

RELATIONSHIP WITH THIRD PARTIES POLICY

PI-COR-CPL-007 – REVIEW 02. DATE 02/22/2024



1 OBJECTIVE

The purpose of this policy is to establish criteria and guidelines that will be adopted by the Iguá Group and its collaborators in relation to the selection, due diligence, contracting, payment, supervision and contract management processes related to any and all suppliers or service providers.

2 REFERENCES

- PI-COR-SUP-002- Policy for Purchasing Materials and Contracting Services;
- CD-COR-CPL-001 - Iguá Saneamento Code of Conduct;
- PR-COR-CPL-001 - Due Diligence Procedure
- Anti-Corruption Law No. 12.846/13;
- Decree No. 11.129/22;
- ABNT NBR ISO 37.001 - Anti-bribery management systems;
- ABNT NBR ISO 37.301 - Compliance Management System.

3 INVOLVED AREAS

This Policy applies to all Iguá Group Collaborators, Suppliers and Third Parties.

4 TERMS AND DEFINITIONS

- **Iguá Group:** All companies controlled by and affiliated to Iguá Saneamento.
- **Public Administration:** The term covers both national and foreign public administrations.
- **National Public Administration:** Any body or entity belonging to the direct (Union, States, Municipalities and District) or indirect (autarchies, public foundations, public companies, mixed-capital companies, regulatory agencies, etc.) of any of the Executive, Legislative and Judicial Branches and any sphere of the federation, as well as a company incorporated into the public patrimony or an entity for whose creation or costing the exchequer has contributed or contributes more than fifty percent of the patrimony or annual revenue.
- **Foreign Public Administration:** state bodies and entities or diplomatic representations of a foreign country, at any level or sphere of government, as well as legal entities controlled, directly or indirectly, by the public authorities of a foreign country.
- **Public Agent(s):** The term covers the natural and/or legal person who exercises a public position, employment or function, on a temporary basis or without remuneration, for the Public Administration, direct and indirect, of any of the Powers of the Union, States, Federal District and Municipalities or Foreign Public Administration. It also includes political party leaders,

officials and related persons acting on behalf of the political party or candidate for public office. Iguá Collaborators should always consult the Compliance Officer when in doubt as to whether or not an individual is a Public Agent.

- **Public Power:** means the Public Administration and Public Agent together.
- **Undue Advantage:** Includes any kind of advantage promised, offered or provided to (i) a Public Agent; (ii) a partner, administrator, employee or representative of a legal entity governed by private law; or (iii) Third Parties related to them, in exchange or expectation of a benefit or favor, whether exclusive or not, for themselves, for the Company or for any related Third Party;
- **Collaborator(s):** All persons who are part of Iguá's corporate group, such as employees, trainees, shareholders, administrators, directors and advisors.
- **Third Party(ies):** Any natural or legal person who is not part of Iguá's corporate group - therefore, who is not a collaborator as defined above - but who is hired to assist in the performance of its activities, such as partners, consortium members, representatives, subcontractors, suppliers, consultants, service providers in general, among others.
- **Third-Party Due Diligence:** all suppliers, service providers, partners, sponsors or beneficiaries of the Iguá Group who have undergone or are undergoing an Integrity Due Diligence analysis carried out by Compliance.
- **Due Diligence:** Process of preventive assessment of risks of Corruption, Bribery, reputation and integrity in relationships with suppliers, service providers, partners, sponsors and beneficiaries of the Iguá Group, based on profile assessment, history of Corrupt practices and presence on restriction lists.
- **High-risk payments:** these are those that deserve greater attention from the organization, due to the compliance risks associated with them.
- **Facilitation payments:** small payments made to a Public Agent to encourage, expedite or guarantee the fulfillment of an existing duty or obligation, such as the issuance of customs documents or the provision of police protection or delivery of correspondence. Facilitation payments are forbidden at Iguá Saneamento or any companies in the Iguá Group.
- **Materiality:** a term used to refer to proof of the provision of a given service.

5 DUTIES AND RESPONSIBILITIES

5.1 REQUESTING AREA

5.1.1 Stipulate the technical and professional requirements and qualifications expected of the product and/or service to be contracted.

- 5.1.2 Evaluate and define, from a technical point of view, the suppliers that best fit the requested demand.
- 5.1.3 Request approval from the Executive Board in cases where the Compliance opinion is negative regarding the contracting of the supplier.
- 5.1.4 Request approval from the CFO and Compliance department for payments considered to be high risk.

5.2 SUPPLY DEPARTMENT

- 5.2.1 Requesting the Compliance Area to carry out due diligence on suppliers to Third Parties classified as High and Significant Risk.
- 5.2.2 Ask the requesting department for a technical assessment of the supplier.
- 5.2.3 Ask the Third Party to fill in the Third Party Assessment Questionnaire.
- 5.2.4 Formalize the contract and validate the draft with the supplier and the Legal Department.

5.3 COMPLIANCE AREA

- 5.3.1 Carrying out due diligence on Third Parties and issuing opinions on Third Parties classified as high and significant risk.
- 5.3.2 Monitoring the Due Diligence of Third Parties
- 5.3.3 Analyze and decide on high-risk payments.

5.4 EXECUTIVE BOARD

- 5.4.1 Assessing and deciding on the hiring of Third Parties disapproved by the Compliance Area, where the value of the hiring falls within the amount provided for in item 6.3.10.

5.5 CEO

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5.6 AUDIT COMMITTEE

- 5.6.1 Evaluate and decide on the hiring of Third Parties disapproved by the Compliance Area where the value of the hiring falls within the amount provided for in item 6.3.10.

6 DESCRIPTION AND CHARACTERIZATION OF ACTIVITIES (RELATIONSHIP WITH THIRD PARTIES)

6.1 GENERAL GUIDELINES

6.1.1 This Policy establishes rules for carrying out checks prior to hiring Third Parties, with the aim of identifying any involvement in irregular practices that could in any way negatively impact the Iguá Group. It also determines the conduct to be followed throughout the relationship with Third Parties, with a view to ensuring compliance with Iguá's principles and values.

6.1.2 In particular, it is the responsibility of Collaborators in management positions to disseminate this Policy to their staff, disseminating its content and seeking to ensure full compliance.

6.2 SPECIFIC GUIDELINES

6.2.1 Iguá believes that it is essential to draw up and implement a process for contracting Third Parties and that all Collaborators are aware of it.

6.2.2 Collaborators of the Iguá Group may not personally benefit from a relationship with another individual, institution or organization.

6.3 SELECTION OF THIRD PARTIES - DUE DILIGENCE:

6.3.1 The requesting department, together with the Procurement Department, must define the premises, requirements and technical and professional qualifications expected of the service and/or product to be contracted. Once the qualifications have been defined, potential Third Parties will be selected, in accordance with the Iguá Group's Procurement Policies (PI-COR-SUP-002- Policy for Purchasing Materials and Contracting Services).

6.3.2 Before defining the chosen supplier, the Requesting department must evaluate and approve:

- The technical capacity of the services to be provided and the quality of the products to be purchased.
- Whether the remuneration to be paid to the Third Party is in line with the service that will be provided or the product that will be supplied, taking into account usual market practices.
- Preference for local suppliers.
- Intolerance of any conduct by contractors that violates human rights.

6.3.3 Contracts that are mandatory according to PR-COR-CPL-001 - Due Diligence Procedure must undergo due diligence analysis by the Compliance area.

- 6.3.4 The Compliance area will assess the risks of corruption, reputation and integrity of the Third Party, its partners and shareholders, through media research and registration in public government registers.
- 6.3.5 It is not recommended to hire Third Parties who appear on government registers, as the sanctions applied to them may have the effect of restricting the Iguá Group's right to take part in tenders or enter into contracts with the Public Administration. In addition, it is not recommended to hire a Third Party who has been convicted of corruption or other illegal acts, or who does not agree with the principles and values of the Iguá Group.
- 6.3.6 If the Procurement area identifies the need to analyze the supplier, even if the value of the contract is less than the mandatory analysis threshold, it can forward the Due Diligence request to the Compliance area.
- 6.3.7 Once the integrity analyses have been carried out, the Compliance department will issue its opinion with the appropriate prohibitive or mitigating recommendations.
- 6.3.8 The research report must be attached by the requisitioner to the supplier's documentation.
- 6.3.9 If Compliance's recommendation is unfavorable to contracting the supplier, the requesting department must assess the risk of contracting or initiate a new BID in the market.
- 6.3.10 If the decision of the requesting area is to assume the risk of contracting the supplier, contrary to the recommendation of the compliance area, the continuation of the contract must be justified and follow the approval levels of PR-COR-CPL-001 - Due Diligence Procedure.
- 6.3.11 For future negotiations on blocked list of Third-Party Due Diligence, a new Due Diligence analysis will be required.
- 6.3.12 All information collected during Due Diligence analyses must be treated with confidentiality and secrecy by the Compliance area and others involved.
- 6.3.13 If there are any doubts about the results of the surveys, the Compliance Area should be consulted at e-mail: compliance@iguasa.com.br.

6.4 THIRD-PARTY EVALUATION QUESTIONNAIRE

- 6.4.1 The Third Party submitted to Due Diligence may answer the FO-COR-CPL-001 - Third Party Assessment Questionnaire in the following cases: (i) the compliance area's analysis is contrary to the contract, (ii) the compliance area deems further clarification of the Third Party's situation to be pertinent. The questionnaire will complement the Due Diligence in assessing the Third Party.

- 6.4.2 The answers will allow the Compliance Department to identify the risks related to your hiring, in addition to those found in the Integrity Due Diligence.
- 6.4.3 Third parties that present documentation of their own Integrity Program, proving that it has been implemented and is in effective operation, will be given priority in a contracting process over those that do not. The procurement area will be responsible for informing the compliance area about the existence of the Compliance and Integrity Program, which will prioritize its integrity analysis over the other traders under analysis.

6.5 HIRING THIRD PARTIES

- 6.5.1 Contracts with Third Parties must be formalized through written contracts, in accordance with the guidelines set out in PI-COR-SUP-002 - Purchasing Policy, and verbal contracts are not allowed unless accompanied by a purchase order.
- 6.5.2 The work of the Third Party with the companies of the Iguá Group will only begin once the legal instruments defined in PI-COR-SUP-002- Purchasing Policy have been signed and its procedures have been complied with. Payments for purchase orders will only be authorized once the services or products have actually been provided.
- 6.5.3 All contracts entered into between the Iguá Group and Third Parties must be drawn up using the standard model provided by the Legal Department. If the supplier does not accept our model, the drafts must contain at least the following:
- Detailed description of the services to be provided by the Third Party. Any changes to the contract must be formalized in writing in contractual amendments.
 - Detailed indication of who the Third Party's collaborators will be who can act on behalf of Iguá.
 - Details of the remuneration to be paid to the Third Party, as well as the method of payment.
 - Possibility or not of subcontracting.
 - Duration of the contract, whenever possible.
- 6.5.4 Non-standard contracts, contract amendments and/or changes to standard contract drafts must be sent to the Legal Department for formal validation.
- 6.5.5 If the contract is essential for Iguá's business and there is no possibility of concluding a written contract, the Procurement area should check with the Legal area on the best way to formalize the contract.
- 6.5.6 Situations in which a conflict of interest may arise in the hiring of Third Parties must be reported to the Compliance area, by e-mail to compliance@igua.com.br, via a ticket in the "Service Now" system, or via FO-COR-CPL-001 - Third Party Evaluation Questionnaire or FO-COR-CPL-002 - Integrity Questionnaire.

6.6 SUBCONTRACTING

6.6.1 Subcontracting will only be allowed when there is an express provision in the contract signed with the Third Party authorizing it, subject to prior approval by Iguá.

6.6.2 In this case, Iguá will be entitled to carry out the procedures described in the basic verification phases and, if it deems it necessary, complementary verification, including conducting Third Party Due Diligence, in accordance with item 6.3 of this Policy.

6.6.3 Subcontracts must be subject to the following rules:

- The subcontractor must subscribe to this Policy and undertake to comply with it in full by signing a declaration of compliance;
- Iguá's principles, values and standards of integrity, set out in its Code of Conduct, must be followed and respected by the subcontractor throughout the duration of the subcontract;
- Under the terms of the declaration of conformity, the Third Party will also become responsible, throughout the term of the subcontract, for monitoring the subcontractor's compliance with Iguá's principles, values and standards of integrity; and
- The Third Party must document all the subcontractor's services and product supplies, making sure that they are in accordance with the purpose of the contract signed with Iguá. This documentation must be available to the Company whenever requested.

6.6.4 The Legal Department should be consulted if there is any doubt about the validity of a subcontract.

6.7 ANTI-CORRUPTION CLAUSE

6.7.1 Every contract signed with Third Parties, without exception, must contain an anti-corruption clause.

6.7.2 The updated compliance clause can be found in MO-COR-CPL-005 - Model Anti-Corruption Clause. Only with the express consent of the Compliance Department will the alteration, modification or adaptation of the anti-corruption clause be authorized.

6.8 REMUNERATION

6.8.1 The remuneration to be paid to the Third Party and the method of payment must be detailed in the contract signed between the Third Party and Iguá. In the case of a Third Party that does not have a contract, the information on remuneration must be detailed in the quotation sent, in any e-mails negotiated between the buyers and the Third Party, and summarized in the purchase order.

6.8.2 For Third Parties that have signed contracts, changes to remuneration or the method of payment must be formalized by signing a contractual amendment, validated with the Legal Department and the department requesting the service or product. For Third Parties that do not have a contract, changes to the remuneration or payment method must be formalized by e-mail between the buyer and the Third Party, with the respective approval of the Requesting Area, and then summarized in the purchase order.

6.8.3 Payments to Third Parties should only be made by bank transfer to the account specified in the contract with Iguá, in the proposal for the provision of services or in the purchase order. It is forbidden to make payments to anonymous accounts or accounts not owned by the Third Party. The Compliance Department must be informed immediately in the event of non-compliance with the above provisions.

6.9 HIGH-RISK PAYMENTS

6.9.1 For any reason, and at its sole discretion, the Compliance area may define a supplier, a group of suppliers, a functional category as high-risk payment. For example, companies under investigation or suspected of irregularity.

6.9.2 Payments classified as high-risk will be reported to the financial area by the compliance area, which must, before the final release of the amount, require and evaluate the following documents in order for the payment to be released:

- current contract;
- invoice, receipt, debit note or other equivalent;
- purchase requisition (if applicable);
- Materiality form and all the documents needed to prove it.

6.9.3 The person responsible for proving Materiality is the person requesting the contract, who must ensure that the service has in fact been provided in accordance with the contract.

6.9.4 All payments made by Iguá and the companies of the Iguá Group must follow PI-COR-FIN-001 - Payment Policy.

6.10 SPECIFIC RELATIONSHIPS

6.10.1 CONTRACTING THIRD PARTIES TO OBTAIN LICENSES, AUTHORIZATIONS, PERMITS AND CERTIFICATES

6.10.1.1 Hiring Third Parties to provide services to obtain licenses, authorizations, permits and certificates from the government should be exceptional. If essential, the hiring of the Third Party must be approved by the Compliance Area, which will submit the Third Parties to the Due Diligence procedure established in this Policy and in PR-COR-CPL-001 - Due Diligence Procedure.

6.10.1.2 If Collaborators or Third Parties receive proposals, requests or promises of Undue Advantages from Public Agents for the issuance of licenses, authorizations, permits, certificates or other services involving the Public Administration, the Compliance Area must be immediately informed before any further contact is made with the Public Agent.

6.10.1.3 For more details, see PI-COR-CPL-010 - Relationship with Public Authorities Policy.

6.11 HIRING FORMER CIVIL SERVANTS AND THEIR FAMILIES

6.11.1 The hiring of former Public Agents and their family members is permitted, provided in particular that they hold positions or jobs with access to privileged information or that they have worked in the same field as the Iguá Group, that any legal quarantine period applied to them has been respected and that they do not represent a potential conflict of interest for Iguá. For questions on issues related to conflicts of interest, please refer to PL-COR-CPL-002 - Iguá's Conflict of Interest Policy.

6.11.2 It is forbidden, for any purpose, to hire individuals appointed by Public Agents who have not undergone Iguá's regular hiring procedure, in accordance with PR-COR-CPL-001 - Due Diligence Procedure.

6.11.3 The Compliance Area should be involved for awareness and possible manifestation in all hiring of former Public Agents or Public Agents.

6.11.4 The hiring of Public Agents or former Public Agents, civil servants or federal public official will be considered preferential for those who have been approved by the Office of the Comptroller General in the SeCI system (Electronic System for the Prevention of Conflicts of Interest - Federal Government).

6.11.5 If the hiring takes place, the former Public Agent must not:

- Use the contacts obtained during their work with the Public Administration to provide services to Iguá.
- Using access to privileged information to give, offer or promise an Undue Advantage to Public Agents for the benefit or in the interest of Iguá.
- Intervening improperly in public administration bodies in which they have held office or employment, or with which they have established relations as a result of their office or employment, for the benefit or in the interests of Iguá.

6.12 THIRD-PARTY MONITORING

6.12.1 The Compliance Department will be responsible for monitoring Third Parties in order to assess compliance with: (i) the principles, values and standards of integrity contained in Iguá's Code of Conduct; and (ii) applicable laws and regulations, throughout the duration of the contract.

6.12.2 In the event of violations or irregularities practiced by the Third Party, the Legal Department and Compliance must be promptly informed in order to adopt the appropriate measures.

6.12.3 Third Party Due Diligence must be renewed by the Compliance Area for Third Parties that meet the requirements set out in item 6.3.3 of this Policy.

6.13 HIRING COLLABORATORS

6.13.1 Before any hiring, transfer or promotion, it must undergo a Due Diligence analysis carried out by the Compliance area, in accordance with the criteria established in PR-COR-CPL-001 - Procedure for Due Diligence.

6.14 WHISTLEBLOWING CHANNEL

6.14.1 The Iguá Group encourages its Collaborators and Third Parties to report any conduct contrary to this Policy to the whistleblowing channel, using the following channels:

- Telephone service: 0800 721 0784.
- Internet: <https://canaldedenuncia.com.br/igua/>

6.14.2 Reports can be made anonymously or identified. All complaints will be recorded and evaluated in accordance with the specific rules and procedures defined in PI-COR-CPL-008 - Complaints Channel Management Policy.

6.14.3 The Compliance area guarantees secrecy and confidentiality throughout the process and that there will be no retaliation whatsoever against whistleblowers who make a statement in good faith.

7 FORMS/TEMPLATES

- FO-COR-CPL-001 - Third Party Evaluation Questionnaire.
- MO-COR-CPL-002 - Anti-Corruption Clause Model.
- FO-COR-CPL-002 - Integrity Questionnaire

8 ANNEXES

Not applicable.

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