

# Purpose and Values

March 13, 2019

The purpose of this standard is to formalize the *Purpose and Values* of the group of companies, whose controlling entity, within the meaning established by law, is Neoenergia S.A. (the "**Company**" or "**NEOENERGIA**" and the "**Group**" or "**NEOENERGIA Group**") approved by the Board of Directors as an independent norm within the Corporate Governance System.

The purpose and values of the Group constitute its identity, its *raison d'être* and its corporate philosophy. They are the ideological and axiological foundation of its business enterprise, which, due to its size and the importance, is the focal point for many stakeholders and for the economic and social environment in which its component entities do business. The purpose and values of the Group inspire the *Company's Bylaws*, guide the application and interpretation thereof in accordance with applicable law, are further developed and specified in the Group's Code of Ethics, which guide the ethical behavior of all of its personnel, and take form in the other rules of its Corporate Governance System, governing the day-to-day activities thereof and its strategy for the sustainable growth of the social dividend, channeling its commitment to leadership in all of its areas of activity.

## 1. The Purpose of the Group

The purpose of the Group, and thus its *raison d'être*, is: to continue building together each day a healthier, more accessible energy model, based on electricity.

This purpose, focused on the well-being of people and on the preservation of the planet, reflects the strategy that the Group has been implementing for years and its commitment to continue fighting for:

- a) A real and global energy transition, based on decarbonization and on the electrification of the energy sector, and of the economy as a whole, that contributes to the fight against climate change and generates new opportunities for economic, social and environmental development.
- b) An energy model that is more electric, one that abandons the use of fossil fuels and generalizes the use of renewable energy sources, the efficient storage of energy, smart grids and digital transformation.
- c) An energy model that is healthier for people, whose short-term health and well-being depend on the environmental quality of their environment.
- d) An energy model that is more accessible for all, one that favors inclusion, equality, equity and social development.
- e) An energy model that is built in collaboration with all involved players and society as a whole.

## **2. The Values of the Group**

To achieve the purpose of the Group, its strategy and all of its actions are inspired by and based on three values:

a) Sustainable energy: we seek to always be a model of inspiration, creating economic, social and environmental value in all of our surroundings, and with the future in mind.

b) We act responsibly toward people, communities and the environment, committed to the sustainable development strategy defined by the Company's Board of Directors, which seeks to maximize the social dividend generated by the Group's activities and businesses, from which all of our stakeholders benefit.

c) For this purpose, the Group's professionals engage in their activities in accordance with the ethical principles set out in the Code of Ethics. They especially endeavor to ensure transparency, the safety of people, the sustainable creation of value for the Company and its surroundings, striving to identify and understand the expectations of all stakeholders and working to achieve the well-being of both present and future generations.

d) Integrating force: we have great strength and a deep sense of responsibility, for which reason we work together, combining talents, for a purpose that is to be achieved by all and for all.

e) The Group's professionals form a diverse team prepared to achieve the success of its business enterprise. For these purposes, it seeks for its professionals to work without geographic, cultural or operational barriers, to share talent, knowledge and information, and to have a global, long-term vision.

f) To achieve such a team, the Group drives the development of its professionals and contributes to the training of future generations in order to boost their enthusiasm, empathy and initiative at work, and favor solidarity and creativity, as well as their respect for human relations. The Group also encourages the maintenance of sincere and faithful dialogue between its staff and the other stakeholders.

g) Driving force: we make small and large changes a reality while being efficient and self-demanding, always seeking continuous improvement.

h) We innovate and promote large and small changes that make life easier for people.

i) We expect our professionals to adopt a non-conformist attitude, to constantly seek excellence and opportunities for improvement, to embrace change and new ideas, to learn from mistakes, to evolve with feedback on their actions and to anticipate the needs of stakeholders.

j) To achieve this, we favor simple, agile and efficient processes for organizing work and exchanging information that take advantage of technological advances.

#### **4. Acceptance**

The professionals of the Group expressly accept the *Purpose and Values*. Professionals who join or become part of the Group in the future must also expressly accept the content hereof. The *Purpose and Values* of Neoenergia group shall be attached to the employment agreements of all Group professionals.

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The corporate philosophy of the Company was initially approved by the Board of Directors as a standard of the Corporate Governance System on September 6, 2018, under the name of Mission, Vision and Values of Neoenergia.

The Company's Board of Directors last revised and amended on March 13, 2019 to introduce the Purpose, surpassing and replacing the Mission and Vision, and updating its Corporate Values.