	ORGANIZATIONAL GUIDELINE	Reference	DO018-GIT99
	CONSEQUENCE AND DISCIPLINARY MEASURES POLICY	Review	04

CONSEQUENCE AND DISCIPLINARY MEASURES POLICY

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1 PURPOSE

This policy aims to establish general requirements for decision-making in the application of disciplinary measures, which will take place after the investigation of the facts, in accordance with the Ethics Channel Use Policy (DO016-GIT99), and aims to strengthen the values of integrity of the Aegea Group and its organizational units that conduct their business in strict compliance with the applicable national and foreign legislation.

2 APPLICATION

This policy applies to all employees of the Aegea Group and its organizational units, regardless of their position, as well as its business partners.


3 REFERENCES

- CODE OF CONDUCT OF AEGEA GROUP;
- CODE OF CONDUCT OF BUSINESS PARTNER;
- DO002-DIT99 - INTEGRATED COMPLIANCE, ANTI-BRIBERY AND ANTI-CORRUPTION POLICY
- PO003-DIT99 - WHISTLEBLOWING INVESTIGATIONS
- NORMATIVE INSTRUCTION OF DISCIPLINARY MEASURES - HR;
- DECREE-LAW 5.452/1943 (CLT);
- LAW 6.404/76 - CORPORATIONS LAW;
- LAW No. 12.529/2011 - ANTITRUST LAW;
- LAW No. 12.846/2013 - ANTI-CORRUPTION LAW;
- LAW No. 14.133/2021 - BIDDING LAW;
- DECREE No. 11.129/2022;
- ISO 37301: COMPLIANCE MANAGEMENT SYSTEM;
- ISO 37001: ANTI-BRIBERY MANAGEMENT SYSTEM.

4 DEFINITIONS

- **CODE OF CONDUCT:** set of rules, guidelines and principles to guide and discipline the conduct of a certain group of people in accordance with their values;
- **CONDUCT:** behaviors and practices that impact results for customers, employees, suppliers, markets and the community;
- **COMPLIANCE:** fulfillment of all compliance obligations of the organization;

Note 1: the term "compliance" originates from the verb, in English, "to comply", which means to comply, execute, satisfy and carry out what was imposed by the legislation and regulations applicable to the Aegea Group and its activities, in accordance with the Code of Conduct and organizational guidelines and procedures.
- **COMPLIANCE OBLIGATIONS:** requirements that an organization is mandated to meet, as well as those that an organization voluntarily chooses to meet;
- **NON-COMPLIANCE:** non-compliance with compliance obligations;
- **COMPLIANCE CULTURE:** values, ethics, beliefs and conduct that exist throughout the organization and interact with its structures and control systems;


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- **AEGEA GROUP:** Aegea Saneamento e Participações S/A, as well as its direct or indirect subsidiaries, regardless of the percentage of equity interest.
- **CULPABLE ACT:** any action or omission committed by the employee with recklessness, negligence or malpractice;
- **WILLFUL ACT:** all actions or omissions performed by the employee, through free and conscious will, to achieve a certain harmful result, with the intention or purpose of violating another person's right or assuming the risk of producing it;
- **CONFLICT OF INTERESTS:** It is the situation generated when the position in which the employee finds himself benefits, directly or indirectly, personal interests that oppose those of the Aegea Group.

Potential risks of conflict of interest are not limited, but can be identified in the situations below:

- I) Existence of relatives in the same reporting line;
- II) Employee with some relationship, or with relatives in competing companies;
- III) Employees with equity interest in the company;
- IV) Relatives with decision-making power in companies with a commercial relationship with the Aegea Group.

- **EMPLOYEE(S):** all employees, apprentices, interns, officers, outsourced workers and other collaborators representing the Aegea Group who work in any of its organizational units;
- **COMPLAINT:** reporting violations to the Code of Conduct, the Compliance Program, the laws and the policies and procedures of the Aegea Group;
- **INFRACTION:** any action or omission that is in disagreement with the company's Code of Conduct, Compliance Program, laws and policies and procedures of the Aegea Group;
- **CAUSE:** serious misconduct committed by the employee or the reiteration of minor misconduct that causes the trust and good faith existing between the Aegea Group and the employee to disappear, making the continuation of the employment relationship undesirable and which legitimizes the Aegea Group to terminate the contract without the payment of certain sums, under the terms of the law. Fair dismissal is the most severe measure for terminating an employment relationship, which is why it should be used as a last resort and with due caution;
- **ADMINISTRATIVE MEASURE:** administrative consequence to which an individual or legal entity is subject for violating ethical principles, commitments of conduct, the integrity mechanism, the laws and the policies and procedures of the Aegea Group;
- **DISCIPLINARY MEASURE:** measure arising from deviation from the Code of Conduct and non-compliance with laws, decrees and policies and procedures of the Aegea Group, applicable to employees of the Aegea Group and business partners;
- **SENIOR MANAGEMENT:** person or group of people who direct and control an organization at the highest level;

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- ORGANIZATION: person or group of people who have their own roles with responsibilities, authorities and relationships to achieve their goals;

5 DESCRIPTION

5.1 COMPLAINTS AND INTERNAL INVESTIGATION

5.1.1 HANDLING OF COMPLAINTS AND INFRACTIONS

The Aegea Group must maintain a system for managing and handling complaints, allegations and suspicions, as provided for in DO016-DIT99 - Policy for the Use of the Ethics Channel, in order to ensure that all known situations (actual or potential) in violation of the Aegea Group's Code of Conduct, the Compliance Program, the laws and the Aegea Group's policies and procedures are promptly investigated.

To ensure the independence of the investigations, the complaints that reach the Ethics Channel are distributed using parameterization free of conflicts, so that, if the CEO is the person mentioned in the complaint, for example, the investigation is carried out by the Board of Directors, and it shall be liable the application of the disciplinary measure it deems most appropriate.


5.1.2 PRINCIPLES OF INTERNAL RESEARCH

The decision to apply disciplinary measures is a consequence of the judgment of an act, which is configured as a deviation from the Code of Conduct or as a violation of laws and the policies and procedures of the Aegea Group after the internal investigation process, which must be compatible with the legal system and, above all, respect all the constitutional guarantees of any and all investigated or accused, as established in article 5 of the Federal Constitution, including the fundamental quartet, represented by due process of law, adversarial procedure, right to be heard and assumption of innocence.

5.2 PRINCIPLES FOR THE APPLICATION OF DISCIPLINARY MEASURES

Immediacy: the application of any disciplinary measure must be done immediately, not allowing excessive and unreasonable time to pass between knowledge of the punishable fact, the conclusion of the investigation and the moment of application of the disciplinary measure, in order to meet the pedagogical purpose of the action and correct unwanted conduct as soon as it occurs.

Proportionality: the disciplinary measure must be proportionate to the type of violation and the responsibility of the individual, such as: the conduct practiced is or involves a crime, the practice of the violation occurred occasionally or with recurrence, with the participation of other agents, aiming at its own benefit or that of third parties, effective obtaining of its own benefit or that of third parties, level of exposure of the Aegea Group to the risk, actual damage caused to the Aegea Group, materiality or immateriality of the violation, the reputational exposure to which the violation submits to the Aegea Group, the intention of the violator, the seniority of the person involved, recurrence, cooperation or not with the internal investigation, history of commitment of the person with the integrity mechanism, among others;

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Non discrimination: the Aegea Group cannot punish employees in a different way who commit the same fault and who are in the same conditions.

5.3 ASSUMPTIONS FOR THE APPLICATION OF DISCIPLINARY MEASURES

Disciplinary measures will only be applied to individuals who are proven to have acted contrary to the provisions of the Code of Conduct, violated the laws, the Integrity Program or the policies and procedures of the Aegea Group. Proof of misconduct will be provided through internal investigation, conducted by the Integrity Board, as provided in PO003-DIT99 - Investigation of Complaints.

Regardless of the administrative and disciplinary measures to be taken, in the event that the fact constitutes any type of legal infraction, it will be up to the Integrity Board to inform the CEO of what happened and aim to hold the offenders accountable in the criminal, criminal and/or civil spheres (for example: whether or not to involve the authorities, whether or not to open criminal proceedings, etc.).

Whatever the situation, however, the objective of the actions must be to treat the risk and avoid the repetition of the verified deviation or irregularity.

5.4 POSSIBILITY OF APPLICATION OF DISCIPLINARY MEASURE TO THE HIERARCHICAL SUPERIOR OF THE OFFENDER

Disciplinary measures will also apply to the hierarchical superior of the employee who commits the misconduct, when the employee, even aware of the violation of the compliance rule by his/her subordinate, fails to report the non-compliance and/or stops the deviation. Likewise, failure to adequately supervise will result in the application of disciplinary measures to the hierarchical superior of the employee who commits the deviation.


In the two hypotheses described above, the disciplinary measure applied to the hierarchical superior will be the same applied to the offending employee.

In the event that it is verified that the hierarchical superior created an environment that made it possible and/or encouraged the violation of rules by the employee, the disciplinary measure applied to the hierarchical superior will be more onerous and severe than that applied to the employee who committed the infraction.

5.5 EXCLUSION OF DISCIPLINARY MEASURES

Disciplinary measures will not be applied if, even before the initiation of the internal investigation or during the conduct of the investigation, it is proven that the conducts, in these characterizing a violation of compliance, have been practiced in a situation of extreme urgency and emergency for the preservation of life and human health. Since the exception situation will only apply to those who communicate the aggravated situation to the Integrity Board or through the Ethics Channel soon after the occurrence of the fact.

5.6 PROCEDURE FOR THE APPLICATION OF DISCIPLINARY MEASURES

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Once the factual investigation is completed, if the practice of misconduct is confirmed, it will be up to the Integrity Board to prepare an opinion, recommending the application of disciplinary measures to the CEO.

The application of the measures must occur according to their nature and the definitions given by the CEO, upon prior recommendation by the Integrity Board, or when determined in the Normative Instruction and in the HR disciplinary measures.

The degree of severity of a measure must be recommended by the Integrity Board and ratified by the CEO.

By agreeing with the DIT recommendation, the CEO may ratify it in a sole proprietorship.

If the CEO intends to change the disciplinary measures recommended by the DIT, he/she may do so by reasoned decision, together with one of the vice presidents, provided that the person to be sanctioned has seniority from up to managerial level. If the person to be sanctioned has a higher than managerial level, such as executives, the CEO must forward the reasons for not accepting the DIT recommendations to the Personnel Management Committee, which will issue a final decision, thus avoiding conflict of interests.

Whatever decision is taken, its content must be communicated to the Integrity Board, which will be responsible for finalizing the process and complying with the decision.

In the event that the CEO presents a conflict of interest in the evaluation process, the Integrity Board must be notified, as well as the People Management Committee and the Board of Directors, as the case may be, which will analyze and proceed with the final result.


Note 1: the above procedure may be carried out by email or in person, at the discretion of the CEO and the Board of Directors.

Note 2: as an informative table (appendix 1), the document will be classified as confidential and will not be disclosed, being restricted to the use of the Integrity Board, the CEO, the People Committee and the Board of Directors.

5.7 PROVISIONAL AND PRECAUTIONARY MEASURES

Whenever there is a risk to the quality, effectiveness or results of the investigation (such as an attempt to eliminate evidence, conceal facts, attempt to influence colleagues or subordinates not to disclose information), the Aegea Group may adopt provisional and precautionary administrative measures, such as the removal of the employee from his duties or his suspension, to ensure that internal investigations occur without risk of interference.

In assessing the need to apply provisional and precautionary measures, the circumstances of the facts under investigation and the seriousness of the conduct will be taken into account.

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5.8 KIND OF DISCIPLINARY MEASURES (ACCORDING TO THE CONSOLIDATION OF LABOR LAWS - CLT)


If the offending employee is an employee of the company, the following measures may be adopted:

- Verbal warning; the employee must be verbally warned by the responsible manager, in a respectful manner and in an appropriate place, without suffering any type of exposure, and it must be clear why he/she is being warned;
- Written warning: the employee must be formally warned by the manager in charge, respectfully and in an appropriate place, without suffering any type of exposure, and must sign the specific form to be issued by the Human Resources Department, containing the explanation of the reasons for applying this measure;
- Suspension: disciplinary suspension, from 1 to 29 days, without the right to remuneration, according to the term established by article 474 of the CLT;
- Dismissals without cause; termination of the employment contract on the initiative of the employer, without the employee having committed serious misconduct, with the payment of all the rights of the employee. This solution must be adopted if there are no elements that justify “fair dismissal”;
- Fair Dismissal: if there are sufficient elements for the dismissal to be for “cause”, then it may occur. The employee must be notified by the manager responsible for the fair dismissal, in a respectful manner and in an appropriate place, or in the Human Resources area, without suffering any type of exposure, by means of a separate letter, which will contain the reason for applying this measure. It is worth noting that, regardless of the degree of the offense committed, fair dismissal can only be adopted if all legal provisions provided for in current labor legislation are met.

5.9 DISCIPLINARY MEASURES APPLICABLE TO MANAGERS

If the offending employee is an administrator of the Aegea Group (member of the Executive Board or Board of Directors), in addition to the measures provided in item 5.8, if the individual maintains an employment relationship with the company, the measures may also be applied, individually or cumulatively, following measures:

- A) Prohibition of participating in the succession process for a period;
- B) Prohibition of receiving certain benefits;
- C) Suspension of increases, promotions, job rotations;

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D) Cancellation of powers of attorney;

E) Withdrawal of the company's approvals and representation to third parties (e.g.: sign balance sheet, approval of purchases, sales and contracts);

F) Prohibition of external participation on behalf of the company (e.g.: in committees, symposia, class associations and negotiations).

5.10 SUPPLEMENTARY MEASURES RELATED TO IMPROVING CORPORATE GOVERNANCE AND INTERNAL CONTROLS

If, during the investigation of the misconduct, flaws or points of improvement in corporate governance are detected, the Integrity Board may recommend to Management measures to review processes, procedures and controls, such as:

A) Training;

B) Change in the process;

C) Change of computer system or tool;

D) Establishment of additional controls;

E) Termination of contract with a certain business partner etc. The measures mentioned in this item are not disciplinary in nature.

5.11 IMPLEMENTATION OF DISCIPLINARY AND OTHER MEASURES

Responsibility for ensuring that disciplinary measures are implemented promptly rests with the Human Resources Department, with support from the Legal Department.

The implementation of the recommended measures will be monitored by the Integrity Board, which may request periodic reports to the person in charge.


5.12 BUSINESS PARTNERS

In the case of business partners, in addition to terminating existing contracts entered into with the Aegea Group, other disciplinary measures may be taken depending on the seriousness of the violation and the impact caused to the Aegea Group.

Once the misconduct, irregularity, illegality or attitude contrary to the principles of ethics and integrity of the Aegea Group is confirmed, the business partner will be prevented, for 5 (five) years, from providing any service or supplying any product to the units of the Aegea Group.

A register of punished and rehabilitated business partners must be created by the Administration, whose management will be the responsibility of the same area responsible for the registration of suppliers.

5.13 SECRECY AND WARRANTY

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The Aegea Group must ensure complete secrecy, confidentiality and institutional protection against possible retaliation attempts against whistleblowers, in accordance with its Code of Conduct. Retaliation against whistleblowers, witnesses or anyone within the Company should be treated as a serious offense.

The Aegea Group must ensure that employees of processing committees have their functional rights respected throughout the investigation period, as well as guarantee institutional protection for employees involved in all stages of management and treatment of complaints and infractions, in order to preserve its institutional independence and neutrality of decisions.

Throughout the verification process, the Aegea Group must ensure complete secrecy, confidentiality and institutional protection for employees who are accused or involved in complaints. Please note, however, that disciplinary measures applied to them, resulting from the proper investigation process and recommended by the Integrity Board and ratified by the CEO and/or Board of Directors, are not considered retaliation.

As a general rule, the company must adopt the principle of “only providing information to those who actually need it”, without harming the company, people or the process itself, in line with the principles of ethics and integrity.

5.14 COMPLIANCE CULTURE

The Aegea Group develops, maintains and promotes a compliance culture at all levels within the organization.

The Board of Directors, Senior Management and managers must demonstrate and adopt an active, visible, consistent and sustainable commitment, through standard conduct and behavior, which is required of the entire organization.

Senior Management encourages behavior that creates and supports compliance, preventing and not tolerating behaviors that compromise compliance.

Administrators, employees, including organizational units, and business partners of the Aegea Group must:


- A) Comply with the policies, procedures, processes and Compliance obligations;
- B) Report concerns, issues and cases of non-compliance, as well as suspected or actual violations of the Compliance Policy or compliance obligations;
- C) Attend training as required.

6 ANNEXES

- AN01-DO018-GIT99 - Table of Consequences. Confidential document, which will not be disclosed (item 5.5).

7 RECORDS

IDENTIFICATION	STORAGE		PROTECTION	RECOVERY	RETENTION	DISPOSAL
	LOCAT ION	METHOD				

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Minutes of meeting and other documents, if any, containing the decision taken and the arguments used	Network - Board of Integrity	Digital	Integrity Board	Backup	5 years	Digital file
Evidence of the implementation of disciplinary measures (*)	Network - Board of Integrity	Digital	Integrity Board	Backup	5 years	Digital file

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