



## Corporate Social Investment Policy

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### 1.OBJECTIVE

Establish guidelines for the CPFL Group's Private and Non-Voluntary Social Investments.

### 2.INTRODUCTION

Sustainability at the CPFL Group aims to ensure the continuity of the business, in addition to generating and sharing value with all stakeholders.

Social Investment (IS) is one of the tools that the CPFL Group has to put into practice its commitment to Sustainability and address the issues identified and prioritized by the company with its stakeholders.

The CPFL Group has community relations initiatives, whose management is decentralized. The establishment of a Policy that consistently guides these actions will enable greater synergy between the initiatives, will facilitate the internal and external monitoring and reporting of the company's actions and increase the benefits of the programs with the community. For new businesses, the Social Investment guidelines



can anticipate community-related risks and create a baseline for monitoring the company's impacts.

We consider the UN Global Compact Principles and the Sustainable Development Goals of the Agenda 2030 as references.

### 3.SCOPE

This policy is applied at CPFL Energia S.A. and must be adopted by all its Subsidiaries and Affiliates with the same management and governance model, in which CPFL Energia has management chair members. In other companies, representatives have exercised their right to vote with the objective of adopting a similar policy.

### 4.DEFINITIONS

- **CPFL Group:** Comprises the CPFL Energia holding and all its Subsidiaries and Affiliates.
- **Subsidiaries:** Companies controlled by CPFL Energia, directly or indirectly.
- **Affiliates:** Companies in which CPFL Energia holds less than 50% (fifty percent) of the stocks.
- **Private Social Investment (voluntary):** “Private social investment is the voluntary transfer of private resources in a planned, monitored and systematic manner to social, environmental, cultural and scientific projects of public interest. Private Social Investment can be leveraged through tax incentives granted by the government and also through the allocation of non-financial and intangible resources.” Source: Group of Institutes, Foundations and Companies (GIFE).
- **Non-Voluntary Social Investment:** Social investments made by legal imposition, administrative acts or court decision, including obligations arising from environmental licensing, terms of conduct adjustment and socio-environmental considerations for acquired financing. Source: Corporate Social Investment Benchmarking Survey (BISC).
- **Stakeholders:** are all publics with interests relevant to the company, or even individuals or entities that assume some type of risk, direct or indirect, in the society face. Among others, the following stand out: shareholders, employees, community, customers, suppliers, creditors, governments, non-governmental organizations, unions, press, and professional associations. They are also known as strategic



actors. Source: ISO 26000 – international standard that provides guidelines for social responsibility.

- **Community:** Group of people geographically positioned in the CPFL Group's areas of activity, subject to economic, social or environmental impacts (positive or negative) resulting from the organization's operations. Source: Global Reporting Initiative (GRI).

- **Tax Incentives:** Benefits related to the tax burden that are granted by the public administration to some companies for social or socio-environmental programs. The benefit comes through discount, exemption, compensation and other models that alleviate the tax burden. Source: ISE - Corporate Sustainability Index

- **Energy Efficiency:** Any action that seeks to improve the use of electricity, such as reducing energy consumption or changing equipment, providing an equal or better result in terms of quality and comfort.

## 5. GUIDELINES

- Investments must be aimed at developing the communities in which the CPFL Group operates, promoting actions that are structuring and convergent with public policies, with social protagonism and with the continuity of the business.

- Private Social Investment actions must be in line with the CPFL Group's Strategic Drivers and Corporate Policies.

- The CPFL Group's Private Social Investment must provide for community engagement in identifying priorities, planning, implementing and evaluating practices, through consultation and dialogue with local leaders and representatives of organizations from the sectors of society involved.

- New businesses must include Social Investment practices in their planning, through their own social programs and projects and/or in partnership, considering the social and environmental impacts on the affected communities and the CPFL Group's commitment to generate and share value with all of its public of interest.

## 6. RESOURCES

- **Incentivized projects:** Through federal, state and/or municipal tax incentives, the State/Union allows the amounts of destinations made to social, sports, cultural and health funds, projects and programs to be deducted from taxes by companies and



individuals, both in the form of donations or sponsorships. There are specific laws that regulate the allocation of resources with tax incentives. The government previously approves the organizations, funds and projects, which receive the funds. In addition, the application and management of resources are supervised by the State/Union.

- **Research & Development (R&D) and Energy Efficiency Projects:** These are projects developed within the scope of R&D and Energy Efficiency programs created by Law No. 9.991/2000 and regulated by ANEEL - National Electric Energy Agency.
- **Non-voluntary Social Investments:** Social investments made by legal imposition, administrative acts or judicial decision, including obligations arising from environmental licensing, terms of adjustment of conduct and socio-environmental considerations for acquired financing. Source: Corporate Social Investment Benchmarking Survey (BISC).
- **Volunteering:** Set of actions taken to encourage and support the involvement of its employees in volunteer activities in the surrounding communities and/or communities where the company operates or has operations, with the objective of promoting social transformation, sharing knowledge and engaging employees in social causes, encouraging the development of all stakeholders (internally and externally).
- **Direct investments:** investment made with the CPFL Group's own resources.

## 7.FRONTS OF ACTION

### a) Social and Environmental Transformation

- **Health and well-being:** well-being promotion projects for hospitalized patients and other stakeholders, the encouragement and support for projects aimed at children and teenagers, with a focus on sports practices;
- **Incentive to sports:** incentive to sports practices and development of actions related to quality of life, when applicable.
- **Infrastructure:** investment in hospitals and schools, seeking the rational use of electricity, also covering projects ranging from the acquisition of hospital equipment and improvements to the expansion of these spaces.
- **Culture:** contribution to the social transformation of children and teenagers, supporting projects involving cultural and artistic practices, in addition to actions aimed at democratizing access to culture, disseminating knowledge and the arts to the society.



- **Education:** professional technical training, dissemination of the practice of conscious use of electricity, environmental education and encouragement of reading.
- **Environment:** dissemination of good practices and mitigation of negative impacts.

#### **b) Local Transformation**

- **Alignment with Public Policies:** actions in line with State/ Union's public policies, aimed at strengthening and enhancing them.
- **Community Development:** promotion of social protagonism through actions aimed at strengthening organized civil society.

### **8.DONATIONS**

Donations of financial and non-financial resources must follow applicable internal rules, including those relating to donations and anti-corruption.

### **9.INSTITUTIONAL AND BRAND PROMOTION**

All social investments made by the CPFL Group must comply with the following criteria:

- Alignment with the positioning, strategic guidelines and action fronts discussed in this Policy;
- Alignment with the themes prioritized by the CPFL Group in its Sustainability Strategy;
- Alignment with the guidelines of the CPFL Group's Sustainability Policy;
- Compliance with legal obligations (municipal, state and/or federal) pertinent to each tax incentive law;
- Alignment with the criteria related to Stakeholders, in accordance with stakeholders related corporate guidelines;
- Positively impacts the CPFL Group's reputation performance;
- Measurement of objectives, indicators and targets for the proposed actions;



- Search for the involvement of other partners (participatory management and co-financing);
- Replication to other locations served by the CPFL Group;
- Authorization to communicate internally and externally the results of actions.

## **10.TARGET AUDIENCES AND TERRITORIES**

Group of people and/or territories geographically positioned in the areas of activity and/or interest of the CPFL Group.

## **11.SELECTION AND RESTRICTION**

The selection of projects respects the Code of Ethics, the CPFL Group's internal policies and regulations and the guidelines of Regulatory Authorities.

## **12.GOVERNANCE AND ATTRIBUTIONS**

The management of voluntary and non-voluntary social investment in the CPFL Group is carried out in compliance with the company's governance structures and specific internal regulations.