

SUSTAINABILITY REPORT 2019

CÔMERCE ENERGIA





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FOREWORD



In 2019 we came of age as a company. At 18, we have grown to become the largest and most comprehensive provider of energy-market services in Brazil.

COMERC has 8 business units, a workforce of approximately 460 people, and a client base of more than 2,300 consumer units.

We have always strived to be transparent and in close communication with our stakeholders, and given our continued growth, now is the time to take our reporting to a new level.

As our stakeholder, you are kindly invited to explore the Comerc universe through this Sustainability Report 2019, the first of many to come.

Enjoy your reading!

ABOUT THE REPORT

This is Comerc Energia's first annual sustainability report.

The report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards—an internationally recognized framework for corporate reporting—and describes the activities and performance of our main operations in Brazil from January 1 to December 31, 2019.

[GRI 102-1, 102-5, 102-50, 102-52, 102-54](#)

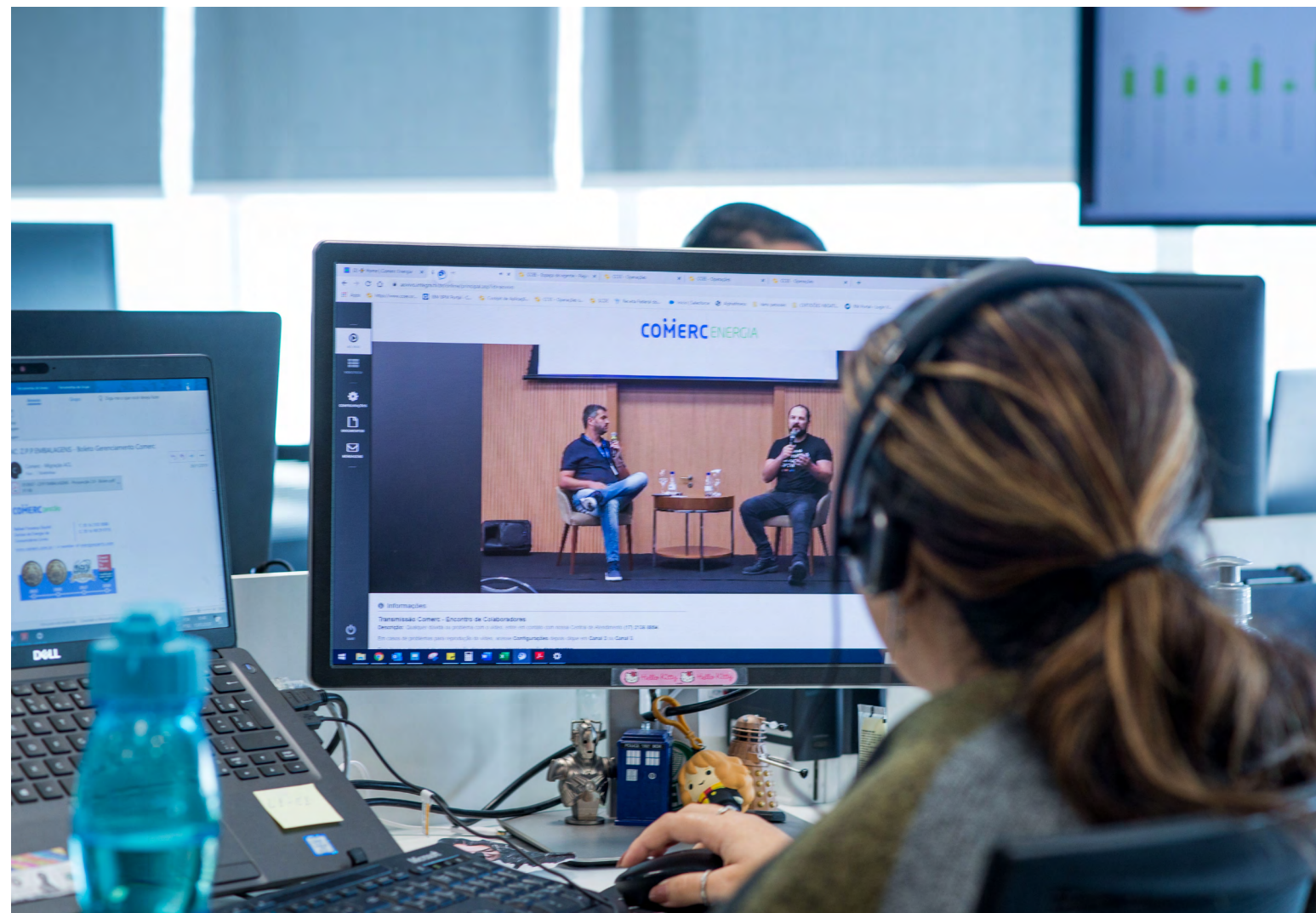
Our approach in developing the report is consistent with best practices in corporate reporting, and includes governance, strategy, management, performance, risks and opportunities.

The financial statements have been independently audited by RSM Brazil. [GRI 102-46, 102-56](#)

The chapters highlight the seven material topics selected in a materiality exercise conducted specifically for this report.

The content seeks to cater to our diverse range of stakeholders, including employees, clients, suppliers, government bodies and regulators, communities and civil society. [GRI 102-42](#)

If you have questions about this report, or would like to make a suggestion, please write to comunicacao@comerc.com.br. [GRI 102-53](#)





MATERIALITY MATRIX

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

Our first materiality matrix extends the accountability concepts of the AA1000 Assurance Standard to sustainability, and incorporates guidance from the Integrated Reporting (IIRC) framework and GRI Standards.

The materiality exercise was conducted by Report Sustentabilidade, a specialized consulting firm, and the four-stage process included identification, prioritization, review and validation of material topics.

A stakeholder survey elicited the views of internal and external stakeholders and helped to identify material topics.

The chosen topics were then assessed for their impact on each stakeholder, and mapped to the different United Nations (UN) Sustainable Development Goals (SDGs).

A final list of topics was validated in an executive leadership meeting.

A review of industry research and internal documents identified 15 initial topics then submitted to multi-stakeholder consultation.

The consultation process included five meetings with our leadership team and an online survey collecting the responses of 112 stakeholders, including members of the Comerc Board of Directors, employees, clients, industry experts, power generation companies, business partners and suppliers. [GRI 102-40](#)

Their responses were then assessed against different criteria, including the size and relevance of each stakeholder group, confidence level based on sample size, and survey response rates.

Following validation by our leadership team, the initial list was narrowed to the eight material topics listed opposite. [GRI 102-47](#)

MATERIAL TOPICS

- 1 Quality of service and solutions
- 2 Innovation and technology
- 3 Ethics and anti-corruption
- 4 Direct economic impacts
- 5 Industry research and thought leadership
- 6 Social initiatives & programs
- 7 Stakeholder engagement
- 8 Career management, diversity and equal opportunity

BOUNDARIES OF IMPACTS

GRI 102-46, 102-47

MATERIAL TOPICS GRI 103-1	Related SDGs	GRI Aspects	Indicators	Location of impact
Quality of service and solutions	7	Sector supplement: Energy	EU3 Number of residential, industrial, institutional and commercial customer accounts	Internal: employees External: clients
Innovation & technology	8, 9 and 12	Sector supplement: Energy	EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	Internal: employees External: clients, market
Ethics and anti-corruption	16	Anti-corruption	103 205 Management approach	Internal: employees External: clients
			205-1 Operations assessed for risks related to corruption	
			205-2 Communication and training on anti-corruption policies and procedures	
			205-3 Confirmed incidents of corruption and actions taken	
Direct economic impacts	7	Indirect economic impact	103 203 Management approach 203-2 Significant indirect economic impacts	External: clients, environment, market
Industry research and thought leadership	8 and 12	No GRI disclosure	Comerc indicator	External: clients, market, society
Social initiatives & programs	12 and 17	Local communities	103 413 Management approach 413-1 Operations with local community engagement, impact assessments, and development programs	External: communities
Stakeholder engagement	16 and 17	No GRI disclosures	Comerc indicator	External: market

MATERIAL TOPICS	GRI 103-1	Related SDGs	GRI Aspects	Indicators	Location of impact
Career management, Diversity and equal opportunity		5 and 8	Employment	103 401 Management approach	Internal: employees
				401-1 New employee hires and employee turnover	
				401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
			Training and education	103 404 Management approach	
				404-1 Average hours of training per year per employee	
				404-2 Programs for upgrading employee skills and transition assistance programs	
				404-3 Percentage of employees receiving regular performance and career development reviews	
			Diversity and equal opportunity	103 405 Management approach	
				405-1 Diversity of governance bodies and employees	
				405-2 Ratio of basic salary and remuneration of women to men	
Non-discrimination	103 406 Management approach				
	406-1 Incidents of discrimination and corrective actions taken				

A MESSAGE FROM OUR CEO

GRI 102-14, 102-15

Fiscal 2019 was another year of growth for Comerc Energia, the company originally founded in 2001 to serve clients in the free market.

Since then, we have expanded our core business to deliver further solutions to our clients.

Building on our initial objective, we developed a strong trading business -- Comerc ranks among the 10 largest and most respected traders in Brazil. In recent years, we added an extended portfolio of services, such as distributed generation and battery storage, energy efficiency and management systems, IoT metering, solar farms, news and data platforms, and captive management systems.

The new solutions launched in the last three years help our clients to increase efficiency, reduce costs and improve processes while enhancing sustainability, and they have also contributed to our own success.

As a result, our economic and financial results exceeded expectations, with revenue growth of 54% to R\$ 3.7 billion.

While most of the revenues still derived from our management and trading businesses, energy efficiency services also performed strongly in 2019.

The positive performance of the new business reflects our philosophy of striving to identify clients' needs so we can offer expert advice and the best solutions.

Internally, we have worked to strengthen our commitment to best practices in ethics and transparency, and have focused on diversity, mobility and inclusion.

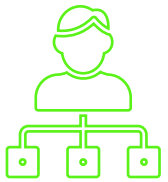
The committees set up in January 2019 created a governance framework that drives, facilitates and permeates all business decisions, making them genuinely participatory.

Decision-making is thus an organization-wide process, open to inputs from all stakeholders to include diverse perspectives and improve competitive advantage.

We believe the power sector will increasingly feel the effects from several irreversible trends— such as the ongoing development of renewables and the 3Ds (digitization, decarbonization and decentralization).

The future will bring exciting possibilities, increased efficiency, greater control and better performance—a new world where consumers in control are the center of the universe.

We are preparing for these future developments by investing in technology, training and new business development.



Before the SARS-CoV-2 pandemic broke out, we projected continued annual growth of 20% to 30%. Yet our operations, like the rest the world, have been impacted by COVID-19.

We believe these are short-term impacts, and are confident that the new normal will bring enormous opportunities to build closer ties with the “new center of the universe”, enhancing our ability to create and share value through our business.

Cristopher Vlavianos
Founder & CEO,
Comerc Energia

About **COMERC**

01

400

Experts delivering
a comprehensive
portfolio of digital
tools and innovative
services related to the
energy market

18 years

Supporting
consumers' freedom
to choose their
electricity supplier



ENERGY, PARTNERSHIP AND FREEDOM

Our expansion is geared towards long-term relationships

In these 18 years, Comerc Energia has helped to build a culture that supports Brazilian consumers so they can freely choose the best electricity supplier for their needs. We have contributed to consumer freedom through our activities in the market, through the partnerships we have established over time, and through our efforts to raise awareness about the free market in Brazil.

Our company was founded in 2001 during an electricity rationing crisis in Brazil, two years after the first consumer had migrated to the free electricity market.

The free market introduced in 1995 allows consumers meeting certain criteria to choose their electricity supplier on the basis of convenience, preference and price.

Cristopher Vlavianos leveraged his expertise in the financial market and

insight into the complexities of Brazil’s power sector to create the company, which today comprises eight business units in four hubs (management and consulting, trading, services and information technology), relying on a team of 400 experts in 2019. [GRI 102-1](#)

Our expansion has always aimed to build long-term relationships.

Today, Comerc Energia offers trading services, has partnerships with the leading power generators and traders in Brazil, and expertise in credit analysis and market intelligence.

We also pioneered reverse auctions in our market, and ensured strict segregation of management and trading activities to prevent conflicts of interest.

With headquarters in the city of São Paulo, Comerc Energia has three commercial offices in other cities in the state of São Paulo (Campinas, Ribeirão Preto and São José dos Campos) as well as offices in other Brazilian states: Amazonas (Manaus), Rio Grande do Sul (Bento Gonçalves) and Santa Catarina (Florianópolis). [GRI 102-3, 102-4](#)

Comerc Energia has grown while never losing sight of the principles we have upheld since our foundation: we are focused on energy, partnership and freedom.

The timeline on the following pages describes our history and the business activities of each company in the Comerc Group: [GRI 102-2, 102-6, 102-7](#)



2001

COMERC GESTÃO

Brazil's leading power management company, with 3,100 MWavg under management in 2019, or the equivalent of 5% of the electricity consumed in Brazil. Comerc Gestão partners with clients in designing the best strategies to consume, buy and sell electricity, and also handles all legal and regulatory requirements for consumers or generators.

Comerc Gestão de Geradores manages approximately 5GW of power for more than 130 generators, independent power producers and self-generators, equivalent to 35% of the total power output from Itaipu, one of Brazil's largest hydroelectric power plants.

COMERC TRADING

From 2001 to 2006, Comerc Trading purchased and sold electricity on the spot market exclusively for Comerc Gestão clients.

In 2006, Comerc Trading shifted its focus to include other power market players, such as consumers from other power management firms and generators, becoming a full-fledged active trader and a business partner to the leading players in the segment.

The new strategy has delivered significant results, with Comerc Trading becoming one of the top 10 traders on the Brazilian market.

2014

COMERC GÁS

The Group created Comerc Gás in 2014 to help clients manage their gas consumption, with cost-effective gas supply contracting and complex regulatory solutions to prepare consumers to migrate to the free natural gas market, similar to the initial work developed by Comerc Gestão back in 2001.

As a gas trading company authorized by national and state regulators, Comerc Gás also provides contract management, regulatory advisory, rate projections, contract negotiation support and other services.

In addition, Comerc Gás can assist in off-grid LNG applications, connecting clients to partner companies and providing regulatory and commercial support.

COMERC ESCO

Comerc ESCO develops, implements and invests in energy efficiency solutions that deliver electricity savings with no customer investment required.

Comerc ESCO initially assesses client equipment and facilities to identify opportunities to improve energy efficiency, reducing energy spend and increasing productivity.

Clients can save energy in applications such as motors, compressed air, refrigeration, lighting, cogeneration, capacitor bank and others.

2015

2018



Newcom is an independent power trader operating in the Brazilian market with a focus on wholesale operations.

The company structures purchase and sale contracts using different trading strategies: buying/selling, long/short positions, trend monitoring and arbitrage trading.

Newcom relies on its team's expertise in market regulations, portfolio management, and market and credit risk management to offer differentiated services.



The first battery-Storage-as-a-Service (bSaaS) provider in Brazil, Comerc Energy Storage is a joint venture created in 2018 by the Comerc Group and U.S.-based Micropower.

In 2019, Siemens acquired a stake in the company, adding its expertise in engineering design services.

The company offers cheaper, cleaner and more reliable power supply from renewable sources by optimizing consumption of available power.

The business model requires no upfront investment from the client: there is no need to purchase or install any equipment, and services fees are based on the energy savings obtained from the use of battery storage.



Doc88 is a Comerc Group technology company that has innovation at its core and problem-solving as its mission.

This spinoff from Comerc's technology department designs disruptive ways to improve management and productivity, both for the Group's own companies and its clients.

Doc88 develops and structures Web solutions and integrations with legacy software, and incubates and accelerates startups.



An on-line energy-sector intelligence platform featuring news, price and weather forecasts, regulatory and industry analysis, training courses and real-time connectivity for effective decision-making in the energy, oil and gas markets.

MegaWhat connects the entire energy sector community to share content, ideas and regulatory and market insights, increasing transparency in a fast-changing industry.

It also offers networking tools for the community of industry professionals, as well as on-demand advisory practice. [GRI 102-10](#)

2019



MISSION, VISION AND VALUES

GRI 102-16

MISSION

Our mission in the power market is to minimize costs and maximize gains for all participants, while delivering returns to our partners and members and providing our employees with an excellent environment for continuous learning and professional growth.

We are pioneers in our area, and have contributed to developing the free electricity market in Brazil.

Our extensive network of connections with industry players enables us to deliver the best possible results for our clients.

We are already one of the leading independent power portfolio managers in Brazil.

We aspire to build a global presence through continuous innovation and uncompromising commitment.

VALUES

- > Innovation
- > Commitment
- > Ethics
- > Intelligence

VISION



ABOUT THE FREE ELECTRICITY MARKET

WHO IS ELIGIBLE TO BE A FREE-MARKET CONSUMER?

Companies with a contract demand of 500 kW or more at each site or across sites operating under the same taxpayer number (CNPJ) can purchase electricity generated from renewable sources, such as small hydro plants (SHP), biomass-burning thermal plants and wind farms.

Companies with a contract demand of 2,000 kW or more can purchase electricity from any source, including large hydro plants and latest-generation thermal plants and wind farms.

HOW IT WORKS

The **Free Electricity Market in Brazil** emerged to encourage competition and reduce the cost of electricity. Free consumers can create their own strategy and negotiate the commercial terms of their power purchase agreements, including prices, duration and indexes. They also enjoy flexibility in terms of how much electricity they consume. Free consumers can choose their supplier—either a generator or trader such as Comerc Trading.

In the **captive market**, consumers can only purchase electricity from a utility or a company with a distribution concession. Captive consumers cannot negotiate prices, and are subject to supply rates set by power sector regulator ANEEL. They purchase electricity from distributors who in turn acquired their electricity through auctions and then pass on the costs to consumers.

STRATEGY WHEEL

The Comerc Strategy Wheel unveiled during a townhouse employee meeting in March 2019 is designed to showcase our key competitive differentiator: the most comprehensive portfolio of innovative digital tools and services for the energy market.

Our strategy wheel showcases our full range of innovative services and digital tools

COMERC

GESTÃO DE GERADORES

COMERC

GESTÃO

COMERC

GÁS

COMERC

TRADING

new com

ENERGIA

MICROPOWER

COMERC ENERGY STORAGE

COMERC

ESCO

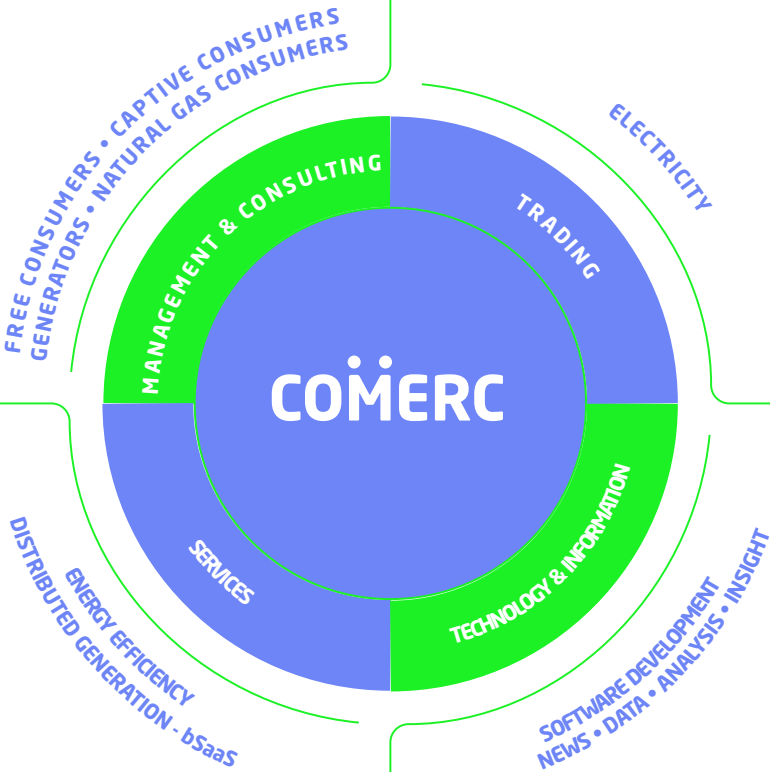
COMERC

GERAÇÃO DISTRIBUÍDA

MEGAWHAT

DOC

8





... During the meeting, we also presented our strategic plan for the next cycle (2020-2022), which will further increase integration across expert teams in our different businesses.

Comerc Energia's long-term plan relies on three pillars to ensure a sustainable future:

Getting to know our clients better

Creating even better services for clients

Serving clients even better through an incredible team

Our long-term plan revolves around the 3Ds—digitization, decarbonization and decentralization—and their related industry trends:

DECENTRALIZATION

- > **Free-market expansion**—A reduced contract demand threshold to migrate from the captive to the free electricity market will expand the potential size of the market.
- > **Microgeneration**—Growth in distributed generation (for consumption by self-generators or prosumers).
- > **Arbitrage in electricity storage**—Hourly rates will create opportunities from 2020.
- > **Market maturity**—Development of non-deliverables (financial contracts) and a Settlement Chamber.

3Ds

DIGITIZATION

- > **IoT (Internet of Things)**—Smart meters (at the boundary, department and equipment level).
- > **Big Data** - Analytics to convert data into meaningful information that creates value for consumers.
- > **User experience**—Market intelligence portals that create a value-added experience.

DECARBONIZATION GRI 102-11

- > **Renewables**—Reduced solar and wind power costs and energy storage as a real option.
- > **Energy efficiency**—Equipment obsolescence and new, more efficient and cheaper technologies drive increased access to credit.
- > **Pre-salt**—Lower gas prices (competitive and clean thermal power generation) will support an open gas market.
- > **Certificates**—Meeting corporate carbon reduction targets through renewable-sourced electricity and energy efficiency projects.

STAKEHOLDER ENGAGEMENT

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

At Comerc Energia we communicate proactively and transparently with all stakeholder groups. This is supported by a shared facility that enables stakeholder interaction as a key element of our business model. The laboratory called **DocLabs** hosts our Doc88 business and brings together startups to accelerate innovative ideas. The 1,400 m² facility in Vila Olímpia, São Paulo, has an underground bicycle parking facility, five lounges, an auditorium for 34 people, and a cafeteria and restrooms inspired by the “Back to the Future” trilogy.

We are active members of industry associations in the power sector. In 2019 Comerc became a member of Instituto Ethos, a public-interest civil

society organization with a mission of mobilizing, raising awareness and helping corporations to manage their businesses in a more socially responsible manner, engaging them as partners in building a fairer and more sustainable society. In the environmental area, Comerc Group and MegaWhat board member Daniel B. Parke is a member of the Board of Trustees of nongovernmental organization WWF (World Wide Fund for Nature) Brazil. We have allocated budget funding in 2020 to invest in further external initiatives across the economic, environmental and social dimensions.

Other Group initiatives and programs include:



Great Place to Work Climate Surveys

The 2019 edition of the survey had a 92% response rate, exceeding by far the minimum required sample. A total of 1,066 open feedback comments were received from respondents.

Media workshop

In November 2019 a workshop at Doc88’s head offices brought together 11 journalists from media organizations across Brazil. Five Group executives provided attending journalists with insights into the power sector and information on the company, improving the quality of media reports on Comerc



SUPPLY CHAIN

GRI 102-9

Electricity suppliers account for
the bulk of our supplier spend

Comerc has two major groups of suppliers: electricity suppliers and materials and services suppliers to other businesses.

Electricity suppliers, the highest weighted in financial terms, include other traders, generators, selfgenerators and other sources. Since clients can also sell their short-term surpluses, this group of suppliers includes virtually all participants in the free electricity market.

The electricity supplier group accounts for 97% of Comerc's total spend on suppliers. Each supplier is assigned a credit score based on its financial information to mitigate counterparty risk in the portfolio.

A credit committee holds two meetings per year to reassess counterparty scores and positions, and every week our trading desk analyzes the buy/sell positions with counterparties, as well as their risk of failing to supply electricity as agreed, based on Comerc's risk matrix.

Suppliers to other businesses are subject to our Procurement Policy, which requires that the conduct of all suppliers, third-party employees, service providers and business partners reflect our values and culture.

It also establishes that we will only do business with suppliers that:

1. have been screened through our supplier due-diligence process;
2. have not been involved in bribery or other violations of our Code of Ethics & Business Conduct;
3. comply with the safety regulations applicable to their activities;
4. issue invoices containing:
 - > the purchase order number for the relevant service or product;
 - > in the case of service invoices, the service code must be consistent with the supplier's business activity.

The supplier due diligence process requires suppliers to submit certain information to the Procurement department depending on the product or service. In addition, supplier onboarding is contingent on approval from the Procurement and Tax departments following a review of the following documents: registration form, articles of association, taxpayer card and state registration.

The Policy also establishes that if the agreed method of payment is wire transfer, suppliers are required to state their bank details in the body of the invoice. Comerc will reject an invoice: if the company name, taxpayer number, state registration number or any other details are incorrect; if the invoice has been issued on behalf of an individual; if the invoice has expired or has been submitted after the contractual deadline. As

of year-end 2019 Comerc had 456 registered suppliers, of which 91% (415) are services suppliers and 9% (41) are materials suppliers. The company did not have controls for documenting the number of suppliers that had received visits, training or assessments.

In evaluating suppliers' geographic location, Comerc considers their proximity to the relevant site, logistics arrangements and employee commuting considerations. In 2019 we had suppliers in 16 Brazilian states and one international location (in Colombia, for managing energy consumption at a client's local site), of which:

- > 79.6% were in the Southeast, which is also where 90.8% of our employees are based;
- > 73.9% were in the state of São Paulo -- our head offices are in the state capital São Paulo, and we have three other commercial offices in different cities in the state.

CORPORATE GOVERNANCE

GRI 102-18



45 partners

7 of whom joined
Comerc Energia as
interns

02



We have built our business on ethics and transparency. With the continuous expansion of our operations, we saw the need to further enhance our Corporate Governance, and in 2019 a Working Group of five employees was created to carry out this mission

To implement best governance practices, the team sought guidance from the Brazilian Institute for Corporate Governance (IBGC) and Instituto Ethos, reviewed our existing policies, and recommended amendments and new codes, including policies conforming to ISO 9001.

In the second half of 2019, they implemented an action plan that included communicating our Procurement Policy, organizing our governance communications at Comerc and initiating an assessment toward developing a risk matrix and contingency plan, based on:

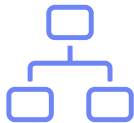
- > The findings from a Corporate Governance Benchmarking Report developed by IBGC on the basis of a self assessment of governance practices at Comerc Energia;
- > The Ethos indicators for sustainable and responsible business, which include vision and strategy, social and environmental dimensions as well as governance and management.

OWNERSHIP STRUCTURE

Comerc Energia has a unique ownership structure. Our majority partner and founder and five vice presidents hold the largest stake in the company. As an important aspect of Comerc’s culture, our partners program is not restricted to the senior leadership team—several directors, managers, coordinators and analysts have become our partners. By year-end 2019 we had 45 partners, seven of whom joined Comerc Energia as interns.

Employees who demonstrate a sense of ownership based on company-established criteria are invited to join as partners, following a regular calendar. After being invited to become partners, future entrants are eligible to attend Advisory Board meetings and have more detailed access to the company’s strategic and financial information.

In January 2019, we initiated a reformulation of our partner rules to ensure that future entrants reflect the Group’s new and changing business. These changes should be implemented by year-end 2020.



GOVERNANCE BODIES

Comerc Energia is managed by an **Executive Board** that in 2019 was composed of the CEO and five vice presidents:

Cristopher Alexander Vlavianos (Kiko)
CEO and Founding Partner

Edvaldo Marcelo Avila (Dida)
Vice President, Strategic Planning & New Projects

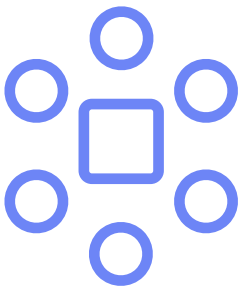
Enrico Dal Sasso Begliomini
Vice President, Trading

Fabio Augusto Fernandes
Vice President, Marketing

Luiz Henrique de Otero Mello
Vice President, Commercial

Luiz Octavio Vilela de Andrade
Vice President, Commercial, South

Since 2006 the Executive Board has been supported by an **Advisory Board** with some of the most prominent names in the Brazilian market and power sector. Board members meet every quarter and serve on a fee basis. In 2019 the Board comprised five members, all of them men, with three (60%) above 50 and two (40%) aged between 31 and 50. [GRI 405-1](#)



6 people serve on our Executive Board

Daniel B. Parke
Daniel Parke is a member of the advisory board of Delaware Environmental Institute, at Delaware State University, and the Supervisory Board at WWF-Brazil, Latin America and the Caribbean, and has previously served as regional director for Latin America at Thomson Financial and Bloomberg.

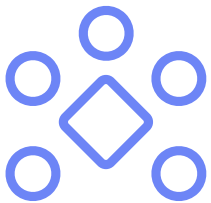
Jose Luiz Alqueres
Jose Alqueres has a degree in engineering and has previously served as CEO at Light and as a member of the Board of Eletrobras. He has also served as a director at BNDESPAR and as the National Secretary of Energy. Alqueres has additional prior experience serving on the boards of public and private utility companies.

Mailson da Nobrega
Mailson da Nobrega has a degree in economics and has held board positions at companies in Brazil and abroad. He was Minister of Finance between 1988 and 1990, concurrently serving as chairman of the National Monetary Counsel (CMN), the National Finance Policy Council and as a member of the boards of the International Monetary Fund (IMF), the World Bank and the Inter-American Development Bank (IDB). He co-founded consulting firm Tendencias Consultoria and has been a member of the International Academy of Law and Economics since 2017.

Marcio Fernandes
Marcio Fernandes has a degree in business administration from the Pontifical Catholic University (PUC) and an MBA in Controllershship and Executive Development from Stanford, IMD (Switzerland) and INSEAD (France). He served as CEO at Elektro for 13 years and as chairman of the board of FNQ in 2016-2017. He was named Executive of the Year in his industry

by business newspaper *Valor Economico* in 2016, and as the Most Admired Business Leader in Brazil by magazines *Voce S/A* and *Exame* in 2014 and 2017.

Marcos Jank
Marcos Jank has served as a member of the board of the Sao Paulo State Industry Federation (FIESP) and the National Council for Economic and Social Development (CDES). He has a degree in crop science and is a senior professor at the Institute of Education and Research (INSPER) and chair professor at the Luiz de Queiroz College of Agriculture (ESALQ-USP). He previously served as president of the Sugarcane Industry Union (UNICA), from 1989 to 2007, and Executive Director for Global Affairs at BRF.



Our Advisory Board has 5 members



MANAGEMENT COMMITTEES

Comerc Energia established a committee-based, participatory governance model in 2019 to respond to the challenges created by the continued growth and diversification of our business. Five committees have been created to drive, facilitate and permeate our decision-making processes throughout the organization, fostering greater participation. They provide a forum for cross-functional dialog and a space for sharing experiences.

The five committees address business issues, guidance, plans, communications, recommendations and opportunities. Strategic matters can be addressed without interfering in business routines, which are managed internally by each department manager.

Committees chairs are not vice presidents, and they interact with the leadership team through the Strategy and Sustainability

Committee, composed of the five committee chairs and other members previously appointed by the CEO. The following committees were in place in 2019:

STRATEGY & SUSTAINABILITY COMMITTEE

The purpose of the Strategy & Sustainability Committee is to ensure we are prepared for future challenges by using an integrated approach to continuously update our business models, mindsets and policies so they reflect our strategy and ensure we achieve management excellence, now and in the future. It also helps to embed the different dimensions of sustainability in our strategy.



PEOPLE COMMITTEE

The People Committee integrates and oversees initiatives and tactics to achieve strategic goals and maximize results for the company within the “People” dimension. Key projects:

- > Created a Diversity Working Group (WG) to implement awareness initiatives around diversity and inclusion, working across Gender, Ethnicity, People with Disabilities and LGBTQIA+
- > Created a home office WG to develop a working-from-home culture within Comerc
- > Recruiting, Selection and Merit processes



CLIENT COMMITTEE

The Client Committee supports agile decision-making and our efforts to wow our clients through planned, continuous initiatives and process improvements and innovation. Key initiatives and topics addressed in the year:

- > Cost of service
- > Client journey strategy
- > Excellence in service
- > Service complexity index
- > Product mapping
- > Referral marketing
- > NPS





**ETHICS & COMPLIANCE
COMMITTEE**

The Ethics & Compliance Committee supports the Executive Board in activities to promote ethics and integrity, especially anti-corruption initiatives, and in disseminating our Code of Ethics & Business Conduct. The committee has responsibility for the Code and for our Open Hotline, a channel for receiving reports, suggestions and compliments that is available to all stakeholders. Key initiatives and topics addressed in the year:

- > Created a Corporate Governance WG
- > Training on our Code of Ethics & Business Conduct
- > Training on our Open Hotline



BUSINESS COMMITTEE

The Business Committee assesses each business to identify ways to drive improved performance both individually and collectively across Group companies. The Committee evaluates opportunities for improving financial and operational efficiency, and new businesses with the potential to become new divisions. Key projects in 2019:

- > Created an I-REC Certification WG
- > Created an Expansion WG
- > Created a Natural Gas WG
- > Created a Retail WG





ETHICS AND ANTI-CORRUPTION

GRI 102-16, 102-17, 103-2, 103-3

Published in 2019, our Code of Ethics & Business Conduct contains rules on ethics and transparency

We see compliance with Brazilian laws and regulations as a basic imperative, and the commitment to transparency permeates our culture. Upholding the highest standards of transparency, corporate responsibility and integrity is an essential part of our operations as we carry out our activities, build partnerships and engage with stakeholders.

The principles that have guided our company since its foundation have been compiled into a document published in March 2019: [our Code of Ethics & Business Conduct](#). That same month we also launched our [Open Hotline](#), a governance and communication tool that strengthens accountability for integrity in everything we do.

CODE OF ETHICS & BUSINESS CONDUCT

Our Code of Ethics & Business Conduct contains company procedures and policies on ethics in relations among employees at all levels of the organization, and describes the behaviors that we encourage and those we will not tolerate.

All employees were required to sign their affirmation of the Code when it was launched, and new hires have since been introduced to and signed the Code during onboarding, as a mandatory requirement. [GRI 205-2](#)

The Comerc Code of Ethics & Business Conduct establishes that no discrimination in any form will be tolerated and employee promotions and career progression will be determined by professional qualifications, excellence in performance and results achieved. Comerc supports and complies with laws prohibiting all forms of discrimination. Other prohibited conduct under the Code includes psychological and sexual harassment and insider trading.

The Code of Ethics also contains rules on intellectual property, conflicts of interest, and relations with suppliers and service providers. As established in the Code, Comerc will not tolerate, for example, any offering, requesting or receiving

of bribes, kickbacks or any undue advantage by its employees, business partners, customers and other stakeholders, who must at all times conform to all laws and regulations on anti-corruption, anti-bribery, money laundering, antitrust and conflicts of interests. Companies are also prohibited from funding, financing, sponsoring or otherwise supporting any illegal acts, or defrauding , obtaining or retaining undue advantages or benefits in public procurement procedures. All contracts we sign contain provisions on compliance with our Code of Ethics & Business Conduct and the Brazilian Anticorruption Act.

Any violations of our policies and procedures are investigated by our Ethics & Business Conduct Committee to decide on appropriate disciplinary action—which can range from a verbal warning to termination for employees, and from a warning to contract termination for suppliers, customers and business partners.

In 2019 all employees attended in-person training sessions on the use and purpose of our Open Hotline. We also organized a workshop about the Anti-corruption Act and our Compliance Program for partners and directors. [GRI 205-2](#)

OPEN HOTLINE [GRI 205-2](#)

Comerc’s open hotline allows any person to submit reports, complaints, suggestions or compliments on our practices. Reports are handled by a third-party specialized firm, Hello Ethics, and can be kept anonymous and confidential on request. Reports can be submitted via the Comerc website, by calling 0800-591-6059 or by writing to canalaberto.comerc@helloethics.com.

Employees and other stakeholders are instructed to report to their immediate superiors or their contact person at Comerc, respectively, any and all violations or suspected violations of anti-corruption law or our Code of Ethics & Business Conduct.

Reports are investigated/monitored by our Ethics & Compliance Committee. In 2019 our Open Hotline handled 14 interactions, including questions and complaints. All were transmitted to the appropriate functions, and 12 were resolved within the year. The two cases that were not resolved were reports on discrimination. These cases lacked concrete evidence and are still being investigated and monitored. [GRI 406-1](#)

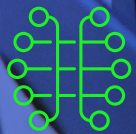
ANTI-CORRUPTION

We conduct due diligence on our power purchase and sale transactions based on publicly available information. If a supplier or customer or their owners are found to be implicated in corruption investigations, their credit-rating score is downgraded. In addition, all agreements—including power purchase and sale agreements, management agreements, and/or contracts for services or products—contain provisions requiring compliance with the Anti-corruption Act and our Code of Ethics & Business Conduct. In 2019, 1,273 active power purchase and sale agreements, or 51.4% of a total of 2,473 active agreements, underwent due diligence for corruption risk. [GRI 205-1](#)



PLANNING & MANAGEMENT

03



R\$ 60 million

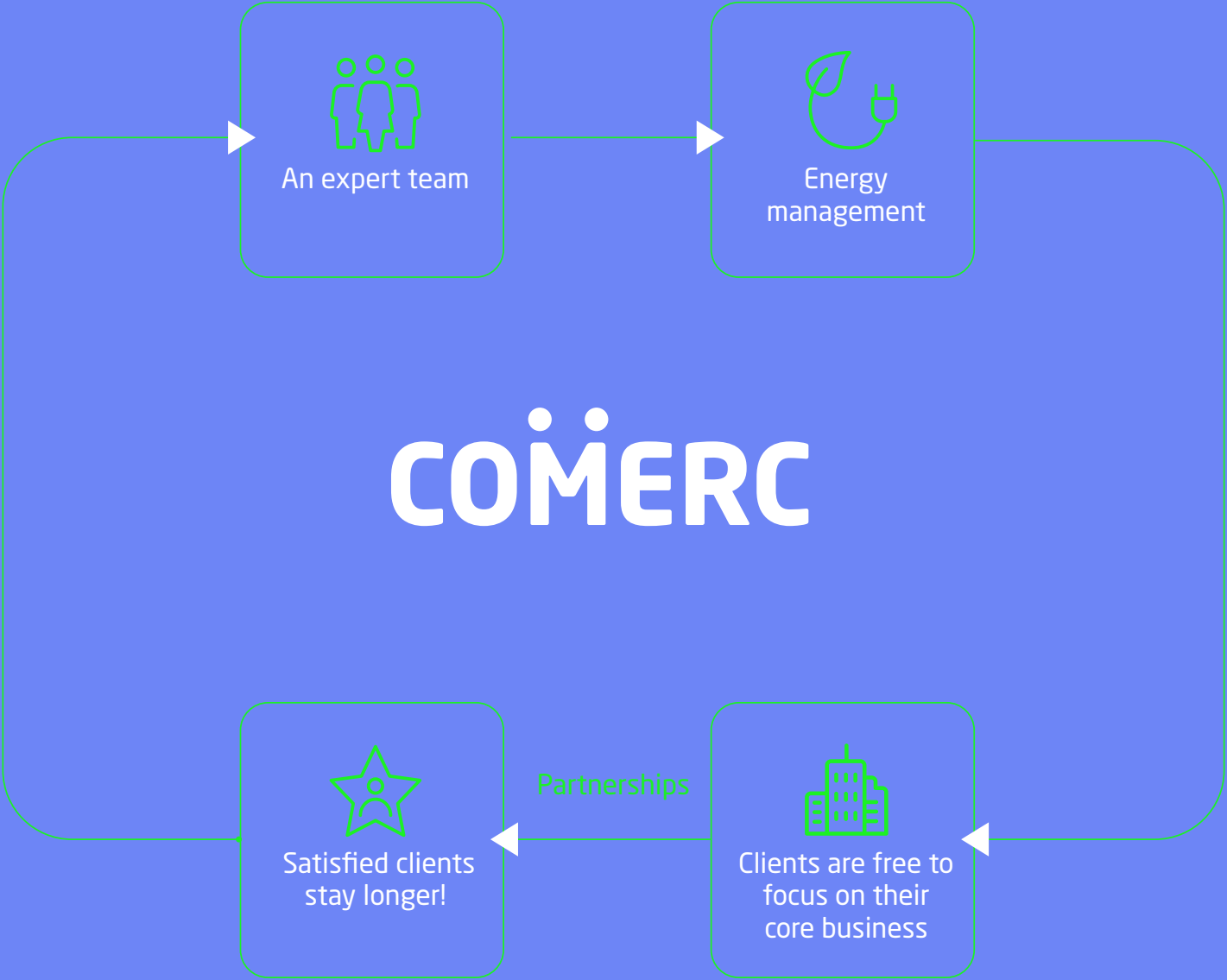
invested in 2019:
50% in innovation and
25% in technology

Year 2019 marked the start of a three-decade journey at Comerc Group. We launched a new program called Projeto49 designed to build on the experience gained from new businesses such as Doc88 and MegaWhat so we can anticipate the disruptive changes that lie ahead in the energy industry.

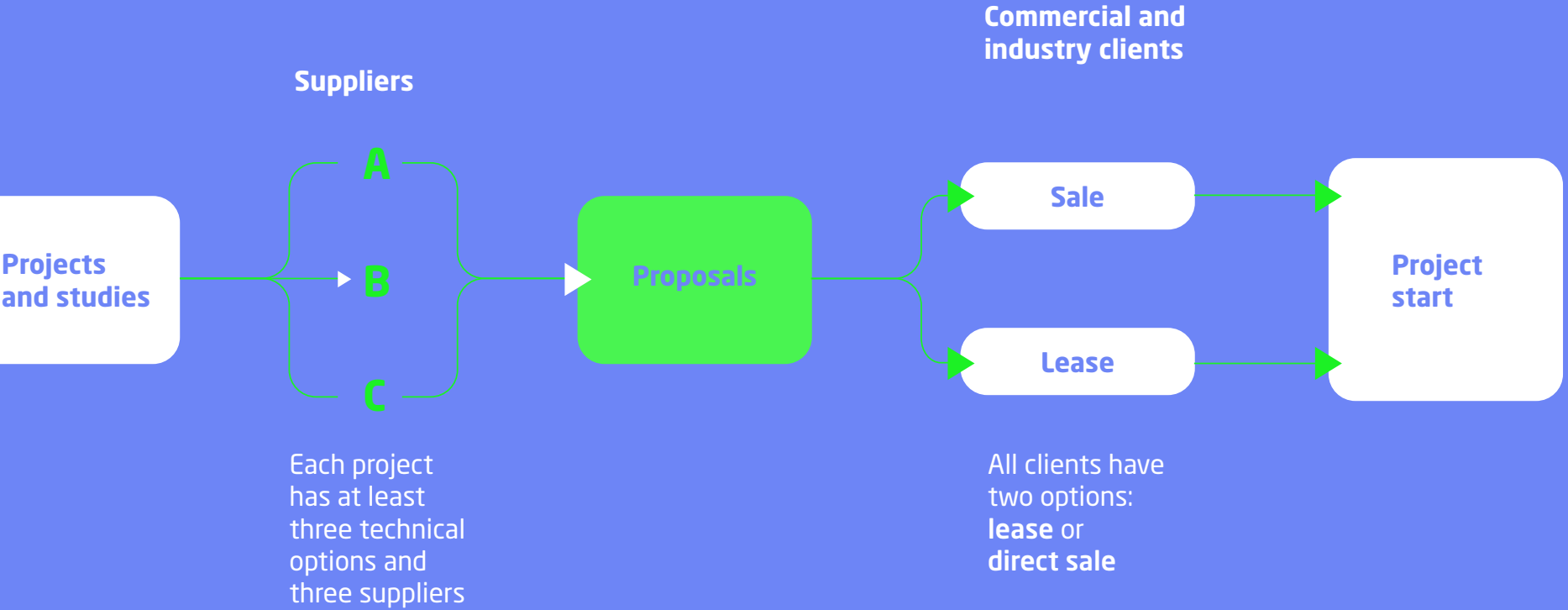
The name of the program is a reference to the 19 years behind us in 2020 as we prepare for the next 30 years ahead. A multidisciplinary, experienced team has been allocated to the project to develop a comprehensive financial strategic plan and individual business plans to boost Group expansion.

In the second half of March 2019, our executive team traveled to the U.S. for three days of benchmarking meetings that have yielded new insights and ideas.

Comerc’s current strategy is business unit-specific. Comerc Gestão, for example, has a core strategy based on four pillars and strong partnerships:



The Comerc ESCO business model, in turn, is structured as follows:



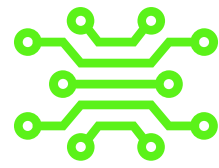
All business units are included under a common investment plan for technology and innovation, essential elements in our strategy to expand revenues and our business portfolio. In 2019 we invested a total of R\$ 60 million, with 50% invested in innovation and technology, 25% in battery storage and energy efficiency, and 25% in training and skills building.

At year-end 2019 we projected investments of R\$ 100 million in 2020—with approximately half going to Comerc ESCO’s energy efficiency business and technology. These projections are likely to change due to the difficult-to-measure impacts from the global COVID-19 pandemic.

GRI EU8



INNOVATION & TECHNOLOGY



Technology investment is a key differentiator for Comerc

With innovation among our values, our projects have extended beyond the frontiers of the energy industry, especially since the launch of our co-working and startup acceleration facility, DocLabs, in July 2018.

We see investment in technology as a differentiator in that it enables us to develop more attractive, cost-efficient and, above all, disruptive businesses. Thus, much of our efforts have been focused on Doc88, a Group company that develops technology solutions for corporations.

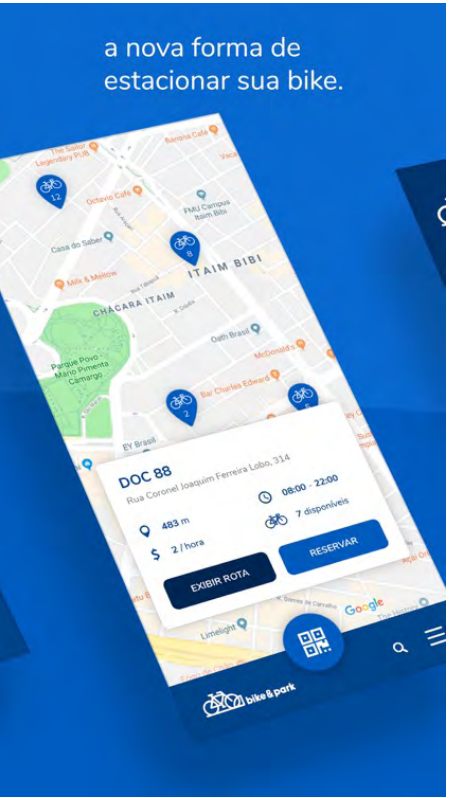
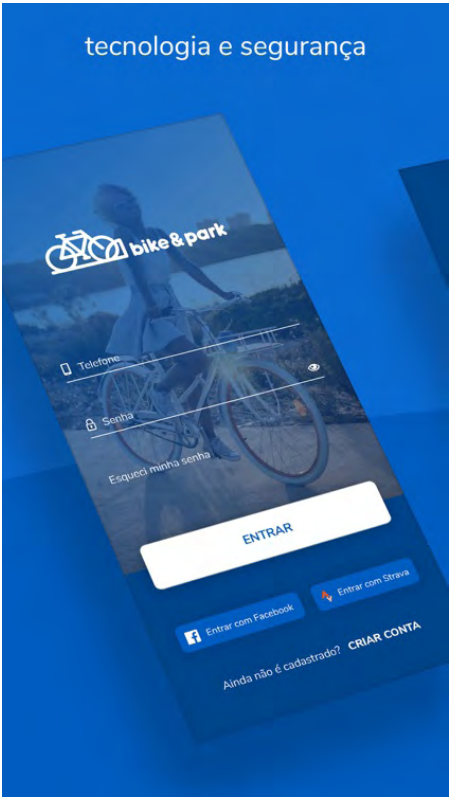
Other innovation and technology-driven projects include:

Bike&Park

A technology platform that provides a practical bike parking solution for bicycle owners. Bikers can use the Bike&Park app to book parking rack space in advance and save time when arriving at their destination. We also create events, newsletters and special offerings for the growing universe of bike enthusiasts.

MegaWhat

This collaborative, interactive platform has attracted 5,000 followers in three months, forming a community of energy-related professionals. The platform features industry news, price and weather forecasts and regulatory analysis to inform decision-making in the power, oil and gas markets. MegaWhat also offers on-demand consulting from a team of partners and young professionals with more than 100 years of combined experience in the energy market and regulatory environment.





PAX

This logistics platform seamlessly connects owners of transportation vehicles (trucks, pickups and vans, including refrigerated vehicles) to load or shipment owners. The load owner provides information about their products (size, weight, destination and photos) on a digital platform, and vehicle owners qualified for that type of delivery receive a notice via a mobile app. Efficient delivery is essential as the platform uses a Same Day Delivery (SDD) concept that eliminates temporary storage or transfer. This reduces the cost of freight and load tracking for participants in the logistics process. PAX serves both C2C and B2C clients in more than 240 municipalities across 12 states in Brazil.

PowerView

An electronic platform that provides Comerc Gestão with an important tool for enhancing client services. PowerView supports management of power agreements, automated monthly energy balance reports and and telemetry-based monitoring of electricity consumption at each managed unit. The platform is fully web-based and intuitive, quick and easy to deploy, and integrated with corporate ERP systems, ensuring data security and efficient business processes. PowerView had more than 5,000 users at year-end 2019, providing direct access to a wide range of managerial information including business intelligence tools (PowerView History - BI) and five-year budget projections (PowerView Planning).

YAM

A web platform for disseminating knowledge and sharing experience about quality of life topics such as expanding awareness; connecting with life; health and nutrition; ancestral wisdom; and harmony in body, mind and spirit. YAM is divided into channels that explore each subject in depth, and has areas for virtual training, publishing articles, scheduling events and managing communities. The platform is monetized through online sales of content and training.

Innovation projects extend beyond the energy sector

RESEARCH AND
DEVELOPMENT

Research & Development is a common and necessary aspect of the broader energy value chain in Brazil, and a continually evolving practice at Comerc Energia. And because innovation is one of our core enablers, R&D projects are developed across the group involving all levels of management.

As in the previous year, **energy efficiency** projects at Comerc ESCO were some of our most significant R&D investments in 2019, reaching R\$ 23 million by early 2020. These projects benefited companies in a range of industries, including shopping malls and manufacturing sites in 14 states: Alagoas, Amapá, Amazonas, Bahia, Ceará, Goiás, Minas Gerais, Paraná, Pernambuco, Roraima, Rio Grande do Norte, Rio Grande do Sul, São Paulo and Santa Catarina. In four years of operations, this business unit has won a total of 66 contracts, with 37 receiving active investment from Comerc and then sharing the resulting financial benefits between the client and Comerc ESCO. The other 29 projects entailed strategic planning for energy efficiency, involving investments by clients themselves.

GRI EU8

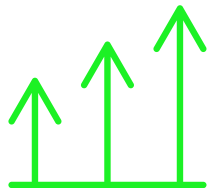


QUALITY OF SERVICES AND SOLUTIONS

One of our primary strengths is our unique ability to identify and recommend opportunities that create customer value. Understanding customers is at the heart of our management approach.

Our competitive edge over competitors has been driven by this ability, combined with our continued efforts to provide innovative services and solutions.

In 2019 our client base expanded by approximately 21%, from 938 companies (approximately 1,700 consumer units) in 2018 to 1,133 customers and approximately 2,200 consumer units at year-end. Important new launches in the year included **Zordon Energy**, a Doc88 portfolio solution in which devices are installed to collect, process and provide data to support



NPS: more than just a metric, a tool for improvement

predictive, preventive, corrective or monitoring activities. Sub-products within this solution include Zordon H (hardware), Zordon S (software) and Zordon I (*Intelligence*). Zordon Energy is structured around big data and provides information to inform monitoring and decision-making in user-configurable dashboards, with fully remote controls. While Zordon Energy has been designed for the energy sector, it can be readily adapted and scaled up for other industries. [GRI EU8](#)

NPS SCALE

- > 75% to 100% = World-Class
- > 50% to 74.9% = Excellent
- > 0% to 49.9% = Improvement Needed
- > -100% to -0,1% = Critical

NPS - In August 2019 we started a pilot program using the Net Promoter Score (NPS) methodology to measure client satisfaction and loyalty. At Comerc, NPS is being used for more than simply measuring client satisfaction: we use it for insights into clients' needs so we can introduce improvements and identify clients who could recommend our services. The objective is to drive continuous

Improvement and expand our ability to reverse potential dissatisfaction when issues are identified.

Our NPS score in the period from August to December 2019 was 66.67, which places our services in the "Excellent" bracket.



INDUSTRY RESEARCH AND THOUGHT LEADERSHIP

Successful participation in an ecosystem as dynamic as the energy industry requires access to quality information. Market research and information on trends, regulatory developments and rate setting policies are only a few examples of topics to be continually monitored. Complex market aspects must also be translated into clear language for non-specialists.

Comerc Energia provides a wide range of energy intelligence products including videos and explanatory content, newsletters, weekly analysis, studies, short-term managerial and market pricing reports, as well as as well as information on impacts from rate



adjustments. This information is compiled and analyzed by a team of experts to enable better-informed decision-making.

Panorama Comerc, for example, provides a news agency service for the energy sector. The [blog](#) features open-access industry news in both Portuguese and English, with indicators, articles, videos and newsletters. In 2019 the platform published 51 articles that received 66,800 views. The most viewed article in the year was “Solar Energy in Brazil and the World,” with 1,770 views and an average time on page of five minutes.

The industry information we produced in the year also included press releases (a total of 47) and products such as Comerc Review (47 videos with an average of 8,500 views per video), Comerc Explains and Gas and Market Pricing Newsletters, and 12 webinars throughout the year discussing trends and their implications for the sector, with a total of 9,024 views (average of 754 views per edition).

We also strengthened our presence in social media, with our Facebook following growing by 390% in 2019. Adding to our presence on Facebook, LinkedIn, Twitter and YouTube, we made our debut on Instagram with a profile created in 2018.

Another highlight was the launch of Comercast, a channel featuring podcasts on the energy market with experts from Comerc Group. The first Comercast was published in September, and 10 other episodes

were recorded in 2019. Comercast podcasts have had an average of 460 downloads per episode.

As for participation in industry events, Group CEO Cristopher Vlavianos was present at the CEO Forum on “Technology as a driver of modernization in the power sector,” during the 2019 edition of the National Summit of Power Sector Participants (ENASE). The event was sponsored by Comerc and attended by more than 1,200 delegates.



COMERC SECTOR INDEX

The leading source of reference on the free electricity market in the past decade, the Comerc Industry Index is a monthly survey based on power consumption and other data collected from consumer units that have been managed by Comerc for at least one year—accounting for approximately 20% of total freemarket consumption. The index compares current month vs. previous month; current month vs. the same month in the previous year; and year to date vs the same period the previous year. Data is published on a monthly basis in the mainstream media and in trade journals. In 2019 the Comerc Index was published in both the print and online versions of the newspaper *Folha de S.Paulo* in March, May, July, August, September, October and December. In July the index was also mentioned on the Canal Energia and Celulose Online websites.

MEGAWHAT: CREATING CONNECTIONS AND SHARING CONTENT

Developed in response to Comerc's need to organize regulatory, market intelligence and pricing forecast information for clients, MegaWhat was launched in October 2019, initially with open-access content. Between its mid-October launch and year-end, MegaWhat featured:

- 262** news articles;
- 62** analyses (pricing, weather, regulatory, auctions, oil and gas);
- 2** webinars;
- 46** podcasts and **13** weather forecast videos;
- 7** podcast episodes with guest industry experts.





BUSINESS PERFORMANCE



R\$ 3.06 bn

in savings generated
for clients in 2019

04



With performance consistent with projections for the year and financial results slightly above expectations, 2019 was marked by the change of strategy implemented in 2018. Comerc’s different business units evolved and our offering became more complete: our energy management and trading portfolio was enhanced with new products from a services company and best practices in quality and customer service.

Group businesses such as energy efficiency, energy storage, analytics and pricing, systems development and other solutions developed in recent years began to generate returns, reducing their financial dependence on our flagship businesses.

DIRECT ECONOMIC IMPACTS

GRI 103-2, 103-3

Brazil’s economic indicators showed first signs of slow recovery during 2019. Gross Domestic Product (GDP) grew by 1.1%, and inflation as measured by the National Consumer Prices Index (IPCA) was 4.31%, leading to a gradual reduction in the basic interest rate (SELIC), down to 4.5% p.a. at year-end. The US dollar strengthened consistently against the Brazilian Real, and the unemployment rate as measured by the Brazilian Institute for Geography and Statistics (IBGE) ended the year at an average of 11.9%.

The year also saw important progress in regulatory and reforms. A pension reform needed to achieve fiscal balance was passed in Congress, and the privatization and concession agenda advanced. Other important regulatory changes such as the

basic sanitation reform also made headway during 2019.

THE POWER SECTOR

Brazil’s power sector was impacted by continued regulatory change. This included the adoption of Ministry of Mining & Energy (MME) Directive 465/2019 in November, further reducing thresholds for consumer migration to the free electricity market, in a process initiated in 2018. The initiative reflects the results from an August survey by the Brazilian Power Traders’ Association (ABRACEEL) and polling firm Ibope, which found that 79% of Brazilians would like to be free to choose their supplier of electric power.

The Brazilian power sector regulator, ANEEL, organized several power purchase auctions in different regions of Brazil throughout the

year: Generation Auction 1/2019 awarded contracts for power projects in Roraima, a state still not connected to the national grid (SIN), while Generation Auction 4/2019 awarded 1,702.5 MWavg in power contracts for 2025, increasing the weight of renewable sources in the energy mix.

Another important development was the creation of a “New Gas Market” by the National Council for Energy Policy (CNPE), to replace diesel as fuel for legacy thermal power plants. In 2019 discussions also continued in Congress toward the creation of the Brazilian Electric Power Code and a new regulatory framework for the industry.



FREE ELECTRICITY MARKET

Currently our greatest contribution to the sustainable development of the electric power sector is helping clients achieve cost savings by migrating from the captive to the free market. Since this migration often involves shifting to renewable energy sources, it also helps to reduce GHG emissions. Comerc generated R\$ 3.06 billion in savings for free clients in 2019 compared with the captive market. [GRI 203-2](#)

These positive impacts are on an upward curve, with a 50% expansion in the number of free clients under management and a 29.6% increase in services to generators under management between 2017 and 2019. The number of distribution companies managed by the Comerc team in the free market has also grown four-fold while the company still maintained three trading companies. **GRI EU3**

Growth in the number of power generation operations under management since 2017 has been driven primarily by wind and solar farms, two sources that have gained increasing weight in our strategy. In all, Comerc manages 130 power plants across the Generator Management and Large Consumer segments.

Comerc manages 130 power plants across the Generator Management and Large Consumer segments

NUMBER OF CONSUMERS UNDER MANAGEMENT (SERVICES) GRI EU3

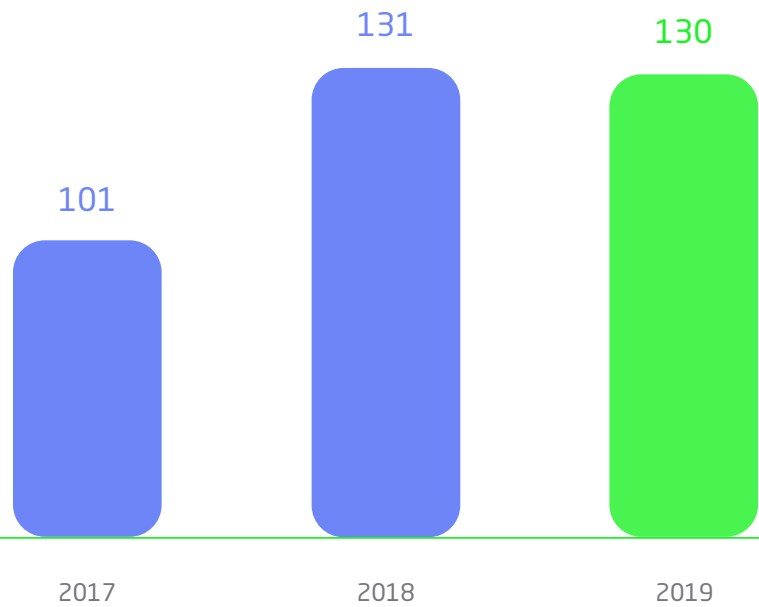
	2017	2018	2019
Distribution utilities	0	1	4
Trading companies	3	3	3
Consumer companies	874	938	1,133
Total	877	942	1,140

ELECTRICITY TRADED/YEAR

Electricity traded/year (GWh)	2017	2018	2019
Comerc Trading	8,322	9,724	13,666
Newcom	n/a	966	3,553

GENERATOR MANAGEMENT

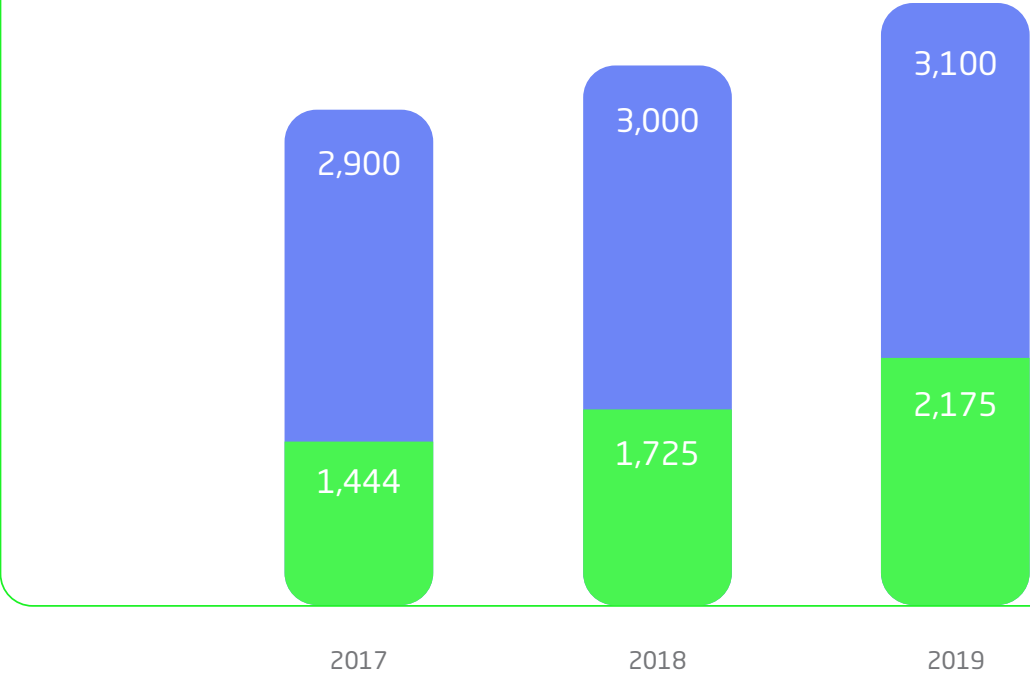
Number of power generation operations under management



FREE CONSUMER MANAGEMENT

NUMBER OF CONSUMER UNITS UNDER MANAGEMENT

CONSUMPTION IN MWAVG UNDER MANAGEMENT



FINANCIAL RESULTS

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

Two decades of responsible business have led us to become one of the leading trading and power management companies in Brazil, with a diversified portfolio of power sector-related businesses.

In addition to diluting risks, this diversification strategy has mitigated uncertainty stemming from the political, economic and sectoral environment in Brazil and from the many crises the country has faced over the years.

On the other hand, the economic and industry environment in 2019 had a positive effect on financial performance, with the company generating revenues of R\$ 3.7 billion, an improvement of 54% on the previous year.

In the three-year period 2017- 2019, revenues increased by 121%.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED GRI 201-1

DIRECT ECONOMIC VALUE GENERATED (R\$ MILLION)

Generated	2017	2018	2019
Revenue	1,813.90	2,579.69	4,018.03

ECONOMIC VALUE DISTRIBUTED (R\$ MILLION)

Distributed	2017	2018	2019
Operating expenses	1,612.74	2,392.76	3,745.96
Employee salaries and benefits	29.80	38.70	54.57
Payments to providers of capital	44.38	36.53	40.00
Payments to government	62.85	63.07	91.55
Community investments	35.75	41.62	65.75
Total	1,785.53	2,572.68	3,997.84

ECONOMIC VALUE DISTRIBUTED (PERCENT)

	2017	2018	2019
Operating expenses	90.32%	93.01%	93.70%
Employee salaries and benefits	1.67%	1.50%	1.37%
Payments to providers of capital	2.49%	1.42%	1.00%
Payments to government	3.52%	2.45%	2.29%
Community investments	2.00%	1.62%	1.64%
Total	100%	100%	100%

ECONOMIC VALUE RETAINED (R\$ MILLION)

Retained	2017	2018	2019
“Direct economic value generated” less “Economic value distributed”	28.38	7.01	20.20



INCREDIBLE PEOPLE

GRI 103-2, 103-3

05



Our workforce
doubled
between 2017
and 2019



It takes more than an impressive resume to join Comerc Energia. We want people who are genuinely aligned with our values, and who share our desire to create a harmonious and collaborative workplace environment that builds trust and camaraderie.

We expect our people to have the set of five competencies our staff considers necessary to perform daily activities at Comerc. The five competencies are:

A sense of ownership

Networking

Client focus

Excellence in delivery

Sustainable growth

A sixth competency has been identified for leaders:

People Management

Comerc Energia was certified as a great workplace by Great Place to Work (GPTW) in 2018 and 2019, with a favorability rating of 86% in 2019. An incredible team that is highly engaged is recognized in our management approach as being one of our key intangible assets.

In 2019 we incorporated two new practices within our management approach: we created committees to incubate and develop new initiatives and multidisciplinary working groups for major projects. We also launched a program to develop our leaders and their future successors through training on our culture and people management practices.



OUR COVID-19 RESPONSE



Staff will
continue working
from home in the
second half of
2020

In March 2020 Comerc Energia took several measures for the protection of our employees and customers as part of our response to the COVID-19 pandemic.

In the first half of March, before shelter-in-place orders were issued, Comerc instructed 100% of employees to work from home and to postpone and/or cancel all travel, sales visits, events and in-person meetings.

Delivering on our commitment to employees and society, Comerc joined the “No Lost Jobs Movement” (*Movimento Não Demita*), an initiative of more than 4,000 companies to help society navigate one of the most challenging periods in recent decades.

After an initial assessment of the pandemic, with our employees’ health in mind and reassured by the fact that our quality of service to clients had been maintained, we decided to extend our work-from-home policy into the second half of the year.

To support and improve employee engagement, integration and quality of life during the work-from-home period, we created an initiative called “Comerc at Home” addressing five areas: Leisure and Culture, Balance, Health, Community and Corporate. The program provides regular communications on the pandemic; recommendations on e-books, online courses, movies, plays and storytelling sessions; live streams with psychologists and meditation and yoga sessions; live streams with the company leadership team; and communications about community support initiatives.

Comerc
joined the
No Lost Jobs
Movement





HUMAN CAPITAL

GRI 103-2, 103-3

Comerc Energia doubled its workforce between 2017 and 2019 to accommodate business growth and new projects.

In addition to registered employees hired full-time under indefinite employment contracts, our team includes interns, partners and independent consultants who account for 32% of our workforce.

With a young professionals and an average workforce age of 35, Comerc Energia is an attractive employer and a workplace where people enjoy what they do. We had more than 2,000 applicants for 27 internship openings in 2019.

A young workforce and an attractive workplace environment: our internship program attracted more than 2,000 applicants in 2019

WORKFORCE BY EMPLOYMENT CONTRACT, EMPLOYMENT TYPE AND GENDER ^{1,2} GRI 102-8

Employment contract	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Indefinite term	120	86	206	168	112	280	251	158	409
Definite term	13	5	18	12	20	32	18	12	30
Total	133	91	224	180	132	312	268	170	439

¹ The calculations include all direct employees, interns, partners and independent consultants.

² All Comerc employees other than interns work full time.

WORKFORCE BY EMPLOYMENT TYPE GRI 102-8

Employment type	2017		2018		2019	
	Number	Percent	Number	Percent	Number	Percent
Registered	156	69.6%	211	67.7%	298	67.9%
Partners	32	14.3%	45	14.4%	67	15.3%
Consultants	19	8.5%	26	8.3%	45	10.2%
Interns	17	7.6%	30	9.6%	29	6.6%
Total	224	100%	312	100%	439	100%

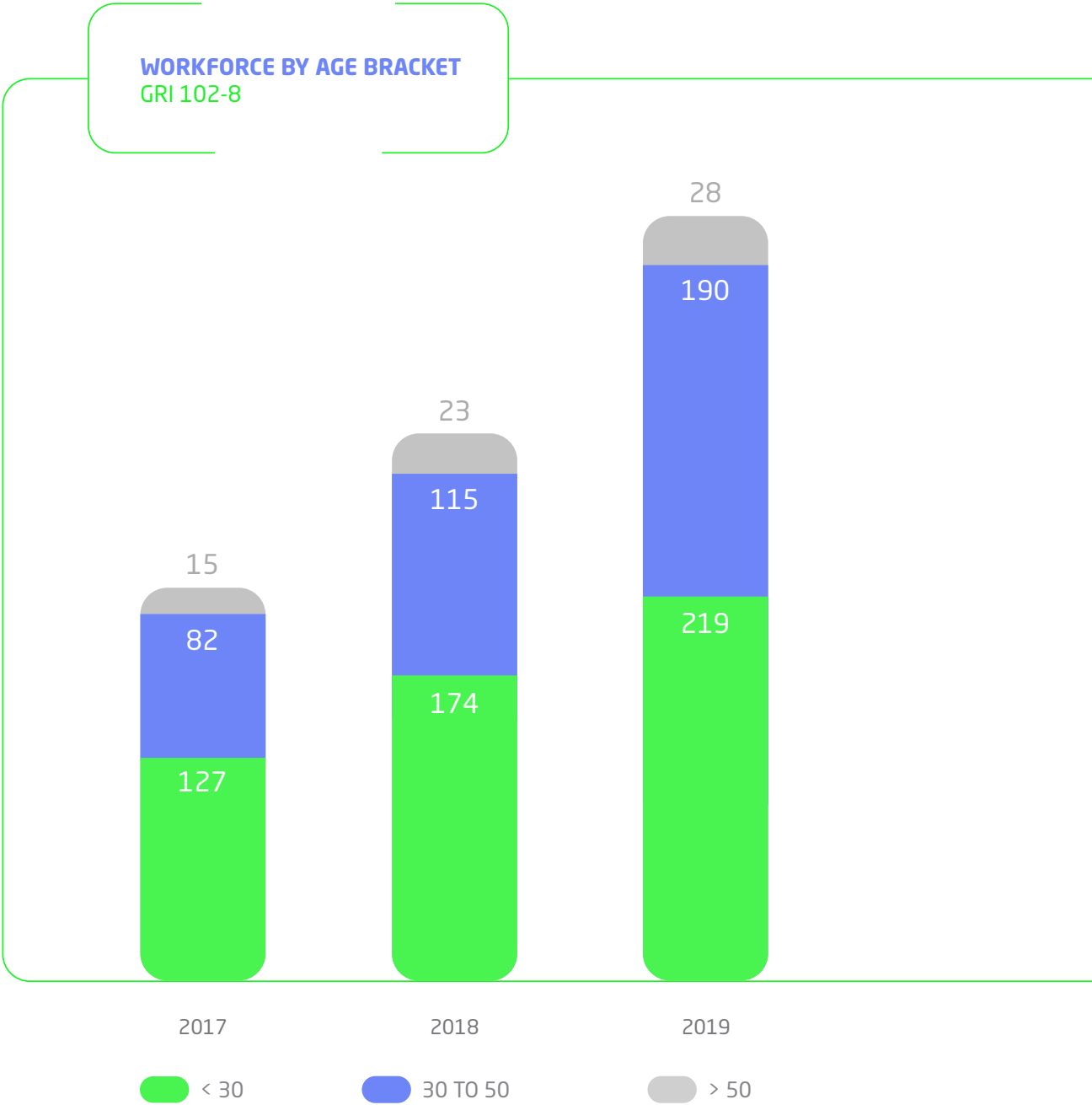
WORKFORCE BY GENDER AND REGION GRI 102-8

Region	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
North	1	0	1	1	1	2	1	2	3
Southeast	115	84	199	160	119	279	250	149	399
South	16	8	24	20	11	31	24	13	37
Total	132	92	224	181	131	312	275	164	439

Our operations are largely located in the North, Southeast and South.

WORKFORCE BY BUSINESS UNIT GRI 102-8

Unit	2017		2018		2019	
	Number	Percent	Number	Percent	Number	Percent
Comerc	207	92.4%	248	79.5%	317	72.2%
MegaWhat	0	0	9	2.9%	12	2.7%
Doc88	17	7.6	49	15.7%	103	23.5%
Newcom	0	0	6	1.9%	7	1.6%
Total	224	100%	312	100%	439	100%



TURNOVER

NEW HIRES BY AGE GROUP GRI 401-1

	2017		2018		2019	
	Number	Rate	Number	Rate	Number	Rate
< 30	45	0.35	66	0.37	72	0.33
30 to 50	18	0.21	53	0.46	84	0.45
> 50	1	0.06	9	0.39	8	0.26
Total	64	0.28	128	0.41	164	0.37

WORKFORCE BY GENDER GRI 401-1

	2017		2018		2019	
	Number	Rate	Number	Rate	Number	Rate
Men	38	0.28	77	0.42	106	0.39
Women	26	0.28	51	0.38	58	0.35
Total	64	0.28	128	0.41	164	0.37

WORKFORCE BY REGION GRI 401-1

	2017		2018		2019	
	Number	Rate	Number	Rate	Number	Rate
North	1	1	1	0.5	1	0.33
Southeast	60	0.30	120	0.43	153	0.39
South	3	0.12	7	0.22	10	0.27
Total	64	0.28	128	0.41	164	0.37

TURNOVER BY AGE GROUP GRI 401-1

	2017		2018		2019	
	Number	Rate	Number	Rate	Number	Rate
< 30	13	0.10	19	0.10	29	0.13
30 to 50	17	0.20	20	0.17	14	0.07
> 50	0	0	1	0.04	1	0.03
Total	30	0.13	40	0.12	44	0.10

TURNOVER BY GENDER GRI 401-1

	2017		2018		2019	
	Number	Rate	Number	Rate	Number	Rate
Men	18	0.13	30	0.16	18	0.06
Women	12	0.13	10	0.07	26	0.15
Total	30	0.13	40	0.12	44	0.10

TURNOVER BY REGION¹ GRI 401-1

	2017		2018		2019	
	Number	Rate	Number	Rate	Number	Rate
Southeast	26	0.13	40	0.14	40	0.10
South	4	0.16	0	0	4	0.10
Total	30	0.13	40	0.12	44	0.10

¹ There were no terminations in the North region.

CAREER MANAGEMENT

GRI 103-2, 103-3

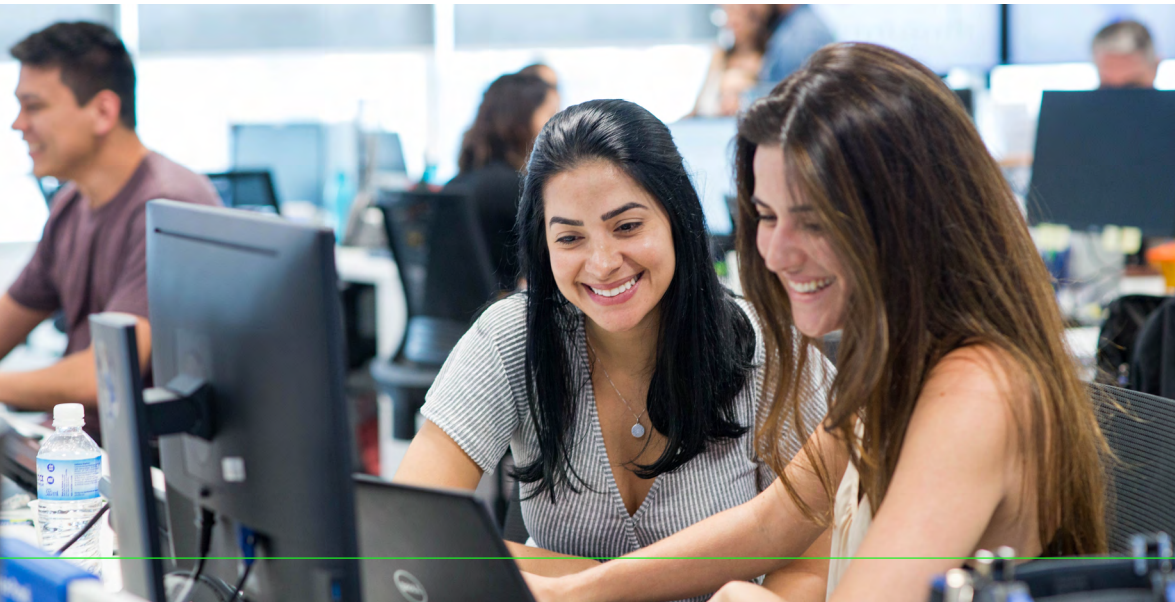
Anyone working with Comerc Energia can eventually become a partner if they demonstrate alignment with our guiding principles and business goals. We offer employees training and opportunities: seven out of our 45 current partners originally joined the company as interns.

New openings are offered first to our employees through PowerView,

an internal communications channel accessed by all employees. Of the 155 job openings advertised in 2019, 18% were filled by employees, 13% more than in 2018.

Comerc’s new Recruiting & Selection Policy introduced in 2020 is another initiative designed to enhance career management by providing greater transparency and opportunities: to work around

the potential unconscious bias of a single manager, the selection process now relies on a panel to select successful candidates. A new Classification & Compensation Policy sets out rules and criteria for merit-based professional growth and career progression, and now provides information on job classification and compensation to all employees.



CASTLIGHT PLATFORM

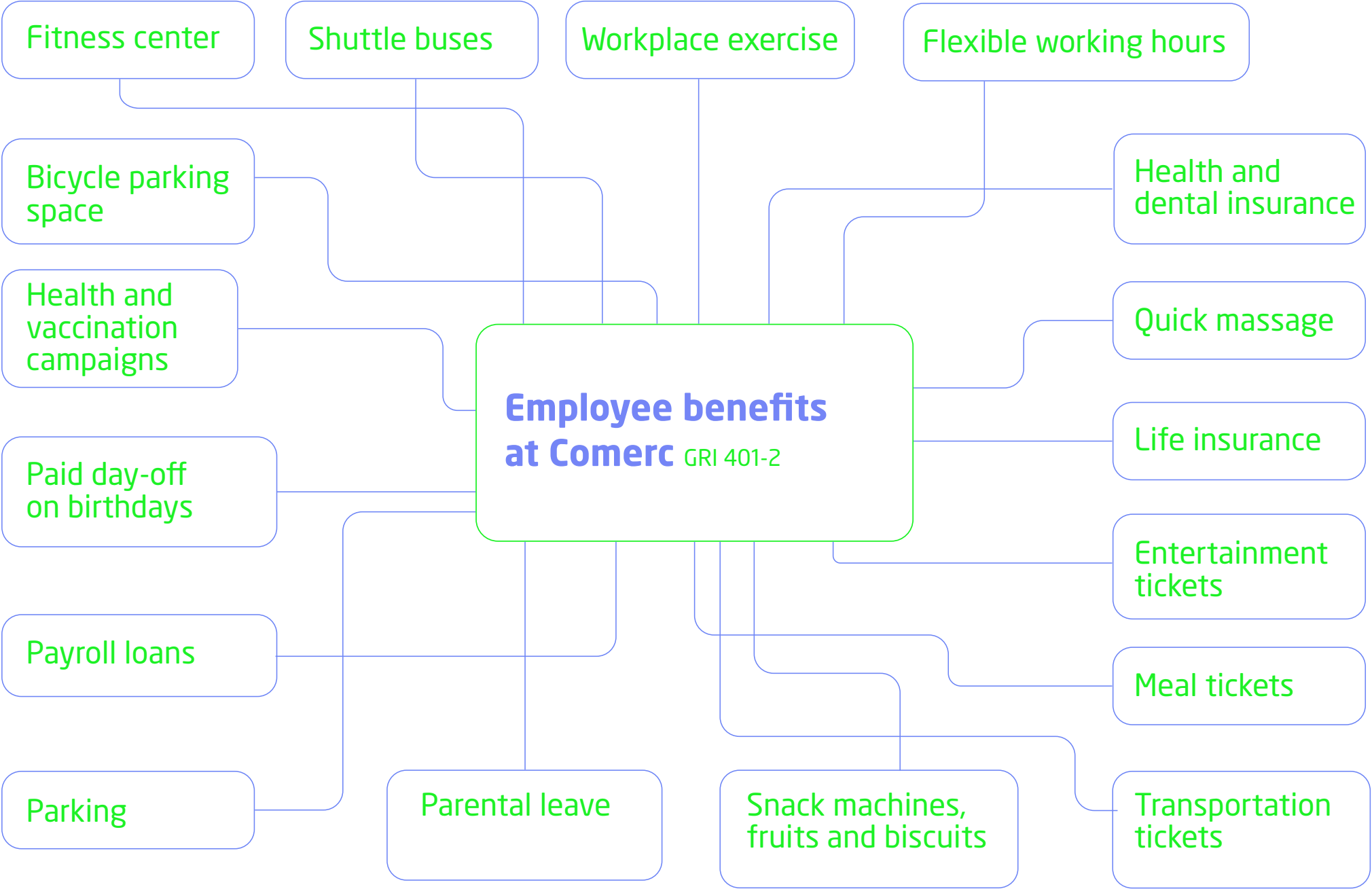
Castlight is a people management platform developed in 2018. Several other modules were added in 2019, including a performance review module ([more information further below](#)), and development continues in 2020. Castlight is a complete people management system designed as a social network but fully tailored to Comerc’s specific needs.

Internal openings will be advertised through the platform, for example, supporting vertical, horizontal and cross-functional mobility and allowing employees to instantly view and apply for positions available within the company. The new platform is also being used to define the requirements for new partners.

BENEFITS

Beyond a diverse range of employee benefits, we provide real career development opportunities to attract and retain talents.

Continuous improvement of our benefits policy contributes to employee satisfaction by ensuring what we offer is consistent with emerging market practices and trends, including optimal rates and equivalent health care benefits at all branches.



TRAINING

GRI 103-2, 103-3

In 2018 we created a Training & Development department and have since worked to develop an environment that fosters continuous learning, including peer mentoring. In addition to optimizing training resources, this culture enhances interaction among employees and encourages them to share experience on a diverse range of topics. Indicators are used to monitor employee training plans and career progression.

In 2019, 432 employees received a total of 157 hours of training, an increase of 121% over 2018, when the Training & Development department was instituted and provided 71 hours of training. The year-over-year increase reflects the introduction of new training courses, as well as changes and reclassification of positions. **GRI 404-1**

Internal and external training courses are also provided on demand to strengthen our employees' skills, and we have established partnerships to provide discounts on language learning and on undergraduate/graduate training programs. Transition assistance and retirement programs have not been implemented given young profile of our workforce. **GRI 404-2**

PERFORMANCE REVIEW

In 2019 we reformulated our approach to performance assessment using a platform developed internally to suit the company's requirements. Since launching Castlight, all Comerco employees have received 360° feedback. The platform facilitates using each employee's performance review to monitor employee performance against behavioral expectations and department/company targets. This is then used to determine variable compensation. In 2019, more than 65% of the employees received performance reviews. Participation levels were equal to or greater than 59% across all employee categories, and 96.55% for interns.

Partnerships provide discounts on language learning, undergraduate and graduate training programs



Employees received an average of 157 hours of training in 2019

PERCENTAGE OF EMPLOYEES WHO RECEIVED REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS IN 2019¹ GRI 404-3

	Men	Women	Total
CEO/VP/Director/Master ²	64.51%	50%	61.53%
Manager	61.53%	100%	67.74%
Coordinator/Consultant	87.50%	88.88%	88.09%
Assistant/Analyst/Executive	46.15%	78.68%	59.79%
Intern	94.44%	100%	96.55%
Total	56.71%	80.48%	65.74%

¹ Information available from the Castlight system.

² A director-level Y career.

DIVERSITY AND INCLUSION

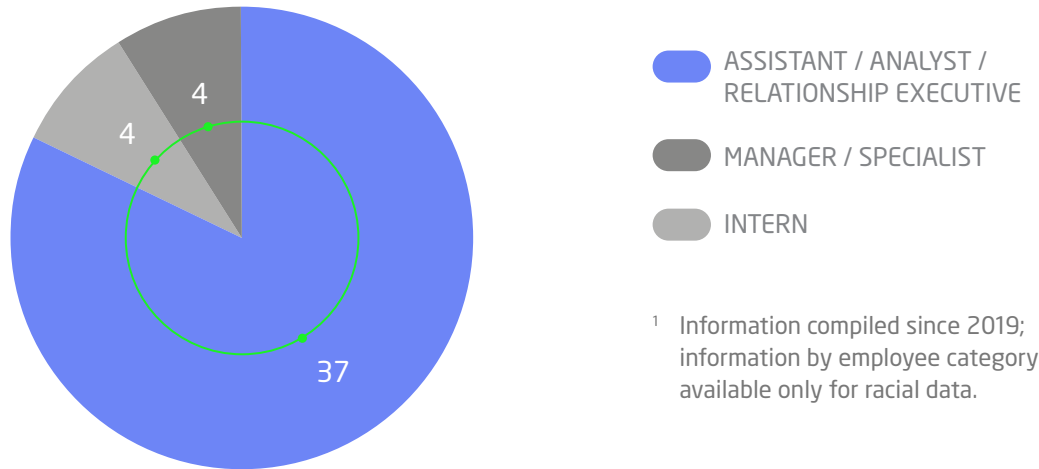
GRI 103-2, 103-3

Diversity was a recurring topic in our most recent climate survey, and it is high on our agenda at Comerc Energia. A dedicated diversity module within our Leadership Development Program (LDP) in 2018 first engaged our leadership team in activities that illustrated the importance of having a diverse and inclusive work environment.

Since then, diversity training has been extended to all employees through a number of diversity and inclusion workshops and meetings. We recently launched a manifesto on diversity: [read our manifesto below](#).

Diversity performance is regularly monitored through our annual employee climate survey with several diversity-related questions, and also through the Ethos Social Responsibility Indicators. Among our diversity initiatives in the year was the creation of a Working Group (WG) on Diversity within the People Committee. In 2019 this WG implemented awareness-raising initiatives around diversity and inclusion, working across areas such as Gender, Ethnicity, People with Disabilities and LGBTQIA+. We also mapped out the number of employees in minority groups: 17 people self-identified as LGBTQIA+; 3 as people with disabilities (PwDs); and 45 as belonging to racial minorities (mixed race, black and indigenous).

BLACK EMPLOYEES BY EMPLOYEE CATEGORY¹ GRI 405-1



¹ Information compiled since 2019; information by employee category available only for racial data.

WORKFORCE BY DIVERSITY GROUP¹ GRI 405-1

Employee category	Gender		Age group		
	Men	Women	< 30	30 to 50	> 50
Executive Board	79.5%	20.5%	7.7%	66.7%	25.6%
Manager	83.9%	16.1%	19.3%	71%	9.7%
Coordinator/Consultant	57.1%	42.9%	28.6%	69%	2.4%
Assistant/Analyst/Relationship Executive	58%	42%	58%	37.2%	4.8%
Intern	62%	38%	100%	0%	0%
Total	62%	38%	50.7%	42.8%	6.5%

¹ The data includes Comerc employees across all employee types, i.e. a total of 432 employees including 268 men and 164 women.

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 do 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”

COMPENSATION AND GENDER EQUALITY

Based on a market survey in 2019, employees’ total average compensation increased in the year through pay raises. There is no significant wage gap between men and women at Comerc.

employees’ fixed monthly salary + 13th salary + ⅓ vacation pay + variable compensation (profit sharing). Basic salary includes fixed monthly salary + 13th salary + ⅓ vacation pay. In both calculations, interns receive no ⅓ vacation pay.

The three tables below have been calculated for all registered employees, apprentices and interns. Annual compensation includes

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY¹ GRI 405-2

		2017	2018	2019
Manager/Specialist	Women	15.18	15.41	15.10
	Men	14.99	14.58	15.49
Coordinator/Consultant	Women	14.97	15.32	15.04
	Men	15.15	15.01	15.17
Assistant/Analyst/Relationship Executive	Women	14.45	14.48	14.49
	Men	14.58	14.36	14.64
Interns	Women	14.16	12.89	12.67
	Men	14.21	12.87	12.76

¹ The company decided not to share information on compensation for directors, VPs and the CEO, given that as partners they have differentiated compensation arrangements.

RATIO OF THE ANNUAL TOTAL COMPENSATION FOR THE ORGANIZATION’S HIGHEST-PAID INDIVIDUAL TO THE MEDIAN ANNUAL TOTAL COMPENSATION FOR ALL EMPLOYEES (R\$) GRI 102-38

	2017	2018	2019
Highest compensation	266,536.96	290,077.68	297,584.63
Median annual total compensation for all employees	90,904.95	86,855.13	90,390.79
Ratio	0.34	0.29	0.30

PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION RATIO (R\$) GRI 102-39

	2017	2018		2019	
	Compensation	Compensation	Increase	Compensation	Increase
Highest compensation	266,536.96	290,077.68	8.83%	297,584.63	2.58%
Median annual total compensation for all employees	90,904.95	86,855.13	-4.42%	90,390.79	4.03%
Ratio			-0.50		1.55





SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

GRI 103-2, 103-3

1,965 companies

received Comerc renewable energy certification in 2019



In 2020 we plan to structure a robust sustainability communications plan, drawing on information compiled in the stakeholder engagement process that informed this first Sustainability Report. The goal is to identify areas where we can have the most positive economic, social and environmental impacts. [GRI 413-1](#)

CLIMATE STRATEGY

GRI 201-2

Comerc Group’s core business supports the shift to renewables and the development of innovative solutions, and is thus fully aligned with responsible use of natural resources and reduced greenhouse gas (GHG) emissions, important aspects of climate strategy.

Comerc Trading has participated in programs certifying that power purchase agreements are genuinely linked to renewably sourced electricity. This seal of approval has potential for growth in a market increasingly concerned with responsible electricity consumption.

At Comerc ESCO, energy efficiency projects developed in 2019 generated total savings of 25,700 MWh for clients, an increase of 306% compared to the savings from projects in 2018.

In addition, new energy efficiency solutions are being developed and/or assessed for incorporation in our portfolio in the short and medium term.

Some of the highlights are our investments in renewable energy and Internet of Things (IoT) for remote metering devices, valuable tools for improving our strategies to adjust and control our clients’ electricity consumption.

COMERC ENERGY CERTIFICATES

In the Brazilian power sector, Comerc Energia has encouraged client engagement in low-carbon strategies through certificates issued in partnership with energy consulting firm Sinerconsult.

Renewable energy - Renewable Energy Certification attests that the electricity our clients purchase is renewably sourced. A total of 1,965 companies were certified in 2019 (the certificates were issued in 2020), and 7,397 have been certified since the program was created in 2011, avoiding more than 4 million metric tons of CO₂ emissions in the period, equivalent to 29 million trees.

Energy efficiency - Energy Efficiency Certificates were first issued in 2018 for year 2017. A total of 38 companies were certified since the program was launched - 33 of them received their certification in 2019.

While the number of certificates has grown over the years, the volume of CO₂ emissions avoided has decreased. There are a number of factors explaining the difference from 2017 to 2018, one being the lower monthly average CO₂ emissions factor from one year to the next. From 2018 to 2019, consumption of renewable energy declined. One of the reasons was the recent adoption of MME Directive 514/2018, which is being implemented in three phases. The first phase began in July 2019, reducing the minimum demand

threshold for migration to the free market from 3 MW to 2.5 MW. Under the new threshold, consumers previously required to consume only renewable-source electricity ("special consumers"), are now also

able to consume conventional-source electricity. These sources generate CO₂ emissions and this has led to a reduction in total GHG emissions avoided.

RENEWABLE ENERGY CERTIFICATES ISSUED AND OUTCOMES

	2017	2018	2019
Number of certificates issued	1,130	1,659	1,965
Metric tons of CO ₂ emissions avoided by companies joining the certification program	701,854.64	669,113.84	636,028.21
Tree equivalent	4,900	4,600	4,400

SAVINGS GENERATED BY ENERGY EFFICIENCY PROJECTS¹

	2017	2018	2019
Metric tons of CO ₂ emissions avoided through measures taken by certified companies	1,478.3 tCO ₂ /MWh	2,114.6 tCO ₂ /MWh	8,617.1 tCO ₂ /MWh
Financial savings for clients	R\$ 1,235,603.44	R\$ 1,950,244.68	R\$ 7,926,911.35
Total energy savings for clients	4,035.25 MWh	6,350.07 MWh	25,783.42 MWh

¹ Financial savings are estimated based on assessments of energy savings provided by ESCO solutions compared to a pre-implementation baseline. The same baseline is used to estimate CO₂ emissions avoided based on a methodology developed by Comerc in a collaboration with consulting firm Sinerconsult.



RISKS AND OPPORTUNITIES

We see no significant climate change risks directly affecting the free electricity market.

Instead, climate change will most likely create opportunities to invest in increasingly cost-competitive renewable sources, and drive free market growth. Our clients in the free market reap not only economic benefits: they have the added advantage of being recognized as a sustainable brand.

The greatest risk we face relates to potential regulatory or legal impacts on the competitiveness of the free market or on consumer rights. **GRI 102-15**

SOCIAL INITIATIVES & PROGRAMS

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

Comerc is committed to supporting organizations that help at-risk people, and also works to engage employees in social initiatives that have a positive impact on society, either through employee donations or volunteer work.

Since 2016, every October we have organized Children’s Day at the Circus events for underprivileged children served by partner NGOs and charities. In 2019, around 2,200 children from 12 partner organizations were treated to a special day at Spacial Circus.

Comerc also sponsors and supports a number of programs and institutions, and provides periodic or one-time donations in cash.

While this report is for fiscal year 2019, we thought it important to cover the different initiatives implemented in the first half of 2020 in response to the COVID-19 pandemic. Learn more about our social investments in 2019 and 2020 in the following pages.

PROGRAMS AND INITIATIVES IN 2019

Social investment: approximately R\$ 266,000

GRAAC

Comerc supports the Childhood Cancer Support Group (GRAAC) and annually participates in the McHappy Day initiative, in which revenues from Big Mac sales are donated to GRAAC. In 2019 we purchased 3,500 meal vouchers that were donated to disadvantaged children served by partner NGOs. Comerc also supports the organization’s fundraising dinner—in 2019 we donated R\$ 30,000. We also make one-off donations in amounts that vary depending on our budget for this type of donation and the level of demand from GRAAC.

DARCY VAGAS HOSPITAL

Since 2009, Comerc has donated 70 basic food baskets per month to Darcy Vagas Hospital in Morumbi, São Paulo, which provides cancer treatment for children.

OPERATION SMILE

A non-governmental organization (NGO) with a global network of volunteers in 60 countries, Operation Smile established a presence in Brazil in 1997. Comerc has supported the initiative since 2009. Operation Smile provides cleft lip and palate repair surgeries to children in low-income communities. In 2019 Comerc donated approximately R\$ 100,000 to the initiative.



ASSOCIAÇÃO JAIBENSE DE APOIO AO MENOR (AJAM)

This NGO provides human rights advocacy, social inclusion, professional training and employment and income opportunities for youths in Jaíba (MG), southeastern Brazil. Activities include extra-school classes, language development, computer classes, toy making, handcrafts, drama, dance lessons, civic engagement classes, workshops, recreational activities and painting classes. In 2019 the NGO benefited 251 children and adolescents and received a donation of R\$ 60,000 from Comerc.

SOMAR

Comerc donated R\$ 60,000 to Associação Solidariedade em Marcha de São Paulo, an organization that helps to bring dignity to extremely vulnerable communities through education and other basic needs.

ROTARY

Rotary International is an international service organization whose purpose is to bring together volunteers in order to provide humanitarian service and to advance goodwill and peace around the world. In 2019 Comerc donated R\$ 16,000 to the Rotary Club of Tremembé, São Paulo.



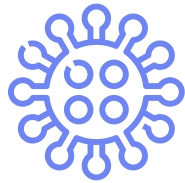


R\$ 1 million
in social
investments

related to the
COVID-19 response
(as of May 2020)

PROJECTS AND INITIATIVES AS PART OF THE COVID-19 RESPONSE IN 2020

Social investment: R\$ 1 million (as of May)



VENTILATOR REFURBISHMENT

Comerc donated R\$ 300,000 to a project at the National Industrial Training Service (SENAI) that refurbished and returned 120 ventilators into service at hospitals in 13 states.

ICU BEDS

We donated R\$ 450,000 to set up three ICU beds at the Dr. Moysés Deutsch Municipal Hospital in M’Boi Mirim, in a partnership with the Albert Einstein Jewish Hospital.

UNITED AGAINST COVID-19
CAMPAIGN

Comerc and three other companies in the electric power sector supported a project that distributed 3 million diagnostic test kits to public laboratories throughout Brazil.

GRAAC

We expanded our donations to the Childhood Cancer Support Group (GRAAC), our long-standing partner in other initiatives.

TOYOTA BRAZIL FOUNDATION

Comerc supported a project that distributed food baskets to families affected by the COVID-19 pandemic.

In addition to these initiatives, around 500 employees engaged in volunteer work. In one initiative, employees delivered an emergency supply of food baskets to charities in cities where we are present. As of the end of April, we had distributed basic groceries in the municipalities of Bento Gonçalves (RS), Campinas, Ribeirão Preto, São Paulo, São José dos Campos (SP), Florianópolis (SC) and Manaus (AM). Employees also supported the Albert Einstein Jewish Hospital campaign to distribute 50,000 personal-care kits to at-risk families.

GRI CONTENT INDEX

GRI 102-55

GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/URL	Omission	SDG
ORGANIZATIONAL PROFILE				
GRI 102: General disclosures 2016	102-1 Name of the organization	3 and 9		
	102-2 Activities, brands, products, and services	9		
	102-3 Location of headquarters	9		
	102-4 Location of operations	9		
	102-5 Ownership and legal form	3		
	102-6 Markets served	9		
	102-7 Scale of the organization	9		
	102-8 Information on employees and other workers	41 and 42		8
	102-9 Supply chain	17		
	102-10 Significant changes to the organization and its supply chain	11		
	102-11 Precautionary principle or approach	15		
	102-12 External initiatives	16		
	102-13 Membership of associations	16		
Electric Utilities Sector Supplement - Organizational profile	EU3 Number of residential, industrial, institutional and commercial customer accounts	35		

GRI Standard	Disclosure	Page/URL	Omission	SDG
STRATEGY				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	7		
	102-15 Key impacts, risks, and opportunities	7 and 52		
ETHICS AND INTEGRITY				
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	12 and 23		16
	102-17 Mechanisms for advice and concerns about ethics	23		
GOVERNANCE				
GRI 102: General disclosures 2016	102-18 Governance structure	18		
	102-38 Annual total compensation ratio	49		
	102-39 Percentage increase in annual total compensation ratio	49		
STAKEHOLDER ENGAGEMENT				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	4		
	102-41 Collective bargaining agreements	All employees are covered by collective bargaining agreements.		8
	102-42 Identifying and selecting stakeholders	3 and 4		
	102-43 Approach to stakeholder engagement	4 and 16		
	102-44 Key topics and concerns raised	4		

GRI Standard	Disclosure	Page/URL	Omission	SDG
REPORTING PRACTICES				
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	3 and 5		
	102-47 List of material topics	4 and 5		
	102-48 Restatements of information	N.A (this is our first report)		
	102-49 Changes in reporting	N.A (this is our first report)		
	102-50 Reporting period	3		
	102-51 Date of most recent report	This is our first report.		
	102-52 Reporting cycle	3		
	102-53 Contact point for questions regarding the report	3		
	102-54 Claims of reporting in accordance with the GRI Standards	3		
	102-55 GRI Content Index	56		
	102-56 External assurance	3		

MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDG
ECONOMIC PERFORMANCE				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	37 and 50		1, 5, 8, 16
	103-3 Evaluation of the management approach	37 and 50		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	37		
	201-2 Financial implications and other risks and opportunities due to climate change	51		
	201-4 Financial assistance received from government	Comerc receives no financial assistance or incentives from governments.		
INDIRECT ECONOMIC IMPACTS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	34		
	103-3 Evaluation of the management approach	34		
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	35		1, 2, 3, 8, 10, 17

GRI Standard	Disclosure	Page/URL	Omission	SDG
ANTI-CORRUPTION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	23		
	103-3 Evaluation of the management approach	23		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	24		16
	205-2 Communication and training on anti-corruption policies and procedures	23 and 24		16
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were reported in 2019.		16
EMPLOYMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	38, 41, 44 and 46		
	103-3 Evaluation of the management approach	38, 41, 44 and 46		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	43		5, 8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	45		8
TRAINING AND EDUCATION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	46		
	103-3 Evaluation of the management approach	46		

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	46		4, 5, 8
	404-2 Programs for upgrading employee skills and transition assistance programs	46		8
	404-3 Percentage of employees receiving regular performance and career development reviews	46		5, 8
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	44 and 47		
	103-3 Evaluation of the management approach	44 and 47		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	47		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	48		5, 8, 10
NON-DISCRIMINATION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	23 and 47		
	103-3 Evaluation of the management approach	23 and 47		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	24		5, 8, 16

GRI Standard	Disclosure	Page/URL	Omission	SDG
LOCAL COMMUNITIES				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	50 and 53		
	103-3 Evaluation of the management approach	50 and 53		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	51 and 53		
RESEARCH AND DEVELOPMENT				
Electric Utilities Sector Supplement - Research and development	EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	27, 29 and 30		7, 9, 17

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COMERC ENERGIA