

Message from the CEO

In 2021, we experienced a year of major achievements in every business where we operate at CPFL Energia. Even with market conditions continuing to pose challenges due to the resurgence of the Covid-19 pandemic early in the year, we made significant deliveries in terms of financial and operational results in the generation, transmission and distribution segments.

In relation to renewable generation, we opened the Gameleira Wind Energy Complex, in Rio Grande do Norte, two and a half years ahead of the date stipulated by the regulatory authority. We therefore continued our growth in this sector, reaching 95.6% clean sources in our installed capacity.

In the transmission segment, we invested R\$ 2.7 billion in acquiring a 66% stake in CEEE-T, which operates in the state of Rio Grande do Sul. With 6,000 kilometers of lines, this new asset – now under the CPFL Transmissão name – puts our company at a new level in the segment, with the potential to drive growth in one of the most strategic areas for Brazil, since it connects generation parks with large consumer centers.

Investments related to concessions of our four distributors totaled R\$ 3,028 million last year. These funds are important to make it feasible to improve operations and the quality of service we provide to our customers, through system automation and digitalization. On this front, we are focused on expanding the use of automatic circuit reclosers, protected networks, and smart network monitoring systems (ADMS), so that supply interruptions are resolved with more agility and with fewer people being impacted.

These initiatives and other extremely relevant projects that we carried out during the year are the result of our growth strategy, along with a more sustainable and intelligent approach to producing and consuming energy, improving people's lives in the regions where we operate. We are closer and closer to reaching the goals we set forth in our Sustainability Plan. A remarkable feature of our corporate culture, we are making the 15 public commitments we undertook with society in 2020 a reality.

The Sustainability Plan has become a structural element of our corporate governance. On

the Board of Directors and the Executive Board, just as we are monitoring and directing strategic investments in operations, we are also measuring the management of environmental, social and governance (ESG) aspects.



Gustavo Estrella
CEO of CPFL Energia

At the top levels and with excellence and with excellence, we are therefore assessing how our projects contribute and can be strengthened to improve quality of life and promote sustainable development. Our Sustainability Plan is increasingly a fundamental part of the cornerstones of our group's business.

Various projects focused on environmental management and on enhancing corporate governance have already seen tangible results and benefits. Equipment Refurbishment, an economically viable solution focused on reverse logistics, is already consolidated, with growing action; the Audit Committee, a demand from the investment market for 2022, is now up and running, playing its role in advising the Board of Directors; and the CPFL +Diversa program, created to organize and guide our actions to value diversity and inclusion, has accelerated cultural change in every business area.

With over R\$ 155 million invested over the last two years, CPFL in Hospitals is a program bringing energy efficiency to public health institutes. With multidisciplinary coordination of efforts, including the social know-how of Instituto CPFL, we have already benefited 204 hospitals in 226 municipalities, with the installation of solar panels to self-generate energy, the changing of light bulbs for more efficient models, and projects to humanize

public service. By the end of 2022, we will reach a total of 325.

We also took advantage of the expertise of our controlling shareholder, State Grid, in seeking best practices and cutting-edge technologies already in use globally, improving our service quality, focused entirely on our customers.

In 2021, we ramped up training programs and procedures to manage risk in activities and related to the safety of our employees, suppliers, customers and the public in our concession area. I am confident that our leaders, aware of their responsibility to engage employees and monitor conditions for safe and sustainable operations, will take our company to an even higher level of safety, so that we are able to sustainably deliver value for shareholders, customers and society as a whole.

To reinforce this important aspect, we created the Corporate Safety Committee in 2021, which assesses and discusses topics ranging from the safety of people and assets, to the security of information technology and finances. Maintaining operational excellence and discipline in cost management, our challenge in 2022 is to further evolve a culture of safety across all of our businesses.

The Sustainability Plan has become a structural element of our corporate governance, with permanent monitoring by the Executive Board and the Board of Directors

We continue to be a reference in quality for the power sector. Each year, our distributors are seeing better indicators in terms of supply interruption duration and frequency, as well as regulatory levels. We are focused on continued improvement and our customers' satisfaction.

Together, all of these projects, programs and initiatives were essential for us to reach the end of 2021 with significant advancements in every aspect of corporate culture, with robust and sustainable financial results, inorganic growth, with generation of value, and social and environmental responsibility.

Thanks so much to all of you,

GUSTAVO ESTRELLA
CEO of CPFL Energia