



ESG REQUIREMENTS FOR THE SUPPLY CHAIN

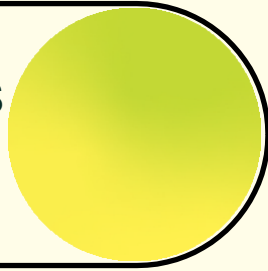
CEMIG



**MINAS
GERAIS**

GOVERNO
DIFERENTE.
ESTADO
EFICIENTE.

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1. INTRODUCTION:

11 Companhia Energética de Minas Gerais – Cemig positions itself as a socially responsible company, contributing to the construction of a fairer society in a cleaner environment, operating in compliance with the precepts set out in the Universal Declaration of Human Rights of the United Nations – UN, the work premises established by the International Labor Organization – ILO and current legislation, as well as the commitments defined in the UN Global Compact, of which Cemig is a signatory.

12 This document identifies the main guidelines for advancing a process of productive and sustainable growth in the relations of Cemig with its supply chain.

2. PURPOSES:

21 To establish guidelines to allow the alignment of Cemig with its supply chain, in terms of promoting best commercial and ESG (Environmental, Social and Governance) practices, complying with legal requirements, regulatory aspects and the ambition to contribute to sustainable development in its area of activity.

22 This document applies to all relationships, contracts and activities of Companhia Energética de Minas Gerais - Cemig, Cemig Geração e Transmissão S.A. – Cemig GT, Cemig Distribuição S.A. – Cemig D, other wholly-owned subsidiaries, with their suppliers and contracted companies. It can also be used as guidance for companies in which Cemig holds a direct or indirect equity interest.

23 All contracts, agreements and legal transactions concluded with third parties must respect and be guided by this document in all activities carried out in the service of Cemig. Third parties are considered: contractors, subcontractors and partners.

3. DEFINITIONS AND CONCEPTS

31 Universal Declaration of Human Rights (UDHR): landmark document in the history of human rights. Prepared by representatives of different legal and cultural backgrounds from all regions of the world, the Declaration was proclaimed by the General Assembly of the United Nations in Paris on December 10, 1948, through Resolution 217 A (III) of the General Assembly, as a common standard to be achieved by all peoples and nations. It establishes, for the first time, the universal protection of human rights.

32 Compliance: comply with or comply with Internal and External Regulations and conduct activities pursuant to the established standards of ethical conduct.

33 Conflict of interests: is the overlapping of private interests (financial, family or emotional relationships, among others) to those of Cemig, which could result in decisions and results that are harmful to the Company.

34 Company: the entirety of any organization or business entity responsible for implementing the requirements of the standard, including all employees (i.e., directors, officers, managers, supervisors and other employees, whether directly employed, contracted or who, in some other way, way, represent the company).

35 Global Compact: is an initiative proposed by the United Nations (UN) to guide companies to adopt corporate social responsibility and sustainability policies.

36 Forced Labor: is any work or service that is extracted, under the threat of penalties, from people who have not voluntarily offered to carry it out.

37 Child Labor: is any work carried out by children, with the exception of what is provided for in ILO Recommendation No. 146, which deals with the minimum age for admission to employment.

38 Migrant: person who moves from their usual place of residence, within a country or across international borders, temporarily or permanently, for a variety of reasons.

4. PRINCIPLES AND GUIDELINES:

This document of Suppliers provides the following principles and guidelines, among others:

41 Forced or slave-like labor:

Cemig has as one of its basic principles the eradication of all forms of forced or compulsory labor, and energetically denounces, combats and strongly condemns any work extracted under threat, analogous to the condition of slavery, cruel and inhumane.

Cemig assertively values good employment and labor relations and ensures the non-exploitation of workers, whether directly or through its supply chain, not maintaining commercial relationships or hiring services from organizations that adopt any type of forced labor.

It is the obligation of all recipients of this document to refrain from carrying out or endorsing, in any level of the activities of the company, practices constituting forced labor or that refer to conditions analogous to slavery.

42 Child labor:

Cemig truly repudiates and condemns the practice of child labor, ratifies its commitment to contributing to its eradication and considers it unacceptable to hire a person who has not reached the legal age to carry out work activities, pursuant to applicable legislation.

The supplier selection and registration process, as well as the contracts signed for the provision of services, are unequivocal regarding the prohibition of the use of child labor.

43 Harassment and other discriminatory conduct:

Cemig considers the practice of moral and sexual harassment to be unacceptable, as well as conduct that is discriminatory or that exposes customers, employees or any individual with whom it interacts to embarrassing and humiliating situations.

The Code of Conduct explicitly addresses the responsibilities that the company assumes related to valuing diversity, not allowing any form of discrimination based on appearance, physical or health condition, color, marital status, gender, age, language, nationality, political or other opinion, social origin, sexual orientation, race, religion or other condition not linked to strict professional qualification.

All recipients of this document have the obligation to prevent the practice of moral and sexual harassment, as well as to minimize the negative effects arising from their operations, products or services.

In all of the bidding notices and contracts for the supply of materials and services of the company, there are clauses that aim to combat the practice of discrimination in all its forms, valuing diversity.

It is the duty of all recipients of this document to combat the practice of discrimination in all its forms, valuing diversity.

44 Equal Opportunities:

Cemig maintains permanent efforts to encourage training, development and equal opportunities, guided by obedience to constitutional, legal, environmental and social precepts, as well as ethics, transparency and mutual respect, which characterize work relationships. It is the obligation of every contractor, subcontractor and other commercial partners to guarantee their employees, in any level of the activities of the company, the same precepts and guidelines that guarantee equal opportunities.

45 Free Trade Union Association:

Cemig supports freedom of association and the effective recognition of the collective-bargaining agreement, respecting union association initiatives and valuing other forms of voluntary organization of its professional employees. It recognizes the legitimacy of unions, and other union entities that represent their employees, respecting free trade union association.

Cemig considers the strike exercise to be lawful, in compliance with the legislation relevant to the essential service it provides, ensuring mutual respect between those involved or affected by a possible stoppage of activities.

All recipients of this document must comply with the rules regarding freedom of association and ensure compliance with collective-bargaining agreements applicable to their respective commercial activities.

46 Remuneration and benefits:

Cemig considers that the remuneration of its employees must be compatible with the market average, according to activities carried out, performance and professional competence, in order to attract, retain and value its workforce.

The benefits offered by the Company must promote the quality of life and social well-being of employees and their families, contributing to the continuous improvement of the organizational harmony.

All recipients of this document must ensure that their remuneration and benefits policies are compatible with this reality.

47 Maternity leave:

Cemig considers it desirable that all professionals working for the Company have the benefit of maternity leave of one hundred-eighty (180) days, without prejudice to their employment and salary. Failure to comply with the rights established by current legislation is unacceptable.

48 Employment relationship:

Cemig stipulates that the recruitment and selection of personnel must be carried out within legal precepts, seeking, internally or externally, people with profiles that meet the requirements of the position and business needs. All recipients of this document must ensure the use of the practices described in their organizational processes.

49 Migrants:

Cemig considers that the inclusion of migrants demonstrates an integral, human vision based on corporate responsibilities and the vision of building a sustainable future for all.

As they represent a public generally in a vulnerable situation, it is essential to incorporate their needs into the sustainability agendas of companies operating in a pioneering way and in compliance with best practices, enabling their inclusion in the job market.

Points to be observed by all recipients of this document are: the provision of fair working conditions, training and qualification, development of diversity and inclusion policies, sustainable supply and supply chains, in addition to internal engagement and development of policies that support migrants.

4.10 Equal Protection:

Cemig undertakes to establishing and applying procedures that guarantee fair treatment of suppliers, applying defined criteria in all phases of the supply process, guaranteeing equal competitive conditions for suppliers.

It is the duty of all recipients of this document to ensure that the principle of equality is present in their organizational processes.

4.11 Transparency:

Cemig considers it essential to ensure accuracy, objectivity and fairness in the disclosure of information to customers and suppliers regarding the material and service supply processes. The Company has an adequate and satisfactory structure, aiming to serve society, customers and suppliers safely and economically, guaranteeing access to information regarding the material acquisition and service contracting processes.

Transparency, guaranteed through accessibility, objectivity and clarity of information, is a guideline that Cemig considers essential for its business and that must also be observed by all its suppliers.

4.12 Commitment to the public good and respect for the principles of legality:

Cemig is committed to permanently looking after the financial resources of the Company, through the search for the best possible negotiations for the acquisition of material and contracting of services, always with due legal basis. The Company uses, as premises for the rationalization of financial resources, adequate planning and control, as well as the compatibility of availability, cost and quality.

Cemig permanently seeks to optimize the acquisition of material and contracting of services. It follows the basic principles of public bidding in its relations with suppliers and contractors and ensures their interests through careful contract management and performance evaluation of suppliers and service providers, observing all legal, technical, economic financial and socio-environmental requirements.

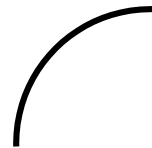
It is the obligation of every contractor, subcontractor and other business partners to fully comply with all legal provisions related to current bidding processes, in accordance with relevant laws and regulations. This includes, among others, respecting the principles of legality, impersonality, morality, equality, publicity, administrative probity and binding to the convening instrument.

4.13 Health and safety:

For Cemig, the health and safety of its employees and the population is the basic principle. In this regard, it provides a safe working environment and conditions, in accordance with legislation and internal standards, seeking solutions for situations that may pose risks to the safety of the workforce and the population and not allowing the carrying out of activities that do not comply with the current rules or in unsafe conditions. The Company also develops internal and external campaigns addressing safety and health at work.

Cemig understands that safety is inherent to work and that no work can be done without safety. Accordingly, it is ensured to any employee, contractor or contracted company has the right to refuse to carry out tasks where safety standards are not satisfactory.

It is the obligation of all recipients of this document to value the health and well-being of their employees, considering full and continuous compliance with technical standards and current legislation. Ensuring the effectiveness of actions related to the promotion and prevention of health and safety at work is a commitment of all employees, contractors and contractors, regardless of hierarchical level. Exempting from this commitment will result in the liability of those involved.



4.14 Environmental Management:

Cemig is committed to complying with socio-environmental legislation and demands compliance with legal requirements from its suppliers.

The Company seeks to continuously improve its performance, through practices that minimize environmental impact, advocating the sustainable and efficient use of natural resources.

It is the duty of all recipients of this document to adopt the best environmental management practices aimed at continuously improving their performance.

4.15 Greenhouse gas emissions and energy consumption:

Cemig prioritizes the participation of renewable energy sources in the composition of its energy matrix, with 100% of the generation of the Company coming from hydraulic, wind and solar sources. Cemig undertakes to facing climate change, with ambitious goals to reduce greenhouse gas emissions, prioritizing investments in clean energy and energy transition and developing initiatives on conscious energy consumption.

Cemig establishes socio-environmental criteria in the registration and contracts of its suppliers and service providers and develops initiatives to engage its supply chain, with the aim of raising awareness about the risks and opportunities related to climate change.

It also advises its suppliers on the need to implement actions to reduce greenhouse gas emissions, energy efficiency and conscious energy consumption.

4.16 Pollution prevention and waste management.

Cemig plans, designs and develops its activities taking into account the prevention, minimization or elimination of negative impacts and the enhancement of positive impacts, in order to contribute to the preservation of the environment and the conservation of biodiversity.

It is committed to the adoption and dissemination of good environmental practices in all its projects, processes and activities related to the expansion, implementation, operation and maintenance of assets, provision of services and partnerships.

Respect for the environment is a value that must be practiced by everyone who works at Cemig or who acts on its behalf, including its suppliers.

When it comes to solid waste management, the following order of priority must be observed: non-generation, reduction, reuse and recycling of waste, environmentally appropriate treatment or disposal, delegating initiatives to enable this practice to its authorities.

The principles of Cemig for preventing pollution and managing waste are, among others:

- Waste management, as established in corporate procedures for handling (segregation, packaging, labeling and temporary storage), transportation and final disposal, complying with current environmental regulations).
- Compliance with the environmental and transport legislation in force in the national territory and with safety rules and standards, for the entire waste transport movement, from its generation to final destination, with the aim of mitigating the possible risks inherent in this activity.
- The centralized and decentralized acquisition of materials and equipment that meets the demand needs of the Company, combined with concern for the environmental impacts generated throughout its entire life cycle.
- The management of environmental risks, promotion of initiatives and adoption of technologies that promote the reduction of waste generation, water consumption and pollutant emissions, with the establishment of goals and indicators to evaluate environmental performance.

- The search for a balance between socioeconomic development and environmental responsibility, including biodiversity conservation, sustainable use of natural resources, waste management and mitigation and adaptation to climate change, taking into account risk assessment and opportunities in their decisions, as well as Biodiversity Policy of Cemig (NO-02.17) and Water Resources Policy of Cemig (NO-02.25).
- Compliance with environmental legislation in force and other applicable requirements, including the adoption of specific requirements to complement them, when necessary.

The following are not allowed practices:

- a) temporary irregular storage;**
- b) formation of disposal areas or landfills;**
- c) burning of any nature;**
- d) destination of waste generated by Cemig in disagreement with internal procedures.**

4.17 Resource efficiency:

CEMIG is committed to promoting the efficient use of electrical energy in its facilities and that of its customers, contributing to the construction of a culture of safe and rational use throughout society. Especially, the Energy Efficiency Program of Cemig, regulated by ANEEL, constantly works to guide and replace inefficient equipment with more modern and efficient alternatives. Highlights include initiatives with hospitals, non-profitable institutions, public buildings and the school community.

Considering that energy efficiency represents one of the most effective options for reducing greenhouse gas emissions, Cemig adopts internal actions monitored by specific indicators in the search for excellence in the use of this resource, while working with its customers to make them increasingly sustainable.

All recipients of this document must ensure the effective implementation of applicable energy efficiency policies. Suppliers must actively promote the reach and adherence of the services provided to the energy efficiency indexes and standards established by legislation in force, maintaining specific indicators of consumption of the main resources in their facilities, especially electricity and water.

4.18 Biodiversity and combating deforestation:

Cemig dedicates solid effort to conserving the biodiversity of the environments in which it operates and adopts the impact mitigation hierarchy to minimize potential environmental risks arising from its activities (prevent, mitigate, rehabilitate/restore, compensate). There is a public commitment by Cemig (Biodiversity Policy – NO-02.17) to recover, protect and conserve the forests, rivers and fauna surrounding its projects. The purpose is to achieve, in the long-term, a net neutral impact on biodiversity, respecting the principle of no net loss, thus contributing to Sustainable Development Goal 15 (Protection of Life on Earth) of the United Nations – UN.

Cemig develops programs and studies aimed at implementing strategies to prevent, control and compensate deforestation resulting from its expansion activities in the generation, transmission and distribution of electricity, with the purpose of achieving zero net deforestation (no net deforestation), as well as investing in research and development projects aiming to develop protective methods in relation to forestry actions.

The Company seeks to purchase products from suppliers promoting conservation of natural ecosystems, in addition to committing to the registration monitoring of suppliers in its supply chain.

It is the duty of all recipients of this document to adopt sustainable practices in their activities, ensuring that they do not result in illegal or unauthorized deforestation. Suppliers must constantly monitor the impacts of their activities on biodiversity, considering mitigation and restoration measures, if applicable.

In addition, it must be ensured that raw materials used comply with current local and international laws and regulations.

4.19 Soil Conservation:

Cemig has worked to mitigate and repair impacts generated on the soil, promoting the recovery of vegetation cover and the physical stability of environments. Measures such as reforestation and the recovery of erosion focuses seek to reestablish vegetation in degraded or eroded areas, Permanent Preservation Areas (PPAs), such as riparian forests, and around springs, promoting soil conservation and the return of macro and microfauna responsible for important ecological processes and supplying water sources.

These actions are part of the principles and commitments established in the Biodiversity Policy (NO-02.17) and the Environmental Policy (NO 02.01), which aim to value and encourage the implementation of good soil conservation practices by suppliers and partners, especially in relation to concerns deforestation not authorized by a competent body.

4.20 Personal Data Protection:

Cemig has a solid Privacy Program to ensure that the processing of personal data carried out by the Company complies with the requirements of the General Personal Data Protection Law – LGPD (Law No. 13,709, of August 14, 2018) and is committed to valuing the privacy and protection of personal data of its employees, collaborators, suppliers, customers and other third parties with whom it interacts.

All recipients of this document must adopt safety, technical and administrative measures capable of protecting personal data from unauthorized access and accidental or unlawful situations of destruction, loss, alteration, communication or any form of inappropriate or unlawful processing.

421 Code of Conduct of Cemig and Anti-Bribery and Compliance Policy:

Cemig respects ethical principles and has a Code of Conduct that must be followed by administrators, fiscal officers, members of statutory committees, employees, trainees hired, subcontractors and partners.

The Company has a Compliance and Anti-Bribery Policy (NO-02.43), in which guidelines are established that aim to guarantee its commitment to adopting a high standard of integrity and regulatory and legal compliance in the conduct of its business, fighting against bribery and fraud, and prevention and response to situations that constitute conflicts of interest.

In compliance with the provisions herein, it shall be carried out integrity and conformity assessment procedures on suppliers, taking into account their classification, according to the level of risk and the characteristics of the relationship between Cemig and the supplier.

All suppliers and contracted companies must be familiar with the Code of Conduct of Cemig and the Compliance and Anti-Bribery Policy, and comply with the ethical principles and rules of conduct set out therein. They must also comply with foreign anti-corruption laws: US Foreign Corrupt Practices Act (FCPA) and the United Kingdom Bribery Act (UKBA), if they are subject to them.

Every year, all employees and contractors of Cemig must attend the training on the Code of Conduct and Compliance and Anti-Bribery Policy.

422 Anti-Corruption Clause and Anonymous Tip Hotline:

Cemig does not accept the practice and concealment of acts of bribery, fraud and corruption, in all its forms, including extortion, bribe and money laundering. Suspicions and reports of such acts are rigorously investigated and the disciplinary procedures set out in the internal rules of the Company and relevant legislation are applied.

Cemig has an anti-corruption clause in its contracts, in which the parties declare that they know and comply with Law 12.846/2013, “Anti-Corruption Law”, as well as any other applicable anti-bribery law, anti-corruption law or law on conflict of interests, refraining from committing acts of corruption and/or unethical conduct, and reporting irregularities of which it is aware.

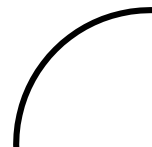
The contractor declares, based on the aforementioned contractual clause, to be fully aware that, as a way of preventing the occurrence of these acts, Cemig maintains an effective internal control and compliance system consisting, among others, of:

Ethics Committee, responsible for ensuring the proper investigation of all complaints received, with information available on the official website of Cemig (www.cemig.com.br/etica/);

Anonymous Tip Hotline of Cemig, responsible for receiving information about irregularities, accessible to employees, contractors and the external public, with a guarantee of confidentiality and non-retaliation, with access available on the official website of Cemig (www.cemig.com.br/etica/);

Ombudsman, internal department operating as a relationship channel with the external public;

Internal policies and procedures for integrity, auditing, encouraging the reporting of irregularities, and preventing fraud and corruption, regulations that aim to make public and ensure transparency of the practices adopted by the Company, whether they are shareholders, administrators, employees or contractors of the Company, available on the official website of Cemig (www.cemig.com.br/etica/).



Contractors must also have their own internal anti-corruption and integrity policies and procedures.

And, operating in the service of Cemig, whenever they become aware of a fact or complaint involving non-compliance with the Anti-Corruption Law and/or the Code of Conduct of Cemig, they must immediately report irregularities through the Anonymous Tip Hotline of Cemig.

In case of non-compliance with the anti-corruption clause and/or its ethical and conduct principles, punitive administrative proceedings will be initiated, allowing the contractor to prove that it had effective compliance practices, having effectively taken all indispensable and applicable measures to avoid the unethical and/or corrupt act.

The proven breach of any obligations is an express cause for the unilateral termination of the contract by operation of law, without prejudice to the recovery of losses and damages caused to the innocent party, regardless of the application of sanctions provided for by law.

4.23 Conflict of interests:

Cemig provides, through Conflict of Interest Policies (NO-02.45) and Instruction IO-15 – Conflict of Interest in the Exercise of External Private Professional Activity, available at <https://www.cemig.com.br/compliance>, defining guidelines and procedures for situations involving real, potential or apparent conflicts of interest, in accordance with legislation in force and with the Code of Conduct of Cemig.

All recipients of this document must:

- Inform potential or possible conflicts of interest to which they may be subject.
- Disengage from any situation in which conflicts may arise, and it is prohibited to promote situations that fit into this situation or to be condescending towards them.
- Employees of contracted companies, who work for Cemig on a full-time basis, must follow the provisions of NO-02.45 – Conflict of Interest Policy of Cemig and IO-15 – Conflict of Interest in the Exercise of External Private Professional Activity.

424 Antitrust and Defense of Free Competition:

Cemig is committed to defending free competition and must ensure the opportunity to compete in a fair, integral and balanced manner, as well as maintain a respectful, cordial and professional relationship with competitors.

OSIAS DA SILVA GALANTINE – Purchase and Logistics Director

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