ENVIRONMENTAL | SOCIAL | GOVERNANCE

2020

Integrated Annual Sustainability Report

Light

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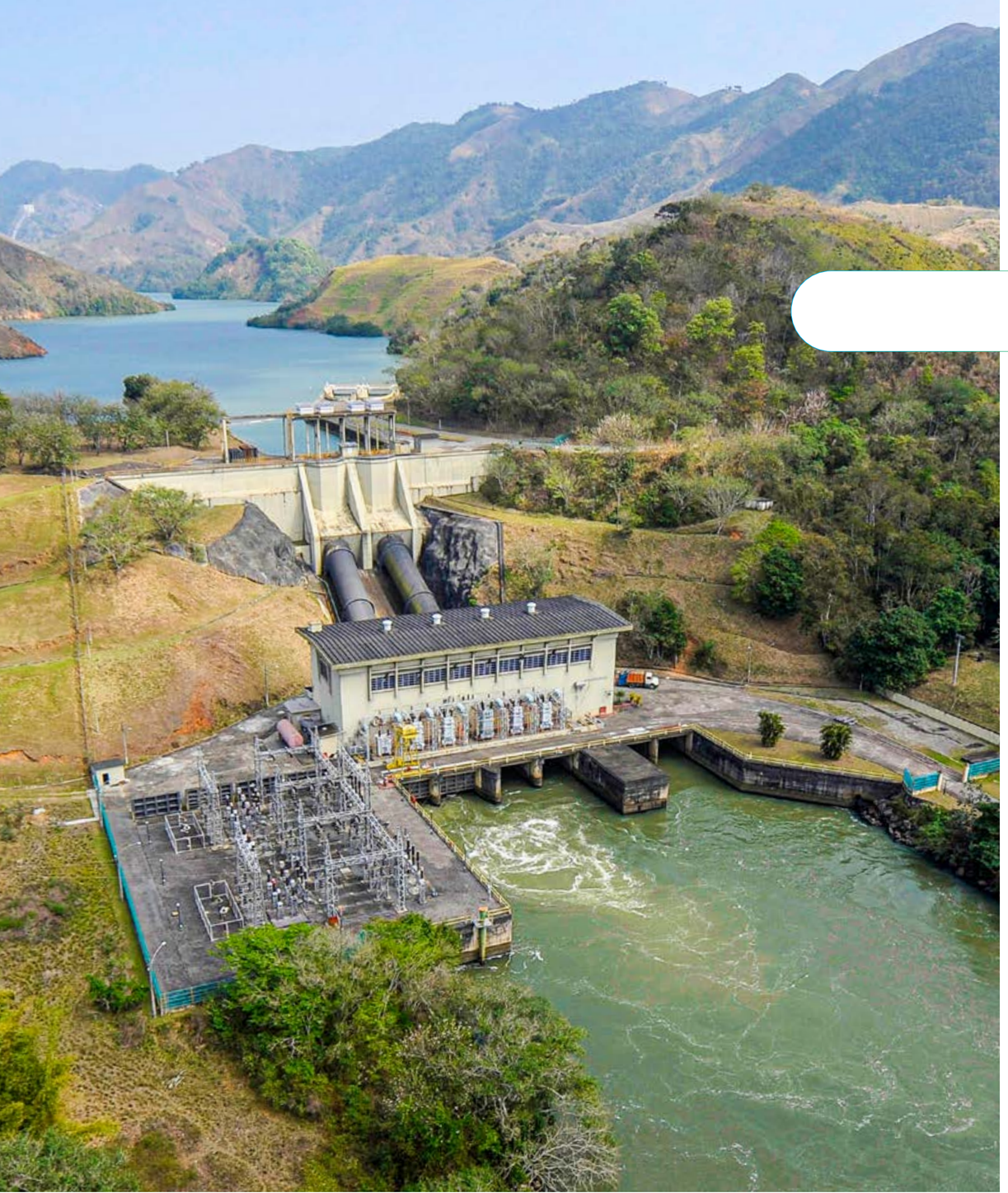
Light



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INTRODUCTION

[GRI 102-14]

We are pleased to present our Annual Report for 2020, in which we describe our business model, strategies and initiatives that have reaffirmed our commitment to sustainable development, the Global Compact principles and the UN Sustainable Development Goals (SDGs).

We continue to report "in accordance" with the Global Reporting Initiative (GRI) Standards and the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).

Year 2020 was challenging for most industries, and the power distribution sector, in which we operate, was no exception. The COVID-19 pandemic, which first broke out slightly more than a year ago, created a new, unknown and uncertain business landscape.

Despite the headwinds, we continued to fulfill our role as a public utility and to closely support our communities—especially those in greatest need—while retaining an optimistic vision for the future. As part of the immediate pandemic response, we donated hygiene materials to communities, supplied free electricity to field hospitals, and supported Fundação Oswaldo Cruz (FIOCRUZ) in producing COVID-19 test kits.

With crucial support from concession and regulatory authorities, we continued to supply high-quality electricity while implementing further operational improvements in the distribution business.

Important progress was made in the year across all fronts under Light's business plan: reducing losses, decreasing legal claims, effectively managing expenses, and continuing our liability management agenda.

Going forward in 2021, it is important that we progress further in initiatives to improve Light's financial performance and future-readiness. In pursuing these goals we are supported by our newly onboarded shareholders, with their extensive business experience, and a team with the expertise and skill sets to deliver results.

As part of these efforts, Light's loss reduction program will now expand into more complex areas that have recently been inaccessible. Our team has taken an innovative approach to working with community leaders

Despite the headwinds, we continued to fulfill our role as a public utility and to closely support our communities—especially those in greatest need—while retaining an optimistic vision for the future.

> With energy and zest, we are building the future company we want Light to be—supporting the development of our service area while delivering positive results for both our communities and our *share*holders.

and residents in these areas to build valuable, genuine and enduring partnerships, with an ultimate goal to provide affordable, high-quality, billed electricity.

Through planning and engagement with different stakeholders, we will reclaim our "concession authority" in these areas, and restore the rights and duties under our concession agreement.

Light has also strengthened mechanisms to reward performance in line with our value creation objectives—from electrician crews to the CEO.

In 2021 we will continue to engage with our industry regulator and Brazil's Federal, state and municipal governments in technically sound and balanced advocacy for the interests of customers and the Company.

Light remains committed to being a more efficient company, delivering even better operational quality and financial performance, attracting top talents and, above all, ensuring increased customer satisfaction. A strong focus will be given to exploring new opportunities in our current businesses, as well as benchmarking our peers and making further inroads into digital businesses.

With energy and zest, we are building the future company we want Light to be—supporting the development of our service area while delivering positive results for both our communities and our shareholders.

With determination and strong engagement from all employees, we remain firm in our purpose of becoming one of the most valued and respected companies in Rio de Janeiro and across Brazil.

Firmino Sampaio
Chairman of the Board of Directors

Nonato Castro
CEO

Total loss reduction of 744 GWh, including 1,260 GWh in Conventional-Approach Areas

Legal claims down by R$ 194 million

R$ 62 million decrease in consolidated PMC

Net debt/EBITDA at 1.73x

A robust cash position at December 2020: **R$ 3 billion**

Adjusted EBITDA

R$ 2,495 million

Received an "A" MSCI ESG rating

Named to the B3 ISE index for the 14th consecutive year

Selected to the B3 ICO2 index

Named for the first time to the S&P/B3 Brazil ESG index

EOD down 20%

	2018	2019	2020
Manufactured Capital			
Power plant installed capacity (MW)	1,119	1,188	1,188
Distribution system installed capacity (MVA)	10,522	10,525	10,566
Sub-transmission and distribution lines (km)	79,943	80,805	86,474
Power outage frequency (no. of outages)	5.00	4.91	4.66
Average power outage duration (hours)	8.85	8.84	7.04
Natural Capital			
Environmental expenditure (R$ million)	12.5	25.8	59.5
Direct Greenhouse Gas (GHG) Emissions – Scope 1 (metric tons of CO_2eq.)	18,476	13,929	13,441
Indirect GHG Emissions – Scope 2 (metric tons of CO_2eq.)	172,363	200,392	165,771
Other indirect (Scope 3) GHG emissions (metric tons of CO_2eq.)	44,064	13,521	41,623
Number of ISO 14000 certifications (Light SESA)	304	304	304
Human Capital			
Hours of training per employee/year	44.7	36.7	51.0
Total recordable case frequency (TRCF)	1.96	3.27	2.22
Fines and penalties (R$ million)	31.2	71.2	53.0

	2018	2019	2020
Intellectual Capital			
R&D investment (R$ million)	23.9	29.1	21.9
Social and Relationship Capital			
Perceived Quality Satisfaction Rate (ISQP) for Large Customers (%)	71.3	70.3	68.5
Perceived Quality Satisfaction Rate (ISQP) for Retail (%)	67.5	58.6	67.3
Community investment - Energy Efficiency Program (PEE) (R$ million)	7.3	4.8	6.7
Nontechnical losses / Low-Voltage (LV) Market (%)	45.2	52.1	50.8
Collection rate (%)	98.5	97.6	95.0
Financial Capital			
Net revenue (R$ million)	11,310	12,663	12,286
Adjusted EBITDA (R$ million)	1,684	1,962	2,495
EBITDA margin (%)	14.9	15.5	14.9
Net income (loss) (R$ million)	166	1,328	692
Net debt (R$ million)	8,017	6,750	5,478
Capital expenditure (including contributions) (R$ million)	890	939	950

[GRI 102-1, GRI 102-2, GRI 102-4, GRI 102-5, GRI 102-7, GRI 102-10, GRI 102-45]

Light is a Brazilian electric utility company with operations in power **generation**, **transmission**, **distribution** and **trading**.

Our operations are located in Rio de Janeiro, a southeastern state with a land area of 43,750 km² and a population of approximately 17.2 million people[1]. Light's service area includes 31 of the state's 92 municipalities, home to 11 million people, including

7 million consumers.

Light SESA supplies electricity to

4.3 million consumers

via a network of

83,329 km of transmission lines,

including the entire Metropolitan Area of Rio de Janeiro, in a state with Brazil's second largest GDP. Customers are served by 37 service offices, including a touring office.

Our generation assets—including the hydropower plants operated by Light Energia and our stakes in the Paracambi and Guanhães SHPs and Belo Monte Dam—have

a total installed capacity of 1,188 MW.

In the trading segment, Lightcom brokers electricity purchase and sale transactions in the free market.

Light has a workforce of

5,531 direct employees

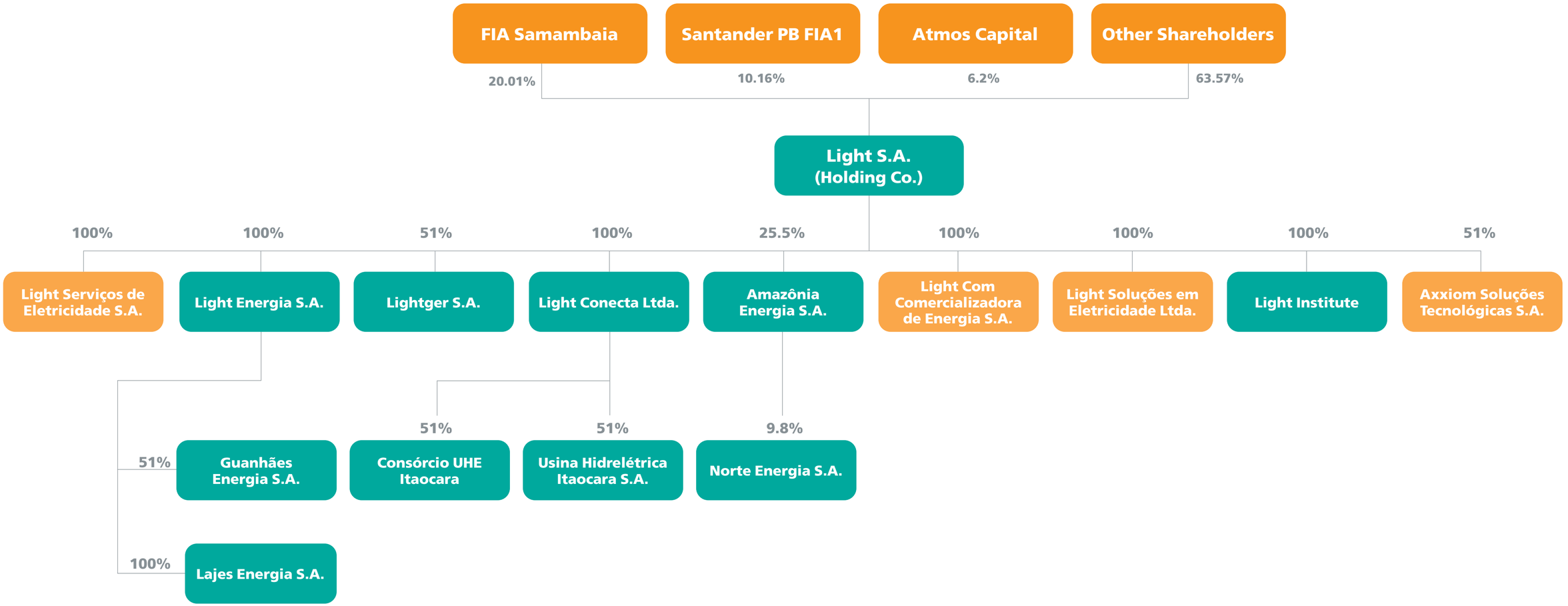
– including 160 people with disabilities, as well as 6,446 outsourced employees and 63 interns.

Net revenue in 2020 was a total of

R$ 12.3 billion

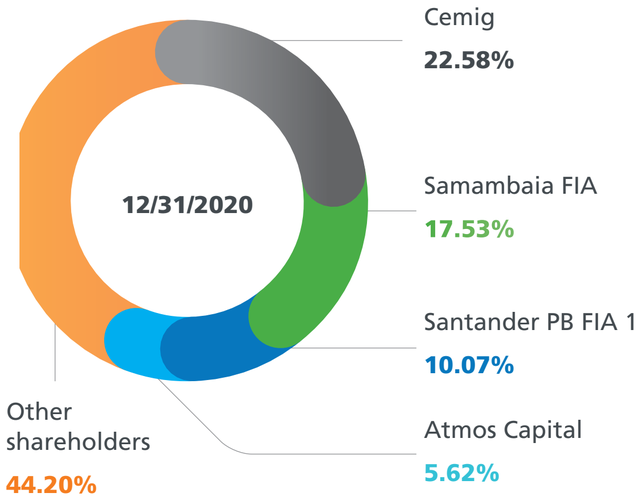
while Adjusted EBITDA and net income were respectively R$ 2.5 billion and R$ 692 million.

1 IBGE data for year 2018.

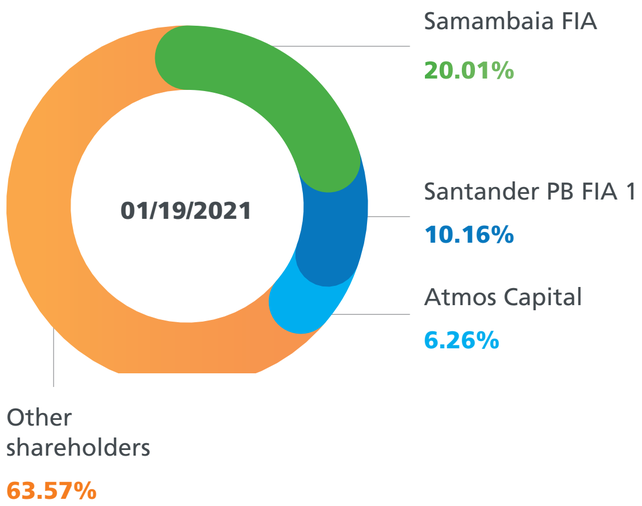


DISTRIBUTION GENERATION TRADING & SERVICES INSTITUTIONAL IT

At December 31, 2020, Light S.A.'s share ownership was as follows:



On January 22, 2021, following the settlement of our primary and secondary share offerings, our share ownership was modified as follows:



HOLDING COMPANY

Light S.A.

Light S.A. is listed on the B3 (*Brasil Bolsa Balcão*) *Novo Mercado* segment under the ticker symbol LIGT3 and on the US OTC market under the ticker symbol LGSXY. Our B3-listed shares were priced at year-end at R$ 24.3 and our market capitalization was R$ 7.4 billion, an increase of 2.3% compared with year-end 2019. Light S.A. wholly owns Light SESA, Light Energia and Lightcom.

DIRECT SUBSIDIARIES

Light Serviços de Eletricidade S.A. (Light SESA)

Light SESA is the third-largest distribution utility in Brazil by revenue and the fifth-largest by distributed electricity, according to the Brazilian power sector regulator, ANEEL's 2019 Decision Support System Report.

The company has the second largest Regulatory Asset Base in the country and the fourth-largest underground power grid in the world, and operates in what is considered to be the second most complex service area in Brazil.

In 2020, Light SESA billed for 25,703 Gwh of electricity, including billings for consumption by captive customers and for use of the grid by free customers and other utilities.

Light Energia S.A.

Light Energia's generation assets comprise five hydroelectric dams and one small hydropower dam, with a combined installed capacity of 873 MW, including:

- the Fontes Nova HPP, Nilo Peçanha HPP, Pereira Passos HPP and Lajes SHP, which make up the Lajes Complex, in Piraí/RJ;
- the Ilha dos Pombos HPP, in Carmo/RJ; and
- the Santa Branca HPP, in the municipality of Santa Branca/SP.

The Lajes Complex also comprises two pumped storage plants: Santa Cecília and Vigário.

Light Energia had 621 MW of average assured power at December 31, 2020, and sold 482 MW of average assured power for 2020, 423 MW for 2021 and 450 MW from 2022 to the end of the concession period.

The net difference between assured power and power sold under power purchase agreements is used to hedge against losses arising from the Generation Scaling Factor (GSF), primarily as a result of adverse hydrological conditions, and is sold by Light Energia on the spot market, which is inherently volatile.

Light Energia owns Lajes Energia S.A., a company engaged in the operation, maintenance and commercial monetization of the Lajes SHP, with a rated capacity of 18 MW.

Lightcom Comercializadora de Energia S.A.

Lightcom trades in electricity in the Free Contracting Environment (ACL), primarily via direct power purchases and sales. Other business activities include electricity brokerage, consumer representation at the Electric Power Trading Chamber (CCEE), and consulting services for Free and Special Consumers.

Lightcom is present and has customers and suppliers throughout Brazil. The company negotiates electricity purchase and sale agreements with free and special consumers, conventional or renewable generators, and other electricity traders.

Light Conecta Ltda.

Light Conecta comprises investment vehicles established to develop the Itaocara HPP, a joint venture with CEMIG GT, which had a stake of 49% in the venture. In 2019 the electricity offtake agreements for the Itaocara HPP were terminated, and a balanced solution is currently being negotiated with ANEEL to return the concession.

Light Soluções em Eletricidade Ltda.

Light Soluções em Eletricidad provides private power-sector consulting services alongside Light SESA.

Light Institute

The Light Institute engages in social and cultural programs supporting the economic and social development of communities.

ASSOCIATES [2]

Guanhães Energia S.A.

Guanhães operates the Dores de Guanhães (14 MW), Senhora do Porto (12 MW), Fortuna II (9 MW) and Jacaré (9 MW) SHPs, with an aggregate installed capacity of 44 MW and a guaranteed capacity of 23.3 MWa. The four SHPs are located on the Guanhães and Corrente Grande Rivers, in the state of Minas Gerais.

On August 21, 2015 the SHPs were successful in Auction A-3 and concluded a power purchase agreement with a term of 30 years, at a price of R$ 205.50/MWh. The four SHPs have been in commercial operation since May 2019.

2 Learn more about our associates in the Notes to the Financial Statements.

As part of our strategy of disposing of non-core assets, and following our receipt of an offer on December 18, 2020, Brasal Energia S.A. was granted an exclusivity period for the potential sale of Light Energia's 51% equity stake in Guanhães Energia S.A., the company operating the Senhora do Porto, Dores de Guanhães, Fortuna II and Jacaré SHPs, for R$ 96.4 million.

Lightger S.A.

Lightger operates the Paracambi SHP, a small hydropower plant in commercial operation since 2012, with an installed capacity of 25.7 MW.

As with Guanhães, on December 18, 2020 Brasal Energia S.A. was granted exclusivity in the potential sale of Light's 51% equity interest in Lightger S.A., the company operating the Paracambi SHP, for R$ 88.7 million.

Amazônia Energia Participações S.A.

Amazonia Energia has a 9.8% equity interest in, and a material influence on the management of, but without having joint control of, Norte Energia S.A. (NESA). NESA holds a concession for the operation of the Belo Monte Dam.

Located on the Xingu River, in the state of Pará, the Belo Monte Dam is the largest 100% Brazilian hydroelectric dam, with an installed capacity of 11,233 MW and a guaranteed capacity of 4,571 MWa, enough to supply electricity to approximately 18 million homes.

The dam has been operational since April 2016, and all generator units have been commissioned for commercial operation, including 18 at the Main Powerhouse (Belo Monte site), with an installed capacity of 11,000 MW, and six at the Supplementary Powerhouse (Pimental site), with an installed capacity of 233.1 MW.

Axxiom Soluções Tecnológicas S.A.

Axxiom Soluções Tecnológicas provides technology solutions and systems for operations management.

CURRENT GENERATION ASSETS [GRI EU1]

Current hydropower plants	Installed capacity (MW)*	Guaranteed capacity (MWm)*	Start of operation	Concession / permit expiration	% stake
Fontes Nova	132	99	1940	2026	100%
Nilo Peçanha	380	334	1953	2026	100%
Pereira Passos	100	49	1962	2026	100%
Ilha dos Pombos	187	109	1924	2026	100%
Santa Branca	56	30	1999	2026	100%
Pumped storage	-	- 101			
Lajes SHP	18	17	2018	2026	100%
PCH Paracambi	13	10	2012	2031	51%
Belo Monte	280	114	2016	2045	2.49%
Guanhaes	22	12	2018	2047	51%
Total	**1,188**	**672**	**-**	**-**	**-**

* Proportional to Light's equity stake

Light is a Brazilian electric utility company with operations in power generation, transmission, distribution and trading. Light Energia's generation operations convert the kinetic energy contained in water flowing through the Paraíba do Sul and Ribeirão das Lajes rivers into electric energy at hydropower plants in the states of Rio de Janeiro and São Paulo. The distribution and sale of electricity involves no production processes.

In carrying out our activities, we rely on resources and relationships that in the International Integrated Reporting Framework[3] are referred to as the six capitals: Manufactured, Natural, Intellectual, Social & Relationship, and Financial. Those capitals, collectively, enable us to create value for all stakeholders and achieve superior results.

Intangible Assets

The Human, Intellectual, and Social and Relationship capitals are considered intangible assets, as they have no physical form or market value. Intangible assets include activities such as training, education, innovation and processes, communication campaigns, etc.

Concession infrastructure (recognized as Manufacturer capital) and research expenditure recorded as property, plant and equipment are also considered intangible assets and reported as such in the Financial Statements.

By adequately managing and assessing our performance on each of the capitals, including intangible assets, taking account of existing interrelationships and impacts, we create value both for Light and for our stakeholders. Value creation is measured in terms of key ESG[4] indicators that capture both internal impacts (resource use, training hours and financial performance) and external impacts (such as air emissions, power quality and customer satisfaction).

3 Learn more at www.theiirc.org

4 ESG stands for Environmental, Social and Governance, the three core dimensions in measuring the sustainability and social impact of a company or business.

Light

Generation – Transmission – Distribution – Trading

100% renewable generation assets

MANUFACTURED CAPITAL
The infrastructure, facilities, materials and equipment needed for our operations.

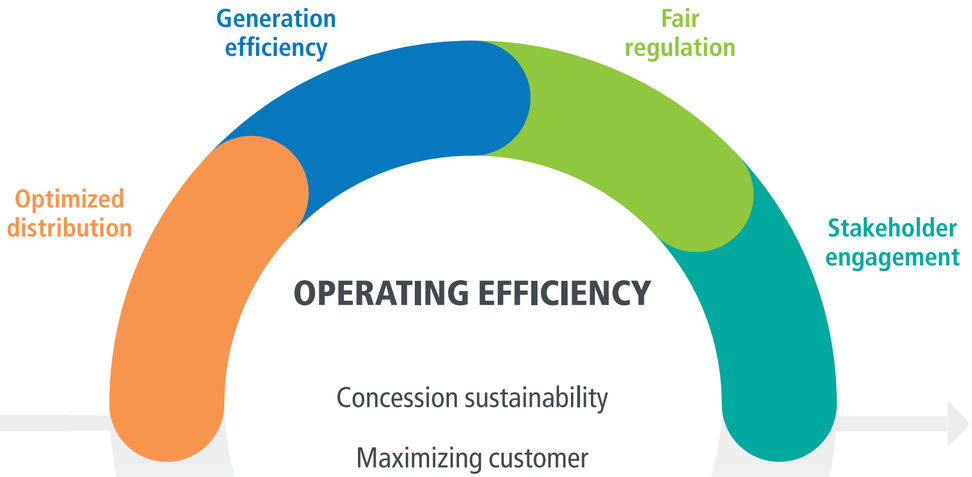
NATURAL CAPITAL
Resources and environmental processes that support us in providing goods and services, including water, land, forests and biodiversity.

HUMAN CAPITAL
Individual skills, knowledge and capabilities; initiatives to increase alignment with our organizational culture and strategies; training, internal communication, talent retention, engagement and Company-wide integration to optimize processes.

INTELLECTUAL CAPITAL
Tacit knowledge, organizational standards and procedures, corporate systems, patents and licenses, technologies, R&D. Intellectual Capital also includes the knowledge management processes that ensure knowledge is preserved for future generations.

SOCIAL AND RELATIONSHIP CAPITAL
The relationships established with stakeholders and networks to share information and enhance individual and collective well-being. This capital includes relationships, partnerships, common values, and intangibles such as brand and reputation.

FINANCIAL CAPITAL
The pool of funds that is available to the organization for use in the provision of services or investment, including return on investment, equity, debt or grants.



PILLARS
- Institutional
- Organizational structure
- Systems improvements
- Contract reviews
- Rate-setting reviews
- Process reviews

STRATEGY
- Improvement of quality indicators
- Loss reduction
- Reduction of legal claims
- PMC management and reduction
- Debt management

STAKEHOLDERS AFFECTED
- Shareholders & Financial Market
- Customers
- Workforce
- Suppliers
- Regulator
- Trade Associations
- Communities
- Government
- Academia

MAIN IMPACTS
[GRI 102-15]
- Power supply quality
- Urban landscape impacts
- Natural resource use
- Waste
- Access to water
- GHG Emissions
- Job creation
- Workforce training
- Workforce and public safety
- Investments in R&D and innovation
- Partnerships
- Social and environmental responsibility initiatives
- Energy efficiency
- Customer satisfaction
- Legal claims
- Non-technical losses
- Tax revenues
- Default

INDUSTRY OVERVIEW

Hydrological conditions showed no improvement in 2020 compared to 2019, with river discharge and reservoir levels below historical averages. Sustained high expenses on hydrological risk and thermal generation affected Light SESA's performance on the spot market.

These effects were partly offset by the reduced load as a result of the COVID-19 pandemic, which led to increased spot-market sales. The shelter-in-place orders issued in March 2020 significantly affected the commercial, services and industry segments country-wide. Within Light's service area, the hospitality industry also suffered a dramatic downturn, particularly during the holiday season.

These combined factors caused an abrupt reduction in load demand, creating a supply-load imbalance and much larger-than-estimated contractual surpluses. As a result, we were required to re-plan our electricity purchases, especially on the spot market, using a range of regulatory mechanisms. **[GRI EU19]**

Our goal is to return excess surpluses in accordance with the rules outlined in applicable industry regulations. The reduced load generated a contractual surplus exceeding regulatory parameters (105%). This will be mitigated under regulations issued by ANEEL, which may exceptionally provide special treatment to the contractual surplus in 2020.

Challenges in purchasing electricity

The principal challenge in purchasing electricity is reducing our Average Electricity Purchase Price, or Pmix, which at December 2020 stood at R$ 236.13/MWh. The primary way our Pmix price can be reduced is by effectively managing our auction activity within the Regulated Market (ACR).

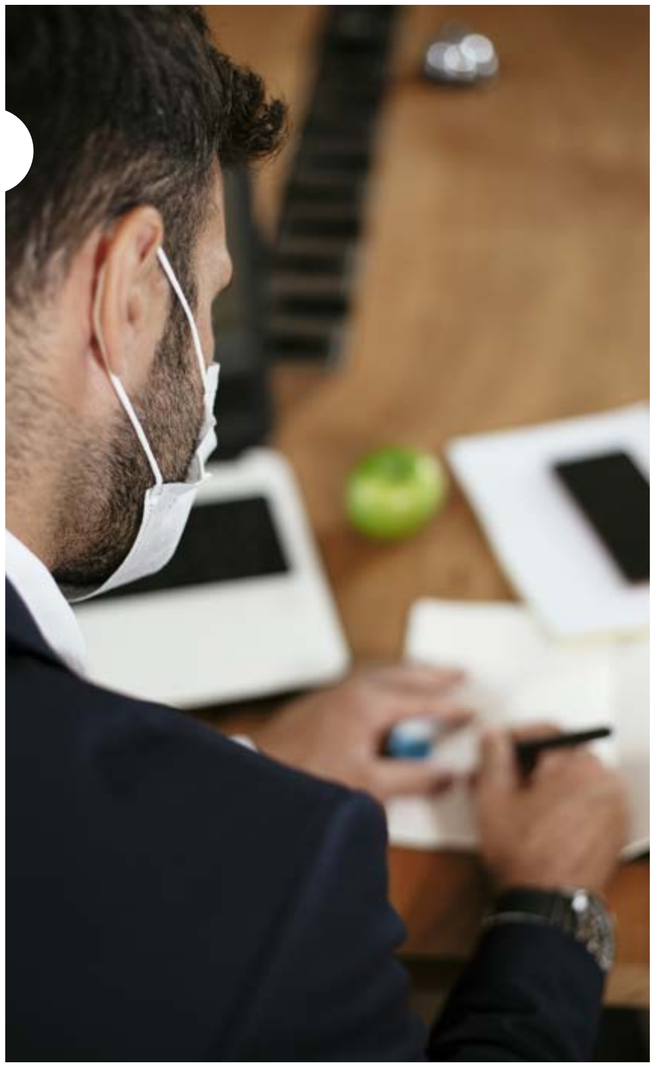
As part of a strategy launched in 2019, Light will continue efforts to reduce our Pmix price by gradually replacing the contract with the Norte Fluminense Thermal Power Plant through ACR auctions scheduled through 2024.

There were no post-2024 auctions in 2020, but several have been scheduled for 2021 with this horizon, which will allow us to continue our efforts to replace the Norte Fluminense Thermal Power Plant contract. Currently announced auctions include LEN A-3 and A-4, and LEE A-4, all scheduled to occur in June 2021.

We entered 2021 with contract supply within our internal target based on demand projections made at year-end 2020 for Light SESA's service area. But current economic uncertainties require continuous monitoring and, if necessary, the use of available regulatory mechanisms to end the year at the contractual levels required by applicable regulations.

In addition, the multiple ACR auctions that have been announced will allow us to continue our strategy of replacing the contract with the Norte Fluminense Thermal Power Plant to reduce our future Pmix price.

"As part of a strategy launched in 2019, Light will continue tefforts to reduce our Pmix price by gradually replacing the contract with the Norte Fluminense Thermal Power Plant through scheduled ACR auctions through 2024."



REGULATORY OVERVIEW

The regulatory environment in 2020 was challenging, with the novel coronavirus and the government measures in response to the COVID-19 pandemic creating financial and economic difficulties for electric utilities.

To ensure the sector's financial resilience, ANEEL created a "COVID Account" to lend money to transmission companies and generation companies within the Regulated Market (ACR) in order to preserve their revenues. This mitigated the impacts from the pandemic on electric utilities' cash flows. Economic impacts have occurred nonetheless, and discussions in this regard with ANEEL are ongoing.

Other adverse effects experienced by distribution utilities, such as those related to electricity contracting risks, became even more evident and unmanageable with available regulatory mechanisms.

Impacts from the COVID-19 response

The primary impacts from the novel coronavirus pandemic on Light SESA were market contraction and higher default.

The effects from market contraction were felt in the form of reduced revenue from tariff coverage of "Component B" and Non-Technical Losses, with the resulting economic and financial losses not offset by regulatory assets or by a proportional reduction in actual costs.

The higher default was due to government measures linked to the pandemic, such as a temporary ban under Normative Resolution 878/2020 on customer disconnections for nonpayment.

To remediate the effects of default on our economic and financial health, and avoid any penalties due to the effects from the pandemic, Light has actively engaged in discussions within Public Consultation no. 035/2020, which is currently in its third phase. Through the Public Consultation, ANEEL has elicited inputs from society and the industry on possible approaches to restore financial health for utilities affected by the COVID-19 pandemic. After the Public Consultation has been concluded, Light will consider whether to submit a specific claim for compensation for the effects from the pandemic.

GSF renegotiation[5]

On August 18, 2020, the Brazilian Senate approved Bill no. 3975/19, which was subsequently signed into Law no. 14 052/20 by the President, establishing new rules on renegotiating the GSF. The new law establishes renegotiation rules for plants within the Energy Reallocation Mechanism (MRE)[6] (a component of the Free Contracting Environment), covering the following items: out-of-merit-order dispatching and imports, offtake restrictions for structuring power plants (delays in the commissioning of, or deficient, transmission systems), and guaranteed capacity during the commissioning of structuring power plants (Santo Antonio, Jirau and Belo Monte). Hydroelectric generators will be compensated under ANEEL regulations in the form of concession extensions, in exchange for withdrawing from any legal action.

ANEEL launched Public Consultation no. 056/20 to inform new rules on this matter, resulting in the publication in December of ANEEL Resolution no. 895/2020. Under article 6, the Electric Power Trading Chamber (CCEE) has 90 days in which to communicate to ANEEL the periods by which concessions will be extended as compensation.

Following publication by the CCCE, ANEEL will have 30 days in which to publish a ratifying resolution specifying the concession extension periods for MRE generators. After the publication of this resolution, generation companies will have 60 days in which to opt in by signing their acceptance of the concession extension and a waiver of any further legal action.

In addition to the GSF renegotiations, other significant regulatory developments in 2020 included:

- Regulatory changes to modernize the power sector by expanding the Free Market (MME Directive no. 465/2019) and implementing Difference Settlement Pricing (PLD), which will now be published on an hourly basis;
- Public consultations toward improving the regulatory approach to the next Rate-Setting Review, including aspects such as operating costs, non-technical losses, non-recoverable revenue and the return-on-capital rate.

Going forward

In 2021 we expect further developments and final resolutions on the following regulatory matters:

- Economic and financial rebalancing of power distribution utilities;
- A revision of Normative Resolution no. 482/2012, which addresses distributed generation and the exclusion of current subsidies for distribution systems;
- Rules on passing on to consumers the tax refunds resulting from changes in the PIS and COFINS tax base;
- Completion of the revised approach to Rate-Setting Reviews (non-technical losses, nonrecoverable revenues and operating costs);
- Preparations ahead of Light's Rate-Setting Review in 2022, including a public consultation scheduled for December 2021;
- Continued development of the legal framework for modernizing the power sector.

5 GSF, or Generation Scaling Factor, is a measure of hydrological risk, or risk related to changes in rainfall in the drainage basins upstream from hydroelectric dams. It is the ratio of the amount of electric energy generated by hydroelectric plants to their guaranteed capacity.

6 Hydroelectric plants that are dispatched centrally by the National Grid Operator.

We aspire to make Light the number one electric utility company in Brazil, and to achieve this we are creating a modern management model that aims above all to deliver results for Light and for our stakeholders.

Our management approach is designed to achieve optimal operating efficiency and continually improve quality of service. This is supported by efforts to reduce electricity theft, improve customer relationships and further the financial development of the company. Other strategic goals include sustainable reduction of costs, expenses and legal claims.

A RENOVATED ORGANIZATION

Changes in our management in the third quarter of 2020, including the Board of Directors and Executive Board, have brought the Company strong expertise in institutional relations, operational improvement of distribution concessions, and organizational transformation. We structured a team of professionals with a solid background in the power sector and adjacent experience to drive results and support Light's ambitions.

We are implementing a modern management model based on a high-performance culture that will deliver superior results through process reviews, systems improvements and new technologies.

By implementing the operational improvements that Light needs, under a well articulated strategy, we will not only maximize customer satisfaction but also ensure the sustainability of our concession.

We are working to achieve our aspiration to make Light the number one electric utility company in Brazil—a company that creates value for all stakeholders, maximizes distribution performance, and generates electricity with optimal efficiency. This, alongside regulatory efforts, will help us to regain our role as a company that supports the sustainable development of Rio de Janeiro and broader Brazil.

To achieve operational improvements, we have developed a "100-Day Plan" with a set of over 1,000 action items to be completed by April 2021 by a dedicated PMO, managed within our Target System. The primary goals of the plan are to:

- Optimize processes, people and resources
- Strengthen leadership through innovation processes
- Enhance technical knowledge on process improvements
- Restore concession authority
- Design a loss reduction plan for Special-Approach Areas (formerly referred to as Risk Areas).

STRATEGIC DIRECTION

1. Improving operational quality indicators

With the substantial EOD and EOF[7] reductions we have achieved in recent years, Light has become a benchmark in our industry as the company with the best indicators among distribution utilities in Brazil. To achieve these results, we have invested extensively in maintenance, installation of protection equipment, power system improvements, and new technologies.

2. Reducing losses and default

Non-technical losses are a structural problem in our service area, accounting for virtually half of the electricity supplied to the low-voltage market, and largely occurring in areas alternately governed by criminal gangs and militias. These locations, which we previously referred to as "Risk Areas", have been renamed as "Special Approach Areas" (SAAs) in reference to the new approach Light intends to adopt, as described further below.

Our Loss Reduction Program takes account of social and economic conditions and uses assessment tools to identify the locations and causes of losses, which in Light's case consist primarily of non-technical losses (electricity theft). **[GRI EU19]**

The success of our anti-theft efforts is measured in terms of both loss reduction as well as collection rates, allowance for doubtful accounts (ADA) and legal claims.

Electricity billing performance, one of the indicators used to measure collection rates, is affected by Recovered Power (REN), or electricity billed retroactively for illegal connections, and Incorporated Power (IEN), or the increase in billing after an illegal connection has been normalized.

In recent years, we have focused efforts on Conventional-Approach Areas (previously referred to as "Approachable Areas")—such as stores, industrial facilities and high-income residential properties, which pose no security risk to inspection crews—resulting in significant loss reductions.

We have observed, however, in recent quarters, that although total losses have been reduced, the ratio of non-technical losses in Special-Approach Areas to losses in Conventional-Approach Areas has increased.

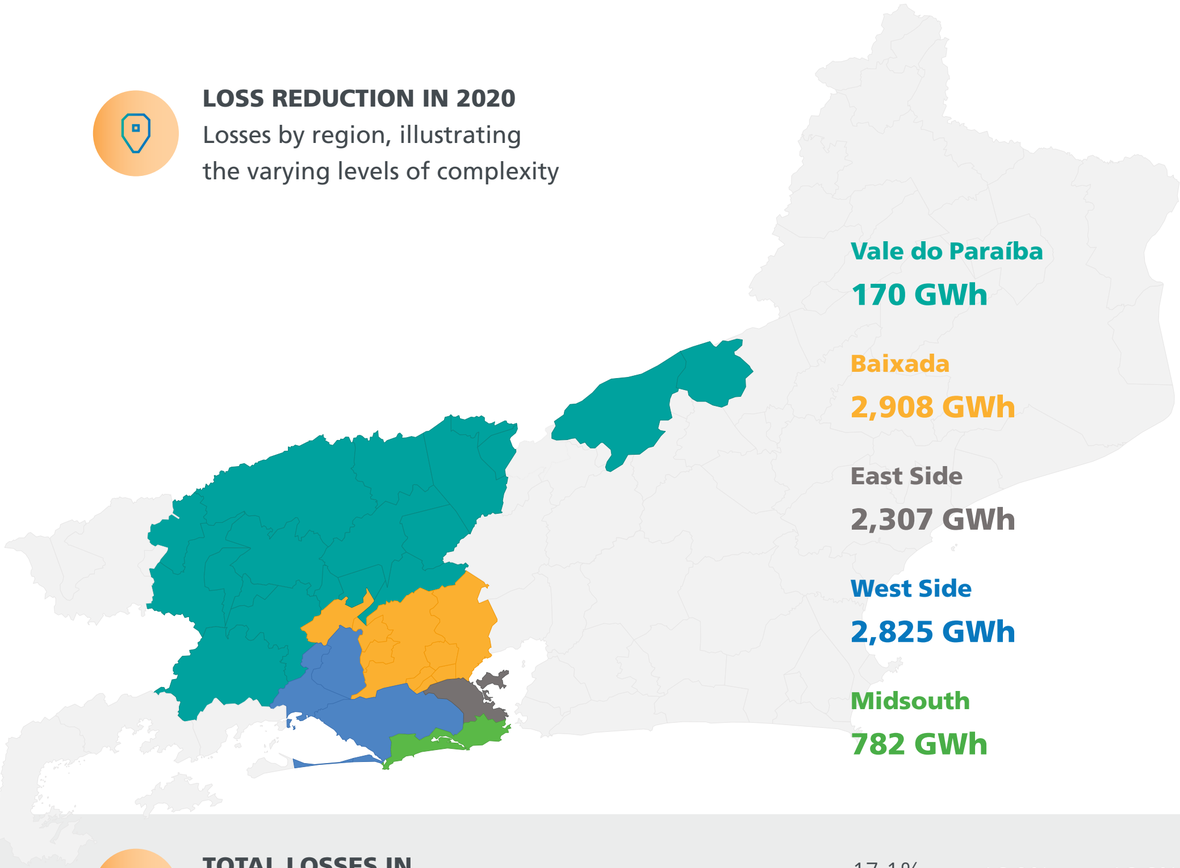
To address this, we will work more closely with local communities through energy efficiency, awareness, education and livelihood initiatives to help improve social and economic conditions in our service area. These initiatives will include donating energy-efficient home appliances and raising awareness to help customers match their monthly electricity consumption to what they can afford to pay, thereby reducing default and recurring electricity theft. **[GRI EU19]**

We believe it is important to develop creative community initiatives in partnership with the State and municipal governments, while also sharing with ANEEL the reality of our service area. As part of these efforts, Light is developing a community action program with funding from the Energy Efficiency Program (PEE), and expanding the number of consumers registered for social electricity rates. **[GRI EU19]**

7 EOD stands for Equivalent Outage Duration and EOF stands for Equivalent Outage Frequency.

LOSS REDUCTION IN 2020

Losses by region, illustrating the varying levels of complexity



	Light Losses	Region Losses
Vale do Paraíba 170 GWh	1.9%	2.7%
Baixada 2,908 GWh	32.3%	43.6%
East Side 2,307 GWh	25.7%	36.0%
West Side 2,825 GWh	31.4%	34.3%
Midsouth 782 GWh	8.7%	10.9%

8,992 GWh
Total losses

25.9%
Total losses/Grid Load

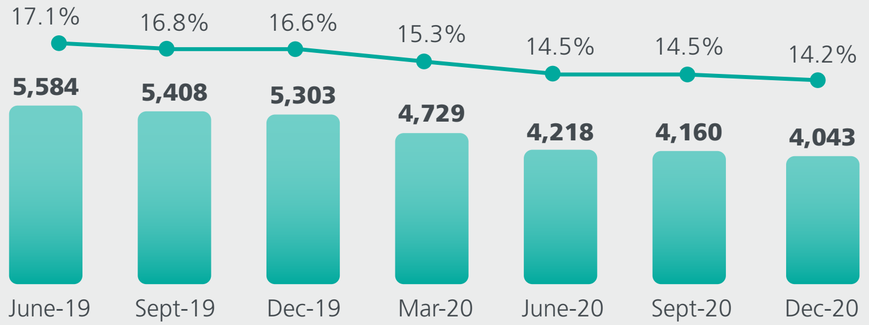
6,532 GWh
Non-technical losses

68%
in Special-Approach Areas

32%
in Conventional-Approach Areas

TOTAL LOSSES IN CONVENTIONAL-APPROACH AREAS

(GWh, 12 months)



1,260 GWh
or 2.4 p.p. reduction in 1 year

3. Reducing legal claims

One of the challenges facing Light is dealing with litigation and reducing an upward trend in legal claims, arising both from the inherent complexity of our service area, on the one hand, and internal processes that require and are undergoing improvement, on the other. Our goal is to mitigate the generation of new claims and seek better settlements between the parties, thus reducing our existing stock of legal claims.

Some of the ways we are achieving this include: improvements in customer service (stores, call center), collaboration and synergy between the commercial and legal departments, restructuring the legal department with new staff and partner law firms, improving quality indicators and grounds for our defense in legal claims, more effectively issuing Irregularity Notices (TOIs), and improving customer relationship management and ultimately customer satisfaction.

4. Managing and reducing personnel, materials and contractor (PMC) expenses

Light has worked consistently to improve efficiency in resource allocation. To this end, we have renegotiated supplier contracts and implemented tools to improve cost management and optimize investments.

We have also endeavored to optimize key processes by increasing cross-functional synergies, in-sourcing field activities to improve productivity and ethics management, and enhancing performance-linked variable compensation policies, including for field crews.

In 2021 we will continue these efforts as we work toward industry benchmarks and to expand process digitization.

5. Disposing of non-core assets

Light has undertaken efforts to reduce exposure to non-core assets and/or assets in which we have a non-controlling interest, in order to focus our operations on value creation, especially in the distribution segment, and prioritize investments that can effectively generate returns for the Company and be incorporated into our Regulatory Asset Base.

In mid-December 2020 Light received binding offers from Brasal Energia for the sale of its 51% stake in the companies operating the Paracambi and Guanhães SHPs. Brasal Energia has agreed to pay R$ 88.7 million for Paracambi and R$ 96.4 million for Guanhães. We expect to conclude these transactions within the first half of 2021.

Since the 1st quarter of 2020, Light has worked with investment banks to sell our stake in the Belo Monte Dam. The sale of Light's stake in the Belo Monte Dam is complicated by the nature of the asset and the interests of other shareholders with

stakes in the project, including the shareholders of Amazonia Energia (the investment vehicle through which Light holds a stake in the asset) and other signatories of the shareholders agreement (including Vale, Neoenergia, Eletrobras Group, and pension funds).

6. Liability Management

Light is in a process of restructuring our debt in order to improve and strengthen our capital structure. We are re-profiling our debt to lengthen maturities and lower debt-service costs. As part of these efforts, we have tapped into new sources of financing in the capital market, exploring opportunities in both the domestic and international markets and working to improve risk perceptions in relation to Light.

Net Debt at December 31, 2020 was R$ 5,478 million, down 18.8% from R$ 6,750 million at December 31, 2019. Leverage, as measured by Net Debt to Adjusted EBITDA under contractual covenants, was 1.73x at December 31, 2020.

New borrowings have enabled us to achieve an adequate level of liquidity within our strategy of paying off higher-cost debt, and allowed us to begin 2021 with a robust cash position of approximately R$ 3.1 billion, sufficient to address the challenges of the following cycle.

Light's cash position was also augmented by R$ 1.3 billion in borrowings from the "COVID Account" between July and December 2020.

	TO BE RETURNED	B.O. RECEIVED		
Companies	**Itacoara I HPP**	**Paracambi SHP**	**Guanhães Energia**	**Norte Energia**
% Stake	**51%**	**51%**	**51%**	**2.5%**
Equity installed capacity	**77 MW**	**13 MW**	**22 MW**	**281 MW**
Status	PPA terminated and concession agreement expired	SPA under discussion	SPA under discussion	M&A in progress

We now have a more diversified debt profile including new debt issuances—such as bonds—in the international market, receivables investment funds, infrastructure debentures, and market institutional debentures.

NEW OWNERSHIP STRUCTURE

On January 22, 2021 we concluded a new follow-on offering of 137,242,528 shares, generating proceeds of R$ 2.74 billion. The transaction involved the sale of Cemig's entire interest in Light (22.6%) and the entry of new Brazilian and international investors. Light and Cemig each received R$ 1.37 billion in proceeds. Cemig's exit opens a new chapter in our history as a private, fully independent, "true corporation".

The proceeds from the offering will be used to improve our capital structure and strengthen our cash position, enabling us to continue to pursue our liability management agenda on better terms and conditions. They will also make Light more resilient to crises and adverse market conditions, such as the current COVID-19 pandemic.

Significant progress in 2020 has paved the way for further achievements in 2021

	Dec 2019	Dec 2020	
Loss reduction	**9,736 GWh**	**8,992 GWh**	**-744 GWh**
CAA loss reduction	**5,303 GWh**	**4,043 GWh**	**-1,260 GWh**
Reducing legal claims	**R$ 392 mn**	**R$ 199 mn**	**-R$ 193 mn**
PMC management & reduction	**R$ 994 mn**	**R$ 932 mn**	**-R$ 62 mn**
***Liability management*[1]**	**8.79%**	**6.87%**	**-1.92 p.p.**

[1] Average nominal debt service costs

[GRI 102-12]

Our stakeholders are increasingly concerned about environmental, social and governance (ESG) issues, and Light has worked continuously to improve our practices across these three fronts.

Our commitment to sustainability began in 2005 when we listed on the Brazilian stock exchange B3's *Novo Mercado*, and was further reinforced when we joined the United Nations Global Compact in 2007. Our listing on *Novo Mercado* led us to implement enhanced governance standards, while our support for the Global Compact led us to adopt corporate social responsibility and sustainability policies across areas such as human rights, labor, the environment and anti-corruption.

Light publishes Annual Reports prepared in accordance with the Global Reporting Initiative (GRI) Standards and the International Integrated Reporting <IR> Framework, and we report on our strategy on climate change through disclosures to the CDP, a nonprofit organization internationally recognized as an authority on corporate disclosures on greenhouse gas emissions and environmental and climate strategies.

In 2020 we were named for the 14th consecutive year as a constituent of the B3 ISE index, which lists companies demonstrating superior corporate sustainability practices. We were also finalists for the ABRASCA Annual Reporting Awards, receiving an Honorable Mention for Corporate Governance.

Internally, in addition to Collective Bargaining Agreements and our Profit-Sharing Plan, we have undertaken a commitment to our industry's unions, under a Social Responsibility Agreement, to protect and defend the human rights recognized by the United Nations, the fundamental conventions of the International Labor Organization (ILO) and the principles established in labor legislation.

We support diversity and provide equal opportunity to men and women, providing a work environment that is free of discrimination in promotions to management positions and in compensation paid for equivalent work.

Employee training on human rights is provided as part of courses on ethics and sustainability. In 2020, 208 employees were trained, or 4% of our total workforce.
[GRI 412-2]

SUSTAINABILITY STRATEGY

As a signatory of the Global Compact, Light has pledged to support the Sustainable Development Goals (SDGs) announced in 2015 by the United Nations (UN), which define a set of global priorities and aspirations for 2030. Of the 17 SDGs, 7 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 & well-being (SDG 3)
- Decent work and economic growth (SDG 8)
- Peace, justice and strong institutions (SDG 16)

The inter-linkages between the SDGs, our value chain and our business strategy are mapped out as part of periodic materiality exercises, in a process that demonstrates Light's commitment to creating shared value.

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	↦ Losses and Delinquency ↦ Relations with Customers and Society ↦ Quality of Service ↦ Service Area Development		↦ Nontechnical Losses / Low-Voltage Market ↦ Legal claims ↦ Collection Ratio ↦ Customer Satisfaction ↦ EOD /EOF ↦ Community Investment
Liability management	↦ Financial Health and the Capital Market		↦ Net Debt ↦ Net Revenue
Managing and reducing PMSO and prioritizing CAPEX	↦ Operating Efficiency		↦ PMSO ↦ Investment
The culture of a results-oriented, private corporation	↦ Governance, Ethics & Compliance ↦ People Management ↦ Supplier Management ↦ Health & Safety		↦ Misconduct Reports ↦ Hours of Training ↦ Injury Rate ↦ Climate Survey

Throughout this report, where possible we reference the SDGs connected to the initiatives or practices being described.

Light's strategic pillars are translated into action plans and into strategic and operational performance indicators. The targets established for these indicators are agreed in management commitments. **[GRI 103-3]**

In executing our strategy, we rely on a well structured, agile governance model that reflects our now-diversified ownership structure. The level of participation by stakeholders—including shareholders, governments and regulators—in developing Company strategy is described throughout the report. **[GRI EU19]**

ESG ACTION PLAN 2020/2021

In 2020 we developed an ESG Action Plan 2020/2021 and submitted it to the People, Governance & Sustainability Committee (CPGS) for review and to the Board of Directors for approval. Some of our key initiatives in 2020 included the following:

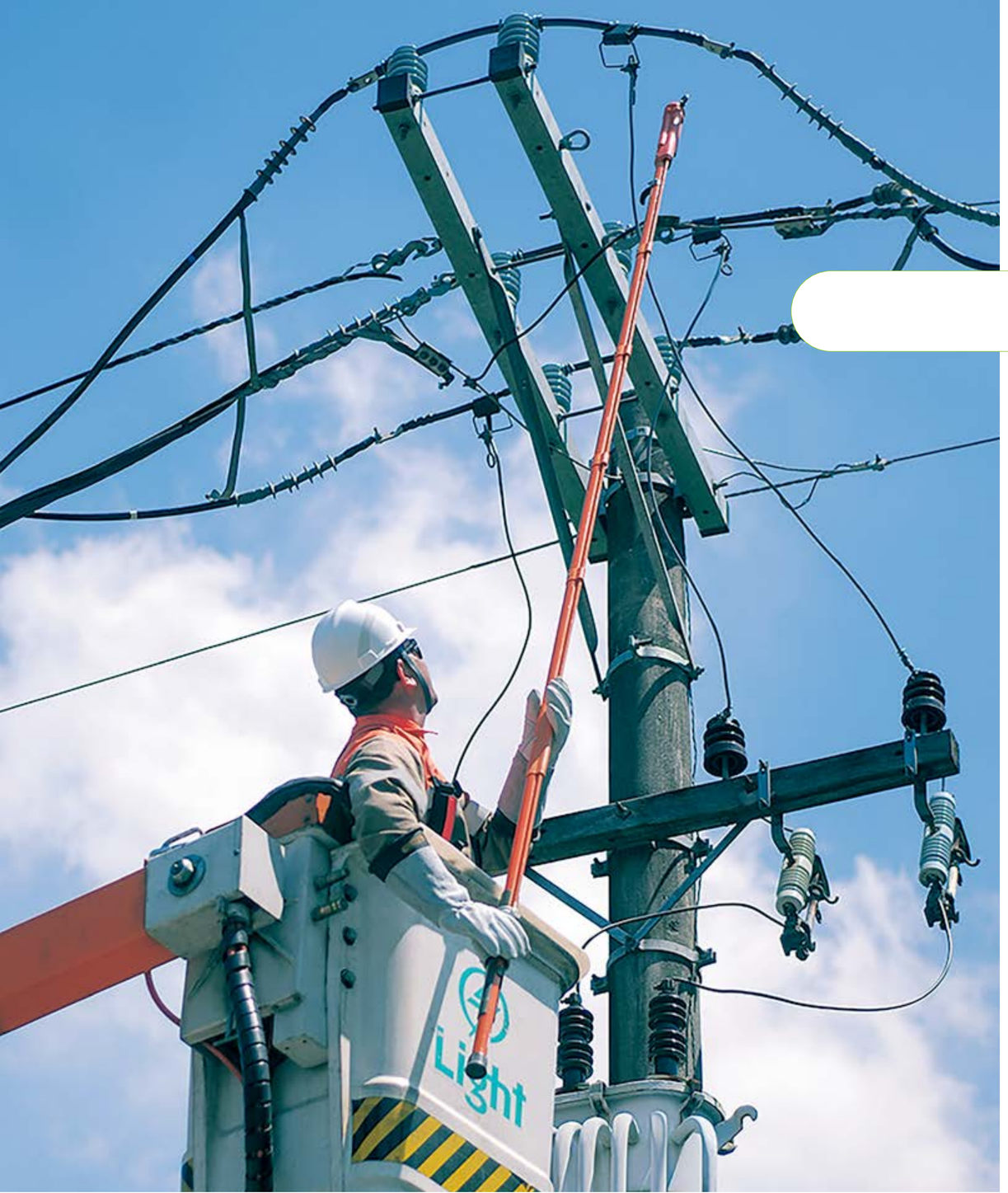
- Our leadership—including executive officers and directors—attended a webinar on "ESG at Light and in the Capital Market," in which they were introduced to key ESG concepts and how they relate to Light's business, the perspectives of analysts and investors, and the role of the leadership team in this context;
- An assessment was made of the main ESG aspects addressed by investors and in existing frameworks (GRI, SASB, PRI, ISE etc.), and these were mapped to indicators that can be tracked on a quarterly basis. Beginning in the 2nd quarter of 2020, we included a specific topic in our earnings release about Light's quarterly performance on ESG issues;
- In our quarterly earnings releases, we have also published an ESG fact sheet, success cases and a spreadsheet with historical ESG indicators for the previous three years. We also reformulated our Investor Relations website to showcase how our business strategy addresses ESG issues and the SDGs[8];
- In August 2020, ESG aspects were included in organization-wide strategic risk assessments to ensure all impacts on the Company are addressed;
- We structured a Multidisciplinary Climate Change Group with representatives from the Investor Relations, Environment and Asset Management departments and Lightcom. This group conducted a comprehensive review of our CDP questionnaire to improve our reporting relative to the previous year—we were assigned a "C" rating for our 2020 CDP disclosures, two steps above our rating in 2019. In addition, an industry benchmarking exercise in the year informed a revision of Light's Climate Change Policy and Initiatives to be implemented in 2021 and onward, as part of our articulated commitments;
- On December 14, 2020 we organized an event to engage our suppliers around ESG aspects, and ensure they understand these commitments and conduct their activities in line with best sustainability practices.

As a sub-component of our ESG Action Plan 2020/2021, we developed a Corporate Governance action plan to align our organization with industry best practices. Under the action plan, we made improvements to our Governance Handbook and the Rules of Procedure of the Board of Directors, and reported on these improvements in a governance filing submitted to the Brazilian Securities Exchange (CVM).

The following pages of this Report describe our diverse initiatives and our performance on EESG issues, with the added "E" representing "Economic" issues, which we believe ought to be addressed in an integrated manner with, rather than treated separately from, environmental, social and governance (ESG) aspects.

We begin with Corporate Governance, which provides the foundation for all of our decisions and initiatives; we then address Social aspects, with an emphasis on the impacts from the COVID-19 pandemic on our workforce; next in turn, we report on Environmental aspects, and in particular our initiatives under Light's Climate Change Action Plan 2021/2022; we conclude with the Economic aspect, describing our financial performance in the year.

8 Learn more at http://ri.light.com.br/sustentabilidade/principais-indicadores-new/



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GOVERNANCE

Governance Structure

Ethical Conduct

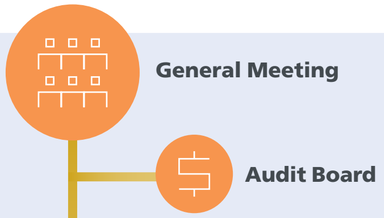
Risk Management & Compliance

Light's governance structure is described in the chart below. For more information about our governance practices, see our Corporate Governance Handbook. In it we describe our approach to ensuring the business is aligned with our goal of creating value for shareholders, for stakeholders and for our company.

INTERACTIONS & DUTIES

SHAREHOLDER FORUMS

General Meeting
The General Meeting is the highest governance body, with authority above all other governance bodies.



Audit Board
The Audit Board exercises oversight of senior management activities and reviews the financial statements.

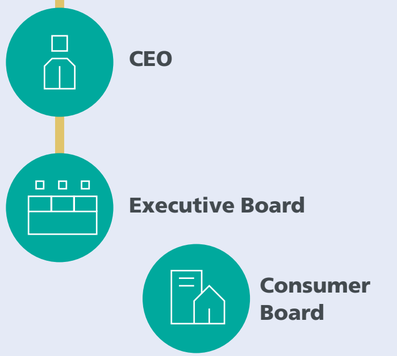
INTERFACE FORUMS

Board of Directors
A forum for *share*holders' representatives. The Board of Directors deals with matters affecting the development of the Company.

Board Committees (COFIN, CPGS & CAUDIT)
The Operations & Financial Committee (COFIN), the People, Governance & Sustainability Committee (GPGS) and the Audit Committee (CAUDIT) assist the Board in conducting its duties efficiently, supporting it in dealing with specific matters in an advisory capacity, without decision-making authority.
The Audit Committee is the only statutory committee.

EXECUTIVE BOARD

CEO
The CEO is appointed by the Board of Directors and has the duties outlined in the company's Bylaws. The CEO manages Light's overall strategy and activities, provides leadership of the Executive Board, makes nominations to the boards of directors and audit boards of wholly-owned subsidiaries and to the pension plan and health committees, and coordinates and manages internal audit, *compliance*, corporate risk management and Ombudsman Department processes and activities.



Executive Board
The Executive Board represents the company and has authority to manage business activities within the scope of duties established in the Bylaws

Consumer Board (independent and not subordinate)
The Consumer Board provides a forum for discussion, exercises scrutiny in the collective interest of consumers and liaises between Light and representatives from the various rate classes in seeking amicable solutions to issues related to power supply, rates and the adequacy of services provided to end consumers.**[GRI EU19]**

[GRI 102-18, GRI 102-22]
[GRI 102-29, GRI 102-30]

The composition and duties of the Board of Directors and its advisory committees and the Executive Board are described on our Investor Relations website under Management. Details about Board members' expertise and membership of other boards, committees, commissions and working groups can be found in our Reference Form CVM filing, which is available on our Investor Relations website under Reference Form. **[GRI 102-26]**

The Board of Directors will be assessed on diversity and how its roles and duties can support Light's ESG agenda.

Good Corporate Governance practices at Light

In Accordance with CVM Directive 586, in 2020 we submitted a report to the Brazilian Securities Commission (CVM) on our governance practices, of which we highlight the following:

- An independent consulting firm conducts performance assessments on the members of the Board of Directors and Board Committees throughout their terms, as well as on the CEO and the Corporate Governance function
- The rules and procedures of the Board of Directors outline members' responsibilities, duties and rules of procedure
- Board of Directors meetings include exclusive sessions for directors
- Processes and programs are in place for monitoring and communicating the performance and impacts of our activities on society and the environment
- In our incentive structure, a decision-making process cannot be controlled and monitored by the same person
- The internal audit reports directly to the Board of Directors
- Risk management policies are approved by the Board of Directors
- The (statutory) Audit Committee periodically reviews performance indicators, the schedule and progress of internal audit programs, and the company's risk and compliance controls, and reports its findings during meetings of the Board of Directors.
- The Executive Board is responsible for implementing risk management policies and systems and internal controls, and for managing the company's integrity/ compliance program. It assesses the effectiveness of these mechanisms and provides recommendations to the Board of Directors on needed changes to address the specific risks to which the Company is exposed
- The Company's Bylaws outline criteria for Board of Directors approval of related-party transactions
- Our insider trading policy establishes requirements on monitoring insider trades and investigating and taking disciplinary action in the event of any violation of the policy
- Our voluntary contribution policy prohibits contributions or donations to political parties or their officials
- ESG (Environmental, Social and Governance) aspects are included among the nine topics in the Rules of Procedure of the Board of Directors
- Conflict-of-interest situations are addressed in the Rules of Procedure of the Board of Directors and in Board meetings

ASSESSING SOCIAL AND ENVIRONMENTAL ISSUES

[GRI 102-31]

Under our Corporate Governance Handbook, matters related to sustainability are addressed by our People, Governance & Sustainability Committee. **[GRI 102-19]**

In addition to this Committee, the members of our Executive Board also have responsibilities related to economic, environmental and social aspects as detailed in our Bylaws. **[GRI 102-20]**

Significant economic, social and environmental issues are referred to the relevant committees, and monitored and evaluated by the Board of Directors. **[GRI 102-33].**

A total of 32 critical economic issues, 46 social issues and 6 environmental issues were discussed at Board of Directors meetings in 2020, and actions were proposed to mitigate existing risks. Around 45.24% of meeting hours were dedicated to social and environmental matters. Where necessary, stakeholders are consulted through a range of engagements tools. **[GRI 102-21, GRI 102-34]**

Situations posing conflicts of interest or involving related-party transactions are addressed in accordance with applicable laws and regulations.

ENHANCING AND ASSESSING PERFORMANCE [GRI 102-28]

Prior to 2020, the Corporate Governance function provided assistance in coordinating and organizing performance assessments of the Board of Directors as a body as well as assessments of individual Board members, advisory committees and the CEO.

In 2020 the Company engaged independent, specialized consultants to conduct the performance assessment of the Board of Directors and its advisory committees, which is currently ongoing.

The scope of the consultants' engagement includes self-assessments by members of the Board of Directors and its committees, which will be supplemented in a second stage by an independent assessment by the consultants, based on the results from the self-assessment and interviews with all members of the Board. The results will be benchmarked against best practices.

The assessment covers five dimensions:

- Performance of Duties
- Composition and Structure
- Dynamics
- Supporting Processes and Structure
- Contributions

These dimensions will allow an assessment of the Board's maturity to inform an action plan outlining areas for improvement for the Board and each of its committees.

In the Composition and Structure dimension, the independent consultants will assess, among other aspects, the diversity of the Board's composition, and how each director's profile and skills can support the Company's ESG performance.

The Contributions dimension will assess the extent to which the Board of Directors is contributing to achieve Light's sustainability agenda.

REMUNERATION POLICY [GRI 102-35]

Light's remuneration policy is consistent with benchmarked industry best practices, and aims to attract and retain talents who are competent, skilled and capable of creating and executing business strategies that drive results.

We believe our remuneration policy should be transparent and sustainable, and foster a results-

oriented culture. The policy has been designed to reward members of the Executive Board based on their performance, as measured against pre-set targets and performance indicators established for each fiscal year. Variable remuneration plays an important role in that it allows management to share in Light's success and value creation, fosters a long-term vision for sustainability, and aligns the interests of management and shareholders.

Remuneration proposals are currently approved in the Annual General Meeting and are published, before approval, in our Management Proposal and, following approval, in meeting minutes available on our Investor Relations *website*.

Further details about our Governance structure and mechanisms can be found on Light's Investor Relations website under Business Model.

[GRI 102-16, GRI 102-17, GRI 103-2]

Light cultivates ethical, genuine and transparent relationships with governments, communities, customers, shareholders, directors, employees, contractors, suppliers, unions, trade associations, and all other stakeholders.

The Light Code of Ethics & Business Conduct, which was revised in 2019 and approved by the Board of Directors in 2020, expresses our beliefs, values, principles and commitments.

The Code formally articulates our culture of ethics, which is applied in our day-to-day activities through the LIGHT WAY, our Compliance Program, our Ethics Committee, and whistleblowing channels.

As part of an ongoing process to improve our approach to addressing reports on misconduct and corruption at Light, our Compliance & Forensics department provided refresher training to the team responsible for investigating whistleblower reports.

To ensure Light's employees are at all times engaged around implementing the Light Code of Ethics & Business Conduct, in 2020 we: **[GRI 205-2, GRI 412-2]**

- Approved a new revision of the Code of Ethics & Business Conduct
- Disseminated our commitment to ethics through communications on the following topics: Code of Ethics; Whistleblowing Hotline; Ethical and Fair Dealing with Business Partners; Compliance: Integrity & Ethics; Changes for Compliance with the Brazilian General Data Protection Regulation (BR GDPR); Social Media Activity; Using the Light Brand; and Corruption
- Presented our ethics guidelines during induction events for newly hired employees
- Provided online courses, attended to date by 11,301 employees. Course titles included: Our Ethics; Ethics Quick Guide; 4 Minutes on Ethics; and Anti-corruption
- Trained the members of the Executive Board, 100 managers—including senior managers, middle managers and coordinators—and 275 employees on the Brazilian Anti-Bribery Act and the Light Code of Ethics & Business Conduct, as part of our Annual Training Program

LIGHT ETHICS GUIDELINES

CODE OF ETHICS & BUSINESS CONDUCT

- Aligned with our mission, vision, values and organizational principles
- Incorporates aspects of Brazil's Anti-bribery Act
- Addresses matters related to conflict of interest
- Supports our commitment to sustainable development and to our workforce by acting against any form of prejudice or discrimination

ETHICS COMMITTEE

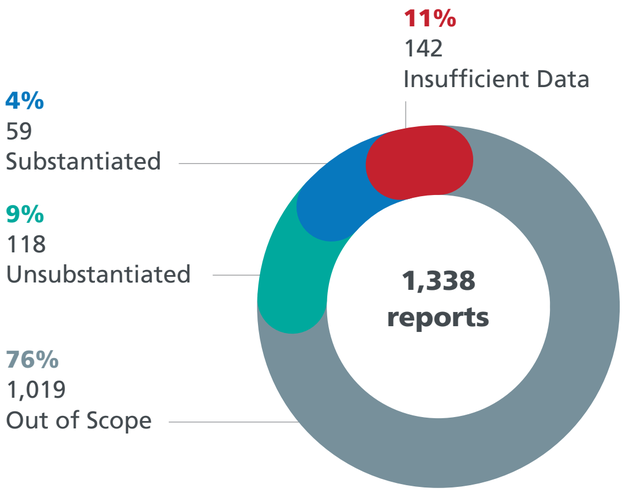
- Ensures our Code of Ethics is kept current and relevant
- Addresses ethics violations and recommends appropriate disciplinary or corrective action

ADDRESSING WHISTLEBLOWER REPORTS

[GRI 205-3, GRI 406-1]

All reports about suspected misconduct are investigated. The results of the investigation are categorized as either "substantiated", "partially substantiated" or "not substantiated", and by origin and by type, to provide an overview of those areas with the greatest exposure to compliance risks. Appropriate action was taken, where applicable, for all substantiated reports in 2020. None of the reports received in the year were related to substantiated cases of corruption or discrimination.

REPORTS RECEIVED IN 2020



REPORTING CHANNELS[9]

Hotline Number
0800 777 0783

Website
canaldedenuncias.light.com.br

PO Box
521 – CEP: 06.320-971

ACTION TAKEN IN RESPONSE TO ANY VIOLATIONS OF OUR CODE OF ETHICS

DIRECT EMPLOYEES

1. The report is received by the Compliance & Forensics department and—unless it is off-scope or contains insufficient data—the report is investigated and the findings are submitted to the Ethics Committee.
2. The Committee reviews the report and the findings from the Compliance & Forensics department's investigation, and issues an opinion on action to be taken.
3. Based on the Ethics Committee's opinion, disciplinary action may be taken, including a warning, suspension or termination, for or without cause.

CONTRACTORS

1. Reports of misconduct involving contractor employees are addressed in a similar manner to reports involving direct employees, with only the last step in the process differing.
2. The results from the Ethics Committee's assessment are instead shared with the contractor.
3. Disciplinary action may include removal of the employee involved from the team providing services to Light.

9 Our reporting channels provide a secure, confidential and, optionally, anonymous reporting service. Each report (except when submitted by snail mail) is assigned a number that can be used to track its progress through the report handling process. All reports are addressed by investigations that are managed by the Compliance & Forensics department from receipt to closure. Depending on the subject matter, reports may be referred to the Ethics Committee. Reporting channels are managed by an independent, world-leading firm.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

[GRI 102-11]

Light's Integrated Risk Management Framework is based on the methodology and procedures recommended by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In 2020 the framework was perfected to reflect the new, 2017 edition of the COSO Enterprise Risk Management—Integrated Framework and ISO 31000:2018—Risk Management, in order to align our approach to risk management and internal controls with our strategy and operational efficiency goals.

In January 2020, the Board of Directors approved a new revision of our Risk Management Policy, which outlines related principles and guidelines. The policy also presents the risk classification used by the company, in accordance with ANEEL Resolution 787/2017.

Compliance and ESG topics are now monitored and addressed as cross-cutting, strategic risks.

In July 2020, we issued a strategic risk management standard detailing the five steps in our integrated risk management process: identification, assessment, management, monitoring and communication. The standard also provides guidance on establishing and tracking Key Risk Indicators (KRIs).

These indicators are agreed with risk owners and then organized into dashboards to provide a visual snapshot of the extent to which targets and goals are being met.

Under a work plan created by the Risk & Internal Controls function for 2020 and 2021, compliance and ESG (Environmental, Social and Governance) topics are now monitored and addressed as cross-cutting, strategic risks. This means that ESG considerations are now taken into account in all risk assessments.

Operational risk | **Market risk** | **Liquidity risk** | **Financial risk** | **Credit risk** | **Regulatory risk** | **Strategic risk** | **Reputational risk** | **Social and environmental risk** | **Concentration risk**

ESG & COMPLIANCE ASPECTS

PRACTICAL APPROACH	**Identification** Identify risks Standardize and unify the risk language	**Assessment** Assess impacts and likelihood Classify and prioritize risks	**Management** Design risk response plans Create a risk portfolio	**Monitoring** Build metrics and key risk indicators Follow up on response plans	**Communication** Report results to Senior Management Provide stakeholders with timely communications
DELIVERABLES	Risk matrix and controls	Risk criticality *Heat Maps*	Risk inventory and fact sheet	Key Risk Indicators (KRIs) Risk dashboards	Managerial reports and presentations

During the course of 2020, our risk portfolio was updated, validated and prioritized by senior and middle management. The assessment and prioritization phase was followed by the risk management and monitoring steps, which consist of performing detailed assessments to identify events that could cause the risk to materialize, designing actions and initiatives to mitigate those risks, and monitoring those risks via KRIs.

STRATEGIC RISK MAPPING

1. Identify risk factors as comprehensively as possible based on information published in the Reference Form
2. Elicit the views of Light executives on previously identified risks and potential emerging risks
3. Update the list of strategic risks and submit it to the Executive Board and the Board of Directors
4. Drill down strategic risks into corporate risks, which are more detailed and directly related to Light's operations and business processes

Light's risk matrix currently comprises 17 strategic risks. Of these, 10 were assessed in 2020, with the assessment generating 89 mitigation responses and 64 action plans agreed with the relevant departments, in order to improve the risk response of risk owners.

The priority, strategic risks addressed in 2020 were:

- Grid losses
- Legal claims
- Laws and regulations
- Supplier management
- Billing and delinquency
- Cash and indebtedness
- Failure of dams and other impoundment structures
- Electricity trading (ACL)
- Electricity sourcing
- Human capital

Light monitors 53 processes in the value chain for corporate risks. Using the new risk management methodology, in 2020 a total of 19 operational processes were revisited, and 131 corporate risks were identified, including 31 compliance risks, 95 operational risks and 5 financial risks.

RISK ASSESSMENT

The risk assessment step involves identifying and quantifying potential impacts on the company, including legal and regulatory penalties, financial and operational impacts, and reputational damage. The likelihood of the risk is also assessed based on the prior history and frequency of the risk materializing. Risk criticality is then determined as the combination of the likelihood and the magnitude of impacts.

Risk assessment

Impact
Financial
Compliance
Operational
Reputational

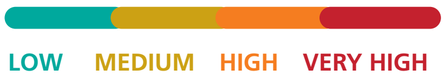
Likelihood
Impact
Financial
Compliance
Operational
Reputational

Inherent risk
Risk without accounting for mitigation measures in place

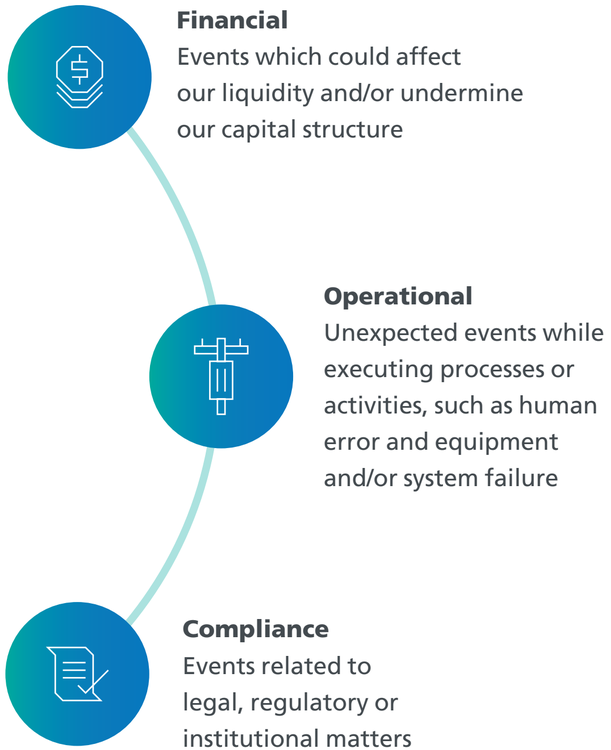
Vulnerability
Determined through an assessment of the sufficiency of mitigation measures

Residual risk
Residual risk after response and control measures

Risk criticality levels



Risk classification



Financial
Events which could affect our liquidity and/or undermine our capital structure

Operational
Unexpected events while executing processes or activities, such as human error and equipment and/or system failure

Compliance
Events related to legal, regulatory or institutional matters

COMPLIANCE

In January 2020, the Board of Directors approved a new revision of the Light Code of Ethics & Business Conduct and our Anti-Bribery Policy, which outline concepts and guidelines on the conduct expected of employees in their activities.

Throughout 2020, the Compliance & Forensics department implemented improvements to the integrity assessment process for business partners. The methodology was reformulated and suppliers are now assessed on six criteria:

- Company background; Dealings with government officials and conflicts of interest
- Integrity program maturity
- Maturity of controls over dealings with third parties
- Industry
- Perceived compliance risk

To make the process more efficient and ensure information is kept confidential on a need-to know basis, we developed a web portal to transmit the results from supplier assessments.

As planned in 2019, during 2020 we assessed 71 departments for potential interactions with government officials. We then developed an approach to assessing exposure based on the following criteria: occurrence, type of interaction, and third-party perceptions and actions.

For departments with a high level of interaction with government officials, the assessment was supplemented by the following additional criteria: financial volumes, third-party actions and process adequacy. An Interaction Assessment Report was then developed, outlining control points and improvements to be implemented by each department.

Concurrently, we developed a Standard on Dealings with Government Officials and Politically Exposed Persons (PEPs) to provide guidance on dealings with government officials and PEPs at the municipal, state and/or Federal level and in any jurisdiction, in order to safeguard Light's reputation in institutional interactions.

We also expanded the monitoring process implemented in 2019 to identify suppliers listed on the National Register of Compliant and Block-listed Companies (CEIS) and the National Company Block List (CNEP).

In 2020, we also included searches in the Block-Listed Private Nonprofit Organizations List (CEPIM). This expanded the scope of our searches to identify potential violations committed by third parties that have active contracts with Light.

In order to further improve our whistleblowing process, we provided refresher training to employees involved in investigating and handling reports in connection with our Compliance program.

During 2020 we took initial steps toward implementing a new Data Privacy Program. This included an assessment of the level of compliance with the Brazilian General Data Protection Regulation (BR GDPR). As a result from the assessment, we incorporated data privacy clauses in our draft contracts and in active contracts by way of amendments, and issued recommendations on minimizing data collection for some data processing activities.

3

SOCIAL

COVID-19 response

Our workforce

Occupational health and safety

Contractor management

Our suppliers

Our customers

Quality of service (Distribution)

Corporate Social Responsibility and the Light Institute

Legal claims

Light provides an essential service—electricity supply—and in 2020 took several steps, in accordance with sanitary recommendations, to ensure continued access to a reliable, high-quality electricity supply for our customers throughout the pandemic.

Our Occupational Health & Safety Department implemented internal protocols based on guidance issued by the World Health Organization (WHO) and the Brazilian Ministry of Health. Working with the health management team, an infectious disease expert provided, and has continued to provide, decision-making support to help mitigate the impacts from the COVID-19 pandemic.

Employees in the at-risk group—including pregnant women and people who are over 60 years old, have chronic respiratory illnesses, are immunocompromised, or have hypertension, diabetes or other illnesses creating an added risk for COVID-19—were placed on leave from the workplace.

The Occupational Health & Safety Department implemented a workflow for communicating confirmed or suspected COVID-19 cases or close contacts, and the health team periodically monitored each case and provided support, including referrals for testing and assistance in dealing with health insurers, when necessary.

At the early stages of the pandemic in Brazil, when access to RT-PCR tests was restricted to severe hospitalized cases, Light purchased rapid serology test kits to test all employees being monitored, including symptomatic and suspected cases and close contacts. This enabled employees to resume their duties safely.

To provide high-quality health-related information, we organized internal communications campaigns and lectures with our leadership team. The pandemic and COVID-19 illness were also addressed in daily toolbox talks and VIDA safety meetings, with both field crews and administrative staff.

Other COVID-19 prevention measures:

- Distributed automatic no-touch digital thermometers at all entrances
- Implemented temperature screening for all employees working on site
- Employees with a body temperature higher than 37.5°C were barred from entering the premises and referred to the health team for monitoring
- Employees were issued masks, and mask wearing was enforced throughout the work shift
- 70% alcohol gel was provided for hand cleansing, and cleaning products to disinfect workstations and vehicles
- Employees who could were shifted to work from home

Light COVID-19 figures	Contractor COVID-19 figures
2,042 employees monitored	Although contractor employees were not monitored, we supported our contractors in their health practices and health assessments.
886 confirmed cases	81 confirmed cases
3 deaths	1 death

To address the enormous challenge of keeping our operations and employees safe and protected from COVID-19, we implemented the following measures as part of our VIDA Program:

1. **COVID-19 Crisis Committee**
On March 11, 2020, Light's Executive Board established a COVID-19 Crisis Committee with representatives from different departments and functions to discuss measures to prevent virus spread, monitor pandemic developments and provide strategic decision-making support in preventing and responding to emergencies.

2. **At-risk group sheltered in place**
Employees in the at-risk group as determined by the WHO and the Brazilian Ministry of Health were identified by the Occupational Health & Safety Department and immediately placed on leave. Approximately 250 people were classified as being in the at-risk group at the time of writing this report.

3. ***Remote working***
At the onset of the pandemic, in March 2020, Light assigned more than 2,000 employees in administrative and operational support positions to work from home.

4. **Early vaccination campaign**
Our annual H1N1 vaccination campaign, which is normally organized in May, was brought forward to March. A total of 3,186 employees were vaccinated.

5. **Minimal exposure approach**
We implemented an approach to optimize tasks, field crews and operations centers in order to minimize direct contact with customers and the general public. We also implemented preventive measures at cafeterias, in the workplace, in stairwells, at entrances, etc.

6. **Closed-room meetings suspended**
In-person meetings were limited to those required to address urgent matters, and were held in an open-air environment and with attendees socially distanced and wearing masks or face shields. We provided instructions that all other meetings should be held using digital platforms such as Zoom or Microsoft Teams.

7. **Take-out meals for essential workers**
All workers performing essential on-site tasks—including employees and contractors—were provided with free take-out meals from March to August 2020 to reduce exposure to infection at cafeterias or restaurants.

8. **Social distancing**
We provided essential instructions on social distancing using communications tools such as videos, workplace signage, team meetings, email messages and mobile apps.

9. **Signage and markings**
Signage and floor markings were installed to enforce social distancing in areas such as storerooms, yards, meeting rooms, cafeterias, elevators and hallways.

10. **Hand and workplace hygiene**
We implemented enhanced cleaning and disinfection of company premises including bathrooms, cafeterias, elevators and workstations. Employees were also provided with alcohol gel either in individual pump bottles or from bulk dispensers or totems provided throughout the workplace.

11. **Advice from an infectious disease specialist**
Light hired an infectious disease specialist to provide advice on COVID-19 developments and to assist employees in prevention practices and in interpreting their serology tests for COVID-19. The specialist also supported decision-making and provided updates on the pandemic and the most successful pandemic response strategies around the world, to inform best practices in prevention.

12. **Measures targeting contractors**
Light organized online meetings and workshops with contractor managers to stress the need for additional, effective measures for preventing COVID-19.

13. **Suspension of travel**
To help contain the spread of the COVID-19 virus, all business travel by executives and technical staff was canceled.

14. **New training format**
Ahead of Executive Order no. 920, in-person training was suspended and we implemented distance learning for all theoretical training. For hands-on training, we implemented the same rules as for field crews, including the following: all activities were conducted in outdoor areas rather than in closed rooms; masks or face shields were required to be worn at all times during both theoretical and hands-on activities; two shifts were created to reduce the number of people at the training location; take-out meals were distributed to avoid the need to leave the training center; social distancing was strictly enforced.

15. **In-person commercial service suspended**
In March, in-person customer-facing activities at our 37 service offices were suspended, and migrated to digital systems (virtual service office). We partially resumed in-person service in the second half of 2020, with the measures recommended by local authorities in place.

16. **Face shields and cloth masks**
Light purchased 1,000 face shields and 60,000 face masks, which were distributed to each department as needed. Along with personal protective equipment, employees received an internally developed quick guide on using and cleaning their masks.

17. **Temperature screening**
Temperature screening was implemented at the entrances of all buildings where employees were working on-site. Employees with body temperature readings higher than 37.5ºC were sent home and were then monitored by our health team.

18. **Hygiene kits for utility vehicles**
Light provided detergent and cleaning cloths to disinfect door handles, steering wheels, gear levers and other internal parts of utility vehicles, as well as shared-use tools.

19. **Room and equipment cleaning**
At buildings where employees were required to continue to work on-site, we engaged a specialized company to periodically disinfect the rooms and equipment at five regional centers and all distribution, transmission and generation operations centers.

20. **Cloth mask guide**
We prepared two guides: one with tips on how to make a do-it-yourself face mask, and another with instructions on using, storing and cleaning face masks properly.

21. **Social distancing during field inspections**
Operations crews working in the field during the pandemic continue to hold toolbox talks, but socially distanced. Employees working from home remotely attended digital toolbox talks. VIDA Program safety meetings were also held in the same format on digital platforms.

22. **Shuttle buses and ridesharing**
We provided shuttle buses for employees commuting to work, such as meter readers and bill deliverers, to avoid the use of public transportation. We also encouraged ridesharing to minimize the use of public transportation for commuting, although vehicle occupancy was limited to two persons per car.

23. COVID-19 tests

The occupational health team monitored the health status of employees placed on leave after exhibiting COVID-19 symptoms and potentially exposed coworkers. To ensure they could return to work without endangering their own or the team's health, each monitored employee took a COVID-19 test (RT-PCR or IgM and IgG antibody tests) as part of medical checkups to ensure they were medically fit to resume their duties.

24. Distribution of vitamin C supplements

Light distributed vitamin C supplements to employees Performing essential duties, under medical supervision, to boost and strengthen their immunity.

Community activities

In addition to initiatives to ensure the well-being and health of our own employees, we also organized a range of initiatives to help our communities. As part of these activities, we:

- Donated hygiene projects to communities in Rio de Janeiro
- Distributed 12,000 face masks in more than 200 low-income neighborhoods in Rio de Janeiro, in a partnership with Central Única das Favelas (CUFA)
- Donated power supply to the field hospital in Leblon—the government was not charged for power supply to the hospital during its operation
- In partnership with other electric utility companies, we donated R$ 1.5 million to an emergency fund for the production or procurement of COVID-19 tests at Fundação Oswaldo Cruz (FIOCRUZ)
- Developed a set of free online educational activities as part of the Light Institute's Culture Education Program

With a majority of people sheltering in place, we produced a series of videos and interviews for distribution to Brazil's leading media organizations. Light's employees were instructed to create materials that could be used both on our own communications channels and in news reports. They produced high-quality video materials that transmitted important messaging to our communities, even while they were sheltering in place.

WORKFORCE PROFILE

CHALLENGES IN 2020

Many of our workforce-related initiatives in 2020 were in response to the coronavirus pandemic, including the following:

- We implemented a flexible working model; employees at some departments were assigned to work from home and provided with the needed equipment and systems
- We built a multidisciplinary team, with representatives from different departments, to manage our COVID-19 response
- We developed positive communications messaging for employees, customers and suppliers
- Employees receive reminders about individual and collective safety practices
- We developed a crisis management plan to ensure the physical and mental well-being of our employees and their continued engagement, motivation and recognition for their essential services amid the pandemic

Light was sure to recognize the 3,500 employees who continued to work in the field throughout the pandemic to keep our operations running without disruptions. Each of them received an additional pay bonus in the form of supermarket vouchers, as well as a thank you kit with a message of appreciation for their families.

At year-end 2020, we had monitored 1,944 employees for COVID-19; administered 1,589 diagnostic and antibody tests, including rapid, RT-PCR and serologic tests; and we had strengthened our safety culture through one of our organizational principles, which stresses the importance of health and safety for Light's success.

NEW ORGANIZATIONAL ETHOS

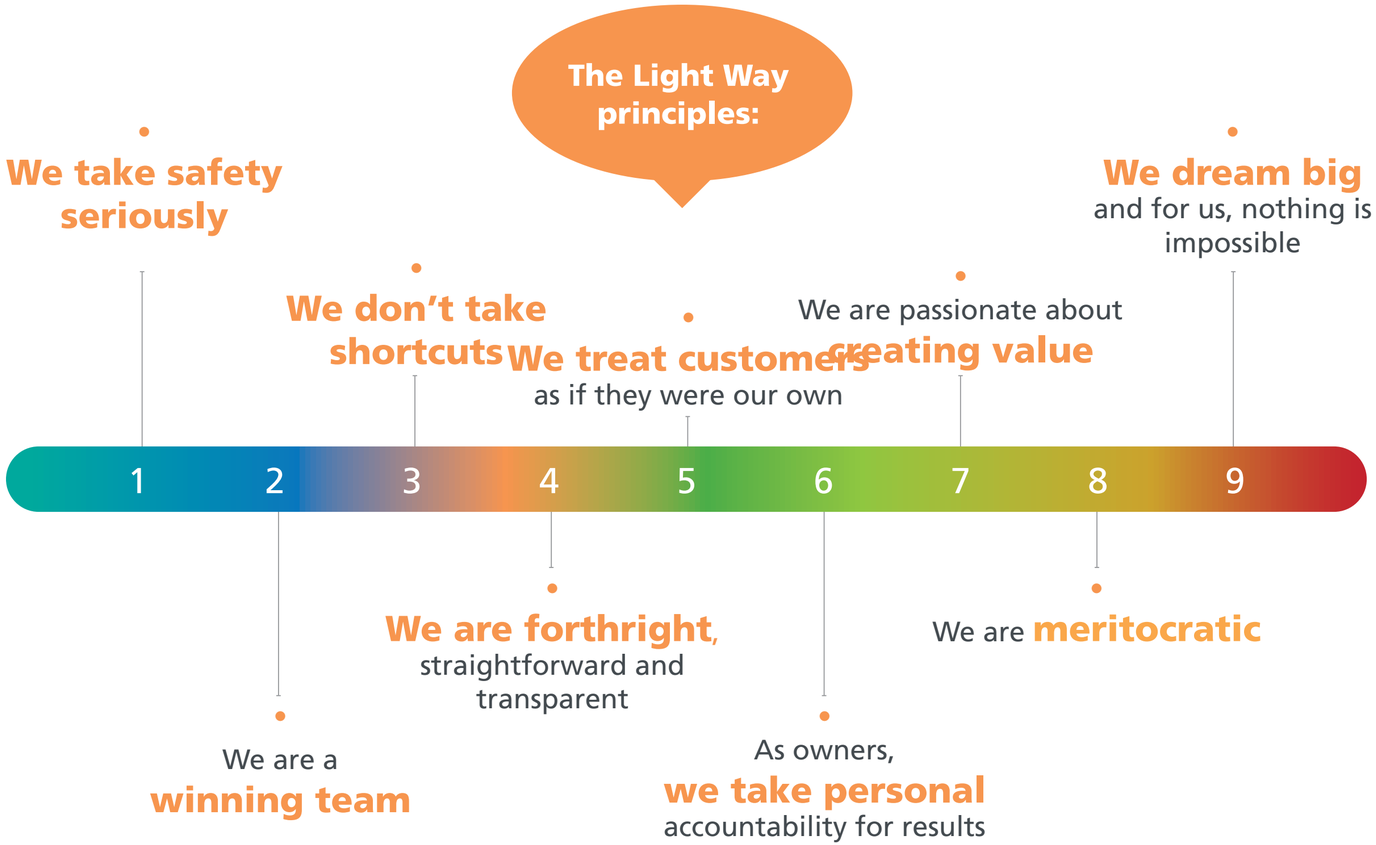
Light recently developed a new organizational ethos based on the strategic levers of our cultural transformation and our strategic management guidelines, in a joint effort of the Executive Board and the Human Resource Department. They decided that in designing our new purpose and organizational principles, our aim should be to make Light the number one electric utility company in Brazil. Our new ethos is also based on the pillars of Safety, Ethics and Results, the LIGHT WAY principles, and inputs drawn from design thinking sessions with employees.

The outcome from this exercise was a new organizational purpose aligned with Light's vision: "Powering the transformation of society". This will strengthen our market position as an innovative company that is essential for well-being and development in our service area.

In a second phase, the organizational principles were drilled down into the following topics:

- Safety
- Workforce synergy
- Ethics and transparency
- Simplicity
- Diversity
- Customer focus
- Sense of ownership
- Results orientation and meritocracy
- An aspiration to be the no. 1 electric utility company

[GRI 102-16]



After articulating our purpose and organizational principles, we launched a massive campaign to mobilize, raise awareness and engage employees around this new organizational culture, in order to drive a true cultural transformation Company-wide.

TRAINING [EU 14]

In 2020 we provided a total of 275,108 hours of training to our employees, or an average of 51 hours per employee. In the year, we also in-sourced statutory and operational training on disconnections, re-connections and power recovery for contractor employees. Contractor training on these two topics is now administered at our own training centers by internal instructors. This will improve the quality of field services provided by the entire Light team.

Due to the COVID-19 Pandemic, and to protect the safety of our employees, many of our training programs were migrated online. In-person training and hands-on training were reformulated to incorporate safety and prevention measures. The three core training areas are:

- **Statutory:** mandatory training on regulatory standards (NRs);
- **Operational:** technical training on specific field tasks;
- **Skill-specific:** training to develop specific skills.

As part of our initiatives to align the workforce with our culture and targets, we administered training to contractor teams—a total of 46,832 hours of training across a total of 14,272 training attendances—including online training on our Knowledge Portal and in-person training on safety standards and commercial procedures. Contractor employees also participated in initiatives to raise awareness and engage them around our new culture.

AN ETHICAL CULTURE

Ethics is a core attribute of Light's organizational values and principles, and underpins the LIGHT WAY. In 2020, we again incorporated ethics into two of our new organizational principles: "We don't take shortcuts" and "We are forthright, straightforward and transparent."

Throughout 2020, we disseminated these new guiding principles to our workforce through communications, training, committees and on other occasions. We also presented an outline of our Code of Ethics & Business Conduct to newly hired employees—a total of 1,163 people, including employees, young apprentices and interns.

Light has several programs in place to further strengthen our culture of ethics within the company, including the following related online courses:

- 4 Minutes on Ethics
- Ethics Quick Guide
- Brazilian General Data Protection Regulation (BR GDPR)
- Brazilian Anti-Bribery Act
- Our Ethics

A total of 377 employees attended these courses throughout the year, in a total of 360 hours of training.

Also as part of our ethics-related efforts in the year, we:

- Provided digital versions of our Code of Ethics & Business Conduct and Anti-Bribery Policy
- Encouraged employees to use our Corporate Hotline to report concerns
- Published email newsletters and intranet content about business conduct, social media practices, and dealings with business partners

Learn more in Ethical Conduct.

DIVERSITY

In 2020 we launched a roadmap with several cultural transformation projects, including a Diversity & Inclusion Program to be implemented in 2021. The program is designed to foster a workplace that is free of bias or discrimination in any form. Implementation of the complete journey—which includes repositioning our internal processes and training employees on working in a new workplace context that fosters inclusion and diversity in our daily activities—will be highly impactful.

Light is currently advancing diversity and inclusion as part of the organizational principle: "We are forthright, straightforward and transparent." This will position us as a company that actively promotes diversity in its internal activities.

Another related initiative is our Performance Management program, which includes guidance on behaviors such as accepting differences, having empathy for one another, practicing active listening, and cultivating diversity and inclusion.

PERFORMANCE MANAGEMENT [GRI 404-3]

The new performance management and performance assessment model that we developed in 2020 was not implemented within the year due to a structural reorganization and newly issued strategic guidance. Under the new model, employees are assessed on their commitment and adherence to Light's culture, and the extent to which their performance supported business results in the year.

One of our strategies to make the process more straightforward and consistently effective was to implement a user-friendly, responsive web- and app-based solution which we selected for its high levels of engagement.

The new performance management model also reflects our strategic management guidelines to ensure employees are aligned with our culture and organizational goals. Expected behaviors within the model were defined jointly with high-performing employees.

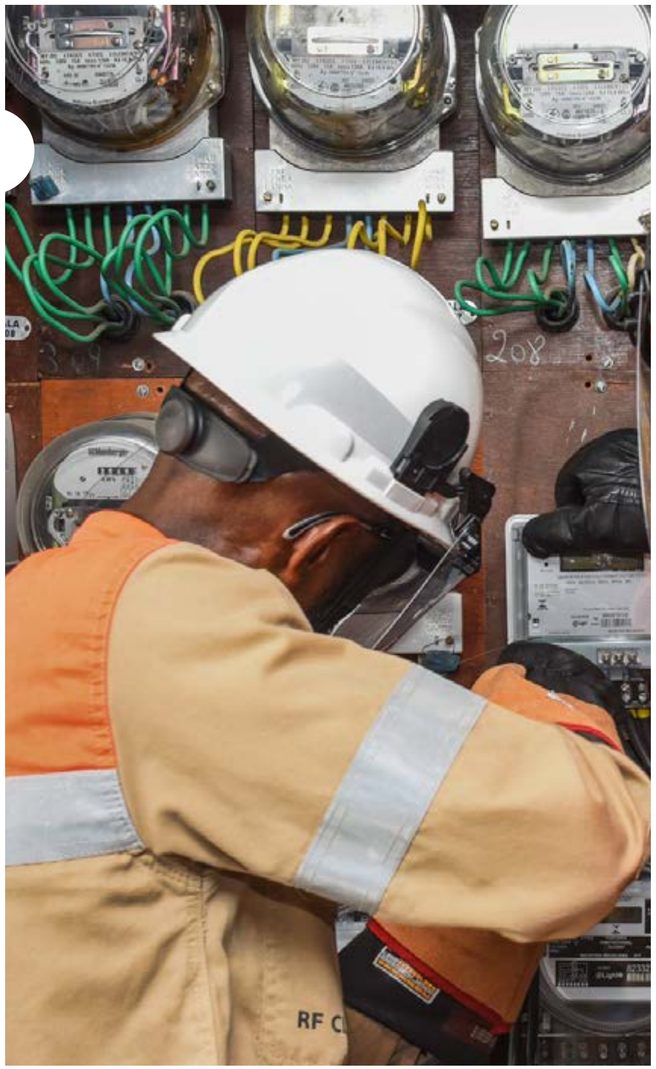
DEVELOPMENT AND CAREER BUILDING [GRI 404-2]

Despite the pandemic, we proceeded with the implementation of our Leadership Acceleration Journey, a career development and leader acceleration program that develops the leadership behaviors and mindsets that are essential in creating a result-oriented culture.

The program included 184 hours of coaching sessions for directors and senior managers, external mentoring sessions with renowned experts for managers and coordinators, online sessions with career and leadership development consultants, and several other events for alignment with our new organizational mindset.

Employees not in leadership positions attended more than 275,000 hours of training. Also in 2020, we implemented an intern development program with a learning pathway focused on young talents.

The performance management process also includes career and succession assessments and planning.



KNOWLEDGE MANAGEMENT [GRI EU14]

In knowledge management, we kept our employees up-to-date on technical developments in the power sector, including in areas such as safety, operational excellence and other critical areas that are relevant to the broader organization. Our internal technical instructors developed and updated procedures, instructions and handouts.

In addition to online and in-person training, we promoted knowledge retention:

- by in-sourcing training for contractors, to ensure technical knowledge is standardized across direct and outsourced employees
- through the Light Facilitator Program, a group of technical professionals that support us in developing operational training strategies that allow the Light Academy to choose the method best suited for training field crews

ORGANIZATIONAL CLIMATE

In 2019, Light received an 85% engagement rating in a pulse survey by Great Place To Work (GPTW). In 2020, another GPTW survey showed a 90% satisfaction rating with our COVID-19 response.
To continue to maintain high levels of satisfaction and engagement, our Development & Culture function conducted two internal surveys, in August and October 2020, to gage employees' views on our Employee Value Proposition (EVP).

In addition to the organizational climate, this survey elicited employees' perceptions about aspects such as safety, a sense of belonging, diversity and inclusion, and the level of meritocracy. The two surveys recorded an average satisfaction rating of 93%.

The survey results helped us to structure a roadmap with several projects, as described above, and informed improvements across people, rewards, jobs, opportunities and organization. This will improve the perceptions employees have of our company's value and our performance.

[GRI 403-3, GRI EU21]

OCCUPATIONAL SAFETY [GRI 403-1, GRI 403-7]]

In addition to investing resources in improving processes and procedures, Light has continued to invest in training and raising awareness among the entire workforce, with a goal of transforming our safety culture, reducing incidents and improving quality of life for employees.

Light's Vida Program, which since 2012 has helped to foster a safety culture and safety mindsets, is an ongoing journey as part of a major action plan. In 2020, amid the novel coronavirus pandemic, we intensified our efforts to keep our operations and people safe.

This included the following awareness, training and process improvement initiatives:

- **Incentive and cultural transformation campaign:** we joined 29 field crews (including employees and contractors) in celebrating their achievement of 365 days with no lost-time injuries, recognizing the way they demonstrated safe behaviors and preserved their most precious possession: their life;
- **Individual recognition campaign:** we provided recognition to 205 employees, with 190 receiving certificates and a bronze sticker for completing 10 safety inspections with no conformities, and 15 receiving silver stickers for completing 20 inspections with no nonconformities;
- **Vida Safety Meetings (DAV):** fortnightly, live-streamed safety meetings about accident prevention measures at the workplace, whether at the Company or at home, and the impacts from the pandemic and COVID-19 safety
- **Reformulated Toolbox Talks:** we reformulated our current approach to toolbox talks to increase employee access and encourage participation by field technicians as facilitators
- **Visual communication at our facilities:** images and messages to raise employee awareness about occupational and COVID-19 safety
- **Enhanced monitoring of critical tasks:** for tasks involving a higher level of risk, employees take photos of their safety arrangements and send them to a colleague with relevant expertise, who assesses and either validates the current arrangements or recommends adjustments before giving a go-ahead to complete the task
- **Safe Execution Planning (PES):** for maintenance and construction crews; as part of Preliminary Risk Assessments, employees identify critical points and mark them on a panel at the workplace as a safety warning

Also within the VIDA Program and as part of our efforts to maintain high levels of safety in our operations, the following specific processes are in place:

1. Risk assessment [GRI 403-2]

Light has professionals with the technical expertise and autonomy to make sound technical decisions that are appropriate in the circumstances, especially in relation to risks and hazards in our operations.

Our risk assessment methodology is formalized in internal procedures and is used to identify and assess risks and then establish required engineering or administrative controls or personal protective equipment (PPE), in accordance with the Hierarchy of Controls. We have specific preliminary risk assessment forms suited for different departments and their inherent complexity. Risk assessment results provide important inputs for continuous improvement of Occupational Health & Safety management processes, including user-proposed adjustments to address conditions observed in their day-to-day activities or failure to observe safety procedures; instances of employees exercising their right of refusal due to a serious and imminent risk at the workplace; and inputs for the training department to inform changes to standards and the need to adapt a given standard procedure.

2. Workforce training [GRI 403-5]

All employees receive training on risks inherent to their tasks, as well as training on the skills needed to perform their tasks with high levels of quality and productivity.

We administer training on a given risk before employees are exposed to that risk. Common training topics include:

- Work at heights greater than 2 m – techniques for working and conducting rescues at heights
- Confined space work – techniques for working and conducting rescues in confined spaces
- Work on electrical installations – electrical safety
- Emergency response – training for emergency responder teams, CIPA members, etc.

3. Workforce engagement

Employees' right of refusal is widely disseminated as part of Light's commitment to protecting life. The right to refuse to perform unsafe work where there is a serious and imminent risk to the integrity of our employees is a safeguard to prevent exposure to hazards without effective controls, especially situations posing a risk of serious harm to our field crews.

At Light, all incidents, whether involving injuries or only property damage (near misses) are investigated and assessed by a committee composed of the person in charge of the site or the location where the employee is based, members of the Occupational Safety team, the parties involved, their direct supervisors, and members of the Internal Accident Prevention Committee (CIPA), where applicable.

4. Health and safety management audits

Health and safety management audits on contractors are an ongoing process. A component of Contractor Performance Assessments, these audits cover 18 proactive and reactive management control points, including safety inspections and the timeliness and quality of accident assessment reports.

Individual monthly assessments are conducted on the 10th of the following month, and each contractor receives feedback on its performance. The audit results have a weight of 40% in suppliers' performance assessments.

In addition to the control points described above, we also closely monitor in-field safety practices through scheduled inspections conducted by occupational safety teams and inspection agents from the departments responsible for each contractor.

We also conduct Safety Blitzes (OPV), or surprise inspections conducted on a selected company on a random day, in which Light's occupational safety team samples 100% of the supplier's processes.

Non-conformities were identified at all companies that underwent performance assessments and monitoring in 2020, but each supplier developed action plans outlining both preventative and corrective measures to prevent recurrence of the identified nonconformities.

RESULTS IN 2020

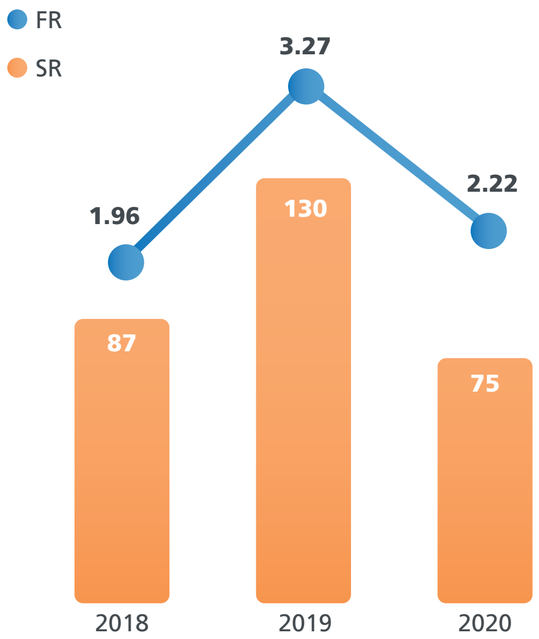
Occupational safety inspection results are tracked using a proactive indicator called the Light Safety Index (ISL). In 2020 the ISL index was consistent with our accident rate, ending the year with 98.5% conformity among analyzed samples. The samples were collected during the course of more than 2,700 field inspections. The ISL index is within the range considered safe. All other indicators are reactive, or indicators measuring accident rates.

In December 2020 we ended the first in three years without any fatal injuries involving our workforce, including both field crews and office employees. This reflects the preventive procedures we have in place, the engagement of all employees around the transformation of our safety culture, and changes in employee mindsets toward the challenges facing the power sector.

Injury frequency and severity rates in 2020 declined significantly by more than 32% compared to the two previous years, at 2.2 and 75, respectively, and largely involved non-serious injuries, indicating a reduced exposure to risk, especially serious risks.

Light's absenteeism rate ended 2020 at 2.55. Analysis of sick-leave data has allowed us to develop and implement control measures based on accurate, real-world data. Absenteeism rates and health indicators in 2020 informed the following measures:

Occupational Injury Frequency Rate



- Implementation of a "Muscle and Bone Health" (MOV) program, comprising a set of activities to address musculoskeletal conditions, our most frequent health complaint, accounting for a significant number of sick leaves in the year
- A Company-wide Mental Health Program through which we look after the mental health of our employees, and provide assistance where necessary.
- In-person or desktop assessments of significant sick leave cases

Improved health and safety performance was also reflected in a 1,020-day reduction in days lost, representing R$ 590,000 in avoided costs in the year.

ACCIDENTS INVOLVING THE PUBLIC

Measures to prevent accidents involving the public are a part of Light's operation routines. Our concern for public safety is evident in the initiatives we implemented in the year. A total of 12 incidents occurred in 2020, 6 fewer than in 2019—a decrease of 33%.

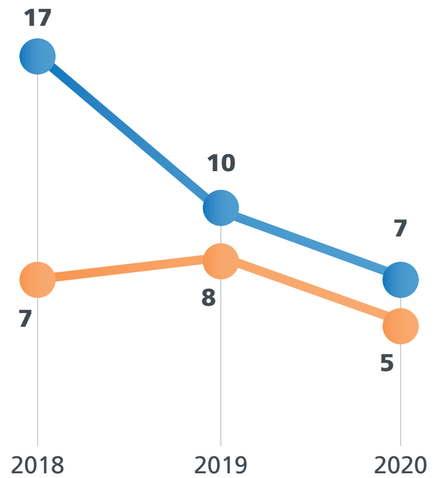
To further reduce incident rates, throughout the year we inspected and monitored our field operations to identify potential unsafe conditions created by our processes and facilities. When identified, these conditions were

communicated to the department involved to ensure appropriate mitigation action was taken and the communities involved were immediately informed about the risks.

Awareness-raising campaigns were also carried out throughout Light's service area, including at community associations and schools, to inform residents about electrical hazards and the importance of personal safety measures.

Accidents involving the public

- Total number of nonfatal injuries involving consumers
- Total number of fatal injuries involving consumers



HEALTH AND SAFETY COMMITTEES [GRI 403-4]

Employees participate in Light's health and safety management activities in a number of ways, including as members of the: **[GRI EU19]**

- Internal Accident Prevention Committee (CIPA), which in the 2019/2020 cycle had 210 employee representatives
- Permanent Accident Prevention Committee (CPPA), with representatives from unions, the Occupational Safety Department and members of the leadership team
- Executive Board Safety Committee, with representatives from the Executive Board and Occupational Safety Department

Information about occupational health and safety is disseminated through different communications channels, but especially in CIPA and Committee meetings, safety meetings with immediate supervisors, toolbox talks, safety notices, training and managerial reports.

Meetings are held on a monthly basis to monitor occupational health and safety management activities, during which preventive and corrective actions are proposed, safety campaigns are recommended, and any incidents are assessed. Decisions are taken with the effective participation, and by a consensus, of committee members. Where there is dissent, the chairperson of the relevant committee has a casting vote.

HEALTH & QUALITY OF LIFE [GRI 403-6]

We take the health and quality of life for our employees seriously. Our occupational health checkups extend beyond minimum legal requirements to include risks related to mental health, high blood pressure, diabetes, and other health issues.

Health indicators compiled from sick-leave data and health insurance claim statistics provide inputs for epidemiological assessments that allow us to identify risk factors and work to mitigate or eliminate them.

Light's preventive health and quality-of-life teams, and health insurance focal points, support and assist employees in getting access to required healthcare services. Our practices and their outcomes are reviewed to inform continuous improvements to the processes involved in health services.

Light's health programs extend beyond minimum legal requirements and workplace-related health needs. The programs benefiting our employees throughout 2020 included the following:

- Nutritional Reeducation Program
- Antismoking Program
- Prevention of alcohol and other drug abuse
- Yellow September – Suicide Prevention
- Pink October and Blue November – Prevention and Early Diagnosis of Breast and Prostate Cancer
- Orange December – Skin Cancer Prevention
- Lectures with experts to provide information and answer questions about mental health
- Workplace exercise
- Counseling when requested by employees

A health clinic is available for employees requiring health-related care, including for conditions not necessarily related to their job activities.

We use our internal communications channels—including email newsletters, Light OnLine, the OnLight Platform and internal TV monitors—to disseminate our health and wellness initiatives. Our leadership team is also involved in disseminating available services.

A counseling service is available to employees at operation locations and at our headquarters. During the pandemic, counseling sessions were offered online. Employees are also informed during counseling sessions about available non-work-related health services.

Many of our health programs were migrated to an online format so employees could continue to participate during the pandemic, and to avoid disruptions in our health-support services. In partnership with the health insurance company, employees and their dependents were also included in Light's health programs, depending on their needs.

ILUMINAR PROGRAM

This program supports the inclusion of young people with intellectual disabilities in the job market. In early 2020, we concluded agreements with partner schools and selected youth to fill vacancies left by participants who completed their internships in 2019. However, due to the pandemic and shelter-in-place orders, activities within the *Iluminar* program have been suspended until they can be resumed safely. Hands-on learning is essential for these interns to develop hard and soft skills.

QUALITY OF LIFE

Light has employee wellness programs that help to improve the physical and mental health of our employees, keep them motivated for their tasks, and maintain a healthy work-life balance. In 2020, these programs included: Mental Health, Workplace Exercise, Corporate Gyms, Counseling and Children's Month[10].

10 Details on these programs are provided in the Appendix to this report.

COMMITMENTS AND TARGETS FOR 2021

Health

- Continue to monitor COVID-19 cases with the same dedicated, humane and credible approach as we took in 2020
- Conduct our annual campaign with new health indicators, and use the results to inform efforts to reduce absenteeism through initiatives and programs aimed at improving employee health

Safety

- Enhance occupational safety management initiatives, providing related advice to our different business functions
- Implement and monitor action plans to ensure they are effectively implemented
- Implement processes for certification to ISO 45001;
- Ensure compliance with regulatory requirements

Quality of Life

- Restart the *Iluminar* program and invest in training and behavior skills with support from the Organizational Development function
- Strengthen our Mental Health program, enhancing our ability to identify early signs and symptoms of mental illness and take appropriate action
- Expand the number of lectures and meetings involving our leadership team and with support from the Organizational Development function
- Expand nutritional education initiatives Company-wide, especially for operations employees
- Increase the frequency of counseling sessions at operations locations

At December 31, 2020, Light had 118 active contractors and 6,446 contractor personnel employed in the provision of services to either Light or our subsidiaries, including both core and supporting activities such as disconnections and connections, security and janitorial services.

As part of our Contractor management practices, we conduct detailed audits on compliance with labor regulations and tax and social security requirements. In addition to these practices, our supplier database is purged on a quarterly basis to address inconsistencies such as active contractors for completed work, duplicate records, inconsistencies in employee lists, and other issues.

In 2020 we intensified labor audit follow-up activities, including status meetings, enforcement of deadlines for paying payroll charges, and development of action plans that suppliers are required to timely implement, failing which they are subject to a fine or withholding of payments. Light has actively addressed noncompliance with legal requirements, and this has generated important results, including increased supplier engagement in resolving legal liabilities.

Independent audits are currently conducted on a sampling basis, on 20 suppliers every quarter. We prioritize suppliers with the largest number of employees, low assessment scores and higher criticality ratings, i.e. which pose a higher legal risk.

After completing an audit, the relevant supplier receives feedback on audit results. Companies with scores lower than 7 are invited to a meeting to align on the findings, discuss explanations and agree on deadlines and action plans to address audit findings. When the audit score is particularly low, the relevant supplier is included in the next cycle for a second audit.

However, action plans and joint efforts have enabled Light to successfully address issues involving contractors. These efforts have been intensive and continually improved to enhance contractors' ownership of, engagement around, and our support for solutions.

Internal audits

In 2021 we will begin to conduct internal audits carried out by the managers responsible for outsourcing contracts. These audits will enhance our efforts to effectively manage contractor activities, supporting increased visibility and accuracy of reported contractor data, and ultimately cost reductions. Combined, the internal and external audits will ensure increased control and reliability, better-supported expenses, and reduced labor liabilities.
Also importantly, the principles of the Light Code of Ethics & Business Conduct are incorporated in the provisions of supplier contracts, along with a requirement for suppliers to disseminate the Code to their employees. Supplier activities can only begin when their employees are fully informed about the Code, which is also regularly disseminated as part of internal routines and by the Human Resources Department.

Commitments and targets for 2021

- Intensify independent audits and initiate internal audits
- Expand the scope of independent and control audits
- Optimize our contractor management system
- Continue to purge the supplier database on a quarterly basis
- Develop suppliers to improve their assessment scores to a minimum acceptable score of 8
- Reduce labor liabilities in the medium and long term
- Develop and engage our contract managers, and emphasize the importance of stringent discipline and control of outsourced services to improve personnel management, increase safety, reduce costs, and deliver more effective results.

[GRI 102-9]

Light's suppliers are categorized in our vendor database by type of contract—either materials and equipment or services. They are also categorized by criticality—or their strategic and economic importance to Light's operations—as well as in terms of the availability and ease of obtaining the relevant item in the market.

Critical material and equipment suppliers are those supplying products required for our core business activities, including electrical conductors, transformers, metering equipment and switches.

Critical service suppliers are defined as those providing services such as expansion, maintenance, emergency response, connections, power recovery and meter readings.

Critical corporate services include IT services and equipment, facilities maintenance, fleets, health insurance, communication services and legal services.

In 2020 Light had a total of 118[11] services suppliers, including 94 providing services to Light SESA and 27 providing services to Light Energia. Outsourced services include operational activities (disconnections, reconnections, maintenance, construction, etc.), customer service, facilities management, security, and IT services. The average cost of outsourced services is R$ 53.7 million.

SUPPLIER SELECTION

Before suppliers are onboarded, they are required to accept the terms of our Code of Ethics and Social Responsibility Agreement, which prohibits any form of discrimination, slave or forced labor, child labor, occupational health and safety risks, or harm to the environment. This ensures that our suppliers are compliant with requirements on human rights, labor practices and reducing impacts on society, including environmental impacts. **[GRI 408-1, GRI 409-1, GRI 414-1]**

These requirements are enforced through procedures such as:

- Supplier proposal reviews and technical validation by the requesting department during the procurement process
- Material receipt or job inspections on a sampling basis, in which suppliers are notified of any nonconformities with specified requirements
- Monthly assessments by independent firms of compliance with labor and tax obligations
- Social and environmental questionnaires

Contracts with service companies include, among other provisions, requirements on minimum hours of training depending on the task. Supplier employees are only allowed on Light's premises if they demonstrate that they have the minimum required technical training.

Contract managers conduct performance assessments on suppliers based on criteria such as compliance in performing contract services, results, schedule performance, and occupational safety management. **[GRI 414-2]**

11 Three suppliers provide services to both Light SESA and Light Energia.

CHALLENGES IN 2020

Due to the COVID-19 pandemic, all contracting was done online. This was made possible by our fully virtual procurement platform and the use of digital signatures, which was further expanded to work around social distancing restrictions.

Maintaining timely deliveries of materials was a challenge due to sanitary barriers that hampered road transportation. In addition, certain items came into short supply and this, combined with the weakening of the Brazilian real, put upward pressure on the prices of certain materials, especially cables and meters. This required us to increase the number of requests for quotes to find alternative sources of materials at fair prices.

We continued to organize supplier meetings in the year, but in a digital format, to maintain strategic alignment.

SUPPLIER MANAGEMENT AND ENGAGEMENT

In 2020 we revised our Supplier Assessment criteria to increase the alignment of supplier indicators with Light's operational strategy. These indicators will again be revised to ensure our suppliers are the aligned Light's strategic goals.

Based on the results from quarterly assessments, meetings were held with suppliers with low performance scores (< or = 6.9). The outcomes from these meetings were fed into a database specifying action items and their deadlines, ensuring that those actions are timely and effectively implemented.

In 2020 we launched the Light Top Suppliers Awards, to recognize excellence in services and support the development of our suppliers.

In our most recent Supplier Meeting, held in an online format in December 2020, the Health & Safety department delivered a presentation showing Light's and our suppliers' improvement on safety indicators, and the results from initiatives to reduce occupational injuries and protect employee integrity. During the meeting, the Investor Relations department presented our sustainability agenda, including our commitment to good ESG (environmental, social and governance) practices.

"We engage our suppliers around our ESG agenda, and ensure they understand these commitments and conduct their activities in line with best sustainability practices."

According to data from ANEEL's *Decision Support System Report*, Light SESA is the fifth largest power distribution utility in Brazil by consumption, serving approximately 4.3 million active customers in a service area covering 31 municipalities in the state of Rio de Janeiro.

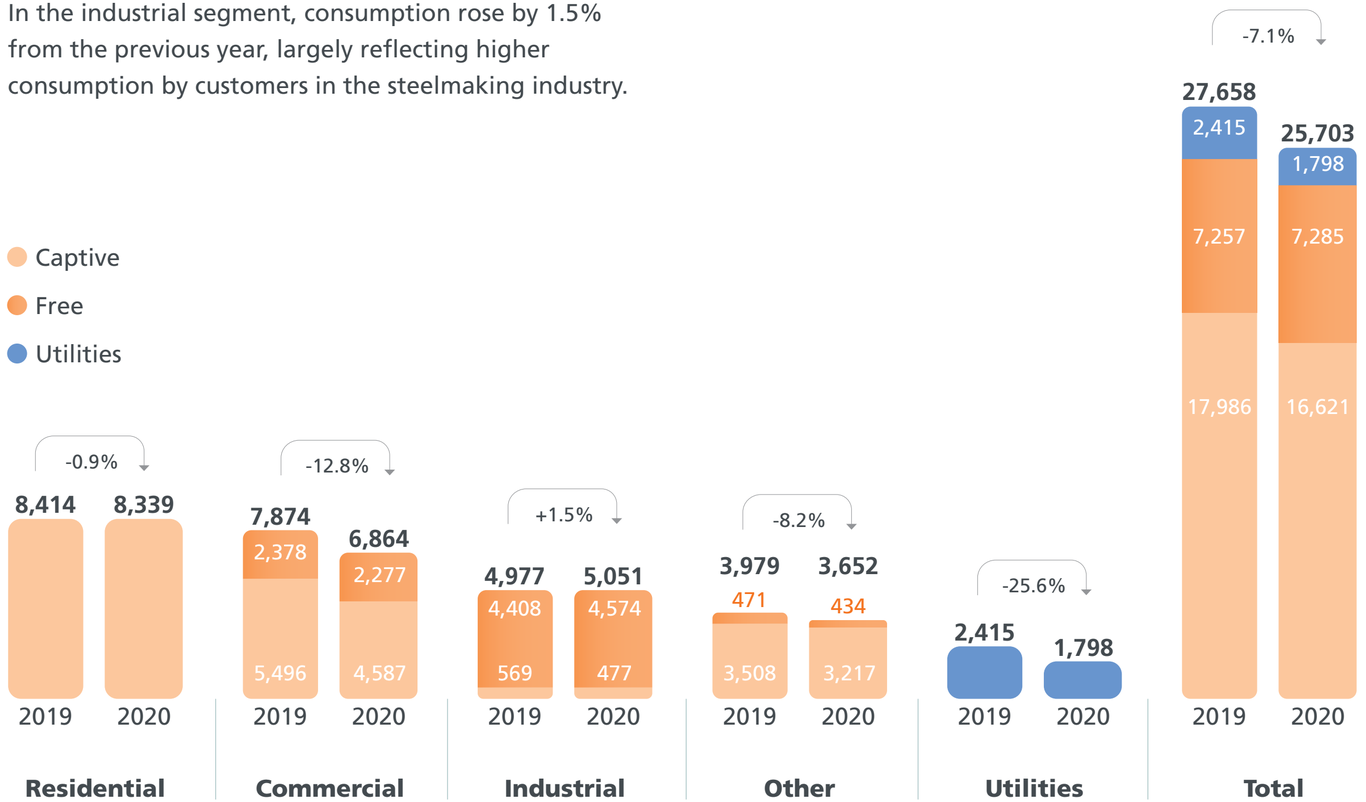
The company supplies electricity to the Captive Market[12] and provides access to our distribution grid to the Free Market[13].

Total electricity consumption in Light SESA's service area in 2020—including captive customers and transmission for free customers—was 25,703 GWh, 7.1% less than in 2019. Consumption was negatively impacted by the COVID-19 pandemic and government measures in response.[14] **[GRI 102-6]**

In the residential segment, consumption fell by 0.9% compared with 2019, ending the year at 8,339 GWh billed.

Consumption in the commercial segment was down by 12.8%, or 1,010 GWh, from 2019, largely due to the effects from the pandemic, with many businesses either shutting down or reducing their business hours throughout 2020.

In the industrial segment, consumption rose by 1.5% from the previous year, largely reflecting higher consumption by customers in the steelmaking industry.



12 Consumers that are unable to freely purchase electricity other than from the local distribution utility to which they are directly connected.

13 Consumers that can freely choose their sources of electricity. In this environment, consumers and suppliers agree on the terms of their power purchase agreements, including pricing, guarantees, payment terms, delivery time frames, and other duties.

14 For further details, visit our Investor Relations website.

RETAIL CUSTOMERS

In 2020 our customer service capabilities were affected by the COVID-19 pandemic, and especially by the closure of our service offices and the requirement for two-meter social distancing at our call centers. To minimize impacts, Light shifted all customer service employees to working from home in record time. As a way to offset the unavailability of in-person customer service, we expanded virtual service office features and customer service by email.

During the first shelter-in-place period, customers previously served by our brick-and-mortar service offices could contact a human agent via WhatsApp for account transfers, new connections, and other services. When our service offices reopened, human customer service via WhatsApp was discontinued, but service automation was maintained.

The percentage of customer interactions via virtual and automated channels increased from 66.2% in 2019 to 70.8% in 2020. The bulk of service requests—72.9%—were processed via our virtual service office.

Improvements in customer service

Light's digital transformation has been driven by digitization trends in recent years, but was further accelerated by the COVID-19 pandemic in 2020. Our biggest challenge was providing customer service across all digital channels so our customers could safely shelter in place.

In addition to expanding digital services, we created new technological tools and a dedicated function at Light to develop innovative strategies focused on the customer experience and satisfaction. Some of the key initiatives implemented and/or planned in 2020 are described below:

- **Customer service chatbot[15]:**

  In January 2021, we will expand our chatbot capabilities to include requests for invoice information, invoice reprints to support applications for installment payments, re-connections, and other services. Our goal is to simplify processes, expand our digital platforms and make Light a company that is increasingly accessible and responsive to customers.

- **In-office digital service:** This project continued in the year despite the pandemic. We purchased the required tablet computers and are currently developing a software system to digitize documents and signatures. One of our goals is to reduce legal claims by making customer service workflows more reliable and traceable.

- ***Light Digital:*** We modernized our virtual service office, mobile app and self-service kiosks. The new virtual service office is now more user-friendly and in 2020 launched an additional 18 automated services.

- **Detailed invoices:** Our invoice layout was reformulated to make the data more intuitive so customers can interpret their invoice information on their own. The goal was to minimize customer complaints relating to consumption or invoice amounts. In 2020 we launched the new invoice model for customer service teams, and in January 2021 a new invoice model will be available for customers.

- **Letters project:** A new solution has been developed to allow all email messages to be sent via the SAP ERP system, with read and delivery receipts and priority settings. This has improved operational efficiency by unifying document and information management, as well as reducing regulatory risks and costs. The project completed the email sending solution in 2020, which is now used for digital invoice and marketing emails, and in 2021 we will begin using it to send commercial and regulatory email messages.

15 A chatbot is a computer program that simulates human conversation. It is designed to answer questions in a way that gives people the impression they are in a conversation with a person rather than a computer program.

- ***Cliente Light Tem Mais*:** An on-time payment incentive program that offers customers points that they can use to purchase products and services from partners. The program improves customer satisfaction and on-time payment rates, while also creating a positive perception of the Light brand. In 2021 we plan to extend the program to digital invoice and direct-debit customers.
- **QRT Program:** The duration of some customer service calls has been extended to give the agent time to discuss customers' complaints about consumption. This helps to prevent agents from recording inaccurate information or leaving customer questions unanswered.
- ***Aproximação* Program:** In this program, technicians are available at Light's service offices to answer questions about Fraud Inspection Reports (TOI) and Appeal Letters, helping to reduce litigation.
- **Mystery Customer:** A survey to assess customer service across all of our digital channels.
- **On-site billing improvements:** This initiative will decentralize meter reading and invoice delivery activities. In addition to deploying new technologies, the project is also implementing initiatives that, while relatively simple, will make a big difference in our quality of service and customer satisfaction. In one of these initiatives, managers are becoming more actively involved in customer service channels and are contacting customers directly to help address their needs.
- **Intranet portal:** Our intranet portal got a facelift with a more dynamic and easy-to use layout so that agents across our customer service channels can quickly find the information and commercial and regulatory procedures they need. The monthly volume of portal visits amounts to roughly one million. The portal is also used for induction and refresher training for agents, to ensure they have an accurate understanding of our end-to-end customer service processes and procedures.
- **Reformulated meter reading/invoice error messages:** These messages inform customers about the reasons they have been invoiced based on average consumption. We also send SMS messages about scheduled power outages, safety and energy-saving tips, the importance of customers closing their accounts when moving to prevent further charges, using Light's recycling program (*Light Recicla*) to get discounts on invoices, and information about how to register as a user of vital equipment.
- **In-person customer interaction:** Our in-person customer interactions as part of Light's "Customer Dialogue", "Backstage Coffee", "100% Strong Coffee" and "Homemakers" programs were adapted to implement COVID-19 safety protocols.

LARGE CUSTOMERS

In the Large Customer (Corporate and Government) segment, we continued to provide customer service through a range of different channels—including email, our virtual service office and a specialized call center—with customer service requests handled by dedicated account executives for each customer segment.

Despite the shelter-in-place orders in the year, we maintained our program of meetings and events in an online format, addressing topics related to energy efficiency, the free market, and power quality. We also allocated a dedicated team at our Large Customer store to provide in-person service.

In addition, we intensified customer communications through newsletters, especially to provide information about new service channels available during the pandemic, such as our virtual service office and emailed invoices, as well as technical and commercial information such as power quality indicators and contract terms and conditions.

CUSTOMER SATISFACTION [GRI 102-43, GRI 102-44]

Our customer satisfaction surveys were also affected by the COVID-19 pandemic, which both delayed and required the ABRADEE Retail Survey to be conducted by telephone in 2020. [16]

ABRADEE Survey
Perceived quality satisfaction rate

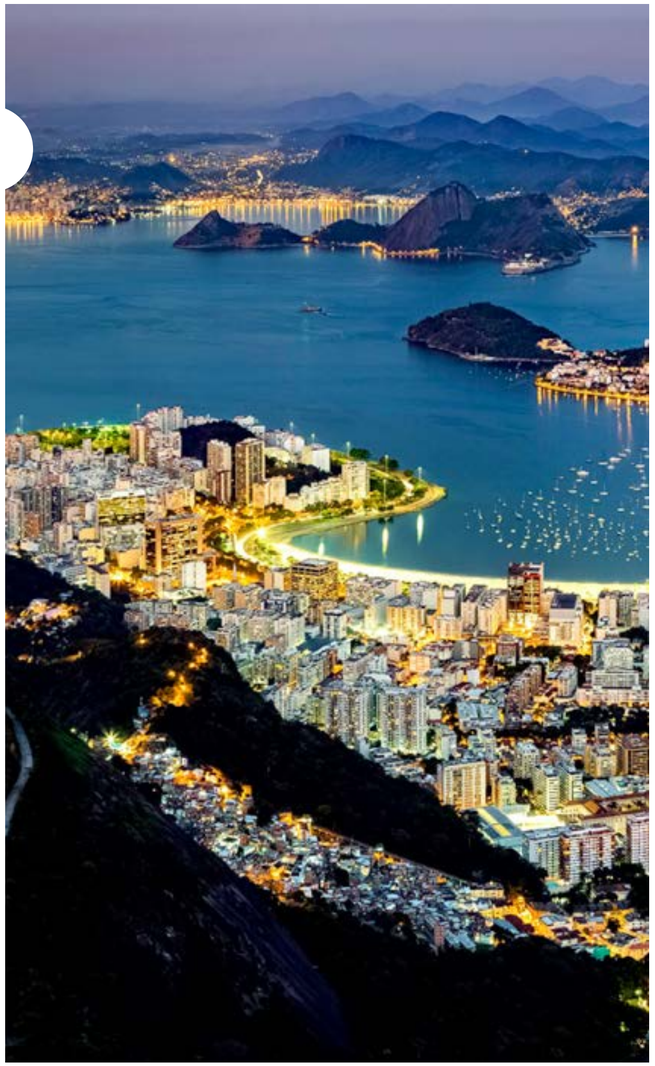
Index	2018	2019	2020
Retail ISQP	67.5	58.6	67.3
Large Customer ISQP	71.3	70.3	68.5

Tier 1 complaints—those filed with customer service channels—decreased by 42% from 2019 to a total of 156,049 complaints in 2020. Substantiated complaints amounted to 67,500 in 2020, 45% below the number in 2019.

Our key regulatory complaint indicators at year-end 2020 were as follows:

- **Equivalent Complaint Frequency (ECF)** – 17.22, down 40% from 2019.
- **Equivalent Complaint Duration (ECD)** – 161.27, a reduction of 3% from the previous year.

In 2020 our *Reclame Aqui* (a third-party complaint aggregator portal) score improved significantly as a result of efforts to resolve 100% of complaints filed on the portal. This improved our rating from “Regular”, or a score of 6.5, to "Good”, with a score of 7.6—a 1.1 percentage-point improvement.



16 The ANEEL (IASC) survey is still ongoing and is due to be completed in February 2021.

[GRI 203-1, GRI EU6, GRI EU23]

Light SESA supplies electricity to approximately 4 million customers in 31 municipalities in the state of Rio de Janeiro. The company operates 3,145 km of transmission lines and a distribution system with a total of 83,329 km of powerlines—including 75,700 km of overhead and 7,629 km of underground distribution lines—plus 93,662 distribution transformers and 221 substations, with a total installed capacity of 10,566 MVA.

LOW VOLTAGE

Our biggest challenge in 2020 was the 3rd Action Plan Cycle from October 2019 to September 2020, a program that aims to improve power quality indicators as measured by outage duration and outage frequency (EOD and EOF, respectively).

The rise in COVID-19 cases in Rio de Janeiro posed an added challenge as fieldwork had to be reduced to meet social distancing requirements and protect the safety of our crews.

To achieve set targets, Light has invested extensively in maintenance, installation of protection equipment, power system improvements, and new technologies. This has included:

- Maintenance work with a focus on the biggest offenders
- Installation of protection equipment to reduce the number of customers affected by outages
- Expansion of telecontrol systems, allowing us to restore power to large blocks of customers remotely without having to dispatch crews
- In-sourcing tree trimming and live line crews, increasing productivity and providing OPEX savings
- Using multidisciplinary teams, especially on eventful days, to improve productivity
- Expanding self-healing systems to automatically restore power to circuit segments in seconds
- Using thermal imaging drones to identify hotspots in remote, difficult-to-access areas, helping maintenance crews to plan preventive maintenance
- System shielding to reduce fraud and increase billed power rates

In 2020, we completed more than 3,800 overhead distribution system inspections, 150,000 tree trimming operations, and 2,155 transformer change-outs. We also installed 955 protection devices, including reclosers, sectionalizers and reclosing fuses. Improvements were also made on 40 km of distribution lines to make them more robust.

Quality Indicators [GRI EU28, GRI EU29]

Power quality indicators improved significantly in the year. EODi (outage duration per customer, per year), for example, fell from 7.77 hours at December 31, 2019 to 7.04 hours at December 31, 2020. EOFi (outage frequency per customer, per year) increased from 4.31 times at December 31, 2019 to 4.66 times at December 31, 2020[17].

Despite the challenges created by the pandemic, our power quality indicators set an all-time record for Light. This was primarily thanks to continued execution of our multi-annual investment plan and initiatives to modernize our distribution systems and substations, combined with continuous operational improvements and better-targeted maintenance activities.
The lower outage frequency and duration indicators meant a significant, 39% reduction in financial compensation, from R$ 38,449,292.87 in 2019 to R$ 23,424,598.94 in 2020. They also helped to improve customers' perceptions of Light.

Our goal for 2021 is to maintain the same investment levels as in previous years, and accelerate high-impact initiatives to capture the benefits from those investments within the same year, while ensuring our power continuity indicators are increasingly sustainable.

17 EOD and EOF rates have been recalculated from 2014 under an ANEEL resolution. The Company has submitted a claim to revise the targets for these indicators so they are consistent with the new calculation methodology.

HIGH VOLTAGE

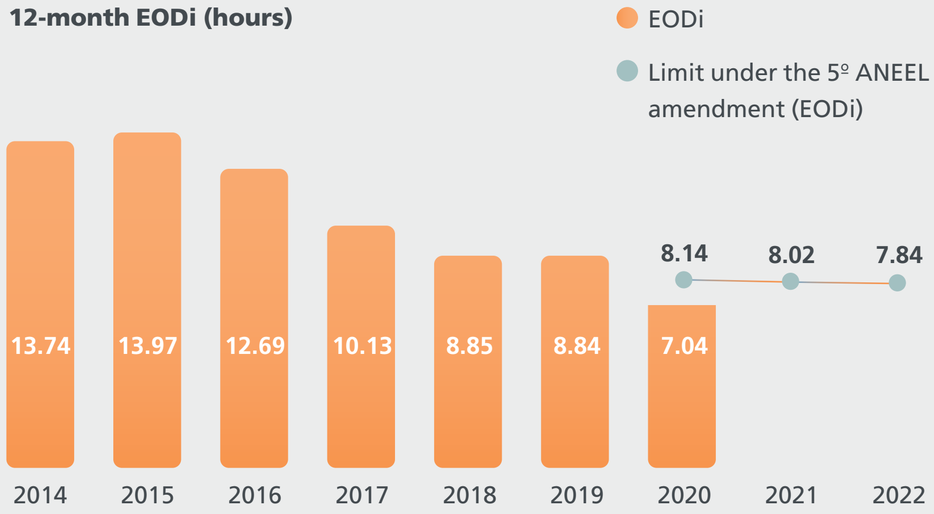
Despite the pandemic, our high-voltage operations continued to focus on preventive activities and maintained a sense of urgency when responding to incidents. EOD in the high-voltage segment fell by 5%, while EOF dropped significantly by 33%.

Failure rates declined by 48% for substations, 9% for overhead transmission lines, and 0% for underground transmission lines.

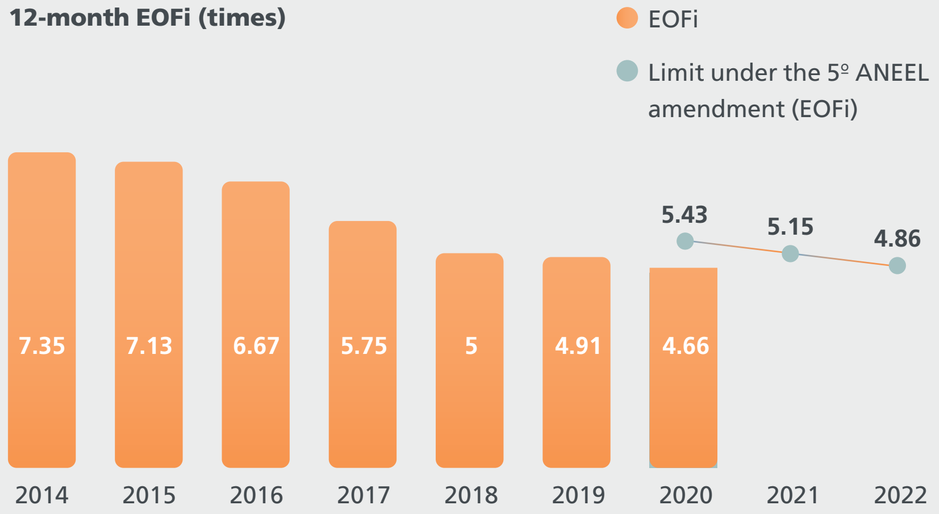
Our maintenance plan focused on preventive activities and actions to address system vulnerabilities, including animal ingress in switchgear enclosures and medium voltage transformer insulation.

In 2020 we invested R$ 455.9 million in improving power quality, and expanding and making our distribution systems more robust.

12-month EODi (hours)



12-month EOFi (times)



[GRI 203-2, GRI 413-1]

The Light Institute supports programs and initiatives that promote positive integration between communities and the Company, improving their understanding of our business and their perceptions of our brand.

Year 2020 presented a number of challenges, with the pandemic disrupting our plans and requiring us to reinvent ourselves creatively, while also providing an opportunity to look back at what we have accomplished so far.

The Light Culture Center and the Light Electricity Museum were closed to the public in March, and teacher training courses as part of the Light in Schools program, as well as *Quanta Energia* performances, were suspended, as both public and private schools were closed.

The Culture Education Program had to be reinvented to migrate activities to a virtual environment and keep target audiences connected, entertained and informed. This led to our Culture Center Online project, in which we migrated and adapted in-person educational and cultural content to a digital format.

In a short space of time, the Culture Education Program's social media accounts were packed with new content, including do-it-yourself experiments, games and consumption simulators illustrating the importance of electricity savings and how they can impact customers' electricity bills, new videos using an entertaining approach to explain the importance of electricity, and other content that stimulates users' curiosity about subjects like archeology and history.

The Light in Schools Award program was also reformulated for a distance-learning format. The *Quanta Energia* program's "mad scientists" temporarily traded the stage for computer and smartphone screens.

Meanwhile, our school renovations program was continued despite the pandemic restrictions. However, crew sizes were reduced to prevent crowding, and appropriate hygiene and COVID-19 safety recommendations were strictly followed. With schools closed due to the pandemic, the renovation works progressed ahead of schedule.

Initiatives implemented in 2020:

- Light Culture Center Online
- Solar Tree
- Electricity Consumption Simulator
- Electricity Detective Game
- Seven-episode video series with electricity saving tips and pointers
- Light in Schools Awards 2020
- School renovations[18]

Sponsorship

The COVID-19 pandemic also affected the selection and implementation of sponsored projects, with the Company giving full priority to ensuring continued access to high-quality electricity supply in our service area.

The crucial role that ventilators played in saving lives, and the large number of people working and studying at home, are examples of how electricity became essential during the pandemic.

But amid the uncertainties, we decided to sponsor a smaller number of projects in the year, and prioritize long-standing projects and those that could be implemented in a virtual environment, including the São João Marcos Cultural Education Project 2020, Hacking. Rio 2020, the "*Vem CA*" app, and the 3rd Accessible Theater Festival.[19]

18 Details on these programs are provided in the Appendix to this report.

19 Details on these programs are provided in the Appendix to this report.

Light sponsorships by type (R$ thousand)

	2018	2019	2020
Sports	88	-	-
Culture	822	234	-
Other	50	74	1,655
Total	**960**	**308**	**1,655**

Commitments and targets for 2021

In 2021 we plan to modernize both the venues and the content of Light's Education Program. Our goal is to improve our communications with target audiences and make our approach to addressing each topic more attractive, current and effective. We also plan to develop a diverse portfolio of social projects and programs across different segments, using an ethically, factually, technically and educationally sound approach to further our mission of making a meaningful contribution to the betterment of society. In addition, we plan to structure a new policy on sponsorships.

Initiatives implemented in 2020

- Light Culture Center Online
- Solar Tree
- Electricity Consumption Simulator
- Electricity Detective Game
- Seven-episode video series with electricity saving tips and pointers
- Light in Schools Awards 2020
- School renovations

[GRI 419-1]

One of the challenges facing Light is dealing with litigation and reducing an upward trend in legal claims, arising both from the inherent complexity of our service area, on the one hand, and internal processes that require and are undergoing improvement, on the other.

Our goal is to mitigate the generation of new claims and settle existing claims in order to reduce our litigation stock, operational expenses and contingencies. We are also working to increase successful outcomes or reduce damages awards by settling in weak cases.

Our primary initiatives in this area have included:

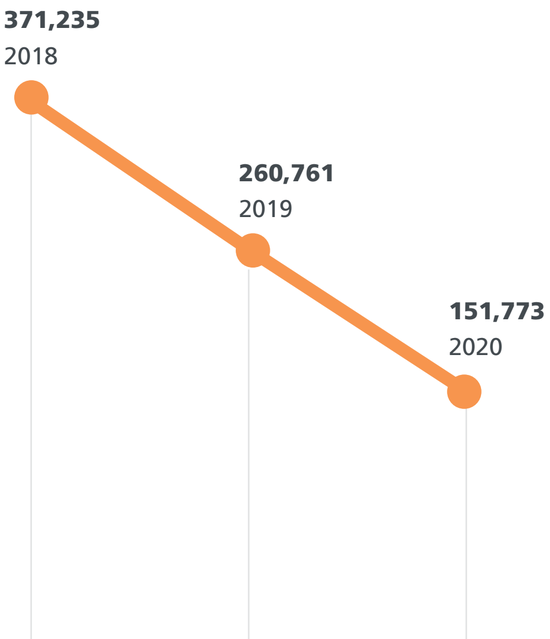
- Improvements to customer service processes
- Increased collaboration and synergies between the commercial and legal departments
- Restructuring the legal department with new professionals and partner law firms
- Strong performance on quality indicators
- New defenses in court cases
- Better-quality Irregularity Notices (TOIs)

Through these initiatives, we are working to enhance our customer relationship management practices, increase customer satisfaction, and reduce the number of complaints and legal claims.

Provisions – Contingencies (R$ MM)

	2020	2019
Small Claims	(100)	(191)
Civil	(118)	(143)
Other	(75)	(78)
Adjustments	94	21
Total	**(199)**	**(392)**

Customer complaints



Key challenges in 2020

In civil litigation, our biggest challenge in 2020 was reducing claims rates and, consequently, our legal contingencies. We successfully achieved this through operational improvements to our commercial processes and, in part, due to the shelter-in-place orders during the COVID-19 pandemic.

Our contracts with law firms were reformulated to obtain cost savings through a preventive approach designed to reduce case counts.

The legal department intensified its efforts to settle claims, especially through Small Claims Courts, as due to the pandemic, the number of hearings scheduled at the Rio de Janeiro Appeals Court was reduced, and this required us to take a proactive approach.

In labor claims, the biggest challenge was supporting and advising our Human Resources department on keeping the workforce safe, both those working from home and those working on-site in essential activities during the COVID-19 pandemic.

Another major challenge was reducing liabilities, contingencies and provisions during the pandemic, which led to the closure of the Regional Labor Court throughout most of the year. We successfully addressed these challenges through our internal team working closely with the human resources department and partner law firms.

In the Corporate segment, one of the biggest challenges was our efforts to achieve compliance with the Brazilian General Data Protection Regulation (BR GDPR), which included providing legal support to other departments on data protection matters and compiling a list of, and including privacy provisions in, all contracts involving data processing.

In tax litigation, newly implemented control and reporting systems improved the effectiveness of our internal controls and our ability to identify the primary sources of tax liabilities.

Key initiatives in 2020

Planned initiatives at the Legal department revolve around three pillars: preventive action and improvement of operational processes; thorough and timely evidence-gathering and case-building to achieve favorable outcomes in defending claims; and improving Light's reputation both with the courts and with customers.

The primary matters involved in civil claims against the Company include complaints related to anti-theft efforts, invoice amounts and unscheduled outages.

The principal matters involved in labor claims are related to joint liability in worker claims against contractors, overtime, rest periods, salary parity and bonuses for hazardous work.

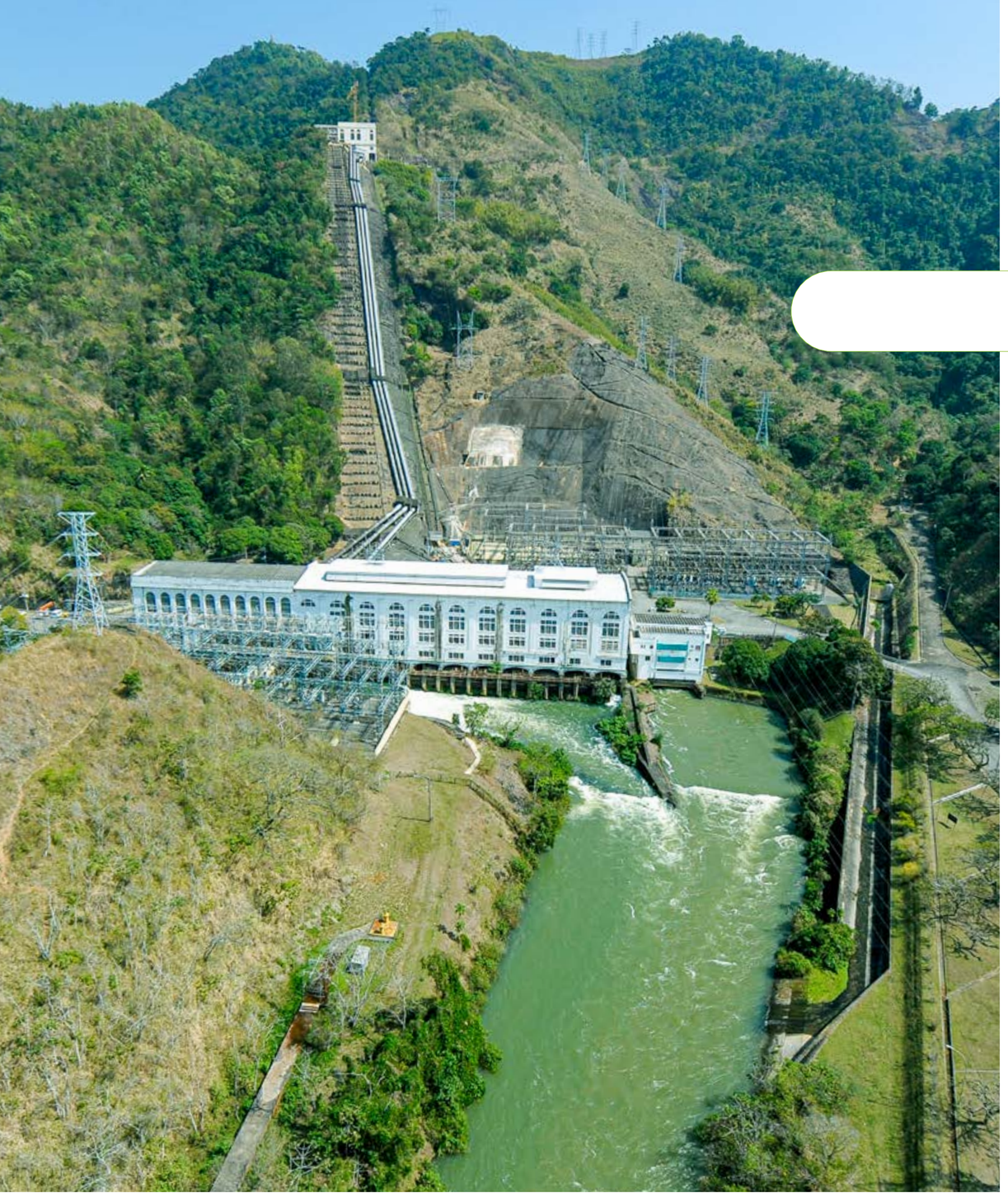
In 2020 we were served process of 332 claims related to labor practices, of which 24 were adjudicated within the year. Another 447 claims from previous years were adjudicated in 2020.

Light's key initiatives in this area included reviews of case law, legislative developments and the financial position of contractors in order to reduce contingencies and provisions, and inform potential settlements in cases likely to be lost. We also provided support by seeking out information, documents and witnesses at the departments involved in the claims for use in the Company's defense.

Light's legal department works with other departments to review processes, workflows and strategies to help customers feel that their demands have been satisfactorily met and lose interest in bringing claims in court.

Legal support in developing negotiation strategies for delinquent customers in the residential, large customer and government segments has been important in minimizing litigation. In addition, efforts by the legal department have helped to increase collections and reduce negative impacts from the prohibition of disconnecting customers during the pandemic.

"Efforts by the Legal department have helped to increase collections and reduce negative impacts from the prohibition of disconnecting customers during the pandemic."



4

ENVIRONMENTAL

Generation

Environment

Energy efficiency

Light Energia's generation assets produce hydroelectric power from the kinetic energy contained in water flowing through the Paraíba do Sul and Ribeirão das Lajes rivers. The company operates six hydroelectric dams in Rio de Janeiro and São Paulo: Fontes Nova, Nilo Peçanha, Pereira Passos, Ilha dos Pombos, Santa Branca and Lajes. Light Energia also operates two pumped storage plants: Santa Cecília and Vigário.

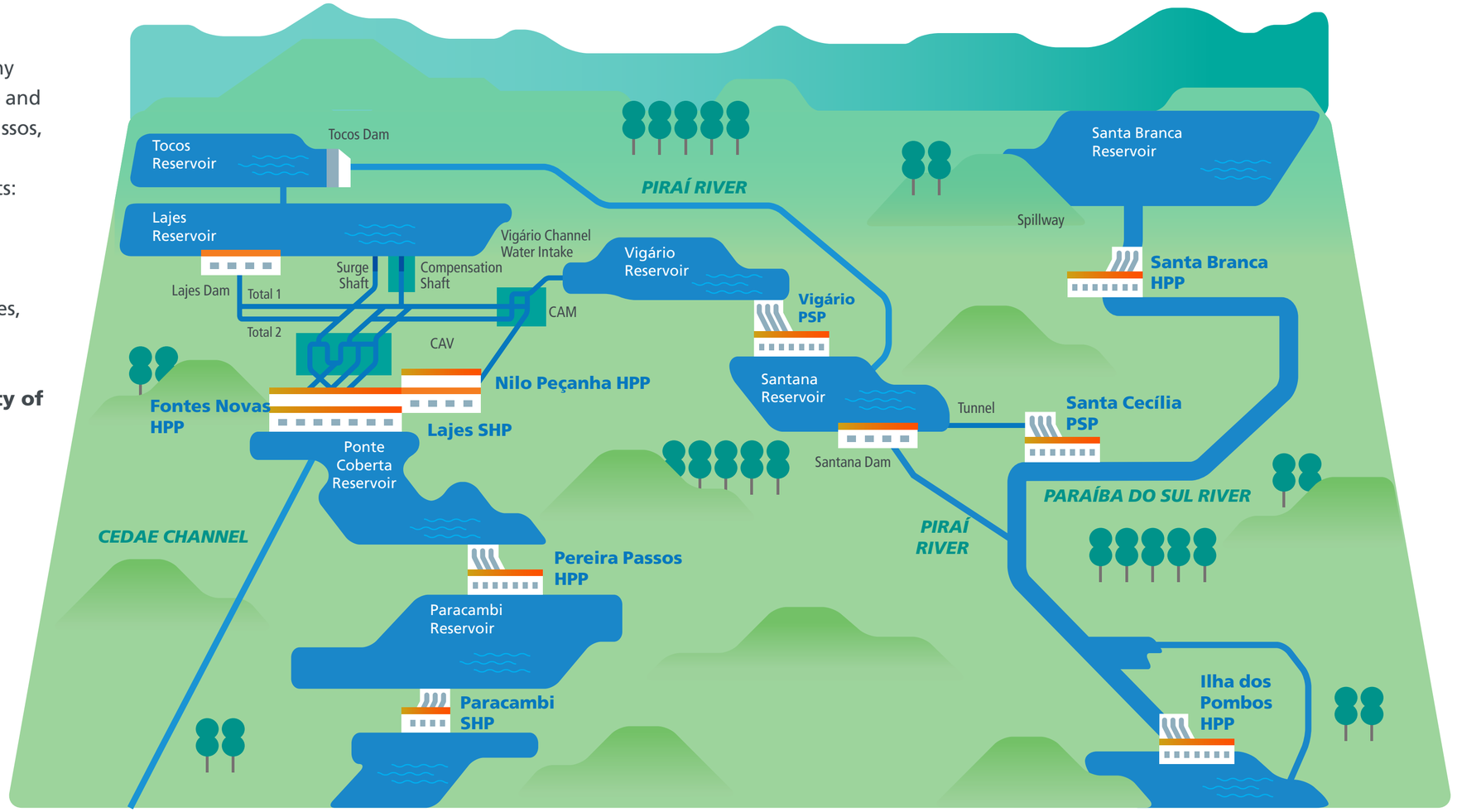
Alongside these assets are large appurtenant structures such as reservoirs, dams, channels, dikes, spillways, tunnels, penstocks and water intakes.

Light Energia has a current installed capacity of

872.54 MW

Water stewardship

Overview of the Paraíba do Sul, Piraí and Ribeirão das Lajes dam system



Water is our primary natural capital as a raw material required to generate electricity. Accordingly, Light has an environmental management program in place for the protection of ecosystems and water quality in the Lajes Complex—which comprises the Nilo Peçanha, Fontes Nova and Pereira Passos hydroelectric dams (operated by Light Energia under concessions), and the Lajes small hydropower plant (operated by Lajes Energia).

In 2020, river discharge rates in the Paraíba do Sul River basin were lower than the historical average, but without compromising the operation of Light's hydropower dams, which continued to discharge water into the Guandu River basin at the rates required under joint ANA/DAEE/IGAM/INEA Resolution no. 1382 (December 07, 2015).

Ilha dos Pombos Spillway

In 2020 we secured a construction license for improvement works to the Ilha dos Pombos spillway, and we initiated the following project-related activities:

- Detail engineering
- Worksite mobilization
- Construction of service roads and worksite facilities
- Reservoir drainage
- Social and environmental programs

The Ilha dos Pombos spillway works will improve the reliability, continuity, operating efficiency and structural safety of the dam, in line with requirements under Brazil's National Dam Safety Policy.

Lajes Complex bypass tunnel

Another significant project is a new bypass tunnel at the Lajes Complex. We conducted a preliminary procurement process throughout the year, and expect to sign the contract in the first quarter of 2021.

We have already carried out the environmental impact assessments required as part of the environmental licensing process, including forest and wildlife inventories in the areas that will need to be cleared for the works.

The preliminary and construction licenses were approved by the environmental regulator (INEA (CONDIR)) in December 2020, and issued in January 2021.

Importantly, ANEEL has agreed that all investments will be recognized as individual concession assets of the Nilo Peçanha Dam.

The bypass tunnel will transfer water from the Vigário to the Ponte Coberta reservoir to allow maintenance work to be conducted on the Nilo Peçanha intake system, which is currently not possible since discharge rates into the Guandu system cannot be reduced as they provide water supply to the Metropolitan Area of Rio de Janeiro. The project will allow water to flow into the Guandu River via the bypass tunnel in the event that the current intake system needs to be partially or fully shut down.

Other initiatives in 2020

Other projects in the year included an overhaul of generator A at the Fontes Nova Dam, and upgrades to the generator's voltage regulators and speed governors and automation and control switchgear. The work was completed to the required levels of quality and performance, and the generator has now been brought online without restrictions, thanks to the high levels of dedication and collaboration from the maintenance, operation and engineering teams.

In relation to projects initiated in 2019 and continued in 2020, the replacement of the pump 3 rotor at the Vigário Pumped Storage Plant was successfully completed in the year. However, the upgrades to the Vigário and Santa Cecília pumped storage facilities and the Lajes Dam were delayed due to the impacts from the pandemic on the supply chains of some contractors. The uncompleted parts of these projects will be finalized in 2021.

Dam safety

Within our Dam Safety Plan (PSB)[20], in 2020 we:

- Updated and submitted to ANEEL a Dam Safety Form specifying the regulatory classifications of our dams
- Conducted regular safety inspections as required under the National Dam Safety Policy (PNSB)
- Prepared Periodic Dam Safety Review Reports for the Terzaghi, Vigário, Ilha dos Pombos and Santa Cecília dams
- Updated Emergency Action Plans
- Implemented dam safety management software
- Purchased dam warning systems for the self-rescue zones of the Santa Branca and Lajes Complex dams

20 A Dam Safety Plan (PSB) is required under the National Dam Safety Policy (PNSB) and article 6(II) of Law no. 12 334/2010 to assist the dam owner in managing the structural and operational integrity of the dam. A PSB contains key technical data on the dam's structure, construction, operation, maintenance, classification, control measures, monitoring, and inspection reports, and serves primarily as a tool for planning and managing dam safety.

Commitments and targets for 2021

- Improve the Availability Factors (AF) of generator units at the Fontes Nova and Nilo Peçanha dams, and ensure AF values remain within prescribed limits at the Ilha dos Pombos Dam, by optimizing maintenance activities, improving operational efficiency, and conducting upgrades and scheduled maintenance to reduce generator failure and scheduled shutdowns
- Complete the construction and commissioning of the new M sector floodgates and initiate construction of the K and L sector floodgates of the Ilha dos Pombos Dam spillway.
- Complete the detailed engineering and initiate construction of the bypass tunnel at the Lages Complex
- Complete the upgrade stages planned for 2021 at the Vigário and Santa Cecília pumped storage plants, and complete the upgrades at the Lajes dam
- Complete the installation of more efficient pump impellers at the Vigário pumped storage plant
- Initiate the overhaul of the unit 14 generator and turbine at the Nilo Peçanha Dam
- Install a second trash rack cleaning machine at the Ilha dos Pombos intake channel to mitigate the impacts from aquatic plants on power plant performance

"The bypass tunnel will transfer water from the Vigário to the Ponte Coberta reservoir to allow maintenance work to be conducted on the Nilo Peçanha intake system."

Light is committed to using natural resources efficiently and sustainably and to supporting the transition to a low-carbon economy. That is why we take natural resource management, our Environmental Policy and our Commitments to the Environment and Climate (available on our website) very seriously.

In 2020 we invested R$ 59.5 million in maintenance and safety; environmental education and projects; environmental licensing and compliance; Environmental Management System (EMS) implementation and maintenance; reforestation and slope stabilization; aquatic plant removal; and research and development (R&D)[21].

MANAGEMENT SYSTEMS

- **Light Energia** has an Integrated Management System (IMS) conforming to ISO 9001/2015, ISO 14001/2015 and OHSAS 18001/2007, covering all its hydroelectric dams and appurtenant structures. **[GRI 416-1]**
- **Light SESA** has an Environmental Management System (EMS) for assessing and monitoring aspects and impacts from its operations, with 304 sites and more than 80% of its operations certified to ISO 14001/2015.

21 Our R&D projects are described in detail at http://www.light.com.br/grupo-light/Sustentabilidade/compromisso-com-o-meio-ambiente_biodiversidade.aspx

EFFICIENT WATER MANAGEMENT [GRI 303-1, GRI 303-2]

Water flowing from the hydroelectric dams and pumped storage facilities within the Lajes Complex[22] provides the bulk of the water intake into the local water utility's (CEDAE) Guandu Water Treatment Plant on the Guandu River, which in turn provides water supply to the Metropolitan Area of Rio de Janeiro.

Water is discharged to the CEDAE intake channel ("CEDAE Channel") primarily from the Lajes small hydropower dam or, alternatively, from the Fontes Nova dam, both of which draw water from the Lajes Reservoir. Because of this, any significant disruptions in these systems can affect water supply to users in the region.

The complexity involved in the water transfer and intake systems within the Lajes Complex requires a high level of coordination among multiple stakeholders even for otherwise simple maintenance operations, as there are interdependencies between both the Santa Cecília and Vigário pumped storage systems and the interconnected reservoirs within the complex.

Against this background, Light Energia monitors reservoir water quality on a monthly basis against the parameters established in applicable regulations, in order to identify any nonconformities and take preventative and corrective action.

22 The Lajes Complex includes the Nilo Peçanha, Fontes Nova and Pereira Passos hydroelectric dams, and the Vigário and Santa Cecília pumped storage plants, all of which are operated by Light Energia under concessions. The Lajes Complex also includes the Lajes small hydropower plant, which is operated by Lajes Energia.

We are a member of the Middle Paraíba do Sul River Basin Committee (CBH-MPS), the Guandu, Guarda and Guandu-Mirim River Basin Committee and the Piraí Municipal Counsel for the Environment and Development (COMMADE), three bodies tasked with assessing water-related impacts. Light ensures ongoing compliance with CONAMA Resolution 357/2005 on minimum quality requirements for effluent discharges into water bodies.

Water consumption

[GRI 303-5]

Light's facilities use water supplied by the local utility.

To manage water usage more efficiently, in addition to daily consumption monitoring, we have implemented water savings measures such as replacing sanitary fixtures like aerators and flow control devices on taps and toilet flushes; better control of cistern inlets; and purchasing water from tank trucks to reduce costs. We also raise employee awareness through content published on Light's communications channels.

Total water consumption in our operations stood at 17.4 m^3 per employee in 2020, a reduction of 33.8% from 2019 largely explained by our workforce shift to

remote working due to the coronavirus pandemic. The lower water consumption generated cost savings of R$ 423,000, or approximately 12% compared to 2019.

ENERGY EFFICIENCY [GRI 302-3]

At Light we continuously monitor and measure utility consumption at our facilities, and organize initiatives to raise awareness among our employees, contractors and customers about the importance of everyone doing their part to improve process efficiency and use available natural resources efficiently and responsibly.

Light's total electricity consumption in 2020 was 190.13 GWh, up 44%[23] from the previous year, and our resulting energy intensity was 0.0094 kWh per R$ of gross revenue. The increase reflects our strategy of in-sourcing field activities, and the nonrecurring effect of purchased electricity.

WASTE MANAGEMENT

[GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5]

Our total volume of waste in the year was approximately 15,671 metric tons, including 22% generated by Light Energia (largely macrophytes removed from reservoirs) and 78% generated by Light SESA (primarily tree trimming and construction and demolition waste). Of this total, 5,451 metric tons were managed via reverse logistics.

Light Energia

Waste materials from generation operations are sent to licensed waste facilities and disposed of by a licensed third-party company. Waste data is monitored via Light Energia's Integrated Management System Dashboard, and informs improvements in waste management and waste reduction measures.

Light follows developments in environmental regulations on waste with support from consultants specializing in legal requirements on waste management.

In 2020 we provided training to raise awareness and provide instructions to our field crews on waste management procedures, and initiated talks to renew our reverse logistics contract for the recyclable materials generated at our plants.

Light SESA

In distribution operations, waste materials are generated incidentally in connection with system maintenance and operation activities, such as occasional insulating oil leaks from power transformers. Our operations are equipped with water-oil separators to process leaked fluids.

Although the impacts are negligible, all waste materials generated in distribution operations are properly managed and treated. As part of these processes, we implement appropriate control mechanisms, engage specialized companies to compliantly dispose of hazardous materials, and carry out environmental assessments to identify and mitigate any environmental liabilities.

Hazardous waste materials are managed by a licensed company, which is required to produce certificates of compliant disposal within 90 days of collecting the materials at Light's facilities. This provides assurance that the company has complied with its contractual obligations.

Data on waste materials generated by our processes is recorded in the state environmental regulator's (INEA) Waste Manifest System, which tracks information on waste quantities and types, and storage, transportation and treatment methods.

NT-202, a technical standard on effluent discharges into water bodies in the state of Rio de Janeiro, establishes a contaminant concentration limit of 20 mg/L for mineral oils and 30 mg/L for vegetable oils. Light's facilities have bunds to contain any spills and therefore no effluents are discharged into water bodies.

23 Calculated based on the restated figure for 2019 (0.0066 kWh/R$).

In relation to municipal wastewater, most of our operations are connected to the public sewer system. We have no operations that are not compliant with effluent discharge requirements.

CLIMATE CHANGE

[GRI 201-2, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5]

Climate change is a highly relevant factor in our business model, as we are reliant on water storage in our reservoirs to generate electricity, and our operations are required to manage the impacts from temperature fluctuations on electricity consumption.

Our annual results of operations can be affected by adverse hydrological conditions, electricity shortages, electricity rationing, distribution system overloads due to unexpected spikes in consumption, growth in non-technical losses, and increased customer default[24].

Greenhouse gas emissions

Our annual Greenhouse Gas Emissions Inventory reported total emissions of 199,462.17 tCO_2eq, a decrease of 12% compared with 2019. For further details, see the Appendixes to this Report.

Greenhouse gas emissions intensity, a measure that is relative to gross revenue, was 0.00000875 $tCO_2eq/R$$ for Light SA. Emissions intensity refers to Scope 1 + 2.

Within Scope 1, our primary emissions of concern are SF6 (sulfur hexafluoride), a fugitive gas with high global warming potential (GWP), and increased emissions from mobile combustion, due to the in-sourcing of field services (a larger utility fleet).

Scope 2 comprises indirect emissions from purchased electricity and transmission and distribution losses. Scope 2 emissions are calculated by applying the average emission factor for all power plants within the National Grid, including hydroelectric, thermal and wind power facilities.

Scope 3 emissions are emissions from other indirect sources not owned or controlled by the organization, including third-party fleets, waste disposal and business travel.

Our target for 2021 is to reduce Scope 1 emissions by 6%.

Carbon footprint

Light SESA and Light Energia had a carbon footprint of respectively 63.3199 kg of CO_2eq/MWh and 2.0115 kg of CO_2eq/MWh in 2020.

The emissions with the highest weight in our carbon footprint are related to waste materials. The most significant contributions to our carbon footprint are tree trimmings at Light SESA, and aquatic plants or macrophytes at Light Energia. Light has continued to invest in process improvements in this area.

24 Risks and opportunities related to climate change are detailed in the Carbon Disclosure Project (CDP) questionnaire available on our Investor Relations website under Reports.

ENERGY EFFICIENCY PROGRAM (PEE)

[GRI 302-4, GRI 302-5, GRI EU7]

In 2020 we invested a total of R$ 74.07 million in our Energy Efficiency Program[25], including R$ 39.05 million in company funds, R$ 195,000 in third-party funds, and R$ 12.62 million in customer payments as consideration for energy efficiency projects, as well as R$ 22.2 contributed to the PROCEL program.

Energy efficiency projects completed in 2020 generated electricity savings of approximately 58 GWh per year and peak shaving of 11.51 MW.

The total financial benefit from electricity savings and peak shaving in the year, as measured in terms of Avoided Demand Cost (ADC) and Avoided Energy Cost (AEC), was R$ 27.9 million. This represents the total annual savings for the grid from energy efficiency initiatives completed in 2020.

It is important to note that the stated investment amount is for all projects in progress in 2020, whereas energy efficiency gains refer to only those projects that were completed within the year, as project outcomes can only be measured and verified following completion.

Despite Light's contingency plan and efforts to mitigate impacts, coordinating closely with suppliers, the COVID-19 pandemic has delayed the completion of some projects.

Call for Project Proposals

In addition to the minimum mandatory investment, applicable regulations require utility companies to issue at least one Public Call for Projects (PCP) per year.

[GRI EU19]

Our biggest challenge is allocating PCP grant funds to municipal initiatives, hospitals, daycare centers and other charities without neglecting initiatives for consumers that generate jobs and income, such as retailers, public utilities, and small and medium-sized industrial companies.

Following a revision of the PROPEE[26] program by ANEEL, new program rules were introduced, including a larger mandatory investment in energy efficiency projects. For this reason, Light has increased available grant funding for PCP projects in recent years.

In qualitative evaluations of PCP project proposals, a higher score is given to proposed projects involving new technologies, such as renewable energy. This encourages candidates to incorporate innovative technologies into their project proposals.

In 2020 we issued our 7th PCP spanning all project types[27], but with priority given to our largest markets—Residential and Commercial & Services—and with larger grant amounts as required by the new regulations.

25 Under ANEEL regulations, distribution utilities are required to invest a minimum percentage of Net Operating Income (NOR) in energy efficiency programs, and to issue at least one Public Call for Project Proposals. The minimum mandatory investment is 0.5% of NOR, of which 0.4% must be invested in energy efficiency projects and 0.1% must be contributed to PROCEL. Distribution utilities are permitted to carry forward at each year-end the required investment over the previous 24 months, including December. In 2020 Light's total investment in the Energy Efficiency Program was R$ 61.25 million, with R$ 39.05 million invested in projects and R$ 22.2 contributed to PROCEL. All regulatory obligations were met in the year.

26 Energy Efficiency Program Procedures.

27 Eligible project types: Residential, Commercial & Services, Government, Utilities and Industrial.

Our first PCP was geared to public schools, and prioritized projects involving the use of renewable sources, such as photovoltaic solar power systems, to reduce electricity consumption at state, municipal and charitable schools and daycare centers. This PCP offered grant funding of R$ 60 million for investments in selected projects.

The 1st PCP elicited 38 project proposals, of which 13 were selected, receiving total grant funding of R$ 16.3 million. However, the schedule was delayed due to the difficulties that our customers and schools encountered in obtaining quotes from suppliers and conducting field surveys to inform their proposals.

Projects in progress

Currently, a total of 41 selected energy efficiency projects are in progress across a wide range of areas, such as photovoltaic generation systems, drive systems, and solar water heating, air conditioning, and lighting systems. Several Light-led projects in the Educational, Low Income and Residential categories are also in progress, such as bonuses for purchasing energy-efficient home appliances, offered to customers in our service area.

Significant ongoing projects include:

- **Energy Efficiency Project, Farmanguinhos (Fiocruz Drug Technology Institute)**

  With total funding of R$ 8.7 million, including R$ 4 million in PCP grant funding and R$ 4.7 in matched funding provided by the customer, this lighting and air conditioning retrofit project will generate electricity savings of more than 2 GWh/year, and cost savings of R$ 980,000 for Farmanguinhos.

  The project scope includes replacement 1,800 conventional lamps with LED lamps, installation of 2 three-rotor chillers with a capacity of 450 TR and 3 cooling towers; energy management systems at storerooms; construction of a pipe rack connecting two buildings; and piping interconnections between the chilled water plant and the buildings.

- **Energy Efficiency Project (Fiocruz/Avenida Brasil Unit, Manguinhos)**

  Fiocruz's Bio-Manguinhos unit develops vaccine technology and produces vaccines, diagnostics reagents and biopharmaceuticals, and is considered the largest center of its kind in Latin America.

  The scope of this project includes:

  - Installation of a centrifuge and heat storage accumulation tank with a capacity of 600 TR and 2,000 TRh, respectively, for use during peak periods
  - Piping interconnections between three chilled water plants
  - Installation of an energy management system for the chilled water system and heat storage accumulation tank

  The project will involve a total investment of R$ 6.9 million, and will generate electricity savings of approximately 4 GWh/year and peak shaving of 951.83 kW, representing cost savings of R$ 1.2 million per year for Fiocruz.

Photovoltaic generation

Light's PCP portfolio includes nine photovoltaics projects for a wide range of customers in our service area, including municipal, state and federal government agencies and retail and services businesses. To date, these projects have installed photovoltaic systems amounting to a total installed capacity of 321.46 kWp, generating 390.10 MWh/year.

One of the most important photovoltaics projects in 2020 benefited 15 public schools and the Municipal Department of Education building in the municipality of Queimados, Rio de Janeiro. As part of the project, we installed a 29.70 kWp photovoltaic system and replaced 3,249 conventional lamps with LED units.

This project will deliver electricity savings of 220.73 MWh/year and peak shaving of 28.6 kW, benefiting more than 10,000 people including municipal students, teachers, and principals.

Another 15 PCP photovoltaics projects, either in the execution or in the selection phase, will develop photovoltaic systems with a total installed capacity of 2,864.96 kWp, generating a total of 3,283.42 MWh per year.

Of these 15 projects, the following three are especially noteworthy:

- São Sebastião Administrative Center (CASS) – Phase three. This project for the municipal government of Rio de Janeiro will be completed in the first quarter of 2021. The project scope includes the replacement of a chiller with a 1,000 TR centrifugal compressor with a more energy-efficient model
- Replacement of more than 22,000 indoor and outdoor lamps with more efficient, low-consumption LED units
- Installation of a distributed photovoltaic generation system with a capacity of 75 kWp, which will deliver estimated electricity savings of 3,939.80 MWh/year and peak shaving of 1,021.34 kW.

Strategic direction, commitments and targets for 2021

On September 1, 2020, Executive Order 998 introduced amendments to existing legislation. Energy efficiency investments are now required to prioritize local initiatives and products, pursuant to regulations to be issued by ANEEL. Funding provided for energy efficiency projects should be directed to projects supporting the responsible use of energy resources, and funds directed to the Energy Development Account (CDE) must be used toward providing affordable electricity.
With the upcoming amendments to the legislation on energy efficiency grant funding, in 2021 we will revise our strategic plan for compliance with the new legislation and ANEEL regulations.

Strategically, we will intensify communications and marketing activities to strengthen Light's reputation as a company that operates sustainably and supports sustainability through its initiatives and projects. Projects in low-income communities will also be prioritized with additional PCP grant funding in the following years for energy-efficiency and educational programs in impoverished communities with specific needs.

"R$ 27.9 million generated in annual savings for the grid from energy efficiency initiatives completed in 2020. "

5

ECONOMIC

The challenge of loss reduction

Research & Development

Technology

This chapter will address the "E" of EESG, showing that the economic dimension can no longer be treated separately from ESG (Environmental, Social and Governance) aspects. And we could go even further and include an additional "E" for Execution, and an additional"S" for Strategy, two factors that support sustainable results.

The economic aspect has to do with the concept of shared value, in which economic value creation for the company goes hand-in-hand with value creation for stakeholders. The idea is to transcend beyond charitable and social responsibility initiatives to implement solutions that create value for both the business and for society **[GRI EU19]**

As part of this approach, in 2020 we implemented initiatives in our communities that incorporated the social and environmental dimensions into our strategy to reduce losses and default. This included energy efficiency, electrical safety, anti-fraud, meter replacement and quality-of-service initiatives.

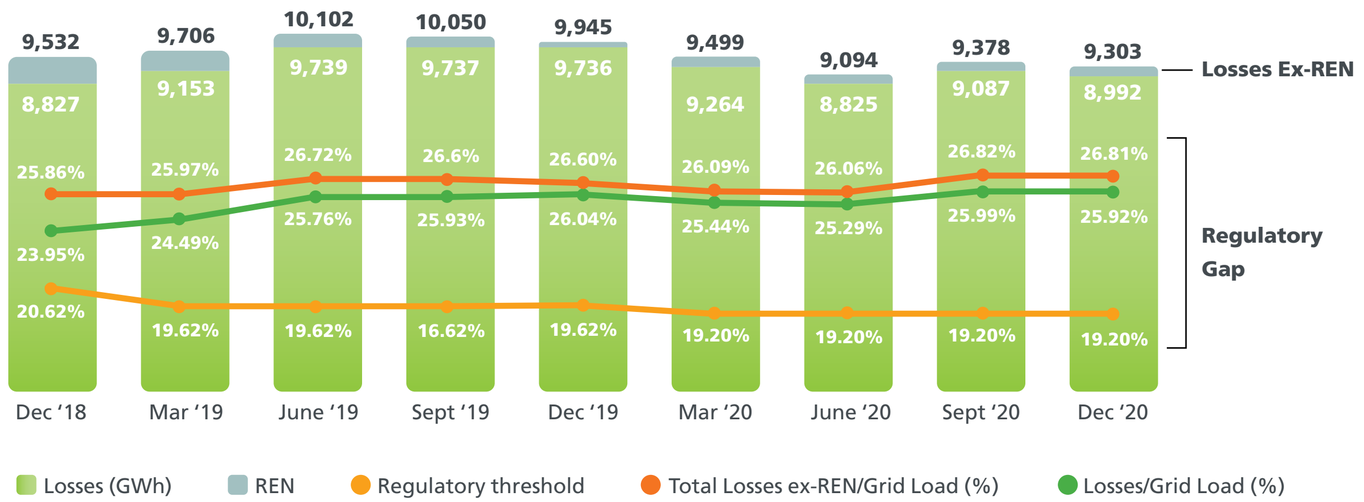
[GRI EU12]

Non-technical losses are an endemic problem in our service area, accounting for virtually half of the electricity supplied to the low-voltage market. These losses occur both in Conventional-Approach Areas as well as in areas previously referred to as "Risk Areas", and now as Special-Approach Areas (ATE).

Persistent customer delinquency has created wasteful power consumption patterns, and has undermined trust between utilities—which are responsible for providing a high-quality power supply—and customers, who have a corresponding obligation to pay for the electricity.

In recent years, we have focused efforts on Conventional-Approach Areas—such as stores, industrial facilities and high-income residential properties, which pose no security risk to inspection crews—resulting in loss reductions of 744 GWh in 2020 compared to 2019. Total grid losses were 25.92% at December 2020 compared with 26.04% at December 2019.

The substantial reduction in grid losses was partly offset by the lower grid load in the period, with a resulting financial gain of R$ 9 million.



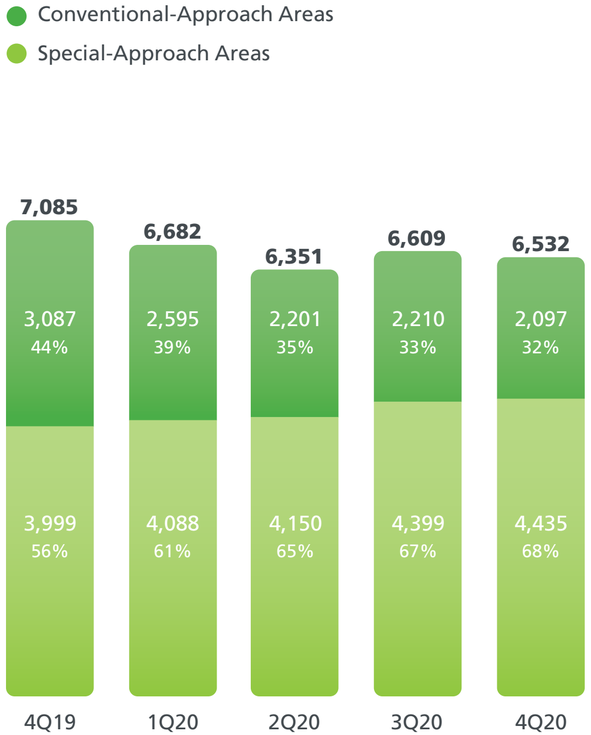
Light is currently 6.72 p.p. above the 19.20% regulatory pass-through cap defined by ANEEL in its Rate-Setting Review (RTP) in March 2017, as adjusted by the benchmark market for the following 12 months and approved by ANEEL in the Rate Adjustment (IRT) in March 2019.

We have observed, however, in recent quarters, that although overall losses have been reduced, the proportion of losses in Special-Approach Areas has increased. In one year, the ratio of non-technical losses in Special-Approach Areas to losses in Conventional-Approach Areas rose by 12 p.p.

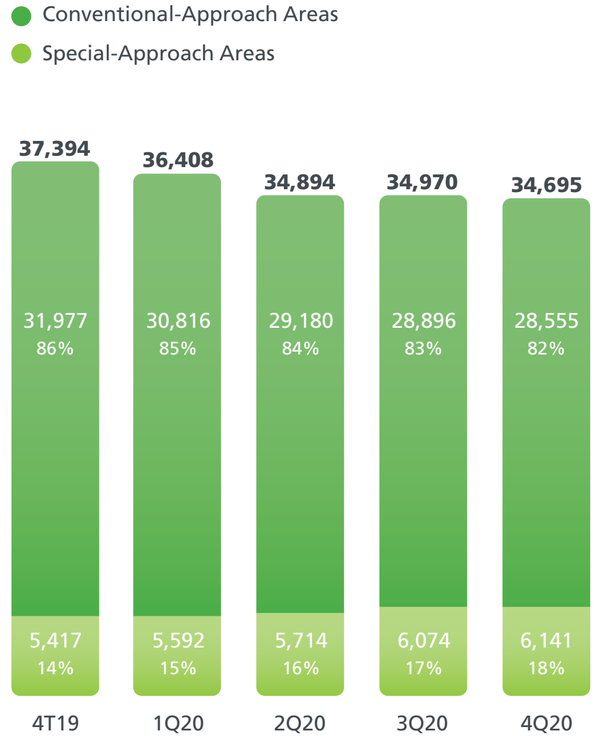
At year-end 2020, (12-month) non-technical losses in Special-Approach Areas (ATE) accounted for 67% of total losses, at 4,435 GWh. In Conventional-Approach Areas (ATC), non-technical losses ended the quarter at 2,097 GWh (33%), decreasing by 990 GWh compared to 2019.

Total Incorporated Power (IEN) in 2020 was 576 GWh, up from 288 GWh in 2019. Recovered Power (REN) improved by 49.0% year-on-year in 2020, to 312 GWh. The improvement reflects initiatives under the current loss reduction plan, launched in mid-2019.

12-month non-technical losses (GWh)



12-month Grid Load (GWh)



The regions with the highest loss and default rates suffer from low-quality power service—including frequent and longer outages and restrictions on operations by utility crews—and more frequent accidents due to illegal connections, among other issues. These areas are also typically difficult to access, either due to infrastructure and geographic constraints, or due to the presence of drug gangs and militias and high violence and crime rates.

This makes it particularly challenging to operate in these communities safely and profitably, while supplying affordable electricity and supporting local economic development.

NEW STRATEGIC DIRECTION

[GRI 203-1, GRI 203-2, GRI 413-1, GRI EU23]

In 2021 we will work more closely with local communities, especially in Special-Approach Areas, by establishing partnerships with community associations and other organizations. **[GRI EU19]**

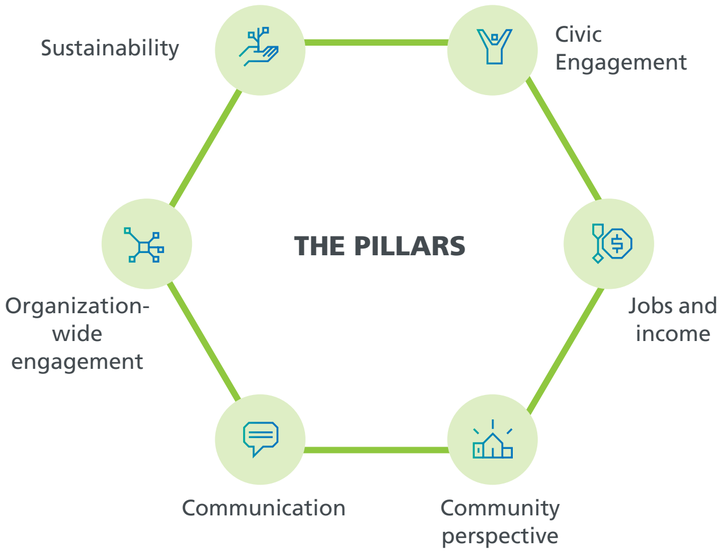
These communities have expressed their support for Light's efforts to normalize illegal connections, especially out of their desire for the better-quality power supply that would come with a normalized, properly built distribution system. Currently, however, the COVID-19 pandemic has taken a toll on low-income communities' finances.

In this context, Light has structured a robust loss reduction program based on six pillars comprising a range of initiatives:

- **Community perspective:** social and economic surveys to inform the approach to operating in each community, working closely with community leaders; **[GRI EU19]**
- **Job and income opportunities:** hiring people living in the communities themselves for commercial and technical positions or to act as facilitators and relationship agents, and creating technology hubs within communities to train specialists to support our projects;
- **Civic engagement:** raising customer awareness about their rights and duties, supporting a change of mindset;
- **Sustainability:** implementing energy efficiency initiatives within ANEEL's Energy Efficiency Program (see the chapter Energy Efficiency), launching social programs to help people in need, registering customers eligible for social electricity rates, and creating a control center at Light headquarters for continuous monitoring;
- **Organization-wide engagement:** structuring a program that engages the entire company rather than only a specific department, recruiting organization-wide support for the initiatives;
- **Communication:** broad communication of initiatives to engage communities, partners and Light itself.

HOW WE CREATE VALUE

Program outcomes will be monitored against indicators related to distribution revenue and benefits for customers. Loss reduction initiatives concurrently with inclusion and energy efficiency programs will deliver positive outcomes in different ways, including normalized connections, job opportunities, lower consumption, and safer electrical installations. In addition, the lower grid load will mean local distribution systems will be better sized to accommodate the load, reducing outages and improving power quality.



Our efforts to normalize illegal connections help to reduce average customer consumption for a number of reasons, including:

- the fact that customers now need to pay for their power supply;
- the effects from education and awareness programs;
- the replacement of high-consuming home appliances with more efficient models.

With customers adjusting their consumption to what they can afford to pay, and with more customers registered for social electricity tariffs, we have succeeded in reducing default and the recurrence of electricity theft.

We have also identified opportunities to provide local community residents with jobs within the program, professional training, and electricity discounts as part of waste recycling programs. Communities have a heightened sense of social inclusion, both through the normalization of their connections and through receiving National Social Program (NIS) numbers.

Creating value both for us and for our stakeholders helps to ensure the success and sustainability of the program. Restoring trust with customers is essential for the success of this business model, which is helping us to tackle one of the biggest challenges in our service area.

Our initiatives are also helping customers to understand the value of legal electricity connections.

This way, we are restoring our concession authority, and both the communities and the Company can now fully exercise their rights and duties under power-sector regulations.

Collaboration with state and municipal governments in each phase of the process has been crucial, and we have regularly reported to ANEEL to share the reality of our service area.

COMMUNITY ENERGY EFFICIENCY INITIATIVES

In 2020 we invested R$ 5,048,491.06 in the Efficient Community program and R$ 1,561,726.45 in the Light Recycling program, with funding from the Energy Efficiency Program (PEE).

Through the Efficient Community program, we donate energy-efficient lamps and refrigerators, raise awareness about energy efficiency and electrical safety, and organize community events to register families to be eligible for social electricity rates. We also engage closely with community leaders and associations, schools, students, teachers, family clinics and NGOs that are active in these communities.

The Light Recycling program allows residents to exchange recyclable materials for discounts on their electricity invoices. The collected materials are sent for recycling, thereby preventing several tons of waste from being disposed of directly in the environment, while also providing savings for residents.

EFFICIENT COMMUNITY PROGRAM

We engage with communities through interaction with community leaders and awareness campaigns about responsible electricity consumption. As a tool for engagement and to increase our understanding of customers' needs and expectations, we conduct social and economic surveys to inform targeted initiatives that are responsive to communities' needs.

All activities within the Efficient Community program were suspended from March to July 2020 due to the shelter-in-place orders issued by health authorities in response to the COVID-19 pandemic. However, we continued to use digital channels to disseminate information about electrical safety and energy efficiency to community leaders, who cascaded the information to customers and residents in their communities.

Although project activities at schools were suspended and community activities were reduced, we worked in collaboration with Social Assistance Referral Centers (CRAS) in conducting awareness initiatives and registering families for social electricity rates, following the prevention protocols established by health authorities.

Community events to register families for social electricity rates were rescheduled. We organized four community events in the year, registering 597 new customers. The goal of these events is to register customers for the discount benefit and disseminate important information about electricity consumption and waste.

As a result of these initiatives, the number of customers registered for social electricity rates increased by 56% from 303,657 customers in 2019 to 473,608 customers in 2020.

Energy efficiency initiatives, replacement of inefficient lamps and refrigerators, educational events, social rate opt-in events and workshops were resumed in August 2020, and were especially important in encouraging responsible consumption at a time when electricity usage increased due to people being homebound during the pandemic.

Despite the disruptions in Efficient Community program activities, we were able to reach a total of 31 communities, benefiting 6,189 customers with 1,710 energy-efficient refrigerators, 20,100 replacement light bulbs, 6 educational events, and 16 awareness workshops.

Light's energy efficiency initiatives—including replacement of home appliances, awareness-raising about energy efficiency, and lectures and educational events—aim to demonstrate how using electricity efficiently can help to make customers' electricity bills more affordable.

Efficient Community Program	2018	2019	2020
Consumers benefited	9,593	4,779	6,189
Customer attendances at workshops and community events	9,767	3,441	1,536
Customers benefited with efficient lamps	8,409	664	5,446
Number of incandescent lamps replaced and disposed of	13,300	21,773	9,000
Number of florescent lamps replaced and disposed of	52,625	6,417	11,100
Customers who received energy efficient refrigerators	1,663	674	1,710
Customers who received shower heads with heat recovery technology	362	-	-

LIGHT RECYCLING

As part of the Light Recycling program, we conducted planned educational activities to raise awareness about compliant waste disposal and environmental preservation at public and private schools equipped with drop-off eco-stations. A total of 16 workshops and a game event were held before the pandemic.

Following the outbreak of the COVID-19 pandemic in 2020, drop-off eco-stations were closed for five months—from March to August—but waste collection activities continued at our partners, with positive results. We opened a new drop-off eco-station in Duque de Caxias in partnership with Assaí, a cash-and-carry supermarket, and closed four eco-stations in 2020, in: Chácara do Céu, Cabritos and Tabajaras, Botafogo, CRAS Padre Velloso. Waste collection at these eco-stations has been discontinued. Customers previously using these eco-stations have been referred to the eco-stations nearest to their homes.

In 2020 Light granted R$ 267,518.21 in discounts on the electricity bills of participating customers and charities.

At our own facilities, the Light Recycling program raises awareness about compliant waste disposal through discussions and games about properly disposing of waste materials in our operations. A total of 37 metric tons of waste materials were collected in 2020, generating a bonus of R$ 10,000 that was fully converted into discounts for charities registered with the Light Recycling program.

In a corporate social responsibility initiative to improve COVID-19 safety in communities through enhanced hygiene, in April Light donated 50,000 bottles of detergent and 250,000 soap bars to Central Única das Favelas (CUFA), in an OPEX investment of R$ 385,000. The hygiene items were distributed by the CUFA to communities within Light's service area.

"We are restoring our concession authority, and both communities and the Company can now fully exercise their rights and duties under power-sector regulations. "

Light Recycling Results

	2018		2019		2020	
Waste	Total collected (metric tons)	MWh savings	Total collected (metric tons)	MWh savings	Total collected (metric tons)	MWh savings
Paper	543.90	2,480.17	878.06	4,003.94	954.07	4,350.57
Plastic	354.75	1,880.16	278.83	1,477.79	253.41	1,343.07
Glass	550.46	352.30	420.29	268.98	299.28	191.54
Metal	308.85	974.23	194.14	814.07	394.01	650.75
Oil	16.77	62.89	20.80	78.01	9.39	35.21
Tetrapak Packaging	5.90	30.11	6.26	31.92	2.35	11.98
Total	**1,780.63**	**5,779.86**	**1,798.37**	**6,674.71**	**1,912.51**	**6,583.12**

[GRI EU8]

Total ANEEL-regulated R&D expenditure in 2020 was R$ 21.9 million, including R$ 18.6 million at Light SESA and R$ 3.3 million at Light Energia. This expenditure included research projects to develop new products or services as well as expenses on R&D program management. In 2021, we project R&D expenditure of R$ 33.5 million at Light SESA and R$ 5.4 at Light Energia.

At the time of reporting, there were 49 ongoing R&D projects in collaboration with a wide range of technology partners at different stages in the value chain, from public universities to industrial companies and startups.

Among our key R&D initiatives in 2020, we:

- secured a £ 595,000 loan from the UK-based Prosperity Fund—covering 64% of the total cost—for a photovoltaic project including battery storage, smart metering and customer service arrangements in a low-income community within Light's service area
- structured an external call for proposals and received and reviewed 15 proposals for anti-theft projects in communities
- started 11 new R&D projects
- participated in Energy Future, the largest call for R&D projects in the power sector, with an emphasis on collaborations with startups

Some of our most important ongoing R&D projects include the following:

- Development of e-carsharing solutions: infrastructure and charging systems for e-carsharing and micro-mobility
- Meter reading and fraud detection using thermal imaging and magnetic field analytics powered by artificial intelligence and computer vision
- Substation maintenance supported by augmented reality
- MoVaSC – Discharge, sediment and climate modeling

Strategy

Light's R&D strategy in recent years has been focused on the major challenges facing the Company, including reducing nontechnical losses and improving power quality indicators. Of the 49 ongoing projects at year-end 2020, 13 were related to the first challenge, and 10 to the second.

The COVID-19 pandemic negatively affected R&D project execution, with many research laboratories shutting down and with field visits and travel becoming restricted, which adversely affected project procurement, and especially international purchases.

Low-carbon economy initiatives

One of our most significant ongoing R&D initiatives is a project to develop infrastructure and charting systems for e-carsharing and micro-mobility, with ANEEL funding through Call for Strategic R&D Projects no. 022/2018 – "Development of Efficient Electric Mobility Solutions".

Expanding the use of electric cars is a way to reduce greenhouse gas emissions and support decarbonization efforts. By investing in a cleaner energy mix, Light is helping to address an environmental issue that affects everyone on the planet.

According to a study released by UN Environment's Electric Mobility Program, transportation accounts for 25% of total CO_2 emissions globally. We believe that electric vehicles are the future of both rural and urban mobility.

Within Light's commitment to the environment and climate, we completed a project to develop a water quality and volume forecasting system for multipurpose reservoirs, and a pilot run using biodegradable oil as a replacement of DDB oil; the first will improve forecasting capabilities, and the second will introduce materials that are less aggressive to the environment. Descriptions of R&D projects completed in 2020 can be found in the Appendixes to this report.

The following are two of our ongoing R&D projects in the year:

- **Live line corrosion detection system – Pilot Run**

  In 2020 the project produced prototypes of the corrosion detection system units. The system consists of an inspection robot, a rescue robot and a remote control. In product validation tests throughout 2020, Light's maintenance crews had the opportunity to test the robots in routine inspections on overhead power lines.

- **Smart fraud report handling system**

  This project was completed in June 2020 with excellent results. The software system developed by the project had the highest accuracy rate among our whistleblowing channels at 68%, with the whistleblowing hotline coming in second place at 60%.

With the project proving successful, in December 2020 we concluded a contract to proceed to the "Placement in Market" phase, the last in ANEEL's R&D pipeline. The new system will continue to be used in 2021.

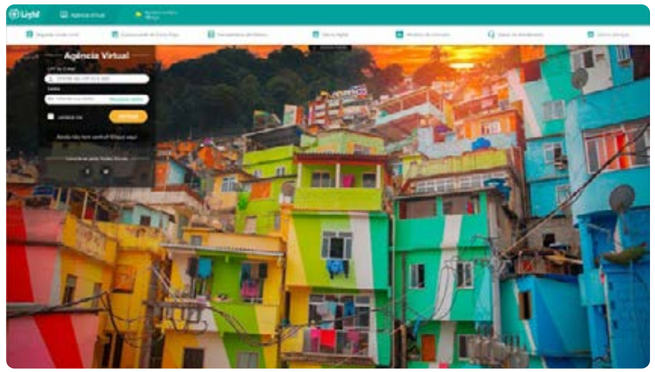
Our biggest challenge in 2020 was increasing the effectiveness of our technology-related efforts. To address this challenge, we identified the need to restructure our Information Technology department, and developed an Information Technology Master Plan outlining key actions for implementation over the coming three years.

The restructuring process began with the setting up of Telecommunications, Corporate Architecture and Information Security functions. In addition, we performed vulnerability assessments on our IT and OT (Automation) environments, invasion tests (PENTEST) and phishing tests as part of our security plan.

In addition to the restructuring effort, the Technology department was tasked with implementing the changes needed for the shift to remote working due to the pandemic, as well as responding to a cyber attack in June 2020.

Several important projects were ongoing throughout the year, including our "**New Virtual Service Office**", a component of the Light Digital program that is supporting our digital transformation in customer service; "Shared-Use Poles", a project to increase the visibility of pole use by utility companies such as telephone and cable TV companies. A *Revenue Intelligence* (RI) project using advanced analytics will improve credit recovery and field services.

Light's Technology department is playing an important role in strengthening the Company's market positioning, especially in the context of our ongoing turnaround, by supporting our digital transformation strategies, improving process efficiency and helping to build a data-driven organization supported by agile management and decision-making at all levels.



Commitments and targets for 2021

In 2021 we will build on the restructuring efforts at the Technology department in 2020, working to increase synergies with business and management functions, optimize resources, and mitigate identified risks.

Other targets for the department include:

- improving the stability and performance of legacy platforms
- initiating our digital decoupling effort, including implementation of a new multispeed technology operating model (agile and waterfall)
- reducing obsolescence
- advancing our mobility (WFM) and analytics project;
- increasing the level of maturity of our Technology department, including in cybersecurity

Achieving these targets will make a significant and material contribution to Light's turnaround and digital transformation.

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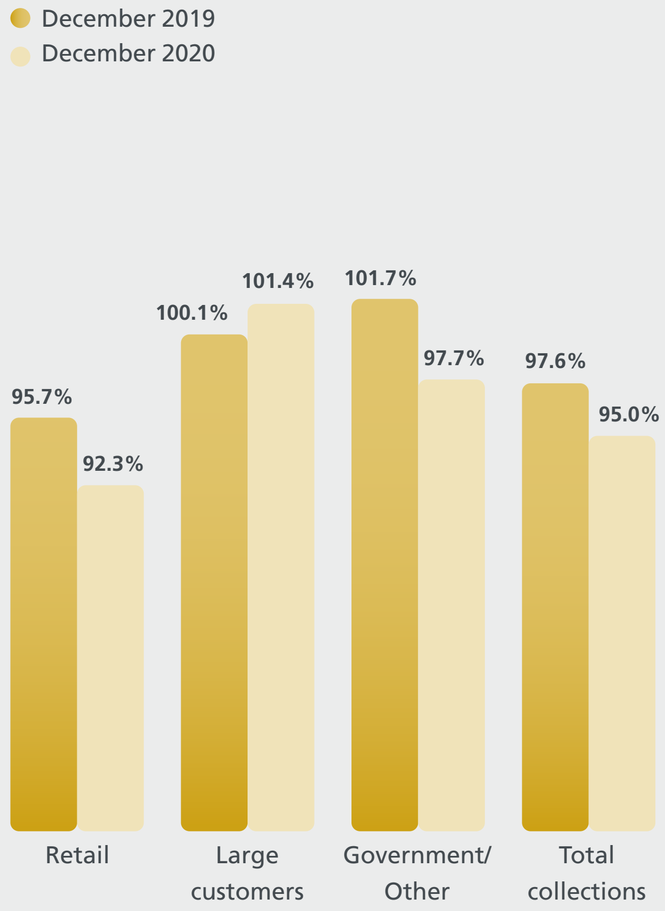
FINANCIAL PERFORMANCE

- Light S.A. recorded net income of R$ 692 million in 2020, a decrease of R$ 636 million versus 2019. The distribution business reported Finance Revenue of 1.5 billion in 2019 in connection with the recognition of tax credits arising from a court decision on the exclusion of ICMS tax from the PIS/COFINS tax base.
- Adjusted EBITDA was R$ 2.5 billion in 2020, up 27.2% from R$ 2 billion in 2019, and EBITDA margin was 15.5%, a gain of 0.6 p.p. on the previous year. The increase is primarily explained by our recognition in 2020 of the settlement of a lawsuit against Furnas (R$ 394 million) and the effects from a court decision creating a cap on ICMS tax on Fixed Assets (R$ 71 million).
- Net operating revenue, not including construction revenue, was a total of R$ 12.3 billion in 2020, an improvement of 2.7% on 2019 despite the COVID-19 pandemic and the resulting contraction of the total billed market. Light SESA contributed positively to net operating revenue through the effects of the Rate Adjustment approved in March 2020 and the recognition of R$ 459 million under Other Revenue in connection with the settlement with Furnas, with the suit fees of R$ 37 million already discounted.
- Consolidated operating costs and expenses, excluding construction costs, ended the year at R$ 10.4 billion, down 8% from 2019. The decrease primarily reflects the reduction of the allowance for doubtful accounts (ADA) to R$ 619 million in the year, a decrease of R$ 508 million compared to 2019 reflecting impacts that year related to Renova (R$ 294 million) and the extraordinary ADA (R$ 525 million). The increase is also explained by the R$ 51 million reduction in PMSO in the year.
- The overall collection rate in 2020 was 95%, a 2.6 p.p. decrease from 2019 (97.6%) reflecting the effects from the pandemic, including the prohibition of disconnections up to 7/31/2020 under ANEEL Normative Resolution 878. During the period in which disconnections were prohibited, distribution utilities were unable to use one of the most effective tools for addressing delinquency. This, combined with the economic slowdown, affected our collection performance in the period. In September 2020, disconnections for delinquency were resumed. The poor collection performance was offset by the increasing number of customers using electronic payment methods; even after shelter-in-place orders were lifted during 2020, electronic payments accounted for 87% of billings in the period.

12-month collection rate by segment
(including overdue REN installment payments)



- Net debt at December 31, 2020 was R$ 5.5 billion, down 18.8% from R$ 6.8 billion at December 31, 2019. Net Debt to EBITDA ended the year at 1.73x, down from 2.98x at year-end 2019. It is important to note that, for debt covenant purposes, EBITDA excludes non-cash effects such as Equity Income, Provisions, Indemnifiable Concession Assets and Other Operating Revenue/Expense.
- Light is currently within its covenant limit of 3.75x under most debt contracts.
- The EBITDA-to-interest coverage ratio ended the year at 5.80x, above the covenant limit of 2.0x under most contracts.

For details on our results of operations for financial year 2020, see our Annual Report (which is published concurrently with our Financial Statements) and our quarterly Earnings Releases.
Access our corporate documents.

Selected Financial Information (R$ MM)	2019	2020
Gross Operating Revenue	**20,341**	**19,454**
Deductions	(7,677)	(7,169)
Net Operating Revenue	**12,663**	**12,286**
Operating Expense	**(11,289)**	**(10,382)**
PMSO	(951)	(884)
Personnel	(430)	(425)
Material	(23)	(29)
Outsourced Services	(541)	(478)
Other	43	47
Purchased Electricity	(8,211)	(7,995)
Depreciation	(587)	(591)
Provisions - Contingencies	(413)	(293)
ADA	(1,127)	(619)
Adjusted EBITDA*	**1,962**	**2,495**
Financial Income/Loss	702	(734)
Other Operating Income/Expense	(49)	(94)
Income before Taxes and Equity Income	2,027	1,076
Income Tax/Social Contribution	(96)	(760)
Deferred Income Tax/Social Contribution	(565)	404
Equity Income	(38)	(28)
Net Income	1,328	692

* Adjusted EBITDA is calculated from income before social contribution and income tax, equity income, other operating income/expense, net finance revenue/expense, depreciations and amortization.

Adjusted EBITDA by Segment (R$ MM)	2019	2020
Distribution	1,578	1,364
Generation	542	1,089
Trading	(126)	59
Other and eliminations	(33)	(17)
Total	**1,962**	**1,684**
EBITDA margin (%)	15.5%	14.9%

Net Income/Loss by Segment (R$ MM)	2019	2020
Distribution	1,154	275
Generation	327	422
Trading	(64)	38
Other and eliminations	(88)	(43)
Total	**1,328**	**692**
Net margin (%)	10.5%	5.6%

INVESTMENT

Capital expenditure in 2020 was a total of R$ 949 million, 7.2% higher than in the previous year. The highest expenditure was in the distribution segment at R$ 849 million. Investments were used toward developing distribution systems and expanding high-voltage systems—helping to create a more robust power grid, improve power quality and reduce loads on high-voltage circuits.

In addition, R$ 289 million was spent within our loss reduction program—with a larger number of crews in the field to intensify inspections and normalizations of low-voltage customers, and upgrade existing electronic meters to a more advanced technology—and on continued investment in Smart Grid power balancing.

Light Energia invested a total of R$ 100 million in capital expenditure in 2020, an increase of 43.6% versus 2019. The increase reflects higher CAPEX on power plant pumping system upgrades and asset replacements, as well as expenditure on the spillway works at the Ilha dos Pombos Dam, which involved a total investment of R$ 32.6 million in the last quarter of 2020.

Including contributions to subsidiaries of R$ 1 million in the year, capital expenditure amounted to a total of R$ 950 million in 2020, increasing 1.2% year on year.

Consolidated Capital Expenditure (R$MM)	2019	2020
Distribution	733	745
Engineering	504	456
Commercial	229	289
Non-Electric Assets	82	104
Generation (Light Energia & Lajes)	69	100
Total	**885**	**949**
Contributions to subsidiaries	54	1
Total Capital Expenditure (including contributions)	**939**	**950**

2019/2020 ACTION PLAN

On November 12, 2020 Light met with ANEEL to present a report on power quality indicators and initiatives within our 2019/2020 Action Plan to address continuity and billing issues. During the meeting, ANEEL praised the improvements achieved in our service area.

In a letter received on November 27, 2020, ANEEL informed Light that the 2019/2020 Action Plan was deemed to have been satisfactorily completed, with all

agreed targets adequately met. This means that Light will not have to submit an action plan for the following cycle, an important achievement following several years of close scrutiny by ANEEL.

In relation to Light's Collection Performance Plan, ANEEL indicated that no nonconformities were identified for the 2019/2020 cycle and that new targets had been set for the 2020/2021cycle. ANEEL also indicated that, with the exception of Percent Substantiated Claims (PRP), all other performance indicators (QRT, QR-FAT, PSL, PCF and PRF) were within target and satisfactory.

RATES

Light SESA's electricity rates are established in its concession agreement and in regulations and resolutions issued by ANEEL within its discretionary authority. A rate ceiling mechanism has been established under distribution concession agreements and Brazilian regulations that allows for three types of adjustments: annual adjustments, five-year reviews, and extraordinary reviews. **[GRI EU19]**

RATE ADJUSTMENT

On March 10, ANEEL approved an average rate adjustment of +6.21% for Light SESA. The new rates became effective on March 15, 2020.

The increase for residential consumers was 5.91% as shown in the table below along with the effects on other segments and voltage levels.

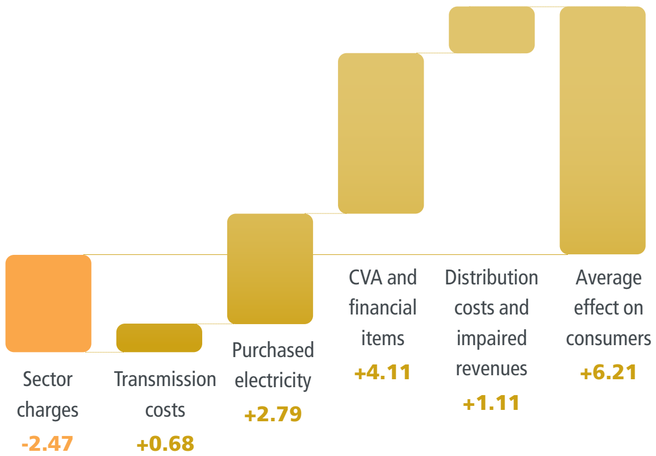
Average rate review impact by segment and voltage level

	FREE + CAPTIVE	AVERAGE EFFECT
Group A	A2 (88 to 138kV)	7.11%
	A4 (2.3 to 25 kV)	6.53%
	AS (Underground)	7.46%
LV	B1 (Residential)	5.91%
	B2 (Rural)	14.35%
	B3 (Commercial)	6.05%
	B4 (Street lighting)	5.99%
	Group A	6.73%
	LV	5.98%
	Group A+LV	**6.21%**

The annual rate-setting review passes non-manageable concession costs—such as purchased electricity, sector charges and transmission charges (Component A)—through to customers. It also adjusts manageable costs (Portion B) by the IGPM index adjusted for the Factor X, which passes the utility's annual efficiency gains and adjustments to the operating costs established in the previous Rate Setting Review through to customers. It also incorporates incentives for improvement in quality of supply.

The graph below shows the share of each cost item in the average increase applicable to consumers

Average effect on consumers



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ABOUT THIS REPORT

This report is for the period from January 1 to December 31, 2020. The *Light Annual Report* provides our stakeholders with an account of the management approach, initiatives and performance in the year of Light S.A. and its wholly owned subsidiaries, which we refer to simply as "Light" in this Report. **[GRI 102-50, GRI 102-51, GRI 102-52]**

Light's annual reports are produced by a multidisciplinary team, evaluated by our Governance & Sustainability Committee, and approved by our Board of Directors and Audit Board. **[GRI 102-32]**

The contents of the Report have been prepared in accordance with best practices in sustainability reporting, including:

- The Global Reporting Initiative (GRI) Standards: Comprehensive option, including all energy utilities sector disclosures applicable to the Company; **[GRI 102-54]**
- The International Integrated Reporting Framework;
- The ANEEL *Social, Environmental and Economic Responsibility Reporting Requirements*.

This report should be read in conjunction with two other important annual publications about the Company: Our Reference Form, which is required and regulated by the Brazilian Securities Commission (CVM), and the Notes to the Financial Statements, which are required and regulated by Law no. 6404/1976 (the "Corporations Act).

Our Financial Statements[28] conform to International Financial Reporting Standards (IFRS) and are audited by independent auditors Ernst & Young.

Social and environmental disclosures have also been audited by independent auditors Ernst & Young Auditores Independentes. **[GRI 102-56]**

28 The Financial Statements contain financial information for Light Group companies [GRI 102-45]

Engagement and materiality

Since 2009 we have conducted a regular exercise of identifying topics that are material to Light both from our own perspective and from the perspective of our stakeholders. Our Materiality Matrix was revised in 2019, and the new material topics are addressed in this Report. Our materiality assessment methodology is detailed here. **[GRI 102-46]**

The disclosures contained in this report cover not only identified material topics, but also our management approach and performance across the Capitals. **[GRI 103-1, GRI 103-2]**

The table below maps Light's material topics to the relevant GRI material topics and the stakeholders and businesses most affected. **[GRI 102-44]**

MATERIAL TOPICS ADDRESSED IN THIS REPORT [GRI 102-44, GRI 102-46, GRI 102-47]

Material topics	Description	Relevant Capital	GRI Material Topics	*Affected stakeholders*	Affected businesses
Losses and Delinquency	Loss reduction strategies, including projects in low-income communities.	Social and Relationship	↦ System efficiency ↦ Local communities	↦ Customers ↦ Communities ↦ Regulator	Light SESA
Relations with Customers and Society	Challenges in building closer relationships with customers and impacts on consumer behavior.	Social and Relationship	↦ Social and economic compliance ↦ Supplier social assessment ↦ Disaster and emergency planning and preparedness ↦ Marketing and labeling ↦ Customer privacy ↦ Access	↦ Customers ↦ Communities ↦ Suppliers ↦ Regulator ↦ Government	Light SESA
Financial Health and the Capital Market	Business results, commitment to shareholders and lenders, and access to finance.	Financial	↦ Economic performance	↦ Investors ↦ Shareholders	All
Quality of Service	Quality of power supply to end consumers.	Manufactured	↦ Availability and reliability ↦ Access	↦ Customers ↦ Communities ↦ Regulator ↦ Investors	Light SESA
Operating Efficiency	Efficient operation and resource management.	Manufactured Social and Relationship Financial	↦ System efficiency ↦ Availability and reliability ↦ Economic performance ↦ Indirect economic impacts	↦ Customers ↦ Communities ↦ Regulator ↦ Investors	All
Service Area Development	Investments in our concession area and in social and cultural development.	Social and Relationship	↦ Local communities ↦ Indirect economic impacts	↦ Customers ↦ Communities ↦ Investors	All
Environment and Climate Change	Environmental impacts and adapting to climate change.	Natural	↦ Economic performance ↦ Emissions ↦ Environmental compliance	↦ Communities ↦ Regulator	All
People management	People management, labor practices and decent work.	Human and Intellectual	↦ Employment ↦ Labor relations ↦ Training and education ↦ Diversity and equal opportunity	↦ Internal stakeholders	All
Supplier Management	Supplier management in relation to social and environmental practices.	Social and Relationship	↦ Supplier environmental assessment ↦ Supplier social assessment ↦ Procurement practices	↦ Suppliers	All
Health and safety	Health and safety of our workforce and communities.	Social and Relationship Human	↦ Occupational health and safety ↦ Customer health and safety	↦ Internal stakeholders ↦ Customers	All
Ethics & Compliance	Integrity in management, commercial and operational practices.	Social and Relationship	↦ Anti-corruption	↦ All	All
Governance and management approach	Governance practices and good management practices.	Social and Relationship	↦ Governance	↦ All	All

To learn more about the GRI disclosures related to each of these topics and where they are found in this report, see the GRI Content Index. **[GRI 102-55]**
Any restatements of information contained in a previous report are documented and explained in the current report.
To learn more about a particular subject or to submit a question about the contents of this report, contact us at: **[GRI 102-53]**
Email: ri@light.com.br
Address: Av. Marechal Floriano, 168, Centro, Rio de Janeiro/RJ – Brazil, CEP: 20080-002.

TO LEARN MORE ABOUT...

Our *stakeholder surveys and materiality matrix*;

Integrated Reporting;

GRI (English only);

Our Reference Form;

Light's Financial Statements.

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Relatório de Asseguração Limitada dos Auditores Independentes do Relatório Anual de Sustentabilidade da Light S.A., com base nas diretrizes GRI, versão Standards e opção de reporte "Abrangente", e de seu Inventário de Emissões de Gases de Efeito Estufa.

Aos Administradores
Light S.A.
Rio de Janeiro – RJ

Introdução

Fomos contratados pela administração da Light S.A. para apresentar nosso relatório de asseguração limitada sobre os indicadores contidos no Relatório Anual de Sustentabilidade, com base nas diretrizes do Global Reporting Iniciative ("GRI"), versão Standards, relativos ao exercício findo em 31 de dezembro de 2020 ("Relatório"), e de seu Inventário de Emissões de Gases de Efeito Estufa ("Inventário de GEE").

Responsabilidades da administração da Light S.A.

A administração da Light S.A. é responsável pela elaboração e apresentação de forma adequada das informações constantes no Relatório de acordo com critérios, premissas e metodologias GRI (opção de reporte "Abrangente"), Especificações do Programa Brasileiro GHG Protocol (Inventário de GEE), e pelos controles internos que ela determinou como necessários para permitir a elaboração dessas informações livres de distorção relevante, independentemente se causada por fraude ou erro.

Responsabilidade dos auditores independentes

Nossa responsabilidade é expressar conclusão sobre as informações constantes no Relatório, com base no trabalho de asseguração limitada conduzido de acordo com o Comunicado Técnico do Ibracon (CT) № 07/2012, aprovado pelo Conselho Federal de Contabilidade e elaborado tomando por base a NBC TO 3000 (Trabalhos de Asseguração Diferente de Auditoria e Revisão), emitida pelo Conselho Federal de Contabilidade – CFC, que é equivalente à norma internacional ISAE 3000, emitida pela Federação Internacional de Contadores, aplicáveis às informações não históricas. Essas normas requerem o cumprimento de exigências éticas, incluindo requisitos de independência e que o trabalho seja executado com o objetivo de obter segurança limitada de que os indicadores constantes no Relatório, estão livres de distorções relevantes.

Um trabalho de asseguração limitada conduzido de acordo com a NBC TO 3000 (ISAE 3000) consiste principalmente de indagações à administração e outros profissionais da Light S.A. que foram envolvidos na elaboração das informações constantes do Relatório através da aplicação de procedimentos analíticos para obter evidências que nos possibilite concluir na forma de asseguração limitada sobre os indicadores do Relatório. Um trabalho de asseguração limitada requer, também, a execução de procedimentos adicionais, quando o auditor independente toma conhecimento de assuntos que o leve a acreditar que as informações constantes do Relatório podem apresentar distorções relevantes.

Os procedimentos selecionados basearam-se na nossa compreensão dos aspectos relativos à compilação e apresentação das informações constantes no Relatório de acordo com critérios, premissas e metodologias próprias da Light S.A. Os procedimentos compreenderam:

(a) o planejamento dos trabalhos, considerando a relevância, o volume de informações quantitativas e qualitativas e os controles internos que serviram de base para a elaboração das informações constantes do Relatório;

(b) o entendimento da metodologia de cálculos e dos procedimentos para a preparação e compilação do Relatório através de entrevistas com os gestores responsáveis pela elaboração das informações;

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(c) aplicação de procedimentos analíticos e verificação amostral de determinadas evidências que suportam os dados utilizados para a elaboração do Relatório;

(d) confronto dos dados de natureza financeira com as demonstrações financeiras e/ou registros contábeis.

Os trabalhos de asseguração limitada compreenderam, também, a aderência às diretrizes da estrutura de elaboração dos indicadores da GRI - Standards, aplicável na elaboração das informações constantes no Relatório, e as Especificações do Programa Brasileiro GHG Protocol, aplicáveis na elaboração das informações constantes no Inventário de GEE da Light S.A.

Entendemos que as evidências obtidas em nosso trabalho foram suficientes e apropriadas para fundamentar nossa conclusão na forma limitada.

Alcance e limitações

Os procedimentos aplicados em um trabalho de asseguração limitada são substancialmente menos extensos do que aqueles aplicados em um trabalho de asseguração que tem por objetivo emitir uma opinião sobre as informações constantes no Relatório. Consequentemente, não nos possibilitam obter segurança de que tomamos conhecimento de todos os assuntos que seriam identificados em um trabalho de asseguração que tem por objetivo emitir uma opinião. Caso tivéssemos executado um trabalho com objetivo de emitir uma opinião, poderíamos ter identificados outros assuntos ou eventuais distorções nas informações constantes do Relatório. Dessa forma, não expressamos uma opinião sobre essas informações. Adicionalmente, os controles internos da Light S.A. não fizeram parte de nosso escopo de asseguração limitada.

Os dados não financeiros estão sujeitos a mais limitações inerentes do que os dados financeiros, dada à natureza e a diversidade dos métodos utilizados para determinar, calcular ou estimar esses dados. Interpretações qualitativas de materialidade, relevância e precisão dos dados estão sujeitos a pressupostos individuais e a julgamentos. Adicionalmente, não realizamos qualquer trabalho em dados informados para os períodos anteriores, nem em relação a projeções futuras e metas.

Conclusão

Com base nos procedimentos realizados, descritos neste relatório, nada chegou ao nosso conhecimento que nos leve a acreditar que os indicadores GRI constantes no Relatório Anual de Sustentabilidade da Light S.A. (que incluem os indicadores de seu Inventário de GEE), relativo ao exercício findo em 31 de dezembro de 2020, não tenham sido elaboradas, em todos os aspectos relevantes, de acordo com critérios, premissas e metodologias para elaboração dos indicadores da *Global Reporting Initiative* - Standards (opção de reporte "Abrangente") e nas Especificações do Programa Brasileiro GHG Protocol.

São Paulo (SP), 27 de abril de 2021

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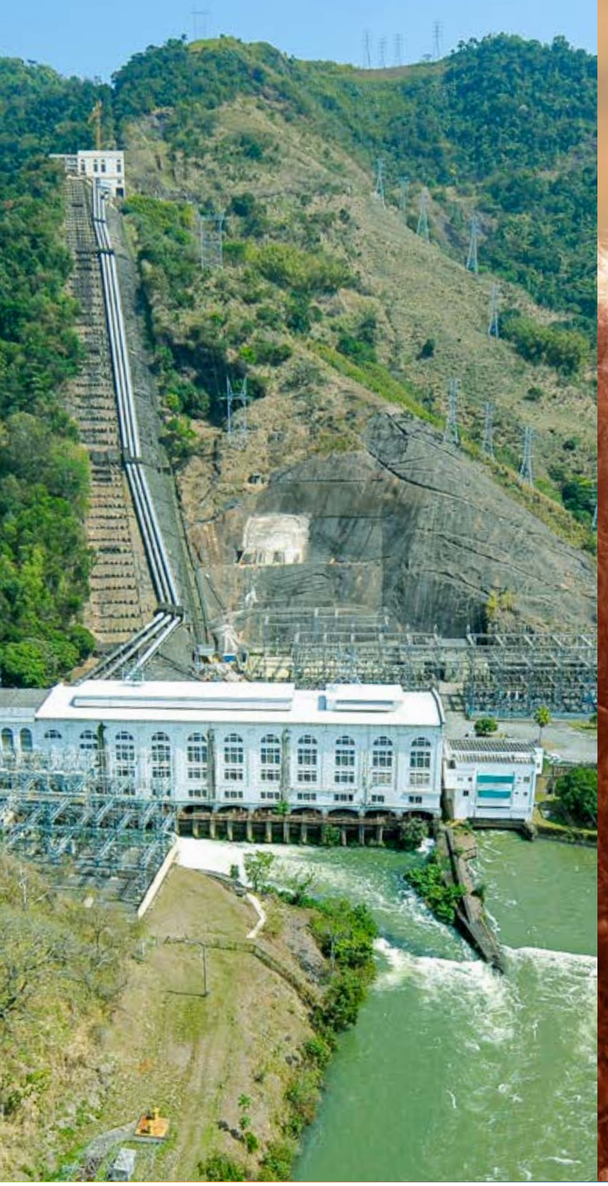


2020

Integrated Annual Sustainability Report

APPENDICES

Light

GRI DISCLOSURES – LIGHT SA

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1]

	CONSOLIDATED	
STATEMENT OF ADDED VALUE (R$ THOUSAND)	**2020**	**2019**
Revenue	**19,720,825**	**20,006,677**
Sales of goods, products and services	19,454,431	19,254,052
Offset PIS and COFINS credits on ICMS	-	1,086,462
Revenue relating to construction of company assets	885,064	793,332
Expected allowance for doubtful accounts	(618,670)	(1,127,169)
Inputs purchased from third parties	**(9,501,022)**	**(9,801,731)**
Cost of goods sold and services rendered	(7,995,275)	(8,211,044)
Material, energy, outsourced services and other	(1,505,747)	(1,590,687)
Gross value added	**10,219,803**	**10,204,946**
Withholdings	**(590,909)**	**(587,187)**
Depreciation and amortization	(590,909)	(587,187)
Net value added	**9,628,894**	**9,617,759**
Transferred added value	**1,068,436**	**1,863,032**
Equity in income of associates	(28,232)	(38,367)
Finance revenue	1,096,668	1,901,399
Added value to be distributed	**10,697,330**	**11,480,791**
Distribution of added value	**10,697,330**	**11,480,791**
Personnel	**432,879**	**423,188**
Direct compensation	280,756	291,533
Benefits	109,217	95,703
FGTS	32,683	31,130
Other	10,223	4,822
Taxes, charges and contributions	**7,622,380**	**8,509,165**
Federal	3,369,032	4,081,377
State	4,236,673	4,415,775
Municipal	16,675	12,013
Interest on third-party capital	**1,950,149**	**1,220,635**
Interest	1,859,529	1,147,447
Rent	90,620	73,188
Interest on equity	**691,922**	**1,327,803**
Dividends	164,332	315,353
Retained earnings	527,590	1,012,450

GRID DATA [GRI EU4]

	2018	2019	2020
Installed capacity (MVA)	10,522	10,525	10,566
Transmission lines (Km)	2,039	2,039	3,145
Total distribution system length (km)	77,904	78,766	83,329
Substations	221	221	221
Distribution transformers (un.)	92,408	93,082	93,982

AVERAGE PLANT AVAILABILITY FACTOR (%) [GRI EU30]

	2018	2019	2020
Fontes Nova (FTN)	87.2	90.2	81.3
Nilo Peçanha (NLP)	94.7	97.7	98.7
Pereira Passos (PPS)	97.1	96.6	98.2
Ilha dos Pombos (ILH)	97.5	95.2	97.5
Santa Branca (SBR)	95.6	96.4	98.2

Source: IMS Performance Report

Note: Not including the Paracambi SHP, which is owned by LightGer, in which Light has a 51% interest.

ELECTRICITY GENERATED (GWh) [GRI EU2]

	2018	2019	2020
Fontes Nova (Piraí - RJ)	500	641	592
Nilo Peçanha (Piraí - RJ)	2,556	2,554	2,627
Pereira Passos (Piraí - RJ)	349	372	357
Ilha dos Pombos (Carmo/Além Paraíba RJ/MG)	594	495	654
Santa Branca (Santa Branca/Jacareí SP)	197	174	180
Gross Output (including losses and internal consumption)	4,197	4,235	4,410
Net Output - Electric power delivered to the National Grid	4,150	4,186	4,364

Source: Net Output 2020
Note: Not including the Paracambi SHP, which is owned by LightGer, in which Light has a 51% interest.

CAPACITY AGAINST PROJECTED DEMAND BY ENERGY SOURCE GWh [GRI EU10]

	2018	2019	2020
Hydro (auctions + quotas)	17,846	16,915	15,657
Thermal (auctions + bilateral agreement)	9,729	9,999	10,782
Angra (Eletronuclear)	868	866	864
Proinfa (Small Hydropower)	284	211	257
Proinfa (Wind)	147	170	121
Proinfa (Biomass)	65	78	59
Wind (auctions)	256	999	1,008
Total	**29,194**	**29,237**	**28,747**

Note: Power is purchased to meet our projected demand through auctions without the option to choose the source of electricity. Power cannot be traded directly between Light Group generation and distribution/supply subsidiaries. Adjustment mechanisms are available that enable power supply and demand to be balanced by purchasing additional electricity or returning contracts.

TOTAL WATER WITHDRAWAL BY SOURCE ($m^3.10^9$/year) [GRI 303-3]

	2018	2019	2020
Paraíba - Guandu Diversion (Annual Average)	111	106	126
Piraí – Guandu Diversion (Annual Average)	15	16	15
TOTAL WITHDRAWALS	**126**	**122**	**141**

Note: "Piraí - Guandu Diversion" refers to the average pumping rates at Santa Cecília; "Piraí - Guandu Diversion" refers to the average annual flow rates measured at the V-3-482 Rosário Tunnel Outlet and V-1-105 Fazenda Nova Esperança hydrological stations.

WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER (ANNUAL AVERAGE – m^3/s) [GRI 303-3]

	2018	2019	2020
Total water withdrawal to the Guandu River - Riberão das Lajes (Lajes + Diversion)	134.1	142.0	141.0
Total water withdrawal to the Guandu River - CEDAE Intake	5.4	5.6	5.6
Total withdrawal/supply	139.5	147.6	146.6

Note: Total water withdrawal to the Guandu River - Riberão das Lajes is measured as the average annual discharge at Station V-3-489 – downstream of Pereira Passos.
Total water withdrawal to the Guandu River – CEDAE Channel is measured as the average annual discharge at Station V-3-486 – CEDAE Channel.

WATER CONSUMPTION AT LIGHT FACILITIES [GRI 303-5]

	2018	2019	2020
Water consumption (average m^3/day)	351	376	267

SCOPE 1 (OWN FLEET) ENERGY CONSUMPTION, BY PRIMARY SOURCE, IN MWh [GRI 302-1]

	2018	2019	2020
Diesel	5,651	7,097	14,744
Gasoline	5,253	5,297	13,238
Ethanol	53	29	10
Total	**10,957**	**12,423**	**27,992**

Note: In 2020 we adopted a new methodology for converting liters into MWh.

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION, BY PRIMARY SOURCE, IN MWh [GRI 302-2]

	2018	2019	2020
Diesel	6,761	2,627	6,220
Gasoline	8,729	7,572	9,970
Ethanol	183	24	293
Total	**15,673**	**10,223**	**16,483**

Note: In 2020 we adopted a new methodology for converting liters into MWh.

ENVIRONMENTAL INVESTMENT, IN R$ THOUSANDS [GRI 103-2]

	2018	2019	2020
Light SESA	**4,977**	**14,457**	**12,436**
Environmental maintenance and safety	2,119	11,213	10,161
Environmental education and programs	1,200	642	840
Environmental licensing and compliance	725	957	1,068
Environmental management system implementation and maintenance	117	31	221
Reforestation / slope stabilization	99	114	117
Aquatic plant retrieval	NA	NA	NA
Research and development	717	1,500	29
Light Energia	**7,519**	**11,328**	**47,030**
Environmental maintenance and safety	1,096	4,870	42,476
Environmental education and programs	169	13	459
Environmental licensing and compliance	337	322	407
Environmental management system implementation and maintenance	376	409	405
Reforestation / slope stabilization	2,768	1,787	1,366
Aquatic plant retrieval	1,642	2,668	1,714
Research and development	1,131	1,259	203
Total	**12,496**	**25,785**	**59,466**
Environmental maintenance and safety	3,215	16,083	52,637
Environmental education and programs	1,369	655	1,299
Environmental licensing and compliance	1,062	1,279	1,475
Environmental management system implementation and maintenance	493	440	626
Reforestation / slope stabilization	2,866	1,901	1,483
Aquatic plant retrieval	1,642	2,668	1,714
Research and development	1,847	2,759	232

Note: Tree trimming costs are not classified as environmental investments, but as operation and maintenance expense.
Note: In 2020 we adopted a new methodology for converting liters into MWh.

WASTE BY COMPOSITION, IN METRIC TONS (T) LIGHT SESA [GRI 306-3]

IN 2020	Waste generated	Waste directed to disposal	Waste diverted from disposal
Hazardous waste	**1,284.07**	**340.89**	**943.18**
Transformer	657.94		657.94
Oily waste	491.58	335.94	155.64
Incandescent lamps	2.70		2.70
Electrical and electronic equipment/meters	126.52		126.52
Contaminated PPE	4.66	4.66	
Inorganic waste containing hazardous substances	0.29	0.29	
Asphalt and tar-based products	0.38		0.38
Nonhazardous waste	**10,983.24**	**6,475.59**	**4,507.65**
Metals	929.62		929.62
Insulators	141.17		141.17
Plastic	18.82		18.82
Wood	226.42	21.00	205.42
Concrete poles	151.52		151.52
Wood poles/crossarms	147.10		147.10
Tree trimmings	2,914.00		2,914.00
Non-contaminated PPE	12.90	12.90	
Construction and demolition	4,838.17	4,838.17	
Rock and soil	502.50	502.50	
Mud and sludge	0.02	0.02	
Earth and stones	65.00	65.00	
Grass cuttings	135.42	135.42	
Special waste	629.39	629.39	
Septic tank sludge	0.00	0.00	
Sewage	271.18	271.18	
Total waste volumes	**12,267.31**	**6,816.48**	**5,450.83**

Note: With our adoption of the new GRI 306 standard in 2020, the information reported in previous years is no longer comparable and has been omitted.

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATION, IN METRIC TONS (T) LIGHT SESA [GRI 306-4]

IN 2020	Within the organization	Outside the organization	Total
Hazardous waste			
Preparation for reuse		940.1	940.1
Recycling		3.08	3.08
Other recovery operations			
TOTAL		**943.18**	**943.18**
Nonhazardous waste			
Preparation for reuse		1,593.65	1,593.65
Recycling		2,914.00	2,914.00
Other recovery operations			
TOTAL		**4,507.65**	**4,507.65**
Waste prevented			

WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATION, IN METRIC TONS (T) LIGHT SESA [GRI 306-5]

IN 2020	Within the organization	Outside the organization	Total
Hazardous waste			
Incineration (with energy recovery)			
Incineration (without energy recovery)			
Landfilling			
Other disposal operations		340.89	340.89
TOTAL		**340.89**	**340.89**
Nonhazardous waste			
Incineration (with energy recovery)			
Incineration (without energy recovery)			
Landfilling		6,191.48	6,191.48
Other disposal operations		284.11	284.11
TOTAL		**6,475.59**	**6,475.59**

Note: With our adoption of the new GRI 306 standard in 2020, the information reported in previous years is no longer comparable and has been omitted.

WASTE BY COMPOSITION, IN METRIC TONS (T) LIGHT ENERGIA [GRI 306-3]

IN 2020	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous waste			
Used insulating oil	14.06	14.06	-
Used lubricants	1.9	1.9	-
Lamps	0.12	-	0.12
Batteries	3.02	-	3.02
Contaminated material	6.04	-	6.04
Total waste volumes	25.14	15.96	9.18
Nonhazardous waste			
Vegetation (at water intakes and barriers)	3,263	-	3,263
Paper/cardboard	0.9	0.9	0
Construction waste	84.5	-	84.5
Rubber (miscellaneous)	0	-	0
Plastic	0.9	0.9	0
Scrap metal	0	-	0
Ferrous scrap	0	-	0
Glass	0	-	0
Wood	0	-	0
Electronic scrap	1	1	0
Tree trimmings	0	-	0
Septic tank sludge	48.6	-	48.6
Municipal waste	1.2	-	1.2
Washable towels	3.14	3.14	0
Total waste volumes	**3,403.24**	**5.94**	**3,397.30**

Note: With our adoption of the new GRI 306 standard in 2020, the information reported in previous years is no longer comparable and has been omitted.

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATION, IN METRIC TONS (T) LIGHT ENERGIA [GRI 306-4]

IN 2020	Within the organization	Outside the organization	Total
Hazardous waste			
Preparation for reuse	-	-	-
Recycling	-	15.96	-
Other recovery operations	-	-	-
TOTAL	**-**	**15.96**	**-**
Nonhazardous waste			
Preparation for reuse	-	3.14	3.14
Recycling	-	2.80	2.80
Other recovery operations	-	-	-
TOTAL	**-**	**5.94**	**5.94**

Note: With our adoption of the new GRI 306 standard in 2020, the information reported in previous years is no longer comparable and has been omitted.

WASTE DIRECTED TO DISPOSAL BY DISPOSAL OPERATION, IN METRIC TONS (T) LIGHT ENERGIA [GRI 306-5]

IN 2020	Within the organization	Outside the organization	Total
Hazardous waste			
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Landfilling	-	-	-
Other disposal operations	-	9.18	9.18
TOTAL	**-**	**9.18**	9.18
Nonhazardous waste			
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Landfilling	-	-	-
Other disposal operations	-	3,397.30	3,397.30
TOTAL	**-**	**3,397.30**	**3,397.30**

Note: With our adoption of the new GRI 306 standard in 2020, the information reported in previous years is no longer comparable and has been omitted.

TOTAL GHG EMISSIONS BY WEIGHT, IN METRIC TONS OF CO_2 EQ [GRI 305-1, GRI 305-2, GRI 305-3]

		GROUP		
Categories	**Emission sources**	**2018**	**2019**	**2020**
Mobile Combustion	Gasoline (Fleet)			2,697.22
	Diesel (Fleet)			3,578.78
	Ethanol (Fleet)	3,648.39	4,181.57	0.02
	Gasoline (Boats)			1.75
	Diesel (Boats)			3.47
Stationary Combustion	Gasoline (Point source)	1,112.90	798.63	0.06
	Diesel (Point source)			12.81
Fugitive Emissions	SF_6			3,896.30
	HFC	3,094.30	4,771.56	606.32
	CO_2			0.02
Wastewater Treatment	Wastewater treatment / Infiltrator	9.34	0.48	-
Solid Waste	Solid waste (Composting)	10,610.90	4,176.10	652.93
Total Direct (Scope 1) GHG Emissions		**18,475.82**	**13,928.34**	**11,449.68**
Energy Consumption	Electricity Consumption	8,849.23	8,711.96	10,646.32
T&D losses	T&D losses	163,513.63	191,680.26	155,124.38
Energy Indirect (Scope 2) GHG Emissions		**172,363.07**	**200,392.22**	**165,770.70**
Land Transportation	Gasoline (Contractors)			2,031.39
	Diesel (Contractors)	5,085.41	3,071.85	1,509.86
	Ethanol (Contractors)			0.53
	CNG (Contractors)			2.78
Air Travel	Air Travel	62.19	127.84	40.58
Wastewater Treatment	Wastewater treatment / Infiltrator	-	-	1.58
Solid Waste	Trimming Waste (Third-Party)	38,916.64	10,321.63	13,326.69
	Solid Waste (Landfilling)			5,328.39
Other Indirect (Scope 3) GHG Emissions		**44,064.24**	**13,521.31**	**22,241.80**
Total Emissions		**234,903.13**	**227,841.87**	**199,462.17**

Note 1: Light's Corporate Greenhouse Gas Emissions Inventory for fiscal 2020 was developed at our own initiative by a specialized consulting firm, in collaboration with Light staff. The inventory was compiled from December 2020 to March 2021 in accordance with the guidelines outlined in the "GHG Protocol Corporate Accounting and Reporting Standard" and international standard ISO 14.064-1, and includes the greenhouse gas emissions covered by the Kyoto Protocol namely: CO_2, CH_4, N_2O, PFCs, HFCs, SF_6 and NF_3.

The inventory boundaries were set using the Operational Control approach under the GHG Protocol, covering direct (Scope 1) GHG emissions, energy indirect (Scope 2) GHG emissions, and other indirect (Scope 3) GHG emissions. The inventory reports on emissions produced by Light S.A.'s three main subsidiaries: Light Serviços de Eletricidade S.A. ("SESA"), Light Energia S.A., ("Energia"), and Light Com Comercializadora de Energia S.A. ("COM").

Note 2: In accordance with the GHG Protocol, all biogenic CO_2 emissions (CO_2 from the use of biofuels or biomass) are reported separately in this inventory. A distinction is made between fossil and biogenic CO_2 emissions due to the fact that biogenic CO_2 emissions do not introduce new carbon into the existing natural carbon cycle and therefore do not contribute to the greenhouse gas effect.

Note 3: Light Com Comercializadora de Energia S.A ("COM") was added to the GHG inventory in 2020.

TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION [GRI 102-8]

	2018	2019	2020
Definite employment agreement	**58**	**135**	**56**
Greater Rio	47	122	53
Rest of State	11	13	3
São Paulo	0	0	0
Indefinite employment agreement	**4,654**	**5,051**	**5,531**
Greater Rio	4,008	4,391	4,885
Rest of State	637	652	642
São Paulo	9	8	4
Total	**4,712**	**5,186**	**5,587**

Note: All employees with indefinite employment contracts work full time. Fixed-term contracts are for young apprentices, who work for 4 hours daily.

TOTAL DIRECT WORKFORCE, BY GENDER AND REGION [GRI 102-8]

	2018	2019	2020
Greater Rio	**4,055**	**4,513**	**4,885**
Women	1,001	1,041	972
Men	3,054	3,472	3,913
Rest of State	**648**	**665**	**642**
Women	56	61	37
Men	592	604	605
São Paulo	**9**	**8**	**4**
Women	0	1	1
Men	9	7	3
Total	**4,712**	**5,186**	**5,531**
Women	1,057	1,103	1,010
Men	3,655	4,083	4,521

WORKFORCE BY ACTIVITY AND REGION [GRI 102-8]

	2018	2019	2020
Administrative	**768**	**801**	**737**
Greater Rio	727	759	691
Rest of State	41	42	46
São Paulo	0	0	0
Middle Management	**214**	**197**	**194**
Greater Rio	202	188	185
Rest of State	12	9	8
São Paulo	0	0	1
Operational	**1,970**	**2,374**	**2,689**
Greater Rio	1,591	1,985	2,356
Rest of State	379	389	333
São Paulo	0	0	0
Professional	**695**	**726**	**735**
Greater Rio	667	694	697
Rest of State	25	29	35
São Paulo	3	3	3
Technical	**1,065**	**1,088**	**1,176**
Greater Rio	868	887	956
Rest of State	191	196	220
São Paulo	6	5	0
Total	**4,712**	**5,186**	**5,531**

NUMBER OF TERMINATIONS BY GENDER, AGE AND REGION [GRI 401-1]

	2018	2019	2020
Greater Rio	**282**	**425**	**557**
Women <30	29	59	21
Women 30-50	56	12	82
Women >50	7	76	38
Total Women	**92**	**147**	**141**
Men <30	54	84	89
Men 30-50	107	51	224
Men >50	29	143	103
Total Men	**190**	**278**	**416**
Total <30	83	143	110
Total 30-50	163	63	306
Total >50	36	219	141
Rest of State	**32**	**18**	**69**
Women <30	8	1	7
Women 30-50	0	0	9
Women >50	0	1	0
Total Women	**8**	**2**	**16**
Men <30	7	3	7
Men 30-50	10	7	17
Men >50	7	6	29
Total Men	**24**	**16**	**53**
Total <30	15	4	14
Total 30-50	10	7	26
Total >50	7	7	29
São Paulo	**0**	**1**	**1**
Women <30	0	0	0
Women 30-50	0	0	0
Women >50	0	0	0
Total Women	**0**	**0**	**0**
Men <30	0	0	0
Men 30-50	0	0	1
Men >50	0	1	0
Total Men	**0**	**1**	**1**
Total <30	0	0	0
Total 30-50	0	0	1
Total >50	0	1	0
Total	**314**	**444**	**627**
Total <30	98	147	124
Total 30-50	173	70	333
Total >50	43	227	170

EMPLOYEE TURNOVER BY GENDER, AGE AND REGION [GRI 401-1]

	2018	2019	2020
Greater Rio	**7%**	**9%**	**11%**
Women <30	10%	19%	9%
Women 30-50	9%	11%	13%
Women >50	8%	12%	52%
Total Women	**9%**	**14%**	**15%**
Men <30	8%	10%	10%
Men 30-50	5%	11%	8%
Men >50	8%	7%	28%
Total Men	**6%**	**8%**	**11%**
Total <30	8%	12%	10%
Total 30-50	6%	11%	9%
Total >50	8%	8%	32%
Rest of State	**5%**	**3%**	**11%**
Women <30	50%	5%	233%
Women 30-50	0%	0%	28%
Women >50	0%	3%	0%
Total Women	**14%**	**3%**	**43%**
Men <30	5%	2%	5%
Men 30-50	3%	6%	4%
Men >50	7%	2%	33%
Total Men	**4%**	**3%**	**9%**
Total <30	9%	3%	11%
Total 30-50	3%	6%	6%
Total >50	7%	2%	32%
São Paulo	**0%**	**13%**	**25%**
Women <30	0%	0%	0%
Women 30-50	0%	0%	0%
Women >50	0%	0%	0%
Total Women	**0%**	**0%**	**0%**
Men <30	0%	0%	0%
Men 30-50	0%	0%	0%
Men >50	0%	20%	0%
Total Men	**0%**	**14%**	**33%**
Total <30	0%	0%	0%
Total 30-50	0%	0%	100%
Total >50	0%	17%	0%
Total	**7%**	**9%**	**13%**
Total <30	9%	11%	17%
Total 30-50	6%	10%	9%
Total >50	7%	7%	32%

FORMULA = Number of terminations in the year / Workforce in previous period (use the number of employees in tens, separated by region and gender, to calculate the percentage).

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER [GRI 401-3]

	2018	2019	2020
Employees that were entitled to parental leave (unit)	**4,712**	**5,186**	**5,531**
Women	1,057	1,103	1,010
Men	3,655	4,083	4,521
Employees that took parental leave (unit)	**167**	**174**	**263**
Women	30	46	51
Men	137	128	212
Employees that returned to work after parental leave ended (unit)	**167**	**173**	**261**
Women	30	45	50
Men	137	128	211
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work (unit)	**165**	**172**	**254**
Women	30	45	49
Men	135	127	205
Return to work rate (%)			
Women	100%	98%	98%
Men	100%	100%	100%
Retention rate of employees that took parental leave (%)			
Women	100%	98%	96%
Men	99%	99%	97%

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN (%), BY EMPLOYEE CATEGORY [GRI 405-2]

	2018	2019	2020
Average Salary Men / Women			
Administrative	108%	107%	103%
Middle Management	120%	113%	117%
Operational	112%	110%	107%
Professional	122%	123%	124%
Technical	107%	111%	107%

ENTRY-LEVEL SALARY AT SIGNIFICANT LOCATIONS OF OPERATION, IN R$ [GRI 202-1]

Location	2018	2019	2020
Av. Mal Floriano, 168	1,203	1,263	1,279
No. of Employees	1,594	1,524	1,521
R. Frei Caneca, 363	1,243	1,305	1,322
No. of Employees	826	869	1008
Estr. do Tindiba	1,243	1,305	1,322
No. of Employees	223	229	137
Cascadura	1,160	1,218	1,233
No. of Employees	422	515	678
Barra do Piraí	1,203	1,263	1,279
No. of Employees	149	155	149
Nova Iguaçu	1,243	1,553	1,322
No. of Employees	338	388	504

TOTAL THIRD-PARTY WORKFORCE BY EMPLOYMENT CATEGORY, EMPLOYMENT CONTRACT, GENDER AND REGION [GRI 102-8]

	2018	2019	2020
Greater Rio	7,516	7,056	5,931
Women	440	1,096	1,185
Men	7,076	5,960	4,746
Rest of State	345	361	515
Women	17	24	29
Men	328	337	486
São Paulo	0	0	0
Women	0	0	0
Men	0	0	0
Total	7,861	7,417	6,446
Women	457	1,120	1,214
Men	7,404	6,297	5,232

Note: Full-time with indefinite employment agreements.

NUMBER OF OUTSOURCED WORKERS BY ACTIVITY AND GEOGRAPHY [GRI 102-8]

	2018	2019	2020
Maintenance, cleaning, security and upkeep	519	413	374
Greater Rio	498	398	359
Rest of State	21	15	15
Other administrative activities (core activities)	5,183	4,978	5,195
Greater Rio	4,859	4,632	4,884
Rest of State	324	346	311
Other administrative activities (supporting activities)	2,159	2,026	877
Greater Rio	2,159	2,026	688
Rest of State	0	0	189
Sales and marketing	0	0	0
Greater Rio	0	0	0
Rest of State	0	0	0
Other	0	0	0
Greater Rio	0	0	0
Rest of State	0	0	0
Total	7,861	7,417	6,446

Note 1: Contractor and subcontractor employees involved in construction, operation and maintenance activities are dedicated to these activities during the entire year and work during the working hours established in their employment contracts. [GRI EU17]
Note 2: Security-related activities are entirely outsourced. Light requires a complete training program, including training on the principles of human rights as set out in our Code of Ethics. [GRI 410-1]

AVERAGE HOURS OF TRAINING – DIRECT EMPLOYEES [GRI 404-1]

	2018	2019	2020
Overall Average	44.7	36.7	51.0
Women	29.6	22.6	10.4
Men	35.1	27.8	26.9
Administrative			
Women	13.8	12.3	4.4
Men	13.2	12.1	4.8
Middle Management			
Women	31.4	19.1	5.7
Men	35.3	23.5	5.7
Operational			
Women	39.5	36.8	12.1
Men	62.7	51	88.1
Professional			
Women	18.5	14.7	6.9
Men	25.1	20.2	10.1
Technical			
Women	44.9	30.4	22.7
Men	39.4	32.2	25.6

OCCUPATIONAL INJURIES [GRI 403-9]

	2018	2019	2020
For all direct employees			
Number of fatalities as a result of work-related injuries	0	0	0
Rate of fatalities as a result of work-related injuries	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	1	1
Rate of high-consequence work-related injuries (excluding fatalities)	0.00	0.09	0.08
Number of recordable work-related injuries	26	58	39
Rate of recordable work-related injuries	2.54	5.02	3.06
Number of hours worked	10,222,933	11,543,235	12,740,776
Main types of occupational injuries	Bruises and fractures	Bruises and sprains	Sprains and fractures
For all workers who are not employees, but whose work and/or workplace is controlled by the organization (outsourced workers):			
Number of fatalities as a result of work-related injuries	0	0	0
Rate of fatalities as a result of work-related injuries	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	3	3	2
Rate of high-consequence work-related injuries (excluding fatalities)	0.17	0.18	0.13
Number of recordable work-related injuries	29	35	23
Rate of recordable work-related injuries	1.67	2.07	1.51
Number of hours worked	17,384,710	16,927,658	15,211,870
Main types of occupational injuries	Fractures and burns	Burns and bruises	Fractures and burns

Note 1: High-consequence work-related injury means a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months (GRI Definition)
Note 2: Lost-time injuries > =180 lost days
Note 3: Recordable work-related injury or ill health means a work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness (GRI Definition). These figures include lost-time injuries only
Note 4: Total hours: MHW+Overtime for direct employees
Note 5: Types of work-related injury can include death, amputation of a limb, laceration, fracture, hernia, burns, loss of consciousness, and paralysis, among others. These figures include the two primary types of injuries in each year

WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY [GRI 403-9]

How these hazards have been determined	Hazards are determined at the design stage when implementing or installing new processes, machinery or equipment. Hazards are also identified through risk analysis conducted when developing step-by-step work procedures, and on-site in pre-task Preliminary Risk Assessments
Which of these hazards have caused or contributed to high-consequence injuries during the reporting period	Electric shock, vehicle collisions, falling from heights
Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls	We widely disseminate information about risks based on our belief that a culture of challenging unsafe behavior can only be achieved when communication is fluid and transparent. Safety information is provided through toolbox talks, alerts, videos and retraining whenever skills gaps are identified following an incident, during inspections or in behavioral observations. In addition to providing up-to-date information, we are continuously seeking new approaches to managing hazardous energy, either by implementing administrative and engineering measures or, as a last resort, by implementing protection barriers (PPE/CPE) as a last line of defense. Near-miss investigations have also been an especially effective way of preventing recurrence of serious injuries by allowing us to identify, implement measures to address, and raise awareness about the impact of, the relevant risks.
Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls	As described above, high-quality, up-to-date information is provided regularly as a way to eliminate or mitigate risks in general. Standard training, toolbox talks, in-field monitoring (inspections and observation) and communication have been highly effective in this regard
Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	1,000,000 hours worked
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	No workers have been excluded. All workers providing services at Light are deemed to be part of our workforce
Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used	ABNT 14280, ISO 45001 and the Accident Investigation Handbook issued by the Office of Labor of the Ministry of the Economy. The relevant calculation formulas are provided in notes

WORK-RELATED ILL HEALTH [GRI 403-10]

	2018	2019	2020
For all direct employees:			
Number and rate of fatalities as a result of work-related ill health	0	0	0
i. The number of cases of recordable work-related ill health	0	0	0
Main types of work-related ill health	-	-	-
For all workers who are not employees, but whose work and/or workplace is controlled by the organization (outsourced workers):			
Number of fatalities as a result of work-related ill health	0	0	0
i. The number of cases of recordable work-related ill health	0	0	0
Main types of work-related ill health	-	-	-

WORK-RELATED HAZARDS THAT POSE A RISK OF ILL HEALTH [GRI 403-10]

How these hazards have been determined	Light's Workplace Risk Prevention Program (PPRA) aims to identify, eliminate, mitigate or control risks and hazards in all activities Company-wide. Operating alongside the PPRA program, our Occupational Health Surveillance Program (PCMSO) uses a primarily preventive approach to employee health, including screening and early diagnosis of occupational illnesses. The individual and collective aspects of the workplace are taken into account in assessing, developing and implementing measures based on identified risks
Which of these hazards have caused or contributed to cases of ill health during the reporting period	There were no cases of work-related ill health within the Organization during the reporting period. Measures to protect employee health, integrity and safety were implemented within the PCMSO based on risks identified within the PPRA throughout the year. Both programs are included in the Occupational Health & Safety team's annual planning process
Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls	As described above, high-quality, up-to-date information is provided regularly as a way to eliminate or mitigate risks in general. Standard training, toolbox talks, in-field monitoring (inspections and observation) and communication have been highly effective in this regard
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	No workers have been excluded. All workers providing services at Light are deemed to be part of our workforce
Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used	NA

WORK-RELATED INJURIES INVOLVING DIRECT EMPLOYEES, BY REGION [GRI 403-9]

	2018	2019	2020
Greater Rio			
Number of Injuries - Typical	**23**	**47**	**32**
Women	2	2	2
Men	21	45	30
Lost days	**376**	**1,198**	**700**
Women	19	60	17
Men	357	1,138	683
Days deducted	**0**	**0**	**0**
Women	0	0	0
Men	0	0	0
Fatalities – Typical	**0**	**0**	**0**
Women	0	0	0
Men	0	0	0
Number of injuries - Commuting	**49**	**55**	**41**
Women	18	16	5
Men	31	39	36
Fatalities - Commuting	**0**	**0**	**0**
Women	0	0	0
Men	0	0	0
Rest of State			
Number of Injuries - Typical	**3**	**11**	**7**
Women	0	1	1
Men	3	10	6
Lost days	**71**	**753**	**231**
Women	0	32	136
Men	71	721	95
Days deducted	**0**	**0**	**0**
Women	0	0	0
Men	0	0	0
Fatalities – Typical	**0**	**0**	**0**
Women	0	0	0
Men	0	0	0
Number of injuries - Commuting	**4**	**4**	**0**
Women	0	1	0
Men	4	3	0
Fatalities - Commuting	**1**	**0**	**0**
Women	0	0	0
Men	1	0	0

LOST-TIME INJURIES INVOLVING OUTSOURCED WORKERS [GRI 403-9]

	2018	2019	2020
Fatal	**0**	**0**	**0**
Women	0	0	0
Men	0	0	0
Non-fatal	**28**	**35**	**23**
Women	0	1	1
Men	28	34	22
Total	**28**	**35**	**23**

OVERALL ABSENTEEISM RATE (DIRECT EMPLOYEES) DUE TO MEDICAL LEAVE BY REGION [GRI 403-9]

	2018	2019	2020
Greater Rio			
Women	2.00	3.90	2.56
Men	1.60	2.63	2.96
Rest of State			
Women	2.23	0.63	3.49
Men	0.66	1.98	3.07

QUALITY-OF-LIFE INITIATIVES

Mental Health: This program aims to raise awareness among managers and employees about the importance of emotional health in maintaining a healthy and safe workplace environment, about integrative health, and about misconceptions related to essential precautions in taking care of mental health. The program is structured around three pillars: prevention, health promotion and intervention in employee health management, including management of chronic illnesses. During the shelter-in-place period due to the COVID-19 pandemic, 42 online psychoeducational workshops were held in an online format, in which guest experts discussed topics such as mindfulness, relaxation, avoiding alcohol and drug abuse, suicide prevention, and family relationships.

Workplace Exercise: At nine of our operations, workplace exercise sessions are administered for operational employees, with a total of 3,049 participants at the time of reporting. Fifteen-minute sessions—include stretching, breathing, body awareness and education, and muscle compensation exercises—are administered twice a week before the work shift. Benefits from workplace exercise include improved heart, respiratory and skeletal function; increased body awareness; prevention of occupational illnesses; reduced fatigue and burnout; stress relief; higher productivity and improved interpersonal relationships with coworkers.

"*Vida Ativa*" Space, our corporate gym: In-person sessions were replaced with online fitness classes available to all employees, with approximately 500 classes administered in 2020. We also provided online advice on nutrition and healthy diets, in a total of 66 sessions.

Counseling and advice: We expanded counseling and advice sessions and maintained the number of in-person session hours in operational areas, with an average of 450 sessions per month, including new cases and follow-up on previous cases. The most frequent cases included: health insurance, managing sick leave, managing occupational injuries, debt, mental health (including referral to psychiatric and psychological care), and managing COVID-19 cases among employees and family members.

Children's Month: We distributed 3,000 kits with T-shirts modeled after our electricians' uniforms, puzzles featuring the LIGHT WAY principles, and a card inviting employees' children to create videos encouraging employees to put principles such as occupational safety and ethics into practice. This program is aimed at employee dependents aged 0 to 12 years.

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE CONCERNING HEALTH AND SAFETY IMPACTS AND RESULTING LEGAL PROCEEDINGS [GRI 416-2, GRI EU25]

	2018	2019	2020
Total number of nonfatal injuries involving consumers	17	10	7
Total number of fatal injuries involving consumers	7	8	5
Legal proceedings resulting from accidents involving consumers – Overall Legal Proceedings	379	405	356

PERCENTAGE OF EMPLOYEES ELIGIBLE TO RETIRE, BY JOB CATEGORY, TIME REMAINING AND REGION [GRI EU15]

	2018	2019	2020
Administrative			
Greater Rio	**4**	**17**	**14**
< 5 years	1	1	0
5-10 years	1	0	0
> 10 years	2	16	13
Retirees	1	1	0
Rest of State	**4**	**6**	**7**
< 5 years	1	0	0
5-10 years	0	0	0
> 10 years	3	6	7
Retirees	0	0	0
Middle Management			
Greater Rio	**3**	**4**	**4**
< 5 years	1	0	0
5-10 years	1	0	0
> 10 years	2	4	4
Retirees	0	0	0
Rest of State	**2**	**1**	**1**
< 5 years	1	0	0
5-10 years	0	0	0
> 10 years	1	1	1
Retirees	0	0	0

PERCENTAGE OF EMPLOYEES ELIGIBLE TO RETIRE, BY JOB CATEGORY, TIME REMAINING AND REGION [GRI EU15]

	2018	2019	2020
São Paulo	**0**	**0**	**25**
< 5 years	0	0	0
5-10 years	0	0	0
> 10 years	0	0	25
Retirees	0	0	0
Operational			
Greater Rio	**4**	**44**	**48**
< 5 years	1	1	1
5-10 years	1	0	0
> 10 years	2	43	47
Retirees	0	0	0
Rest of State	**11**	**59**	**52**
< 5 years	2	2	2
5-10 years	3	1	0
> 10 years	4	55	49
Retirees	1	1	0
Professional			
Greater Rio	**7**	**15**	**14**
< 5 years	2	1	0
5-10 years	1	0	0
> 10 years	4	14	13
Retirees	1	1	0
Rest of State	**3**	**4**	**5**
< 5 years	1	0	0
5-10 years	0	0	0
> 10 years	2	4	5
Retirees	0	0	0

PERCENTAGE OF EMPLOYEES ELIGIBLE TO RETIRE, BY JOB CATEGORY, TIME REMAINING AND REGION [GRI EU15]

	2018	2019	2020
São Paulo	**11**	**38**	**75**
< 5 years	0	0	0
5-10 years	0	0	0
> 10 years	11	38	75
Retirees	0	0	0
Technical			
Greater Rio	**12**	**20**	**20**
< 5 years	2	0	0
5-10 years	2	0	0
> 10 years	7	19	19
Retirees	1	1	0
Rest of State	**17**	**30**	**34**
< 5 years	3	1	0
5-10 years	3	1	1
> 10 years	9	26	32
Retirees	2	2	1
São Paulo	**11**	**63**	**0**
< 5 years	0	0	0
5-10 years	0	0	0
> 10 years	11	63	0
Retirees	0	0	0

Formula = Number of retirable employees by region and time remaining / Total by region

WORKFORCE BY EMPLOYEE CATEGORY AND DIVERSITY CATEGORY [GRI 405-1]

	2018	2019	2020
Administrative	**768**	**801**	**737**
Women < 30	**162**	**180**	**134**
Asian	5	4	2
White	64	70	53
Indigenous	0	0	0
Mixed race	67	61	49
Black	25	42	27
Not identified	1	3	3
Women 30-50	**263**	**266**	**291**
Asian	5	6	6
White	130	127	127
Indigenous	1	1	0
Mixed race	82	86	103
Black	40	40	48
Not identified	5	6	7
Women > 50	**47**	**51**	**33**
Asian	0	0	0
White	26	30	17
Indigenous	0	0	0
Mixed race	11	10	5
Black	5	5	5
Not identified	5	6	6
Men < 30	**102**	**100**	**80**
Asian	0	0	0
White	53	52	37
Indigenous	0	0	0
Mixed race	35	33	27
Black	14	15	15
Not identified	0	0	1

WORKFORCE BY EMPLOYEE CATEGORY AND DIVERSITY CATEGORY [GRI 405-1]

	2018	2019	2020
Men 30-50	**123**	**131**	**136**
Asian	3	3	4
White	65	63	67
Indigenous	0	0	0
Mixed race	33	38	38
Black	20	26	25
Not identified	2	1	2
Men > 50	**71**	**73**	**63**
Asian	0	0	0
White	23	24	18
Indigenous	1	1	0
Mixed race	20	21	17
Black	3	3	3
Not identified	24	24	25
Middle Management	**214**	**197**	**194**
Women < 30	**1**	**1**	**1**
Asian	0	0	0
White	1	1	1
Indigenous	0	0	0
Mixed race	0	0	0
Black	0	0	0
Not identified	0	0	0
Women 30-50	**41**	**36**	**46**
Asian	1	1	1
White	31	26	29
Indigenous	1	1	1
Mixed race	3	4	9
Black	2	2	2
Not identified	3	2	4

WORKFORCE BY EMPLOYEE CATEGORY AND DIVERSITY CATEGORY [GRI 405-1]

	2018	2019	2020
Women > 50	**3**	**6**	**6**
Asian	0	0	0
White	3	4	3
Indigenous	0	0	0
Mixed race	0	1	0
Black	0	1	1
Not identified	0	0	2
Men < 30	**4**	**4**	**3**
Asian	0	0	0
White	1	2	1
Indigenous	0	0	0
Mixed race	2	1	1
Black	0	1	1
Not identified	1	0	0
Men 30-50	**126**	**127**	**123**
Asian	3	3	2
White	89	91	93
Indigenous	1	0	0
Mixed race	24	25	16
Black	4	4	4
Not identified	5	4	8
Men > 50	**39**	**23**	**15**
Asian	0	0	0
White	26	18	10
Indigenous	0	0	0
Mixed race	7	2	2
Black	2	0	0
Not identified	4	3	3

WORKFORCE BY EMPLOYEE CATEGORY AND DIVERSITY CATEGORY [GRI 405-1]

	2018	2019	2020
Operational	**1,970**	**2,374**	**2,689**
Women < 30	**52**	**59**	**22**
Asian	0	1	0
White	12	12	3
Indigenous	0	0	0
Mixed race	28	32	12
Black	12	11	7
Not identified	0	3	0
Women 30-50	**82**	**86**	**53**
Asian	1	1	2
White	35	30	9
Indigenous	0	0	0
Mixed race	29	34	26
Black	17	20	15
Not identified	0	1	1
Women > 50	**6**	**8**	**4**
Asian	0	0	0
White	2	2	1
Indigenous	0	0	0
Mixed race	1	3	3
Black	2	2	0
Not identified	1	1	0
Men < 30	**497**	**654**	**701**
Asian	15	17	10
White	141	187	188
Indigenous	2	2	2
Mixed race	205	282	316
Black	118	145	157
Not identified	16	21	28

WORKFORCE BY EMPLOYEE CATEGORY AND DIVERSITY CATEGORY [GRI 405-1]

	2018	2019	2020
Men 30-50	**1,148**	**1,340**	**1,705**
Asian	15	18	23
White	314	361	428
Indigenous	6	8	10
Mixed race	578	663	865
Black	215	263	343
Not identified	20	27	36
Men > 50	**185**	**227**	**204**
Asian	1	1	0
White	49	65	59
Indigenous	1	1	1
Mixed race	57	76	69
Black	17	21	19
Not identified	60	63	56
Professional	**695**	**726**	**735**
Women < 30	**49**	**52**	**55**
Asian	0	1	1
White	29	28	27
Indigenous	0	0	0
Mixed race	16	19	19
Black	2	3	6
Not identified	2	1	2
Women 30-50	**233**	**224**	**232**
Asian	5	5	5
White	150	136	143
Indigenous	0	1	1
Mixed race	56	56	60
Black	18	20	17
Not identified	4	6	6

WORKFORCE BY EMPLOYEE CATEGORY AND DIVERSITY CATEGORY [GRI 405-1]

	2018	2019	2020
Women > 50	**33**	**42**	**28**
Asian	0	0	0
White	20	27	22
Indigenous	0	0	0
Mixed race	8	10	4
Black	2	1	0
Not identified	3	4	2
Men < 30	**53**	**63**	**65**
Asian	0	0	0
White	39	35	41
Indigenous	0	0	0
Mixed race	8	19	15
Black	3	6	5
Not identified	3	3	4
Men 30-50	**255**	**262**	**293**
Asian	2	3	3
White	174	172	185
Indigenous	3	3	3
Mixed race	57	62	76
Black	13	16	19
Not identified	6	6	7
Men > 50	**72**	**83**	**62**
Asian	0	0	0
White	52	60	41
Indigenous	0	1	1
Mixed race	8	10	8
Black	3	3	3
Not identified	9	9	9

WORKFORCE BY EMPLOYEE CATEGORY AND DIVERSITY CATEGORY [GRI 405-1]

	2018	2019	2020
Technical	**1,065**	**1,088**	**1,176**
Women < 30	**30**	**35**	**35**
Asian	1	1	1
White	15	16	18
Indigenous	0	0	0
Mixed race	7	10	9
Black	6	7	5
Not identified	1	1	2
Women 30-50	**54**	**53**	**66**
Asian	0	0	0
White	24	25	29
Indigenous	1	0	0
Mixed race	20	20	26
Black	8	8	10
Not identified	1	0	1
Women > 50	**1**	**4**	**4**
Asian	0	0	0
White	1	2	2
Indigenous	0	0	0
Mixed race	0	0	0
Black	0	1	1
Not identified	0	1	1
Men < 30	**188**	**157**	**186**
Asian	4	4	4
White	83	72	70
Indigenous	0	0	0
Mixed race	74	59	78
Black	24	20	29
Not identified	3	2	5
Men 30-50	**671**	**673**	**770**
Asian	9	8	12
White	285	278	313
Indigenous	3	3	3
Mixed race	271	277	324
Black	82	89	99
Not identified	21	18	19
Men > 50	**121**	**166**	**115**
Asian	0	1	1
White	66	81	50
Indigenous	1	1	1
Mixed race	31	54	40
Black	11	14	12
Not identified	12	15	11
Total	**4,712**	**5,186**	**5,531**

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND AUDIT BOARD (%) [GRI 102-35]

	2018	2019	2020
Board of Directors			
ANNUAL FIXED PAY	**100**	**100**	**100**
Salary or management fees	100	100	99.8
Direct and indirect benefits	0	0	0.2
Participation in committees	0	0	0.0
Other charges	0	0	0
VARIABLE REMUNERATION IN THE YEAR	**0**	**0**	**0**
Bonuses	0	0	0
Profit sharing	0	0	0
Participation in meetings	0	0	0
Commission	0	0	0
Other charges	**0**	**0**	**0**
POST-EMPLOYMENT PAY	**0**	**0**	**0**
TERMINATION PAY	**0**	**0**	**0**
EQUITY-BASED	**0**	**0**	**0**
Statutory Board			
ANNUAL FIXED PAY	**44.2**	**46.3**	**48.9**
Salary or management fees	48.9	39.8	41.9
Direct and indirect benefits	4.4	6.5	7.0
Participation in committees	0	0.0	0.0
Other charges	**0**	**0**	**0**
VARIABLE REMUNERATION IN THE YEAR	**32.6**	**23.1**	**24.9**
Bonuses	32.6	23.1	24.9
Profit sharing	0	0.0	0.0
Participation in meetings	0	0.0	0.0
Commission	0	0.0	0.0
Other charges	0	0	0
POST-EMPLOYMENT PAY	**2.9**	**3.0**	**2.4**
TERMINATION PAY	**20.2**	**13.3**	**2.1**
EQUITY-BASED	**0**	**14.3**	**21.6**
Audit Board			
ANNUAL FIXED PAY	**100**	**100**	**100**
Salary or management fees	100	100	100
Direct and indirect benefits	0	0	0
Participation in committees	0	0	0
Other charges	0	0	0
VARIABLE REMUNERATION IN THE YEAR	**0**	**0**	**0**
Bonuses	0	0	0
Profit sharing	0	0	0
Participation in meetings	0	0	0
Commission	0	0	0
Other charges	0	0	0
POST-EMPLOYMENT PAY	**0**	**0**	**0**
TERMINATION PAY	**0**	**0**	**0**
EQUITY-BASED	**0**	**0**	**0**

REMUNERATION OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND AUDIT BOARD (R$) [GRI 102-35]

	2018	2019	2020
Board of Directors	**2,289,346.63**	**2,442,803.99**	**3,578,400.33**
Total members	20.89	12.58	12
No. of members receiving remuneration	16.78	11.08	8.6
Annual fixed pay	**2,289,346.63**	**2,442,803.99**	**3,578,400.33**
Salary or management fees	2,289,346.63	2,442,803.99	3,578,400.33
Direct and indirect benefits	0	0	6,784.66
Participation in committees	0	0	0
Other charges	0	0	0
Variable remuneration	**0**	**0**	**0**
Bonuses	0	0	0
Profit sharing	0	0	0
Participation in meetings	0	0	0
Commission	0	0	0
Other charges	0	0	0
Post-employment pay	**0**	**0**	**0**
Termination pay	**0**	**0**	**0**
Equity-based pay (including options)	**0**	**0**	**0**
Statutory Board	**21,658,240.02**	**18,400,812.11**	**17,669,759.82**
Total members	9	6.92	11
No. of members receiving remuneration	9	6.92	6.5
Annual fixed pay	**9,580,570.5**	**8,516,050.1**	**8,637,571.9**
Salary or management fees	8,629,496.1	7,317,391.0	7,408,059.3
Direct and indirect benefits	951,074.4	1,198,659.1	1,229,512.6
Participation in committees	0.0	0.0	0.0
Other charges	0.0	0.0	0.0
Variable remuneration	**7,070,274.3**	**4,253,210.2**	**4,401,734.8**
Bonuses	7,070,274.3	4,253,210.2	4,401,734.8
Profit sharing	0.0	0.0	0.0
Participation in meetings	0.0	0.0	0.0
Commission	0.0	0.0	0.0
Other charges	0.0	0.0	0.0
Post-employment pay	**628,749.7**	**552,745.9**	**432,639.8**
Termination pay	**4,378,645.6**	**2,453,020.4**	**377,000.0**
Equity-based pay (including options)	**0.0**	**2,625,785.5**	**3,820,813.4**
Audit Board	**1,189,364.71**	**783,304.86**	**560,026.68**
Total members	6.89	7.58	3
No. of members receiving remuneration	6.89	6.42	3
Annual fixed pay	**991,313.12**	**652,754.10**	**466,689.00**
Salary or management fees	991,313.12	652,754.10	466,689.00
Direct and indirect benefits	0	0	0
Participation in committees	0	0	0
Other charges	0	0	0
Variable remuneration	**0**	**0**	**0**
Bonuses	0	0	0
Profit sharing	0	0	0
Participation in meetings	0	0	0
Commission	0	0	0
Other charges	0	0	0
Post-employment pay	**0**	**0**	**0**
Termination pay	**0**	**0**	**0**
Equity-based pay (including options)	**0**	**0**	**0**

The number of members on the board is equivalent to the average number of members on the board in each month as recommended by CVM.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS BY STATE AND BY TYPE [GRI 204-1]

	2018	2019	2020
Rio de Janeiro			
Number	694	694	681
% of spending	50	47	43
São Paulo			
Number	381	415	430
% of spending	27	27	33
Paraná			
Number	29	34	29
% of spending	8	8	7
Minas Gerais			
Number	79	87	80
% of spending	7	7	8
Santa Catarina			
Number	30	28	28
% of spending	2	2	1
Other			
Number	93	115	128
% of spending	6	8	8
Total Material			
Number	565	591	571
% of spending	29	29	35
Total Services			
Number	741	782	805
% of spending	71	71	65
Total	**1,306**	**1,373**	**1,376**

NUMBER OF RESIDENTIAL DISCONNECTIONS FOR NON-PAYMENT [GRI EU27]

	2018	2019	2020
Disconnections for Nonpayment in the Residential Segment	877,985	938,098	454,251

FINES AND PENALTIES RELATED TO SERVICES PROVIDED (R$) [GRI 419-1]

	2018	2019	2020
Financial Compensation IOD/IOF/MIOD/CDIOD	29,374	37,072	39,714
Regulatory fines	0	33,492	12,888
Credit for failure to meet commercial service terms	1,804	599	367
Total	**31,178**	**71,163**	**52,969**

(*) In 2020 Light incurred a total of R$ 25,164,000 in compensation for consumer units and R$ 14,549,000 in compensation for distribution companies.
(**) In 2020 we paid a single regulatory fine under AI 013/2017 - Quality Indicators for year 2014

PROVISIONS FOR TAX, CIVIL, LABOR AND REGULATORY RISKS (R$ THOUSANDS) [GRI 419-1]

	CONSOLIDATED					
	12/31/2020			12/31/2019		
TOTAL PROVISIONS	**Provision**	**Success fees**	**Total**	**Provision**	**Success fees**	**Total**
Labor	99,072	383	99,455	120,914	428	121,342
Civil	208,524	84,933	293,457	198,658	91,650	290,308
Tax	172,012	30,890	202,902	55,783	28,643	84,426
Regulatory	50,719	500	51,219	47,124	-	47,124
Other	500	-	500	-	-	-
TOTAL	**530,827**	**116,706**	**647,533**	**422,479**	**120,721**	**543,200**

Note 1: The company is party to judicial and administrative proceedings relating to tax, labor, civil and regulatory matters. Management periodically reassesses the level of risk in these proceedings and, relying on the opinion of its legal advisors, establishes provisions for cases in which an unfavorable outcome is likely and the case value can be quantified.

Note 2: The change in "Provisions for tax, civil, labor and regulatory risks" primarily reflects the recognition of a provision for a fine imposed by ANEEL, as detailed in the Notes to the financial statements.

Note 3: In 2019, Light was party to five Public Civil Actions. All material, non-confidential judicial, administrative and arbitral proceedings are detailed in section 4.3 of our Reference Form.

ANEEL DISCLOSURES – LIGHT SESA

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1]

STATEMENT OF ADDED VALUE (R$ THOUSAND)	2020	2019
Revenue	**18,144,504**	**18,549,454**
Sales of goods, products and services	17,975,396	17,586,139
Offset PIS and COFINS credits on ICMS	-	1,086,462
Revenue relating to construction of company assets	787,778	726,368
Expected allowance for doubtful accounts	(618,670)	(849,515)
Inputs purchased from third parties	**(9,081,801)**	**(8,966,731)**
Cost of goods sold and services rendered	(7,891,993)	(7,485,763)
Material, energy, outsourced services and other	(1,189,808)	(1,480,968)
Construction Costs	-	-
Gross added value	**9,062,703**	**9,582,723**
Withholdings	**(533,953)**	**(530,020)**
Depreciation and amortization	(533,953)	(530,020)
Net added value produced	**8,528,750**	**9,052,703**
Transferred added value	**748,230**	**1,767,384**
Finance revenue	748,230	1,767,384
Added value to be distributed	**9,276,980**	**10,820,087**
Distribution of added value	**9,276,980**	**10,820,087**
Personnel	**390,023**	**381,705**
Direct compensation	244,986	258,318
Benefits	104,850	91,221
FGTS	30,619	28,539
Other	9,568	3,627
Taxes, charges and contributions	**7,234,991**	**8,253,282**
Federal	2,968,084	3,836,517
State	4,226,687	4,406,084
Municipal	40,220	10,681
Interest on third-party capital	**1,377,118**	**1,031,742**
Interest	1,173,756	961,412
Rent	203,362	70,330
Other	-	-
Interest on equity	**274,848**	**1,153,358**
Dividends	65,276	273,923
Retained earnings	209,572	879,435

PURCHASED ELECTRICITY

	2018	2019	2020
Purchased electricity (GWh) - Total	**29,194**	**29,237**	**28,747**
1) Itaipu	4,645	4,609	4,617
2) Initial contracts	0	0	0
3) Bilateral contracts	6,351	6,352	6,368
3.1) Third parties	6,351	6,352	6,368
3.2) Related parties	0	0	0
4) PROINFA	496	459	436
5) CCEAR (Hydro + thermal)	8,088	8,325	8,469
6) Surplus and Shortfall Offsetting Mechanism (MCSD)	1,846	1,244	773
7) Angra (Eletronuclear)	868	866	864
8) Quotas	6,645	6,384	6,211
9) Wind	256	999	1,008

Note: in 2020 Light sold 2,336 GWh on the spot market and 274 Gwh via the Surplus Sales Mechanism (MVE), for a total electricity requirement of 26,136 GWh.

MARKET [GRI 102-6]

TOTAL ELECTRICITY DISTRIBUTED (GWh)

	2018	2019	2020
Segments / Total	**28,034**	**27,658**	**25,703**
Residential	8,600	8,414	8,339
Industrial	5,169	4,977	5,052
Commercial	7,775	7,874	6,864
Rural	63	55	56
Government	1,393	1,483	1,291
Public Lighting	802	825	764
Public Utility	1,447	1,499	1,395
Internal Use	120	116	146
Utilities	2,666	2,415	1,798

CAPTIVE CONSUMERS (GWh)	2018	2019	2020
Segments / Total	**18,455**	**17,986**	**16,621**
Residential	8,600	8,414	8,339
Industrial	697	569	477
Commercial	5,598	5,496	4,587
Rural	63	55	54
Government	1,393	1,483	1,278
Public Lighting	802	825	764
Public Utility	1,183	1,028	975
Internal Use	120	116	146

FREE CONSUMERS (GWh)	2018	2019	2020
Segments / Total	**6,913**	**7,257**	**7,285**
Industrial	4,472	4,408	4,574
Commercial	2,177	2,378	2,277
Rural			2
Government			12
Public Utility	264	471	420

UTILITIES (GWh)	2018	2019	2020
Utilities	2,666	2,415	1,798

% SHARE OF SEGMENTS IN TOTAL ELECTRICITY DISTRIBUTED	2018	2019	2020
Residential	30.68%	30.42%	32.44%
Low-Income Residential	1.66%	1.64%	2.69%
Industrial	18.44%	17.99%	19.65%
Commercial	27.73%	28.47%	26.70%
Rural	0.22%	0.20%	0.22%
Government	4.97%	5.36%	5.02%
Public Lighting	2.86%	2.98%	2.97%
Public Utility	5.16%	5.42%	5.43%
Internal Use	0.43%	0.42%	0.57%
Utilities	9.51%	8.73%	6.99%

NUMBER OF ACTIVE ACCOUNTS AT DECEMBER EACH YEAR – CAPTIVE CONSUMERS [GRI EU3]

	2018	2019	2020
Segments / Total	**4,433,703**	**4,422,818**	**4,329,133**
Residential	4,069,024	4,059,333	3,974,916
Industrial	10,191	9,959	9,152
Commercial	327,021	329,735	320,887
Rural	12,335	8,799	8,816
Government	12,214	12,062	12,392
Public Lighting	761	756	746
Public Utility	1,702	1,722	1,775
Internal Use	455	452	449

Note: number of installations per customer

NUMBER OF FREE CONSUMERS [GRI EU3]

	2018	2019	2020
Segments / Total	**752**	**971**	**1,220**
Industrial	130	165	172
Commercial	616	794	1,020
Government			1
Public Utility	6	12	27

Note: number of installations per customer

NUMBER OF UTILITIES

	2018	2019	2020
Utilities	3	4	4

GENERAL DATA

	2018	2019	2020
Electricity sales by installed capacity (GWh/MVA*No. hours/year)	2.66	2.63	2.43
Electricity sold per employee (MWh)	6,287	5,602	4,875
Number of consumers per employee	994	896	821
Added value / GWh sold	339,549	391,210	360,930

CONSUMERS

CUSTOMER SERVICE DISCLOSURES

	2018	2019	2020
Call Center			
Calls Received (unit)	3,944,543	4,378,788	4,394,354
Average number of agents (unit)	77	81	105
INS Level of Service Rate (%)	87.3	88.72	88.68
IAb - Abandonment Rate (%)	0.57	0.39	0.62
ICO - Busy Call Rate (%)	0.16	0.63	0.00
TMA - Average Interaction Time (s)	286	297	277
Compensation for Electrical Damages			
Volume of Applications (unit)	8,030	8,434	5,161
Confirmed (unit)	304	215	73
Complaints Disclosures (*)			
Confirmed Complaints (unit)	147,741	118,507	65,328
Equivalent Complaints Duration (ECD) (hours) (**)	212.45	166.79	161.27
Equivalent Complaint Frequency per One Thousand Consumer Units (ECF) (unit) (**)	38.22	28.78	17.22
Violation of commercial service time limits (pursuant to the relevant regulation – REN 414/2010)			
Service interactions (unit)	1,159,835	1,110,616	729,241
Service interactions timely completed (unit)	43,153	15,567	8,276
Service efficiency (%)	96.5	98.6	96.86
Number of customer complaints escalated			
to ANEEL – state / regional agencies	37,650	36,790	24,410
to the Company (excluding complaints relating to Outages, Electrical Damage and Supply Voltage)	371,235	260,761	151,773
to the courts	103,838	101,984	50.9
to PROCON	1,081	755	1,170

(*) Excluding complaints relating to Power Outages, Voltage Fluctuation and Electrical Damage, which under REN 414/2010 are not to be computed in ECD and ECF indicators as they are subject to rules and time frames under specific regulations
(**) Established in Regulatory Resolution 414/2010

INTERNAL STAKEHOLDERS

GENERAL INFORMATION

	2018	2019	2020
Total workforce	4,459	4,937	5,272
Turnover rate (%)	14.3	14.3	11.3
Average overtime per employee/year (hours)	164.9	133	120.7
Employees aged 30 or under (%)	28.2	29	23.2
Employees aged 31 to 40 (%)	39.3	38	42.0
Employees aged 41 to 50 (%)	20.8	21	24.1
Employees over 50 (%)	11.7	11	10.7
Percentage of female employees (%)	22.9	22	18.5
Women in managerial positions - out of total managerial positions (%)	21.5	22.5	28.8
Black female employees (black and mixed race) - out of total employees (%)	10.3	10.1	8.8
Black male employees (black and mixed race) - out of total employees (%)	41.9	44.2	48.4
Black employees (black and mixed race) in managerial positions out of total managerial positions (%)	20.4	22	20
Percentage of interns out of total employees (%)	1.1	0.9	1.0
Apprentice program employees (%)	1.2	2.6	1.1
Employees with special needs	193	181	155

COMPENSATION (R$ THOUSAND)

	2018	2019	2020
Gross payroll	364,930	388,637	384,996
Compulsory social charges	78,411	61,863	52,444

TOTAL BENEFITS (R$ THOUSAND)

	2018	2019	2020
Education	870	1,066	955
Food and Restaurants	35,043	29,679	33,992
Transportation	5,721	4,962	3,174
Health	25,033	21,417	24,155
Foundation	7,367	6,307	4,927
Occupational Health and Safety	551	1,080	1,344
Culture	0	0	0
Training and professional development	764	2,575	2,672
Day care and day care allowance	1,371	988	827
Other	2,029	1,672	621

PROFIT SHARING	2018	2019	2020
Total investment in profit-sharing program (R$ thousand)	31,636	35,052	33,661
Amounts distributed in relation to gross payroll (%)	8.7	9.0	8.7
Highest compensation divided by the lowest compensation in cash paid by the Company (including profit shares and bonuses)	48	48	49
Highest compensation divided by the minimum salary in force (including profit shares and bonuses)	1.31	1.3	1.1

COMPENSATION PROFILE BY CATEGORY - AVERAGE SALARY (R$)	2018	2019	2020
Managerial positions (managing directors, managers and coordinators)	14,651	16,160	17,642
Administrative positions	3,214	3,742	3,791
Production positions	2,690	2,767	2,884

RETIREMENT PROVISION	2018	2019	2020
Number of beneficiaries of supplementary pension plans	4,217	4,586	4,517
Number of beneficiaries of pre-retirement plan	0	0	0

EDUCATION LEVELS (PERCENTAGE OF TOTAL EMPLOYEES)	2018	2019	2020
Illiterate employees (%)	0	0	0
Primary education (%)	4.20	3.50	2.64
Secondary education (%)	71.50	73.30	76.61
Undergraduate (%)	20.00	19.60	17.49
Graduate (specialist, Master's degree, PhD) (%)	3.90	3.60	3.26
Amount invested in professional development and education (% of NOR)	0.01	0.02	0.02

NUMBER OF HOURS OF PROFESSIONAL DEVELOPMENT PER EMPLOYEE/YEAR (MH), BY EMPLOYEE CATEGORY	2018	2019	2020
Administrative	13.6	12.3	4.6
Middle management	35	22.8	5.4
Operational	60.6	50.3	86.2
Professional	21.9	17.7	7.9
Technical	40.8	32.7	25.6
General	34.4	27.1	50.6

LABOR CLAIMS (DIRECT EMPLOYEES)

	2018	2019	2020
Provision for liabilities in the period (R$ thousand)	56,233	43,660	52,045
Number of labor claims brought against the company in the period (*)	64	68	56
Number of labor claims accepted in the period (**)	130	140	52
Number of labor claims rejected in the period (**)	38	58	46
Value of court awards in the period (R$ thousand)	7,527	4,053	2,895

(*) New labor claims brought in the period by direct employees.
(**) Active claims at period-end from direct employees.
Note: partially accepted and settled claims have been included as accepted claims.

HEALTH & SAFETY

OCCUPATIONAL INJURY FREQUENCY RATE

	2018	2019	2020
Total frequency rate for the period - employees	2.58	5.08	3.11
Total severity rate for the period - employees	41	167	75
Total frequency rate for the period - contractors	1.59	2.16	1.61
Total severity rate for the period - contractors	118	107	81
Total frequency rate for the period - workforce (employees + contractors)	1.96	3.35	2.3
Total severity rate for the period - workforce (employees + contractors)	90	131	78
Fatalities – employees	0	0	0
Fatalities – contractors	0	0	0

SUPPLIERS

OUTSOURCED EMPLOYEES

	2018	2019	2020
Number of outsourced employees	7,418	7,007	5,928

COMMUNITY

LOW INCOME RATE [GRI 201-4]

	2018	2019	2020
Number of low-income households served	233,059	303,657	473,608
Total low-income households out of total households served (residential customers/consumers) (%)	7	8	13
Revenue from sales to low-income residential subsector (R$ thousand)	386,849	376,425	431,673
Total revenue from sales to low-income residential subsector out of total residential revenue (%)	4.9	4.8	5.65

COMPANY INVOLVEMENT IN CULTURAL, SPORTS AND OTHER PROJECTS (ROUANET ACT)

	2018	2019	2020
Funds allocated to cultural or sports projects etc. (Rouanet Act) (R$ thousand)	0	0	0
Funds allocated to the largest cultural or sports project (Rouanet Act) (R$ thousand)	0	0	0

COMPANY INVOLVEMENT IN SOCIAL INITIATIVES (SPONSORSHIP)

	2018	2019	2020
Funds allocated to education (R$ thousand)	0	0	0
Funds allocated to health care and sanitation (R$ thousand)	0	0	0
Funds allocated to culture (R$ thousand)	822	234	0
Funds allocated to sports (R$ thousand)	88	0	0
Other funds allocated to social initiatives (R$ thousand)	50	74	1,655
Employees carrying out voluntary work in the community outside the Company/total employees (%)	ND	ND	ND
Number of hours donated per month (employees released from normal working hours) by the Company for employee volunteer work	0	0	0

LIGHT INSTITUTE PROJECTS IN 2020

Light Culture Center Online: When on-site visits to the Light Culture Center and Light Electricity Museum were suspended, the team of educators produced online content for the Light Culture Center's Instagram, Facebook and YouTube accounts. The team produced more than 160 posts about energy efficiency, electric safety and efficiency, sustainability, cultural recommendations, and tutorials with at-home activities for the whole family. YouTube content not previously planned for 2020 was also published throughout the pandemic.

The team was trained on the United Nations (UN) Global Compact and was given a better understanding of the 2030 Agenda and its 17 SDGs and 169 targets. Equipped with this knowledge, the team then intensified outreach initiatives to engage more people around these global targets.

Solar Tree: A "Solar Tree" installed in Light Culture Center's "Electricity Plaza" is helping to raise awareness about sustainable energy. The sculpture—consisting of photovoltaic panels fitted to a tree -like metallic structure—converts solar energy into electricity for recharging electronic devices such as smart phones, tablets and other devices charged with a USB cable.

Electricity Consumption Simulator: The Electricity Consumption Simulator is a user-friendly app designed to increase awareness about residential electricity consumption. Using plain language and intuitive content, the app has been embedded on the Light and Light Electricity Museum websites, and can also be used as a teaching aid in a classroom setting.

Electricity Detective Game: Adapted from the workbook used in the Light in Schools training course, the Electricity Detective Game helps users to profile their family's electricity consumption habits. With engaging visuals suited for both child and adult audiences, the tool helps to raise awareness about electricity usage at home and to identify users' consumption profiles.

Seven-episode video series with electricity saving tips and pointers: Light produced a video series with practical tips on energy-saving and conscientious practices for all consumers. The videos also provide pointers on user safety to help improve both energy efficiency and electric safety.

Light in Schools Awards 2020: Since 2014, the Light in Schools Awards have recognized energy efficiency, anti-electricity theft and sustainable development initiatives at schools participating in training workshops. During the shelter-in-place period, with classes being taught online, we organized a virtual award ceremony that recognized five outstanding projects among those published on social media. These projects primarily revolved around environmental education. The winning projects received a kit to support continued online activities.

School renovations: In 2020 we supported infrastructure improvements at three public schools with funding provided from a social onlending facility under contract no. CAPEX 2015-2016.

We expanded the kitchen and cafeteria at the João Salim Miguel elementary school in the West Side of Rio de Janeiro, improving comfort for kitchen staff and students and teachers at the cafeteria. New air-conditioners were also installed, lamps were replaced with new, energy-efficient LED models, and improvements were implemented at the sports court.

At the Euclides da Cunha primary and secondary school, in the same area, the power distribution panel boards, water tower and drainage systems were renovated, and the school was repainted. The auditorium was also remodeled with new flooring and air conditioning systems.

In the North Side, we built an urgently needed kitchen and cafeteria at the José de Souza Marques secondary school, which previously only served cold snacks and can now not only prepare and serve well-balanced meals, but also expand its capacity by an additional 300 places. In addition to the new cafeteria, the project also includes improvements to the perimeter wall structures, panel boards, bathrooms and library.

LIGHT-SPONSORED PROJECTS IN 2020

Hacking.Rio 2020: Hacking.Rio, the largest hackathon[1] in Latin America, was organized as an online event in 2020. Light's participation in the event included a panel on "Energy and Social Responsibility," discussing social challenges amid the COVID-19 pandemic and how we are preparing for the future; and an Energy cluster challenge in which participants were asked to develop a shared services platform as an interface between Light and customers for low-complexity, but high-value services. Employees participated as mentors and on the assessment committee, assisting the working groups in completing the challenge and helping to select the challenge winners. This initiative received an investment of R$ 30,000.00.

***Vem CA* app and 3rd Accessible Theater Festival:** In 2020 Light established a partnership with *Escola de Gente*, an organization that uses communications as a tool for inclusion. We sponsored two projects supporting inclusion, with total funding of R$200,000.

The *Vem CA* app provides a national platform for accessible culture, helping to more broadly advertise free cultural events offering physical and communications accessibility. The funding was invested in new technological tools to improve the user interface experience. The platform is helping more people with disabilities to participate in free cultural activities inclusively and independently.

The 3rd Accessible Theater Festival featured activities designed to create a new generation of inclusive audiences and engage the drama community in making theater increasingly accessible. During the pandemic, a diversity-themed theater troupe, *Os Inclusos e os Sisos*, delivered fully accessible online performances with audio descriptions, subtitles and translation in Brazilian sign language (*Libras*).

[1] A programming marathon in which hackers meet for hours, days or even weeks to explore open data, develop code and logical systems, discuss new ideas and develop software or even hardware projects.

São João Marcos Cultural Education Project 2020:

This project is part of an ongoing program at the São João Marcos Archaeological and Environmental Park in Rio Claro (RJ). In the last nine years, the project has become an important tool for cultural outreach, preservation of historical and natural heritage and local traditions, entrepreneurship, and providing income opportunities. The initiative has had positive social and economic impacts across the entire Middle Paraíba River area. The project is an extension of Light's Educational & Cultural Program in Rio de Janeiro State, which organizes educational activities that use a fun and plain-language approach to raise awareness about the use of natural resources and electricity. This initiative received an investment of R$ 1,594,404.00.

In 2020, some of the activities within the project—especially in-person activities—had to be reformulated when the venue was temporarily closed to the public from March to October due to the COVID-19 pandemic.

This led to the development of an Interactive Park as a digital extension of the São João Marcos Archaeological and Environmental Park. A series of digital cultural and educational products was developed to further the Park's mission of preserving the history of the former town of São João Marcos and support educators in providing distance learning on a virtual platform. These products were originally created to keep the public connected to the Park while it was closed, but due to their success with the public, some of them have been incorporated into the Park's permanent calendar of activities and will continue in 2021, with several new additions.

The Interactive Park produced more than 100 items across 14 cultural and educational product categories, including:

CULTURAL

Musicians and the Park: videos recorded by musicians whose life stories or careers intersect with the Park.

Live streams with musicians: live presentations on YouTube by musicians who have previously performed at the Park and by new project partners.

Virtual Tour: a sequence of subtitled films describing the tourist attractions at the Park.

Review Club: video reviews of academic texts describing São João Marcos and the surrounding area.

Experiences at São João Marcos: video testimonials recorded by visitors describing their experience.

360° Virtual Tour: a virtual tour of the Heritage Center and plazas at the Park.

***E-books*:** e-books featuring short stories selected in contests organized by the Park. The e-books are available in three volumes, the third produced as part of the 3rd São João Marcos Short Story Contest in 2020.

EDUCATIONAL

Online workshops: video workshops featuring fun educational activities for children and young people.

Digital Archeology: 3D renditions of items found at the archaeological site.

Knowledge Pills: a sequence of short films featuring different aspects of the Park's history and heritage, posted first on Google Classroom and then on the project's social media accounts.

Remote guided visits: guided online visits via the Zoom platform to explore the natural and cultural heritage of São João Marcos.

Online games: jigsaw puzzles featuring the ruins and landscapes at the Park and crossword puzzles featuring topics related to the Park and the former town of São João Marcos, both available on the Park website.

Virtual Educational Tour: an educational film exploring the natural and archaeological heritage of São João Marcos.

Video Classes on Archeology: video classes for young audiences, developed and presented by archaeologists. The videos feature content about the world of archeology and the archaeological research at the Park.

Around 5,000 students have benefited from educational content and initiatives in partnership with several public schools.

Other projects linked to the São João Marcos Archaeological and Environmental Park are described below

Songwriting Contest: The authors of the three highest-voted songs received a cash prize and an invitation to record a video of their song on the Park's social media accounts. Songs of any musical genre were accepted in the contest provided they were original songs authored by the candidate, and included a reference to the former town of São João Marcos and the Park. All entered songs were evaluated by an assessment panel.

Knowledge Pills Writing and Drawing Contest: An initiative as part of the Park's educational program, designed to spark students' interest in the history of São João Marcos and raise discussion about the topics addressed both within and outside the school setting, encouraging these students to engage in disseminating knowledge. A total of 12 essays and 24 drawings were entered by children and teenagers aged 11 to 16.

An inclusive Park: To mark International People with Disabilities Day in December, the Park website introduced new text-to-speech web reader features and translation into Brazilian sign language (Libras). Eight video titles, including documentaries, clips and tours, were relaunched with subtitles, translation into Libras and audio descriptions. Blind singer Sara Bentes starred in the 14th episode of the "Musicians and the Park" series, with a song about how to help people with disabilities, featuring a mix of video footage recorded at the Park and images from the song's original music video. Sara also starred in the last live stream in the year.

As part of an effort to increase social awareness toward people with disabilities, members of the Park team attended a distance learning course about cultural accessibility. The course provided training on practices for the inclusion of new audiences in Park activities.

The Park website, www.saojoaomarcos.com.br, was also completely reformulated, and although in-person visits, educational activities and cultural events were suspended, the Park remained active in expanding its content into the digital environment and developing new activities to keep the public connected.

ENVIRONMENT

ENVIRONMENTAL DATA

	2018	2019	2020
Shielded and insulated lines (ecological grid or green lines) in urban areas (km)	53,614	54,303	56,230
Percentage of shielded and insulated lines out of total distribution lines in urban areas (%)	85	85	86
Annual volume of greenhouse gas (CO_2, CH_4, N_2O, HFC, PFC, SF_6) emissions (in metric tons of CO_2 equivalent) – Scopes 1 and 2	176,197	206,919	174,719
Annual volume of ozone-depleting emissions		Negligible	
Annual quantity (in metric tons) of solid waste generated (refuse, waste, rubble etc.) (*)	581,354	12,475	12,267
Total electricity consumption by source (in MWh)			
Fossil fuels	ND	ND	ND
Alternative sources (gas, wind, solar, etc)	ND	ND	ND
Hydroelectric	ND	ND	ND
Total electricity consumption (in MWh)	119,664	116,074	145,390
Electricity consumption per kWh distributed (sold)	0.001	0.001	0.001
Total direct energy consumption by primary source (MWh)			
Ethanol	52	29	10
Diesel	5,059	6,907	14,497
Natural gas	0	0	0
Gasoline	5,497	5,087	12,992
Total water withdrawal by source (m^3)			
Municipal	119,578	129,340	91,779
Surface water (watercourses)	NA	NA	NA
Groundwater (wells)	NA	NA	NA
Total water withdrawal (m^3)	119,578	129,340	91,779
Water withdrawal per employee (m^3)	26.81	28.00	17.23
Number of employees trained in environmental education programs	328	273	67
Employees trained in environmental education programs out of total employees (%)	7.35	5.91	1.26
Number of hours of environmental training for employees out of total hours of training (%)	1.09	0.74	0.02

(*) Includes only waste materials documented on Waste Manifests.

RESEARCH & DEVELOPMENT

R&D INVESTMENT BY RESEARCH TOPIC (R$ '000) (GRI EU8)

	2018	2019	2020
Alternative sources			
Thermal			
River Basin and Reservoir Management			
Environment			44
Safety			
Energy Efficiency			
Power Systems Planning			1999
Power System Operation	1,342	578	
Power System Supervision, Control and Protection	6,268	5,448	4,082
Power Supply Quality and Reliability	1,949	3,120	3,595
Metering, Billing and Loss Reduction	8,357	10,455	4,198
Other	2,143	5,458	4,123
Total	**20,060**	**25,059**	**18,041**

Note: in 2017, 2018, 2019 and 2020, in addition to project expenditure, respectively R$ 693,000, R$ 693,000, R$ 1,088,000 and R$ 582,000 was invested in our Management Project.

R&D INVESTMENTS - PROJECT CLASSIFICATION BY RESEARCH STAGE

	2018	2019	2020
Targeted Basic Research (# of projects)			
Targeted Basic Research (R$ '000)			
Applied Research (# of projects)	11	10	9
Applied Research (R$ '000)	5,132	5,974	1,605
Experimental Development (# of projects)	15	20	26
Experimental Development (R$ '000)	8,217	14,613	13,832
Prototyping (# of projects)	5	6	5
Prototyping (R$ '000)	3,810	2,652	421
Pilot Run (# of projects)	3	4	4
Pilot Run (R$ '000)	2,901	1,820	1,163
Placement in Market (# of projects)	1	1	3
Placement in Market (R$ '000)	-	-	1019
Total (# of projects)	**35**	**41**	**47**
Total (R$ thousand)	**20,060**	**25,059**	**18,041**

R&D INVESTMENT - PROJECT CLASSIFICATION BY TYPE OF DELIVERABLE	2018	2019	2020
Concept or Method (# of projects)	7	6	7
Concept or Method (R$ '000)	3,067	3,995	1,301
Software (# of projects)	12	14	18
Software (R$ '000)	6,021	9,687	7,315
System or Process (# of projects)	1	3	5
System or Process (R$ '000)	315	1,206	3,184
Material or Substance (# of projects)	3	3	3
Material or Substance (R$ '000)	2,037	1,862	111
Component or Device (# of projects)	7	7	6
Component or Device (R$ '000)	4,920	3,601	1,881
Machinery or Equipment (# of projects)	5	8	8
Machinery or Equipment (R$ '000)	3,700	4,707	4,249
Total (# of projects)	**35**	**41**	**47**
Total (R$ thousand)	**20,060**	**25,059**	**18,041**

R&D PROJECTS COMPLETED IN 2020 (LIGHT SESA)

R&D 91/15 – Burnt-coil tamper alarm and blocking device for three-phase electromechanical meters - DISBLOQ

The "Burnt-coil tamper alarm and blocking device" project was completed in July 2020. In testing conducted at our laboratory, the prototype was proven to function as intended, although applications for the device are limited to specific electromechanical meter models. We are currently working to identify meters within Light's service area that can be tested with the prototypes. The knowledge acquired in the development of this project can be replicated to cyclometer and electronic meters.

R&D 92/15 – Anti-cable-theft system

Two different prototypes have been developed: an underground cable locking system to prevent theft; and a system for locking transformer vaults and manholes, with a Wi-Fi-based remote control system and mechanical fixtures to retrofit Light-standard manhole covers.

R&D 93/16 – Regulatory aspects of non-technical losses in high-risk areas

This project developed a regulatory approach to areas with severe operational restrictions, including special rate structures, limits on economic risks, and quality indicators for Light SESA.

R&D 97/18 – Tamper-indicating meter

This R&D project developed a low-cost prototype that can allow meter readers to detect potential tampering with electronic meters, including unauthorized opening of meter enclosures, burnt metering coils and abnormal proximity of magnetic fields.

The device was tested exhaustively throughout 2020. A number of areas for improvement were identified, such as size and weight reduction. The test results were promising, with the electricity recovery team concluding that the meter can serve as an added tool for routine inspections and anti-theft efforts.

Although the project has been completed successfully, further development of the prototype will require time to coordinate the design with the meter manufacturers. We are currently discussing internally whether to move forward with the project within ANEEL's established R&D pipeline. These discussions were initiated in 2020, but without significant progress so far.

R&D 108/18 – Hybrid IS-limiter for distribution systems

A prototype IS-limiter was developed as part of a study on short-circuit current limiting for field applications, and tested at a laboratory at Universidade Federal Fluminense. This research continued as part of project R&D 133/18, in which the technology was further developed for nominal voltage and short-circuit current levels in distribution systems, the controllers, topology and limiter element construction were perfected to optimize operation in three-phase systems, and tests were carried out to ensure safe operation.

Modernization of rate-setting approaches

This is a joint project to assess different rate-setting approaches for the power distribution segment, addressing the industry challenges created by technological disruption and changing consumer behavior. The project scope includes simulation of proposed distribution rate calculation methods using real-world data in Brazil, the use of modeling tools to assess rate-setting methods proposed by regulators, and outreach. The project also includes a sample-based survey of residential consumers to assess their understanding and acceptance of new rate-setting methods, and an assessment of the regulatory impacts from each rate-setting methodology.

R&D 96/18 – Biodegradable oil and as a replacement of DDB oil

This project is developing a biodegradable oil for insulation and heat exchange in fluid-filled cables, in replacement of conventional oil. The research addresses the need for less environmentally aggressive materials and new product options in the electric power sector. If successful, this project will also provide a major strategic advantage for Light by reducing dependence on suppliers and increasing product availability on the market.

R&D 100/18 – Nanotechnology materials for capturing gases in underground distribution system vaults

This project developed a system to eliminate any buildup of explosive gases such as CO_2, CH_4, acetylene and H_2 in confined spaces housing electrical equipment, such as in underground vaults. Ultraviolet light sources are used as photo catalysts within the prototype device to oxidate and convert explosive gases into inert gases. A prototype device has been delivered to the Distribution Engineering department for installation in underground distribution vaults to monitor the degradation of any explosive gases building up despite the operation of ventilation systems.

R&D 101/18 – Detection of oil leaks from underground fluid-filled cables

The goal of this project was to develop an innovative method for detecting oil leakage from fluid-filled cables by adding chemical and physical markers to the oil. These markers will provide tell-tale signs of leakage in simple inspections. A fluorescent marker can be detected in fluid leaks into the soil, and a smell marker with a distinctive odor. Minute quantities of these markers can change the dielectric properties of insulating oil, as well as being readily detectable by inspection crews.

R&D 105/18 – Oil leak sensor system for fluid-filled cables – Prototype

The goal of this product was to develop a process and equipment for detecting and locating insulating oil leaks from underground 138 kV power lines. The proposed process differs from conventional inspection methods in that it injects the signal into the cable's insulation. Another original feature is that the signal refracted and reflected by discontinuities in the insulation is analyzed using transducers that transform the signal into electric pulses that can be analyzed by electronic equipment. The new methodology has potential applications in other industries.

R&D 111/18 – Predicting the likelihood of failure and estimating losses involving structures, equipment and circuits in underground distribution systems

A predictive maintenance methodology was developed for Light's underground distribution systems that uses machine learning combined with public and proprietary data[1]. Two predictive models were built: a transformer vault inspection model to optimize inspection routes, and a model for medium voltage lines, to inform the planning of annual cable maintenance.

R&D 112/18 – Distribution system maintenance planning and monitoring system

This project developed a dashboard-based monitoring and decision-making platform designed to: provide a method for mapping areas requiring service via a Geographic Information System (GIS); establish parameters and methods for optimizing crew sizing, crew resources and job windows, which are dependent on climate conditions; build a dynamic matrix to match crew sizes and their resources to job requirements; optimize set ups and routes with a focus on reducing fines and improving EOD and EOF indicators.

R&D 117/18 – Smart Virtual Agent

The goal of this project was to improve customer service and reduce the number of requests handled by human agents at call centers and service offices.

R&D 118/18 – Development of a low-cost energy management tool (hardware and software) for government and commercial customer applications

The goal of this project was to develop a system—including hardware (sub-electricity meters) and software—to monitor real-time electricity consumption at a consumer unit, inform energy efficiency improvements, reduce wasteful electricity consumption, and inform decision-making by the management team. The project was completed in 2020 and, following exhaustive testing, has been shown to be a promising tool for optimizing power consumption. We are currently discussing internally whether to move forward with the project within ANEEL's established R&D pipeline.

R&D 120/18 – Assessing conditions and business models for implementing a trading platform for electricity credits from distributed generation facilities (DG Grant)

This project developed a business model—based on regulatory, technological, operational, tax and contractual assessments—to identify risks and opportunities involved in the development of a platform for trading surplus electricity from distributed generation facilities, including platform features and process specifications.

Power Sector Analytics Intelligence System (SIASE)

An ANEEL-led strategic project to develop a portal with information from market agents to support rate-setting and the development of a consistent database to inform decision-making supported by analytics intelligence tools. So far the project has completed the consumer app module, graphic interface, national distribution database, queries on ANEEL's database of tariff rules, a calculation tool for executing rules, and an interface for distribution companies to view results.

[1] Machine learning is a technology in which computers are able to learn and predict expected responses by making associations between different data, including images, numbers and anything else that can be identified.

ENERGY EFFICIENCY PROGRAM

ENERGY EFFICIENCY PROGRAM INVESTMENTS BY TYPE OF PROJECT (R$ '000) [GRI EU7] (DISBURSEMENTS IN THE YEAR)

	2018	2019	2020
Industrial	**0**	**0**	**0**
Own funds			
Third-party funds			
Customer funds			
Trade and services	**949**	**3,870**	**7,153**
Own funds	860	2,883	1,273
Third-party funds		30	0
Customer funds	89	957	5,880
Government	**5,840**	**18,217**	**30,558**
Own funds	5,777	16,476	23,840
Third-party funds		119	165
Customer funds	63	1,622	6,554
Public Utility	**0**	**0**	**0**
Own funds			
Third-party funds			
Customer funds			
Rural	**0**	**0**	**0**
Own funds			
Third-party funds			
Customer funds			
Residential	**505**	**0**	**0**
Own funds	388		
Third-party funds			
Customer funds	117		
Low-Income Residential	**7,341**	**4,824**	**6,743**
Own funds	7,341	4,824	6,743
Third-party funds			0
Customer funds			0
Public Lighting	**0**	**7,575**	**5,440**
Own funds		7,326	5,218
Third-party funds		75	30
Customer funds		174	191
Municipal Energy Management	**0**	**0**	**0**
Own funds			
Third-party funds			
Customer funds			
Education	**10,348**	**3,766**	**1,202**
Own funds	3,574	2,151	1,202
Third-party funds		1,615	0
Customer funds	6,773		0
EE management	**633**	**629**	**772**
Own funds	633	629	772
Third-party funds			0
Customer funds			0
ABRADEE Campaign	**0**	**0**	**0**
Own funds			
Third-party funds			
Customer funds			
PROCEL (0.1 NOR)	**0**	**5,811**	**22,203**
Own funds		5,811	22,203
Third-party funds			
Customer funds			
TOTAL	**25,615**	**44,692**	**74,070**
Own funds	18,573	40,100	61,250
Third-party funds		1,839	195
Customer funds	7,042	2,753	12,625

(*) PROCEL contributions in 2020 were collected under Resolution 2112, published July 20, 2020. This resolution established that contributions were to include the short-fall in relation to the full statutory amount for the period from May 2018 to June 2020, and for this reason contributions exceeded 0.1% of Net Operating Revenue.

ENERGY EFFICIENCY PROGRAM - OUTCOMES (FROM PROJECTS COMPLETED IN THE YEAR)	2018	2019	2020
Industrial			
Units served	0	0	0
Energy savings (MWh)/year	0	0	0
Peak Shaving (kW)	0	0	0
Trade and services			
Units served	5	0	1
Energy savings (MWh)/year	983	0	412
Peak Shaving (kW)	233	0	102
Government			
Units served	53	10	65
Energy savings (MWh)/year	1,407	5,072	3,764
Peak Shaving (kW)	173	764	562
Public Utility			
Units served	0	0	0
Energy savings (MWh)/year	0	0	0
Peak Shaving (kW)	0	0	0
Rural			
Units served	0	0	0
Energy savings (MWh)/year	0	0	0
Peak Shaving (kW)	0	0	0
Residential			
Units served	1	0	0
Energy savings (MWh)/year	138	0	0
Peak Shaving (kW)	27	0	0
Low-Income Residential			
Units served	0	0	103,722
Energy savings (MWh)/year	0	0	49,222
Peak Shaving (kW)	0	0	9,923
Public Lighting			
Units served	0	1	5
Energy savings (MWh)/year	0	893	4,432
Peak Shaving (kW)	0	170	926
Municipal Energy Management			
Units served	0	0	0
Energy savings (MWh)/year	0	0	0
Peak Shaving (kW)	0	0	0
Education			
Units served	4	0	0
Energy savings (MWh)/year	0	0	0
Peak Shaving (kW)	0	0	0
TOTAL			
Units served	63	11	103,793
Energy savings (MWh)/year	2,528	5,965	57,829
Peak Shaving (kW)	432	934	11,513

ENERGY EFFICIENCY PROJECTS COMPLETED IN 2020

A lighting energy efficiency, environmental conditioning and renewable photovoltaic generation project for the Rio de Janeiro State Finance Department (SEFAZ);

Lighting energy efficiency and renewable photovoltaic generation projects at public buildings in the municipality of Rio Claro and for the Municipal Education Department of Queimados;

Lighting energy efficiency and environmental conditioning projects at the Brazilian Navy's Naval College *and* *Almirante Graça Aranha* Instruction Center, and at Hospital Nossa Senhora da Conceição;

Lighting energy efficiency projects at the Galeão Air Force Hospital and the Brazilian Navy's Naval War College and Almirante Alexandrino Instruction Center;

Public lighting energy efficiency projects in the municipalities of Três Rios, Piraí, Paracambi, Paty do Alferes and Comendador Levy Gasparian;

Energy efficiency projects in low-income communities: *Light Recicla III, Comunidade Eficiente IX* and *Comunidade Eficiente VIII.*

ANEEL DISCLOSURES – LIGHT ENERGIA

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1]

	CONSOLIDATED	
STATEMENT OF ADDED VALUE (R$ THOUSAND)	**2020**	**2019**
Revenue	**1,372,756**	**1,305,926**
Sales of goods, products and services	1,272,729	1,238,962
Revenue relating to construction of company assets	100,027	66,964
Inputs purchased from third parties	**(173,729)**	**(594,717)**
Costs of goods sold and services rendered	5,617	(506,369)
Material, energy, outsourced services and other	(179,346)	(88,348)
Gross value added	**1,199,027**	**711,209**
Withholdings	**(56,409)**	**(56,568)**
Depreciation and amortization	(56,409)	(56,568)
Net value added	**1,142,618**	**654,641**
Transferred added value	**347,381**	**102,558**
Finance revenue	347,705	97,891
Equity in income of associates	(324)	4,667
Added value to be distributed	**1,489,999**	**757,199**
Distribution of added value	**1,489,999**	**757,199**
Personnel	**18,276**	**20,318**
Direct compensation	12,441	14,524
Benefits	3,507	3,612
FGTS	1,676	2,066
Other	652	116
Taxes, charges and contributions	**358,432**	**236,012**
Federal	357,541	235,047
State	14	1
Municipal	877	964
Interest on third-party capital	**691,474**	**174,260**
Interest	688,755	172,368
Rent	2,719	1,892
Interest on equity	**421,817**	**326,609**
Losses absorbed	-	159,022
Dividends	421,817	167,587

GENERATION OUTPUT

	2018	2019	2020
Total gross electricity generated (GWh)	4,197	4,235	4,410
Total net electricity generated (GWh)	4,150	4,186	4,364

Note: Not including the Paracambi SHP, which is owned by LightGer, in which Light has a 51% interest.

INTERNAL STAKEHOLDERS

GENERAL INFORMATION

	2018	2019	2020
Number of direct employees	220	219	220
Turnover rate (%)	12.3	4.3	11.4
Average overtime per employee/year (hours)	164.4	93.9	97.4
Employees aged 30 or under (%)	31.4	30.6	24.1
Employees aged 31 to 40 (%)	29.5	31.5	38.2
Employees aged 41 to 50 (%)	14.1	12.8	15.5
Employees over 50 (%)	25	25.1	22.3
Percentage of female employees (%)	10	9.6	8.2
Women in managerial positions - out of total managerial positions (%)	0	0	0
Black female employees (black and mixed race) - out of total employees (%)	1.8	1.8	1.4
Black male employees (black and mixed race) - out of total employees (%)	30.5	30.1	33.2
Black employees (black and mixed race) in managerial positions out of total managerial positions (%)	0	10	11
Percentage of interns out of total employees (%)	3.2	2.3	3.6
Apprentice program employees (%)	1.4	1.8	0
Employees with disabilities (%)	2.7	2.3	2.3

COMPENSATION (R$ THOUSAND)	2018	2019	2020
Gross payroll	23,930	24,839	22,638
Compulsory social charges	6,083	5,279	4,933

TOTAL BENEFITS (R$ THOUSAND)	2018	2019	2020
Education	25	119	60
Meals	1,718	1,876	1,862
Transportation	41	51	39
Health	1,072	1,158	1,137
Foundation	477	492	434
Occupational health and safety	0	0	0
Culture	0	0	0
Training and professional development	0	0	0
Day care and day care allowance	9	3	7
Other	37	30	28

PROFIT SHARING	2018	2019	2020
Total investment in profit-sharing program (R$ thousand)	2,549	1,864	1,635
Amounts distributed in relation to gross payroll (%)	10.7	7.5	7.7
Highest compensation divided by the lowest compensation in cash paid by the Company (including profit shares and bonuses)	23.63	39.2	19.1
Highest compensation divided by the minimum salary in force (including profit shares and bonuses)	1.81	1.02	2.22

COMPENSATION PROFILE BY CATEGORY - AVERAGE SALARY (R$)	2018	2019	2020
Middle management positions (managers and coordinators) - R$	17,520	19,597	18,508
Administrative positions - R$	4,165	4,435	4,547
Production positions - R$	4,308	4,695	4,685

RETIREMENT PROVISION	2018	2019	2020
Number of beneficiaries of supplementary pension plans	204	203	187
Number of beneficiaries of pre-retirement plan	0	0	0

EDUCATION LEVELS (PERCENTAGE OF TOTAL EMPLOYEES)	2018	2019	2020
Illiterate employees (%)	0	0	0
Primary education (%)	4.5	3.7	2.7
Secondary education (%)	61.8	63	62.3
Undergraduate (%)	27.7	28.3	31.4
Graduate (specialist, master's degree, PhD) (%)	5.5	5	3.6
Amount invested in professional development and education (% of NOR)	0.002	0.001	0

NUMBER OF HOURS OF PROFESSIONAL DEVELOPMENT PER EMPLOYEE/YEAR (MH), BY EMPLOYEE CATEGORY	2018	2019	2020
Administrative	9.7	9	2.9
Middle management	22.2	13.2	11.2
Operational	80.3	38.2	40.8
Professional	26.8	24	19.6
Technical	30.3	26.4	22.4
General	33.8	22.1	24.3

INTERNAL STAKEHOLDERS

LABOR CLAIMS (DIRECT EMPLOYEES)	2018	2019	2020
Provision for liabilities (R$ thousand)	4,309	1,363	999
Number of labor claims brought against the company in the period (*)	3	4	1
Number of labor claims accepted in the period (**)	3	4	3
Number of labor claims rejected in the period (**)	1	0	3
Value of court awards in the period (R$ thousand)	175	40	0

(*) New labor claims brought in the period by direct employees.
(**) Active claims at period-end from direct employees.
Note: partially accepted and settled claims have been included as accepted claims.

COMMUNITY

COMPANY INVOLVEMENT IN CULTURAL, SPORTS AND OTHER PROJECTS (ROUANET ACT)	2018	2019	2020
Funds allocated to cultural or sports projects etc. (Rouanet Act) (R$ thousand)	893	1,057	60
Funds allocated to the largest cultural or sports project (Rouanet Act) (R$ thousand)	300	650	60

HEALTH & SAFETY

OCCUPATIONAL INJURY FREQUENCY RATE	2018	2019	2020
Total frequency rate for the period - employees	1.86	3.81	1.89
Total severity rate for the period - employees	91	209	19
Total frequency rate for the period - contractors	1.99	0	0
Total severity rate for the period - contractors	6	0	0
Total frequency rate for the period - workforce (employees + contractors)	1.95	1.58	0.71
Total severity rate for the period - workforce (employees + contractors)	35.67	87	7
Fatalities – employees	0	0	0
Fatalities – contractors	0	0	0

SUPPLIERS

CONTRACTORS	2018	2019	2020
Number of contractors	443	410	518

ENVIRONMENT

ENVIRONMENTAL DATA

	2018	2019	2020
Annual volume of greenhouse gas (CO_2, CH_4, N_2O, HFC, PFC, SF_6) emissions (in metric tons of CO_2 equivalent) – Scopes 1 and 2	14,642	7,402	2,502
Annual volume of ozone-depleting emissions		Negligible	
Annual quantity (in metric tons) of solid waste generated (refuse, waste, rubble etc.)	4,784	5,273	3,403
Quantity of contaminated PCB waste	0	0	0
Total electricity consumption by source (in kWh)			
Fossil fuels	ND	ND	ND
Alternative sources (gas, wind, solar, etc)	ND	ND	ND
Hydroelectric	ND	ND	ND
Total electricity consumption (in MWh)	192	236	269
Total direct energy consumption by primary source (MWh)			
Ethanol	0.68	0.13	0
Diesel	154	190	247
Natural gas	0	0	0
Gasoline	195	210	246
Total water withdrawal by source (m^3)			
Municipal	5,897	6,020	3,790
Surface water (watercourses)	NA	NA	NA
Groundwater (wells)	NA	NA	NA
Total water withdrawal	5,897	6,020	3,790
Water withdrawal per employee	26.81	28.00	17.23
Electricity consumption of generating and auxiliary units (maximum consumption in MWh by hydroelectric plant)	678,471	719,374	744,923
Water consumption per kWh generated (maximum flow rate - m^3/s - per kWh delivered)	7.81	7.81	7.81
Restoration of riparian vegetation (ha)	35.87	77.87	26.1
Fish salvaged in turbines (kg of fish per shutdown)	ND	ND	ND
Fish restocking (number of fry released into reservoirs per year)	ND	ND	ND
Release of untreated sanitary effluent and leakage of lubricating and hydraulic oil from turbines (metric tons per year)	ND	ND	ND
Number of employees trained in environmental education programs	96	13	4
Percentage of employees trained in environmental education programs out of total employees (%)	43.64	6.05	1.82
Number of hours of environmental training for employees out of total hours of training	12.31	0.59	0.07

RESEARCH & DEVELOPMENT [GRI EU8]

R&D INVESTMENT BY RESEARCH TOPIC (R$ '000) (GRI EU8)

	2018	2019	2020
Alternative sources			
Thermal			
River Basin and Reservoir Management	946	1,259	203
Environment	287	607	1643
Safety			
Energy Efficiency			
Power Systems Planning			
Power System Operation	549		205
Power System Supervision, Control and Protection	618	218	
Power Supply Quality and Reliability		43	287
Metering, Billing and Loss Reduction			
Other	751	798	564
Total	**3,152**	**2,926**	**2,903**

Note: in 2017, 2018, 2019 and 2020, in addition to project expenditure, respectively R$ 56,000, R$ 10,000, R$ 54,000 and R$ 386,000 was invested in our Management Project.

R&D INVESTMENTS - PROJECT CLASSIFICATION BY RESEARCH STAGE

	2018	2019	2020
Targeted Basic Research (# of projects)			
Targeted Basic Research (R$ '000)			
Applied Research (# of projects)	3	2	2
Applied Research (R$ '000)	1,140	1,823	467
Experimental Development (# of projects)	2	4	6
Experimental Development (R$ '000)	1,462	1,103	2,436
Prototyping (# of projects)	1		
Prototyping (R$ '000)	549		
Pilot Run (# of projects)			
Pilot Run (R$ '000)			
Placement in Market (# of projects)			
Placement in Market (R$ '000)			
Total (# of projects)	**6**	**6**	**8**
Total (R$ '000)	**3,152**	**2,926**	**2,903**

R&D INVESTMENT - PROJECT CLASSIFICATION BY TYPE OF DELIVERABLE	2018	2019	2020
Concept or Method (# of projects)	2	1	2
Concept or Method (R$ '000)	389	1,025	408
Software (# of projects)		1	2
Software (R$ '000)		607	1848
System or Process (# of projects)	4	4	3
System or Process (R$ '000)	2,763	1,294	646
Material or Substance (# of projects)			
Material or Substance (R$ '000)			
Component or Device (# of projects)			
Component or Device (R$ '000)			
Machinery or Equipment (# of projects)			1
Machinery or Equipment (R$ '000)			0
Total (# of projects)	**6**	**6**	
Total (R$ '000)	**3,152**	**2,926**	**2,903**

R&D PROJECTS COMPLETED IN 2020 (LIGHT ENERGIA)

R&D 11/17e – Development of a system for predicting the quality and quantity of water in multipurpose reservoirs: Lajes Reservoir – ProLajes

The goal of this R&D project was to develop the groundwork for a multipurpose reservoir management tool to provide real-time or predicted data on water quality for generation and water supply. The tool is structured around two core pillars: automated, high-frequency monitoring and mathematical modeling. Automated high-frequency monitoring provides more granular information about environmental processes. This data will feed a robust database on water quality, circulation and meteorological data, and allow environmental behavior to be characterized even within a short operation timeframe. This database will then be used to make predictions using numerical modeling.

R&D 12/17e – Generator protection system response simulator

This project developed a method for the Light Energia team to test generator protection systems using protection data from Light's power plants.

The new method supports dynamic electromechanical modeling of power systems and, in particular, power plant generation systems and their protections, in order to assess the performance of protection systems. The method includes capabilities for integrated analysis of generation, transmission and distribution systems. The method was first tested using a dynamic electromechanical simulation software system, including generators and governors, and then on Light Energia's real-world power plant systems.

LIGHT S.A. SOCIAL BALANCE SHEET

	2020	2019
1 - Calculation Base	**Amount (R$ thousand)**	**Amount (R$ thousand)**
Net revenue (NR)	13,073,468	13,389,567
Operating income (OI)	1,809,492	1,325,701
Gross payroll (GP)	424,517	429,819

2 - Internal Social Indicators	**Amount (R$ thousand)**	**% of GP**	**% of NR**	**Amount (R$ thousand)**	**% of GP**	**% of NR**
Meals	36,327	9%	0%	31,746	7%	0%
Compulsory social charges	58,157	14%	0%	68,711	16%	1%
Pension plans	5,504	1%	0%	7,080	2%	0%
Health insurance	25,729	6%	0%	22,728	5%	0%
Occupational health and safety	1,106	0%	0%	1,065	0%	0%
Education	1,009	0%	0%	1,066	0%	0%
Culture	0	0%	0%	0	0%	0%
Training and professional development	2,785	1%	0%	2,700	1%	0%
Day care and day care allowance	882	0%	0%	1,034	0%	0%
Profit sharing	36,316	9%	0%	36,916	9%	0%
Other	3,927	1%	0%	6,740	2%	0%
Total – Internal Social Indicators	**171,740**	**40%**	**1%**	**179,786**	**42%**	**1%**

3 - External Social Indicators	**Amount (R$ thousand)**	**% of OI**	**% of NR**	**Amount (R$ thousand)**	**% of OI**	**% of NR**
Education	1,202	0%	0%	2,156	0%	0%
Culture	2,341	0%	0%	36,089	3%	0%
Health and sanitation	1,180	0%	0%	0	0%	0%
Sports	0	0%	0%	1,021	0%	0%
Combating hunger, and food security	0	0%	0%	0	0%	0%
Other	27,920	2%	0%	58,577	4%	0%
Total contributions to society	**32,642**	**2%**	**0%**	**97,843**	**7%**	**1%**
Taxes (not including social charges)	6,024,209	333%	46%	6,687,274	504%	50%
Total – External Social Indicators	**6,056,851**	**335%**	**46%**	**6,785,117**	**512%**	**51%**

4 - Environmental Indicators	**Amount (R$ thousand)**	**% of OI**	**% of NR**	**Amount (R$ thousand)**	**% of OI**	**% of NR**
Related to company operations	59,900	3%	0%	40,224	3%	0%
In external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investment	**59,900**	**3%**	**0%**	**40,224**	**3%**	**0%**
In relation to annual targets for minimizing waste and overall consumption in production/operation activities, and increasing natural resource efficiency, the organization:	( ) has no targets ( ) is within 51 to 75% of its target(s) ( ) is within 0 to 50% of its target(s) (X) is within 76 to 100% of its target(s)			( ) has no targets ( ) is within 51 to 75% of its target(s) ( ) is within 0 to 50% of its target(s) (X) is within 76 to 100% of its target(s)		

5 - Functional Staff Indicators	**2020**	**2019**
Number of employees at period-end	5,531	4,712
Number of new hires in the period	1,100	965
Number of outsourced workers	6,446	7,861
Number of trainees	63	57
Number of employees over 45	972	970
Number of women working at the company	1,010	1,057
% management positions held by women	27%	21%
Number of people of color working at the company	3,095	2,406
% management positions held by people of color	19%	21%
Number of employees with disabilities or special needs	160	199

6 - Material information regarding corporate citizenship	**2020**	**2021 Targets**
Ratio of lowest to highest compensation paid by the company	48.66	ND
Total number of occupational injuries	39	0
The social and environmental programs implemented by the company have been developed by:	( ) top management (X) top and middle management ( ) all employees	( ) top management (X) top and middle management ( ) all employees
Occupational health and safety standards have been developed by:	( ) top and middle management ( ) all employees (X) all employees + CIPA	( ) top and middle management ( ) all employees (X) all employees + CIPA
In relation to freedom of association, collective bargaining and internal representation of workers, the organization:	( ) does not get involved (X) complies with ILO requirements ( ) promotes compliance and complies with (ILO) requirements	( ) will not get involved (X) will comply with ILO requirements ( ) will promote compliance and comply with (ILO) requirements
Private pension plans are extended to:	( ) top management ( ) top and middle management (X) all employees	( ) top management ( ) top and middle management (X) all employees
Profit sharing is extended to:	( ) top management ( ) top and middle management (X) all employees	( ) top management ( ) top and middle management (X) all employees
When selecting suppliers the ethical, social responsibility and environmental standards adopted by the company:	( ) are not addressed ( ) are suggested (X) are required	( ) will not be addressed ( ) will be suggested (X) will be required
In respect of employee participation in voluntary programs, the company:	( ) does not get involved ( ) gives support (X) offers organization and incentives	( ) will not get involved ( ) will give support (X) will offer organization and incentives
Total number of consumer grievances and complaints:	to the company: 151,773 to consumer protection services: 1,170 in court: 51,128	to the company: Reduce by 10% to consumer protection services: Reduce by 10% in court: Reduce by 10%
% of complaints and grievances addressed or resolved:	by the company: 98.2% by consumer protection services: 99.2% in court: 42.3%	by the company: 100% by consumer protection services: 100% in court: 100%
Added value to be distributed (in R$ thousand):	**In 2020:** 10,697,330	**In 2019:** 11,480,791
Distribution of Added Value (DVA):	71.25% government 4.05% employees 1.54% shareholders 18.23% third parties 4.93% retained	74.12% government 3.69% employees 2.75% shareholders 10.63% third parties 8.81% retained

7 - Other Information

*Operating income is exclusive of equity in income of subsidiaries.

LIGHT SESA SOCIAL BALANCE SHEET

	2020			2019		
1 - Calculation Base	**Amount (R$ thousand)**			**Amount (R$ thousand)**		
Net revenue (NR)	11,764,700			11,912,106		
Operating income (OI)	795,694			1,015,719		
Gross payroll (GP)	384,996			388,637		
2 - Internal Social Indicators	**Amount (R$ thousand)**	**% of GP**	**% of NR**	**Amount (R$ thousand)**	**% of GP**	**% of NR**
Meals	33,992	9%	0%	29,679	8%	0%
Compulsory social charges	52,444	14%	0%	61,863	16%	1%
Pension plans	4,927	1%	0%	6,307	2%	0%
Health insurance	24,155	6%	0%	21,417	6%	0%
Occupational health and safety	1,344	0%	0%	1,080	0%	0%
Education	955	0%	0%	1,066	0%	0%
Culture	0	0%	0%	0	0%	0%
Training and professional development	2,672	1%	0%	2,575	1%	0%
Day care and day care allowance	827	0%	0%	988	0%	0%
Profit sharing	33,661	9%	0%	35,052	9%	0%
Other	3,796	1%	0%	6,633	2%	0%
Total – Internal Social Indicators	**158,772**	**41%**	**1%**	**166,661**	**43%**	**1%**
3 - External Social Indicators	**Amount (R$ thousand)**	**% of OI**	**% of NR**	**Amount (R$ thousand)**	**% of OI**	**% of NR**
Education	1,202	0%	0%	2,156	0%	0%
Culture	2,281	0%	0%	34,984	3%	0%
Health and sanitation	769	0%	0%	0	0%	0%
Sports	0	0%	0%	1,021	0%	0%
Combating hunger, and food security	0	0%	0%	0	0%	0%
Other	25,581	3%	0%	58,577	6%	0%
Total contributions to society	**29,832**	**4%**	**0%**	**96,738**	**10%**	**1%**
Taxes (not including social charges)	5,666,881	712%	48%	6,487,297	639%	54%
Total – External Social Indicators	**5,696,713**	**716%**	**48%**	**6,584,035**	**648%**	**55%**
4 - Environmental Indicators	**Amount (R$ thousand)**	**% of OI**	**% of NR**	**Amount (R$ thousand)**	**% of OI**	**% of NR**
Related to company operations	12,870	2%	0%	21,886	2%	0%
In external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investment	**12,870**	**2%**	**0%**	**21,886**	**2%**	**0%**
In relation to annual targets for minimizing waste and overall consumption in production/operation activities, and increasing natural resource efficiency, the organization:	( ) has no targets ( ) is within 51 to 75% of its target(s) ( ) is within 0 to 50% of its target(s) (X) is within 76 to 100% of its target(s)			( ) has no targets ( ) is within 51 to 75% of its target(s) ( ) is within 0 to 50% of its target(s) (X) is within 76 to 100% of its target(s)		
5 - Functional Staff Indicators	**2020**			**2019**		
Number of employees at period-end	5,272			4,937		
Number of new hires in the period	1,060			902		
Number of outsourced workers	5,928			7,007		
Number of trainees	55			49		
Number of employees over 45	909			937		
Number of women working at the company	974			1,065		
% management positions held by women	29%			22%		
Number of people of color working at the company	3,012			2,681		
% management positions held by people of color	20%			22%		
Number of employees with disabilities or special needs	155			181		

6 - Material information regarding corporate citizenship	**2020**	**2021 Targets**
Ratio of lowest to highest compensation paid by the company	48.66	ND
Total number of occupational injuries	38	0
The social and environmental programs implemented by the company have been developed by:	( ) top management (X) top and middle management ( ) all employees	( ) top management (X) top and middle management ( ) all employees
Occupational health and safety standards have been developed by:	( ) top and middle management ( ) all employees (X) all employees + CIPA	( ) top and middle management ( ) all employees (X) all employees + CIPA
In relation to freedom of association, collective bargaining and internal representation of workers, the organization:	( ) does not get involved (X) complies with ILO requirements ( ) promotes compliance and complies with (ILO) requirements	( ) will not get involved (X) will comply with ILO requirements ( ) will promote compliance and comply with (ILO) requirements
Private pension plans are extended to:	( ) top management ( ) top and middle management (X) all employees	( ) top management ( ) top and middle management (X) all employees
Profit sharing is extended to:	( ) top management ( ) top and middle management (X) all employees	( ) top management ( ) top and middle management (X) all employees
When selecting suppliers the ethical, social responsibility and environmental standards adopted by the company:	( ) are not addressed ( ) are suggested (X) are required	( ) will not be addressed ( ) will be suggested (X) will be required
In respect of employee participation in voluntary programs, the company:	( ) does not get involved ( ) gives support (X) offers organization and incentives	( ) will not get involved ( ) will give support (X) will offer organization and incentives
Total number of consumer grievances and complaints:	to the company: 151,773 to consumer protection services: 1,170 in court: 51,128	to the company: Reduce by 10% to consumer protection services: Reduce by 10% in court: Reduce by 10%
% of complaints and grievances addressed or resolved:	to the company: 98.2% to consumer protection services: 99.2% in court: 42.3%	to the company: 100% to consumer protection services: 100% in court: 100%
Added value to be distributed (in R$ thousand):	**In 2020:** 9,276,980	**In 2019:** 10,820,087
Distribution of Added Value (DVA):	77.99% government 4.20% employees 0.70% shareholders 14.84% third parties 2.26% retained	83.89% government 4.04% employees 0.00% shareholders 10.98% third parties 1.09% retained

7 - Other Information
None.

LIGHT ENERGIA SOCIAL BALANCE SHEET

1 - Calculation Base	2020 Amount (R$ thousand)	2019 Amount (R$ thousand)
Net revenue (NR)	1,131,070	1,098,020
Operating income (OI)	974,269	485,026
Gross payroll (GP)	22,638	24,839

2 - Internal Social Indicators	2020 Amount (R$ thousand)	2020 % of GP	2020 % of NR	2019 Amount (R$ thousand)	2019 % of GP	2019 % of NR
Meals	1,862	8%	0%	1,876	8%	0%
Compulsory social charges	4,933	22%	0%	5,279	21%	0%
Pension plans	434	2%	0%	492	2%	0%
Health insurance	1,137	5%	0%	1,158	5%	0%
Occupational health and safety	0	0%	0%	0	0%	0%
Education	60	0%	0%	119	0%	0%
Culture	0	0%	0%	0	0%	0%
Training and professional development	0	0%	0%	0	0%	0%
Day care and day care allowance	7	0%	0%	3	0%	0%
Profit sharing	1,719	8%	0%	1,864	8%	0%
Other	67	0%	0%	80	0%	0%
Total – Internal Social Indicators	**10,219**	**45%**	**1%**	**10,872**	**44%**	**1%**

3 - External Social Indicators	2020 Amount (R$ thousand)	2020 % of OI	2020 % of NR	2019 Amount (R$ thousand)	2019 % of OI	2019 % of NR
Education	0	0%	0%	0	0%	0%
Culture	0	0%	0%	0	0%	0%
Health and sanitation	411	0%	0%	0	0%	0%
Sports	0	0%	0%	0	0%	0%
Combating hunger, and food security	0	0%	0%	0	0%	0%
Other	899	0%	0%	2,808	1%	0%
Total contributions to society	**1,310**	**0%**	**0%**	**2,808**	**1%**	**0%**
Taxes (not including social charges)	305,352	31%	27%	183,279	38%	17%
Total – External Social Indicators	**306,662**	**31%**	**27%**	**186,087**	**38%**	**17%**

4 - Environmental Indicators	2020 Amount (R$ thousand)	2020 % of OI	2020 % of NR	2019 Amount (R$ thousand)	2019 % of OI	2019 % of NR
Related to company operations	47,030	5%	4%	11,328	2%	1%
In external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investment	**47,030**	**5%**	**4%**	**11,328**	**2%**	**1%**
In relation to annual targets for minimizing waste and overall consumption in production/operation activities, and increasing natural resource efficiency, the organization:	( ) has no targets ( ) is within 51 to 75% of its target(s) ( ) is within 0 to 50% of its target(s) (X) is within 76 to 100% of its target(s)			( ) has no targets ( ) is within 51 to 75% of its target(s) ( ) is within 0 to 50% of its target(s) (X) is within 76 to 100% of its target(s)		

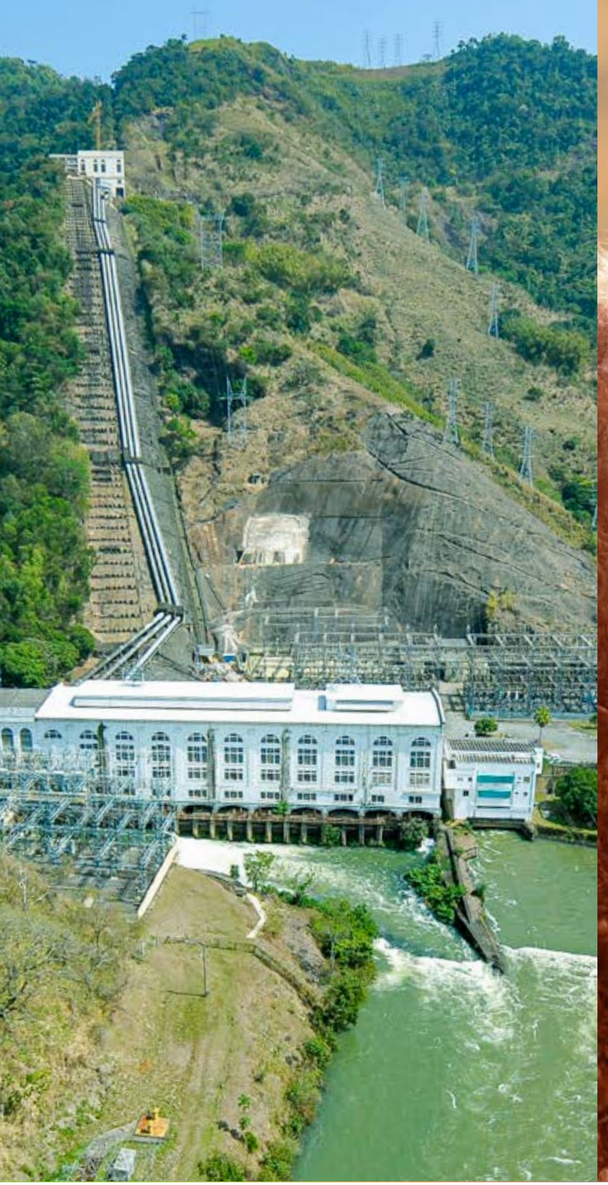
5 - Functional Staff Indicators	2020	2019
Number of employees at period-end	220	219
Number of new hires in the period	29	9
Number of outsourced workers	518	410
Number of trainees	8	5
Number of employees over 45	56	72
Number of women working at the company	18	21
% management positions held by women	0%	0%
Number of people of color working at the company	76	70
% management positions held by people of color	11%	10%
Number of employees with disabilities or special needs	5	5

6 - Material information regarding corporate citizenship	2020	2021 Targets
Ratio of lowest to highest compensation paid by the company	19.08	ND
Total number of occupational injuries	1	0
The social and environmental programs implemented by the company have been developed by:	( ) top management (X) top and middle management ( ) all employees	( ) top management (X) top and middle management ( ) all employees
Occupational health and safety standards have been developed by:	( ) top and middle management ( ) all employees (X) all employees + CIPA	( ) top and middle management ( ) all employees (X) all employees + CIPA
In relation to freedom of association, collective bargaining and internal representation of workers, the organization:	( ) does not get involved (X) complies with ILO requirements ( ) promotes compliance and complies with (ILO) requirements	( ) will not get involved (X) will comply with ILO requirements ( ) will promote compliance and comply with (ILO) requirements
Private pension plans are extended to:	( ) top management ( ) top and middle management (X) all employees	( ) top management ( ) top and middle management (X) all employees
Profit sharing is extended to:	( ) top management ( ) top and middle management (X) all employees	( ) top management ( ) top and middle management (X) all employees
When selecting suppliers the ethical, social responsibility and environmental standards adopted by the company:	( ) are not addressed ( ) are suggested (X) are required	( ) will not be addressed ( ) will be suggested (X) will be required
In respect of employee participation in voluntary programs, the company:	( ) does not get involved ( ) gives support (X) offers organization and incentives	( ) will not get involved ( ) will give support (X) will offer organization and incentives
Total number of consumer grievances and complaints:	to the company: – to consumer protection services: – in court: –	to the company: – to consumer protection services: – in court: –
% of complaints and grievances addressed or resolved:	to the company: – to consumer protection services: – in court: –	to the company: – to consumer protection services: – in court: –
Added value to be distributed (in R$ thousand):	**In 2020:** 1,489,999	**In 2019:** 757,199
Distribution of Added Value (DVA):	24.06% government 1.23% employees 28.31% shareholders 46.41% third parties 0% compensation for damages	31.17% government 2.68% employees 22.13% shareholders 23.01% third parties 21.01% compensation for damages

7 - Other Information

None.


Light



2020

Integrated Annual Sustainability Report

GRI CONTENT INDEX

Light

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Comprehensive option [GRI 102-54].

The 2020 Light Annual Report also includes specific power sector disclosures applicable to the Company.

As a report prepared "in accordance" with the GRI Standards: Comprehensive option, the GRI Content Index maps the GRI disclosures to the relevant Global Compact Principles and Sustainable Development Goals.

Global Compact Principles

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

2. Businesses should make sure that they are not complicit in human rights abuses.

Employment

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4. Businesses should uphold the elimination of all forms of forced and compulsory labor;

5. Businesses should uphold the effective abolition of child labor; and

6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;

8. Businesses should undertake initiatives to promote greater environmental responsibility; and

9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainable Development Goals

GRI CONTENT INDEX

[GRI 102-55]

In accordance with the GRI Standards: Comprehensive option

GRI Standard	Disclosure	Page and/or link	Global Compact Principle	SDG
GRI 101: Foundation 2016				
General disclosures				
GRI 102: General disclosures 2016	**Profile**			
	102-1 Name of the organization	Annual Report, p. 8		
	102-2 Activities, brands, products, and services	Annual Report, p. 8 Light does not sell any products that are banned or restricted in certain markets.		
	102-3 Location of headquarters	Av. Marechal Floriano, 168 - Centro - Rio de Janeiro - Brazil		
	102-4 Location of operations	Annual Report, p. 8		
	102-5 Ownership and legal form	Annual Report, p. 8		
	102-6 Markets served	Annual Report, p. 58 l Appendixes, p. 37		
	102-7 Scale of the organization	Annual Report, p. 8		
	102-8 Information on employees and other workers	Appendixes, pp. 8, 11, 15 and 16		
	102-9 Supply chain	Annual Report, p. 56		
	102-10 Significant changes to the organization and its supply chain	Annual Report, p. 8		
	102-11 Precautionary principle or approach	Annual Report, p. 34		
	102-12 External initiatives	Annual Report, p. 24	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	

GRI Standard	Disclosure	Page and/or link	Global Compact Principle	SDG
GRI 101: Foundation 2016				
General disclosures				
	102-13 Membership of associations	We are members of several power sector industry associations, including the Brazilian Electric Utility Association (ABRADEE), the Brazilian Wholesale Electricity Association (ABRACEEL) and the Brazilian Association of Large Electric Power Generation Companies (ABRAGE).		
	EU1 Installed capacity	Annual Report, p. 12		
	EU2 Net energy output	Appendixes, p. 3		
	EU3 Number of customer accounts	Appendixes, p. 38		
	EU4 Length of above and underground transmission and distribution lines	Appendixes, p. 3		
	EU5 Allocation of CO_2 e emissions allowances or equivalent	Light does not trade in the carbon market.	7, 8, 9	
	Strategy			
	102-14 Statement from senior decision-maker	Annual Report, p. 4	8, 9	
	102-15 Key impacts, risks, and opportunities	Annual Report, p. 14 http://ri.light.com.br/ptb/modelo-de-negocio		
	Ethics and integrity			16
	102-16 Values, principles, standards, and norms of behavior	Annual Report, pp. 32 and 45	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	
	102-17 Mechanisms for advice and concerns about ethics	Annual Report, p. 32	10	
	Governance			
	102-18 Governance structure	Annual Report, p. 29		
	102-19 Delegating authority	Annual Report, p. 30 http://ri.light.com.br/ptb/modelo-de-negocio		
	102-20 Review of economic, environmental, and social topics	Annual Report, p. 30		

GRI Standard	Disclosure	Page and/or link	Global Compact Principle	SDG
GRI 101: Foundation 2016				
General disclosures				
GRI 102: General disclosures 2016	**102-21** Consulting stakeholders on economic, environmental, and social topics	Annual Report, p. 30		
	102-22 Composition of the highest governance body and its committees	Annual Report, p. 29 http://ri.light.com.br/ptb/modelo-de-negocio		
	102-23 Chairman of the highest governance body	http://ri.light.com.br/ptb/modelo-de-negocio		
	102-24 Nominating and selecting the highest governance body	http://ri.light.com.br/ptb/modelo-de-negocio		
	102-25 Conflicts of interests	http://ri.light.com.br/ptb/modelo-de-negocio	10	
	102-26 Role of highest governance body in setting purpose, values, and strategy	Annual Report, p. 29		
	102-27 Collective knowledge of highest governance body	In 2020 Light did not provide the Board of Directors with any additional specialist training on social and environmental subjects.		
	102-28 Evaluating the highest governance body's performance	Annual Report, p. 30		
	102-29 Identifying and managing economic, environmental, and social impacts	Annual Report, p. 29 http://ri.light.com.br/ptb/modelo-de-negocio		
	102-30 Effectiveness of risk management processes	Annual Report, p. 29 http://ri.light.com.br/ptb/modelo-de-negocio		
	102-31 Review of economic, environmental, and social topics	Annual Report, p. 30 http://ri.light.com.br/ptb/modelo-de-negocio		
	102-32 Highest governance body's role in annual reporting	Annual Report, p. 94		

GRI Standard	Disclosure	Page and/or link	Global Compact Principle	SDG
GRI 101: Foundation 2016				
General disclosures				
	102-33 Communicating critical concerns	Annual Report, p. 30		
	102-34 Nature and total number of critical concerns	Annual Report, p. 30		
	102-35 Remuneration policies	Annual Report, p. 31 Appendixes, pp. 32 and 33 http://ri.light.com.br/ptb/modelo-de-negocio		
	102-36 Process for determining remuneration	http://ri.light.com.br/ptb/modelo-de-negocio		
	102-37 Stakeholders' involvement in remuneration	http://ri.light.com.br/ptb/modelo-de-negocio		
	102-38 Annual total compensation ratio	The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees was 1,666%. The calculation includes only employees who have been with the company for at least 12 years and receive variable remuneration. The calculation includes total remuneration (salary, safety hazard bonus, health hazard bonus, standby pay, night-shift bonus, shift-change bonus, and overtime) + variable remuneration.		
	102-39 Percentage increase in annual total compensation ratio	The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees was 8%.		
	Stakeholder engagement			
	102-40 List of stakeholder groups	http://ri.light.com.br/ptb/relatorios		
	102-41 Collective bargaining agreements	http://www.light.com.br/grupo-light/Sustentabilidade/ relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx		
	102-42 Basis for identification and selection of stakeholders with whom to engage	http://ri.light.com.br/ptb/relatorios		
	102-43 Approach to stakeholder engagement	Annual Report, p. 61 http://ri.light.com.br/ptb/relatorios		
	102-44 Key topics and concerns that have been raised through stakeholder engagement	Annual Report, pp. 61, 94 and 95		

GRI Standard	Disclosure	Page and/or link	Global Compact Principle	SDG
GRI 101: Foundation 2016				
General disclosures				
	Reporting practices			
GRI 102: General disclosures 2016	**102-45** Entities included in the consolidated financial statements	Annual Report, pp. 8, 94		
	102-46 Defining report content and topic Boundaries	Annual Report, pp. 94 and 95 http://ri.light.com.br/ptb/relatorios		
	102-47 List of material topics	Annual Report, p. 95 http://ri.light.com.br/ptb/relatorios		
	102-48 Restatements of information	Appendixes, pp. 6 to 9		
	102-49 Changes in reporting	None		
	102-50 Reporting period	Annual Report, p. 94		
	102-51 Date of most recent report	The previous Report was published in April 2020.		
	102-52 Reporting cycle	Annual Report, p. 94		
	102-53 Contact point for questions regarding the report	Annual Report, p. 95		
	102-54 Claims of reporting in accordance with the GRI Standards	GRI Summary Annual Report, p. 94		
	102-55 GRI content index	GRI Summary Annual Report, p. 95		
	102-56 External assurance	GRI Summary Annual Report, p. 94		

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
GRI Standard 200 Economic Series							
Economic performance							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 89 to 92, 94				1, 7, 8, 9	
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 201: Economic performance 2016	**201-1** Direct economic value generated and distributed	Appendixes, pp. 2, 36 and 56					
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report, p. 74				7, 8, 9	
	201-3 Defined benefit plan obligations and other retirement plans	http://ri.light.com.br/ptb/modelo-de-negocio				1	
	201-4 Financial assistance received from government	Appendixes, p. 44					
Market presence							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 202: Market presence 2016	**202-1** Ratios of standard entry level wage by gender compared to local minimum wage	Appendixes, p. 15				1	
	202-2 Proportion of senior management hired from the local community	http://ri.light.com.br/ptb/modelo-de-negocio					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Indirect economic impacts							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 62 to 65, 79 to 84, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 203: Indirect economic impacts 2016	**203-1** Infrastructure investments and services supported	Annual Report, pp. 62 and 81					
	203-2 Significant indirect economic impacts	Annual Report, pp. 64 and 81					
Procurement practices							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 204: Procurement Practices	**204-1** Proportion of spending on locally-based suppliers	Appendixes, p. 34					
Anti-corruption							**16**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp.					
	103-3 Evaluation of the management approach	Annual Report, p.					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
GRI 205:Anti-corruption 2016	**205-1** Operations assessed for risks related to corruption	Through the actions described throughout this report, we believe 100% of our operations have been assessed for risks related to corruption.				10	
	205-2 Communication and training about anti-corruption policies and procedures	Annual Report, p. 32				10	
	205-3 Confirmed incidents of corruption and actions taken	Annual Report, p. 33					
Anti-competitive behavior							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 206: Anti-competitive behavior 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None					
Availability and reliability							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 62, 63, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Availability and reliability 2016	**EU6** Management approach to ensure short and long-term electricity availability and reliability	Annual Report, p. 62					
	EU10 Planned capacity against projected electricity demand over the long term	Appendixes, p. 4					
Demand-Side Management							12
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 75 to 77, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
Demand-Side Management 2016	**EU7** Demand-side management programs	Annual Report, p. 75 Appendixes, p. 53					
Research & Development							9
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 85, 86 and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
Research and Development 2016	**EU8** Research and development activity and expenditure	Annual Report, p. 85 Appendixes, pp. 49 and 62					
Plant decommissioning							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
Plant decommissioning 2016	**EU9** Provisions for decommissioning of nuclear power sites	Light owns no nuclear or thermal power plants					
System Efficiency							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 62, 63, 79 to 81, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
Availability and reliability 2016	**EU11** Average generation efficiency of thermal plants	Light owns no nuclear or thermal power plants.					
	EU12 Transmission and distribution losses as a percentage of total energy	Annual Report, p. 79					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Taxes							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
Taxes 2019	**207-1** Approach to tax	Light's Tax department is accountable for compliance with tax strategy. Material tax matters are discussed in our Financial Statements and Reference Form					
	207-2 Tax governance, control and risk management	The Audit Board is responsible for exercising oversight of Senior Management Activities and for reviewing the financial statements. Light's Risk Management Policy aims to disseminate a culture of compliance with the laws, regulations and other rules established by regulatory bodies and other stakeholders. Compliance with the Policy is assessed and ensured through our Integrated Risk Management process, as described on page 34 of the Annual Report.					
	207-3 Stakeholder engagement and management concerns related to tax	There is no formalized approach to stakeholder engagement and management concerns related to tax					
	207-4 Country-by-country reporting	All of our operations are located in Brazil					
GRI Standard 300 - Environmental Series							
Environmental Compliance							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 301: Materials 2016	**301-1** Materials used by weight or volume	This disclosure has not been reported					
	301-2 Recycled input materials used	This disclosure has not been reported				8, 9	
	301-3 Reclaimed products and their packaging materials	0%; our electricity generation, distribution and trading operations use no packaging materials					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Energy							12
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp.					
	103-3 Evaluation of the management approach	Annual Report, p.					
GRI 302: Energy 2016	**302-1** Energy consumption within the organization	Appendixes, p. 5					
	302-2 Energy consumption outside of the organization	Appendixes, p. 5					
	302-3 Energy intensity	Annual Report, p. 73					
	302-4 Reduction of energy consumption	Annual Report, p. 75				7, 8, 9	
	302-5 Reductions in energy requirements of products and services	Annual Report, p. 75				8, 9	
Water and Effluents							**6**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, 32, 70, 71, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 303: Water and Effluents 2018	**303-1** Interactions with water as a shared resource	Annual Report, p. 72				8	
	303-2 Management of water discharge related impacts	Annual Report, p. 72				8	
	303-3 Water withdrawal	Appendixes, p. 4				8	
	303-4 Water discharge	Discharge volumes are negligible for Light Energia. For Light SESA, discharge volumes have not been quantified and will only be reported from 2021.				8	
	303-5 Water consumption	Annual Report, p. 72 Appendixes, p. 4				8	

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Biodiversity							**15**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 304: Biodiversity 2016	**304-1** Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Light conducts studies on fish populations in the Lajes Complex reservoir				8	
	304-2 Significant impacts of activities, products, and services on biodiversity	This disclosure has not been reported				8	
	304-3 Habitats protected or restored	This disclosure has not been reported					
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations	Light has not conducted studies or assessments for these groups of species. No specific studies are planned for the coming years.					
	EU13 Biodiversity of offset habitats compared to biodiversity of the affected areas	Light monitors biodiversity through assessments as described in GRI 304-1				7, 8, 9	
Emissions							**13**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 74 and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	Annual Report, p. 74 Appendixes, p. 10				8, 9	
	305-2 Indirect (Scope 2) GHG emissions	Annual Report, p. 74 Appendixes, p. 10				8, 9	
	305-3 Other indirect (Scope 3) GHG emissions	Annual Report, p. 74 l Appendixes, p. 10				8, 9	
	305-4 GHG emissions intensity	Annual Report, p. 74				8, 9	
	305-5 Reduction of GHG emissions	Annual Report, p. 74				7, 8, 9	
	305-6 Emissions of ozone-depleting substances (ODS)	Emissions are negligible				8	
	305-7 NOx, SOx, and other significant air emissions	Emissions are negligible				8	
Effluents and Waste							**12**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 306: Waste 2020	**306-1** Waste generation and significant waste-related impacts	Annual Report, p. 73				8	
	306-2 Management of significant waste-related impacts	Annual Report, p. 73				8	
	306-3 Waste generated	Annual Report, p. 73 l Appendixes, pp. 6 and 8				8	
	306-4 Waste diverted from disposal	Annual Report, p. 73 l Appendixes, pp. 7 and 9				8	
	306-5 Waste directed to disposal	Annual Report, p. 73 l Appendixes, pp. 7 and 9				8	
Environmental Compliance							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 72, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
GRI 307: Environmental Compliance 2016	**307-1** Non-compliance with environmental laws and regulations	In 2020, Light SESA received R$ 710,851.76 in fines imposed by environmental regulators, all of which are under appeal and may be reduced or canceled. Neither Light SESA nor Light Energia paid any environmental fines in 2020. The environmental fines imposed on Light SESA are primarily related to failure to comply with environmental license requirements. Environmental proceedings currently pending are described in our Reference Form				8	
Supplier Environmental Assessment							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp.					
	103-3 Evaluation of the management approach	Annual Report, p.					
GRI 308: Supplier Environmental Assessment 2016	**308-1** New suppliers that were screened using environmental criteria	Annual Report, pp. 56 and 57 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx					
	308-2 Negative environmental impacts in the supply chain and actions taken	No specific assessment has been conducted on significant environmental impacts in the supply chain					
GRI Standard 400 - Social Series							
Employment							**8**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 24, 32, 44, 48, and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	Appendixes, pp. 12 and 13				6	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx					
	401-3 Parental leave	Appendixes, p. 14					
	EU14 Programs and processes to ensure the availability of a skilled workforce	Annual Report, p. 48					
	EU15 Percentage of employees eligible to retire in the next 5 and 10 years	Appendixes, pp. 22 to 24					
	EU16 Policies and requirements regarding health and safety	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx					
	EU17 Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	Appendixes, p. 16					
	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx				1, 2	
Labor Relations							**8**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp.					
	103-3 Evaluation of the management approach	Annual Report, p.					
GRI 402: Labor Relations 2016	**402-1** Minimum notice periods regarding operational changes	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx				3	

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Occupational Health & Safety							**3**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, p. 32, 49 to 54, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 403: Occupational Health and Safety 2018	**403-1** Occupational health and safety management system	Annual Report, p. 49				1	
	403-2 Hazard identification, risk assessment, and incident investigation	Annual Report, p. 49					
	403-3 Occupational health services	Annual Report, p. 49				1	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual Report, p. 52				3	
	403-5 Worker training on occupational health and safety	Annual Report, p. 50					
	403-6 Promotion of worker health	Annual Report, p. 52				1	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report, p. 49					
	403-8 Workers covered by an occupational health and safety management system	Our entire workforce (including direct employees and outsourced workers) is covered by our occupational health and safety management system					
	403-9 Work-related injuries	Appendixes, p. 17, 18, 20 and 21					
	403-10 Work-related ill health	Appendixes, p. 19					
Training and Education							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 46, 47 and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
GRI 404: Training and Education 2016	**404-1** Average hours of training per year per employee	Appendixes, p. 16					
	404-2 Programs for upgrading employee skills and transition assistance programs	Annual Report, p. 47					
	404-3 Percentage of employees receiving regular performance and career development reviews	Annual Report, p. 47					
Diversity and equal opportunity							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 405: Diversity and equal opportunity 2016	**405-1** Diversity of governance bodies and employees	Appendixes, pp. 25 to 31				6	
	405-2 Ratio of basic salary and remuneration of women to men	Appendixes, p. 14				6	
Non-discrimination							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 406: Non-discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	Annual Report, p. 33				1, 2, 3	
Freedom of association and collective bargaining							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 407: Freedom of association and collective bargaining 2016	**407-1** Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None				3	
Child Labor							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
GRI 408: Child labor 2016	**408-1** Operations and suppliers at significant risk for incidents of child labor	Annual Report, p. 56 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx				1, 2, 5	
Forced or compulsory labor							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 409: Forced or compulsory labor 2016	**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor	Annual Report, p. 56 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx				1, 2, 4	
Security Practices							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 49 to 54, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 410: Security Practices 2016	**410-1** Security personnel trained in human rights policies or procedures	Appendixes, p. 16				1, 2	
Rights of Indigenous and Traditional Peoples							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 411: Rights of Indigenous Peoples 2016	**411-1** Incidents of violations involving rights of indigenous peoples	In 2020 we received four complaints related to impacts on society and/or local communities. All complaints were addressed and resolved within the year					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Human Rights Assessment							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material topic					
	103-2 The management approach and its components	Non-material topic					
	103-3 Evaluation of the management approach	Non-material topic					
GRI 412: Human Rights Assessment 2016	**412-1** Operations that have been subject to human rights reviews or impact assessments	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx					
	412-2 Employee training on human rights policies or procedures	Annual Report, pp. 24 and 32					
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All of our contracts include human rights clauses					
Local communities							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 81 to 84, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 413:Local Communities 2016	**413-1** Operations with local community engagement, impact assessments, and development programs	Annual Report, pp. 64 and 81				8	
	413-2 Operations with significant actual or potential negative impacts on local communities	None					
	EU19 Stakeholder participation in the decision making process related to energy planning and infrastructure development	Annual Report, pp. 15, 19, 25, 28, 52, 75, 79, 81 and 92 The level of participation by stakeholders—including shareholders, governments and regulators—in developing Company strategy is described throughout the report					
	EU20 Approach to managing the impacts of displacement	No communities were displaced in the year				1, 2	
	EU22 Number of people physically or economically displaced and compensation	None				1, 2	

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Supplier Social Assessment							**8**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 81 to 84, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 414: Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria	Annual Report, p. 56 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx				1, 2, 3, 4, 5	
	414-2 Negative social impacts in the supply chain and actions taken	Annual Report, p. 56 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx					
Public policy							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, p. 32, 64, 65 and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 415: Public policy 2016	**415-1** Political contributions	None. Law no. 9096 (9/19/1995) prohibits contributions to political campaigns.					
Customer Health and Safety							**3**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, p. 32, 51, 52 and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 94					
GRI 416: Customer Health and Safety 2016	**416-1** Assessment of the health and safety impacts of product and service categories	Annual Report, p. 72					
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Appendixes, p. 22				1	
	EU25 Number of injuries and fatalities to the public involving company assets	Appendixes, p. 22					

GRI Standard	Disclosure	Page and/or link	Omission			Global Compact Principle	SDG
			Omitted part	Reason	Explanation		
Material Topics							
Marketing and Labeling							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, p. 32, 58 to 61, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 417: Marketing and Labeling 2016	**417-1** Requirements for product and service information and labeling	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-clientes.aspx					
	417-2 Incidents of non-compliance concerning product and service information and labeling	None					
	417-3 Incidents of non-compliance concerning marketing communications	None					
Customer privacy							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Light adheres to requirements established by ANEEL and in the Brazilian Consumer Protection Code. Our Code of Ethics outlines requirements on, and our workforce has undertaken commitments to, protecting confidentiality					
	103-2 The management approach and its components						
	103-3 Evaluation of the management approach						
GRI 418: Customer privacy 2016	**418-1** Substantiated complaints regarding breaches of customer privacy and losses of customer data	None					
Social and economic compliance							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, pp. 32, 81, 82 and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
GRI 419: Social and economic compliance 2016	**419-1** Non-compliance with laws and regulations in the social and economic area	Annual Report, p. 66 Appendixes, p. 35					
Disaster and emergency planning and preparedness							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, p. 32, 49 to 54, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
Disaster and emergency planning and preparedness 2016	**EU21** Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Annual Report, p. 49					
Access							**7**
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, p. 32, 62, 63 and 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
Access 2016	**EU23** Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	Annual Report, pp. 65 and 81					8
	EU26 Percentage of population unserved in licensed distribution or service areas	0%					
	EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	Appendixes, p. 35					
	EU28 Power outage frequency	Annual Report, p. 62					
	EU29 Average power outage duration	Annual Report, p. 62					
	EU30 Average plant availability factor by energy source and by regulatory regime	Appendixes, p. 3					
Provision of information							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, p. 94					
	103-2 The management approach and its components	Annual Report, p. 32, 58 to 61, 94					
	103-3 Evaluation of the management approach	Annual Report, p. 25					
Provision of information 2016	**EU24** Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-clientes.aspx				6	

SASB DISCLOSURES

In the table below the GRI disclosures in this Report are mapped to the relevant Sustainability Accounting Standards Board (SASB) disclosures.

SASB is a nonprofit organization, founded in 2011, that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

In this report we include disclosures for Electric Utilities & Power Generators. *Sustainability Accounting Standard.*

GRI	SASB - Utilities & Power Generation
102 General disclosures	IF-EU-110a.3. Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emission-reduction targets, and an analysis of performance against those targets IF-EU-420a.2. Percentage of electric load served by smart grid technology IF-EU-000.A. Number of residential, commercial and industrial customers served IF-EU-000.B. Total electricity delivered by type of customer IF-EU-000.C. Length of transmission and distribution lines IF-EU-000.D. Total electricity generated IF-EU-000.E. Total wholesale electricity purchased
201 Economic performance	IF-EU-420a.1. Electric utility revenues
302 Energy	IF-EU-420a.3. Customer electricity savings from efficiency measures
303 Water	IF-EU-140a.1. Total water withdrawn and total water consumed IF-EU-140a.2. Number of incidents of noncompliance associated with water consumption IF-EU-140a.3. Description of water management risks and discussion of strategies and practices to mitigate those risks
305 Emissions	IF-EU-110a.1. Gross global Scope 1 emissions IF-EU-110a.2. Greenhouse gas emissions associated with power deliveries IF-EU-110a.4. Number of customers served in markets subject to renewable portfolio standards (RPS) and percentage fulfillment of RPS target by market IF-EU-120a.1. Air emissions for the following pollutants: NO_x (excluding N_2O), SO_x, particulate matter (PM 10), lead (Pb) and mercury (Hg)
403 Occupational health and safety	IF-EU-320a.1. Occupational injury rates
415 Public policy **418 Customer privacy** **419 Social and economic compliance**	IF-EU-550a.1. Number of incidents of non-compliance with standards or regulations on physical and cyber security
EU9 Provisions for decommissioning of nuclear power sites	IF-EU-540a.1. Total number of nuclear power units IF-EU-540a.2. Description of efforts to manage nuclear safety and emergency preparedness
EU11 Average generation efficiency of thermal plants	IF-EU-150a.1. Amount of coal combustion residuals (CCR) generated, percentage recycled IF-EU-150a.2. Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment
EU23 Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	IF-EU-240a.1. Average retail electric rate for residential, commercial, and industrial customers IF-EU-240a.2. Typical monthly electric bill for residential customers IF-EU-240a.4. Discussion of impact of external factors on customer affordability of electricity
EU27 Number of residential disconnections for non-payment	IF-EU-240a.3. Number of residential customer electric disconnections for nonpayment
EU28 Power outage frequency **EU29 Average power outage duration**	IF-EU-550a.2. System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), and Customer Average Interruption Duration Index (CAIDI), inclusive of major event days


Light

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Independent Auditors' Limited Assurance Report on Light S.A´s Annual Sustainability Report based on GRI – Standards (In accordance – "Comprehensive") and Brazilian GHG Protocol Specification Program.

To the Administrators of
Light S.A.
Rio de Janeiro – RJ

Introduction

We were engaged by Light S.A. management to present our limited assurance report on the information contained in the Annual Sustainability Report based on Global Reporting Initiative ("GRI") – Standards and the Greenhouse Gases Inventory, for the twelve-month period ended December 31, 2020 ("Report").

Light S.A.'s management responsibilities

Light S.A.'s management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the GRI guidelines (In accordance – "Comprehensive"), Brazilian GHG Protocol Specification Program (Greenhouse Gases Inventory) and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion on the Light S.A.'s Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon № 07/2012, approved by the Brazil's National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from Light S.A. who were involved in the preparation of the Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from Light S.A. The procedures comprised:

(a) the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;

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(b) the understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;

(c) the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;

(d) comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the GRI Standards, applicable in the preparation of the information contained in the Report and Brazilian GHG Protocol Specification Program, applicable in preparation of the information contained in the Greenhouse Gases Inventory.

We believe that the evidence obtained in our work was enough and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. Therefore, we are not able to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, Light S.A.'s internal controls were not part of our limited assurance scope.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

Conclusion

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the GRI KPIs presented on the Report, for the twelve-month period ended December 31, 2020, was not prepared, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the KPI´s based on requirements of the Global Reporting Initiative – Standards (In accordance – "Comprehensive") and Brazilian GHG Protocol Specification Program.

São Paulo (SP), April 27th, 2021

Ernst & Young
Auditores Independentes S.S
CRC 2SP015199/O-6

Leonardo M. Dutra
Partner – Technical Reviewer

Flávio A. Machado
Partner – Quality Reviewer – CRC-1MG 065.899/O-2