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## **Report on the Brazilian Code of Corporate Governance**

**July / 2020**

Recommended practice	Adopted practice?	Explanation / Justification
<b>1. SHAREHOLDERS</b>		
<b>Principle 1.1. "Each share must be entitled to one vote"</b>		
1.1.1 - The company's share capital must be composed only of common shares.	No	The Company's share capital is formed by common shares and preference shares. The Company was created with the share capital divided into common and preferred shares and, over time, in accordance with the legislation, maintained this corporate structure. The Company's Bylaws establish in its art. 8th and 9th, that each common share corresponds to 01 (one) vote in the resolutions of the General Meetings and that the preferred shares do not give their holder the right to vote in the resolutions of the General Meeting. It is noteworthy that the Bylaws provide for the possibility for the Company to sponsor the issuance of deposit certificates of shares of the Company to form units ("Units").
<b>Principle 1.2. "Shareholder agreements must not transfer decisions to the signatory shareholders on matters within the competence of the management board, the board of directors or the supervisory board"</b>		
1.2.1 The shareholders' agreements must not bind the exercise of the voting right of any director or member of the supervisory and control bodies.	Not applicable	The Company does not have a shareholders' agreement.
<b>Principle 1.3 "Management should seek the engagement of shareholders, favor attendance at the general meeting and the correct understanding of the matters to be resolved, as well as facilitate the nomination and election of candidates to the Management Board and Supervisory Board"</b>		
1.3.1 The Board of Directors must use the meeting to communicate the conduct of the company's business, so management must publish a manual in order to facilitate and encourage participation in general meetings.	Partially	Management uses the meeting to communicate the conduct of the company's business, however, it does not publish manuals for participation in shareholders' meetings. The details of each subject on the agenda, as well as the form of participation in the Assembly, are contained in the Management, which is disclosed on the CVM website and the Company's Investor Relations Portal for prior analysis.
1.3.2 The minutes must allow full understanding of the discussions held at the meeting, even if drawn up in the form of a summary of facts that have occurred, and include the identification of votes cast by shareholders.	Yes	
<b>Principle 1.4. "Defensive measures, if adopted by the company, should aimed at preventing opportunistic acquisitions of significant shares of the company's capital in unfavorable market moments, preserving liquidity or maximizing the value of shares, for the benefit of all shareholders"</b>		
1.4.1 - The management board must make a critical analysis of the advantages and disadvantages of the defense and its characteristics, and above all of the trigger points and price parameters, if applicable, explaining them.	Not applicable	
1.4.2 - Clauses that prevent the removal of the measure from the bylaws should not be used, the so-called 'indelible clause'.	Not applicable	
1.4.3 - If the bylaws determine the conduct of a public offer for the acquisition of shares (OPA) whenever a shareholder or group of shareholders reaches, directly or indirectly, a relevant equity participation in the voting capital, the rule for determining the offer price should not impose premium increases substantially above the economic or market value of the shares.	Not applicable	
<b>Principle 1.5. "Regardless of the legal form and the terms and conditions negotiated for the transaction that gives rise to the change of control, all shareholders of the company subject to the transaction must be treated fairly and equitably"</b>		
1.5.1 - The company's bylaws must establish that: (i) transactions in which the direct or indirect disposal of share control is characterized must be accompanied by a public offer for the acquisition of shares (OPA) addressed to all shareholders, at the same price and conditions obtained by the selling shareholder; (ii) managers must comment on the terms and conditions of corporate reorganizations, capital increases and other transactions that give rise to the change of control, and state whether they ensure fair and equitable treatment for the company's shareholders.	Yes	
<b>Principle 1.6. "The management board must advise shareholders on the acquisition of shares addressed to them"</b>		
1.6.1 The bylaws must anticipate that the management board give its opinion in relation to any OPA with the object of shares or securities convertible or exchangeable for shares issued by the company, which must contain, among other relevant information, the opinion of the management on possible acceptance of the OPA and the economic value of the company.	Yes	
<b>Principle 1.7. "The company's income allocation policy must respect the economic and financial characteristics of the business - cash generation and the need for investments - and be known to all interested parties, shareholders and investors"</b>		
1.7.1 The company must develop and disclose a income allocation policy defined by the management board. Among other aspects, such policy should provide for the periodicity of dividend payments and the benchmark to be used to define the respective amount (percentages of net income adjusted and free cash flow, among others).	Yes	
<b>Principle 1.8. "The guidance of the company's activities by the controlling shareholder, so that it meets the public interest that justified the creation of the mixed capital company, must be reconciled with the interests of the other shareholders and investors in the company securities"</b>		
1.8.1 The bylaws must clearly and precisely identify the public interest that justified the creation of the mixed-capital company, in a specific chapter.	Yes	The Company's Bylaws, in section III, clearly and precisely identify the public interest that justified its creation, as well as in its Reference Form.
1.8.2 The management board should monitor the company's activities and establish policies, mechanisms and internal controls to determine the possible costs of serving the public interest and any reimbursement of the company or other shareholders and investors by the controlling shareholder.	Yes	The services provided by the Company are remunerated in the form of tariffs that are determined in accordance with the Concession Contracts, regulations and decisions of AGR, which has discretion in the exercise of its regulatory activities, the calculation of which must ensure the company's economic-financial balance and the preservation of the social aspects of services, as provided for in Federal Law 11.445/2007. It is the duties of the Management board, pursuant to article 47, section XIV of the Bylaws, to establish and approve the Company's policies, as well as as in section I, set guidelines and general guidance for Saneago's business.

Best practice	Adopted practice?	Explanation / Justification
<b>2. MANAGEMENT BOARD</b>		
<b>Principle 2.1. "The management board must exercise its duties considering the long-term interests of the company, the impacts arising from its activities on society and the environment and the fiduciary duties of its members, acting as guardian of the company's principles, values, corporate purpose and governance system"</b>		
2.1.1 The management board must, without prejudice to other legal, statutory and other practices provided for in the Code: (i) defining business strategies, considering the impacts of the company's activities on society and the environment, aiming at the company's longevity and the creation of long-term value; (ii) periodically assess the company's exposure to risks and the effectiveness of risk management systems, internal controls and the integrity / compliance system and approve a risk management policy compatible with business strategies; (iii) defining the company's ethical values and principles and ensuring the issuer's transparency in the relationship with all interested parties; (iv) reviewing the corporate governance system annually, with a view to improving it.	Yes	The Company's Management Board, by means of its Internal Regulations, performs its duties considering the recommended practices. Regarding the items presented, according to the Internal Regulations, the Management Board is responsible for: <b>(I) Business Strategies:</b> set guidelines and general business guidelines, ensure the Company's longevity, within a long-term and sustainability perspective; <b>(II) Risk Policy:</b> Implement and supervise the risk management and governance systems established to prevent and mitigate the main risks to which the Company is exposed, including risks related to the integrity of accounting and financial information and those related to the occurrence of corruption and fraud; <b>(III) Values and Principles:</b> The Board's mission is to protect and value the Company's assets, maximize the return on investment and have full knowledge of the company's values, purposes and beliefs of the shareholders, ensuring their improvement. <b>(IV) Annual Review of the Corporate Governance System:</b> The Management Board is responsible for discussing, approving and monitoring decisions involving corporate governance practices, relationship with stakeholders, personnel management policy and code of conduct for agents, as well as ensuring the Company's longevity, within a long-term perspective and that incorporates considerations of an economic, social, environmental nature, the company's social function, as well as good corporate governance, in the definition of business and operations.
<b>Principle 2.2. "The Management Board must have members with a diversified profile, an adequate number of independent directors, and a size that allows the creation of committees, the effective debate of ideas and the making of technical, impartial and well-founded decisions"</b>		
2.2.1 The bylaws must establish that: (i) the Management Board is composed mostly of external members, having at least one third of independent members; (ii) the Management Board must annually assess and disclose who the independent directors are, as well as indicate and justify any circumstances that may compromise their independence.	Yes	
2.2.2 - The Management Board must approve a nomination policy that establishes: (i) the process for the appointment of members of the Management Board, including the indication of the participation of other bodies of the company in the referred process; (ii) that the Management Board must be composed in view of the time available to its members to exercise their functions and the diversity of knowledge, experiences, behaviors, cultural aspects, age group and gender.	No	The Company does not currently have a nomination policy approved by its Management Board, however it clarifies in Article 24 of the Bylaws that the appointment of members of the Management Board follows qualification criteria and technical experience, in addition to legal and reputational aspects in light of best corporate governance practices, to allow the Company to benefit from the plurality of arguments and a quality and safe decision-making process. In addition to the matters related to the election and composition of the Management Board, the Bylaws establish the frequency, process of convening, execution and documentation of the meetings, as well as the duties of this body. Despite the scope and wide accessibility of the Bylaws, the Company informs that the policy of referrals which will address the aspects requested by this report is being prepared.
<b>Principle 2.3. "The chairman of the board must coordinate the activities of the Management Board seeking the effectiveness and good performance of the body and each of its members, serving as a link between the Management Board and the chief executive officer"</b>		
2.3.1 The chief executive officer must not have the position of chairman of the Management Board.	Yes	
<b>Principle 2.4. "The Management Board must establish mechanisms for periodic performance evaluation that contribute to its effectiveness and to the improvement of the company's governance"</b>		
2.4.1 The company must implement an annual performance evaluation process for the Management Board and its committees, such as collegiate bodies, the chairman of the Management Board, directors, individually considered, and the governance office, if any.	Yes	The company evaluates the Board and the Directors annually, through the application of structured questionnaires, and the results of the evaluation serve as a subsidy for the search for opportunities for improvement in the Company's governance, pursuant to the Senior Management's Evaluation Policy.
<b>Principle 2.5. "The Management Board must ensure the continuity of the company's management, preventing the succession of its main leaders from affecting the company's performance and generating destruction of its value"</b>		
2.5.1 The Management Board must approve and keep up to date a succession plan for the chief executive officer, whose preparation must be coordinated by the chairman of the Management Board.	Partially	Even though the Company does not have a formalized succession plan, the succession rules for the Chief Executive Officer are provided for in the Company's Bylaws, in its art. 62 and 63, which describe thus: <b>Art. 62.</b> In the absence or temporary impediment of any Officer, the Chief Executive Officer will designate another member of the Collegiate Board of Directors to cumulate the duties, not being entitled to the two remunerations. <b>§1.</b> In the absence or temporary impediment, the Chief Executive Officer will be replaced by the Director appointed by him / her. <b>§2.</b> The officers will not be able to leave the position for more than 30 (thirty) consecutive days, except in case of sick leave or in the cases authorized by the Management Board. <b>§3.</b> The officers may request the Management Board to leave for unpaid leave, as long as the duration does not exceed 3 (three) months. <b>Article 63.</b> In the event of a vacancy (subject to the provisions of article 45, sole paragraph, of these Bylaws) of any member of the Board of Directors, the Management Board shall, within 30 (thirty) days after the vacancy occurs, elect the substitute, who will complete the substitute term. Sole paragraph. The election provided for in the caption may be waived if the vacancy occurs when there is less than 60 (sixty) days to the end of the term of the acting Collegiate Board of Directors, and the Management Board must appoint, from among the Officers, a provisional substitute.

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<b>Principle 2.6. "In order to perform his duties well, the member of the Management Board must understand the company's business"</b>		
2.6.1 The company must have a program for the integration of the new members of the Management Board, previously structured, so that the referred members are presented to the key people of the company and its facilities and in which topics essential to the understanding of the company business are addressed.	Yes	When elected, members receive an e-mail with links about the set of company rules (Bylaws, Regulations and Policies) and the scope of the respective collegiate bodies. The Code of Conduct and Integrity is also forwarded, which, among other matters, addresses Saneago's mission, vision and values.
<b>Principle 2.7. "The remuneration of the members of the Management Board must be in line with the strategic objectives of the company with a focus on its longevity and the creation of long-term value"</b>		
2.7.1 The remuneration of the members of the Management Board must be proportional to the duties, responsibilities and time demand. There should be no compensation based on participation in meetings, and the variable compensation of directors, if any, should not be tied to short-term results.	Yes	
<b>Principle 2.8. "The performance of the Management Board must be guided by a document containing rules that regulate its structure and form of performance"</b>		
2.8.1 The Management Board must have an internal regulation that regulates its responsibilities, duties and rules of operation, including: (i) the duties of the chairman of the Management Board; (ii) the rules of substitution for the chairman of the board in his / her absence or vacancy; (iii) the measures to be taken in situations of conflict of interest; and (iv) the definition of sufficient time in advance to receive the materials for discussion at the meetings, with adequate depth.	Yes	
<b>Principle 2.9. "The Management Board must adopt a set of actions that will facilitate the effectiveness of its meetings, facilitate the performance of external directors and give transparency to their performance"</b>		
2.9.1 The Management Board must define an annual calendar with the dates of the ordinary meetings, which must not be less than six or more than twelve, in addition to calling extraordinary meetings, whenever necessary. The said calendar should provide for an annual thematic agenda with relevant subjects and dates of discussion.	Yes	
2.9.2 Board meetings should regularly provide exclusive sessions for external directors, without the presence of executives and other guests, for alignment of external directors and discussion of topics that may create embarrassment.	No	There is no express provision for a separate meeting for external directors. However, art. 38, paragraph 1, I of the Bylaws, provides that the Chief Executive Officer will not participate in the discussions and resolutions on matters involving conflicts of interest, which will be resolved in a separate and exclusive meeting for that purpose, as well as item I of art. 6 of the Management Board' Internal Regulations provides that the employee representative will not participate in the resolutions and voting on matters involving conflicts of interest.
2.9.3 The minutes of the board meeting must be clearly written and record the decisions taken, the persons attending, discrepant votes and abstentions from voting.	Yes	As provided for in Article 27, paragraph 2, of the Management Board' Internal Regulations, the minutes will be clearly written, recording all decisions taken, any abstentions from voting due to conflicts of interest, responsibilities and deadlines.
<b>3. BOARD OF DIRECTORS</b>		
<b>Principle 3.1. "The Board of Directors must manage the company's business, observing the risk limits and guidelines approved by the Management Board"</b>		
3.1.1 The Board of Directors must, without prejudice to its legal and statutory attributions and other practices provided for in the Code: (i) execute the risk management policy and, whenever necessary, propose to the board any needs to review this policy, due to changes in the risks to which the company is exposed; (ii) implementing and maintaining effective mechanisms, processes and programs for monitoring and disclosing financial and operational performance and the impacts of the company's activities on society and the environment	Yes	
3.1.2 The Board of Directors must have its own internal regulations that establish its structure, operation and roles and responsibilities.	No	The Board of Directors does not have an approved internal regulation. However, the document is being prepared and will be published on the CVM and on the Relations Portal with the Company's Investors.
<b>Principle 3.2. "The process of assigning and filling the Board of Directors positions and management positions should aim at forming a group in line with the company's ethical principles and values with a view to diversity, including gender, aiming at their occupation by people with complementary skills and qualified to face the company's challenges "</b>		
3.2.1 There should be no reservation of executive positions or management positions for direct indication by shareholders.	Yes	
<b>Principle 3.3: "The chief executive officer and the Board of Directors must be evaluated based on performance, financial and non-financial targets (including environmental, social and governance aspects), in line with the company's values and ethical principles"</b>		
3.3.1 The chief executive officer must be evaluated annually in a formal process conducted by the Management Board, based on the verification of the achievement of the financial and non-financial performance goals established by the Management Board for the company.	Yes	According to art. 47, Paragraph 3 of the Bylaws, it is the responsibility of the Chairman of the Management Board of Saneago to coordinate the evaluation process of senior management, which includes the CEO. Annually, a process of evaluation of the members of the Collegiate Board is carried out, based on the Policy of Senior Management Evaluation.
3.3.2 The results of the evaluation of the other directors, including the propositions of the CEO regarding the goals to be agreed and the permanence, promotion or dismissal of the executives in their respective positions, must be presented, analyzed, discussed and approved in a meeting of the Management Board.	Yes	The directors, as well as all senior management, are evaluated annually, according to the Senior Management's Assessment Policy, PL00.0124. Saneago's bylaws provides in its art. 47, which is incumbent upon the Management Board to elect and dismiss the executive officers.
<b>Principle 3.4. "The remuneration of the members of the Board of Directors must be in line with the strategic objectives of the company, with a focus on their permanence and the creation of value in the long term"</b>		
3.4.1 The remuneration of the executive board must be established through a remuneration policy approved by the Management Board through a formal and transparent procedure that considers the costs and risks involved.	Partially	The Company does not have a formal remuneration policy. The guidelines for the remuneration of the company's officers and directors are established in the Company's Bylaws. The General Meeting will set the Board of Directors' remuneration that will not be lower than the highest remuneration paid to the Company's employee. The Directors will receive remuneration equivalent to the highest base salary of the Company, and 95% of the highest bonus that is established for the position of Chief Executive Officer.
3.4.2 The Board of Directors' remuneration must be linked to results, with medium and long-term goals clearly and objectively related to the generation of economic value for the company in the long term.	Yes	As was answered in item 3.4.1, the Company's calculation methodology is established by the Company's Bylaws and career plan. The remuneration of the Board of Directors is composed of a fixed and a variable part, the variable part of which is based on 95% of the largest paid function that is set for the position of Chief Executive Officer, which in turn is measured based on results and goals achieved.
3.4.3 The incentive structure must be in line with the risk limits defined by the Management Board and prohibit the same person from controlling the decision-making process and his / her respective inspection. No one should decide on their own remuneration.	Yes	The amounts proposed for the global remuneration of the members of the Management Board, Supervisory Board, Statutory Audit Committee and Board of Directors are submitted for approval by the General Shareholders' Meeting, as defined in the Bylaws.



Recommended practice	Adopted practice?	Explanation / Justification
<b>4. SURVEILLANCE AND CONTROL BODIES</b>		
<b>Principle 4.1. "The company must have a statutory, independent and qualified Audit Committee"</b>		
4.1.1 The statutory audit committee must: (i) among its duties it shall: assist the Management Board in monitoring and controlling the quality of financial statements, in internal controls, in risk management and compliance; (ii) be formed mostly by independent members and coordinated by an independent director; (iii) have at least one of its independent members with proven experience in the accounting, corporate, internal controls, financial and auditing areas, cumulatively; and (iv) have its own budget for hiring consultants for accounting, legal or other matters, when necessary the opinion of an external expert.	Yes	As provided for in art. 2 of the Statutory Audit Committee's Internal Regulations, this body has the function of assisting the Management Board in monitoring and controlling the quality and integrity of the preparation of financial statements, internal control mechanisms, internal audit, risk management and compliance, seeking to ensure the quality, transparency and integrity of the Company's actions, as well as the information published by it. According to that presented in the Reference Form -2020, pursuant to art. 56 of the Bylaws, the Statutory Audit Committee is composed of members, elected by the Management Board, being mostly independent, with proven experience in the accounting-corporate area, internal controls, financial and auditing, cumulatively. Statutory Audit Committee of the Company has operational autonomy and annual budget allocation, within limits approved by the Management Board, to conduct or determine the performance of consultations, evaluations and investigations within the scope of its activities, including the hiring and use of specialists independent external auditors, in accordance with art. 56 of its regulation.
<b>Principle 4.2. "The Supervisory Board, if set up, must be endowed with the necessary resources and management support so that its members can carry out their individual independent inspection duties effectively"</b>		
4.2.1 The Supervisory Board must have its own internal regulations that describe its structure, operation, work program, roles and responsibilities, without creating an embarrassment to the individual performance of its members	Yes	
4.2.2 The minutes of the Supervisory Board meetings must observe the same rules for disclosing the minutes of the Management Board	Yes	
<b>Principle 4.3. "Independent auditors must report to the Management Board. This must ensure the independence of the independent auditors in their performance"</b>		
4.3.1 - The company must establish a policy for hiring extra-audit services from its independent auditors, approved by the Management Board, which prohibits the contracting of extra-audit services that could compromise the independence of the auditors. The company should not hire as an independent auditor who has provided internal audit services to the company less than three years.	No	There is no formalization of this policy in Saneago's normative documents. When hiring extra-audit services, the participation of the current auditors is not allowed and the regulatory requirements are complied with in accordance with the relevant legislation, for example, the State-Owned Law. For the hiring of an independent audit service, the Statutory Audit Committee must issue an opinion as established in Article 49 of the Company's Bylaws available on the SITE.
4.3.2 The independent audit team must report to the Management Board, through the Audit Committee, if any. The Audit Committee should monitor the effectiveness of the work of the independent auditors, as well as their independence. It should also evaluate and discuss the annual work plan of the independent auditor and forward it to the Management Board for consideration.	Partially	Art. 49 of the Company's Bylaws establishes the duties of the Statutory Audit Committee and in items I, II and XI deals specifically with the independent audit service. Each quarter, the independent auditors meet with the Statutory Audit Committee (CAE) to discuss the financial statements before being submitted for consideration. Management Board.
<b>Principle 4.4 "The company must structure its internal audit in a manner compatible with the size, complexity and risks of its business, and the Management Board is responsible for ensuring the qualification and independence of the professionals of the audit team."</b>		
4.4.1 The company must have an internal audit area directly linked to the Management Board.	Yes	The Internal Audit Superintendence, linked to the Management Board, through the Statutory Audit Committee, is responsible for assessing the effectiveness of risk management and governance processes, as well as the reliability of the collection, measurement, classification, accumulation, registration and disclosure of events and transactions, with a view to preparing financial statements.
4.4.2 In the case of outsourcing of this activity, the internal audit services should not be performed by the same company that provides auditing services for the financial statements. The company should not hire for internal auditing who has provided independent audit services to the company less than three years.	Not applicable	

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<b>Principle 4.5. "The company must have an appropriate risk management process and maintain internal controls and integrity programs that are appropriate to the size, risk and complexity of its activities"</b>		
4.5.1 The company must adopt a risk management policy, approved by the Management Board, which includes the definition of the risks for which protection is sought, the instruments used for that purpose, the organizational structure for risk management, the assessment of adequacy of the operational structure and internal controls to verify its effectiveness, in addition to defining guidelines for the establishment of acceptable limits for the company's exposure to these risks.	Yes	<p>The Company has a corporate risk management policy, approved by the Management Board on 4/17/2019. Therefore, as outlined in the Policy, the Company is exposed to risks of vulnerabilities and threats. With regard to risks linked to vulnerabilities, it is possible to mention the following risks: environmental; financial; infrastructure degradation and / or obsolescence; operational losses and water quality - IQA; professionalization; TAC; expansion works; sub-delegated, outsourced and / or subcontracted activities; registrations, updates, grants, licenses and permits; insurance on all risks; company operational facilities; and, other risks associated with the collection, removal and treatment of sewage and the supply of treated water. However, in relation to the risks linked to exogenous threats that are not directly related to the established internal controls, we can highlight the following risks: environmental; concession / program contracts; financial; economic and political; interests of the majority shareholder of the Company in relation to the other shareholders; energy matrix required for the Company's operations; and, lawsuits, arbitrations and / or administrative proceedings.</p> <p>As for the instruments used, taking as reference the ABNT NBR ISO 31000 standard, with a focus on COSO, risk management in the Company constitutes a cyclical and continuous process in order to identify, analyze, evaluate, treat, reassess, monitor and communicate risks inherent to the organization.</p> <p>Accordingly, risk management in the Company is carried out according to the following components: communication and consultation; setting the context; risk identification, analysis and assessment; risk treatment and monitoring; identification of controls; and, establishment of controls.</p> <p>As for the organizational structure, in compliance with State Decree No. 9.406/2019, the Resolution of the Management Board No. 4/2019 (re-ratified by No. 5/2019) instituted in April 2019 the Sectorial Compliance Committee, the Company's highest authority for matters related to the Public Compliance Program and, therefore, to Risk Management. The Management Board is responsible for approving the Risk Management Policy, which defines the risk management process, acting under the Three Lines of Defense (IIA). In this sense, the Risk Management Department, responsible for the second line of defense, is subordinated to the Presidency of Saneago through the Governance Superintendence. As for the "owners of risks", those responsible for the work processes, projects, activities and actions developed at the strategic, tactical or operational levels of Saneago are considered owners in their respective areas and scopes of action.</p> <p>The verification of the effectiveness of the Company's Risk Management Policy is the responsibility of the Internal Audit Superintendence. In addition, there are the Audits Based on Risks (ABRs), carried out by the Comptroller General of the State of Goiás (CGE), under the terms of State Decree No. 9.406/2019, to systematically monitor the risks inherent to the Company, according to the established scope. In addition, the Compliance Management (SUGOV/PR-GCM) monitors the execution of plans and the performance of Key Risk Indicators (KRI). The frequency of monitoring depends on the adopted KRIs, most of which are monthly. Regarding the periodicity of risk reassessment by the Risk Management Administration (SUGOV/PR-GRS), it is conditioned at the risk level, with a period between 6 and 12 months, except in extraordinary situations or new facts.</p>
4.5.2 The Management Board is responsible for ensuring that the Board of Directors has internal mechanisms and controls to know, assess and control risks, in order to keep them at levels compatible with the limits established, including the integrity / compliance program aiming at complying with external and internal laws, regulations and standards.	Yes	The Company's management is responsible for the development, implementation and maintenance of an effective system of internal controls and risk management. In addition, the Company has a structured Compliance Program that aims at complying with laws, regulations and standards. The Company's Bylaws, in its art. 47, establishes: <b>Art. 47</b> The Management Board shall: <b>XIII</b> - implement and supervise the risk management and governance systems, established for the prevention and mitigation of the main risks to which the Company is exposed, including risks related to the integrity of accounting and financial information and those related to the occurrence of corruption and fraud.
4.5.3 The Board of Directors must assess, at least annually, the effectiveness of the risk management and internal control policies and systems, as well as the integrity program and report to the Management Board on this assessment.	Yes	Annually, the policies of Risk Management, Compliance Policy, Code of Conduct, and others, are revised or according to internal and external demand, all policies to be updated are required to undergo the resolution of the Collegiate Board and approval by the Management Board. It is noteworthy that corporate risks are periodically monitored by the Sectorial Compliance and Governance Committee, which, in addition to the Management Board, has among its members representatives of the Management Board, the Statutory Audit Committee, Governance Superintendence and Internal Audit Superintendence. With regard to the corporate risk management policy, on 06/01/2020, it was in the process of reviewing to improve the nomenclatures, responsibilities, process and textual disposition.

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<b>5. ETHICS AND CONFLICT OF INTERESTS</b>		
<b>Principle 5.1. "The company must have a code of conduct that promotes its values and ethical principles and reflects the organizational identity and culture and a channel for complaints to welcome criticism, doubts, complaints and whistleblowing"</b>		
5.1.1 The company must have a Conduct Committee, endowed with independence and autonomy and linked directly to the Management Board, responsible for implementing, disseminating, training, reviewing and updating the code of conduct and the reporting channel, as well as conducting investigations and proposing corrective measures related to violations of the code of conduct.	Partially	The Company has an Integrity Code of Conduct which was created on 07/17/2017, by means of a Commission, and approved by the Management Board and its dissemination is carried out with the availability of the code on the Company's intranet and on the Saneago website. In addition, a "Primer on the Code of Conduct of Integrity" is delivered to all those involved with the Company, with the collection of signatures in its "Instrument of Receipt". It is also noteworthy that, annually, the code undergoes revisions and adjustments to the current standards and training for all employees and members of High Governance is carried out, online, through the intranet, and at the end questions are answered that require a minimum grade of 70% to pass with the issuance of a "Instrument of Knowledge and Commitment" certificate. The Company has a Statutory Audit Committee that has mechanisms for receiving complaints of violations of the code. A single reporting channel is available to all and can be accessed by electronic means, telephone or in person. The company's Ombudsman is the unit responsible for receiving such complaints, which, after analysis, sends them to the Internal Audit Superintendence, the unit responsible for conducting investigations and corrective measures related to violations of the code.
5.1.2 The code of conduct, prepared by the Board of Directors, with support from the Conduct Committee, and approved by the Management Board, must: (i) discipline the company's internal and external relations, expressing the expected commitment of the company, its directors, officers, shareholders, employees, suppliers and stakeholders with the adoption of adequate standards of conduct; (ii) to manage conflicts of interest and provide for the abstention of the member of the Management Board, the audit committee or the conduct committee, if any, which, as the case may be, is in conflict; (iii) clearly define the scope and comprehensiveness of actions designed to ascertain the occurrence of situations understood as carried out with the use of inside information (for example, use of inside information for commercial purposes or to obtain advantages in the negotiation of securities); (iv) establish that ethical principles underpin the negotiation of contracts, agreements, proposals to amend the bylaws, as well as the policies that guide the entire company, and establish a maximum value for the goods or services of third parties that managers and employees can accept freely or favored.	Yes	
5.1.3 The reporting channel must be endowed with independence, autonomy and impartiality, working with operating guidelines defined by the Management Board and approved by the Management Board. It must be operated independently and impartially, and guarantee the anonymity of its users, in addition to promoting, in a timely manner, the necessary investigations and measures. This service can be carried out by a third party of recognized capacity.	Yes	Saneago provides, with its own management, a channel for complaints of non-compliance with the rules contained in the Code of Conduct and Integrity, in which it will receive doubts and questions regarding the interpretation of the document, suggestions for improvements regarding the content of the Code, such whistleblowing will be forwarded to the Ombudsman's Office of Saneago. Likewise, whenever a violation of the Code is observed by the Company's direct or indirect employees, by their third parties, service providers, administrators or representatives, when exercising their professional activities, the fact must be communicated so that the appropriate measures are taken, thus preserving the Company's business, image and reputation. The Saneago Ombudsman acts as a channel for reports and with administrative manifestations in second instance; or, with manifestations referring to Praise, Request, Public Information - LAI (Law of Access to Information), Complaint, Suggestion and Communication. The Saneago Ombudsman receives both anonymous and identified reports, and can be used by both the internal and external audiences. Any report received by the Saneago Ombudsman will be treated with impartiality, transparency and confidentiality.  Contact channels with Saneago: I. Internet -www.saneago.com.br, , Ombudsman link, Service by Protocol II. Face-to-face Service - General Ombudsman - Headquarters - Av. Fued José Sebba, 1245 - Jardim Goiás - Goiânia-GO - Zip Code 74805-100 III. Telephones (toll-free) - General Ombudsman - 0800 645 0117
<b>Principle 5.2. "The company must establish mechanisms to deal with situations of conflict of interest in the company's management or at general meetings"</b>		
5.2.1 The company's governance rules must ensure the separation and clear definition of tasks, roles and responsibilities associated with the terms of office of all governance agents. The decision levels of each instance must also be defined, in order to minimize possible sources of conflicts of interest.	Yes	The competences of the management bodies are duly established in the Company's Responsibility Policy. In addition, the Company has a Conflict of Interest Policy to resolve possible conflict situations.
5.2.2 The company's governance rules must be made public and determine that the person who is not independent in relation to the matter under discussion or resolution in the company's management or supervisory bodies must manifest, in a timely manner, his conflict of interest or private interest. If not, these rules should provide for another person to manifest the conflict, if he is aware of it, and that, as soon as the conflict of interest in relation to a specific topic has been identified, the person involved will withdraw, even physically, from discussions and resolutions. The rules must provide for this temporary removal to be recorded in the minutes.	Yes	The company's governance rules are published on the company's website. Internal regulations, code of conduct for integrity, Company governance policies can be found in the Company's Bylaws; Corruption Acts Prevention Policy, Conflict of Interest Policy and, in particular, the Related Party Transactions Policy which determines that in a transaction, once the possibility of a conflict of interest is identified, the related person must declare that he or she is prevented and abstain from any negotiation involving the process, among others. If there is no such declaration, if the managers identify this possibility, any other member can do so. The absence of this voluntary declaration may result in penalties. Based on the integrity code of conduct, faced with a situation of conflict of interest, even if possible, the employee, whether or not exercising a management function, the Director or the Member of the Board, must promptly declare himself conflicted and prevented to participate in the ongoing discussion or even to express an opinion in a matter in which there is a conflict of interest, and should not even participate in works in which the discussion is taking place, thus guaranteeing the appropriate independence and transparency of the process.



Recommended practice	Adopted practice?	Explanation / Justification
5.2.3 The company must have mechanisms for managing conflicts of interest in the votes submitted to the general meeting, to receive and process allegations of conflicts of interest, and for the annulment of votes cast in conflict, even after the general meeting.	Partially	The Company does not have specific mechanisms for managing conflicts of interest in the votes submitted to the meetings. However, Article 85 of its Bylaws establishes that the Company, its shareholders, Managers and the members of the Supervisory Board, undertake to resolve, through arbitration, before the Market Arbitration Chamber, any and all dispute or controversy that may arise between them, related to or arising, in particular, from the application, validity, effectiveness, interpretation, violation and its effects, from the provisions contained in the Brazilian Corporation Law, in the Company's Bylaws, in the rules issued by the Monetary Council National Bank, the Central Bank of Brazil and the Securities and Exchange Commission, as well as in the other rules applicable to the functioning of the capital market in general, in addition to those contained in the Level 2 Regulation, the Arbitration Regulation, the Sanctions Regulation and the Participations Contract in Level 2 of Corporate Governance. In addition, the Related Party Transactions Policy deals with the conflict of interest.
<b>Principle 5.3: "The company must have governance policies and practices aimed at ensuring that any and all transactions with related parties are always carried out in the best interests of the company, with full independence and absolute transparency"</b>		
5.3.1 - The bylaws should define which transactions with related parties must be approved by the Management Board, excluding any members with potentially conflicting interests.	No	The Company's Bylaws do not expressly define which transactions with related parties must be approved by the Management Board. However, according to the Bylaws, the Management Board is responsible for approving the Company's policies. Among those already approved is the Policy on Transactions with Related Parties. Finally, it is highlighted that the possible conflicts are resolved based on the Company Conflicts of Interest Policy.
5.3.2 - The Management Board must approve and implement a policy on transactions with related parties, which includes, among other rules: (i) provision that, prior to the approval of specific transactions or guidelines for contracting transactions, the Management Board will ask the Board of Directors for market alternatives to the related party transaction in question, adjusted by the risk factors involved; (ii) prohibition of forms of remuneration for advisers, consultants or intermediaries that generate a conflict of interest with the company, the managers, the shareholders or classes of shareholders; (iii) prohibition on loans in favor of the controller and the managers; (iv) the assumptions of transactions with related parties that must be supported by independent appraisal reports, prepared without the participation of any party involved in the operation in question, whether it is bank, lawyer, specialized consulting firm, among others, based on realistic assumptions and information endorsed by third parties; (v) that corporate restructurings involving related parties must ensure equal treatment for all shareholders.	Yes	The Company has a Policy on Transactions with Related Parties approved by the Management Board and disclosed at CVM and on the Investor Relations Portal. Said policy does not directly or specifically address all topics and rules mentioned in the Brazilian Corporate Governance Code, but is strictly in line with the practices recommended in Technical Pronouncement 05 of the Accounting Pronouncements Committee and approved by the Securities and Exchange Commission, pursuant to Resolution No. 642/10. The policy addresses topics such as: (i) identification of Related Parties; (ii) criteria for transactions with related parties; (iii) types of prohibited transactions; (iv) approval of transactions with related parties; and (v) decisions involving related parties or other potential conflicts of interest. In this sense, the Company understands that its Policy on Transactions with Related Parties is in line with best market practices and covers the most relevant topics and applicable to the reality of the Company.
<b>Principle 5.4: "The trading of shares or other securities issued by the company itself by shareholders, managers, members of the Supervisory Board and other statutory bodies, and any persons with access to information must be guided by principles of transparency, equity and ethics"</b>		
5.4.1 The company must adopt, by resolution of the Management Board, a policy for trading securities issued by it, which, without prejudice to compliance with the rules established by CVM regulations, establish controls that enable the monitoring of the negotiations carried out, as well as the investigation and punishment of those responsible in case of non-compliance with the policy.	Yes	The Company has a "Policy for Disclosure of Material Act or Fact and Securities Trading" approved by the Management Board, in line with the terms of CVM Instruction 358, which establishes guidelines and procedures related to the disclosure of a material act or fact and the maintaining the confidentiality of information not yet disclosed, in addition to the rules that must be observed by Related Persons, in relation to negotiations involving Securities issued by the Company.
<b>Principle 5.5: "Management must ensure that managers and other employees understand, in a clear and objective manner, the principles and rules on contributions and donations of values or assets to philanthropic, cultural, social, environmental or to political activities"</b>		
5.5.1 In order to ensure greater transparency regarding the use of the company's resources, a policy on its voluntary contributions, including those related to political activities, must be developed, to be approved by the Management Board and carried out by the Board of Directors, containing clear principles and rules and goals.	Partially	The Company has a Sponsorship Policy approved by the Management Board, as well as the Code of Conduct of integrity, which regulates donations, sponsorships, receipt of gifts, among others. In addition, the Competency Policy, approved by the Management Board, provides that the Collegiate Management Board will decide on donations.
5.5.2 The policy should provide that the Management Board is the body responsible for approving all disbursements related to political activities.	No	The rules of the Brazilian electoral legislation are very clear, rigid and restrictive in relation to contributions or donations to political parties or people related to them, so there is no need for formal policy on the matter.
5.5.3 The policy on voluntary contributions by companies controlled by the State, or which have repeated and relevant commercial relations with the State, must prohibit contributions or donations to political parties or persons connected with them, even if permitted by law.	No	The rules of the Brazilian electoral legislation are very clear, rigid and restrictive in relation to contributions or donations to political parties or people related to them, so there is no need for formal policy on the matter.