



**2022  
Sustainability  
Report**

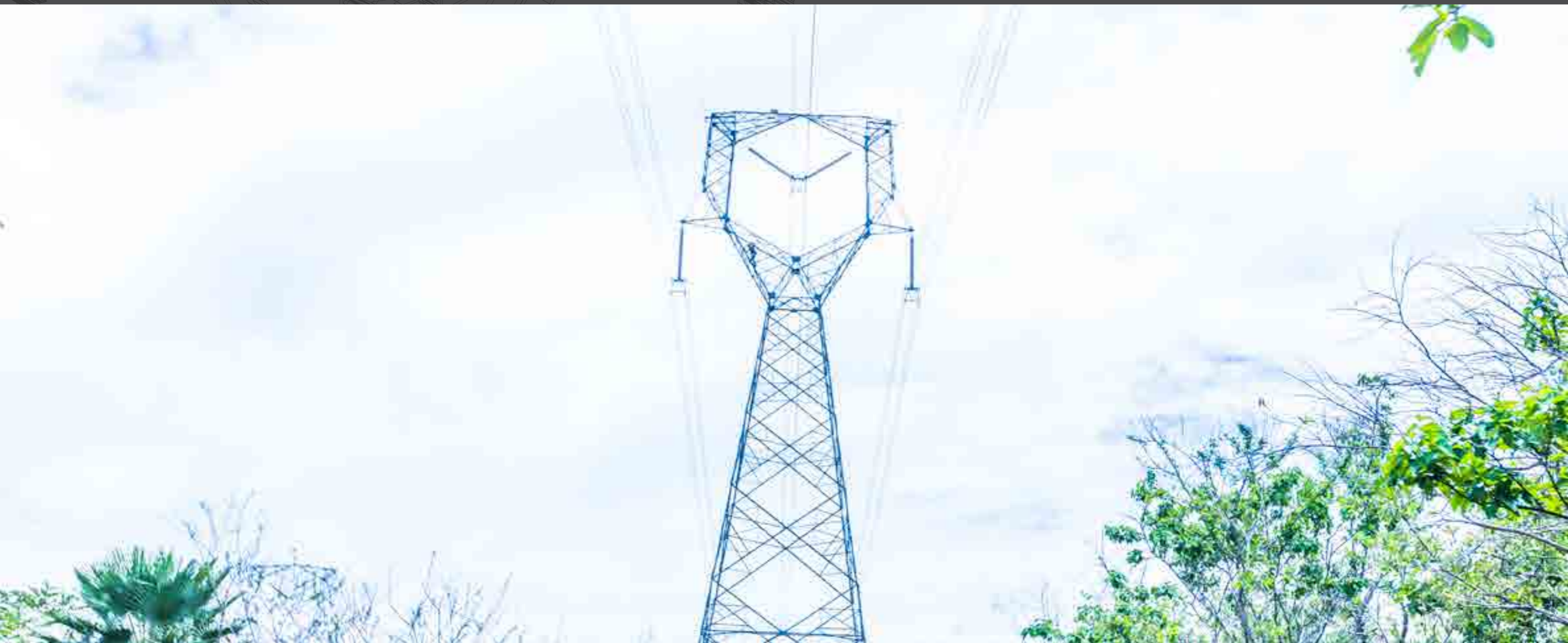
**ARGO**





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# Message from the CEO

Despite being a young company, with just over 6 years of history, ARGO has already gone through many transformations and challenges. The rapid maturation came through the early implementation of the ARGO I, II and III concessions and the consequent adaptations necessary to sustain the business. This fact accredited a level change to the company: before, we were a company of projects and implementation of energy transmission systems, and now we are a company that provides electric energy transmission services, through applications, maintenance, and concessions operation.

Another representative fact in ARGO's recent history was the corporate structure change. Pátria's succession to the current controlling partners, Grupo Energia de Bogotá, and Rede Elétrica de Espanha (Redeia), enabled a shift in the company's strategy and focus, allowing for a long-term vision, with partners who have already been active in the electricity sector for decades. Thus, in 2022, the Company sought to deepen the alignment with its partners, through the strategic plans that are guided by them, working on the interpretation of these action plans, and spreading the communication of these references throughout the company.

During the year, after a long period of negotiation and a competitive process, we signed what represented

the largest transaction in the secondary market, and also the largest M&A transaction in the transmission segment in Brazil, when, effectively, we consolidated the acquisition of 5 new concessions. This has allowed ARGO to become much more robust, doubling its size in terms of the number of assets and in revenue.

Located in the states of Rio Grande do Norte, Piauí, Ceará, Paraíba, Pernambuco, Bahia, Goiás and Minas Gerais, the recently acquired concessionaires ARGO V, VI, VII, VIII and IX are formed by Transmission Lines (LTs) and Substations (SEs), currently managed by ARGO, which make up the transmission facilities of the National Interconnected System (SIN) basic network, connecting generating facilities to distribution centers, focusing on the Northeast-Southeast interconnection.

ARGO's expressive growth generated the need to hire a greater number of new employees, who will contribute to the management and operation of these new assets, in addition to our other 4 assets, ARGO I, II, III and IV. The Company acts safely and responsibly in accordance with the business plan aligned with our obligations and values - safety, environmental issues associated with the exploitation of our assets and our contractual obligations with society, since we are the service provider of an essential audience.

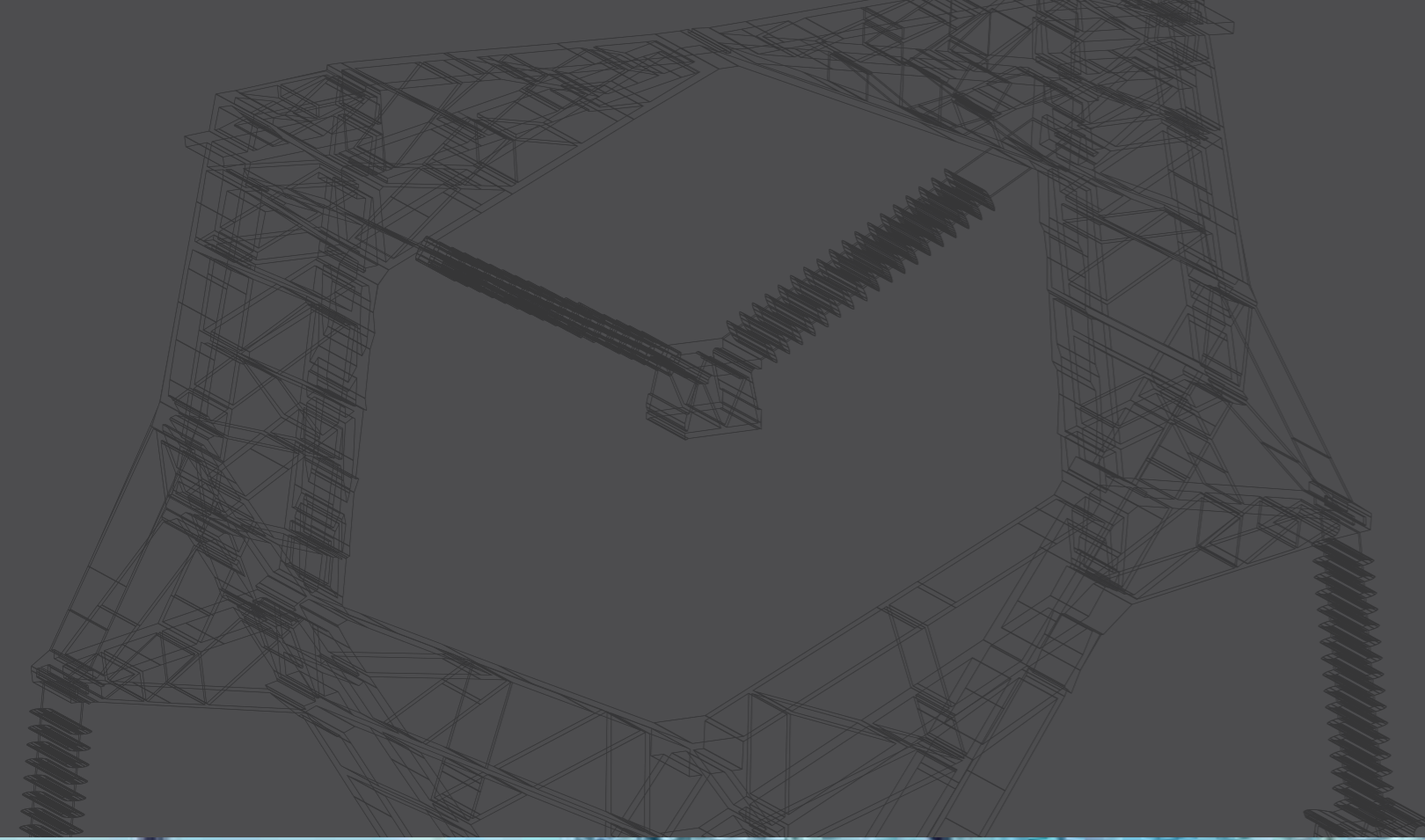
The year 2022 was also very solid from a financial point of view, with an outstanding result of more than BRL 650 million in EBITDA. The main characteristics of our business are high predictability, constancy of results and financial sustainability. Today, we are a consolidated company and the expectation is to obtain even more significant results, starting next year.

Prioritizing sustainable growth since its foundation, ARGO meets all environmental requirements from the implementation phase of its operations, with respect and transparency. Obtaining licenses by licensing bodies is done quickly, in prompt compliance with the guidelines and requirements necessary for responsible and correct action. Occupational Safety is another priority for the company, which values its own employees and third parties in all stages of its activities. It is no wonder that we are a Company with no record of serious accidents to date.

The commitment to bringing a better quality of life and well-being to the communities where it operates is reflected in the actions carried out by ARGO through incentive laws every year. However, in 2022, due to the new acquisitions and because it is in the leverage phase, it was not possible to carry out new projects through these incentive laws. The perspective is that in 2023, with the projects already consolidated, we will invest in this area again. Our goal is to use all the necessary resources to act responsibly and benefit society as a whole, as this is an intrinsic value in all our activities.

**José Aloise Ragone Filho**  
CEO

**Prioritizing sustainable growth from its foundation, ARGO meets all environmental requirements from the implementation phase of its concessions, with Respect and transparency**



# About the report



GRI 2-2, 2-3, 2-4, 2-5

In its second Sustainability Report, ARGO presents the Company's initiatives and the challenges assumed in the social, environmental, and economic context. This document was prepared in accordance with the rules of the Global Reporting Initiative (GRI) and all the indicators answered are listed in the GRI Content Summary, at the end of the report (p. 62).

The current edition includes information on the company's management and performance between January 1 and December 31, 2022.

Launched each year, the sustainability report, related to the Company's material topics, indicators, and data, is prepared with the involvement of the Executive Board, and undergoes approval by the Company's Board of Directors.

ARGO makes available the email [ouviria@argoenergia.com.br](mailto:ouviria@argoenergia.com.br) for questions, suggestions, or clarifications on the report's content.

# STAKEHOLDER ENGAGEMENT

GRI 2-29

Considering the specific characteristics of our concessions, projects and businesses, stakeholder engagement management takes into account the interactions with all these audiences. As a company focused on the electricity transmission segment, some relationship groups are prioritized in engagement actions, such as public bodies, service providers and local communities.

Consultation with interested parties is present in all stages of our business, from prospecting, studies, due diligence, feasibility and implementation to operation and maintenance of projects. Interaction is conducted and intensified according to each stakeholder's characteristics.

## Stakeholder



Communities

**Engagement approach:** Dialogue and interaction are carried out mainly through free communication channels, environmental education campaigns and social communication. The communities surrounding our projects are engaged and informed about ARGO's business and activities, issues related to the environment, sustainability, and harmonious coexistence with transmission lines (TLs) and power substations (SEs).



Suppliers

**Engagement approach:** Based on the supplier relationship policy, engagement with this public is intended to establish collaborative relationships with a long-term perspective, taking into account ethical aspects, guided by trust and the definition of fair negotiation conditions.



Regulatory bodies

**Engagement approach:** Conducted on an ongoing basis, communication with regulatory bodies takes place based on our governance and compliance principles.



Employees

**Engagement approach:** Continuously carries out actions focused on employee engagement. Especially in 2022, we highlight the Corporate Culture Project, which encouraged several employees to volunteer in specific work groups on each of the Company's values.



Financial institutions

**Engagement approach:** Based on corporate governance and compliance guidelines and principles, ARGO maintains a continuous relationship with financial institutions.


# MATERIALITY

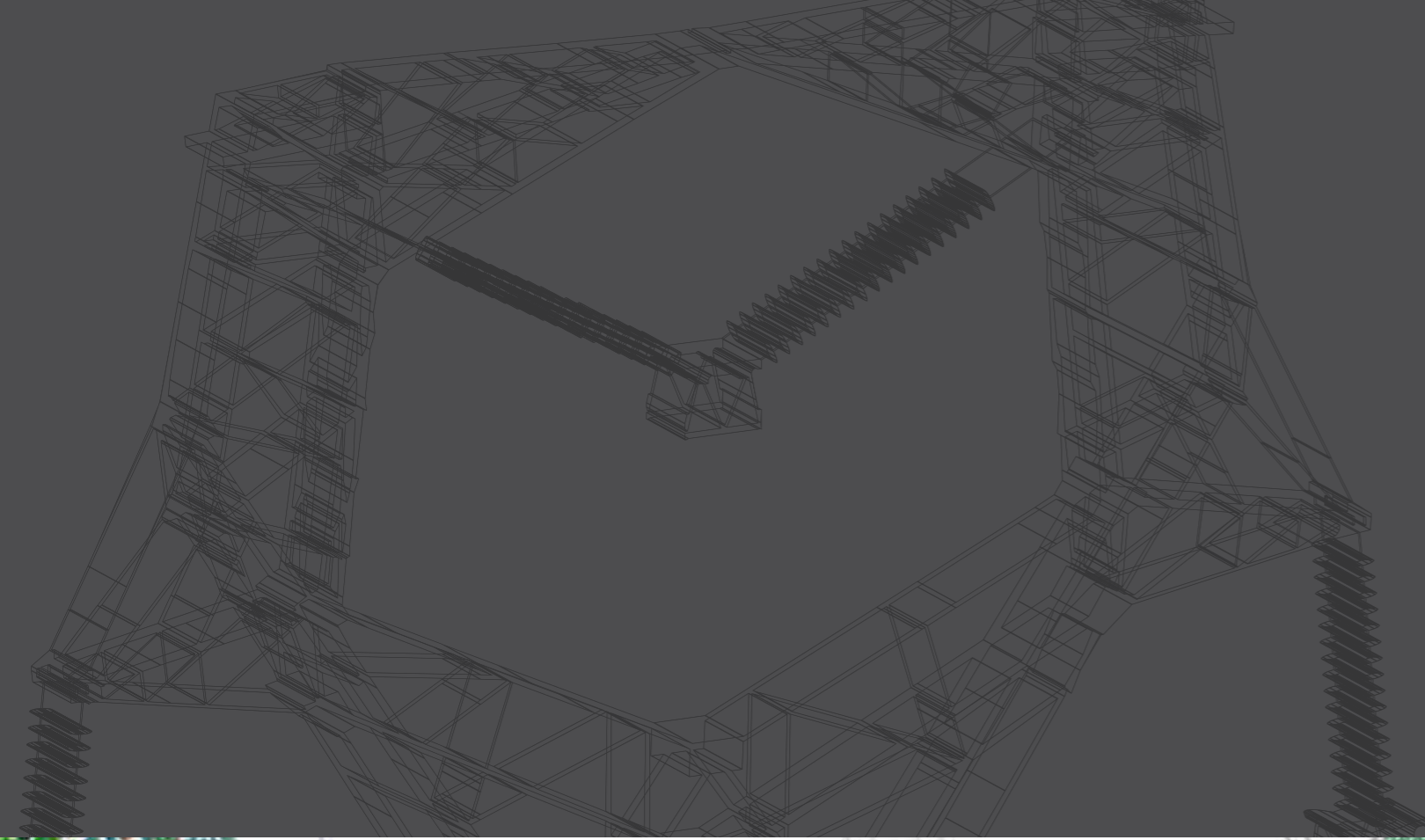
GRI 3-1, 3-2, 3-3

Following the GRI Standards guidelines, in 2022, we carried out the ARGO materiality definition process for the second time, a very enriching work, which allowed us to map, identify and evaluate priority topics for us and our stakeholders.

During the materiality definition process, the Company consulted representatives of all its stakeholders through online interviews. They were selected because they are relevant to our work, with a very significant participation in our activities throughout the year.

After consolidating all the results, our Executive Board defined the material topics and remained engaged during the materiality process, emphasizing transparency and open dialogue.

Material themes for ARGO	GRI Standards Correlation	SDG Correlation
<b>Environmental Impact</b>	2-25, 203-, 308-2, 307-1, 304-2, 414-2	  
<b>Environmental Management</b>	302-1, 302-2, 302-4, 308-1, 414-1	   
<b>Health and Safety</b>	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	  
<b>Biodiversity</b>	304-1, 304-2, 304-3, 304-4	  
<b>Private Social Investment</b>	413-1, 413-2	 
<b>Investment in Infrastructure</b>	203-1	  



# Company Profile



GRI 2-1, 2-4

Founded in 2016 by Pátria Investimentos to be a link between the centers of generation, distribution and consumption of electricity, ARGO prioritizes quality and progress in all areas of operation. With a close eye on economic, social, and environmental aspects, we are a group committed to achieving the best results and giving a positive return to society.

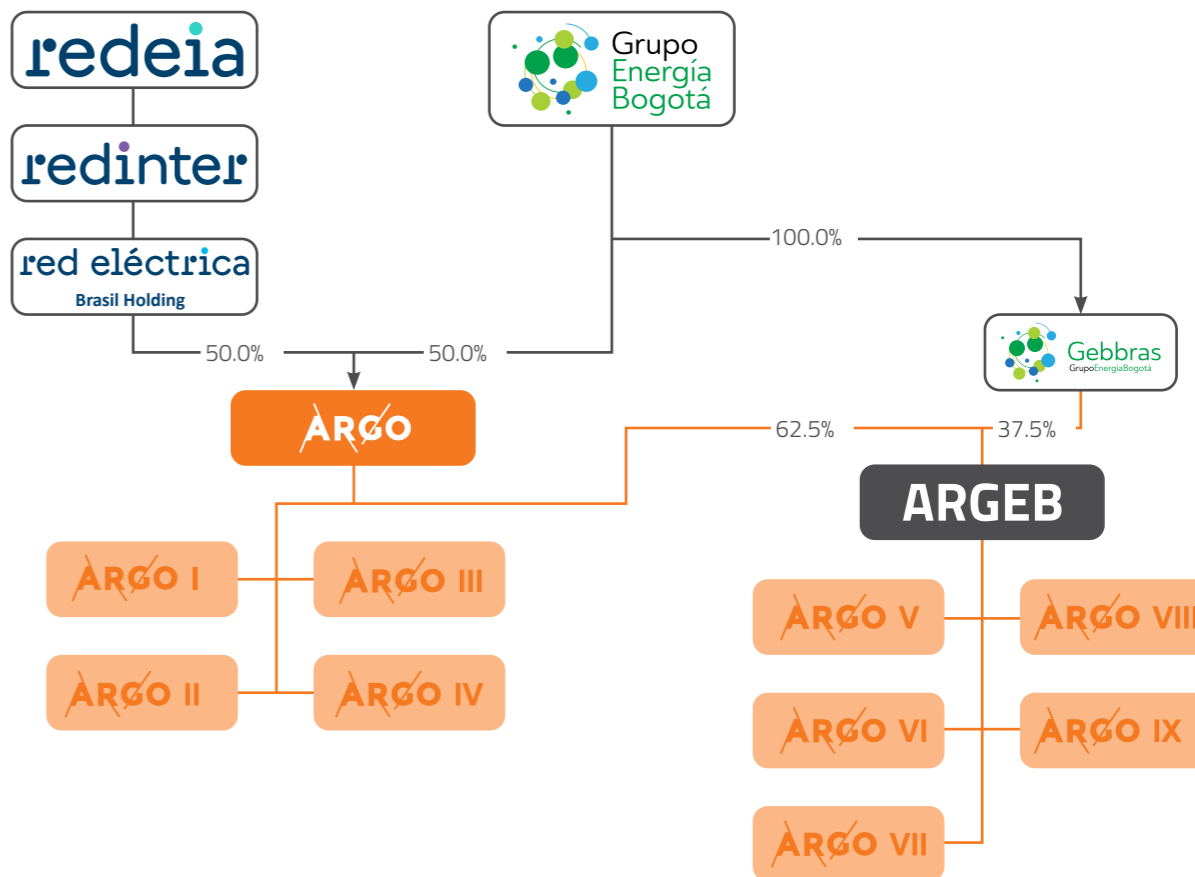
With a history of growth and success in the development of the Greenfields ARGO I, II and III projects, which add up to 1,470 kilometers of Transmission Lines (LT) and 11 Substations (SE), in 2020, ARGO was acquired by the company formed by the Grupo Energía de Bogotá and by Red Eléctrica de España. Since then, it has continued to carry out studies and efforts to enable and enhance its growth, in a safe and assertive manner.

Currently, ARGO Energia Empreendimentos e Participações S.A (ARGO) is a Brazilian energy transmission company, with a corporate structure divided between Rede Elétrica de Espanha (50%) and Grupo Energía de Bogotá - GEB (50%). ARGO controls 100% of the private capital of the concessions ARGO Transmissão de Energia S.A (ARGO I), ARGO II Transmissão de Energia S.A (ARGO II), ARGO III Transmissão de Energia S.A (ARGO III).

In 2022, ARGO incorporated the concession ARGO IV Transmissão de Energia S.A (ARGO IV) into its portfolio and, as of December of the same year, ARGO holds majority shareholding of the concessions ARGO V Transmissão de Energia S.A (ARGO V), ARGO VI Transmissão de Energia S.A (ARGO VI), ARGO VII Transmissão de Energia S.A (ARGO VII), ARGO VIII Transmissão de Energia S.A (ARGO VIII) and ARGO IX Transmissão de Energia S.A (ARGO IX), with 62.5% of the private capital of Argeb Energia Empreendimentos e Participações S.A., a company formed in partnership with Gebbras Participações Ltda., a subsidiary of Grupo Energia Bogotá, which holds the other 37.5% of the company's private capital.

Below, we present the organization chart of the Company's current corporate structure:

Corporate Structure

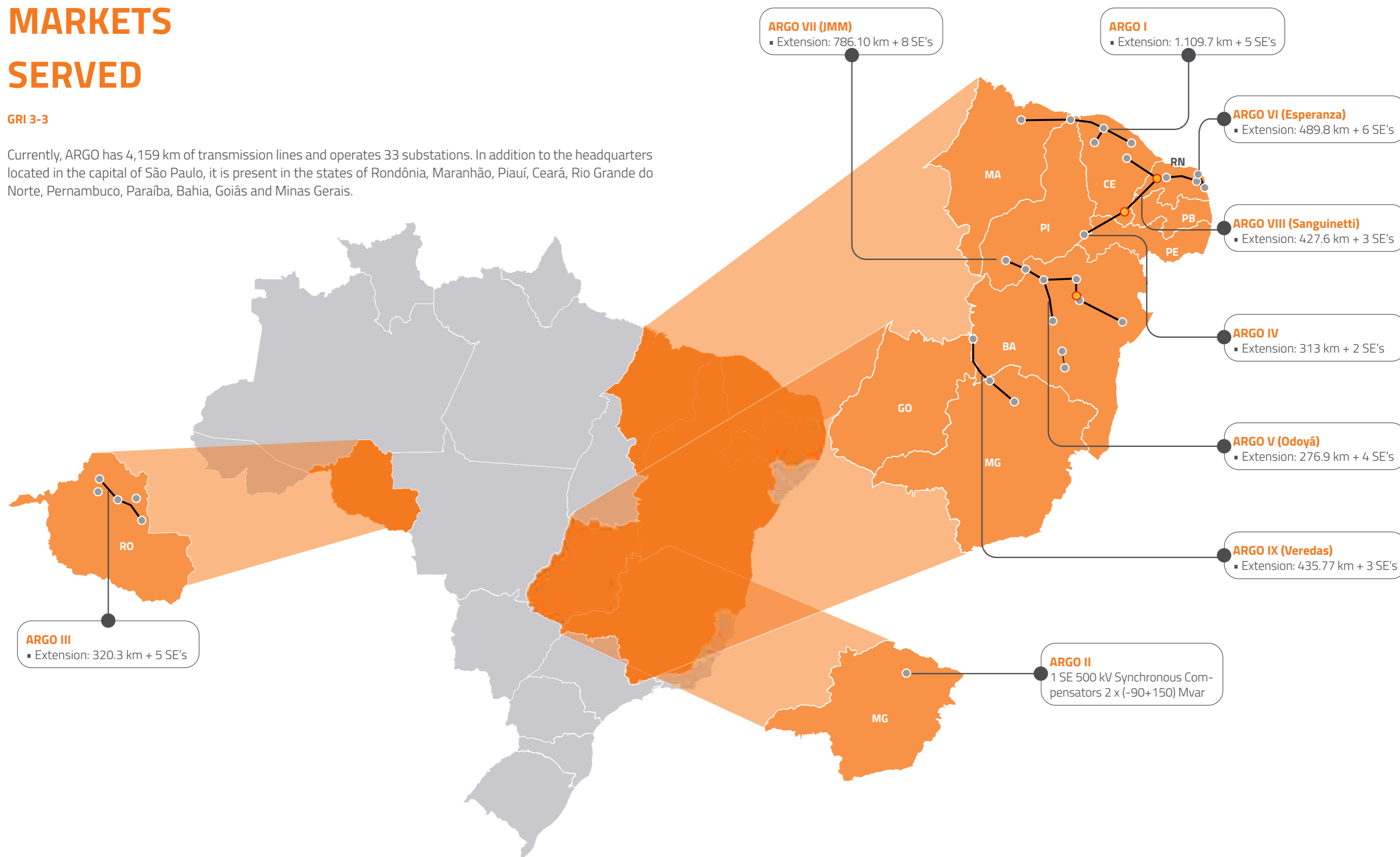




# MARKETS SERVED

## GRI 3-3

Currently, ARGO has 4,159 km of transmission lines and operates 33 substations. In addition to the headquarters located in the capital of São Paulo, it is present in the states of Rondônia, Maranhão, Piauí, Ceará, Rio Grande do Norte, Pernambuco, Paraíba, Bahia, Goiás and Minas Gerais.



**GRI 3-3**

Below we briefly present information on the size, location, regulation, and purpose of each concession:

**ARGO I Transmissão de Energia S.A (ARGO I)**

Consisting of the LT 500 kV Bacabeira – Pecém II, 1,150 km long, and five power substations, it is located in the states of Maranhão, Piauí and Ceará.

Comprised lot A offered in ANEEL Notice No. 13/2015, is regulated by ANEEL Concession Contract No. 09/2016, and is 100% in operation with the objective of strengthening and expanding the Basic Electricity Transmission Network system in the Northeast region, and enables the flow of energy produced by renewable sources in the region.

**ARGO II Transmissão de Energia S.A (ARGO II)**

Consisting of the 500 kV Janaúba 3 Substation - 90/+150 MVar Synchronous Compensators, it is located in the state of Minas Gerais.

It comprised lot 18 offered in ANEEL Public Notice nº 13/2015, is regulated by Concession Contract 16/2017, and is 100% in operation with the objective of optimizing the stability of the Basic Energy Network and enhancing the interconnection capacity between the Northeast and Southeast regions.

**ARGO III Transmissão de Energia S.A (ARGO III)**

Consisting of LT 230 kV Samuel – Ariquemes – Ji Paraná C4, 320 km long, and five substations, it is located in the state of Rondônia.

It comprised lot 32 offered in ANEEL Notice No. 05/2016, is regulated by Concession Contract 49/2017, and is 100% in operation with the objective of reinforcing and expanding the Basic Electricity Transmission Network system in the North region, reducing system overload, and enabling the flow of additional generation produced in the region.

**ARGO IV Transmissão de Energia S.A (ARGO IV)**

Consisting of LT 500 kV Queimada Nova II – Milagres II, 313 km long, and two substations, it is located in the states of Ceará, Pernambuco and Piauí.

It comprised Lot 30 offered in Aneel Public Notice nº 05/2016, is regulated by Concession Contract nº 47/2017, and is 100% in operation with the objective of reinforcing and expanding the Basic Electricity Transmission Network system, integrating wind farms installed in the Brazilian Northeast.

**ARGO V Transmissão de Energia S.A (ARGO V)**

Consisting of two Transmission Lines, totaling 276.9 km in length, LT 500 kV Morro do Chapéu II – Sapeaçu and LT 230kV Juazeiro III – Juazeiro II, in addition to four substations, it is located in the state of Bahia.

Comprised Lot D offered in ANEEL Notice No. 001/2014, is regulated by ANEEL Concession Agreement No. 17/2014, and is 100% in operation with the objective of expanding the supply of energy from the Basic Electricity Transmission Network in the Northeast region.

**ARGO VI Transmissão de Energia S.A (ARGO VI)**

Consisting of four Transmission Lines totaling 489.8 Km in length, LT 500 kV Quixadá - Açú III - C1, LT 500 kV Açú III - João Câmara III - C1, LT 500 kV João Câmara III - Ceará Mirim II - C2 and LT 230 kV João Câmara II - Ceará Mirim II - C2, and six substations, is located in the states of Rio Grande do Norte and Ceará.

Comprised Lot E offered by ANEEL Public Notice No. 001/2014, regulated by ANEEL Concession Contract No. 18/2014, and is 100% operational with the aim of expanding the supply of energy from the Basic Electricity Transmission Network.

**ARGO VII Transmissão de Energia S.A (ARGO VII)**

Consisting of six Transmission Lines totaling 786.1 Km in length, LT 500kV Gilbués II - Gentil do Ouro II, LT 230kV Gentil do Ouro II - Brotas de Macaúbas, LT 500 kV Gentil do Ouro II - Ourulândia II, LT 500 kV Ourulândia II - Morro do Chapéu II, LT 230 kV Igaporã III - Pindaí II – CD, and eight substations, is located in the states of Piauí, Pernambuco and Bahia.

Comprised lot A offered in ANEEL Notice No. 007/2014, is regulated by Concession Contract No. 05/2015 ANEEL, and is 100% in operation with the

objective of expanding the supply of energy from the Basic Electricity Transmission Network.

**ARGO VIII Transmissão de Energia S.A (ARGO VIII)**

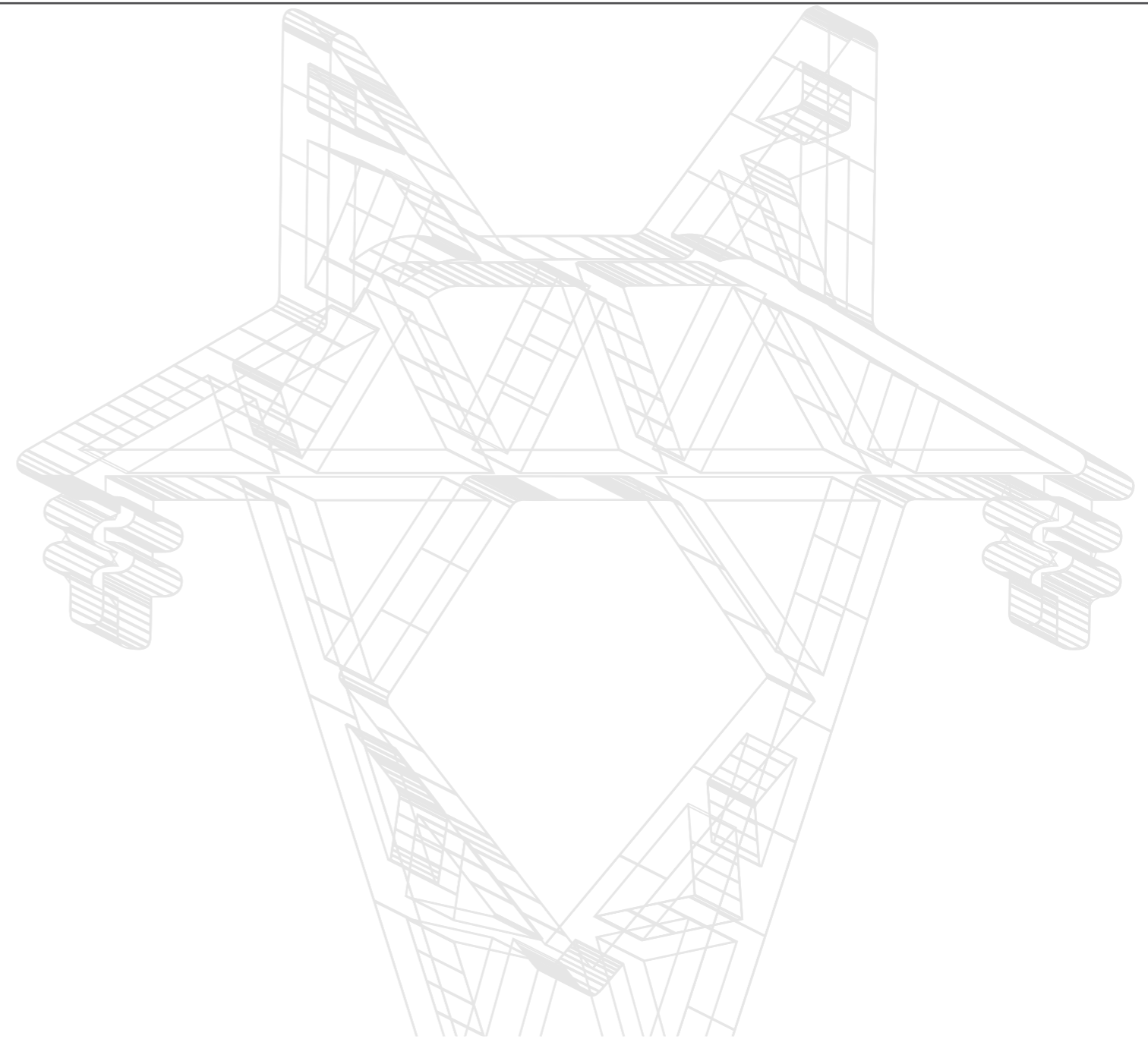
Consisting of two Transmission Lines totaling 427.6 km in length, LT 500 kV Milagres II - Açú III C2 and LT 500 kV Açú III - João Câmara III C2, and three substations, is located in the states of Piauí, Paraíba and Bahia.

It comprised lot 13 offered in ANEEL Notice No. 013/2015, 2nd stage, regulated by the ANEEL Concession Contract No. 11/2017, and is 100% in operation with the objective of expanding the energy offer of the Basic Energy Transmission Network.

**ARGO IX Transmissão de Energia S.A (ARGO IX)**

Consisting of two Transmission Lines totaling approximately 435.7 km in length, LT 500 kV Rio das Éguas - Arinos 2 and LT 500 kV Arinos 2 - Pirapora 2, and 3 substations, it is located in the states of Bahia, Goiás and Minas Gerais.

Comprised lot 20 offered in ANEEL Public Notice nº 13/2015, 2nd stage, is regulated by Concession Contract nº 17/2017, and is 100% in operation with the objective of expanding the energy supply of the Basic Electricity Transmission Network.



# INSTITUTIONAL GROWTH AND UPDATE

In 2022, ARGO maintained its focus on its growth, in a safe and efficient way, following market dynamics and consolidating the internal structure of policies, teams, tools and processes. At the same time, it spared no effort to develop studies and analyzes of new business opportunities, both in the context of auctions and M&As.

As a result of careful work, at the end of 2022, ARGO reached the position of the 6th largest portfolio of concessions among transmission companies in Brazil.

# EXTERNAL INITIATIVES AND PARTICIPATION IN ASSOCIATIONS

## GRI 2-28

At ARGO, we seek to establish lasting partnerships and continuously invest in relationships with institutions that are relevant to society and our sector. With that in mind, we actively participate in important associations, such as ABRATE – Brazilian Association of Electric Power Transmission Companies.

In 2022, the Company also went through the process of reviewing the internal policies that guide our external activities, based on high excellence performance standards for our projects. The revised policies were approved by the Governance Body and Board of Directors and implemented in the same year. Such action represented a big step for ARGO to grow in a consolidated way and prepared for the new challenges assumed, valuing, and encouraging the synergy between our actions and the Sustainable Development Goals (SDGs), defined by the United Nations (UN).

# Mission, Vision, and Values GRI 102-16



## Mission

Contribute to the electricity sector's development, respecting the interests of all those involved and acting in an ethical, efficient, and committed manner.



## Vision

To be a company recognized for operational excellence, with a focus on sustainable growth to maximize investments.



## Values

### Be SIMPLE

At ARGO, simplicity is very important. For us, doing things well means doing things in a simple and efficient way. Therefore, we question what there is to be done and improved. And mistakes are a fundamental part of the process.

### Be TRANSPARENT

Here we take advantage of speech spaces to grow, learn and share more and better. We strengthen the ARGO culture. The journey is clear. And everyone walks to do their part and get there together!

### Be BETTER

We do good work here, each in their own way. People are different and valued in their differences. Each seeks their own development and shares their knowledge. And at all times, we think about the whole and the common goal that unites us.

### Make a DIFFERENCE

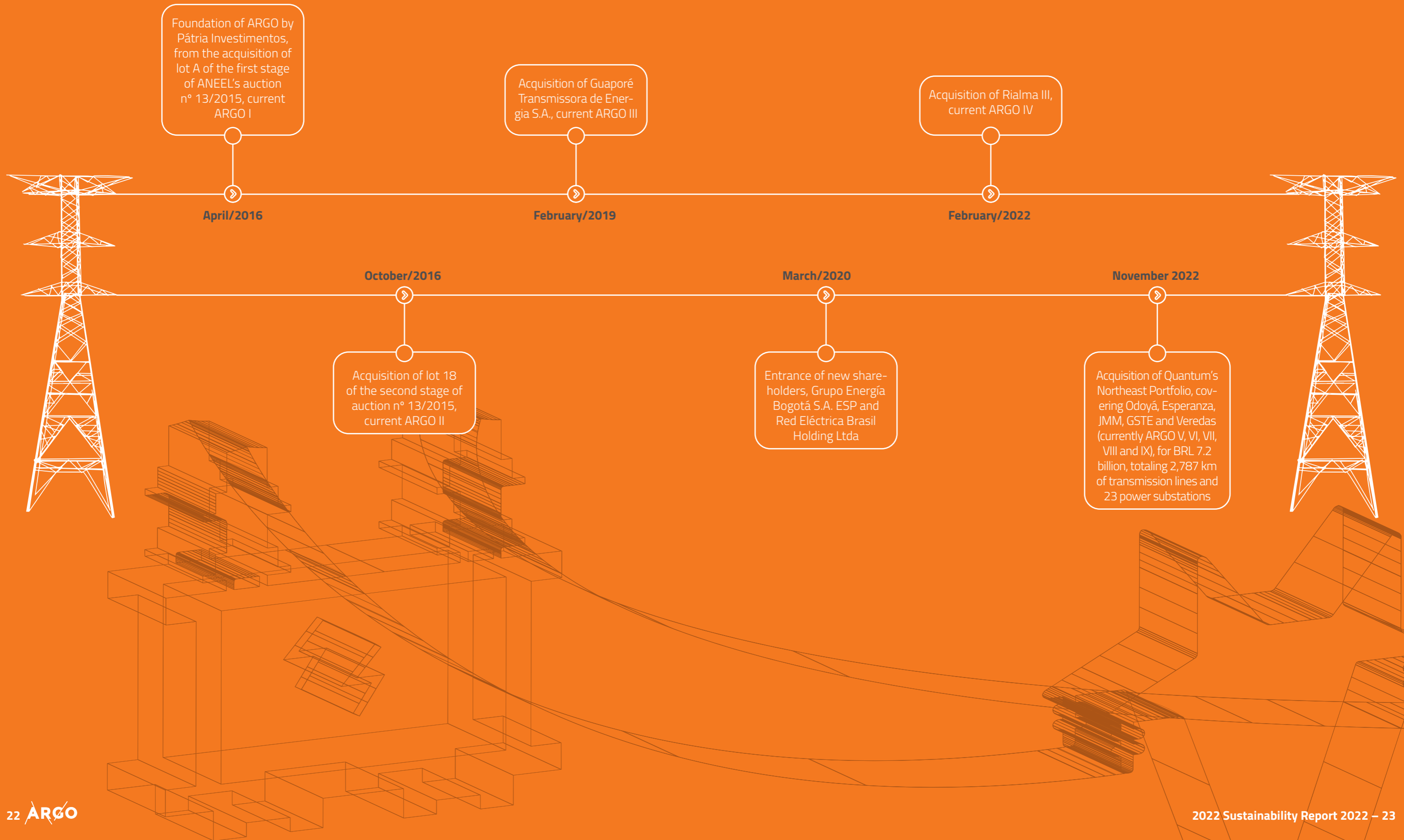
We have a long-term vision. We respect the environment and the communities we impact. We provide an excellent transmission service, while at the same time seeking to improve our financial efficiency.

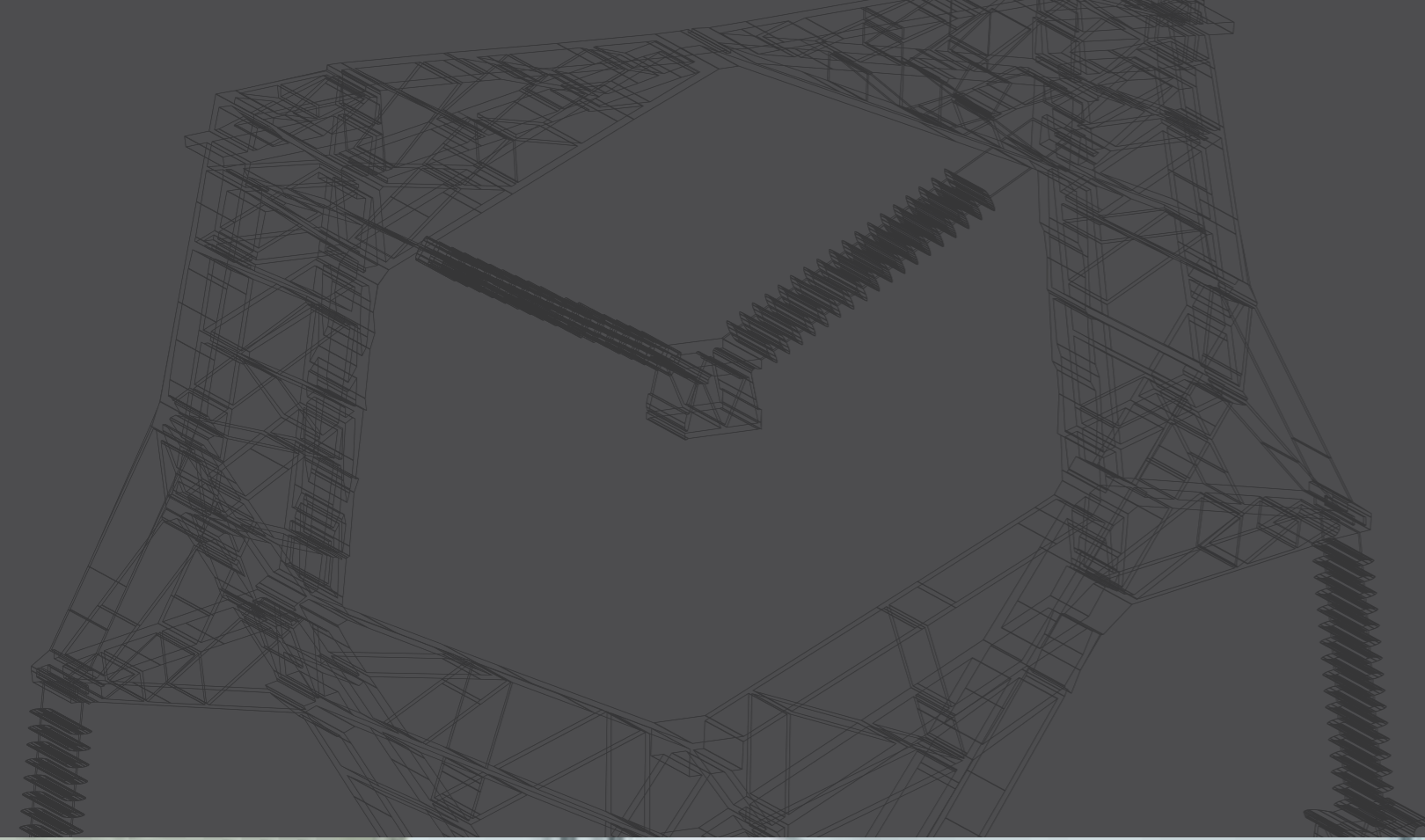
### Grow and RETURN value

At ARGO, everyone takes care of the return on each capital employed. From the little things, like working tools, to the big things, like choosing a good project, good funding sources and the efficiency of all processes.



# TIMELINE





# Corporate governance



# GOVERNANCE STRUCTURE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18, 2-19, 2-20, 2-21, 2-22

Currently, ARGO's corporate governance is made up of an Administrative Council and a Board of Directors. To assist the Administrative Council in its functions, the Company organized the creation of the following technical committees: Advisory Committee and Finance and Investments Committee, responsible for making recommendations to the Administrative Council, but without binding force.

The Board of Directors, as ARGO's executive and representative body, has the attribution of ensuring the company's regular operation, having powers to carry out acts referring to the corporate purposes, with the exception of those that, by Law or the Bylaws, depend on prior approval the General Meeting of Shareholders or the Administrative Council.

The Administrative Council is composed of up to six (6) members, elected by the General Shareholders' Meeting, with a unified term of office of two (2) years, with reelection permitted.

The members of the Technical Support Committees for the Administrative Council are appointed directly by the Council, for a period of 2 years, reappointment being permitted. The members of the Administrative Council

are equally appointed by the shareholders, with 50% of members appointed by Grupo de Energia Bogotá (GEB) and 50% of members appointed by Rede Elétrica da Espanha (REE).

### Responsibility of governance bodies

ARGO's senior executives are responsible for analyzing and approving the sustainability strategy proposed by the technical staff, ensuring alignment with the Company's values and mission, as well as alignment with corporate policies and objectives and goals.

The Sustainability strategy is reviewed every year and evaluates the best market and sector practices. The Council approves the annual sustainability strategies, objectives, and targets.

Senior executives are responsible for assessing effectiveness and meeting targets annually, and the governance body informs and guides changes and necessary changes.

The Administrative Council is responsible for approving the consolidated information in the Sustainability Report. The process of analyzing and approving the collected information and material topics is the responsibility of senior executives (Executive Board).

**ARGO's Sustainability strategy is reviewed every year and evaluates the best market and industry practices.**

# RISK MANAGEMENT

GRI 2-15, 2-16, 2-25, 2-26, 2-27

Developed according to each project, ARGO's various environmental programs were implemented with the intention of minimizing or compensating for potential risks of environmental impacts. Throughout 2022, we built some tools to identify and manage issues relevant to the Company's development, focused on keeping assets in Operation and Maintenance, in addition to growing and returning value, one of the main objectives that drives us.

An example of this is the Environmental Guidelines Manual for the Operation & Maintenance of projects, which helps us to anticipate and mitigate all potential risks of environmental impacts. As a way of managing these risks, we apply environmental procedures and

carry out recycling training for employees.

ARGO's activity sector is highly regulated by the government and institutions, so it is important that contracts are aligned with standards adopted in the face of possible risks, especially those related to fluctuations in economic indicators, such as the IPCA. Thus, ARGO maintains risk mitigation parameters for each project, including policies, systems, decision-making bodies, and work committees responsible for ensuring compliance with our strategy. With all this robust structure, we were able to organize processes to minimize risks in each area.

Throughout the year, in order to carry out financial



management and control, we continued with the Tableau Online platform and, taking into account the need for investment decision-making, we prepared a multidisciplinary New Business procedure, which, together with the risk matrix made based on the identification and analysis of the potential impacts of the undertaking, it assigns materialization weight to cost analysis.

Regarding operational risks, ARGO promotes the reduction of environmental and social impacts and implements mitigation measures from the conclusion of the construction stage. At the time of contracting supply provision, we are attentive to the relationship policy with suppliers and various procedures for controlling purchases and contracts, and we also conduct research on the suitability of candidate companies. Considering large contracts, whether of a financial or reputational nature, the Legal area takes action and provides the background check, in order to guarantee that the entire chain is in compliance with the legislation and our ethical principles.

Another important action to minimize risks of social impacts is the inclusion in our contracts of a specific social responsibility clause, which, among other obligations, requires that suppliers do not use compulsory or child labor, for example.

To manage risks, we created internal committees to discuss social issues that were not yet present in the Company, such as the Private Social Investment Committee and the Diversity and Inclusion Committee. We believe that Diversity initiatives within organizations bring greater strategic value and improve the impact on people's lives, which is why we created this last committee, made up of volunteer members aligned with the theme.

All ARGO governance instances participate in risk management processes. Senior Management (Executive Board), for example, reports risks to the Support and Finance and Investments committees, and the Administrative Council – the highest governance body, made up of shareholders – makes strategic decisions, assisted by the Support and Finance and Investments committees in informative and deliberative meetings.

Therefore, with this way of acting, which includes clearly established processes and procedures and the mapping and monitoring of their respective risks, ARGO guarantees business continuity and internal knowledge management.

## ETHICS AND INTEGRITY

### Fighting fraud and corruption

GRI 205-1, 205-2, 205-3

ARGO is committed to implementing several corporate governance guidelines in all its areas of activity, based on business ethics, transparency, and managerial efficiency. For this reason, we have established a set of principles and norms that require and ensure ethical and responsible behavior from our employees, taking into account the development of activities, accountability, and corporate responsibility. Through the Code of Ethics and Conduct, the company maintains

policies and procedures developed in accordance with recognized market practices.

Another example of the Company's commitment to ethics and transparency, within the scope of contracts signed with business partners, is the inclusion of anti-corruption and data protection clauses, including the direct or indirect offer or promise of gifts, bribes, kickbacks, and transfer of any value, etc.

ARGO also has a Purchasing Policy, through which a prior evaluation of suppliers classified as critical is carried out, including the contracting amounts involved. This procedure is also adopted in the Company's private social investment projects: after evaluating the companies that are in the contracting phase, a process called background check is carried out, which checks background and criminal, commercial and financial records.

If the legal area identifies priors on behalf of the consulted companies and assesses that they may pose risks to the Company, the analysis is reported to the area requesting the consultation and the result of the process is discussed in a board meeting, which decides whether or not to proceed with the contract.

As in the previous year, in 2022, training/retraining on the Code of Ethics and Conduct was carried out for all ARGO employees, including the board of directors and leadership positions. In addition, the entire company participated in training on Compliance and the General Data Protection Law, with the support of an external consultancy, aimed at complying with the new Brazilian law.

**Through the Code Ethics and Conduct, The company maintains Policies and Procedures prepared in accordance with recognized market.**

## Codes and policies

### GRI 2-23, 2-24

Ethics is a fundamental value at ARGO and is present in all of the Company's activities and actions, with emphasis on the Code of Ethics and Conduct. Through it, the company continually reaffirms its commitment to business ethics and transparency, demanding ethical conduct from all those involved in the business.

Currently, the document must be followed and respected by all employees, suppliers, service providers, business partners and customers. Distributed upon admission, the Code is signed by all employees, who undertake to follow its guidelines. Another important highlight of the document is the inclusion in employment contracts of a clause that reinforces

the employee's knowledge of these requirements and their willingness to comply with them. ARGO encourages members in management positions to be a daily example of ethics and transparency and direct their actions in order to follow the procedures listed in the Code.

As a way of remembering the best conduct practices, ARGO conducts annual training on the Code of Ethics, addressing the values, standards, and norms of behavior with all the company's employees, based on the document.

Started in 2021, with continuity in 2022, the internal project to implement Law n° 13.709/18 – General Data Protection Law (LGPD) was carried out by means of a multidisciplinary team composed of managers from the areas of HR, IT and Legal. In the first phase, we prepared the company's data protection policy, with the subsequent revision of the employment contracts to include a clause on the LGPD and structuring of the Incident Response Action Plan.

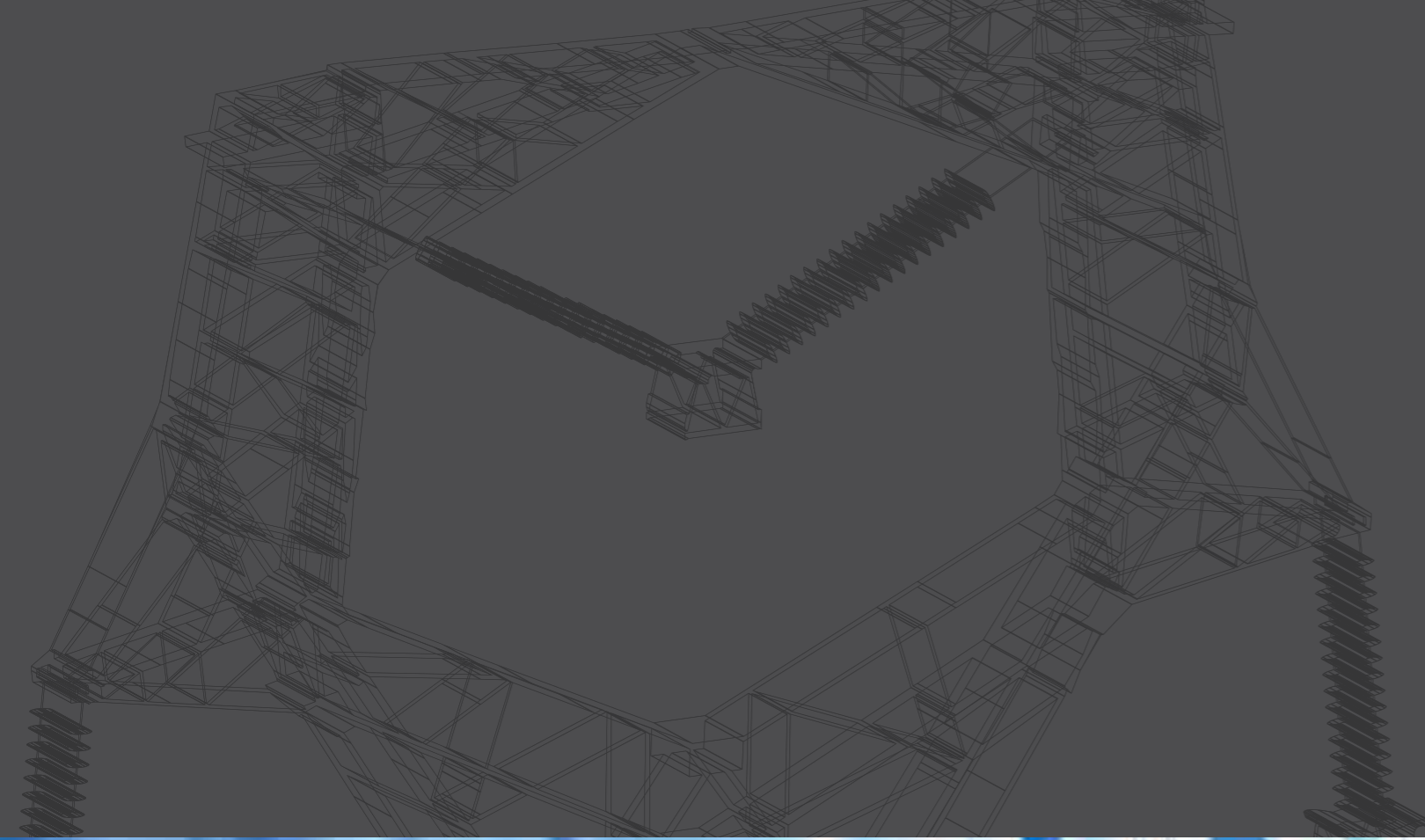
In the second phase of the LGPD project, the company carried out a review of information security standards, specific training for the HR, IT and Legal teams and general training for all ARGO managers, as well as the preparation of the LGPD model for contracts with suppliers that deal with personal data of employees, such as health plans and medical exams.

The project is in its third phase of implementation, in which the creation of technical information security measures is being carried out to protect personal data, such as anonymity and data disinfection, storage or elimination of data, etc. Currently, the IT area holds a meeting once a week to discuss these actions.

**ARGO holds annually the Code training of Ethics, addressing the Values, standards and norms of behavior with all glue**







# Economic- financial performance



Even during a challenging year, with high interest rates, ARGO presented a positive financial performance in 2022, since electricity transmission is a stable, resilient, predictable, and long-term financeable business. Because it is not very volatile, our area of activity has a strong characteristic of stability.

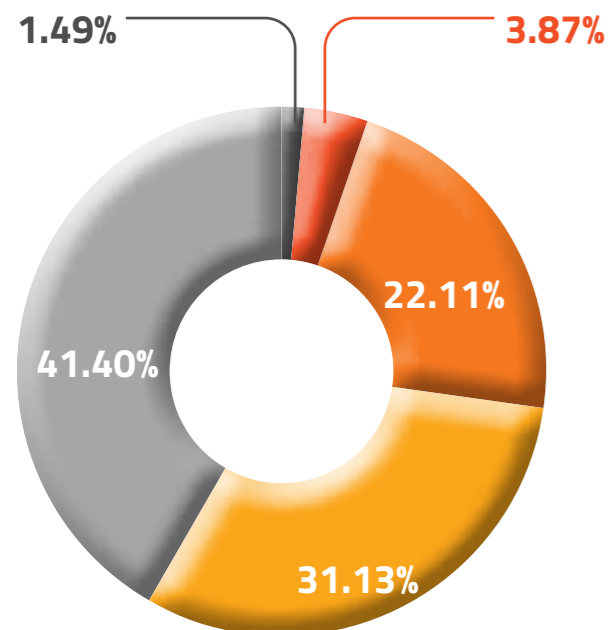
With efficient transmission projects that are among the largest in Brazil, ARGO values healthy performance from a financial, environmental, and social point of view. Therefore, it invests in studies of new projects with peace of mind, prioritizing the growth potential in projects with low financial risk, in order to guarantee conscious and safe growth, without affecting the portfolio of already consolidated projects.

**Added value statement – summarized (thousand BRL)**

Revenues	1,306,082
Inputs purchased from third parties	54,001
Gross added value	1,252,081
Withholdings	5,532
Net added value produced by the organization	1,246,548
Added value received in transfer	94,407
Total added value to be distributed	1,340,955

**GRI 201-1**

**Added value statement (%)**



Community investments  
 Shareholders  
 Employees (employee compensation and benefits)  
 Government Interest and rent (operating costs)  
 Retained earnings

**Added value statement (thousand BRL) – GRI 201-1, 203-2**

REVENUES	1,306,082
Sales of goods, products, and services	1,300,165
Provision for bad debts - reversal/constitution	-
Non-operational	5,917
INPUTS PURCHASED FROM THIRD PARTIES (includes ICMS and IPI)	54,001
Consumed raw material	-
Cost of goods and services sold	-
Materials, energy, third-party services, and others*	54,001
Loss/Recovery of assets	-
GROSS ADDED VALUE	1,252,081
WITHHOLDINGS	5,532
Depreciation, amortization, and impairment	5,532
NET VALUE ADDED PRODUCED BY THE COMPANY	1,246,548
ADDED VALUE RECEIVED IN TRANSFER	94,407
Equity income	13,898
Financial revenue	80,508
TOTAL ADDED VALUE TO DISTRIBUTE	1,340,955
ADDED VALUE DISTRIBUTION	1,340,955
Personnel and charges	51,919
Taxes, fees, and contributions	296,479
Interest and rent	417,382
Interest on equity and dividends	20,000
Retained profits/loss for the year	555,175
Community investments**	0.00

(\*) In 2022, in view of the Company's strategic growth moment, there was no investment in this line. However, activities planned for this period were carried out, related to investments made in 2021.



# Social performance

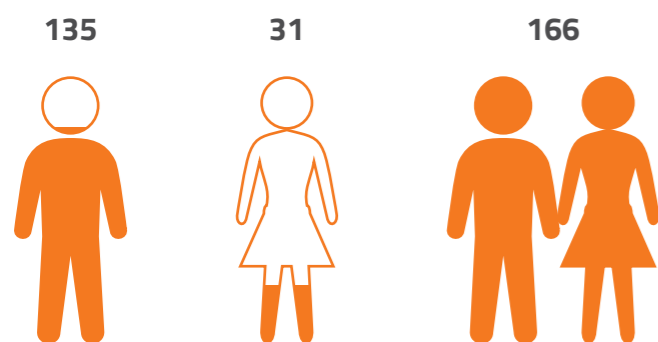
# EMPLOYEES

GRI 2-7, 2-8, 2-30

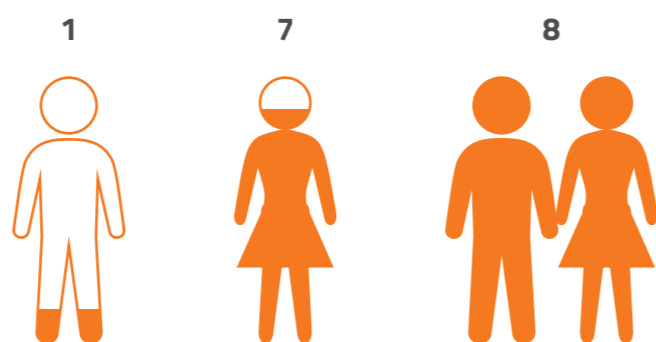
In 2022, ARGO ended the year with a total of 192 employees, 166 of which are employees and 26 are outsourced. Among our own employees, 79% are men and 21% are women, and most of them are concentrated in the Southeast region. Currently, 96% of employees are covered by collective bargaining agreements.

## Employees by job type and gender - GRI 102-8

### Its own employees – Permanent contract

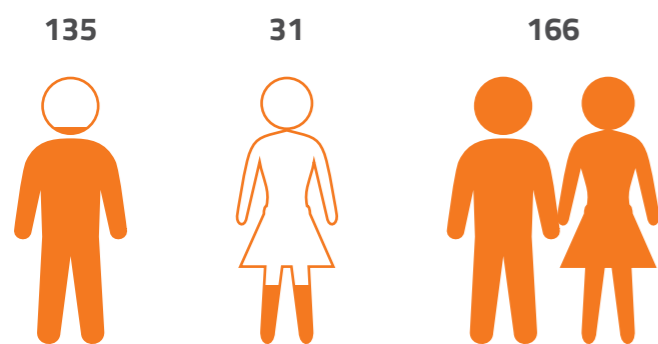


### Its own employees – Temporary contract

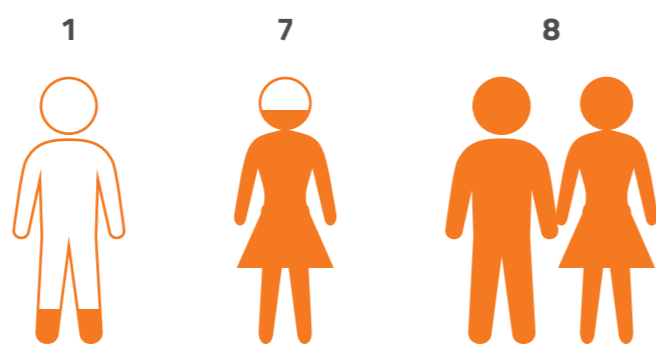


## Employees by type of workday and gender

### Its own employees – Full time



### Its own employees – Part-time



## Employees by type of contract and region



## Professional development

### GRI 404-1, 404-2, 404-3




Constant investments in training and technical development make ARGO a good place to work, as we believe that employee development is a fundamental element for the solidity and growth of our business.

Among the many benefits offered, we pay for improvement courses for all areas that need it, from short courses paid in full by the company to extension courses, such as postgraduate and MBA, with a cost of 75% for the Company. Another highlight is the internal and external training carried out by the technical areas, on a mandatory and/or optional basis, with the presentation of topics on Health and Safety and current regulations in the sector.

Short-term mandatory technical courses are developed and managed by the health and safety team, and optional courses are held according to each manager's demand, in partnership with HR. Behavioral courses and training subsidies (Postgraduate and MBA) are offered based on the employee's performance assessment.

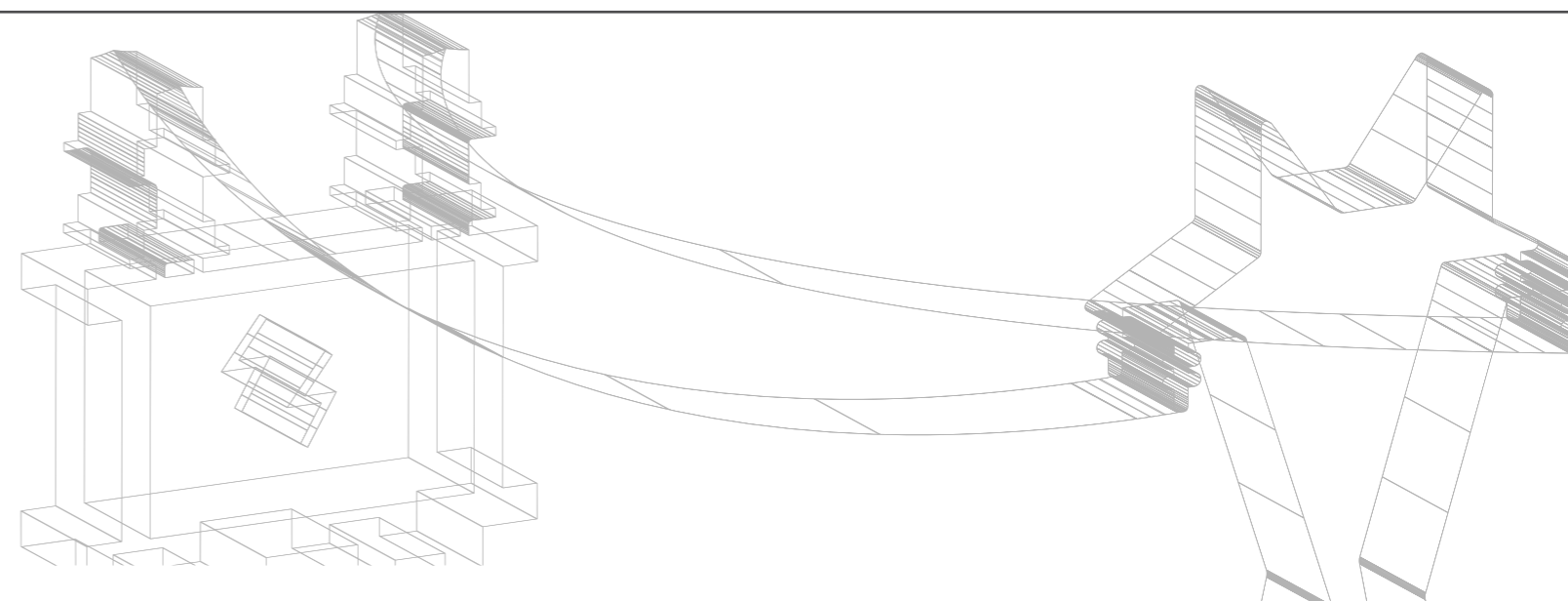
In 2022, 6,629 hours of training were carried out and, once again, courses were given that detail the Regulatory Standards, through the INBRAEP platform, including (NR) NR-10 Basic + SEP, Defensive Driving and First Aid, Brigade, NR-35 Work at heights, Blocking and Signaling of Dangerous Energy, Recycling NR-10 Basic + SEP, NR-05 CIPA, NR-10 Basic, NR-10 Complementary-SEP, Recycling NR-10 Basic, Recycling NR-35 Work at heights, NR-12 Machinery and Equipment.

### Average hours of training by gender – GRI 404-1

Gender	Number of employees	Number of hours	Average by employee
	136	5,629	41.39
	37	694	18.76
	<b>173</b>	<b>6,323</b>	<b>36.55</b>

### Average hours of training by functional category – GRI 404-1

Functional category	Number of employees	Number of hours	Average by employee
Executive	7	137	19.61
Expert	31	1,770	57.10
Operational	67	2,244	33.49
Administrative	39	941	24.13
Management	29	1,231	42.45
<b>Total</b>	<b>173</b>	<b>6,323</b>	<b>36.55</b>






### Performance evaluations

In order to increasingly engage the internal public, ARGO frequently carries out performance evaluations of its employees, applied to all permanent employees and interns. The current assessment model is focused on determining annual goals and a 360° behavioral assessment. After the process of calculating the results, some committees meet to validate the information collected, with broad discussions and consolidation of data on the performance of each of the employees.

The final stage of the assessment consists of managers returning to their subordinates in informative feedback meetings, with the intention of supporting the continuous development of each professional. The final result of the performance evaluation directly impacts the performance of effective employees, influencing the granting of merits, promotions, subsidies, and a factor that will be used to determine the distribution or not of variable remuneration by way of Profit Sharing (PLR).

### Percentage of employees receiving performance evaluations - GRI 404-3


Functional category	Number of its own employees evaluated	Total of its own employees	Percentage of employees evaluated (%)
Executive	7	7	100
Expert	31	31	100
Operational	67	67	100
Administrative	38	39	97
Management	29	29	100
<b>TOTAL</b>	<b>172</b>	<b>173</b>	<b>99</b>
<b>Gender</b>			
	136	136	100
	36	37	97
	<b>172</b>	<b>173</b>	<b>98</b>

## Benefits


### GRI 401-2

With the aim of offering health, well-being, safety and quality of life, ARGO has a wide benefits package for all employees, in addition to remuneration in line with market standards. We seek to constantly update the remuneration and benefits offered, so that our model meets the needs of employees and is in line with the best companies in the sector.


Benefits




Health Care




Dental Care




Life Insurance




Meal/Food Voucher




Transportation Voucher




Parking



Extended maternity leave (180 days) and paternity leave (20 days)



Day Care



Private Pension

# HEALTH AND SAFETY

### GRI 3-3, 403-1, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Through a policy and a specific management system, ARGO is committed to bringing health and safety to all its internal and external employees, as this is a highly relevant topic for the company. The current Workplace Safety Management team is made up of a Workplace Safety Engineer and four safety technicians, who follow the system in line with the Workplace Safety Rules, applied by Brazilian law.

ARGO Energia also has an Occupational Health and Safety Policy, focused on achieving excellence in safety and health, continuously improving the effectiveness

of the management system, and disseminating the zero accidents and/or incidents culture.

Currently, 100% of the Company's workers, including outsourced workers, are covered by the Health and Safety Management System. All of them are monitored through SSO Inspections, responsible for generating the Safety Adherence Index (IAS), created to monitor the suitability of its own workers and third parties' work safety.

#### Health and safety risk management

ARGO uses the Occupational Health and Safety Policy and the Occupational Health and Safety Management System to support its health and safety risk management actions. An example of these actions is the training offered to all our own employees, taking into account the current legislation and the activities carried out, ranging from Working at Heights, Defensive Driving and First Aid to Safety in Installations and Services in Electricity and Fire Brigade, among others.

The Company constantly maps all activities and environments where they are carried out, considering possible dangers and risks and harmful agents. Based on the Environmental Risk Prevention Program (PPRA), ARGO's activities always undergo a Preliminary Analysis of Hazards and Risks (APP/APR). Continuously, control measures are also implemented with the training of employees and provision of safety equipment, as well as meetings held before each activity. Employees are encouraged to refuse to perform services if they identify risk or do not feel safe.

Within the Health and Safety area, all occurrences are investigated and we carry out actions to mitigate risks and prevent new incidents. ARGO Energia workers are completely free to inform about dangers or risk situations, and this is widely disclosed in the Occupational Health and Safety Policy in the

**Argo maps constantly all the Activities and environments where they develop, considering possible Hazards and risks and agents Harmful.**



Commitments and Guidelines item, in addition to being present in all internal safety policies and procedures.

The survey of the main dangers and risks is carried out from measurements of mapped agents through inspections and monitoring in the execution of activities. The OHS team discusses the dangers and risks and, after completing the study and preparing/ issuing the Programs (PPRA, PCMSO), it disseminates the final results to all employees, available on the ARGO training platform.

In addition to this procedure, all workers are made aware of the risks of their activities through daily Safety Dialogue meetings, participatory meetings for the development of the management system. The Internal Commission for Accident Prevention (CIPA) is another important tool in this area, with the participation of representatives elected by employees, the company and safety professionals, and its main function is to discuss and propose safety measures for activities and processes. Currently, the risks mapped in ARGO are: Electric shock, Ergonomics, Falls from heights and Falls from the same level.

Throughout 2022, ARGO's OHS coordination held Monthly Health and Safety Dialogues with all employees, including senior management, in which it addressed topics related to mapped risks. The idea is to raise awareness and encourage the dissemination of information on risk prevention.

The total number of hours worked in 2022 was 369,144 among its own employees and 137,145 among outsourced professionals, and no occupational risks were identified that could result in aggravation to

the health of our employees. The rate of work-related injuries was 1.45, with the recording of 2 occurrences, which generated a temporary injury. After investigating the accidents, the company took the necessary measures to raise awareness and understand what happened, in order to prevent and avoid recurrence. During the year, there were no records of occupational diseases.



INDICES	ARGO HOLDING	ARGO I	ARGO II	ARGO III	ARGO IV	Valor Objetivo
TF*	0.00	7.3	0.00	25.5 (1)	0.00	2.63 (2)
TG**	0.00	0.00	0.00	0.00	0.00	357.00

\*TF = (Number of accidents with loss of time/ Total number of hours worked in the year x 1,000,000);  
 \*\*TG = (Days lost + Transportation + Debit days)/ Total number of hours worked in the year x 1,000,000;

**Work-related injuries\* – GRI 403-9**

	Its own employees	Outsourced employees
<b>Fatality resulting from work-related injuries</b>		
Number	0	0
Rate	0	0
<b>Work-related injuries with serious consequences</b>		
Number	0	0
Rate	0	0
<b>Recordable work-related injuries</b>		
Number	2	1

The indices for the ARGO V, VI, VII, VIII and IX concessions will be presented from the next Earnings Report. Sustainability.

### Employee health

In addition to all the benefits offered by ARGO, employees also have the opportunity to undergo periodic health examinations related to occupational risks, mapped through risk assessments. The Company has a health plan with national coverage for all professionals, in addition to social support through the *Sempre Juntos* program, created to promote mental health, legal advice and social assistance.

Aimed at employees, spouses, and children under the age of 25, *Sempre Juntos* provides guidance on personal and social issues, including financial, psychological, legal, family and health issues. Available 24 hours a day, support is managed by *Social Consultoria*, a company with 20 years of experience and highly qualified professionals.

ARGO also has a partnership with TotalPass, offering employees a wide network of gyms with flexible plans, encouraging health through physical activity. The company also carries out vaccination campaigns to prevent Influenza.

In 2022, we carried out the Yellow September, Pink October, and Blue November campaigns, advising employees on suicide prevention and carrying out tests to prevent prostate cancer and breast cancer.

## SUPPLIERS

GRI 308-1, 308-2

Even though, currently, the main suppliers are located in the Southeast region, ARGO prioritizes hiring local suppliers, located in the surroundings of the company's operations in the North and Northeast regions of Brazil, whenever possible. The Company's supply chain is related to the purchase of CAPEX and OPEX materials and services, in addition to the registration of suppliers and materials/services.

When contracting suppliers, certificates of technical capacity and compliance with the social responsibility clause in our contract draft are required.

ARGO's Procurement area also carries out frequent assessments of suppliers, based on the requirements of the contracting procedures, which include the obligation of a technical capacity certificate considering previous services.

In 2022, no suppliers with the potential for negative environmental impacts were identified. Next year, ARGO will implement a supplier management model developed by the Planning and Processes area.

## COMMUNITY

GRI 3-3, 413-1, 413-2

### Impacts on communities

During the operation and maintenance of Transmission Lines and Substations, impacts on local communities are reduced, as there is little manpower involved in maintenance activities, which are punctual and planned in advance.

In 2022, ARGO carried out remaining activities related to the commitments signed in previous years with *Quilombola* communities in the state of Maranhão, especially in relation to the *Quilombola* Basic Environmental Plan (PBAQ).

Maintenance was carried out on equipment and structures in the Flour and Pulp Processing Units built, in order to solve possible challenges that could affect the continuity and achievement of objectives, guaranteeing the effectiveness of the proposed actions.

Also in 2022, ARGO carried out actions of the Social Basketball Education Project, in the state of São Paulo, benefiting 200 children and adolescents with basketball lessons during after-school hours, with the participation of a Physical Education teacher. Held twice a week, lasting one and a half hours, the project encourages the practice of healthy activities, providing learning of the basic rules of the game, in addition to promoting an educational alternative that socially integrates and develops the participants' sports culture.

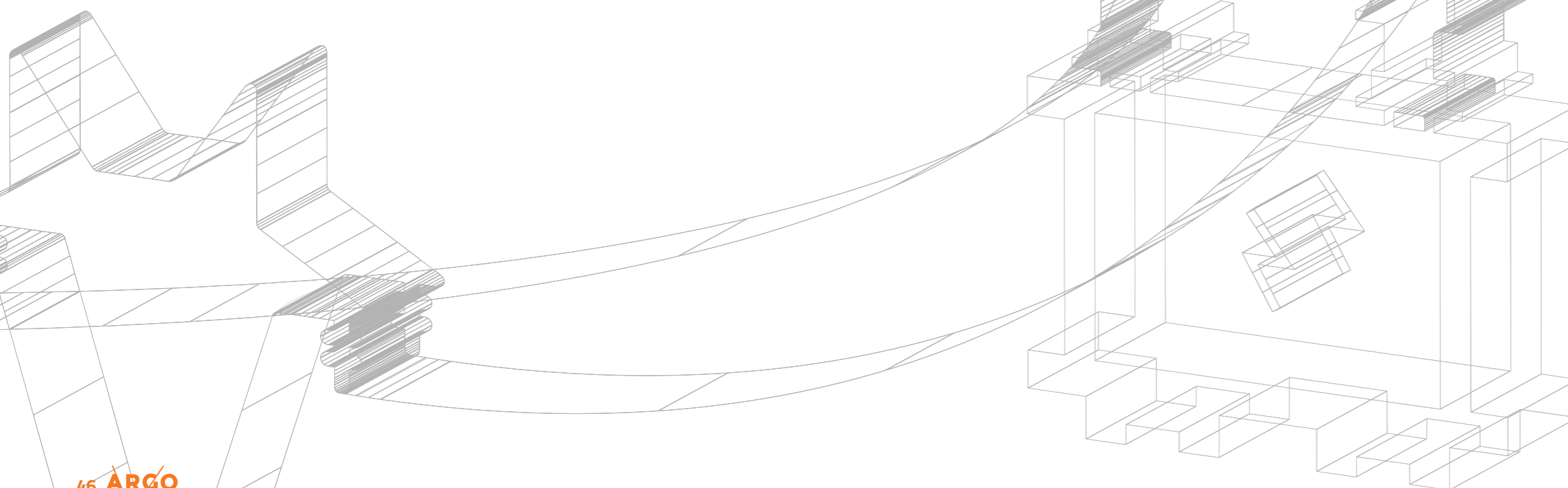
### Social programs and social responsibility

ARGO is always attentive to the well-being and quality of life of the surrounding communities, seeking to positively impact them through social projects to increase income, autonomy, and sustainability. We value the development and maintenance of communication with all stakeholders, in order to develop an environmental culture, transmit information on topics related to the environment and on the importance of transmission systems.

In this context, the programs developed in the field of Social Communication and Environmental Education are presented below.

### Social Communication Program

ARGO has the Social Communication Program developed in all assets to emphasize a qualified and transparent communication process, prioritizing frequent dialogue with the public involved and the continuity of expectation management regarding the LT and Substations operation stage. Through the program, the Company dialogues with representatives of city halls, residents and community leaders from the towns and locations included in the Area of Direct Influence (ADI) and around the substations, including owners and residents residing in the properties intercepted by the LT's Right of Way.





Building an ethical and transparent relationship between the company and society is fundamental for the development of organizational activities. In this context, it is essential to maintain accessible communication channels and promote periodic and targeted dialogue with interested parties, composed of communities and owners affected by the projects, local public authorities, organized civil society, workers, among others.

The concession of transmission lines and electrical energy substations implies long-term relationships with the population located in the Areas of Direct Influence (AID) – which covers locations of greater sensitivity within a 5,000 m wide corridor, with 2,500 m for each side of the developments – and in the Directly Affected Areas (ADA), which covers the landowners crossed by each development.

In this scenario, ARGO strives to develop dialogues in line with the interests and expectations of the parties involved, addressing issues related to social,

**ARGO executes the Communication Program Social, promoting the alignment and the exchange of qualified information with the target audience annually, in order to build and maintain ethical relationships and transparent with the stakeholders.**

environmental, and operational security, coexistence routines, activities carried out, clarification of doubts, consideration of concerns and receipt of suggestions. For this purpose, it runs annual social communication campaigns in all concessions, through face-to-face dialogue, providing informative folders and broadcasting radio spots.

In 2022, the company carried out the annual social communication campaign in each concession, addressing the themes “Care in the Right of Way” and “Dangers of Burning Near the Transmission Lines,” in addition to transmitting information about the existing structures, area covered, environmental programs related to the prevention, monitoring and control of socio-environmental impacts carried out by each concession within the scope of the maintenance and operation stage, socio-environmental responsibility and compliance of the undertakings.

In addition to the annual communication campaigns, the program also makes available, disseminates and responds through the free communication channel, available by e-mail [ouvidoria@argoenergia.com.br](mailto:ouvidoria@argoenergia.com.br) and telephone 0800 887 1608, in addition to the Ethics Channel for complaints, available through 0800 377 8038 and email [etica@argoenergia.com.br](mailto:etica@argoenergia.com.br).

The operation of the communication channel follows an information flow established internally within the scope of the program. In the case of the Ombudsman Channel, after receiving the contact, the record is directed to the corresponding area for the resolution of the demand. Then, the return to the applicant is monitored for later closure of the registration. It is noteworthy that the target audience present, mainly at ADA, represents an important partner for ARGO in terms of receiving information about accidents, phenomena, and possible damage to structures, because the proximity to the enterprise brings agility and speed in the knowledge of such situations.

In the communication flow of the Ethics Channel, after receiving the complaint, the record is sent to the exclusive investigation carried out by the Company’s Ethics and Compliance Committee, guaranteeing the whistleblower’s secrecy and confidentiality. Thus, an

investigation process is initiated with the objective of evidencing the understanding regarding the subsequent resolution, in a reputable and impartial manner.

In this way, based on the implementation of related practices and instruments, ARGO executes the Social Communication Program, promoting alignment and the exchange of qualified information with the target public annually, in order to build and maintain ethical and transparent relationships with the interested parties.

**Environmental Education Program**

The main objective of environmental education is to enable social awareness about the importance of the environment based on the correlation of daily social practices involving environmental issues, integrating collective interests and responsibilities, including companies.

In this context, ARGO runs the Environmental Education Program in the Areas of Direct Influence (AID)



and Directly Affected (ADA) of its projects, in order to promote the dissemination of information and socio-environmental behavioral involvement of stakeholders, such as direct and indirect workers involved in activities and social groups, including community leaders, affected landowners, civil society organizations and local government, always respecting the regional culture and seeking to encourage multipliers.

In order to recognize themes and methodologies for approaching and implementing the program, it is essential to know the target audience and multiplier. For this, ARGO carries out Participatory Social Dialogues, with social groups and workers. From this stage, the Work Plans are prepared for the execution of the project, according to the previously established periodicity for each concession.

Throughout 2022, ARGO carried out environmental education actions addressing topics such as Waste

Management, Coexistence with the Enterprise, Implementation of Community Agricultural Projects, Soil Management and Conservation and Fire Prevention. The methodologies implemented during the year involved the delivery of educational materials, the promotion of direct dialogue addressing the themes and the holding of lectures in schools, taking into account the multiplier power of children and adolescents, who transmit learning in their own homes and among colleagues.

In this way, the Environmental Education Program (PEA) is an instrument that contributes in a concrete way to the formation, qualification, and organization of the population, encouraging citizen participation in socio-environmental practices that cooperate with the development of a society that is concerned with sustainability of the environment and recognizes the importance of social performance.

### Basketball Education Project

The project's intention is to serve, through basketball practice, children, and adolescents from the ages of 8 to 15 years, prioritizing the public education system. Held in a teaching center aimed at the basic school network, the project brings notions and fundamentals for sports practice as leisure, in addition to elements of transversal themes, aiming to contribute to the integral development of young people and their training for the exercise of citizenship, ethics, inclusion and social integration.

The Basketball Education project, which received financial support from ARGO at the end of 2021, served, throughout 2022, a total of 200 children and adolescents in the cities of Franca and Ribeirão Preto, in the state of São Paulo.

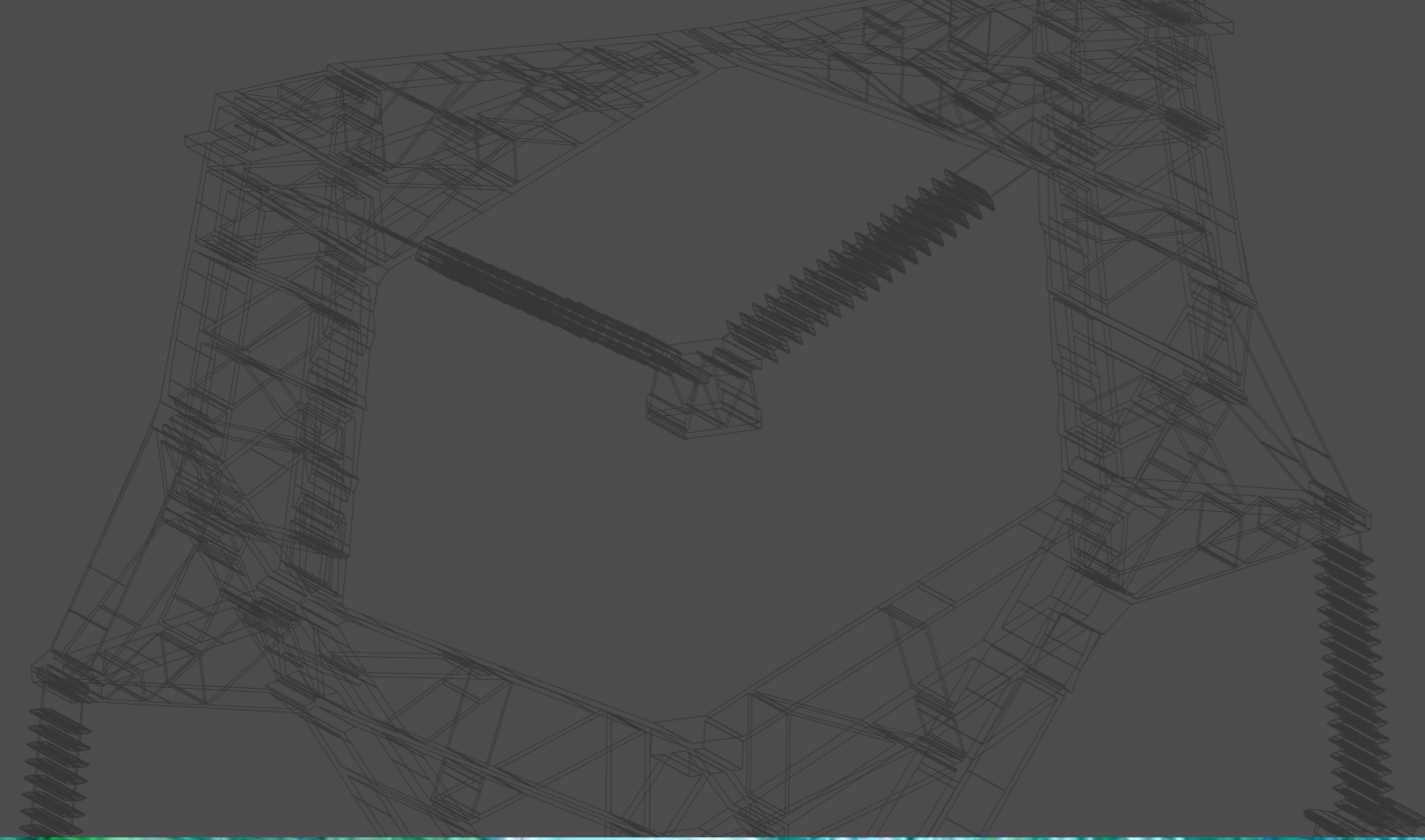
### Private Social Investment

#### GRI 3-3

Investing in social projects is a commitment of ARGO, which constantly seeks to develop actions with impact and social transformation. Through voluntary donations, the company contributes to institutions that promote the development of society in the social, economic, and environmental areas.

In 2022, there was no development of projects or allocation of resources in this area due to the Company's strategic direction for the incorporation of new assets. However, ARGO is prospecting new opportunities for the development of projects that contribute to shared value generation.





# Environmental performance



**GRI 3-3**

Environmental Management is a tool that orders economic activities at all levels (small, medium, or significant environmental impact), making it indispensable in the development of activities and operations in a sustainable manner, including in the electricity transmission sector.

In this sense, within the scope of all concessions, ARGO develops the Environmental Management Program, which defines the structure for coordinating and carrying out actions related to monitoring and controlling socio-environmental impacts.

In general, the program's structure is composed of a representative who plays the role of environmental manager, responsible for carrying out, mainly, the area's planning, observing all the parties involved and activities carried out, correlating corporate, economic, social, and legal aspects. It also has a coordinator, who establishes and orders the related parties and the activities performed, aiming at the best result, observing the implementation of socio-environmental requirements that guarantee the sustainability of the business and compliance with environmental legislation. And, on the basis of management, the program has the components that play the role of execution, responsible for carrying out actions that generate evidence related to the day-to-day activities of the company, multiplying the socio-environmental principles of ARGO, in the administrative and operational interface of the concessions.

In addition to the management structure, the program has tools that guide how Environmental Management should be oriented, developed and measured. An example of this is the Environmental Operating Guidelines Manual, the Sustainability Policies, Comprehensive Risk Management, Corporate

and Environmental Communication, the Risk Matrix, the legal instruments that must be complied with, Environmental Programs and implemented Procedures and Plans.

In this context, in 2022, ARGO reformulated all of the company's policies, focusing on consolidating the Company's principles, with a view to planning the expansion of the asset portfolio, whether through M&A or Auction projects. It also implemented the Risk Matrix, in order to broaden the view of risks in all areas, preventing and mitigating impacts.

During the year, ARGO's growth through M&A and operational projects was aligned with the implementation of reformulated policies and development of the Risk Matrix, supporting safer and more sustainable decisions for the coming periods. In addition, in 2022, ARGO continued to implement the Environmental Programs relevant to each environmental licensing process, with continuous monitoring of the activities carried out, indicators and targets, in addition to presenting the results and evidence in accordance with the planned schedules and work plans and approved in each process.

As previously mentioned, in 2022, all ARGO assets remained in the operational stage, with emphasis on the operation stage of electric energy transmission systems. Compared to the installation stage, it represents a low-impact activity, considering the significant reduction in socio-environmental interventions and the possibility of greater control of risks associated with operation and maintenance activities.

Thus, for ARGO, Environmental Management represents an important long-term strategic tool, permeating all areas of the Company and aligning growth with the consolidation of an increasingly sustainable and safe culture.

**Manual of Environmental Guidelines for Operation and Maintenance**

To guide its staff of internal employees, partners, and suppliers on mandatory socio-environmental procedures to comply with current legislation and to maintain socio-environmental quality in its facilities, ARGO created the Manual of Environmental Guidelines for the Operation and Maintenance of Electric Power Transmission Lines and Substations. Through the manual, the Company provides guidelines for complying with license conditions, environmental authorizations, and legal requirements, as well as recommendations for carrying out socio-environmental programs in the operational phase.

**Environmental Policy**

Focused on the quality of socio-environmental management, valuing, and promoting environmental protection and respect for the communities surrounding its projects, ARGO continually seeks to prevent conflict and risk situations, prioritizing the socio-environmental development of the regions where it operates.

To put this objective into practice, the Company has an Environmental Policy, which establishes the socio-environmental commitments and guidelines assumed by ARGO and must be fully observed and followed by its employees and suppliers.

**Commitments and Guidelines**

Our activities are carried out with the appropriate authorizations and applicable environmental licenses. ARGO complies with current legislation in all its operations and is concerned with the sustainable development of its business.

- With ethics and responsibility, the Company adopts the highest compliance and transparency standards in its activities.
- In the planning, construction and operation phases of energy transmission projects, ARGO ensures that all actions are carried out in accordance with socio-environmental criteria, continuously contributing to the development of the electricity sector and respecting the interests of those involved.
- In order to always deliver the best results for all stakeholders, the Company seeks to adopt the best practices in the sector, the continuous improvement of socio-environmental performance and the improvement of management systems.
- With a qualified organizational structure engaged with the management of project risks and impacts, ARGO ensures that the main risks are identified and managed at all stages of their life cycle.



# BIODIVERSITY

GRI 3-3, 304-1, 304-2, 304-3, 304-4

In 2022, all ARGO concessions remained in the operation and maintenance stage, therefore, the impacts generated on the biotic environment were reduced when compared to the impacts generated in the installation stage of each project.

In this context, in order to continue with its commitment to the protection of Biodiversity, ARGO carried out, during 2022, the Avifauna Collision Monitoring and Mitigation Program and the Forest Replacement Program.

The first project is carried out on the Transmission Lines located in regions of relevant habitats to the avifauna, such as corridors and flight routes for

migration, use of areas for feeding, reproduction, or roosting. The program initially consists of installing beacons in these stretches previously mapped based on field monitoring and secondary data. From the start of operation, a work plan is prepared and approved by the licensing body, through which the monitoring methodology, the periodicity and the sections with signals that will be monitored are defined.

In 2022, ARGO carried out anti-collision signal monitoring campaigns in the ARGO I and IV concessions. In the case of ARGO II, the program does not apply, as the concession does not include a Transmission Line project. In ARGO III, however, the program was not applied due to the layout of the 230 kV Samuel - Ariqueemes - Ji Paraná C4 Transmission Line, comprising the fourth circuit parallel to the other three Transmission Lines, so that the understanding related to the possible impact on the avifauna in the region was previously consolidated and contemplated in the studies of these undertakings.

The main objectives of the Avifauna Collision Monitoring and Mitigation Program are: to analyze the rate of collision and electrocution of birds in energy transmission systems; to ascertain the impacts on ecological systems, bird communities, species richness and abundance of individuals, to contribute to the understanding of measuring this impact, and enable the formulation and proposition of strategies and methodologies for the conservation and preservation of biodiversity, controlling and mitigating impact when needed.

The Forest Replacement Program was created to act as an instrument in the environmental licensing processes with the aim of compensating for the volume of woody material and native vegetation logs suppressed for the installation of projects. In addition, it works as a sustainability tool in the context of the reconstitution of forest habitats, promoting

the protection of ecosystems, growth of the soil's vegetation cover, control of the formation of erosion processes and transport of sediments to water courses, creation of attractive environments for the fauna and formation of ecological corridors from the integration of remaining forest fragments, directly contributing to the increase of biodiversity.

Forest Replacement is developed based on three main activities: planning, which occurs when preparing the executive project; implantation, when soil preparation, crowning and planting activities are carried out, and

monitoring, when maintenance actions are carried out whenever necessary, such as pest control, irrigation, and replanting.

In 2022, ARGO continued the Forest Replacement projects of the ARGO I and II concessions, carrying out the monitoring phase, including pest control, irrigation, maintenance of fences and replanting. For the ARGO IV concession, the process of searching for areas and preparing forest replacement projects was started. In the case of ARGO III, forest replacement was carried out and completed in previous years.

## The Replacement Program Forestry works as an instrument of sustainability in the scope of the reconstitution of forest habitats.



Below, data on size, location and brief description of actions carried out from the perspective of biodiversity preservation and conservation are presented.

The areas where ARGO's Forest Replacement Projects are developed were previously inspected and submitted for approval by the competent environmental agency.

The Company is committed to the success of the plantations and prioritizes the implementation of solutions to comply with the necessary reforestation as a result of the projects' installation. For this reason, it monitors compliance with the premises defined for

the execution of projects, such as the selection of diverse and appropriate species for each biome, the acquisition of healthy and competent seedlings, in addition to monitoring compliance with preventive measures, such as the installation and maintenance of fences and carrying out actions for the growth of seedlings, such as irrigation and soil enrichment according to the specific demands of each location. Finally, it monitors the areas in person, and monthly indicators, such as seedling survival rate, growth rates and number of healthy seedlings.

**protected and restored habitats – GRI 304-1**

Area name	Size	Geographic location	Report actions carried out from the perspective of preservation or restoration and their results
Sobral National Forest – CE	16.52	Municipality of Sobral, in the State of Ceará. Geographic Coordinates: E328191 S9581571	The Forest Replacement Project implemented in the Integral Conservation Unit: Sobral National Forest – FLONA SOBRAL, had more than 18 thousand seedlings planted, which have been monitored and maintained by ARGO for over a year.
Sete Cidades National Park – PI	5.1500	Municipality of Piracuruca, in the State of Piauí. Geographic Coordinates: E9544911 S200621	The Forest Replacement Project implemented in the Sete Cidades National Park Integral Conservation Unit had more than 4,000 seedlings and more than 10,000 seeds planted, which have been monitored and maintained by ARGO for over a year.
Unimontes Experimental Farm – MG	0.7202	Municipality of Janaúba, in the State of Minas Gerais. Geographic Coordinates: E4319 4096 S154343528	The Forest Replacement Project implemented at the UNIMONTES Farm had more than 1,200 seedlings planted, which have been monitored and maintained by ARGO for over a year.
Constitution of Perpetual Forestry Easement in the State of Maranhão	121.0000	Municipality of Magalhães Almeida, in the State of Maranhão. Geographic Coordinates: E806389 S9643697	Perpetual Forest Easement was instituted for the conservation of 121 hectares, guaranteeing the conservation of biodiversity, referring to the replacement of native forest material suppressed in the state of Maranhão and the forest replacement of endangered species.

# ENERGY

GRI 302-1, 302-2, 302-4, G4-EU10, G4-EU12






## Energy consumption

The Company understands that energy management is An important agenda to achieve consumption responsible for energy in their facilities.

## Operational power management

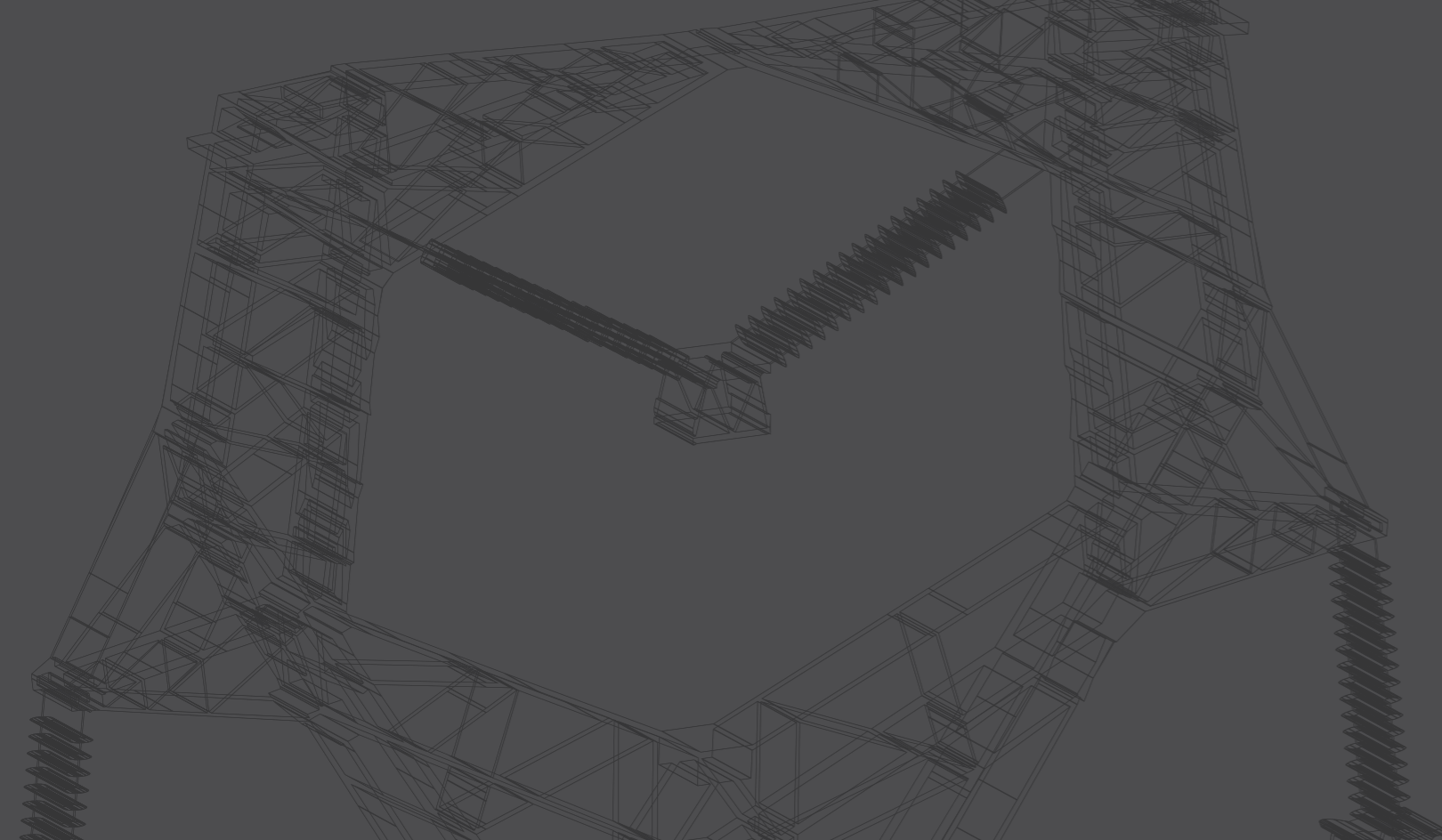
In its daily actions, ARGO is committed to ensuring transmission efficiency and quality. For this, it instituted the best maintenance and operation practices with the intention of avoiding energy losses, contributing to energy management, and continuously seeking to prevent energy losses and guarantee the efficiency and sustainability of the National Interconnected System (SIN).

### Energy consumption within the organization (MWh) – GRI 302-1

	17.657.53
<b>Electricity</b>	
	208.62
<b>Ethanol</b>	
	22.272.50
<b>Gasoline</b>	
	53.529.40
<b>Diesel</b>	
	89.77
<b>Arla 32</b>	
<b>Total energy consumption</b>	<b>93.757.82</b>



# *Global Reporting Initiative (GRI) Content Summary*



GRI Standard	Content	Notes	Report page	Omission
<b>GRI 101: FUNDAMENTALS 2016</b>				
<b>GENERAL CONTENT</b>				
<b>ORGANIZATIONAL PROFILE AND REPORTING PRACTICES</b>				
GRI 2-1	Organizational details		14	
GRI 2-2	Entities included in the organization's sustainability report		8	
GRI 2-3	Reference period, frequency and point of contact		8	
GRI 2-4	Restatements of information		8	
GRI 2-5	External assurance		8	
GRI 2-6	Activities, value chain and other business relationships		16	
<b>STRATEGIES, POLICIES AND PRACTICES</b>				
GRI 2-22	Declaration on the sustainable development strategy		26	
GRI 2-23	Commitment policies		30	
GRI 2-24	Incorporating policy commitments		30	
GRI 2-25	Processes to remedy negative impacts		27	
GRI 2-26	Mechanisms for seeking advice and raising concerns		27	
GRI 2-27	Compliance with laws and regulations		27	
GRI 2-28	Affiliations to associations		20	
<b>WORKERS</b>				
GRI 2-7	Employees		38	
GRI 2-8	Workers who are not employees		38	
GRI 2-30	Collective agreements		38	
<b>STAKEHOLDER ENGAGEMENT</b>				
GRI 2-29	Approach to stakeholder engagement		9	
<b>CORPORATE GOVERNANCE</b>				
GRI 2-9	Governance structure and composition		26	
GRI 2-10	Appointment and selection of the highest governance body		26	

GRI Standard	Content	Notes	Report page	Omission
	GRI 2-11	Chairman of the highest governance body	26	
	GRI 2-12	Role of the highest governance body in overseeing impact management	26	
	GRI 2-13	Delegation of responsibility for managing impacts	26	
	GRI 2-14	Role of the highest governance body in overseeing impact management	14	
GRI 2 FOUNDATION 2021	GRI 2-15	Conflict of interest	27	
	GRI 2-16	Communicating critical concerns	27	
	GRI 2-17	Collective knowledge of the highest governance body	26	
	GRI 2-18	Assessment of the highest governance body performance		
	GRI 2-19	Remuneration policies	26	
	GRI 2-20	Process for determining remuneration	26	
	GRI 2-21	Total annual remuneration index	26	
<b>MATERIAL TOPICS</b>				
<b>MATERIAL THEMES</b>				
GRI 3: MATERIAL THEMES	3-1	Process for defining material themes	10	
	3-2	List of material topics	10	
	3-3	Management of material themes	10	
<b>ENVIRONMENTAL IMPACT</b>				
GRI 2 FOUNDATION 2021	2-25	Processes to remedy negative impacts	27	
GRI 203: INDIRECT ECONOMIC IMPACTS	203-2	Significant indirect economic impacts	35	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	308-2	Negative environmental impacts in the supply chain and measures taken	46	



GRI Standard	Content	Notes	Report page	Omission
GRI 307: ENVIRONMENTAL COMPLIANCE	307-1	Non-compliance with environmental laws and regulations		In 2022 ARGO will not recorded no cases of non-compliance with laws and environmental regulations.
GRI 304: BIODIVERSITY 2016	304-2	Significant impacts of activities, products, and services on Biodiversity	56	
GRI 414 SUPPLIER SOCIAL ASSESSMENT	414-2	Negative social impacts of the supply chain and measures taken		Argo has not yet implemented evaluation of suppliers in relation to social impacts.
<b>ENVIRONMENTAL MANAGEMENT</b>				
GRI 302: ENERGY	GRI 302-1	Energy consumption within the organization	59	
	GRI 302-2	Energy consumption outside the organization	59	
	GRI 302-4	Reduction of energy consumption	59	
GRI 308: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS	GRI 308-1	New suppliers that were screened using environmental criteria.	46	
GRI 414 SOCIAL EVALUATION OF SUPPLIERS	GRI 414- 1	New suppliers selected based on social criteria		The evaluation of suppliers is a 2023 target for the Planning and Processes
<b>BIODIVERSITY</b>				
GRI 304: BIODIVERSITY 2016	GRI 304-1	Owned, leased, or managed operating units within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmental protection areas.	56	
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity.	56	
	GRI 304-3	Habitats protected or restored.	56	
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	56	

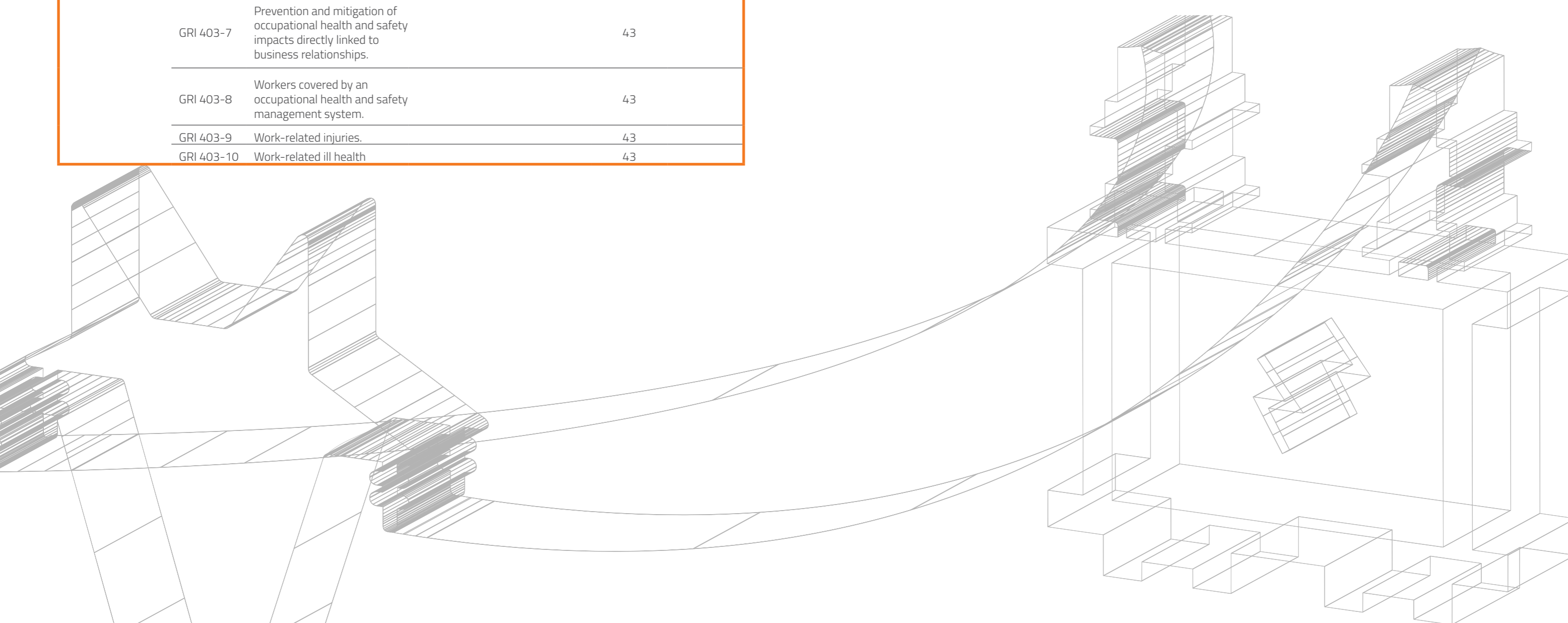
GRI Standard	Content	Notes	Report page	Omission
<b>INVESTMENT IN INFRASTRUCTURE</b>				
GRI 203: INDIRECT ECONOMIC IMPACTS	GRI 203-1	Investments in infrastructure and services offered		The year 2022 was a year strictly operational and project study evaluation from acquisition to expansion and company growth. This period of concentrating efforts and Investments in evaluating new Business becomes important and necessary to ensure the planned robustness.
<b>PRIVATE SOCIAL INVESTMENT</b>				
GRI 413: LOCAL COMMUNITIES	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	47	
	GRI 413-2	Operations with significant actual or potential negative impacts on local communities	47	
<b>HEALTH AND SAFETY</b>				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	GRI 403-1	Workers representation in formal joint management-worker health and safety committees	43	
	GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	43	
	GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation		
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	43	
	GRI 403-5	Worker training on occupational health and safety	43	
	GRI 403-6	Promotion of worker health	43	
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43	

GRI Standard	Content	Notes	Report page	Omission
GRI 403: SAÚDE E SEGURANÇA DO TRABALHO	GRI 403-8	Workers covered by an occupational health and safety management system.	43	
	GRI 403-9	Work-related injuries	43	
	GRI 403-10	Work-related ill health	43	
<b>SPECIFIC INDICATORS</b>				
<b>ECONOMIC SERIES</b>				
GRI 201: 2016 ECONOMIC PERFORMANCE	GRI 201-1	Direct economic value generated and distributed.	35	
GRI 203	GRI 203-1	Investments in infrastructure and services offered		ARGO did not make an investment direct in infrastructure in 2022, however, were executed remaining actions related to the Basic Plan Environmental Quilombola (PBAQ) to complement actions carried out in the period from 2018 to 2021.
GRI 205: ANTI-CORRUPTION 2016	GRI 205-2	Communication and training about anti-corruption policies and procedures.	29	
	GRI 205-3	Confirmed incidents of corruption and actions taken.	29	
<b>ENVIRONMENTAL SERIES</b>				
GRI 302: ENERGY 2016	GRI 302-1	Energy consumption within the organization.	59	
	GRI 302-2	Energy consumption outside the organization.		A ARGO ainda não controla o consumo de energia fora da organização. Em 2022 o tema gestão do consumo de energia foi incorporado ao plano de ESG como sendo um tema importante a ser trabalhado para atingir o consumo consciente a partir da proposição de indicadores e metas.
	GRI 302-4	Energy consumption reduction.		ARGO does not have energy reduction targets and does not control this indicator.

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	GRI 304-2	Significant impacts of activities, products, and services on biodiversity.	56	
	GRI 304-3	Habitats protected or restored	56	
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Does not apply to the Operation step.	
GRI 307: Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and/or regulations		No caso dos ativos de transmissão de energia, são poucos os registros de autos de infração com valores mínimos e estão em processo de análise das defesas apresentadas pela Companhia.
GRI 308: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS 2016	GRI 308-1		46	
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken.	46	
<b>SOCIAL SERIES</b>				
GRI 401: EMPLOYMENT 2016	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	42	

GRI Standard	Content	Notes	Report page	Omission
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	GRI 403-1	Workers representation in formal joint management-worker health and safety committees.	43	
	GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	43	
	GRI 403-5	Worker training on occupational health and safety.	43	
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships.	43	
	GRI 403-8	Workers covered by an occupational health and safety management system.	43	
	GRI 403-9	Work-related injuries.	43	
	GRI 403-10	Work-related ill health	43	

GRI Standard	Content	Notes	Report page	Omission
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	GRI 413-2	Operations with significant actual or potential negative impacts on local communities	47	





# Credits

GRI 102-3, 102-53

## Team responsible

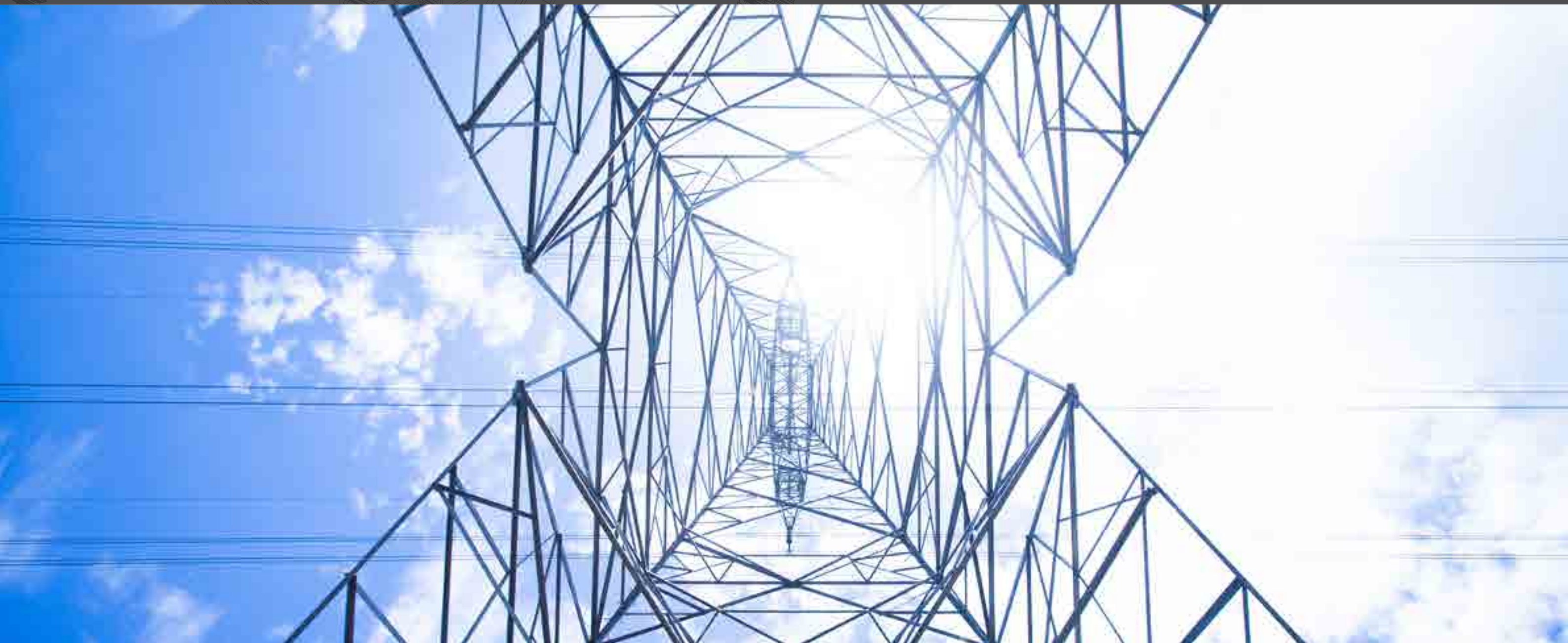
Mariana Luz  
Osni Campos

## Photography

## Corporate information

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**ARGO**

