2019 SUSTAINABILITY REPORT

SUSTAINABLE GROWTH: CONNECTING PEOPLE, CULTURE AND BUSINESS

Algar Telecom

Policies, Regiments and Codes

GRI 102-12, 419-1

We monitor laws and regulations relating to our business to ensure that we comply with them. We have the support of an external consultant, who follows the Brazilian law, pertinent to the sector and giving us information and updates on standards and laws.

In the regulatory scenario, Law 13,879, of October 3, 2019, resulting from PLC (Complementary Bill) 79/2016, changed the provisions of the General Telecommunications Law and proposed a new legal framework that, in general, has the purpose to promote the creation of an environment that attracts and leverages investments, technological updates and expanded access to broadband networks. Anatel is expected to regulate the provisions of this law, so that its effects are captured before the end of the landline concessions, in December 2025.

Our policies and procedures comply with the Anticorruption Law (12,846/2013), the Bidding Law (8,666/1993), the Auction Law (10,520/2002) and the Differentiated Public Procurement Regime Law (12,462/2011), among others.

For an effective, transparent assessment of our internal controls and compliance with regulations, standards and internal and external policies, our Internal Audit department is responsible for defining an annual plan, based on the risks of the business, obtaining the approval of the plan from the Board of Directors, auditing each process and, in cases of non-compliance, recommending and monitoring action plans. To supplement this, the External Auditors examine the financial statements, our systems and transaction records, standards of information and accounting and tax compliance, to ensure that they are in line with the law and with Brazilian and international accounting standards. Both audit teams are autonomous and independent, and report to the Board of Directors through the Audit and Risk Management Committee. In 2019, we did not receive significant fines or penalties due to non-compliance with laws and regulations.