

Knowledge Management Policy

Updated May 22, 2019

The Board of Directors of NEOENERGIA, S.A. (the “**Company**”), aware that intellectual capital is the basic foundation for the creation and protection of the Company’s value, has established as a strategic objective the need to implement an appropriate *Knowledge Management Policy* that fosters initiatives, procedures, and tools that allow the Company to truly and effectively exploit such intellectual capital.

1. Purpose

In further developing the provisions of the *Purpose and Values* of NEOENERGIA group, the goal of this *Knowledge Management Policy* is to establish guidelines for the dissemination and sharing of the Company’s existing knowledge and promote continuous learning and cultural exchange, so as to enhance operational efficiency through the proper use of intellectual capital, always furthering the interests of NEOENERGIA Group.

In a world in which traditional production assets are ever more accessible, intellectual capital is what marks the differences between companies that are competitive and those that are not, and between those that sustainably create value and those that gradually lose their capacity to generate wealth.

The intellectual capital of the Company depends to a large extent on all of its people, but also depends on its operational and organizational structures and on internal and external relations with all stakeholders. Organizational and personal training must therefore be permanent and ongoing, and must be in line with the strategy of NEOENERGIA Group.

The markedly strategic nature of knowledge management requires constant work in order to improve initiatives and the application thereof at all of its business units.

2. Main Principles of Conduct

To achieve these goals, NEOENERGIA Group accepts and promotes the following main principles that must inform all of its knowledge management activities:

- a) Think of NEOENERGIA Group as a system made up of connections among people and working groups as a key lever for talent development. The knowledge of each person or group must be identified and accessible to the whole, generating a multiplier effect, so as to produce knowledge-based operational leverage. For this reason, it is especially important to identify where critical knowledge resides within the organization.
- b) Recognize the value of the knowledge existing at the Group and strengthen its development as a key value-creation tool, promoting a business culture that encourages the dissemination of this knowledge.

c) Promote working methods and environments that favor the sharing of ideas and knowledge.

d) Structure an intelligent organization, with a capacity for ongoing learning and innovation.

e) Align knowledge management with the skills and requirements set out in Group's strategy.

f) Define the required models of management, measurement, processes, systems and documentation by integrating the vision of the various business units in order to understand and develop mechanisms to ease the flow of knowledge within the existing organizational structure, within a secure environment. This allows for the sharing of experiences and ensures that constant attention is given to the operation of the organisation as a whole, thus contributing to meeting goal eight of the Sustainable Development Goals (SDGs) approved by the United Nations.

g) Foster the sharing of the knowledge existing at NEOENERGIA Group to the greatest extent possible, putting in place the necessary resources to enable the development and internal dissemination thereof through communication, awareness-raising and training, and the efficient use thereof. This shared intelligence is creative and innovative, and greater than the mere sum of the individual intellectual capabilities involved, multiplying internal talent. Emphasis will be placed on the creation and enhancement of organizational connections (networks), as well as on team cohesiveness, in line with the values of NEOENERGIA Group.

h) Evaluate the intellectual capital existing at NEOENERGIA Group in a consistent and sustained manner over time, in order to be able to assess the effectiveness of the initiatives implemented under this *Knowledge Management Policy*, correct defects and develop new activities.

i) Implement actions for improvement to bring NEOENERGIA Group ever closer to excellence in knowledge management.

j) Respect the intellectual and industrial property rights of third parties in the knowledge management of NEOENERGIA Group.

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This *Knowledge Management Policy* was initially approved by the Board of Directors on December 28, 2018 and was last amended on May 22, 2019.