

# **ANTI-CORRUPTION AND ANTI-BRIBERY POLICY**

**PI-COR-CPL-004 – REVIEW 04. DATE: 02/22/2024**



## 1 OBJECTIVE

This Policy aims to promote the fight against Corruption and Bribery in all Iguá Group operations, clarify what conduct is prohibited and expected, in addition to ensuring that Collaborators and Third Parties act in accordance with Anti-Corruption Laws (12.846/13 , FCPA - Foreign Corrupt Practices Act, UK Bribery Act, CFPOA - The Corruption of Foreign Public Officials Act etc.), the Anti-Bribery Management System, in accordance with ABNT NBR ISO 37001:2017 and the Compliance Management System, in accordance with ABNT standard NBR ISO 37301:2021.

## 2 REFERENCES

- Anti-Corruption Law No. 12.846/13;
- Decree no. 11.129/22;
- CD-COR-CPL-001 - Iguá Saneamento Code of Conduct;
- PI-COR-CPL-010 - Public Relations Policy;
- US FCPA (Foreign Corrupt Practices Act);
- UKBA (United Kingdom Bribery Act);
- Canadian CFPOA (The Corruption of Foreign Public Officials Act);
- Penal Code (Decree Law no. 2848);
- NBR ISO 37001 - Anti-Bribery Management System;
- NBR ISO 37301 - Compliance Management System.

## 3 INVOLVED AREAS

This policy applies to all Collaborators, Top Management and Third Parties who relate to or act on behalf of the Iguá Group.

## 4 TERMS AND DEFINITIONS

- **Iguá Group:** all companies controlled by and affiliated to Iguá Saneamento.
- **Senior Management:** the person or group of people who directs and controls Iguá at the highest level. It consists of those who have the power to delegate authorities and provide resources in the Iguá. It refers to the highest level of executive management;
- **Governing Body(ies):** person or group of people who have ultimate responsibility and authority for the activities, governance and policies of Iguá, and to whom Senior Management reports and is held accountable.
- **Top Management:** Includes the terms Governing Bodies and Senior Management.

- **ABNT NBR ISO 37001:2017:** The "Anti-Bribery Management Systems" standard aims to support organizations in their fight against Corruption (anti-corruption actions) and Bribery (anti-bribery actions) by creating a model of integrity, transparency and compliance.
- **ABNT NBR ISO 37301:2021:** The "Compliance Management System" standard establishes the requirements and provides guidelines for establishing, developing, implementing, evaluating, maintaining, and improving an effective Compliance management system within an organization.
- **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.
- **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, 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.
- **Bribery:** giving, promising, approving or offering money or any items of value to Public Agents, suppliers, Third Parties, clients or other individuals or companies in the private sector, or

receiving money or anything of value from any of these persons, inducing someone to perform or refrain from performing a certain act, with the intention of securing an Undue Advantage.

- **Corruption:** The concept of corruption is broad, including bribery and kickbacks, fraud, bid-rigging or any other misappropriation of resources.
- **Fraud:** intention to cause damage and/or conceal the truth in order to evade compliance with obligations through bad faith;
- **Item(s) of Value:** This does not necessarily have to be of a financial nature, but it must represent a benefit to the recipient, be it a Public Agent or a private party. It is broadly defined and includes money, gifts, favors, promises, entertainment, goods, services and other non-monetary benefits that can be evaluated by the Public Agent or private party as favorable business opportunities or contracts.
- **Influence Peddling:** a crime set out in art. 332 of the Penal Code, which is typified when someone "requests, demands, charges or obtains, for themselves or for others, an advantage or promise of an advantage, under the pretext of influencing an act carried out by a public official in the exercise of their function".
- **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.

## 5 DUTIES AND RESPONSIBILITIES

### 5.1 COLLABORATORS

- 5.1.1 Act in accordance with the standards established in the Compliance Program with an Integrity and Anti-Bribery Bias, reporting violations or suspected violations of laws and regulations, the Code of Conduct and other internal policies and regulations.
- 5.1.2 It is the duty of all executives and Collaborators of the Iguá Group and its controlled companies, in all units and countries of operation, to conduct all business with integrity, avoiding any act that could be considered Fraud, Bribery, forgery, money laundering or any act of Corruption.

### 5.2 COMPLIANCE

- 5.2.1 Investigate complaints received of non-compliance with this Policy and present the results of the investigations to the Audit Committee.
- 5.2.2 Clarify any doubts regarding the interpretation of this Policy or any situation related to the subject.

5.2.3 Disseminate the Anti-Corruption and Anti-Bribery Policy through periodic training and communications.

5.2.4 Carry out the activities assigned to the area in order to comply with and improve the Integrity and Anti-Bribery Program.

### **5.3 RISKS**

5.3.1 Map and survey the Corruption and Bribery risks to which the Iguá Group is subject.

5.3.2 Identify and propose controls to mitigate the risks identified.

### **5.4 ETHICS COMMITTEE**

5.4.1 Evaluate and decide on cases of corruption and bribery detected.

5.4.2 Communicate any cases of corruption and bribery detected to the Audit Committee for final decision.

### **5.5 AUDIT COMMITTEE**

5.5.1 Evaluate and make final decisions on cases of corruption and bribery detected and discussed by the Ethics Committee.

5.5.2 Follow up and monitor the activities of the Anti-Corruption and Anti-Bribery Program.

5.5.3 Approve this policy and propose any changes to the Board of Directors in order to keep it up to date.

### **5.6 BOARD OF DIRECTORS**

5.6.1 Comply with and enforce the application of the guidelines described in this Policy by the Executive Board of the Iguá Group.

5.6.2 Approve this policy and propose changes to keep it up to date.

## **6 DESCRIPTION AND CHARACTERIZATION OF ACTIVITIES (ANTI-CORRUPTION AND ANTI-BRIBERY)**

### **6.1 GENERAL GUIDELINES**

6.1.1 The Iguá Group conducts its business based on high ethical standards, established in its Code of Conduct, with independence, confidentiality, fairness, honesty, integrity and good faith. In view of this, **any form of Corruption and Bribery is prohibited in its business dealings.**

- 6.1.2 The guidelines in this document aim to make everyone aware of the Anti-Corruption Law. Violations of the Anti-Corruption Law can result in administrative and civil penalties for the legal entities involved in the act, such as the payment of fines and strict administrative sanctions. Individuals who violate the law can also be held civilly and administratively liable and, if the act is characterized as a criminal act, will face the consequences of criminal sanctions, which include the payment of fines and imprisonment.
- 6.1.3 It is strictly forbidden, under any circumstances, to pay, promise or offer an Item of Value, directly or indirectly (through Third Parties), to Public or Private Agents, candidates, political parties or affiliates, of any nationality, representatives of clients or Third Parties, or third parties related to them, in order to obtain an Undue Advantage, improper benefits or guarantee business for the person or their affiliates, of any nationality, representatives of clients or Third Parties, or third parties related to them, with a view to obtaining an Undue Advantage, improper benefits or securing business for the person or the Iguá Group.
- 6.1.4 Collaborators and Third Parties of the Iguá Group are also prohibited from receiving any Undue Advantages in the course of their activities, and must report any offers or requests for Undue Advantages they may receive to the Compliance area.
- 6.1.5 It is strictly forbidden to falsify accounting records or make entries that do not fully and accurately reflect the transactions of the Iguá Group.
- 6.1.6 It is the responsibility of the Iguá Group, regardless of where it operates, to maintain a system of Internal Controls and accounting records that accurately reflect all relevant accounting operations.
- 6.1.7 The adoption of actions considered violations of the Anti-Corruption Law by Third Parties, whether intermediaries, service providers, contractors, distributors, suppliers, partners or partners, whether natural or legal persons, related to any Iguá Group company by virtue of contract and/ or commercial relationship, are the responsibility of the Group. Therefore, it is up to the Managers responsible to be aware of the reputation of these entities and to give formal guidance on the practices adopted and encouraged by the Iguá Group to minimize risks (e.g. contractual clauses, terms of declaration).
- 6.1.8 In order to verify the reputation of the Third Parties with whom a relationship will be maintained, the following examples of situations are considered alerts regarding potential infractions of the Anti-Corruption Law by the contracted party or business partner:
- The other party is known for violating local laws;
  - Refusal to sign anti-corruption clauses in contracts or agreements;
  - Requesting unusual contract terms or payments that contravene local laws;
  - Hiring another party suggested by a Public Agent;

- 6.1.9 Every procurement process must be based on merit and not through the undue use of influence over any person, whether a Public Agent or not. During the bidding process, Iguá Group Collaborators may not receive or offer any type of gift, undue advantage, benefit, entertainment and/or privileged information from and/or to any person, natural or legal, whether a Public Agent or not.
- 6.1.10 No gifts, presents, entertainment or hospitality may, under any circumstances, be given to any person, whether a Public Agent or not, to improperly influence or compensate for an act or decision, as actual or intended compensation for obtaining any benefit or Undue Advantage for Iguá, its Collaborators or Third Parties. PI-COR-CPL-012 - Gifts, Giveaways, Entertainment and Hospitality Policy has specific guidelines and procedures on the subject and all Administrators, Collaborators and Third Parties must act in accordance with this standard.
- 6.1.11 No Collaborator, director or adviser may take advantage of their position of prestige - or even because of their close relationship with individuals who have influence or are in positions of authority - to persuade a Public Agent to grant them an Undue Advantage. Therefore, by making a broad commitment to combating corruption, Iguá prohibits the crime of Influence Peddling, and it is not necessary for the undue advantage to be obtained; a simple promise is enough for the individual to be liable for the crime.
- 6.1.12 Collaborators and Third Parties must report any violations of the guidelines established in this Policy that come to their attention. They must also immediately report any request for payment or Undue Advantage by a Public or Private Agent to the Compliance area or through the Whistleblowing Channel.
- 6.1.13 No Collaborator or Third Party shall be retaliated against or penalized due to delay or loss of business resulting from their refusal to negotiate, offer, promise, receive, enable, pay, authorize or provide Bribery or Corruption.
- 6.1.14 The practice of facilitation payments is expressly forbidden at Iguá Group.

## **6.2 RELATIONSHIP WITH PUBLIC AUTHORITIES**

- 6.2.1 All relations with public authorities must be based on transparency and integrity, always in compliance with the law and the Company's internal rules.
- 6.2.2 There may be situations in which Public Agents request some kind of undue advantage. In these cases, Collaborator and Third Parties must:
- Clearly reject the request, so that there is no doubt about the refusal of the proposal;
  - End the conversation with the Public Agent; and
  - Report the situation to the Compliance Area or the Whistleblowing Channel.

6.2.3 All face-to-face interactions should preferably involve at least two (2) Iguá Group Collaborators and have a previously defined agenda. These interactions must take place on company premises or at the Public Agent's place of work, and meetings must be avoided outside the work environment.

6.2.4 Collaborators are not allowed to use personal or non-institutional e-mail accounts (e.g. WhatsApp, Gmail, Yahoo!, Hotmail, Globo, UOL, among others) when carrying out their professional activities. Likewise, it is forbidden to send emails to personal or non-institutional accounts of Public Agents.

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

### **6.3 ANTI-BRIBERY AND ANTI-CORRUPTION PROGRAM**

The Anti-Bribery and Anti-Corruption Program is designed to prevent and detect practices of Bribery and Corruption, as well as to comply with the laws and regulations on Corruption and Bribery related to the jurisdictions where we operate. The Anti-Bribery Program is part of the Iguá Group's Integrity and Compliance Program.

#### **6.3.1 SCOPE OF THE PROGRAM**

The Anti-Corruption and Anti-Bribery Program is applicable to all the companies that make up the Iguá Group.

#### **6.3.2 THE PROGRAM**

The Program is made up of the following pillars:

##### **6.3.2.1 GOVERNANCE AND MANAGEMENT COMMITMENT**

6.3.2.1.1 The Company's Top Management is committed to preventing and combating bribery and corruption by disseminating a culture of ethics and integrity. Top Management guides, leads and supervises the development, implementation and operation of this program.

6.3.2.1.2 The Compliance Area is responsible for developing the Program, monitoring it and reporting to the Audit Committee.

6.3.2.1.3 The Company's Top Management has committed to making human, financial and technological resources available (e.g. hiring a specialist consultancy, providing a focal point in the company to answer Compliance questions, hiring a whistleblowing channel, etc.) so that the compliance area and the person responsible for the anti-bribery compliance function can carry out all their management functions in the Compliance and Anti-Bribery Management System.



6.3.2.1.4 The Company's Top Management is committed to: a) cooperating with and supporting the Compliance function and encourages staff to do the same; b) ensuring that all staff within its control are complying with the organization's procedures, processes, policies and c) integrates compliance obligations into existing business practices and procedures in their areas of responsibility. d) Supporting and attending Compliance training activities; e) Encouraging staff to raise Compliance concerns, supporting them and preventing any form of retaliation; f) Ensuring that, once the need for corrective action has been identified, the appropriate corrective action is recommended and implemented.

### 6.3.2.2 **RISK ASSESSMENT**

6.3.2.2.1 An organization's procedures to prevent Corruption and Bribery must be proportionate to the Corruption and Bribery risks to which the organization is exposed, as well as in accordance with the nature, extent and complexity of its activities, seeking a more efficient use of resources and more effective practices in preventing and identifying Bribery and Corruption.

6.3.2.2.2 The level of risk varies according to the characteristics and exposure of each Operation. The Company shall assess the nature and extent of exposure to potential external and internal Bribery and Corruption risks by associated persons and entities and ensure the adequate implementation of mitigation strategies. The assessment should be periodic, documented and reported, and updated regularly to reflect any changes in circumstances. The level of risk assessed will influence the specific procedures and controls that will be implemented to prevent and detect Corruption and Bribery practices.

6.3.2.2.3 Risk assessment and mapping are important and serve to enhance the program and improve it continuously.

### 6.3.2.3 **POLICIES**

6.3.2.3.1 The Anti-Corruption and Anti-Bribery Policy is the main guideline for Collaborators on measures to combat Corruption and Bribery. Collaborators must conduct their activities in accordance with the guidelines provided in the Policy and ensure compliance with it.

### 6.3.2.4 **COMMUNICATION AND TRAINING**

6.3.2.4.1 In order to ensure that the Anti-Corruption and Anti-Bribery Policy is incorporated and understood by the entire Company, its guidelines will be disseminated and reinforced through internal and external communication and training.

#### **6.3.2.5 INTERNAL CONTROLS**

6.3.2.5.1 Internal controls should be implemented to prevent and detect Bribery and Corruption practices as part of ongoing business operations, through a proportionate and risk-based approach.

6.3.2.5.2 These controls include: (i) accurate books and records; (ii) effective purchasing processes; (iii) effective payment processes; and (iv) prudent hiring and compensation practices.

#### **6.3.2.6 DUE DILIGENCE**

6.3.2.6.1 In accordance with anti-corruption law, the Company may be held liable for the actions of contracted Third Parties (e.g. law firms, agents and consultants). In this way, criteria on Corruption and Bribery are assessed in the Due Diligences carried out for contracting Third Parties that supply or provide services to the Iguá Group.

#### **6.3.2.7 REPORTING AND REVIEW**

6.3.2.7.1 Regular reports on this Program will be provided to the Audit Committee, including assessments of its compliance and any violations, in order to ensure its follow-up and monitoring.

6.3.2.7.2 The Program should be reviewed annually to ensure that policies, procedures, risks and controls are up to date.

#### **6.3.2.8 CONTINUOUS IMPROVEMENT OF THE COMPLIANCE PROGRAM**

6.3.2.8.1 The Integrity Program provides for, and Top Management must guarantee, the continuous improvement of the Anti-Bribery Program.

#### **6.3.2.9 AUTHORITY AND INDEPENDENCE OF THE COMPLIANCE AND ANTI-BRIBERY COMPLIANCE FUNCTION**

6.3.2.9.1 The Compliance area has the full support of the Audit Committee and the Executive Boards of the Iguá Group, and has the authority and independence necessary for the full exercise of its functions to ensure and enforce compliance with the Anti-Bribery Program and the Compliance Program.

6.3.2.9.2 Iguá will guarantee and ensure that the compliance area and the person responsible for the anti-bribery compliance function have access to: a) Senior decision-makers and the opportunity to contribute at the beginning of decision-making processes; b) All levels of the company; c) All necessary personnel, documented information and data; d) Expert guidance on relevant laws, regulations, codes and organizational standards.

## **6.4 DISCIPLINARY MEASURES**

6.4.1 Failure to comply with this Policy will be subject to penalties, as provided for in PI-COR-CPL-006 - Policy for Disciplinary Measures.

6.4.2 Without prejudice to the application of the appropriate disciplinary measures, Iguá Group may take the necessary legal measures to repair any damage caused by the Collaborator.

## **6.5 WHISTLEBLOWING CHANNEL**

6.5.1 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/>

6.5.2 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.

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

## **7 FORMS/TEMPLATES**

Not applicable.

## **8 ANNEXES**

Not applicable.