



INTEGRATED
REPORT

TBG 2022

Transportadora Brasileira
Gasoduto Bolívia-Brasil S.A.



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01

MESSAGE FROM THE CHAIRMAN OF THE TBG ADMINISTRATIVE BOARD


I assumed the presidency of the TBG Board of Directors of TBG in June 2022, bringing with me more than three decades of experience in the Audit area, including, among other skills, Risk Management expertise, specialization in International Accounting and Corporate Governance. For me, it has been surprising and rewarding to experience the company's strategic performance in the incorporation of pioneering initiatives, without losing focus on Governance, Sustainability, Safety and Value Generation.

A clear example is the incorporation of new practices to adapt to the energy transition process towards a low-carbon economy, a global reality. This is today's main challenge, as it imposes the need for changes capable of reconciling the reduction of greenhouse gas emissions within predetermined deadlines with the expansion of access to energy.

The ESG agenda, one of the five pillars of the TBG Strategic Plan, has been gradually adjusted to this new global reality, contemplating the development of initiatives that promote best practices related to the Environment, Governance and Society. The other strategic drivers are: New Business, to expand profitability; Product Portfolio Diversification; Digital Transformation, to increase safety in all our processes and implement pro-active leadership; Competitiveness, capable of encouraging innovation and cost efficiency, and Modernization of Organizational Culture.

TBG is aware that its natural gas transport infrastructure will play an even more relevant role in



 Paulo J. Arakaki
President of the Board
of Administration

“Regulatory reform and liberalization in the gas market, still underway in Brazil, will gradually expand our growth opportunities.”

the country's economic development. As one of the cleanest fossil fuels, natural gas will have expanded its use as an energy option. I highlight the collaboration we have created with Fluxys, a Belgian company that since April 2021, became a TBG partner holding a 29% stake, and contributing with extensive experience in gas infrastructure and in other markets that are undergoing regulatory review processes.

The company's strategy is to invest in fronts capable of ensuring the supply of future demand from new markets, collaborating with competitive prices, in order to reconcile the desired competitiveness and profitability with the demands of a new business world.

Among the new undertakings that will support this goal, I highlight here the interconnection of the GasSul Terminal facilities, located in Baía da Babitonga, adding to Gasbol, consisting of the Measurement Station in Garuva/SC. The section of this pipeline, measures 18 inches in diameter and approximately 200 meters long, and will ensure the supply of gas from the GasSul Terminal to the TBG gas pipeline transport system, southern section. The region that will be served has a strong repressed demand and the expansion of the facilities will be essential to meet the demand and TBG growth.

TBG's results for the 2022 financial year, set out in this Integrated Report, confirm that the adaptation strategies, market consolidation and expansion of our areas of activity have been showing satisfactory results. I cite as examples achieved in the year the Net Operating Revenue (R\$ 1,806.27 million), Ebitda (R\$ 1,515.78 million), Dividends (R\$ 625.07 million) and Net Income (R\$ 935.91 million).

Some recent achievements also attest to our commitment to the ESG agenda, such as the record of eight years without lost-time accidents, the Green Seal environmental award and the 9.68 score in the Governance Indicator of Federal State Companies (IG-SEST).

Regulatory reform and liberalization in the gas market, still underway in Brazil, will gradually expand our growth opportunities.

May 2023 allow us to move forward in contributing to the construction of this new global market.

Paulo J. Arakaki

President of the Board of Administration

02

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER - CEO

Looking back at the year 2022, I begin by acknowledging that it was a special occasion, as it marked the end of the social distancing adopted to combat the Covid-19 pandemic. Since the first announcement by the World Health Organization (WHO) in March 2020, TBG chose to adopt extreme care in order to preserve the lives of our people and the integrity of our gas pipeline. It was worth all the efforts as we went through these difficult years without registering any employee death while maintaining the usual efficiency in our operations. We are winners in this fight that represented a long, unprecedented and gigantic challenge.

It is also worth remembering that, in 2020 and 2021, TBG fully maintained operational continuity and accumulated the learning generated by the hybrid work system in items such as flexibility of schedules, improvement in food quality, better time management and, a greater sense of appreciation of conviviality in the work environment.

We have no shortage of reasons to celebrate our company performance in 2022. After all, we completed 23 years transporting natural gas and almost 10 years of services without gas delivery failures. The absence of accidents with lost time for almost nine years also strengthens our management tactics and policies.

To sum things up, we are a company that prioritizes excellence in governance practices, environmental preservation and adoption of safe, and robust social policies.

TBG continuously seeking ways to consolidate our high level of governance and responsibility in matters of ESG (Environmental, Social and Governance). In 2022, we achieved a significant governance index assigned by S&P: 9.68. Our ESG agenda has made a big difference compared to previous years. With it, the company increased the value of actions previously carried out, accompanied by greater awareness of the



Erik Breyer
Chief Executive Officer



"Thinking about the future also makes the promotion of digital transformation actions justifiable."

impact of our operations in the socio-environmental scenario in Brazil.

The planting of "green belts" around the compression stations and the control of depressurization are examples of actions adopted by the company aimed at mitigating environmental impacts, in line with TBG activities focused on sustainable development. When looking at social issues, in 2022 we promoted actions designed to achieve our guideline policies related to diversity and social inclusion. The "Masterclass" agenda - Leadership programs for women, and promotion of lectures addressing topics such as "gender micro-violence", "unconscious biases" and "happiness at work" were some of the initiatives developed with a focus on raising employee social awareness and building a better society.

Undoubtedly, the Bolivia-Brazil Gas Pipeline is the largest energy artery connecting, at the same time and in an integrated manner, the Midwest, South and Southeast regions of the country, areas that produce more than 50% of the Brazilian GDP. As such, we, at TBG, have the clear awareness of the strategic importance of our gas pipeline for the development of the country. For this reason, I also include, among the company's achievements in the year, the planning and start of a new investment that, as of 2024, will enable an expansion of gas transport capacity of approximately 680 thousand m³/day, which will supply a good part of the repressed demand in the state of Santa Catarina and guarantee the volumes historically contracted for Rio Grande do Sul. Other stages of this undertaking are expected to continue throughout this decade.

The recent opening of the market, this last year, allowed us to successfully carry out two public Open

Seasons for the offer of natural gas transport capacity services, namely: Open Seasons 03/2021 (CP03) and 04/2022 (CP04). These processes were organized to sell firm capacity in the coming years: from 2022 to 2026 in CP03, and from 2023 to 2027 in CP04. On both occasions, markets distributors bought output capacity (Sulgas and SCGÁS). It is now expected that other distributors will participate in future Open Seasons. We also offer other import gas transport products: interruptible and short-term daily, monthly and quarterly products, which were sold digitally through the POC, the TBG Capacity Booking Portal.

In yet another pioneer initiative, to expand our connection with the Energy market, we held the 'TBG Commercial Day' in 2022, a way of disseminating the new way of contracting products and services in our pipeline.

Thinking about the future also makes the promotion of digital transformation actions justifiable. In line with this thought, I wish to highlight the pioneering spirit demonstrated during the 2022 Hackathon at the Rio Innovation Week, which proposed the development of innovative solutions and digital technologies to reduce costs and time for the implementation of transport gas pipelines, while focusing on process optimization.

I therefore conclude that we accomplished our missions in 2022, with the certainty that our future will be promising.

Erik Breyer
Chief Executive Officer

03

ABOUT THIS REPORT

The energy market scenarios for the next decade point to a growth trend with continued consumption of fossil fuels, even considering the global commitments assumed in the Paris Agreement in 2015. The world, therefore, needs to move towards a cycle of evolution in which the implementation of sustainable energies to meet global energy demands can be achieved.

The motivation to create a balanced environment among countries places Brazil in a privileged position, for being one of the countries with the cleanest and most renewable energy matrix in the world. The phrase - intergenerational equity, means the duty to keep it healthy for future generations - this is essential. This scenario increases TBG responsibility as a natural gas transport company operator across five states accounts for the generation of more than 50% of the national GDP.

We dedicate ourselves to the development of initiatives capable of mitigating our impact on the environment and climate, in order to contribute to minimizing our part in climate change. Our 2040 Strategic Plan defines the actions and resources needed to ensure the company's growth, including the necessary changes to achieve all the Growth,

Operational Excellence and Sustainability objectives. To ensure the viability of the TBG Strategic Plan, a Business Plan was developed (2023 to 2027), along with a monthly monitoring system of indicators and targets that include investments in environmental, social and governance actions (ESG - Environmental, Social and Governance), mainly with regard to reducing emissions of methane, carbon dioxide and nitrogen oxides.

Several actions carried out and in progress, on this and other work fronts at the company will be presented throughout this document. Readers may learn and/or consult information and our strategic initiatives focused on Operation and Maintenance, Integrity, New Ventures, Products under Development, People, Digital Transformation, Compliance and Intelligence, Auditing, Competitiveness and Integrity, among others.

We also present a summary of TBG financial results in the challenging year - 2022.

Before being published, this document was submitted for approval to the TBG Board of Directors and Executive Board.





04

WHO
WE ARE





➤ OUR HISTORY AND OUR PIONEER SPIRIT

Our story starts back in the 1930s, when technical studies were undertaken for the bilateral agreement leading to the purchase and sale of oil and natural gas, which resulted in the construction of the Bolivia-Brazil Gas Pipeline (Gasbol), in the 1990s.

TBG was founded in 1997, through a financial project of 1.7 billion dollars, formed by important institutions, such as the World Bank, Marubeni Corporate, European Investment Bank, Inter-American Development Bank and others. In 1999, Gasbol operations began.

TBG has assumed an important role in the history of natural gas in Brazil.

We are pioneers in project financing for gas pipeline operation and management, consolidating our ability to generate revenue.

We are pioneers in the transport of natural gas in large-volume pressured operations in Brazil.

We are the first natural gas carrier in Brazil to have its own operation and maintenance management - this makes us a national reference for cathodic protection activities, compressor operations, metrology and continuous pipeline and right-of-way maintenance procedures.

We launched our Open Season to offer gas transport services in the new entry and exit contract model in August of 2019.

In December 2019, we introduced the 'entry and exit' contractual regime in the Brazilian gas pipeline transport market which include celebrating transport contracts with the winning shippers.

In 2020, we implemented an unprecedented virtual environment marketplace in Brazil, by launching the POC - the Capacity Booking Portal.

In 2021, the sale of short-term products, inaugurated in an unprecedented way in 2020, enabled commercial opportunities in the short-term natural gas market, such as the transport of 1.4 million m³/day in this sales format, and made it possible to accommodate the many flexible demands made by gas consumers served by TBG.

During the coronavirus pandemic, we implemented a total security home-office management system for our team of operators from the TBG Supervision and Control Center, maintaining our operations through a remote supervision system of our operational facilities uninterruptedly - 24 hours a day - while assuring TBG high control standards at levels equivalent to the period prior to the covid-19 pandemic.

OUR OPERATIONS

Thanks to remote technology, we operate and supervise 15 compressor stations, 47 delivery/exit points, three entry points, and three measuring stations, among other land-surface facilities that ensure the continuous operation of our natural gas transportation system. Operating, maintaining and deploying transport services in our gas pipelines while complying with all TBG safety, sustainability, efficiency, agility and operational reliability parameters that ensure the excellence of our services and guide all our corporate actions.

The TBG gas pipeline grid serves populations in the states of Mato Grosso do Sul, São Paulo, Paraná, Santa Catarina and Rio Grande do Sul. We also have connections with other gas pipelines in the national network through interconnections in São Paulo, with *Nova Transportadora do Sudeste* (NTS), and in the future, in Rio Grande do Sul, with *Transportadora Sulbrasileira de Gás* (TSB).

Our gas pipeline is physically connected to seven distributors that serve thousands of final consumers in these regions, integrating a large market area. We also supply thermoelectric plants and refineries along the route of our facilities.

We have our own teams and specialized technical staff responsible for the operation, inspection and maintenance of the gas pipeline and all surface installations mentioned above.

The operational flexibility of all TBG installations makes it possible to transport both Bolivian gas and gas processed in our national territory, through a flow inversion procedure at the Campinas-Rio gas pipeline Measuring Station, located in Paulínia/SP. This makes it possible to diversify the origin of the gas transported in the system.

We have solid experience to create and implement new natural gas transport projects. Our portfolio of solutions includes the provision of operation and maintenance services for the gas pipeline assets, as well as technical expertise in the area of basic and executive engineering, metrology, pipeline integrity and thermo-hydraulic simulation, among others.

TBG OPERATIONAL STRUCTURE IN NUMBERS

2,593	Km of Land-based Gas Pipelines	04	Entry/Exit Interconnections
47	Delivery Points	02	Pressure Reduction Stations
01	Entry Point	01	Interconnection Hub
15	Compression Stations	01	Supervision and Control Center

Figure 01 – Main TBG Tangible Assets

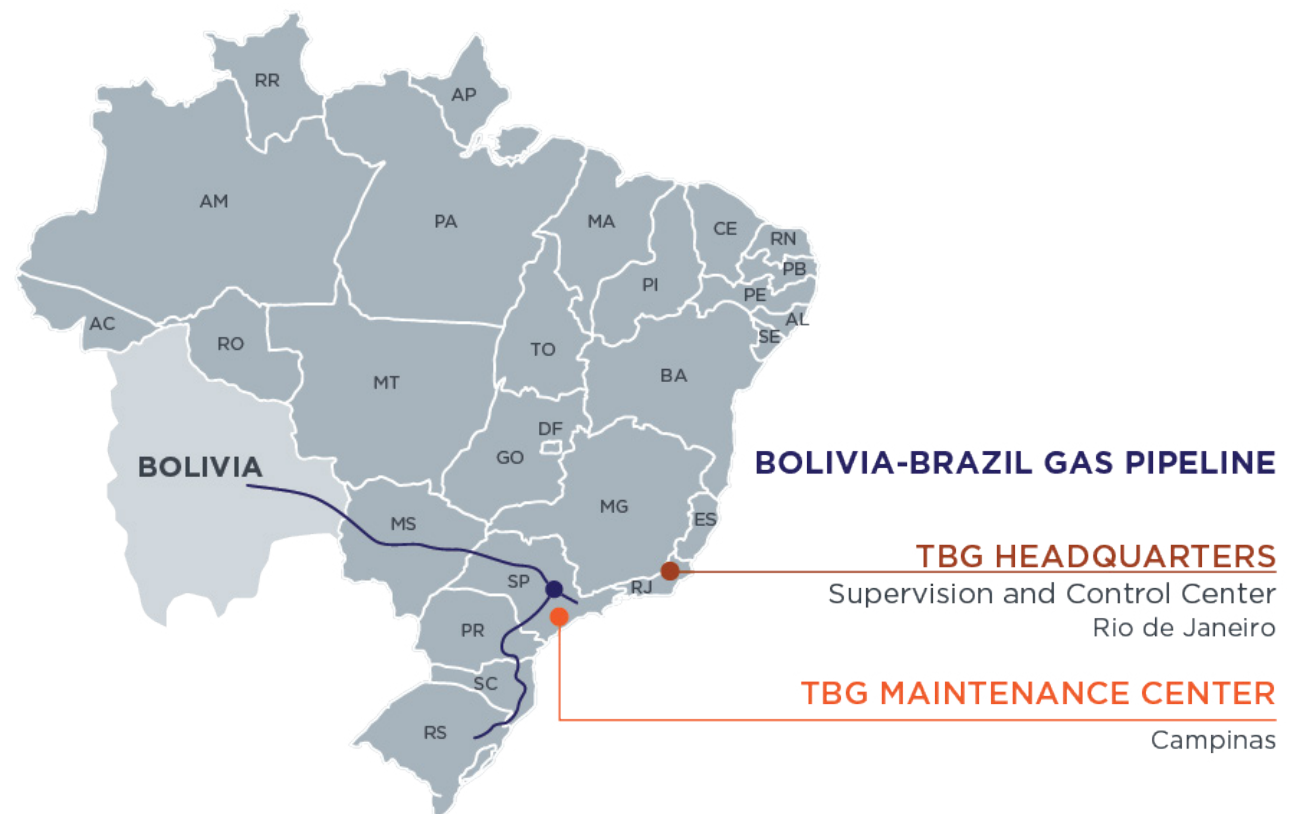
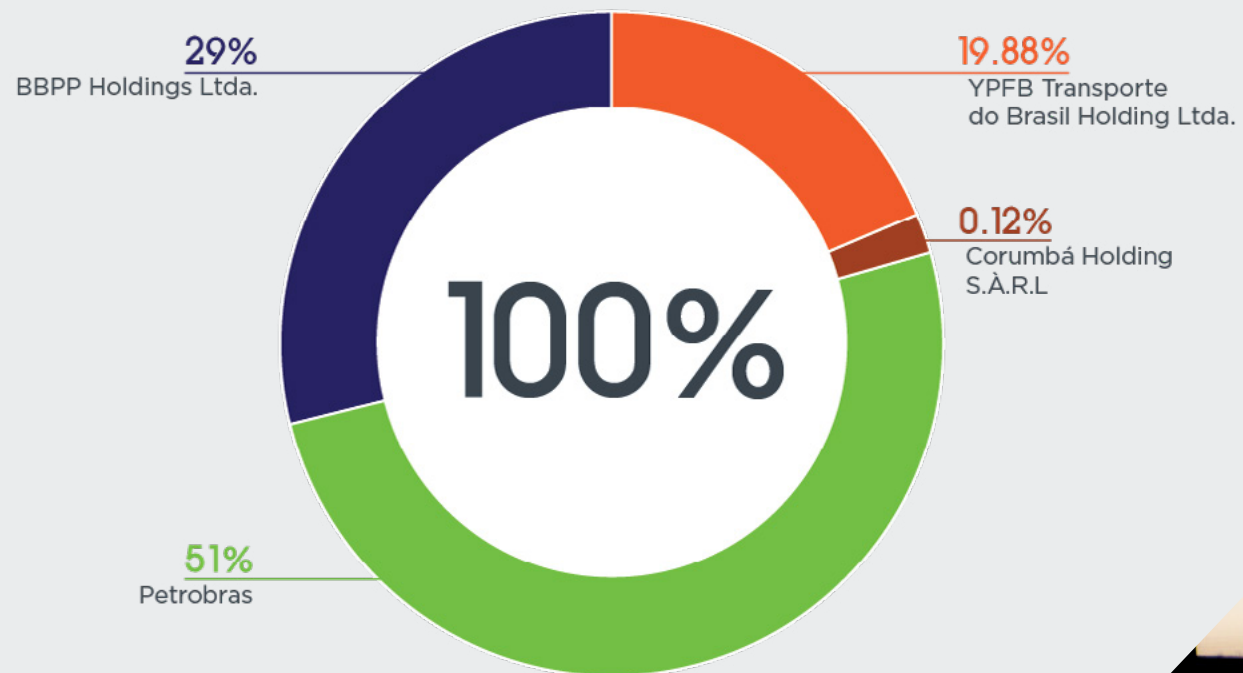


Figure 02 – Gas Pipeline Route Map

SHAREHOLDER STRUCTURE

TBG is a privately owned corporation with the following shareholder structure:



Corumbá Holding holds 100% of BBPP shares
Fluxys holds 100% of Corumbá shares

Figure 03 - Shareholder Composition

ORGANIZATIONAL IDENTITY

Approved by the Board of Directors on 06/24/2020, the TBG Organizational Identity reinforces our commitment to sustainable development not only of the industry, but the well-being of Society at large.

MISSION

Provide the best logistical solutions connecting natural gas offers to markets, adding value to benefit the sustainable progress of industry, thermoelectric generation and home heating.

VISION

To be the reference in the Brazilian natural gas market for its pioneering spirit and capacity for transformation.

VALUES

Respect for life and the environment. Ethics. Focus on results. Operational Excellence. Innovation. Cooperation

ETHICS

Maintaining conduct based on justice and morals, always acting in accordance with strict standards of governance, ensuring the truth and accuracy of the information shared with all stakeholders.

RESPECT FOR LIFE AND THE ENVIRONMENT

Always acting with consideration and esteem in relationships with individuals and with nature, ensuring safety, coexistence, diversity, and the reduction of risks and dangers in Occupational Safety and Health

FOCUS ON RESULTS

Seeking corporate sustainability on all organizational levels of the company, and the achievement of planned results, aiming to generate value in the short, medium and long term; achieving company strategic objectives and ensuring the satisfaction of shareholders and interested parties.

OPERATIONAL EXCELLENCE

Providing the market with logistical solutions, aiming at maintaining the standard of excellence in client service, including protecting the environment, implementing energy efficiency practices and reducing environmental pollution.

INNOVATION

In the improvement of all processes, systematically seeking to incorporate new practices and technologies that provide benefits to shareholders, employees, customers and society.

COOPERATION

Seeking engagement, effort, team spirit and the participation of workers and/or their representatives in achieving the objectives and the best results for the company in an integrated manner.

MANAGEMENT POLICY

Strengthen business management practices in the natural gas pipeline transport sector, ensuring safety, reliability and operational efficiency; encourage the prevailing pioneering spirit and innovation; incorporation of social and environmental benefits; adding value to stakeholders while following compliance rules and the requirements of business and regulatory legislation, and finally; prioritizing respect for life, people and the environment.

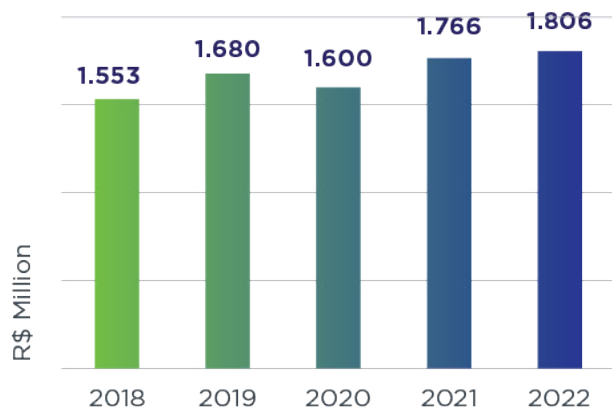


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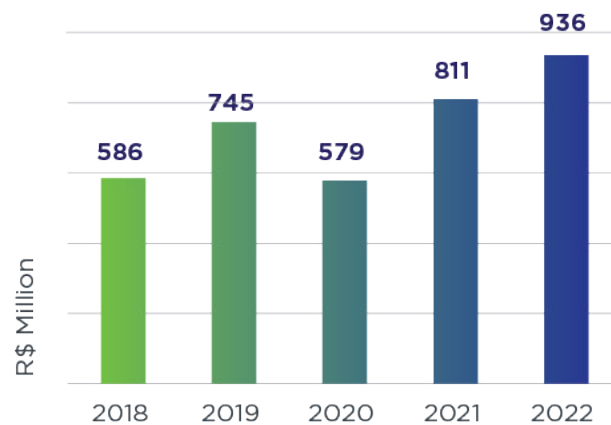
MAIN TBG
RESULTS
IN 2022



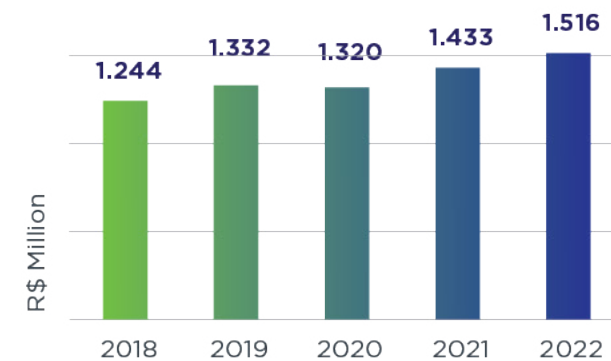
NET OPERATIONAL REVENUE



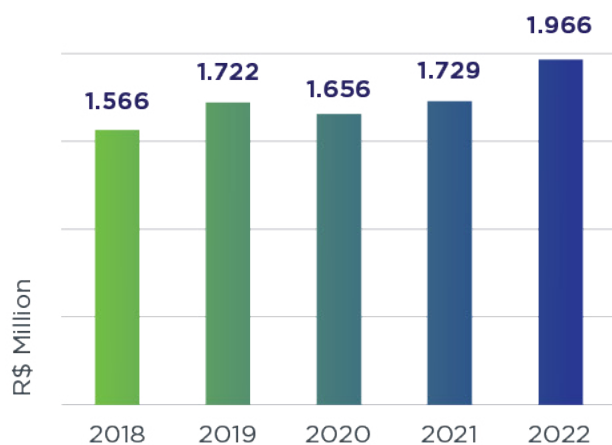
NET PROFIT



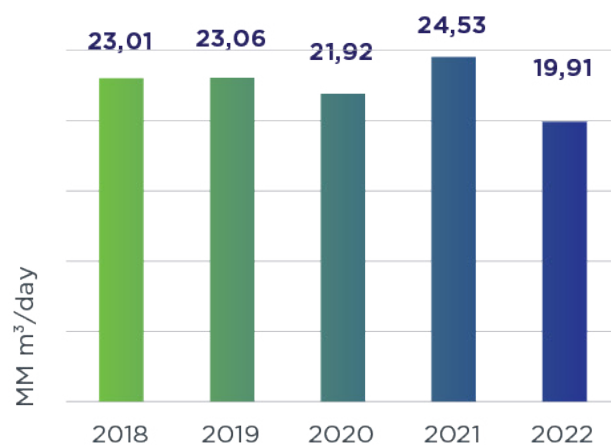
EBITDA



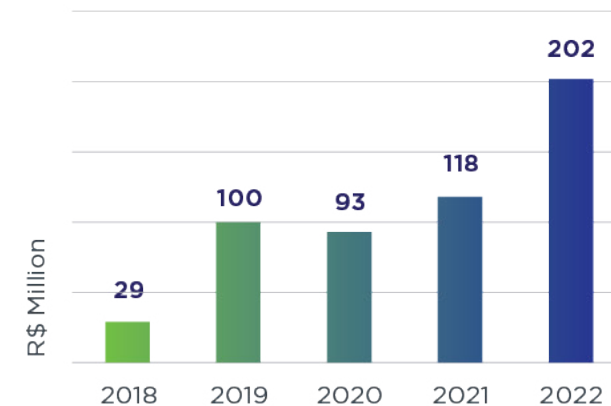
ADDED VALUE



AVERAGE VOLUME TRANSPORTED



INVESTMENTS



PROFITABILITY	2018	2019	2020	2021	2022
Gross margin (Gross Profit over Net Revenue)	75%	75%	77%	76%	79%
EBITDA over Net Profit	80%	79%	82%	81%	84%
Dividends paid - R\$ Million	542	968	642	959	625

Strategic Objectives: Maximize results and financial returns and maintain Corporate Sustainability.

FINANCIAL	2018	2019	2020	2021	2022
Fixed assets and intangibles - R\$ Million	1.805	1.742	1.636	1.571	1.566
Net Assets (Worth) - R\$ Million	515	566	413	333	619
Indebtedness (linked to USD) - R\$ Million	656	652	802	819	726
Capital Structure (Composition) - (Third-party capital/Total Liabilities)	79%	77%	77%	82%	76%

Strategic Objectives: Maximize results and financial returns.

COMMERCIAL AND FINANCIAL INDICATORS	2018	2019	2020	2021	2022
Delivery Failures	0	0	0	0	0
Gas pipeline service requests	379	609	660	799	392
Compression System Reliability	99,50%	99,40%	98,44%	99,43%	99,58%
Preventive Maintenance	99,70%	99,30%	96,30%	98,60%	99,57%
Level of Client Satisfaction	99,06%	98,90%	97,35%	99,01%	100,00%
Registered Accident Rate (TAR)	0,00	0,00	0,00	0,00	0,52

Strategic Objectives: Ensure the integrity and adequate availability of assets; Be efficient in security; Ensure excellent client service; Strengthen the TBG image in the market and society.

HUMAN RESOURCES	2018	2019	2020	2021	2022
Number of Direct Employees	302	295	297	313	318
Training hours per employee/year	62	58	66	73	55
Gross Operational Revenue per Employee - R\$ Million	6,2	6,9	6,6	6,6	6,9

Strategic Objectives: Expand technical and management capacity; increase productivity and capacity for innovation; promote organizational development.



06

ESG
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE

In line with the TBG business management strategy, one of the priority initiatives refers to ESG aspects. The project has several actions in progress, as demonstrated below.

CLIMATE NOTEBOOK

The Climate Notebook was created to divulge TBG strategies and actions that contribute to the mitigation of climate change. The first version was published on 12/15/2022 on the company website at: (<https://portal.tbg.com.br/meio-ambiente>).

The document is organized in sections such as: Energy Scenarios in Brazil and in the World, TBG Portfolio and Corporate Governance, Governance and Policies, Strategy and Investments, Performance Metrics, Emissions Management and Decarbonization Projects, Commitment to Sustainability and Recognition.

GREENHOUSE GAS REDUCTION PROJECTS

TBG monitors its respective atmospheric emissions since 2006, in order to create strategies that contribute to the minimization of environmental impacts and the mitigation of climate change.

As a subsidiary of Petrobras, the company is included in the emissions inventory called the Atmospheric Emissions Management System (SIGEA®), which calculates the emissions from its operations based on the GHG Protocol (World Resource Institute) methodology.

The main gases emitted by TBG operations include: methane (CH₄), carbon dioxide (CO₂) and nitrogen oxides (NO_x). Such emissions are characteristic of gas transport industry operations.

In order to minimize atmospheric emissions, a project was implemented in 2015 to optimize the depressurization of turbo-compressors at compression stations, which increased the retention time of natural gas in stopped machines, from two hours to 72 hours, preventing the emission of close to one thousand tons of methane in six years of project implementation. This is equivalent to avoided emissions equal to the amount of greenhouse gas emitted by 4,887 gasoline passenger vehicles in one year, or the electricity consumed in one year by 4,413 homes (source: Greenhouse Gas Equivalencies Calculator | US EPA).

Another project under development is the installation of electric starting devices in six turbo-compressors in the northern section of the Bolivia-Brazil Gas Pipeline; implementation starting in 2023 and completion scheduled for 2026. The estimated reduction is approximately 200 tons of methane emitted per year.

The electricity supplied to some compression stations located in the center-west of the country comes from their own natural gas generators, due to their distance from the electrical transmission systems at the time of construction, in 1998. Currently, the local electrical network already offers the necessary reliability for using energy from the concessionaire, therefore the guideline is to electrify certain compression stations in the state of Mato Grosso do Sul and, thus, reduce carbon dioxide emissions. It is estimated that this project, (start-up scheduled for 2024), will reduce carbon dioxide emissions by 2028 by up to five thousand tons per year.



Figure 04 – Climate Notebook Cover Page 

➤ COMPRESSION STATION GREEN BELT IMPROVEMENT PROJECT

Another important initiative, in compliance with the Condition of Operation License 081/2000 renewed based on the Forestry Code (Federal Law nº 12.651/2012), is related to the development of a project for the planting of approximately 100 thousand trees of native species in the green belts of the TBG compression stations, offsetting the emission of around 14,000 tons of carbon dioxide recorded during the project's implementation period.

Officially launched in September 2022, the planting of tree seedlings at the Paulínia Compression Station aimed at creating acoustic and visual protection and shade areas. The launch of the project was accompanied by the company's Senior Management (Administrative Board members, Board of Directors and Management), in order to reinforce the importance of this initiative to company employees, increasing their awareness of the relevance of this project.



Figure 05 - Launching of the Compression Station Green Belt Improvement Project, Paulínia/SP



SOCIAL COMMUNICATION AND THE GAS LINE PROGRAM

TBG ensures the safety of the communities surrounding the gas pipeline. They are permanently informed about the impacts and/or risks that may arise from our activities. It is worth highlighting the ongoing Social Communication Program, which was implemented to raise awareness of eventual risks with a focus on guidelines on the basic care needed to protect the population and the right-of-way itself, as well as disseminate safety procedures and restrictions on use and occupation along the Corumbá-Canoas right-of-way section.

TBG provides the general public with a telephone Hotline Gas Line: ***Linha do Gás 0800 026 0400*** as well as a contact address in the company website. - ***Fale Conosco***. These are essential communication channels implanted to improve relations with the population surrounding the right-of-way. They function as pipeline integrity and protection tools. Calls to the Gas Line are free, including by cell phone, and the service is available 24 hours a day, including weekends and holidays.

Call Center operations are designed to ensure that emergency communication calls, complaints, complaints, doubts, suggestions and clarifications from external publics are received, recorded and forwarded for treatment.

Thanks to this communication channel, it is possible to request a technical visit, if the occurrence is close to the gas pipeline; obtain information about possible incidents or abnormalities at any company facility, including those caused by natural causes; file a complaint about undue intervention, or even request information and explanations about the gas pipeline and TBG in general, in addition to what can be done, and what should not be done in the right-of-way.



ENVIRONMENTAL EDUCATION PROGRAM FOR SOCIAL GROUPS

Looking at TBG performance in social responsibility actions, in compliance with the conditions determined by the approved Operating License issued by the government, five Basic Environmental Education Projects for Social Groups were recently completed in the five states crossed by our gas pipeline. The contents were prepared based on the socio-environmental diagnosis carried out and in accordance with the guidelines of the Environmental Education Program for Social Groups.

The projects listed below aim at environmental education, which is one of the pillars of sustainable development:

- Beekeeping - improvements to expand honey production, in the city of Cambará do Sul/RS
- Environmental Education and Entrepreneurship, in Gaspar/SC
- Community Gardens, Entrepreneurship and Conscious Consumption, in Araucária/PR
- Live classes held in the Guariroba Environmental Protection Area, in Campo Grande/MS
- Agroindustry - vegetable processing and composting, in Iperó/SP

In these projects, all essential legal guidelines stipulated in Law 9,795/1999, were included. The Law which establishes the base of the National Environmental Education Policy, whose methodological premises include a humanistic, democratic, participatory approach, and the conception of the environment in its entirety, considering, among other issues, socioeconomic and cultural aspects, from the perspective of sustainability.

The projects will be implemented from 2023.



4TH ENVIRONMENTAL AUDIT

In the period from December 12 to 16, 2022, the 4th Environmental Audit associated with the TBG Licensing of Operations - L.O. 081-2000 - Ibama was conducted. TBG obtained the result of: 'zero non-compliance'. The audit was carried out by an independent company in predetermined units of the company. We underwent the fourth audit cycle maintaining the control and rigor of all environmental requirements, confirming our commitment to preservation and sustainability.

GREEN SEAL AWARD

Once again, TBG was awarded, for the fifth consecutive time, the Green Seal Environmental Award. The *Jornal do Meio Ambiente*, the institution that grants the award, evaluated TBG through a nomination and research examination carried out by the Sustainability Committee of the newspaper, which consults with environmental agencies at the federal, state and municipal levels, organizations such as: state secretariats for the Environment throughout the national territory, the Ministry of the Environment, Ibama, Conama, local city halls and other institutions linked to environmental preservation policies.



Figure 06 - Green Seal Award
issued by the *Jornal do Meio Ambiente* (SP)

DIVERSITY

TBG has built 2,593 kilometers of pure diversity, expressing the various qualities attributed to "Brazilianness".

The Gasbol grid first started in 1999, in the state of Mato Grosso do Sul. In 2020, activities also reached the southern region of the country, crossing the states of Rio Grande do Sul, Paraná and Santa Catarina.

In 2006, the gas pipeline route reached São Paulo, the state with the highest Gross Domestic Product and the most populous in Brazil. It is also the one with the greatest number of ethnic origins, with several different nationalities living in the same territory.

The company's headquarters are in Rio de Janeiro, at Praia do Flamengo. Thus, TBG is essentially marked by different cultures, with employees from three different regions of the country working to guarantee the supply of 13.3% of the natural gas that supplies the Brazilian energy matrix, according

to the National Energy Balance, published by the Empresa de Pesquisa Energética (Energy Research Company) in 2022 (base year 2021).

TBG ended 2022 with 318 employees, 253 men and 65 women. Female representation corresponding to 20% of its workforce, with greater participation in managerial functions where this percentage rises to 29%. In addition, there was an increase in participation in the Corporate Governance structure, now comprising 28% of women. Regarding the consolidation of a diverse and inclusive work environment, reinforcing its commitment to the development of human capital and guaranteeing equal opportunities for professional development, TBG ended 2022 with actions taken by the Board of Directors, Audit Committee and the Statutory Committee.

When considering the consolidation of a diverse and inclusive work environment, and the reinforcement of commitments to the development of human capital and guaranteeing equal opportunities for

professional development of all our employees, TBG finalized 2022 with the following milestones:

- Approval of the TBG Human Rights Policy;
- Elaboration of the Diversity and Inclusion Program proposal and formation of the Diversity Committee;
- Elaboration of the Internal Regulations for Diversity and Inclusion Committee;
- Participation in the Women's Leadership Mentoring Program in partnership with the University of the Oil and Gas Sector;
- Conducting awareness expansion events, for the TBG workforce, in a live format, focused on Diversity, Inclusion and Combating Discrimination:
 - *Gaslighting, Mansplaning and Manterrupting in the corporate environment in the corporate environment*
 - *Unconscious biases*
 - *Emotional Health as a guideline for Inclusion and Human Rights*

• Microlearning videos and podcasts for trainees and employees - all made available to our workforce:

- Inclusive Leadership
- Diversity and Inclusion: a trend, value or strategy?
- Is this my space to speak?
- Team Formation - a look at Inclusion
- Characteristics of Inclusive Leadership
- Cultural Transformation in practice
- Unconscious biases - how to deal with differences
- Diversity and Inclusion: information for leaders and companies

• Campaigns and Publications:

- International Day - for combating violence against women
- Combating *gaslighting*, *mansplaning*, *maninterrupting*
- Mother's Day - experiences that change your life
- International Engineering Day for Professional Women
- International Women's Day

As explained in the Code of Ethics, TBG does not tolerate any type of discrimination. Within the scope of the Ethics and Compliance Program, awareness actions were carried out with the entire workforce. The topic is also part of the company inclusion and diversity agenda. We highlight the Fun & Reflection,

Café & Compliance and Compliance Games projects, which resulted in the initiatives mentioned below:

- Recommended books: "Ideas to Postpone the End of the World" and "Small Anti-Racist Manual";
- Publication of videos: "Did you know that June is LGBTQIA+ pride month? And why is it important that we talk about it?", "Ethical Coexistence: we need to talk about gender micro-violence", "Black Consciousness Month: do you know what structural racism is?" and "World Cup and Black Consciousness Month, what do they have to do with each other?";
- Conducting a lecture: "Integrity, Corporate Governance and Diversity in Organizations" with Petrobras' General Ombudsman;
- Thematic meetings conducted by Compliance Agents for reflection and discussion by the workforce: "The Myth of the Ring of Gyges: yesterday and today" and "Respect and Alterity as a basis for ethical strengthening", which addressed 12 facts involving topics such as racism, homophobia and prejudice.



CORPORATE GOVERNANCE

Excellence in Corporate Governance

TBG is proud of its high degree of excellence in Corporate Governance. Recognition for this commitment came on December 14, 2022 when, after submitting to a rigorous evaluation, the company was notified by the Ministry of Economy that it had achieved the degree of excellence in Corporate Governance with a score of 9.68, thus receiving the certification in the Governance Indicator – IG-Sest (6th cycle), attributed by the Secretariat for Coordination and Governance of State-owned Companies.

This assessment instrument verifies compliance with various legal and infra-legal provisions and good corporate governance practices, such as recommendations from the Brazilian Institute of Corporate Governance, and, in particular, items from the guidelines of the Organization for Economic Cooperation and Development.

The assessment included members of the Secretariat for Coordination and Governance of State-owned Companies and, as independent members, representatives of Brasil Bolsa Balcão (B3); the Dom Cabral Foundation; the Getúlio Vargas Foundation; the Brazilian Institute of Corporate Governance; the Brazilian Institute of Investor Relations; from the Institute of Applied Economic Research and the University of Brasília.

The 6th IG-Sest Cycle expanded the number of items of recommendations and guidelines adopted from the Organization for Economic Cooperation and Development and good corporate governance practices, including aspects related to the promotion of equity, diversity and environmental responsibility. It also addressed issues based on recommendations from the Comptroller General of the Union and the

Brazilian Institute of Corporate Governance.

In general, separate aspects were evaluated in three major dimensions: (i) Boards and Executive Board; (ii) Transparency, and (iii) Risk Management, Controls and Auditing.

Obtaining this indicator certified that TBG has good governance practices and strengthened management to deliver results, corporate responsibility and sustainability, in addition to ratifying the work of administrators and employees in meeting the principles of effectiveness, efficiency and transparency.

TBG Corporate Governance Maturity

In the implementation of its ESG Structuring Project, TBG received an 'Excellent', level rating from a specialized consulting company, in comparison with the Corporate Sustainability Index (ISE), which is the Latin American indicator created by B3 in 2005, to assess company commitments to corporate sustainability. The degree of maturity of our governance system reached 91%. This analysis evaluated important corporate areas and actions including Financial and Economic Control and supervision; Strategy and Management; Institutional Policies; Transparency and Relationship with Stakeholders, and Deliberative Council.



“TBG encourages women to prepare for leadership positions including, but not limited to, the Board of Directors, the Executive Board and other strategic positions at the company.”

How does Corporate Governance at TBG work?

The activities carried out at TBG follow good Corporate Governance practices. Through actions focused on human capital, the gas transport service and the relationship with stakeholders, we reaffirm our position as a solid, ethical and socially responsible company.

Our Governance is guided by transparency, equitable treatment of shareholders, respect for society in general, accountability, economic, social and environmental responsibility, and respect for applicable legal and regulatory requirements.

As part of our good business practices, TBG periodically monitors its indicators and risks, assessing performance and improving processes. Governance complies with the principles described in the Code of Ethical Conduct, which establishes zero tolerance for fraud, corruption and any misconduct. This set of principles supports and guides management actions and decision-making, always based on transparency and corporate responsibility. The company conducts periodic training, at least annually, with employees and managers, when it addresses topics such as ethics and integrity.

Over the past few years, TBG has incorporated into its Corporate Governance policy, the best practices related to actions such as respect for life and the environment, information security, digital transformation, structuring of the ESG program, organizational culture, risk management and controls internal. We focused on the new gas market and opening up opportunities for new businesses, always in compliance with current legislation.

Policies were revised and guidelines were developed internally, then applied in action plans and processes aimed at adapting and preparing TBG for the New Gas Market. The initiative included employee training for the transformation process in the face of changes in the market and the challenges defined in the Strategic Planning (SP 2040).

Increased presence of women participating on TBG Boards and Executive Board

TBG encourages women to prepare for leadership positions including, but not limited to, the Board of Directors, the Executive Board and other strategic positions at the company. In 2022, we had a significant increase in the presence of women, namely; two women on the Board of Directors, one on the Fiscal Council, one on the Statutory Audit Committee and, finally, one on the Executive Board, totaling five women in the composition of the statutory bodies and members of the company's senior management.

COMPOSITION BY GENDER ON THE TBG BOARDS AND COMMITTEES		MEN	WOMEN	% WOMEN
Administrative Board	8	6	2	25%
Fiscal Council	3	2	1	33%
Statutory Audit Committee	3	2	1	33%
Executive Board	4	3	1	25%
TOTAL	18	13	5	28%

Table 01 - Composition by gender on TBG Boards in 2022

Ethics Management

TBG is fully committed to ethical conduct, legal and regulatory compliance in our activities and operations. We assume, as principles, the respect and promotion of human rights and respect for diversity in all our activities, acting in accordance with the precepts of the Federal Constitution and with the international treaties and conventions ratified by the Brazilian government.

The Code of Ethical Conduct establishes the company's principles and commitments related to people, human rights, the environment, assets and everything that involves the business. It applies to members of the Board of Directors and our advisory committees, members of the Fiscal Council, members of the Executive Board, employees, interns, service providers and anyone who acts on behalf of TBG. It defines the values and practices that give ethical coherence to our businesses and activities, guiding the decisions and attitude of employees towards their different publics, whether internal or external.

The company also has an Ethics Committee immediately subordinate to senior management that meets, when necessary, to evaluate any complaints concerning ethical and behavioral issues.

Governance Culture

The company works tirelessly to ensure that everyone commits to and improves in good governance, compliance and integrity practices, through a solid structure and well-structured processes with the support of senior management and the engagement of its employees, as well as through training, campaigns and internal disclosures. Our policies and guidelines guide the workforce and drive the company. Knowing the corporate context and its dynamics is essential for understanding the importance of the governance process and for the success of the organization, in a sustainable and lasting way.

More Transparency

TBG has always maintained a high degree of public transparency. We meet the requirements set forth in current legislation as verified through our website, which is regularly improved and updated. Readers can confirm this statement by examining the following website addresses:

<https://www.tbg.com.br/transparencia-publica>

<https://www.tbg.com.br/corporativo>

<https://www.tbg.com.br/estrutura-de-governanca>

<https://www.tbg.com.br/portal-de-acesso-a-informacao>

We are continuously reinforcing and guaranteeing transparency. As such, we present examples of information that can be consulted, either due to compliance rules within the Information Disclosure Policy or compliance with other regulations: integrated annual reports and financial statements (including quarterly statements); the agenda of public appointments of senior management members; Code of Ethical Conduct; Bylaws; various policies and guidelines approved by the Board of Directors; minutes of statutory bodies meetings; Statutory Audit Committee Annual Report; Governance structure; Annual Public Policy and Corporate Governance Letter; section aimed at compliance with the Access to Information Law (Law 12,257/2011); audits, annual accounts process, agreements, sponsorships and travel expenses; contracting rules for suppliers (TBG bidding and contract regulations, means of disclosing bids); ANP information; Electronic Platform for Access to logistic services and solutions (POC), among others.



Corporate Governance Structure

Our governance structure ensures the involvement of Senior Management and managers throughout the process, from setting goals to monthly monitoring of defined indicators, allowing for mitigation or definition of new actions, as problems are identified during our work processes.

We have deliberative and executive bodies acting in an integrated and coordinated manner. Their responsibilities are defined in the Brazilian Corporate Law statutes. (Law No. 6,404/1976), State-owned Companies Law (Law No. 13,303/2016), and TBG Corporate Bylaws, available on our website: <http://www.tbg.com.br>; and at government control organs such as the Federal Audit Court and Comptroller General of the Union. Additionally, the company is subordinate to the Supervisory Ministry - Ministry of Mines and Energy, as well as to the Ministry of Economy, current Ministry of Finance, through the Secretariat for Coordination and Governance of State Companies.

The Board of Directors is statutorily responsible for overseeing the organization's management and accountability, as well as approving the company's general policies, such as:

- Code of Ethical Conduct
- Human Rights Guidelines
- Ombudsman Policy
- Policy for Appointing Members of the Fiscal Council, Board of Directors, Executive Board and Members of Statutory Board Advisory Committees
- Policy for Results and Distribution of Dividends
- Corporate and Corporate Governance Policy
- Business Risk Management Policy
- Internal Controls Policy
- Compliance Policy
- Related Party Transactions Policy

- Human Resources Policy
- Communication and Relationship Policy
- Social Responsibility Policy
- Corporate Safety, Environment and Health Policy and Guidelines
- Client Credit Risk Management Policy
- Corporate Security and Protective Intelligence Policy;
- Information Security Policy

In order to assure the correct operation of the company, the communication flows between company areas linked to governance and other internal areas that support the TBG Governance Policy.

Our structure ensures the proper balance of power for making critical decisions. That is, for each critical decision identified, the decision-making authority, collegiate decisions and segregation of functions are formally defined.

The company's Compliance structure supports compliance obedience with the rules, standards, ethical and legal procedures that are designed to guide the behavior of the workforce.

Governance Agents

The strategic TBG Governance agents include: shareholders, Board of Directors, Fiscal Council, Statutory Audit Committee, Executive Board, Internal Audit and Independent Audit, organs that, despite having different responsibilities, act in an integrated manner in maintaining the development of the business and creating value for the company.

Through the Corporate Bylaws, internal policies and regulations, TBG has developed mechanisms for Senior Management to engage and commit to TBG integrity. All are subject to the Code of Ethical Conduct



and have signed a commitment to the essential values and established standards of conduct, in addition to participating in periodic annual training.

The selection or choice of Senior Management members is transparent. That is, the desirable professional profiles and criteria used for the selection or choice, as well as, after the election, the selected CVs, are published for review by internal and external audiences.

The competences of Senior Management members are improved through periodic annual training and undergo periodic review and development when new situations appear or new opportunities arise.

Assessment of Board Members and Management

We carry out an annual assessment of the individual and collective performance of TBG board members, a process that adheres to the following minimum requirements established in Law 13,303/2016: (i) exposure of the management acts performed regarding the legality and effectiveness of the administrative action; (ii) contribution to the income for the year, and (iii) achievement of the objectives established in the Business Plan and compliance with the long-term strategy.

The methodology used is based on the evaluation models of the Executive Board as a collegiate body, containing both individual and collegiate questionnaires. The evaluations are submitted to the Eligibility Committee, since that body, pursuant to article 21, item II of Decree 8945/2016, is responsible for verifying the compliance of the management evaluation process.

Annual performance evaluations are also conducted in the Fiscal Council and Advisory Committee to the Board of Directors, in this case, the Statutory Audit Committee.

Prevention of Conflicts of Interest

At TBG, measures are established for identifying and dealing with conflicts of interest. Senior Management members are required to express themselves and record situations that may lead to a conflict of interest before or at the time of taking office, taking office or entering into an employment contract, or during their term of office or management. We have an established routine to identify and deal with any cases of conflicts of interest that may be identified or that may arise during employment.

Responsibilities of the Presiding Governance organs

The General Shareholders' Meeting constitutes the exclusively deliberative governing body, from which all relevant corporate decisions are issued that will govern the company, whose competence is set out in the Bylaws. Eight meetings were held throughout 2022.

The Board of Administration, the strategic deliberation body, follows an annual work plan with ordinary and extraordinary monthly meetings. It comprises eight members, elected at the General Shareholders' Meeting, with a term of office that cannot exceed two years, and a maximum of three consecutive re-elections allowed. Among the members of this collegiate, there is a counselor appointed by the employees, in compliance with Federal Law 12,353/2010. Board members' professional resumes are available on the website: <https://www.tbgs.com.br/estrutura-de-governanca>

The company is led by a Chairman of the Board of Directors, who is an independent member. The attributions of the TBG Administrative Board of Directors include; the responsibility for carrying out an annual analysis regarding the achievement of goals and results in the execution of the business plan and the long-term strategy. The result is then formally presented to the National Congress and the

Federal Court of Accounts through letters addressed to these bodies. 28 meetings were held throughout 2022.

The Executive Board is a statutory body with executive functions for the management and operation of company businesses actions. It is composed of a CEO and three executive directors, one of which is a Financial and Risks director, a Commercial director and a Maintenance and Operations director, all of whom are residents of the country. They are elected by the Board of Directors for a term of up to two years, with a maximum of three consecutive re-elections allowed. 54 meetings were held in 2022.

TBG has a permanent **Fiscal Council**, a supervisory body independent of the Board of Directors and the Board of Directors that, using the principles of transparency, equity and accountability, contributes to assuring the best performance of the organization. It consists of three members and respective alternates, all elected by the Shareholders' Meeting for a two-year term, with two consecutive re-elections allowed. There were 12 meetings held in 2022.

The Statutory Audit Committee, consists of three independent members elected by the Board of Directors. Its main purpose is to provide support to the TBG Boards and Councils, by reviewing all facts and numbers, prior to publication, including the quarterly financial statements and annual reports, and evaluate the effectiveness of and supervise the activities of independent auditors and internal audit staff, monitor the quality and integrity of internal control mechanisms, evaluate and monitor TBG risk exposure. In 2022, 32 meetings were held.

The Internal Audit, is linked directly to the TBG Board of Directors, and reports its activities to the Statutory Audit Committee on a monthly basis, and at least quarterly to the Board of Directors. Its internal regulations are approved by the Board of

Directors and is responsible for advising the Board on certain matters in order to strengthen corporate governance, risk management and ensure adequate levels of verification of internal controls, respecting the Annual Plan of Internal Audit Activities. The results of internal audits are submitted for approval by the Board of Directors and are also monitored by the Audit Committee and the Statutory Audit Committee, without prejudice to verification by the Federal Comptroller General and the Federal Audit Court, government control organs.

TBG also undergoes an independent External Audit, hired to examine the company's financial statements at the end of each fiscal year. The approval of these statements is made by the Ordinary General Meeting of Shareholders. Every five years, the company hired is substituted by another accredited audit group to ensure fairness, independence and transparency in the audit process.

The TBG Governance structure also maintains commissions and committees (see below), that advise Senior Management in decision-making issues on matters of organizational relevance and integrated management:

- Internal Commission for Accident Prevention (CIPA)
- Ethics Committee
- Business Risk Management Committee (CRISC)
- Internal Commission for Energy Conservation (CICE)
- Financial Committee (COFIN)
- Integrity Committee
- Committee on Commercial Impacts Associated with Operational Abnormalities (CICAO)
- Investment Committee (COINV)

The following illustration demonstrates the main corporate management structure adopted by TBG

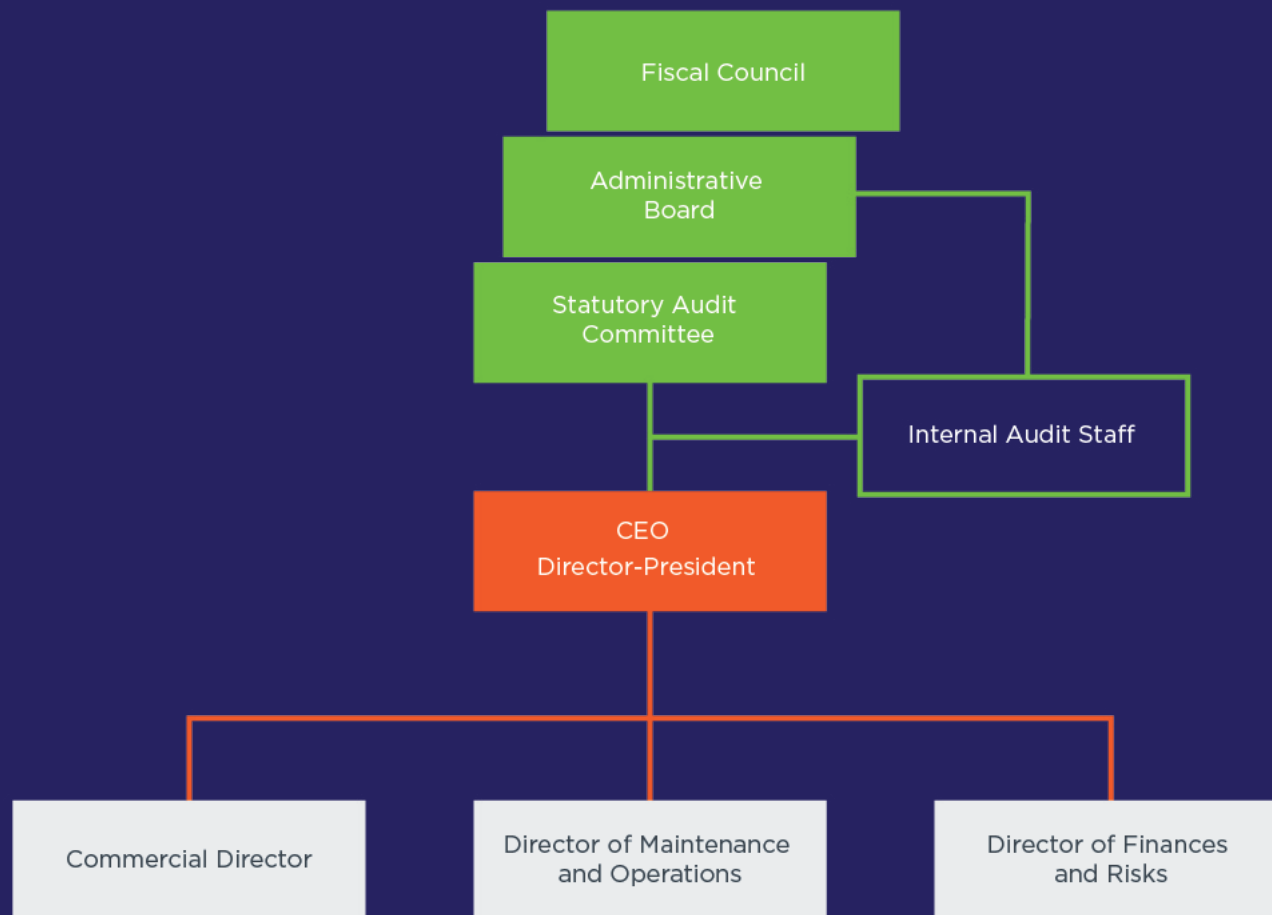


Figure 07 - TBG Organogram

TBG Management Responsibility for Financial Statements

Management is responsible for the preparation and presentation of the fair and correct Financial Statements in accordance with accounting practices adopted in Brazil and for such internal controls as it has determined to be necessary to enable their preparation.

Management is responsible for evaluating the company's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the Financial Statements.

Management compensation

The fixed remuneration of the Board of Directors, the Fiscal Council, the Executive Board and the Statutory Audit Committee are composed of monthly fees, submitted to the Secretariat for Coordination and Governance of State-owned Companies and defined annually by the General Assembly, in accordance with article 152 of Law 6.404/76. Additionally, in accordance with Decree 9745/19, art. 98, it is up to the Secretariat for Coordination and Governance of State-owned Companies to express its opinion on the remuneration of directors of state-owned companies.

Annual Public Policy and Corporate Governance Letter

In 2022, as another Transparency instrument was implemented, in compliance with Law 13,303/2016. TBG published the Annual Letter of Public Policies and Corporate Governance, which is intended for the general public and provides information on: the company's activities and its public commitments, structure of controls internal, management and risk factors, main results, governance model, corporate governance practices and composition of management compensation. A copy of this document can be accessed through the website: <https://www.tb.com.br/cartaanual-de-politicas-publicas-e-governanca-corporativa>.





07

COMMERCE
AND BUSINESS



For some years now, TBG has been preparing and adapting to changes in the natural gas market. One of the strategic developments presented to the market is the TBG POC - Gas Transport Platform and the Capacity Booking Portal, a pioneer initiative in Brazil, consisting of platforms designed to foment the creation of natural gas operation and transport services celebrated in a new system entry and exit contract model that offers market participants flexible contracting formats to satisfy their respective needs.

Through the Capacity Booking Portal, TBG announces Open Seasons for regular and incremental natural gas capacity offerings as well as short-term product offerings on a quarterly, monthly and daily basis, for contracting surplus gas capacities that appear in the system, in addition to interruptible products.

The promotion of coordinated Open Seasons is planned so shippers will be able to buy entry into the TBG system and exit into the NTS system, for example, of all products available on the Capacity Booking Portal simultaneously, bringing more predictability and market competitiveness to shippers, mainly to new entrants.

TBG has been working on analyzing the demands of market agents, producers, traders, distributors, thermoelectric plants and industries, among others, to improve the offer of products and customization, whenever possible.

PRODUCTS AND SERVICES/NEW PRODUCTS

Open Seasons 03/2021 and 04/2021

The market opening process is complex and requires a series of actions ranging from initiatives to deconcentrate supply, through access to essential facilities, to the introduction of better regulatory and commercial practices for the transport and distribution of natural gas. Such actions must be planned and prioritized in a specific agenda, in order to achieve success within market expectations.

Access to the natural gas transport system is an essential and precursory step for the development of a liquid and competitive gas market. The offer of products has been an agenda in which TBG has been consolidating relevant results, as can be seen below.

2022 was a challenging year. For the first time, due to regulatory issues, TBG had to carry out two Open Seasons in the same year. Open Season 03/2021 (CP03), exceptionally, was not approved by the ANP within the deadline for the transport contracts to be signed before the end of 2021. As such, being the case, TBG had to launch an alternative bidding process (Extraordinary Contracts), as a mitigating measure, until CP03 was executed. Therefore, the offer of the annual extraordinary product took place at the end of December 2021 and, in the first quarter of 2022, the company was able to carry out CP03, immediately after the approval of the event by the ANP. With the successful signing of the capacity transport contracts, the annual extraordinary contracts were replaced by those issued during the CP03 Round.

Additionally, with regard to CP03, it should be noted that, due to the relocation of the available capacity in the exit zone - RS1 (Zone that serves Sulgás), to zone SC2 (movement provided for in the Open Season notice), it was necessary, at the request of the regulatory agent, to develop an additional Round to recompose the available capacity in this zone (RS1). This additional Round was made possible through the expansion of the Araucária and Biguaçu Compression Stations, resulting in the contracting of an additional 680 thousand m³/day gas transport service, from 2024. Tables 02 and 03 show the results of the CP03 contracts:

"TBG developed the Gas Transport Platform and the Capacity Booking Portal, a pioneer initiative in Brazil."

TYPE	POINT/ZONE	CARRIER	2022	2023	2024	2025	2026
			Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)
ENTRY	EMED CORUMBÁ	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	14.000,00	-	-	-	-
		TOTAL	14.000,00	-	-	-	-
		PETRÓLEO BRASILEIRO S.A. - PETROBRAS	5.858,00	-	-	-	-
		TOTAL	5.858,00	-	-	-	-
	TOTAL ENTRY		19.858,00				

Table 02 – Results from the Open Season CP03 (Entry) Contracts

TYPE	POINT/ZONE	CARRIER	2022	2023	2024	2025	2026
			Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)
EXIT	SP1	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	935,00	-	-	-	-
		TOTAL	935,00	-	-	-	-
	SP2	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	11.836,00	-	-	-	-
		TOTAL	11.836,00	-	-	-	-
	SC1	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	1.343,00	1.241,00	661,00	551,00	
		TOTAL	1.343,00	1.241,00	661,00	551,00	-
	SC2	COMPANHIA DE GÁS DO ESTADO DE SANTA CATARINA		60,00	1.060,00	1.130,00	1.469,00
		PETRÓLEO BRASILEIRO S.A. - PETROBRAS	826,00	764,00	407,00	339,00	
		TOTAL	826,00	824,00	1.467,00	1.469,00	1.469,00
	RS1	COMPANHIA DE GÁS DO ESTA- DO DO RIO GRANDE DO SUL	-	220,00	1.094,00	1.097,00	1.656,00
		PETRÓLEO BRASILEIRO S.A. - PETROBRAS	1.727,00	1.508,00	634,00	631,00	72,00
		TOTAL	1.727,00	1.728,00	1.728,00	1.728,00	1.728,00
	TOTAL EXIT		16.667,00	3.793,00	3.856,00	3.748,00	3.197,00

Table 03 – Results of the CP03 (Exit) Contracts

As indicated in Table 03, it was during the Open Season CP03 that, for the first time, TBG signed contracts with new shippers besides Petrobras – the current shipper. The contracts with the natural gas distributors SCGÁS and SULGÁS, also unprecedented, were signed for a period of five years, until 2026.

As soon as the CP03 contracts were signed, TBG, submitted (July), the Open Season 04/2022 (CP04) announcement and its attachments (tariff proposal and contractual drafts), for approval of the ANP. Despite the period for releasing the notice, which went through public consultation twice at the agency's Attorney's Office, the ANP managed to publish the approved version on 11/09/2022, in time to conduct the bidding process within the deadline of Dec./30/ 2022, enabling the start-up of the new contracts for Jan./01/2023.

CP04 was, therefore, successfully executed and included yet another new shipper (Galp) which contracted capacity transport services, in addition to the current shippers who entered the previous Open Season (CP03). The appearance of new shippers is clear proof that the market opening process is really underway. On the consumer side, the distributors in the South region bought the gas output capacities and the sellers (producers) of gas, reserved the inputs, as is the case of Petrobras and Galp.

Below is the table with the result of CP04:

TYPE	POINT/ ZONE	CARRIER	2023	2024	2025	2026	2027
			Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)
ENTRY	EMED CORUMBÁ	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	14.000,00	-	-	-	-
		TOTAL	14.000,00	-	-	-	-
	EMED GASCAR	Galp Energia Brasil S.A.	10,00	-	-	-	-
		PETRÓLEO BRASILEIRO S.A. - PETROBRAS	8.000,00	-	-	-	-
		TOTAL	8.010,00	-	-	-	-
	TOTAL ENTRY		22.010,00				

Table 04 – Results of CP04 (Entry) Contracts

TYPE	POINT/ ZONE	CARRIER	2023	2024	2025	2026	2027
			Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)	Capacity Allocated (thousand m ³ /day)
EXIT	SP1	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	945,00	-	-	-	-
		TOTAL	945,00	-	-	-	-
	SP2	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	11.165,00	-	-	-	-
		TOTAL	11.165,00	-	-	-	-
	RS1	COMPANHIA DE GÁS DO ESTADO DO RIO GRANDE DO SUL	-	-	-	-	1.519,58
		PETRÓLEO BRASILEIRO S.A. - PETROBRAS	-	-	-	-	208,42
		TOTAL	-	-	-	-	1.728,00
	TOTAL EXIT		12.110,00	-	-	-	1.728,00

Table 05 – Results of the CP04 (Exit) Contracts

"The short-term product was first approved in 2020 and has since been successfully offered on the Capacity Booking Portal."

Short-Term Products

Short-term products are contracts offered for available firm capacities, which can be entered into at any time through the POC - Capacity Booking Portal.

Once firm capacities are offered through long-term contracts (Open Seasons), the residual balance of capacities not sold is offered through short-term products during the year following the previous Open Season. To illustrate - CP03, as an example, when the offerings for this Round in 2022 finalize, then begins the Rounds for offering quarterly, monthly and daily products for the year 2023.

Short-term products were designed for markets that require flexibility demands and can also accommodate opportunities to reduce the average price of gas for consumers, in cases where there appear more attractive offers. Examples of this can be seen where thermal plant consumers, on the demand side, while for the supply side, a good alternative would be surplus seasonal gas that can be made available by Bolivia to the Brazilian market during the summer months in Argentina.

The short-term product was first approved in 2020 and has since been successfully offered on the Capacity Booking Portal. In 2022, 12 Rounds offering short-term products were carried out, in which an average of 236 thousand m³/day (input) and output (over 16 days), of the daily product, and some 10 thousand m³/day (4th quarter) of the quarterly entry product, in a year with a very low thermoelectric dispatch.

With the intensification of rainy periods throughout the year, many thermal plants did not ship, reflecting on the contracting of short-term gas products.

COMPANY	TYPE	VOLUME (THOUSAND M ³)	POINT/ZONE	ROUND
Delta	Daily - Entry	366	EMED Corumbá	#1
Delta	Daily - Exit	366	MS1	#1
Tradener	Daily - Entry	49,6	EMED Corumbá	#6
Tradener	Daily - Exit	49,6	PR1	#6
Galp	Quarterly - Entry	10	EMED Gascar	#10

Table 06 - Short-Term Product Contracts in 2022

Interruptible Product

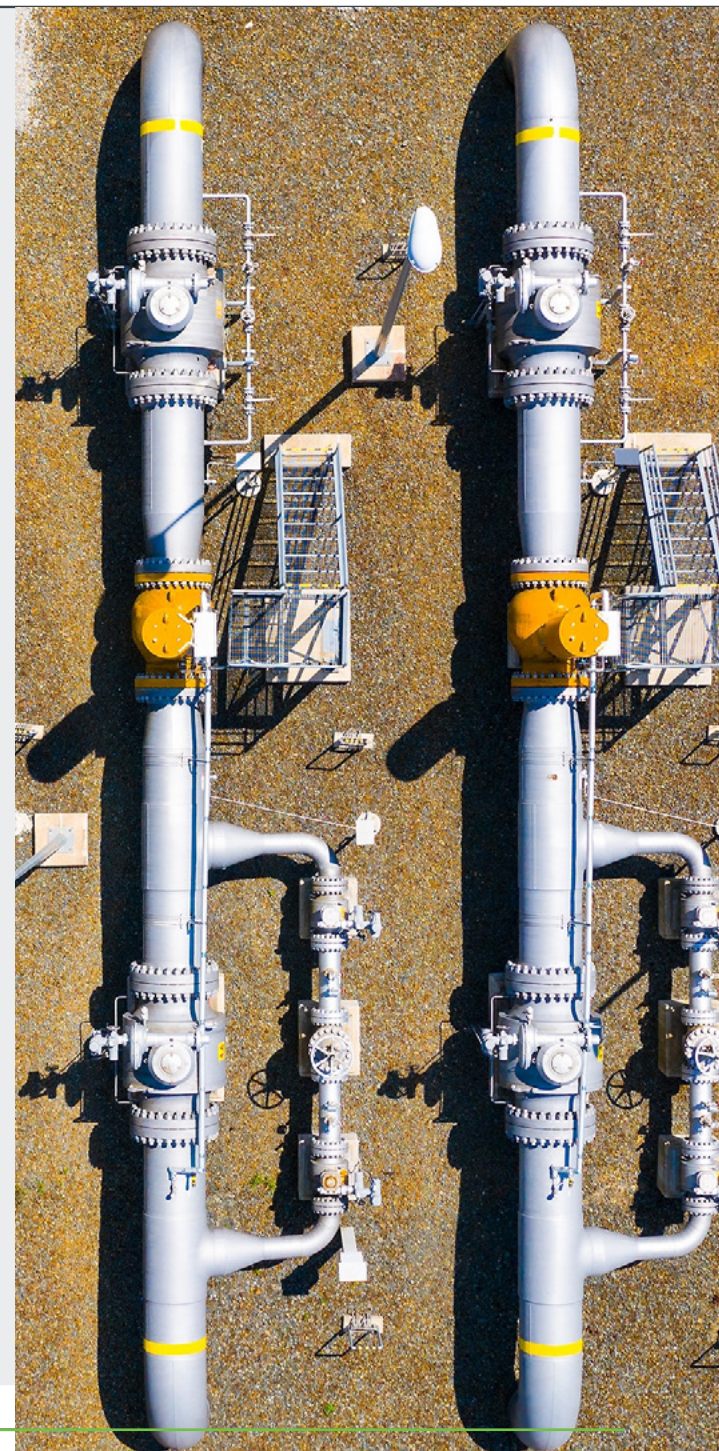
The Interruptible product, despite not being new in the Brazilian gas market, has gained a new commercial guise in terms of supply availability, bringing greater agility in the contracting process. In other words, there is a continuous offer of this type of product to be contracted on the POC - Capacity Booking Portal, at any time.

It should be remembered that, according to current regulations, the Interruptible product is available in idle contracted capacity, that is, a product which is not being used on a daily basis by the original contracting party. TBG earns only 10% of the result with the offer of this product, the rest being attributed to the holder(s) of the firm contract where the product was contracted.

Likewise, as observed with short-term product offers, in 2022 some Interruptible product contracts were celebrated due to the continued expansion of the gas market. Table 07 presents the summary of these hires:

COMPANY	TYPE	VOLUME (THOUSAND M ³)	POINT/ZONE	CELEBRATION
Galp	Entry	270	EMED Gascar	08/01/2022
Tradener	Entry	400	EMED Corumbá	10/01/2022
Tradener	Exit	350	SC2	08/01/2022
Tradener	Exit	150	PR1	10/01/2022
Tradener	Exit	250	SC1	10/01/2022
Galp	Exit	50	PR1	10/01/2022
Galp	Exit	60	SC2	08/01/2022
Galp	Exit	60	SC1	10/01/2022
Galp	Exit	150	MS1	08/01/2022

Table 07 - Interruptible Contracts celebrated in 2022



Incremental Open Season

The notice of the Incremental Open Season was submitted for approval to the ANP in November 2020.

The realization of CP03 caused the relocation of capacity between exit zones of the southern section to 2024. This fact resulted in partial anticipation of the scope of the incremental Open Season project.

Due to the advent of CP03 mentioned above, and due to the fact that the current Incremental Open Season reference project was two years out of date, it became necessary to update it through a new market demand consultation.

As a response, in 2022, TBG started a market consultation query to determine the demand for transport capacity in the period from 2023 to 2032. The consultation was published and market players and agents were then able to interact with TBG by forwarding demand intentions for natural gas transport capacity services, that could be registered on a special form made available in the POC - Capacity Booking Portal; available between 23/05/2022 and 12/07/2022.

At the same time that the project was updated, TBG informed that the ANP should approve the new model, by the end of the first half of 2023, authorizing the new Open Season. Once this deadline is met, it will be possible to run the event until the end of 2023, thus enabling the implementation of the expansion project to serve the natural gas market until 2028.

Access Connection

The year 2022 was important and productive for the TBG new product development agenda. In June of this year, TBG developed and approved, together with the ANP, an unprecedented model in Brazil for the implementation of access connections to

the natural gas transport system, through a transport contract model, called a Connection Contract. This product was developed to enable the implementation of new entry and exit points that, through transport pipeline branches, it became possible to connect new supply sources or consumption points to the pipeline transport system. The model does not require Open Seasons and, therefore, can be contracted at any time through the Capacity Booking Portal.

With this contract model, TBG was able to make the connection to the LNG Terminal of Gas Sul, of the New Fortress group located in the Garuva-SC region, which culminated, in September 2022, in the execution of the respective Connection Agreement with this company. The start of operations is scheduled for 2023, adding another potential source of natural gas supply to the national system, with a capacity of up to 15 million m³/day. Currently, there are other initiatives in the design phase, for the implementation of new connections to TBG.



Biomethane HUB

With the energy transition issue high on the market agenda, biomethane took center stage on agent agendas and was the central theme of many seminars held throughout 2022.

In order to make the gas market viable in its broadest sense, TBG has been working to connect new sources of gas supply to the Brazilian marketplace. It will not be different for biomethane (gas derived from biogas), because despite the challenges that arise due to the specific nature of this gas, on the production side, based on small-scale and geographically dispersed sources, the company started to idealize a specific product to make it possible to inject this fuel into the system. The project is in the conceptualization phase and will continue to be developed in 2023.

The initiative has success drivers. The first of them is related to the great demand for connection to the TBG national pipeline grid, on the side of the producers, who see opportunities in the generation of value, both with the production of biogas, and on the side of the consumers committed to meeting the carbon reduction targets. The second driver is related to the TBG pipeline geographic positioning, privileged by its location in the São Paulo region, where the largest biogas production in Brazil is concentrated.

Modernization of the Current Open Season Process

The process of offering transport capacity through Open Seasons rounds has an extensive regulatory governance process, which demands a lot of human resources and time for the approval of the Open Season procedure. An individual process can last up to five months, from the submission of the notice to the ANP, to its final approval, passing through one or more public consultations, examination by the Attorney General's Office and by the ANP Collegiate Board of Directors.

It turns out that, in addition to TBG, the TAG, NTS, TSB and GOM carriers will also need to obtain the same approvals from ANP to carry out their respective

Open Seasons events. To overcome this scenario, in 2022 we started a regulatory study for the purpose of simplifying the process of offering Open Seasons to the marketplace. The project basically consists of eliminating an annual approval requirement from the Open Season publication as a pre-conditional phase in the process, allowing TBG, with a pre-approved Open Season announcement, to hold the event within a defined calendar.

The study is still undergoing review and detailing and should be consolidated in 2023, together with the ANP and other carriers.

Bundled product

TBG and NTS will develop a joint capacity offer at the interconnection points, in addition to structuring a joint offer for all entry points and exit zones (Coordinated Open Season). The product will continue to be developed in 2023 and should be offered to the market in the same year, following guidelines to be issued by ANP.

Product for the Electric Sector

There is a special product under study to meet the needs of thermoelectric plants. The study is searching for a solution to reduce the cost of transport by dividing the cost of transport into fixed and variable portions, thus making the plants more competitive in auctions. Once contracted for transport through this product model, and with a minimum of dispatch expectation, it is expected to reduce service tariffs for all users by adding volume to the tariff system.

Firm Conditioning

This is a product designed to increase available gas supply and transport capacity in certain exit zones conditioned to the injection of gas by the LNG Terminal Gás Sul - TSG in Garuva-SC. As the start of operations at the GasSul Terminal was postponed to 2023, TBG suspended product development and should resume in 2023, concurrently with the terminal's expected start-up.



TBG COMMERCIAL DAY

TBG has been attempting to consolidate a multi-client portfolio as well as focusing on the possibility to fully contract the available natural gas volume and transport in its transport system. TBG is presently maintaining a continuous dialogue with market players. In 2022, more than 100 meetings were held with a wide range of agents in the gas sector, to present the conditions for contracting each of the products that TBG offers.

Although all the meetings were extremely important to integrate the market on a larger scale, we understand that it will be necessary to advance understandings in 2023 by approaching new and existing clients and, mainly, potential gas market agents.

This is how TBG Commercial Day came about - an event planned to disseminate information on contracting transport services, provide regulatory transparency to the market, integrate TBG technical and commercial teams with participating companies, and demonstrate robustness when looking at the operation of the natural gas transport system. The idea is to present the company commitment to the process of innovation and digital transformation, and promote a high-level forum for debating relevant topics with the main executives in the sector through a dedicated panel, the C-Level leaders.

The first edition of this event was held on Jan/09/2022 with the presence of more than 150 representatives from the most varied segments of the Brazilian

natural gas industry, including producers, traders, generators, distributors, industrial consumers. The theme of the event - The Client Journey - featured a main commercial panel where TBG teams presented the topics in four blocks: qualifications and accreditations with the ANP and the MME; contracting capacity for each of the products; financial policy for the contribution of guarantees and pricing rules; operation of contracts with details of the daily routine including capacity requests and finally, explaining the billing process.



NEW INVESTMENTS

In 2022, the TBG project team managed the contracting of engineering, construction and assembly services, all focused on increasing transport capacity, especially for the southern section of the gas pipeline. This led to the implementation of a new Gas Entry Point and interconnection to Gasbol in the municipality of Garuva/SC. The natural gas, which can be received by TBG through this new entry point, will come from the regasification system of the LNG marine terminal owned by the company - New Fortress Energy (NFE).

The start of operation of the Garuva-SC Entry Point is scheduled for 2023, as soon as the works on the NFE facilities are completed and the Operating Authorizations granted by the ANP. TBG will then have a third natural gas Entry Point, in addition to the existing ones located in Corumbá/MS and Paulínia/SP.

The new facilities are considered strategic to supply the demand for industrial facilities and help in the development of the southern region of the country.

Additionally, in 2022, the projects for the new blowdown and vent stack depressurization systems at the Biguaçu-SC and Araucária-PR Compression Stations were completed. These projects are necessary for the return of firm compression operations, in the forecasted scenario of increased transport capacity of the Southern section of the pipeline.

GAS FOR SYSTEM USE AND BALANCING

Considering the entry of new chargers into the TBG system, with contracts under the entry and exit regime, there is a prospect of a gradual increase in complexity for maintaining the balance between injections and withdrawals of gas from the company natural gas pipeline transport network.

It is the responsibility of shippers to maintain a balance between the quantities of gas injected and withdrawn in their contract portfolios. It is worth emphasizing that, even if there is efficient operational action with shippers, in order to comply with the obligations related to the volumes scheduled for transport, there may be a need for TBG to carry out gas purchases and sale operations to balance the gas pipeline, preventing residual imbalances to the system that may impact customer service.

In view of this scenario, and so that TBG can rely on a gas purchase and sale agreement for balancing that can be triggered in residual balance actions of the system, the company decided to publish two market consultation processes for the acquisition of third-party natural gas intended for balancing the pipeline grid and for supplying gas for use in the system in 2022.

Proposals were received from interested market agents, which were evaluated by TBG and are under consideration by the ANP, aiming at supply in the year 2023.

Additionally, TBG, together with NTS and TAG, developed an initiative throughout 2022 for the implementation of a Gas Offer Panel in an electronic environment, which will allow agents to offer and request natural gas capacities in order to maintain the gas supply system balanced in accordance with contractual and market rules. The entry into production of the panel, scheduled for the year 2023, is the first stage of a project whose main objective is the implementation of a joint Balancing Platform among carriers.

TCX Contract Packaging

With the end of the TCX contract, TBG entered into a contract with Petrobras that formalized the acquisition of part of the gas for packaging the gas pipeline, as per contractual provisions. The regulation provides that the bundling value is passed on to the market through a tariff component. Under ANP guidance and seeking to minimize the cost of the operation for the market, TBG achieved contractual conditions that allowed the sale to take place in fractions over 12 months, starting in December/2021, with all installments having been paid off over the course of the year 2022. As a result, the value of the acquisition cushioned the variations in the JKM, the index used in the contract price formation, making it possible to realize a value of approximately 33% less than the estimated one, if we had made the single payment in December/2021.

CONTRACT PERFORMANCE

Signed Contracts

In order to mirror the evolution of the gas contract entry and exit model, contractual improvements were implemented in order to create greater attractiveness for potential players. As an example, (i) adjustments were implemented that will give shippers more flexibility in relation to the imbalance of their contract portfolios, without prejudice to TBG operations, (ii) reduction of the period for presenting guarantees, reducing the financial cost for shippers. These improvements were reflected in the Open Season, Interruptible, Master and Short-Term contracts, as well as in the contracts celebrated previously and which will be in force starting in 2023.

Within the scope of the Open Season held in 2022, two entry contracts (total contracted capacity of 19,858 thousand m³) and five exit contracts (with total contracted output capacity of 16,667 thousand m³) were celebrated.

For the year 2022, ten master contracts (non-binding instrument) were signed, which enabled TBG to sign Short-Term Transport Contracts. In this modality, the company signed 31 short-term contracts with Galp, Tradener and Delta.

In June 2022, interruptible mode operation contracts began, expanding flexibility for new shippers. Five contracts were signed with GALP and four contracts with Tradener.

In December 2022, seven transport contracts were signed, resulting negotiations in the Open Season Round 04/2022, for the provision of natural gas supply and transport services from 2023 to 2027.

Throughout 2022, several improvements were implemented in the Capacity Booking Portal, within the scope of the committee formed with NTS and TAG and in relation to the Single Register

of Shippers procedure, which facilitates qualification for hiring at TBG. We currently have more than 30 qualified carriers – they are ready to hire at any time. In addition, new improvements were carried out throughout the year in the Capacity Booking Portal for receiving financial guarantees for contracts and in the process of granting and controlling credit limits for short-term and interruptible products- all have been increasing market confidence and the speed in processing contracts.

Contractual Amendments

In order to standardize the rules applicable to natural gas transport services contracts related to Open Season 04/2022, including the terms approved by ANP, 18 amendments to the Natural Gas Transport Contracts of Open Season 03/2021, were signed with shippers (Petrobras, SCGÁS and Sulgás).

Loan/Leases for use of land

In 2022, 14 loan/lease contracts for the use of land were celebrated to formalize the ownership of land occupied by TBG or the ownership of TBG land occupied by the distribution companies, TSB and NFE, land areas used for the operation of its facilities.

Promotion of interfaces and workshops with new customers

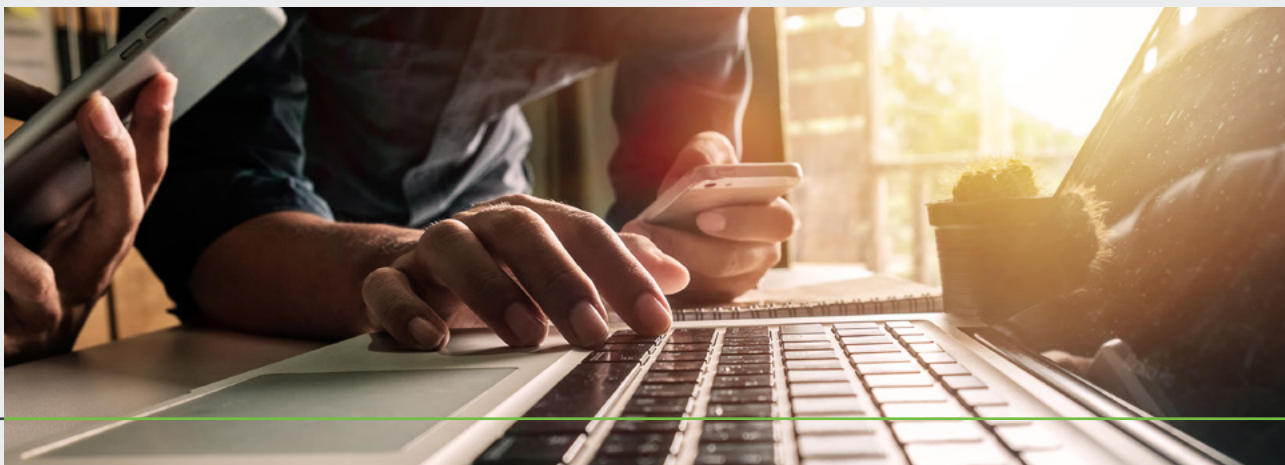
Throughout the year, TBG held meetings and workshops with clients and potential clients to align commercial management contracts. These actions help in the shipper's decision-making, as they set forth the conditions for the operation of contracts by addressing issues such as: billing and allocation, nomination and scheduling, with presentation of the Gas Transport Platform.

Highlighted among the workshops held in December 2022, with the new shippers SCGÁS and Sulgás, who signed the first TBG transport contracts intended to directly serve local distribution companies starting 01/01/2023.

Customer Satisfaction Survey

The Customer Satisfaction Survey (PSC), for the year 2022, was completed on 01/24/2023. The Client Satisfaction results achieved a level of excellence reaching 100%, surpassing the forecasted target of 95%.

The unprecedented results were based on the participation of four shippers that responded to the survey questionnaire.





08

DIGITAL
TRANSFORMATION



INNOVATION CULTURE

We are increasingly experiencing the consequences of living in a networked society and operating in constantly changing markets. Therefore, investing in innovation and, more fundamentally, in a Culture of Innovation, has become the key to promoting the sustainability of any business model.

Fostering a Culture of Innovation, based on the development of behaviors and standards that encourage creativity, the generation of ideas and the dissemination of knowledge, aiming at the creation of methodologies, services, products and businesses were part of the objectives pursued by TBG in 2022.

Last year, the company invested BRL 61,658.60 in training sessions aimed at developing creativity and innovation through the application of dynamic

methods, data analysis and digital transformation. The investment resulted in approximately 1,074 hours of training completed for 68 employees, which represents the qualification of 20% of our workforce.

Two masterclasses were also held for the entire workforce, employees, interns and outsourced workers, on the themes: "Protagonism in Learning" and "Ambidexterity as a Skill: how to reconcile innovation and results". Surveys were carried out for both events showed an average of 123 participants, and generated an average satisfaction rate of 96% of respondents classifying the initiatives as "excellent" or "good".

Teaching sessions have been consolidated at TBG as a practice for disseminating knowledge. In 2022 the teaching/learning events held for employees offered

26 training events, taught by internal instructors, which resulted in 165 employees being exposed to new ideas totaling 2,521 hours of training completed.

The company also guaranteed its presence at the main national and international events in the sector, such as Rio Oil & Gas, Brazilian Congress of Maintenance and Asset Management, Brazilian Congress of Soil Mechanics and Geotechnical Engineering, The European Corrosion Congress, International Pipeline Conference, among others. These events are recognized as spaces for the development of business and partnerships and generation of knowledge. Additionally, missions were sent abroad to carry out benchmarking studies.

WORKING IN THE CLOUD

Moving forward with TBG's Journey to Cloud Computing was an essential move for further development of operational continuity and information security.

As part of a major optimization and modernization movement, in 2020, the company consolidated three Data Centers into only one address in Rio de Janeiro, which is smaller and much safer in terms of data and operational security. TBG also initiated a

convergence process, bringing together automation resources and ICT, including a partially transferred data base and systems to cloud computing, in order to further improve security and operational continuity.

Productivity, collaboration and communication tools were also made available to all TBG employees through cloud computing services, which enabled the workforce to quickly adapt to home-office activities.

In 2022, we focused on achieving a balance between our Business Continuity Plan and cost efficiency, prioritizing the migration of mission-critical environments to the Cloud. In addition, we achieved the goal of activating a second cloud at TBG, completely separate from the current one, with a view to optimizing costs, guaranteeing the security of operations and expanding opportunities for innovation.

➤ INNOVATION CHALLENGES: SELECTION OF STARTUPS AND THE HACKATHON IN RIO INNOVATION WEEK

TBG also welcomed startup technology challenges.

In the 2020 program, a pioneer initiative at the company, three, out of a total of 33 startups, were selected to meet the challenges of inspecting gas compression stations with disruptive solutions, mainly in capturing and analyzing data, to make maintenance processes even more efficient.

In the second program, in 2022, companies were chosen for the challenges of optimizing the gas pipeline operation, innovation in accessing the gas transport system via smartphones and optimizing the maintenance of the gas pipeline. The solutions are based on Artificial Intelligence and BigData Technologies.

On yet another front, also in 2022, the first Hackathon in the history of TBG was held. This open innovation journey took place at the Rio Innovation Week event, considered the largest technology, innovation and business meeting in Latin America. The objective was to promote a cooperative journey with agents from the gas, innovation and digital transformation sectors, in search of innovative solutions and digitization technologies, created to reduce the deadline for the implementation of transport gas pipelines.

Attention was directed to projects to expand the gas pipeline, including the construction or modification of compression stations, as well as the duplication of sections of the transport system and the implementation of infrastructures for receiving and/or delivering gas. The solutions

considered strategic premises including efficiency and effectiveness in terms of technology and cost, and optimization of project management processes, such as the TBG business focuses on work inspection and engineering project management. As a result, groups were selected for the first positions, which presented innovative solutions such as “tokenization” of assets (blockchain) and acceleration/expansion of the use of 3D modeling/BIM (Building Information Modeling).

Another unprecedented action at TBG was the use of virtual reality glasses in 3D and interactive virtual tours in the company's pipeline right-of-way, as well as in compression stations, delivery points and pipeline section valves. The technology was applied at the TBG Commercial Day and Rio Oil and Gas 2022 events.



Hackathon TBG 2022

DIGITAL SOLUTIONS FOR GAS PIPELINE MAINTENANCE


A pioneer in natural gas transport solutions, TBG currently 'breathes' digital transformation in the daily operation of the national gas pipeline grid. Disruptive solutions have contributed to ensuring more efficient inspections and more safety for workers, with the use of tools such as drones and smart glasses.

Inspections of units and, mainly, of the gas pipeline right-of-way, have gained a lot in operational efficiency with the use of drones. Preventive maintenance became more agile, in addition to increasing safety for employees.

The use of smart glasses for remote-guided mentoring is a novelty in the digital transformation movement. They are enabled for use in preventive maintenance, emergencies and even audits. Equipped with cameras, the glasses are attached to the safety helmet, freeing up the hands to handle equipment. Through voice recognition, they connect to the Microsoft Teams application, allowing the technician to be guided by a mentor, or even by a group of employees gathered virtually to watch the operation from a remote location. Images and videos are transmitted in real time with features such as zoom and light level control.

The digital transformation was already a process underway at TBG, but the Covid-19 pandemic accelerated this process. Since its inception, in March 2020, not only the administrative team, but all the gas pipeline controllers who work at the Supervision and Control Center started to work from home. Field activities were adapted to guarantee the operation in complete safety.



Figure 08 – Drone Image of the Indaiatuba gas delivery point 

The operation and maintenance of the gas pipeline we have witnessed a continuous process of efficiency gains while facing the main challenges:

- Implementation of tools to optimize the gas pipeline operation;
- Deployment of artificial intelligence with drones for right-of-way inspections;
- Use of Analytics to reduce maintenance costs;
- Smart digital monitoring for gas pipeline inspection and maintenance fleets;
- Use of smart glasses for inspection, maintenance and management of operational knowledge.



Figure 09 – Intelligent glasses in use at the Paulina gas delivery station

DIGITAL PLATFORM FOR GAS OFFERS AND GAS TRANSPORT

Launched in 2020, the POC - Capacity Booking Portal is a marketplace shared by TBG, NTS and TAG, a virtual ambient unprecedented in Brazil, created to contribute to the opening of the natural gas market in the country. It allows connecting gas supply-chain players, enabling simple and quick freight purchases and sale operations. Using this Portal, TBG also carries out short and long-term product sales operations, in just a few clicks, based on a 100% digital platform.



Figure 10 – An overview of the Brazilian Natural Gas Marketplace

The daily nomination, scheduling, certification, allocation and billing processes, fully digitized on the Gas Transport Platform, are used by our clients and by the company's operational and commercial areas. The allocation process has matured greatly and is in a development cycle to meet the new tax rules defined in the second half of 2020 (Sinief).

The development carried out on the two platforms (Capacity Booking Portal and Gas Transport Platform), created an important and unprecedented digital asset in Brazil to facilitate the continued opening up of the natural gas market in our country. From the point of view of digitizing the chain, at this time, they allow for annual, incremental open seasons, the sale of short-term, interruptible products and the operationalization of these products, as well as the digital integration of the entire system.

In order to accompany the maturation of the natural gas market in Brazil, the main short and mid-term challenges for digital platforms include:

- Unification of the Capacity Booking Portal for natural gas carriers in Brazil, thanks to creating greater compatibility of gas capacity products and operational and management processes that are part of the new platform resources;
- Preparation of the marketplace for the sale of new products, such as new open seasons for firm, incremental and coordinated capacity offers, unifying the three largest natural gas carriers in Brazil, in compliance with the schedule established by the Brazilian regulatory agency;
- Automation of available, idle, contracted and offered capacity management processes;
- Automation of operational processes and management of transport contracts, reducing the

number of spreadsheets used, increasing process efficiency and security;

- Development of a communication standard for the market through Application Programming Interfaces for data exchange;
- Development of a balancing platform;
- Development of the virtual negotiation point;
- Adequacy of the platform in relation to the General Law for the Protection of Personal Data

In 2022, the Capacity Booking Portal demonstrated a 150% increase in the number of contracts and an 80% increase in contracted volumes, with a financial projection of BRL 7 billion by December/2022. The Gas Transport Platform had a 150% growth in the number of operated contracts.

TBG has been leading the construction of a system integration standard between carriers and shippers, further contributing to the opening of the natural gas market in Brazil.

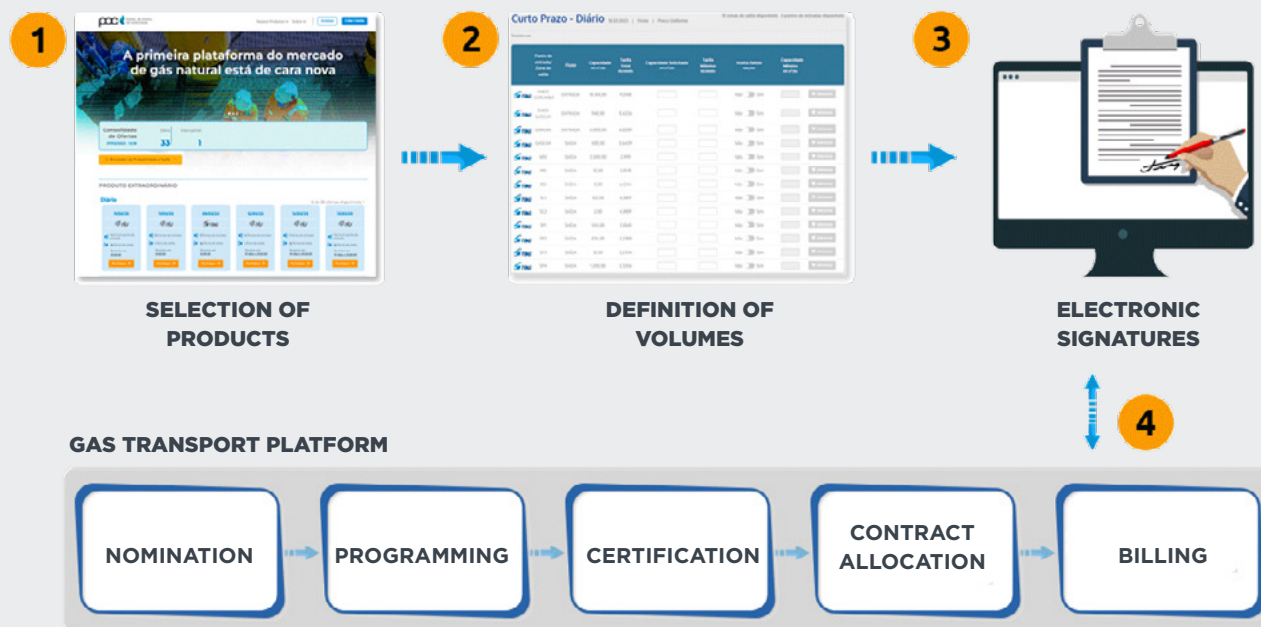


Figure 11 – Integration of the Capacity Booking Portal and the Gas Transport Platform



09

STRATEGY AND
MANAGEMENT



EXTERNAL AND INTERNAL CONTEXTS

In recent years, TBG has been experiencing many challenges due to external factors, such as privatization, the New Gas Market, the end of the covid-19 pandemic, the war in Ukraine, developments in the gas market, the international gas scenario, changes in the Brazilian regulatory framework and the integration of natural gas transport systems. The company has also been influenced by internal factors, including the commercial processes for offering annual transport capacity (public calls for tenders), offering new products to the market, contractual deadlines and the attractiveness needed to include new shippers.

Faced with so many challenges, the Strategic Planning, a procedure that includes long-term guidelines, has been annually revisited and evaluated as to the need for changes to be implemented by upper management.

The company has been charting its path, reviewing its operating strategy, evaluating new opportunities and making the necessary changes to achieve long-term goals.

BUSINESS PLAN

The TBG Business Plan defines the actions to be undertaken by the company in a five-year planning horizon and reflects the execution of the Plan based on guidelines defined in the strategic planning. As such, it is aligned with the strategic guidelines, reflecting the premises for the investments required for infrastructure to expand the natural gas transport system and corporate business development at TBG, in addition to the implementation of new technologies, to expand the necessary digital transformation process.

The TBG Business Plan represents the perspectives related to the TBG performance under the new natural gas market model where, for the first time, the supply of available transport capacity will take place on a more dynamic basis. The new market includes, among other items, the adoption of premises in line with the tariff system for transport services along the lines required by the regulatory framework in force in Brazil, and considers the directives of the regulatory body (ANP), at this time of market transition.

Considering TBG's performance during the transition of the natural gas market, some business opportunities were also included to expand operations, the TBG asset base and future revenues.

➤ INTEGRATED MANAGEMENT SYSTEM

Certifications are instruments that attest to the global quality of business management processes through the diagnosis and improvement of corporate processes and practices.

TBG has been awarded the following certifications:

- ISO 9001:2015 - Quality Management System
- ISO 14001:2015 - Environmental Management System
- ISO 45001:2018 - Occupational Health and Safety Management System
- ISO/IEC 17025:2017 - Management System in Calibration Laboratories

TBG's Integrated Management System is a management model that was designed to comply with regulatory prerogatives for maintaining certifications. The procedures are followed throughout the company, in order to guarantee the execution of the processes in accordance with the aforementioned certification standards.

The company annually performs internal audits by a team of trained employees, and external auditors from contracted certification organs. The object is to examine the TBG management system, to assure compliance with the rules and requirements laid

out in ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO/IEC 17025:2017, all internationally recognized as best business practices used to examine corporate systems, procedures and activities to determine if they are adequate and if they are being met as planned. In this way, it is possible to:

- Evaluate the management system implemented by TBG;
- Obtain facts (objective evidence) that help and support management decisions;
- Gather information that will enable further improvements to be made in the TBG Integrated Management System.

The annual maintenance of certifications by TBG reinforces company commitment to good market practices, the quality and efficiency of all business processes, and periodically improving the Integrated Management System, in the permanent pursuit of excellence.



RISK MANAGEMENT, INTERNAL CONTROLS AND COMPLIANCE

Risk Management

Risk management at TBG is mainly focused on the creation and protection of value, while observing the alignment with company strategies. It seeks to anticipate eventual threats that could affect company strategic, economic-financial, operational or compliance objectives. At the same time, it makes it possible to take advantage of opportunities that positively influence such objectives.

TBG maintains its own Risk Management structure, which operates independently and follows the best corporate governance practices. Risk Management is the responsibility of the Financial and Risk Board, which is directly linked to the Presidency, ensuring autonomous performance of the area, ensuring the protection of people, the environment, assets and company values.

The company has a Risk Management Panel, a report that helps monitor the main risks by Senior Management. In 2022, meetings were held with the Executive Board and the members of the Board of Directors to assess the panel's adherence to the main concerns of these collegiate bodies.

The TBG Risk Management culture is based on preparing managers to stay vigilant. In 2022, 24 meetings were held with the Executive Board in order to keep the company's main risks in evidence, as well as individual meetings with each area, totaling 21 in the year, in order to help in understanding the concept of business risk and its treatment when necessary.

Our model is based on ISO 31000:2018 standard methodology, which consists of identifying, analyzing and assessing risks and consolidating them into a matrix. Risk Management is the

responsibility of all employees and has become part of TBG corporate culture. This is a sub-process that works to identify, qualify and monitor events, aligning business risk management with TBG corporate strategic objectives and business planning.

Internal Controls and Compliance

In May of 2022, to strengthen the Management of Internal Controls, TBG structured a coordination organ with an exclusive focus on management. Since then, adjustments have been systematically implemented to evaluate the model adopted, while seeking to optimize the time spent on procedures by the areas, and provide more individualized contact, in response to feedback received from managers, as well as better alignment with internal practices adopted from the parent company, Petrobras, and the issuance of a partial report in December 2022.

In the second half of the year, the company also began work to improve integration with the Risk area, with a view to implementing, in 2023, an integrated digital platform between the areas.

In the second half of the year, the company also began work to improve integration with the Risk area, to prepare the groundwork for an integrated digital platform between the areas, forecasted for 2023.

In 2022, TBG compliance actions continued maturing the Compliance Program, whose pillars are (1) prevention, (2) detection and (3) remediation.

The TBG focus has been on emphasizing the pillar of prevention through the development of projects for the creation of a culture of organizational integrity and the strengthening of ESG concepts in this area.

"Risk Management is the responsibility of all employees and has become part of TBG corporate culture!"

Currently, our main annual projects include Compliance Games; Fun & Reflection, Integrity Agents and Café & Compliance. The first event was launched in the fourth quarter of 2021 and was effectively developed in 2022 with the holding of four events. This event was another innovation designed to encourage TBG people as speakers, thus valuing the “in-house experts” and increase awareness of TBG principles and values.

Below are some of the compliance actions at TBG in 2022:

- 56 Integrity Risk Degree checks
- 56 Integrity Due Diligence Supplementary Reports
- 38 compliance opinions, an increase of 127% compared to 2021
- 12 Integrity Background Checks
- 30 actions and 99 communication announcements

- 249 participants in the Compliance Survey in 2022, an increase of 146%
- 158 participants in the Compliance Games Project compared to only 70 in 2021, an increase of 226%
- 23 tips received in the Fun & Reflection Project
- 1,296 participants in training on compliance, ethics and conduct events, an increase of 225%
- 12 meetings with integrity agents
- 4 events of the Café & Compliance Project that was established in 2022
- 100% acceptance of the Code of Ethical Conduct by the workforce

Intelligence and Asset Security

Looking at the actions that TBG takes related to Intelligence, the approximation with public security organizations in the states of São Paulo and Santa

Catarina need to be mentioned.

In order to cover the three most important pillars (People, Processes and Technology) to reduce the risk of cyber-attacks, in 2022, TBG organized People pillar awareness actions through live presentations, phishing simulations and educational materials that were sent via portal and e-mails. In the Processes pillar, we reviewed and updated company Information Security standards. Finally, in the Technology pillar, we implemented new firewalls to increase the protection of corporate and automated networks, installing additional equipment in pipeline compression stations, in addition to implementing new security tools to protect infrastructure equipment.





10

HOW WE
GENERATE
VALUE



MATERIALITY

The TBG Materiality Matrix is demonstrated in the graphic representation (below), of relevant risks and opportunities that may affect the company's ability to generate value. Our analysis considered the connection between strategy, governance, performance and prospects. To define the material topics, we evaluated aspects that reflected significant economic, environmental and social impacts, with relevance for the interested parties that, over time, could affect company capacity to generate value for TBG stakeholders.

We defined the following themes to compose our matrix:

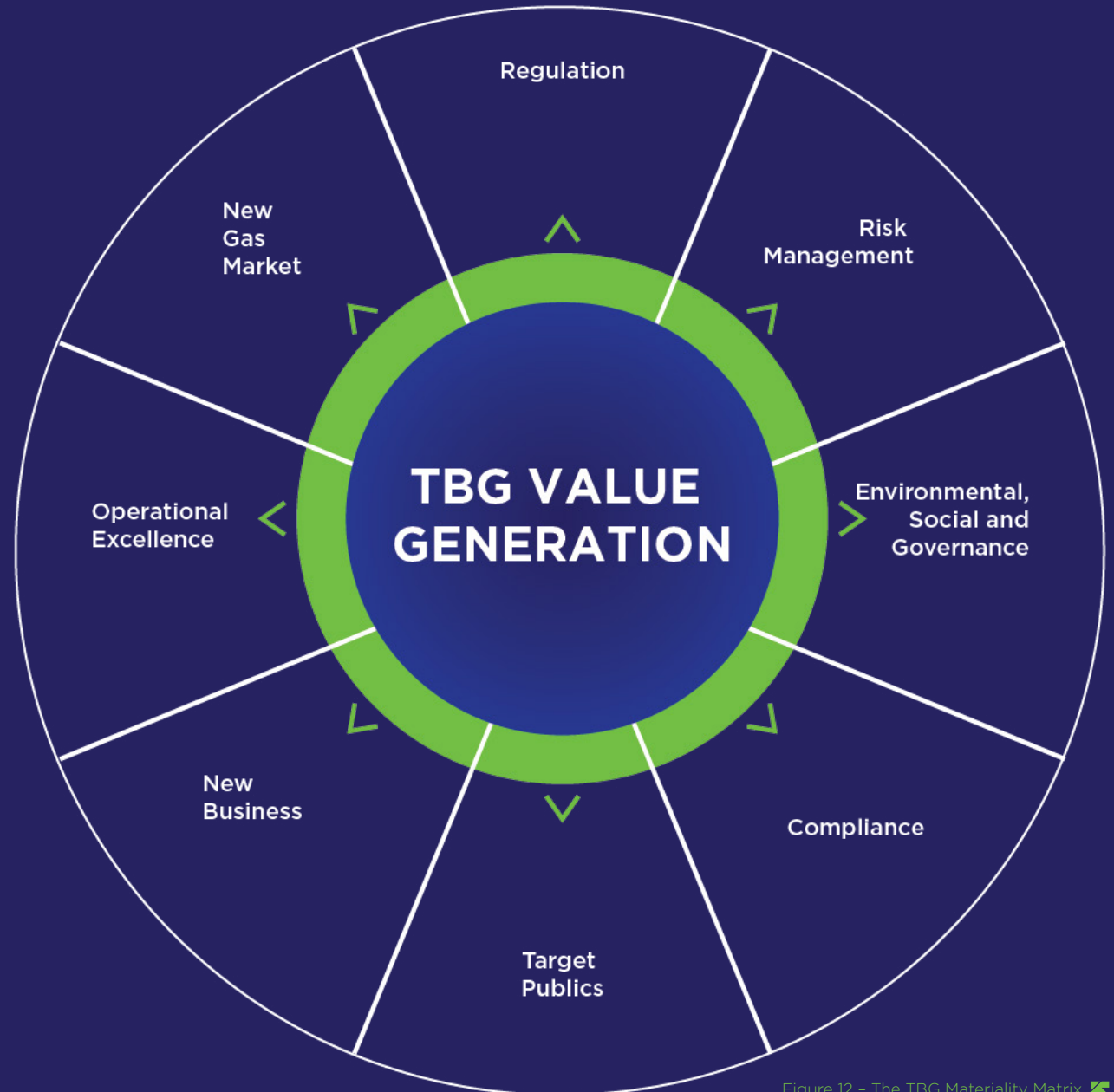


Figure 12 – The TBG Materiality Matrix

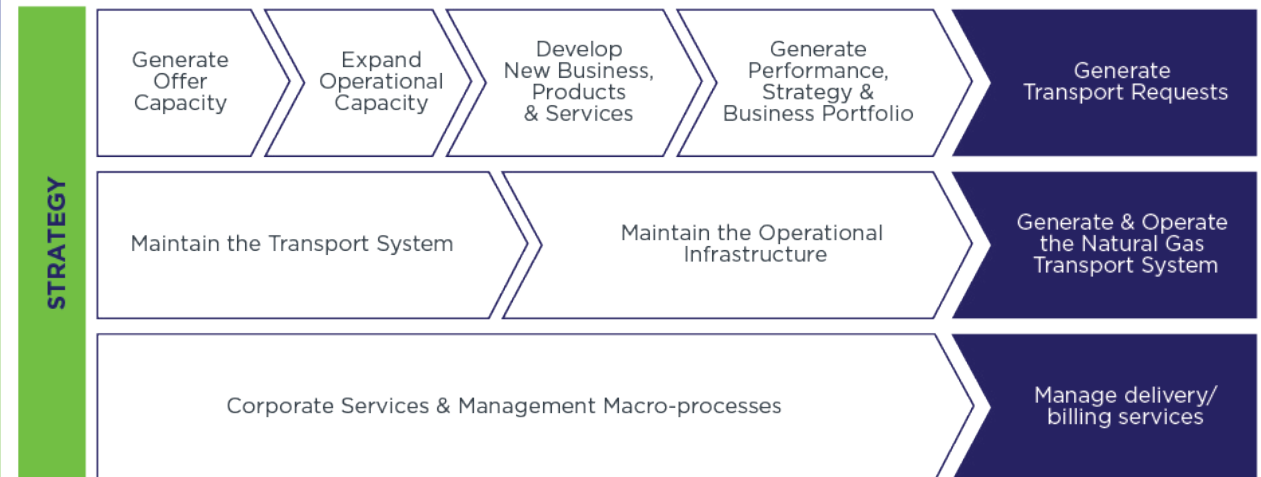
BUSINESS MODEL

Used as a management tool, our Business Model shows how we boost the company's growth and create value for our stakeholders, based on the implementation of structured actions and the integration of internal processes. We constantly reassess corporate macro processes and processes, in order to comply with all legal requirements and adapt to new challenges.







OUR CAPITALS

					
HUMAN ROI on Human Capital (RS)	INTELLECTUAL Hours of training per employee	NATURAL Concluded environmental compensations	RELATIONSHIPS Services and material/goods suppliers	PRODUCTS Fixed Assets (R\$ Billion)	FINANCIAL Investments (R\$ Million)
8.32	55	100%	460	1.6	202

APPLIED IN COMPANY PROCESSES



RESULT IN

SERVICES	POTENTIAL IMPACTS			GENERATE R\$ 19.6 MILLION IN ADDED VALUE FOR:			
 TRANSPORT Average Volume Transported (MM m ³ /day)	 SAFETY Registered Time-Loss Accidents	 ENVIRONMENT Peak Hour Consumption (RCP) Environmental Impact (IMA)		 STATE & SOCIETY (R\$ Million) Taxes & Contributions	 EMPLOYEES (R\$ Million) Salaries and Social Charges	 SHAREHOLDERS & OTHERS (R\$ Million) Financial Charges Profit in the Year	
19.9	0.52	1.35%	ZERO	883	183	-36	936

OUR CAPITAL RESOURCES

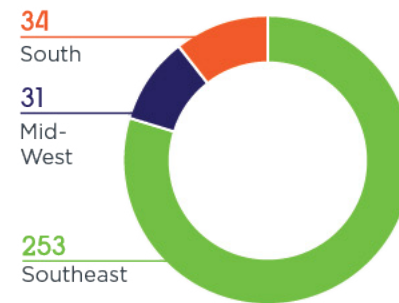
Human Capital

TBG adopts an operational and management model based on high technology, safety, environmental preservation, cost optimization and operational efficiency. In order to maintain these standards, which has become a benchmark in the Brazilian natural gas transportation segment, the company works to increase value and help employees develop their skills by investing in an environment of respect and staying alert to new opportunities for development. To further strengthen this commitment, reinforcing TBG values of ethics and respect for life, and to become more socially inclusive and diverse, in 2023 the company will launch a Diversity and Inclusion Program, based on the related historical differences especially focused on the pillars: race, gender and people with disabilities. Furthermore, the approval of the TBG Human Rights Policy deserves special mention.

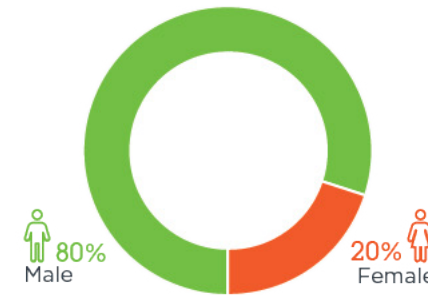
The special characteristics of our workforce are demonstrated in the following charts and tables.

As a result of graphs 02 (Employees by Gender), 04 (Employees by Age Group) and 06 (Employees by Racial Ethnicity), a convergence was identified: at this time the profile of company employees is mostly made up of: men, whites and generation X (born between 1960 and 1979), pointing to low representation of other segments of the Brazilian population. TBG understands that there is a need for the company to make efforts to expand access to less represented groups.

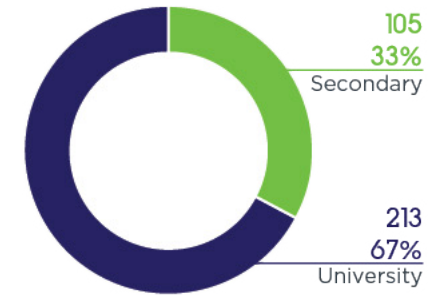
To compose its effective staff, TBG has carried out, to date, three Public Selection Processes, all with the reservation of vacancies, as provided by law. Still with regard to governance practices and instruments for promoting diversity, inclusion and



Graph 01 - Employees by Region



Graph 02 - Employees by Gender



Graph 03 - Employees by Academic Formation



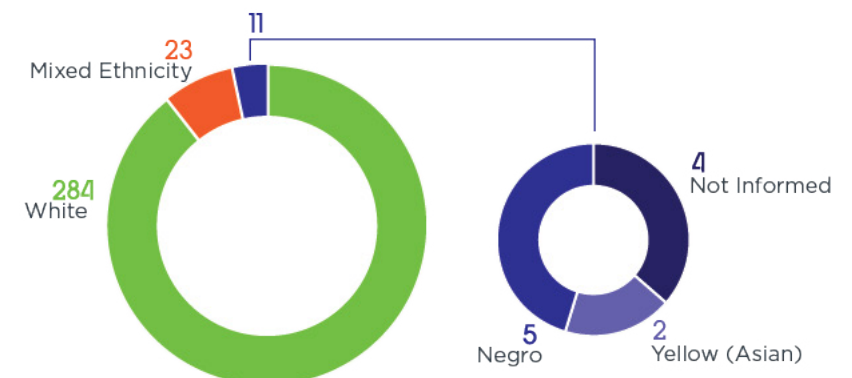
Graph 04 - Employees by Age Group



Graph 05 - Participation of Women



Graph 06 - Employees by Racial Ethnicity





combating discrimination, we highlight company efforts for the provision of training and awareness events on Diversity and Inclusion issues, and the constitution of the Ethics Commission, Channel of Denouncement and Internal Investigation Commissions, all designed to combat all forms of prejudice and discrimination. Finally, the actions planned for 2023 deserve special attention and include more details in the item Diversity, in this Report.

Planning and Provisioning the Workforce

Faced with the numerous transformations in the gas market and, consequently, the internal context for adapting to new demands, an extensive undertaking was completed in 2022 to dimension and plan the company's workforce for the 2023-2027 horizon. Approval is expected to occur in 2023. It is estimated that, annually, the numbers may be revised when necessary, in line with TBG's Business Plan.

Continuing to meet the demands for the re-composition of teams, a specialized external consultancy was hired, which was responsible for conducting 30 recruitment and selection processes for hiring professionals for a specified period. There were 28 admissions, always strictly complying to the legal precepts and market practices. With this measure, it was possible to respond quickly to the needs of different areas of the company, in order to ensure operational continuity with transparency throughout the entire process.

Compensation, Performance Management, Recognition and Rewards

To promote the "Focus on Results" value on all organizational levels, to assure the achievement of planned results and TBG business sustainability, since

2020, the company rewards its employees with the payment of a Premium for Superior Performance, part of the variable remuneration that prioritizes recognition for performance and merit. Thus, in 2022, TBG distributed the amount of R\$15.6 million as financial rewards, including the amount destined for the payment of Profit Sharing and Performance Bonus to Directors.

As it considers performance management to be one of the most relevant tools for achieving results and developing high-performance teams, in 2022 TBG held a workshop entitled, 'Demystifying Performance Management - unfolding goals, from strategy to action'. The workshop included all the management body, which brought together 53 leaders in two groups.

Additionally, with regard to Performance Management, with a view to improving planning and setting goals, two audits were carried out in the Planning and Review stages, considering a random sample of 81 employees, which resulted in recommendations for improvements to their respective areas. As a way of contributing to the process, a workshop is scheduled for 2023 to deal with performance assessment, feedback and new audits.

At TBG, we believe in lasting relationships based on trust and cooperation. To demonstrate the value, we give to the contribution and professional development of 11 employees, the Service-Time Tribute Ceremony was held in recognition of the ten years of services provided by these professionals, in a live transmission from the Headquarters in Rio de Janeiro and from the Maintenance Center office, in Campinas/ SP.

Organizational Culture and Climate Management

In 2021, one of the company's main focuses was to coordinate efforts related to repositioning TBG in the new natural gas market, expressed in its organizational identity and in the 2040 Strategic Planning. Different stages were developed to carry out a broad cultural mapping project and establish a change in the company management plan, based on the pillars: communication, engagement and training, aimed at developing a new mindset and strengthening cultural traits that favor the TBG transformation process.

Continuing the plan, in 2022, Mindset Change Workshops were held for managers, which brought together 14 participants and resulted in the preparation of a Management Manual to establish best leadership practices.

In relation to the monitoring of the company organizational climate, in view of the biennial periodicity of the survey, in 2023, a new edition will be conducted with the purpose of observing the perceptions of employees in relation to management practices, enabling the proposition of additional actions to improve conditions and work relationships.

Internship Program

The TBG Internship Program aims to complement secondary and higher-level professional education, through professional, cultural and social learning activities, constituting an instrument to promote integration, technical-cultural, scientific and human relationship improvements, in order to better prepare young people for the future exercise of a profession.

In 2022, through its integration agent, 19 recruitment and selection processes were carried out to fill vacancies in the Internship Program, which resulted in the presence of 25 interns in the year.

Furthermore, online training workshops were held throughout the year that addressed themes such as; Team Action Strategies, Assertive Communication and Public Presentation.

Prioritizing investments in young talent, TBG included its interns in the Development Trails project, designed to encourage self-development and continuous learning. Students also had the opportunity to participate in the "Start with Why" campaign, which aims to increase engagement in the project by inviting them to reflect on the topics chosen

for self-development. As a result of the campaign, which included an online vote, four interns were awarded books and participation in Rio Oil & Gas Fair, recognized as the largest business platform and generation of knowledge in the oil and gas industry in Latin America.



Graph 07 - Interns by Gender



Intellectual capital

When looking at innovation ecosystems, in 2022, TBG started to promote internal workshops to map business needs and by prospecting digital solutions that increase the improvement and simplification of work processes, risk mitigation, while increasing security and greater efficiency in operations, inspections and the maintenance of company assets.

Knowledge Management

In 2022, 6 training events were conducted, 4 of which were given by internal instructors, based on the Critical Knowledge of the Maintenance and Operations Department Mapping project, which resulted in 362 hours of special training for 44 employees.

Regarding the TBG Mentoring Program, in 2022, 25 tutors received 28 participants who underwent special sessions. Mentoring is a knowledge management practice that was created to welcome, integrate and monitor the newly arrived employees, providing orientation to help newcomers adapt to the company work environment, while reducing the learning curve related to the performance of professional activities and internalization of company culture and values.

Human Resources Development Program

TBG maintained its investments in the Human Resources Development Program aimed at training the workforce and managing strategic and critical knowledge of the business, contributing to the maintenance of corporate excellence and the pioneering spirit in the company and the market.

Training in numbers:

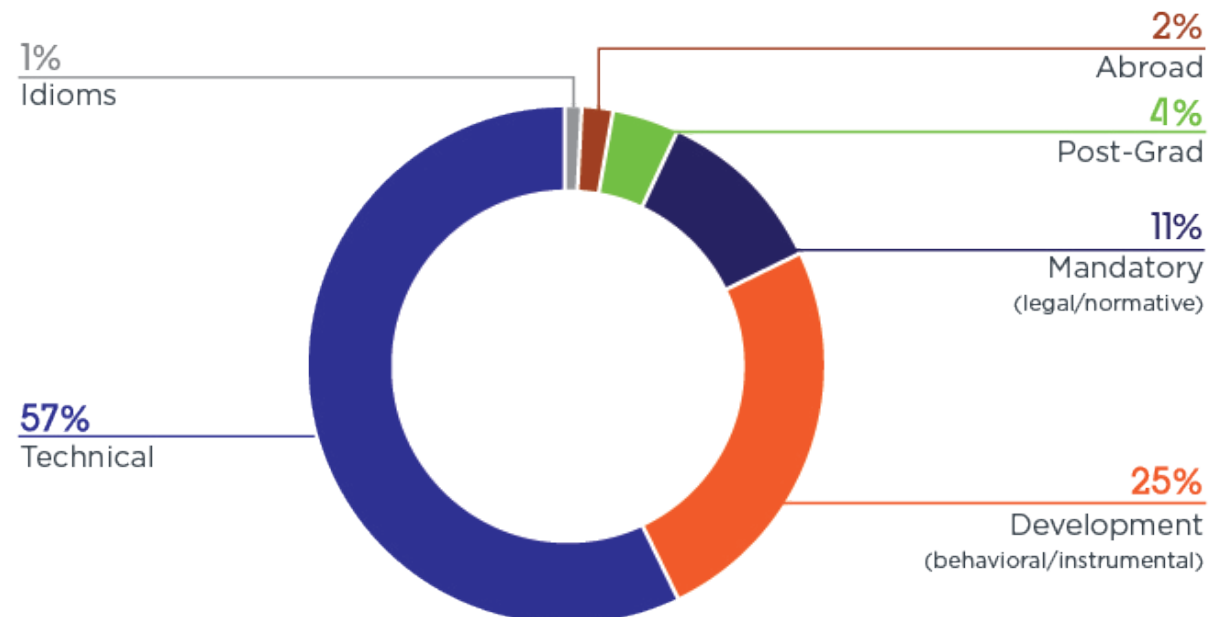
- 86 contracts, 7 in overseas institutions;
- 17,723 total hours of training;
- 999 hours of anti-corruption training;
- 252 training sessions on Human Rights;
- 54.9 average hours of training per employee;
- 96% of employees trained;
- 3,569 videos watched on the AVA*;
- 366 courses completed on the AVA*;
- 4,405 hours of training on the AVA*.

*AVA = Virtual Learning Environment

The annual investment in Training and Development per employee totaled R\$ 2,185.53, which represented

an amount of 0.4% of personnel costs. As a result of the survey 'Panorama of Training in Brazil - 2022/2023', the Brazilian average was BRL 1,012, representing an annual investment of 2.31% of the annual payroll. TBG for another year positioned itself as a benchmark in the professional development of its employees.

In 2022, we continued the Development Trails project, in a Virtual Learning Environment (AVA). The initiative, in line with the strategic objective behind the program, "Stimulating productivity and capacity for innovation", focuses on training employees and interns in the company's transformation process to meet the changes in the natural gas market and the challenges defined in the TBG Strategic Plan (PE 2040).



Graph 08 – Distribution of Training Events by area

"There was also the definitive implementation of the Language Program, which benefited 46 employees enrolled."

Fifteen courses were made available in microlearning format, distributed in six development tracks: Decision Based on Data; Leadership; Management; Transversal Skills; New Managers and Onboarding for New Employees, resulting in 959 contents completed by 185 employees, which is equivalent to approximately 4,405 hours of training.

Throughout the year, online and live masterclasses were held on different topics. The meetings had an average of 115 participants and the results of the reaction surveys indicated 98% satisfaction.

There was also the definitive implementation of the Language Program, which benefited 46 employees enrolled for a period of 12 months.

In order to comply with legal and normative requirements, focusing on preserving operational safety and maintain certifications in the areas of Quality and Calibration (ISO, OSHAS and INMETRO), seven courses were contracted from Brazilian Regulatory Standards (NR5, NR10, NR13, NR20, NR23, NR33 and NR35), totaling 85 trained employees and five normative courses including: Defensive Driving, Measurement Uncertainty Calculation, Critical Analysis of Calibration Certificates, Requirements of Standard NBR ISSO/IEC 17025 and training under the title of - TBG Integrated Management Internal Auditor.

TBG maintained its agenda of mandatory corporate training programs, such as, 'Prevention of Conflict of Interests' and "General Data Protection Law". Respectively, 63% and 36% of the workforce underwent these training sessions. Training will continue to be offered throughout 2023.

Natural Capital

TBG Natural Capital is made up of environmental resources, whether renewable or not, that are part of, or are impacted by, our production process, that is, our natural gas pipeline transport service.

Information on TBG Natural Capital is described in the ESG section of this Report.

Social Capital and Relationships

Internal Public

Actions aimed at the internal public are intended to inform, involve and engage the workforce. In 2022, 61 news items on relevant subjects were produced and published on our internal portal. Several internal company campaigns were also carried out. The campaigns aimed at promoting: (1) a culture of integrity and ethics ('Compliance Games'); (2) awareness of the care and correct use of technological supports ('Information Security'); (3) the eight years without lost-time accidents; (4) the TBG training program ('Development Tracks'); (5) the new TBG reservation system ('Your Office + Connected'); (6) the new intranet portal; (7) the company's 25th anniversary; (8) the Wellness/Health Program ('TBG em Movimento'), among other well organized, structured initiatives.

TBG Institutional Communication Channel

Following the principles of the company Communication and Relationship Policy, all efforts were made to keep communication precise, clear, consistent, transparent, simple and agile, representing the company identity, image and attitude to its public. In 2022, we received and processed 292 protocols on our "*Fale Conosco*" channel, accessible at: <<https://www.tbg.com.br/fale-conosco>>. In 2022, the average time for treatment of the protocols was 9.4 days.

Press Relations

In 2022, we made 31 direct calls to the Press. As for the repercussion of releases and notes, we submitted 154 publications in press vehicles, all of which were positive. These publicity actions reached more than 489.4 thousand views through on-line vehicles. If we consider the equivalence with paid space in printed and on-line vehicles, we obtained, without the cost of publications, the approximate valuation of BRL

310,560.87 thousand, if we had invested in traditional advertising media (source: Press Office and TBG clipping system metrics).

TBG Portfolio Promotions

Among other company continuous communication actions, we frequently publicize our products. Some highlights in 2022 include:

- On 09/01, we held the TBG Commercial Day 2022, in Rio de Janeiro. The event was attended by dozens of representatives of the New Gas Market. They had the opportunity to interact with TBG, in order to improve our relationships and watch presentations on topics relevant to the sector, such as: Tax Fundamentals in Transport and Single Registry; Loading and Marketing Authorizations; Capacity Measurement Methodology, and Product Offer. At the event, there was also a C-Level space, where a panel was presented for executives to discuss the sector's agenda, and an Operational Session, in which a showroom of the daily routines in our operations and maintenance actions was presented.
- We were Bronze sponsors of the 20th edition of the Rio Oil and Gas 2022 event, the largest business gathering and knowledge generator in the Oil and Gas industry in Latin America. The event took place in September, from the 26th to the 29th. On the occasion, we presented our initiatives at the TBG stand where our professionals participated in eight panels and lectures: Digital Transformation at TBG: a vision focused on the Future; Supply of gas transport capacity: opportunities for the market; Principles and Essentials for Charging for the Transport of Natural Gas services; Get to know the Capacity Booking Portal and the contracting process; Methodology and Capacity Assessment; Natural gas transport system: an integrated

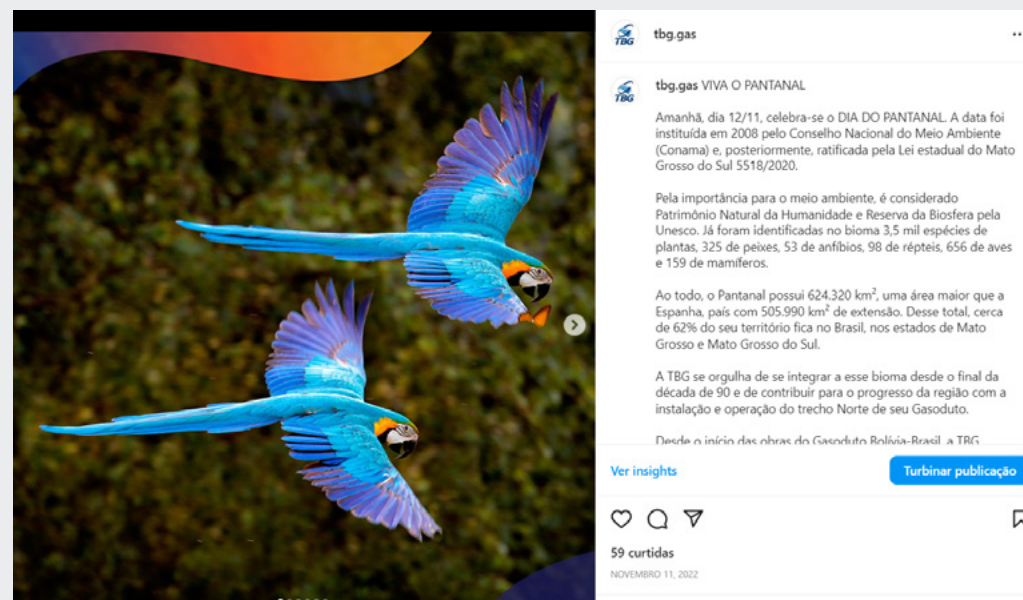
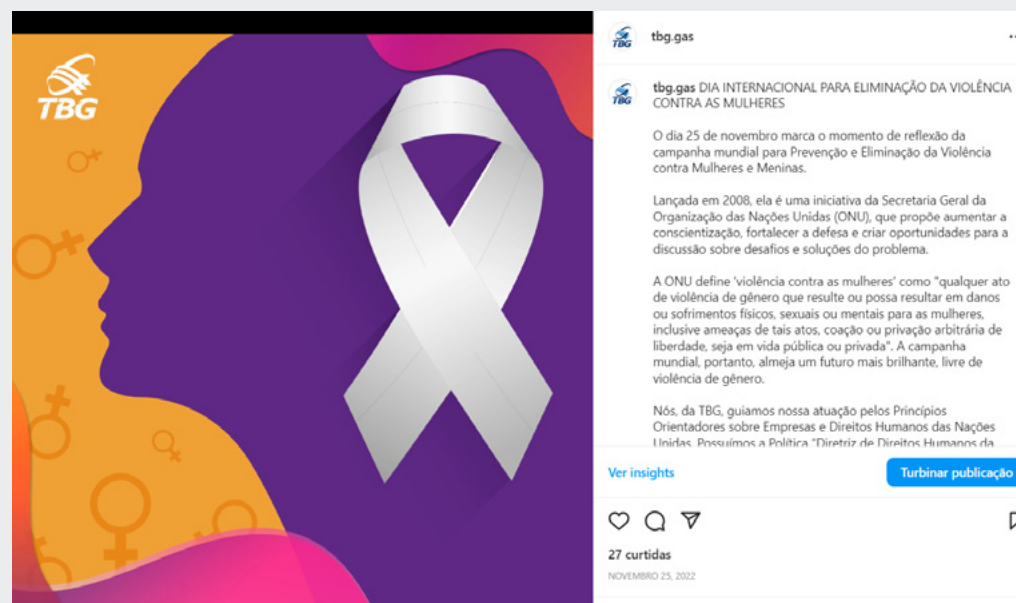
platform for competitiveness and supply security; Construction of new transport facilities: monitoring the development of the Brazilian network, and Market Transition opportunities and challenges. On the last day of the event, TBG also participated in the Special Session of Congress - The New Gas Law and Natural Gas Pipeline Transport: Challenges for the Implementation of a New Tariff Model.

- We coordinated the Capacity Booking Portal Communication Committee and, together with the other carriers (NTS and TAG), we created the platform brand.
- Throughout the year, we developed campaigns and promoted various company actions on our social networks, which totaled 288 publications, representing the equivalent of 0.8 publications per day in 2022. The publications reached 319 thousand visualization, with 275.9 thousand impressions on LinkedIn; 25.7 thousand on Instagram; and 17,400 on YouTube.
- On the LinkedIn platform, we added 126 posts, resulting in an organic increase that reached 14,814



thousand followers, representing an increase of 18.83% when compared to 2021.

- The TBG YouTube channel showed 40 new public videos to promote products and various actions. In 2022, the videos received 6,400 views, totaling 229.3 hours of viewing.
- In the TBG Instagram account, we made a total of 122 posts.
- In 2022, we developed a specific campaign to promote short-term products, which resulted in 54.4 thousand views on social networks. In the press, we released 49 publications, obtaining more than 272 thousand views in online vehicles and R\$ 90,814.29 thousand in valuation if we consider the equivalence in paid advertising space, in printed and online vehicles. In 2022, we announced two Open Seasons, CP03/2021 and CP04/2022, whose campaigns reached 28.3 thousand visits on social networks, in addition to the record 39 publications in the press with more than 106,380 thousand views in online vehicles. line and R\$ 165,977.22 thousand in publicity value.
- We publicized the TBG Hackathon 2022, a new idea marathon that sought to identify and invest in innovative solutions and digitization technologies that would reduce cost and time for the implementation of transport gas pipelines. The event took place on November 8th and 9th, at the Rio Innovation Week, the largest technology and innovation event in Latin America, with the participation of five groups. Promotion of the event on our social networks reached more than 13,000 visitors on LinkedIn and Instagram. In the press, the spontaneous publication of two articles added up to more than 3,000 views and represented a publicity value of R\$ 7,995.35.



"We announced two Open Seasons, CP03/2021 and CP04/2022, whose campaigns reached 28.3 thousand visits on social networks!"

- We also promoted the TBG ESG campaign on our social networks, the objective of which was to reinforce the company image as an active enterprise committed to best practices related, directly or indirectly, to environmental, social and governance issues. In it, we reached more than 112.5 thousand views on our social networks.

Productive Capital

TBG's productive capital is made up of the infrastructure used in the company's production process in the provision of natural gas pipeline transport services, in addition to the development of new businesses, that is, the operational assets that are capable of generating wealth destined to increase production capacity and improvement in the quality of our services.

The pipeline for transporting natural gas is made up of welded and buried steel pipes. This pipe is laid within a strip of land 20 meters wide, duly signaled and demarcated, called the right-of-way passage.

Natural Gas Transport Services

Thanks to actions centered on bold operational performance goals, TBG worked throughout the year 2022 with zero failures recorded in the gas delivery and reception operations, and with a performance index of 99.58% reliability in the compression system.

Looking at the nomination and scheduling process, new carriers were aggregated in the year, through Interruptible and short-term contracts, both nominations and programming was carried out directly through the Gas Transport Platform. In order to adapt to the new transport contracts, the Adaptation of the Operating Day was carried out starting at 00:00h Brasília time on the Platform and in all other processes of operation management.

Through integrated actions by the TBG Operations and Information Technology management area, the volume certification process was implemented on the Gas Transport Platform, providing greater process automation and, in the future, the timely exchange of information with market clients.

In December 2022, an evaluation of the Calibration Service Management System (SGSC) was carried out by the INMETRO General Coordination of Accreditation staff, based on the NBR ISO/IEC 17025:2017 standard, which recommends the inspection and accreditation of the Laboratory of Calibration (pressure and temperature).

From the regulatory point of view, resulting from the implementation of the Garuva Entry Point, the Mutual Operation Procedure and Responsibilities Protocol were signed with a new company; New Fortress Energy, a protocol establishing the responsibilities for operation, maintenance and preservation of the point of interconnection integrity of the facilities.

Asset Integrity Management

Throughout 2022, the instrumented pig inspection campaign was completed on the North 32" section, totaling 28 runs, with the objective of enabling and inspecting the gas pipeline, to assess its integrity. More than 60 technical reports were generated for analysis and feedback in the TBG Integrity Management Program Risk System. Based on the results of the inspections, excavations were carried out in the gas pipeline, followed by a structural assessment and the execution of repairs, where necessary.

In 2022, several work processes were undertaken, related to the risk analysis of the Integrity Management Program, including diagnoses studies and field surveys, which resulted in the improvement of right-of-way signage, installation of additional signal markers to mitigate possible damages due to the action of third parties to the gas pipeline. All recommendations made in the analyses were adhered to, as shown in in figure 15, below.



Figure 14 – Instrumented Pig Equipment



Figure 15 – Right-of-Way alert signal markers

The company also monitored the right-of-way through the Meteorological Portal, specifically developed to meet TBG requirements through a systematized process that issues warnings on the eventual risk of landslides, and monitoring accumulated and predicted rainfall along the gas pipeline route. The system makes it possible to take early preventive actions to mitigate possible damages to the gas

pipeline caused by natural forces. It also allows the technical team to monitor lightning and fire events in real time and help take measures to increase the safety workforce during the execution of activities in the field.

The company ended the year providing training/ refresher training for the TBG technical team on

pipeline integrity management, addressing regulatory aspects of the integrity process, with a focus on the correct identification of abnormalities, the execution of inspection/maintenance activities and the recording of all findings, in order to help prevent and mitigate future risks to TBG infrastructure integrity of the company's gas pipeline grid and installations.

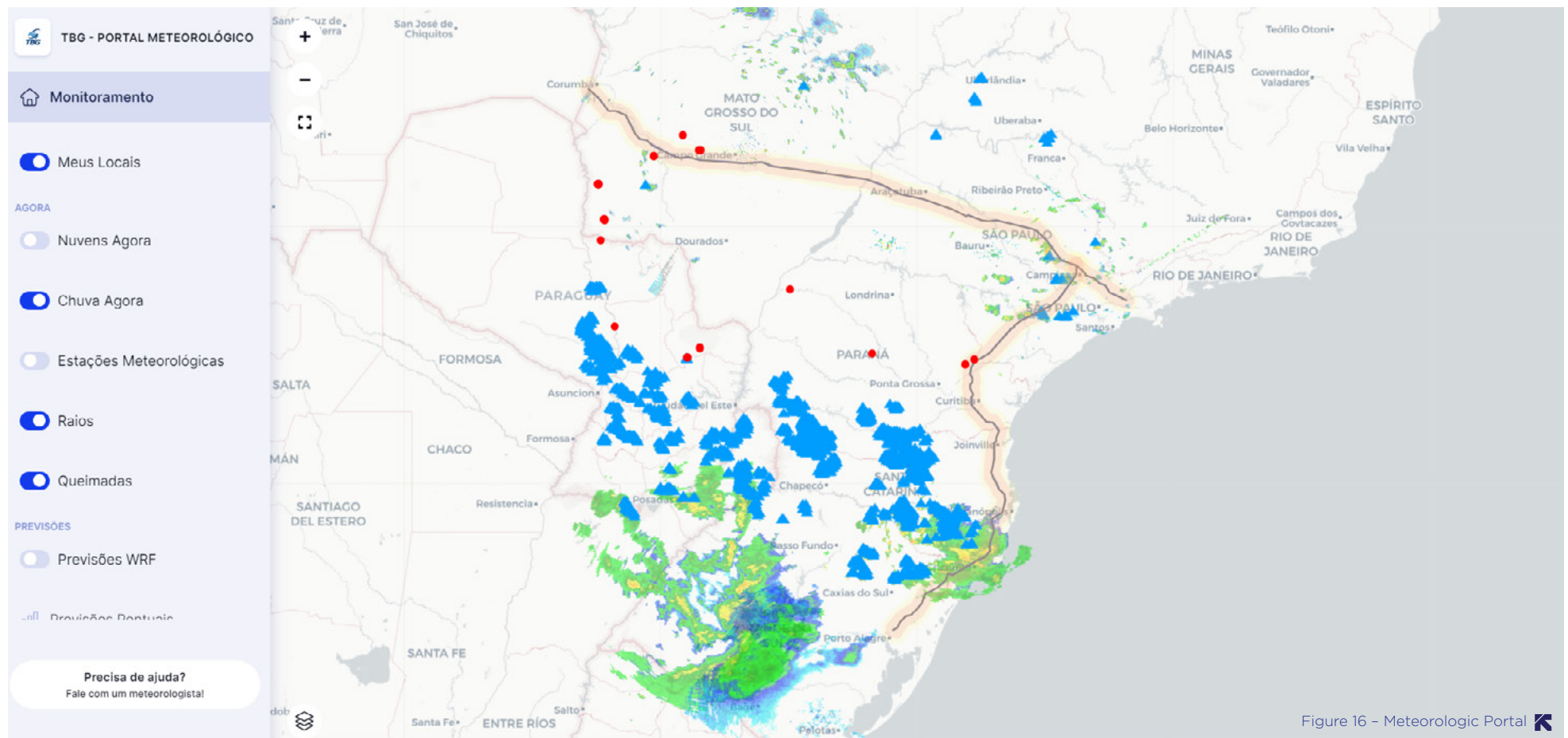


Figure 16 – Meteorologic Portal

Maintenance of Gas Pipeline Installations

In 2022, in order to preserve operational reliability, major maintenance activities were carried out on 11 gas engines, seven power generators, overhauls on three reciprocating compressors and three centrifugal compressors, in addition to installation and alignment of one of the gas turbines at the Três Lagoas/MS Compression Station that had been sent for overhaul in the United States. A retrofit of 24 gas dryers was also carried out in the compression stations driven by gas turbines.

Also worth citing - the installation of a chromatograph in Araucária, thus ensuring the traceability of the composition of natural gas in the southern section, taking into account the mixture of Bolivian and domestic gas.

In the Metrology area, the removal for external calibration of the ultrasonic meters of the Gascar and Jacutinga Measuring Stations and the Delivery Points at Replan/SP and Repar/PR. All ultrasonic meters were removed for calibration adjustments and sent abroad. They have been returned and reinstalled and were made available for operation.

Focus on Security

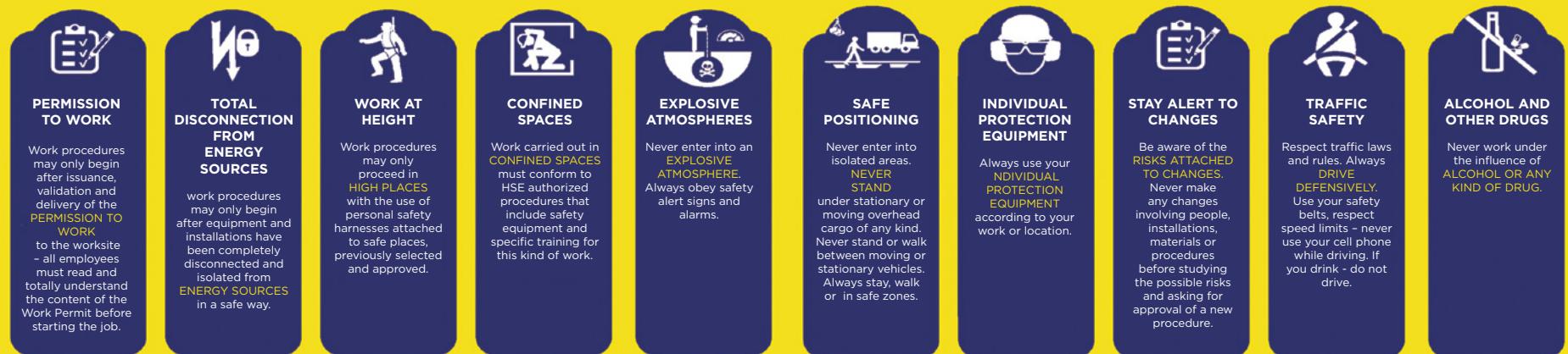
No action or activity is so urgent or important that it cannot be done safely. The responsibility for safety belongs to everyone, leadership, employees and service providers. It is a TBG priority to always ensure the safety of the workforce and encourage professionals to maintain the level of safety attention, permanently. As a result of this culture,

on December 26, of 2022, TBG reached the historic mark of eight years and 278 days without registry of lost-time accidents.

To reinforce the concepts of safety and accident prevention, and following up on initiatives whose essence is the preservation of lives, TBG has implanted and implemented a range of products, which includes the Safe Behavior and Safety Golden Rules Training Program. More than 1,890 employees participated in the program, including TBG staff, interns and service providers. In addition to the Safe Behavior and Safety Golden Rules Training Program, the company also organized additional safety programs such as the Safe Driving and Safety Cells, the main goal is to ensure compliance with SMS requirements for service providers.

TBG - SMS GOLDEN RULES

EVERYONE IS RESPONSIBLE FOR SAFETY ON THE JOB COMPANY LEADERSHIP + EMPLOYEES + ALL CONTRACTED PARTIES = EVERYONE!



The Safety Moment program is a training event used at various meetings, highlighting those events held in for the Board of Directors and in the Field Critical Analysis Meetings. The SMS Reporting System, in turn, works based on data observed from near accidents, involving TBG personnel and third parties, focusing on risk management to preserve life, root cause analyses, and preventive and corrective action plans.

TBG also uses its Behavioral Audit Program, designed to mitigate accidents based on the behavior of the workforce associated with possible SMS deviations in routine activities at the facilities and on the right-or way. Audicomp addresses the HSE Golden Rules on topics such as Permit to Work and eventual associated risks, tools, the use of Personal Protective Equipment and procedures. The training is open to leadership participation, and uses a positive approach technique with a previously defined checklist. Security excels thanks to the concept of zero tolerance involving SMS issues.



Figure 18 – Safe Behavior

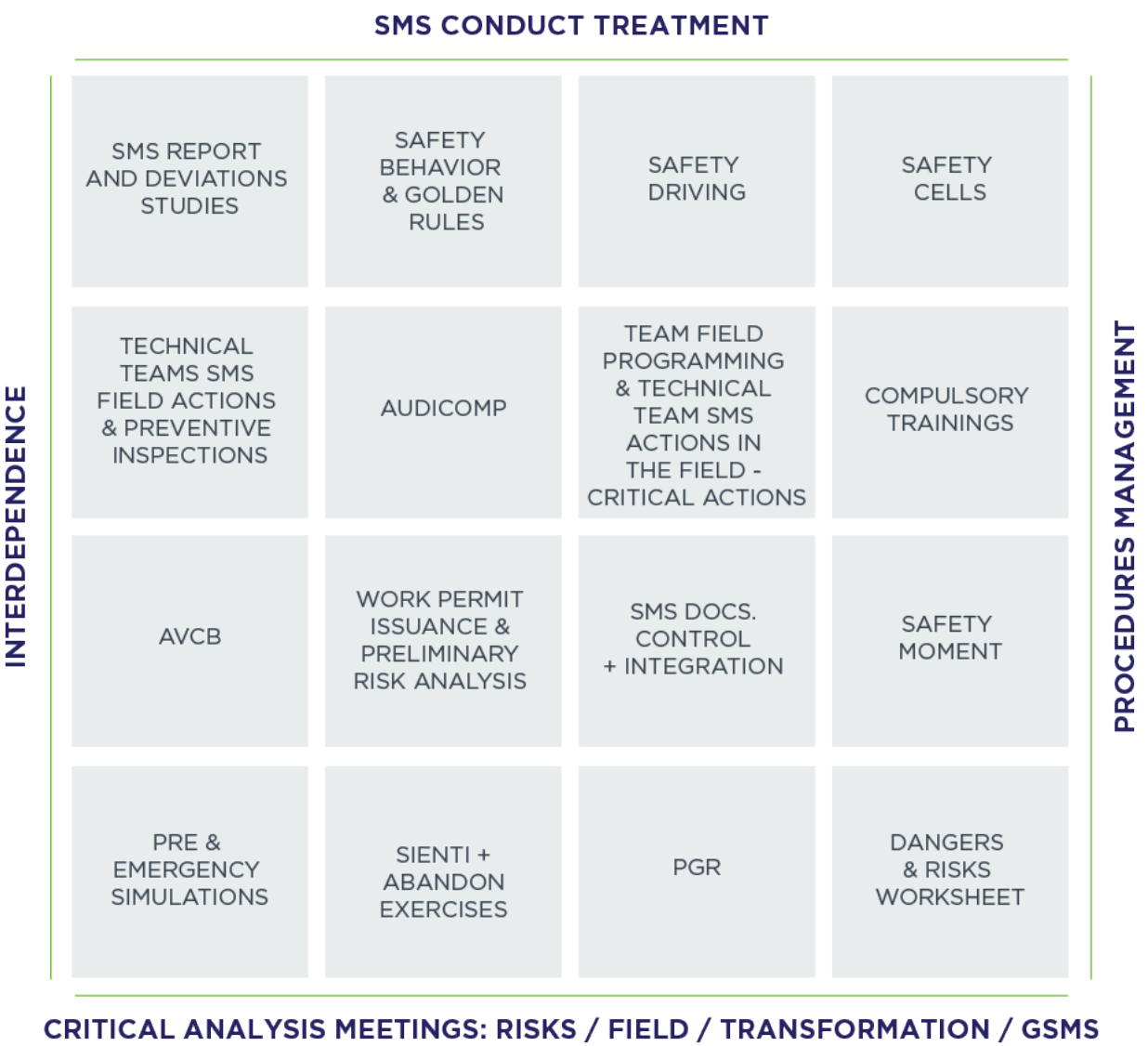


Figure 19 – Safety Products Portfolio

Additionally, other safety actions should be highlighted in this report, namely:

- In June 2022, a workshop was held between SMS representatives from TBG and Gas TransBoliviano S.A (GTB), to exchange experiences on the main projects and results of the two companies.
- In September 2022, TBG carried out a safety exercise along the gas pipeline network, in Parque Universal located in the region of Campinas/SP, involving local organizations (Fire Brigade, Military Police and Civil Defense), company personnel and service providers, in addition to the local community. TBG dedicates extreme attention not only to the prevention of accidents, but also to the actions adopted in case of emergencies, using the Emergency Response Plan, which describes actions that are essential for the safety of operations and all people in the area.

Suppliers

In 2022, TBG signed **749 service and material purchase contracts with 460 suppliers**.

The TBG Conditions for the Supply of Material, Goods and Services are designed to improve the company's relationship with the supplier market. The TBG Bidding and Contracting Regulation was prepared to discipline the general contracting rules and comply with all requirements established in Law 13,303/16. The documents are available for examination at the website <<http://www.tb.com.br>>. TBG contracting of services and the purchase of materials and equipment are in line with public administration guidelines and are published in the Federal Official Gazette - DOU and on the Petronect portal <<http://www.petronect.com.br>>.



Figure 20 - Safety Simulation Exercise in Campinas/SP

Supply of Goods and Services

The year 2022 was dedicated to the implementation of the new Electronic Purchasing Portal, which is in the final testing phase and expected to come on-line from February 2023. This system will replace the Purchasing Information System (SIC), responsible for filing of information and purchase approval flows, as well as the Petronect Electronic Portal, which conducts bidding processes as defined by Law 13,303/2016, and providing a virtual interface with the market. The new portal will interface with the market and the contract approval flow, thus becoming a dynamic purchase management tool, ready and able to generate automatic reports and manage supply chain indicators on-line.

Looking at the logistics process, and with an eye on improving inventory management, 2022 saw the implementation of the inventory management automation project, currently in progress that makes use of the SAP WMS configuration module and the acquisition of equipment for pilot operations at the Hortolândia Distribution Center. The pilot project is scheduled to start in March 2023.

Another important action taken in the fiscal year 2022, was the study and preparation of the AEO (Authorized Economic Operator) Certification project. Obtained from the Brazilian Federal Revenue Board, this certification demonstrates recognition that the company is a strategic partner of the national Customs Authority, responsible for inspecting and controlling the traffic of goods entering and leaving the country, and qualifying TBG as a reliable operator, thus ensuring the safety of the logistics chain, in compliance with all pertinent tax and customs legislations. TBG's main objective with this certification is to optimize the clearance time for turbines returning from maintenance procedures conducted in the United States. This project is expected to be implemented in 24 months; completion scheduled for March 2024.

BUSINESS PERFORMANCE

Corporate Goals

The daily monitoring of operational, commercial and economic-financial performance is presented every month to senior management in the Monthly Corporate Performance Report.

By monitoring indicators that are part of the company Strategic Planning area, TBG is constantly seeking alignment with approved strategic guidelines. In addition, critical analysis meetings are held with various areas of the company to mitigate or define remedial actions, in case deviations in meeting goals are identified.

The Corporate Governance structure guarantees the involvement of Senior Management and area managers throughout the entire process, who are responsible for setting goals and periodic monthly monitoring.

Below are the panels showing the results of TBG efforts to monitoring the main strategic indicators in 2022:

TOP-LEVEL CORPORATE GOALS				
INDICATOR	DIRECTION	REALIZED		GOAL
ROAE - Net Return over Net Assets	^	162.88%		139.30%
VGNV - Natural Gas Leaked	v	496		10,900
GDG - Manageable Operational Costs	v	315.80		336.48
METAS DAS DIRETORIAS				
INDICATOR	DIRECTION	REALIZED		GOAL
MPT - Preventive Maintenance Total	^	99,57%		96.00%
NSC - Client Satisfaction Level	^	100,00%		95.00%
ROA - Return over Assets	^	35,88%		22.29%
METAS DOS EMPREGADOS				
INDICATOR	DIRECTION	REALIZED		GOAL
FEG - Gas Delivery Failure	v	0		0
CSC - Compression System Reliability	^	99.58%		98.00%
CCT - Cost over Technical Capacity	v	10.50		11.19
EBITDA	^	1,515.78		1,051.19
PPC - Productivity per Capita	^	4.12		2.71

Economic-Financial Analysis

Dividends

TBG maintained its track record as a strong dividend payer to shareholders. For the fourth consecutive year, the company anticipated interim dividends to shareholders, based on profits for each current year.

The following chart shows the history of dividend payments over the last ten years:

R\$ MM	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022**	TOTAL
Net Profit (Loss)	228	264	267	847	542	586	745	579	811	936	7.897
Dividends*	410	560	321	847	542	586	745	579	811	455	7.364

*Main Value / ** Anticipated Dividend Distribution in 2022

Financial investments

Financial investments in CDBs held by TBG, in the Investment Portfolio are distributed among Bradesco, Santander, Votorantim, Itaú and Caixa Econômica Federal banks, with a consolidated yield of 103% of the CDI on December 31st, 2022.

Investments in CDBs began on May 5th, 2022, after waiving the obligation to invest in extra-market funds, in which TBG maintained investments in the first half of the year. The accumulated consolidated profitability of the portfolio, up to December 28th, 2022, totaled 12%.

Regulatory Account

The tariff model adopted by Brazil for determining the value of the natural gas transport service is the entitled - Regulation by Maximum Revenue or Revenue Cap Regulation. In this model, the regulatory agent establishes a Maximum Permitted Revenue (RMP) for the carrier over a regulatory cycle of five years and any differences between the RMP and the revenue actually earned must be reconciled using a mechanism called the Regulatory Account, whose accumulated amount must be used as an integral part of future RMP. If over the course of a given year the TBG revenue actual earnings exceed the RMP for that year, the Regulatory Account will be added to this difference, the amount of which will serve as a deduction from the tariffs, via future RMP, to be practiced over the next few years.

The opposite may also occur, that is, an eventual revenue decrease, in relation to the RMP, an estimate reduces the accumulated amount in the Regulatory Account, which should be added to future revenues. The same mechanism is applied to variations between forecast and actual projected operating and maintenance costs, expenses and investments in transport system maintenance plan.

Table 8 presents the current estimate of the TBG Regulatory Account on 12/31/2022, which is obtained from a simple comparison between the projections approved by the ANP in 2019 (and which served as the basis for defining the RMP) and the revenue values, investments in maintenance of the transport system, operation and maintenance costs and expenses actually incurred between the years 2020 and 2022. It should be noted that

For the fourth consecutive year, the company anticipated interim dividends to shareholders!



these values are indicative and may change if the methodology and guidelines used for calculation, adopted by TBG, are different from those defined by the ANP in the future.

(in R\$ Million)	2020	2021	2022
<i>ANP Revision of the Regulatory Assets Base</i>	-163	-	-
<i>Maximum Revenue Variation Permitted (Frustration/Short-Term/Surplus)</i>	-6	-71	-29
<i>Costs & Expenses Variation</i>	-101	-94	-127
<i>Maintenance Investments Variation</i>	-50	-9	-43
Total Variation - Maximum Revenue Permitted	-293	-174	-199

Table Q8 – Partial Results of the Regulatory Account

Due to the lack of detailed regulation on how the Regulatory Account is to be operationalized, TBG submitted to the ANP agency, on November 10th, 2021, Letter TBG/DCO No. 095/2021, with an objective proposal for dealing with the subject based on the mechanisms used in the European market. The letter proposed, among other alternatives, the use of 50% of the variation observed between the estimates of costs and expenses approved by the ANP, and what was actually incurred as a deduction of the RMP from the beginning of the provision of the Incremental Service (expansion of the capacity of system transport).

It should be noted that, to date, no definition has been approved as to how and when the other installments of the Regulatory Account will be treated and what will be the readjustment indexes, to be applied to the remaining amount, with the exception of the installment of BRL 190 million (base 2019), equivalent to the cost and expense of deviations observed in 2020 and 2021.

The use of the first half of this amount was determined by the ANP, during Open Season 03/2021, as a way to avoid increasing the tariffs to be practiced in 2024 due to specific investments necessary to meet the expected demand for the markets in the South of the country. The other half was intended to reduce the RMP forecast for 2023 during the Open Season 04/2022 process for the allocation of existing capacity.

Although it has no accounting effects, the future RMP adjustment mechanism based on the amounts accumulated in the Regulatory Account reflects the result fully earned in each of the years, as provided for in CPC-25.

In line with the best accounting practices in Brazil, and with ways to provide a total disclaimer of this information, TBG chose to include, since 2020, a description of the Open Season process conducted by the ANP and the preliminary unaudited calculation of the estimated values of the Regulatory Account in its explanatory notes in the annual Financial Statements. As such, a reconciliation mechanism over time, associated with a positive amount in the Regulatory Account, will eventually reduce future TBG revenue stream.

In this context and just as a hypothesis, Table 9 reflects what the adjusted Net Income and EBITDA would be, that is, assuming that there are no effects of accumulation of the Regulatory Account between the years 2020 and 2022.

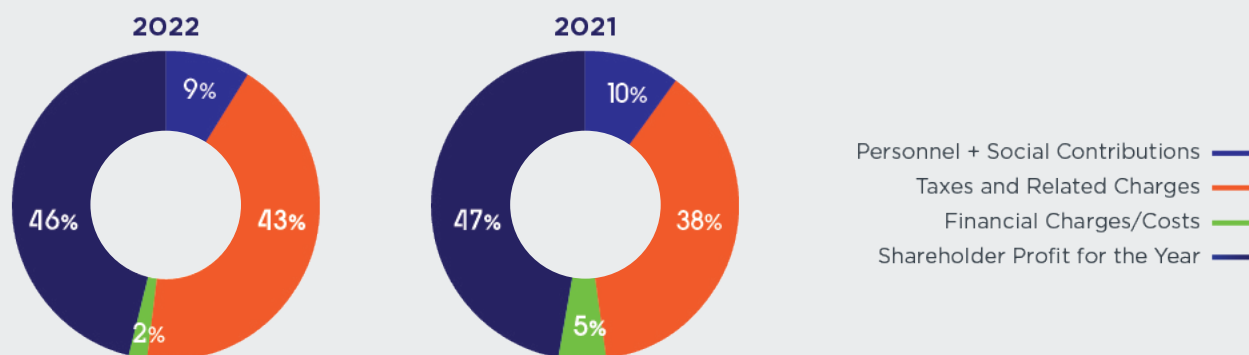
in R\$ Million	2020	2021	2022
Net Accounting Revenue	1.600	1.766	1.806
Maximum Revenue Variation Permitted (Frustration/Short-Term/Surplus/Penalties)	293	174	199
Net Revenue adjusted by the Regulatory Account	1.307	1.592	1.607
Accounting LAIR	947	1.158	1.418
LAIR Adjusted by the regulatory Account	654	984	1.219
Accounting Tax	- 368	- 347	- 482
Tax Adjusted by the Regulatory Account	- 268	- 288	- 414
Accounting Net Profit	579	811	936
Net Profit Adjusted by the Regulatory Account	386	696	805
Accounting EBITDA	1.320	1.433	1.516
EBITDA Adjusted by the Regulatory Account	1.027	1.259	1.317

Table 09 - Simulation of the effects of the Regulatory Account on TBG results

VALUE ADDED STATEMENT (VAS)

The Value Added Statement (VAS) presents information of an economic and social nature and the assessment of TBG actions and activities in the natural gas pipeline transport segment.

A summary is presented below the values corresponding to the formation of wealth generated by the company in 2022, and its respective distribution. The company's natural gas transport activities, operation and pipeline maintenance, as well as economic and financial management and new businesses generated R\$ 1.97 billion in added value (wealth), to society.




Graph 09 - Value Added Distribution in 2022 - 2021



11

PERSPECTIVES





TBG has been facing new challenges and one of them was decisive: the termination, in 2019, of the legacy attributed to the TCQ contract, which guaranteed approximately 75% of the company's revenues. This fact was intensified by regulatory changes in the natural gas sector in Brazil, promoted by the Government, and required a new direction in the way of conducting business.

During this period, the entry-exit contracting model was introduced, similar to that practiced in the European market, which required dedication by the entire company to be implemented as a pioneer initiative in Brazil. This change brought about many commercial, operational and regulatory challenges to the entire sector, such as the need to update the regulatory framework, in order to provide legal certainties to all related parties in a transition model that should take some years to be consolidated.

In addition to the regulatory challenges, there were also changes in the Brazilian energy policy matrix that intensified the search for unbundling the sector.

Other geopolitical facts had a great impact on the sector, mainly the War in Ukraine, which started in March 2022, and boosted the price of energy inputs, including natural gas. Prices soon reached historical peaks due to high European demand to replace its main supplier, Russia. This fact impacted the entire world.

Another fact that impacted the guarantee of supply in the domestic market was the drop in natural gas production in Bolivian fields. This forced TBG to prepare its transport system to be more flexible, including an operation called flow reversals, in addition to enabling new gas energy receiving structures to serve the entire market with natural gas extracted from post-salt, pre-salt, LNG, biomethane, and from Bolivia, Argentina and other unconventional sources.

All of these factors affecting sector dynamics require constant monitoring of the market so that solutions can be studied and developed in a timely manner.

It is part of the TBG commitment to anticipate the facts and create solutions. As an example, TBG is developing a project to bring biomethane gas to the transport system in all areas served by the natural gas grid in Brazil.

Additionally, as a result of the opening process of the gas market underway in Brazil, an increase and multiplicity of contracting agents are expected, resulting in greater complexity in operational, contractual and commercial management. The challenges of developing new operational and commercial products and new processes remain. TBG must provide gas market agents with even more product flexibility and simplicity in the transport service contracting process.

Undoubtedly, yet another great future challenge will focus on developing new connections in the transport system, the goal being to guarantee an alternative supply while expanding the consumption of natural gas in the national energy matrix. Targets: the market will benefit and the company's solid perpetuity will be maintained.

Serving our clients with ever growing quality and operational safety and contributing to the development of the natural gas market will remain our permanent goals. We will continue in 2023 consolidating the company's businesses and preparing for the changes that the future will certainly bring to the sector.



CREDITS

EDITORIAL COORDINATION

Institutional Communication Coordination

CONTENT COORDINATION

Corporate Risk and Behavior Coordination
Comptroller Management

GRAPHIC PROJECT AND DIAGRAMMING

Hábil Design

IMAGES

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