <li>• Preparation of Educommunication material based on the identification of priority topics</li> </ul>	<ul style="list-style-type: none"> <li>• No. of materials produced and distributed</li> <li>• Evidence of the report of the management review regarding the engagement and reception of the interested public.</li> </ul>
<p><b>SDG 17</b> Partnerships and means of implementation</p>	<ul style="list-style-type: none"> <li>• To develop partnerships with public institutions in the participating municipalities.</li> </ul>	<ul style="list-style-type: none"> <li>• No. of actions carried out.</li> <li>• No. of participants.</li> <li>• Quality of public participation.</li> </ul>

SDG	Methods	Indicators
		<ul style="list-style-type: none"> <li>• Action evaluation forms, filled up by the participants.</li> <li>• Records of educational activities (attendance lists, photos, outputs);</li> </ul>

➤ **Social Communication Program – PCS**

SDG	Methods	Indicators
<p><b>SDG 11</b> Sustainable Communities</p>	<ul style="list-style-type: none"> <li>• Elaboration of Educommunicative material based on the identification of priority topics.</li> </ul>	<ul style="list-style-type: none"> <li>• No. of materials produced and distributed</li> <li>• Evidence of the report of the management review regarding the engagement and reception of the interested public.</li> </ul>
<p><b>SDG 16</b> Peace, Justice, and Strong Institutions</p>	<ul style="list-style-type: none"> <li>• Institutional and Community Articulation.</li> <li>• Discussion Circles.</li> <li>• Culture Circles.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports</li> <li>• Attendance lists.</li> <li>• Photographic record.</li> <li>• Minutes of meetings with public managers.</li> <li>• Minutes of meetings with community groups.</li> </ul>

SDG	Methods	Indicators
<p><i>Continuation</i></p>	<ul style="list-style-type: none"> <li>• Mapping of local communication networks (media, social networks, information vehicles).</li> <li>• Execution of the Communication and Engagement Plan.</li> <li>• Production of informative material.</li> </ul>	<ul style="list-style-type: none"> <li>• No. and records of educommunicative insertions in local media.</li> <li>• No. of communication actions managed.</li> <li>• Report of the coverage and reception of the actions by the public of interest.</li> <li>• No. of material produced and distributed.</li> </ul>
	<ul style="list-style-type: none"> <li>• Management of Communication Channels and Ombudsman.</li> </ul>	<ul style="list-style-type: none"> <li>• No. of processes / No. of claims received in the communication channel.</li> <li>• Record and control over deals.</li> </ul>
<p><b>SDG 17</b> Partnerships and means of implementation</p>	<ul style="list-style-type: none"> <li>• Institutional and Community Articulation.</li> <li>• Discussion Circles.</li> </ul>	<ul style="list-style-type: none"> <li>• No. of actions carried out.</li> <li>• No. of participants.</li> <li>• Quality of public participation.</li> <li>• Action evaluation forms, filled up by the participants.</li> </ul>

SDG	Methods	Indicators
		<ul style="list-style-type: none"> <li>• Records of educational activities (attendance lists, photos, outputs);</li> </ul>

## PART 2

### 2.1 SCOPE AND METHODOLOGY

The scope of this verification covered the analysis of :

- Project-related documents provided by LIGHT, prepared by the company and by consulting companies engaged by LIGHT. Such evidences are mentioned in the BUREAU VERITAS Verification Check List, for the tracking and reliability of this SPO;
- Justification for issuing a Social Bond and consistency with the company's overall sustainability and business strategy ;
- Definition and application of methodology/metrics for monitoring the project in discussion ;
- Private Instrument of the 7th Issue of Simple Debentures ;
- Traceability of the data that is included in the targets (accuracy of the data that is included in the KPIs ).
- Disclosure of information about the SLB (performance against the targets and the related impact on the financial and/or structural characteristics of the bond .

The scope of this verification was Limited, according to BUREAU VERITAS' internal protocol for verification of Sustainability Bonds. This scope differs from the Reasonable scope for its emphasis on the verification of adopted systematics that allow the generation of reliable and traceable data.



## 2.2 LIGHT AND BUREAU VERITAS' LIABILITIES

The collection of the data analyzed by our team is entirely responsibility of LIGHT's management.

BUREAU VERITAS is responsible for providing an independent opinion to LIGHT in accordance with the scope of work defined in this statement.

## 2.3 LIMITATIONS AND DISCLAIMERS

It was excluded from this verification any information assessment related to:

- ✓ Activities performed outside the period covered by this Statement;
- ✓ Activities not corresponding to the actual verification scope.

The verification process brings, due to its Limited Scope, some restrictions regarding the identification of mistakes.

Due to the characteristics of the Social Bonds operations, we clarify that our verification is restricted to the analysis of the compliance with the SBP Principles, and the eligibility of the specific project selected for the construction of the By-Pass tunnel, which will allow the transposition of waters from the Vigário reservoir to the Ponte Coberta reservoir and the maintenance of the UHE Nilo Peçanha water adduction system. We emphasize that we do not opine on the level of compliance with legal requirements by LIGHT.

## 2.4 TECHNICAL OPINION

### 2.4.1 About the Project .

The choice of the project mentioned in 1.4 demonstrates proper alignment with:

- (1) The Materiality Study conducted by LIGHT in 2020.
- (2) The UN Sustainable Development Goals.

(3) The strategy assumed by the company

#### 2.4.2. On the definition of the SDGs and their monitoring.

LIGHT's SDGs were reviewed regarding their completeness based on the SBPs and in line with the company's governance concerning the By-Pass project under consideration. For such review, we have conducted a number of interviews with managers and reviewed the documents submitted by LIGHT in detail. In our opinion, LIGHT has a structured governance to address stakeholders' demands and adopt a proactive position in relation to social and environmental challenges during this project, as well as to ensure the public supply of the metropolitan region of Rio de Janeiro. As it was possible to confirm in its commitments with the SDGs, LIGHT is aligned with the commitments of the Market Association (ICMA), entitled Social Bonds Principles (SBP), 2021, as "Voluntary Process Guidelines for Issuing Social Bonds.

The arguments expressed in this SPO were based, among others, on the analysis of The Social Communication Program, July 2021 version; the Risk Management Plan, issued on June 18th, 2021 which scope is "Execution of the water transposition system from the Vigário reservoir to the Ponte Coberta reservoir ("Bypass)"; the Environmental Education Program (PEA) July 2021 version; the Environmental Study Plan, July 2021 version, among others through which it was possible to ensure its commitment to achieve the SDGs presented here with a clear definition of its effectivity conditions.

#### 2.4.3 The extent of the project and its commitments

The extent of this construction work and its subsequent completion will not only ensure the public water supply in the metropolitan region of the city of Rio de Janeiro but will also contribute to job generation; it will provide a perspective of sustainable tourism in the region, considering the high value of its location - APA - Alto Rio Pirai Environmental Protection Area; and quality Environmental Education for the

surrounding community, among others. Significant social aspects, especially at a time of COVID 19 pandemic.

#### 2.4.4 Project management and monitoring

It was evident LIGHT's project management, which contemplates a systematic with a dashboard of indicators, and a clear definition of the stages, deadlines, status, responsibilities, and resources required for the completion and effectiveness analysis for each step. Through this dashboard it will be possible to track and evidence the evolution of the project.

It is also worth mentioning that LIGHT has a well-structured culture of environmental, health and safety and social management, and is certified in ISO9001:2015; ISO14001:2015 and OHSAS18001:2007, which will contribute to the management and monitoring of the indicators adopted hereby. It is worth mentioning that after the pre-issuance there will be a follow-up within 1 (one) year after the issuance of this opinion, in order to check the evolution of this monitoring.

Regarding the Social Communication Plan, it will include a good articulation and constructive participation of the Association of Residents of Ribeirão das Lajes and other segments and target players of the program, aiming to ensure that the mitigation measures for the negative impacts of the construction work will be monitored and, if required, changes or the adoption of new practices can be reviewed. We have checked the Minutes of the Meeting held on June 23rd, 2021 with representatives of the Association of Residents and Friends of Vigário; Piraí City Hall, through which it is possible to see LIGHT's engagement with transparency in relation to the local community and an open path for the implementation of "Educommunicative" campaigns and partnerships with municipal institutions.

These educommunicative activities under the PEA (Environmental Education Plan) are focused on the Ribeirão das Lajes neighborhood, located in the municipality of Piraí, in the state of Rio de Janeiro. This spatial selection is due to the location and the layout

of the construction work, since the Bypass Tunnel is 3.8 km long and crosses a slope of Serra das Araras located about 1 km northeast of the current hydraulic circuit of the Nilo Peçanha Hydroelectric Power Plant (NLP), extending along an approximately parallel alignment to this circuit. Therefore, the Ribeirão das Lajes neighborhood is included in the Direct Influence Area (AID) of the project

Since this is an important area from the environmental point of view - APA - Alto Rio Piraí, we found that the vegetation suppression mechanism and subsequent recovery plan for the area was duly prepared and filed with the competent environmental agency. In addition, a specific Fauna Management Plan was prepared to mitigate the environmental impact on fauna, in order to ensure the preservation of this fauna in the area of influence of this construction work. A final consolidated report will be submitted to the environmental agency INEMA describing the activities carried out and the obtained results..

It is worth noting that from the hydric aspect, there was no need for a new water concession process, since there will be no change in the volume already currently granted.

As per LIGHT's internal documents, the monitoring of the projects will be carried out using the metrics presented in Part 1 of this Statement. In our opinion, the detail level provided is sufficient for an objective review of the results achieved and subsequent monitoring within 01 year of this pre-issuance.

Finally, this project, besides being indispensable to ensure the adequate maintenance of the infrastructure and ensure the perennation of the minimum flow of 120 m<sup>3</sup>/s in the Guandu River, to supply the Metropolitan Region of the city of Rio de Janeiro, with quality water compatible with the current water treatment system, it will contribute to the social aspects of the surrounding community, being therefore eligible for the issuance of a Social Bond.



## 2.5 REVENUE MANAGEMENT

The funds raised with the Debentures will be managed by LIGHT's treasury until their full allocation. Until full allocation of available first tier resources is made, the company commits to maintain the excess net resources in cash, cash equivalents or other low-risk liquid investments, following Light's existing investment policy. The company undertakes not to allocate resources to activities that generate negative socio-environmental impacts. Likewise, the Company will not use the same social backing for more than one funding, avoiding double counting, which will be prohibited.

### 2.5.1 Use of Revenues

As per the deed for LIGHT's Seventh simple debenture issuance, eligible for the classification of Social Debenture, totaling R\$ 500,000,000.00 (five hundred million reais). The Restricted Offering will be conducted pursuant to CVM Instruction 476, of January 16th, 2009, and as amended ("CVM Instruction 476"), since it is a public offering with restricted distribution efforts, and is, therefore, automatically exempt from the public distribution registration requirement set forth in article 19, main section, of Law 6,385, of December 7th, 1976, and as amended.

The proceeds raised by the Issuer through (i) the First Series Debentures will be fully used for investment in the improvement of the Nilo Peçanha hydroelectric power plant ("Nilo Peçanha Project"); and (ii) the Second Series Debentures will be fully used for investment in the improvement of the Ilha dos Pombos hydroelectric power plant ("Ilha dos Pombos Project" and, together with the Nilo Peçanha Project, the "Project"). Except for the cases of Optional Early Redemption, Total Early Redemption Offer, Optional Acquisition and/or early maturity of the obligations under the Debentures, as provided for in the Deed of Issuance, the maturity of the Debentures will be seven (7) years as from the Issuance Date, therefore maturing on July 15th, 2028 ("Maturity Date").

It is worth noting that this debenture will have two series. The object of this SPO, the Nilo Peçanha Project, will be the amount of R\$460,788,059.20. The second series, comprising Ilha dos Pombos Project, is not included in our SPO.

<b>Project Purpose</b>	Improvement of the hydroelectric power plants nominated Nilo Peçanha, registered with the Single Generation Enterprise Code - CEG: UHE.PH.RJ.001536-9.01 and UHE.PH.RJ.001113-4.01, respectively, authorized by ANEEL Ordinances No. 519 and 520, of March 2nd, 2021, owned by the Issuer, for the purposes of art. 2 of Law No. 12,431, of June 24th, 2011
<b>Project Start Date</b>	Project construction started in May 2020.
<b>Current Project Phase</b>	The Project is in an intermediate stage of implementation.
<b>Project End Date</b>	Project construction is scheduled to be completed in July 2023.
<b>Estimated volume of financial resources required to carry the project out</b>	Total investments in the Nilo Peçanha Project are estimated at approximately R\$460,788,059.20 (four hundred and sixty million, seven hundred and eighty-eight thousand, fifty-nine reais and twenty centavos).
<b>Debenture amount that will be destined to the Project</b>	100%.
<b>Allocation of the proceeds to be raised through the Debentures</b>	100% (one hundred percent) of the Total Issue Amount (as defined below) will be destined to the reimbursement of expenditures, expenses or debts related to the Project, occurred in a period equal or inferior to 24 (twenty-four) months counted from the closing date of the Restricted Offering, and to the realization of future investments, related to the financing of investments to the Project.



<b>Percentage of the financial resources required for the Project arising from the Debentures</b>	The Total Issue Amount represents approximately 86.1% (eighty-six point one percent) of the total sources of the Project.
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### 2.5.2 Bond Characteristics (REPORT)

In the documentation presented by LIGHT and verified by the BUREAU VERITAS team, it is clear as to the minimum social and environmental requirements that must be associated with this financial operation. We emphasize some relevant aspects:

The resources will be managed by LIGHT's treasury until their complete allocation in services and works related to the project. 100% (one hundred percent) of the Total Value of the First Series, will be allocated (i) to the reimbursement of expenses, expenses or debts related to the Project, occurring within a period equal to or less than 24 (twenty-four) months prior to the closing date of the Restricted Offer, for which less than 1% of the Total Value of the Series and (ii) for the realization of future investments, related to the financing of investments in the Project; LIGHT intends to fully allocate the funds arising from the operation, within a period of 3 years (36 months), but reserves the right to do so until the maturity date of the Debenture.

It should be possible to track the use of allocated resources at any time during the implementation phase of that project.

### 2.6 DISCLOSURE

The Opinion and all the formal commitments required by BUREAU VERITAS will be fully disclosed in the Issuer's website ([ri.light.com.br](http://ri.light.com.br)), as well as an electronic copy



(pdf) will be sent to the investors and to the Trustee along with the remaining documents of the Restricted Offering, and to B3.

BUREAU VERITAS shall update the Opinion within one (1) year after the issuance of the Opinion, by issuing a new Opinion, which shall also be disclosed to the market, to the Trustee and to B3.

## **2.7 VALIDITY**

This statement is valid subject to the conditions of LIGHT's execution of the project, which provides for its revision in case of substantial changes in LIGHT's governance and/or strategy. In case of changes, all parties shall be communicated, including BUREAU VERITAS.



## **2.8 DECLARATION OF INDEPENDENCE AND IMPARTIALITY**

BUREAU VERITAS is an independent professional services company expert in Quality, Environmental and Sustainability management systems, among others, with more than 185 years of experience in independent verification services.

BUREAU VERITAS has a quality management system, certified by a third party, according to which it keeps documented policies and procedures for compliance with ethical, professional, and legal requirements.

The verification team has no link whatsoever with LIGHT and is conducting this verification independently.

BUREAU VERITAS has implemented and applies a Code of Ethics throughout its business to ensure that its employees meet the highest standards of ethics, integrity, objectivity, confidentiality and professional competence/behavior in their day-to-day activities.

## **CONTACT**

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São Paulo, August 2021.

Juliana Bueno Colpas

Lead Auditor

BUREAU VERITAS Certification – Brazil