

CEMIG COMMUNICATION POLICY WITH THE STAKEHOLDERS

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1. INTRODUCTION

1.1 CEMIG's Communication Policy with the Stakeholders explains the guidelines that guide its communication strategy in the relationship initiatives with the stakeholders applied across all operations of the Company.

1.2 This Policy is part of the set of communication strategies adopted by Companhia Energética de Minas Gerais - CEMIG and the Company's Communication Plan, thus being submitted to the Superintendence of Business Communication (CE).

1.3 It is an instrument that reiterates the Company's commitment to the transparency of its management, making public the premises and foundations that guide it in defining communication strategies and practices and details principles that guide it in decisions about communicating initiatives in Stakeholders Relations.

2. OBJECTIVES

2.1 CEMIG's Communication Policy with the Stakeholders aims to establish guidelines and criteria for business decisions involving disclosure of initiatives implemented in the area where the Company operates and ensure that they are understood by the public with whom it relates: governmental and electricity sector authorities, investors, clients and consumers, scientific community, suppliers and service providers, internal public (employees), civil society, local communities and press.

3. PRINCIPLES GOVERNING CEMIG'S COMMUNICATION DECISIONS

Principle 1

CEMIG's communication strategy and actions with stakeholders are guided by the Company's policies, values and principles.

It means that:

- a) the communication of the projects of relationship with the stakeholders must guarantee the integrity, ethics, wealth, social responsibility and translate enthusiasm with the work, the project and the stimulus to the entrepreneurial spirit advocated by the Company.

Principle 2

CEMIG bases its decisions of communication of actions of relationship with the stakeholders in structured processes of local or sectoral/thematic diagnosis and seeks to know in depth the reality with which it proposes to work.

It means that:

- a) CEMIG researches to understand the challenges and communication priorities of the territory where it proposes to act;

- b) CEMIG researches to identify the perception that the local stakeholder has of the implemented project and the Company's brand;
- c) CEMIG seeks to understand the challenges and communication priorities of the sector/thematic area with which the local stakeholder relationship action is linked;
- d) CEMIG seeks information from the population to capture their desires and expectations.

Principle 3

CEMIG communicates and discloses that the Company uses care and preservation of the environment to relate to communities.

It means that:

- a) CEMIG communicates and disseminates projects aimed at preserving or recovering the environment and seeks to sensitize society to the need for care for the environment;
- b) CEMIG is concerned with the quality of the information it produces, taking advantage of communication opportunities to transmit values and practices that contribute to the formation of an awareness of sustainability, respect for human rights and preservation of the environment;
- c) CEMIG has a specific Services Instruction to regulate the procedures and communication linked to social and environmental negotiations and initiatives, translated into *IS-48 – Social and Environmental Negotiations at CEMIG*.

Principle 4

CEMIG considers access and energy consumption issues as a relevant communication vector of its stakeholders relationship actions.

It means that:

- a) CEMIG develops communication actions to promote the efficient use of energy in its actions of relationship with the society;
- b) CEMIG works to communicate that the low-income population can have access to a regular energy supply and the benefits of regular service for the quality of life of the population;
- c) CEMIG works to communicate that the low-income population can benefit from incentives such as the social tariff, having access to regular energy consumption, and thus strengthening their citizenship status.

Principle 5

CEMIG uses communication strategies of stakeholders relationship actions to reiterate its commitment to local development, sustainability and the exercise of corporate citizenship, believing that this is one of the ways to contribute to the development and quality of life in communities where it operates.

It means that:

- a) the strategies and actions of relationship with the community are an instrument for the exercise of CEMIG's corporate social responsibility, and the Company discloses its initiatives in this area;
- b) CEMIG uses communication strategies to develop educational relations, community safety and any other programs in which the Company's performance with the communities located around its enterprises is adequate;

- c) CEMIG's communication actions carry messages of credibility, competence, respect for the community and social commitment.

Principle 6

CEMIG values the construction of intersectoral and interorganizational partnerships to enhance the results and the scope of the initiatives it implements, and highlights this issue in the communication and dissemination of community relationship actions.

It means that:

- a) CEMIG discloses who are the partners representing civil society, the private sector and the public sector in its community relations initiatives;
- b) CEMIG believes that, acting in partnership with other players, the results of its initiatives will have greater social impact and contribute more effectively to community development and local sustainability;
- c) CEMIG works together with the municipal administration, public agencies involved and community leaders, aiming at their intermediation with the community through the transfer of information and clarifications;
- d) CEMIG's communication supports the production of content for projects, contributing, through the interaction of knowledge, to the strengthening of the communities where it operates.

Principle 7

As a government-controlled company with shareholder-investors from the private and public sectors, the latter represented by the Government of the State of Minas Gerais, CEMIG considers and values aspects aligned with public policies in the communication and dissemination of its community relations initiatives.

It means that:

- a) the communication of relationship actions with the CEMIG communities considers and acts in line with the public policies established by the Government for the energy sector and in the areas where it invests, contributing to economic and social development, development of culture, sport, the environment, etc.
- b) CEMIG's trademark is applied together with the trademark of the Government of the State of Minas Gerais in all parts that the Company signs, except in periods preceding electoral processes, following the provisions of law that regulate the communication of the government and public institutions in this period.

Principle 8

CEMIG's communication works in synergy with the technical areas in structuring communication and disseminating community relations initiatives.

It means that:

- a) the communication of projects and community relations initiatives is structured with technical and accurate information;
- b) the involvement and partnership between CEMIG's various technical areas with the Company's communication area in the structuring of content are one of the pillars to ensure the quality of the information produced and the adequacy of the language to the beneficiary public.

Principle 9

CEMIG guarantees your information's classification and proper process throughout its life cycle.

It means that:

- a) CEMIG effectively practices the rules and procedures defined in Communication Instruction IC-45, in all communication or transmission of its information.

4. CEMIG COMMUNICATION GUIDELINES WITH THE STAKEHOLDERS

CEMIG considers the following general and specific criteria in the definition of communication and dissemination of its actions in relationship with the stakeholders.

4.1 General

- Projects and actions located in territory where the Company is present with the supply of energy or provision of services.
- Structured projects based on intersectoral and interorganizational partnerships.
- Involvement of the benefited target public and appreciation of the interests prioritized by it.
- Alignment with public policies.
- Performance in the environmental, social, economic development and professional qualification areas.
- Valuing scientific thinking through the dissemination of opinions based on universities and knowledge production centers.
- Projects and actions aligned with the Statute of Children and Adolescents, Federal Law No. 8069/90.
- Use of tax incentives for the exercise of social action practices
- Projects and actions aligned with the Company's Strategic Business Objectives.

CEMIG explains in its communication that it does not develop relationship actions with stakeholders that:

- have a partisan political appeal;
- have religious or sectarian appeal;
- is contrary to the provisions of federal, state or municipal laws;
- has content that violates human rights;
- has a discriminatory basis;
- compromises or threatens nature and compromises the preservation of the environment.

CEMIG understands that its projects and their communication must contribute to the Company's business and must be structured in:

Intentionality

Communication actions should contribute to constructing an image of a company unquestionably committed to the quality of life of communities.

Adequacy of language

In communicating with stakeholders, CEMIG seeks to adopt colloquial language without terms or technical explanations that are difficult for the population to understand.

Respect for the point of view / opinion of others

CEMIG respects the experience of each municipality, and each community, seeking individual and collective solutions to the issues presented by its interlocutors.

Continuity

The communication of CEMIG's relationship actions with the stakeholders must be continuous, aiming at building credibility and perception of the Company's commitment to the demands of the population.

Co-responsibility

CEMIG uses communication to ensure the involvement of the publics in decisions about the projects and actions that will be implemented, contributing to local development through shared responsibility.

4.2 Specifics

4.2.1 Environment

The communication and dissemination of CEMIG's environmental projects must always consider:

- the adoption of a systemic view of the environment;
- the biodiversity conservation;
- the environmental education;
- the promotion of citizenship and the engagement of the local population in actions and the dissemination of awareness for the preservation of the environment;
- information on research, development of new technologies and alternative energies.
- energies that contribute to sustainable development;
- renewable energies.

4.2.2 Social support initiatives

The communication and dissemination of CEMIG's social investment initiatives must:

- explain CEMIG's contribution to the society;
- explain whether the project or initiative is implemented with own, encouraged or employee resources;
- explain the support or contribution partners give (NGOs, government, other business partners, etc.);
- ensure alignment with the Company's communication policy;
- explain support for human rights.

4.3 Application of “CEMIG” brand in disseminating relationship initiatives.

The disclosure of “CEMIG” brand must follow the guidelines of the Communication Policy and be in line with the Company's Declaration of Ethical Principles and Code of Professional Conduct.

4.4 CEMIG's decisions on project support

CEMIG announces that it reserves the right to support projects, initiatives and demands that are of interest to it in the political, social, economic and environmental spheres with its own resources, provided for in the annual budget and properly audited.

Glossary

Consumer / Client: "The recipient of the organization's products should be considered. It can be an individual or legal entity. It is who acquires (buyer) and/or who uses the product (user/consumer)." (PNQ)

Co-responsibility: shared responsibility between two or more players involved in the same cause, project or social action.

Company: the entirety of any organization or business entity, generally for profit, including all employees (i.e., directors, officers, management, supervisors and other employees, whether directly employed, contracted or otherwise representing the company).

Visual identity: It is the expression and language of the brand in symbols, design and all visual elements of the brand, which must be consistent with the concept of the brand, its values, culture and beliefs.

Image: what happens and is captured as the opinion of the general public. It is a collection of perceptions and beliefs, both past and present, that resides in the consciousness of its various audiences. They are built over the years, in every contact, experience, rumor, and media mention, forming an overall impression about what the company believes, its values and behavior.

Brand: It is what remains of the relationship between the internal audiences of the company with its external stakeholders, whether through the purchase of a product or service, service received, the speech of the president, the experience of the audiences in this relationship. Thus, the brand is a cultural phenomenon, a culture, values and principles that materialize in the relationship with the company's stakeholders, including employees, clients, consumers, media, NGOs, financial markets, and government, among others.

Communication material: graphic pieces, gifts, boards, banners, buttons, films, audiovisual videotapes, newspapers, reports, webpages, etc.

Partners: institutions or individuals with which CEMIG establishes two-way relationships, aiming to reach common objectives.

Partnerships: a two-way relationship where partners share resources to exchange mutual benefits and reach common goals. They aim to integrate the organization with the community, obtain resources and give visibility to their organization.

Public Policies: guidelines adopted by a government that guides the investment of public resources it manages. They arise from specific demands and needs of the community and, at their best, result from mobilizations and interaction between organized civil society and the government. They are implemented in legislation, administrative routines, plans, programs or projects administered by the government.

Social Responsibility: it is the form of management that is defined by the ethical and transparent relationship of the company with all the audiences with which it relates and by the establishment of business goals that boost the sustainable development of society, preserving environmental and cultural resources for future generations, respecting diversity and promoting the reduction of social inequalities (Ethos Institute).

Stakeholder: any player (person, group, entity) with a relationship or (direct or indirect) interest with or in the organization. (Internal or External) Players who affect or are affected by the objectives or results of a given organization to different extents insofar as they bring together some basic attributes: power, legitimacy and urgency.

ANNEX I - NEGOTIATIONS, RELATIONSHIP AND ENGAGEMENT WITH THE STAKEHOLDERS

1. PURPOSE

This Annex to the Policy aims to establish the procedures to be adopted in processes that involve negotiations, relationships and engagement with interested parties on issues related to the environment, resettlement or relocation of populations, the removal of illegal connections, the implementation of new enterprises or operation of existing enterprises, and every other process in which the adoption of this procedure is required.

2. IDENTIFICATION AND ANALYSIS OF STAKEHOLDERS

In the processes of negotiations, relationship and socio-environmental engagement at Cemig, the identification and analysis of stakeholders must be carried out, considering the following aspects:

- contact, history, position;
- involvement with the enterprise;
- autonomy, decision-making power, preferences, prejudices, hobbies, values, superstitions, beliefs, myths, cases, fears, schedules, tolerance and conflicts, habits, humor;
- perception in relation to the enterprise;
- leaderships to which they refer;
- most commonly used means of communication;
- public to be considered.

For the identification and knowledge of stakeholders and their perception regarding the action, a local survey should be conducted, and the following options can be considered, which can be used together or separately:

- research by means of a questionnaire of the population involved, considering a set of data that can be obtained in this type of approach;
- research through in-depth interviews (may be called opinion surveys or opinion audits) with formal and informal leaders. The use of in-depth research allows us to evaluate aspects that are not captured by means of a closed questionnaire. also allows us to ascertain more precisely the expectations, fears, desires, interests, alliances and resistance of the interviewees and, furthermore, to evaluate who are the main opinion makers that can irradiate a favorable or contrary position to the project among the population.

The following stakeholders in the area of influence of the Company's enterprise can be considered:

- Mayors, Councilmen and politicians (with legitimacy in the community or region); Community leaders; Unions; Cooperation agencies; Businessmen; Commercial associations; Religious entities; Media; Population/Communities; Third Sector Organizations; Social Movements; Others.

Through the above-mentioned stakeholder analysis, Cemig prepares profiles and maps to define which are the high-priority stakeholders.

3. IMPLEMENTATION OF THE ENGAGEMENT PLAN

Within the processes that involve negotiations, relationships, and engagement with stakeholders, the engagement plan must be implemented. Based on the stakeholder analysis and the socio-economic diagnosis, the plan should be prepared, with the following objectives:

- create a favorable perception of the enterprise and/or projects for stakeholders, contributing to a favorable reputation and appreciation of the Cemig brand;
- transmit to the interested parties Cemig's needs and limits, its purpose, respecting the Mission, Vision and Values of the Company;
- create and maintain relationship channels with local and regional leaders;
- strengthen the credibility of Cemig's official information;
- anticipate possible rumors/distortions that may interfere with the conduct of the work;
- potentiate the manifestations of support;
- neutralize possible opposition not initially identified, and respect the social, cultural, and moral values that exist in the region.

4. THE NEGOTIATION PROCESS

When Cemig needs to negotiate with stakeholders to execute its projects, it must contemplate, as a minimum, the following phases:

- a) Preparation for negotiation meetings:
- establish the objectives of the meeting;
 - specify who should be invited and formalize the invitation;
 - define the meeting format and formalize a specific agenda;

- define the place and provide all the infrastructure (equipment, coffee and water, attendance list, support material according to the meeting's theme, banner, folder, among others) and favorable ambience;
- establish whether there will be local press/CEMIG coverage for the appropriate measures
- photos and video and notes for the history of the enterprise;
- plan a script with the main issues for conducting the meeting.

b) Conducting the negotiation:

- separate people from the problems and issues under discussion;
- be clear and direct with issues and polite with people;
- focus on interests, not positions;
- create a variety of possibilities before deciding what to do, devising win-win options based on objective standards;
- draw up minutes of the meeting with the aspects discussed and decisions taken.
- produce evidence of the negotiation process (list of attendance signatures, photographic records, and others).

c) Items requiring specific approval (negotiation limits)

When there is doubt regarding a decision position at the negotiation table, postpone the final decision and refer to the Company instance that is necessary for evaluation and decision.

d) Follow-up of results and budget

Create mechanisms for monitoring and controlling the budget and the results obtained in the negotiation.

e) Process Risks:

The negotiation team should identify the process risks:

- conflict between the participating stakeholders;
- unwillingness to get involved; - participation fatigue;
- creation of expectations of change that Cemig has no interest in or cannot fulfill;
- disturbing stakeholders;
- uninformed stakeholders;
- powerless stakeholders;
- others.

The risks will be analyzed taking into consideration the impact and the probability of their occurrence. Based on these criteria, preventive mitigation measures will be adopted.

To mitigate possible risks of stakeholder engagement, some actions should be observed:

- adopt methodologies to identify the interested parties, avoiding this process to be a mere formality;
- understand the capacity for stakeholder dialog and implement appropriate and balanced forms of engagement;
- provide answers to the dilemmas or concerns resulting from the involvement;
- communicate clearly and objectively the concerns raised by stakeholders, as well as the measures taken by Cemig to respond to these issues.

f) How to treat deviations

Deviations should receive special treatment, always seeking to avoid negative impacts on the publics most affected by the project and within the negotiation limits approved in the Negotiation Plan. The reporting of deviations is a practice that should be observed, as it will minimize similar possible deviations in the future

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