

Cia Energetica de Minas Gerais

Overall score 48/100

ISIN CODE: BRCMIGACNPR3

Sector: Electric & Gas Utilities
Emerging Market

Information rate: 79% (Sector average: 50%)
Company cooperation level: Responsive *

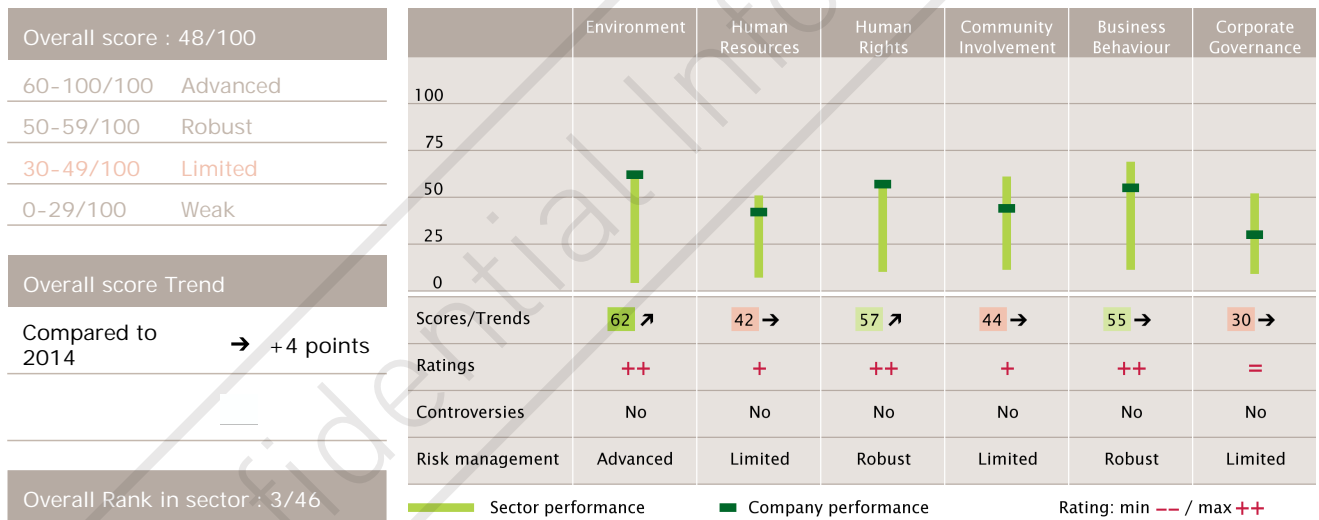
Companies in sector panel: 46

General information

Cia Energetica de Minas Gerais (Cemig) is one of the largest electricity generators in Brazil, with 63 hydroelectric power plants, three thermoelectric power plants and four wind farms. Cemig operates in transmission, distribution, exploration and distribution of natural gas and data transmission. The Company was founded on May 22th, 1952 and is headquartered in Belo Horizonte, Brazil.

Main Economic Segment**	Turnover 2014
Generation	37.0 %
Distribution	56.7 %
Transmission	3.6 %

Overall CSR performance & trends



- Cemig's overall management of CSR challenges is considered to be limited (48/100) in absolute terms. The score has slightly increased compared to the last review (44/100).
- Cemig's approach to tackle its ESG impacts is heterogeneous. The Company shows a limited performance in the Social and Governance pillars, and an advanced performance in the Environmental pillar.
- As of 2016/03/21, a review of stakeholder sources did not reveal any major allegation against Cemig during the period under review.

Company inclusion in Vigeo Indices***

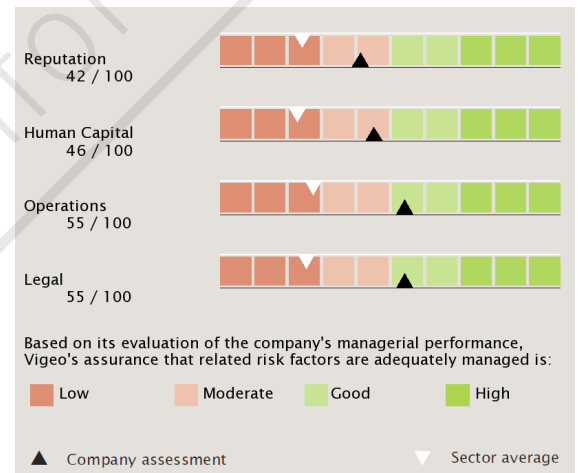


* On a 4-level scale: proactive, responsive, partially responsive, not responsive
 ** See detailed economic indicators in Selected financial data section
 *** Based on the most recent Index at the date of publication

Management of Risks and Opportunities

Weight of the Sustainability drivers	Weaknesses		Strengths	
	3		<ul style="list-style-type: none"> Health and safety Anti-competitive practices Board of Directors Access to energy 	<ul style="list-style-type: none"> Career management Social and Economic Development
2	<ul style="list-style-type: none"> Shareholders Reorganisation Executive Remuneration 	<ul style="list-style-type: none"> Biodiversity Audit & Internal Controls 	<ul style="list-style-type: none"> Fundamental human rights Non-discrimination and diversity Industrial accidents and pollution Customer relations 	<ul style="list-style-type: none"> Environmental strategy
1		<ul style="list-style-type: none"> GHG emissions from T&D 	<ul style="list-style-type: none"> Fundamental labour rights General interest causes Social standards in the supply chain 	
	Weak 0 to 29 points	Limited 30 to 49 points	Robust 50 to 59 points	Advanced 60 to 100 points

- Prevention of **Corruption** represents a strength for Cemig. The Company has set up internal controls to prevent the issue, including a confidential reporting system for which employees can anonymously report any fraud or corruption case. Moreover, Cemig has established the Ethics Commission which is mainly responsible of related issues. Therefore, the Company is remarkably working towards preventing itself from falling in any corruption case that may impact its reputation and shakes its position as the largest electricity generator in Brazil.
- Cemig's robust performance on **Social and economic development** is identified as an area of opportunity for the Company. Cemig has formalised its commitment towards promoting local social and economic development and has allocated significant means to mitigate the impacts of its operations. Therefore, the Company has shown a serious respect for community involvement which will positively impact its reputation and operations.
- **Renewable energy** sources, represented mostly by hydro, represented more than 97% of Cemig's electricity generation over the past three years. Moreover, the Company is involved in additional projects in both hydro and solar. This may be regarded as an opportunity for the Company to keep its carbon factor at a low level for the years to come, thus positively impacting its reputation and lower its environmental footprint.
- However, with hydroelectric plants representing a total installed capacity of more than 7GW, protection of **biodiversity** could represent a risk for the Company on account of the important footprint dams can have on the local region. The Company has reported training programmes, environmental impact assessments, land remediation and fish protection programmes but the Company can work on its commitment towards biodiversity protection by covering the main impacts of its activities and engage with independent and representative stakeholders in this regard.



* We consider legal security as an element of a company's tangible or intangible assets. We define legal risk as the potential impact - negative or positive - on these assets, considering the management of CSR issues possibly involving the company's legal responsibility. Under no circumstances should our opinion be construed as a due diligence or an assurance in the meaning of regulations such as, for instance, the Sarbanes-Oxley Act in the USA or the Loi de Sécurité Financière in France

Company performance in all the Sustainability Drivers

Weight of the Sustainability driver		Overall score 48/100		Trend	Score
Environment					
ENV1.1	2	Environmental strategy	↗	↗	75
ENV1.2	2	Industrial accidents and pollution	↗	↗	53
ENV1.3	3	Renewable energy	→	→	77
ENV1.4	2	Biodiversity	↗	↗	45
ENV2.2	1	GHG emissions from T&D	↗	↗	40
ENV2.4	3	Air emissions from combustion power plants			N/R
ENV3.1	2	Energy demand-side management			N/R
Human resources					
HRS1.1	1	Social Dialogue			N/R
HRS2.3	2	Reorganisation	→	→	12
HRS2.4	3	Career management	→	→	55
HRS3.2	3	Health and safety	→	→	49
Human rights					
HRT1.1	2	Fundamental human rights	↗	→	58
HRT2.1	1	Fundamental labour rights	↗	→	58
HRT2.4	2	Non-discrimination and diversity	↗	↗	55
Community involvement					
CIN1.1	3	Social and Economic Development	↘	↘	52
CIN2.1	3	Access to energy	→	→	32
CIN2.2	1	General interest causes	↗	↗	57
Business behaviour (c&s)					
C&S1.3	2	Customer relations	↗	↗	53
C&S2.4	1	Social standards in the supply chain	→	→	57
C&S3.1	3	Corruption	→	→	65
C&S3.2	3	Anti-competitive practices	↗	↗	47
Corporate governance					
CGV1.1	3	Board of Directors	↘	↘	39
CGV2.1	2	Audit & Internal Controls	→	→	43
CGV3.1	2	Shareholders	↗	↗	25
CGV4.1	2	Executive Remuneration	↗	↗	10

Weak (0-29/100)
 Limited (30-49/100)
 Robust (50-59/100)
 Advanced (60-100/100)

⚡ **Involvement in allegations**
☔ **Involvement in allegations with evidence of corrective measures**

N/R means that this Sustainability Driver is not analysed for this Company

Selected financial data

Key data	Net operating revenue	EBIT	Employees
2014	BRL 19,540m	BRL 5,580m	7,922
2013	BRL 14,627m	BRL 4,363m	7,922
2012	BRL 14,137m	BRL 3,475m	8,368
2011	BRL 12,393m	BRL 3,804m	8,706
2010	BRL 13,790m	BRL 3,559m	8,859

Main shareholders	2016
State of Minas Gerais	51 %
Andrade Gutierrez Concessões SA	33 %
Banco Classico SA	9.5 %
BTG Pactual Asset Management S/A DTVM	9 %

Geographical breakdown	Revenue 2014	Employees 2014
Brazil	100 %	100 %

All Economic Segments	Turnover 2014
Generation	37.0 %
Distribution	56.7 %
Transmission	3.6 %
Gas	1.7 %
Telecom and others	1.0 %

Selected ESG Indicators

	2014
Non-executive Board member(s) responsible for CSR issues	Yes
Executive remuneration linked to CSR performance	Yes
Carbon factor (3-year trend)	i
Percentage of independent Board members	6
Percentage of women on Board	0
Percentage of women in Executive team	12
Percentage of women in workforce	12
3 year trend for safety at work	i
Involvement in armament	No
Management of social risks in supply chain	Robust

Involvement in disputable activities: summary

This section is dedicated to disputable activities in which the company is involved. 9 disputable activities are analyzed (see list below) following 30 parameters. Additional analysis and full database access are available as an option.

For more information please contact us at customer.service@vigeo.com

	Level of involvement	% of revenues
<input type="checkbox"/>	Alcohol	%
<input type="checkbox"/>	Animal maltreatment	%
<input type="checkbox"/>	Armament	%
<input type="checkbox"/>	Hazardous chemicals	%
<input type="checkbox"/>	Gambling	%
<input type="checkbox"/>	GMOs in food & feed	%
<input type="checkbox"/>	Nuclear energy	%
<input type="checkbox"/>	Sex industry	%
<input type="checkbox"/>	Tobacco	%

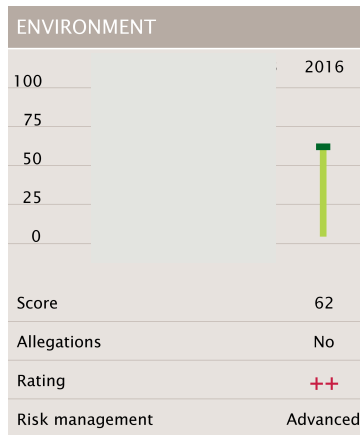
A company's level of involvement (Major, Minor, No) in a disputable activity is based on:

- An estimation of the revenues derived from disputable products or services
- The precise nature of the disputable products or services provided by the company

Confidential Information

CSR performance per domain

■ Sector performance
■ Company performance
Rating: min -- / max ++

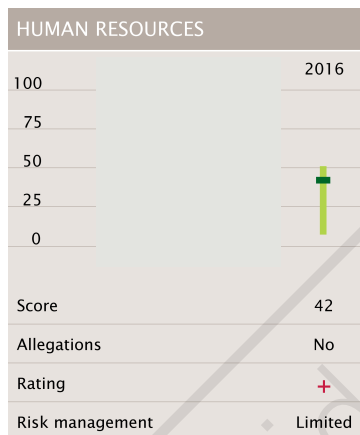


Key issues

Electricity and Gas Transmission & Distribution companies have their responsibilities in tackling climate change and protecting the environment (ENV 1.1). Companies are expected to increase their efforts to improve the efficiency of their networks as well as mitigate fugitive air emissions (SF6 emissions from power lines and CH4 emissions for gas pipelines) (ENV2.2). In addition, the operation of such linear infrastructures (pipelines, high-voltage lines, etc.) adds responsibility for the company to protect biodiversity through the entire lifecycle of its activities (ENV 1.4). Finally, companies with end-use customers are expected to promote energy efficiency measures for their customers, therefore ensuring energy savings that will contribute to the fight against climate change (ENV 3.1).

Company performance

- The Company's performance in the Environment domain is advanced in absolute terms.
- The domain's score has increased by 14 points compared to the previous review. In this actual reporting, the Company has formalised its commitment to environmental protection and has set targets in this regard. In addition, the Company has committed to take into account accidental pollution prevention during its operations, developing renewable energy, and protect biodiversity. Cemig energy generation from renewable sources has increased over the past three years.

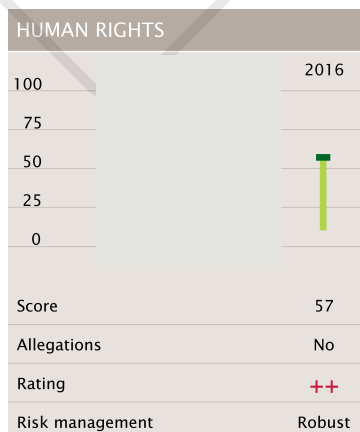


Key issues

Safeguarding the safety and health of employees and contractors (HRS3.2) remains a key risk factor in the sector, and this includes the prevention of stress, which is an emerging issue in the sector. Similarly, anticipating the ageing workforce and subsequent leaving of highly skilled workers on retirement through the development of career management and promotion of employability represents a major sector challenge (HRS2.4). Implementing and maintaining sound systems to guarantee social dialogue that promote labour relations is important to the Electric & Gas Utilities sector, that traditionally benefits from strong well-established industrial relations (HRS1.1). The sustainability driver related to the management of reorganisations is deactivated for companies that account for less than 5,000 employees and that do not appear to have been under or to be planning to engage into a reorganisation process.

Company performance

- The Company's performance in the Human Resources domain is limited in absolute terms.
- The domain's score has remained stable compared to the previous review.
- The Company has committed to promote career management and training and the number of training hours per employee has increased over the last three years. The Company has issued a formalised commitment to health and safety issues and the rate of absenteeism has decreased over the last three years. However, Cemig does not seem to disclose any commitment to manage reorganisations responsibly.



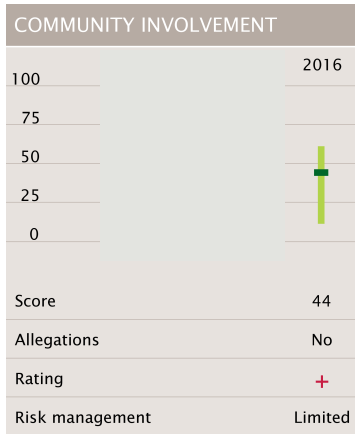
Key issues

Companies with operations in weak governance zones and which are involved in large-hydro projects, mining activities, or gas exploration, tend to be more exposed than others to violations of stakeholders' fundamental human rights (HRT 1.1). Electric & Gas Utilities are expected to also have policies and management systems in place, e.g. information, training, risk-mapping, to deal with labour rights issues in their countries of operation and guarantee freedom of association and the right to collective bargaining (HRT 2.1). Finally, the industry remaining largely male dominated, discrimination needs to be banned and diversity promoted if companies want to increase their competitiveness as well as attract and retain talents (HRT 2.4).

Company performance

- The Company's performance in the Human Rights domain is robust in absolute terms.
- The domain's score has increased by 6 points compared to the previous review.
- The Company has issued a formalised commitment to respect and promote human

rights in society and to freedom of association and the right to collective bargaining. In this actual reporting, the Company has issued a formalised commitment to preventing discrimination and has set up significant measures to address that. The percentage of disabled employees has increased over the past three years.

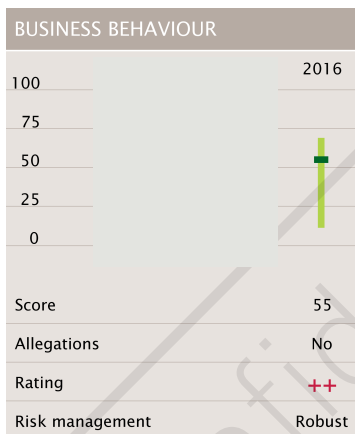


Key issues

Electricity and gas transmission companies' main responsibilities in the Community Involvement domain is the involvement in access to energy programmes in developing countries through the participation in collaborative projects with relevant stakeholders, the allocation of resources to provide capacity building, and the support to renewable energies (CIN 2.1). On top of that, in their regions of operations, electricity and gas transmission companies are expected to deal with the disruptive impacts of their operations and promote the local social and economic development through the evaluation and monitoring of the social impacts of operations on communities, the support to social programmes and the reinforcement of the local content of operations (CIN 1.1).

Company performance

- The Company's performance in the Community Involvement is limited in absolute terms.
- The domain's score has remained stable compared to the previous review.
- The Company has issued a formalised commitment to promote social and economic development and has allocated significant measures in this regard. Moreover, the Company has committed to address the access to energy in developing countries and to supporting general interest causes. However, community investments have decreased over the last two years.

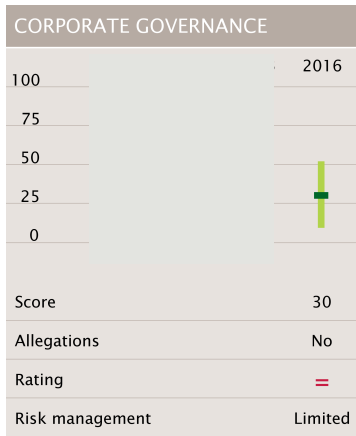


Key issues

Electric & Gas companies operate in highly regulated markets. As a result, these companies are frequently involved in the political processes, highlighting the importance of issues such as the transparency and integrity of influence strategies and practices - lobbying (C&S 3.3) and prevention of corruption and of conflicts of interest (C&S 3.1). In a context of increasing competition, old incumbent operators may be tempted to violate competition rules (C&S 3.2) to keep their dominant position. In addition, as sector companies rely extensively on suppliers for fuel, notably coal, natural gas and uranium, the integration of social and human rights factors in the selection and management of these actors is also of major importance (C&S 2.4).

Company performance

- The Company's performance in the Business Behaviour domain is robust in absolute terms.
- The domain's score has remained stable compared to the previous review.
- The Company has issued a formalised commitment to preventing corruption and has set up internal controls to prevent the issue which is implemented in all significant parts of the Company. In addition, Cemig has issued a formalised commitment on responsible contractual agreements and to include social factors in supply chain management. The Company has committed to preventing anti-competitive practices and no antitrust incidents were reported internally during the period under review.



Key issues

Corporate governance is critical to ensuring that a well-functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors (CGV1.1) is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal control system (CGV2.1), the protection of Shareholders Rights (CGV3.1) and the establishment of Executive Remunerations (CGV4.1) which align executives' and company's interests.

Company performance

- The Company's performance in the Corporate Governance domain is limited in absolute terms.
- The domain's score has remained stable compared to the previous review.
- The board of directors is only 6% independent and has a Corporate Governance and Sustainability Committee that is responsible of CSR issues. The Audit Committee has a limited role and shareholders' ability to vote is restricted. The executive remuneration is disclosed but on a collective basis and bonuses are linked to different CSR indicators.

Confidential Information

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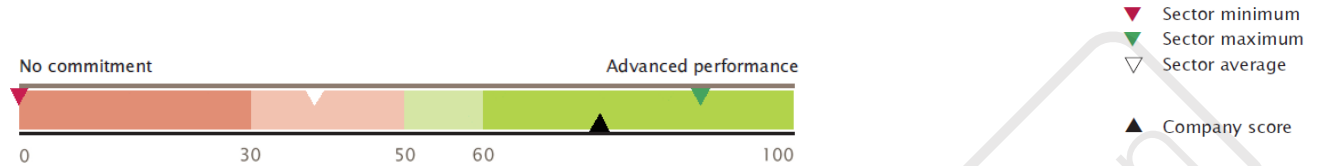
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Environment

Score : 62

ENV1.1 Environmental strategy

(score: 75, weight: 2)



Visibility of commitment to environmental issues

The company has issued a formalised commitment to environmental protection, and sets specific targets in this regard in its Statement of Ethics Principles and Code of Professional Conduct. Cemig has set a corporate goal of reducing electricity losses to below 10.85% by 2017, having 2014 as a baseline year. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The company commits to the majority of its responsibilities in terms of environmental protection:
 - Protection of biodiversity

Relevance of climate change strategy

The company commits to all its responsibilities in terms of climate change:
 - Development of renewable energy.
 - Management of energy consumption and GHG emissions from Transmission & Distribution activities.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to environmental management

The company has allocated resources to environmental management, including training, communication and monitoring.

Coverage of certified environmental management systems

Part of the company's production sites is covered by a certified environmental management system.
 52% of the generation activity, 56% of the transmission activity and 12% of the distribution activity are covered by certified ISO 14001.

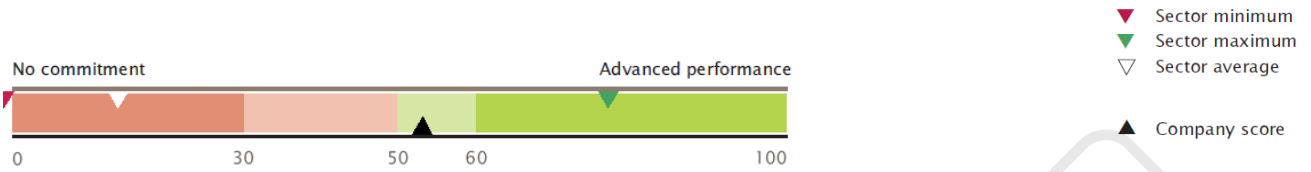
Carbon factor

The company's power and heat generation activities produce very low (direct) GHG emissions
 The carbon factor stood at 2.34 kg CO₂/MWh in 2014.

Leadership	76	Implementation	74	Results	N/A
Visibility	100	Means & resources	81	Performance	N/A
Relevance	82	Scope	N/A	Trends	N/A
Ownership	30	Coverage	65		

ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)

(score: 53, weight: 2)



Relevance of commitments on pollution prevention and control

The company's commitments take into account accidental pollution prevention during its operations.

Means allocated to pollution prevention and control

Basic resources are allocated to pollution prevention and control:
 - risk assessment: the company has reported identifying and assessing risks and hazards present in each activity.
 - implementation of risk prevention procedures: the company has reported a set of directives from the Minimum Requirements of Environmental Adequacy which include actions plans to solve identified problems.

Coverage

There is no evidence that the company has allocated resources to pollution prevention and control at a majority of the company's sites.

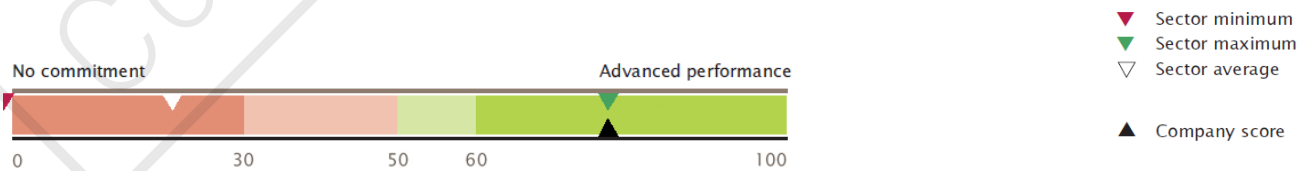
Existence of accidental pollution

The company's reporting indicates that there have been no environmental incidents in the last three years, and this has been confirmed by a review of relevant stakeholder sources.

Leadership	30	Implementation	30	Results	100
Visibility	N/A	Means & resources	30	Performance	N/R
Relevance	30	Scope	N/A	Trends	100
Ownership	N/A	Coverage	30		

ENV1.3 Development of renewable energy

(score: 77, weight: 3)



Relevance of the company's commitment in terms of renewable energy.

The company's commitment on developing renewable energy is general.
The company has reported several projects including Belo Monte Hydroelectric Plant (818 MW) and solar systems (4.5 MW).

Installed capacity in renewable energy sources

In 2014, the company had an installed capacity of renewable sources of 7,330 MW, representing thus 95.53% of its total installed capacity.

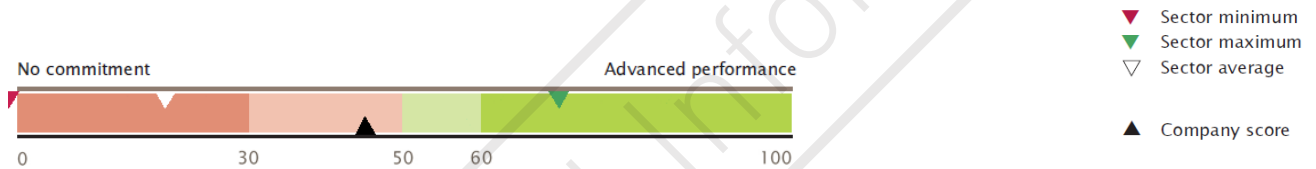
Performance

Energy generation from renewable sources was at 97.2% in 2014.

Leadership	30	Implementation	100	Results	100
Visibility	N/A	Means & resources	100	Performance	100
Relevance	30	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	N/A		

ENV1.4 Protection of biodiversity

(score: 45, weight: 2)



Relevance of the commitment

The company's commitment towards biodiversity protection is general.

Managerial tools allocated to integrate biodiversity in the management of operations

The company has implemented some measures to identify its impacts and integrate biodiversity in the management of its operations such as:

- Training employees on biodiversity: the company has reported in its Biodiversity Policy raising awareness among its employees through education programmes.
- Environmental impact assessments: the company has reported conducting environmental impact assessments for its new projects.

Local measures taken to protect biodiversity on operation sites

The company has implemented some measures to limit the impacts of its operations on biodiversity such as:

- fish protection programmes: the company has reported the "Peixe Vivo Program" through which the company has released more than 800,000 fingerlings reducing, every month, by about 78% the fish biomass affected by Cemig's hydro power plants.
- land remediation: the company has reported a reforestation programme.

Coverage of local measures allocated to protect biodiversity on operation sites

The company has implemented these measures in a majority of its operations. The company has reported that the fish protection programme and land remediation are implemented respectively throughout the company's hydroelectric facilities and electric network.

Results with regard to biodiversity protection

Indicators of biodiversity are monitored by (or in cooperation with) an external party and are on a positive trend, on a short-term perspective.

Indicators of biodiversity are monitored by an external party and are on a positive trend, on a short-term perspective. The company has disclosed quantitative indicators regarding its affected biomass which was decreasing continuously over the past three years from 3180 Kg in 2012 to 787 Kg in 2014.

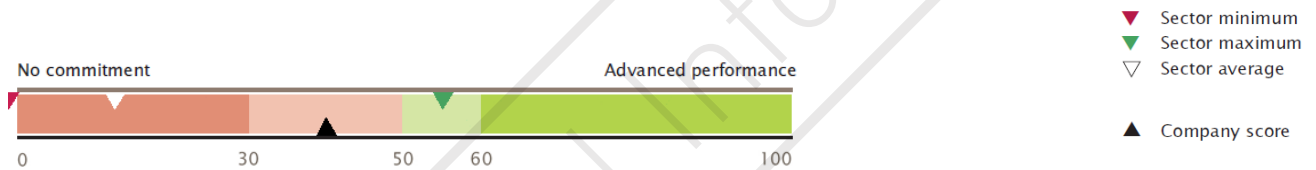
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	30	Implementation	41	Results	65
Visibility	N/A	Means & resources	30	Performance	65
Relevance	30	Scope	N/A	Trends	65
Ownership	N/A	Coverage	65		

ENV2.2 Management of energy consumption and GHG from Transmission & Distribution activities

(score: 40, weight: 1)



Relevance of the company's commitment in terms of improving its network energy efficiency.

The company has set quantified targets with regard to its network energy efficiency, and these cover the entire group.

The company has set a corporate goal of reducing electricity losses to below 10.85% by 2017, considering 2014 as the baseline year.

Relevance of the company's commitment on GHG emissions related to Transmission & Distribution activities.

The company's commitment to reduce its Greenhouse Gas (GHG) emissions related to Transmission & Distribution activities is general as no quantified targets have been disclosed.

Means allocated to improve energy efficiency and reduce GHG emissions from Transmission and Distribution activities

The company has set up monitoring systems for its network energy efficiency and has implemented an assets replacement programme to reduce its impacts. Cemig has reported upgrading its sub-transmission system, and the installation of new distribution transformers that reduce no-load losses by about 80%.

Of note, the company has reported the "Cities of the Future Program" that involves the development of Smart Grids in Latin America.

Coverage

The company's measures cover its entire network.

Greenhouse Gas emissions linked to electric T&D activities

The company's GHG emissions related to the company's electricity T&D activities, normalised to total electricity consumption, have increased over the past three years by 97% from 68.60 tCO2 per GWh in 2012 to 135 tCO2 per GWh in 2014.

Energy losses along the company's electricity network

The company's Net Electricity Losses have decreased but not continuously over the past three years by 0.11 percentage point from 11.11% in 2012 to 11% in 2014.

Leadership	48	Implementation	58	Results	15
Visibility	N/A	Means & resources	30	Performance	15
Relevance	48	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	100		

ENV2.4 Management of energy consumption and air emissions from fossil-based Generation activities

(deactivated)

Thermal generation represents 29.17% of the company's installed capacity. Therefore, this sustainability driver is deactivated.

ENV3.1 Energy demand-side management

(deactivated)

This Sustainability Driver is only analysed for large companies in the Electric and Gas Utilities Emerging Market sector, it is therefore not analysed for this company.

Human Resources

Score : 42

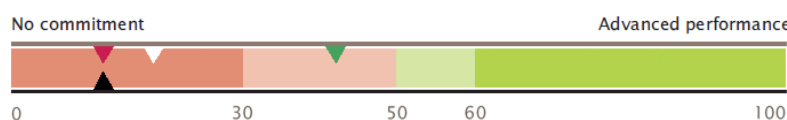
HRS1.1 Promotion of labour relations

(deactivated)

This sustainability driver is only analysed for large companies in the Electric and Gas Utilities Emerging Market sector. It is thus not assessed for this company.

HRS2.3 Responsible management of reorganisations

(score: 12, weight: 2)



- ▼ Sector minimum
- ▼ Sector maximum
- ▽ Sector average
- ▲ Company score

The company does not report any information about any employees' layoffs during the period under review, and no information was found in the media about any restructurings carried out by the company.

Relevance of commitment to manage reorganisations responsibly

The company does not disclose any commitment to manage reorganisations responsibly.

Relevance of commitment to involve employee representatives in the process

The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

Means allocated to prevent and manage reorganisations

Information obtained from the company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

Coverage

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

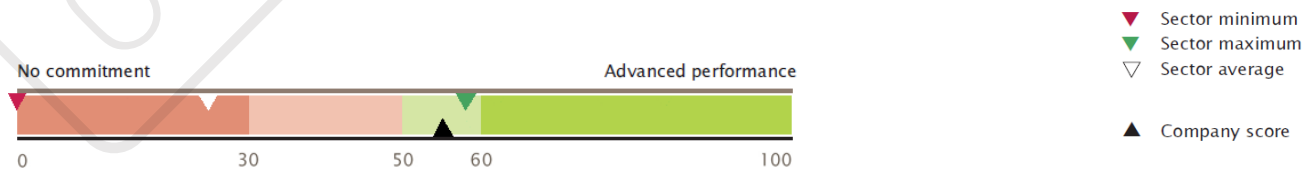
Result of the company's commitment to manage reorganisations responsibly

The company does not provide any information on the impacts of reorganisations on employment.

Leadership	0	Implementation	0	Results	35
Visibility	N/A	Means & resources	0	Performance	35
Relevance	0	Scope	N/A	Trends	N/A
Ownership	0	Coverage	0		

HRS2.4 Career management and promotion of employability

(score: 55, weight: 3)



Visibility of commitment

The company has issued a largely publicised, formal commitment to promote career management and training which is publicly available in its Human Resources Policy.

Relevance of commitment *The company's commitment to promoting career management and training addresses its main responsibilities:*

- Anticipate short and long-term employment needs and skill requirements
- Adapt employees' skill sets to their career paths
- Put in place a concerted career management framework, which is transparent and individualised

Ownership of commitment *The Head of Human Resources is part of the company's Board and line managers are evaluated on their performance in terms of human resources management.*

Career management systems *The company has set up an internal job opportunity marketplace and employees have annual performance assessments. Cemig has disclosed the Succession Management Programme which aims at planning the replacement of those in leadership positions and identifying potential successors with suitable profiles for the required competencies.*

Coverage of career management systems These career management systems cover all of the company's employees.

Types of training provided to non-managers The training programmes are mostly aimed at adapting employees' skills to the requirements of their current position.

Means allocated to training for all employees *The number of training hours per employee has increased by 34% over the past three years from 35.5 hours in 2012 to 49.37 hours in 2014.*

Mobility / turnover *The company's employee turnover rate has increased over the past three years by 0.65 percentage point from 2.06% in 2012 to 2.71% in 2014.*

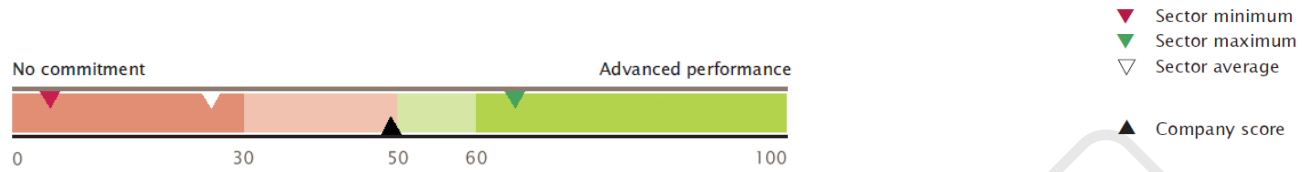
Of note, a total of 207 new employees were hired under public exams and 217 people left the Company, most for retirement.

Training delivered during the year under review *The percentage of employees who received training in 2014 is not disclosed.*

Leadership	83	Implementation	65	Results	18
Visibility	100	Means & resources	65	Performance	18
Relevance	65	Scope	30	Trends	N/A
Ownership	100	Coverage	100		

HRS3.2 Improvement of health and safety conditions

(score: 49, weight: 3)



Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues, which covers both its own employees and sub-contracted workforce, in its Statement of Ethics Principles and Code of Professional Conduct and Cemig's Policy for Safety, Health and Well Being.

Relevance of commitment on the improvement of health and safety conditions

The company's commitment addresses part of its responsibilities:
 - Ensure awareness about health and safety issues
 - Reduce the number of work accidents and their severity

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system. The company has reported that some of its operations are covered by a OHSAS 18001 certified H&S system which includes training and awareness raising programmes, internal monitoring, risk assessments, and internal H&S audits; however, no further details about these items are disclosed.

Coverage of health and safety system

The health and safety measures cover the majority of the company's employees.
The company has stated that all the processes and activities undertaken at 90% of its installed generation capacity, are certified as being in conformity with the OHSAS18001.

Means allocated to reduce stress at work

The company has allocated basic means to address stress at work, including:
 - monitoring of stress through opinion surveys: the company has stated making psychological evaluations of its employees with a focus on tests to verify conditions of physical, mental and emotional health of the employees.
 - stress support instruments: the company has reported Regional Specialised Services in Safety Engineering and Occupational Medicine that consist of specialists in Psychology and Social Service.

Coverage of means allocated to reduce stress at work

The measures allocated to address stress at work cover all of the company's employees as well as contractors.

Accident frequency rate

The lost-time injury frequency rate per 200,000 hours worked has increased over the last three years by 50% from 0.23 (/200,000 hwkd) in 2012 to 0.34 (/200,000 hwkd) in 2014.

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Accident severity rate *The severity rate per 200,000 hours worked has decreased but not continuously over the past five years by 50% from 70 in 2008 to 35 in 2012; however, related data of the three last years is not disclosed.*

Occupational diseases *The rate of absenteeism has decreased over the last three years by 0.50 percentage point from 1.5% in 2012 to 1% in 2014.*

Accident frequency rate at contractors' *The lost-time injury frequency rate at contractors has decreased, but not continuously over the past three years from 0.51 (/200,000 hwkd) in 2012 to 0.42 (/200,000 hwkd) in 2014.*

Accident severity rate at contractors' *The number of work-related fatalities at contractors has remained stable over the last three years (2012, 2013, 2014) at 2.*

Absenteeism and/or Occupational diseases at contractors' *The company does not disclose quantitative data on its subcontracted labour absenteeism.*

Stakeholders' feedback *A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.*

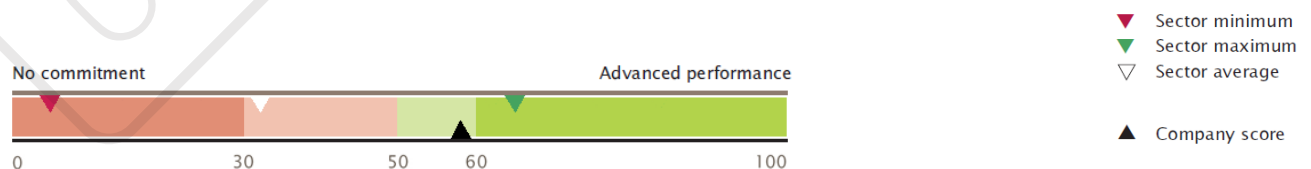
Leadership	42	Implementation	65	Results	40
Visibility	65	Means & resources	51	Performance	40
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	79		

Human Rights

Score : 57

HRT1.1 Respect for human rights standards and prevention of violations

(score: 58, weight: 2)



The company operates in Brazil and Chile considered as free by Freedom House.

Visibility of commitment on the respect for human rights standards and the prevention of violations

The company has issued a formalised commitment to respect and promote human rights in society in its Management of the "Declaration of Ethical Principles and Code of Professional Conduct". In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment on the respect for human rights standards and the prevention of violations

The company's commitment to respect and promote human rights in society addresses its main responsibilities:

- prevent degrading treatment
- prevent complicity in human rights violations
- respect the right to personal security
- respect property rights

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to the commitment on the respect for human rights standards and the prevention of violations

The company has set up a basic system to ensure the respect and promotion of human rights in society that includes:

- training programmes for employees: the company has reported providing its employees with training programmes on its ethical principles including human rights.

Coverage

The company has set up such systems throughout the company.

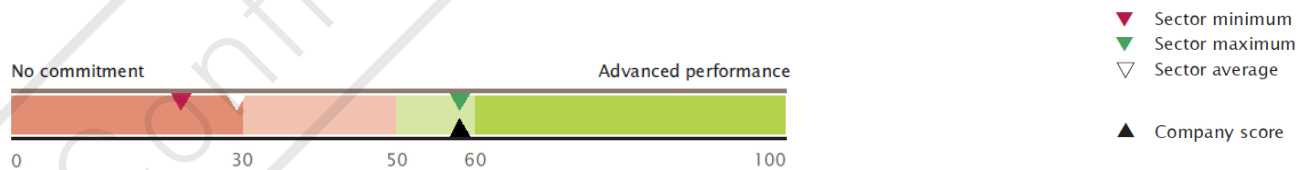
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	51	Implementation	58	Results	65
Visibility	65	Means & resources	30	Performance	65
Relevance	65	Scope	N/A	Trends	N/A
Ownership	30	Coverage	100		

HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 58, weight: 1)



The Company operates in countries rated as sensitive in the IUTC 2015 annual survey of Trade Union Rights such as Brazil.

Visibility of commitment

The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Management of the "Declaration of Ethical Principles and Code of Professional Conduct". In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment is detailed and addresses most of its responsibilities:
 - protection of freedom of association and the right to organise
 - respect of the right to collective bargaining
 - guarantee the effective exercise of the trade unions rights in the workplace
 - respect and protection of workers' representatives

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Monitoring

The company has implemented permanent measures to monitor the respect of freedom of association within its operations:
 - on-going monitoring of labour rights risks: in its response to Vigeo, Cemig has stated that it monitors complaints including the disrespect of freedom of association via an anonymous Whistleblower Channel.

Promotion of collective bargaining

The company has reported providing its employees with training programmes on its ethical principles including collective bargaining.

Coverage

There is no evidence that the company has provided all its employees with training about collective bargaining.

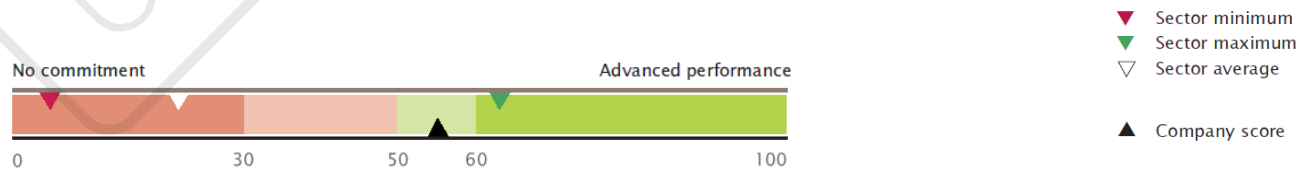
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	65	Implementation	44	Results	65
Visibility	65	Means & resources	50	Performance	65
Relevance	100	Scope	N/A	Trends	N/A
Ownership	30	Coverage	30		

HRT2.4 Non-discrimination

(score: 55, weight: 2)



Visibility of commitment on non-discrimination

The company has issued a formalised commitment to non-discrimination in its Statement of Ethics Principles and Code of Professional Conduct. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment on non-discrimination

The company's commitment to non-discrimination explicitly defines most of the categories covered:

- gender
- race / nationality
- religion
- family responsibilities
- disabilities
- political opinion
- age

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved. The Ethics Commission is responsible of issues related to employees' discrimination.

Means allocated to non-discrimination

The company has set up four measures to prevent discrimination:

- awareness raising: the company has reported promoting its Ethics Principles among its employees through its website.
- confidential reporting system: the company has reported a confidential whistleblowing line through which employees can report discriminatory actions.
- training: the company has provided its employees with training on its ethical principles including discrimination.
- monitoring: the company monitors the share of women and handicapped in the workforce.

Coverage

There is no evidence that the company has set up programmes to promote diversity in a majority of its operations.

Results in terms of gender distribution

The share of women in management positions remained stable over the past three years (2012, 2013, 2014) at 12%.

Results in terms of employment of disabled persons

The share of disabled employees in the total workforce has increased continuously over the past three years by 2.42 percentage point from 0.5% in 2012 to 2.92% in 2014.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

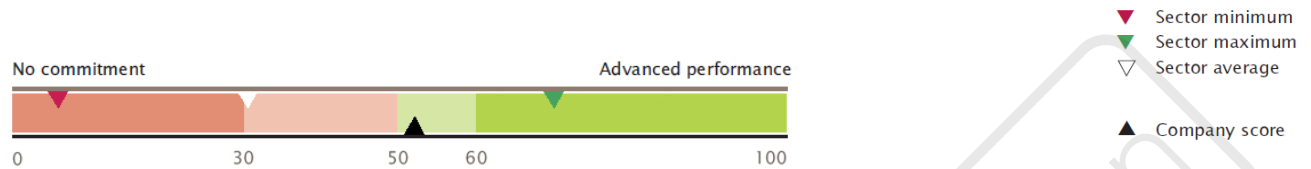
Leadership	65	Implementation	48	Results	52
Visibility	65	Means & resources	65	Performance	65
Relevance	65	Scope	N/A	Trends	48
Ownership	65	Coverage	30		

Community Involvement

Score : 44

CIN1.1 Promotion of the local social and economic development

(score: 52, weight: 3)



Visibility of the commitment on the promotion of the social and economic development and mitigation of the impacts of operations

The company has issued a formalised and accessible commitment to promote local social and economic development and mitigate the impacts of its operations on social and economic development in its Statement of Ethics Principles and Code of Professional Conduct.

Ownership of commitment on the promotion of the social and economic development and mitigation of the impacts of operations

The commitment applies throughout the company, supported by senior management.

Relevance of commitment to promote the social and economic development

The company's commitment to promote local social and economic development is general.

Relevance of commitment on the mitigation of the impacts of its operations on social and economic development

The company's commitment to mitigate the impacts of its operations on social and economic development addresses only part of its responsibilities:

- Community consultation

Means allocated to promote the social and economic development of countries of operation

The company has allocated significant means to address social and economic development, including:

- Social development programmes: The company has reported the renovation of schools and healthcare clinics.
- Infrastructure development programmes: The company made investment in developing infrastructure projects for local communities.

Coverage of the means allocated to promotion of the local social and economic development

These means are allocated throughout the company.

Means allocated to the mitigation of impacts of operations

The company has allocated significant means to mitigate the impacts of its operations:
 - social impact assessments: the company has reported a decision matrix that takes into account social risks with regard to projects development.
 - community consultation: the company has reported conducting public consultations and workshops involving local communities regarding its new projects.
 - grievance mechanisms: the company has stated providing compensation to communities whose activities are being affected by the company's projects.

Coverage of the means allocated to the mitigation of impacts of operations

These means are allocated throughout the company.

Performance trend

Community investments normalised to EBIT have decreased over the last two years from 3.1% in 2013 to 2% in 2014.

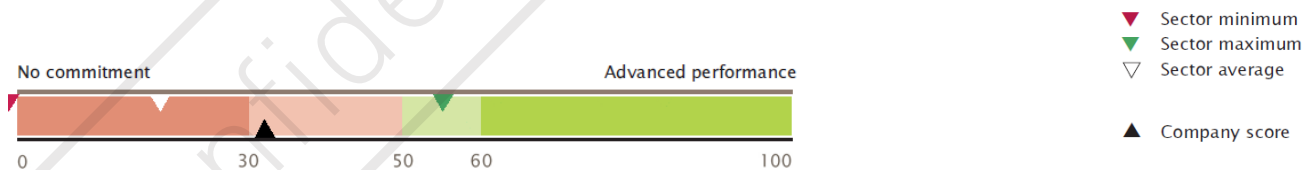
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	39	Implementation	79	Results	37
Visibility	65	Means & resources	74	Performance	65
Relevance	30	Scope	N/A	Trends	0
Ownership	30	Coverage	100		

CIN2.1 Promotion of access to energy and prevention of fuel poverty

(score: 32, weight: 3)



Visibility of the commitment on the promotion of access to energy

The company has issued a formalised and accessible commitment to address the Access to energy in developing countries in its Communication Policy with Community.

Relevance of the company's commitment on the promotion of access to energy

The company's commitment to address the access to electricity in developing countries is general.

Visibility of the commitment on the prevention of fuel poverty

The company has issued a formalised and accessible commitment to address fuel poverty in its Communication Policy with Community.

Relevance of the commitment on the prevention of fuel poverty

The company's commitment only addresses some of its responsibilities towards the reduction of fuel poverty:
- Financial support

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Measures implemented to promote the access to energy

Information obtained from the company and public sources regarding measures allocated to the access to energy in developing countries is insufficient.

Coverage of the measures implemented to address access to energy

Measures implemented to reduce fuel poverty

The company has allocated significant measures to address the fuel poverty issue:
- Energy demand-side management for vulnerable customers: the company has reported replacing electric shower heads with solar heating systems, installing highly efficient lighting systems for vulnerable customers.
- Customer assistance: the company has disclosed an Ombudsman's Office which delivers post-service services in response to manifestations by stakeholders.

Coverage of the measures implemented to address fuel poverty

There is no evidence that these measures are allocated in a majority of regions where it operates as a distributor.

Performance trend - Access to energy

The Rural Service Rate was 93.8% in 2014 compared to 97.95% in 2012.

Performance trend - Fuel poverty

The company does not disclose indicators on fuel poverty.

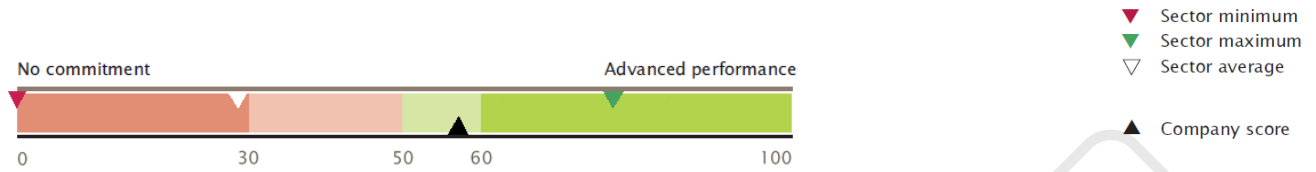
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	37	Implementation	24	Results	35
Visibility	65	Means & resources	32	Performance	46
Relevance	30	Scope	N/A	Trends	0
Ownership	30	Coverage	15		

CIN2.2 Contribution to general interest causes

(score: 57, weight: 1)



Relevance of commitment The company's commitment to supporting general interest causes addresses some of the relevant issues for the sector:
 - *sport sponsoring*
 - *promotion of local culture*

Ownership of commitment The commitment applies throughout the company, supported by senior management.

Means allocated The company has allocated some means to general interest causes, including:
 - *financial support: the company has reported culture and sports related investments including the upkeep of museums and the sponsorships of athletic events including football, rugby and Olympic swimming.*

Geographical coverage These means are allocated throughout the company.

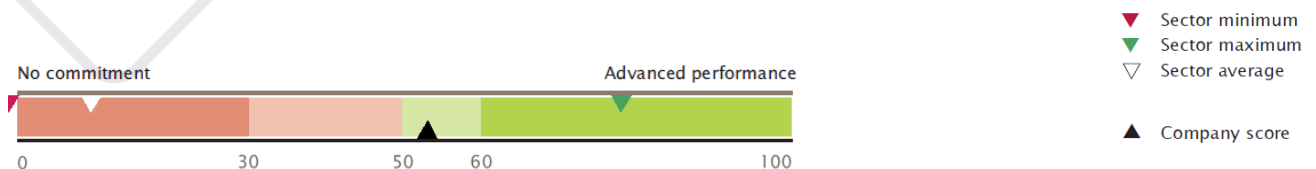
Leadership	55	Implementation	58	Results	N/A
Visibility	N/A	Means & resources	30	Performance	N/A
Relevance	65	Scope	N/A	Trends	N/R
Ownership	30	Coverage	100		

Business Behaviour (C&S)

Score : 55

C&S1.3 Responsible Customer Relations

(score: 53, weight: 2)



Visibility of commitment on responsible customer relations

The company has issued a formalised commitment on responsible contractual agreements (customer service) in its Statement of Ethics Principles and Code of Professional Conduct. Moreover, the company is aiming to reach a satisfaction rate of over 90% by 2016 compared to 78.9% in 2012.

Relevance of commitment on responsible customer relations

*The company commits to some of its responsibilities in terms of responsible contractual agreements:
- complete communication with customers*

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to ensure responsible customer relations and respect contractual agreements

*The company has implemented a few measures:
- Monitoring of service quality indicators (customer satisfaction, service continuity, complaints...): the company has reported the conduction of surveys on customers' satisfaction and monitoring service interruptions.
- Service interruptions prevention measures: the company has reported protection and insulation programmes of its distribution network in order to reduce the service interruptions caused by contact with trees.*

Coverage of the means allocated to ensure responsible customer relations and respect contractual agreements

The company's measures have been implemented throughout its operations.

Complaints management system

There is a formalised and accessible system to handle complaints, with detailed disclosure on procedures:
The company has set in place several measures to channel customers' requests and complaints by email, phone and SMS. Besides Cemig has reported the presence of sites through its Cemig Facil Network in the 774 municipalities within Cemig's concession area.

Customer satisfaction

Customer satisfaction has decreased over the past three years by 10.15 percentage point from 78.90% in 2012 to 68.75% in 2014.

Results on service continuity on electricity networks

The company's results on service continuity on electricity networks has improved over the last three years. The company's average interruption duration per customer has decreased continuously over the last three years from 883 min in 2012 to 646 min in 2014.

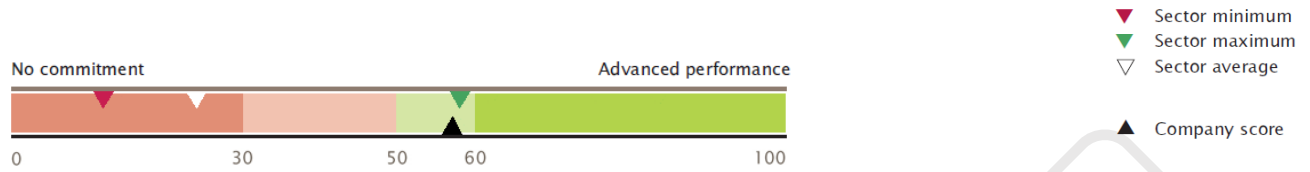
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	51	Implementation	65	Results	43
Visibility	100	Means & resources	50	Performance	43
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	100		

C&S2.4 Integration of social factors in the supply chain

(score: 57, weight: 1)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its Statement of Ethics Principles and Code of Professional Conduct.

Relevance of commitment

The company's social requirements for suppliers address the main relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Health and Safety
- Non-discrimination
- Working hours

Ownership of commitment

*The commitment applies throughout the company, supported by senior management.
The responsible for the oversight of this policy is the Chief Corporate Management Officer.*

Means allocated

The company has set up one measure to include social factors in supply chain management:

- Integration of social issues into contractual clauses: the company has reported the integration of contract requirements concerning human rights.

Audits of suppliers/subcontractors

The company includes social aspects such as human rights in its audits that are conducted to check whether its suppliers comply with the requirements listed in the contract.

Coverage of the means allocated

The measures implemented cover the main purchases and suppliers.

Coverage of the social audits

There is no evidence that the audits covered a majority of the company's suppliers.

Transparency on social compliance in the supply chain

*The company monitors quantitative data on the compliance of its suppliers with social standards and has implemented corrective measures in case of non-compliance.
The company maintains its practice of daily inspections of contractors. Service quality inspections, which are also routine procedures, to assess the quality of services and waste management, totaled 58,294 procedures summing emergency and commercial services.*

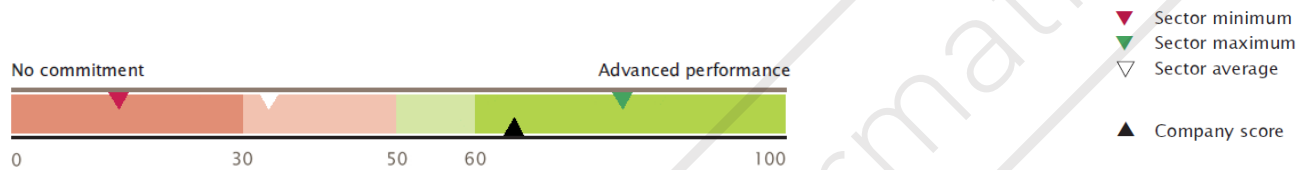
Allegations against suppliers

A review of stakeholder sources did not reveal any social allegations against the company's suppliers or contractors.

Leadership	56	Implementation	35	Results	81
Visibility	65	Means & resources	30	Performance	81
Relevance	65	Scope	N/A	Trends	N/A
Ownership	30	Coverage	48		

C&S3.1 Prevention of corruption

(score: 65, weight: 3)



Visibility of commitment on the prevention of corruption

The company has issued a formalised commitment to preventing corruption in its Statement of Ethics Principles and Code of Professional Conduct and Anti-fraud Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment on the prevention of corruption

The company's commitment to preventing corruption addresses its main responsibilities:

- conflicts of interest
- gifts
- embezzlement
- active and passive bribery
- fraud

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved. The Ethics Commission is responsible of issues related to fraud and corruption.

Involvement of employees in the prevention of corruption

The company has instituted formal training programmes for relevant employees on corruption prevention. The company has reported providing its employees with fraud and corruption related training.

Means allocated to the prevention of corruption

The company has set up internal controls to prevent corruption, including a confidential reporting system:

- internal audits: the company has reported that, through its Internal Audit Superintendence, it keeps and monitors a Risk and Controls Matrix, whose structure includes prevention against risks of fraud and corruption.
- a dedicated confidential hotline: the company has reported a whistleblowing line that employees can use anonymously.
- non-confidential reporting system: the company has stated that employees can report fraudulent and corrupt acts to their superiors, Director President or Internal Audit.

Coverage of the means allocated to the prevention of corruption

The measures implemented cover all significant parts of the company as well as sales agents and business partners.

Transparency on corruption suspicions raised through the employee reporting system

The company discloses quantitative data on the corruption incidents reported internally.
Cemig stated that no cases of corruption involving Cemig were identified through any internal audit, nor through the Whistleblower's Channel, in 2014.

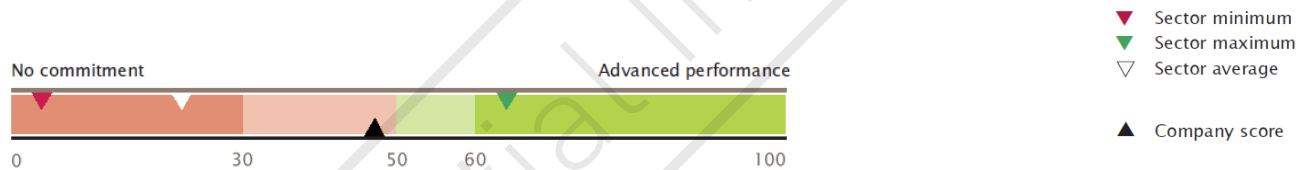
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	65	Implementation	76	Results	53
Visibility	65	Means & resources	65	Performance	53
Relevance	65	Scope	N/A	Trends	N/A
Ownership	65	Coverage	100		

C&S3.2 Prevention of anti-competitive practices

(score: 47, weight: 3)



Visibility of commitment on the prevention of anti-competitive practices

The company has made references to prevent anti-competitive practices in its 2014 Annual Report.

Relevance of commitment on the prevention of anti-competitive practices

The company's commitment to preventing anti-competitive practices is very general.

Ownership of commitment

It is unclear who is responsible for the company's commitment.

Involvement of employees in the prevention of anti-competitive practices

Information obtained from the company and public sources regarding reporting involvement of employees in preventing anti-competitive practices is insufficient.

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Means allocated to the prevention of anti-competitive practices

The company has set up internal controls to prevent anti-competitive practices:
- Internal audits: the company has stated that preventive audits and controls are conducted to ensure the adequacy of procedures and compliance with laws and standards with regard to anti-competitive practices.

Coverage of the means allocated to the prevention of anti-competitive practices

The measures implemented cover all significant parts of the company as well as sales agents and business partners.

Reporting

The company explicitly states that there were no antitrust incidents reported internally during the period under review.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

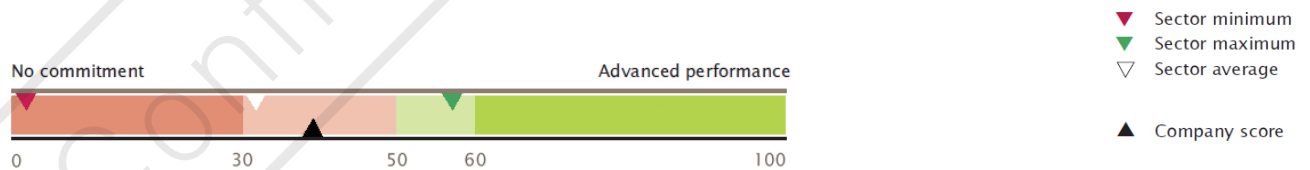
Leadership	24	Implementation	41	Results	77
Visibility	30	Means & resources	15	Performance	77
Relevance	30	Scope	N/A	Trends	N/A
Ownership	0	Coverage	100		

Corporate Governance

Score : 30

CGV1.1 Board of Directors

(score: 39, weight: 3)



Existence and independence of Nomination Committee

Information disclosed on this subject is insufficient to assess the independence of the committee. Of note, the Nomination Committee is composed of five members where four members are alternate directors.

Independence of board Chairman

In accordance with standards advocated by Vigeo, the roles of Chairman and CEO are separated, and the Chairman is considered independent.

Total % of independent shareholder-elected board members

The board is between 0 and 20% independent, which might raise concerns. One member of the 15-member Board is considered independent.

Skills and backgrounds of non-executive board members

Non-executive board members have complementary and relevant skills and backgrounds.

Training and expertise provided to board members

No training is provided.

Regularity of and attendance at board meetings

Regular meetings are held, and attendance rates are above 90%.
Thirty Board meetings were held during 2015 and the attendance rate was 100%.

Regular election of board members

Board members are elected at least every 3 years. Board members are eligible for re-election following 2-year terms.

Evaluation of board functioning and performance

Performance is evaluated regularly, but with no disclosure on the results.
The Board of Directors assesses its performance on an annual basis.

Review of CSR issues at board meetings

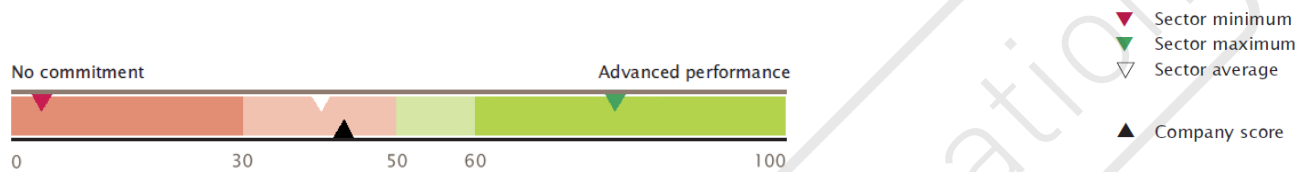
Cemig has reported a Corporate Governance and Sustainability Committee that is responsible of CSR issues within the Board. However, the composition of the committee is not known.

Non-independent board members (excl. employee representatives)	Role	Current or Former Executive	More than 9 years on board	Stock options or warrants	Paid >1/2 executive salary	Owns or represents >3% company's shares	Other
Mauro Borges Lemos	CEO	X					
Helvécio Miranda Magalhães	Director	X					
Marco Antônio de Rezende Teixeira	Director	X					
Marco Antonio Soares da Cunha Caste	Director	X					
Nelson José Hubner Moreira	Director	X					
Allan Kardec de Melo Ferreira	Director, Nomination Committee	X					
Arcângelo Eustáquio Torres Queiroz	Director	X					
Guy Maria Villela Paschoal	Director	X					
Eduardo Borges de Andrade	Chief Officer for the Gas Division	X					
Ricardo Coutinho de Sena	Director	X					
Paulo Roberto Reckziegel Guedes	Director	X					
José Henrique Maia	Director	X					
Saulo Alves Pereira Junior	Director	X					

Non-independent board members (excl. employee representatives)	Role	Current or Former Executive	More than 9 years on board	Stock options or warrants	Paid >1/2 executive salary	Owns or represents >3% company's shares	Other
José Pais Rangel	Director	X					

CGV2.1 Audit & Internal Controls

(score: 43, weight: 2)



Existence and independence of Audit Committee

Information disclosed on this subject is insufficient to assess the independence of the committee. The audit committee is composed of 7 alternate directors.

Skills and backgrounds of Audit Committee members

Members appear to have financial and audit experience and relevant operational experience.

Operational and CSR risks covered by the company's internal controls system

The system covers financial, operational, and legal risks, plus CSR risks.

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a limited role that includes:
 - Oversee internal audit and internal controls

Independence of the firm's external auditors

The audit firm receives non-audit fees, but these represent only 25% or less of total fees.
Non-audit fees represented 4.7% of total fees paid to KPMG Auditores Independentes and Deloitte Touche Tohmatsu in 2014.

Inclusion of CSR issues in company reporting

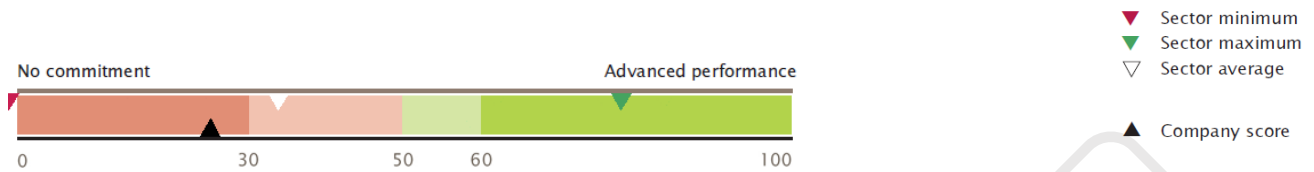
The company publishes significant social and environmental reporting in its 2014 Annual and Sustainability Report, with quantitative indicators, that is audited by Deloitte Touche Tohmatsu Auditores.

Reliability of the company's internal controls system

A review of stakeholder sources did not reveal any allegations for internal control failures against the company during the period under review: stakeholders' feedback is neutral.

CGV3.1 Shareholders

(score: 25, weight: 2)



Voting rights restrictions

Minor voting rights restrictions have been identified.
The company stated in its Bylaws that the right to vote shall be reserved exclusively for the common shares.

Safeguards on transactions with major shareholder(s)

Less than half of the board is independent. However, there are other safeguards in place to monitor transactions between the company and its major shareholder. The company has reported that for a change in control, a state law authorising the change would be required. The sale of more than 50% of the voting stock of Cemig by the State Government, or any other transaction that may transfer the control of the company, either totally or partially) requires the passage of specific authorising legislation by the legislature of Minas Gerais, approved by at least 60% of the members of the State Assembly. The aforementioned authorization must also be approved by local citizens in a referendum.

Ability to add items to the agenda of the AGM and to convene an EGM.

No major restrictions have been identified.
As established in the Federal Law 6404/1976, 5% of the ordinary shares is necessary to call an Exceptional General Meeting.

Access to voting at General Meetings

Shareholders' ability to vote is restricted.
The company has reported that stockholders may be represented in General Meetings of Stockholders by previously depositing at the Company's head office, proof of ownership of the shares, issued by the depositary financial institution, accompanied by the proxy's identity document.

Governance and CSR items put to a vote at General Meetings

Not all major items are put to a shareholder vote. In particular, shareholders are not given the opportunity to express an opinion on executive remuneration through a (non-binding) shareholder vote.
*The following items are not put to a vote at the AGM:
- Selection of external auditors.*

Voting results of the latest AGM

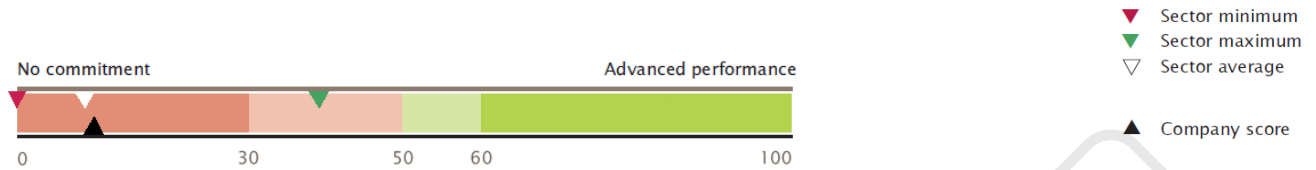
Information obtained from the company and public sources regarding voting results of the latest AGM is insufficient.

Feedback from shareholders and other stakeholders on the company's corporate governance performance

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

CGV4.1 Executive Remuneration

(score: 10, weight: 2)



Existence and independence of Remuneration Committee	No specific committee is in charge of executive remuneration, which might raise concerns.
Disclosure of senior executives' individual remuneration	<i>Executive remuneration is disclosed, but on a collective rather than on an individual basis.</i>
Link between Short Term Incentive Plans and the economic and CSR performance of the company	<i>Bonuses are linked to different CSR indicators:</i> <ul style="list-style-type: none"> - the score in Dow Jones Sustainability World Index which assesses issues related to climate change. - the inclusion in the Efficient Carbon Index (ICO2) portfolio.
Link between the main Long Term Incentive Plan and the economic performance of the company	<i>Long-term incentives are linked to performance conditions, but it is unclear whether these are demanding. Of note, the Board of Directors defined a package with the following corporate indicators, associated with specified targets that reflect their expectations with regards to the business:</i> <ul style="list-style-type: none"> - Aneel Consumer Satisfaction Index - SAIDI Accidental - Cemig's Consolidated Net Profit - Cemig's Consolidated EBTIDA
Severance pay for senior executives	<i>Information obtained from the company and public sources regarding severance pay for senior executives is insufficient. According to the company, there are corresponding compensation payments forecast to 40% of the FGTS balance in the event of dismissal of Directors (established for every employee by the Brazilian Law). In addition to life insurance, the Company does not have insurance policies or other instruments that structure mechanisms of remuneration or compensation for directors, if removed from their posts or retired.</i>
Voting results on executive remuneration at the AGM	<i>Information obtained from the company and public sources regarding voting results on executive remuneration at the AGM is insufficient.</i>

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Allegations and controversies

Domain Sustainability driver

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Detailed Scores And Ratings

Current and previous ratings

Period	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance
2016/03	++	+	++	+	++	=
2014/12	++	++	++	++	++	=
2014/03	+	++	++	++	++	=

Scores per domain

Domain	Average score	Leadership	Implementation	Results
Environment	62	41	65	65
Human Resources	42	47	49	31
Human Rights	57	59	51	60
Community Involvement	44	40	52	31
Business Behaviour (C&S)	55	47	57	62
Corporate Governance	30	30	26	35

Scores per criteria

Sub-domain	Criterion	Score
Environment 1	1	75
	2	53
	3	77
	4	45
Environment 2	2	40
	4	D/A
Environment 3	1	D/A
Sub-domain	Criterion	Score
Human Resources 1	1	D/A
	3	12
	4	55
Human Resources 3	2	49
Sub-domain	Criterion	Score
Human Rights 1	1	58
	1	58
	4	55

Sub-domain	Criterion	Score
Community Involvement 1	1	52
	2	57
Community Involvement 2	1	32
	2	57
	3	57
Sub-domain	Criterion	Score
Business Behaviour (C&S) 1	3	53
	4	57
	1	65
Business Behaviour (C&S) 3	2	47
	3	47
Sub-domain	Criterion	Score
Corporate Governance 1	1	39
	1	43
	1	25
	1	10

General Overview

Position versus sector peers Rest of the World	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
PHY0005M1090 Aboitiz Power Corp (APC)	=	=	=	=	=	+	28
CL0001880955 AES Gener S.A.	+	+	=	=	+	=	31
BRTIETACNPR7 AES Tiete S/A	=	-	=	-	=	-	19
XS0989152573 Bulgarian Energy Holding	-	--	-	-	-	-	8
CNE100001T80 CGN POWER LTD	-	=	-	-	-	+	23
BMG2109G1033 CHINA GAS HOLDINGS	-	-	-	-	-	=	19
CNE100000HD4 China Longyuan Power Group Corp. Ltd.	=	=	-	=	-	+	26
HK2380027329 China Power International Development	-	=	-	-	=	++	25
BMG2113B1081 China Resources Gas GP	-	-	-	-	-	=	20
HK0836012952 China Resources Power Holdings Co. Ltd.	=	=	=	=	=	+	30
BRCMIGACNPR3 Cia Energetica de Minas Gerais	++	+	++	+	++	=	48
CLP3615W1037 Colbun S.A.	=	=	=	=	-	-	22
BRCPLEACNPB9 Companhia Paranaense de Energia-COPEL	-	=	-	-	-	-	20
BRCPFACNORO CPFL Energia S.A.	=	+	+	=	=	=	29
CNE1000002Z3 Datang International Power Generation Co. Ltd.	=	-	=	=	-	=	24
CLO001583070 E-CL S.A.	-	=	-	=	-	--	18
BRENBACNOR2 EDP-Energias do Brasil S.A.	++	++	++	++	++	+	57
CLP3710M1090 Empresa Nacional de Electricidad S.A.	+	+	+	+	+	=	35
PLENEA000013 Enea S.A.	=	-	-	-	-	-	18
PLENERG00022 Energia SA	+	+	=	+	+	+	37
PHY2292T1026 Energy Development Corp.	=	=	+	+	=	=	31
CLP371861061 Enersis S.A.	+	=	+	+	+	=	36
INE129A01019 GAIL (India) Ltd.	=	+	+	+	=	=	32
TH0834010009 Glow Energy PCL	=	-	=	=	=	=	24
CNE1000003D8 Huadian Power International	-	--	-	-	-	=	17
CNE1000006Z4 Huaneng Power International	-	-	-	-	-	-	15
CNE100000WS1 Huaneng Renewables	-	-	-	-	-	=	19
COE15PA00026 Interconexion Electrica SA ESP	+	++	+	-	+	+	39
COE16PA00016 ISAGEN S.A. E.S.P.	+	=	+	=	=	-	25

Position versus
sector peers Rest of the World

	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
KR7015760002 Korea Electric Power Corp.	=	-	=	=	-	=	22
KR7036460004 Korea Gas Corp.	+	=	+	+	=	--	28
MYL219400008 MMC Corp. Bhd	--	-	=	-	=	-	17
INE733E01010 NTPC Ltd.	=	=	-	+	=	-	26
ID1000111602 Perusahaan Gas Negara	=	=	=	=	=	-	24
PLPGER000010 PGE Polska Grupa Energetyczna S.A.	=	-	=	-	-	+	21
INE752E01010 Power Grid Corp. of India Ltd.	+	-	+	-	=	=	27
QA0006929812 QATAR ELECT & WATER CO	-	--	-	-	-	-	12
RU000A0JPKH7 RusHydro	+	=	=	=	=	+	35
XS0953958641 Slovensky Plynarensky Priemysel	-	=	-	=	=	--	17
INE245A01021 Tata Power Co. Ltd.	=	=	+	+	++	+	38
PLTAURN00011 Tauron Polska Energia S.A.	=	=	=	++	=	+	31
MYL534700009 Tenaga Nasional Bhd	+	=	--	-	=	+	29
BRTBLEACNOR2 Tractebel Energia SA	++	++	+	++	++	=	49
BRTAECDAM10 TRANSMISSORA ALIANCA DE-UNIT	-	-	-	-	-	--	11
MYL467700000 YTL Corp. Bhd	=	=	=	=	=	+	28
MYL674200000 YTL Power International Bhd	-	-	-	-	-	=	14

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Contacts

Analyst : Aida Tahditi • aida.tahditi@vigeo.com
Sector Lead: Meryem Baskoun • meryem.baskoun@vigeo.com

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