SOCIO-ENVIRONMENTAL AND ECONOMIC-FINANCIAL RESPONSIBILITY REPORT

2020

Sterlite Power

MESSAGE FROM THE **ADMINISTRATION**

A Sterlite Power no Brasil (Sterlite Brazil Participações S.A. - SPB) presents its Annual Report on Social and Environmental Responsibility for the year 2020, which transparently demonstrates our social, environmental, operational and financial performance to our stakeholders: the market, regulatory and government agencies, market analysts and our shareholders.

The preparation of this report is in accordance with the "Manual for the Preparation of the Annual Report on Social-environmental and Economic-financial Responsibility of Companies in the Electricity Sector" an integral part of the "Electricity Sector Accounting Manual".

The information and tables were adapted, when necessary, to the electric power transmission segment, since some indicators are not applicable to the scope of the Companies. All the information presented was submitted to the respective areas of the Group for evaluation, in addition to being validated by the company's management. The financial statements that support the economic-financial dimension were audited by Ernst & Young Independent Auditors S.S.

The Report is structured in five parts, called dimensions, which contemplate descriptions of activities and performance indicators (quantitative and qualitative), inherent to the dimension itself, in order to provide a broad, consistent and consolidated view of relevant and peculiar issues to the electricity sector, outlined in its regulatory framework, and of other general socio-environmental responsibility issues.

1 – General dimension - general information about the concessions.

2 – Corporate governance dimension - information about the company's processes and profile, as well as its ethical and transparent positioning.

3 – Economic-financial dimension - presents data and indicators with a strict correlation with the financial statements disclosed.

4 – Social and Sectoral Dimension - portrays the social performance, as well as the actions related to the communities affected by the Companies' activities

5 – Environmental dimension - shows the Companies' actions to mitigate and compensate the environmental impacts of two activities, with respect to legislation and environmental responsibility.

If you have any questions and/or comments about this report, please contact Sterlite Power via email: comunicacao.brasil@sterlite.com .

SUMMARY

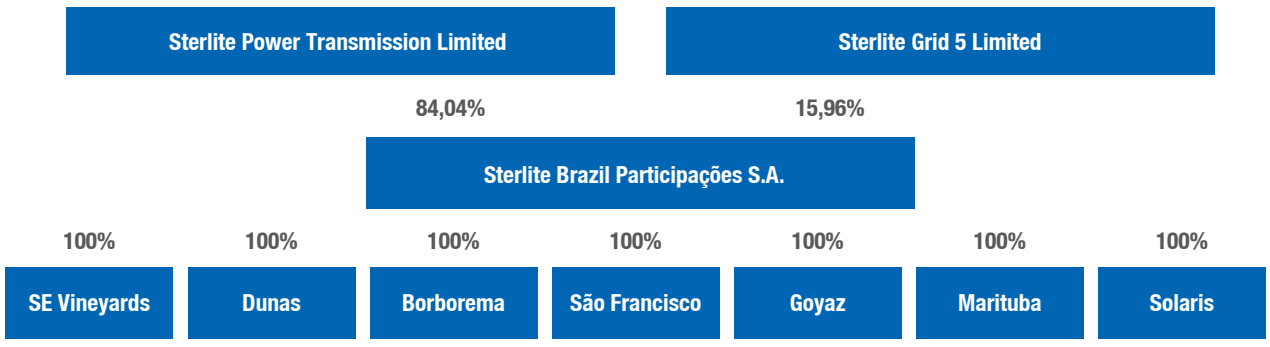
1. GENERAL DIMENSION

1.1 The Company

1.1.1 The Society

A Sterlite Brazil Participações S.A. ("Brazil Participações" or "SBP" or "Parent Company"), formed on June 30, 2017, by the foreign companies Sterlite Power Transmission Limited. ("SPTL") and Sterlite Grid 5 Limited ("Grid 5"), both based in India. It is a Brazilian closed corporation, of private capital, whose main purpose is to act as a holding company, participating in the capital of other companies. As a way to optimize the Shareholders' corporate structure, on November 15, 2020 the merger of the companies Sterlite Power Transmission Lines ("SPTL") with Sterlite Power Grid Ventures Limited ("SPGVL") was made official. "SPTL" already belonged to the economic group of the Shareholders with no impact on Sterlite Brazil Participações S.A., both in its operational matters and its corporate structure.

In Brazil, the economic group of Brazil Participações is formed by the Parent Company itself and by its wholly-owned subsidiaries - Specific Purpose Companies ("SPE") established according to the 7 lots won in the last transmission auctions held by the National Agency of Electric Energy (ANEEL), according to the structure below:



Thus, the following Electric Energy Transmission Concessionaires were established by SBP, whose objective is the implementation, construction, operation and maintenance of the lots of the auctions in which they were the winners:

(i) SE Vineyards Transmissão de Energia S.A. ("Vineyards") - Lot 10 of auction 05/2016 and Concession Agreement n° 31/2017-ANEEL;

(ii) Dunas Transmissão de Energia S.A. ("Dunas") - Lot 03 of 02 02/2018 and Concession Agreement No. 14/2018-ANEEL;

(iii) Borborema Transmissão de Energia S.A. ("Borborema") - Lote 04 do auction 02/2018 e and Concession Agreement n° 15/2018-ANEEL;

(iv) São Francisco Transmissão de Energia S.A. ("São Francisco") - Lot 07 of auction 02/2018 and Concession Agreement 18/2018-ANEEL;

(v) Goyaz Transmissão de Energia S.A. ("Goyaz") - Lote 12 do auction) 02/2018 e and Concession Agreement n2 23/2018-ANEEL;

(vi) Marituba Transmissão de Energia S.A. ("Marituba") - Lot 15 of auction 02/2018 and Concession Agreement 26/2018-ANEEL;

(vii) Solaris Transmissão de Energia S.A. ("Solaris") - Lote 20 do 02 02/2018 e and Concession Agreement nº 31/2018-ANEEL;

As a total in numbers, representative of the portfolio in Brazil, SBP's investments, with 100% participation, in 2020 total R$ 3.4 million and represent increment and reinforcement in the Brazilian transmission system network as follows:

- 7 projects, with about 2,000 km in 9 states.
- 1 in partial operation and 6 under implementation.
- 6 new 500/345/230kV substations, 3 extensions with new yards and 22 extensions for connection of Transmission Line modules (8 in 500 kV, 2 in 345 kV and 12 in 230 kV).
- 5.950 MVA of transformation capacity and 1.250 MVAr of reactive compensation, besides 2 SVC equipment.

1.1.2 Profile

The Sterlite Power Group, worldwide, is characterized by specialized activities in the segment of infrastructure for power transmission, with projects in India and Brazil. Driven by innovation and operational excellence and committed to its mission of offering quality infrastructure services in power transmission, Sterlite Power, in Brazil, works to strengthen the National Interconnected System - SIN and, consequently, contribute to the socioeconomic progress of the country.

1.1.3 Organizational Identity

Purpose:

EMPOWER HUMANITY BY TACKLING THE BIGGEST CHALLENGES IN ENERGY ACCESS.

INNOVATION

There is always a new way

We are constantly looking for new and better ways to do our work. **Innovation** is our mindset.

RESPECT

Every one is important

Every thought, idea or opinion, deserves to be heard, we do this with humility and **respect** for the other.

SOCIAL RESPONSIBILITY

We work to make lives better

We believe that access to energy transforms lives.
We are committed to generating, as a legacy of our projects, a positive **social impact** in the communities where we Have our presence.

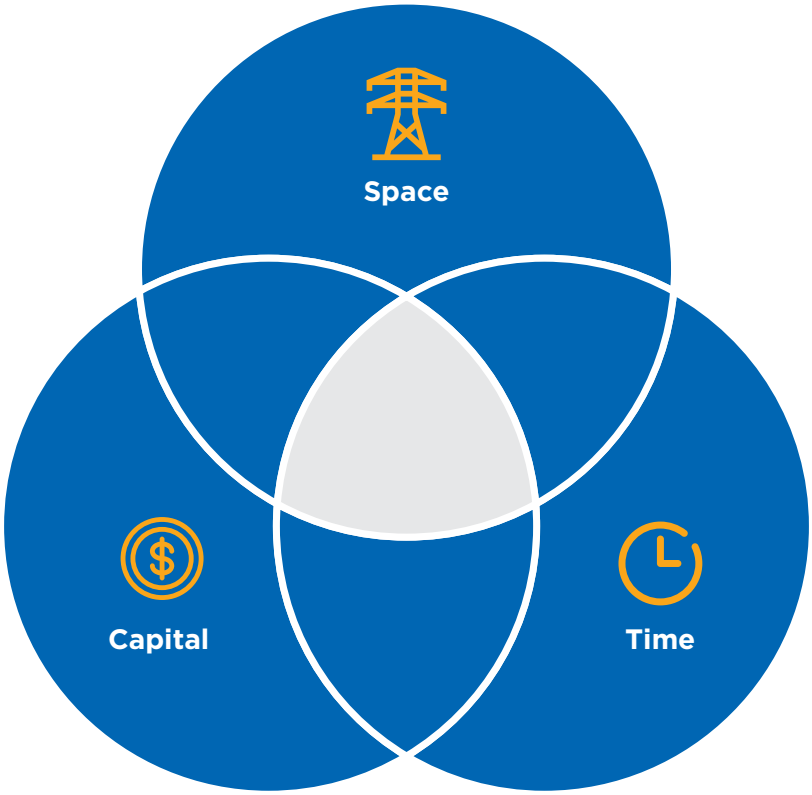
FUN

We have fun working with purpose

We feel energized by the purpose of our challenges, that makes arriving to work, besides bringing motivation, also promotes **fun** in our daily lives.

1.1.4 Business Rolemodel

Strategy focused on addressing complex challenges in the power transmission industry and solving the major constraints of lead time, space, and capital.



The demand for uninterrupted energy access for all, aligned with the rapid development of renewable generation capacity, requires transmission projects to be commissioned at a fraction of the conventional timeframe, thus creating a lead **time** constraint.

Urbanization, environmental regulations, and rights-of-way issues create a **space** limitation for power transmission projects.

The scale of investment and **capital** are key factors in delivering the transmission capacity required to meet the needs of the countries where we operate.

1.1.5 Lines of Business in India

Infraestructure

- Leading private sector power transmission infrastructure company in India, setting up interstate transmission infrastructure (transmission grids) on the long term model (build, operate and maintain).

Solutions

- Leading manufacturer of conductor cables and OPGW in India;
- Supplier to major users;
- Export to more than 40 countries;
- Four production units in benchmark model;
- Tailor-made MSI (Master Integration System) projects.

Convergence

- Provider of transmission line and fiber OPGW communication services, including:
  - Fiber optic leasing;
  - Instalação;
  - Tower leasing.

Indigrid

- Infrastructure investment ("InvIT"), established to own power transmission assets in India, with 'right of first offer' to acquire Sterlite Power's projects.

1.2 Stakeholder Responsibility

PARTS	DETAILS	COMMUNICATION CHANNELS
Shareholders and Investors	• Sterlite Power Transmission Lines Ltd. holds 84.04% of the shares. • Sterlite 5 Ltd. holds 15.96% of the shares.	Communication is carried out by the Directorates of parent company, by means of conferences, e-mails reports and face-to-face meetings.
Customers	Users of the SIN - National Interconnected System.	Website, with institutional information, financial statements, letters, environmental reports and contact email comunicacao.brasil@sterlite.com.
Suppliers	Companies responsible for: a) Financial, accounting, tax and legal systems; b) Accounting and tax advice and consultancy; c) Environmental consulting; and d) Engineering, construction, operation, and maintenance of the undertakings.	Meetings, correspondence, e-mail, and phone calls.
Employees and third-party collaborators	The group counts on about 74 collaborators among third parties and employees, distributed among its concessionaires and Holding.	The company values the engagement of its through monthly meetings, engagement campaigns, teleconferences with global teams, and commemorative events. Communication is done through meetings, e-mails monthly newsletters, social networks of internal communication internal communication networks, and interactive tools for distance communication tools.
Public agencies and programs	ANEEL, ONS, BNDES, ME, EPE, BNB, BASA, IBAMA, State Environmental Agencies, IPHAN, SVS (Health Surveillance Secretariat), Palmares Cultural Foundation.	Meetings, exchange of correspondence, letters and opinions.
Social, environmental organizations and communities	Considering the transversality and comprehensiveness of the energy transmission projects, under the social, environmental and economic aspects in the surroundings of its projects, the company carries out Social Communication Programs according to the needs of each project.	Annual Burn Prevention Campaigns; Explanatory pre-communication (e-mails, visits informative posters) that precede Technical Meetings or Public Hearings, for clarification Public Hearings, for clarifications about the projects. Technical Meetings or Public Hearings, according to the needs of each project; PEA - Environmental Education Program. In addition to the mandatory activities of Social Communication activities, the Company establishes a process of dialogue and relationship with the communities through direct channels, "contact us" foreach project.

TIME LINE

2017

April - Begins operations in the country.

April - Wins ANEEL Auction 005/2016, acquiring the Vineyards and Arcoverde Projects.

December - Wins ANEEL Auction 002/2017, acquiring the Novo Estado Project.

2018

May - Construction begins on the Arcoverde Project, in Pernambuco, the Company's first in Brazil.

May - Begins construction of the Vineyards Project, in Rio Grande do Sul.

June - Wins Auction 002/2018, acquiring six new Projects: Dunas, Borborema, São Francisco, Goyaz, Marituba e Solaris.

December - ANEEL Auction 003/2018 is won, acquiring the Pampa Project.

2019

May - The Arcoverde Project starts operating, energized 28 months before the deadline set by ANEEL.

August - Receives the Proteção Brasil Award, for the use of drones in cable crossings in the implementation of the Arcoverde Project.

November - Begins the process of ISO 9001, ISO 14.001 and ISO 45.001 (Quality, Environment, and Health & Safety) Certifications.

November - Begins the portfolio optimization process with the sale of the projects: Pampa, Arcoverde e Novo Estado.

December - Begins the energization process of the Vineyards Project 31 months ahead of the deadline set by ANEEL.

2020

January - Begins operations of the 1st Element of the Vineyards Project, representing 70% of the project's PAR value.

March - Concludes the sale of the Projects: Arcoverde, Novo Estado e Pampa.

March - Receives ISO 9001, ISO 14.001 and ISO 45.001 certifications (Quality, Environment, and Health and Safety)

November - Begins the sales process of the Dunas Project.

1.4 Start of Vineyards Operations and status of other Projects

As an evident demonstration of the commitment to Brazil, on January 11, 2020, thirty-one (31) months before the deadline set by ANEEL, the commercial operation of the first element of the Vineyards Project began: LT 230 kV Lajeado 2 - Lajeado 3, simple circuit, LT 230 kV Lajeado 3 - Garibaldi 1, simple circuit, SE Lajeado 3 - 230/69 kV - 2 x 83 MVA and 4 line entrance modules at SE Lajeado 3 69 kV, in addition to the other facilities associated with the transmission functions transmission line, transformer and general module, representing 70% of the RAP value of the project, whose completion is scheduled for 2021.

The other electric energy transmission projects that make up SBP Brasil Group's portfolio are in the implementation phase, and are expected to start commercial operation throughout 2022 and 2023

	Auction	Lot	State	kV	Transmission line Extension	Regulatory Deadline ANEEL
VINEYARDS	05/2016	10	RS	230	114 km	Aug-22
DUNAS	02/2018	3	CE e RN	500/230	541 km	Sep-23
BORBOREMA	02/2018	4	PB	500/230/69	130 km	Mar-23
SÃO FRANCISCO	02/2018	7	SE e BA	500/230	454 km	Sep-23
GOYAZ	02/2018	12	GO	345/230	154 km	Mar-23
MARITUBA	02/2018	15	PA	500	374 km	Mar-23
SOLARIS	02/2018	20	MG	500/345/ 230/138	206 km	Jan-24

1.5 Operational Performance and Productivity Indicators

TRANSMISSION LINES	LT 230kV Garibaldi - Lajeado 3	47.13 km
	LT 230kV Lajeado 3 - Lajeado 2	11,26 km
	Sectioning section of LT 230 kV Monte Claro - Garibaldi, DC, for connection to SE Vinhedos 230/69 kV	1,85 km
	LT 230kV Candiota 2 - Bagé 2	49,71 km
SUBSTATIONS	Lajeado 3 230/69 kV (new)	2 x 83MVA 2 connections of LT 230 kV 2 connections of LT 69 kV
	Lajeado 2 230 kV (expansion)	1 LT 230 kV connection
	Garibaldi 230 kV (expansion)	1 LT 230 kV connection
	Vinhedos 230/69 kV (new)	2 x 165MVA 2 connections of LT 230 kV 2 connections of LT 69 kV
	Bagé 2 230 kV (expansion)	1 connections of LT 230 kV 1 connections of LT 230 kV
	Candiota 2 230 kV (expansion)	1 connections of LT 230 kV
LEGAL DOCUMENTS	Concession Agreement	031/2017 of August/11/2017
	Contract for Transmission the Service Rendering	054/2017 of October/10/2017
	Installation Permit	E1/E2: FEPAM 00559/2018 of October/29/2018 E1/E3: FEPAM 00251/2019 of july/02/2019
	Operation License	E1/E1: FEPAM 08726/2019 of December/20/2019 E2/E1: FEPAM 00199/2021 of January/21/2021
ENTRY INTO COMMERCIAL OPERATION (ELEMENT 1)	**January/11/2020**	

***In 2020 only Vineyards was in operation.**

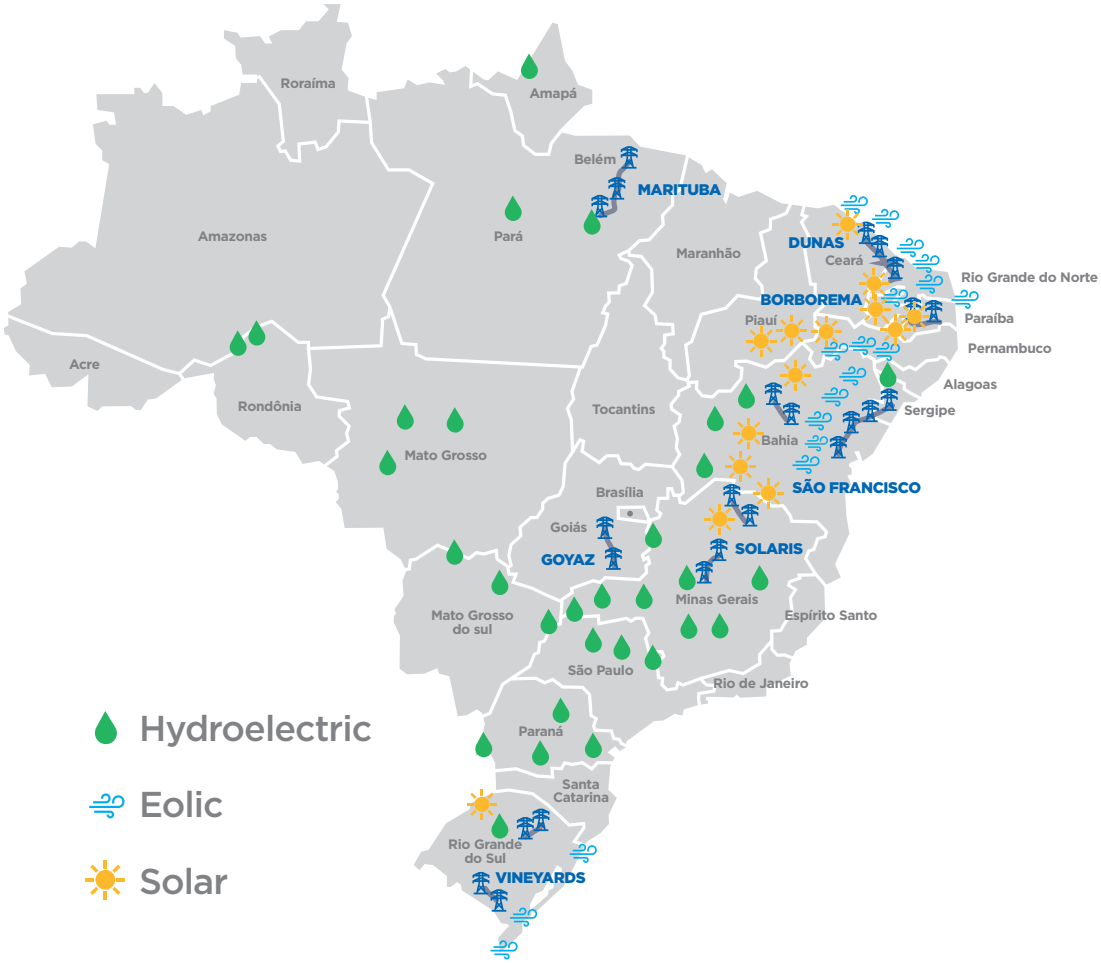
STERLITE POWER PROJECTS IN BRAZIL

HORIZONTE 2024 - NATIONAL INTERCONNECTED SYSTEM - SIN

THE COMMITMENT TO CLEAN ENERGY DEPLOYMENT PRESENT IN OUR OPERATION IN BRAZIL

Even before the projects go to auction, the mapping of new options for power lines and substations considers the potential for outflow of clean energy generated by parks without current connection to the SIN and for deployments of new plants, wind and solar. Thus, the implementation of projects with these characteristics, contribute to local development and enable new ventures in renewable energy generation.

Among the company's projects in Brazil, which will comprise more than 2,000 km of transmission lines, more than half are directly connected to the flow of clean energy, closing a virtuous circle that contemplates the balanced management of socio-environmental impact and contributes to the expansion of energy generation from renewable sources.



It's time to coexist

Projects with this profile are aligned with our purpose, which is to empower humanity by facing the greatest challenges in access to energy and to ensure the coexistence of our projects with the communities and environment where we operate, or as a legacy of our assets for many, many years.

This coexistence is only possible due to our teams' ability to plan and execute projects with high performance, maximum quality and minimum impact on the ecosystem of the regions involved, reflected, therefore, in a safe, effective and environmentally balanced final delivery.

2. CORPORATE GOVERNANCE DIMENSION

The Sterlite Power Group in Brazil is formed by a holding company, which owns the entire capital of 7 subsidiary companies (responsible for the execution of the respective projects), which seek to improve their management system, applying the best corporate governance practices, acting with ethics and respect towards their shareholders, employees, suppliers, and other stakeholders.

Statutory Board*:

- CEO: Ricardo Zangirolami
- CFO: Marco Paulo Tanure
- Director of Projects and Procurement: Carlos Pontual
- Project Manager: Sávio Da Rós

Other executives:

- Human Resources Director: Caroline Lourenço
- Engeneering director: Ítalo David

Since 2019, the company has systems and tools necessary to improve its governance and internal control processes, increasingly seeking security and transparency of information, integration and alignment of all teams in order to ensure total harmony with the purposes and strategies of the Group.

***The composition of the Executive Board corresponds to December 31, 2020.**

2.1 Code of Conduct

Sterlite Power's Code of Business Conduct and Ethics is a single document shared by all the group's Subsidiaries in India and Brazil. It is an extension of the Company's values and reflects the commitment to ethical and legally compliant business practices in the countries where we have a presence.

It summarizes the principles and policies and provides information about our business conduct to support and guide our employees in the ethical and transparent management of their activities.

It is revised periodically and made available to all employees, who receive annual training on the following topics:

- How we do business;
- Fraud, misconduct, and money laundering
- Responsibilities for the company and contractors
- Sexual harassment prevention
- Fair employment practices
- Drug and alcohol abuse
- Responsibility to shareholders
- Accounting Practices, Trading and Insider Trading
- Conflicts of interest
- Health, Safety and Environment
- Protection and use of Company assets
- Public communications, use of the brand, and protection of confidential information
- Gifts and donations

3. FINANCIAL - ECONOMIC DIMENSION

The Company ensures compliance with applicable laws and regulations issued by regulatory bodies and agencies, and with established internal policies, standards, and procedures.

The financial statements were prepared in accordance with the accounting practices adopted in Brazil, which include the provisions contained in the Brazilian Corporation Law, pronouncements, interpretations, and guidelines issued by the Accounting Pronouncements Committee ("CPC") and approved by the Federal Accounting Council (CFC), and show all the relevant information proper of the financial statements, and only them, which are consistent with those used by management in its management.

The EBITDA for 2020 was R$ 269,977 million and the net income for the year was R$ 167,638 million.

3.1 Economic and Financial Indicators

Economic and Financial Indicators - DVA Details*		
Wealth Generation (R$ Thousand)	**2020 (R$ Thousand)**	**2019 (R$ Thousand)**
Gross sales revenue (or services)	169,707	299,877
Inputs purchased from third parties	-	-
Cost of products and services	(88,744)	(194,799)
Materials, energy, third-party services and others	(25.361)	(16,960)
Sales Expenses	(9,967)	-
=Gross added value	**45,635**	**88,118**
(-) Reintegration Quotas (depreciation, amortization)	(1,441)	(881)
=Net added value	**44,194**	**87,237**
+ Gain on disposal of investments	274,536	-
+ Transferred added value (Financial revenues)	8,564	3,908
=Added value to be distributed	**327,294**	**91,145**

Wealth Generation (R$ Thousand)	**2020 (R$ Thousand)**	**2019 (R$ Thousand)**
Personal	31,152	20,959
Taxes	102,854	38,540
Administrative Expenses	32,280	15,825
Rentals	511	475
Remuneration of equity capital	276	-
Profts of the year	160,221	15,346
= Value added distributed (total)	**327,294**	**91,145**

a) General Information	2020	2019
Gross operational revenue (R$ thousand)	169,707	299,877
Deductions from revenue (R$ thousand)	(16,035)	(26,863)
Net operating revenue	**153,672**	**273,014**
Cost of products and services (R$ thousand)	(88,208)	(194,799)
Gross profit	**65,464**	**78,215**
Operational expenses (general and administrative) (R$ thousand)	(61,497)	(39,385)
Sales Expenses	**(9,967)**	**-**
Gain on disposal of assets	274,536	-
Earnings before financial results	**268,536**	**38,830**
Financial revenue (expense) (R$ Thousand)	(23,716)	(11,917)
Profit before IRPJ/CSLL	**244,820**	**26,913**
IRPJ/CSSL (R$ Thousand)	(84,323)	(11,567)
Net income from continuing operations	160,497	15,346
Net income from discontinued operations	7,141	35,999
Profts of the year	**167,638**	**51,345**
Interest on equity capital (R$ thousand)	-	-
Dividends distributed (R$ thousand)	276	329
Wealth (net added value) per employee (R$ thousand)	520	1,026
Wealth (to distribute) per operating revenue (%)	192.9%	30.4%
EBITDA ou LAJIDA (R$ Mil)	269,977	39,711
EBITDA or EBITDA margin (%)	175.7%	14.5%
Current liquidity	7.89	1.87
General Liquidity	2.04	1.59
Gross margin (gross profit/net operating revenue) (%)	42.6%	28.6%
Net margin (gross profit/net operating revenue) (%)	109.1%	18.8%
Return on Equity (net income/equity) (%)	39.1%	12.8%
Capital Structure		
Own Capital (%)	51.3%	37.4%
Onerous third-party capital (%) - Loans and Financing	48.7%	62.6%

***The above information is considering the result of the Companies sold, being in 2021 Dunas and 2020 Arcoverde, Novo Estado and Pampa.**

Financial Structuring

Throughout 2020, the SBP Brazil Group achieved a series of advances in the long-term financing of its projects, highlighting: Borborema Legal habilitation with BNDES and framing of R$ 60 million with FDNE; São Francisco: signing of a financing contract with BNB in the amount of R$ 290 million, with permission to issue up to 87 million Infrastructure Debentures, framing of R$ 100 million with FDNE and legal habilitation with BNDES; Goyaz: Legal habilitation with BNDES; Solaris: Legal habilitation with BNDES, and framing and approval by the board of R$ 150 million with BNB; and Dunas: legal habilitation with BNDES and framing and approval by the board of R$ 450 million with BNB.

Portfolio Optimization

In the last quarter of 2020, SBP signed a share purchase and sale agreement for the sale of 100% (one hundred percent) of the shares of SPE Dunas, continuing the readjustment of its portfolio in Brazil. However, the actual transfer of Dunas' shares was subject to compliance with suspensive conditions applicable to the transmission undertaking, among them the necessary prior approval from ANEEL, expected to be concluded in the second quarter of 2021.

4. SOCIAL AND SECTORIAL DIMENSION

4.1 Internal Social Indicators

Sterlite Power employees are the main characters in the execution of the main goal of the company, which is to empower humanity by facing the biggest challenges in the access to energy, and through its employees, Sterlite Power in Brazil states its commitment to the social, economic and environmental development in the management of its projects.

In order to reach this goal, the company seeks professionals that share its values and guarantees that their performance will be recognized through competitive people management practices. Socially responsible practices that consider individual competencies, aiming to create opportunities for professional and personal development, and equal opportunities without discrimination.

In 2020, Sterlite Power, in Brazil, had a team of 74 employees, for which it invested primarily in health and safety with the goal of preserving the well-being of all as well as their families during the Covid-19 pandemic. The identification, evaluation, and control of health and safety risks aims to ensure that all employees are trained, perform their activities under appropriate conditions, and use personal and collective protection equipment. Seeking the prevention of accidents and work-related illnesses, harmonization, and the preservation of life, an Internal Commission for the Prevention of Accidents (CIPA) was instituted in 2019. In 2020, with the reduction of the company's degree of risk, CIPA will no longer become mandatory. However, the company's goal is to observe, expose, and correct any unsafe conditions in its work environments, defining measures to mitigate and extinguish existing risks; to discuss experiences and share learning, for this reason it institutes the Health and Safety Committee with employees from several areas who monitor risks, follow indicators, and promote communication and the necessary training for the teams.

New Ways of Working

With the pandemic scenario that we will experience in 2020, Sterlite Power carried out a series of actions focused on the modernization of the way we work, mainly supported by the digitalization of our processes.

In March 2020, all employees started working remotely and to ensure quality of life, ergonomic kits were sent to the employees' homes (monitors, stands, chairs, etc.). In addition, we accelerated the implementation and increased use of digital tools, for example for virtual meetings and electronic signature of documents, ensuring the execution of processes and the security of employees and partners, essential for the construction of their projects in the area of electricity transmission.

Internal Social Indicators - 12/31/2020 Employees/Employees/Managers		
a) General Information	**2020**	**2019**
Total number of employees	67	85
Employees under 30 years old (%)	9.0%	12.9%
Employees aged 30 to 45 years (%)	65.7%	63.5%
Employees under 45 years old (%)	25.4%	23.5%
Number of women in relation to total employees (%)	28.4%	28.2%
Women in management positions in relation to total management positions (%)	17.2%	20.7%
Black (black and brown) female employees in relation to the total number of employees (%)	3.4%	1.2%
Black (black and brown) employees in relation to the total number of employees (%)	23.9%	1.2%
Black (black and mixed race) employees in management positions in relation to the total number of management positions (%)	24.1%	-%
Interns in relation to total employees (%)	1.5%	-
Employees in the apprentice hiring program (%)	-	-
Employees with disabilities (%)	0.0%	1.2%
Dependents	100	126
b) Remuneration, benefits and career (R$ Thousand)	**2020**	**2019**
Remuneration		
Gross Payroll	18,996,643	24,939,813
Compulsory social charges	7,082,349	9,056,402

FGTS	1,792,060	2,328,104
Benefits		
Training and professional development	86,000	10,000
Food	720,477	1,905,000
Transportation	29,328	45,000
Health	2,160,899	567,000
Life insurance	122,228	109,000
Others	-	-
c) Profit sharing	**2020**	**2019**
Total investment in the company's profit sharing program (R$ Thousand)	7,683,485	4,175,109
Bonus Payment (R$ Thousand)	3,395,345	3,169,298
Amounts distributed in relation to gross payroll (%)	58.3%	29.4%
Company shares held by employees (%)	-	-
Division of the highest remuneration by the lowest remuneration in kind paid company (includes profit sharing and bonuses)	25,0	22,1
Division of the company's lowest remuneration by the prevailing minimum wage (including profit sharing and bonus program)	3,8	4,5
d) Remuneration profile in R$	**2020**	**2019**
Until R$ 999,00 (%)	-	-
From R$ 1.000,00 to R$ 2.499,00 (%)	-	-
From R$ 2.500,00 to R$ 4.999,00 (%)	1.5%	2.4%
Above R$ 5,000.00 (%)	98.5%	97.6%
Board of Directors Positions	52,045	51,000
Managerial positions	25,738	19,000
Administrative Positions	9,955	6,000
Coordination/Supervision Positions	15,230	12,000
Production jobs	-	-
f) Professional development	**2020**	**2019**
Education profile - discriminate, in percentage, in relation to the total number of employees		
Elementary school Elementary school	-	-
High School	1%	1%

Higher education and university extension	99%	99%
Illiterate in the labor force (%)	-	-
Amount invested in professional development and education (R$ Thousand)	86	99
Number of professional development hours per employee/year.	14%	47%
g) Behavior when facing layoffs	**2020**	**2019**
Number of employees at the end of the period	66	85
Number of admissions during the period	5	37
Number of resignations in the period	24	37
Labor claims initiated by total number of dismissals in the period (%)	-	-
Labor Complaints		
Amount claimed in lawsuits (R$ Thousand)	-	-
amount accrued in liabilities	-	-
Number of existing processes	-	-
Number of employees linked in the processes	-	-
h) Preparation for retirement	**2020**	**2019**
Pension Fund Investments (R$ Thousand)	-	-
Number of beneficiaries of the complementary pension program	-	-
i) Outsourced workers	**2020**	**2019**
Number of outsourced/contracted workers	8	9
Total Cost (R$ Thousand)	906	462
Outsourced/contracted workers in relation to the total workforce (%)	12%	10.60%
j) Managers	**2020**	**2019**
Total remuneration and/or fees (R$ Thousand) (A)	4,931	1,624
Number of directors (B)	3	2
Remuneration and/or average A/B fees	1,644	812
Directors' fees (R$ Thousand) (C)	-	-
Number of directors (D)	-	-
Average C/D fees (R$ thousand)	-	-
Directors' bonus (R$ thousand)	2,013	1,390
Supplementary Pension Plan	-	-

k) Information relevant to the exercise of citizenship company	2020		2019	
The social and environmental projects developed by the company were defined	○ by the management	● direção e gerências	○ by the management	● by the board of directors
The safety and health standards in the work environment were defined	○ by the management	● by the board of directors	○ by the management	● by the board of directors
In the selection of suppliers, the same ethical and social responsibility standards and Environmental adopted by the company	○ are not considered	● are suggested	○ are not considered	● are suggested
Regarding the participation of employees in volunteer work programs, the company	○ does not get involved	● supports	○ does not get involved	● supports

4.2 Compensation, Benefits and Professional Development

Sterlite Power has Human Resources policies and initiatives aimed at the well-being of all employees:

- Health and dental care plan including dependents;
- Group life insurance including dependents;
- Meal vouchers or food vouchers
- Transportation vouchers or on-site parking;
- Language assistance;
- Participation in profits and results;
- Internal and external training
- Flexible work schedule;

4.3 Professional Development and Employability

The company invests in the qualification and development of its collaborators by means of technical and behavioral training offered internally and through partners. It encourages the creation of Individual Development Plans (IDP) by its collaborators in order to direct and guide their development and learning.

Also because it values the development of its collaborators, the company has a formal process for establishing individual goals that are in general, an unfolding of the company's strategic objectives. Believing that feedback is an essential tool for this process, it carries out a formal Performance Evaluation every six months, where the employee is responsible for making a self-assessment, followed by the evaluation of his or her direct management and a feedback conversation that explores concrete deliveries, opportunities for improvement, and individual competencies.

Through the results of the Performance Evaluation, profit sharing payments are made.

4.4 Level of Internal Satisfaction

Sterlite Power, in Brazil, carries out an annual survey to evaluate the engagement of employees and the performance of managers in this regard. As this tool is confidential, it allows employees to position themselves anonymously regarding issues related to the internal environment.
The results of this survey provide a scenario of the moment, allowing the company to celebrate positive actions and also to propose action plans directed to the necessary improvements.

Third-party and partnership management

Sterlite's third party and partnership management process, developed in 2018 and applied since then, goes through the stages of risk categorization, supplier approval, supply qualification and supplier performance evaluation.

The risk categorization step consists of assessing the criticality of the item to be supplied in relation to the final quality of the project. Based on this categorization, the level of controls that will be applied to the supplier is defined.

The supplier approval stage comprises Quality, Environment, Occupational Health and Safety evaluations carried out at the headquarters of the material and equipment suppliers. In the case of contractors, the evaluations are carried out at a similar work in progress.

The qualification of the supplier begins with the approval of the inspection and testing documents, the performance of the acceptance tests, and is completed with the approval of the final reports.

Finally, all critical suppliers undergo a quarterly performance evaluation conducted by an internal committee that involves the disciplines of:

- Quality,
- Environment,
- Health and security in the workplace,
- Engineering,
- Project Management,
- Contracts Management,
- Purchases.

The compliancy with these obligations is evaluated throughout the life cycle of the projects, from factory inspections, through acceptance tests, receipt and storage inspections, and the supervision of all activities carried out in the field.

During 2020, 16 new suppliers were approved and 53 inspections of materials and equipment were performed. This process was particularly challenging due to the COVID-19 pandemic. Because of restrictions on travel and supplier visits, most of the inspections were conducted remotely, using digital tools for chatting and sharing images.

4.5 External Social Indicators

External Social Indicators on 12/31/2020		
Users	**2020**	**2019**
Excellence in customer service		
Customer service		
Total calls answered	10	42
Complaints - Main reasons		
Invoice and receipt doubts (%)	50%	9.5%
Complaints solved		
During the service (%)	100%	100%
Govern and society	**2020**	**2019**
Managing the company's impact on the surrounding community		
Resources allocated to government programs (not required by law) federal municipal (R$ thousand).	-	-
Number of initiatives/events/campaigns aimed at the development of citizenship (voting, conscientious consumption, anti-corruption practices, children's rights, etc)	-	-
Advertising resources destined to institutional campaigns for the development of citizenship (R$ Thousand)	-	-
Resources invested in programs that use tax incentives/total resources destined to social investments (%).	-	-
Environmental indicators (related to the company's operation) - (R$ Thousand)	**2020**	**2019**
In external programs and/or projects	2,900	9,340
Land Expropriation	6,307	2,460
Total investments in environment	9,107	11,800
Resources applied in research and technological and scientific development - (R$ Thousand)	**2020**	**2019**
	n/a	**n/a**

4.6 Power Sector Indicators

4.6.1 Electricity Sector and Regulatory Aspects - Transmission Segment

The Brazilian electricity system allows the exchange of energy produced in all the regions of the country that are interconnected through the National Interconnected System - SIN. In this system, the generators produce the energy, the transmitters transport it from the point of generation to the consumer centers, from where the distributors take it to citizens' homes. There are also the traders, companies authorized to buy and sell energy to free consumers (generally consumers who need a larger amount of energy).

The Brazilian electricity sector is regulated by ANEEL, whose guidelines are established by the Ministry of Mines and Energy - MME, with the participation of ONS, which is responsible for coordinating and controlling the operation of the National Interconnected System - SIN. ANEEL is also responsible, by delegation from the MME, for granting the right to exploit the services of generation, transmission, distribution and commercialization of electricity. The Chamber for the Commercialization of Electricity is responsible for the accounting and settlement of transactions on the short term market and, under delegation from ANEEL, conducts electricity auctions. The Energy Research Company - EPE, develops the studies and research for the planning of the sector.

In Brazil, the concessionaires granted to provide public services of energy transmission are responsible for the connection of the generators to large consumers, or to distribution companies or other transmitters that compose the complex network of the SIN, the latter also regulated by ANEEL, which sets an Annual Allowed Revenue - RAP for the provision of such services. The revenue of the transmission sector in Brazil originates from transmission auctions and has a complete and consistent regulatory framework, which guarantees to the transmitters, mechanisms for periodic tariff reviews and readjustments, made operational by ANEEL itself (annually and in the periodic reviews of approved revenues).

4.6.2 Risk management

The facilities that are part of the Vineyards concession, object of Lot 10 of the Transmission Auction 05/2016, were determined to meet the specific need in the state of Rio Grande do Sul:

I. Supply to the region of Lajeado (RS), with a higher quality and reliability index, from the region of Garibaldi, through the new Transmission Lines 230 kV Garibaldi - Lajeado 3 and Lajeado 3 - Lajeado 2, and the new Substation 230/69 kV Lajeado 3, which allowed the connection of CERTEL.

II. Solve the service problems to the Bento Gonçalves region, through the implementation of the new 230/69 kV Vinhedos Substation that connects to SIN from the sectioning point of LT 230 kV Monte Claro - Garibaldi, and that allowed the connection of RGE at this point.

III. The new connection between the 230 kV Bagé 2 and Candiota 2 substations, making possible a greater exchange of energy in this region in which an increase in both loads and generation availability has been noted.

In this context, the Vineyards installations described in element (i) were completed, with entry into operation on 01/11/2020, and an availability index of 99.79% in 2020, considering the necessary interventions for corrections arising from the implementation itself.

In the socio-environmental aspect, the integration of element (i) of Vineyards with the local community is observed in two important aspects:

• Vegetal recovery through the Vegetal Recovery Program

• Environmental education programs to combat the burning of fires in the region, a program that is carried out annually with lectures and distribution of materials to the communities.

This program is fundamental to mitigate the main risk in the operation of the line, which is the accidental shutdown caused by fire near the right of way.

5. ENVIRONMENTAL DIMENSION

5.1 Environmental and Social Responsibility

The commitment to environmental and social responsibility is of fundamental relevance in the implementation of infrastructure projects in power transmission, linear projects with a long-term useful life. This commitment is present from the initial assessments and engineering studies, to the various licensing and final execution phases. Sterlite performs an integrated analysis of environmental criteria in long extensions and under different aspects, in order to propose actions, plans, programs and measures, capable of managing the impacts to the environment and to the populations inserted in the vicinity of the lines and to promote the coexistence in harmony with the community and the environment during the whole useful life of the projects.

5.2 Environmental Management

The approach brought by Sterlite Power for the environmental management in the implementation of its projects consists in verifying, in an integrated way, the best environmental practices, complying with the quality, environment and safety requirements, as well as with the rules and legislation in force.

The main objective is to provide the enterprise with efficient mechanisms that guarantee the execution and control of the actions planned in the Environmental Plans and Programs and the adequate environmental conduction of the works, also guaranteeing the coordinated participation of all the actors involved, which consist of:

- Supervising the implementation activities of the enterprise and adapting these activities to environmentally correct models and procedures;
- Monitoring the environmental quality indicators during the implementation of the undertaking;
- Supervise the correction and mitigation of damage to the environment, by means of technically adequate actions and procedures;
- Manage the documents with the contractors so that they are suitable to be sent to the licensing environmental agency; and
- Elaborate and consolidate the documents to be sent to the licensing environmental agency.

The environmental licensing process is present in different project stages and involves different social and environmental components of the projects' physical, biotic, and socioeconomic media. The processes go through a broad internal and external debate, aiming to conceive projects of high environmental quality so that they are well received by the licensing agencies, by society and by the communities in the regions where we operate.

We highlight a relevant advance in the licensing processes of the projects:

Goyaz: LP SE Pirineus, LI SE Pirineus, LP Pirineus sectioning, LI Pirineus sectioning, Vegetal Suppression Authorization (ASV) of Edéia - Cachoeira Dourada, Vegetal Suppression Authorization (ASV) of SE Pirineus, Vegetal Suppression Authorization (ASV) of Pirineus sectioning, Waiver of SE Barro Alto and LP+LI of Edéia - Cachoeira Dourada.

São Francisco: Morro do Chapéu - Irecê LI, Porto Sergipe - Olindina - Sapeaçú LI, Morro do Chapéu - Irecê Vegetation Suppression Authorization (ASV), and Authorization for Capture, Collection, and Transport of Biological Material (ABIO),

Solaris: Dispensa de SE Jaíba, dispensa de SE Três Marias, Dispensa de SE Pirapora, Dispensa de SE Janaúba III, LP de LT Jaíba – Janaúba e dispensa de LT Pirapora – Três Marias.

Borborema: Authorization for Vegetal Suppression (ASV) and for Collection and Transportation of Biological Material (ABIO).

Dunas: Preliminary License (LP).

Marituba: Preliminary License (LP).

Vineyards: Installation License (LI) (Bagé-Candiota) and Operation License (Garibaldi-Lajeado).

LICENSING PROCESSES, AUTHORIZATIONS AND FAVORABLE MANIFESTATIONS OBTAINED IN 2020

09

Preliminary License

08

Installation Licenses

01

Previous License + Installation License

05

Vegetal Suppression Authorization

02

Authorizations for Fauna Management and Rescue

09

Together with IPHAN

01

Together with Fundação Palmares - Agency Responsible for Quilombola Communities

01

in the Legal Legal Amazon region for Malaria combat actions

Two alternative sites were also studied by request of the environmental licensing agency (IBAMA), one for the Dunas project and the other for the São Francisco project. For the Dunas project, the study was carried out in the Preliminary License stage, in compliance with Opinion no. 7008661/2020-NLA-CE/DITEC-CE/SUPES-CE, and supported, along with other information, the issuance of LP 638/2020, issued on August 26, 2020.

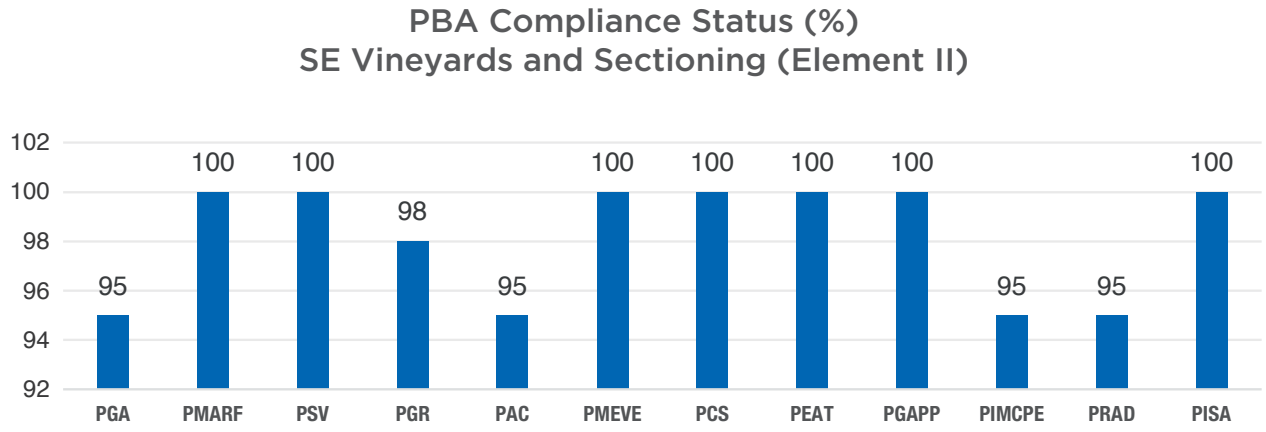
For the São Francisco project, the study was carried out in the Installation License stage, in compliance with Opinion 10/2020-NLA-BA/DITEC-BA/SUPES-BA, and supported, along with other information, the issuance of LI 1363/2020, issued on September 23, 2020.

- **19 Technical Opinions from environmental agencies, fully attended to and satisfactorily concluded.**
- **100% compliance with 190 Environmental Conditions**

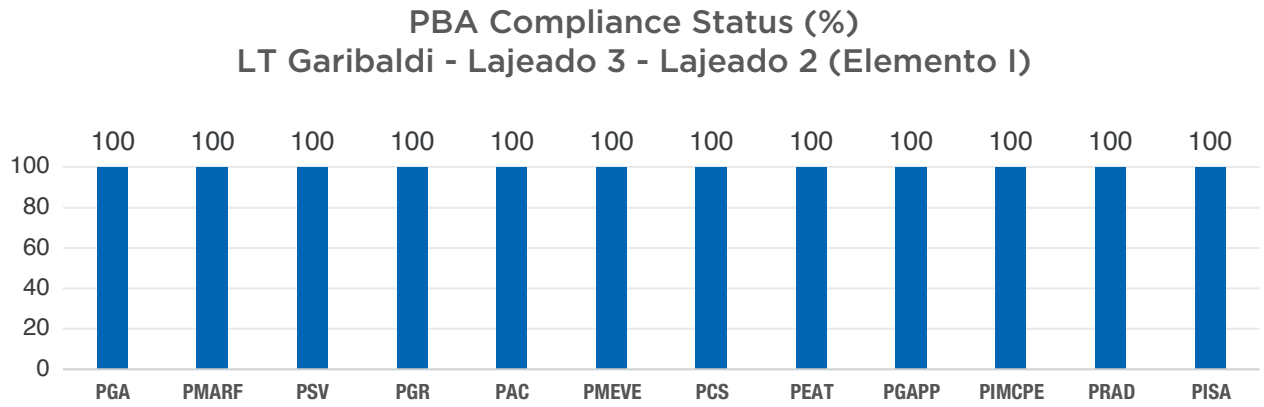
In the Vineyards project, the environmental team had 06 (six) exclusive professionals, who played an important role in assuring that all the Plans, Programs, and Environmental Constraints were fully complied with, which can be proven by the inexistence of infraction notices or any other records pointed out by environmental agents.

In the Vineyards project, were identified in the LT 230 kV Garibaldi - Lajeado 3 - Lajeado 2 and Secionamento, 509 records during the inspections carried out by the environmental teams at the works and 31 environmental non-compliances. For the LT 230 kV Bagé 2 - Candiota, 301 environmental records were identified during the inspections carried out by the environmental teams and 05 records of non-compliance, being these related to erosive processes, improvements in the right-of-way, suppressed woody material, solid waste, damage to fences, gates and other improvements and drainage.

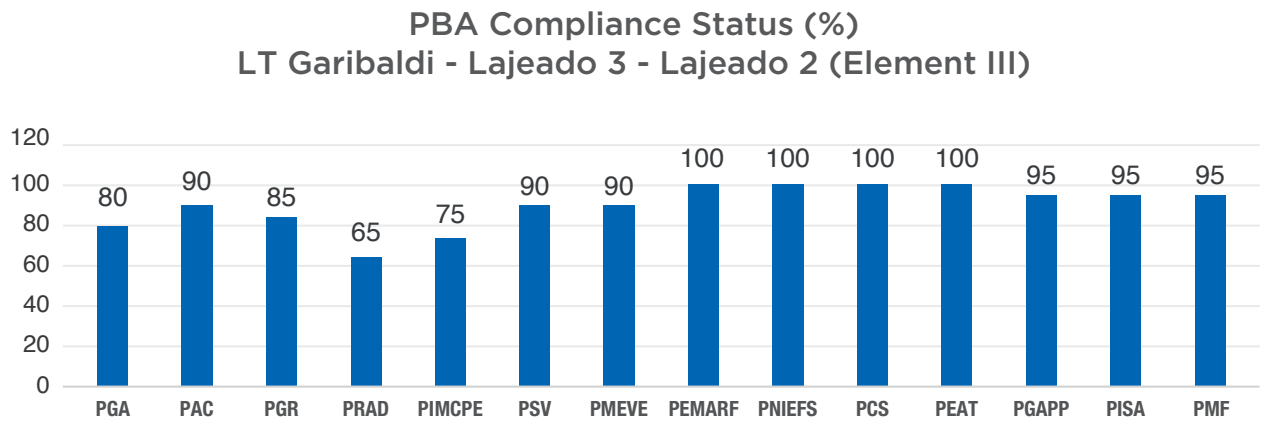
Vineyards Project Environmental Management Panel in 2020.



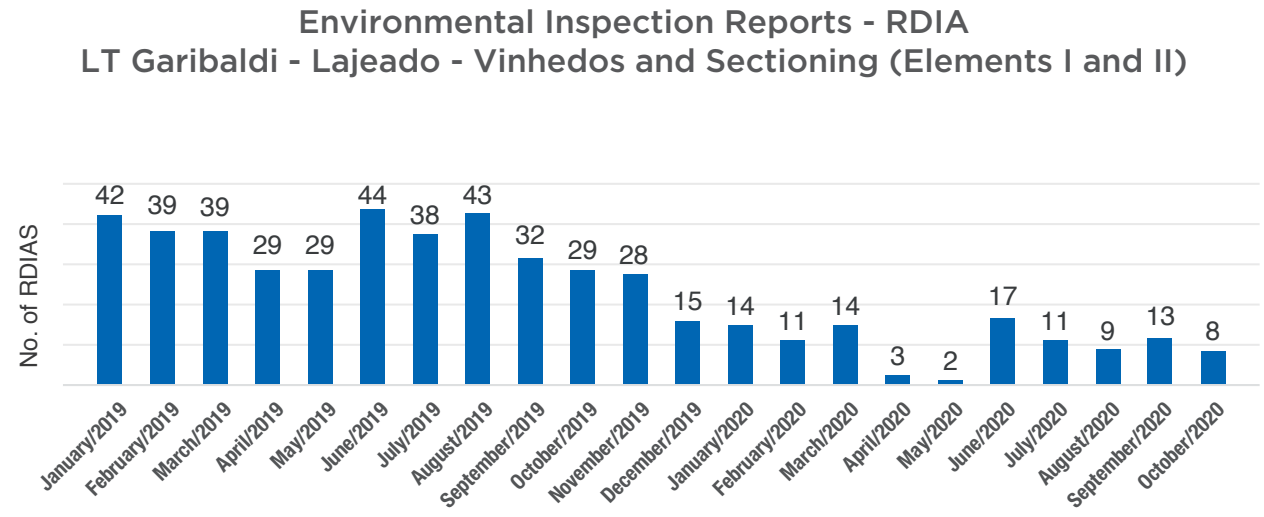
Pircure 01: Percentage of fulfillment of Element II Environmental Programs.



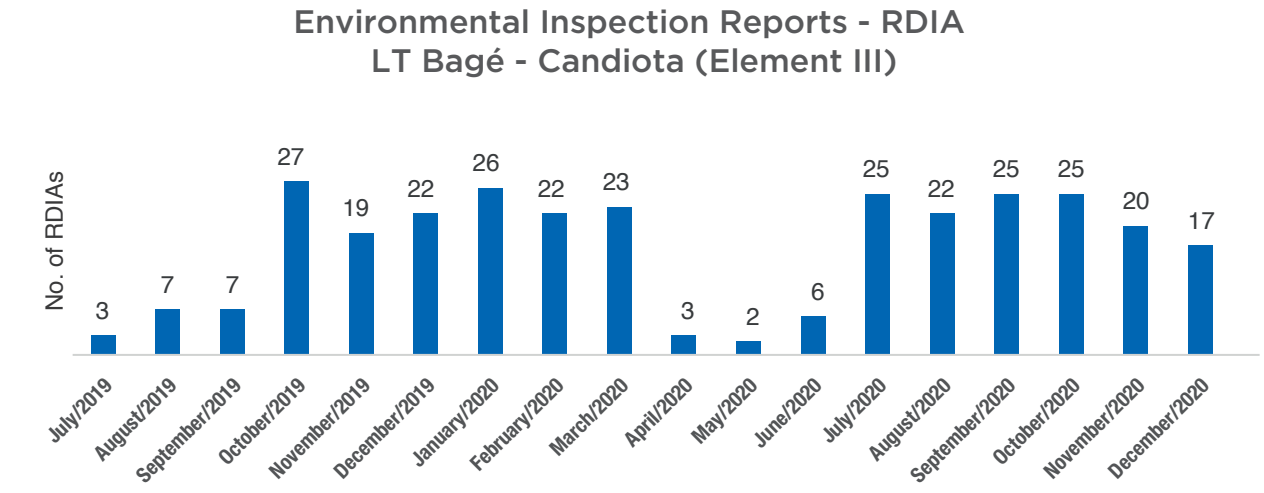
Pircure 02: Percentage of fulfillment of Element I Environmental Programs.



Pircure 03: Percentage of fulfillment of Element III Environmental Programs.



Pircure 04: Daily Environmental Inspection Reports/month. Elements I and II, 2020.



Pircure 05: Daily Environmental Inspection Reports/month. Element III, 2020.

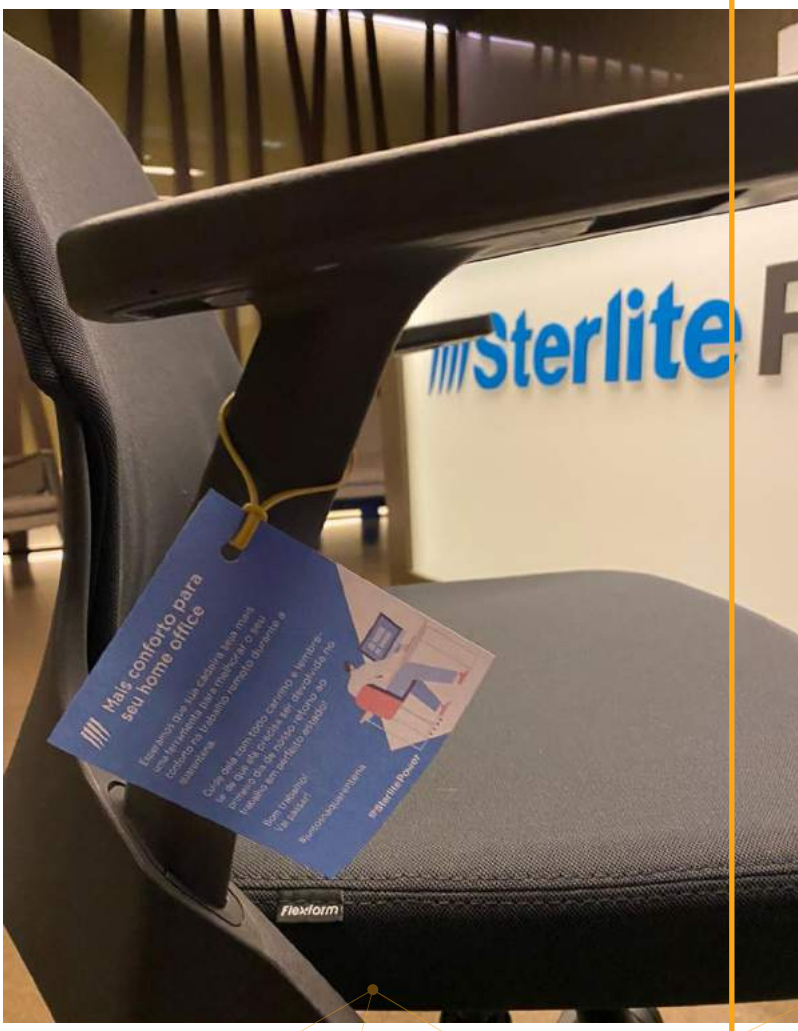
Health and security in the workplace

During 2020, Sterlite Power maintained its commitment to ensuring the safety and preserving the health of its employees and their families.

Confronting COVID-19

In this atypical year, Sterlite concentrated efforts and developed actions to prevent the contagion of its employees and service providers.

- Anticipation of the vaccination campaign against common flu and H1N1;
- An internal contingency plan was elaborated;
- 100% of the collaborators were placed in home-office;
- Availability of an ergonomics kit composed of: chairs, monitors and keyboards to improve the ergonomic conditions and provide greater comfort for remote work;
- Development of a "travel kit", containing masks, 70% gel alcohol and 70% isopropyl alcohol for all employees who need to travel;
- Online lectures with information about the Coronavirus, tips for working at home and routine with children, videos about ergonomics, and several informational materials;
- Contingency plans were requested from the contractors the contractors were asked to develop contingency plans whose actions are periodically monitored by the field teams.



Risk Prevention

The identification, evaluation, and control of health and safety risks aims to ensure that all employees are trained, perform their activities under appropriate conditions, and use personal and collective protection equipment.

Sterlite has a requirement in all its projects that activities can only be carried out after an APR (preliminary risk analysis) has been prepared.

The company has also defined special safety requirements for activities considered critical

(CTS – Critical to Safety).

Compliance with these requirements is verified and reviewed through a governance pyramid that starts with the contractor's own survey of deviations, goes through weekly assessments with the safety teams, monthly audits conducted by Sterlite, and reviews with the global quality, health and safety team.

Safety indicators

As a way to measure the Occupational Health and Safety performance in its projects and to seek benchmarking with other group projects, Sterlite implemented in 2020 the Global QHS Scorecard.

This Scorecard consists of a group of proactive and reactive indicators monitored and disseminated on a monthly basis and comprises the following points:

- Health and safety governance - project safety committee meetings, conducting safety inspections by leadership, participation in DDS by leadership;
- Risk management - preparation of the Preliminary Risk Analysis for all activities according to the project planning;
- Management of legal requirements - compliance with the legislation of OHS applicable to the scope of the project activities;
- Effectiveness of emergency response plans - availability of equipment and accessories to respond to emergencies and to carry out the planned simulations;
- Workers' comfort - compliance of living areas, dining areas, and lodgings with the requirements of regulatory standards 18 and 24;
- IPE use - a survey of deviations related to the misuse or unavailability of the necessary IPEs;
- Non-conformities - non-compliance with legal or contractual requirements related to occupational health and safety;
- Audits - SST audits performed monthly by the Sterlite team;
- Incident reporting - identification of deviations and near misses in the project, focusing on the base of the Dupont pyramid (preventive action);
- Training - number of hours of SST training in relation to the total number of hours worked on the project;
- Accidents - quantitative indicator of accidents with lost time that occurred with own employees third parties or employees of contractors working on our projects.

Process management and certifications

Sterlite developed a complete set of processes thinking of all the phases in the life cycle of its projects. The SWW (Sterlite Way of Working) was developed comprising:

- Handovers,
- Creation of SPEs,
- Environmental licensing,
- Engineering,
- Land negotiations,
- Supply chain management,
- Project management and execution,
- Quality,
- Health and security in the workplace.

This effort was rewarded, and its effectiveness proven, in March 2020 with the receipt of ISO9001:2015 (Quality management system), ISO14001:2015 (Environmental management system) and ISO45001:2018 (Occupational health and safety management system) certifications for the scope "Project, development and construction management of transmission lines and substations".

FUNDAÇÃO VANZOLINI

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE

FUNDAÇÃO CARLOS ALBERTO VANZOLINI

hereby certifies that the organization

STERLITE BRAZIL PARTICIPAÇÕES S.A.
Avenida Doutor Cardoso de Melo, 1308, 8º andar - São Paulo - SP - Brasil

for the following scope:

Management of design, development and construction of Transmission Lines and Substations.

has implemented and maintains an

Environmental Management System

An audit performed by Fundação Vanzolini has verified that this Management System fulfills the requirements of the following standard:

NBR ISO 14001: 2015

Environmental Management Systems - Requirements with guidance for use

This certificate is valid until: March 29th 2023
Certification Registration # : SGA-1830

São Paulo, March 30th 2020

IQNet

SGA-M06818

FUNDAÇÃO CARLOS ALBERTO VANZOLINI
Rua Camburiá, 255
Alto da Lapa - São Paulo - SP - Brasil

OCA 0004

IAF

5.3 Biotic Environment

5.3.1 Vegetation Suppression

Vegetation suppression is an important activity in the stages of installation and operation of power transmission lines. The established techniques aim at the safety of the forest operations, excellence in the adopted techniques and the best use of the wood yields, besides, of course, minimizing the environmental impacts resulting from the intervention of machines and equipment in the forest fragments.

The vegetation suppression activities developed by Sterlite Power make use of adequate techniques and procedures in all the phases related to the vegetation suppression, as follows:

- Planning of the cutting activities, such as direction of suppression, entry of machinery in sensitive areas, training and qualification of the employees involved;
- Precise delimitation of suppression areas according to the executive project;
- Technical excellence in the cutting activities and in minimizing the impacts to the adjacent vegetation; and
- Control of vegetation suppression activities in all stages, ensuring the minimization of environmental impacts and technical excellence in the use of local forest resources.

The main objective is the proposition of adequate techniques for vegetation suppression in the area directly affected by the project, aiming at the reduction of impacts to the vegetation component, as well as the adoption of technical excellence in the use of forest resources.

In the Vineyards project, the adoption of best practices in the activity of vegetal suppression has generated expressive gains in the reduction of the areas and volumes suppressed.

In the regions with better conserved vegetation, the construction activities were customized and specific practices were adopted to reduce the impacts on the vegetation, such as the use of UAVs (Unmanned Aerial Vehicles) to launch conductor cables in 12 (twelve) spans of the towers.

A total of 2,221 bird flares were installed to avoid the collision of birds with the transmission line, of which 434 in the Garibaldi - Lajeado LT and 1,787 in the Bagé - Candiota LT.

After the completion of the vegetation suppression activities in the Vineyards project in 2020, 952.14 m^3 of woody material were suppressed in the Garibaldi - Lajeado and Bagé - Candiota lines. It is worth highlighting the significant reduction in relation to the total volume authorized by the environmental agency, with a reduction in the order of 44% compared to the total volume authorized.

5.3.2 Fauna Rescue and Scavenging

The actions developed for the rescue and scaring away of fauna are focused on the service strip, tower plaza and launching plaza of the transmission lines, although occasional rescues may occur in the areas of construction sites and other structures of the project.

To minimize the impacts related to fauna, monitoring is carried out in the field and individuals are redirected to adjacent areas (chasing away or mild rescue). When necessary, those species that are unable to move to other areas are rescued. The rescued animals are triaged and receive medical and veterinary care, and then, after proper care, are released in nearby areas with characteristics similar to those of the suppressed area.

In the Vineyards project, for LT 230kV Garibaldi - Lajeado 3 - Lajeado 2 and Secionamento, 33 animals were identified during the vegetation suppression activities, an activity that was fully monitored by a team capable and authorized to handle, rescue and release any animal. Of these 33 animals, 7 were chased away and another 26 rescued and released.

At LT 230 kV Bagé2 - Candiota, 8 animals were recorded and identified during the suppression activities, an activity that was fully monitored by a team capable and authorized to handle, rescue and release any animal. Of these, 05 were chased away and 03 were rescued and released.

In relation to the other Sterlite Brazil Participações projects, it is informed that no fauna rescue and scaring activities were carried out.

5.3.3 Monitoring the Fauna

In general, the impacts on fauna are related to the loss, alteration and fragmentation of the vegetation cover, which can cause frightening, risk of accidents and death of animals, as well as the risk of capture and hunting of animals due to the increased density of people during the installation phase.

Among the main proposals for fauna monitoring, we can highlight the characterization of rare, endemic, migratory, exclusive, vulnerable, bio-indicator, endangered, of scientific interest, of economic and ecological value species, since given the conditions of these species, actions should be planned in order to reduce as much as possible the impact on them.

In the Vineyards Project the monitoring continues to monitor the Rivulidae, a seasonal fish whose eggs hatch soon after the beginning of the rains, from puddles that were dry during the dry season.

We identified 177 individuals distributed in six sites in the region of the Bagé II - Candiota II stretch of the project, two sites near the Bagé substation and another four near the right-of-way of the transmission line. All six points were fenced and marked so that this environment would not be disturbed by the construction activities of the transmission line.

These points are rigorously monitored during the construction phase and in parallel, environmental education activities are developed with the workers about the importance of preserving this species for the local ecosystem, as well as its habitat.

5.3.4 Monitoring of Fauna Susceptible to Collisions with Transmission Lines

Many species of birds are vulnerable to electrocution and collisions with high voltage transmission lines, due to the height of these structures in relation to their flying height, as well as, due to their low visibility. Thus, some groups deserve special attention in the areas of influence of the developments, with the application of specific monitoring methods or the installation of beacons, aiming to reduce the events of collision and electrocution.

In the Vineyards project, beacons were installed to avoid the collision of birds with overhead cables in 3.49 kilometers of transmission line, with a total of 349 beacons installed.

The signaling devices have the function of increasing the visibility of the cable to lightning and thus avoid collision. The monitoring conducted in the year 2020 did not indicate any collisions in the verified period.

5.3.5 Forest Replacement

Forest replanting actions are directly linked to vegetal suppression, by offsetting the suppressed area under the terms of the current legislation, justified by the need to recover and maintain conserved natural areas, thus ensuring the ecosystem services and the function of the forest cover to maintain the ecological processes.

In the Vineyards project, the compensation process for vegetal suppression is in progress. The following compensation modalities and quantities are foreseen for the two LT's of the Vineyards enterprise:

LT 230 kV Bagé2-Candiota:

• Allocate 1.78 ha belonging to the Pampa Biome;

• Include 0.48 in the Pampa Biome area for Permanent Preservation Areas;

• Natural regeneration in 0.76 ha of the Legal Reserve Areas.

LT 230kV Garibaldi - Lajeado 3 - Lajeado 2 and Sectioning:

• Allocate 18.65 ha of Atlantic Forest;

• 1.21 ha, already included in the Atlantic Forest area for Permanent Preservation Areas;

• Natural regeneration in 0.99 ha of the Legal Reserve Areas.

5.3.6 Monitoring and Control of Erosive Processes

The construction of transmission lines can trigger erosive processes, due to the movement and cutting of soil and rocks. In our projects, we adopt measures to mitigate and avoid the deflagration of erosive processes, implementing monitoring and, when not avoidable, control actions, with corrective measures.

The corrective measures for the containment and recovery of erosive features are adopted considering the physical characteristics (topography, type of soil, rainfall, vegetation cover, and natural drainage), in conjunction with the anthropic characteristics, as well as the emergency nature of the intervention to be carried out.

In the Vineyards project, 41 points were identified for monitoring erosive processes in LT 230kV Garibaldi - Lajeado 3 - Lajeado 2 and Secionamento, due to the susceptibility to morphodynamic phenomena that in this case have a strong association with relief conditions. Also monitored were 12 wet crossings over drainages.

In the LT 230 kV Bagé2-Candiota, 09 erosive process monitoring points were identified due to the hydrological conditions of the region.

5.3.7 Recovery of Degraded Areas

The cleaning of the areas to be built, the execution of cuts, landfills, installation of accesses, areas for the disposal of surplus material, and support facilities require soil movement and removal of vegetation cover, and, even though they are temporary, the practices of recovery, conservation, and restoration of degraded sites are essential for the mitigation of impacts on natural resources and valuation of the landscape aspects of the region surrounding the developments, and to avoid the generation of environmental liabilities.

The reintegration of the impacted area into the regional landscape, as well as the sites degraded by the project's activities, follows basic operational procedures, such as topographic reconditioning, control of degradation factors, recomposition of the soil and drainage systems, and recomposition of the vegetation cover.

In the Vineyards Project, 06 areas with environmental liabilities were identified in the 230 kV Garibaldi - Lajeado 3 - Lajeado 2 and sectioning, i.e. pre-existing processes that were not caused by the project. As for the construction activities, 23 access recoveries were carried out and in 12 other areas, such as tower squares, cable laying and substation slopes, for example. In total 35 areas were recovered and 6 environmental liabilities were identified.

In the 230 kV Bagé2-Candiota line, 8 areas with environmental liabilities were identified. Two (02) of these liabilities are in the process of being adequately treated and one has already been treated adequately. The other 05 liabilities were monitored. To date, no erosive processes amenable to environmental recovery have been identified.

5.3.8 Solid Waste Management

The installation and operation activities of Transmission lines generate residues, which need an effective control until their final disposal.

Sterlite Power develops, in all its projects, management and control procedures for the residues generated, monitoring from the generation of the residue until its final disposal, going through the collection points, separation, transport, provisional destination, the final destination and the residue control system.

In the Vineyards project - LT 230kV Garibaldi - Lajeado 3 - Lajeado 2 and LT 230 kV Bagé2 - Candiota, 108.84 tons were generated in 2020, all waste was classified, collected, transported and sent for proper treatment.

5.3.9 Mining Activities

The survey of the interference in areas of mineral-extracting interest in the regions of Sterlite Power's projects is justified by the need to manage the interferences that may occur in areas with concession processes in progress in the right-of-way.

To do this, the situation of the interferences in the right of way is updated on the mining processes. The data is consolidated in a report, which evaluates and identifies the interferences in the right of way.

In the Vineyards project, 14 mining processes were identified in the 230kV Garibaldi - Lajeado 3 - Lajeado 2 LT, coinciding with the right of way, distributed in processes of the type of research authorization, research request, availability and mining concession and only one in the mining phase. In LT 230 kV Bagé 2, 88 mining processes were identified, distributed in research authorization, availability, licensing application, research application and mining application.

The Marituba project intersects 16 mining processes, among these, 10 are in the "Authorization for Exploration" phase (62.5%), 1 process is in the "Mining Concession" phase (6.25%), 1 process is in the "Licensing Application" phase (6.25%) and 4 are in the "Licensing" phase (25%),

Finally, the Borborema project has requested the blocking of mining activities considering the intersection of the right of way with 33 mining processes. Among these, 5 are in the "Request for Exploration" phase (15.2%), 19 in the "Authorization for Exploration" phase (57.6%), 5 in the "Availability" phase (15.2%), 1 in the "Licensing" phase (3%), 2 in the "Request for Mining" phase (6.1%) and 1 in the "Request for Licensing" phase (3%).

The management of this activity is the responsibility of the National Mining Agency - ANM, which has not yet manifested itself in relation to the blockage requests.

5.4 Socioeconomics

5.4.1 Labor Hiring and Mitigation of Interference from the Hired Population

The offer of direct jobs and the opportunities for income generation resulting from the implementation of the transmission lines are configured as one of the main positive impacts of the construction of the project, as it provides economic opportunities for the local population.

We prioritize the hiring of labor in the municipalities in the region of the project, we establish guidelines to orient the hiring and demobilization processes of workers, and we promote the awareness and sensitization of workers aiming at the practice of procedures that are environmentally adequate to the works. This reflects in the good relationship with the affected population, where to discipline this relationship, guidelines are established in the code of conduct. Another extremely important point concerns the demobilization process, which contributes to avoid the permanence in the region of migrant workers hired during the installation phase of the project.

The workers are also made aware of the importance of preserving the environment and the ways of life of the local population, and they are oriented about how to get along with the surrounding communities.

Articulation actions are also developed with the local government in order to guide any necessary measures in the area of public safety, health, among others.

In the Vineyards project, 54% of the workers who worked on the installation of the transmission line were hired in the region of the project. All workers, even those contracted in the region of the project, go through the integration process and other company training.

5.4.2 Social Communication

Sterlite Power understands that the access to information about its projects that can modify the natural and anthropic environments, constitutes a basic instrument for the exercise of information and good relationship with the interested parties.

The social communication process establishes actions to minimize the effects of the implantation of the undertaking on the communities directly or indirectly affected.

In the Vineyards project, 1,100 informative folders and 320 posters were distributed throughout 2020, also in the pre-energizing phase and during the installation period, 636 people were contacted in different campaigns and that live in the area of influence of the socio-economic environment through contact along its 115 kilometers of extension divided into two lots, one in the extreme south of the state (Bagé - Candiota) with 52 km, and another lot more in the center of the state (Garibaldi - Lajeado) with 63 km and 06 substations, being 02 greenfield and 04 extensions, both sections with a total of 595 properties intercepted. From the total of properties intercepted by the project in both stretches, 98.19% of the owners were visited by the project's social communication team, and a total of 24 radio spots were broadcast during the period of one week, in the pre-energizing phase of the stretch Garibaldi - Lajeado), covering the entire length of this stretch. From these channels, 29 calls were generated for LT Lajeado - Garibaldi, to the ombudsman (9090 61 3041-7979), of which 06 were about compensation for the passage of the LT, 09 related to repairs on access roads, 09 related to the stacking of logs from the suppressed trees, 02 about drainage, 02 about damages and repairs and 02 from another category. At LT Bagé - Candiota, 11 claims were generated in the ombudsman (9090 61 3041-7979), being 02 about compensation for the passage of the LT, 02 related to repairs on access roads, 01 related to the stacking of logs from the suppressed trees, 04 about damages and repairs and 02 of another category.

Of the total number of properties intercepted by the project in both stretches, 82.69% of the owners were visited by the project's social communication team, in addition to a total of 24 radio spots having been broadcast during the period of one week, in the pre-energizing phase of the stretch Garibaldi - Lajeado), covering the entire length of this stretch.

5.4.3 Environmental Education

Environmental Education is understood by Sterlite Power as a dynamic process, in permanent construction, guided by values based on social transformation, aiming at the formation of a critical, collective and solidary thought, of interdisciplinarity, multiplicity and diversity, focused on the recovery, conservation and improvement of the environment and quality of life of the population.

More specifically to the workers, the environmental education in Sterlite Power projects seeks to clarify and make the workers involved in the installation of the projects aware of the environmental impacts potentially incident on the study area, and the benefits of the execution of environmentally correct procedures. We promote actions to raise awareness and encourage changes in behavior and the adoption of attitudes compatible with the preservation and conservation of the environment.

In the Vineyards Project - LT 230 kV Garibaldi - Lajeado 3 - Lajeado 2 and Secionamento, the environmental education actions were developed exclusively for the workers. In total 337 workers participated in the activities. In LT 230 kV Bagé 2 - Candiota the actions included a contingent of 137 workers.

The topics covered were the Code of Conduct, The Human Being as a Transformation Agent, Solid Waste and Health, Water and Energy Consumption, Environment and Natural Resources, Vegetation, Poisonous Animals - prevention and first aid, Appreciation of Local Cultural Potential, Environmental Crimes Law, Burn Prevention, and Sexually Transmitted Diseases.

5.4.4 Archaeological Heritage

Possible archaeological impacts during the implementation of a transmission line project are evaluated aiming at the protection of existing archaeological assets in the areas of influence of the project, as well as compliance with the guidelines of the responsible body, IPHAN.

In the Vineyards project, no archaeological sites were identified and the obtaining of conclusive manifestations from IPHAN was contemplated for the Installation License (LI) and the Operation License (LO) concomitantly.

Regarding the other processes in progress at IPHAN - Institute of National Historical and Artistic Heritage, in 2020, the agency issued 3 authorizing orders for archeological activities and 18 Technical Opinions on the Reports and Projects filed. IPHAN also issued 9 consents to the issue of environmental licenses - 6 consents to the issue of Prior Licenses for the Dunas, Goyaz and Solaris projects, and 3 consents to the issue of Installation Licenses for the São Francisco project and for Solaris.

5.4.5 Quilombola Remnant Communities

The negotiations with the Quilombola Remnant Communities (CRQs) indicated and recognized by the Palmares Cultural Foundation have a different approach in the environmental licensing rite. Any project that requires interventions in the territories where the CRQs are located must follow a specific procedure approved by the competent body for this purpose, a procedure defined by the legislation that governs the participation of the so-called intervening bodies in the environmental licensing process.

In Sterlite's projects, CRQs were identified in the Dunas, São Francisco and Marituba projects.

In Dunas, 01 (one) CRQ was identified, the CRQ Bela Vista do Piató.

In Marituba, the presence of 16 CRQs were identified, namely: Abacatal-Aurá, Carananduba, Guajará Miri, Itacoã Miri, Santa Quitéria and Itacoãzinho, Caeté, Ramal do Piratuba, Samaúma, África and Laranjituba, Moju-Miri, Bom Jesus Centro Ouro, N. Sra das Graças e São Bernadino, Cacoal e Divino Espírito Santo, Juquiri, Santa Luzia do Bom Prazer, São Jorge e Sítio Bosque, with which formal negotiations will begin after approval of the Work Plan for the Quilombola Component, which by the end of 2020, had not yet been approved by the responsible body, currently INCRA.

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In São Francisco, 09 CRQs were identified for the stretch from Morro do Chapéu - Irecê (Boa Esperança, Campo Alegre, Mulungu, Sarandí, Lagoa Nova, Sabino, Ouricuri II, Boa Vista and Queimada Nova) and 07 for the stretch Aracajú - Olindina - Sapeaçu (Curral de Fora, Vila Nova, Gavião and Cavaco, Paus Altos, Santo Antônio, Subaé and Mussuca).

For the Morro do Chapéu - Irecê stretch, in the year 2020, the communities authorized the resumption of the ECQ and PBAQ preparation activities, which took place in January 2021.

For the Aracajú - Olindina - Sapeaçu stretch, it is worth noting the certification of three more communities located in the area of direct influence of the project, namely the communities of Orobó, Morro da Pindoba and Salgado.

5.4.6 Malaria Potential

In the Marituba project, management on the issue of Malaria is conducted by the state agency, the Pará State Secretary of Health - SESPA.

In 2020, the Pará State Secretary of Health (SESPA) issued the Malaria Potential Assessment Report (LAMP) for the Marituba project, which allowed the pacting stage to be conducted with the 11 municipalities intercepted and/or involved. The pacting was successful and the continuity of the actions is expected for the year 2021.

5.4.7 Property Management

Property Management plays a fundamentally important role in the development of Transmission Line (LT) Projects. Considered one of the preliminary services of the work, the land management team is the first to enter the field and the last to leave the construction sites. It is up to the professionals in the area to identify the strip of land that will be intercepted by the Transmission Lines on each property, including improvements and crops, and to assess the amount of compensation to be paid to the owners. The easement strip, as this land track is known, is necessary for the safety of the people living near them and for the safety of the LT itself during operation.

In 2020, Sterlite Power experienced a challenging year: the onset of the pandemic coincided with the progress of the Borborema Project, a concession that is 129 km long and will be responsible for the flow of energy to the regions of João Pessoa and Campina Grande, delivering the first transmission line with a capacity of 500 kV to the surrounding cities.

With the quarantine regime over the months, it was necessary to establish strict health safety protocols for all professionals in the field. The approach to landowners with land foreseen in the route of the new line started to be done outdoors, with the distance recommended by the health agencies. Additionally, the relay for signing the contracts was implemented, where the reading and signing of the contracts was done individually in the notary's offices in the region, avoiding agglomerations. The preventive measures in relation to the pandemic, which also included adaptations in the way land was identified and analyzed in the pre-indemnity stage, ensured the protection of the company's employees involved in the 388 indemnity transactions.

6. ATTACHMENTS

6.1 Environmental Management*

Item	Description	GRI	Vineyards		
1.	**Recovery of Degraded Areas**		**2018**	**2019**	**2020**
1.1	Isolated protected network (ecological network or green line) in the urban area (in km).		N/A	N/A	N/A
1.2	Percentage of isolated protected network/total distribution network in urban area.	%	%	%	%
2.	**Emission**				
2.1	Annual volume of greenhouse gases (CO_2, CH_4, N_2O, HFC, PFC, SF_6), emitted into the atmosphere (in tons of CO_2 equivalent).	EN16 EN17 EN18	N/D	N/D	N/D
2.2	Annual volume of ozone-depleting gas emissions (in tons of CFC equivalents).	EN19/ E1	N/D	N/D	N/D
3.	**Effluents**				
3.1	Total water discharge, by quality and destination.	EN21/E1	N/D	83055	890160
4.	**Solid Waste**				
4.1	Annual quantity (in tons) of solid residues generated (garbage, waste, garbage, etc.).		N/A	134.21	108.84
4.2	Quantity of PCB-contaminated waste (Ascarel) disposed	EN24	N/A	N/A	N/A
5.	**Use of resources in the organization's production process and management processes**				
	Total energy consumption by source				
5.1	Energy consumption per kWh distributed (sold)		N/A	N/A	N/A
	Direct energy consumption broken down by primary energy source, in GJ				
5.2	Diesel		N/D	N/D	N/D
5.3	Gasoline		N/D	N/D	N/D
5.4	Etanol		N/D	N/D	N/D
5.5	Natural Gas		N/D	N/D	N/D
5.6	Others (specify)		N/D	N/D	N/D

Item	Description	GRI	Vineyards		
	Total energy consumption by source				
5.7	Supply (public network)		N/D	N/D	N/D
5.8	Underground source (well)		N/D	N/D	N/D
5.9	Surface water catchment		N/D	N/D	N/D
5.10	Total water consumption (m^3)		N/D	N/D	N/D
5.11	Water consumption/employee (m^3)		N/D	N/D	N/D
6.	**Environmental Education and Awareness**				
	Environmental education in the organization				
6.1	Number of employees trained in environmental education programs		N/A	380	137
6.2	Percentage of employees trained in environmental education programs/total employees		N/A	60	100
6.3	Number of hours of environmental training/total hours of training		N/A	151.66	44.21
	Environmental education in the communities				
6.4	Number of elementary and high school units attended		N/A	-	-
6.5	Number of students served		N/A	-	-
6.6	Number of trained teachers		N/A	-	-
6.7	Number of technical and higher education units attended		N/A	-	-
6.8	Number of students attended		N/A	-	-

N/A: Non applicable N/D: Not available

6.2 Projects and Environmental Processes

COMPANY	Suppression and Selective Trimming (M3)		Mowing (m2)		Burning Incidence (unit)		Oil Leakage (m3)		Collected/ Adequately Disposed Residues (Kg)		Collected/Properly Disposed Waste (Kg)		
VINEYARDS	1488	952	77800	43700	-	-	-	-	134,213	108,840	36	N/D	24

6.3 Environmental Data

COMPANY	BRANCH	LIBERATION DOCUMENT		PROCESS NUMBER	EMISSION
GOYAZ	SECIMA	LI	Installation License SE Pirineus	749/2020	11/26/20
		LI	Installation License Pirineus Sectioning	715/2020	11/17/20
		ASV	ASV Edeia Cachoeira Dourada	2052.9.2020.24458	10/29/20
		ASV	ASV SE Pirineus	2052.9.2020.24457	10/29/20
		ASV	ASV Pyrenees Sectioning	2052.9.2020.24457	10/29/20
		LP	Preliminary License SE Pirineus	472/2020	08/03/20
		LP	Preliminary License Pirineus Sectioning	243/2020	04/30/20
		Waiver	Licensing dispensation SE Barro Alto	76362/2020	03/02/20
		LP	Preliminary Installation License Edeia - Cachoeira Dourada	15/2020	01/14/20
SOLARIS	SUPPRI	Waiver	Licensing Waiver SE Jaíba	S/N	11/25/20
		Waiver	Licensing Waiver SE 3 Marias	S/N	11/10/20
		LP	Preliminary License Pirapora - 3 Marias	Parecer Único nº 0352379/2020	08/27/20
		LP	Preliminary License Janauba - Jaíba	Parecer Único nº 0343181/2020	08/27/20
	IBAMA	Waiver	Licensing dispensation SE Janúba 3	Despacho nº 7274678/ 2020-CODUT/ CGLIN/DILIC	03/25/20
SÃO FRANCISCO PSOS	IBAMA	ABIO	ABIO	1346/2020	11/27/20
		LI	Installation Permit	1363/2020	09/23/20
SÃO FRANCISCO MCI	INEMA	LI	Installation Permit	portaria nº 20.554 de 29 de abril de 2020	04/29/20
		ASV	ASV	portaria nº 20.554 de 29 de abril de 2020	04/29/20
BORBOREMA	SUDEMA	ABIO	ABIO	036/2020	11/17/20
		ASV	ASV	2025.5.2020.17711	03/05/20
DUNAS	IBAMA	LP	Preliminary License	638/2020	08/26/20
MARITUBA	SEMAS	LP	Preliminary License	1780/2020	04/15/20

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