

# People Management Policy

Updated April 18, 2024

The Board of Directors of NEOENERGIA S.A. (the “**Society**”) is vested with the powers to prepare, assess and review the Society’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 Society and of the societies that comprise the Group, for which the Society is the controlling entity, within the meaning established by law (the “**Group**”).

In exercising these powers and aware that the excellent management of all processes and resources of the societies comprising the Group is a critical lever for the sustainable creation of value for all its Stakeholders and to comply with the provisions of the Purpose and Values of the Neoenergia Group, the Board of Directors approves this People Management Policy (the “**Policy**”).

## 1. Purpose

The purpose of this Policy is to define, develop and disseminate a people management model that allows attracting, developing and retaining talent, as well as promoting the physical, mental and emotional well-being of the staff through their personal and professional growth, making them participants in the project of the Group's business success and ensuring a decent and stable job in a diverse and inclusive environment.

People fundamentally determines the difference between competitive societies and those that are not, and between those that sustainably create value and those that gradually lose their ability to produce wealth. In this sense, it is essential that societies define, design and disseminate a management model that promotes not only the physical and mental well-being of their professionals, but also an adequate, pleasant, satisfying and stimulating work environment that generates confidence and motivation, but also an adequate, pleasant, satisfying and stimulating work environment that generates trust and motivation, which will boost the professional and personal development of teams and result in increased creativity and productivity, thus contributing to the achievement of business objectives.

Therefore, when making decisions, it is important to consider their impact on the work environment and on the physical, mental and emotional well-being of professionals.

Thus, well-being initiatives adapted to business needs reduce absenteeism, encourage job satisfaction, professional commitment and talent loyalty, stimulate the generation and debate of ideas, promote innovation and motivation, and increase the sense of belonging to the Society.

The key principles for the care and development of the human team include the design and implementation of people management and labor relations structures that allow the set of Group's societies' success to be shared with all employees, promote their economic and social development, thereby contributing to achievement of goal eight of the Sustainable Development Goals (“**SDG**”) approved by the United Nations, which are supportive of competitiveness and business efficiency.

Specifically, this Policy sets forth the guidelines regarding: (i) the selection of its professionals; (ii) the creation of stable and quality jobs, in a diverse, inclusive, healthy and safe environment; (iii) the building of stable relations with the teams; (iv) the reconciliation of personal and professional life; (v) the management of talent promotion and training; and (vi) fostering and promoting well-being.

People management and labor relations management shall be governed by respect for human and labor rights recognized in national law, respect for diversity and inclusion, equal opportunities and non-discrimination, as well as alignment of the interests of professionals with the strategic goals defined by the Group.

This Policy, which content is consistent with the provisions in the Human Rights Respect Policy and, particularly, the labor rights, is further developed by the following policies: the Diversity, Equity and Inclusion Policy, the Selection and Hiring Policy, the Knowledge Management Policy, and the Occupational Health and Safety Policy.

## **2. Scope**

Within the limits established by law, this *Policy* is applicable to all societies comprising the Group and investees not comprising the Group, over which the Society has management influence.

For investees to which this Policy is not applicable, the Society shall promote, through its representatives on the management bodies of such societies, the alignment of their own policies with those of the Society.

This *Policy* shall also apply, as appropriate, to the joint ventures, temporary joint ventures and other equivalent associations, in which the Society has management influence.

## **3. Main principles of conduct**

For achieving the planned goals, the Group's societies take on and promotes the following main principles of conduct that shall govern the management of its human team:

- a) An appropriate framework of labor relations and agreed mechanisms to adapt the organization to the corporate and social requirements, promoting the goals of competitiveness and business efficiency.

- b) The design of a value offering that favors the selection, hiring, promotion and talent loyalty, consisting of competitive compensation and a diverse and inclusive working environment that promotes the reconciliation between personal and professional life and boost the professional growth of the employees of the Group's societies. This professional growth shall be based on objective performance criteria, equal opportunities and a commitment to the Purpose and Values of Neoenergia Group and with the Group's business project.
- c) The development of consistent people management processes that progress in the implementation of a talent culture in all states in which the Group's societies do business, respecting local characteristics and particularities.
- d) Definition of the development of labor relations based on equal opportunities as a strategic goal, particularly between genders, non-discrimination and respect for diversity and inclusion, in all its variables, in compliance with the Diversity, Equity and Inclusion Policy. Likewise, measures shall be promoted to facilitate the effective integration of such groups and people with disabilities, as well as to achieve a good work environment that enables professionals to reconcile their personal and professional lives, in compliance with the laws in force and following the best international practices.
- e) Encouragement to stable and quality jobs.
- f) A compensation system that allows for the attraction and loyalty of the best professionals, aligning their goals with those of the Group.
- g) Appreciation of the contribution of all professionals to the creation of value of the Group's societies and their growth.
- h) Recognition and appreciation of family and personal connections among the professionals of the Group's societies, a necessary consequence of the Group's strong local roots within the communities in which they have historically done business, and the setting of concrete measures to ensure that employees are not favored or discriminated against in hiring and internal promotion processes on the basis of such connections, nor that the principle of equal opportunities is violated.
- i) Ensure that the selection, hiring, and promotion processes of the Group's societies assure that all their professionals are persons who are respectable and trustworthy, aligned with the provisions of the Purpose and Values of Neoenergia Group and with the principles contained in the Code of Ethics, assessing their history and rejecting those who lack the required appropriateness due to their background. All of this, without prejudice to the respect for individual identity and convictions, as established in the Diversity, Equity and Inclusion Policy.
- j) A safe, harassment-free and healthy working environment in all Group's societies.
- k) The fostering and promotion of well-being at work, caring for and offering an adequate, pleasant, satisfying and stimulating work environment that generates trust and motivation among professionals, as well as their commitment to the values of the Group's societies.

#### 4. Instruments

The Group's societies have the following instruments to achieve these goals:

- a) People Management policies: this People Management Policy, the Diversity, Equity and Inclusion Policy, the Selection and Hiring Policy, the Knowledge Management Policy, and the Occupational Health and Safety Policy;
- b) the People and Organization Department, or the area that eventually may perform its duties, which has as its main purpose the standardization of guidelines for the management and promotion of talent in the Group, so as to meet the different social and labor realities in the places where it operates with the support of the people and organization departments of the different societies that are part of it, which are in charge of implementing and ensuring compliance with human resources policies and strategies. To achieve this goal, the Society's People and Organization Department or the area that eventually may perform its duties, may create specialized committees in areas such as the selection and hiring of professionals, training, compensation systems, or social welfare benefits;
- c) The other Group's departments that, aligned with the People and Organization Department, or the area that eventually may perform its duties, are responsible for implementing, monitoring and ensuring compliance with the Diversity, Equity and Inclusion Policy;
- d) Collective bargaining agreements or specific equivalent agreements governing aspects relating to human resources management, as well as the established specific monitoring mechanisms;
- e) Channels for dialogue and communication with employees of the Group's societies and, particularly, mixed subcommittees or committees with employees, work climate or satisfaction surveys, meetings with the CEO and senior management, specific meetings, the corporate website and the various intranets of the Group's societies;
- f) Mobility programs that, aligned with the Group's business model, benefit the sharing of experiences and knowledge, professional development, as well as the promotion of talent and the consolidation of a Group culture;
- g) Training programs that foster the development of intellectual capital and the promotion of employees within the Group's societies;
- h) A specific training and improvement program for the leadership team that fosters for internal promotion and ensures the orderly succession of senior management and other key positions in the Group's societies;
- i) Occupational risk prevention programs and processes and a global occupational safety and health system based on defined standards applicable to all societies of the Group;
- j) Independent and confidential whistleblowing channels that allow employees to report any non-compliance with the application of the principles of the Group's Code of Ethics.

- k) Guides and programs to promote physical, mental and emotional well-being, as well as a healthy, safe, pleasant, diverse and inclusive working environment, which fosters the personal and professional development of the staff of the Group's societies and addresses their global training concerns.

## **5. Basic principles of conduct relating to diversity, equity and inclusion**

The *Diversity, Equity and Inclusion Policy* develops the Group's goals and principles on the matter, which may be summarized in the following principles of conduct:

- a) respect for diversity among professionals in the Group's societies, promoting non-discrimination;
- b) development of the principle of equal opportunities, as its compliance is one of the basic pillars of professional development, and entails the commitment to provide and show equitable treatment that promotes the personal and professional progress of the staff, avoiding, among other issues, that professionals with family or similar personal connections hold positions that report directly - hierarchically or functionally - to the professionals with whom they are connected; and
- c) promotion of gender equality, especially regarding access to employment, training, professional promotion, and working conditions.

The Society ensures that the processes related to the selection, hiring, management of labor relations, training and promotion of professionals using artificial intelligence and, mainly, ensure that the algorithms used are not biased in a way that violates, due to their design or the result of their effective implementation, the Group's goals and commitments in terms of diversity and promotion of inclusion, nor render their verification impossible due to limitations of transparency and/or traceability of the results, as provided for in the Development Policy and responsible use of artificial intelligence tools.

## **6. Main principles of conduct in connection with the selection and hiring of professionals**

As further developed in the Selection and Hiring Policy and in the Diversity, Equity and Inclusion Policy, the main principles of conduct relating to selection and hiring are:

- a) Developing a framework process to standardize the talent attraction, selection and hiring procedures of the Group's societies.
- b) Ensuring that the selection and hiring processes are objective and impartial, avoiding that in the selection process of relatives of professionals of the Group's societies or of people with similar personal connections, people with whom they are connected may participate, characterizing a conflict of interest.
- c) Encouraging the access of young people to their first job through scholarship programs, graduations and other agreements.

- d) Providing candidates with an attractive value work proposal that favors the selection and hiring of the best professionals.
- e) Favoring the hiring of employees from excluded groups and persons with different abilities.
- f) The value proposal of the Group's societies shall be based upon equal opportunities, diversity, inclusion, competitive compensation, a broad offer for training and professional development; within a healthy, safe, diverse and inclusive work environment, the contribution to the business project, and measures to facilitate the reconciliation of personal and professional life.
- g) Ensuring that the hiring of its professionals is done through open-ended employment contracts, in compliance with local legislation.
- h) Standardizing working conditions and the benefits granted to part-time and full-time employees.

## **7. Main principles of conduct relating to the management and promotion of talent and training**

Talent management and promotion are key aspects to improve the Society's position vis-à-vis its competitors, and aim the definition of a framework to develop a global quality management system, affecting all professionals of the Group's societies.

As a general rule, in the process of analysis and discussion prior to the adoption of its resolutions, the Board of Directors gives special consideration to the impact that its decisions might have on the talent and promotion management strategy of the Group.

One of the key aspects of global talent management within the Group is the encouragement of training, in accordance with the following main principles:

- a) Establishment of a conceptual framework that includes all training actions designed to promote the qualification of the teams, aligning it with a diverse, inclusive and multicultural work environment, permeable to cultural changes, expanding the principles set out in the Purpose and Values of Neoenergia Group, creating value for the Group and promoting the sustainable development of the Society's business.
- b) Development of training programs and plans that favor professional improvement for the performance of the job, adequacy to technological and organizational changes, adaptation of the teams to the requirements of the Group's societies, and a broader capacity for professional development. Particularly, such training programs and plans shall facilitate processes for updating knowledge and continuously refreshing skills, so that technologies, innovation and training create an interactive triangle which operation favors the Group's sustainable competitiveness.

- c) Make training a key element of professional qualification and development, and providing opportunities for promotion within the Group's organization.
- d) Training programs shall include aspects related to the respect for human rights, diversity and inclusion, and promote the ethical behavior culture, without excluding or discriminatory prejudices. Such programs shall be comprehensive, so that the technical, social and human aspects are considered altogether so that professionals develop in their work not only the best qualifications, but also the principles and values that the Group wants to advocate to civil society.
- e) Dissemination and sharing of the knowledge existing within the Group's societies, on-going learning and cultural exchange, so as to boost operational efficiency through the appropriate use of intellectual capital, in accordance with the provisions of the Knowledge Management Policy.

## **8. Basic principles of action relating to performance appraisals and development**

Employee appraisals and the communication of their results to the appraisees are key aspects of professional development. The basic principles of conduct relating to this area are:

- a) Conducting periodic performance appraisals of the employees of the Group's societies, based on objective criteria.
- b) Communicating the results to the appraisee in a way that favors their professional development, contributing to the creation of a feedback culture.
- c) Avoiding the direct participation of professionals who are family members or who have similar personal connections with the employees affected in salary assessment or review processes.

## **9. Basic principles of conduct relating to compensation system**

The Group's societies view as a priority that the compensation system favors the consolidation of its staff, as the main distinguishing factor in relation to its competitors. The basic principles of conduct that shall guide the compensation system of the Group's societies are:

- a) Favoring the attraction, hiring and retention of the best professionals;
- b) Ensuring consistency with the Group's strategic positioning and development, its international and multicultural reality, as well as its goal of excellence.



- c) Recognizing and rewarding the dedication, responsibility and performance of all its professionals.
- d) Adapting to the different realities of the places where the Group's different societies operate.
- e) Being and staying at the forefront of the market in line with the position achieved by the Society and the other societies in the Group.

## **10. Main principles of conduct relating to the reconciliation of personal and professional life**

Achieving an effective balance between the personal and professional lives of the staff is a Group's priority, developed through the following basic principles of conduct:

- a) Implementing reconciliation measures that promote respect for the personal and family life of the professionals and facilitate an optimal balance between the latter and their work duties.
- b) Establishing effective ways so that the conditions of service provision, especially with regard to the organization of time and the workplace, are flexible and allow for a better adaptation to the different situations that may arise in the professionals' private life.
- c) Honoring commitments with external institutions, striving to fulfill the commitments acquired, aiming to obtain and keep the certifications and awards granted to the Group's societies in matters of reconciliation.
- d) Favoring the hiring of those suppliers that adopt internal measures supportive to the reconciliation between the personal and professional lives of their professionals.
- e) Respecting, recognizing the appropriate reconciliation measures, among others, the situations of single people, married, in a common-law marriage, divorced, separated, widowed, cohabiting with a plurality of people, with or without children, and with any other particular family or affective circumstances, including the specific bond created with pets, as living beings endowed with sensitivity.

## **11. Main principles of conduct relating to the respect to private life and digital disconnection**

The most recent organizational dynamics, from the introduction of new technologies, promote organizational efficiency at the same time as it becomes difficult to establish



boundaries between working time and private life. Pursuant to this *Policy*, it is a priority for the Group's societies that its professionals can fully develop their personal life, in a compatible and enriching way with their working activity.

To this end, this *Policy* establishes guidelines that allow the effective segregation of the professional and personal areas, with special attention to the disconnection of digital devices, without favoring or discriminating against professionals, and based on the following principles:

- a) Promoting an appropriate digital disconnection policy, aimed at fostering respect for rest time and facilitating that professionals can fully develop their private lives outside working hours and with the least possible interference with their professional obligations, which shall only occur in instances of justified need.
- b) Setting disconnection criteria, which must consider the specific situation of the different professional groups, namely: (i) those who must maintain a special availability due to their level of responsibility, due to their involvement in tasks covering territories in different time zones or due to their alert position to meet unpredictable needs; and (ii) those who perform their tasks totally or predominantly at a distance and, mainly, at their homes.

As for the latter, criteria shall be defined which, without prejudice to the business requirement of controlling the work and the necessary hourly flexibility, ensure full respect for private life and the disconnection from workplace responsibilities.

These disconnection guidelines shall be distinct according to the responsibilities of the different groups and shall cover the multiple and varied digital communication and information tools provided for the performance of the work by the professionals, namely mobile devices, computers and tablets enabled for remote work, or in which they receive their professional mails.

## **12. Global occupational safety and health system**

Recognizing of the importance of occupational health and safety risks, the Board of Directors is committed to develop the necessary actions to provide safe and healthy conditions for the prevention of accidents and work-related physical and mental health deterioration, appropriate to the size and context of each organization and the specific nature of the risks for the employees of the Group's societies, as well as in their areas of influence, contributing to the fulfillment of the third and eighth SDGs approved by the United Nations.

The *Occupational Health and Safety Policy*, approved by the Board of Directors, aims to establish a common framework for the control and management of occupational safety and health risks within the general guidelines determined in the *General Corporate Risk Management Policy* and cover the basic principles of conduct the societies in the Group on this matter.

The commitments at the Group's level in this area are driven by a series of instruments, which include the development and implementation of a global safety and physical and

mental health system, including emotional and social well-being at work with minimum standards, so as to ensure the consistency of the criteria applied in all Group's societies.

All this so that the different levels of the organization are aware of the importance of health and safety at work for the Group's societies, encouraging all professionals to contribute with their daily work to the achievement of the goals adopted in this area.

### **13. Basic principles of action relating to well-being**

In line with fostering and promoting well-being among professionals, the Society will provide them with tools and protocols aimed at minimizing the possibility of suffering from burnout, work-related stress or anxiety, as well as means of generating resilience in the face of adversity, whether in the workplace or in the private sphere.

The basic principles of action that will guide the Group's societies in this area are:

- a) recognizing that culture and the work environment contribute significantly to professionals' ability to choose a healthy lifestyle, as well as raising awareness about the importance of physical health in the personal and professional sphere;
- b) advocating a healthy lifestyle that is not just limited to the onset of illness, but one that promotes physical, mental and emotional well-being, encouraging professionals to participate in regular physical activity and reducing sedentary practices, providing access to healthy food options, helping in the process of avoiding bad habits or promoting motivating work environments;
- c) preparing shared workspaces that foster collaboration and interaction between professionals from the Group's societies and encourage the proposal and debate of initiatives and ideas, making them part of the development of the activities of the Group's societies;
- d) promoting actions that encourage teamwork so as to create a pleasant, stimulating and trusting atmosphere among professionals, improving existing bonds with the aim of creating a cohesive and motivated team; and
- e) facilitating access to initiatives related to physical, mental and emotional health, promoting the choice of options that represent an improvement in collective health.

### **14. Work ethics**

The Board of Directors has approved a Code of Ethics that sets forth the basic principles of conduct required of the various societies of the Group and of all their employees and management staff, irrespective of their hierarchical level, their geographic or functional location, or the Society of the Group at which they render services.

The Compliance Superintendence is responsible for disseminating, interpreting and informing the relevant bodies about the level of compliance with the Code of Ethics.

Compliance units or areas of each Group's Society shall apply the Society's Code of Ethics.

#### **15. Basic principles of conduct relating to corporate volunteering**

The Group's societies shall develop corporate volunteering programs and campaigns that promote the participation of its professionals in volunteer actions to put into practice the provisions of the Purpose and Values of Neoenergia Group and the General Sustainable Development Policy as regards to improving the quality of life of people, care for the environment and sustainable development, as well as universal access to energy and hunger eradication, including collection campaigns for projects that seek to respond to social needs. Thus, such corporate volunteering campaigns and programs represent an additional means of contributing to the achievement of the SDGs approved by the United Nations.

These programs and campaigns shall be guided by the following main principles of conduct:

- a) contributing to social well-being and solidarity;
- b) strengthening a sense of belonging to the Group and improve the working climate;
- c) contributing to the ethical training of professionals, channeling their solidarity spirit to the benefit of the communities in which the Group's societies are present; and
- d) promoting the values of participation, commitment, responsibility and teamwork.

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This Policy was initially approved by the Board of Directors on June 28, 2018 and last amended at the Board of Directors' Meeting held on April 18, 2024.