

Conduct Guide for Eletrobras Suppliers

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Initial considerations

This guide applies to individuals and companies that have business relations with Eletrobras. Its purpose is to inform you of the standard that should be adopted for the procurement of materials, goods and services.

1. Our Expectations of Supplies

Eletrobras is committed to promoting sustainable development, as well as to disseminating ethical and integrity principles throughout its value chain.

Suppliers must be familiar with and comply with the [Eletrobras Code of Conduct](#) and [Eletrobras Policies](#), available on the company's website.

SUSTAINABLE DEVELOPMENT (HIGHLIGHT BOX)

Economic-financial, social and environmental balance in operations, without compromising the quality of life of future generations, generating value for all stakeholders.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The adoption of measures that contribute to the achievement of the SDGs of the 2030 Agenda of the United Nations (UN) should be sought.

Guidelines and rules of conduct for suppliers of goods and services

- Take actions to ensure that the rules in this guide are also respected in their own supply chains.
- Allow *due diligence* and other measures aimed at risk management and monitoring in ESG aspects.
- Faithfully comply with the payment of remuneration, benefits and payroll taxes and other labor obligations to its contractors, as well as establishing a good benefits policy for its employees, taking into account the practices observed in the subsequent items of this document.
- Take responsibility for damage caused by its employees, subcontractors or agents to property owned by Eletrobras or third parties working on Eletrobras premises.
- Submit employees, subcontractors and agents to Eletrobras' occupational health and safety (OHS) regulations, while on Eletrobras' premises or at other locations at their service.
- Make its employees aware of the contents of this Guide to Conduct, so that they are fully aware of the principles and commitments that guide it.
- Keep registration up to date.

2. ESG practices

WHAT IS ESG? (HIGHLIGHT BOX)

The term ESG and its concept were first proposed by the UN Global Compact's Who Cares Wins initiative in partnership with the World Bank in June 2004, as a way of focusing major investors and analysts on the materiality and interaction between environmental, social and governance issues.

ESG can be defined as a set of environmental, social and governance criteria to be considered when assessing risks, opportunities and their respective impacts, with the aim of guiding sustainable activities, businesses and investments.

Text taken from ESG Standard - ABNT PR 2030:2022

2.1 Governance

2.1.1 Compliance

- Know and observe the Eletrobras Code of Conduct and Compliance Policy, available on the company's website, and commit to following the company's rules of ethics, integrity and compliance during the relationship established.
- Immediately acknowledge whether they have or may have access to privileged information or advantages that could compromise the fairness or equality of the procurement process, and in this case refrain from participating.
- Allow for due diligence checks and measures to be carried out to supervise those contracted by Eletrobras, and undertake to keep the integrity information collected by the company or declared by the supplier at the time of contracting up to date.
- Offer quality products and services, not using or purchasing products of illegal origin.
- Be aware of and comply with national and foreign anti-corruption and anti-bribery legislation, and suppliers, their employees, agents and managers are prohibited from doing the following:
 - Offer, promise, authorize or make payment in cash or benefit in any form or value, directly or indirectly, to any person, with the purpose of influencing them to perform any act or decision in favor of Eletrobras or any other party
 - Induce any person to perform or fail to perform any act for the purpose of obtaining or contracting business, referring business to any person or securing an undue advantage for Eletrobras or any other party
 - Frustrate or defraud, by means of an arrangement, combination or any other expedient, the competitive nature of the contracting process with Eletrobras or create, in a fraudulent or irregular manner, a legal entity to enter into the contract

- Obtain undue advantage or benefit, fraudulently, from modifications or extensions of the contract, or manipulate or defraud the economic and financial balance of the contract
- Hinder the investigation or inspection activities of public bodies, entities or agents, or intervene in their activities, including within the scope of regulatory agencies and national financial system inspection bodies.

The commission of any act of fraud, corruption and embezzlement may result in the following measures: **(HIGHLIGHT BOX)**

- (I) Unilateral contract termination
- (II) Suspension of the supplier's registration
- (III) Communication to the competent authorities

2.1.2. Privacy and Processing of Personal Data

- To process personal data only for legitimate purposes, compatible with the purpose for which it was collected, observing the legal hypotheses, and limited to those strictly necessary for the execution of the processes and activities under the guidance of Eletrobras.
- Adopt technical and administrative measures to protect personal data against loss and undue destruction, unauthorized access, misuse, alteration or disclosure.
- Not to disclose or share personal data outside of the legally prescribed cases
- Violations of personal data and non-compliance with privacy and data protection that are known to suppliers, third parties and other companies working for Eletrobras must be reported immediately to a person responsible at Eletrobras or to the service channels provided internally.

2.1.3 Information Security Risk Analysis and Monitoring (SI)

- Eletrobras reserves the right to carry out security and privacy assessments for all suppliers who in any way handle personal information and data within the scope of the services or products provided.
- Supplier evaluations will be carried out using market tools that assess risks and score security maturity.
- Suppliers must complete security and privacy assessment questionnaires. A review will be carried out to highlight potential risks and suppliers must mitigate these risks before starting any work with Eletrobras.
- The supplier that fails to reach a minimum level of security and privacy assessment will be notified and receive a report on the problems found.
- Suppliers, third parties and other companies working for Eletrobras must have:
 - (I) IS management with the main security processes implemented in your environment, on devices and equipment

- (II) Patch management in its environment, keeping servers and devices up to date, especially in the case of access to Eletrobras' logical environment
 - (III) Process for managing security incidents and, in the event of a serious incident, report it immediately to Eletrobras
 - (IV) Robust access control for your employees, with at least dual or multi-factor authentication in the environment
- Suppliers' devices to be connected to the Eletrobras network must have:
 - (I) Operating system updated to its latest version
 - (II) Periodic automatic update mechanisms configured and in place
 - (III) EDR installed and updated to its latest version

2.2 Social

2.2.1 Human Rights Practices

- Respect and promote internationally recognized human rights, in accordance with the Universal Declaration of Human Rights, the treaties of the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights and other applicable legislation.
- Identify potential risks of human rights violations related to its activities and remedy any impacts caused.
- To not use slave labor, forced labor or involuntary prisoner labor in its processes or production chain.
- To not employ minors under the age of 18 for night work, dangerous or unhealthy work; minors under the age of 16 for any work, except as an apprentice, starting at the age of 14.
- To not engage in or support human trafficking in its processes and/or production chain.
- To not allow the sexual exploitation of children and adolescents in their processes and/or in their production chain.
- Ensure decent conditions for workers, including subcontractors, regarding workplace, transportation, accommodation, food, hygiene and other related matters.
- Ensuring employees' freedom of professional or trade union association and compliance with the rules governing collective bargaining, as well as employee accessibility and equal opportunities.
- Respecting and valuing diversity, guaranteeing equal treatment and not allowing discrimination based on color/race, ethnicity, marital status, physical and cognitive condition, age, religion, gender/sex, social class, union activity or any other kind, repudiating any kind of prejudice.
- Provide jobs for rehabilitated Social Security beneficiaries or people with disabilities, in accordance with current legislation, when applicable, in contracts with Eletrobras
- Eliminate all forms of threats, coercion and physical, verbal or psychological violence, making clear the prohibition of moral and sexual

harassment.

- Ensuring compliance with labor laws on working hours. The normal working week should be as defined by law. Employees must be guaranteed at least one day off every seven days. The cases of working hours on call or on swing shift must be defined in accordance with specific legislation.
- Comply with the provisions of the law and/or collective bargaining agreement and ensure remuneration that allows for a decent standard of living and a dignified manner of life.
- Observe collective agreements and conventions when granting benefits.
- Offer food allowances to outsourced employees, setting minimum amounts based on the market. Offer transportation vouchers in accordance with legislation, taking into account home/work and work/home commuting.
- Offer health and dental insurance in accordance with ANS regulations, covering hospitalization, consultations, exams and procedures related to accidents at work and occupational health.
- Ensure that no deductions are made from wages for disciplinary reasons, and that the composition of wages and benefits is clear and regularly informed to workers.
- Guarantee the rights of traditional communities, such as indigenous, quilombola and riverside communities.
- Guarantee the rights of migrant workers.
- Guarantee respect for human rights by private security agents.
- Define and monitor, whenever possible, guidelines related to human rights for its suppliers.

2.2.2 Labor and occupational health and safety practices (OHS)

Eletrobras expects suppliers, as well as their subcontractors, to incorporate the following practices into their activities:

Commitment to Occupational Health and Safety:

- Fostering an organizational culture based on the prevention of accidents and occupational illnesses.
- Complying with the Regulatory Standards defined by the Ministry of Labor and Employment, as well as other legal and contractual requirements and the Commitments for Eletrobras Life.

- Ensuring the management and legal compliance of subcontractors with labor, occupational health and safety requirements.
- Guaranteeing the exercise of the right to refuse in the event of unsafe conditions for carrying out activities involving serious and imminent risk.

Risk management;

- Identifying, analyzing, mitigating and monitoring health and safety risks, continually reassessing them in the event of changes in working conditions.
- Preparing executive planning and preliminary risk analysis before activities begin.
- Issuing special work permits, covering critical activities with own employees and subcontractors, where applicable.

PEOPLE MANAGEMENT

- Ensure that all employees and subcontractors undergo a medical assessment and are formally fit to perform their duties.
- Integrate employees and subcontractors with Eletrobras' risks and controls with a focus on Occupational Health and Safety
- Carry out specific training prior to the start of activities, in accordance with applicable legislation.
- Allow only qualified and capable people to carry out critical activities.

Personal and collective protective equipment, uniforms and tools:

- Select and provide uniforms and PPE according to the risk identified.
- Keep a record of PPE deliveries and ensure proper use by employees and subcontractors.
- Provide appropriate tools for each activity carried out.
- Carrying out periodic inspections of tools, PPEs and EPCs to ensure their condition and safety before use, as well as checking that they are used correctly during activities.

Facilities, Vehicles and Equipment:

- Ensure safe, clean and organized environments, in compliance with Occupational Health and Safety regulations.
- Carry out periodic inspections on vehicles and equipment to ensure operational safety.
- Periodically assess the performance of drivers and operators, promoting improvements as necessary.
- Halt activities and immediately notify the Eletrobras person in charge if any abnormalities are identified in installations, vehicles and equipment.

Attending to the injured:

- Know and comply with the Eletrobras procedures applicable in the event of emergencies and work-related accidents.
- Develop an Emergency Response Procedure (ERP), where applicable.
- Provide first aid equipment and training.

Health and safety indicators and accident reporting:

- Control and provide Occupational Health and Safety indicators, minimally in accordance with current legislation.
- Immediately notify Eletrobras of any health and safety incident, seeking to prioritize a rapid report.
- Carry out and participate in incident investigations (accidents, near misses and deviations), reporting on the causes identified and proposing preventive or corrective measures to avoid similar recurrences.

Supervision, inspections and audits:

- Commit to inspections and audits carried out by Eletrobras.
- Present and keep supporting documents and records requested by the inspection body.
- Carry out inspections and keep the appropriate records, with a view to legal and contractual compliance with occupational health and safety requirements, covering both own activities and those of subcontractors.

2.3 Environment

- Acting in compliance with current environmental legislation, keeping all the environmental licenses, permits and registrations required for its activities duly updated.
- Promote the efficient and rational use of natural resources in its activities, minimizing impacts on the environment and local communities.
- Identify and take measures to reduce and/or eliminate emissions of greenhouse gases, atmospheric pollutants and Montreal Protocol gases, drawing up and disclosing the emissions inventory, where applicable
- Prioritize the use of recycled, recyclable goods and materials with lower environmental impact, based on life cycle analysis.
- Adopt measures to reduce consumption, including electricity, and prioritize the use of renewable energy whenever possible.
- Develop life cycle studies, including studies of water and carbon footprint, of their products, processes, systems or functions, in order to identify their

environmental impacts, from the extraction of the natural resource, processing for transformation into a product, transportation, consumption/use, reuse, recycling, to final disposal.

- Properly manage (identify, segregate and dispose of) its waste, in compliance with legal requirements, and promote initiatives aimed at reducing or eliminating it at source, through practices such as modifying production processes, maintenance and the facilities used, including the replacement, conservation, recycling or reuse of materials.
- Store and properly dispose of the waste generated, and keep proof of the correct final destination, observing the current legislation. Where applicable, draw up and keep up to date the Solid Waste Management Plan (PGRS) for its activities.
- Identify and control all substances that may pose a risk in the event of release into the environment, ensuring that they are handled, transported, stored, used, recycled, reused and disposed of safely, observing labeling for recycling and disposal and complying with applicable legislation.
- Adopt practices for the reduction or elimination of toxic, radioactive and polluting products, giving them an appropriate final destination in order to minimize impacts on the environment.
- Assess the impacts and dependencies of the business in relation to biodiversity, where applicable, with a view to reducing biodiversity loss and contributing to the conservation of land, fauna and flora.
- Only use wood and/or its by-products with forest certification and present the relevant documentation when requested, in order to help reduce illegal deforestation.
- Encouraging educational activities related to environmental issues for its employees and suppliers.
- Encourage the definition of environmental guidelines for its suppliers, considering environmental aspects in the value chain and in the partnerships entered into.

3. How Eletrobras Hires

The acquisition process at Eletrobras aims to achieve the best technical and economic results, while maintaining high ethical and integrity standards. Priority is given to simplifying procedures and economies of scale, without compromising the efficiency of operations. Sustainability is a central commitment in all phases of contracting. Interested suppliers must follow the guidelines of the Code of Conduct and this Guide to Conduct for Suppliers.

To take part in the contracting process, suppliers must be registered in Eletrobras' integrated system and in the relevant material or service class. Depending on the complexity of the process, additional documents may be requested to assess the technical, financial and legal capacity of suppliers.

During the selection process, criteria such as technical qualifications, previous performance and market relevance are taken into account. The technical and commercial analysis is conducted rigorously to ensure equal competition. Failure to comply with the conditions laid down may result in the suspension of registration and a ban on new contracts

4. Registration

Registration is the prior registration of suppliers in the company's integrated management system. It is the first stage of the supplier selection process, in which the criteria of legal, technical, economic and financial qualifications, human rights, integrity, environment and OHS are analyzed.

The conditions for registering suppliers with Eletrobras companies are available on the [Espaço do Fornecedor portal](#), to any natural or legal person in Brazil, regardless of where they are domiciled or headquartered, as long as they fully comply with the established conditions, by submitting and analyzing the information and documentation requested.

In order to participate in Eletrobras' contracting processes, suppliers must register. It is the supplier's responsibility to keep their registration up to date at all times.

5. Management and monitoring

Eletrobras understands that it is essential to know, manage, and monitor all the elements able to impact its supply chain. The applicable measures, in case of identified non-compliance, are set out in the contractual instrument, which the supplier has access to before entering into the contract, in good time to enable analysis, negotiation and preparation of the proposal.

5.1 Criticality matrix

Criticality matrix is the systemic tool adopted to identify and rank critical suppliers in relation to risks that may impact supply chain management.

For Eletrobras, a critical supplier is one that:

- Provides essential inputs or services for the company's core business;
- Is unique or exclusive;
- Can directly impact the final quality of products and services;

- Has access to critical information or process;
- Is contracted for large sums;
- Demonstrates high probability for risks and negative impacts related to human rights, occupational health and safety and the environment
- It is classified as a high risk to corporate integrity
- It is classified as a high risk for information security

Critical supplier identification process

Analysis of the criteria listed above, which have predefined scores and weights in the tool called the Criticality Matrix. All contracted suppliers are included in the Criticality Matrix. After processing, a classification (high, medium and low) is automatically generated with the score obtained by adding up the criteria.

5.2 Supplier performance evaluation

Systemic process that aims to monitor and record the performance of suppliers in the execution of contracts. Suppliers are assessed in two categories: material supply and service provision.

5.2.1 Criteria assessed in material delivery

Packaging standards

Visually check whether the packaging is in accordance with the contract or damaged.

Product specification

Check that the product received is in accordance with the specification.

Product integrity

Visually check that the product is not damaged or defective.

Deadlines

Verify compliance with deadlines as set out in the contract, noting the relevance of any delay compared to compliance with the contract as a whole.

PERCENTAGE OF DELAY IN RELATION TO THE TOTAL DEADLINE	CONCEPT
0 days (on time)	Great
Up to 5%	Good
Above 5% up to 10%	Acceptable
Above 10% up to 15%	Bad
Above 15%	Terrible

Quantity

Quantity compliance: Verify that the quantities delivered are in accordance with the contract, noting the relevance compared to the fulfillment of the contract as a whole.

PERCENTAGE OF NON-COMPLIANCE IN RELATION TO TOTAL QUANTITY	CONCEPT
According to the contract	Great
Up to 5%	Good
Above 5% up to 10%	Acceptable
Above 10% up to 15%	Bad
Above 15%	Terrible

5.2.2 Criteria assessed in service provision

Compliance with deadlines:

Consider compliance with contractual deadlines, noting the relevance of the delay compared to compliance with the contract as a whole.

Technical Specification

Assess whether the service has been carried out in accordance with the contract.

Contractual clauses

Assess whether the contractual clauses have been complied with normally.

Quality of service

Assess whether the service was satisfactory and of high quality.

Personal relationships

Assess whether the personal relationship of the representatives of the contracted company has at any time hindered the progress of the service.

Work safety

Assess personal safety during the execution of the service; whether the requirements for occupational safety have been met in accordance with the contract.

The concept obtained in each criterion can be:

- 5 - Great
- 4 - Good
- 3 - Acceptable
- 2 - Bad
- 1 - Terrible

5.3 Due diligence

Due diligence is a systemic process of periodic monitoring of suppliers contracted by Eletrobras companies, with the aim of

verifying that our suppliers' practices are in line with the company's sustainability and integrity principles and guidelines.

The purpose of the process is to prevent and mitigate risks, identify improvement needs and inform decision-making.

The company may adopt the following procedures with its suppliers:

- Completion of a virtual form;
- Interview with supplier (by prior appointment);
- Background checks on available reliable sources;
- Verify authenticity of documents and information provided in available reliable sources;
- Technical visit (due diligence) at the locations where the contracted services are performed or at the supplier's premises (by prior appointment).

The supplier, as established in the contract, may be required to complete due diligence forms that may relate to integrity, human rights, the environment or other aspects of governance. Further procedures will be adopted only if the need to obtain more information or evidence on the information provided is identified.

6. RELATIONSHIP CHANNELS

Eletrobras provides all interested parties with appropriate communication channels, depending on the type of complaint:

Contact Us - Receives various requests.

Supplier Relations - direct contact with Eletrobras suppliers.
relacionamento.fornecedores@eletrobras.com

Ombudsman's Office - a specific and centralized channel for receiving various complaints concerning Eletrobras' relationship with its suppliers, employees, contractors or any other interested party. These can be classified as requests, complaints, suggestions and compliments.
<https://www.eletrobras.com/canaldeouvidoria>

Complaints - a specific, centralized channel for receiving reports of unethical conduct and/or violations of current legislation. To find out more or file a complaint, which can be anonymous or identified, [go here](#).

If you choose to identify yourself, the confidentiality of your identity is guaranteed. Those who use this channel are guaranteed total secrecy, confidentiality and institutional protection.

Final considerations

Eletrobras' suppliers will have specific clauses in their contracts, terms or agreements, depending on the business carried out, in which they undertake to respect, comply with and enforce, where applicable, this Conduct Guide for Suppliers, the Eletrobras Code of Conduct, the Compliance Policy and Eletrobras' policies. They should also take action to ensure that the guidelines in the documents are respected in their own supply chains.

This Guide is valid indefinitely, however, Eletrobras undertakes to submit its content and practices to periodic evaluation and review processes, within timeframes to be defined during the process of its dissemination.

Failure to comply with any of the ethical principles or commitments of conduct expressed in this Guide may result in the adoption of disciplinary measures, of an educational nature, without prejudice to the adoption of administrative and/or judicial measures, in addition to contractual and/or legal infractions.

All normative documents cited in this code are available at this [link](#).

Eletrobras Supplier Management.