

# Sustainable Management 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 Company’s *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 the sustainable creation of value is one of the pillars of the *Purpose and Values of the Neoenergia Group*, the Board of Directors approves this *Sustainable Management Policy* (the “**Policy**”).

## 1. Purpose

The fulfillment of the social interest, as defined in the *Company’s Bylaws*, requires guiding the development of activities included in the corporate purpose.

In compliance with this mandate and pursuant to the provisions of the *Purpose and Values of the Neoenergia Group*, and the *Sustainable Development General Policy*, the Group is committed to the sustainable energy model, pursuing a development that meets the needs of the present without jeopardizing the ability of future generations to meet their own needs.

The basic principles of conduct in matters of sustainable management contained in this Policy contribute to achieving the Sustainable Development Goals 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

The commitment of the Company and its subsidiaries to sustainable management rests upon the following basic principles of conduct:

- a) the development of a business model based on environmentally sustainable economic activities;

- b) the competitiveness of energy products provided through efficiency in the generation, storage, transmission, distribution and trading of energy.
- c) the high quality of service and reliability and safety in the supply of energy products;
- d) the reduction of the environmental impact of all the activities carried out by the Group;
- e) the creation of sustainable value shared with the Company's shareholders and with other Stakeholders;
- f) the promotion of the Group's social commitment and, specifically, respect for human rights as established in the *Human Rights Respect Policy*; and
- g) the promotion of the responsible use of energy.

#### 4. Instruments for promoting sustainable management

The instruments for promoting the basic principles of conduct of this *Policy* are as follows:

- a) competitiveness of energy products provided: the Group promotes efficiency in energy generation, storage, transmission, distribution and trading, so that energy is provided at the best possible price and on a sustainable basis. All this shall be achieved through the use of clean, efficient and technologies entailing low operation and maintenance costs, as well as a combination of diversified generation technologies that includes the most competitive energy sources based on weather and market conditions;
- b) high quality of service and reliability and safety in the supply of energy products: the Group promotes operational excellence, leveraging a culture of continuous improvement and management excellence, as stated in the *Quality Policy*. The continuous assessment of process support tools, which are essential for the efficiency of quality management systems, is intrinsic to the Group, with the ultimate purpose of achieving operational excellence;
- c) reduction of environmental impact in all its activities: the Group's efforts aim to:
  - Promote the 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;
  - Lead the fight against climate change by developing sustainable energy from renewable energy sources that contribute to the de-carbonization of the economy, as well as by optimizing the use of energy throughout its value chain;
  - Prevent or, where applicable, minimize, the emissions of contaminants and their effects on human health and the environment;
  - Take a leading position in the preservation and protection of biodiversity, generating, whenever possible, a net positive impact on the relations with the environment; and
  - Improve the circularity of its activity and that of its suppliers through the sustainable use of natural resources, implementation of life cycle analysis, ecological design of its infrastructure, application of the waste hierarchy, as well

as optimization of waste management and use of recycled materials. In addition, the Group has an Environmental Management System (SGA) that allows it to align the environmental dimension within the Group's sustainability model and identify environmental aspects throughout the entire life cycle and their impact through the calculation of the Footprint Corporate Environmental.

- d) sustainable value creation: the best corporate governance and sustainability practices available to the Group are adopted, including codes of conduct, compliance and risk management. Such efforts aim to ensure transparency and preserve the creation of sustainable value shared with its shareholders and other Stakeholders, ensuring the dividend, one of the bases for the sustainability of the Company and the Group, and conducting, in a responsible manner, its work as a major driving force in the energy sector. In this sense, in compliance with the provisions of *Stakeholder Relations Policy*, the Group encourages the increasing involvement of Stakeholders with the business project in order to respond to their legitimate interests and increase the level of trust that contributes to the preservation of corporate reputation. Specifically, the Group works on achieving excellent management of its relations with customers, offering them energy products and services that are efficient and tailored to their needs and attentive to the opportunities provided by the market.
- e) promotion of social commitment: the Group's strategy is aligned with the fulfillment of the goals of the 2030 Agenda on Sustainable Development of the United Nations. In this sense, the Group acts as a driving force and lever for social and labor changes, through social commitment policies, which address the inevitable social challenges and goals, such as the commitment to human rights, the empowerment of women and encouragement of diversity and equality. Specifically, the Group makes efforts to improve the quality of life of the people in the communities where it operates, promoting universal access to energy supply, paying special attention to customers who are economically disadvantaged or in any other situation of vulnerability, establishing specific procedures of protection and collaborating, according to the policies established by the relevant regulatory bodies, in each case, to facilitate continuous access to the energy supply; and
- f) promotion of responsible use of energy: the Group supports measures aimed to energy savings and efficiency and contributes to sustainable development through public awareness campaigns for the efficient consumption of its products and services.

## 5. Sustainable management of events

The Group has the commitment to be at the leadership in the area of sustainable event management, encouraging the contribution of all participants in its value chain.

Particularly, the Group's Event Manual establishes the rules that shall guide all events held by the Group to ensure that its planning and execution ensure strict compliance with all applicable requirements in each case (especially including laws on safety, health, noise, waste, privacy and personal data protection), promoting accessibility, inclusion, non-discrimination and diversity.

The Group companies shall seek to establish sustainable management systems for events where the importance and complexity thereof so require, in which they shall foster the engagement of all impacted Stakeholders and considering their needs and expectations.

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