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I. PURPOSE OF THE POLICY



The purpose of this Policy is to establish the rules and procedures to be observed by CPFL Group employees, managers and shareholders regarding Transactions with Related Parties, as well as in other situations that characterises Conflicts of Interest, defining the main roles, duties and responsibilities of all involved, aiming to ensure transparency, impartiality and integrity in such procedures to its shareholders, investors and other interested parties.

Through this Policy, CPFL Group intends to ensure that such transactions are always conducted in the best interest of its business, within the parameters of the market and in accordance with the best governance practices.

II. SCOPE OF APPLICATION

This policy is applicable to CPFL Energia S.A. ("CPFL Energia" or "Company") and all of its Subsidiaries and Affiliates companies, with the same management and corporate governance model. In other companies, the representatives shall practice its right to vote in order to adopt a similar policy.

III. DEFINITIONS

Management members: the statutory officers and members of the Board of Directors of the Company.

Governance Agents: individuals and bodies involved in the Corporate Governance system, such as: partners, shareholders, auditors, Board of Directors and its members, Advisory Committees and Commissions to the Board of Directors and its members, Fiscal Council and its members, Board of Executive Officers and its members etc.

Contracting Area: business area that is interested in hiring suppliers of products and / or services or carrying out any other transaction.

Market Conditions: these are the conditions for which, during the negotiation, the principles of competitiveness (prices and conditions of services compatible with those practiced in the market) and compliance (adherence of services provided to the contractual terms and responsibilities practiced by the Company, as well as to adequate information security controls) were observed. When negotiating with Related Parties or with a potential Conflict of Interest, the same principles and procedures that guide negotiations carried out by the Company with independent parties must be observed.

Conflict of Interests: it is the circumstance in which a person is involved in a decision-making process in which he/she can exercise the power to influence or orient the outcome of this process on behalf of the Company, ensuring a gain and/or benefit direct and/or indirect for him/herself, whether or not there is a loss to the Company or its shareholders.

CPFL Group: refers to CPFL Energia, its Subsidiaries and Affiliates companies.



Immediate Family Members: shall be understood in accordance with the definition contained in CVM Instruction 642/10, as amended, or any regulation replacing it.

Related Parties: are those people or entities related with CPFL Energia in accordance with the CVM Instruction 642/10, as amended, or any regulation replacing it.

Key People: are those defined by CVM Instruction 642/10, as amended, or any regulation replacing it.

Subsidiaries and Affiliates: Subsidiaries are directly or indirectly controlled by CPFL Energia. Affiliates are companies in which CPFL Energia holds 50% or less of equity interest, directly or indirectly.

Related Party Transaction: it is the transfer of resources, services or obligations between a CPFL Group company and a Related Party, regardless of whether a price is charged in return, in accordance with the CVM Instruction 642/10, as amended, or any regulation replacing it.

Significant Amount Transactions: are the transactions with Related Parties with a value equal to or higher of that established in Article 17, n, of Bylaws of CPFL Energia S.A.

Relevant Transactions: are those which value exceeds 50% (fifty per cent) of the total assets of CPFL Energia in accordance with the last balance sheet approved.

IV. REFERENCE DOCUMENTS

- ✓ Bylaws and Articles of Association of CPFL Group companies;
- ✓ CPFL Energia's Corporate Governance Guidelines;
- ✓ CVM Instruction 642/10, Aneel Instruction 605/14, Technical Pronouncement CPC 05 ("CPC 05") and other applicable laws and regulations;
- ✓ Conflict of Interests of CPFL Group;
- ✓ Code of Ethical Conduct of CPFL Group

V. RULES AND PROCEDURES

Related Party Transactions may be carried out provided that the same rules and criteria used to select any service providers and suppliers are observed.

It is also an essential condition, in accordance with this Policy, that transactions are executed on a commutative basis, observing the Market Conditions, in accordance with the legislation in force and with the best corporate governance practices, ensuring transparency and full respect to the CPFL Group's interests.

Related Party Transactions must be duly submitted for approval of the deliberative bodies of the CPFL Group companies under the terms of the Bylaws / Articles of Association, Corporate Governance Guidelines and this Policy, ensuring that those with known Conflicts of Interest are excluded from these approvals.

The Related Party Transactions must be concluded in writing, specifying its main characteristics and conditions.



V.1. NOT ALLOWED TRANSACTIONS

The following Transactions with Related Party are not allowed:

- (i) executed without Market Conditions;
- (ii) that conflict with the interests of the Company;

V.2 EXCEPTED TRANSACTIONS

Without prejudice to disclosures and other regulatory obligations, the procedures of this Policy are not applicable for the approval of the following Transactions:

- (i) fixed and variable remuneration based on shares and others benefits provided to the members of the Company Management Members, provided that its overall amount has been approved in General Meeting, in accordance with the Law 6,404/76, or in Board of Directors, as appropriate;
- (ii) conclusion of agreements having as its purpose the confidentiality obligation agreed between the Company and a Related Party, provided that this does not dispose about financial and commercial obligations;
- (iii) the granting credit operations and banking services rendering, routine in case of financial institutions; and for the transactions involving the issuer and sponsored entities;
- (iv) transactions between the Company and its Subsidiaries and Affiliates, directly or indirectly, except in cases in which there is equity interest in the controlled, on the part of directly or indirectly controlling of the Company, its Management Members or persons related thereto; and
- (v) transactions between the Subsidiaries and Affiliates of the Company, except in cases where there is equity interest in the controlled, on the part of directly or indirectly controlling of issuer, its Management Members or persons related thereto.

V.3. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

The Corporate Governance Department periodically shall consolidate and disclose internally the Related Parties' List of CPFL Group.

The Contracting Area interested in hiring suppliers of products and/or services or carry out transactions, before doing any business or transaction, shall consult the list mentioned above to verify if the respective transaction it is a Related Party Transaction, informing the Corporate Governance Department about any potential Related Party Transaction of which it is aware.

In case of doubt about characterisation of a transaction as Related Party Transaction, the responsible by the transaction must contact the Company's Corporate Governance Department.



As a further procedure, for Significant Amount Transactions and Relevant Transactions, without prejudice to verification of list above, internal guidelines defined by the Company shall be followed.

V.4. RELATED PARTY TRANSACTIONS APPROVAL

Once the documents and information have been evaluated, the Corporate Governance Department must guide the Contracting Area to adopt the specific rule of governance for approval of Related Party Transaction.

The Related Party Transactions with a value below the Significant Amount Transactions must be approved in accordance with the general approval terms of the CPFL Group.

The Significant Amount Transactions will be subject to formal approval by the Board of Directors, excluded members with personal Conflict of Interest, through previous manifestation of the Related Parties Committee, that:

- (i) shall evaluate the Related Party Transaction in accordance with the terms established in this Policy;
- (ii) shall verify if the Related Party Transaction is being realized in arm's length basis and market value; and
- (iii) shall recommend or not the approval of the transaction.

The Board of Directors can have access to all the documents related with the Related Party Transactions, as well as any reports or technical opinions about the theme. The Board of Directors can define the matter and the layout of the information deemed necessary to its deliberation concerning a Related Party Transaction.

When analysing the Related Party Transactions, the Board of Directors must verify, besides the transactions shall be executed in Market Conditions, the following aspects:

- (i) if there are clear reasons in order to carry out the Related Party Transaction;
- (ii) if there are realized in Market Conditions in accordance with the established in this Policy, and also, if it is in accordance with the others practices used by the Company and the guidelines of the Code of Conduct;
- (iii) the evaluation results carried out or of opinions issued by specialized and independent company, if there is; and
- (iv) if was carried out or not a competitive process for referred contracting and its result, representing the best alternative, between existing in the market, for the intended operation with Related Parties.

The Board of Directors should still require:

- (i) market alternatives to Related Party Transaction in question, adjusted by the risk factors involved; and



(ii) independent valuation reports, elaborated without the participation of any party involved in the operation in question, be it a bank, lawyer, specialized consulting firm, among others, based on realistic assumptions and information endorsed by third parties.

The Relevant Transactions shall be formally and previously approved by the Board of Directors, excluding personally conflicted members, and submitted to shareholders for resolution at the General Meeting, excluding shareholders who are in a situation of conflict of interest. The submission to shareholders must be accompanied by a proposal prepared by the Company's Management.

VI. CONFLICT OF INTERESTS

Governance Agents are responsible for preventing and managing Conflict of Interest situations and any Governance Agent who has a real or potential conflict of interest should abstain from participating in the meeting at which such issue is considered and may also be called upon to give specific information.

When identifying a matter in which it is a Related Party or that in some way may have a potential Conflict of Interest, the person involved in the decision-making process must immediately manifest this situation to its immediate manager and / or any Governance Agent.

Once the Conflict of Interest situation has been identified it will be recorded in the minutes of the meeting of the said body, as applicable.

If any person who may have a potential Conflict of Interest about a decision does not manifest his conflict, any other person who is aware of the situation should do so.

In the impossibility of listing all relationships, interests and situations that may trigger any situation of Conflict of Interest, such as having some financial interest, direct or indirect, in relation to the transaction, and may benefit from it as a competitor, supplier, client, joint venture partner, or consultant.

VII. RESPONSIBLE

The Company will issue an internal rule determining the procedure and those responsible for identifying Related Parties.

VIII. DISCLOSURE

The Related Party Transactions must be disclosed pursuant the legislation and regulations in force, clearly and precisely.

Disclosure shall be made in compliance with the exceptions and conditions provided for in the applicable legislation and regulations:

- (i) annually, in section 16 of the Company's Reference Form;
- (ii) explanatory notes to the financial statements;
- (iii) by means of a specific Notice to the Market, pursuant to Annex 30-XXXIII of CVM Instruction 480.



IX. GENERAL INFORMATION

Any omissions or interpretation uncertainties about this Policy and possible amendments thereto will be dealt with and decided on at a Board Meeting, in compliance with the Company's Bylaws and the applicable laws and regulations.

This Policy will become effective from the date herein below.

Campinas, December 16th, 2021.

(Política aprovada pela reunião do CA de 16 de dezembro de 2021)

(Policy approved by BoD' meeting held on December 16th, 2021)