

Innovation 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, aware that innovation is a variable of a strategic nature that affects all the businesses and activities performed by the Group, and in compliance with the provisions of the *Purpose and Values* of the Neoenergia Group, the Board of Directors approves this *Innovation Policy* (the “**Policy**”).

1. Purpose

The purpose of this *Policy* is to define and disseminate the strategy that allows the Company and the Group to continue to be leaders in innovation within the energy industry, leading the transition towards a healthier and more accessible electric energy model.

Along with these lines, the foundations of innovation and sustainable development strategy are: the promotion of renewable energies and seizing the opportunities enabling the digitalization and automation of its business, as well as focusing on emerging technologies and boosting the digital transformation of its business in order to contribute to the fulfillment of the ninth and eleventh Sustainable Development Goals approved by the United Nations (“SDG”).

The focus on innovation is a priority to ensure sustainability, efficiency, competitiveness and keep the Company at the forefront of the development of new products, services and business models designed to transform the industry.

Therefore, the Company fosters the creation of an innovative ecosystem based on attracting outside talent and seeking new avenues for collaboration, aiming to acquire knowledge and design new solutions that enable sustainable value creation for the Company and its Stakeholders. Likewise, the Company promotes internal talent, by implementing an innovation culture at all levels to enable the absorption of new technologies.

The Company sees innovation as an open and decentralized process. It is decentralized because it is carried out independently in each business unit. It is open because the Company sees itself as a technology-driven company and, as such, its vocation is to involve, in its innovation process, all its technology suppliers, including universities, technology centers, and equipment manufacturers. In this context, support and coordination by the Deputy Chief Executive Officer, is fundamental to be always addressing the main advances in innovation and to share the best international practices.

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 achieving these goals, the Group takes on and promotes the following main principles of conduct regarding its innovation strategy.

- a) lead energy efficiency-oriented innovation and enable higher electrification of demand;
- b) foster research, development and innovation (R+D+I) activities, focusing on efficiency aimed at the continuous optimization of the Group's business operations, management of the useful life of facilities and equipment, reduction of operation and maintenance costs and decrease in environmental impact, as well as the development of new products and services in response of the needs of the customers;
- c) boost the digital transformation of the Group business to improve the efficiency of its processes, the operation and maintenance of its assets and increment the availability of its generation business;
- d) keep the Group at the forefront of new technologies and disruptive business models, by fostering an "innovative culture" that pervades the entire organization and creates motivating work environments that favor and reward the generation of ideas and innovative practices by professionals, accepting the implicit risk and recognizing creative contributions;
- e) encourage innovation ecosystems and foster innovation by collaborating with startups, entrepreneurs and providers in order to develop new disruptive and sustainable business models and favor the interchange of knowledge and the impact produced by them;
- f) foster collaboration and partnerships with the academic, intellectual and technological world, through bonds that allow the Group's innovative capacity to multiply and collaborate in the dissemination of knowledge;
- g) obtain innovations that are supportive to sustainable growth and efficient management of resources and to reduce the impacts to the environment, contributing to the social and economic development of the environment where the Group carries out its activity;

- h) develop projects in the area of universalization of energy services, based on environmentally sustainable, economically feasible and socially inclusive models;
- i) integrate innovation in all the qualification contents of the Group companies through specific courses and programs for the development of skills related to creativity;
- j) implement an innovation management system that includes the setting of annual goals and objectives within a continuous improvement procedure, managing the company's human and intellectual capital as essential support for the entire creative and innovative process;
- k) stimulate creative thinking in a diverse and inclusive environment;
- l) promote a surveillance and technological prospecting system that allows the identification of opportunities and challenges for the Group's businesses and detects the need for innovation in processes or services aiming to anticipate technological changes and the market needs and risks;
- m) internally disseminate the knowledge gained, so that professionals can be aware of the best practices applicable to their activity in the search for efficiency and effectiveness in the Group's processes;
- n) protect the results of the innovation process, managing properly and ethically the intellectual and industrial property, which, in any case, shall imply respect for the property rights of third parties; and
- o) enhance innovations that contribute with added value for users and increase the satisfaction of employees, shareholders, customers and other Stakeholders.

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