

Introduction:

In view of CEMIG's responsibility to respect Human Rights, preventing its own activities from generating negative impacts on human rights or contributing to them; and seeking to prevent or mitigate negative impacts on human rights in its operations and services due to its commercial relationships, **even when it has not contributed to generating them**, the Company carries out an **annual** review of the Due Diligence process in Human Rights since 2017, in alignment with the UN Guiding Principles on Business and Human Rights.

This report aims to demonstrate, in summary, the Human Rights Due Diligence process carried out, in which the main human rights issues for Cemig were analyzed, the way in which these relate to its stakeholders, the real and potential problems, the actions prevention, mitigation and monitoring of these problems.

The scope of the Due Diligence process involves:

- 100% of the Company's operations (Cemig, subsidiaries and affiliates. There are 102 Companies, 9 Consortia and 2 Equity Investment Funds);
- Supply chain (1,096 suppliers with current contracts);
- Customers / Consumers (more than 9.037 million);
- Communities where the Company operates (774 municipalities in the Brazilian states of Minas Gerais and Rio de Janeiro).

It is aligned with:

- UN Universal Declaration of Human Rights,
- UN Sustainable Development Goals,
- United Nations (UN) Guiding Principles for Business and Human Rights),
- Fundamental labor standards of the International Labor Organization – ILO,
- UN Global Compact, of which Cemig is a signatory.

To list Cemig's impacts in relation to Human Rights, an effort was made to identify a number of priority issues, based on a wide range of potential problems, which were dealt with through the Assessment of Impacts on Human Rights. In other words, it translates into an attempt to focus the evaluation on important issues. This way of acting by Cemig is foreseen in the document: "GUIDING PRINCIPLES FOR BUSINESS AND HUMAN RIGHTS: IMPLEMENTING THE UNITED NATIONS "PROTECT, RESPECT AND REMEDY"

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http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

Human Rights Due Diligence Process

For the identification of priority issues, several sources of consultation with potentially impacted individuals were taken into account:

Groups / individuals	Source of query
Employees and leadership	Engagement Research; Organizational Culture Survey, Reporting Channel.
Suppliers	Human Rights Audits and Cemig's Reporting Channel.
Customers and community	Customer survey and Community engagement actions, Cemig Ombudsman.
Minority groups (women, immigrants, blacks, indigenous peoples, children, people with disabilities, LGBT+) inside and outside Cemig	Internal and external surveys, Reporting Channel, investigation of cases of harassment, discrimination, child labor or violence in Cemig's operations or involving employees, suppliers and the local community, forums on the subject of Human Rights, diversity and inclusion.

First, the Control Listing Method was used to preliminarily assess how Cemig's activities can interact with the principles of UN Human Rights. For each right, it was evaluated whether the effect is positive, negative or null and whether it is relevant or not. It should be noted that efforts were made to identify the negative impacts. The principles that showed negative and relevant effects went to the second stage of evaluation (marked in red).

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Rights	Effects			Relevant	
	Negative	Positive	Null	Yes	No
Right to life	x			x	
Right to freedom and security	x				x
Right not to be subjected to forced labor	x			x	
Right not to be subjected to torture, cruelty, inhuman and degrading treatment	x			x	
Right to recognition as a subject before the law		x			x
Right to equality before the law, equal legal protection and non-discrimination	x			x	
Right not to be subjected to war propaganda or incitement to racial, religious or nationalist hatred			x		
Right to access effective redress			x		
Right to fair trial			x		
Right not to be subject to the retroactivity of criminal laws			x		
Right to privacy	x				x
Right to freedom of movement	x				x
Right to seek asylum from persecution in another country			x		
Right to a nationality			x		
Right to protection for children	x			x	
Right to marry and found a family			x		
Right to property	x			x	
Right to freedom of thought, conscience and religion	x			x	
Right to freedom of opinion, information and expression	x			x	
Right to freedom of assembly/civic demonstration			x		
Right to freedom of association	x			x	
Right to civic participation			x		
Right to social security, including income and health	x				x
Right to work		x			x
Right to dignified and fair working conditions	x			x	
Right to form and join trade unions and right to strike	x			x	
Right to an adequate standard of living		x			x

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Right to health	x				x
Right to education		x			x
Right of self-determination		x			x
Right of detainees to humane treatment			x		
Right not to be subject to imprisonment for inability to perform contractually			x		
Right of foreign nationals to due process in case of expulsion			x		
Minorities rights	x			x	

Table 1: Preliminary assessment to evaluate the interaction between Cemig's activities and Human Rights

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In the second stage, it was evaluated which rights (already previously filtered) could interact with Cemig's activities, products, services and stakeholders through an Interaction Matrix. This assessment considered the actual and potential impacts.

The valuation of each interaction was considered in the table below:

Impact assessment			
Character (ca)	Positive (1)	Neutral (0)	Negative (-1)
Importance (I)	High (3)	Average (2)	Low (1)
Coverage (Co)	Regional (3)	Local (2)	Punctual (1)
Duration (D)	Permanent (3)	Average (2)	Short (1)
Reversibility (R)	Irreversible (3)	Partial (2)	Reversible (1)
Has been or is the subject of administrative/judicial proceedings (J)	Yes (5)	-	No (0)

Table 2: Valuation Criteria for the impacts of vulnerable publics and human rights

The total impact was calculated as follows (IT) (presented in each cell of the matrix):

$$IT = Ca.(I+Co+D+R+J)$$

Below **Cemig's Stakeholder Interaction Matrix** and human rights issues is presented:

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Right		Right to life	Right not to be subjected to forced labor	Right not to be subjected to torture, cruelty, inhuman and degrading treatment	Right to non-discrimination	Right to freedom of thought, conscience and religion	Children's right to protection	Right to freedom of association	Right to dignified and fair working conditions	Right to form and join trade unions and right to strike	Minority rights	Right to property	Right to health
		Public	Employees	-15	-7	-8	-10	-10	0	8	-5	-4	-6
Suppliers	-15		-13	-6	-10	-10	-4	0	-15	-4	-6	0	-4
Residential customers	-10		0	0	-4	0	0	0	0	0	-4	0	-6
Surrounding Community	-16		0	0	0	0	0	0	0	0	0	-8	0
Community in general	-4		0	0	0	0	0	0	0	0	0	0	0
Children	-4		0	0	0	0	0	0	0	0	0	0	0
Indigenous people	-4		0	0	0	0	0	0	0	0	0	0	0
Migrant Worker	-5		-4	0	-4	0	0	0	0	0	0	0	0
Quilombolas	-6		0	0	-8	0	-5	0	0	0	-7	-10	0

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The result of the interaction matrix presented, as main risks of non-compliance with human rights and which are the focus of Due Diligence:

Public	Topic	ODS
Employees	Right to life	3 and 8
	Right to non-discrimination and freedom of opinion	5 and 8
Suppliers	Right to life	3 and 8
	Right not to be subjected to forced labor	8
	Right to dignified and fair working conditions	8
	Right to non-discrimination and freedom of opinion	5 and 8
Surrounding community	Right to life	3

Table 4: Summary of interactions with greater risks of non-compliance with human rights and which are the focus of Due Diligence

With the objective of increasing the focus of the work, given that the universe of employees, suppliers and the community surrounding Cemig is extensive, an attempt was made to identify which are the activities that present the greatest risks of the rights mentioned in the table above. When analyzing these requirements, it was concluded that the following activities are the target of Due Diligence:

Right to life, not to be subjected to forced labor, to dignified and fair working conditions:

- Implementation of high-voltage distribution projects;
- Construction of distribution networks;
- Execution of distribution maintenance;
- Assistance to distribution customers; and
- Civil constructions without Cemig's authorization close to the electrical network.

Regarding this last item, the human occupation of the security areas of high voltage overhead lines is a problem that occurs in several Brazilian concessionaires. The occupations are, for the most part, low-income families, with no housing options, who find an available area to settle in the security lanes, even in precarious security conditions. In view of this scenario, Cemig defined as “top risk” “Accidents with population on low and medium voltage lines”. Through a Structured Plan of preventive and monitoring actions, it aims to revert this critical situation represented by the occupation of security lanes of transmission and distribution lines of electric energy. This is done through the implementation of short, medium and long-term measures, capable of curbing the advance of occupations with continuous inspection, and reducing the existing volume of irregular occupations.

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Right to non-discrimination, freedom of opinion, to health:

- Implementation of high-voltage distribution projects;
- Construction of distribution networks;
- Execution of distribution maintenance;

- Assistance to distribution customers; and
- Civil constructions without Cemig's authorization close to the electrical network.
- Unidades administrativas da Cemig.

The following table lists activities evaluated with the percentage of identified risks and the percentage covered by mitigation actions:

Category	% of the total evaluated	% of the total assessed (column A) where risks were identified	% risk (column B) with mitigation actions taken
Own operations	100	46.03% (Number of employees with dangerousness/ Total Number of Employees)	100
Contractors / Suppliers	100	56% (Percentage of critical suppliers with current contracts)	100
Participation above 10%	100	3,44% *	100

* Cemig has stakes in the Generation, Transmission and Distribution business. When carrying out the Due Diligence process, it was identified that the generation business is the most exposed to risks related to human rights, since they are the largest companies. In the energy generation activity, the risks are related to the implementation of companies with indigenous people and the surrounding community. In relation to the indigenous public, the risk is the right to social security, including income and health. In relation to the surrounding communities, the risk of property rights is the most relevant. Of the hydroelectric projects, the Belo Monte Hydroelectric Power Plant, due to its size and geographic location in the Amazon, is the most exposed to risk. Cemig sold its stake in the Santo Antônio Hydroelectric Plant, which was also considered high risk for the same two reasons as Belo Monte – its size and geographic location in the Amazon. As a result, the percentage of participations evaluated fell from 40% in December 2021 to 3.44% in December 2022. This drop is also due to Cemig's strategy of redirecting the Company's efforts and capital allocation to improve quality of the service (a strategy called "Focar e Vencer em Minas Gerais") which resulted in the sale of several stakes.

Therefore, of the total generation holdings (5,519 MW), human resource risks were identified in both plants and activities were carried out to mitigate or repair the damage caused to indigenous communities and the community that surrounds the companies.

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Still following the methodology for evaluating environmental impacts, the mitigation and monitoring actions carried out by the Company are detailed in Cemig's Sustainability report – item 4.1.31 of Human Rights and were audited by a third party.

In accordance with the recommendations of the UN Guiding Principles on Business and Human Rights, Cemig defines actions to mitigate, prevent and monitor, and defines a formalized process for reparation when there is a violation of rights.

For example, when an accident occurs with employees or the population within the Company's operations or area of influence, the health, safety and social service teams monitor the entire process, supporting the victim and family. Expenses related to the accident not covered by the Sistema Único de Saúde [Unified Health System] (SUS) are paid - including accommodation, transportation, medication, consultations, exams, prostheses. Depending on the severity of the accident, follow-up takes place for the entire life of the accident victim.

Annually, the Company reports on its actions in human rights, through the United Nations Global Compact Report, Sustainability Report (RAS), ISE Bovespa and DJSI. It also monitors its human rights performance through these instruments, generating improvement actions based on inputs obtained and analyzes carried out.

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Interested parties	HUMAN RIGHT	Cemig's Commitment	Mitigation Actions	Monitoring Actions	Responsible Area	Budget Reserved for Action?
Employees	Right to life	<p>Cemig must ensure that its employees carry out their work activities with the appropriate level of safety, thus avoiding accidents that could lead to death.</p> <p>(Cemig's Human Rights Commitment – Topic: Health and Safety).</p>	<p>Risk analysis; Criteria for Educational Work Safety Checks; Safety Inspection; Environmental Risk Prevention Program; Audits, OHSAS 18001; Inspections and audits in the supply chain by independent teams; Monitoring of the work of field teams by security technicians, aiming to eliminate any unsafe act; Non-participation in activities that involve the risk of employees who are not in adequate health conditions (physical, emotional and social).</p>	<p>Monitoring and Auditing System for the Analysis of Practiced Security (SIMASP); Occupational Accident and Risk Monitoring System (SMART); Daily Safety Inspections; OHSAS 18001 audits. Green Light on the Network Award (semester); Go Forth in Traffic Award (semi-annual); Outstanding Employee in Safety Award (annual).</p>	Health and Safety Area	Yes
Interested parties	HUMAN RIGHT	Cemig's Commitment	Mitigation Actions	Monitoring Actions	Responsible Area	Budget Reserved for Action?

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<p>Employees</p>	<p>Right to non-discrimination and freedom of opinion</p>	<p>The CEMIG Group believes in the power of transformation and innovation when working in an environment where people are respected for being who they are and believes that encouraging a diverse and inclusive environment means respecting and promoting the principles of non-discrimination, guaranteeing equal opportunities for all , regardless of race, gender, sexual orientation, color, appearance, nationality, religion, age, physical and mental condition, marital status or political ideology. (Diversity Policy)</p>	<p>Diversity Policy; Cemig's Human Rights Commitment; Cemig Code of Conduct; Diversity Program; Training on the Code of Ethics, Human Rights, Moral and Sexual Harassment; Moral and Sexual Harassment Booklet; Diversity Program; Awareness Campaigns; Cemig's Cultural Identity Book.</p>	<p>Anonymous Reporting Channel; Investigation of Complaints by a specialized third-party company; Research Census of Diversity; Engagement and Organizational Climate Survey.</p>	<p>People Management Area</p>	<p>Yes</p>
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Interested parts	HUMAN RIGHT	Cemig's Commitment	Mitigation Actions	Monitoring Actions	Responsible Area	Budget Reserved for Action?
Suppliers	Right to life	Cemig must ensure that its suppliers carry out their work activities with the appropriate level of safety, thus avoiding accidents that could lead to death.	Risk analysis; Criteria for Educational Work Safety Checks; Safety Inspection; Presentation of the action plan for correcting failures and recurrence, and the effectiveness verified in quarterly audits.	Technical Assessment Questionnaire; Monitoring and Auditing System for the Analysis of Practiced Security (SIMASP); Occupational Accident and Risk Monitoring System (SMART). Daily Safety Inspections; Formal Safety Guidance for Contractors and Employees of Contracted Companies.	People Management Area	Yes

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Interested parts	HUMAN RIGHT	Cemig's Commitment	Mitigation Actions	Monitoring Actions	Responsible Area	Budget Reserved for Action?
Suppliers	Right not to be subjected to forced labor and to dignified and fair working conditions	Cemig must ensure that its suppliers carry out work activities in accordance with Brazilian labor legislation, which prohibits forced labor or labor analogous to the condition of slavery.	Contractual clauses protecting Human Rights; Periodic audits including visits to suppliers' facilities; Verification of working conditions: labor rights of employees, legal working hours, minimum of 11 hours between working hours, hygiene and health conditions, accommodation and other items; Industrial Technical Assessment (ATI); Technical Assessment of Contractors (ATE); Identification of suppliers with high risk in sustainability; Guiding documents: Cemig Code of Conduct, Commitment to Human Rights; Sustainability Suppliers	QAT - Technical Assessment Questionnaire; ATI; ATE; Supplier Performance Index (IDF)	Supply Area	Yes

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			Award; SDG booklets and courses available on Cemig's Supplier Portal.			
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Interested parts	HUMAN RIGHT	Cemig's Commitment	Mitigation Actions	Monitoring Actions	Responsible Area	Budget Reserved for Action?
Suppliers	Right to non-discrimination and freedom of opinion	The CEMIG Group believes in the power of transformation and innovation when working in an environment where people are respected for being who they are and believes that encouraging a diverse and inclusive environment means respecting and promoting the principles of non-discrimination, guaranteeing equal opportunities for all, regardless of race, gender, sexual orientation, color, appearance, nationality, religion, age, physical and mental condition, marital status or political ideology. (Diversity Policy)	Diversity Policy; Cemig's Human Rights Commitment; Cemig Code of Conduct; Diversity Program; Training on the Code of Ethics, Human Rights, Moral and Sexual Harassment; Moral and Sexual Harassment Booklet on Cemig's Supplier Portal; Diversity Program; Awareness Campaigns; Cemig's Cultural Identity Book; Supplier qualification process (Declaration on Basic Registration Requirements).	Anonymous Reporting Channel; Research Census of Diversity; Control and investigation of complaints about discrimination, moral and sexual harassment. (It is worth noting that Cemig's Code of Conduct includes contractors and subcontractors as recipients).	Audit and Compliance Management Area	Yes

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Interest d parts	HUMAN RIGHT	Cemig's Commitment	Mitigation Actions	Monitoring Actions	Respon sible Area	Budget Reserved for Action?
Community	Right to life	<p>Respect for life is one of the Company's values and in the new strategic planning, efforts to promote the safety of the population are evidenced in the initiative "Minimize Impacts on the Community". This initiative presents a specific guideline for this topic: "Expand accident prevention actions with the population".</p>	<p>The Company works with society by providing information and explanations regarding the safe use of energy and promotes awareness among the population regarding the precautions necessary to live with energy networks.</p> <p>It holds lectures, educational work in schools, provides folders and booklets to the population, partners with other companies to educate the population.</p> <p>Dam safety: field inspection procedures, collection and analysis of instrumentation data, preparation and updating of dam safety plans, planning and monitoring of maintenance services, analysis of results and classification of civil structures. Definition of the frequency of safety inspections and the</p>	<p>Survey and mapping of the critical areas most likely to have accidents with the power grid, identifying priority areas for action: replacement of networks, removal, campaigns.</p> <p>Dam safety: periodic safety reviews (RPS), with the objective of verifying the general state of safety of the dam, considering the current state of the art for design criteria, updating of hydrological data and changes in conditions upstream and downstream of the dam.</p> <p>These activities involve, in addition to Cemig professionals, a multidisciplinary team of external specialists. Security-related issues are carefully checked.</p>	Health and Safety Area	Yes

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			<p>monitoring routine based on the classification of structures. Elaboration of specific Emergency Action Plans (EAP) for each dam; Proximity Program, interacting more intensely with the Municipal Civil Defenses (COMPDEC); the creation of the "Work Group: Safety of dams at hydroelectric plants operated and maintained by Cemig GT", and the construction of the Crisis Management Plan with the dams.</p>			
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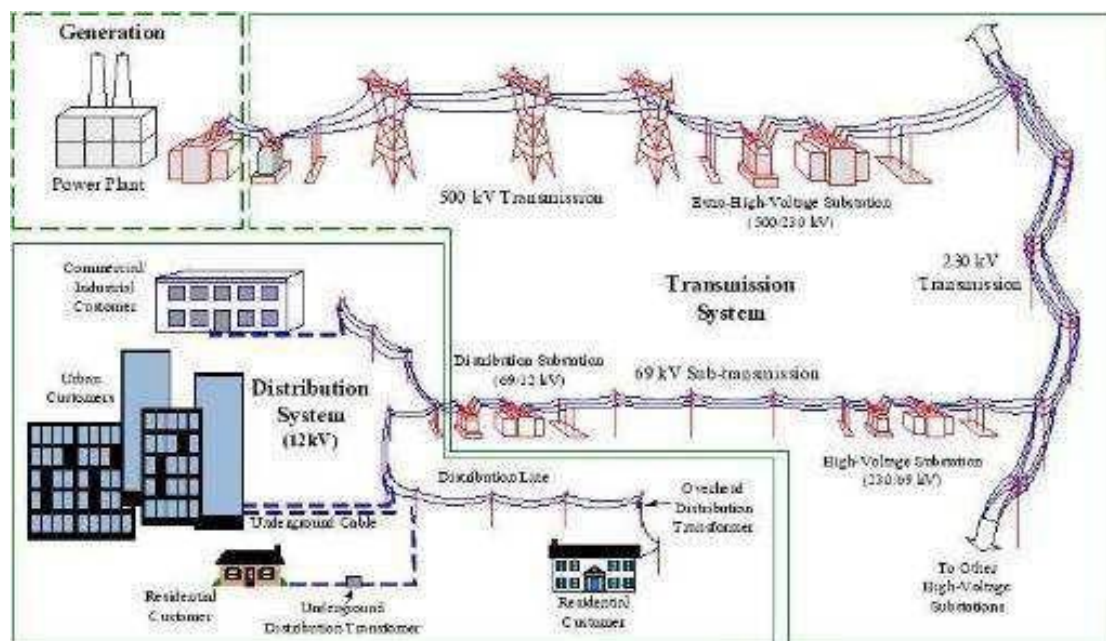
Interested parties	HUMAN RIGHT	Cemig's Commitment	Mitigation Actions	Monitoring Actions	Responsible Area	Budget Reserved for Action?
			Human occupation of high-voltage overhead line security lanes: awareness of the person responsible for the invasion of the risks existing there when detecting a new occupation; Immediate removal of housing under construction.	Human occupation of the security lanes of high voltage overhead lines: ground inspection (Cemig periodically checks the lines where there are invasions of the lane and, when it detects a new occupation, it promotes the judicialization and awareness of the person responsible for the invasion about the risks existing there) and verification of invasions through a satellite system, in order to complement terrestrial inspection.		

Table: Risk mitigation actions by interested party

Due Diligence Process in the Group's Interests

Companhia Energética de Minas Gerais - Cemig operates in the areas of generation, transmission, commercialization and distribution of electric energy, energy solutions (Efficientia S.A.) and distribution of natural gas (Gasmig). The group comprises the holding company Companhia Energética de Minas Gerais – Cemig, the wholly-owned subsidiaries Cemig Geração and Transmissão S.A. (Cemig GT) and Cemig Distribuição S.A. (Cemig D), totaling 185 Companies, 14 Consortia and 2 FIPs (Equipment Investment Funds), resulting in assets present in 22 Brazilian states and the Federal District.

The first stage of the analysis was to understand how the process of generation, transmission and distribution of energy can impact human rights, both in the implementation phase and in the operation phase of the projects. The figure with the “energy path” is shown below.



Generation

The electricity generation segment operates in the construction and operation of power plants that generate energy from water, wind, solar and thermal sources.

1. Development and implementation of new projects: prospecting and selection of new opportunities for power generation projects in Brazil are carried out and analyzes are carried out to assess the viability of project development.

Impacted audience: employees, service providers and regulatory and industry bodies.

2. Implementation of energy generation projects: in this stage, projects are prepared to carry out the implementation of the new plant. Subsequently, construction of the power plant begins.

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Impacted audience: employees, surrounding community, indigenous people, service and material suppliers and public bodies.

3. Power production: Planning is done to determine the plant's generation schedule. Based on this planning, the operation and maintenance of the generating unit is carried out.

Impacted audience: employees and suppliers.

Energy transmission

Transmission companies are dedicated to the construction, operation and maintenance of transmission lines in all regions of the country. The Transmission system is regulated by the National Electric Energy Agency (ANEEL).

1. Implementation of energy transmission projects: At this stage, projects are prepared to carry out the implementation of the new line. Subsequently, construction of the line begins.

Impacted audience: employees, surrounding community, indigenous people, service and material suppliers and public bodies.

2. Energy transmission: The operation and maintenance of energy transmission lines and substations are carried out. The Distribution Operations Center monitors the operation of the distribution system and directs teams to carry out control activities and improvements in the operation of the electrical network.

Impacted audience: customers, employees and suppliers of services and materials.

Energy Distribution

Electricity distribution companies deliver energy to customers in concession areas. The distribution system is regulated by the National Electric Energy Agency (ANEEL).

1. Service to the distribution market: In this stage, the analysis and planning of the electrical energy distribution system are carried out to determine the investments necessary for the expansion of the network and the amount of energy that must be purchased to meet consumer demand.

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Impacted audience: employees and suppliers.

2. Energy distribution: The operation and maintenance of energy distribution lines are carried out. The Distribution Operations Center monitors the operation of the distribution system and directs teams to carry out control activities and improvements in the operation of the electrical network.

Impacted audience: customers, employees and suppliers of services and materials.

Conducting the Due Diligent

The previously presented Control Listing Method was used to preliminarily assess how the activities of generation, transmission and distribution of energy of Joint Ventures can interact with the principles of UN Human Rights.

It is important to point out that the risk analysis takes place at the time of the acquisition of the business. Thereafter, revisions are annual.

As a result of this work, it was identified that energy transmission and distribution activities present low risks in relation to human rights, considering the interested parties. In relation to the energy generation activity, the risks are linked to the implementation of the projects, they are:

- Indigenous communities – Right to social security, including income and health;
- Surrounding communities – Property rights.

Below is a list of projects in which Cemig participates. As is known, hydroelectric projects have much more impacts than wind and solar projects. Therefore, in terms of projects with risks in relation to human rights, hydroelectric dams have much more risks. Of the hydroelectric projects, the Belo Monte and Santo Antônio hydroelectric plants, due to their size and geographic location, are the most exposed to risks in relation to the surrounding community and in relation to the indigenous community.

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Generation	Transmission	Distribution
Cemig Generation and Transmission 100% Cemig Cemig GT	Cemig Generation and Transmission 100% Cemig Cemig GT	Cemig Distribuição S.A 100% Cemig Cemig D
Norte Energia S.A (UHE Belo Monte) 12,91% Cemig www.norteenergia.com.br	Transmissora Aliança de Energia Elétrica S.A (Taesa) 36,97 CV 21,68% Total Capital www.taesa.com.br	

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Sustainability Management – DCS/SE

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