

**NPC 0308 POLICY ON CORPORATE GOVERNANCE**  
**CORPORATE GOVERNANCE**  
**Version 4 of Sep. 22, 2021**

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## **1. PURPOSE**

To establish the standard and best practices of corporate governance to be adopted by the Companhia Paranaense de Energia - Copel (Holding), its wholly-owned subsidiaries – WOSs (direct and indirect) and controlled companies (direct and indirect), respecting corporate procedures.

It is also applicable, as a recommendation, to jointly controlled companies, to associated companies and other equity interests, respecting their corporate procedures.

For the purposes of this Policy, the group of companies listed in the first paragraph hereinafter shall be referred to as Copel.

## **2. CONCEPTS**

### **2.1 - CORPORATE GOVERNANCE**

Corporate Governance is the system by which a company is directed and monitored. It involves the relationship between shareholders, the board of directors, statutory committees, internal and external audit, the supervisory board and the executive board and other stakeholders of Copel.

### **2.2 - STAKEHOLDERS**

All the entities involved with Copel's businesses and/or operations: shareholders, investors, customers, suppliers, internal public, outsourced workers, governmental authorities, community, control and inspection bodies, etc. that in any way affect or are affected by the organization.

### **2.3 - CORPORATE RESPONSIBILITY**

It is the constant diligence of the senior management in order to ensure, with ethics and transparency, the perpetuity of Copel, envisioning, for its long-term sustainability, the relationship with the community in its area of coverage and the incorporation of social and environmental aspects in managing its business.

### **2.4 - SENIOR MANAGEMENT**

Copel's Board Directors and Executive Directors.

### **2.5 - GOVERNANCE AGENTS**

Shareholders, quotaholders, tax advisors, directors, members of statutory committees and executive officers of Copel.

### **2.6 - ESG (ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE)**

Acronym that brings together the environmental, social and governance dimensions, to designate that an organization or business must be financially viable, socially fair and environmentally responsible.

## **3. OBJECTIVES**

3.1 – To contribute to Copel's perpetuity, with a long-term vision in the pursuit of economic, social, environmental and governance sustainability, through decisions in line with the organization's strategic objectives.

3.2 – To improve relationships and communication with all stakeholders.

3.3 – To minimize strategic, financial, operational and compliance risks.

3.4 – To increase Copel's value.

3.5 – To preserve the memory of the decisions made within the scope of the central elements of governance, as described in item 6 of this Policy, with a view to efficiency in holding its meetings.

3.6 – To operate as an essential tool for conducting Copel's businesses - effectively, transparently and organized before the stakeholders.

## **4. PRINCIPLES**

To improve the relationship with its stakeholders, and as a guide for senior management, Copel adopts the following

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corporate governance principles:

- a) **Transparency:** consists of the commitment to make available to stakeholders any information that might be of interest to them, and not just that imposed by provisions of laws or regulations. It should not be only restricted to the economic-financial performance, but also comprise other factors (including intangibles) that guide management action and that lead to the preservation and optimization of the organization's value.
- b) **Equity:** characterized by the fair and isonomic treatment of all partners and other stakeholders, taking into account their rights, duties, needs, interests and expectations;
- c) **Accountability:** governance agents must account for their actions in a clear, concise, understandable and timely manner, fully assuming the consequences of their acts and omissions, and acting with diligence and responsibility within the scope of their roles; and
- d) **Corporate responsibility:** governance agents must care for the economic and financial viability of organizations, reducing the negative externalities of their businesses and operations and increasing the positive ones, taking into account, in their business model, the various capital modalities (financial, manufactured, intellectual, human, social, environmental, reputational, etc.) in the short, medium and long-term."

## **5. GUIDELINES**

Considering the principles of transparency, equity, accountability and corporate responsibility, Copel established the following guidelines:

- a) To ensure the effectiveness of Copel's administrative structure, which comprises the strategic, tactical and operational spheres, by establishing its functions and responsibilities;
- b) To ensure that all managers, Supervisory Board members, statutory committees' members and employees are aware of and act in accordance with the guidelines contained in all Copel's normative documents;
- c) To carry out internal and external communication with total transparency, timeliness (agility), without restrictions on economic-financial, social and environmental performance and that guide business action accessible to all stakeholders;
- d) To establish fair and equal treatment for all shareholders, including minority groups;
- e) To respect the stakeholders' rights, not allowing discriminatory attitudes under any circumstances;
- f) To ensure ethical, integrity and transparent conduct in all Copel's activities and relationships, as well as evaluate and propose actions for its constant dissemination at all levels of internal and external relationships;
- g) To ensure that governance agents are accountable for their actions before those who elected them, and fully respond for all the acts they perform in the exercise of their mandates;
- h) To adopt and foster SGA's best practices in its area of coverage, reconciling economic development issues with corporate responsibility issues;
- i) To ensure effective and independent risk management, internal controls and internal audit processes;
- j) To ensure that Copel has internal controls aimed at mitigating material risks that threaten the efficacy, efficiency, effectiveness and economy of its operations;
- k) To maintain a Corporate Integrity Program, with established mechanisms to prevent, detect, and correct acts of fraud, corruption, and money laundering;
- l) To evaluate and propose actions for the continuous dissemination of ethics, integrity, code of conduct and corporate policies at all levels of internal and external relationships;
- m) To evaluate the possible existence of situations that involve decisions motivated by interests different from those of the organization, creating mechanisms to avoid conflict of interests;
- n) To comply with national and international legal provisions, when applicable, in line with the requirements of the relevant regulatory environment; and
- o) To maintain an efficient set of mechanisms in order to ensure that the conduct of Copel's senior management is always aligned with the interests of its stakeholders.

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**6. CENTRAL ELEMENTS OF CORPORATE GOVERNANCE - COPEL**

- a) General Shareholders' Meeting;
- b) Nomination and Evaluation Committee;
- c) Supervisory Board;
- d) Board of Directors;
- e) Statutory Audit Committee;
- f) Investment and Innovation Committee;
- g) Sustainable Development Committee;
- h) Minority Shareholders Committee;
- i) Executive Board; and
- j) Internal and External Audit.

**7. REFERENCES**

- a) Federal Act 6404/1976 - Limited Liability Companies Act.
- b) Federal Act 13303/2016 – State-Owned Companies Act.
- c) Sarbanes-Oxley Act, 2002.
- d) Corporate Bylaws - Copel (Holding) and its wholly-owned subsidiaries.
- e) Code of Conduct.
- f) Code of Best Practices of Corporate Governance, Brazilian Institute of Corporate Governance (IBGC, in Portuguese);
- g) CVM (SEC) Instruction 586/2017.
- h) B3 Corporate Governance Level 2 Listing Regulations
- i) Securities and Exchange Commission - SEC, regulatory agency in the USA, in compliance with the guidelines established for the Company's listing with NYSE Euronext.

This policy is an update of NPC of Sep. 24, 2018.

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This Policy was approved at the 218th Meeting of the Board of Directors - ROCAD, on Sep 22, 2021.