Our Journey In The Face of Climate Change

2025

Summary

Message from the Leadership

Talking about climate change is not talking about a future threat.

The climate challenge is a reality here and now, as evidenced by periodic reports, rigorously prepared with scientific method by experts around the world. Recent extreme events – such as the historic drought in the Amazon, the flooding and inundation in the South region in 2024, and the heat waves reported year after year – show that the effects of climate change are already a reality for Brazilians.

According to data from NOAA[1], the United States' atmospheric and oceanic authority, the period from 2010 to 2024 was the warmest since 1850, with 2024 being the warmest year reported, with an increase of 1.55 °C in global average temperature compared to pre-industrial levels. This is not a cyclical phenomenon: since the 1960s, the average temperature has rose consistently decade by decade with a tendency to accelerate. The five warmest years in history were reported in the last five years, and successive global records of Arctic ice melting have been observed. Droughts, extreme temperatures, hurricanes, floods, changes in rainfall, temperature and wind patterns are other manifestations of this phenomenon. The threat is across the planet and has consequences for the economy, food security, water availability, city infrastructure, biodiversity and human rights, among others. For the Brazilian electric power sector, climate change is even more significant, given the risks and impacts on the country's energy resources and security of supply. However, the energy industry is not only recognized as one of those affected by climate change, but also a cause of it: according to the World Resources Institute (WRI), the energy sector is responsible for around 76% of global greenhouse gas (GHG) emissions, of which around 30% are concentrated in the electricity and heat generation sector. The Brazilian electricity sector is mainly anchored in low-carbon energies, with a special participation of hydroelectric plants, which corresponded to about 59% of the Brazilian electricity matrix, while wind power totaled 13%, and fossil fuel thermal sources represented 9%, according to the National Energy Balance for the year 2023.

CPFL is among the leaders in renewable electricity generation in Brazil and, as an important player for the country's infrastructure, the company is committed to the transition to a low-carbon economy and faces the challenge of climate

Message from the Leadership

change with a sense of urgency, responsibility, and determination. With the support of State Grid, the largest energy company in the world, and in line with its actions, we want to transparently declare our vision and position on the subject and share with society our journey, which involves:

Valuing our vocation for sustainable energy production with the commitment to reach 100% of generation from renewable sources by 2030.

Engaging the supply chain in the effort to tackle climate change, encouraging and supporting the decarbonization of its processes.

Investing in adaptation actions, aiming at the continuity and quality of service to our customers.

Investing in electric mobility solutions in our operations and through innovation projects, which allow the transport sector to reduce its emissions.

Actively participating in the main discussion forums and searching for solutions on the subject.

Monitoring our GHG emissions, committing to reducing 56% of total emissions by 2030, based on the year 2021.

Achieving carbon neutrality from 2025 by articulating mitigation actions and voluntarily offsetting while reducing.

Promoting circularity in our operations and providing low-carbon solutions for our customers.

This information, our goals, performance monitoring metrics, and ongoing initiatives are part of this document.

[1]NOAA - National Oceanic and Atmospheric Administration.

Sources:
climatewatchdata.org/key-visualizations?visualization=3ourworldindata.org/ghg-emissions-by-sector
https://brasil.un.org/pt-br/287173-onu-confirma-2024-como-o-ano-mais-quente-j%C3%A1-registrado-com-cerca-de-155%C2%B0c-acima-dos-n%C3%ADveishttps://www.epe.gov.br/sites-pt/publicacoes-dados-abertos/publicacoes/PublicacoesArquivos/publicacao-819/topico-715/BEN_S%C3%ADntese_2024_PT.pdf

Who we are

We are CPFL Energia, one of the largest companies in the Brazilian electricity sector and we operate in all energy segments: generation, transmission, distribution and differentiated solutions for customers.

We are positioned as one of the leaders in the supply of renewable energy, a pillar that permeates the company's entire business strategy, anchored in the mission of providing sustainable, affordable and reliable energy at all times, making people's lives safer, healthier and more prosperous in the regions where we operate.

Our shares are listed on B3's Novo Mercado (“New Market”) in Brazil. Since 2017, our majority shareholder has been the State Grid Corporation of China (SGCC), which holds 83.7% of our share capital. More details about State Grid are provided on the following page.

The synergy with State Grid enables our access to the most advanced technologies, as well as the technical know-how for value creation from the largest company in the global electricity sector. This support as a majority shareholder has been essential to our governance model, which is based on the principles of integrity, transparency, equity, accountability, and sustainability. It has also driven the development of innovative initiatives, such as the desalination project that provided drinking water to over 800 indigenous families in Rio Grande do Norte, and the implementation of several initiatives of cultural appreciation, strengthening the ties between Brazil and China.

Learn more at:

grupocpfl.com.br/conheca-gente

grupocpfl.com.br/institucional/state-grid

State Grid

Founded on December 29, 2002, State Grid is one of the largest and most strategic companies in the global electricity sector, operating in the investment, construction, and operation of power grids.
It is responsible for supplying electricity to more than 1.1 billion people in 26 provinces, autonomous regions, and municipalities in China, covering 88% of the country’s territory. Therefore, it plays an important role in the country's energy security and economic development. In addition to China and Brazil, it has operations in the Philippines, Portugal, Australia, Italy, Greece, Hong Kong, and Oman.
Fulfilling its mission of delivering safe, clean, affordable, and sustainable energy, State Grid is recognized worldwide and currently ranks 2nd in the Fortune Global 500. Over more than two decades, the company has achieved impressive milestones, including:

- The highest number of safe operating hours on large-scale grids in the world;
- Completion of more than 20 ultra-high voltage (UHV) power transmission projects; and
- Integration of increased renewable energy capacity into its power grid.

In the field of innovation, State Grid has been the leading Chinese state-owned company in patent ownership for several consecutive years. It has also maintained sovereign ratings with the three major credit rating agencies for nine consecutive years (Standard & Poor's A+, Moody's A1, and Fitch A+).

The company is also noted for its brand reputation – it has been recognized as China's most valuable brand for six consecutive years and has topped the Utilities 50 ranking for four consecutive years.

For more information, visit:
www.sgcc.com.cn/

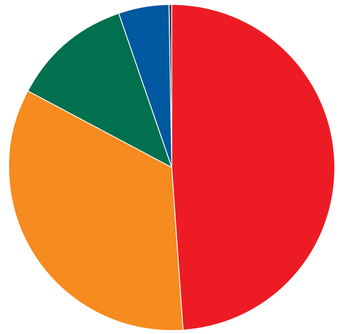
Where we operate

The businesses are organized in the segments of generation, transmission, distribution and differentiated solutions for customers, as well as companies that carry out activities to support the Group in the administrative, financial and service areas.

Generation

We currently have two companies: CPFL Geração, which operates with hydraulic and thermal sources, and CPFL Renováveis, which is focused on wind, solar, and biomass energy sources, as well as small hydroelectric plants (SHPs). CPFL Renováveis is controlled by CPFL Geração (51%) and CPFL Energia (49%).

Through the generation segment, CPFL positions itself as an agent capable of increasing the availability of renewable energy to consumers, operating with a broad portfolio that offers various energy sources and generation technologies. CPFL Renováveis is currently the main growth driver on this front. In addition to the listed assets, it owns the SHP Cherobim, which began operating in early 2025. With an installed capacity of 28 MW, it serves about 11,000 homes.



Installed capacity by source in 2025 (MW)

Hydroelectric: 1,996 (49%)
Wind: 1,390 (34%)
SHPs and MHPs: 472 (12%)
Biomass: 185 (5%)
Solar: 1.1 (0,03%)

The numbers consider the installed capacity of each project, proportional to the shareholding interest of CPFL Geração or CPFL Renováveis.

Our assets

49 wind farms
25 small hydroelectric plants (SHPs)
21 hydroelectric generating plants (MHPs)
8 hydroelectric plants
4 biomass thermoelectric plants
1 solar plant

EBITDA

BRL 4 billion

4 GW of installed capacity.

Diversified portfolio.

Data sources: Annual Report and Quarterly Earnings Release

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Distribution

Through CPFL Paulista, CPFL Piratininga, CPFL Santa Cruz and RGE, we distribute energy to 687 municipalities in São Paulo, Rio Grande do Sul, Minas Gerais and Paraná, reaching approximately 10.7 million customers in the residential, commercial, industrial, rural, public lighting and other segments.

Our performance in relation to DEC (duration) and FEC (frequency) of interruptions is a benchmark in Brazil. In the 2024 Global Continuity Performance (DGC) ranking of Agência Nacional de Energia Elétrica (Aneel), which measures the continuity of the energy supply service, CPFL Santa Cruz was elected the best distributor, while CPFL Paulista, CPFL Piratininga and RGE were among the 15 best companies.

10.7 million customers.

687 municipalities, **346 thousand km** of distribution lines and **594** substations.

EBITDA BRL 7.8 billion

4 concessions in the most developed regions of Brazil.

Data sources: Annual Report and Quarterly Earnings Release

[1] Ranking by Aneel: https://www.gov.br/aneel/pt-br/centrais-de-conteudos/relatorios-e-indicadores/distribuicao/ranking-de-continuidade/2024

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Transmission

The transmission networks make the connection between the generation assets and the distributors.

The electricity transmission network in Brazil is a large interconnected system, which provides the exchange of energy between the subsystems, exploring the meteorological and hydrological diversity of energy resources, and contributing to the security of supply, the development of renewable energies and the cheapening of energy for the consumer.

In the transmission segment, CPFL's assets total 6,338 kilometers distributed in the states of Rio Grande do Sul, Santa Catarina, São Paulo, and Ceará.

6,338 km of lines.

CPFL Transmission, CPFL Piracicaba, CPFL Morro Agudo, and CPFL Maracanaú.

EBITDA BRL 0.84 billion

BRL 1.06 billion of annual allowed revenue.

Solutions

CPFL Soluções is a market solutions platform to generate value and boost customer competitiveness, with a portfolio encompassing energy efficiency, solar energy, trading of carbon credits and International Renewable Energy Certificates (I-RECs), energy management, free energy market and maintenance, construction, operation and retrofit of electrical installations.

2,100 customers.

38 assets enabled to trade International Renewable Energy Certificates (I-RECs).

2.4 million carbon credits (REC) issued per year

Total accumulated EBITDA | BRL 13.1 bi

Data sources: Annual Report and Quarterly Earnings Release

Concession areas

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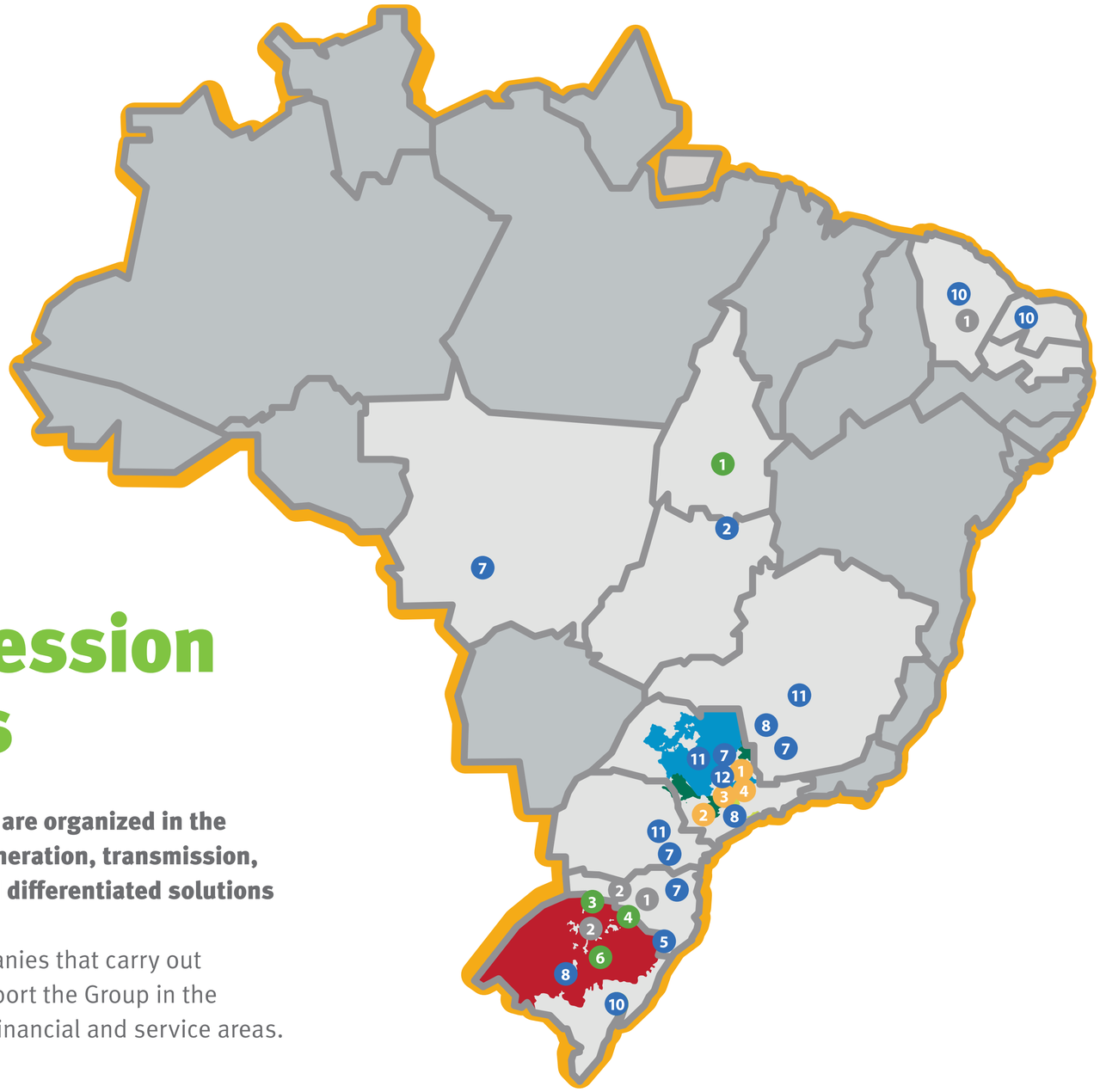


DISTRIBUTION

- cpfl paulista
- cpfl piratininga
- cpfl santa cruz
- cpfl rge

SERVICES

- cpfl soluções
- 1 cpfl total
- 2 cpfl atende
- 3 cpfl pessoas
- 3 cpfl finanças
- 3 cpfl supre
- 3 cpfl infra
- 4 alesta

GENERATION

cpfl geração

- 1 HPP Luis Eduardo Magalhães
- 3 HPP Foz do Chapecó
- 4 HPP Campos Novos
- 6 Ceran Complex HPP Monte Claro, HPP Castro Alves, HPP 14 de Julho

CPFL RENOVÁVEIS

- 2 HPP Serra da Mesa
- 5 HPP Barra Grande
- 7 26 SHPPS 10 (MG), 7 (SP), 6 (SC), 2 (PR), 1 (MT)
- 8 21 CGHs 14 (SP), 4 (RS), 2 (MG), 1 (MT)
- 10 49 Wind Farms 12 (CE), 33 (RN), 4 (RS)
- 11 4 TPPs (Biomass) 2 (SP), 1 (MG), 1 (PR)
- 12 Tanquinho Solar Energy Plant (PV) (SP)

TRANSMISSION

cpfl transmissão

- 1 87 substations
- 2 142 transmission lines

HPP - Hydroeletric Power Plant
SHPP - Small Hydroeletric Power Plant
MHPP - Micro Hydroeletric Power Plant
TPP - Thermal Power Plants
PV - Photovoltaic Power Plant

ESG in Strategy

Sustainability governance

Based on the Sustainability Policy, our governance model provides for the monitoring of actions by senior leadership and the dissemination of sustainability management in all businesses.

In 2020, we began the execution of the 2020-2024 Sustainability Plan and, with focus and commitment, we advanced in the objectives of driving the transition to a more sustainable model of energy production and consumption and expanding the positive impacts of our business model in communities and in our value chain.

In 2022, considering the movements of the market and the company itself, we decided to move even further. Our strategy evolved into the 2030 ESG Plan, which came into force in 2023, with more comprehensive and ambitious public commitments.

Decision-making

Sustainability decision-making involves several governance bodies. On a quarterly basis, the Sustainability Committee, the Executive Board, the Strategy, Growth, Innovation and ESG Committee, and the Board of Directors monitor the execution of the 2030 ESG Plan.

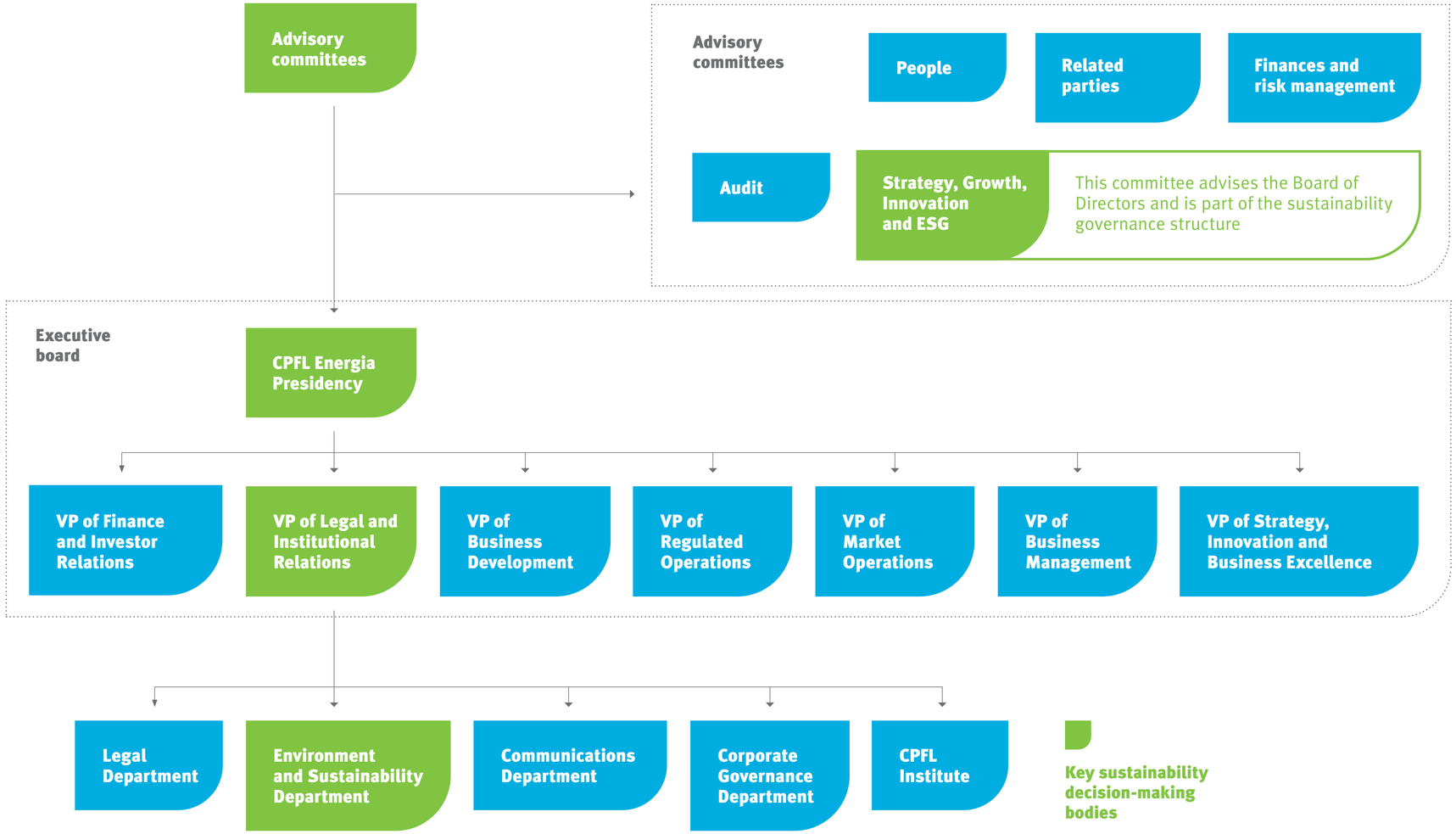
SUSTAINABLE DEVELOPMENT GOALS

Commitment to a global agenda

State Grid, our majority shareholder, and CPFL Energia are committed to the 2030 Agenda and the Sustainable Development Goals (SDGs) of the United Nations (UN).

Through our ESG Plan, we connect our strategy to the SDGs and, annually, we seek to achieve more robust goals, aligned with the evolution of our business plan, which generate shared value with society.

Sustainability governance



2030 ESG Plan

In order to further evolve our ESG agenda – as we have made rapid progress on the commitments previously announced in the 2020-2024 Sustainability Plan – we developed and approved the 2030 ESG Plan with its leaders and internal stakeholders, which came into force in 2023 and represents the most recent version of the company's ambition in the sustainability agenda.

The process to reach the new commitments involved the analysis of trends and practices in the electricity sector, including critical issues for the future of the business; internal diagnosis; interviews with leaders; and construction of proposals by the internal areas in 12 thematic meetings.

Thus, considering our Strategic Planning roadmap and long-term vision, as well as the results achieved so far, we validated CPFL Energia's new ESG strategy. The unfinalized commitments of the 2020-2024 Sustainability Plan were incorporated into the 2030 strategy, in order to maintain continuous action.

The main challenges of the new ESG Plan are the greater scope of ESG aspects and the long-term vision (2030) more aligned with the 2030 Agenda and the UN Sustainable Development Goals (SDGs).

We reinforced our commitment to sustainability by integrating the 2030 ESG Plan goals into the variable compensation criteria of the executive level. This strategic approach ensures alignment between senior leadership and the company's environmental, social, and governance objectives, promoting a culture of responsibility and a focus on sustainable results.

By linking individual and collective performance to progress of the ESG goals – such as decarbonization, 100% renewable generation, and value chain engagement –, we strengthen our corporate governance and encourage decisions that create a positive impact on business, society, and the environment. In this context, CPFL Energia has operated with a 100% renewable generation matrix since 2025, reinforcing our position as a benchmark in the Brazilian electricity sector.

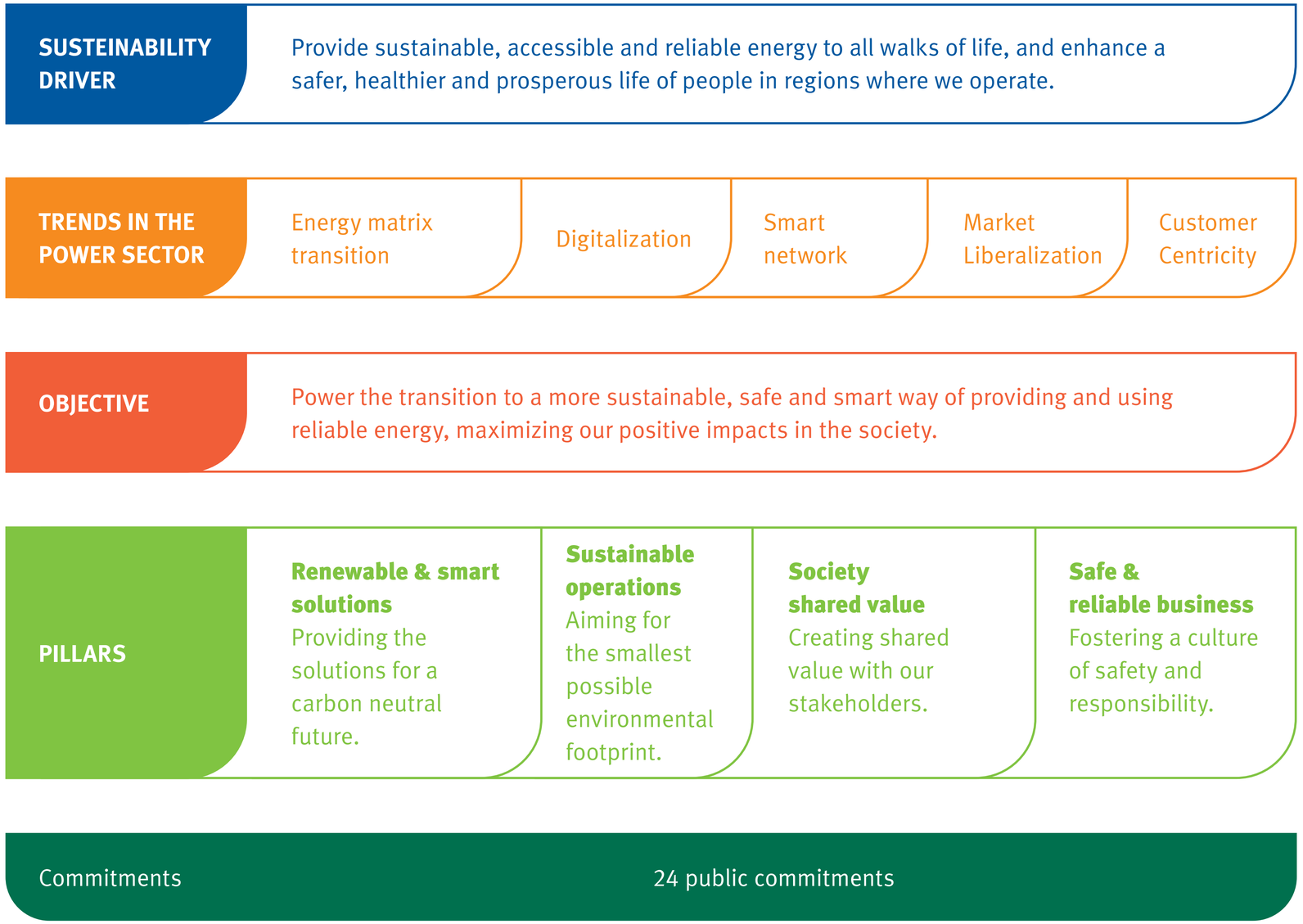
This characteristic directly contributes to reducing greenhouse gas (GHG) emissions and meeting national and international climate targets, demonstrating the coherence between corporate strategy and operational practices. The predominance of renewable sources, such as hydro, solar, and wind energy sources, strengthens the resilience of the company's business model in the face of contemporary environmental and energy challenges.

Driving the transition to a more sustainable, safer, and smarter way of producing and consuming energy, maximizing our positive impacts on society, summarizes the objective of the 2030 ESG Plan.

Below, and in the following pages, we detail the structure of the strategy in four pillars, our long-term vision for the topics incorporated, as well as the 24 commitments made publicly.

The leadership bodies, including the Sustainability Committee, the Executive Board, the Strategy, Growth, Innovation and ESG Committee, and the Board of Directors, according to the structure of our Sustainability Management, periodically monitor the execution, evolution and status of the goals of the 2030 ESG Plan, effective as of 2023.

The 2030 ESG Plan also undergoes an annual update.



Notes:

1. Neutralization in 2026 related to 2025 GHG Inventory.
2. Baseline for reducing emissions: 2021 total emissions in scopes 1, 2 and 3.
3. Baseline for increasing electric fleet: March/23
4. Aerial lift trucks up to 13 meters long
5. Waste disposal from Headquarters Campinas, EA Jundiaí, Headquarters CPFL-T Porto Alegre, Headquarters RGE São Leopoldo, Former Headquarters RGE Caxias, CSC Indaiatuba, CPFL Serviços Rio Pardo.
6. Transformers, voltage regulators, reclosers.
7. As defined in SBM, critical for operation.
8. DisCos + CPFL Renováveis - the portfolios of the other businesses will be evaluated and worked on in the period, and it is not possible to make a proposal for a goal now.
9. Guardião da Vida and Arborização + Segura.
10. CPFL Energia, its subsidiaries and affiliates with the same management and governance model, in which CPFL Energia has management in the administration
11. Except employees with a suspended employment contract either by agreement between the parties or by legal imposition, as established in the CLT.
12. Artificial intelligence, IOT, among others

Our commitments:

Updated ESG commitments to be disclosed in 2025.

Renewable & smart solutions

1 Generate 100% renewable energy by 2030

2 Become carbon neutral from 2025[1], reducing 56%[2] of scope 1, 2 and 3 emissions by 2030

3 Provide low carbon solutions to our customers, with annual targets for IRECs and carbon credits revenues

4 Reach at least 15%[3] of Electric Fleet **(aerial lift trucks[4])** in Distribution companies by 2030

5 Invest at least BRL 40MM in green hydrogen technologies by 2030

6 Reach at least BRL 580MM in investments in smart energy solutions by 2027

Sustainable operations

7 Consolidate CPFL ecoefficiency management program, setting targets by 2024 to promote conscious consumption of energy, water and to reduce landfill waste disposal[5]

8 Phase out single-use plastics in our administrative units by 2025

9 Create CPFL's Biodiversity Positioning by 2025 to maximize the benefits and value generated by our operations for the environment and society

10 Refurbish at least 70,000 electrical network equipment[6] by 2030

11 Ensure 100% of the main **distribution** grid components destined for recycling or reverse chain systems

Society shared value

12 Invest at least BRL 230MM in socioenvironmental projects that maximize transformation in the community by 2030

13 Invest BRL 140MM in energy efficiency initiatives at public hospitals by 2025

14 Reach 40% of minority groups in leadership roles by 2030

15 Assess 100% of critical suppliers in sustainability criteria[7] and achieve at least 85% of our spending[8] with companies that present advanced practices in sustainability by 2030

16 Maintain at least 90% of attendance by digital channels

17 Sustain at least 1 distribution company listed among the top 3 in the ANEEL **Consumer Satisfaction Award**

Safe &reliable business

18 Strengthen safety culture to achieve zero fatalities and reduce frequency and severity rate of accidents involving employees and service providers

19 Invest BRL 50MM in awareness and risk reduction projects[9] for the population by 2030

20 Promote a healthy work environment, increasing awareness on mental wellbeing and establishing supportive actions for our employees

21 Ensure 100% of employees[10] trained in the company's Integrity Program

22 Train 100% of administrative employees[11] in **cybersecurity**, data protection **and emerging technologies[12] integrated to the business**

23 Continuously pursue the best practices of **integrity**, transparency, **equity**, accountability and **sustainability**

24 Establish climate adaptation plans for CPFL's generation, transmission and distribution businesses, strengthening the resilience of our assets by 2030

Encouraged by State Grid, our actions to tackle climate change are primarily guided by 16 of the 24 public commitments, which are described below.

1
Generate 100% renewable energy by 2030

This goal signals that renewable sources are a priority, regardless of future business expansion. It was reached in 2025, five years ahead of the deadline set in the 2030 ESG Plan.

2
Carbon neutrality starting in 2025 and reduction of GHG emissions

Emissions from all our operations will be offset starting in 2025, an effort that complements the other decarbonization initiatives, always prioritizing mitigation to achieve a 56% reduction by 2030.

3
Low-carbon solutions

The goal is to expand the offer of international renewable energy certificates (I-RECs) and carbon credits through CPFL Soluções, so that customers can offset their GHG emissions.

4
Fleet electrification

Electrification is a way for us to improve energy efficiency and decrease the carbon intensity of our operational fleet. This way we can also contribute to the reduction of air and noise pollution in urban centers.

5
Investment in green hydrogen

Green hydrogen is an emerging and innovative technology that enables the decarbonization of sectors whose emissions are more difficult to mitigate, such as heavy transport. Investments in this fuel will help the company increase its contribution to the energy transition beyond the electricity sector.

6
Investment in smart solutions

The incidence of extreme weather events, an effect of climate change, presents a risk to the continuity of electricity supply to customers. Several solutions of adaptation can be implemented, and we see investment in smart solutions as a way to strengthen the grid, which is increasingly essential for a quality energy supply across our value chain.

7
Eco-efficiency program

Energy and water consumption and waste generation are issues closely related to climate. Then, in line with our commitment of preservation of the environment as a whole, we are committed to promoting energy efficiency in our operations and preserving natural resources such as water and materials.

8
Phasing out single-use plastics

Waste management is a highly relevant topic in CPFL Energia. In line with the previous commitment to eco-efficiency, we are committed to acting guided by the concepts of the circular economy, reducing our waste generation, with a special focus on the elimination of plastic use.

9
Biodiversity positioning

Today, climate change poses a threat to biodiversity worldwide. Therefore, the protection of biomes and the species contained in them, including their conservation and recovery, is essential to limit greenhouse gas emissions and promote climate resilience. In this context, and in an effort to strengthen our environmental performance, we are committed to improving the company's biodiversity management.

10
Equipment refurbishment

We are committed to expanding the refurbishment of network equipment, a commitment in line with the concept of circular economy, which allows us to extend its useful life and reduce our waste generation and consumption of raw materials.

11
Destination to the reverse chain or recycling

The accumulation of waste in landfills poses risks to people's health and the environment, in addition to being a source of GHG emissions due to the formation of methane gas. In line with the concepts of circularity, we promote the proper management of waste, contributing to reducing waste destined for final disposal.

12
Investments in socio-environmental projects

In order to positively impact the communities in the regions where we operate, we invest in projects that contribute to the socioeconomic development of these populations. An example is our desalination project, which provides access to water for the population, an extremely important issue, given the relationship between climate change and water scarcity.

13
Energy efficiency in hospitals

As part of ANEEL's Energy Efficiency Program, we invest in energy efficiency actions, such as the construction of photovoltaic plants, installation of LED lamps, among others, in public hospitals. This action allows, in addition to the use of clean energy, the reduction of costs for hospitals and the generation of positive impacts for society.

14
Sustainable procurement

To promote decarbonization in CPFL's operations, it is of paramount importance that suppliers are also part of the efforts. In this way, we intend to establish criteria that prioritize suppliers with production chains more aligned with the sustainable practices we value.

15
Service through digital channels

CPFL prioritizes customer service through digital channels to make their lives easier. This way, unnecessary travel and the printing of bills and paper documents are avoided, with demands being resolved digitally. This is a way to promote simple and efficient communication with our customers.

16
Climate resilience

In 2024, we established the new climate adaptation commitment, seeking to strengthen the resilience of the CPFL Group's generation, transmission and distribution businesses.

Climate and the electricity sector

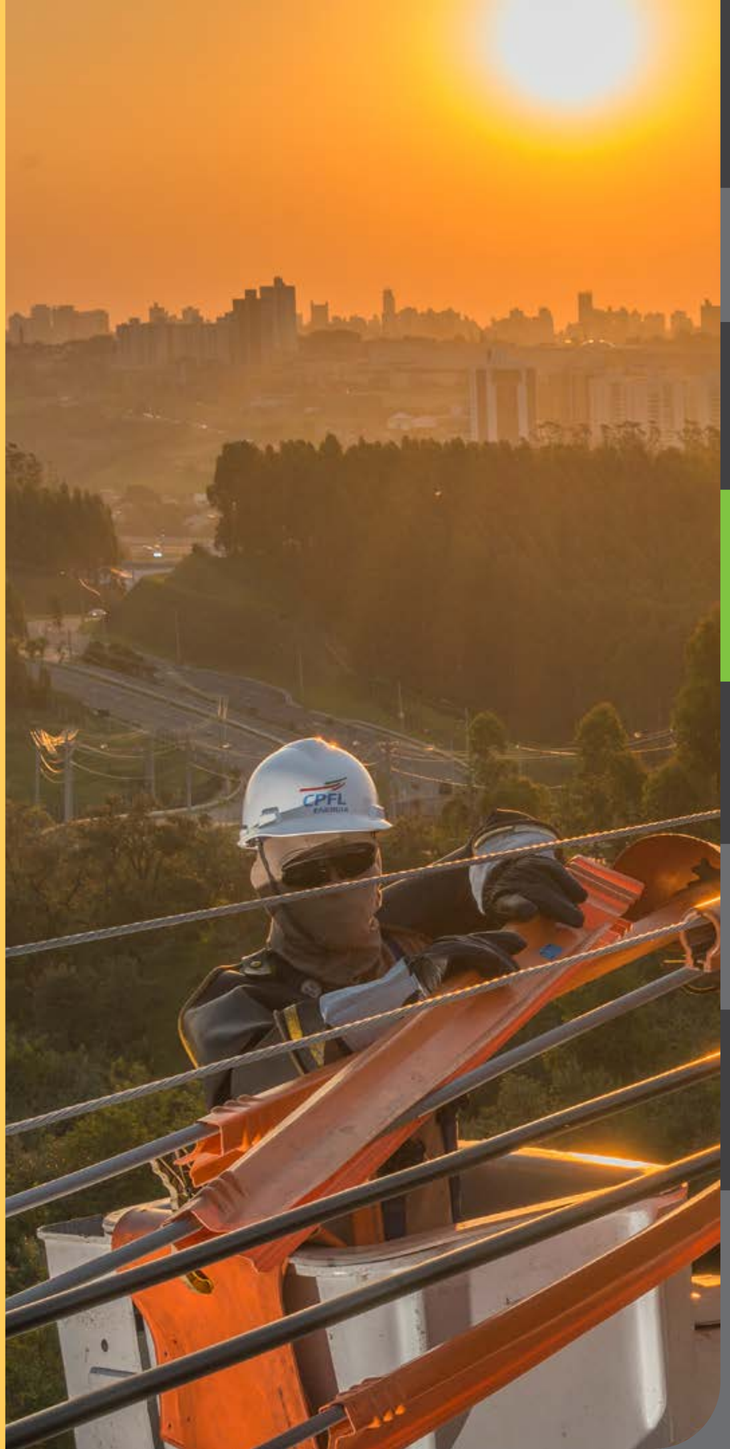
Climate change

The urgency of reducing greenhouse gas (GHG) emissions is increasingly present in political and economic discussions about the future of the planet.

This global warming scenario is a result of the societal development model adopted since the Industrial Revolution, which has led to a significant increase in emissions of these gases, especially carbon dioxide (CO_2), with the consequent increase in the Earth's average temperature.

To strengthen the global response to the threat of climate change, the United Nations (UN) focused efforts that resulted in the Paris Agreement, a global treaty adopted in 2015 by the signatory countries of the United Nations Framework Convention on Climate Change (UNFCCC) during the 21st United Nations Climate Change Conference (COP21).

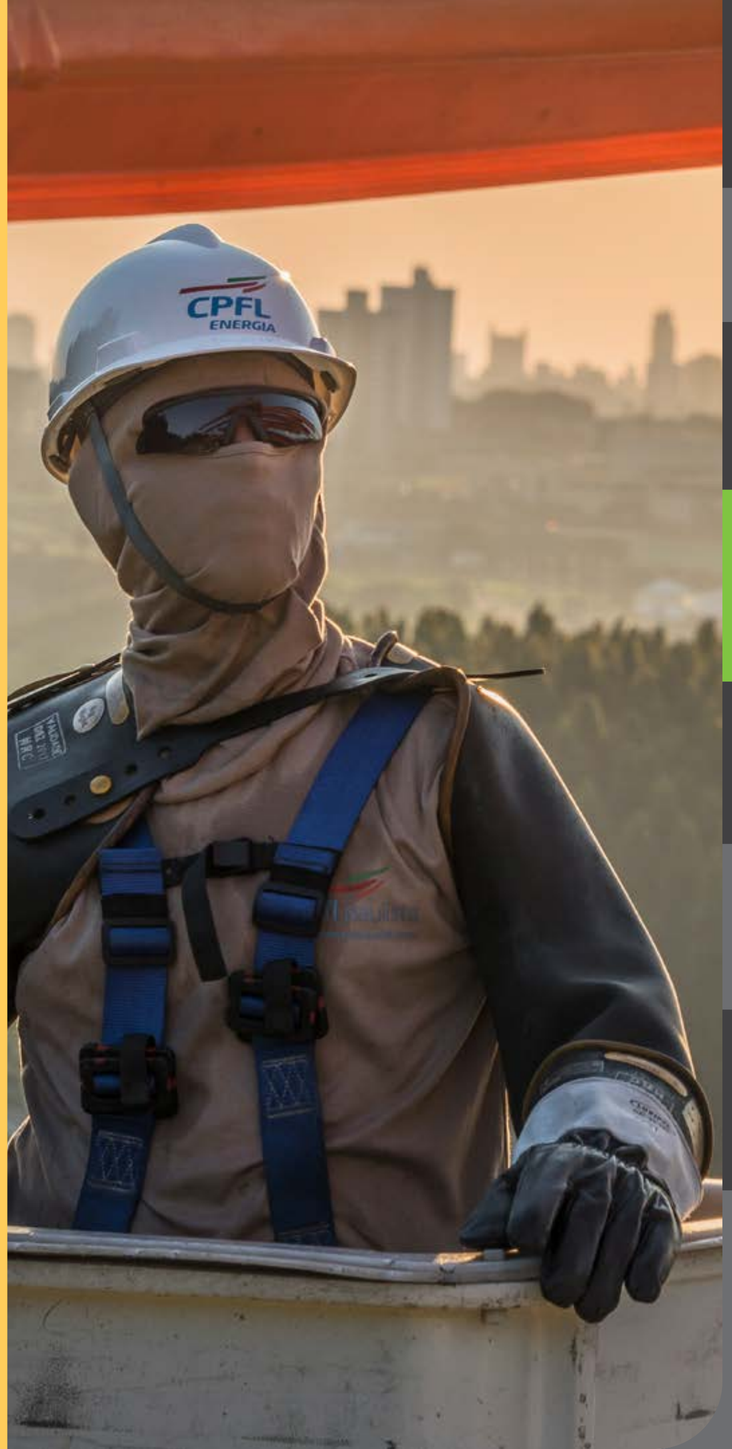
This agreement establishes measures to reduce GHG emissions starting in 2020, limiting the increase in global temperature to 1.5 °C by 2100, and increase the capacity of countries to deal with the impacts resulting from these changes.



Climate change

In 2024, the global average temperature was 1.5 °C above pre-industrial levels, making it the warmest year since 1880. In addition, the last 15 years (2010–2024) are among the warmest ever reported. If the world persists on a high-carbon trajectory, global warming could raise the Earth's average temperature by 2.4 °C by mid-century and up to 4.3 °C by the end of the century.

This increase in average temperature has devastating environmental, economic and social consequences for the planet and the population, such as the loss of biodiversity and the emergence of new diseases.



Brazil

Brazil is responsible for about 3% of global GHG emissions, making it the seventh-largest emitter in the world. The main cause of Brazilian emissions is widespread deforestation, particularly in the Amazon.

The country has made efforts to implement measures to reduce emissions and promote sustainable development. These actions are supported by the voluntary targets established in the Paris Agreement called Nationally Determined Contributions (NDCs).

In the most recent version of the NDC, Brazil committed to reducing its emissions by 59% to 67% by 2035, based on 2005 levels. The new NDC is linked to the Climate Plan, currently under development, which will originate Sectoral Mitigation Plans, with specific goals for all sectors of the economy.

The energy and electricity sector

In 2023, the energy sector represented 18% of Brazil's total GHG emissions and 25% of net emissions, according to SEEG[1]. Transportation accounted for 53% of these emissions, highlighting the urgent need to expand the use of renewable fuels and reduce the energy intensity and improve its energy efficiency of the sector. On the other hand, electricity generation presented the smallest fraction. However, in 2021, electricity consumption grew by 4% compared to 2020, with the GHG emissions to generate this electricity increasing by 46%. It was due to a drop in renewable generation via hydroelectric plants, which is the main source of electricity in the country, and the consequent increase in the use of fossil fuel-powered thermoelectric plants.

The increased activation of fossil-fueled plants is directly related to the increased recurrence and intensity of droughts, a phenomenon aggravated by climate change. This condition negatively affects the planning of the National Interconnected System (SIN), with the reduction in available water volumes compromising the regularity of flows and, consequently, the hydroelectric generation capacity. As a result, reliance on the carbon-intensive thermoelectric plants grows in order to preserve reservoirs and fulfill the country's electricity demand, which, in turn, contributes to climate change.

In Brazil, hydroelectric plants are responsible for

[1] SEEG – Sistema de Estimativa de Emissões e Remoções de Gases de Efeito Estufa, Observatório do Clima (seeg.eco.br), accessed on September 10, 2025.

The energy and electricity sector

about 49% of the installed capacity of the generation park, while fossil fuel thermoelectric plants correspond to about 10% of the installed capacity and are activated to supply energy when weather conditions are unfavorable for renewable generation. The remaining installed capacity is divided between Micro and Mini Distributed Generation (MMGD) (13% – practically only solar source), wind and photovoltaic plants with centralized generation (21%) and biomass thermal (7%)[2].

Although electricity generation in Brazil is mostly from renewable sources, it is still necessary to make the transition to a low-carbon scenario in the sector, given its relevance for economic development, the still significant role of thermoelectric plants in the country, and the risk that climate change itself poses to the sector's renewability.

Some opportunities for reducing GHG emissions in the electricity sector include expanding investment in non-hydro renewable sources, encouraging energy efficiency, and promoting the responsible use of electricity. It is also important to ensure operational flexibility and resilience in the face of climate variability and changes in the Brazilian electricity matrix, preferably through low-carbon technologies. Also, climate change represents a shift in the base of energy resources on which the sector was built. Its effects, such as changes in precipitation and temperature patterns and the occurrence of extreme

[2] According to the 2034 10-Year Energy Expansion Plan (PDE).

The energy and electricity sector

events, can put the national energy security at risk, compromise the physical integrity of assets, reduce operational predictability, affect the expansion planning and energy resource management, and result in higher energy prices for consumers.

Given these risks and the challenges posed by this paradigm shift, it is essential to create a regulatory, commercial, technological, and institutional adaptation plan for the electricity sector, including investments in resilient infrastructure, diversification of the electricity matrix, and the adoption of sustainable practices that can ensure the maintenance and expansion of the supply of clean, affordable, and reliable energy in the country.

Climate risks and opportunities

Scenario

With the Paris Agreement, created during the COP21 (United Nations Climate Change Conference) in 2015 and approved in 2016, the signatory countries committed to restricting the average increase in global temperature to 2 °C above pre-industrial levels, limiting it, if possible, to 1.5 °C.

In its latest report, published in 2022, the International Panel on Climate Change (IPCC) reiterated the importance and urgency of limiting global warming to 1.5 °C.

In this report, climate change, although still severe and significant, is less catastrophic in the 1.5 °C scenario, when compared to the predictions for a 2 °C increase in the Earth's average temperature. According to the study, human activities have already been responsible for an average global warming of approximately 1.1 °C above pre-industrial levels, and, if we keep the current pace, the expansion to 1.5 °C should be reached in the next two decades.

The IPCC is the world's leading authority on climate change, and within the United Nations (UN) it is responsible for analyzing and systematizing scientific data on the subject.

Learn more at: www.ipcc.ch.

Climate risks

In addition to being one of the main contributors to the accumulation of global GHG emissions, the electricity sector is also one of the most affected. Particularly in Brazil, where water resources play a strategic role in the electricity matrix, changes in precipitation and other meteorological variables are highly relevant to the security of supply and prices of the energy generated. However, it is important to emphasize that, unlike the global average, in which the energy sector accounts for about 76% of the GHG emissions, in Brazil it accounted for 18% of gross emissions in 2023, according to SEEG[1].

This result reflects the significant presence of renewable sources in the national electricity matrix, particularly hydroelectric generation, which historically represents more than half of the electricity produced in the country.

[1] TSAY, David et al. Análise das emissões de gases de efeito estufa e suas implicações para as metas climáticas do Brasil: 1970–2023. São Paulo: Observatório do Clima, 2024. Available at: https://seeg.eco.br/wp-content/uploads/2024/11/SEEG-RELATORIO-ANALITICO-12.pdf. Accessed on: Sept. 16, 2025.

In its most recent report[2], the IPCC presents several scenarios related to the increase in global average temperature.

Each temperature increase scenario correlates, in different degrees of intensity, with changes in precipitation, maximum attainable temperature, wind speed, and other consequences.

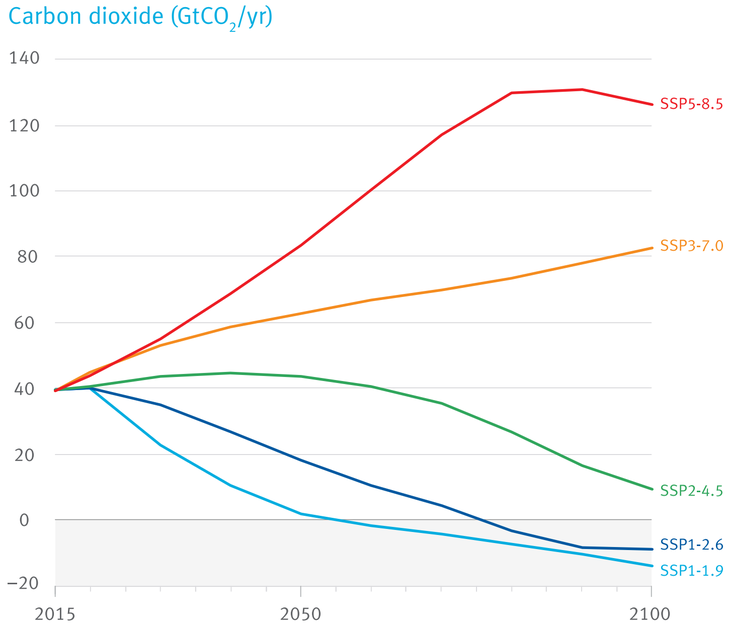
In general, patterns that resemble the El Niño phenomenon can be observed for Brazil: reduced rainfall in the North and Central regions of the country and an increase in the South region, increase in average and maximum temperatures and warming of the Pacific Ocean, and an increase in the expected speed of winds in some regions of the country.

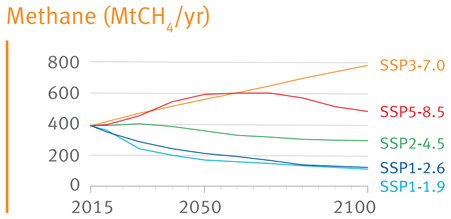
The report also points out that future GHG emissions contribute to additional global warming, while the total warming observed is a result of the combination of past and future carbon dioxide (CO_2) emissions.

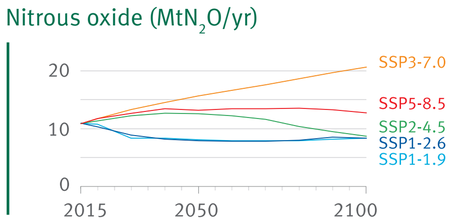
[2] IPCC AR6.

Future emissions cause additional future warming, with total warming dominated by past and future CO_2 emissions[1].

Future annual emissions of CO_2 (opposite) and a subset of major non-CO_2 causing gases (below) in the five illustrative scenarios.







Graphs: https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene/publicacoes/relatorios-do-ipcc/arquivos/pdf/IPCC_mudanca2.pdf Table SPM.1 – Climate Change 2021 The Scientific Basis – Summary for Policymakers – Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. SSP1-1.9: GHG emissions peak in 2025 and are reduced to zero by 2050. The global average temperature in 2100 is 0.9 °C to 1.8 °C above pre-industrial levels. SSP1-2.6: GHG emissions peak in 2040 and are reduced to 2.6 GtCO2e per year by 2100. The global average temperature in 2100 is 1.4°C to 2.1°C above pre-industrial levels. SSP2-4.5: GHG emissions continue to increase through 2070 and begin to decline, reaching 2.7 GtCO2e per year in 2100. The global average temperature in 2100 is 2.1 °C to 2.6 °C above pre-industrial levels. SSP3-7: GHG emissions continue to increase until 2100, reaching 8.5 GtCO2e per year. The global average temperature in 2100 is 2.6 °C to 3.9 °C above pre-industrial levels. SSP5-8.5: GHG emissions continue to increase until 2100, reaching 13.8 GtCO2e per year. The global average temperature in 2100 is 3.2 °C to 5.7 °C above pre-industrial levels.

The alterations resulting from climate change can be characterized as chronic and acute phenomena.

The most widely known effect is the melting of the polar ice caps, with the consequent rise in the level of the oceans, threatening coastal populations and the biodiversity in polar regions.

However, among other consequences, the following can be mentioned:

Changes in water cycles, intensifying rainfall in some regions and reducing it in others, causing droughts.

Increased storms, floods, landslides, typhoons, and hurricanes.

Changes in the oceans, including heat waves, acidification and reduced oxygenation, affecting ecosystems and activities that depend on them.

Increased heat-related illnesses, making it difficult to work and stay outdoors; fires facilitated.

Climate risk management at CPFL

At the CPFL Energia Group, we seek to adapt as best we can to the risks resulting from climate change, increasing our resilience and maintaining the quality of our services and energy supply to our customers. In 2024, we updated our 2030 ESG Plan and incorporated a 24th specific commitment related to climate resilience. Through this new ambition, selected as one of the priority projects in our strategic planning cycle, we committed to developing climate adaptation plans for our generation, transmission, and distribution businesses.

While the company has performed several actions and projects focused on climate change for many years, this move reflects our commitment to enhancing current initiatives and implementing innovative solutions that address the challenges of the current climate scenario, strengthening the resilience of our assets and ensuring more robust and sustainable operations by 2030.

In 2025, we started developing the Integrated Climate Adaptation Plan, covering generation, transmission, and distribution operations. In this first stage, we are mapping the climate risks of the transition that could impact our operations at different levels, as indicated in the table on the following page. In parallel, we are working on the definition of indicators for future monitoring of these risks and identification of mitigating actions – those already underway and others on the company's radar that will be the subject of feasibility studies for implementation in the coming years.

Impact of climate risks on businesses

	Heat waves and temperature increase	Wind gusts and changes in wind patterns	Sea level rise	Electrical discharges	Water shortage	Prolonged drought	Heavy rainfall	Landslides	Fires
	X	X	X	X			X		X
	X	X		X			X	X	X
	X			X	X		X	X	X
	X	X	X	X				X	X
		X				X	X	X	

Distribution

Transmission

Generation – Hydroelectric power

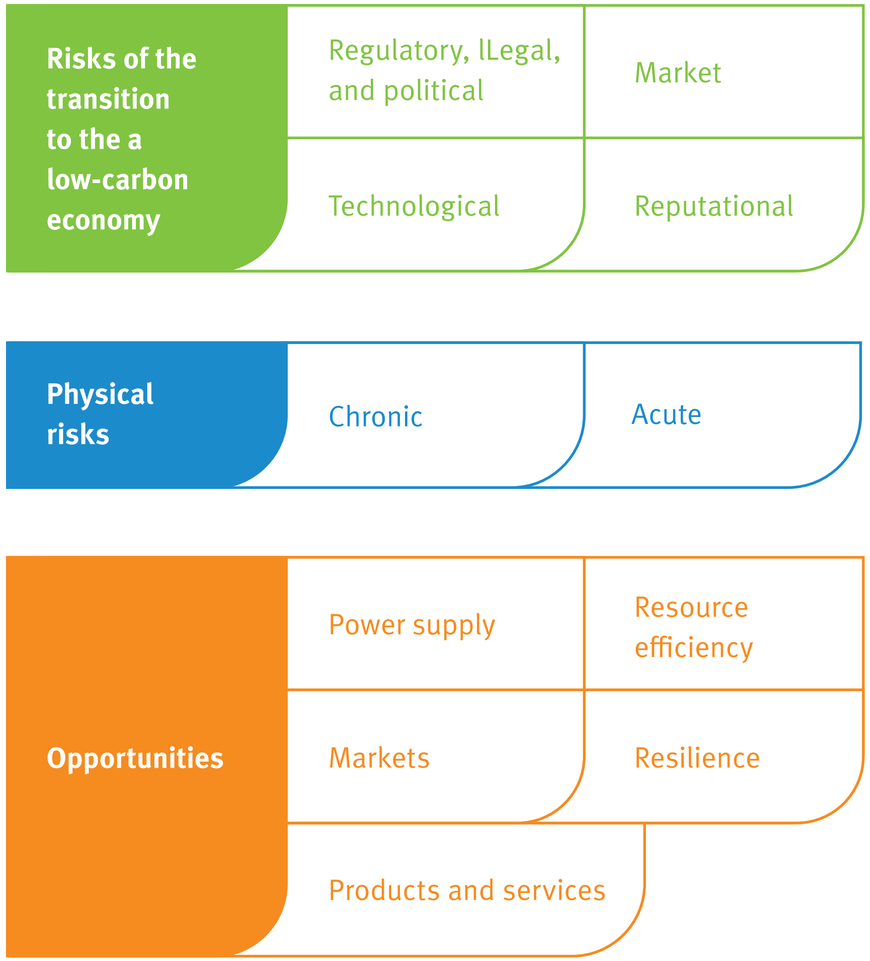
Generation – Wind power

Generation – Biomass energy

Note: The survey was based on risk perception in the operations.

The climate risk study is also a preparatory step for us to comply with the CVM Resolution 193, which establishes the adoption by publicly traded companies in Brazil of IFRS S1 and S2 standards from the International Sustainability Standards Board (ISSB) of the International Financial Reporting Standards (IFRS) Foundation. For future reporting of data required in these standards, we are structuring climate modeling based on the scenarios aligned with the IPCC AR6 report applied to our assets for subsequent financial evaluation of significant impacts and opportunities.

The classification of risks and opportunities is based on the methodology of the Task Force for Climate-related Financial Disclosures (TCFD), an initiative to which we are signatories and that considers the following categories:



The following pages present the main climate impacts and risks to which the CPFL Group's operations are exposed, and how they are managed.

Risks of transition to a low-carbon economy

Category	Trend	Risk	Management
Regulatory and legal	Implementation of the Emissions Trading System (SBCE) in the next 5 years.	Risk of carbon taxation. Although we have a predominantly renewable portfolio, with a commitment to be 100% renewable by 2030, we still operate a thermoelectric complex that produces energy from fossil fuel oil.	We follow the formulation of public policies on carbon pricing and adopt the internal carbon price in the analysis of our operations. One of the initiatives we monitor is the PMR (Partnership for Market Readiness). The World Bank's initiative assesses the feasibility of implementing emission pricing instruments in countries. We prepare and audit the GHG inventory annually to monitor our emissions. We innovate to generate energy using the minimum amount of fuel needed.
Technological	Existence of The Net Zero Assets Managers Initiative and Net Zero Banking Alliance, which aim to direct investments and financing in line with achieving the Net Zero goal by 2050.	Risk of not carrying out, at the appropriate pace, the innovations in solutions, processes and in the very way of doing business that the growing demand for low-carbon products and services requires.	In a systematic way, in the strategic planning process and through an area dedicated to innovation, we put into practice structuring projects, that is, long-term innovations focused on the future of the electricity sector, observing technology trends and new business models.
Market	Expansion of the consumer market in Distributed Generation since the regulation of the National Electric Energy Agency (Aneel) in 2012 and in the Free Energy Market as of 2024 with the expansion to small high voltage consumers.	Risk of loss of customers in the distribution segment due to the trend of energy consumption by the distributed generation system or the free energy market.	We track and monitor our customers' energy consumption. Through CPFL Soluções, we offer complete consulting so that customers have a better management of their energy, and we support distributed generation, energy efficiency and migration projects to the free market.

Category	Trend	Risk	Management
Reputational	In 2022, 68% of leaders of large corporations reported being pressured by customers to position their companies in the topic of climate change. The trend is that pressure from stakeholders for companies to position themselves in the transition to a low-carbon economy will continue to grow.	Risk of not properly managing the expectations of customers and society in general regarding the positive and negative impacts of the organization in the transition to a low-carbon economy.	We monitor a series of reputational indicators and are attentive to the demands and expectations of our stakeholders. We maintain consultation and dialogue channels, such as the materiality definition processes, the Investor Relations (IR) channels and the Aneel Consumer Satisfaction Index (Iasc).
Technological and regulatory	Trend of expansion of transmission lines in the Northeast region for flow due to the increasing deployment of renewable energy infrastructures (mainly solar and wind).	Risk of loss of competitiveness, if the company is unable to keep up with the expansion of transmission, expected to occur mainly in the Northeast.	We are continuously investing in transmission and positioning ourselves as one of the largest private broadcasters in the country. The CPFL Group's portfolio already included the transmitters CPFL Maracanaú, CPFL Morro Agudo, and CPFL Piracicaba, and in 2022, we completed the integration of CPFL Transmission, the result of the CEEE-T privatization auction, with more than 6,000 km of lines.
Reputational	In the scenario of warming of 3 °C, there is a tendency for a small fluctuation in the variable of maximum precipitation in one day (RX1day), with a slightly higher intensity in the Midwest and South regions.	Risk of negative image impacts caused by interruptions in energy supply resulting from extreme weather events.	We invest in the continuous improvement of the network with initiatives that make the system more robust and secure. The main measures are grouped under the item Acute physical risks on the following pages.
Reputational	In the scenario of warming of 3 °C, there is a tendency for Consecutive Dry Days (CDD) to worsen in the Midwest, Northeast and North regions.	Reputational risk associated with potential rationing caused by droughts.	We monitor a series of reputational indicators and are attentive to the demands and expectations of our stakeholders. We maintain consultation and dialogue channels, such as the materiality definition processes, the Investor Relations (IR) channels and the Aneel Consumer Satisfaction Index (Iasc).

Category	Trend	Risk	Management
Market	Changes in rainfall patterns observed in the historical series due to the increase in the Earth's temperature.	Risk of losses due to price volatility, which are associated with the hydrology of the National Interconnected System (SIN).	We work on forecasting climate extremes, we use models from the National Electric System Operator (ONS) and other renowned models in the market, and we have the support of consultancies in the study of meteorological scenarios, especially hydrological scenarios. In the axis of reducing the exposure of the generation portfolio to price volatility, we renegotiated the hydrological risk and adopted strategies such as hedging, seasonalization of purchase and sale contracts and the physical guarantee of the plants, coverage of exposures, mapping of suppliers that can provide additional biomass and the diversification of the portfolio itself.
		Risk of reduced ability to predict the operation, due to changes in future weather patterns, impairing decision-making.	We work with wind projections using machine learning and on forecasting climate extremes, we use ONS models and other renowned models in the market, and we are continuously improving our internal generation prediction processes, using models to study with better accuracy the variations between projections and achievements. In addition, we renegotiated the hydrological risk and adopted other measures to mitigate risks in generation.
Regulatory	In a 3 °C warming scenario, there is a tendency for a reduction in standard rainfall in the North, Northeast, Midwest, and Southeast regions.	Risk of reduced predictability in the operation of the SIN as a whole, influencing the approval of new regulations and generating impacts on the market and the dispatch of power plants.	We actively participate in industry associations and debates conducted in regulatory spheres, enabling us to monitor the approval of new regulations and adopt adaptive measures in advance. We also participate in discussion forums related to improvements and changes in the computational models of the electricity sector.

Risks of transition to a low-carbon economy

Category	Threat	Trend	Risk	Management
Chronic	Sea level rise	In the 3 °C warming scenario, there is a trend of sea level rise between 0.6 and 1.0 m by 2100, when compared to 1995-2014 levels.	Risk of sea level rise, which may affect plants located in a coastal region.	We monitor coastal conditions and the risks to plants with the highest probability of exposure, in order to anticipate potential coastal erosion.
Acute	Water scarcity	In the scenario of warming of 3 °C, there is a tendency for Consecutive Dry Days (CDD) to worsen in the Midwest, Northeast and North regions.	Risk of dispute over the use of water from the reservoirs caused by the change in the rainfall regime.	We are part of Basin Committees for the collective construction of solutions for the multiple uses of water. In addition, we work on forecasts of climate extremes, in the horizon of 9 months ahead, enabling the planning of preventive actions.
Acute	Heavy rains	In the scenario of warming of 3 °C, there is a tendency for a small fluctuation in the variable of maximum precipitation in one day (RX1day), with a slightly higher intensity in the Midwest and South regions.	Safety risk due to drastic increase in volume in reservoirs or dams.	We used the Dam Safety Management System (SGSB) and launched the Hydro 4.0 platform in 2023, focusing on dam instrumentation and real-time monitoring of structures, as well as flow, level, among other variables. We implemented the Integrated Operations Center (IOC) and adopted predictive actions and machine learning tools that help anticipate risks of equipment failures. We carry out research and development projects, such as the use of ultrasound to identify anomalies, drone inspections, among others.
Acute	Change in wind speed	In the scenario of warming of 3 °C, there is a tendency for the intensification of the wind speed on the surface, reaching 10% in all Brazilian regions, with higher intensity in the South region and lower intensity in the Northeast region.	Risk of wind generation instability due to a change in wind intensity, making the operation unfeasible (very strong or insufficient wind).	Our generation portfolio covers different energy sources and geographic locations, which reduces the overall risk to the business, since the phenomena will not be uniform. In the generation sector, we invested in efficiency gains, implemented the Integrated Operations Center (IOC), and adopted predictive actions and machine learning tools that help anticipate risks of equipment failures.

Category	Threat	Trend	Risk	Management
Acute	Water scarcity	In the scenario of warming of 3 °C, there is a tendency for Consecutive Dry Days (CDD) to worsen in the Midwest, Northeast and North regions.	Risk of reduced biomass generation caused by changes in precipitation and temperature patterns, affecting agricultural cultivation conditions and, consequently, the volume of biomass available to produce energy.	Our generation portfolio covers different energy sources and geographic locations, which reduces the overall risk to the business, since the phenomena will not be uniform. In the generation sector, we invested in efficiency gains, implemented the Integrated Operations Center (IOC), and adopted predictive actions and machine learning tools that help anticipate risks of equipment failures. In addition, we map suppliers that can provide additional biomass if necessary, and apply risk management measures from the point of view of energy trading, aiming to mitigate potential losses to the plants.
Acute	Water scarcity		Risk of decreased availability of hydroelectric plants and consequent need to purchase energy to cover the contracted volumes, generating extra costs.	We renegotiated the hydrological risk of the operation, measured by the Generating Scaling Factor. The GSF measures the relationship between the volume of energy generated by the plants and their physical guarantee. Other actions already described are portfolio diversification, efficiency measures, and use of technology.
Acute	Heat waves	In the scenario of warming of 3 °C, there is a worsening trend in the maximum temperature indicator (TX), with greater intensity in the Midwest and Southeast regions.	Risk of overloading the system due to extreme variation in consumption due to long periods of heat.	We invest in the security and reliability of the network, with actions to expand, automate and modernize equipment. In addition, the prediction of temperature extremes can help in the company's strategic planning to manage this risk.

Category	Threat	Trend	Risk	Management
Acute	Extreme weather events	In the scenario of warming of 3 °C, there is a tendency for a small fluctuation in the variable of maximum precipitation on five consecutive days (RX5day), with a slightly higher intensity in the Midwest and South regions. The occurrence of these events can cause flooding and landslides.	Risk of maintenance costs and damage to facilities due to extreme weather events. Risk of generating extra expenses for reimbursement to customers in the event of damage to their electrical appliances.	Our predictive systems assist in the allocation and dispatch of field teams to the most vulnerable locations, speeding up supply restoration and reducing operational costs. We invest in a robust and secure network, with technologies that minimize the impact, frequency, and duration of outages and accelerate the restoration of supply. Among the initiatives, the following stand out: • Telemetering; • Urban afforestation projects; • Implementation of the Advanced Distribution Management System (ADMS) platform, which integrates a wide database and monitors assets with more agility and efficiency. In this aspect, the WeTs (Weather Translator System) project can collaborate to the predictive planning of these losses.
Crônico	Increase in average temperature	In the scenario of warming of 3 °C, there is a warming trend in all Brazilian regions, with greater intensity in the Midwest and Southeast regions.	Risk of efficiency loss due to the increase in temperature, affecting solar plants and transmission and distribution lines.	The prediction of temperature extremes can help in the company's strategic planning to manage this risk. In addition. In the generation sector, we invest in efficiency gains and adopt predictive actions that help anticipate risks of equipment failures.

Opportunities in the decarbonization of economies

Efforts to decarbonize economies, sought as a way to mitigate GHG emissions, require new services, products, and forms of market operation that are less carbon-intensive.

The CPFL Energia Group also seeks to position itself as an important player in meeting the needs of low-carbon economies.

Opportunity	Taxonomy	Management
Opportunity to position CPFL as a relevant player in the strengthening of an electricity matrix less dependent on fossil fuels.	Source of energy	We have teams that are focused on identifying opportunities for acquisitions and the development of new projects. CPFL Renováveis has already mapped initiatives with the potential to add 4.8 GW (Gigawatts) to the installed capacity. In 2021, we completed the construction of the four wind farms of the Gameleira Complex with an installed capacity of 81.65 MW (Megawatts). In early 2025, the Cherobim SHP started operating with an installed capacity of 28 MW. We also have CPFL Solutions' portfolio of products and services (see page 10).
Opportunity to explore ancillary and flexibility services, the need for which must grow to guarantee energy security, following the greater insertion of renewable sources in the energy matrix.	Source of energy	We participate in discussion forums and R&D projects with other entities in the sector addressing these topics. As an example, it is possible to mention the R&D project on the feasibility of inserting pumped storage plants in the SIN, carried out in partnership with the Federal University of Rio de Janeiro (UFRJ) and other companies in the private sector. We have teams focused on identifying opportunities for acquisitions and the development of new projects. Our hydroelectric power plants (HPPs) are currently remunerated for ancillary services of voltage and frequency control.
Opportunity to explore new generation technologies and energy sources that are not yet in the portfolio and can be boosted with the objective offor the decarbonization ofing economies. Ex. hydrogen, solar thermal, among others.	Products and services	Our 2030 ESG Plan includes a commitment aimed at investing in green hydrogen. We have teams focused on identifying opportunities for acquisitions and the development of new projects, such as hybrid plants, offshore wind, among others, for the purpose of developing new projects and acquisitions.
Opportunity to expand energy efficiency services.	Markets	We offer energy efficiency solutions to optimize customers' electricity consumption. We responsibly apply the resources of Aneel's Energy Efficiency Program (PEE), seeking to benefit the communities in which we operate.

Opportunity	Taxonomy	Management
Opportunity to explore eco-efficiency practices and technologies in CPFL's operations, developing innovative actions and processes and allowing cost reductions.	Resource efficiency	Our 2030 ESG Plan has a pillar focused on eco-efficiency, with commitments that are monitored and operationalized in partnership with various areas of the company. Such actions include waste reduction, efficiency in the use of energy and water at the company's facilities, and promotion of circularity through reverse logistics and recycling. In addition to the actions mentioned, we have the Reformer of CPFL Soluções, responsible for carrying out the refurbishment of transformers, avoiding their disposal. We also reuse waste from poles.
Growth opportunity in distribution due to increased demand for electricity to adapt to climate change.	Markets	We invest in expanding and strengthening networks, and expand the use of smart and connected grid technologies.
CPFL Solutions' growth opportunity due to increased demand for low-carbon products.	Markets	With expertise and customized projects, we support our clients in the transition to low-carbon production, strengthening relationships in the present and consolidating, for the future, a leading position as preferred partners in this process.
Opportunity to develop and implement new adaptation practices and technologies.	Resilience	We invest in actions to improve the resilience of our operations and businesses to climate change. Among the ongoing initiatives, we highlight: • Reinforcement of the robustness and security of the network, with technologies that minimize the impact, frequency and duration of interruptions and make the restoration of supply more agile, involving urban afforestation projects, telemetering and implementation of the Advanced Distribution Management System (ADMS) platform, which integrates a wide database and monitors assets with more agility and efficiency; •Investment in dam safety with the Dam Safety Management System (SGSB) and the Hydro 4.0 platform, focusing on dam instrumentation and real-time monitoring of structures.

Opportunity	Taxonomy	Management
Opportunity to offer carbon credits (certificates issued for projects to reduce GHG emissions) in the regulated market (Clean Development Mechanisms – CDM/ Sustainable Development Mechanism – MDS) and in the voluntary market (Verra).	Products and services	We offer companies the possibility of fully offsetting emissions from scopes 1 (direct), 2 (indirect generated in energy consumption) and 3 (value chain). We invest in the registration, revalidation and verification of carbon credit-emitting projects. There are already 11 projects registered in the regulated and voluntary carbon market, with the potential to neutralize 26 million tons of GHG.
Opportunity to offer renewable energy certificates (I-RECs – International Renewable Energy Certificates).	Products and services	We carry out both the registration of generation plants for the issuance of RECs and the registration of CPFL Soluções for the sale of certificates, increasing the agility in the process and availability of renewable energy seals in our portfolio. Considering our generation portfolio, we have an estimated capacity to issue 1.3 million RECs per year.
Market opportunities resulting from the demand for new electric mobility technologies.	Products and services	We have identified electric mobility as one of the biggest windows for innovation in the industry and have invested in research and development to anticipate the demands arising from the advancement of this technology. One of the commitments of the 2030 ESG Plan is the electrification of 15% of the operational technical fleet by 2030. In 2022, we completed the electrification of the entire operational fleet in Indaiatuba (SP), with an investment of BRL 2.8 million. Some projects in progress are: • **Intelligent Electromobility Platform:** integrates different charging infrastructures to offer more flexibility to the user. • **Sustainable Charging Station:** strengthens integration based on the concept of smart cities. • **Second Life of Electric Vehicle Batteries:** development of technology to recombine used battery cells, which can compose new batteries applicable in different scenarios. • **Electric Bus:** Living laboratory of electric mobility for public transport at the University of Campinas (Unicamp), with circular operation, integration of electric stations and real-time connectivity.

Metrics, targets and initiatives

Metrics, targets and initiatives

Identifying and measuring one's own impact is the first step towards a climate strategy.

At CPFL, we have issued the GHG Emissions Inventory since 2009. In 2011, we joined the Brazilian GHG Protocol Program and, since then, we have received the Gold seal, granted to complete reports verified by a third-party body accredited by the National Institute of Metrology, Quality and Technology (Inmetro). To give even more visibility to the inherent characteristics of the Group's various operations, we measure and disclose the contribution of each business segment (generation, transmission, distribution and solutions) in the three scopes of the inventory.

In addition to monitoring the evolution of our emissions every year, we use indicators from the Global Reporting Initiative (GRI) methodology to track our emissions intensity in three categories: energy generated, energy distributed, and net operating revenue.

Reflecting our commitment to engaging the value chain for a low-carbon economy, we also expanded scope 3 of our inventory. After evaluating the 15 scope categories, we defined eight that are applicable to our business.

Science-Based Decarbonization Targets

On August 19, 2025, our targets were approved by the international Science Based Targets initiative (SBTi), making CPFL the fourth company in the Brazilian electricity sector to achieve this milestone. Four targets were validated: two related to emissions intensity and two related to absolute emissions, with 2030 as the time horizon.

Target #1

CPFL Energia S/A is committed to reducing scope 1 GHG emissions related to electricity and heat generation by 90% per MWh by 2030, with 2021 as the base year.

Decarbonization actions to achieve this target:

One of the main actions defined to achieve this target is to increase the share of renewable sources until all energy generated comes from clean sources, reaching 100% renewable generation.

Target #2

CPFL Energia S/A is committed to reducing all other absolute scope 1 and scope 2 GHG emissions by 56.3% in the same period.

Decarbonization actions to achieve this target:

Increasing the electrification of the vehicle fleet and reducing vegetation removal are the main actions identified to achieve the reduction of scope 1 emissions. For scope 2, the National Interconnected System (SIN) is expected to have a more sustainable energy matrix by 2030, in addition to the possibility of acquiring renewable energy certificates.

Target #3

CPFL Energia S/A is committed to reducing scope 1 and scope 3 GHG emissions from fuel- and energy-related activities, covering all electricity sold, by 87% per MWh in the same period.

Decarbonization actions to achieve this target:

Increase the amount of energy sold to customers with I-RECs.

Target #4

CPFL Energia S/A is committed to reducing all other absolute scope 3 GHG emissions by 36% in the same period.

Decarbonization actions to achieve this target:

The main challenge to achieving this target is expanding sustainable purchasing practices. We are expanding awareness-raising efforts across our value chain, especially among raw material suppliers, to promote decarbonization in product manufacturing. This way, we will be able to prioritize the acquisition of equipment and materials with a lower carbon footprint.

We are proud to be part of a global movement that transforms climate targets into concrete action. This achievement is a milestone on our journey towards carbon neutrality and building a more sustainable energy system for everyone.

Emissions report

Our inventory provides qualified information on our GHG emissions, segmented by scope, emission source and business segment.

We have refined our emissions factors over time to increase the accuracy of our inventory and, this way, more effectively direct the company's efforts toward the most impactful emissions reduction strategies.

Our inventory data are public and can be accessed online at registropublicodeemissoes.fgv.br.

The information is also disclosed in our annual reports.

Our results

Scope 1

Direct emissions owned or controlled by the company

Examples: stationary combustion for the generation of energy from thermal and biomass sources and its own fleet of vehicles.

In 2021, the GHG emissions from the generation of electricity from our Thermoelectric Power Plant (Epasa) represented, on average, 87% of our stationary combustion emissions and almost 33% of our total emissions. However, in 2024, dispatch corresponded to 26% of stationary combustion emissions and 2% of total emissions.

Although Epasa was a CPFL asset, it was dispatched centrally. Electricity generation was controlled by the National System Operator (ONS), whose decisions are made to balance energy supply and demand within the SIN and depend on several factors, such as the availability of other plants – especially hydroelectric plants – and load.

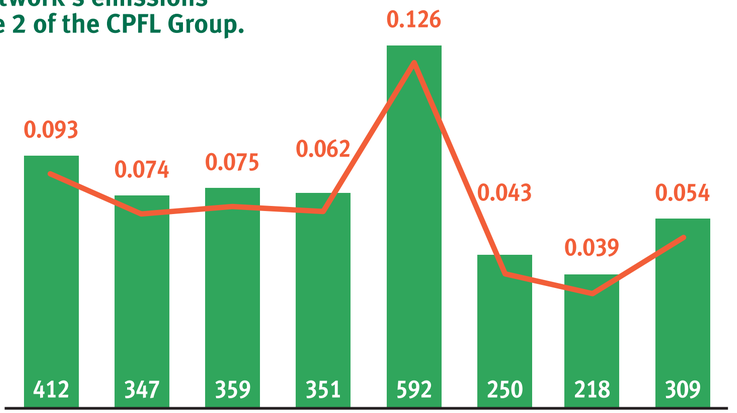
In January 2025, Epasa ceased operations and was no longer considered in the national interconnected system. In June, we completed the sale of our shares in the company to Ebrasil Gás e Energia S.A. This move will be reflected in our next GHG emissions inventory for 2025.

Scope 2

Indirect emissions related to the purchase of electricity and technical losses from energy distribution and transmission

Our scope 2 is mainly composed of technical losses in distribution, being directly impacted by the emissions factor of the SIN, which varies according to different aspects, such as hydrological regime, dispatch of thermoelectric plants, and energy demand..

Influence of the network's emissions factor on the scope 2 of the CPFL Group.



	2017	2018	2019	2020	2021	2022	2023	2024
Technical losses (%) of CPFL Group	6.14	6.23	6.01	6.02	5.99	5.98	5.56	5.25

Our results

Scope 3

Indirect emissions related to the value chain.

Examples: travel, purchase of materials, displacement of employees, waste generated in operations, among others.

Our scope 3 was expanded and now it considers 8 categories that are applicable to our businesses.

The graphs on the following page show the results of 2024 and 2021, the baseline of our decarbonization targets.

They illustrate our total emissions, in addition to the absolute and percentage contribution of each scope, as well as their respective breakdowns.

When comparing 2024 to 2021, we can see a significant reduction in our emissions, which was influenced mainly by Epasa's dispatch and the Grid's emissions factor observed in the items: transmission and distribution losses, purchased energy, energy sold through trading, and upstream final products.

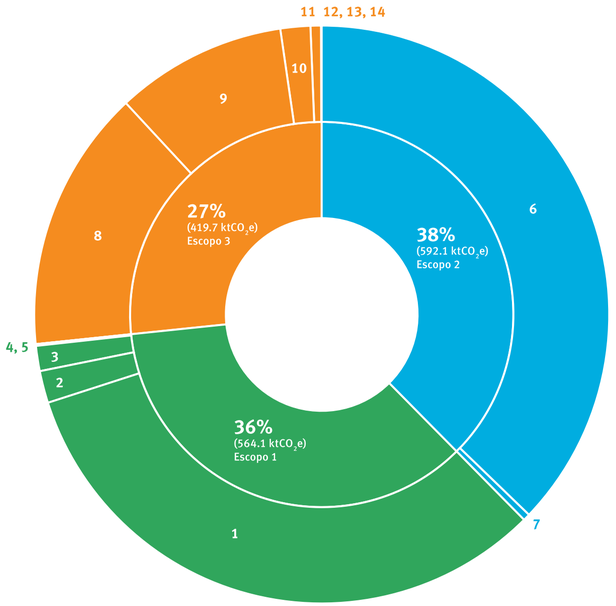
Our results

GHG Inventory 2021

Our baseline

Total emissions

1,575.9 ($ktCO_2e$)



1 32.49% (511.9 $ktCO_2e$)
Upstream products

2 1.8% (28.3 $ktCO_2e$)
Energy sold through trading and purchased fuels

3 1.41% (22.2 $ktCO_2e$)
Upstream intermediate materials

4 0.1% (1.6 $ktCO_2e$)
Waste disposal

5 <0.01% (13.22 tCO_2)
Air travel

6 37.18% (585.9 $ktCO_2e$)
Upstream transport

7 0.39% (6.1 $ktCO_2e$)
Employee commutting

8 14.7% (231.7 $ktCO_2e$) Power generation

9 9.62% (151.7 $ktCO_2e$)
Fleet

10 1.68% (26.5 $ktCO_2e$)
Vegetation suppression

11 0.59% (9.3 $ktCO_2e$)
Air conditioning and fire extinguisher

12 0.02% (0.3 $ktCO_2e$)
Waste disposal

13 0.02% (0.2 $ktCO_2e$)
T&D network losses

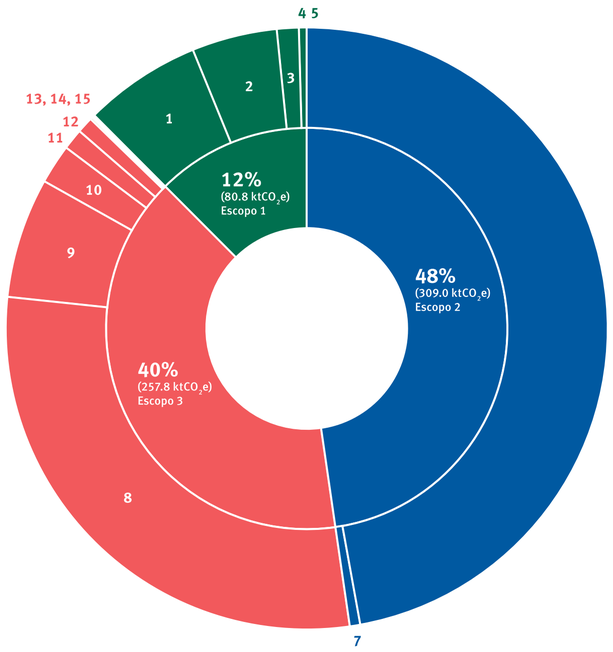
14 0.01% (0.1 $ktCO_2e$)
Power consumption

GHG Inventory 2024

Our latest results

Total emissions

647.6 ($ktCO_2e$)



1 6% (40.7 $ktCO_2e$)
Power generation

2 5% (29.7 $ktCO_2e$)
Fleet

3 1% (7.6 $ktCO_2e$)
Air conditioning and fire extinguisher

4 0% (2.7$ktCO_2e$)
Vegetation suppression

5 0% (9.05 tCO_2)
Waste disposal

6 47% (305.3 $ktCO_2e$)
T&D network losses

7 1% (3.7 ktCO2e)
Energy consumption

8 29% (187.5 $ktCO_2e$)
Upstream products

9 6% (41.8 ktCO2e)
Energy sold through trading and purchased fuels

10 2% (13.7 $ktCO_2e$)
Upstream intermediate materials

11 1% (7.3 $ktCO_2e$)
Employee commutting

12 1% (5.6 $ktCO_2e$)
Waste disposal

13 0% (0.8 $ktCO_2e$)
Air travel

14 0% (0.5 $ktCO_2e$)
Upstream transportation

15 0% (0.6 $ktCO_2e$)
Leased assets

Actions and initiatives

Roadmap

Summary of CPFL's action plan for decarbonization.

The journey so far

Mitigation

More than 60,000 network equipment items refurbished since 2017

BRL 58 million invested in electric mobility technologies since 2007

BRL 265 million invested in energy efficiency in public hospitals since 2019

Adaptation

~BRL 360 million invested in automation of the distribution network since 2020

100% of group A customers served by telemetering since 2020 and an average of 89% of services performed digitally in the last 5 years

CPFL Energia's actions for adaptation published

New public commitment to climate resilience announced

Value chain engagement

On average, 88% of critical suppliers assessed on sustainability criteria since 2021

64.7% of spending directed to partners with advanced sustainability practices in 2024

On average 99% of key network components destined for recycling or reverse chain systems since 2020

Low-carbon solutions for customers

Where we want to go

Become carbon neutral from 2025, reducing 56% of scope 1, 2 and 3 emissions by 2030

Mitigation

Generate 100% renewable energy by 2030

Achieve at least 15% electrification of the Technical Operational Fleet

Refurbish at least 70,000 pieces of equipment by 2030

Invest at least BRL 40 million in green hydrogen technologies by 2030

Promote eco-efficiency in operations by reducing waste production and water and energy use

Expand the company's capacity to mitigate impacts of operations on biodiversity

Adaptation

Consolidate a robust climate risk management strategy aimed at the long-term security of operations

Reach at least BRL 580 million in investments in smart solutions by 2027

Improve the Arborização + Segura project by investing BRL 30 million by 2030

Expand solutions that help anticipate extreme weather events and improve our ability to predict

Value chain engagement

Evaluate 100% of critical suppliers on sustainability criteria

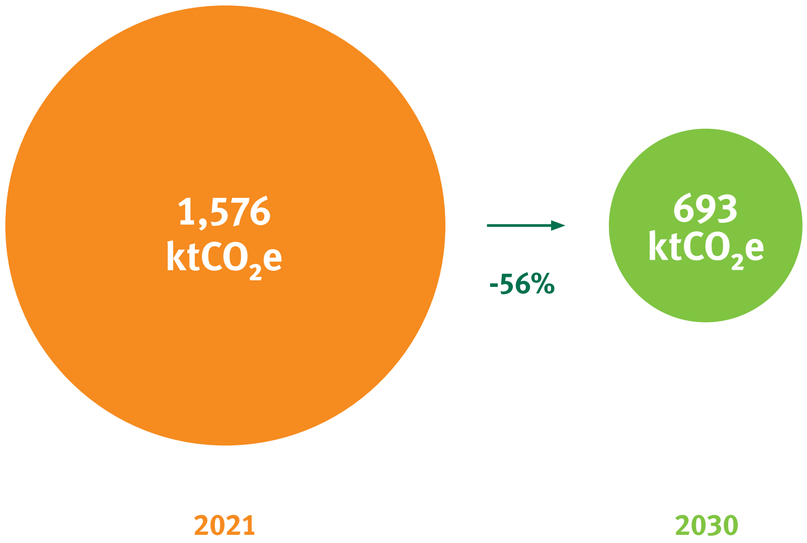
Achieve at least 85% of supplier spending with companies that have advanced sustainability practices by 2030

Offer low-carbon solutions (I-RECs, carbon credits)

Ensure 100% of the main network components are destined for recycling or reverse chain systems

[1] Neutralization in 2026 referring to the 2025 inventory. Emissions reduction baseline: Scope 1, 2 and 3 emissions

CPFL Group's commitment to reducing emissions ($ktCO_2e$) by 2030, compared to 2021 (baseline)



Mitigation

Contextualization

Although we have some of the lowest GHG emissions intensity in the sector, reducing our carbon footprint is a priority for the company. In our 2030 ESG Plan, we made an ambitious commitment to becoming carbon neutral starting in 2025, offsetting our total emissions (scopes 1, 2, and 3) and continuing our decarbonization journey.

In August 2025, we reached a significant milestone in this journey as we had the validation of our decarbonization targets from the Science Based Targets Initiative (SBTi). This achievement is aligned with other commitments made in our 2030 ESG Plan, including the supply of 100% energy from renewable sources – a goal already achieved in 2025 – and a 56% reduction in our emissions.

It is important to emphasize that the 2030 ESG Plan is subject to annual reviews, always aiming to improve our mitigation and adaptation initiatives.

Our science-based target: commitment to a low-carbon future

Our approved reduction targets include:

- 90% reduction in GHG emissions (scope 1) per MWh generated by 2030, compared to 2021;
- 56.3% absolute reduction in scope 1 and 2 emissions by 2030, compared to 2021;
- 87% reduction in emissions per MWh sold, considering scope 1 and 3 energy-related activities, compared to 2021; and
- 36% absolute reduction in other scope 3 emissions by 2030, compared to 2021.

Mitigation

Key initiatives

1
Towards 100% renewable energy generation

In 2025, we completed our transition to a 100% renewable generation matrix, eliminating the use of fossil fuels in our electricity generation operations.

2
Reduction in losses in the distribution network

We have been successful in reducing technical losses, standing out as a market leader in this regard. Despite this, we face challenges in mitigating GHG emissions associated with these losses, mainly due to the dependence on the emissions factor of the National Interconnected System (SIN). We recognize the importance of overcoming these challenges and are committed to finding effective solutions to reduce technical losses.

3
Low-carbon solutions

We seek to be our customers' preferred partner in the energy transition, with projects for self-production of energy from renewable sources and the commercialization of incentivized energy. In addition, our portfolio includes solutions for neutralizing and offsetting emissions, providing carbon credits and IRECs.

4
Supply chain

We reiterate our commitment to the supply chain, elevating our mission to collaborate closely with our business partners towards a low-carbon economy.

5
Electrification of the vehicle fleet

For more than a decade, we have been leading initiatives aimed at electrification of our vehicle fleet. Our goal is to electrify at least 15% of the distributors' operational technical fleet by 2030.

6
Circular economy and eco-efficiency

Since 2017, we have been dedicated to the revitalization of our network equipment (transformers, voltage regulators, reclosers, among others). At the same time, we promote eco-efficiency in our buildings. In addition to conscious energy consumption, we encourage the responsible use of water and the reduction of waste disposal to landfills.

7
Investing in green hydrogen

The transition to a low-carbon economy requires the promotion of significant innovations in the way we produce and consume energy. We believe that investment in new technologies represents one of the most promising solutions to drive this energy transition.

8
Enhance the net positive impact on biodiversity

We are committed to environmental bodies and communities for conducting forest replenishment and conservation initiatives, preserving habitats, and avoiding interference with properties. We are also committed to managing all area affected by our activities until the ecological processes ensure their natural succession, repairing and mitigating impacts in the medium and long term.

Our commitments

100% renewable sources: a milestone in our climate journey

Our corporate strategy aims to expand the share of renewable energy sources in the national energy matrix, a move that helps reduce the use of fossil fuels and, consequently, associated GHG emissions.

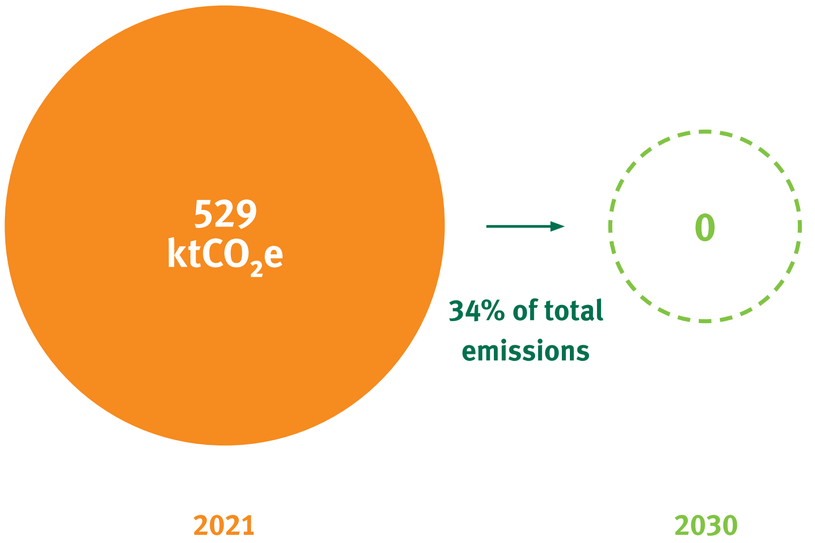
Since 2010, we have adopted a policy of exclusively investing in renewable generation sources, implemented especially by CPFL Renováveis. Our pipeline of greenfield projects and acquisitions already totals 4,072 MW in installed capacity, with another 4,400 MW under development and scheduled to start operating in the coming years.

In 2025, we completed our transition to a 100% renewable generation matrix, completely eliminating the use of fossil fuels in our electricity generation operations. This achievement was possible thanks to the closure of the Epasa thermoelectric plant, whose operation represented a significant share of the company's scope 1 GHG emissions.

The exclusive adoption of renewable sources – such as hydro, solar, and wind – strengthens our commitment to decarbonizing the electricity sector and directly contributes to reducing our GHG emissions, whose targets are now supported by the Science Based Targets initiative (SBTi), another recent and significant advancement in our climate strategy.

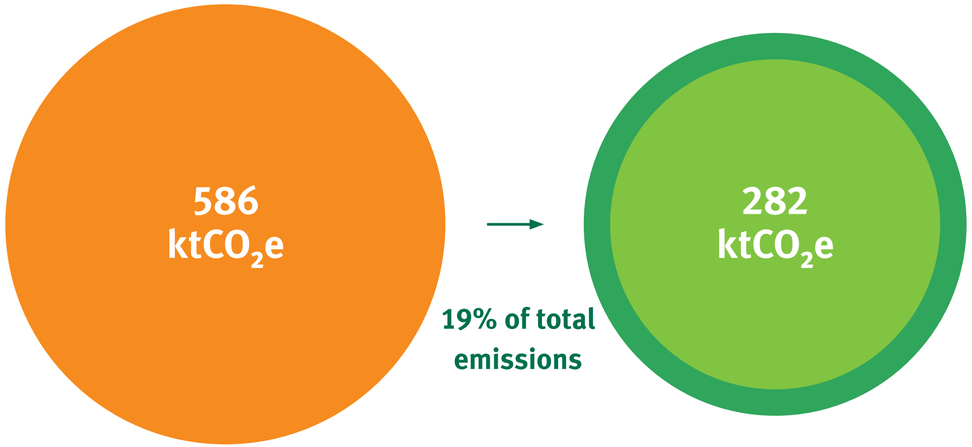
We continue moving forward, always guided by the principles of sustainability, innovation, and operational efficiency, to reaffirm our leading role in building a low-carbon energy future.

CPFL Group's commitment to reducing emissions ($ktCO_2e$) by 2030, compared to 2021 (baseline)*



*Emissions and reductions from the Epasa thermoelectric plant, covering scope 1 (power generation, mobile sources, fugitives and waste) and scope 3 (goods and services, employee displacement, waste generated, air travel, and activities related to fuels and energy not accounted for in scope 1).

Reduction of emissions due to technical losses ($ktCO_2e$) by 2030, compared to 2021 (baseline)



Projection of reduction in technical loss emissions in the optimistic scenario (25%, **light green**) and the conservative scenario (13%, **dark green**).

Emissions Factor of the SIN

The challenge of managing GHG emissions from losses in the distribution network is clear when considering the influence of the rainfall regime. However, even with this uncertainty, positive perspectives arise with the trend toward replacing more polluting thermoelectric plants, such as those powered by diesel and coal, with natural gas, and the growing share of renewable energy, such as solar and wind, in Brazil's installed electricity generation capacity. These actions should lead to a decrease in the emissions factor of the SIN, which will reduce GHG emissions associated with losses in the network.

Our commitments

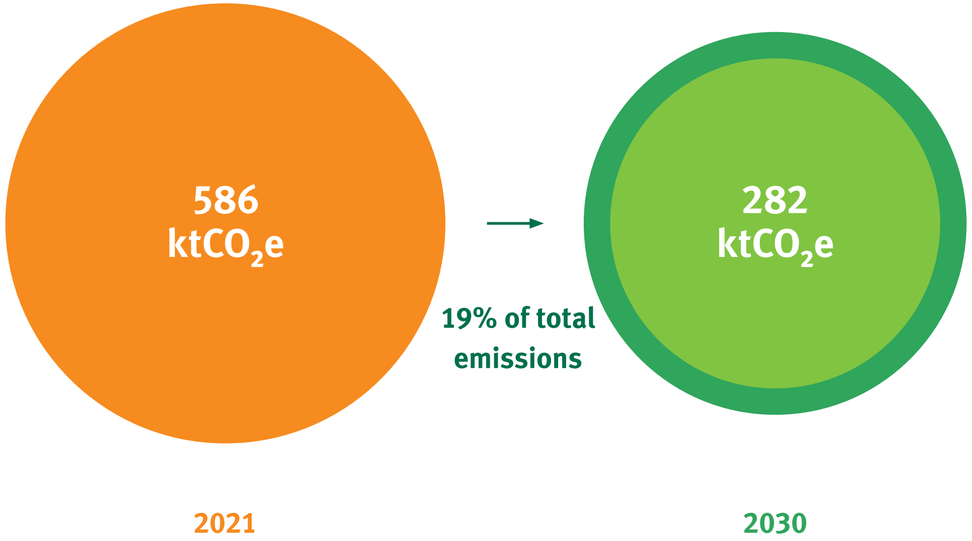
Reduction in losses in the distribution network

We have stood out with the best technical loss rates in the market, with a significant progress starting in 2020, compared to previous years. These advances were possible thanks to the implementation of a loss reduction plan.

Despite the progress, GHG emissions from technical losses still accounted for a significant portion of the CPFL Group's total emissions in 2021. However, in 2022 and 2023, we observed a significant drop, directly impacted by the emissions factor of the National Interconnected System (SIN).

2021 was a challenging year for the electricity sector due to the shortage of rainfall, affecting the generation capacity of hydroelectric plants, which reported an affluent natural energy (ANE) of only 52% of the long-term average.

Reduction of emissions due to technical losses ($ktCO_2e$) by 2030, compared to 2021 (baseline)



Projection of reduction in technical loss emissions in the optimistic scenario (25%, **light green**) and the conservative scenario (13%, **dark green**).

Emissions Factor of the SIN

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Our commitments

Reduction in losses in the distribution network

As a result, there was an increase in the supply of other energy sources, in particular the activation of thermoelectric plants to meet national demand. This change in the energy generation profile had an impact on the emissions factor of the SIN and, consequently, on the emissions associated with losses in the distribution and transmission network.

For 2030, considering the same water situation observed in 2021 and a thermal power plant dispatch of 15.9 GW, a 13% reduction is estimated in total emissions associated with losses in the distribution network. In a more optimistic scenario, with a thermal power plant dispatch of only 8.3 GW, the emissions could have a 25% reduction.

While the conservative prospect of reducing these emissions is unlikely to materialize, it is important to be prepared for managing the potential consequences of this scenario. Buying I-RECs would be a viable alternative to offset our scope 2 GHG emissions.

Our commitments

Low-carbon solutions

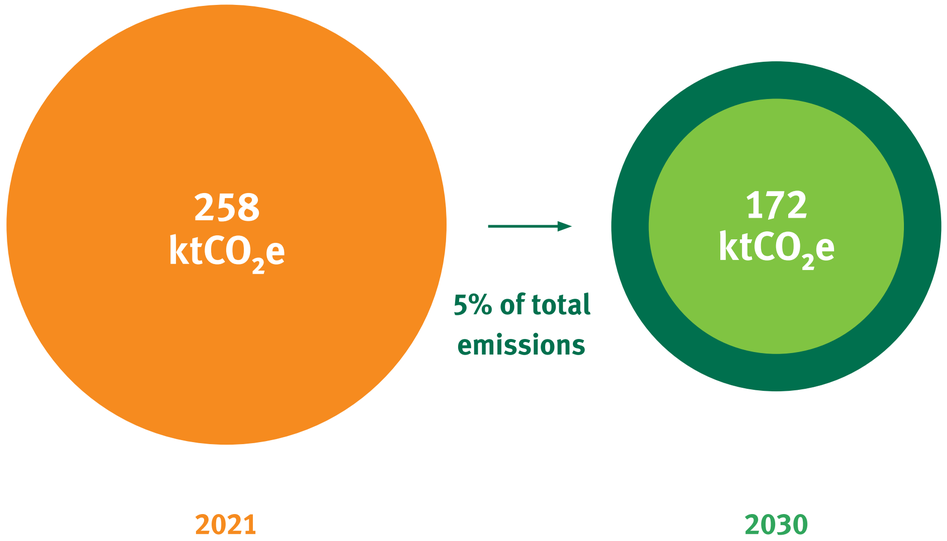
Seeking to actively participate in the transition to a low-carbon market, we have developed a portfolio with several solutions to help customers build less carbon-intensive production models.

For example, we invest in projects that generate carbon credits to offset GHG emissions (each credit is equivalent to 1 ton of carbon that is no longer emitted).

We currently have 11 projects registered in the regulated (CDM) and voluntary (VCS) markets, with an estimated offset potential of 2.4 million tons of carbon (tCO_2e) per year. Nine projects are part of the regulated market and two are part of the voluntary market. We also offer Renewable Energy Certificates (I-RECs), which allow us to guarantee free market customers the purchase of 1 MWh of energy produced from renewable sources. Today, 44 assets in our generation portfolio are eligible to issue I-RECs.

Reduction of emissions in the value chain ($ktCO_2e$) by 2030, compared to 2021 (baseline)

Committed to limiting global temperature rise to 1.5 °C, we have developed two mitigation scenarios to mitigate scope 3 emissions. One scenario is more optimistic and seeks a 42% reduction of these emissions, while the other scenario adopts a more conservative approach, aiming for a 25% decrease, using the SBTi tool.



Projection of scope 3 reduction in the optimistic scenario (42%, **light green**) and the conservative scenario (25%, **dark green**).

Our commitments

Supply chain

We are committed to supporting our business partners in the transition to a low-carbon economy. For this reason, we monitor our critical and strategic suppliers on a monthly basis through the Supply Base Management (SBM) tool.

Our suppliers are assessed in several dimensions, including sustainable and environmental management, consumption efficiency, resilience to climate change, promotion of shared value, and protagonism.

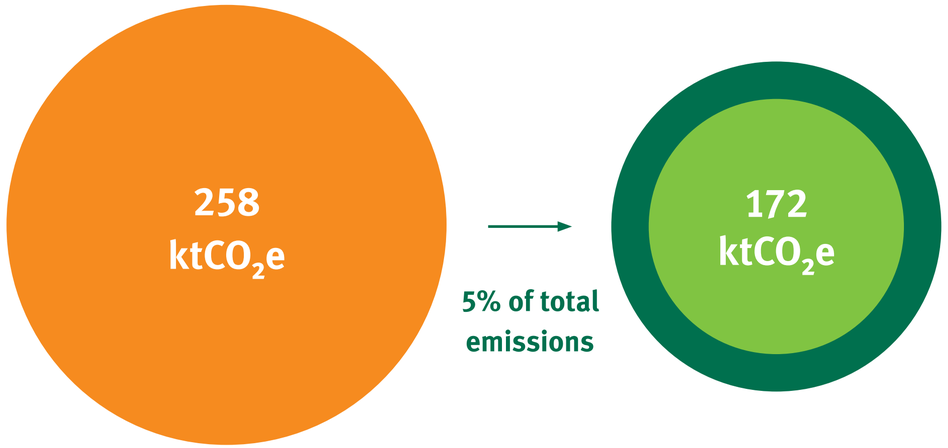
We are committed to assessing 100% of critical suppliers on sustainability criteria and directing at least 85% of our spending to companies that have advanced sustainability practices by 2030.

In addition, some of our partners also receive annual audits within the scope of our Integrated Management System (IMS), depending on their level of criticality for our performance.

The audit process covers environmental, health and safety, social responsibility, and quality issues. We also assess the social and environmental risks of potential new suppliers before signing an agreement.

Reduction of emissions in the value chain ($ktCO_2e$) by 2030, compared to 2021 (baseline)

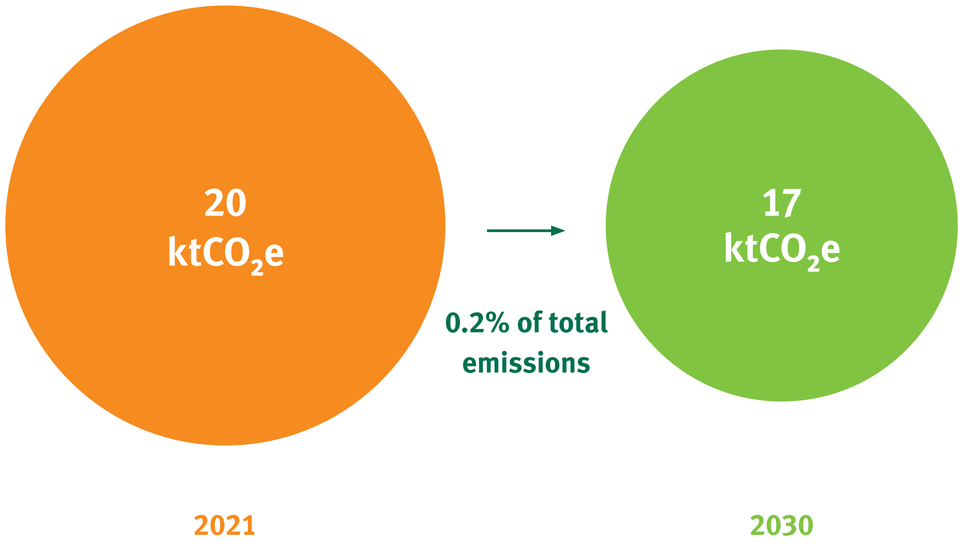
Committed to limiting global temperature rise to 1.5 °C, we have developed two mitigation scenarios to mitigate scope 3 emissions. One scenario is more optimistic and seeks a 42% reduction of these emissions, while the other scenario adopts a more conservative approach, aiming for a 25% decrease, using the SBTi tool.



Projection of scope 3 reduction in the optimistic scenario (42%, **light green**) and the conservative scenario (25%, **dark green**).

Our commitments

Reduction of fleet emissions* ($ktCO_2e$) by 2030, compared to 2021 (baseline)



*Emissions considering only the diesel precursor for mobile combustion in scope 1 and fuel-related activities not included in scope 1 and 2.

Electrification of the vehicle fleet

Since 2007, we have worked on projects to electrify our vehicle fleet, and we pioneered the installation of charging stations (electrostations) connecting the cities of São Paulo and Campinas (SP). Our involvement in this effort seeks to understand the impacts, risks, and opportunities that the expansion of the electric fleet and associated infrastructure, as well as the consolidation of this new urban mobility model, can generate for our sector.

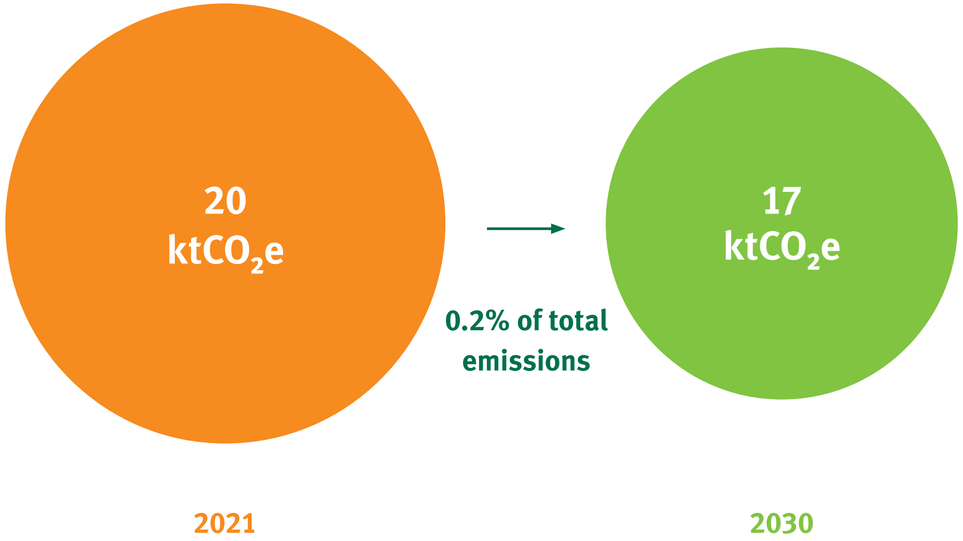
In 2020, we announced investments of BRL 45 million in electric mobility initiatives for the following four years.

In a project in the city of Indaiatuba (SP), under the scope of CPFL Piratininga, we invested BRL 9.6 million in research and development (R&D) and in the replacement of all combustion vehicles in the fleet. In total, 22 utility vehicles were incorporated, including electric trucks. We also purchased 53 vehicles to assess their risks and impacts, and we worked on the development of the first electric truck with PTO (power train output), 100% national.

In 2022, we completed the

Our commitments

Reduction of fleet emissions* ($ktCO_2e$) by 2030, compared to 2021 (baseline)



*Emissions considering only the diesel precursor for mobile combustion in scope 1 and fuel-related activities not included in scope 1 and 2.

Electrification of the vehicle fleet

electrification of the entire operational fleet of Indaiatuba (SP) and of 16 battery charging stations.

In addition to the reductions in carbon emissions – estimated at 64 tons per year –the electric fleet improves air quality and reduces noise pollution in large urban centers, among other benefits.

Among the next steps, we intend to expand the project to other municipalities, in line with our commitment to electrify at least 15% of the operational technical fleets of the distributors by 2030 to leverage this crucial environmental initiative for vehicles. We are also working to enable new uses for these vehicle batteries.

Regarding the portion of the fleet that is not yet electrified, we have intensified the use of biofuels, reducing emissions from fossil fuel consumption.

Other mitigation measures

Eco-efficiency

Correct disposal of waste and equipment refurbishment

Waste management at CPFL Energia is a highly relevant topic, especially in the distribution segment. We operate guided by the concepts of circular economy, aiming to reduce the amount of discarded material and expand the reuse of equipment and waste recycling, in line with our materiality study.

Our commitment is to ensure that 100% of the key components of our network are directed to recycling or reverse chain systems.

One of our main bets on this front is the process of recovery of transformers and regulators from the energy distribution system, through the Equipment Reformer, under the scope of CPFL Soluções.

With a useful life of 20 years, on average, this is a fundamental piece of equipment for the distribution of electricity. Every month, however, about 1,500 units need to be replaced, either due to obsolescence and damage caused, or due to overloads in the system.

In this way, we act proactively in the reverse chain of transformers,

Other mitigation measures

Eco-efficiency

Correct disposal of waste and equipment refurbishment

refurbishing them so that they can return to activity – in this process, even the oil of the equipment is completely reused. Materials that eventually cannot be reused, such as copper wires, poles, and insulators, are sent to recycling companies for correct disposal and improvement of our reverse logistics. It is worth noting that we monitor the entire path taken by such materials, from their generation to their final destination, in order to ensure an environmentally appropriate process.

In the period of 2023 to 2024, we revitalized about 22,000 network equipment items. In our 2030 ESG Plan, we assume the commitment to renovating at least 70,000 items of electrical network equipment from 2023 to 2030, further expanding this positive impact

Eco-efficiency

Eco-efficient operations

In our buildings, eco-efficiency encompasses a number of measures:

- Installation of photovoltaic panels;
- Installation of cisterns for the reuse of rainwater;
- LED lighting system;
- Green areas to reduce heat zones;
- Installation of faucets and automatic actuators/ Duoflex system for coupled boxes;
- Units prepared to meet LEED certification;
- Airy environments with cross ventilation;
- Air blowers, for air exchange in continuous use environments;
- Roofs in thermoacoustic tiles; and
- Electric car charging points.

All these points are being monitored by our teams in order to adapt the existing projects – as long as the technical conditions are favorable – in addition to applying them to new buildings.

Renewable and smart solutions

Energy efficiency as a pillar of decarbonization

CPFL Soluções promotes energy efficiency in various sectors of the economy, offering customized solutions that combine technological innovation, economic viability, and positive environmental impact.

Through structured projects, the company modernizes equipment and implements distributed generation and smart technologies to optimize energy consumption. Initiatives range from climatization systems, electric charging stations, and photovoltaic systems to industrial processes and energy management.

Click here to learn more.

Sustainable operations

Our biodiversity positioning

In 2025, we launched our Commitment to Biodiversity, a movement that reinforces the strategic relevance of this topic in the company's environmental agenda and the alignment of our practices with the UN Sustainable Development Goals (SDGs) and our 2030 ESG Plan.

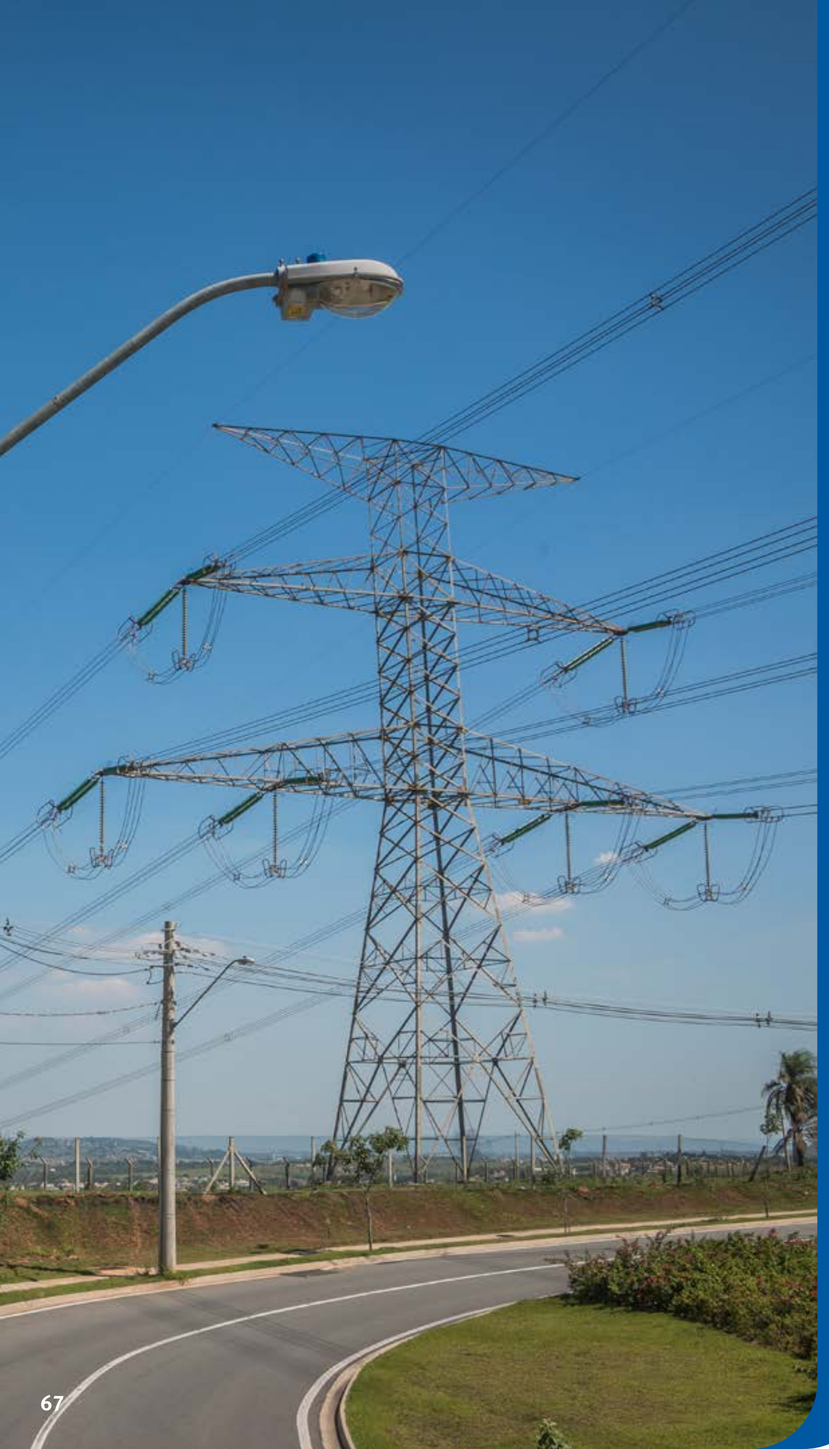
Recognizing that the company's operations – especially in the energy generation, transmission, and distribution segments – can impact ecosystems, our biodiversity management adopts a preventive and integrated approach.

With this positioning, we publicly commit to mitigating, as much as possible, the impacts of our operations and value chain on biological diversity, including ecosystems, their functions, and services, which must be valued, maintained, and enhanced. We also commit to promoting the restoration of fragile ecosystems.
The document explains the guidelines we follow to maximize the environmental and social benefits generated by the company's activities, with a focus on habitat conservation, reduction of vegetation loss, and fauna protection.

The best practices already adopted include optimization of transmission and distribution line routes to minimize the need for vegetation suppression, and removal of power lines from conservation units to eliminate interference with these areas and the integrity of ecosystems.

This project has already been completed in several protected areas and is underway in other conservation units in our concession areas. On another front, we work in partnership with public officials to prevent fires.

See our Biodiversity Positioning here.



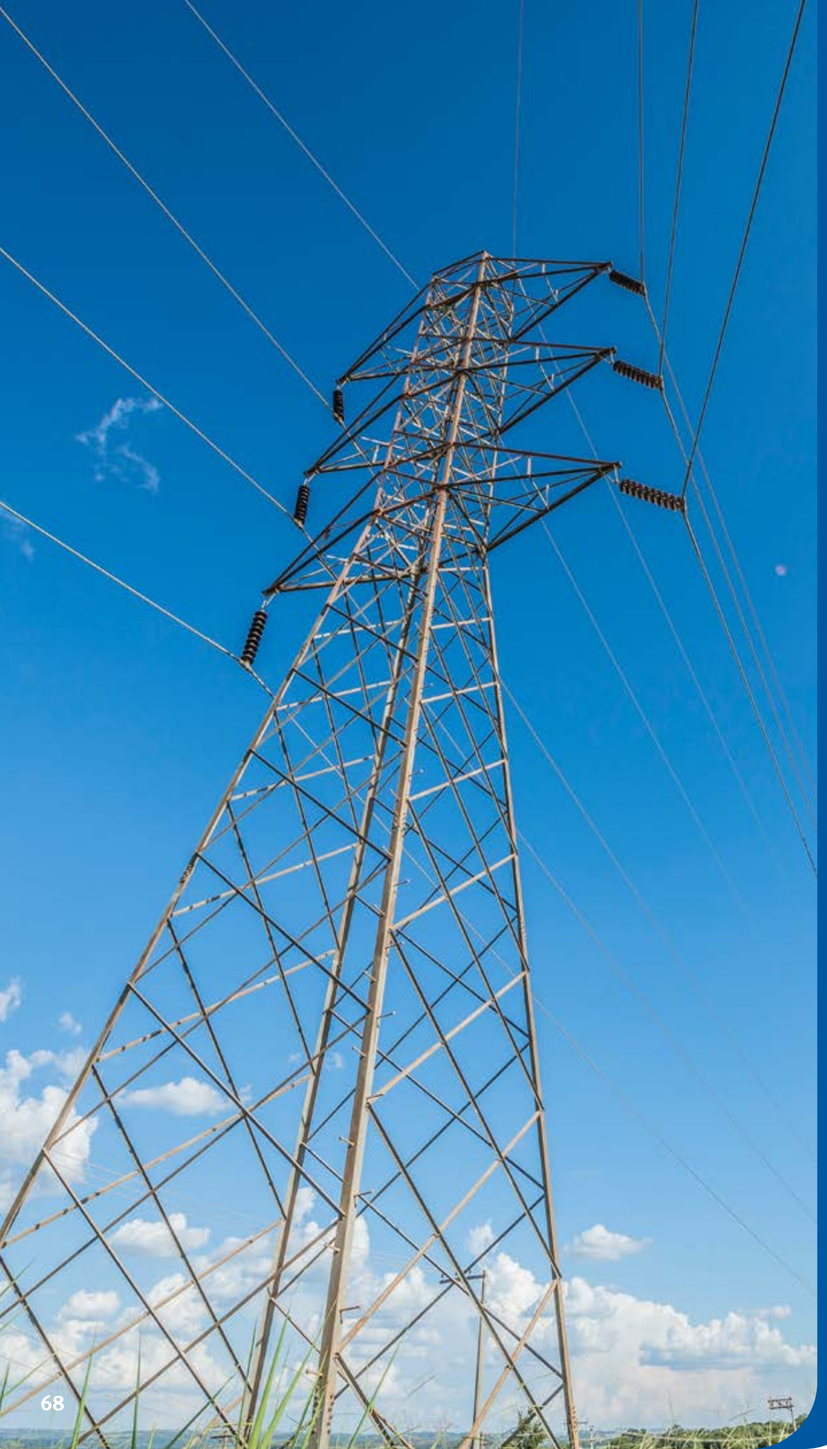
Adaptation

Contextualization

The Brazilian electricity sector faces significant challenges as a result of climate change, which directly impacts the security and reliability of energy supply.

Changes in precipitation and temperature patterns have generated unfavorable weather conditions, such as meteorological droughts, representing a threat to the physical integrity of the assets and the predictability of the operation.

In this scenario, it is essential to develop a comprehensive adaptation plan, which involves regulatory, commercial, technological, and institutional aspects. Investments in resilient infrastructure, diversification of the electricity matrix, and the adoption of sustainable practices are also essential to ensure a clean, affordable, and reliable energy supply, in line with the demands of a changing climate scenario.



Adaptation

Contextualization

At CPFL, we recognize the urgency of managing the risks related to climate change and are committed to adopting adaptive measures in our power distribution and generation operations, contributing to a more sustainable and resilient electricity sector.

Expansion of the 2030 ESG Plan with the integration of climate adaptation

In 2024, we incorporated a new specific commitment to climate resilience into the 2030 ESG Plan, a prioritized topic in our strategic planning.
Our ambition is to develop adaptation plans for generation, transmission, and distribution businesses, strengthening our assets and operations toward a more sustainable future.

Adaptation

Our Integrated Climate Adaptation Plan

Motivated by the occurrence of extreme weather events and the regulatory framework that increasingly encourages the incorporation of climate adaptation into the management of companies in the electricity sector, we are developing a new Integrated Climate Adaptation Plan, aligned with commitment 24 of the 2030 ESG Plan.

This initiative arises as a strategic response to the increasingly frequent and severe impact of extreme weather events, such as storm, heat wave, flood, and prolonged drought, which have directly affected the operations and infrastructure of the electricity sector and our company, particularly in 2024, when our operations were simultaneously impacted by floods in Rio Grande do Sul and drought and heat waves in São Paulo.

The Integrated Plan, which has been under development since 2024 with the participation of various departments of the company, will have a comprehensive and cross-cutting perspective and will help us integrate climate risks into our strategy and decision-making process.

With the plan in effect, we hope to strengthen the resilience of our businesses, ensuring greater operational robustness to address the effects of climate change. This work will allow us, for example, to enhance CPFL's business continuity plans and crisis strategies, incorporating new specific guidelines on the topic.

The adoption of climate modeling tools, which allow a more robust assessment and mitigation of potential impacts of climate change on businesses based on quantitative data, is a result of this process.

By anticipating risks and proposing structured solutions, we demonstrate our environmental responsibility, forward-thinking vision, and a commitment to the security of the country's electricity supply.

Distribution

Resistant, reliable and secure network

In the distribution segment, we seek to build a more resilient, reliable and weather-safe network through investments in expansion, network reinforcement, automation and equipment modernization. For this, we rely on State Grid's expertise, especially with regard to the incorporation of innovation and more advanced technologies.

With the full implementation of the Advanced Distribution Management System (ADMS), a platform that integrates a wide database and allows the monitoring of assets with more agility and intelligence, we will have evolutions in self-healing (automatic reconfiguration of the network in case of interruption in supply), location of interruptions and dispatch of maintenance teams and identification of technical losses, in addition to other daily activities, ensuring maximum quality and operational efficiency. On the engineering front, our investments are directed to the technological evolution of the network, with the installation of smarter and remote-controlled equipment. An example is automatic reclosers, which automatically resume operation when there are improper interventions in the network.

In Rio Grande do Sul, we intend to strengthen the distribution networks through backups that wilto l guarantee supply in case of interruptions in locations not supported by electrical substations. We also advanced with in the installation of poles produced with new concrete compounds, which allow self-grounding. In this new model, the hardware responsible for the pole frame works as a conductor of energy overloads to the ground, where the energy is dissipated.

We also conduct regular visual and thermographic inspections of distribution assets, enabling early fault detection and preventive maintenance planning. Another important measure is overload mapping and transformer load analysis, which allows the identification of critical points in the network and more efficient investments.

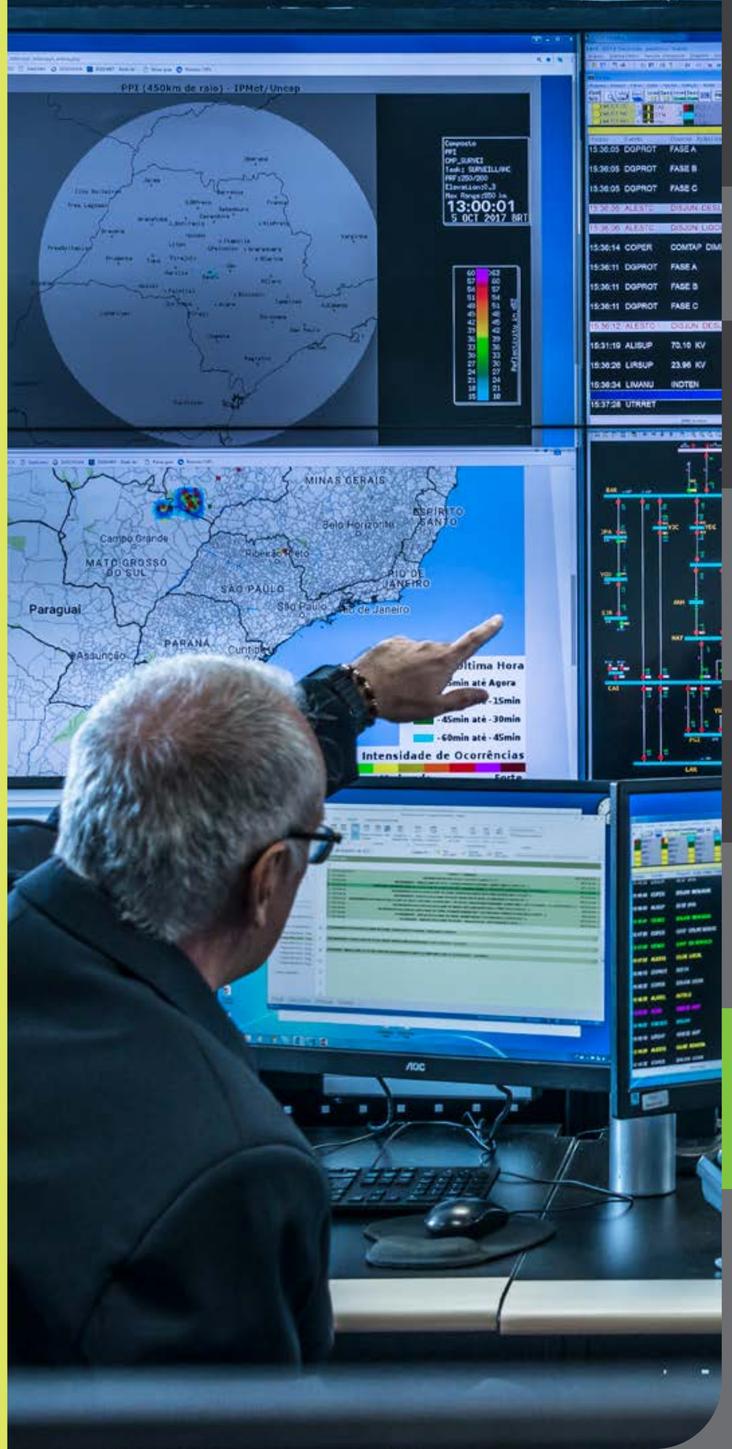
Distribution

ADMS Project

The Advanced Distribution Management System (ADMS) is an ultra-modern platform used for the management and optimization of energy distribution systems in more than 160 distribution centers around the world.

We were one of the first companies capable of implementing such a project in the Brazilian electricity sector, in 2020, after almost two years of evaluations, studies and pilots. With a series of integrations in software and new technologies for monitoring networks and equipment, ADMS works by identifying failures in the supply of the network and the actions required to reduce the impacted area in a more agile way, always by reading algorithms that automate the operation.

In addition, the platform expands the integration of new smart equipment from the installation and virtual mapping of reclosers and remote-controlled switches, without any risk of memory collapse in the computers. The ADMS also enables faster decision-making processes for operations teams, since the system issues alerts indicating possible impacts and alternatives in order to improve network efficiency, finding failure points more quickly.



Distribution

Climate risks at Distribution

In partnership with Fundação Getulio Vargas (FGV) through its Center for Regulation and Infrastructure Studies, and Climatempo, we carried out the ANEEL R&D project PD-00063-3079/2021 – Resilience of Electric Grids, which studied the resilience of the distribution network of the Group's concessionaires considering the increase in extreme weather events. As part of the project, a climate threat indicator was proposed, which identified the regions of the distributors with the highest propensity to suffer the impacts of severe events from 2020 to 2050. The results of the project are being used as input for the company to strengthen its strategies to address the consequences of meteorological phenomena of high magnitude and low probability of occurrence.

Network automation

The installation of smart and automated equipment in distribution networks adds value to the business as it allows problem resolution and maneuvers for faster and more efficient energy resupply.

Automatic reclosers, for example, are a solution to temporary interference in the power grid, such as tree branches that touch the cables due to rain and wind. The remote-controlled switches also enable gains in quality and efficiency in operation. This equipment responds to remote commands from system operators, allowing maneuvers to be performed during critical events, which in turn isolates areas without power and decreases the number of affected customers.

Distribution

Reduction of vegetation interference

The interaction between vegetation and the power grid is the main cause of power supply disruptions, especially when extreme weather events occur. Since 2015, we have carried out the Arborização + Segura project, which replaces large trees with species better adapted to urban environments. Each year, the initiative is expanded to more cities in the concession areas via partnerships and agreements with local city halls. The project also includes environmental education actions in schools. In addition to expanding green coverage in urban areas, the initiative avoids costs related to network maintenance.

Another project, under development by partner startup PixForce, foresees the implementation of a smart vegetation inspection system in urban networks, reducing the risk of contact with the power grid in case of rain and enhancing the gains of the Arborização + Segura project. We are committed to adopting smart solutions that enhance safety, promote efficiency, and minimize environmental impacts on our operations. We also have a project to relocate networks outside of environmental reserve areas, contributing to the preservation of ecosystems and infrastructure safety.

Investing in smart solutions

We recognize that smart energy solutions are key to ensuring greater resilience in the face of climate change. We have set the goal of investing at least BRL 580 million in these technologies by 2027.

Distribution

Weather predictive solutions

Through innovation programs, we seek to identify solutions that help us anticipate extreme weather events. With them, we were able to plan network reinforcement actions in the regions most affected by these events and better prepare the teams.

With the Weather Translator System (WeTS), which employs advanced artificial intelligence techniques, we cross-reference weather forecast data to our criticality levels and operational impact to establish 24-hour and 72-hour scenarios across our concession area.

We also conduct continuous climate monitoring to help prepare our field teams, and we receive preventive information from specialized providers, such as Climatempo.

The most recent solutions include a tool developed by Climatempo, which uses artificial intelligence to predict fires. It identifies risk zones based on the location of the areas and their environmental conditions.

WeTs
WeTS, implemented in the operations centers of the distributors, contributes to the planning and allocation of teams in case of storms. In the future, the initiative will use low-cost weather stations, a solution under development by partner startup Pluvi.On.

Generation

Diversified portfolio

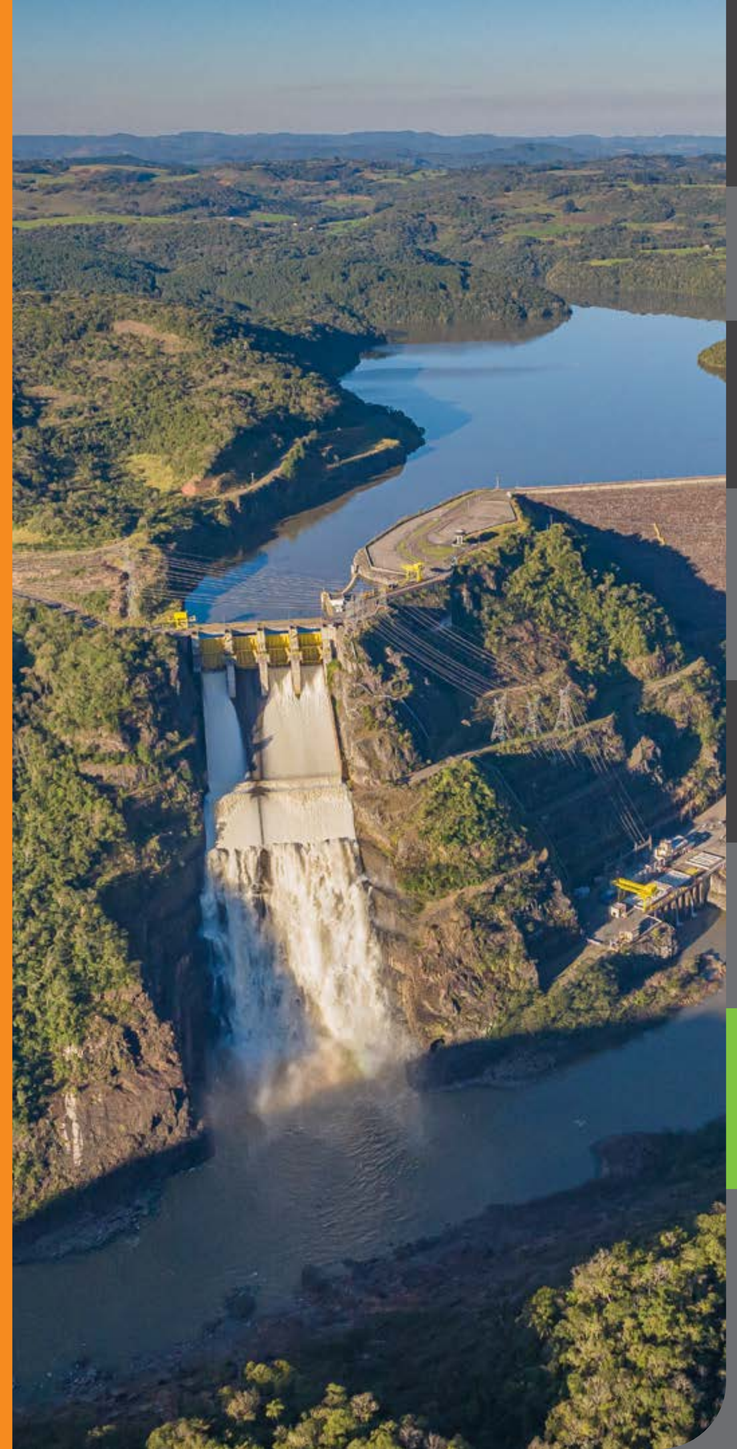
Our diversified generation portfolio in terms of technologies and energy sources (hydro, wind, biomass, and solar) and our presence in different regions of the country contribute to the resilience of the business, which will not be uniformly impacted by climate risks. In addition, since the beginning of 2025, 100% of the energy generated has come from renewable sources. This was one of the commitments in our 2030 ESG Plan, achieved five years ahead of schedule.

Maximum asset efficiency

CPFL Renováveis has a maintenance and operation plan that aims to optimize the energy production, regardless of adverse weather conditions. A concrete example of this effort is the Advance Plan, which brings together initiatives to improve the operation of the plants, standardize processes, qualify employees and implement new technological tools.

Asset management is carried out at the Integrated Operations Center (IOC) and considers information from the generation units, monitored remotely through sensors. The integrated view and rapid communication of data guide proactive actions to ensure the availability and reliability of the plants. The increasing use of data analysis and machine learning tools help anticipate failures and provide more precision to preventive maintenance plans, reducing costs and downtime.

In addition, the primarization of operations is underway, which will result in better control of assets and results.



Generation

More efficiency with predictive generation solutions

We use forecast of extreme weather events, with models from the National Electric System Operator (ONS) and other renowned models in the market, and we constantly seek to improve our internal generation forecast processes, adopting models for a more accurate assessment of variations between projected and actual output.

To complement our knowledge and expertise, we have the support of consultancies specialized in the analysis of meteorological scenarios, especially in the evaluation of hydrological scenarios. This partnership allows us to have a comprehensive and in-depth view of climate conditions, which supports our strategic decisions.

Another relevant point in our strategy is the renegotiation of the operation's hydrological risk, measured by the Generating Scaling Factor (GSF), which measures the ratio between the volume of energy generated by the plants and their physical guarantee. This approach reflects our commitment to responsibly managing the risks inherent to our operation, always seeking to improve our practices and processes.

We will keep investing in innovation and technology to stay at the forefront of the best practices in the market.

Generation

Innovations in dam safety

We are responsible for the safety of 55 dams across the country, covering a variety of types, degrees of instrumentation and heights. And, for us, safety is a non-negotiable commitment.

In the generation segment, one of the main initiatives is related to the inspection of the conditions of the dams that form the reservoirs of hydroelectric plants and small hydroelectric power (SHP) plants, with the use of high-precision instruments and internationally recognized methodologies to ensure the reliability of the structures.

Every plant has a specific monitoring team, which is responsible for entering the information into the Dam Safety Management System (SGSB), a digital tool developed by the company that enables real-time management of the behavior of the dams through a database with cloud computing resources. In addition, an engineering team conducts regular inspections of the structures.

The monitoring system is constantly being improved, and there are several Research and Development (R&D) projects focused on the theme.

We have also taken other measures to enhance dam safety, such as slope stabilization, installation of barriers and drainage systems, restoration of degraded areas, preventive vegetation control, and regular inspections of the Lightning Protection System (SPDA).

In addition to the structural and technological measures already implemented, we are expanding our strategy to ensure dam safety with initiatives focused on integrated management and stakeholder engagement.

Integrated reservoir management, combined with updated Emergency Action Plans (EAP), strengthens the company's ability to respond to extreme events. Engaging communities near dams is essential to ensure safety, regulatory compliance, and effective emergency plans.

In alignment with the National Dam Safety Policy and the standards of the National Electric Energy Agency (Aneel), we promote actions such as the installation of warning systems (sirens and signage) and we conduct evacuation drills, ensuring that everyone understands the procedures and knows what to do in the case of an incident. Evacuation drills and training are also conducted with local authorities and meetings with river cascade agents.

Generation

HYDRO 4.0

The Hydro 4.0 Project was developed in order to improve our risk management process and support the technical and management decisions. It is CPFL's digital dam safety platform, whose data are presented at the Dam Management Center, ensuring:

The platform provides real-time operational data, information about dam behavior through instrumentation data, camera images, and the health index of the structures, calculated by machine learning models developed by CPFL. It also enables forecasting of meteorological events, such as major floods, and monitoring of hydrological basins. From the Dam Management Center, we continuously and systematically monitor the behavior of all dams, as well as the weather forecast.

Highlights in R&D

High Resolution Seismic Dam Monitoring System
Development and implementation of a distributed acoustic sensing system for real-time seismic monitoring of dams, increasing operational safety.

BIM – Bulding Information Modeling
Development of a platform that enables the visualization of dams and spillways in a 3D environment, using a digital twin. The platform can be used to monitor sensor data in real time, perform simulations, and develop alert systems. It can also be used as an operation interface of the plant.

Transmission

With the intensification of extreme weather events, we have adopted a number of actions for energy transmission to ensure the resilience of towers, lines, and substations.

These measures help us address different risk scenarios, focusing on anticipation, rapid response, and operational continuity. The main actions implemented include:

- Structural reinforcement and response to strong winds: conducting analyses to identify more susceptible towers, maintaining strategic inventory of parts and materials for contingencies, and ensuring the availability of an Emergency Restoration System (ERS).
- Hydrological risk management: mapping areas that are at risk of flooding, defining alternative access routes, installing operations centers and administrative headquarters in flood-proof areas, implementing video monitoring, and reinforcing drainage infrastructure at substations.
- Landslide prevention: identification of more susceptible structures and vulnerable access routes, mapping alternative access routes, conducting inspections after extreme events, and interventions on at-risk towers.
- Thermal overload mitigation: mapping lines at risk of overload, as well as analyzing alternatives to avoid functional overload.
- Lightning protection: performance-based assessment of critical lines, implementation of grounding system improvements, and replacement of old armored cables to reduce forced shutdown.

These actions are monitored by key performance indicators (KPIs), such as basic grid availability, number of forced shutdown occurrences, ERS mobilization time, and penalties associated with operation and maintenance.
Taken together, these measures strengthen the adaptive capacity of our transmission system considering climate change, ensuring a higher level of safety, efficiency, and operational continuity.

Transmission

Advances in P&D: transmission line monitoring from satellite data

The P&D Satélites project conducted by CPFL Energia in partnership with Aneel and the consulting firm Caruso, developed a territorial intelligence platform that uses satellite data and artificial intelligence to monitor, in near real time, environmental risks affecting transmission lines, such as fires, landslides, erosion, vegetation growth, human invasions, and lightning strikes.

By anticipating low-probability, high-impact extreme events, the system directly contributes to climate resilience, allowing the implementation of preventive actions more quickly to minimize potential damage to energy infrastructure and the environment.

Engagement in public policy and regulation

Engagement in public policy and regulation

We seek to participate in and contribute to the formulation of public policies and regulatory frameworks related to climate change and energy transition in an ethical and transparent manner, in line with the guidelines described in the company's Code of Ethical Conduct. This work is performed through:

• Active participation in industry associations, such as Associação Brasileira de Distribuidores de Energia Elétrica (Abradee), Associação Brasileira de Geração de Energia Limpa (Abragel), Associação Brasileira de Energia Eólica (Abeeólica), and Instituto Acende Brasil, by submitting technical proposals and reinforcing our position in topics such as carbon pricing and incentives for renewable generation.

• Formal contributions to public consultations held by regulatory agencies, such as the National Electric Energy Agency (Aneel), the Ministry of Mines and Energy (MME), and Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (Ibama). Highlights include the review of the Climate Mitigation and Adaptation Plan from the federal government, as well as the definition and improvement of guidelines for the adaptation to extreme events developed for the distribution segment

• Participation in multilateral initiatives and voluntary commitments, such as participation in the SBCOP30 (Sustainable Business COP 30) and the UN Global Compact, reinforcing CPFL's alignment with national and international climate goals.

• Monitoring of regulatory risks, integrated into the corporate risk matrix, allowing the anticipation of impacts.

For CPFL Energia, positively influencing the regulatory environment is essential to enable sustainable investments, ensure legal certainty, and accelerate the transition to a low-carbon economy, in addition to ensuring that the company's contributions are aligned with the best available technical evidence.

Supply chain engagement and development

We proactively act in all stages of the relationships with our suppliers to strengthen their ability to position as agents of change in various aspects of sustainability, including climate change challenges, and maximize the positive impact of our value chain on society.

We maintain a recurring schedule of meetings and engagement initiatives through the Rede de Valor platform, which promotes the exchange of experiences, holds thematic discussions, and publishes monthly content in the Jornal do Fornecedor (supplier newsletter). In the meetings held in 2024, for example, we brought together 120 partners to discuss various topics, including decarbonization of the supply chain and the 2030 ESG Plan issued by CPFL. We also recognize and value the best practices adopted by our partners with the Mais Valor Award – Sustainability category, through which we demonstrate our commitment to excellence and environmental innovation across the supply chain.

Critical suppliers are monitored monthly through the Supply Base Management (SBM) platform. The sustainability pillar assesses the following dimensions of climate change; sustainability and environmental management; eco-efficiency and resource consumption management (energy, water, and materials); and shared value and leadership. Suppliers are subject to self-assessment questionnaires with submission of documents.

In terms of training, in 2024, we provided specific training sessions on climate change and greenhouse gas (GHG) emissions inventory, which had the participation of suppliers and subcontractors. In 2025, we organized a Rede de Valor meeting with a focus on climate adaptation.

In 2025, we also funded a pilot project to calculate the carbon footprint of some pole, transformer and cable suppliers, which are the main offenders in scope 3 of GHG emissions inventory of the company. Other pilot projects are being implemented, with a focus on reducing the carbon footprint of some materials purchased by CPFL, while still meeting technical and quality specifications. In one initiative, we are developing sustainable cables with insulating material made from biopolymer (that is, plant-based material).

All these initiatives enable the supply chain commitments made in the 2030 ESG Plan – evaluating 100% of critical suppliers and directing at least 85% of the company's spending to companies with advanced sustainability practices – and help consolidate our position as catalysts for the energy transition and social and environmental responsibility in the Brazilian electricity sector.

Participation in initiatives

We are signatories to different commitments related to climate change. In addition to demonstrating our commitment, our participation in the initiatives and forums listed below allows the company to exchange experiences and lessons learned with other actors and contributes to the advancement of innovations and the necessary adjustments to address the issue in a collective manner.

Carbon Disclosure Project

CPFL Energia received an A- score in CDP, which demonstrates our transparency, commitment, and leadership in the theme of climate change, in line with international best practices.

CDP Climate Change score: A-
CDP Water Security score: B

Science-Based Targets Initiative (SBTi)

On August 19, 2025, we received the approval of our climate targets from the international Science Based Targets initiative (SBTi). We were the fourth company in the electricity sector to achieve this milestone.

Joining the SBTi indicates that our targets are validated and based on the latest climate science, ensuring that the company's actions are aligned with the urgent needs of climate change mitigation.

Learn more at:
sciencebasedtargets.org

Other participations and recognitions

United Nations (UN) Global Compact Network Brazil
(pactoglobal.org.br)

Joining the Net Zero Ambition Movement
(pactoglobal.org.br/movimento/ambicao-net-zero)

Initiatives within the scope of the Center for Sustainability Studies (FGVces) – Fundação Getulio Vargas
(eaesp.fgv.br/centros/centro-estudos-sustentabilidade/projetos/programa-brasileiro-ghg-protocol)

Brazilian GHG Protocol Program
Gold seal in the GHG emissions inventory, granted by the GHG Protocol
(registropublicodeemissoes.fgv.br)

B3 Corporate Sustainability Index
(iseb3.com.br)

B3 Carbon Efficient Index (ICO 2)
(b3.com.br/pt_br/market-data-e-indices/indices/indices-de-sustentabilidade/indice-carbono-eficiente-ico2-b3.htm)

Task Force on Climate-related Financial Disclosures
(fsb-tcfd.org)

São Paulo Environmental Agreement – Government of the State of São Paulo and Environmental Company of the State of São Paulo (Cetesb)
(cetesb.sp.gov.br/acordo-ambiental-sao-paulo)

Joining the Movement + Water Global Compact
(pactoglobal.org.br/movimentos/movimento-agua)

grupocpfl.com.br

In case of questions or comments regarding our climate change strategy, please send an e-mail to: **sustentabilidade@cpfl.com.br**

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