

Sustainability Report **2020**

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Introduction

We are pleased to present our second Comerc Group Sustainability Report. Over the next pages, we describe our 2020 performance in economic, social, environmental and governance aspects, as well as our management approach to other topics that are relevant to our company and stakeholders.

We also share our vision for the future and initiatives planned to support us over the next years as we strive to generate value and build a sustainable business.

The section [About the report](#) brings more information about the guidelines and process we used to define the content in this document.

Have a nice reading!

A message from the President

GRI 102-14, 102-15

The year 2020 brought unique challenges as a result of the coronavirus pandemic that impacted millions of people and different industries across the world. Against this backdrop, we adopted a series of measures to protect our employees and preserve our partnerships and the value we generate for our customers, suppliers and society.

The entire company transitioned to remote work with financial assistance; we joined the movement "Don't dismiss your people" and maintained variable remuneration for all associates. We strived to remain close even while isolating: we created Comerc at Home, a program to encourage relationships and work/family life balance. The program initiatives include leisure, culture and the dissemination of reliable health information. Our surveys showed that we were on the right track, as more than 85% of employees approved the support provided to the teams while we all faced unprecedented challenges.

Our partnership with customers remained a priority. Considering the financial impact of Covid-19, we negotiated energy contracts and granted debt extensions for around 90 clients. While meetings and face-to-face visits were called off, we kept in close contact, intensifying the use of digital channels and disseminating quality information through MegaWhat, including news and analyses on regulatory measures in response to the pandemic, among other relevant topics.

Other efforts aimed at ensuring the best customer experience. We restructured the office of the Vice President of Customer Relations into three operations — New Businesses, Relationship, and Commercial Planning. In parallel, our Customer Commission working groups launched several initiatives to further improve our clients' journey with Comerc.

Our protective measures were also extended to society. We invested around R\$1 million in social impact actions and supported the Fiocruz campaign "United against Covid-19", donating diagnostic kits to public laboratories across Brazil. Additionally, we engaged our employees in actions that provided food baskets to social associations in the different municipalities where we operate.

Despite the challenges, 2020 was also a year of strategic advances along our four pillars -- Data Driven Culture, Service Segmentation, Customer Experience and Digitalization. This plan is consistent with electric power sector trends and focuses on generating

maximum value. We made strides in different areas, from our company structure to business development and capture of new opportunities.

We decided to expand our operations to solar energy generation aiming to increase synergies and efficiency in the businesses we have already consolidated within the group. Infinito Energy, our new joint venture with Construtora Seta (specialized in the construction solar and wind projects) and our partnership with the Perfin fund will enable us to diversify our portfolio and apply our recognized expertise to the commercial development and sales of energy from these renewable sources. We also started structuring our retail trader, an important agent to meet the changing market needs in light of the planned opening of the electrical sector in coming years.

We have captured **new opportunities** and expanded our operations to solar power generation

We defined a new organizational chart for our companies to ensure executive partners are more focused on developing our different businesses and areas, and we celebrate the arrival of Fernando Oliveira, our new Chief Financial Officer (CFO), who has already directed initiatives to strengthen our financial structure, such as promoting a budgeting culture and introducing external audits for income statements.

In 2020, we moved ahead in two important agreements with Perfin funds, which allowed us to enter new business areas in 2021. The first agreement involved Nexway Efficiency, with planned investments of around R\$ 1 billion in energy efficiency in Brazil over the next few years. The second agreement led to the creation of Sou Vagalume, a joint venture with Mori Energia (which also received Perfin investments) to promote distributed generation for low voltage commercial and residential consumers.

The success of this partnership prepared us to explore new paths together in 2021:

in March we received a R\$ 200 million financial contribution from Perfin funds, an investment that comes at our best moment. As an added benefit from the deal, the Comerc Group can now rely on the experience of Andre Dorf, our new Co-CEO -- this is part of the corporate restructuring process we initiated in 2020 to improve our corporate governance.

From 2021, the company will be led by a Board of Directors with seven members: two appointed by Perfin, four by Comerc and one independent director.

We are thus preparing our group for a new decade with greater efficiency and new business opportunities under a motivating, meritocratic corporate model. Faced with the transformations, we revisited our essence and reformulated our purpose — we believe in energy as an inspiration to delight people and to develop sustainable businesses — and we are supported by the values that represent the way we do business: Respect and Responsibility, Trust, Collaboration, Innovation with Results and Delight.

We took important steps during this period, and I would like to express my special appreciation to our more than 400 employees, whose efforts and precious intellectual capital were as usual decisive for our success. I would also like to thank our customers for their confidence through the difficult pandemic times: ours is a partnership where we learn and grow together.

As we look ahead, we are confident we can play a key role in the transformations and disruptions that are sure to come over the next few years: we have the experience, resilience and strategy to lead the way. We are honored by the continued trust placed in us by our customers, suppliers, partners and the entire Brazilian society.



Cristopher Vlavianos
Founder and Co-CEO of Grupo Comerc

Covid-19

Faced with the challenges imposed by the coronavirus pandemic, Comerc launched initiatives to preserve employee health and safety and also to support customers, suppliers, partners and society in general.

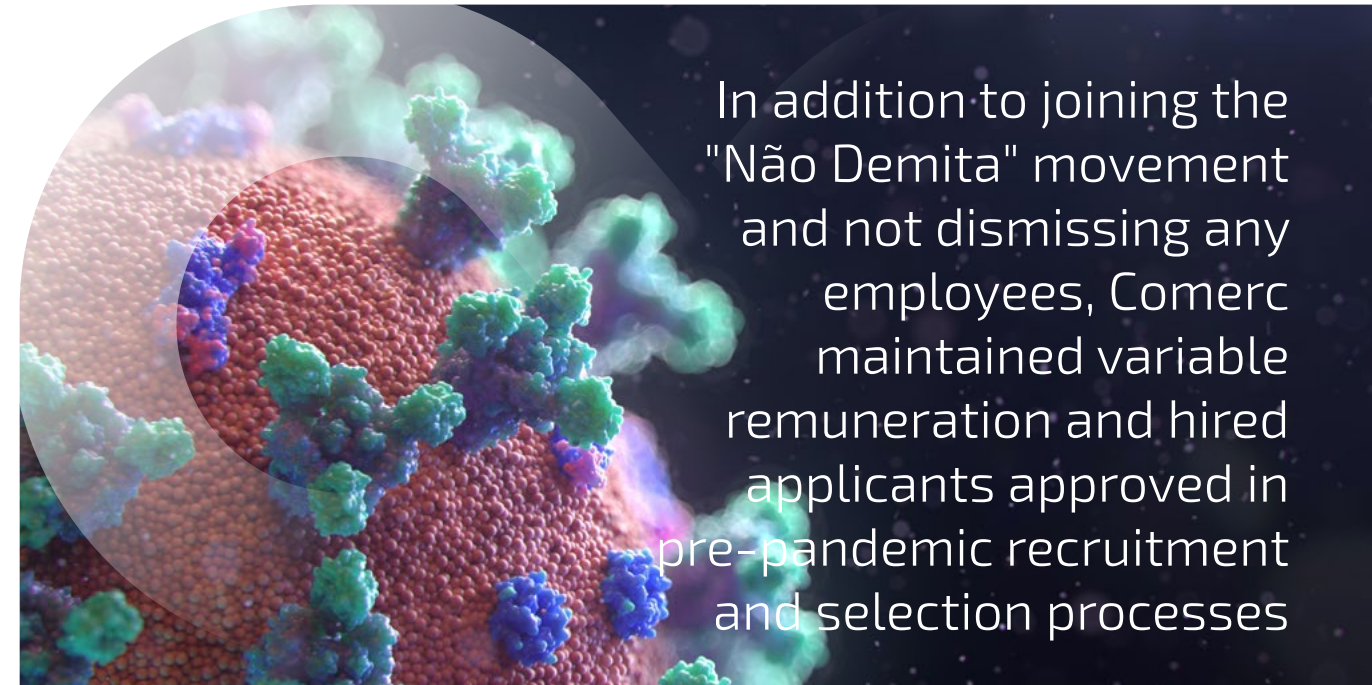
For employees, Comerc went beyond just adopting remote work for everyone and canceling face-to-face appointments, visits, meetings and trips: the company joined *Movimento Não Demita*, pledging not to dismiss current employees, and also and moved ahead with new hires from pre-pandemic selection processes, with 100% digital immersion. The company also maintained the variable remuneration component and offered financial assistance for remote work, including office chairs and computer monitors for those employees who showed interest in this option.

We also strived to strengthen proximity and transparency in our employee relations. One initiative in this regard was the creation of a direct channel to the CEO, where employees could ask questions directly and anonymously if desired, both about measures taken and business performance.

In parallel, the multi-faceted "Comerc at Home" program promoted closer ties between employees while fostering our Quality of Life Program called "Energy for You".

Comerc at Home

- **Leisure and culture:** free e-books, audiobooks and online courses, as well as information on nutritious and creative recipes for children, in addition to tips on



In addition to joining the "Não Demita" movement and not dismissing any employees, Comerc maintained variable remuneration and hired applicants approved in pre-pandemic recruitment and selection processes

using the culture voucher provided by the Comerc Group. We also had happy hour livestreams with music and recreational activities for our employees' children.

- **Balance:** several livestreaming events to promote greater life balance and support mental health with guest psychologists and nutritionists. Topics included yoga and meditation, conversations about remote work, image consulting and self-esteem.

Additionally, we entered a partnership with Yam — a platform dedicated to awareness, well-being and care for life on the planet — to provide courses that promote balance; another creative action was our happy hour with pets.

- **Health:** series of e-mails and informative livestreams on useful workout apps, partnership with Gympass for exercising at home and healthy eating in Covid-19 times.

Working on five aspects, **Comerc at Home** focused on bringing employees together and promoting quality of life

The company also offered flu shots, among other initiatives.

- **Community:** donation of around R\$1 million to different social initiatives; mobilization of employees and collection of food baskets in the seven Comerc offices across Brazil, dissemination of communication pills on how to volunteer from home and good social practices during lockdowns.
- **Corporate:** livestreaming events with President Cristopher Vlavianos every Friday; live chats with People & Management (Gente & Gestão) to clarify doubts about daily routines during quarantine and business updates with Vice President Marcelo Ávila. We also held webinars with area directors and startup executives (Yam Bike&Park,

Pax), as well as with members of the Comerc management commissions.

The Corporate pillar included surveys on Remote Work, with a high response rate. Among respondents, 75% rated the remote communication flow as “excellent”, and 60% felt “very productive” working outside the office. More than 85% approved the leadership support they received during this challenging period.



Company
communication
during remote
work was rated
"excellent" by
75%
of our employees

Partnering with customers

Customer partnerships are the lifeblood of all Comerc activities. In spite of the necessary social isolation and consequent cancellation of meetings and in-person visits, the company remained close to customers through digital channels such as WhatsApp and videoconferences.

Understanding the strong financial impact of the pandemic on clients in general and very especially on Comerc Trading and Newcom customers, energy contracts were renegotiated for more than 90 customers with debt extensions. We also offered greater

support for contract management with other energy suppliers to preserve our clients' financial health.

In terms of information, MegaWhat provided not only news, but also assessments of the regulatory measures adopted in response to the pandemic, both those specific to the energy sector and more comprehensive government initiatives. One example was the webinar on MP950 and other relevant information released by MegaWhat related to this provisional act, including temporary emergency measures for the electrical power sector in response to the Covid-19 pandemic.



Initiatives to support society

Approximately R\$1 million were invested in social initiatives under the "Community" front of Comerc at Home. One highlight is the donation of R\$ 300,000 to a project by the National Service for Industrial Learning (Senai) to repair 120 artificial respirators sent to hospitals in 13 Brazilian states. Another R\$ 450,000 were donated for three new ICU beds at the Municipal Hospital Dr. Moysés Deutsch, in the M'Boi Mirim neighborhood in São Paulo, in partnership with Hospital Israelita Albert Einstein.

Comerc also supported the Fiocruz campaign "United Against Covid-19" with 3 million diagnostic kits distributed to a network of Brazilian public laboratories. The company expanded its regular support to the Support Group for Adolescents and Children with Cancer (Graac) and made a donation to the Toyota do Brasil Foundation for the distribution of food baskets to families affected by Covid-19.

PAX, a logistics startup owned by Comerc until the end of 2020, established a partnership with the Milk Bank of the University Hospital

of the University of São Paulo (USP) to ensure continued supply of breast milk during the pandemic. The company provided a refrigerated car and driver so breast milk could be distributed to babies during lockdown.

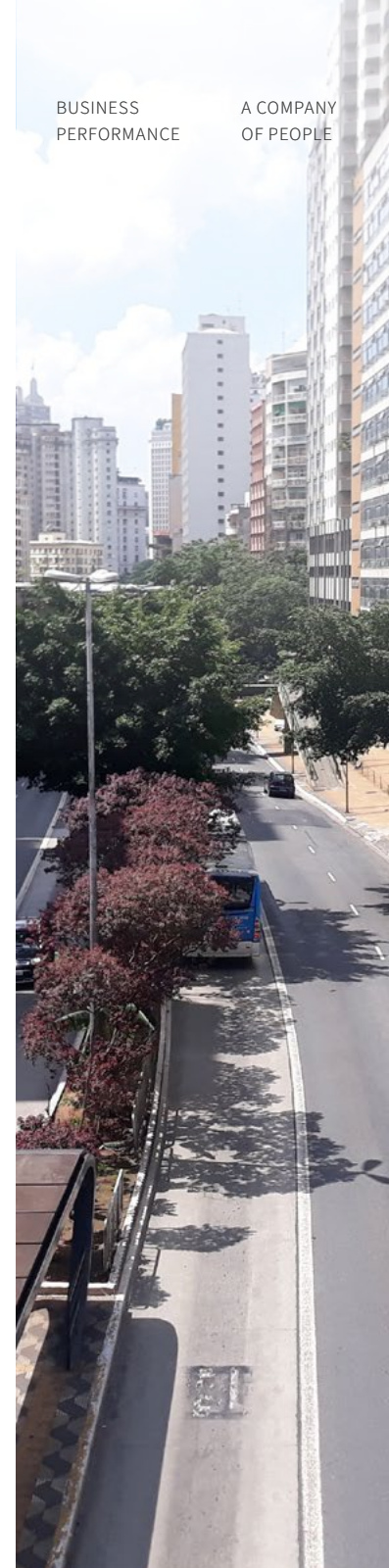
Additionally, Comerc engaged employees in the delivery of food baskets to different social associations in the cities in which we operate and supported the Hospital Israelita Albert Einstein fund-raising campaign for the purchase of 50,000 hygiene kits distributed to socially vulnerable families.

120
respirators
repaired
with R\$ 300,000
donated to Senai

Pure Energy with social impact


In this challenging period, Comerc chose to replace its traditional end-of-year party with projects aimed at combating Covid-19, in a creative effort that also recognized those stakeholders that walk hand in hand with us. Throughout the year, working together with Editora MOL, Comerc developed the "Pure Energy" project, a collection of cards with inspiring quotes and advice on how to recharge mind and body, overcome difficult times and live healthier and better. The cards were distributed to customers, partners and employees as a token of our appreciation.

This was more than a thank you: the initiative also contributed to transforming people's lives. Each card generated a donation to Litro de Luz Brasil ("a Liter of Light"), a non-governmental organization that aims to bring simple and economical solar lighting solutions to urban, rural, indigenous, riverside and quilombola communities that do not have adequate access to electricity services. The action contributed to the revitalization of 100 solar poles, impacting the lives of 400 families.



The Comerc Group

- » Energy Solutions
- » Purpose and Values
- » 2020 Highlights



**Comerc Group's head
office** in Vila Nova
Conceição, São Paulo

The Comerc Group was born with the emergence of the free energy market in Brazil 19 years ago and has consolidated its presence by offering customers reliable management services, innovative solutions and freedom.

GRI 102-1

Founded in 2001 as Comerc Energia, the company has built a trajectory marked by long-term relationships established through ten business units on four major fronts — Management & Consultig, Trading, Services, and Technology & Communication. **GRI 102-2**

Headquartered in the city of São Paulo, Comerc has three commercial offices in the state of São Paulo, in the municipalities of Campinas, Ribeirão Preto and São José dos Campos. The other three company offices are located in Manaus (AM), Bento Gonçalves (RS) and Florianópolis (SC). **GRI 102-3, 102-4**

Partnerships
drive **portfolio
expansion**

Driven by the intellectual capital of its more than 400 specialists (this is how the company refers to its employees), the Comerc Group serves more than 1,400 customers throughout Brazil. The company closed the year as a large limited company (Ltda.) preparing to become a Corporation (S.A.) in 2021, a milestone year marked by the partnership with fund manager Perfin. The Perfin contribution reinforces the Comerc Group capital structure and drives growth as the company prepares to enter the generation segment. The fund's generation portfolio paves the way for other partnerships and synergies; Perfin, in turn, will have a seat on the Board of Directors and also participate in the advisory committees to the board. With the deal, Comerc can now count on experienced executive Andre Dorf as Co-CEO, leading the company alongside Comerc founder Cristopher Vlavianos. Other changes in Corporate Governance include the reformulation of company committees, now called commissions.

GRI 102-2, 102-5, 102-6, 102-8

How does the free market work?

In the free energy market in Brazil, free consumers can negotiate the commercial conditions in their power supply contracts. The model allows consumers to choose their power supplier - a generator or trading agent - negotiating prices, terms and indexation, with flexible consumption levels. In 2020 alone, the savings generated in this market were 17.4% (without ICMS) and 15.5% considering the Brazilian taxes levied on energy consumption.

In the free energy market, consumers can **choose suppliers** and **negotiate prices** and **payment terms**



Benefits

- Cost Savings;
- Budget predictability;
- Empowered decision-making;
- Sustainability with the option of contracting renewable energy.



Who can participate?

- Companies with contracted demand equal to or greater than 500 kW per consumer unit or sum of consumer units with the same taxpayer registration CNPJ: they can acquire energy from renewable sources, such as small hydroelectric plants (SHP), biomass thermal power plants and wind farms, among others.
- Companies with contracted demand equal to or greater than 1,500 kW: they can acquire energy from any source, including large hydroelectric power plants (HPPs) and the most modern thermal and wind power plants.



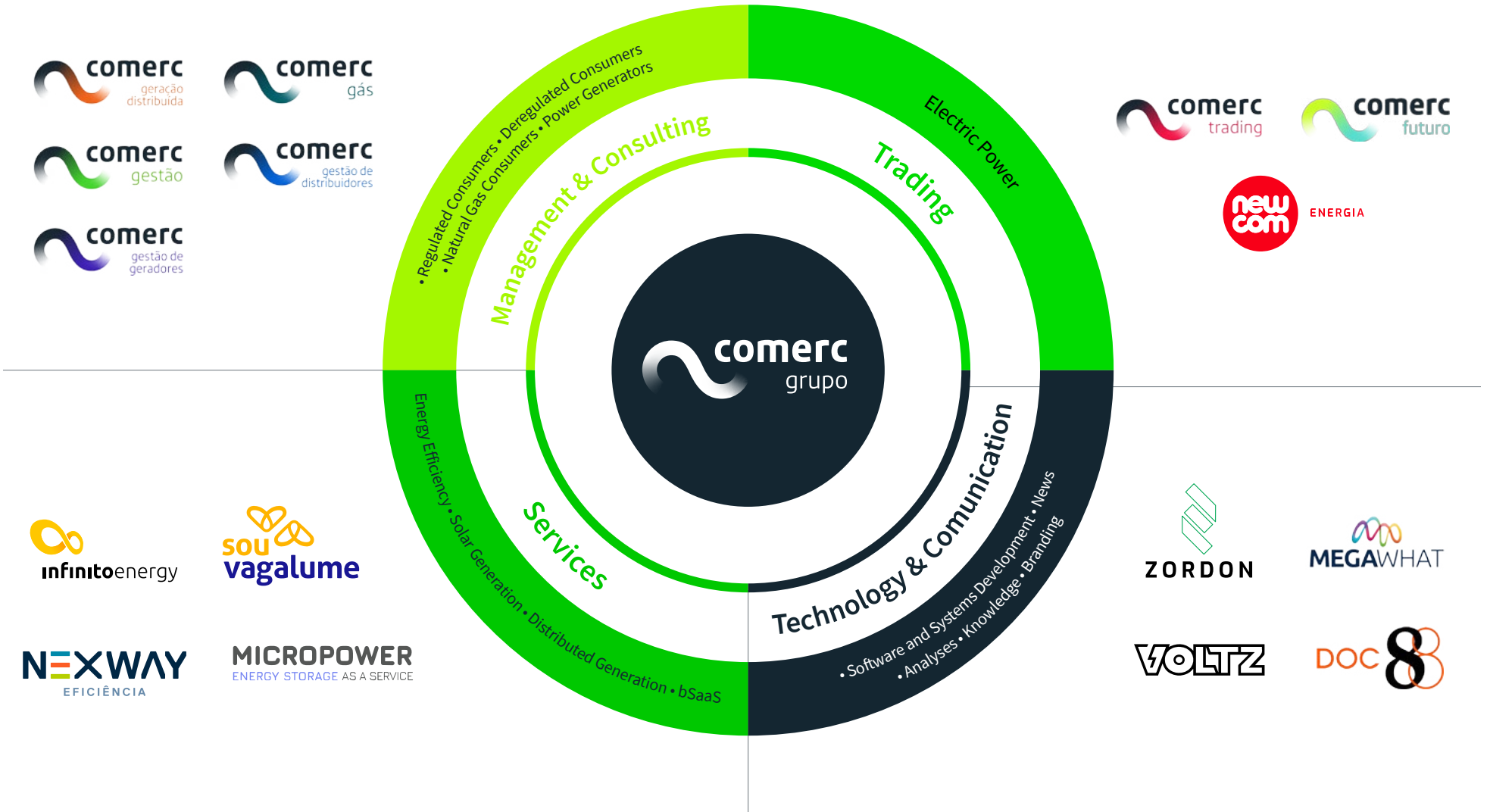
Expansion of eligible consumers

In 2020, there were advances regarding the expansion of access to the Free Energy Market with the approval of PLS 232/2016 by the Senate. The Bill currently in the House of Representatives as PL 414/2021 establishes that all consumers, regardless of load or voltage, may choose to migrate to the free market with energy bill portability no later than 42 months after the law is passed.

Energy Solutions

GRI 102-2, 102-6, 102-7

Comerc operates in four fronts and has a complete portfolio of digital tools and innovative services.





Trading

- **Comerc Trading:** one of the largest traders in the market, this unit operates in energy purchase and sale and serves customers from other electric power managers, generators and major companies, in addition to serving Comerc Gestão customers. In 2020, Comerc Trading totaled a monthly average of 1.4 GWm¹ (12,200 GWh) in buy-and-sell operations for about 570 customers.
- **Newcom Energia:** independent energy trader in the Brazilian free market, with energy contracts that include different trading strategies: buy/sell, long/short positions, trend identification and arbitration. In 2020, the Newcom portfolio featured 110 counterparties and its operations totaled 460 MWm² (4,040 GWh).

Management and consulting

- **Comerc Gestão:** acts as a partner to its customers starting from the initial presentation of cost-savings opportunities and providing support along the next stages of the transition process: working through the bureaucratic requirements for the migration to the Electric Energy Trading Chamber (CCEE), underpinning efficient strategies in buying and selling electricity and taking care of all regulatory and operational aspects applicable to free consumers or generators. It is the largest energy manager in the country, with 3,500 MWm of the energy consumed in Brazil. In 2020, Comerc Gestão added 633 new units to its portfolio, an increase of 27.4% over 2019. One of the highlights is the agreement closed with Petz, the largest petshop chain in the country, through which Comerc Gestão will be responsible for managing the energy consumed in the Petz stores spread all over Brazil. By the end of the year, the savings generated for customers exceeded R\$ 2.7 billion.
- **Comerc Gestão de Geradores:** manages power generators in pre- and post-operation. The company manages approximately 7,500 MW of power from 188 generators, independent producers and self-producers, equivalent to 54% of the total power of the Itaipu hydroelectric power plant.
- **Comerc Gás:** manages natural gas contracts offering cost reduction for companies and provides regulatory support to customers. The business scope ranges from tariff projections and informative updates on the natural gas free market to support in contract analysis, among other services. In 2020, Comerc Gás kept tabs on the advances in the opening of the Natural Gas market and continued guiding and preparing its customers for future migration to the free market.

¹ Average Gigawatt.

² Average Megawatt.



Services

- **Nexway Efficiency:** former Comerc Esco gained a fresh new brand in 2020 and is ready to keep its pace of expressive growth. This unit develops, implements and invests in energy efficiency solutions to reduce power consumption with no need for customer investment. In 2020, it generated savings of 38 GWh for more than 70 customers. [GRI 102-10](#)
- **MicroPower:** the first company to operate in the *battery-Storage-as-a-Service* (bSaaS) format in Brazil is a joint venture between the Comerc Group, MicroPower Energy/USA, Siemens and Equinor. The company ensures cheaper, cleaner, reliable power supply through an innovative business model that does not require customers to invest upfront

in equipment acquisition and installation: payment for the service provided is made from the financial savings generated through the use of batteries.

- **Comerc Geração Distribuída:** offers customers self-production solutions for energy generation from renewable sources. In early 2021, Comerc and Perfin funds created Sou Vagalume through DOC88: this joint venture aims to provide distributed solar energy to small and medium-sized consumers. [Learn more in New Business and Future Vision.](#)

Technology and Communication

- **DOC88:** develops innovative, disruptive web and software solutions to improve management and productivity for the Comerc Group and for external customers. DOC88 also operates in the development of Internet of Things (IoT) measuring solutions through Zordon. [Learn more in Innovation and technology.](#)
- **MegaWhat:** The online platform offers news, price and weather projections, regulatory and industry analyses, courses and real-time connectivity for decision making in the energy, oil and gas markets. By the end of 2020, it provided 12,400 users — including customers, the press and members of the entire electrical sector community — with reliable, accurate information.

Purpose and Values GRI 102-16

Since 2016, the Comerc Group has accelerated its expansion into new business areas for a broader scope of services and end-to-end energy solutions.

Our original logo - a firm handshake as a symbol of our partnership with customers -- was positive and energetic, yet it no longer represented the multi-faceted company we are today. In 2020 we decided it was time to invest in creating a new logo and revitalize our brand.

Broader than a mere repositioning exercise, our rebranding effort was called Reimagine Comerc. Led by Comerc's internal marketing agency Voltz, Reimagine Comerc also tapped into insights from other company areas such as Marketing, Communication and People & Management. The process was an opportunity to reflect on who we are today, revisiting our essence, redefining our purpose and consolidating our values.

Our Purpose

Energy inspires us to delight people and develop sustainable businesses.

Our values

- **Respect and responsibility** — We believe that diversity (of people, ideas, beliefs, experiences and thoughts) is invaluable and must always be respected. Diversity is essential for us to learn from differences, develop ourselves and contribute to the sustainable growth of our company and society in general.
- **Trust** — Our actions are based on transparency, integrity, and honesty. We walk the talk: our actions are always ethical and truthful.
- **Collaboration** — We work as partners, with empathy and genuine interest to build strong relationships. We are diverse and plural, we walk together united by our shared purpose.
- **Innovation with results** — We start each day driven by innovation -- we are free to use our creativity and courage; we are empowered to transform good ideas into results for all our partners.
- **Delight** — We strive to exceed expectations; we share our knowledge so we can deliver results with greater agility and flexibility and

Our vocation in sustainability

attain individual and collective excellence.

In 2020, after a study on the UN Sustainable Development Goals and an internal survey on intended voluntary actions, the Comerc Group defined the company's new pledge to sustainability from 2021:

"We will raise awareness and engage our team to impact the communities in which we operate through social initiatives focused on reducing inequalities and democratizing access to energy."

2020 Highlights

GRI 102-7



Our businesses

2,767 consumer units
under Comerc Gestão
management

Monthly average of

1.4 GWm
(12,200 GWh) of energy
traded by Comerc Trading

Monthly average of

460 MWm (4,040
GWh) traded
by Newcom

Around
2,000 meters
replaced by Zordon

In one year, MegaWhat
went from **1,000 to**
12,000 users

R\$53.5 million
invested in more than 70
energy efficiency projects

R\$3.2 billion
net revenue



Human Capital

457 employees

123 hours of training

85% confidence in
Great Place to Work



Positive impact on society

20 social
projects supported

R\$400,000
donated to institutions
supported by Comerc

Approximately
R\$1 million
for initiatives related
to the Covid-19 pandemic
and other social causes

Corporate Governance

- » Governance Structure
- » Ethics and Transparency
- » Risk Management



As business expanded, Comerc also advanced in best corporate governance practices. In 2020, our financial structure was strengthened with the arrival of our CFO (Chief Financial Officer); Finance and Controlling were also reorganized for greater efficiency and better support to strategic decisions.

The reorganization process will contribute to more robust management through different initiatives: developing a budgeting culture, monitoring and reporting results to governance bodies, and submitting financial statements to external audits. All areas of the company were involved in the preparation of our first collaborative budget in 2020.

Another noteworthy fact: Newcom moved out of the Comerc head office building in São Paulo in 2020, signaling company independence and fostering brand recognition. Newcom also has its own Code of Ethics and Conduct, and an appointed commission dedicated to Ethics and Risk Management. A new website is planned to launch in 2021, in line with Newcom's portfolio extension strategy.

Comerc Trading will also leave the Comerc Group head office for a new address to focus on new business opportunities and underpin its independence in trading operations.

Corporate structure

The Comerc Group is controlled by its founder. In addition, the company partnership program is not limited to top leaders: other directors, managers, coordinators and analysts have also become partners. By the end of 2020, the group had 45 partners, seven of whom started their careers at Comerc as interns.

We started restructuring our organization chart in 2020: Comerc will be our holding company from 2021, freeing executive partners to focus on the development of their respective businesses and areas. The new structure will assure greater balance between partners and executives, foster compliance and transparency, and make our company more attractive for future investors.

In the first quarter of 2021, we finalized our Partner Agreement for the corporate restructuring of the Comerc Group. The

objective is to calibrate and balance our corporate structure, creating a sustainable, motivating model for all partners: for the original partners who remain in the company as executives, for those partners who are in a different phase and for new partners.

This entailed adjustments in current partners' stakes and the entry of new partners. The balanced model will help us grow our business and ensure we offer attractive rewards to current employees and to former employees who remain as investors.

Governance structure

GRI 102-18

Comerc's governance structure in 2020 featured an Executive Board supported by an Advisory Board. Comprised of a president and seven vice-presidents, the Board is responsible for managing the company in line with the outlined strategy.

The Advisory Board is made up of experienced professionals and respected names in the Brazilian economy and electricity sector. This body has continuously played an important role in the company since its creation in 2006.

With the governance restructuring planned for 2021 as a result of the investment made by the Perfin funds, the company will also have a Board of Directors composed of seven members: two appointed by Perfin, four by Comerc and one independent member. The new structure also includes the creation of three committees: risk, investments and M&A, and remuneration, all of which will be directly linked to the Board of Directors.

Executive Board*

Cristopher Alexander Vlavianos (Kiko)
President and founding partner

Antonio Carlos Messori *Vice President, Commercial Relations*

Edvaldo Marcelo Ávila (Dida) *Vice President of Generation, Projects and New Business*

Enrico Dal Sasso Begliomini *Vice President, Trading*

Fábio Augusto Fernandes *Vice President, Sales*

Fernando Oliveira *Vice President, Finance (CFO)*

Luiz Henrique de Otero Mello *Vice President, Commercial*

Luiz Octavio Vilela de Andrade
Regional Commercial Vice President, South

*In December 2020.

Members of the Advisory Board GRI 405-1

- **Daniel B. Parke** — Counselor of the Environmental Institute of the State University of Delaware/USA and of WWF-Brazil and Latin America & the Caribbean; former general director of Agência Estado and regional director for Latin America at Thomson Financial and Bloomberg.
- **José Luiz Alquéres** — Experienced engineer, served as director at BNDESPAR and was the National Secretary of Energy; also former president of Light. Solid experience as an advisor to public and private energy companies, including Eletrobrás.
- **Maílson da Nóbrega** — Economist and advisor to companies in Brazil and abroad, Mr. Nóbrega was Minister of Finance between 1988 and 1990, chairing the National Monetary Council (CMN) and Confaz; former member of the boards of the International Monetary Fund (IMF), World Bank and Inter-American Development Bank (IDB). He was also a founding partner of Tendências Consultoria and since 2017 has been a member of the International Academy of Law and Economics.
- **Márcio Fernandes** — Business Administrator graduated from the Pontifical Catholic University (PUC), with an MBA in Controllershship and Executive Development from Stanford (USA), IMD (Switzerland) and INSEAD (France). Former President of Elektro and of the FNQ Board Named Executive of Value in his industry by newspaper *Valor Econômico* in 2016, he was considered the most admired leader in Brazil by magazines *Você S/A* and *Exame* in 2014 and 2017.
- **Marcos Jank** — An agronomist, professor at Insper and holder of the Luiz de Queiroz Chair at Esalq-USP, Jank is a former advisor to the Federation of Industries of the State of São Paulo (Fiesp) and the National Council for Economic and Social Development (CDES). He was President of the Sugarcane Industry Union (UNICA) from 1989 to 2007 and responsible for the Global Executive Board of Corporate Affairs at BRF.

The new organizational structure will align leadership with strategic objectives

With the arrival of Perfin, Comerc revisited its organizational structure for better alignment between company leadership and the strategic objectives of each business within the Group. As a result, Comerc's structure was redesigned in 2021 and the reporting model for the different companies was changed.

The new structure aims to expand Comerc reach in the energy sector in a structured manner and in line with market practices, setting up high professional standards for each business so the Group can achieve its objectives.

Initially, the new organization chart features two Co-CEOs, four vice presidents, ten presidents of subsidiaries and 17 directors. The new model - divided into three business units and five corporate areas - presented in May 2021 is expected to be fully operational by the end of the year after a transitional phase to transfer activities and hand over responsibilities.



Strategic commissions

Building up participatory management, Comerc created five commissions in 2019 (then called committees) to foster cross-organization communication and the exchange of experiences among different areas for more interactive, collaborative decision-making.

Chaired by professionals other than vice presidents and those who interact with senior leadership through the Strategic and Sustainability Commission, the new commissions focus on problems, guidelines, plans, discussions, disseminations, recommendations and opportunities. Such strategic discussions do not interfere in work routines, which continue to be run as usual by their respective managers.

The following commissions started operating in 2020 and will continue reporting to the Executive Board in 2021:

- **Strategy and Sustainability Commission** — responsible for ensuring company operations meet future challenges in an integrated manner. Commission members reflect on strategy and updates to our business model -- also for sustainability, so our business continues to thrive in the long run. In 2020, the Commission was subdivided to advance on the following topics: Digitization, Customer Experience, Service Segmentation and Data Driven Culture.
- **People Commission** — This group coordinates and integrates initiatives related to our human capital with a focus on achieving strategic objectives, and reviews selection and merit processes for transparency and fairness in management practices. Significant actions in 2020 include the creation of the post-covid working group, responsible for conducting studies on new ways to use our offices, including a manual of good practices and an app to control people flows; structuring our Recruitment and Selection and Merit policies; developing the 'Energia que Pulsa' project for frequent corporate climate measurement, as well as a new tool to automate selection processes.
- **Customer Commission** — Seeks to ensure continuous improvement in customer experience through planned actions and innovative and enhanced processes. During the period, the main initiatives involved reference marketing, building the customer journey, improvements in tools and customer experience, among others. [Check out our initiatives in Customer Focus.](#)
- **Ethics and Compliance Commission** — Besides promoting actions related to ethics and integrity, such as anti-corruption practices, this group is responsible for updating and disseminating our Code of Ethics and Conduct. This commission also manages the Open Channel, designed to receive complaints, suggestions and praise from all Comerc Group audiences. In 2020, this commission developed policies for the preparation of institutional and information technology documents and embedded the Code of Ethics and Conduct in the onboarding program for new employees; a special working group focused on Data Security and on Compliance Program benchmarking. [GRI 103-2, 103-3](#)
- **Business Commission** — Evaluates each business and launches initiatives to drive their growth as an independent company and/or in synergy with other Comerc Group companies. This team is also responsible for analyzing new business opportunities that may eventually become new companies, as well as actions that generate operational and financial efficiency gains.

Commissions address **guidelines, plans, discussions, communications, recommendations** and opportunities

Ethics and Transparency GRI 102-16, 103-2, 103-3

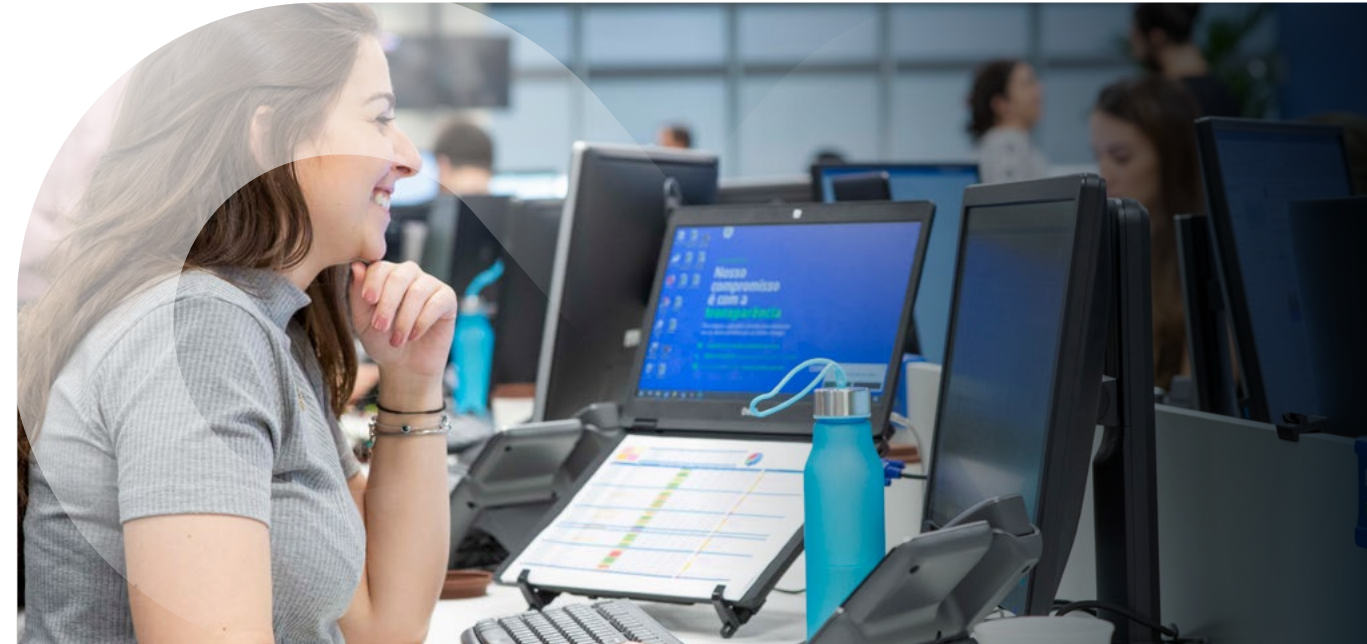
Ethics, transparency and strict compliance with legislation are embedded in the Comerc Group corporate culture; these principles permeate all business activities and stakeholder relationships.

Our company values and principles are described in the [Code of Ethics and Business Conduct](#). The document reflects our commitment to professional ethics, respect for others and for the environment; compliance with Brazilian laws and regulations and with anti-corruption measures. The Code also features guidelines on discrimination, moral and sexual harassment, conflicts of interest and privileged/confidential information, among others.

It is regularly disseminated among our workforce and introduced to all new hires, who must acknowledge and sign it upon admission. Possible breaches are analyzed by Comerc's Ethics and Compliance Commission, which will investigate each incident and adopt appropriate measures - ranging from verbal warning to termination of the employment contract in the case of employees, or notifications and contractual terminations for suppliers, customers and partner companies.

GRI 205-2

All new hires must acknowledge and sign the **Code of Ethics and Business Conduct** upon admission



Anti-corruption practices GRI 103-2, 103-3

In addition to the specific guideline on corruption in its Code of Ethics and Conduct, Comerc seeks to combat any practices that may violate our principles on the matter.

The company includes a clause on compliance with the Anti-Corruption Law and the Code of Ethics and Conduct in all contracts signed, whether for the purchase and sale of energy or for management, services and/or products.

Additionally, the company analyzes electricity purchase and sale operations based on publicly available information. In cases where the company or its partners are found to be involved in allegations of corruption, the customer or supplier have their credit rating downgraded.

In this reporting period, 1,161 active contracts for the purchase and sale of electricity and energy management were submitted to corruption-related risk assessments (50.34% of the total 2,306 active contracts). GRI 205-1

Open Channel GRI 102-17, 103-2, 103-3

The Open Channel receives reports of suspected incidents, complaints, suggestions or compliments regarding organization practices.

This open governance and communication tool underscores individual accountability for ensuring ethical and upright behavior.

What happens to reports? GRI 102-17

1

TICKET OPENED

Reports can be made through the Comerc website, calling 0800-591-6059 or sending an e-mail to canalaberto.comerc@helloethics.com. A ticket number is generated for each report.

2

RECEIPT All reports are handled by a specialized outsourced company, Hello Ethics, ensuring anonymity and confidentiality in case the person making report prefers not to be identified.

3

ETHICS AND COMPLIANCE COMMISSION

Complaints are received by the President of the Ethics and Compliance Commission, the Legal Director and the People & Management Director. Any reports involving such persons or positions are handled as follows:

- **Reports referring to the President of the Ethics and Compliance Commission** are received by Legal and People and Management (G&G) directors;
- **Reports against the Legal Director** are received by the President of the Ethics and Compliance Commission and G&G Director;
- **Reports involving the G&G Director** are received by President of the Ethics and Compliance Commission and the Legal Director.

4

INVESTIGATION

Reports are investigated based on records, climate survey results and interviews with those involved in the issue. It may also be necessary to contact the person who opened the ticket: in anonymous reports, the contact is made through the system. The ticket number can be used to ask questions and give answers through the system, and also to access and monitor investigation status.

5

TICKET CLOSED

In general, cases should be closed within 30 days after opening the ticket; some cases may nonetheless require longer investigation times. Final investigation findings and resolution are also informed through the ticket number.

Additionally, employees are guided to report to their immediate superior all documented or suspected violations of the anti-corruption law or the company's Code of Ethics and Conduct. The guideline also extends to other Comerc stakeholders, who should report incidents to their contact at Comerc.

In 2020, our Open Channel received 12 reports; all of them were forwarded to the competent areas and resolved. Most were related to difficulties in contacting Comerc by telephone, removal of contact from the mailing list, difficulty in supplier registration or praise. There were no reports related to discriminatory conduct.

GR 406-1

Risk Management

GRI 102-11, 102-15

Given the nature of trading activities, we have specific risk policies in place to mitigate possible issues related to energy purchase and sale operations.

For full control over the risks inherent to energy trading, Comerc Trading has a Risks Primer that describes our management methodology, internal controls, processes, limits and execution model. Among other relevant information, the booklet features the different types of risks impacting trading operations — market, credit, liquidity and operational — as well as risk management responsibilities and attributions.

For a more robust process, in 2020 Comerc Trading created a specific area to address portfolio, liquidity, counterparty and submarket risks, among others. The area is responsible for weighing risk factors to ensure portfolio control.

Newcom Energia revised its risk control structure in 2020 and improved operation risk control through its Corporate Liquidity Risk Policy. The policy defines the total risk the operation is exposed to as being the sum of market, liquidity and counterparty credit risks: this is called corporate liquidity risk. The policy also establishes that the corporate liquidity risk must be lower than a percentage of the minimum free cash flow (projection of future cash flow under market stress conditions) to preserve the company's solvency even under extreme conditions.

Newcom also controls operational risks through processes, systems and internal controls, and monitors regulatory risk by participating in the discussion and proposition of legal and regulatory improvements.

The development of a consolidated risk matrix for the Comerc Group is planned for the next year.

Energy derivatives

In the Brazilian free energy market, operations are carried out through energy purchase and sale contracts, that is, the company buys the number of megawatts it needs and receives this amount of electricity. This scenario changed in 2020 with the authorization of the Brazilian Securities Commission (CVM) for the Brazilian Energy Trading Counter (BBCE) to negotiate the so-called 'energy derivatives'.

What are energy derivatives?

Derivatives are financial contracts deriving from an asset (index, price, exchange or electricity, in this case). This means buyers and sellers can engage in deals that ensure that the negotiated price does not change during the contract period. This new possibility reflects a more mature electricity sector where derivatives can help hedge portfolio risks.

Mitigation of liquidity risk

Operations with energy derivatives are expected to bring greater security and liquidity for operations in the free energy market.

Given the potential of this market, in 2020 Comerc Trading and Newcom Energia improved their systems to operate in this segment. The first trading session was held on January 18, 2021, through BBCE's Derivatives Platform.



**Trading
of energy
derivatives** is
authorized by CVM

Strategic Management

- » Strategic Planning
- » Innovation and Technology
- » Customer Focus
- » Quality Information
- » Climate Strategy

Strategic Planning

Aiming for long-term business continuity, Comerc works to generate value for its stakeholders leveraging trends in the electric

power sector. The company strategy based on four pillars is outlined by the Strategy and Sustainability Commission:

Strategic pillars

- **Data Driven Culture:** using data intelligence to leverage business.
- **Service segmentation:** segments in line with opportunities beyond management.
- **Focus on customer experience:** continuous improvement in service and satisfaction; the customer plays the central role.
- **Digitization:** developing efficient systems and organizing data.

The 3 Ds of the electrical power sector

- **Decentralization:** encompasses current industry trends, such as the expansion of the free energy market driving customer migration from the regulated/captive market; microgeneration with growing distributed generation for own consumption or sale of energy; opportunities with the new Hourly Price; and market maturity bringing energy derivative transactions.
- **Digitization:** in addition to digital channels for improved customer experience, digitization involves the application of disruptive technologies such as the internet of things (IoT) to smart consumption meters and churning big data for strategic information.
- **Decarbonization:** the electric power industry can make a significant contribution to a low-carbon economy. Among the fronts are the growing use of energy from renewable sources; energy efficiency solutions, with new, more efficient and cost-effective technologies; lower prices with the opening of the natural gas market, with better access to this clean, competitive source of thermal generation; and the advance in certificates to meet corporate carbon reduction targets.

For the next year, the objective is to address short, medium and long-term goals **using the Balanced Scorecard (BSC) methodology**, linking variable remuneration to BSC indicators

New businesses and future vision

GRI 103-2, 103-3, 203-2

Since its foundation 19 years ago, Comerc has grown fast in its different portfolio segments, meeting customer demands and leveraging trends in the electrical industry. A corporate restructuring program in 2021 will further improve management and grant greater autonomy to the different business areas.

Other developments planned for 2021 will also enhance Comerc strategy and brands.

By the end of 2020, Nexway Eficiência had more than R\$ 53.5 million invested in 70 energy efficiency projects; with the Perfin partnership, another R\$ 300 million in investments are expected over the next three years. The partner companies plan to kick off their first joint projects in 2021, following the business model used for Nexway Eficiência.

Launch of **Sou Vagalume** helps drive the distributed generation business inside the Comerc Group

Another relevant development is the launch of Sou Vagalume, a joint venture with Mori Energia (also part of the Perfin group) to boost distributed generation for commercial and residential low voltage consumers. Sou Vagalume activities started in 2020 serving Mori Energia customers, and the objective is to use Comerc experience in management and distributed generation to leverage new opportunities.

Finally, in line with the advances in opening the free energy market, Comerc resumed investments to strengthen the structure of its retail trader, making this business unit completely independent from the trading business. The initiative is expected to further diversify the Comerc Group portfolio, which already features customers of all sizes from different industries and segments.



Innovation and Technology

Comerc sees innovation as one of the main levers for business success. Established in 2018, DOC88 is a technology and innovation company that provides tailored intelligent solutions to optimize business management for Comerc and its customers. The company uses artificial intelligence and IoT (internet of things) to develop applications that help generate value on several fronts.

An example is Zordon Energy, with intelligent devices for collecting, processing and providing data to support predictive, preventive and corrective management or monitoring. The cloud-based solution presents information for monitoring and/or taking actions in configurable dashboards with fully remote controls.

This solution comprises Zordon H (Hardware), Zordon S (Software) and Zordon I (Intelligence), with the potential to leverage all Comerc businesses — energy management, energy efficiency, use of batteries and the commercialization of natural gas, among others. It also enables the measurement of

individual area energy consumption using sensors in equipment; with the help of machine learning, such data can transform customer relationships with projections of consumption patterns, costs, efficiency, alerts of possible anomalies and the best solutions for individual customer needs.

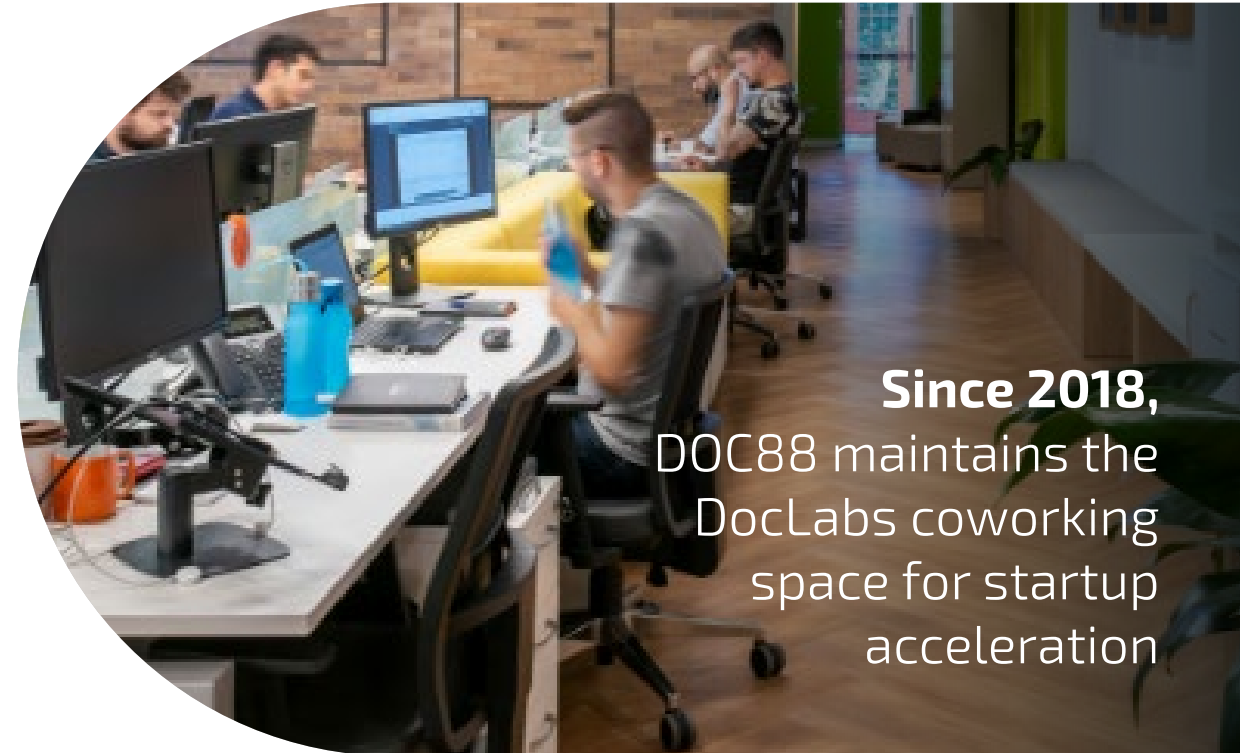
In 2020, DOC88 used Zordon to replace border telemetry in approximately 2,000 consumer units managed by Comerc Gestão, shifting from outsourced solutions to services provided by Comerc group companies. With better quality of equipment and lower costs, Zordon provides greater visibility into the physical infrastructure installed at the customer using telemetry data and more accurate data analysis. By the end of 2021, the total of more than 3,000 consumer units managed by Comerc Gestão will be using Zordon equipment for border telemetry.

In 2020, one of the businesses developed through DOC88 attracted great market attention and brought an excellent deal for the Comerc Group. PAX was sold to Olist,

which was already a client of the startup. The technology company provided a logistics platform to connect owners of transportation vehicles (VUCs, trucks, pick-ups, including refrigerated products) to customers expecting Same Day Delivery, and the spin-off in December 2020 was only natural: the DOC88

strategic and technological partnership had expanded from the original 3,000 packages in April 2019 to 300,000 packages delivered by October 2020. **GRI 102-10**

Below are other outstanding projects in innovation and technology:

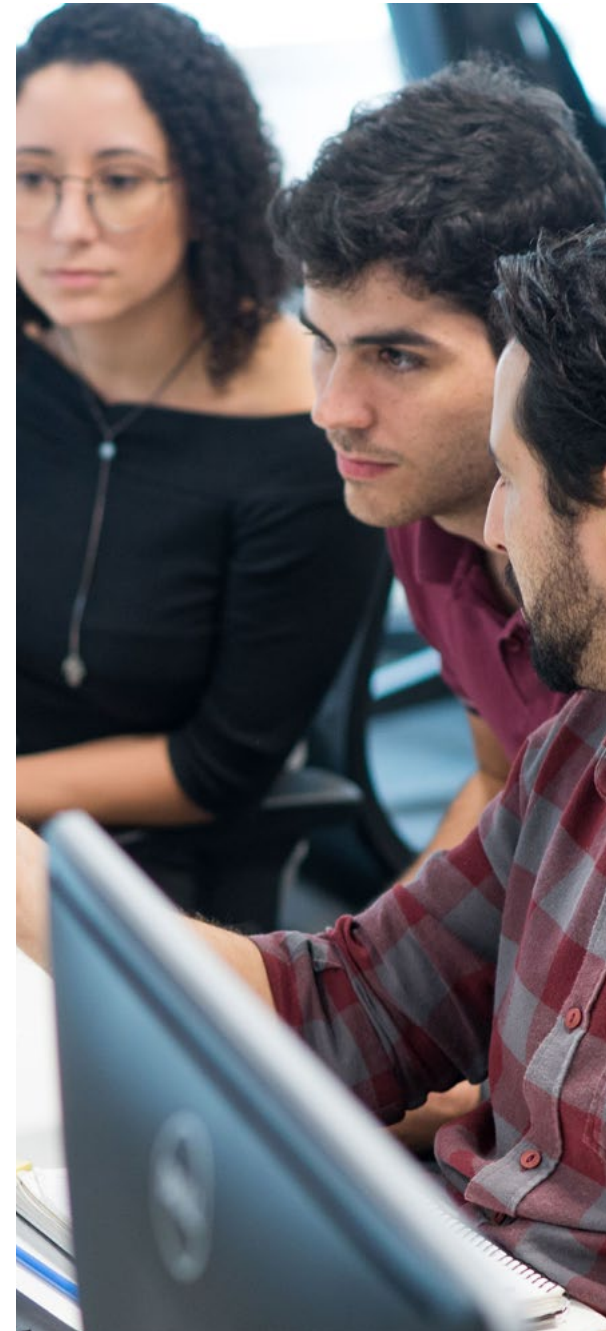


Castlight: in 2020, Comerc implemented a people management system in partnership with Thutor. The objective is to provide companies with the innovative solution that includes 360° assessments of behavioral skills (soft skills). [Find out more in Human Capital.](#)

PowerView: this electronic platform used by Comerc Gestão for customer service helps manage energy contracts by automatizing the monthly calculation of energy balance and monitoring consumption telemetry data from individual managed units. Offering direct access to a wide range of managerial information such as a five-year budget projection, the platform had around 9,000 users by the end of 2020.

During the period, investments were also made in internal system improvements for better performance. With the approval of the Hourly Price by National Electric Energy Agency Aneel ([see Regulatory Scenario](#)), Comerc Gestão, Comerc Trading and Newcom invested in system improvements to calculate PLD (Settlement Price for Differences) using the new model.

R\$ 53.5
million invested in
more than 70 Nexway
Efficiency projects



Energy Efficiency Projects

GRI EU8, 203-2

Comerc Group seeks to develop projects to enhance management across all group companies.

As an example, Nexway Eficiência energy efficiency projects received R\$ 53.5 million investments for more than 70 projects benefitting several companies. The implemented projects and solutions have reduced 38 GWh of energy consumption to date, avoiding emissions of approximately 12 thousand tons of carbon.

A Nexway study based on its own data from more than 40 projects commissioned by industrial and retail customers showed that saving energy through energy efficiency projects is more cost-effective than self-generating energy. The company grew 141% in 2020 and investments in the order of R\$ 300 million are planned for the next three years.

[More in New businesses and vision of the future.](#)



Customer Focus

Ensuring the best customer experience is a priority at Comerc. Our work is based on close, trusting customer relationships and our goal is to find the best solution for their needs. As expert partners, we seek greater efficiency and cost savings for our customers.

The Customer Relations Vice Presidency gained clearer focus in 2020 and now works on three fronts — New Businesses, Relationship (includes customer experience and service) and Commercial Planning (monitoring goals and mapping business opportunities).

A Customer Commission formed by working groups (WG) discusses, evaluates and proposes actions focused on delighting the client. Check out the main 2020 initiatives launched by the WGs:

Best customer experience

- **WG – The Comerc Way of Being:** focuses on bringing the Culture of Delight and Excellence in Service to external and internal customers and spreading the Comerc feeling of #tamojunto (#wegotyouback). The Comerc Way of Being was disseminated to the entire workforce and included in the onboarding process for new hires.
- **WG – Complexity of service:** aims to develop and apply the customer classification methodology considering the complexity of the services to be provided. The methodology uses clear, objective criteria to calculate the complexity index: this enables better allocation of customers and appropriate definition of team size for excellence in service. The project started in 2020.
- **WG– Referral Marketing:** this method is devised to promote sales of products and/or services through customer referrals. It involves five principles: delight, incentives, reward, ease and control. Initially applied in 2020 to Comerc Gestão customers, it is intended to build a commercial culture of

referrals among customers and map the resulting impacts using the company's CRM (Customer Relationship Management) platform, including customer mapping, monitoring and control.

- **WG – Client Journey:** building the ideal customer path -- from the initial management agreement to renewal -- to ensure Comerc meets or exceeds customer expectations. Still under development, the initiative comprises three phases:
 - › **Phase 1** — Organization: diagnosis, standardization of materials and construction of the journey;
 - › **Phase 2** — Automation and new business generation: monitoring the customer journey in PowerView, automating materials and routines and new business generation;
 - › **Phase 3** — Service segmentation and Customer Success: devising ways to maintain customer journey and service segmentation.

- **WG — Customer Experience:** This multidisciplinary group is dedicated to mapping, studying and developing a roadmap for improvements and new customer-focused tools. The objective is to use analyses and benchmarking to generate a digital development strategy while fostering a corporate culture that is focused on customer experience.
- **WG — CRM:** focuses on analyzing and improving our CRM platform. Some of the group's recommendations are the integration of data and systems and allowing customers to make changes directly in PowerView.

Another highlight in the period was the development of a generator management and customer relationship platform, with real-time information about their journey with CCEE. The teams on this front have quantitative and qualitative goals and periodic training for continuous improvement, and client assignment analyzes seniority, among other criteria.

The Commercial area launched customer relationship initiatives that include service segmentation based on operational characteristics. Support from the Marketing team ensures the production of attractive content for potential customers, presenting solutions to reduce energy costs and opening possibilities for long-lasting relationships.

After a feasibility study, the prospect is forwarded to the commercial teams, easing the way for companies interested in reducing their energy costs. We know several factors impact the closing of new business, such as interacting with a knowledgeable professional, prompt response, transparency and trust in the processes.

Investments were also made in HubSpot, a marketing automation tool to better understand the demands and needs of active and potential customers. In 2020, the Comerc Gestão Portfolio totaled 1,205 companies under management: 2,767 consumer units, 153 generator units, 3 traders and 17 distributors.

It should be noted that some economic groups have control over both consumer and generator units, as well as traders. During the year, Comerc welcomed 32 new customers coming in through our Fale Conosco ("Contact us") channels: 30 of them came from Free Market Management, one from Distributor Management and one from Captive Management.

Number of consumer units managed (number of customers) GRI EU3

Categories	2018	2019	2020
Distributors	1	4	17
Traders	3	3	3
Consumers	1,624	2,188	2,767
Generators	103	112	153
Total	1,731	2,307	2,940

Customer Satisfaction

Comerc has measured its customer satisfaction levels since 2019 using the Net Promoter Score (NPS). In 2020, the score was 77.68 -- 16.5% higher than the previous year. Out of the total 672 respondents, 547 were considered Grupo Comerc "promoters".

More than just an index, NPS offers insights into customer demands and enables continuous improvements while helping to promptly reverse any sign of dissatisfaction.

Quality information GRI 102-43, 103-2, 103-3, 417-1, EU24

Access to quality information is essential to keep up with the dynamic pace and ongoing transformations in the electric power sector. The opening of the free energy market, hydrological risk and implementation of the Hourly Price are some of the issues that moved the market in 2020, in addition to close monitoring and full understanding of the extraordinary normative resolutions related to Covid-19.

In 2020, the Marketing area directed its investments to the digital environment. Physical events gave way to creativity in generating relevant content for company customers and stakeholders. One noteworthy initiative was Comerc Invites, a web series featuring guest customers such as Dow and Riachuelo, who shared their best practices in fighting the pandemic.

Panorama Comerc, one of Comerc's informative channels, granted public access to its contents, including news, indicators, articles, videos and useful explanations about the industry. Available in Portuguese and

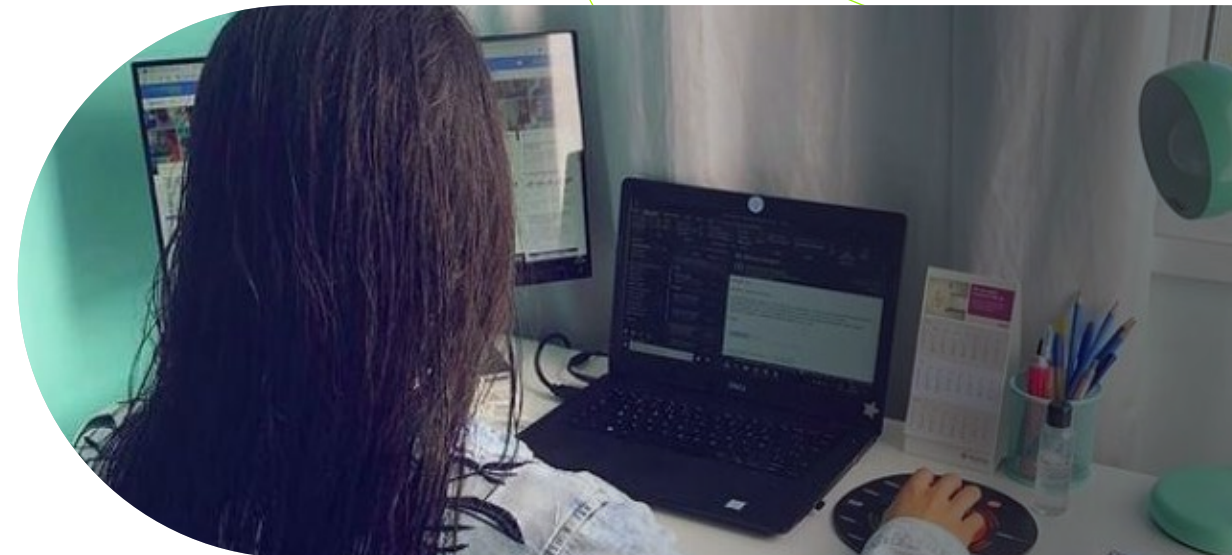
English, the platform featured more than 100 stories and articles in 2020, with more than 10,000 views per month. The most viewed article was “What changes with the hourly PLD”, with 1,907 views and an average time of 5 minutes on the page.

Another highlight is Comercast, a podcast channel with the participation of different specialists from the Comerc Group. One of the key podcasts in 2020 addressed the BBCE authorization for the sale of energy derivatives. There were 51 podcasts aired during the period, with an average interactivity of 2,000 downloads per month.

Other channels for disseminating information include Comerc Reviews (20 videos recorded, with an average of 6,500 views each), Comerc Explains and the Gas Newsletter and Market Price Bulletin. We also had many press releases and 276 stories published in 2020.

Comerc maintains company profiles on social networks (Facebook, LinkedIn, Twitter,

YouTube and Instagram). In 2020, Comerc carried out a campaign with a series of posts on the Hourly Price ([learn more in Regulatory Scenario](#)) with explanations on the new calculation model for the Settlement Price for Differences Price (PLD) and other regulatory subjects. A full course on the same topic is planned for 2021, as well as the launch of a new product that will provide customers with Hourly Price projections.



The Comerc Index

The Comerc Sectorial Index has been a benchmark for the market for more than 10 years. The monthly survey shows electricity consumption and other relevant information collected from consumer units managed by the company, which represent 5.5% of all consumption in the Brazilian market.

In 2020, the Index was published in press outlets such as *Folha de São Paulo* and *Canal Energia*. It was also used as a source of information to portray the impacts of the Covid-19 pandemic on energy consumption in the period in other press reports.

A series on the **challenges associated with the digitization of the electric power sector** was one of the 56 webinars held by MegaWhat in 2020

MegaWhat

Another valuable source of information is MegaWhat: this business unit became independent a year ago and offers public access to materials such as market analyses, projections, primers, etc., all prepared by an editorial team of industry specialists. The platform held 56 webinars on industry-relevant topics in 2020, with up to 12,000 live viewers. One highlight is the series about challenges associated with the digitization of the electric power sector, including the Brazilian General Data Protection Law (LGPD). This series featured guest experts in the technical and strategic fields from organizations such as the Electric Energy Trading Chamber (CCEE), the National Electric System Operator (ONS) and Petrobras.

A full year of MegaWhat

Launched in 2019, the independent platform proved its credibility in the market and went from 1,000 to 12,000 users in 2020. In addition to supporting customers and companies, MegaWhat information was quoted in renowned media outlets.

Among the highlights of the year is the launch of an express course on price formation, including participation certificates: we had approximately 1,000 professionals from 120 companies enrolled. The objective is to expand training opportunities and industry-specific knowledge. MegaWhat also offers consulting services on demand.

The plan for 2021 is to keep improving products and to make further investments in the platform so MegaWhat can shift to a subscription model. A roadmap is in place with priorities such as integration with payment systems and enhanced presentation using a dashboard -- ongoing surveys with users are collecting other suggested improvements.

Climate Strategy GRI 103-2, 103-3, 201-2

The very nature of our business contributes to a low carbon economy: the Comerc Group offers solutions that reduce greenhouse gas (GHG) emissions and drive the efficient use of natural resources.

The company maps risks and opportunities and conducts impact assessments. Comerc does see any relevant risks associated with climate change that can directly impact the free energy market. On the contrary, climate change is seen as an opportunity for the industry.

Some energy contracts traded through Comerc Trading, Newcom and Comerc Retail are backed by energy from renewable sources and attested by a confirmation seal. Energy efficiency projects implemented by Nexway Eficiência until 2020 totaled energy savings of 38 GWh for customers, avoiding more than 12 thousand tons of CO₂ emissions.

Nexway is encouraging its customers' supply chains to also adopt energy efficiency seals, energy management and renewable energy by pursuing ISO 50.001 and LEED (Leadership in Energy and Environmental Design) certifications.

In addition, the company plans to invest in solar generation in 2021. The Giga Solar project gave rise to Infinito Energy -- this new project will further diversify the Comerc portfolio and expand opportunities, besides directly reducing carbon emissions within the Group, proving our firm commitment to sustainable practices and governance.

Another aspect to be leveraged in coming years is the opening of the natural gas market, the natural fuel enabling the transition from fossil to renewable sources. Comerc Gás is already positioned to make the most of the new opportunities with consultancy and management services to support customer migration to the free gas market.

Nexway forest

Beyond energy efficiency projects, Nexway Eficiência and Reservas Votorantim signed an additional partnership: from 2021, 0.5% of all the investments made by Nexway will be transferred to reforestation projects.

As a result, at the end of each deployment, Nexway customers will receive a certificate with the number of trees that have been planted on behalf of Nexway and customer.

All Nexway reforestation projects are 100% traceable: forest growth can be tracked online.



Tree planting
at Jurupará
State Park,
in Ibiúna (SP)

Energy Certificates

The Comerc Group also engages customers in a low-carbon economy with two certificates — one for renewable energy and another for energy efficiency. The certificates are issued in partnership with Sinerconsult, a consulting firm specialized in energy projects.

The Comerc-Sinerconsult Renewable Energy Certificate confirms that the customer consumed energy from renewable sources and quantifies the corresponding reduction of greenhouse gas (GHG) emissions. A report accompanying the Certificate details the methodology used and states the equivalent number of trees in a 30-year reforestation project required to absorb such GHG emissions.

Our 2021 figures reflecting consumption in 2020 show that nearly 90% of the units were certified: a total of 2,474 units corresponding to more than 667,000 tons of CO₂ equivalent (tCO₂eq) avoided and approximately 4.67 million trees.

A total of 4.85 million tCO₂eq have been avoided since the certification was created in 2011, equivalent to planting more than 33 million trees.

We have also issued Energy Efficiency Certificates since 2017: 16 companies (39 Consumer Units) obtained certificates for the savings generated by their projects in 2020. Since 2017, Energy Efficiency projects have avoided the emission of more than 25,700 tons of CO₂, equivalent to 107,000 preserved trees.

In addition, Comerc offers I-RECs (*International Renewable Energy Certificates*). This certificate is globally recognized and audited -- and above all traceable to avoid duplicity. One of the main benefits is that it proves the origin of the electricity consumed and states the corresponding reduction in carbon emissions. The certificates can be purchased by free or regulated consumers and are used to report scope 2 emissions under the Brazilian Program of the GHG Protocol. The customer needs to inform the certifiable volume of emissions and choose the certification period, since I-REC can be requested when buying the energy, that is,

for future use, or acquired retroactively at the end of the year of consumption. Certification is the most practical and reliable way to prove the origin of energy and to value the environmental and social attributes of renewable energy sources.

In 2020, several actions were carried out to disseminate I-REC information among customers. Four operations closed in 2020 totaled 138,000 thousand RECs – in contrast, we already had 279,000 RECs assigned to our clients by April 2021. Another plan is to start offering Comerc Group's own carbon credits over the next few years. [Comercast 64](#) addresses the subject.

The main difference between the Comerc-Sinerconsult Renewable Energy Certificate and the International REC Standard (I-REC) certificate is generation traceability, especially the rights to the attributes of renewable generation for zeroing carbon emissions under GHG Protocol platform rules.

In addition to certificates, remote measurement technologies also allow customers to capture opportunities. With this new technology, customers can compare their electricity consumption to that of similar units and adopt improvements for more efficient use of resources.

Since 2011, certificates have added up to **4.85 million tCO₂eq avoided**, equivalent to more than 33 million trees

Renewable energy certificates issued and results obtained

	2018	2019	2020
Number of certificates issued	1,659	1,967	2,474
Tons of CO ₂ avoided by certified companies	669,000 tons of CO ₂	639,000 tons of CO ₂	667,000 tons of CO ₂
Equivalence in trees	4.68 million	4.48 million	4.67 million

Savings generated by energy efficiency projects¹

	2018	2019	2020
Tons of CO ₂ avoided	2,114.6 tCO ₂ /MWh	8,617.1 tCO ₂ /MWh	13,493.53 tCO ₂ /MWh
Number of preserved trees	8,811	35,904	56,223
Estimated savings	4,458.9 MWh	25,719.3 MWh	55,187.3 MWh
Estimated savings in BRL	R\$ 1,418,918.39	R\$ 8,117,649.22	R\$ 13,914,234.90

¹ The value of financial savings is estimated based on the study of the reduction in customer power consumption enabled by Nexway Efficiency solutions compared to their consumption before adhering to our solutions. This same reduction in energy consumption is used to estimate avoided CO₂ emissions, using a specific Comerc methodology developed in partnership with Sinerconsult consultancy.

Business performance

- » Macroeconomic and Regulatory Scenario
- » Economic and Financial Results

Macroeconomic and Regulatory Scenario

The year 2020 was marked by the new coronavirus pandemic and its negative impacts on the lives of millions of people and on global markets. Brazilian economic indicators such as the Gross Domestic Product (GDP) and the basic interest rate (Selic) pointed to a retraction. Brazilian GDP fell 4.1% and basic interest rate Selic went from 4.5% per year in 2019 to 2% in 2020.

In the last quarter of the year, with the announcement of vaccines to combat Covid-19 and improved performance by some industries, other indicators pointed to some degree of recovery. The official inflation rate measured by the Extended National Consumer Price Index (IPCA) grew again and closed the year at 4.52%, 0.21 pp above that recorded in 2019.

The National Consumer Price Index (INPC), based on the average price of a set of consumer goods and services, closed 2020 at 5.45%, significantly higher than 4.48% registered in the previous period.

After 10 consecutive months of green tariff flag (no additional charge on the electricity bill), red flag level 2 came into effect in December, with an increase of R\$ 6,243 for every 100 kilowatt-hours consumed. The price increase was also driven by tariff readjustments in the period.

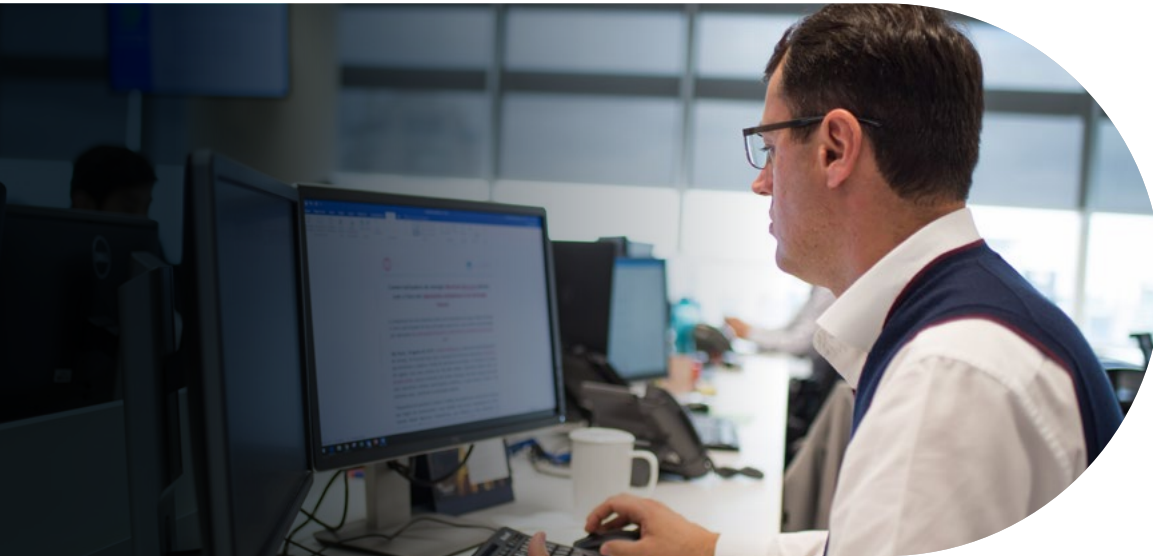
The unemployment rate hit a record high in the period: the average for the year was 13.5% against 11.2% in 2019. In contrast, the number of formal jobs created in the last quarter was the highest in the entire historical series started in 1992, with 414,556 new registered jobs in November alone according to data from the General Register of Employed and Unemployed Persons (Caged).

Energy consumption dropped in all industries in almost every month of the year compared to the same period in 2019. May 2020 was the worst month, with consumption falling 11%. The sharp drop can be attributed to social isolation, which significantly reduced

commercial and industrial activities at the onset of the pandemic. Consumption only increased in September and October (respectively 2.59% and 3.53%). In addition to the seasonal factor of load increase attributable to increased production at the end of the year, higher temperatures also contributed to the increase.

9.34%
rise of IPCA
in the electric
power industry
in 2020





Approval of PLS 232 by the Senate expands access to the Free Market

Regulatory overview

In 2020, most regulatory discussions involved measures related to the economic impacts of Covid-19. Among them are Normative Resolutions No. 878/2020 and No. 886/2020, through which Aneel prohibited the disconnection of residential consumers in cases of default. Face-to-face service at branches were also suspended; most other topics had greater impact on distributors operating in the captive market.

In addition to these measures, other highlights of the year involved the solution to the financial impasse associated with the GSF (*Generation Scaling Factor*) with the enactment of Law nº 14.052/2020. The long-expected resolution will contribute to greater liquidity in the electrical Short-Term Market (MCP) and strengthen legal security for industry players in that it resolves debts related to hydrological risk for plants, mostly caused by the persisting drought in recent years.

There were also advances regarding the expansion of access to the Free Energy Market with the approval of PLS 232/2016 by the Senate. The Bill currently in the House of Representatives as PL 414/2021 establishes that all consumers, regardless of load or voltage, may choose to migrate to the free market with energy bill portability no later than 42 months after the law is passed.

Other discussions to be continued in 2021 involved reviewing the rules applicable to distributed micro and mini-generation systems (Normative Resolution 482/2012) for improvements in the credit compensation system, and the expected opening of the gas market.

Free market

Considering only existing projects and the expected expansion in regulated power supply auctions, the installed capacity of the National Interconnected System (SIN) is estimated to reach 176 GW in 2021. With the possible decommissioning of oil-fired thermoelectric plants as regulated contracts expire, projections indicate 185 GW installed capacity by 2025 (based on January 2021 Aneel inspection data).

If we include expansion projects that have only been sold in the Free Trading Environment (ACL), even more power is expected to be available for the system. In this broader scenario, installed power by 2025 goes from 185 to 208.3 GW. Most of the projects available exclusively in the ACL environment involve wind and solar sources.

Most ACL projects
use wind and solar sources

Contractual balance - As in the regulated environment, the free market scenario also projects oversupply until 2024, leading to greater competitiveness among providers and more favorable negotiations for buyers.

Both the moderate projected load increase and the fact that expired contracts in the Regulated Trading Environment (ACR) will release additional resources for ACL are favorable to Overcontracting. De-contracting mechanisms in the captive market also contribute to greater supply availability in the free environment.

An increase in ACL coverage can already be seen with the entry of new generation ventures without contracts in the captive environment, especially in solar power, expected to add about 2 GWm of physical guarantee in 2022. In addition, expected contract expiration in ACR (regulated market) will make more energy available for contracting in ACL (free market).

Sophistication for the industry

Among the highlights of the year is the implementation of the Hourly PLD, showing a more mature Brazilian electric power sector, aligned with the best practices in international markets. The measure takes effect from 2021 and involves the daily calculation of the Settlement Price for Differences (PLD) for the 24 hours of the following day, as opposed to the previous weekly calculation.

The model brings greater flexibility in the use of energy and opportunities to create new products and contracts for the free market, involving management, consulting and energy storage, among others. The measure is expected to have a positive impact on Comerc's Trading front, which adjusted its systems in 2020 to implement the new hourly price.

In the Southern states and also in the states of São Paulo and Bahia, Comerc Trading introduced an exclusive generator management solution featuring real-time net generation and Hourly PLD for more efficient management and economic impact mitigation.

The solution comprises telemetry to monitor consumption and generation and a dashboard featuring load profile graphs, hourly consumption/generation and the Hourly PLD quoted for the following day, providing reliable data to support daily decision making.

Economic and financial results

GRI 103-2, 103-3, 201-1

In 2020, people's lives and the business environment were hit hard as the pandemic brought uncertainty and challenges to all sectors of the economy. Comerc's results were not impacted, however. Contracts with customers were maintained and default levels were similar to previous years.

Comerc's different lines of business, the entrepreneurial spirit of our workforce, our efforts to continuously improve customer experience combined with efficient risk management, fast response and intensive use of the technological platform allowed the company to mitigate the economic impact of the pandemic.

In addition, our Financial and Controllershship area was restructured in a process led by a CFO with extensive experience in the market: better financial management enabled us to leverage opportunities while enhancing efficiency and governance. These changes continue in 2021 with Andre Dorf as Co-CEO

and the investment made by the Perfin Fund to buy a stake in the Comerc Group. The deal initiated in 2020 confirms our investment strategy, strengthens our governance and fosters long-term planning.

Budgeting was implemented for all companies in 2020, and specific targets will be set from 2021. Target attainment will influence Profit Sharing (PLR) payments, to be calculated every six months under the new model. Monthly forums are held among partners to report and discuss key projects and results; the Advisory Board has quarterly meetings.



R\$ 3.2 billion
net revenue in 2020

The Comerc Group ended 2020 with R\$3.2 billion net revenue, 11% less than the previous year, mainly due to market volatility and increased risk perception, leading the company to choose a more conservative approach in trading operations.

The Comerc Group's main input is electric power, the cost of which fluctuates based on energy generation sources. In 2020, the drop in Gross Margin was mainly due to fluctuations in energy prices throughout the year. The increase in personnel expenses reflects our larger workforce. Reduced shareholder

remuneration and greater value retained by the company are due to new investments in energy efficiency, new businesses and technology.

Direct economic value generated and distributed (R\$ million) ¹ GRI 201-1

	2018	2019	2020
Revenues	2,424.5	3,611.7	3,225.4

¹ Data for 2018 and 2019 were adjusted due to a change in the accounting rule for the recognition of future energy contracts (derivatives), affecting financial results and taxes (in addition to revenue/costs).

Economic value distributed (R\$ million) ¹

	2018	2019	2020
Operational costs	2,205.2	3,336.5	3,026.0
Employee salaries and benefits	45.6	49.4	57.3
Payments to capital providers	36.7	39.5	25.6
Payments to government	76.2	100.4	71.6
Investments in the community	41.6	63.1	53.3
Total	2,405.3	3,588.9	3,233.8

¹ Data for 2018 and 2019 were adjusted due to a change in the accounting rule for the recognition of future energy contracts (derivatives), affecting financial results and taxes (in addition to revenue/costs).

Economic value distributed (%) ¹

	2018	2019	2020
Operational costs	91.68	92.97	93.57
Employee salaries and benefits	1.90	1.38	1.77
Payments to capital providers	1.53	1.10	0.79
Payments to government	3.17	2.80	2.21
Investments in the community	1.73	1.76	1.65
Total	100	100	100

¹ Data for 2018 and 2019 were adjusted due to a change in the accounting rule for the recognition of future energy contracts (derivatives), affecting financial results and taxes (in addition to revenue/costs).

Retained economic value (R\$ million) ¹

	2018	2019	2020
"Direct economic value generated" minus "Economic value distributed"	19.2	22.8	-8.4

¹ Data for 2018 and 2019 were adjusted due to a change in the accounting rule for the recognition of future energy contracts (derivatives), affecting financial results and taxes (in addition to revenue/costs).

A large, high-angle group photograph of a diverse group of employees, mostly men and women, posing in a circular formation on a stone-paved area. Many are wearing black polo shirts with a small green logo. They are all smiling and waving at the camera. The background shows lush green foliage.

A company of people

» Human Capital
» Diversity and Inclusion

Comerc is a company a company made by people. More than technical attributes, the company seeks professionals who are aligned with its values and have the following skills (revisited in 2020): ownership, customer focus, adaptability, collaborative development, user relationship, autonomy and protagonism. People management skills are an additional requirement for leaders.

Aware of the precious intellectual capital employees bring, the company seeks to attract, retain and value people through training, benefits and career management, including opportunities for growth within the company.

In 2020 Comerc maintained its certification as an excellent company to work for by the consultancy Great Place to Work (GPTW) for the third consecutive year, with a confidence index of 85%.

Internal recruitment: 85 of the 174 job openings in 2020 were filled by Comerc employees

Human Capital

GRI 103-2, 103-3

In 2020, Comerc had a staff of 457 employees, 2.3% larger than in 2019: their expertise and entrepreneurial spirit drove our value generation. [GRI 102-8](#)

In addition to employees hired under the CLT regime for an indefinite period and full-time work, Comerc has interns and partners. From 2021, partner employment contracts will be changed to CLT employment.

Employees who demonstrate alignment with the company's strategic principles and objectives may become partners. Seven of the 45 partners the company had in 2020 started as interns. The Partner's agreement underpinning the Comerc's corporate restructuring will be finalized by 2021, providing a more sustainable and motivating model for all. [Find out more in Corporate Structure.](#)



Comerc has a specific Recruitment and Selection Policy for maximum assertiveness in hiring practices. Job openings are communicated first to employees for internal recruitment, expanding development opportunities. In 2020, 85 of the 174 job openings were filled through internal recruitment.

In cases of external recruitment, openings are widely advertised; one of the gateways to Comerc is our internship program. The attractive Comerc Internship Program had 2,600 candidates enrolled in 2020 and hired 30 young professionals.

Our Jobs & Salaries policy establishes fixed remuneration based on a salary table; new employees or those approved in an internal selection process have equivalent remuneration based on widely publicized criteria and rules. Comerc conducts market salary surveys every two years for all positions within the Group. [GRI 202-1](#)

Employee Profile GRI 102-8

Employees by type of employment contract and gender^{1,2}

Type of contract	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Indefinite term	168	112	280	251	158	409	250	185	435
Fixed-Term	12	12	32	18	12	30	14	8	22
Total	180	132	312	268	170	439	264	193	457

¹ Considering all Comerc employees: hired under the CLT regime, internship program, partners and legal entities.

² All Comerc employees work full-time, except for interns.

Employees by contract type and region

Region	Fixed-Term	Indefinite term	Total
Northeast	1	4	5
Southeast	17	396	413
South	4	35	39
Total	22	435	457

¹ Data for 2018 and 2019 are not available in GRI format.

Employees by job type

	Men	Women	Total
Full time	250	185	435
Part time	14	8	22
Total	264	193	457

¹ Data from 2018 and 2019 are not available in GRI format.

Employees by age group

	Men	Women	Total
< 30 years old	95	91	186
Between 30 and 50 years old	141	92	233
> 50 years old	28	10	38
Total	264	193	457

¹ Data for 2018 and 2019 are not available in GRI format.

Employees by functional category

	2020
Directors	38
Managers	27
Leaders/coordinators	55
Administration	315
Operational	0
Trainees	22
Total	457

¹Data for 2018 and 2019 are not available in GRI format.

Turnover GRI 401-1

Employees hired by age group

	2018		2019		2020	
	Number	Rate	Number	Rate	Number	Rate
< 30 years old	66	0.37	72	0.33	78	0.41
Between 30 and 50 years old	53	0.46	84	0.45	41	0.17
> 50 years old	9	0.39	8	0.26	2	0.04
Total	128	0.41	164	0.37	121	0.26

Employees hired by gender

	2018		2019		2020	
	Number	Rate	Number	Rate	Number	Rate
Men	77	0.42	106	0.39	72	0.27
Women	51	0.38	58	0.35	49	0.25
Total	128	0.41	164	0.37	121	0.26

Employees hired by region

	2018		2019		2020	
	Number	Rate	Number	Rate	Number	Rate
North	1	0.5	1	0.33	3	0.6
Southeast	120	0.43	153	0.39	106	0.25
South	7	0.22	10	0.27	12	0.30
Total	128	0.41	164	0.37	121	0.26

Employees who left the company by age group

	2018		2019		2020	
	Number	Rate	Number	Rate	Number	Rate
< 30 years old	19	0.10	29	0.13	41	0.21
Between 30 and 50 years old	20	0.17	14	0.07	47	0.20
> 50 years old	1	0.04	1	0.03	3	0.07
Total	40	0.12	44	0.10	91	0.19

Employees who left the company by gender

	2018		2019		2020	
	Number	Rate	Number	Rate	Number	Rate
Men	30	0.16	18	0.06	72	0.27
Women	10	0.07	26	0.15	19	0.09
Total	40	0.12	44	0.10	91	0.19

Employees who left the company by region

	2018		2019		2020	
	Number	Rate	Number	Rate	Number	Rate
Southeast	40	0.14	40	0.10	87	0.20
South	0	0	4	0.10	4	0.10
Total	40	0.12	44	0.10	91	0.19

Salary Ratio GRI 202-1, 201-2

Variation between the lowest wage and the minimum wage, by gender¹ GRI 202-1

Operating unit	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Percentage	272.73	317.23	331.18	331.18	302	302

¹ Considering the lowest salary paid for the position of Analyst Jr. in the Comerc Gestão commercial area.

Senior management members hired from the local community^{1,2,3} GRI 202-2

Operating unit ¹	2018	2019	2020
Total Board Members	22.00	25.00	38.00
Board members hired from the local community	22.00	25.00	34.00
Percentage of board hired from the local community	1	1	1

¹ Considering directors, vice presidents and presidents in all group companies

² Considering employees born in Brazil

³ All positions included in this analysis are considered strategic functions in the group companies: Comerc Energia, Comerc Trading, Comerc Gas, Nexway, MegaWhat, DOC88, Newcom and Voltz.

The implementation of the Castlight platform initiated in 2018 was completed in 2020. The system offers fair opportunities and empowers individuals to take charge of their careers. Transparent and impartial, Castlight is a holistic, intelligent people management system.

The platform provides Comerc employees with 360° performance evaluation based on the competences revisited in 2020 in line with the company's purpose and values. The competences were defined based in meetings with employees for better alignment with the specific needs of our key business areas.

The model facilitates communication and helps to align goals between employees and company, contributing to an environment that favors professional growth. Castlight analyzes items ranging from behavioral performance to the degree of achievement of area and company goals. The results are used to calculate individual variable remuneration payments.

During the year, 76.52% of the employees had their performance evaluated, especially those in management and coordination positions.

GRI 404-3

People management
at **Grupo Comerc** encourages
employees to take charge
of their careers

360° feedback in all competencies

For all business units:

- Ownership: high degree of responsibility for their actions, acting as owners and focusing on possible solutions; searching for ideas that add value and ensure sustainability for the business.
- Customer focus: knowing the internal or external customers, seeking to understand their real needs through thoughtful relationships and service so as to generate value with deliveries that exceed expectations; always on the lookout for improvements -- even when things seem good enough.
- Adaptability: adapting processes and attitudes with agility in face of new situations, practicing continuous improvement and innovation, learning from challenges.

Applicable only to Comerc Gestão e Consultoria, Comerc Trading and Nexway:

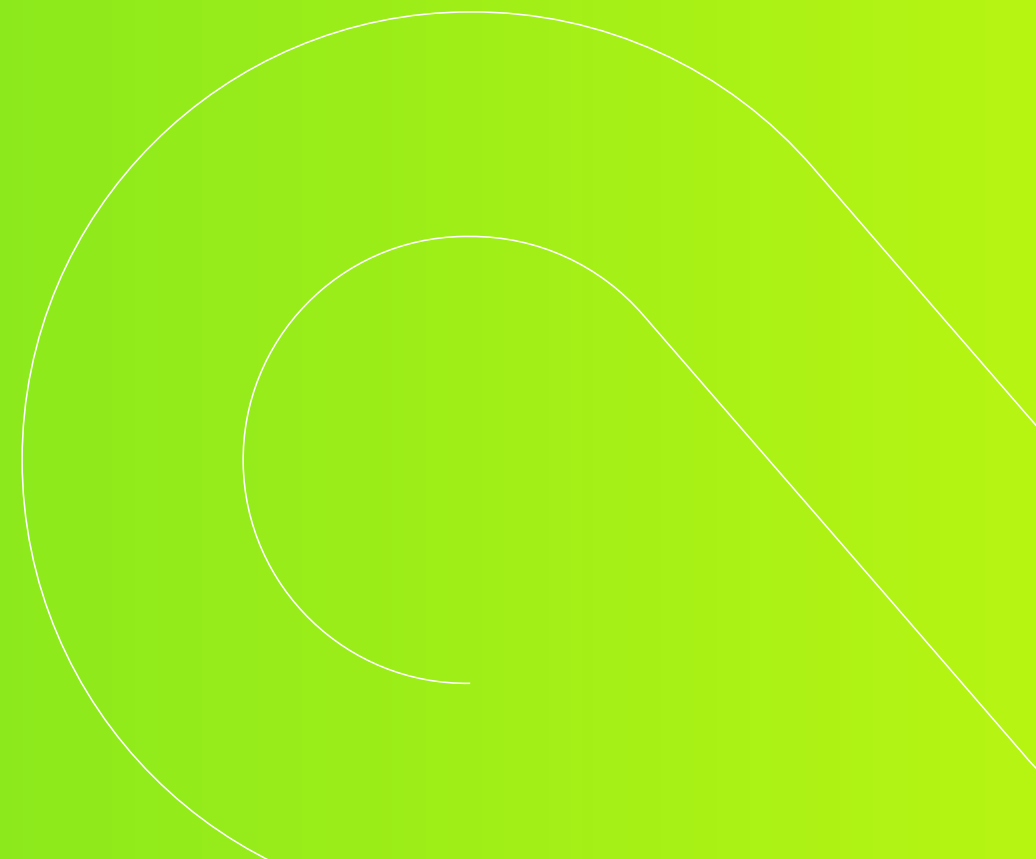
- Collaborative development: valuing good relationships within the company and creating a favorable setting for people to reach their maximum potential; encouraging learning and knowledge sharing.

Applicable to MegaWhat only:

- User Relationship: listening with attention and empathy, adapting actions to convey ideas clearly, providing the best user experience through solutions that support agility and security in decision making, fostering long-lasting partnerships.

For leaders in all units

- People management: building a collaborative environment, recognizing and guiding the team, presenting challenges for their development and being a role model that encourages proximity and inspires trust.



Percentage of employees that received performance reviews by functional category in 2020^{1,2} **GRI 404-3**

	Men	Women	Total
Directors	70.96	57.14	68.42
Managers	81.81	80	81.48
Leaders/coordinators	92.59	79.31	85.71
Technician/supervisor	0	0	0
Administration	61.40	88.19	73.65
Trainees	100	100	100
Total	69.54	86.08	76.52

¹Data for 2018 and 2019 are not available in GRI format.

²Operational employees are included in Administration.

Close communication

Comerc redesigned its entire internal communication flow using Workplace, a corporate social network for easier interaction with and among employees. In the new reality of remote work, employees working on site or at home and co-workers of different profiles and age groups can meet and chat through this accessible, intuitive communication tool.

The implementation of the tool represents an investment in a more horizontal, collaborative business communication model, encouraging the exchange of information and opinions. Our employees are engaged on the platform and free to react to the corporate content posted. All interactions take place in a secure, company-only environment.

Accessible via browser or mobile application, the platform offers many social network features, such as open and closed groups, newsfeed, file sharing, live video streams and chats -- and Workplace can be integrated with other platforms, too.

The platform already features corporate and industry news, job openings available for internal recruitment and "Fala Kiko", a direct connection between CEO and employees.

The pandemic made it necessary to reinvent the company's communication flow: agile, transparent exchange of updated information was essential to reduce everyone's level of anxiety in the face of uncertainty. During weekly live streaming events with the People & Management (G&G) area, employees had the chance to ask questions regarding HR themes and benefits. We had 20 presentations during the year. Comerc President Cristopher Vlavianos (Kiko) also held live events with all employees and was available to answer all kinds of questions -- anonymous or not. About 40 live streaming events were held with the Comerc CEO. "Comerc Responde" arose from the weekly live events: this confidential channel enables employees to send anonymous questions to the President, People & Management and/or Corporate Communications. Answers are posted on Workplace.



The pandemic also led us to rethink all company events: one of them was the quarterly face-to-face Employee Meeting held in the Head Office in São Paulo and broadcast to all other company locations. Since May, the event has been held online on a monthly basis, allowing for greater interaction among employees and prompt dissemination of strategic information.

Training GRI 103-2, 103-3

Comerc fosters an environment of continuous learning and exchange among its employees. Our Training & Development area maintains the Internal Educators Program whereby employees themselves disseminate technical and behavioral knowledge and share experiences with their colleagues. All employee training plans have monitoring indicators to help their career management.

As to be expected, the company provides ample training on different aspects of the Brazilian energy market. In addition, as part of the Future Generation Program, in 2020 employees were invited to share their topics of interest in terms of courses and training. Five groups of up to six people had their chosen training program paid for by Comerc. In addition to these chosen groups, a blind selection process was carried out internally to enable other employees to also take the courses. In all, more than 100 employees were trained in topics related to the Comerc Group strategy, such as data-driven culture and customer experience. More than developing people, the objective is to acquire knowledge for Comerc and multiply it among our teams.

Another noteworthy initiative is our Knowledge Certification Program, a series of training sessions aimed at improving the quality of services provided to Comerc customers; the company also introduced an assessment for participants in the Commercial team. A total of 21 video classes have been provided, with 201 views.

Additionally, the company has agreements granting employees discounts on language courses, undergraduate and graduate college programs, and additional specific internal and external training courses. Due to the pandemic, our employee development schedule was adjusted in 2020: we provided 123 hours of training involving all 457 Comerc employees. The People & Management area decided to reduce the pace of training activities during this atypical period while trying to identify the best way to adapt existing content to the new reality of remote work. Efforts prioritized live "Comerc at Home" events, totalling more than 150 hours of content. [See more at Covid-19](#). GRI 404-1

Key objectives for the coming years are to structure a training policy, develop new projects involving all employees and offer training actions to develop and improve the skills related to the group's new strategic guidelines: Segmentation, Digitization, Customer Experience and Data- Driven Culture.

**Benefits GRI 401-2**

In addition to development and career opportunities, Comerc seeks to offer attractive benefits that contribute to employee satisfaction and quality of life.

Before the social isolation caused by the pandemic, the company already had an approved remote work policy aiming for professional/ personal life balance. Additional benefits offered:



R\$ **100**
**monthly allowance for
remote work expenses**
paid between March and
December

- Life insurance
- Medical Plan
- Maternity / Paternity Leave
- Remote work
- Flex Schedule
- Birthday day off
- Health and vaccination campaigns
- Chartered bus
- Parking
- Transportation Voucher
- Dental Plan
- Gym/Gympass
- Payroll Loan
- Culture voucher
- Meal/Food Vouchers

Diversity and Inclusion GRI 103-2, 103-3

Comerc believes that promoting a diverse and inclusive environment is always enriching: bringing together talents, knowledge and energy contributes to sustainable growth for the entire society. Diversity is part of our company manifesto; it is included in our training activities, lectures and meetings with employees and leadership members.

As part of the People Commission, a Diversity Working Group (WG) called “Tamo Juntxs” promotes awareness actions regarding diversity and inclusion, such as lectures with special guests on topics of LGBTQIA+ Pride, a chat on masculinity with male employees, the president's live meeting with a group of women from engineering, and an on-line course on anti-racism developed by employees and made available on a virtual training platform. The WG initiatives cover Gender, Ethnic Racial Groups, People with Disabilities and LGBTQIA+.

Ethos Social Responsibility Indicators also monitor diversity, as does our annual climate survey. The questionnaire includes a series of diversity-related questions, and the inputs collected are used to develop improvements.



Ethos indicators and climate survey monitor diversity in the company

Out of the total Comerc 457 employees, 5.76% identified themselves as LGBTQIA+ and 13.46% declared they were mixed race, black and from indigenous ethnic groups.

Diversity manifesto

As humans, a race born with neither armor, claws nor fangs.

We were fragile.

We quickly learned that, as a group, we could survive.

That together we would be, and are, stronger.

At Comerc we harness each other's experience, intelligence and opinions— recognizing that we are different.

We are diverse.

We mutually multiply our knowledge. Our understanding. Our talents.

We learn from each other.

We are plural.

A summation of different identities and backgrounds.

We are oblivious to gender, physical condition, sexual orientation, ethnicity, creed or skin color.

We will not tolerate any form of harassment or discrimination.

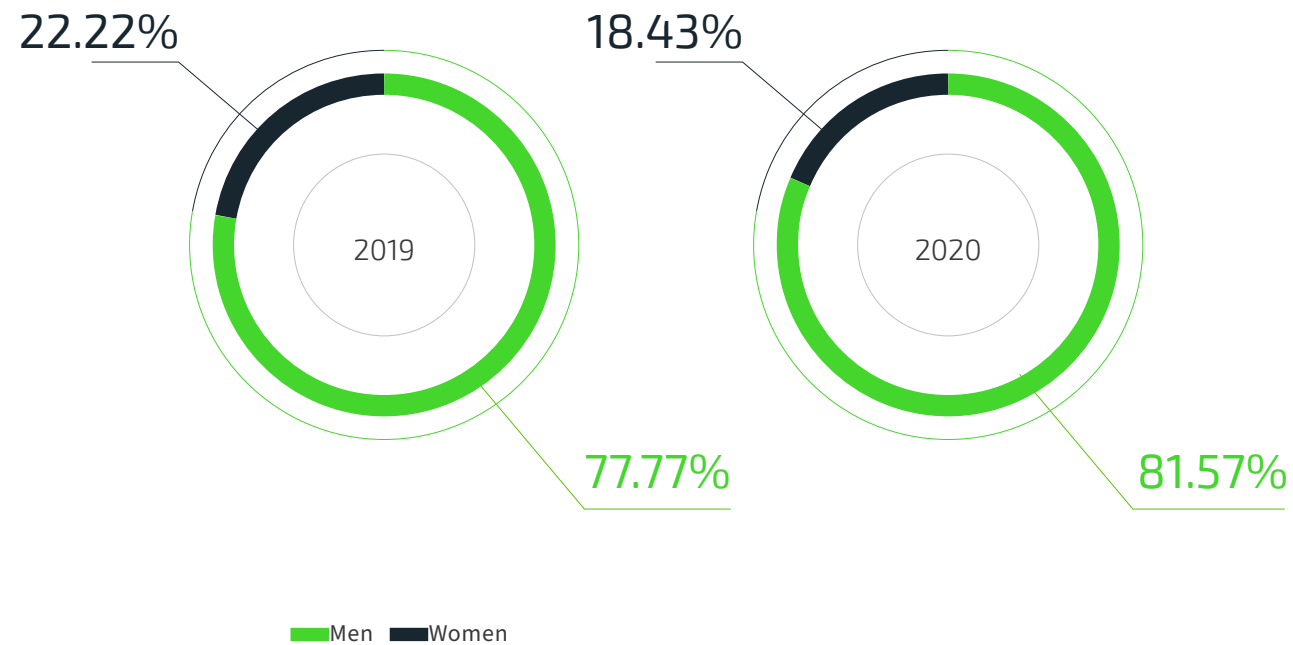
Because it is our individual energies that combine to create greatness and beauty.

It is the freedom of others that allows us to live in equity.

And what we do only makes sense if there is energy to share around.”

Percentage of individuals within the organization's governance bodies by gender¹ GRI 405-1

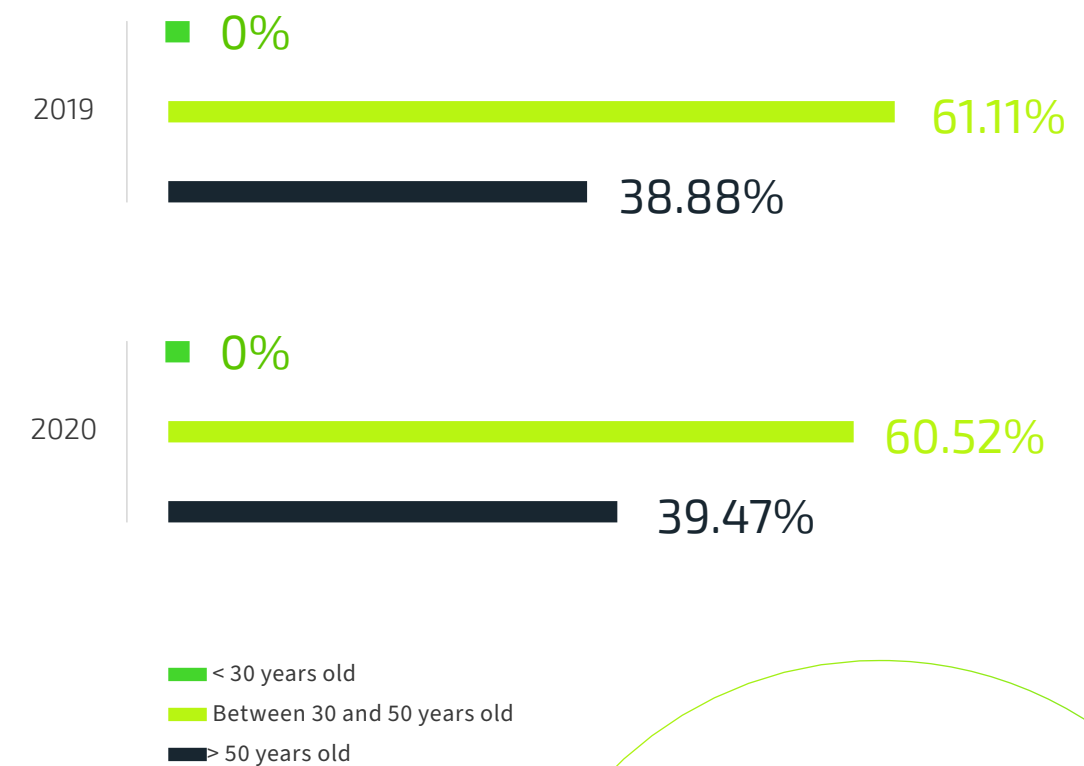
Members of the Advisory Board, President, Vice Presidents and Board of Directors¹



¹ Does not include CEOs of organizations within the holding company. Considering Josiane Palomino as president of Sou Vagalume and Larissa Arajum and Ana Petti as presidents of MegaWhat Platform and MegaWhat Consulting, respectively, there is a 60% increase in women in leadership positions.

Percentage of individuals within the organization's governance bodies by age group 405-1

Members of the Advisory Board, President, Vice Presidents and Board of Directors



Percentage of employees by functional category and gender

Employees by functional category and gender¹

	2019		2020	
	Men	Women	Men	Women
Directors	77.77%	22.22%	81.57%	18.42%
Managers	84.61%	15.39%	81.48%	18.52%
Leaders/coordinators	54.34%	45.65%	48.21%	51.78%
Administration	59.06%	40.93%	54.28%	45.71%
Trainees	57.89%	42.10%	62.5%	37.5%
Total	61.64%	38.35%	57.73%	42.26%

¹ Operational employees are included in Administration data.

Employees by functional category and age group (%) ¹

	2019			2020		
	< 30 years old	30 to 50 years old	> 50 years old	< 30 years old	30 to 50 years old	> 50 years old
Directors	0%	61.11%	38.88%	0%	60.52%	39.47
Managers	3.84%	80.76%	15.39%	3.70%	81.48%	14.81%
Leaders/coordinators	17.39%	80.43%	2.17%	12.5%	85.71%	7.14%
Administration	48.65%	45.63	5.72%	49.52%	44.76%	5.71%
Trainees	100%	0%	0%	95.00%	5.00%	0%
Total	40.70%	50.82%	8.47%	40.13%	51.53%	8.33%

¹ Operational employees are included in Administration data.

Employees with disabilities (PWDs) by functional category and gender^{1,2}

	2019		2020	
	Men	Women	Men	Women
Administration	50%	50%	50%	50%

¹ People with disabilities.

² All People with Disabilities (PWDs) are in the Administrative and Operational categories.

Remuneration GRI 103-2, 103-3

There is no significant pay gap between men and women at Comerc. The tables below include all employees hired under the CLT regime, underage apprentices and interns.

Annual remuneration comprises fixed monthly salary + 13th salary + 1/3 vacation bonus + variable remuneration (Profit and Results Sharing – PLR). Base salary considers fixed monthly remuneration + 13th salary + 1/3 vacation bonus. In both cases, internship contracts do not have the 1/3 vacation bonus.

Mathematical ratio between remuneration and base salary for women and men, by employee category¹ GRI 405-2

	GENDER	2018	2019	2020
Manager/Specialist	Women	15.41	15.10	17.93
	Men	14.58	15.49	16.76
Coordinator/Consultant	Women	15.32	15.04	15.88
	Men	15.01	15.17	16.20
Assistant/Analyst/ Relationship Executive	Women	14.48	14.49	14.41
	Men	14.36	14.64	14.7
Interns.	Women	12.89	12.67	14.41
	Men	12.87	12.76	13.72

¹ Directors, vice presidents and president have a different remuneration scheme; the company decided not release the remuneration for such positions. Includes all areas of the companies Comerc Energia, Comerc Trading, Comerc Gas, Nexway, MegaWhat and Voltz.

Ratio between the remuneration of the highest paid individual and the average annual remuneration of all employees¹ GRI 102-38

	2018	2019	2020
Ratio	3.34	3.29	5.57

¹ Directors, vice presidents and president have a different remuneration scheme; the company decided not release the remuneration for such positions. Includes all areas of the companies Comerc Energia, Comerc Trading, Comerc Gas, Nexway, MegaWhat and Voltz.

Percentage growth in total annual compensation^{1,2} GRI 102-39

Remuneration	2018	2019	2020
Ratio	-1.98	0.63	9.20

¹ Data on the highest remuneration paid and average annual remuneration for all employees is kept confidential for security reasons.

² Employee's fixed remuneration (salary +13th+1/3 vacation) plus the variable remuneration (PLR) paid in 2020. Includes CLT (full-time) employees and interns.

Relationships that generate value

- » Stakeholder Engagement
- » Supplier Partnerships
- » Positive Impact on Society

Stakeholder Engagement

GRI 102-12, 102-13, 102-43

Close transparent relationships with stakeholders drive value generation at the Comerc Group. The company seeks active interactions with interested parties through different channels. One of them is DocLabs, a building that houses DOC88 and other groups of startups to drive innovative ideas and solutions. Inspired by the *Back to the Future* movie, the interaction space also has a bike rack, five living spaces and an auditorium for up to 34 people.

Another engagement front involves participating in external initiatives that have a positive impact. Comerc joined the Ethos Institute in 2019: Ethos is known for its awareness-raising efforts, and for mobilizing and supporting companies so they can advance in sustainable management, acting responsibly and meeting the demands of society. In addition, Daniel B. Park, Board member of Grupo Comerc and MegaWhat, is

also a member of the Deliberative Council WWF-Brasil (World Wide Fund for Nature), a non-governmental organization working to mitigate environmental impacts.

Comerc also seeks to contribute to the evolution of the electric power industry by interacting with different associations. Newcom president Daniel Camposilvan serves as vice-president of the Board of Directors of the Brazilian Association of Energy Traders (Abraceel). Josiane Palomino, CEO of Sou Vagalume, is an advisor to the Brazilian Association of Photovoltaic Solar Energy (Absolar).

The next chapters outline our initiatives to engage suppliers and society in general. 'Human Capital' includes actions related to employees, and 'Customer Focus' lists actions involving Comerc Energia customers.



Supplier Partnerships

GRI 102-9, 103-2, 103-3

Comerc's supply chain is made up of energy suppliers and business partners, as well as providers of materials and services. Comerc relies on monitoring, evaluation and value dissemination initiatives to strengthen healthy partner relations.

Energy suppliers are the most representative in financial terms and account for 97% of the total expenditure on Comerc's supply chain. They comprise other trading companies, energy generators and self-producers, among other agents that operate in the free energy market, including customers who can sell their surplus energy in the short term.

97%
of supplier payments
are made to energy
suppliers

To mitigate counterparty risk in our portfolio, suppliers in this group are classified using a credit score based on their financial information. Trading units assess counterparty buy-and-sell positions every week, including their risk of failing to supply energy according to the Comerc risk matrix. Additionally, the Credit Commission monitors and revalues credit scores and counterparty positions every six months. [More information in Risk management.](#) GRI 102-15

Our Purchasing Policy revised in 2020 defines criteria and procedures for contracting service providers and business partners. The Policy defines duties and responsibilities both for the Purchasing area and for the department requesting products or services from third parties, such as airline tickets, car rental, cleaning and information technology services, among others.

The policy also lists supplier selection criteria, including alignment with Comerc's values and culture. Comerc will only engage with partners who meet the following requirements:

- Have gone through the Supplier Approval process carried out by Purchasing;
- Are not involved in cases of corruption or in situations that violate ethical and moral codes, pursuant to Comerc's Code of Ethics and Conduct;
- Comply with the current safety standards applicable to the service to be provided;
- Issue an invoice (Nota Fiscal) informing Purchase Order number for the service or product and a service code that is compatible with its stated business activities.

The supplier must submit specific data relating to the good or service among other information requested during the approval process. All documents are analyzed by Purchasing and by the Tax department, co-responsible for approving or rejecting the new supplier.

Payment terms are also established in the Policy, as well as guidelines on the issuance of invoices. Comerc will not accept invoices with incorrect corporate name, CNPJ, state registration or other incorrect registration data, nor invoices issued by individuals; or Notas Fiscais with expired due dates or submitted later than the agreed deadlines.

Specific branch needs are also analyzed, including distance and logistics/mobility. At the end of 2020, Comerc had 2,452 registered vendors: 57.54% were service providers (1,411) and 24.18% were material suppliers in 26 different Brazilian states, besides two international locations. Most of the vendors (79.15%) are concentrated in the Southeast; 72.80% are located in the state of São Paulo.

Positive Impact on Society

GRI 103-2, 103-3, 203-1, 413-1

Grupo Comerc seeks to promote initiatives that have a positive impact on society. In addition to financial aid to associations supporting socially vulnerable groups, Comerc engages employees in social actions through volunteer work or donations.

In 2020, the company donated approximately R\$1 million to initiatives to combat the new coronavirus and around R\$300,000 to other social projects in different communities.

The company is committed to amplifying the strength and energy of the team to transform important aspects of society. One of the examples is the Leadership Development Program implemented in recent years in partnership with Thutor consultancy. The program lasting approximately one year engages employees in discussions on autonomy, protagonism, legacy and Y-shaped career paths – and participants must develop social initiatives as part of their final project.

In 2020, 28 employees organized the Spring Festival at Casa dos Velinhos Dona Adelaide, an institution that promotes quality of life and social inclusion for vulnerable elderly people. The celebration included a barbecue, bingo, a tribute to the institution's employees and an emotional storytelling session based on the lives of two of the elderly residents. Team participation was 100% online due to the Covid-19 pandemic. In parallel, personal hygiene and cleaning products were collected and delivered to help maintain the space.

Such actions are routine at Comerc: employees from all locations were involved in 19 social actions throughout the year, impacting more than 17 institutions. All actions are monitored in terms of number of people/families served and number of employees engaged.

The year was also marked by a fresh look at our vocation in sustainability and volunteering. The multidisciplinary process

included implementation and analysis of the results of the last Ethos Report, benchmarking with important companies in the industry, a survey involving all employees on the UN Sustainable Development Goals, and taking the initial steps in the volunteer program we expect to kick off in 2021.



19 social actions

impacted 17 institutions in 2020



Donation of food baskets to families assisted by the Educational Center of Santa Casa de Diadema (SP)

2020 Highlights

GRAAC

The company helps fund the Support Group for Adolescents and Children with Cancer and participates in the annual McDonald's action McDia Feliz. In 2020, 200 BigMac tickets were given to children from NGOs supported by Comerc; the company also contributes to the GRAAC fundraising dinner and makes other occasional donations to the institute. The initiatives added up to R\$ 42,500 donated in 2020.

Hospital Darcy Vargas

Since 2019, Comerc has provided 70 food baskets per month to this children's hospital offering cancer treatment

Operation Smile

Since 2009, Comerc has supported this NGO of volunteers and health professionals from 60 countries offering reconstructive surgeries for low-income children with facial deformities such as leporine lip and cleft palate. Comerc donated R\$ 5,000 every month during 2020.

Jaibense Youth Support Association (Ajam)

In 2020, Comerc allocated R\$ 5,000 monthly to this NGO that strives for civil rights, social inclusion, professional training, employment and income generation. Located in the municipality of Jaíba (MG), the organization offers learning activities, computer skills training, toy making, crafts, theater, dance, citizen education, lectures, recreation and painting classes. A total of 200 children benefited from these actions in 2020.

Somar

The Association Solidarity March São Paulo works in communities of extreme social vulnerability to promote dignity through education and other basic needs. Comerc allocated R\$ 60,000 to the initiative in 2020.

Rotary

In 2020, Comerc donated R\$1,000 per month to Rotary, an association of service clubs that brings together volunteers to carry out humanitarian service and promote ethical values and peace at an international level.



Leaders participate in an online get-together at Casa dos Velinhos Dona Adelaide in October

A large, diverse group of employees posing outdoors in a garden-like setting. Many are waving at the camera. The photo is taken from a high angle, showing the group spread out across a paved area with some greenery in the foreground.

About the report

» Materiality Matrix



For the second year, the Comerc Group presents its Sustainability Report prepared in accordance with the Global Reporting Initiative (GRI) guidelines, Standards version: essential option. [GRI 102-1, 102-5, 102-54](#)

The annual report presents the company's performance in social, environmental, economic-financial and governance aspects for the period between January 1 and December 31, 2020, as well as risks, opportunities and long-term vision. [GRI 102-50, 102-52](#)

We prioritized information on eight material topics identified by internal and external stakeholders in the materiality process carried out in 2020. Comerc reached out to different audiences such as employees, customers, suppliers and regulatory bodies to define relevant content according to their expectations. [GRI 102-42](#)

Questions and suggestions about the report should be sent to comunicacao@comerc.com.br [GRI 102-53](#)

GRI 102-42, 102-43, 102-44

Comerc revised its materiality matrix in 2020, in line with the AccountAbility AA1000 standard, the guidelines for Integrated Reporting (IIRC) and GRI Standards principles.

The process was led by the specialized consultancy Report Sustainability in four phases — identification, prioritization, analysis and validation of material themes — as presented below:

Stages of the materiality process [GRI 102-40, 102-47](#)



Material Topics and Boundaries GRI 102-46, 102-47, 103-1

MATERIAL TOPICS	WHY THE TOPIC IS MATERIAL	RELATED SDGS	GRI ASPECTS	GRI DISCLOSURES	IMPACT LOCATION
People, diversity and career management	Comerc is a business platform that needs skilled people with multiple knowledge to manage and act on different fronts.	5 and 8	Employment, Training and Education, Diversity and Equal Opportunities, Non-Discrimination	GRI 102-8, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1	Internal: employees
Business performance and vision	Given the many possibilities and changes in the electricity sector, being aware of trends and permanently searching for innovative solutions is important for business.	8 and 9	Management Approach, Electric Power Sector	GRI EU19	Internal: employees External: customers, market
Financial sustainability and business continuity	Given the many possibilities and changes in the electricity sector, being aware of trends and permanently searching for innovative solutions is important for business.	8 and 9	Economic Performance	GRI 201-1, 201-3, 201-4	Internal: employees External: customers, market
Climate strategy, natural resource management and eco-efficiency	Our business does not currently have significant environmental impacts, yet the efficient use of resources is a company strategy as we expand into other areas such as the use of batteries, investments in energy efficiency and solar energy and pursue innovations -- this is the way we aim to generate a positive impact.	13	Economic Performance	GRI 201-2	Internal: employees External: customers, market, society, environment
Ethics, governance and transparency	Comerc was consolidated as a holding company in 2020 and has sharpened its focus on governance: one example is the new CFO position for controlling and medium-term planning. We also prioritize transparency in stakeholder relations.	16	Anti-corruption	GRI 205-1, 205-2, 205-3	Internal: employees Outside: customers, market, suppliers, society

Material Topics and Boundaries GRI 102-46, 102-47, 103-1

MATERIAL TOPICS	WHY THE TOPIC IS MATERIAL	RELATED SDGS	GRI ASPECTS	GRI DISCLOSURES	IMPACT LOCATION
Development of solutions and technologies	Comerc owns a technology company that develops systems for the companies in the group, besides software and solutions for artificial intelligence, data usage and the internet of things. In addition to reducing dependence on third parties, focusing on new technologies and systems helps direct attention to strategic activities.	8, 9 and 12	Management Approach, Electric Power Sector	GRI EU8	Internal: employees External: customers, market
Social and economic development of communities	Our joint venture Sou Vagalume and investments in solar parks can generate a positive impact on communities through energy discounts and the more dynamic economy of new park locations.	12 and 17	Indirect economic impact, Local communities	GRI 203-1, 203-2, 413-1	External: society
Communication and information management	Keeping stakeholders informed is a priority. Comerc teams disseminate reliable, transparent information on the sector and on market innovations.	8 and 12	Marketing and Labeling, Electric Power Sector	GRI 417-1, EU24	External: customers, market, society

GRI CONTENT INDEX

GRI 102-55

GENERAL DISCLOSURES

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
GRI 101: Foundation 2016				
	Does not include any disclosures			
Organizational profile				
GRI 102: General Disclosures 2016	102-1 Name of the organization	10 and 63		
	102-2 Activities, brands, products, and services	10 and 12		
	102-3 Location of headquarters	10		
	102-4 Location of operations	10		
	102-5 Ownership and legal form	10 and 63		
	102-6 Markets served	10 and 12		
	102-7 Scale of the organization	12 and 16		
	102-8 Information on employees and other workers	10, 44 and 45		8,10
	102-9 Supply chain	59		
	102-10 Significant changes to the organization and its supply chain	14 and 28		
	102-11 Precautionary Principle or Approach	24		
	102-12 External initiatives	58		
	102-13 Membership of associations	58		

GENERAL DISCLOSURES

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
Strategy				
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	4		
	102-15 Key impacts, risks, and opportunities	4, 24 and 59		8
Ethics and integrity				
	102-16 Values, principles, standards, and norms of behavior	15 and 22		16
	102-17 Mechanisms for advice and concerns about ethics	19		16
Governance				
GRI 102: General Disclosures 2016	102-18 Governance structure	19		
	102-38 Annual total compensation ratio	56		
	102-39 Percentage increase in annual total compensation ratio	56		
Stakeholder engagement				
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	64		
	102-41 Collective bargaining agreements	100% of employees covered by collective negotiation agreements		8
	102-42 Identifying and selecting stakeholders	63 and 64		
	102-43 Approach to stakeholder engagement	32, 58 and 64		
	102-44 Key topics and concerns raised	64		

GENERAL DISCLOSURES

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
Reporting practice				
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Comerc Comercializadora; Comerc Energia; Newcom; Comerc Power Trading; Comerc Gás; ESCO Comércio; ESCO Instalações; DOC88 and MegaWhat.		
	102-46 Defining report content and topic Boundaries	65 and 66		
	102-47 List of material topics	65 and 66		
	102-48 Restatements of information	None.		
	102-49 Changes in reporting	None.		
	102-50 Reporting period	63		
	102-51 Date of most recent report	August 2020 for FY 2019.		
	102-52 Reporting Cycle	63		
	102-53 Contact point for questions regarding the report	63		
	102-54 Claims of reporting in accordance with the GRI Standards	This report was prepared according to the "Essential" option of the GRI standards.		
	102-5 GRI content index	67		
	102-56 External assurance	None.		

MATERIAL TOPICS

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
Economic Performance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	41		
	103-3 Evaluation of the management approach	41		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	41		8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	34 and 48		13
	201-3 Defined benefit plan obligations and other retirement plans	Not applicable to company policy.		
	201-4 Financial assistance received from government	No financial incentive or assistance from government bodies was received in 2018 or 2019. In 2020, we financed equipment purchases using a credit line from the Brazilian Development Bank (Banco de Fomento e Desenvolvimento) paying approximately R\$85,000 for investments in energy efficiency projects.		
Market Presence				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	44		
	103-3 Evaluation of the management approach	44		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	44 and 48		1, 5, 8
	202-2 Proportion of senior management hired from the local community	48		8

MATERIAL TOPICS

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	27 and 60		
	103-3 Evaluation of the management approach	27 and 60		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	60		5, 9, 11
	203-2 Significant indirect economic impacts	27 and 29		1, 3, 8
Anti-corruption				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	22		
	103-3 Evaluation of the management approach	22		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	22		16
	205-2 Communication and training about anti-corruption policies and procedures	22		16
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were reported.		16
Environmental Compliance				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	22		
	103-3 Evaluation of the management approach	22		

MATERIAL TOPICS

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
Environmental Compliance				
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Given the nature of our business, there are no significant environmental impacts. We encourage waste reduction and selective waste collection in our offices. No environmental nonconformities were reported in the period.		16
Supplier Environmental Assessment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	59		
	103-3 Evaluation of the management approach	59		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	We do not have a policy, goal or initiative involving the certification and hiring of suppliers based on environmental guidelines.		
	308-2 Negative environmental impacts in the supply chain and actions taken	No study was carried out to identify possible negative environmental impacts caused by our supply chain.		
Employment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	44		
	103-3 Evaluation of the management approach	44		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	46		5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	52		3, 5, 8
	401-3 Parental leave	In 2020, three men and three women employed by the company took parental leaves and returned to the company after the granted leave. The same happened in 2018 (6 men and 5 women) and in 2019 (5 men and 3 women), with a retention ratio of 1 to 1 across the three years.		5, 8

MATERIAL TOPICS

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	60		
	103-3 Evaluation of the management approach	51		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	52		4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	The Comerc workforce is mostly young, so there is no program addressing career transition.	8	
	404-3 Percentage of employees receiving regular performance and career development reviews	48 and 50		5, 8, 10
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	53		
	103-3 Evaluation of the management approach	53		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	20 and 54		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	56		5, 8, 10
Non-discrimination				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	23		
	103-3 Evaluation of the management approach	23		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	23		5, 8
Local Communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	60		
	103-3 Evaluation of the management approach	60		

MATERIAL TOPICS

GRI STANDARDS	DISCLOSURE	PAGE NUMBER	OMISSION	SDG
Local Communities				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	60		
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	32		
	103-3 Evaluation of the management approach	32		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	32		12
Customer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	65 and 66		
	103-2 The management approach and its components	21		
	103-3 Evaluation of the management approach	21		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints regarding breaches of privacy and losses of customer data were recorded.		16
Organizational Profile				
Energy Sector Supplement -- Organizational Profile	EU3 Number of consumer units in the residential, industrial, institutional and commercial segments	31		7, 9, 17
Research and Development				
Energy Sector Supplement - Research and Development	EU8 Research and development activities and expenditure aimed at providing reliable power supply and promoting sustainable development	29		
Provision of Information				
Energy Sector Supplement -- Provision of Information	EU24 Practices to address linguistic, cultural, limited literacy and other deficiencies related to safe access and use of electricity services and customer support	32		1, 7

Credits

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