



Third Party Assessment and Due Diligence Policy

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1. Introduction

In view of the values and beliefs adopted by Orizon Valorização de Resíduos S.A. ("Company") and the rules set forth in the Code of Ethics on Third Party Assessment, this policy provides definitions, assumptions and conduct to be adopted in the daily lives of our Employees and Third Parties.

The performance of activities within the scope of the Company, including its subsidiaries, is subject to compliance with the legislation in force, the rules and principles set out in the Code of Ethics and in this policy.

The Company is against any act of corruption, fraud, bribery and other illegal acts that violate applicable laws and has a zero tolerance policy for such acts. The Company reinforces that all forms of Corruption – even those that do not involve Government Officials are inadequate and inconsistent with the Company's values, being therefore absolutely prohibited. In this sense, non-compliance with this policy may lead to disciplinary measures for the Employees and Third Parties involved.

In case of doubts about the proper application of the guidelines contained in this policy, Employees should consult the Company's Compliance, Risks and Internal Controls Area through the available communication channels.

2. Definitions

When used herein, the terms defined below shall be interpreted according to the following definitions, irrespective of the gender used and whether used in plural or singular form:

Government Official

A Government Official, whether national or foreign, is any person who is part of the structure of any of the three branches of government who, although temporarily or without remuneration, plays a public role, holds a position or works in: (i) a position, job or public role, directly in the Government or even in a quasi-governmental entity or in legal entities controlled, directly or indirectly, by the Government or foreign State; (ii) a service provider hired or engaged to carry out typical government activities; (iii) a commission position or management or advisory role in a direct administration body, government-controlled company, public company or foundation instituted by the government; (iv) an official of international public or non-governmental organizations (World Bank, United Nations, International Monetary Fund, etc.); and (v) candidates for public political office and affiliated with political parties.

Government Authority

Every agency, department or entity of the direct or indirect administration or foundation of any of the Branches of Government at the Federal, State and Municipal levels, of the Federal District or any Territory, any company incorporated into the public property or an entity to whose creation or funding the public treasury contributed or contributes more than fifty percent of its equity or annual revenues, and any bodies,

state-run entities or diplomatic representations from any foreign country, as well as legal entities controlled, directly or indirectly, by the government of a foreign country or international public organizations, including sovereign funds or any entity whose ownership is a sovereign fund.

Giveaways

Items, with no commercial value or with a market value below R\$100.00 (or equivalent in the respective country), distributed complementarily, as advertising or usual promotion, which must contain the logo of the company or legal entity that granted the Giveaway to the Employee.

Employee

Employees hired under the Consolidation of Labor Laws (CLT) regime, including interns, outsourced workers, holders of positions of trust, officers and members of the Company's committees and boards.

Due Diligence

Risk assessment procedure – carried out prior to a contract, merger, acquisition, partnership, among other relevant legal relationships – which includes research and analysis of data from public and open sources in government, regulatory and media bodies, as well as the request and analysis of financial, accounting, social security, tax, labor, real estate and legal data of the future contractor.

Entertainment

Activity or event whose main purpose is to provide leisure and culture to its participants, such as parties, concerts, presentations or sporting events.

Intermediary

An individual or legal entity other than the intended end recipient of a certain Facilitation Payment or Undue Advantage or otherwise acting so as to conceal its final destination.

Politically Exposed Person

Government official or natural person who performs, or has performed, in the last five years, relevant positions, jobs or public functions, in Brazil or in foreign countries, territories and premises, as well as their representatives, family members and close Employees.

Third Party

An individual or legal entity who is not an Employee of the Company or who is not solely and fully hired by the Company, but who is engaged to assist in the performance of its activities, such as Intermediary agents, attorneys-in-fact, subcontractors, business partners, consortium members, representatives, suppliers, temporary consultants or agents acting on behalf of the Company, as well as shareholders.

3. Links

- Code of Ethics;
- Third Party Assessment Procedure;
- Law No. 12.846/13 – Anti-Corruption Law; and
- Dec. Law No. 11.129/2022 – Decree governing the Anti-Corruption Law;

4. Application

This policy applies to all Employees and Third Parties of the Company, regardless of the unit or location of operation.

5. Purpose

This policy aims to establish guidelines for evaluating potential suppliers, subcontractors, service providers and other Third Parties.

To understand the procedure linked to this Policy, see specific document – “Third-Party Assessment Procedure”.

6. Miscellaneous

Considering that the Company may be held objectively liable before the competent bodies, in case, for example, of harmful acts to the national or foreign Government, this policy will be constantly reinforced to avoid possible administrative, civil or even criminal sanctions.

It is everyone's duty to understand and practice the conduct that will be provided herein, seeking to remove and prevent any Corruption practices and other illegal acts (such as Bribery, Money Laundering and Fraud). Employees and Third Parties must observe the provisions of this policy in all their relationships, whether with public or private institutions.

In case of doubts about the proper application of the guidelines contained in this policy, Employees should consult the Company's Compliance, Risks and Internal Controls Area through the available Communication Channels.

7. Guidelines

7.1 General Aspects

All Third Parties, mainly those suppliers of common products or services that generally use adhesion contracts as their contractual standard or, else, that are regulated by Government Authorities – such as the Central Bank, Superintendence of Private Insurance, ANEEL, ANATEL – may be excluded from the evaluation procedure provided for in this policy. However, those wishing to relate and conduct transactions with the Company must undergo the Third-Party Assessment procedure and be duly approved.

7.2 Classification

To initiate a relationship with a Third Party, the responsible area must request the information and documents necessary for proper registration and analysis, as well as filling out the Diligence Form for Suppliers and Partners (“FORM-GCO-001”). The procedure and information to be requested are detailed in the Third-Party Assessment Procedure document.

For the purposes of applying this policy, Third Parties were divided into groups, according to the purpose and activities to be carried out for the fulfillment of any contract, in accordance with the following:

Low Risk Group

Third Parties will be classified as Low Risk if:

- They do not pose significant risks for the Company; and
- They do not have relevant warning signs, such as:
 - There is no negative media related to the Third Party; and
 - There are no relevant legal or administrative proceedings in progress related to the Third Party.

If classified as Low Risk, Third Parties can proceed immediately to the approval, registration and contracting stages.

For contracting with those classified as Low Risk, approval by the responsible manager of the demanding area is mandatory.

Due Diligence classified as Low Risk is valid for two (2) years and must be renewed in advance of its expiration by the responsible Due Diligence team, observing the term and validity of the contracts. If there is any change that may alter the Third Party's risk, Due Diligence may be carried out via demand to ascertain any new risks.

Medium Risk Group

Third parties will be classified as Medium Risk if:

- They pose significant risks for the Company, but some Compliance procedures have been implemented to help mitigate these risks; and

- They have relevant warning signs, such as:
 - Existence of environmental liability as a result of sanctions imposed by Government Agencies;
 - Existence of infractions imposed by the Judiciary and/or Government Agencies;
 - Third parties or partners involved in criminal proceedings that have not yet resulted in convictions by the Judiciary;
 - Existence of any discrediting publications or media to the detriment of the analyzed Third Party; and
 - Existence of ongoing relevant criminal or administrative proceedings.

If classified as Medium Risk, it is necessary to evaluate the identified warning signs to determine whether the Third Party can proceed to the approval, registration and contracting stages. If necessary, the responsible area that will assess the process may request clarification, for example, from the supplier.

In order to approve the engagement of a Third Party classified as Medium Risk, an opinion from the Compliance, Risks and Internal Controls Area is recommended, and the approval of the manager and director responsible for engagement is mandatory. In cases where the engagement is strategic for the Company, it is possible that approval is carried out by the Ethics Committee.

Due Diligence classified as Medium Risk is valid for two (2) years and must be renewed in advance of its expiration by the contracting team, subject to the duration and validity of the contracts. If there is any change that may alter the Third Party's risk, Due Diligence may be carried out via demand to ascertain any new risks.

High Risk Group

Third parties will be classified as High Risk if:

- They pose significant risks for the Company, and which are not capable of demonstrating the existence of implemented Compliance controls or that present problems whose nature may bring liability to the Company; and
- They have very relevant warning signs, such as:
 - The Third Party has direct or indirect interaction with any Government Authority, Government Official or Politically Exposed Person;
 - The company or partners are found guilty in criminal or administrative proceedings;
 - Existence of negative media related to misconduct in public office, corruption or inhumane practices;

- Existence of ongoing lawsuits (without conviction) related to environmental crimes, misconduct in public office, corruption, inhumane practices or that violate commitments entered into by the Company with civil society and control entities;
- The Third Party is enrolled in national restrictive lists, including, but not limited to, CEPIM, CEIS, CEAF, CNEP and the Slave Labor List; and
- A link is found with a PEP – Politically Exposed Person.

If classified as High Risk, it is necessary to evaluate the identified warning signs to determine whether the Third Party can proceed to the approval, registration and contracting stages. If necessary, the responsible area that will assess the process may request clarification, for example, from the Third Party.

In order to approve the engagement of a Third Party classified as High Risk, an opinion from the Compliance, Risks and Internal Controls Area is recommended and approval by two (2) executive officers is mandatory. In cases where the engagement is strategic for the Company, it is possible that approval is carried out by the Ethics Committee.

The Due Diligence classified as High Risk is valid for one (1) year and must be renewed in advance of its expiration by the contracting team, subject to the duration and effectiveness of the contracts. If there is any change that may alter the Third Party's risk, Due Diligence may be carried out via demand to ascertain any new risks.

Critical Risk Group

Third parties will be classified as Critical Risk if:

- They pose significant or critical risks for the Company, and which are not capable of demonstrating the existence of implemented Compliance controls or that present problems whose nature may bring liability to the Company; and
- They have very relevant or critical warning signs, such as:
 - The supplier or partners are found guilty in proceedings related to environmental crimes, misconduct in public office, corruption, inhumane practices or that violate commitments entered into by the Company with civil society and control entities;
 - Entry of the Third Party on national or international restrictive lists related to human rights violations, terrorism, money laundering and/or corruption; and
 - Link with a PEP convicted in cases that investigate misconduct in public office, corruption or other irregularities that threaten the government.

If classified as Critical Risk, it is necessary to evaluate the identified warning signs to determine whether the Third Party can proceed to the approval, registration and contracting stages. If necessary, the responsible area that will assess the process may request clarification, for example, from the Third Party.

Moreover, if classified as Critical Risk, there must be an assessment by the responsible area to verify if there are impeding factors, which are against the Company's values or current laws, and must consider these factors to decide on the continuity of the engagement process or its interruption.

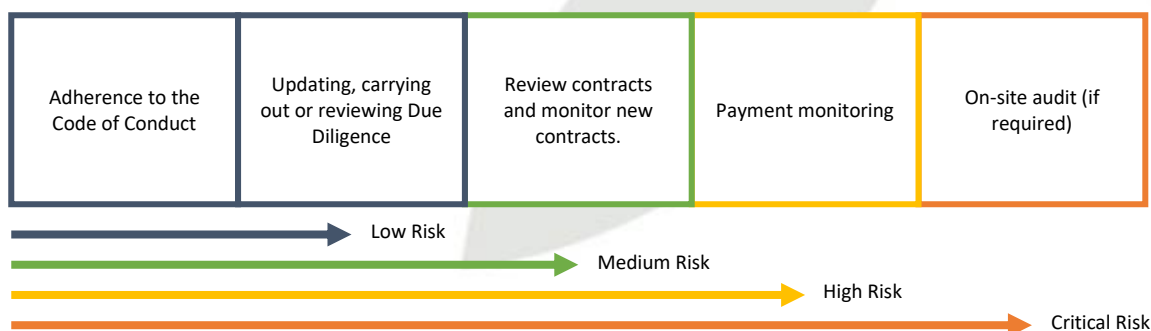
If it is essential to proceed with the engagement of a Third Party classified as Critical Risk, the demanding area, when applicable, must prove that the engagement is essential for the maintenance or continuity of the Company's operations, and must explain: (i) the actual need for engagement; (ii) reason for choosing that supplier; (iii) scope of engagement and service to be performed; (iv) method of compensation; and (v) contract term.

In order to approve the engagement of a Third Party classified as Critical Risk, an opinion from the Compliance, Risks and Internal Controls Area is recommended and approval by two (2) executive officers and by the Board of Executive Officers is mandatory. In cases where the engagement is strategic for the Company, it is possible that approval is carried out by the Ethics Committee. The engagement of this Third Party, classified as critical risk, must be supported by a statement of liability that must be signed by the Third Party committing to follow the Company's Policies and Code of Ethics.

The Due Diligence classified as Critical Risk is valid for one (1) year and must be renewed in advance of its expiration by the contracting team, subject to the duration and effectiveness of the contracts. If there is any change that may alter the Third Party's risk, Due Diligence may be carried out via demand to ascertain any new risks.

7.3 Monitoring

To mitigate possible risks and evaluate the process, there must be due monitoring by the Compliance, Risks and Internal Controls Area. The monitoring of Third Parties must be done in accordance with, but not limited to, the following procedures:



8. Due Diligence Reassessment

The risk ratings of Third Parties must be periodically reassessed, not exceeding the maximum period of validity and expiration of each registration. If the period set out in this Policy is not observed, the Third

Party may be inactivated and blocked from operations and transactions with the Company. The registration will only be reactivated after the renewal of the Due Diligence.

9. Emergency Contracts

In cases of emergency engagement, Employees must carry out the process of engagement of the Third Party in accordance with the procedures already established by the Company.

Emergency engagements should mostly be exceptional situations. If there is a need to carry out an emergency contract, if possible, the Third Party must go through the Due Diligence procedures established by the Company. If it is not possible to carry out the procedures immediately, that Third Party must be subsequently regularized within fifteen (15) days, observing the approval flow depending on the risk identified.

10. Outsourcing delegation of services

In cases of outsourcing delegation of services, the areas must carry out the engagement process in accordance with the procedures already established by the Company.

Outsourcing delegation should mostly be exceptional situations. If there is a need to carry out an outsourcing delegation, if necessary, the outsourcing delegation must go through the Due Diligence procedures established by the Company. The outsourcing delegation employee will be analyzed obligatorily, if comprising the presence of labor or with an amount greater than R\$20 thousand monthly. If it is not possible to carry out the procedures immediately, that outsourcing delegation employee must be subsequently regularized within fifteen (15) days, observing the approval flow depending on the risk identified. The demanding area must establish clear and precise contracts with the outsourcing delegation companies that detail the responsibilities, expectations, deadlines and costs, in addition to complying with the labor and tax laws in force.

11. Risks and Attention Points

There are some situations that should serve as a warning to the Company's Employees, namely:

- The Third Party lacks resources (such as manpower or physical facilities) or training to perform the services;
- Requests for commissions or "success fees" in atypical situations or for high amounts not consistent with the service provided;

- Attempting to avoid or prevent any of the steps in this policy, such as refusing to respond or imposing unnecessary delays in responding to the questionnaire or including an anti-corruption clause in the contract;
- Non-compliance with usual procedures for engaging suppliers;
- Request for payments in kind;
- The Third Party avoids written communications;
- There is reluctance to present a report on the activities carried out;
- The Third Party was appointed by Government Officials or Politically Exposed Persons;
- The Third Party has no references in the market; and
- The Third Party is, in some way, related to Government Officials or Politically Exposed Persons and is in a position to influence the decision-making of these individuals.

This list of risks is not exhaustive and merely serves to illustrate critical situations. If in doubt, contact the Compliance, Risks and Internal Controls Area for further clarification. If an occurrence takes place, report the situation to the Ethics Committee to receive additional guidance.

12. Miscellaneous

Everyone must respect, protect and promote the values and provisions established in this document. If in doubt, please contact the Compliance, Risks and Internal Controls Area.

The Policy will be reviewed every 2 years to take into account any internal and external changes or in a shorter time if there is a regulatory and market update that may change the provisions of this document. The approval of this Policy will observe the Company's approval flows and authority.

Update history

Date	Revision	Description	Drafting	Approval
02/20/2019	00	Policy Approval	Fernanda Tartaruga	Board of Directors
04/12/2023	01	Content update	Luiz Santos Fernanda Tartaruga	Board of Directors

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