

Stakeholder Relations Policy

July 16, 2019

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 the corporate policies that further develop the principles reflected in such system, 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, management personnel and employees thereof.

Among the corporate policies, sustainable development policies are intended to promote a global culture of social responsibility within the Company and the companies belonging to the group, which will help improve the well-being of people, promote the economic and social development of the communities in which it has a presence and create sustainable value for shareholders, investors, employees, customers, suppliers and other stakeholders of the Company, in line with the Sustainable Development Goals (SDGs) approved by the United Nations.

Pursuant to the provisions of its *Bylaws*, the Company pursues the fulfillment of the corporate interest, which is understood as the common interest of all shareholders oriented towards the sustainable creation of value by engaging in the activities included in its corporate object, taking into account other stakeholders related to its business activity and to its institutional reality, and especially the legitimate interests of the various communities and territories in which the Company acts and those of its employees.

In all of its activities, the Company particularly endeavors to ensure the social dividend, which is envisaged as the sustainable creation of value for all stakeholders affected by the activities of the Group through its businesses, using a sustainable development strategy focused on stimulating the business communities in which the Company participates and which it leads, both from an economic viewpoint as well as from the perspective of business ethics, the promotion of equality and justice, the encouragement of innovation and respect for the environment, as well as through the generation of high-quality employment and its efforts to combat climate change.

Along these lines, the Purpose and Values of the Group acknowledge the importance of its relations with those groups that may influence or that are affected by the decisions or the value of the Company and the Group, as well as the need to engage such groups, their stakeholders, in order to obtain their help in building a new energy model.

There are many such groups within the value chain comprised of the Group businesses. For purposes of this *Stakeholder Relations Policy*, these groups are grouped into the following categories (the “**Stakeholders**”):

- a) Workforce;
- b) Shareholders and the financial community;
- c) Regulatory entities;
- d) Customers;
- e) Suppliers;

- f) The media;
- g) Society at large;
- h) The environment;

This *Stakeholder Relations Policy* will generally govern the relations of the Group with the stakeholders described above, ensuring the coordinated action of all companies forming a part thereof and with respect to each of the businesses of the Group.

The foregoing shall be deemed to be without prejudice to the approval by the Board of Directors of other corporate policies directed towards specific Stakeholders such as, for instance, those approved in connection with employees or the environment, which set forth the general principles that are to govern the Company's activities in each specific area.

Given the large number of groups or interests that may be deemed to be included in each of the Stakeholder categories identified above, the Company may identify subcategories to promote specific aspects of such relations that are focused on the expectations of more specific organizations or groups.

1. Purpose

The Board of Directors has approved this *Stakeholder Relations Policy* in order to promote a framework of relations based on two-way communication, engagement and collaboration, as well as on principles of transparency, active listening and equal treatment, which allows for all of their legitimate interests to be taken into consideration and to effectively disclose information regarding the activities and businesses of the Group, building relationships of trust on an ongoing basis, in a manner consistent with the provisions of the Purpose and Values of the Group.

2. Basic Principles of Stakeholder Relations

In its relations with Stakeholders, the Group accepts and promotes the following basic principles:

- a) Maintenance of a strategy of strong involvement in the communities in which it operates, which achieves the engagement of all Stakeholders in the transition towards a healthier and more accessible electricity-based energy model;
- b) Development of a responsible business model in order to be an innovative, transparent, integrating, open and committed company, capable of creating sustainable value for all Stakeholders on a shared basis therewith;
- c) Allocation of the necessary resources to the proactive, continued and systematic establishment of fluid channels for dialogue with Stakeholders, in order to establish balanced relationships between corporate values and social expectations, taking into account their interests, concerns and needs;
- d) Development and maintenance of a dynamic organizational structure that allows for the promotion and coordination of responsible actions with Stakeholders, and using various instruments to favor communication and dialogue therewith, within a constant process of adaptation to their needs, expectations and interests: direct contact, the Company's corporate website, the websites maintained by the different companies of the Group and the Group's proactive presence on social media. The ultimate goal of these tools is to encourage the engagement of all of the Company's

Stakeholders, reinforce their sense of belonging, strengthen the NEOENERGIA brand, favor the development of the businesses of the Group, emphasize its social side and progress with the digital transformation of the Company;

e) Commitment of the Group to business ethics and sustainable development and, in particular, the principles of business honesty and transparency as drivers of credibility and mutual trust, are the foundations on which the Group builds its relations with Stakeholders;

f) Identification and consideration of the viewpoints and expectations of affected communities as part of decision-making processes that may have potential impacts on the local population. These actions are taken through consultation processes which vary based on country and activity and thus on the applicable law in each case. These processes can also be complemented with other processes on a voluntary basis, if deemed appropriate;

g) Assignment to the Company of the duty of designing, approving and supervising the Stakeholder relationship strategy, endeavoring to ensure proper coordination at the Group level, without prejudice to the implementation of this strategy being governed by the principle of subsidiarity, such that the Group company that is closest to the Stakeholder is primarily responsible for interaction in each case;

h) Preparation and disclosure of relevant and reliable periodic financial information and non-financial information regarding the performance and activities of the Group, subject to external independent verification when appropriate.

3. Channels for Dialogue of the Company with Stakeholders

The Company establishes channels for dialogue with Stakeholders to respond to their needs and expectations. These channels are continuously evolving to adjust to the needs of each moment and the various forms and uses commonly used within each of the channels of communication, based on the suitability thereof and with an attempt to maximize the effectiveness thereof.

Apart from the corporate website, the various websites of the Group and social media, which are the main channels for the Company's relations with Stakeholders, it also has other means of dialogue, including:

a) Workforce: mixed subcommittees or committees with employees, opinion surveys, Ethics Mailbox and suggestion boxes, the Global Employee Office and the employee portal within the intranet;

b) Shareholders and the financial community: personal contact with shareholders, equity investors and rating agencies, periodic informational brochures and bulletins and the corporate website;

c) Regulatory entities: consultations and periodic meetings with regulatory entities, both through direct contact and through industry organizations;

d) Customers: the company has established both face-to-face and remote channels for direct customer assistance (including online channels like a special website, presence on social media and various mobile apps), systems for improving the servicing and handling of complaints and claims, and customer satisfaction

surveys, and also promotes other channels for relations with consumer associations and institutions;

e) Suppliers: the Suppliers' Ethic Mailbox, the supplier portal on the corporate website, the Supplier Service Center and supplier satisfaction surveys; while also maintaining processes for supplier registration and classification, supplier campaigns, meetings with suppliers and an exclusive mailbox on the website;

f) The media: press releases, individual and group meetings with the media, organization of visits to the Group's facilities, maintenance of a virtual press room, and a mailbox for questions on the corporate website, as well as an active presence on social media;

g) Society at large: through the corporate website, participation in social media and conventional channels of communication, maintaining direct relations with the heads of the various government administrations. The Group also actively participates in numerous business and industry organizations, collaborates with academic and educational institutions and organizations connected to innovation, participates in projects of collaboration with social, cultural and sporting institutions and organizations, maintains direct relations with social groups in the areas around the facilities and participates in informational forums, seminars and conferences;

h) The environment: existence of a specific mailbox on the corporate website and disclosure of environmental information through social media, collaboration with multilateral institutions like the United Nations and other agents through coalitions, alliances and participation in global environmental initiatives, as well as the implementation of supplier surveys, environmental impact evaluation and public consultation processes for new facilities, the adoption of specific initiatives like electric vehicles for the professionals of the Group, and collaboration with academic institutions.

4. Significant Matters

The Company has equipped itself with appropriate tools for the identification of those issues within its business activity that are considered to be significant at the global level, among which the following are noteworthy:

a) In relation to the workforce: labor conditions generally, and particularly occupational health and safety conditions, training, human resources process management and published information;

b) In relation to regulatory authorities: safety in supply, the financial aspects of supply (prices and competitiveness) and environmental sustainability;

c) In relation to customers: transparency in charging and billing, suggestions and grievance processes, as well as determination of rates and access to energy by vulnerable customers;

d) In relation to suppliers: their relation to the Procurement Area, registration and classification processes, respect for Human Rights and ethical principles in doing business, environmental responsibility, respect for workplace health and safety rules and procurement from local suppliers;

e) In relation to the media: the communication of significant events sent to the National Securities Market Commission, matters related to electricity regulation in the countries in which the Group operates, considering its global strategy and international positioning, corporate governance and the Company's sustainable development strategy;

f) In relation to society in general: issues relating to electricity regulation as well as innovation and protection of the environment, compliance with the Sustainable Development Goals promoted by the United Nations Organization, promotion of the universalization of energy, as well as the Group's contribution to the communities in which it is present in areas like entrepreneurship, education, art and culture; and

g) In connection with the environment: the fight against climate change, the promotion of biodiversity, energy efficiency and water management, the promotion of sustainable mobility, the Group's environmental management model and its carbon and environmental footprint.

The identification and assessment of the significance of the matters to be taken into account entails a dynamic process and is subject to appropriate evaluation in each of the activities and businesses of the Group, such that they may provide a starting point for the design of suitable responses to be provided during the course of the day-to-day management thereof.

5. Other Processes and/or Instruments for Stakeholder Relations Management

The Board of Directors of the Company is responsible for the design, approval and supervision of the Stakeholder relations strategy and of the general guidelines that the Group must follow in this regard.

This strategy is implemented pursuant to the Stakeholder Engagement Model, which further defines and develops the provisions of this *Stakeholder Relations Policy*.

Specifically, the Stakeholder Engagement Model contains the principles and guidelines that should govern relations between the Company and the companies of the Group and the Stakeholders, taking into consideration the special nature and uniqueness of each country and business. This model is based on the groups established by this Stakeholder Relations Policy and favors the segmentation and prioritization thereof based on the impact and influential ability of the companies of the Group, as well as the impact and influential ability of the companies of the Group within these subgroups.

The Stakeholder Engagement Model contains the guidelines for designing the type of relationship model with each Stakeholder Subgroup, and for this purpose identifies those responsible for the relationships as well as the channels and frequency of the contacts to properly manage them. It also identifies the significant issues for each Stakeholder, as well as the related risks and opportunities in each case, and contains the principal guidelines to design action plans that respond to the expectations of the Stakeholders while improving the flows of reporting on Stakeholder relations.

The Board of Directors is ultimately responsible for supervising and coordinating the development of the strategy for relations between the Group companies and

Stakeholders. The Company has the following processes and/or instruments supplementing the channels for dialogue established for relations with Stakeholders:

- a) Adoption of rules or standards: given the importance of Stakeholder engagement in the Group's social responsibility and in external perception by the social environment, internationally recognized rules or standards on the matter, of interest to the Company, are examined and adopted.
- b) Preparation of action plans: in order to improve the Company's relations with Stakeholders and to respond to their concerns, action plans are established as part of multi-annual corporate social responsibility plans, which take into account the specific characteristics of such Stakeholders and the geographic area in which they operate.
- c) Participation of Stakeholders in the planning and development of the Group's energy projects: within the framework of the principles set forth in this Stakeholder Relations Policy, the Company endeavors to take into account the viewpoints of affected communities in the planning and development of its energy projects.

* * *

This Stakeholder Relations Policy was initially approved by the Board of Directors on July 19, 2018 and was last amended at the Board of Director's meeting on July 16, 2019.