



Sustainability Report 2024



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Introduction



About the Report

GRI 2-1 | 2-2 | 2-3

TSEA's 2024 Sustainability Report ("SR24") discloses our progress in Social, Environmental, and Governance performance from January 1 to December 31, 2024. Chapter 6 also presents some of the actions taken in the first quarter of 2025 and the outlook for the future, underlining our commitment to sustainability, compliance, transparency, and communication with the Company's stakeholders.

All the information presented refers to the units located in Contagem (MG), Betim (MG), and Curitiba (PR), as well as the office located in Houston (TX), in the United States, as well as field activities, which take place throughout Brazil and abroad. Initiatives developed in partnership with the TSEA Foundation are also included in this document.

Drafting of SR24 was supervised by TSEA's Sustainability Department, with content verified and approved by the Executive Board, which is responsible for the Company's business areas.



How to read this report

The report was compiled based on the Global Reporting Initiative (GRI) guidelines. The GRI XXX-X tags identify the reporting of indicators, and in the Attachments Chapter (page 74), you will find detailed information about the indicators and references to the pages where each one is mentioned.

If you have any questions or comments about the content presented, please contact TSEA Energia: <https://www.tseaenergia.com.br/contato/>

Happy reading!



More information at:
<https://www.tseaenergia.com.br/sustentabilidade/>



A Word from the President

GRI 2-22

The times we live in are undergoing significant change. All of the energy sector's challenges present chances to innovate, push boundaries, and renew our dedication to a sustainable future. In keeping with this, I am introducing the 2024 Sustainability Report from TSEA Energia.

Even if our route is difficult, it is steady. Every choice we make, every initiative we undertake, and every innovation we put into practice is driven by a single goal: to lead the development of an accountable, effective, and revolutionary energy industry. Not only do we adhere to standards, but we also work to reinterpret them by advocating for actions that balance social impact, environmental conservation, and economic growth.

This year, we have increased our efforts to integrate social and environmental responsibility with state-of-the-art technology. In order to lower carbon emissions, we have made investments in sustainable energy, improved the energy efficiency of our operations, and implemented creative solutions. Our mission to spearhead an inspiring and essential worldwide energy transition is strengthened by each action we do.

We believe a company's power is found in its workforce. That is why we continue to invest in our employees by providing cutting-edge training and fostering an open and diverse workplace in where talent and purpose intersect. Our culture of transparency, ethics, and integrity serves as the foundation for all of our achievements.

We reaffirm our commitment to the Sustainable Development Goals of the UN in every project. Beyond just hitting goals, we want to motivate the industry by showing that it is feasible to expand while also responsibly changing the world.

I want to express my sincere gratitude to all of our employees, customers, and partners. The force behind TSEA is you. As a team, we keep going forward, tackling problems, conquering barriers, and creating a more prosperous, fair, and clean future. Although the path is lengthy, we are guided by an unshakable determination.

With confidence and determination,

José Roberto Reynaldo

TSEA Energia's CEO



2024 Highlights

**R\$ 811 MILLION
IN EXPORTS**

Evolution of the US market presence

**R\$ 377.55 MILLION
EBITDA**

+174MM vs. 2023

**R\$ 61.02 MILLION
NET PROFIT**

**R\$ 361.55 MILLION
OPERATING PROFIT**

+173MM vs. 2023

R\$ 102 MILLION

invested in the innovation plan, focusing on technology, sustainable products, and ESG practices

**LEAN
MANUFACTURING**

Implementing the program at the Voltage Regulators factory

114 INNOVATIVE IDEAS

by employees adopted or being implemented

**37,260 PEOPLE
IMPACTED**

by the actions of the TSEA Foundation

151 WOMEN

enrolled in the industrial painting training program, with 20 approved

**SUSTAINABILITY
DEPARTMENT**

with dedicated team

OVER 8,000 STUDENTS

from public schools impacted by the Monet à Beira d'água traveling educational project

**RE+ 2024 IN
CALIFORNIA (USA)**

Participation in North America's largest energy fair

Awards and recognition



Cemig Safety Highlight Program

We were recognized in the Program's first assessment of 2024 for maintaining a strong commitment to safety, both in the factory and in field activities, including interventions at customer facilities.



Think Work Legacy Award

We won the award in the "Changes in Society" category with the Student Outstanding program, which encourages the academic performance of our employees' children.



XXVI Minas Business Performance Award

We were recognized as one of the Best and Largest Companies in Minas Gerais in 2024, based on criteria such as financial results, job creation, competitiveness, and growth.



Cemig's "Best Suppliers" Award

We were awarded in the category "Materials - Power Transformers," a recognition of our commitment to excellence.



Energy Leaders 2024 - Grupo Mídia

We were acknowledged at the event for our best practices and commitment to compliance. The award ceremony highlighted the role played in promoting transparency and responsible management.





RELATED SDGs



CAPITALS



About us

The essence of our energy



Mission



Continuous search for the sustainable improvement of products and services, transforming energy into value.

Vision

To be recognized as the most reliable partner for the delivery of products and services in the electricity market.



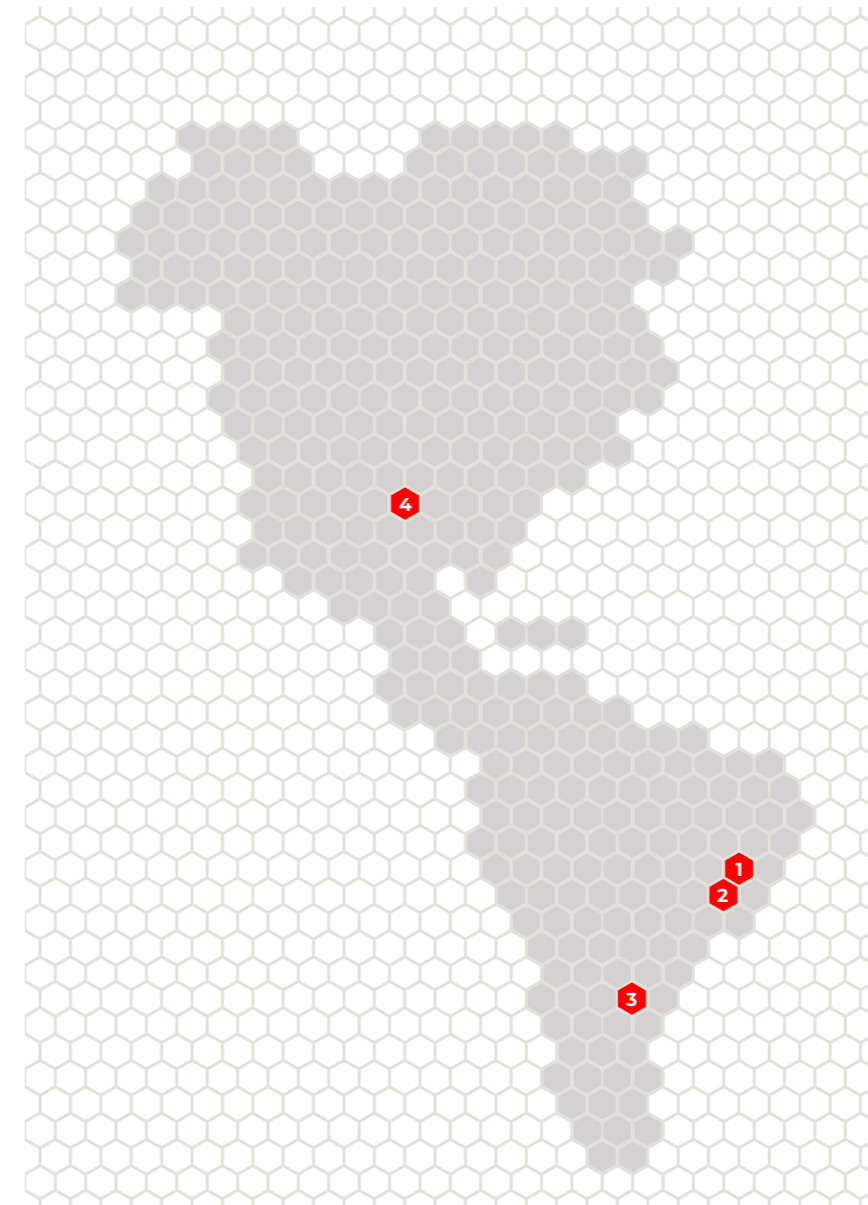
Values



- Respect for people
- Corporate responsibility
- Organizational excellence
- Ethical and honest relations
- Customer focus

Our units

GRI 2-1



1 Contagem Plant (MG)
Start of operations: November 1968
Annual production capacity: 200 transformers and 3,500 regulators
Total area: 37 thousand m²
Built area: 31,933 m²

2 Betim Plant (MG)
Start of operations: October 2022
Annual production capacity: 50 power transformers
Total area: 14,211 m²
Built area: 4,833 m²

3 Curitiba Plant (PR)
Acquisition: 2023
Annual production capacity: 600 panels for Telecom Systems; 18 Protection, Control and Supervision Systems (SPCS), Substation Retrofits and Mobile Systems (Substations and SKIDs) or 18 High-voltage SKIDs.
Total area: 144 thousand m²
Built area: 23 thousand m²

4 Office (TX-USA)

Our activities

Having been in business for 57 years, we are experts in creating a variety of goods, services, and solutions for use in electrical power distribution, transmission, and generation systems.

Our products are made to order and tailored to each customer's unique requirements. We will give further information about our work on the pages that follow.

Products, solutions, and services

GRI 2-6

Power transformers

Our portfolio includes power transformers with a maximum capacity of 500 MVA – 550 kV, as well as vegetable oil-insulated transformers, phase shifting transformers, industrial transformers and transformers for mobile substations and single-phase and three-phase shunt reactors.

Developed by an experienced and qualified engineering team, our products are subjected to strict quality and safety tests. Each piece of equipment is carefully checked before being released to the customer, in accordance with regulatory standards.

We offer logistical support, with suitable infrastructure for safe and efficient delivery of products to locations in Brazil and abroad.

Following delivery of the equipment, the TSEA team oversees assembly, commissioning, and energization of transformers and shunt reactors in the field, in addition to treating oil and providing comprehensive technical assistance to customers during the operational phase.



More information at:
<https://www.tseaenergia.com.br/transformadores/>



Sustainable TSEA

The possibility of using vegetable oil as an insulator offers several advantages over mineral oil, since in addition to being biodegradable and reducing environmental impacts, it increases the lifespan of materials, provides greater oxidation stability, and simplifies oil containment systems.

We follow sustainable practices throughout the regulators' life cycle, from choosing longer-lasting materials with less environmental impact during the design phase to properly disposing of components at the end of their useful life, promoting recycling and contributing to the circular economy. We use efficient manufacturing processes that minimize waste generation and encourage preventive maintenance and component reuse whenever possible.

Voltage regulators

We are Latin America's largest manufacturer of voltage regulators, producing single-phase models with rated currents of up to 1,200A and voltages of up to 36.2kV, designed and manufactured in accordance with recognized technical standards such as NBR 11809, ANSI IEEE C57-15, and IEC 60076-21. As part of our expertise, we have developed special high-precision sensors to indicate the position of the TAP switch, which allows voltage regulation in the distribution network.

Equipped with a remote monitoring system that allows remote adjustments and performance monitoring, our regulators deliver high performance in short-circuit tests and long hardware reliability due to the low insulation power factor. Furthermore, our solutions allow the electronic control to be replaced without interrupting operation.



SIM-Volt

In 2024, we launched SIM-Volt, an advanced voltage regulator simulator that allows testing and training prior to installation, assists in fault detection, and helps maintain distribution networks. At an affordable cost, the solution has potential applications for energy distributors across the country.

Integrated Solutions

The Integrated Solutions department works in tandem with TSEA's other business units to offer customers end-to-end solutions, from basic design to commissioning.

Initially focused on **Protection, Control, and Supervision Systems (SPCS)**, the department has expanded its scope to include solutions for telecommunications, renewable energy, and mobile substations, with compact and hybrid models, including electrical centers. Apart from project design, we also retrofit substations and refurbish obsolete equipment.



Protection, Control and Supervision Systems (SPCS)



Telecom Systems



Substation Retrofits



Mobile Systems
Substations and SKIDs



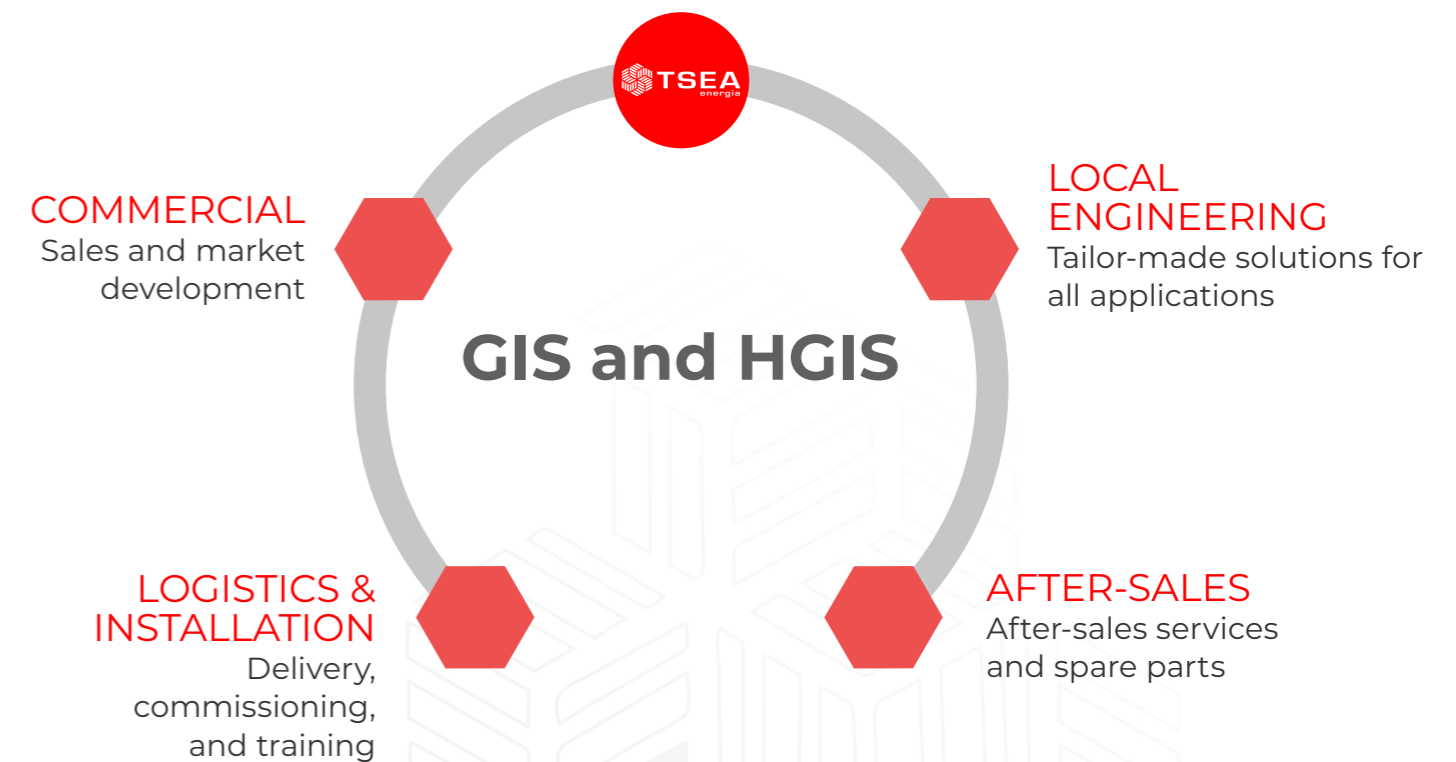
More information at:
www.tseaenergia.com.br/solucoes-integradas



GIS and HGIS solutions

The growing demand for electricity in urban centers requires the installation of substations in areas with limited space. Within this context, the **Gas-Insulated Substations (GIS)** and the **Hybrid Gas Insulated Substations (HGIS)**, developed in partnership with CHINT Electric, stand out for serving these customers with effective solutions in the power generation, transmission, and distribution segments, optimizing the use of available space.

GIS offer benefits such as simplified maintenance, high operational safety, use of non-flammable and inert insulation medium, as well as compact structure, low noise operation, and operating cost (OPEX) up to 3x lower than a conventional substation.



Services

The TSEA Services Unit offers comprehensive technical support to power distribution companies and industries in general for the maintenance and refurbishment of power transformers above 34.5 kV, shunt reactors, and voltage regulators.

Working in the field or using all the technology available at our facility in Betim (MG), our team of specialists is prepared to provide swift responses through a wide network of technical assistance services, enabling us to assist customers during the installation, refurbishment, or upgrade of their equipment.

Sustainable TSEA

In 2024, we were licensed to work with transformers classified as scrap, launching a new circular business model based on refurbishing and reintroducing this equipment to the market for resale or lease, focusing on temporary or emergency customer demands.

The upgrade of the factory in Betim (MG), which is all about maintaining and refurbishing transformers, made some substantial progress in 2024, with improvements to the infrastructure and staff training. This factory is a major competitive advantage, as we're the only large domestic manufacturer with a specific structure for this purpose.



More information at:
<https://youtu.be/I5fSNIQQ08o>



PORTFOLIO



More information is available by clicking on the links below:

- [Training](#)
- [Oil treatment](#)
- [Commissioning](#)
- [Assembly and Disassembly](#)
- [Maintenance](#)
- [Status Diagnosis](#)
- [Re-powering](#)
- [Renovation](#)
- [Transformer Refurbishment](#)
- [Spare parts](#)



Rapid expansion

We completed the year with the strongest operating and financial performance in TSEA's history, with EBITDA, net income, and operating income all setting new highs.

In 2024, we solidified the transformations and growth experienced in recent years, while also preparing ourselves thoroughly for the advances of the ambitious and sustainable journey defined in our strategic planning.

Our business strategy has been geared toward investing in new markets, technological innovation, and training our people. Financially, maintaining controlled debt and high liquidity gives us the flexibility to take advantage of market opportunities with favorable conditions, such as strategic acquisitions or purchases of inputs.

INVESTMENTS

Investments have been mainly directed toward technological upgrading, focused on industrial automation, sensorization, and new equipment acquisition. We also highlight the resources directed toward maintaining existing machinery and complying with legal and regulatory requirements, such as labor and environmental legislation.

In 2024, R\$ 20 million of the R\$ 26 million planned up to 2025 was allocated to the regulator factory located in the municipality of Contagem (MG). We invested in robots and advanced monitoring systems, bringing operational safety, efficiency in the use of raw

materials and inputs, and waste reduction through precise production supply. We also focused on team qualification, offering training in Lean Manufacturing, robotization, and adaptation of professionals to new technologies, preparing them to work in a factory that operates with cutting-edge technology.

R\$ 377.55 million

EBITDA
(+174MM VS. 2023)

R\$ 61.02 million

NET PROFIT

R\$ 1.37 billion

NET INCOME

R\$ 514.1 thousand

NEGATIVE NET DEBT

Expansion in the international market

GRI 2-1

We have significantly expanded our presence in the international market in recent years, being recognized for supplying equipment and solutions in power generation, transmission, and distribution.

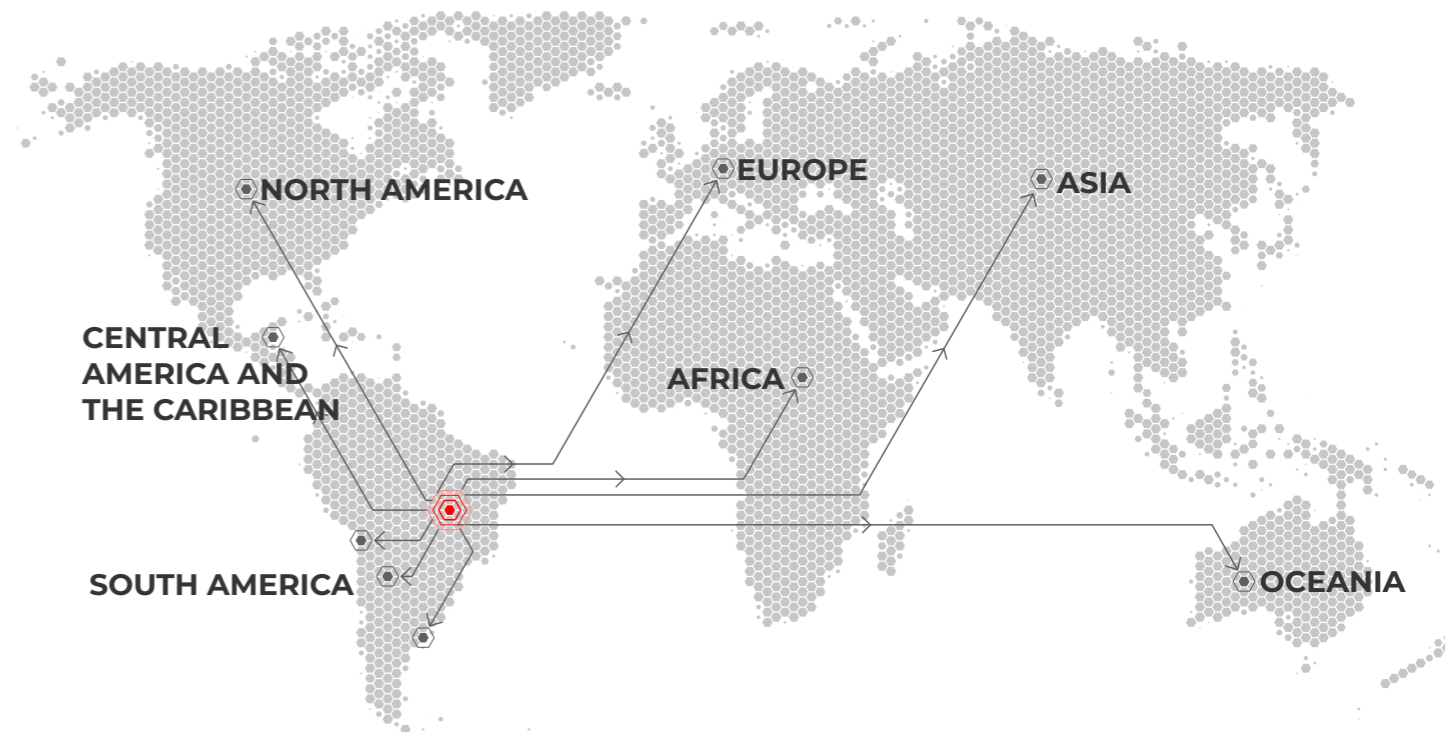
In 2024, 70% of transformers produced in Brazil were exported to the United States, compared to 27% in 2023. This change was also reflected in the size and power rating of the equipment, which was designed to meet higher energy demand compared to models intended for the domestic market.

Worldwide presence

WE EXPORT TO
40+ COUNTRIES

5,500+
TRANSFORMERS/
REACTORS

70,000+
VOLTAGE REGULATORS
OPERATING



Technology and innovation

We are carrying out a comprehensive strategy that combines initiatives for innovation, technical modernization, sustainable product development, and the adoption of ESG standards in order to help us become a benchmark in Industry 4.0.

With R\$ 102 million in funding from the National Fund for Scientific and Technological Development (FNDCT), raised through the Brazilian Innovation Agency (Finep), we plan to advance in automation, robotics, the Internet of Things (IoT), big data, and machine learning, and improve our production efficiency. The program involves using materials with a lower environmental impact and targets for cutting CO₂ emissions.

Tests performed in 2024 for the robotization of the transformer welding process demonstrated potential gains in speed, precision, and work safety in manufacturing.

We are expanding the use of programming languages, coupled with technologies that use minimal coding (low-code), such as Power BI, seeking to automate repetitive tasks, streamline our internal processes, and promote the

exchange, management, and dissemination of information with swiftness and efficiency. We also apply advanced mathematical concepts to improve the accuracy of operational indicators.

In a future stage, we plan to embrace generative artificial intelligence tools and more advanced machine learning algorithms.

Project office

Due to its business profile and recent expansion into international markets, in 2024, TSEA's project management department received investments, with improvements in its infrastructure and process automation tools. Faced with a 58% increase in service volume over the previous year, we implemented tools that enabled Robotic Process Automation (RPA) to handle growth and improve activity management and control.

Innovation Week

In 2024, the event aimed to spur innovation in different Company areas. At the Contagem (MG) unit, employees participated in educational activities on sustainability and carbon footprint. The Project Office team conducted lectures, workshops, and creative challenges to stimulate innovative ideas.



Organic innovation

The **Transformation Program** encourages our professionals to get involved in creating solutions for challenges that arise in day-to-day operations.

Evaluated by internal staff, the best ideas are rewarded and include improvements in manufacturing processes and procedures, as well as significant innovations, such as the implementation of the TSEA Learning tool, which is our online training platform.

In 2024, we received 133 ideas, of which 49 were implemented throughout the year and 65 are still under development.



Operational excellence

Following the highest international standards, we are dedicated to strengthening TSEA's commitment to operational excellence and the pursuit of quality products and services, ensuring the safety of people and the environment protection.

We successfully completed the recertification process for ISO 9001, ISO 45001, and ISO 14001 standards at the Contagem (MG) unit, as well as implementing the Integrated Management System (SGI) at the Betim (MG) and Curitiba (PR) units. We also achieved ISO 14067 certification for the carbon footprint of 33.3 and 50 MVA mobile substations.



E Environmental
We operate in compliance with environmental laws, with documentation that is always up to date. We promote environmental education on an ongoing basis, strengthening a culture based on the responsible use of resources. Learn more in the "Environmental Management" Chapter. - [page 62](#).

S Social
Through the TSEA Foundation, we undertake various initiatives aligned with the social pillar of ESG, focusing not only on the external community, but also on our employees and their families, complementing the Company's Human Resources initiatives. Learn more in the "Relationships" Chapter. - [page 36](#).

G Governance
We have strengthened our governance procedures and have not recorded any incidents related to scandals, failures, or non-compliance involving the environment, employees, or compliance. Learn more in the "Governance and Integrity" Chapter. - [page 26](#).

Strategic planning

The 2023–2025 strategic plan (PE 23–25) sets out TSEA's goals for the future and traces out the path to offering products and services that transform energy into value generated for customers, employees, partners, and the community.

In keeping with the organizational culture and focused on the goal of contributing to energy access throughout the country, PE 23–25 has seven main objectives, focusing on the financial, customer, technology, and growth dimensions.

The objectives and targets are monitored by indicators, reviewed annually, to ensure adherence to the business context and their dissemination to corporate areas. Management is conducted by the Project Management Office (PMO), based on the Leaders' Objectives Agreement, and its execution is carried out through structured projects, investments in innovation, and initiatives linked to tax incentives provided for in the Lei do Bem (Good Law).

1	Economic and financial	<ul style="list-style-type: none"> Pursue margins that ensure business stability 	1. Achieve financial efficiency
2	Markets and customers	<ul style="list-style-type: none"> Strengthen our position in predefined markets Ensuring the Company's financial robustness 	2. Expand commercial reach to customers, bringing financial and operational efficiency
3 and 4	Internal processes and technology	<ul style="list-style-type: none"> Operational excellence aimed at optimizing efficiency, process quality, and products 	3. Boost operational efficiency 4. Engage in incremental and technological innovation initiatives
5, 6 and 7	Learning and growth	<ul style="list-style-type: none"> Human development Environmental protection and occupational health and safety risk management 	5. Consolidate high-performance team management 6. Ensure the Integrated Management System, expanding emphasis on the customer 7. Consolidate and expand SDG and ESG practices



RELATED SDGs



CAPITALS



Governance and Integrity

Commitment to a Responsible Future

Corporate governance

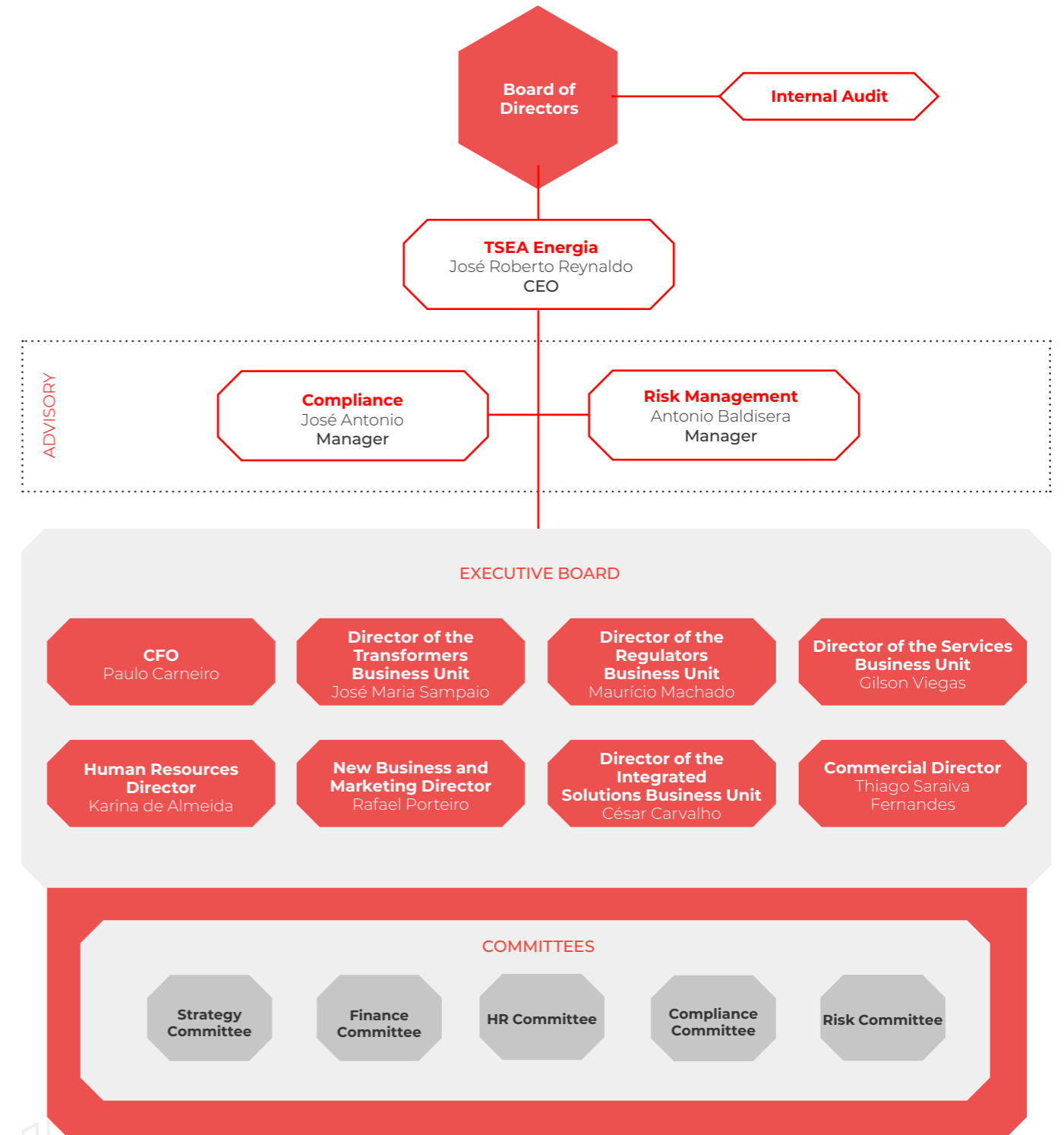
GRI 2-9

At TSEA, corporate governance reflects our commitment to ethics, responsibility, and transparency in all aspects of our business. These values underlie our actions on all fronts, from operational practices and investor relations to communication with the electricity market and dialogue with society.

Our governance model, focused on the convergence of corporate values and long-term strategies, has been refined in recent years and prepares us for robust and consistent growth. In 2024, the strengthening of this structure allowed us to advance in both the expansion and internationalization of our business, grounded in a combination of technical rigor, integrity, and transparency.

With an integrated organizational structure, composed of technical and administrative departments, we seek to ensure fluidity in decision-making processes and alignment of actions with TSEA's strategic objectives. To guide critical decisions and preserve institutional resilience, especially in times of adversity, we rely on governance committees.

Our strategic agenda includes continuously strengthening governance, seeking to consolidate our position as a leader not only in solutions for the electricity sector, but also in management guided by integrity and responsiveness when faced with challenges.



Board of Directors

Our corporate governance is led by the Board of Directors (BD), responsible for defining guidelines and approving corporate policies. Composed of five highly qualified members committed to excellence and sustainable development.

The group is involved in guiding several areas that are key to the Company's success, including analyzing opportunities for market expansion and production capacity, promoting innovation, and developing products and revenue streams—all of which are crucial factors in defining corporate and competitive strategies.



Executive Board

The Executive Board is composed of professionals with solid experience in their field, ensuring a balance between growth strategies, innovation, people management, and meeting international demands.



JOSÉ ROBERTO REYNALDO
CEO
CEO and member of the Executive Board, has worked for over 35 years in the energy generation, transmission, and distribution segments.



PAULO CARNEIRO DE BARROS
CFO



RAFAEL SANTAROSA PORTEIRO
Director of New Business and Marketing



THIAGO SARAIVA FERNANDES
Commercial Director



MAURÍCIO MACHADO
Director of the Regulators Unit



JOSÉ MARIA SAMPAIO
Director of the Transformer Unit



CÉSAR CARVALHO
Director of the Integrated Solutions Unit



GILSON BRAGA VIEGAS
Director of the Services Unit



KARINA DE ALMEIDA
Human Resources Director



More info:
www.tseaenergia.com.br/diretoria

Governance Committees

GRI 2-16

The Governance Committees are comprised of members of the Board of Directors, managers, and guests, ensuring that decisions are aligned with corporate values and business strategies.

- **Strategy Committee:** aims to monitor the Company's scenario and positioning and assess the Company's strategic orientation;
- **Finance Committee:** It ensures financial sustainability and promotes organizational growth through resource optimization and operational efficiency, works in budgeting, cost and revenue analysis, as well as managing the Company's financial control;
- **HR Committee:** Its mission is to drive organizational evolution through professional performance management, talent development, and the promotion of employee well-being;
- **Compliance Committee:** attended by members of the Board of Directors and executives, discusses topics related to ethics and compliance.
- **Risk Committee:** with a view to managing operational risks, meets monthly with members of the Executive Board and Board of Directors to make decisions based on the assessment of business information;
- **Complaints and Investigations Committee:** responsible for dealing with, investigating, and deciding on complaints received through the appropriate channels.

Risk management

At TSEA, we are all accountable for identifying and addressing the various risks associated with our business. In 2024, we restructured the Risk Committees into the Executive Risk Committee (CER) and the Operational Risk Committee – COR, linked to the Board of Directors, which defines policies and oversees the risk management structure, focusing on mapping and addressing risks, defining mitigating controls, proposing solutions, disseminating best practices, and monitoring compliance and the effectiveness of action plans. We adopted the risk appetite model and the three lines of defense: business area (LD1), risk and compliance area (LD2), and internal audit (LD3).

ESG factors have been increasingly integrated into strategies for preventing and mitigating systemic risks, such as those related to the efficient utilization of natural resources, supply chain security, and the qualification of suppliers and partners.

Crisis management

To anticipate and respond quickly to critical events that could compromise our operations, reputation, or finances, in 2023, we instituted a Crisis Management Policy, aligned with ISO 31000 and organized into two blocks of action:

1. Operational Crisis Committee;
2. Executive Crisis Committee.

Our model allows us to identify threats, assess their criticality, and activate containment and mitigation plans based on clear protocols and coordinated action between the areas involved, ensuring swift responses and protecting corporate reputation and strategic assets.

Integrity and transparency

Our commitment to ethical and honest relationships is part of our core values. We incorporate integrity, transparency, and corporate responsibility into our daily decisions and practices, governed by clear and well-defined policies that guide our actions. We continuously promote a culture that encourages the development of respectful and responsible relationships among our employees and with all stakeholders with whom we interact.

We have three corporate policies arising from our Code of Ethics and Conduct, which guide our actions in relation to competition, relationships with third parties, and our commitment to anti-corruption practices.



More info:

[Code of Ethics and Conduct.](#)



Code of Ethics and Conduct

Our Code of Ethics and Conduct gathers guidelines for behavior that are aligned with institutional policies and based on ethical and honest relationships. The code addresses topics such as values, principles, responsibilities, conduct in the workplace, interaction with third parties, and the environment—the latter aspect is considered essential to guide the actions of employees and other stakeholders with whom we interact.

The document, available on the website and in the TSEAI app, undergoes periodic reviews to ensure that its guidelines are always up to date and in line with changes in society and our business. The Compliance Committee is the group responsible for approving and disseminating this Code, monitoring and ensuring its enforcement and effectiveness among employees.

Reporting Channel

GRI 2-16 | 2-25 | 2-26

We maintain a Reporting Channel available to the public at large—employees, former employees, customers, suppliers, and the community—with guaranteed confidentiality, impartial investigation, and protection against retaliation. The channel is operated by an internationally renowned third-party company, ensuring impartiality and reliability in the handling of reports.

Reports are handled with absolute confidentiality and can be made anonymously or with identification, involving possible violations of our Code of Conduct, internal rules and policies, or current legislation. All reports received are investigated within 48 hours, regardless of the subject, and the whistleblower can follow the progress of the case on the business partner’s website.

Furthermore, we have internal communication channels under the responsibility of the Compliance department, designed to clarify questions about the Compliance Program and also capable of receiving reports.

In 2024, the Reporting Channel took on an even more central role, with stepped-up internal communication, qualified handling of reports, and even more transparent responses, reinforcing a culture of listening and employee trust in internal processes. Investigated reports are classified as valid, partially valid, or invalid.

Information security

A strategic topic in our business, we approach information security with a focus on data confidentiality and integrity, and the availability of technological resources.

We have an Information Security Policy structured based on the main market frameworks, which defines the procedures and controls required to protect our assets and ensure a secure infrastructure. State-of-the-art equipment and software, as well as strategic partnerships with companies specializing in cybersecurity, enable us to ensure a reliable and secure environment for information processing.

We continually invest in training on best practices in corporate data management and in raising employee awareness about the importance of information security, the risks associated with malicious software, social engineering tactics, and the strategies employed to gain unauthorized access to data.

To comply with the General Data Protection Law (LGPD), guaranteeing information security and personal data protection, we maintain a specific program and technical group to monitor and promote compliance with internal processes. We also train all teams periodically, reinforcing the importance of this topic in our daily activities.

Channel Contacts:

<https://ethicspeakup.com.br/tsea>

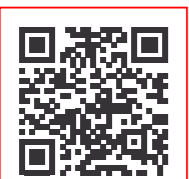


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RELATED SDGs



CAPITALS



Relationships

Who produces our energy?

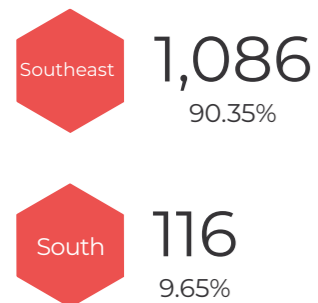
Commitment to people

TSEA employee profile

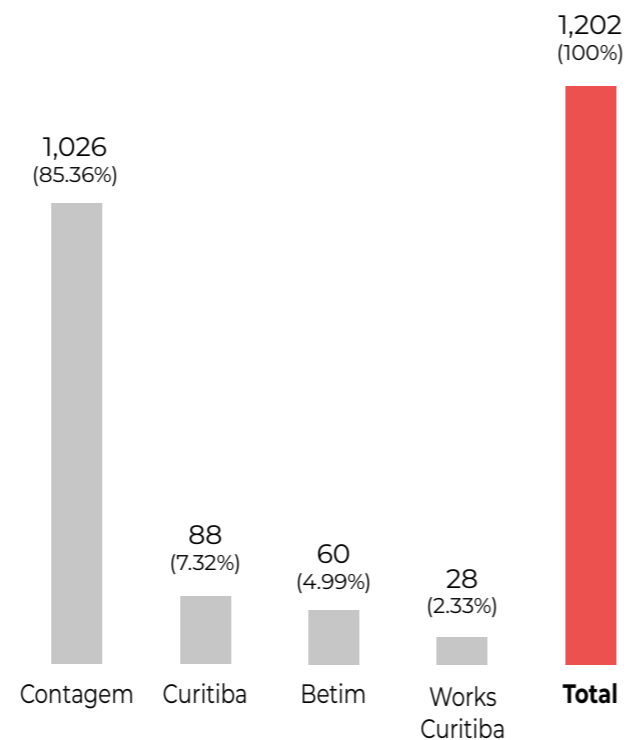
GRI 2-7 | 2-8

We are a Company specializing in products and services, staffed by experienced professionals dedicated to finding solutions and creating innovations for the electrical sector. With factories located in the Southeast and South regions of Brazil, we have expanded our operating territory with an office in Houston (TX-USA).

Number and % of employees by region



Number and % of employees by unit



Number and % of employees by generation

Generation	Age group	number of employees	Percentage
Z	18 to 27 years	287	23.88
Y	29 to 35 years	294	24.44
X Young	36 to 46 years	350	29.12
X Mature	47 to 59 years	209	17.39
Baby Boomers	over 60 years	62	5.16
Total		1.202	100

Active as of 12/31/24

We understand that our role is not limited to providing excellent products and solutions to the energy sector. Alongside our ongoing pursuit of customer satisfaction, we act responsibly towards the people who build our brand and the communities in which we operate.

Internally, we invest in actions that foster the professional development of our employees. With regard to external audiences, we seek to build transparent relationships, contributing to social development through inclusive and responsible initiatives.

1,051 employees

116 third party employees

32 interns
+33.3% vs. 2023

17 trainees
+183.3% vs. 2023

19 PWDs
-26.3% vs. 2023

178
+14.0% vs. 2023

873
+3.0% vs. 2023



Diversity Program

At TSEA, we believe that respecting people is the principle that underpins an ethical, innovative organizational culture aligned with our values. Our Diversity Program backs up this commitment by promoting an environment where each person is recognized for their uniqueness, bringing their own perspectives, experiences, and skills to the table. Represented by a human fingerprint, a symbol of individuality, the program mirrors our belief that diversity makes us stronger together. Each employee is a key part of who we are and what we build together. More than just a guideline, our diversity policy is an institutional commitment to inclusion, equity, and respect for identities. We remain committed to ensuring that everyone at TSEA feels valued and motivated to grow with us.

Talent attraction and retention

Given the Company's growth and the specialized scope of our operations, the Human Resources department plays a strategic role, promoting training and skills development, talent retention, working to identify organizational demands and attract the most suitable profiles.

GLOBAL REACH

Focusing on the international market and attracting new talent, in 2024 we mapped Brazilian professionals abroad who were interested in returning to the country to work at TSEA, as well as people in Brazil who had been educated at international schools.

INTERNSHIP PROGRAM

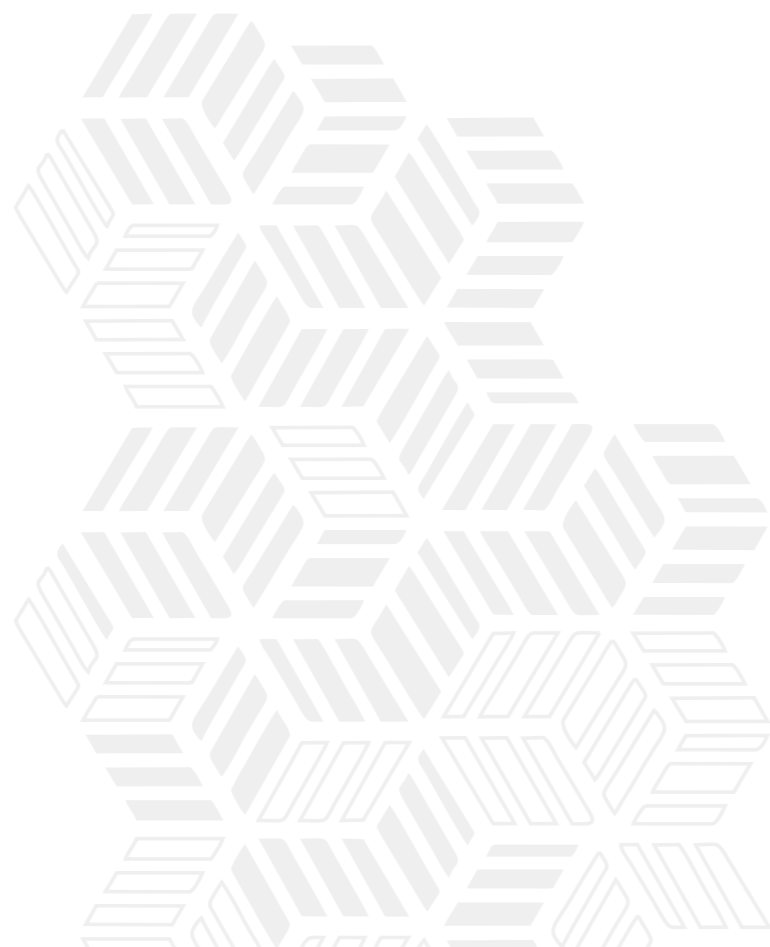
In 2024, we expanded our program to include 32 interns, in addition to reviewing and increasing compensation to attract young talent from the Belo Horizonte (MG) region.

PARTICIPATION IN TRADE SHOWS

We attended the "Mercado em Conexão" Fair, held in the engineering building of the Federal University of Minas Gerais (UFMG), presenting our company and job opportunities.

LEADERSHIP DEVELOPMENT

Recognizing the vital role of leadership in engaging and retaining talent, in 2024 we focused our efforts on developing a specific program for operational supervisors. We always give priority to promoting internal professionals to leadership positions, valuing the talent of our employees.



HOME OFFICE

We have decided to implement a mixed model, offering greater flexibility for certain positions and roles. To prepare our professionals for remote working, we plan to adopt a process that will include prior training, completion of a safety and ergonomics checklist, and the signing of a contract with specific clauses regarding the working model.

"ENGINEERING OF THE FUTURE" SERIES

Available on YouTube, the series describes how we are driving the transformation of the energy sector through innovation, strategic vision, and talent development. We showcase customized solutions and innovations in response to technical challenges, highlighting the key role of engineering in building a more efficient and sustainable future, with an emphasis on intergenerational exchange and integration.



[Click here](#) to access the series playlist.



PIT STOP LEADERS MEETING

Our leaders convened to align strategies and strengthen their commitment to the future of energy. It was a valuable opportunity to exchange experiences, learn, and find inspiration to face challenges and seize opportunities.

SUCCESSION PLAN

During the performance evaluation process, leaders identify their potential successors. In 2024, 75% of managers, 69% of coordinators, and 66% of supervisors had their successors mapped out.

VARIABLE COMPENSATION

Our compensation model is aligned with the Company's goals and strategic planning, which incorporate ESG aspects. We have adopted a bold model, offering highly attractive compensation to top-performing professionals. The model covers all the organization's levels, from the CEO to entry-level positions, with no distinction.

WORKPLACE ATMOSPHERE

In 2024, we conducted an internal survey of nearly 300 key employees, receiving 190 responses, and obtained results that showed a positive perception of the organizational climate at TSEA. Respondents indicated that if they received an external offer, they would think carefully before leaving the company, due to the opportunities for growth and the work environment offered.

POSITIONS AND SALARIES STRUCTURE

We reviewed the structure with a focus on technical careers, especially to attract young engineers. We believe that career advancement should be guided by the professional's performance and degree of maturity.

REFUGEES

Partnerships were signed with the UN International Organization for Migration (IOM) and the Jesuits, resulting in the hiring of four refugees in 2024.



Performance Assessment

At TSEA, every employee takes part in a structured annual performance review process based on a matrix of predefined criteria.

The process involves self-assessment and analysis of the results by Evaluation Committees made up of managers, Human Resources department staff, and invited members, a model that aims to ensure unbiased analysis.

The results of the evaluation inform strategic people management decisions, such as promotions, internal transfers, scholarship awards, and training programs.

Training and development

LEAN TRANSFORMATION JOURNEY

In 2024, the program aimed to train the TSEA team in Lean Manufacturing philosophy. Conducted in partnership with Senai-MG, it sought continuous improvement, increased productivity, and reduced waste, costs, and lead time (the time between the start and end of a process).



INDUSTRIAL LEARNING

Also the result of a partnership with SENAI-MG, the Industrial Apprenticeship Program reached its third cycle in 2024. With an average employment rate among participants of between 70% and 80%, the initiative serves as a gateway for young people to enter the job market.

LANGUAGE PROGRAM

With the recent international expansion of our business, in 2024, we mapped the English proficiency level of our employees and developed a specific program to meet the needs detected. In this first year, 60 employees who work in customer service for North American clients participated in the training.



WELDING TRAINING

Involving internal employees and external individuals.

INDUSTRIAL PAINTING

One of 2024's major milestones was the "Industrial Training and Painting" program, which received 151 enrollments from women, 20 of whom were selected to participate in intensive technical training conducted in partnership with SENAI-MG.

PARTNERSHIP WITH UNIVERSITIES

We have entered into a partnership with the Federal University of Paraná (UFPR) to devise a course on electrical system protection, starting in 2025, combining theoretical content taught at the university with practical classes at the TSEA factory, strengthening technical training and bringing the company closer to new talent.

Engagement

ENERGY THAT POWERS MOMENTS

We presented our employees with a complete kit containing Christmas poultry and a selection of items for preparing Christmas dinner. The kit included a card with recipe suggestions created by our employee Josie Pfeilsticker, who is also a chef, making the experience even more special and reinforcing our bonds of care, affection, and family celebration.

[Click here](#) to access recipes on YouTube.



MOTHER'S DAY

We promoted the "A Mother's Day to Remember" initiative with an exclusive movie screening for our employees and their children, who were surprised by a video shown before the film, featuring moments of them with their children.



CHILDREN'S DAY

We opened the doors of our factory in Contagem (MG) to welcome our employees' children. The children had the opportunity to learn about the manufacturing process of transformers and regulators, as well as enjoy a morning full of fun activities, interaction with animated characters, games, and food.

RECOGNITION - COMPANY TIME

Over 74 employees were honored in 2024 with commemorative pins as a way of recognizing those who help build our history with dedication and excellence.



Up Front Leaders Meeting

The meeting was attended by 150 leaders from TSEA, discussing corporate priorities and strengthening our strategic planning for the future. As part of the program, we had a lecture with Olympic champion Gustavo Borges on discipline, focus, and attitude. At the event, 26 candidates nominated by directors were voted on to choose the ten Outstanding Leaders of 2024. The voting involved all teams, bringing representation and transparency to the process.



TSEA RUN

In 2024, we organized another special edition of our race and walk, bringing together around 100 employees from the Contagem and Betim (MG) units. The initiative reinforced TSEA's commitment to promoting health, well-being, and integration among teams, strengthening the spirit of unity and appreciation among our people.

CARNIVAL

To celebrate Carnival, we promoted The Masked Singer TSEA campaign, inspired by the famous reality show. An employee from one of the three units was chosen and dressed up in costume, and over the course of several days, video clues were released for others to try to guess their identity. Each participant had a single chance to submit their guess via TSEAI. In total, 38 employees guessed correctly who the masked singer was and participated in a raffle to determine the grand prize winner.

ENERGIZE END-OF-YEAR PARTY

Held at the MRV Arena, the event welcomed around 1,000 employees.



Health and safety

GRI 403-1 | 403-4 | 403-5 | 403-7

Our Occupational Health and Safety Management System (SGSSO) integrates policies, procedures, internal audits, and performance indicators, aiming at continuous improvement. We are ISO 45001 certified and fully comply with Brazilian legislation and Regulatory Standards (NRs) applicable to our sector. The system covers all employees, both our own and third parties, and encompasses all activities and units under our responsibility.

With our focus on protecting employees, we implement preventive practices and continuously promote a culture of safety through initiatives such as Daily Safety Dialogues (DDS), safety alerts, regular training, and corporate programs.

For mapping and managing occupational risks, we conduct Hazard and Risk Surveys (LPR) and Preliminary Risk Analyses (APR), in addition to maintaining procedures such as granting work permits (PT) and the TSEA Card, a communication tool that allows employees to report risky situations.

The Internal Accident Prevention Commission (CIPA) is responsible for supporting the Occupational Health and Safety area in the prevention of accidents and occupational illnesses. With monthly meetings, CIPA actively works to identify and develop risk maps, disseminate information on the topic, and investigate accidents, as well as promoting the annual Internal Week for the Prevention of Accidents at Work (SIPAT).

In 2024, we further strengthened our commitment to reducing accidents, including safety inspections carried out by leaders as part of corporate goals. Several practices were taken on, like reviewing the Golden Rules and making videos about health and safety, which were shared with employees and third parties. We also did training, like NR 10, which was offered remotely through the Imbraep platform, and NR 32, which covered 100% of healthcare workers.





Golden Rules

These consist of the main OSH rules, aimed at ensuring people's physical integrity and quality of life. They are mandatory and non-negotiable for both direct and third-party employees, as provided for in TSEA's Disciplinary Measures Policy.

- 1) Working ability:** never start your work activities under the influence of alcohol, drugs, or any substances that impair your ability to perform your duties safely.
- 2) Working at height:** do not work at heights exceeding two meters unless you have received proper training and authorization. Always use a properly anchored safety belt when necessary.
- 3) Working with electricity:** do not perform activities on machines, equipment, and facilities without risk control measures.
- 4) Use of machinery, equipment, and tools:** do not improvise or disable safety devices on machines, equipment, and tools.
- 5) Cargo handling:** never stand under suspended loads and avoid getting too close to cargo vehicles. Always observe safety markings and signs.

6) Training and Personal Protective Equipment (PPE): do not carry out tasks for which you are not properly trained and authorized. Always use the mandatory PPE, in accordance with internal rules and procedures.

7) Use of communication devices and others: do not use communication devices or other devices that may distract your attention while moving around, as well as in unauthorized areas, stairways, cargo handling areas, and vehicle traffic areas.

8) Compliance with laws, procedures, and Code of Conduct: compliance with laws, internal and customer procedures, as well as the company's Code of Conduct, is mandatory and must not be neglected.

9) Respect and Governance: maintain respectful relationships, free from discrimination, harassment, or violence. Strictly follow ethical and compliance standards.

10) Environment: respect and strictly follow the regulations, guidelines, and procedures defined by the company's Environment and Sustainability policy.

Promotion of health and well-being

GRI 403-3 | 403-6 | 403-7

All employees have free access to our healthcare system, with care provided by trained professionals. We promote the health and physical and mental well-being of our employees through medical follow-up, monitoring of those with chronic diseases or who require care, periodic examinations, and preventive, guidance, support, and awareness actions.

We offer a health plan to employees and their dependents and subsidize flu vaccinations annually. Employee health information is kept confidential, with restricted access to medical records.



HEARING CONSERVATION

The Hearing Conservation Program is one of the main focuses of occupational risk mitigation at TSEA. In 2024, we developed several actions within the scope of the Program, such as: noise level analysis, carried out in tandem with the Occupational Safety team; assessment and implementation of collective control measures; inspection and control of the use of personal protective equipment (PPE); training and guidance for employees; audiometric exams and management of hearing loss diagnoses.

We also promoted the Hearing Conservation Campaign, with the aim of raising awareness among employees exposed to noise about the importance of the proper use of hearing protection equipment.



MENTAL HEALTH PROGRAM

We held discussions with interactive activities and educational videos related to Janeiro Branco (White January) and Setembro Amarelo (Yellow September), which focused on mental health care and gaming addiction. In June, we held a roundtable discussion addressing mental health strategies and emphasizing the importance of balancing personal and professional life and seeking psychological support whenever needed.

HYPERTENSION GROUP

We hold monthly check-ups for employees with high blood pressure, measuring their pressure and giving them medical advice. We also have a “Mind and Body” conversation circle, highlighting the benefit of not having to pay a co-payment for two yearly appointments with a cardiologist and encouraging people to get their blood pressure checked at the TSEA clinic.

ERGONOMICS

We have adapted working conditions and are working to prevent musculoskeletal disorders. Practical measures have also been implemented, such as stretching sessions and quizzes.

WORLD HEALTH DAY

Held from April 13 to 16, the program included roundtable discussions on mental health, flu vaccinations for employees and dependents, and the TSEA RUN (page 45), to encourage employees to engage in physical activity together.

SIPAT 2024

During the Internal Week for Prevention of Accidents at Work (SIPAT), we promoted physical and mental health initiatives, including the presentation of the SIPAT Online Station, lectures, training sessions, workshops, as well as self-care experiences, such as workplace exercise and quick massages. With the effective participation of employees from all our business units and construction sites, reinforcing our commitment to a safer and healthier work environment.



HEALTH CAMPAIGNS IN 2024

PINK OCTOBER

Lecture and campaign focusing on the diagnosis, prevention, and symptoms of breast cancer. Employees were encouraged to wear pink to support the campaign.

HEALTHY EATING

Discussing topics such as hydration, light and healthy foods, and balanced nutrition.

SMOKING

Focusing on the effects of smoking.

BLUE NOVEMBER

Addressing the importance of early diagnosis of prostate cancer. Employees were encouraged to wear blue in support of the campaign.

DIABETES

Spreading information on how to prevent or delay the disease, in addition to disseminating the type 2 diabetes risk assessment questionnaire.

HEAT

Addressing topics such as hydration, sun protection, nutrition, and physical activity.

SPOTTED FEVER

Focusing on transmission and symptoms.

DENGUE FEVER AND OTHER ARBOVIRAL DISEASES

Covering topics such as: dengue fever prevention and how to identify the mosquito that causes it.

ANABOLIC STEROIDS

Focusing on its adverse effects.

AIDS

Addressing the importance of World AIDS Day and topics related to prevention, diagnosis, and early treatment.



Customers at the center

We meet the needs of the electrical sector market with different customer profiles, such as power utilities, independent power producers, industries and data centers, and engineering, supply, and construction companies.

Our products are custom-made and designed to meet the most demanding customer requirements. With a specialized application engineering team that follows each customer from the beginning of the commercial process, we ensure technical alignment and the delivery of responsive answers throughout the development of projects.

In 2024, we strengthened our culture of putting the customer at the heart of everything we do by integrating this principle into our organizational processes, strategies, and decisions, prioritizing the search for solutions aligned with customer needs and expectations.

We have focused our efforts on international expansion, particularly in the United States. To this end, we have adopted a structured approach to understanding this market, customer profiles, working methodologies, and the criteria that influence the selection of suppliers in the country. This analysis has been crucial in tailoring our communication, market positioning, and value proposition to customers.

Customer satisfaction

We run satisfaction surveys, such as Net Promoter Score (NPS), at key moments in the customer journey and also run regular surveys by business unit, taking into account the specific characteristics of each area. Each new result is analyzed internally, and based on this, we develop specific action plans to improve processes, customer service, and deliveries.

NPS results

	2022	2023	2024
Overall perception	92,2	94,3	94,2
Sales service*	95,8	92,4	87,7
Marketing	88,4	91,4	94,6
Perception of quality	97,2	95,2	98,1
Services and after-sales	88,4	88,2	89,4
Delivery time	87,2	86,1	89,0

* Among respondents who rated below seven, 40% did so due to insufficient responsiveness, 28% due to logistics and contract management, and 27% due to commercial flexibility. Based on these results, an action plan will be developed with a focus on improving these activities, aiming to ensure excellence in the services provided.

Suppliers

Throughout our growth trajectory, we have paid special attention to the supply chain, building trust-based relationships that ensure compliance with the delivery deadlines agreed upon with our customers. We have intensified our efforts to increase the number of approved suppliers, overcoming the challenge of growing demand for materials and services, especially for high-demand inputs, ensuring a secure and swift supply for production.

Approval

All suppliers are subject to an approval process and regular audits to ensure compliance with applicable laws and standards laid down by TSEA. If any irregularities are found, the partner is notified and, if the situation is not corrected, they are disqualified.

Our approval process is meticulous, given the technological complexity of the equipment produced. Suppliers must meet strict technical requirements, which makes the approval process time-consuming and can take months. Apart from the technical requirements, suppliers must also comply with the company's compliance policy, which includes a detailed analysis of their financial situation and reputation.

Due Diligence

We periodically conduct due diligence processes with the help of contracted third-party tools. These analyses examine reputation aspects (at the national and international levels), socio-environmental issues, legal proceedings, certificates of good standing, involvement with Politically Exposed Persons (PEPs), and other legal or administrative matters. If any issues are identified, partners are asked to provide explanations and, if necessary, adjust their conduct.



Community relations

TSEA Foundation

The TSEA Foundation celebrated 35 years of history in 2024, a journey shaped by the joint efforts of our employees and the work of our Cultural, Social, Sports, Partnerships, and Financial departments. To honor this milestone, we launched a magazine about our journey, highlighting our charitable initiatives and investments in education, culture, sports, and social responsibility. [Click here](#) to access the magazine.



In 2024, the Foundation carried out a number of initiatives in the social pillar of ESG, focusing not only on the external community, but also on employees and their families.



OUR IMPACT

PEOPLE BENEFITED:

37,260

AMOUNT INVESTED:

R\$ 987,464.00

Lacre do Bem

The TSEA Foundation was honored with the Amigos do Lacre do Bem Award. The project encourages the collection of aluminum can seals, which, when recycled, generate funds for the purchase of wheelchairs, which are donated to people in need, with the beneficiaries being researched by the Foundation. This recognition celebrates the success of a partnership that began in 2016, in which thousands of aluminum seals have already been collected, resulting in the donation of about 50 wheelchairs.

SOCIAL

Volunteering Day

In Belo Horizonte (MG), 55 employees participated in activities at Casa Recanto da Saudade, which is home to around 37 vulnerable elderly people. The team carried out minor renovations, promoted recreational and wellness activities, and donated cleaning supplies, food, and diapers. Special coffee and lunch were also offered to those assisted. In Curitiba (PR), seven volunteers participated in the activities, donating slippers and hygiene items, benefiting 50 people served by Inpoderi – Projeto Amigo Especial (Special Friend Project).

Christmas activities

We impacted over 1,400 people with Christmas initiatives in 2024. In Curitiba, we transformed Christmas for more than 40 people with disabilities from the NGO Inpoderi. In Contagem, we supported AMONP's Christmas by donating 400 staple food baskets and bringing joy to people undergoing cancer treatment. In São José da Lapa, we promoted a Christmas full of magic for 190 children from the Vovó Matilde Daycare Center.

Energia pelo Sul

We launched a campaign to help victims of the heavy rains in Rio Grande do Sul. At our Contagem facility, we collected eight tons of food, 1,700 items of clothing, 400 cleaning and personal hygiene items, and R\$ 6,255.08 in donations.

“Social é Show” initiative

Inspired by Silvio Santos' traditional auditorium programs, in 2024 we promoted an event at the three TSEA units, with the aim of informing and engaging employees about social actions developed internally and within the community.



SPORTS

Trampolim: Pequenos Ginastas Project

In 2024, TSEA Energia invested R\$ 150,000 in the project, which is in its second year, through the Sports Incentive Law. Classes were created on Saturdays, providing uniforms for teachers and over 90 children aged between 5 and 12. The project fosters inclusion and social transformation, aligning with the company's ESG principles.



Copa Fundação (Foundation Cup)

Promoted by the Sports Department of the TSEA Foundation, the event was held throughout June and July, bringing together 323 participants in six sports: men's indoor soccer; hand feather ball; volleyball; women's dodgeball; men's soccer 40+; and women's indoor soccer.



EDUCATION AND CULTURE

Monet à Beira d'Água Project

We organized the traveling educational project "Monet à Beira d'Água" in municipal and state schools in Contagem, Betim, and Brumadinho (MG). Carried out through incentive laws and aligned with the principles of the National Common Core Curriculum (BNCC), the Statute of the Child and Adolescent (ECA), Agenda 2030, and Sustainability, the program seeks to stimulate students' creativity and critical thinking. Over 8,000 students from 30 public schools were impacted.

Aluno Nota 10 Program

Aiming to reward academic performance and encourage education, the Social Department of the TSEA Foundation launched the "Aluno Nota 10" (Top Student) program in 2022. The initiative recognizes children of TSEA employees who scored 85% or higher in all subjects. In 2024, winners were given a backpack with school supplies, a participation certificate, a medal, and the opportunity to compete for special prizes. In this third edition, over 120 children enrolled in the program.



PARTNERSHIPS FOR INCLUSION

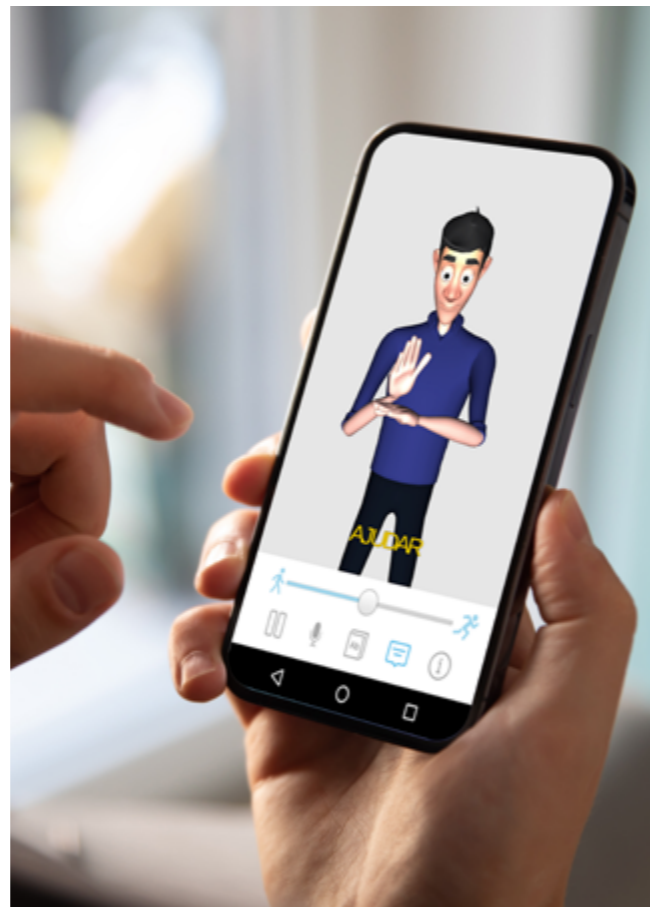
Inclusive movie screening

In partnership with Instituto Diversa 21, the TSEA Foundation held an inclusive movie screening for 100 people with Down syndrome in 2024. The event, held in Contagem (MG), reinforced TSEA's commitment to equal opportunities and signals the beginning of an ongoing journey of collaboration to build a more inclusive society.



VLibras

We have adopted VLibras to make our platforms more accessible, allowing deaf people to understand content in sign language. The initiative reinforces our commitment to digital inclusion, diversity, and equal opportunities.



Communication with stakeholders

In 2024, we stepped up our digital marketing efforts focused on the North American market by creating an English-language LinkedIn profile and increasing our participation in trade shows and events in the United States.

These initiatives aim to raise awareness of the TSEA brand abroad and bring the company even closer to the demands and expectations of the international market.



Participation in trade shows and events

We attend the major electrical industry events and trade shows, strengthening our relationships with our customers and promoting the latest innovations in products and services that carry the TSEA brand.

INTERNATIONAL

Distributech Internacional 2024

Leading event in the energy distribution industry held in Orlando (Florida, USA), where we presented our single-phase voltage regulator at our own booth.

IEEE PES T&D Conference & Exposition

Exhibition and conference held in California (USA), representing a valuable opportunity for collaboration and knowledge exchange. The event provided an opportunity to keep up with trends, emerging technologies, and solutions that are shaping the future of energy transmission and distribution.



International Electrical Industry Trade Show (FISE)

We showcased TSEA's innovative solutions in Lima, Peru, strengthening our presence in the international energy market.

RE+ 2024 Trade Fair

Held in Anaheim (California, USA), it is North America's leading renewable energy trade show and, in this edition, gathered over 1,300 exhibitors and 40,000 global participants. We were the only Brazilian representative at the event and have already confirmed our presence at the 2025 edition in Las Vegas (Nevada, USA), with the expectation of continuing to expand our global operations and presenting innovations for the future of energy.

NATIONAL

UBQ National Quality Management Event

We submitted an innovative project in the "Continuous Improvement Groups" category, aimed at reducing the drying time in the steam phase of transformers, reinforcing our commitment to the LEAN culture.

XI WORKSPOT in Rio de Janeiro

The event brought together over 400 professionals from the electrical sector to discuss innovations in transformers, power reactors, and new technologies. TSEA Energia presented solutions aligned with energy efficiency and sustainability, taking advantage of the opportunity to exchange experiences and keep up with the trends that are transforming the sector.





RELATED SDGs



CAPITALS



Environmental Management

Caring for the planet is part of our energy



Environmental commitment

We affirm our commitment to the environment by implementing a number of initiatives to reduce negative environmental impacts and raise collective awareness about the importance of sustainability. We exceed environmental legislation requirements and advance our commitments by adopting a

strategic approach to issues such as the carbon footprint of products.

By preparing the Greenhouse Gas (GHG) Inventory, we identified opportunities to cut emissions throughout the value chain, helping us move towards a low-carbon economy.



GHG PROTOCOL

We met the goal of publishing the GHG inventory results in the Public Emissions Registry to earn the seal in the Brazilian GHG Protocol Program.

FREE ENERGY MARKET

We migrated our electricity consumption to the free market with the intention of ensuring supply from renewable sources and cutting GHG emissions.

CREATION OF THE SUSTAINABILITY DEPARTMENT

We launched the Sustainability department, reinforcing our commitment to continuously improve and expand our sustainable practices.

Environmental Education

We truly believe that awareness campaigns are key to driving real change, fostering a culture of environmental responsibility, while building more sustainable relationships with all our stakeholders. That's why, throughout the year, we have developed communication materials and internal initiatives, such as awareness campaigns on commemorative dates, reaffirming our role in building a more sustainable future.

ESG Week

Yearly, we promote Environment Week with a program focused on conserving natural resources and strengthening environmental awareness. In 2024, we aligned activities with the integration and dissemination of ESG pillars, which today represent a strategic commitment by the Company. We promote educational actions, disclose and raise awareness among employees about the initiatives carried out, and share knowledge.



Solid waste

GRI 306-3 | 306-4 | 306-5

With a commitment to reducing the environmental impacts associated with waste generation, we have taken on the principle of reducing, reusing, and recycling whenever possible. We sort and store solid waste in accordance with current legislation. To this end, we maintain a properly structured warehouse with separate bays for each type of waste, adequate ventilation, waterproof flooring, and containment channels. All waste generated is sent to licensed companies, which treat and dispose of it in accordance with current legal and environmental requirements.

Considering the sum of the three units, a total of 2,241.52 tons of waste was generated in 2024. Only 6.95% of this total was sent to landfill, consisting of waste equivalent to urban waste (91.88%), kitchen waste (7.95%), and glass-based fibrous materials (0.17%).

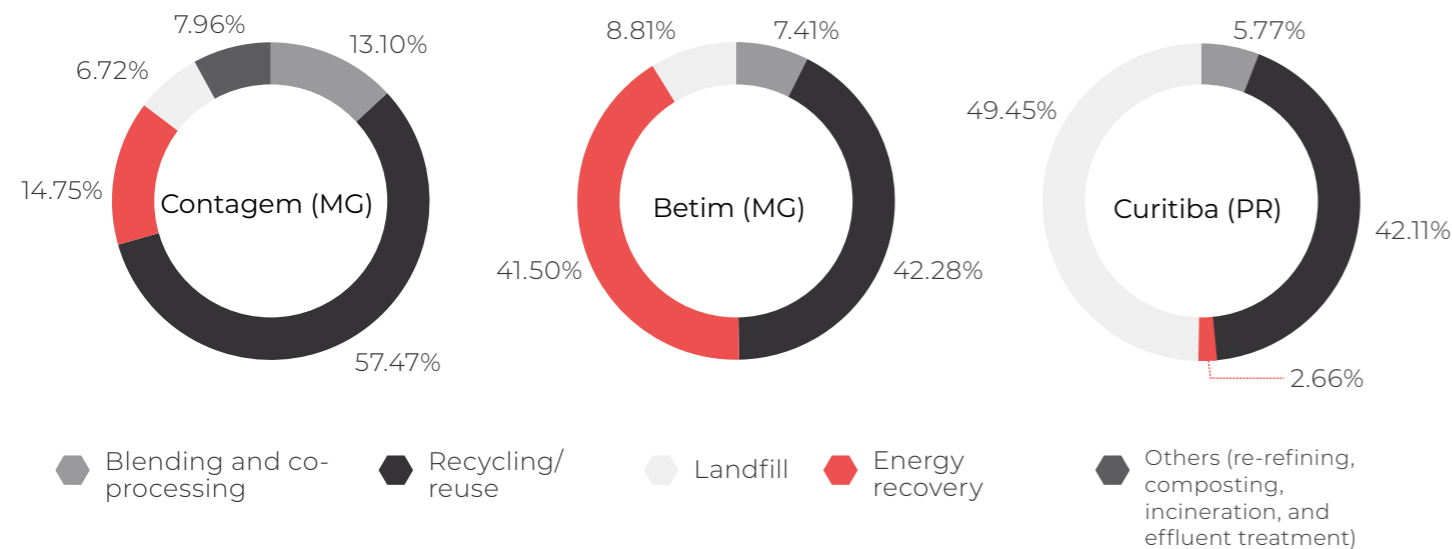
The waste generated at the Contagem (MG) unit in 2024 consisted mainly of ferrous metals (55.14%), followed by wood (15.47%) and paper and cardboard (13.37%). In Betim, wood (41.50%), non-ferrous metals (22.76%), and insulating oil (19.52%) prevailed. In Curitiba, waste similar to urban waste (44.27%), paper (24.52%), and plastic (14.89%) stood out.

REVERSE LOGISTICS

We offset the environmental impact of our packaging through management entities that ensure commitment to the entire recycling chain. This means investing in recycling a volume of packaging equivalent to what we place on the market.

This action not only has a positive environmental impact on the planet, but also contributes to the development of professionals in the sector, broadening their opportunities for growth.

Waste disposal (%) - 2024

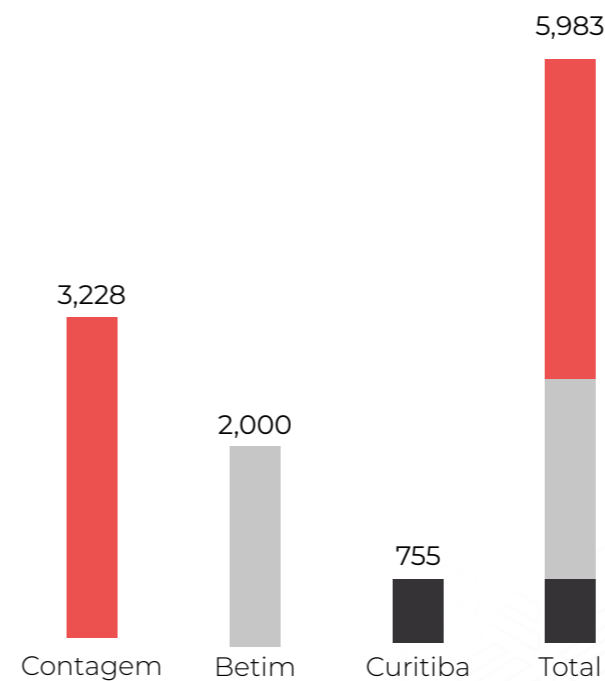


Water and effluents

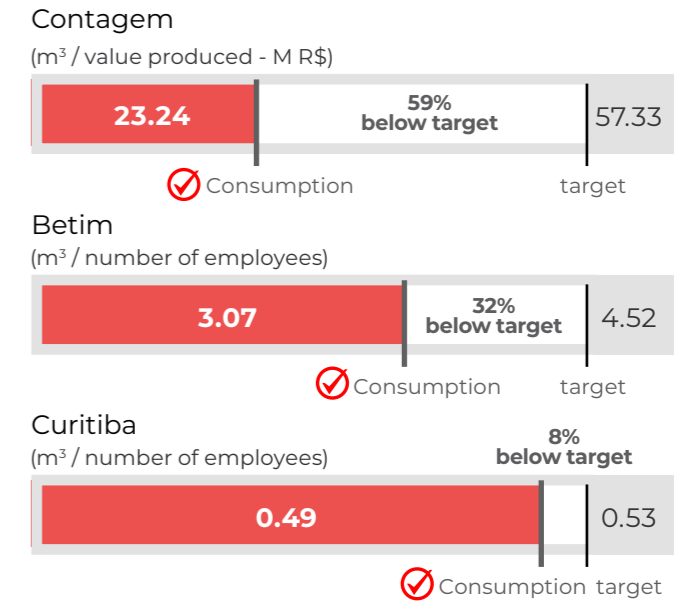
GRI 303-5

We have undertaken measures to encourage responsible water use and periodically monitor the parameters of discharged effluents, ensuring compliance with current environmental legislation. The Contagem (MG) unit has an Effluent Treatment Plant (ETE) with a capacity to treat up to 30,000 liters per day, ensuring proper management and discharge of effluents within the standards set by the relevant legislation.

Water consumption (m³) - 2024



Average monthly water consumption -2024

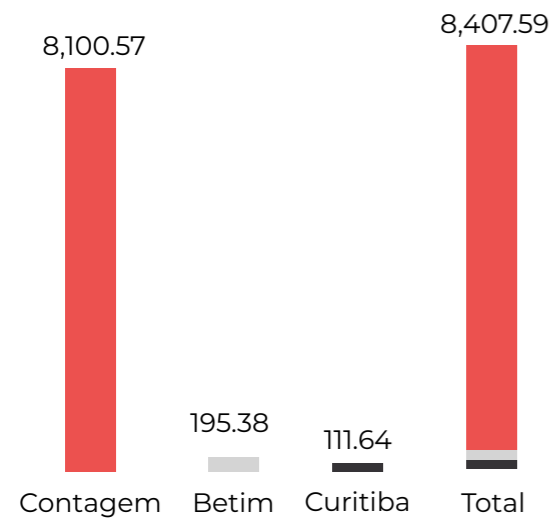


Energy

GRI 302-1

Our organizational culture values the conscious and rational use of electricity, encouraging practices that promote energy efficiency in our operations.

Energy consumption (MWh)



Non renewable fuel consumption - 2024

Fuel type	Total consumed (MJ)
Natural gas*	15,710,000
Acetylene**	9,600

Heat capacity considered: *natural gas 38 MJ/m³; ** acetylene 48 MJ/m³.

Air pollution and noise

To meet legal requirements and promote the well-being of our employees and surrounding communities, we have invested in noise reduction technologies and equipment. In 2024, an acoustic study was conducted on the mechanical area, compressor room, and cooling tower, which are the noisiest areas of the plant.

We monitor noise levels at sampling points in our area of influence every six months. In 2024, eight points were considered in Contagem (MG) and four in Betim (MG) and Curitiba (PR), yielding results between 48.0 and 61.9 dB(A), all within the legal limit of 70 dB(A) for industrial areas, according to NBR 10151.

Furthermore, with the aim of mitigating atmospheric emissions and promoting environmental health, our paint booths are equipped with gas scrubbers and filtration systems.



Climate strategy

GRI 305-1 | 305-2

Climate change

Drawing up a GHG Emissions Inventory is a tool that allows us to gather information, reflect, and act strategically in fighting climate change. By mapping the impacts of our operational activities, we set goals, plans, and strategies for reducing greenhouse gas (GHG) emissions.

The document covers direct emissions classified under Scope 1, originating from stationary and mobile sources under the organization's operational control, including equipment, vehicles, fire extinguishers, boilers, and refrigeration systems. It also addresses indirect Scope 2 emissions related to the purchase of electricity from third parties, considering calculation methodologies based on actual consumption and emission factors corresponding to the supplier's energy matrix.



CO₂ emission by employee - Scopes 1 and 2

Year	tCO ₂ e by employee
2024	9.52
2023	5.02

Access our Public Emissions Registry in the Brazilian GHG Protocol Program [here](#)



Strategic focus for the future

We operate in a highly competitive market, with a growing global movement to embrace renewable energy sources. Given this context, our outlook for the future is optimistic: opportunities should remain attractive and drive us to be prepared and take full advantage of them. With this goal in mind, we have developed a consistent investment strategy, making the Company increasingly prepared to meet the demands of this changing market.

Expanding our physical presence in United States while maintaining the quality, timeliness, and perfection of our products is one of the biggest challenges for 2025.

Factory upgrade is also a priority in our expansion plan. The R\$9 million investment, approved in April 2025, includes the purchase of several pieces of equipment, promoting increased efficiency, productivity, and competitiveness in our operations and creating a dynamic environment that attracts and retains top talent.

Together with the main innovation fronts, in the years ahead, we'll be introducing new solutions and products for Small Hydroelectric Plants (SHPs) and Battery Energy Storage Systems (BESS), among other initiatives.

Our focus extends beyond this: the rapid growth of the domestic and international markets requires swift responses. Therefore, with a focus on 2030, we anticipate the physical expansion of our structures and the increase in production capacity to meet growing demands.

Inspired by this purpose, with energy, innovation, and commitment, we continue to transform the present to power an increasingly efficient and responsible future.

Future

Strategic focus and guidance



Leadership in financial sustainability

In May 2025, Gustavo Murgel joined us as Chief Financial Officer (CFO). With over 40 years of experience in the financial sector, Murgel's key roles include Executive Vice President at Santander, where he led the expansion plan in Brazil, and CEO at Itaú Asset Management. He is also the founder and partner of FRAM. With vast experience and strategic vision, Murgel joins us to further strengthen our financial structure and contribute to the execution of our long-term growth plan, especially in the international market.



International leadership

We also appointed Ed Morata as Country Head of TSEA USA. With over 35 years of international experience in management and market development, Ed is backed by a solid track record in business expansion and sustainable growth. His addition strengthens our strategic move to expand TSEA's presence in the North American market and drive new business opportunities. Ed holds a master's degree in International Economic Relations Law from PUC-SP, a bachelor's degree in Business Administration from FGV, and a graduate degree from USP, in addition to executive education courses at the Kellogg School of Management (Northwestern), MIT, Harvard Kennedy School, IESE Business School, and INSEAD.

TSEA 2030: the future we are creating together



Rafael Porteiro (CMO)

The energy that drives the globe must also support the future, according to TSEA Energia. We work in a market with strong growth potential, and we are certain that the moment has come to be ready to keep fostering this development in a responsible, creative, and strategic way.

Our growth plan through 2030 embodies a coordinated expansion and transformation movement. Markets, structure, people, and technology are at the heart of a clear strategy designed to ensure excellence in all deliveries and consolidate TSEA as a global benchmark in the energy sector.

This is our long-term commitment, underpinned by the seriousness that has consistently steered our decisions and the trust we have earned from our customers, partners, and employees over the past 57 years. We are moving forward responsibly, respecting the achievements we have already made while courageously embracing the changes that are shaping the future of energy.

Discipline, consistency, and efficiency will be key factors in expanding our international footprint. We wish to strengthen our culture by setting up an environment that attracts and keeps talented people who are driven, purposeful, and focused on results. We'll do this by intensifying our active listening, anticipating customer needs, and quickly adapting to market changes.

We wrap up this report with the certainty that we are ready for the challenges and opportunities that lie ahead. Because more than just keeping pace with the power sector's transformations, we have chosen to lead this movement. Rather than merely imagining the future, we are committed to building it with consistency, strategy, and purpose.

Together, we propel ourselves ahead by the energy that unites, changes, and creates the foundation for a safer, more sustainable, and more efficient future. That is our role. That is our TSEA.





General disclosures

GRI 2-6

Supply chain profile

Number of direct suppliers (tier 1)	1,946
Number of indirect suppliers (tier 2)	N/A
Amount paid to direct suppliers (R\$ million)	R\$ 771,141,076.00

Suppliers by region

Country name	Number of companies that supplied the Company during the year
Brazil	1,819
United States	61
China	15
Germany	7
Canada	6
Italy	6
Japan	4
Switzerland	4
France	2
India	2
England	2
Mexico	2
Sweden	2
Argentina	1
Bulgaria	1
Chile	1
Colombia	1
United Arab Emirates	1
Ecuador	1
Spain	1
Finland	1
Guatemala	1
Ireland	1
Northern Ireland	1
Paraguay	1
Turkey	1
Vietnam	1

Economic Performance

GRI 201-1 | 201-4

Direct economic value generated and distributed	
	Amount (R\$ million)
A. Economic value generated (revenue)	1,369,529,000.00
B. Economic value distributed (operating costs, wages and benefits, payments to the government, and investments in the community, etc.)	1,308,509,000.00
C. Retained economic value (A-B)	61,020,000.00

Financial assistance received from government	
	Amount (R\$ million)
Tax benefits and credits	21.6
Subsidies	0
Grants/subsidies for research and development	0
Cash awards	0
Incentives that delay royalty payments (royalty holiday)	0
Financial support from Export Credit Agencies	41
Other financial assistance received from the government during the year	0
Financial incentives	46.8
Total	109.4

Waste

GRI 306-3 | 306-4 | 306-5

Total weight of waste diverted from disposal - Hazardous (t)		
Destination	Type of waste	2024
Blending and Co-processing	Miscellaneous hazardous or contaminated waste	53.96
Re-refining	Used or contaminated engine, transmission, and lubricating oils; insulating, cooling, and heat transfer oils	30.86
Effluent treatment	Water containing oil from oil/water separators	4.14
TOTAL HAZARDOUS - scope: Betim (MG), Contagem (MG), Curitiba (PR)		88.96

Total weight of waste diverted from disposal - Non-Hazardous (t)		
Destination	Type of waste	2024
Blending and Co-processing	Paper and cardboard	258.04
Composting	Biodegradable kitchen waste	48.48
Energy recovery	Wood	348.37
Recycling/reuse	Paper, cardboard, plastic, scrap metal, glass	1,251.45
Effluent treatment	Mixtures of fats and edible oils	90.34
TOTAL NON-HAZARDOUS - scope: Betim (MG), Contagem (MG), Curitiba (PR)		1,996.67

Total weight of waste directed to disposal (t)			
Classification	Type of waste	Destination	2024
Non-hazardous waste	Waste equivalent to municipal waste; kitchen waste; and glass-based fibrous materials	Class IIA and IIB landfills	155.88
Hazardous waste	Healthcare waste	Incineration	0.01
TOTAL FINAL DISPOSAL - scope: Betim (MG), Contagem (MG), Curitiba (PR)			155.89
GRAND TOTAL			2,241.52

GRI Content Index*

Indicator	Disclosures	Reference (pg.) / Direct answer
GRI 2: General Disclosures 2021		
The organization and its reporting practices 2021		
2-1	Organizational details	Pages 6, 13, 21
2-2	Entities included in the organization's sustainability reporting	The subsidiary TSEA USA LLC is wholly owned by the company and is not included in the indicator monitoring. Page 6
2-3	Reporting period, frequency and contact point	Page 6
2-4	Restatements of information	As this is TSEA Energia's first Sustainability Report, there are no restatements of information from previous periods.
2-5	External assurance	**
Activities and workers		
2-6	Activities, value chain and other business relationships	Our sector and sub-sector of activity, according to the global SICs standard, is "Electric Utilities & Power Generators." Our main suppliers include those responsible for providing inputs and services for: production, maintenance, and refurbishment of transformers; production of regulators; protection, control, and supervision systems; gas-insulated substations (GIS); and hybrid gas-insulated substations (HGIS). In 2024, we observed a 26% increase in the purchase value compared to 2023, reflecting the expansion of our production capacity throughout the year. For this calculation, we considered purchase orders received with invoices issued between January 1, 2024, and December 31, 2024. Page 14
2-7	Employees	Page 38
2-8	Workers who are not employees	The base of active interns and apprentices on December 31, 2024 was considered for data collection. Page 38
Governance		
2-9	Governance structure and composition	Page 28
2-10	Nomination and selection of the highest governance body	**
2-11	Chair of the highest governance body	The Chairman of the Board does not perform executive duties; his role is limited to this function alone.
2-12	Role of the highest governance body in overseeing the management of impacts	**
2-13	Delegation of responsibility for managing impacts	**
2-14	Role of the highest governance body in sustainability reporting	**

Indicator	Disclosures	Reference (pg.) / Direct answer
2-15	Conflicts of interest	**
2-16	Communication of critical concerns	Pages 32 and 34
2-17	Collective knowledge of the highest governance body	**
2-18	Evaluation of the performance of the highest governance body	**
2-19	Remuneration policies	**
2-20	Process to determine remuneration	**
2-21	Annual total compensation ratio	**
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 7
2-23	Policy commitments	Page 33
2-24	Embedding policy commitments	Page 33
2-25	Processes to remediate negative impacts	Page 34
2-26	Mechanisms for seeking advice and raising concerns	Page 34
2-27	Compliance with laws and regulations	**
2-28	Membership associations	**
Stakeholder engagement		
2-29	Approach to stakeholder engagement	**
2-30	Collective bargaining agreements	92.6% of employees are covered by Collective Bargaining Agreements. The 7.4% who are not included in this coverage are apprentices, interns, Statutory Directors, and professionals hired as legal entities (PJ). These professionals have specific contracts, drawn up in accordance with current legislation.
Economic Disclosures		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Page 76
201-4	Financial assistance received from government	The government does not participate in the Company's shareholding structure, but we receive subsidies and tax benefits. Page 76
Environmental Disclosures		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Page 68

* This is TSEA's first Sustainability Report, prepared based on the GRI Standards 2021 guidelines. Although we do not fully comply with them, we are committed to seeking greater compliance and coverage, improving our reporting, and strengthening our transparency in the years to come.
 ** We are adapting our management practices towards the gathering and disclosure of data related to this indicator.

GRI Content Index (continued)

Indicator	Disclosures	Reference (pg.) / Direct answer
GRI 303: Water and Effluents 2018		
303-5	Total water consumption	Page 67
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Page 69
305-2	Energy indirect (Scope 2) GHG emissions from the purchase of energy	Page 69
GRI 306: Waste 2020		
306-3	Total weight of waste generated	Pages 66 and 77
306-4	Total weight of waste diverted from disposal	Pages 66 and 77
306-5	Total weight of waste directed to disposal	Pages 66 and 77
Social Disclosures		
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Page 47
403-3	Occupational health services	Page 49
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 47
403-5	Worker training on occupational health and safety	Page 47
403-6	Promotion of worker health	Pages 49
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 47 and 49
403-10	Work-related ill health	Number of employee fatalities resulting from occupational ill health: zero; Employee fatality rate resulting from occupational ill health: zero; Number of cases of reportable occupational ill health (including fatalities): zero. Note: Third parties are not monitored.

SDG Map



Capitals Map



HUMAN

Pages 10, 26, 36 and 62



SOCIAL AND RELATIONSHIP

Pages 26 and 36



NATURAL

Pages 10 and 62



INTELLECTUAL

Pages 10, 26 and 36



FINANCIAL

Page 10



MANUFACTURED

Pages 10, 36 and 62

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Photos and illustrations

TSEA Energia gallery



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