

## HUMAN RIGHTS RESPECT POLICY

Updated on December 19, 2018

The Board of Directors of NEOENERGIA, S.A. (the “**Company**”) is vested with the power to design, evaluate and review the Company’s Corporate Governance System on an on-going basis and to approve *Corporate Policies*, which develop the principles reflected in this set of regulations and which contain the guidelines governing the conduct of the Company and of the companies belonging to the group of companies of which the Company is the controlling entity, within the meaning established by law (the “**Group**”), as well as the conduct of the directors, officers and employees thereof.

Among the *Corporate Policies*, the sustainable development policies are designed to favor a culture of social responsibility within the Group, on a global scale. Respect for human rights is one of the main pillars on which such culture rests.

### 1. Purpose

The purpose of this Policy on Respect for Human Rights is to formalize the Group’s commitment to the human and labor rights recognized in domestic and international legislation and to the principles underpinning the United Nations Global Compact, the Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework, the OECD Guidelines for Multinational Enterprises, the International Labor Organization’s Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the Sustainable Development Goals (SDGs) approved by the United Nations, as well as such documents or texts as may replace or supplement those mentioned above.

### 2. Main Principles of Conduct

In order to achieve the objectives set forth above, the Group upholds and undertakes to promote the following basic principles, which must inform its activities in all areas:

- a) To demand from all Group professionals and suppliers strict respect for the human and labor rights recognized in domestic and international legislation in the conduct of their activities, as well as compliance with international standards in those countries in which human rights legislation has not reached an adequate level of development.
- b) To reject child labor and forced or compulsory labor, and to respect freedom of association and collective bargaining, the right to freely circulate within each country, as well as non-discrimination and the rights of ethnic minorities and of indigenous peoples in the places in which it carries out its activities.
- c) To promote the implementation of due diligence procedures in order to identify the situations and activities that pose the highest risk of violation of human rights (particularly in the areas mentioned in the preceding principle) and to develop mechanisms for prevention and mitigation of such risk in its activities and in those conducted by its suppliers.

d) To require its suppliers to abide by the *Code of Ethics*, pursuant to which they have the duty to (i) promote activities and adopt such measures as may be needed in their organization in order to eliminate all forms or types of forced or compulsory labor, to expressly reject the use of child labor in their organization, to respect their workers' freedom of trade association and right to collective bargaining, to reject all discriminatory practices in connection with employment and labor, affording their employees fair treatment based on dignity and respect, and (ii) to pay their workers as provided by applicable wage laws, including minimum wages, overtime and social security benefits.

e) To regularly verify the application of the procedures for identification of risk situations and activities and of the mechanisms for prevention and mitigation of the risk of violation of human rights, using monitoring indicators and focusing its analysis particularly on the main locations of operations in which there might be a risk of violation of such rights, taking as a reference the reports and recommendations issued by reputed international organizations.

f) To report on the results of such verification activities in its annual public information, available on its corporate website.

g) To adopt such measures as may be applicable in the event of detecting any violation of human rights at its facilities or at those of its suppliers, as provided in the Code of Ethics, in the Code of Ethical Conduct for Suppliers and in the Brazilian legislation in force.

h) To have in place reporting and grievance mechanisms, equipped with adequate guarantees and settlement procedures, in order to respond to any events of violation of human rights that may be reported by persons or organizations from outside the Group.

i) To advance a culture of respect for human rights and promote awareness-raising in this field among its professionals at all companies within the Group, and especially at those where there may be a higher risk of violation of such rights.

### **3. Implementation and Update**

The Company shall draw on specialized external advice in order to conform the Group's operating procedures to the principles set forth in this *Policy on Respect for Human Rights* and to prepare any future updates of the text hereof.

\* \* \*

This *Human Rights Policy* was initially approved by the Board of Directors on July 19, 2018 and amended at the Board of Directors meeting of xx xxxx xxxx.