

NEW MATERIALITY MATRIX

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. Light's Materiality Matrix was revisited in December 2021 in a three-step process led by the ESG+ Committee, composed by members of the Board of Directors.

In the identification step, we agreed on the methodology with the ESG+ Committee, identified variables/sources to be considered, and listed the topics to be assessed. In the prioritization step, we intersected internal and external perspectives with the proposed material topics, and assigned a score based on how often those topics were mentioned in the sources analyzed. This resulted in our new materiality matrix. The last step was validation, in which the prioritized topics were assessed for consistency, mapped to our strategic drivers, and presented to the Executive Board, the ESG+ Committee and, finally, to the Board of Directors for approval.

To gather external perspectives, we surveyed stakeholders on the topics they believe to be material, via 12 communication channels; we benchmarked the sustainability reports of companies in the power sector; and we directly surveyed ESG and/or power sector experts.

The internal documentation reviewed included our: risk matrix, strategic drivers, impacts on society, the Sustainable Development Goals, and SASB sector disclosures. We also directly interviewed the Executive Board and the ESG+ Committee.

Although all topics identified in the matrix are material to Light to some degree, we selected 10 as priority topics to guide our ESG strategy in 2022:

- 1 Quality of service and Operational efficiency
- 2 Community engagement
- 3 Health and safety
- 4 People management
- 5 Financial health and the capital market
- 6 Improving the customer experience
- 7 New business models
- 8 Losses and delinquency
- 9 Innovation & technology
- 10 Climate change

Based on these topics, we created a new ESG target card for the CEO. The targets were then cascaded across the different levels of the organization, ensuring that ESG aspects are incorporated into our management approach.