

Environmental Policy

Updated July 15, 2021

The Board of Directors of NEOENERGIA S.A. (the “**Company**”) is vested with the powers to prepare, assess and review the Company’s Governance and Sustainability System on an on-going basis and, specifically, to approve and update, the corporate policies, which contain the guidelines governing the conduct of the Company and of the companies that comprise the Group, for which the Company is the controlling entity, within the meaning established by law (the “Group”).

In exercising these powers and aware that leadership in the development of sustainable energy and respect for the environment are pillars of the Group’s energy production model and axes of the *Purpose and Values of the Neoenergia Group*, the Board of Directors approves this *Environmental Policy* (the “*Policy*”).

1. Purpose

The purpose of this *Policy* is to establish a benchmark for integrating the protection of nature and the environment into the Group’s strategy and its investments and operations, as well as defining the operating principles for the management of the environment and natural capital.

The Company understands that the respect for the environment is a core element of the sustainability concept, and particularly it is one of the three pillars for achieving a sustainable energy model, together with competitiveness and the assurance of supply.

Therefore, the Group is committed to continue taking a leadership position in the development of a sustainable energy model, based on the use of renewable energy sources, smart grids, efficiency, reduction of emissions and digital transformation, integrating respect and the protection of the environment in all its activities and processes. In addition, the Group is committed to complying with environmental laws and the best international practices established in this area.

Based on its business model and supported by a policy of transparent information and a strategy of continuous dialogue, the Group responds to the expectations of its Stakeholders with respect to the preservation of the environment, the increasingly stringent regulatory requirements, and constant scrutiny of management by analysts, assessors and various agents of civil society.

The Group’s leadership commitment to sustainable energy development is in line with the achievement of the sixth, seventh, twelfth, thirteenth, fourteenth, fifteenth and seventeenth Sustainable Development Goals (“SDGs”), recently approved by the United Nations.

2. Scope

Within the limits established by law, this *Policy* is applicable to all companies comprising the Group and investees not comprising the Group, over which the Company has management influence.

For investees to which this *Policy* is not applicable, the Company shall promote, through its representatives on the management bodies of such companies, the alignment of their own policies with those of the Company.

This *Policy* shall also apply, as appropriate, to the joint ventures, temporary joint ventures and other equivalent associations, when the Company is responsible for the management thereof.

3. Main principles of conduct

For the purpose of fulfilling its commitment to the environment and promoting environmental sustainability, the Group defines the following basic principles of conduct, which apply to all of its activities and businesses and are integrated into internal decision-making processes:

- a) improve a sustainable business model that respects nature, biodiversity and the historic and artistic heritage;
- b) comply with legislation and adapt to current environmental standards;
- c) apply the mitigation hierarchy principle (avoid, minimize, repair and, ultimately, offset) in all activities;
- d) promote innovation through research and support for the development of new technologies and best environmental practices;
- e) make sustainable use of natural capital, particularly:
 - i. Make rational and sustainable use of water, managing the risks related to its scarcity and ensuring that the water used returns to the environment in the desired conditions;
 - ii. Improve the circularity of its activity and that of its suppliers through the sustainable use of natural resources, implementation of life cycle analysis, ecological planning of its infrastructure, application of the waste hierarchy, as well as optimization of waste management and use of recycled materials; and
 - iii. Integrate the protection and promotion of biodiversity into the Group's strategy and develop a more sustainable and nature-positive business model;
- f) conserve, protect and promote the expansion of natural heritage;
- g) implement a common environmental management model that applies the principles of prevention and continuous improvement and positioning the environment at the center of decision-making by:
 - i. assessment of the environmental risks of activities, facilities and products and services, on a regular basis, in order to improve and update the mechanisms designed to prevent, mitigate and eradicate them;
 - ii. continuous identification, assessment and mitigation of the environmental impacts of the activities, facilities, products and services of the Group;
 - iii. management of risks and impacts, aiming to set goals, programs and plans capable of fostering the continuous improvement of the Group's processes and

practices in environmental matters and establish monitoring, control and auditing mechanisms; and

iv. environmental training of the Group's professionals.

The different environmental management systems of the Group's companies are based on this common model and allow the Group to coordinate environmental management in a decentralized manner, according to the principle of subsidiarity and respect for the autonomy of the different companies;

- h) reduce the environmental impact and improve the Group's environmental performance considering the life cycle perspective;
- i) promote the involvement of Stakeholders in the Company's business project as provided for in *Policy on Relations with Stakeholders*, which includes, among other aspects, a guideline to strengthen the involvement of the Group's companies with the communities in which they operate, in order to create sustainable value recognized by all;
- j) sensitize, train and inform the Group's professionals, contractors, suppliers and other Stakeholders about the commitments and principles of this Policy; and
- k) share the results of its environmental actions with transparency.

4. Priority action lines

For achieving its commitment to nature and the environment and fostering environmental sustainability, the Group works in three priority action lines, to which the basic principles of action included in previous item shall be applied:

- a) climate action;
- b) protection of biodiversity; and
- c) circular economy.

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This Policy was initially approved by the Board of Directors on July 19, 2018 and last updated at the Board of Directors' Meeting held on July 15, 2021.