

GOVERNANCE

Report 2024

Brascabos
Componentes Elétricos e Eletrônicos Ltda.



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“Our commitment to sustainability strengthens our long-term vision, which we are building with integrity, transparency, and dedication.”

Glauber Marçal Rizzi

CEO Brascabos Componentes Elétricos e Eletrônicos LTDA



“This report reflects our ongoing commitment to building a strong and sustainable company, guided by the core pillars of sound governance: transparency, fairness, corporate responsibility, and accountability. Grounded in clear rules, purpose, values, and principles that define our identity, we continuously strengthen our culture and governance practices. We remain committed to aligning interests ethically and responsibly, thereby reinforcing Brascabos’s long-term sustainability.”

Daniel Defina

CFO Brascabos Componentes Elétricos e Eletrônicos LTDA





Message from Management

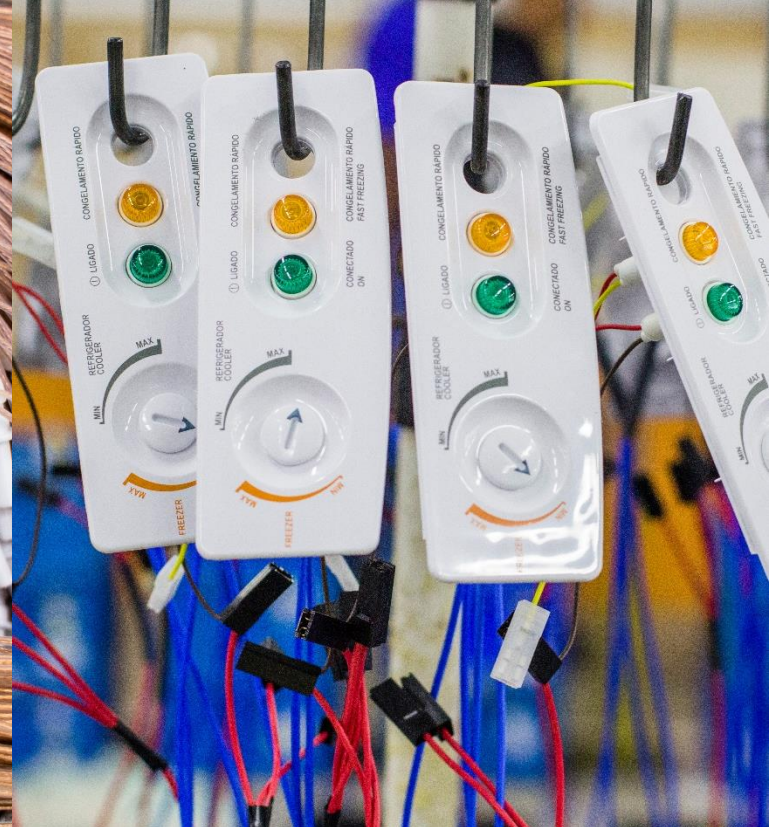
Brascabos Componentes Elétricos e Eletrônicos Ltda. grounds its operations on core values that define its identity: **Ethics, Integrity, Respect, Teamwork, and Diversity with Inclusion**. These principles guide our work and reinforce our commitment to **excellence, transparency, and sustainability**.

In this Governance Report, we reaffirm our dedication to responsible practices that shape how Brascabos operates, ensuring our actions are rooted in integrity and sustainability.

Our mission – **“Brascabos creates better connections”** – is deeply linked to rigorous control, compliance, and the trust we build into every process and project. We believe that by upholding these pillars, we can deliver innovative and lasting solutions.

With the vision of building a bigger and better Brascabos, we constantly strive to strengthen our reputation for quality, excellence, and integrity. These values guide our decisions and actions, aligned with the highest standards of governance.

We are confident that, with the dedication of our team and the support of our partners, we will continue to overcome challenges and build a lasting legacy, always committed to creating a more sustainable and promising future.



1. Governance Structure

The Brazilian financial market is regulated by the Securities and Exchange Commission of Brazil (CVM, acronym in Portuguese), an independent administrative authority responsible for overseeing, regulating, enforcing, and fostering the development of the securities market in Brazil. Although Brascabos Componentes Eléctricos e Eletrônicos Ltda. is not a company regulated by the CVM, we recognize the importance of strong governance practices to ensure the company's sustainability and long-term continuity.



Brascabos stands out as a leader in the electrical components segment in Brazil and is fully committed to the ongoing pursuit of continuous improvement in its processes. This relentless drive for excellence is fueled by **collaboration with top-tier market partners, including “Big Four” independent auditors, consultants specialized in corporate challenges,** and renowned law firms that provide reliable legal solutions and strategic support.

Brascabos operates in two business areas – Home Appliance and Mobility – supported by a strong team of specialized professionals. These leaders drive this multinational company forward, bringing extensive expertise and proven market experience.

Our corporate governance is guided by principles that shape our actions, fostering an internal environment of **trust and ensuring strong relationships with third parties. The financial statements are prepared in accordance with Brazilian accounting practices and the International Financial Reporting Standards (IFRS)** issued by the International Accounting Standards Board (IASB). These accounting practices also comply with Brazilian corporate law regulations, as well as the pronouncements, guidelines, and technical interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Federal Accounting Council (CFC).



Through these initiatives, Brascabos reinforces its commitment to operational excellence, transparency, and corporate responsibility, strengthening its position as a leading and trusted company in the Brazilian Home Appliance market.

Market leader and managed by business unit.

Independent audits conducted by a Big Four firm for more than ten years.

Commitment to operational excellence, ethics, and transparency.



**“Strategic decisions guided
by ethics and expertise.”**

1.1 Corporate Structure / Organizational Chart

Our corporate structure is presented in the organizational chart below.

Executive Board



Ronald Lau
Chairman



Ernest Kan
Executive Director



**Glauber
Marçal Rizzi**
Officer



Daniel Defina
Officer



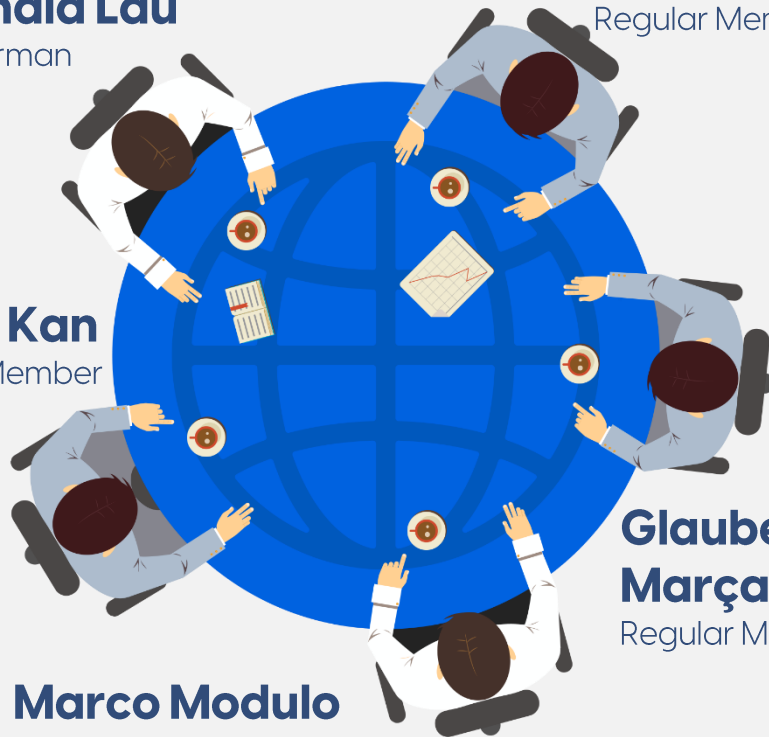
Marco Modulo
Officer

BOARD OF DIRECTORS AND GOVERNANCE

Ronald Lau
Chairman

Daniel Defina
Regular Member

Ernest Kan
Regular Member



Glauber Marçal Rizzi
Regular Member

Marco Modulo
Regular Member

SHAREHOLDING STRUCTURE



Brascabos Componentes Elétricos e Eletrônicos

ADVISORY COMMITTEES



Fiscal Committee



Audit Committee



Procurement Committee

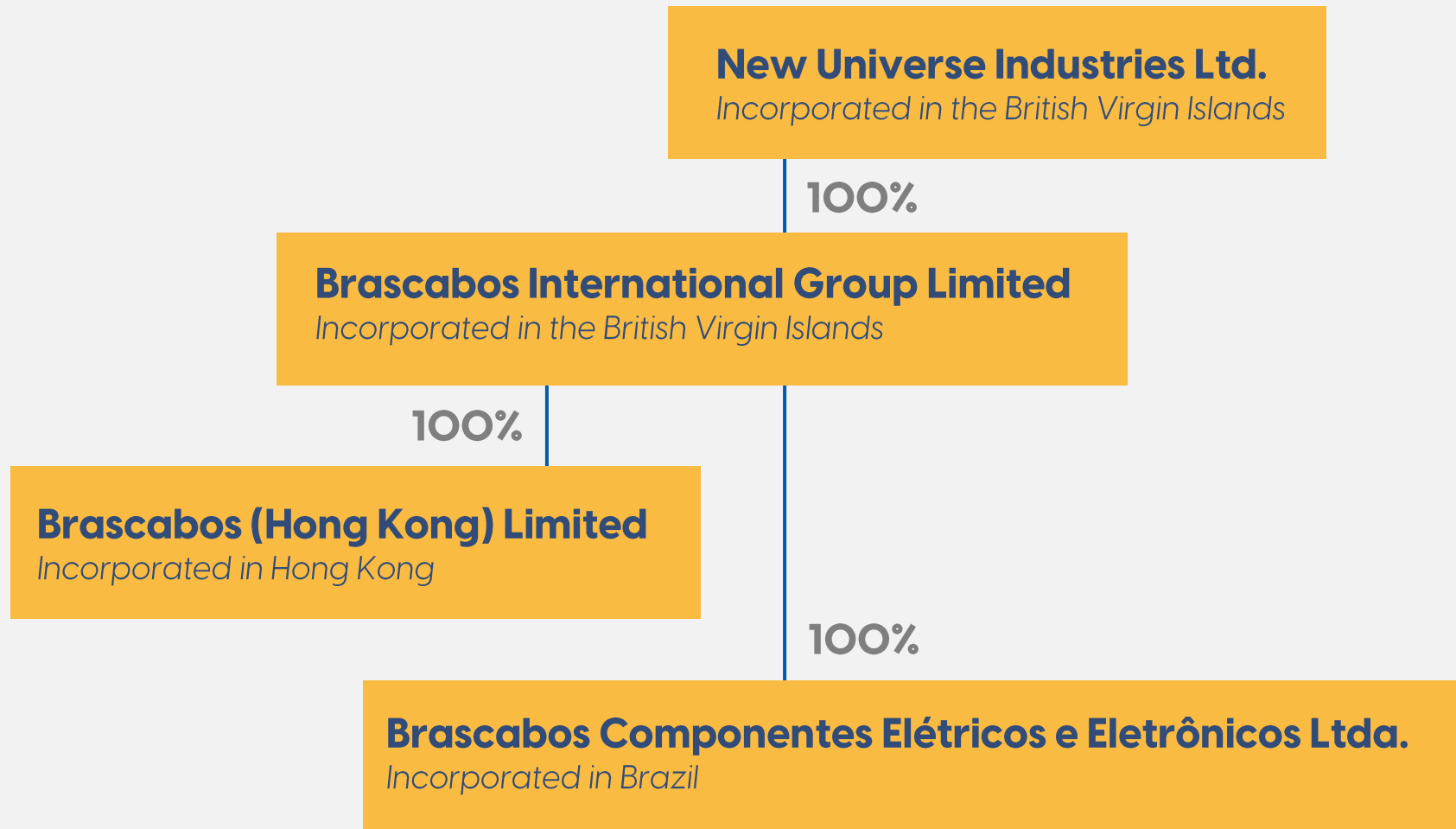


Innovation Committee



Labor Risk Committee

1.2 Brascabos Structure



1.3 Board of Directors



The Board of Directors is responsible for ensuring a sound capital structure and making strategic decisions. Board members have a significant impact not only on shareholders but also on employees, suppliers, consumers, the community, and the environment.

At Brascabos, board members are selected for their experience and expertise in their respective fields, as well as for their values and integrity, which align with the company's organizational culture. This means that, in addition to their technical skills, they share the same ethical principles and commitment to excellence that guide the entire organization. The Board currently has five members, three of whom are actively involved in operations: Glauber Marçal (CEO), Daniel Defina (CFO) and Marco Modulo (Human Resources Manager).

1.3 Board of Directors

This alignment between the Board's values and Brascabos's culture is essential to the company's success. It ensures that the Board's decisions are consistent with the interests of all stakeholders, fostering transparency, accountability, and sustainability across the company's operations.

In this way, Brascabos's Board of Directors plays a vital role not only in driving the company's business but also in promoting a strong corporate culture and shared values that support long-term growth and prosperity.

Commitment to promoting Sustainability.

Three members are integrated into the company's operations, and two act independently.

Approval of the financial statements for each fiscal year.

Emphasis on ensuring strong Governance.

Involvement in all strategic decisions.



“Formal commitment to integrity and transparency.”

1.4 Executive Board

The Brascabos Executive Directors consists of three elected directors, as established in the minutes of the Ordinary Shareholders’ Meeting. The term of office for the directors is one year, as stipulated in the same minutes, lasting until the date of the Annual Shareholders’ Meeting, which will review the directors’ accounts, the company’s Financial Statements, and economic results. Re-election is permitted based on the shareholders’ decision.

Board members assume their positions by signing an oath of office, which includes a declaration to fulfill the duties inherent to the role in accordance with the law and the company’s bylaws, as well as a statement confirming they are not legally barred from holding such a position.

1.4 Executive Board

It is the Board of Directors' responsibility to follow best practices for the regular operation of the organization and management of the company's business, ensuring the company's ethical values and objectives are upheld in accordance with its legal duties, as set forth in the bylaws, the Board of Directors, and internal corporate policies. This approach guarantees integrity, transparency, and efficiency in managing the company's affairs, fostering trust among shareholders, employees, and other stakeholders.

Market executive directors with terms renewed annually.

Responsible for the company's executive and operational decisions.

Ensure the effective implementation of decisions made by the Board.

Ensure governance and alignment of organizational strategies.

1.5 2024 Organizational Chart

Currently, Brascabos has a management structure composed of nine managers responsible for various strategic areas of the company. This team plays a key role in driving operations and aligning with organizational guidelines, ensuring the achievement of objectives and fostering a culture of excellence and innovation.



Brascabos

Organization Chart



Chairman

Officer

Manager

Time of experience at Brascabos



1.6 Advisory Committees

The committees at Brascabos play an essential role in the company's management and in strengthening its corporate governance culture. Below are their main responsibilities:

Committee	Purpose	Items Discussed
 Fiscal Committee	Ensure integrity and prevent tax contingencies.	Review of direct and indirect taxes, identifying errors and tax opportunities.
 Audit Committee	Ensure transparency, financial reliability, and audit integrity.	Review of account balances, presentation of post-audit accounts, and closing events.
 Procurement Committee	Approve and verify cost savings and compliance in procurement.	Evaluation of justifications, prioritization, exceptions, risks, and economic benefits.
 Innovation Committee	Promote initiatives aligned with the strategy.	Discuss innovation through the evaluation of proposals, prioritization, and strategy definition.
 Labor Risk Committee	Ensure legal compliance and appropriate working conditions.	Management of labor-related lawsuits and risk mitigation.



“Ensuring compliance, preventing risks, and strengthening Brascabos’ culture are the priorities of this committee.”

- Everton Souza, Committee Leader

Fiscal Committee

The Fiscal Committee serves as a pillar of transparency, integrity, and control within organizations. Its primary role is to ensure compliance with legal and statutory duties, making certain that corporate decisions align with the interests of shareholders and other stakeholders – a significant challenge in a complex regulatory environment such as Brazil.

The Committee’s work contributes to transparency, risk prevention, identification of inefficiencies, and fraud prevention, while also fostering an ethical and responsible organizational culture. As such, it becomes a strategic element for the company’s reputation and sustainability. Strengthening its role enhances governance as a competitive differentiator and ensures greater credibility in corporate practices.



“Strengthening this committee is strengthening the confidence of investors and other stakeholders, supporting the business’s long-term sustainability.”

- Daniel Defina, Committee Leader

Audit Committee

The Audit Committee plays a strategic role in corporate governance by promoting the integrity of financial statements and the effectiveness of internal controls. It oversees the external audit processes, ensuring a robust, transparent control environment aligned with best practices.

By mitigating risks and ensuring the reliability of information used for decision-making, the committee strengthens management’s credibility and the integrity of results.

Its importance is underscored by the fact that we are audited by one of the Big Four firms, reinforcing our commitment to high governance standards.



“It is a strategic pillar of corporate governance, promoting transparency, integrity, and accountability in every decision.”

- Luciano Vassoler, Committee Leader

Procurement Committee

The Procurement Committee makes a significant contribution to strengthening corporate governance by ensuring transparency and technical rigor in the selection and prioritization of suppliers. Its analyses guide responsible decisions aligned with the organization’s strategic objectives, with a focus on risk mitigation and value creation.

In addition, the committee reinforces compliance and drives efficiency in procurement processes, promoting sustainable, ethical, and performance-oriented practices.



“It reflects Brascabos’s commitment to sustainable growth, operational excellence, and the continuous creation of value for its stakeholders.”

- Everton Denardi, Committee Leader

Innovation Committee

The Innovation Committee plays a strategic role in corporate governance by fostering a culture of continuous transformation and driving solutions that create business value. It also ensures that resource allocation is aligned with the company’s strategy, financial sustainability, and long-term vision.

With a multidisciplinary approach, the committee evaluates trends, technological opportunities, and initiatives that strengthen competitiveness and market differentiation.

In a structured and technical manner, the committee analyzes risks, feasibility, and the potential impact of proposals, promoting consistent, sustainable innovation that delivers meaningful results for the business.



“Ensure legal compliance, mitigate risks, and promote a safe and sustainable environment aligned with best governance practices.”

- Marco Modulo, Committee Leader

Labor Risk Committee

As Brascabos is a labor-intensive company, it is natural that analyzing and mitigating labor risks is an important part of its management.

The Labor Risk Committee reinforces Brascabos’s commitment to risk mitigation, compliance with legal obligations, and the promotion of a safe, ethical, and sustainable work environment. Its work aligns with best practices in corporate governance and directly contributes to the company’s institutional strength and strategic objectives. The goal is to protect the company from labor liabilities and improve working conditions.



2. Integrity Program, Compliance, Policies and Code of Ethics and Behavior

Brascabos is committed to maintaining transparency and adhering to market best practices. For this reason, the company remains vigilant in acting with integrity across its various relationships with suppliers, partners, employees, and shareholders. In line with this commitment, Brascabos has implemented a series of compliance and risk management policies aimed at improving processes as a whole and enhancing the level of corporate governance.

Integrity Program, Compliance, Policies and Code of Ethics and Behavior

The need to implement new policies emerged from a risk mapping project and the review of existing policies. Among the established policies are the Anti-Corruption Policy and compliance with the General Data Protection Law (LGPD acronym in Portuguese).

Our scope of work includes the implementation and dissemination of the Code of Ethics and Conduct, a key document that sets forth guidelines and principles for responsible business conduct. It functions as an internal standard, aligning the organization's ethical values and strategic objectives while emphasizing applicable laws and regulations. This tool is essential for the effectiveness of the integrity program and plays a critical role in mitigating potential risks. By formalizing values, objectives, and standards of behavior, it contributes to the creation of a more harmonious work environment. The Code provides guidance on the company's expectations regarding the behavior of employees, subcontractors, and representatives. New employees receive a digital link with access to internal regulations one day prior to their first day. On their first day of work, they are also provided with a printed copy of the Code, ensuring convenient and ongoing access to key standards and information.

The Code of Conduct is also publicly available on the company's website:
<https://www.brascabos.com.br/codigo.html>

Brascabos also offers a structured onboarding process designed to familiarize new employees with the company. This process includes an introduction to the company's values, an institutional video about Brascabos' history, guidance on appropriate workplace attire, and an overview of the Code of Conduct. After reviewing this material, new employees complete a questionnaire to confirm their understanding and alignment with the organizational culture. Additionally, before beginning their duties, new hires participate in targeted training sessions on company benefits and occupational safety, ensuring a comprehensive and secure integration.

To reinforce compliance best practices, Brascabos maintains a whistleblowing channel where concerns or suspicions of irregularities can be reported confidentially.



In June 2024, an internal marketing campaign was launched with a primary focus on promoting and embedding our core values – Ethics, Integrity, Respect, Teamwork, and Diversity & Inclusion – to ensure these principles are fully integrated into our corporate culture and reflected throughout all our operations.

Brascabos has adopted the practice of conducting this type of annual values reinforcement campaign, with the aim of continuously strengthening the corporate culture and ensuring that these principles remain aligned with the highest standards of responsibility and sustainability.

Code of Conduct available on the company's website* , with periodic reviews.

Code of Ethics structured into chapters to ensure greater readability and more effective communication.

Onboarding program for all employees.

Activity carried out for over a decade.

*<https://www.brascabos.com.br/codigo.html>

Employee Engagement Campaign



MAIS
valores

MENOS
“me dei bem”

Ter ética é fundamental para promover um ambiente saudável, transparente e respeitoso. A ética implica em garantir condições de trabalho seguras e saudáveis, promover a valorização e o desenvolvimento profissional, evitando práticas prejudiciais ao bem-estar dos colaboradores.

ÉTICA

valores
Brascabos



MAIS
valores

MENOS
“jeitinho”

Ter integridade na empresa é promover um ambiente justo e colaborativo para todos os colaboradores, honrar os contratos e os acordos, respeitar os processos, diretrizes e as leis, não cometendo infrações e evitando que elas aconteçam.

INTEGRIDADE

valores
Brascabos



MAIS
valores

MENOS
“preconceito”

Uma empresa composta por pessoas diversas abre espaço para novas ideias, novas percepções de mundo, gerando insights criativos e visões inovadoras para solucionar problemas ou criar novas oportunidades.

**DIVERSIDADE
COM INCLUSÃO**

valores
Brascabos



MAIS
valores

MENOS
“*ambigüismo*”

Trabalhar em equipe significa reconhecer a importância da colaboração e da harmonia no ambiente de trabalho.

Trabalhar em equipe envolve valorizar a diversidade de habilidades, experiências e perspectivas em relação a um objetivo, resolver conflitos de maneira construtiva, comunicar de forma eficaz e compartilhar responsabilidades para alcançar resultados excepcionais.

**TRABALHO
EM EQUIPE**

valores
Brascabos



MAIS
valores

MENOS
“*indiferença*”

O respeito deve ocorrer em todas as camadas da empresa, independentemente do grau de hierarquia. Além disso, ele deve ser mantido em relação aos colaboradores, aos clientes e aos parceiros.

RESPEITO

valores
Brascabos



Brascabos has a robust Integrity and Compliance Program, demonstrating a strong commitment to transparency, ethics, and legal compliance. The Code of Ethics and Conduct, which sets out clear principles of behavior, is made available to employees both digitally and in print from the onboarding stage. The company conducts training sessions and annual campaigns to continuously reinforce its culture of core values (Ethics, Integrity, Respect, Teamwork, Diversity & Inclusion) and maintains an active whistleblowing channel to ensure adherence to these guidelines.



3. Governance Pillars

Brascabos' governance pillars provide a solid, transparent, and secure management framework, ensuring that all processes and actions are conducted with integrity and efficiency. Through Risk Management and Internal Controls, the company strengthens its ability to address challenges, ensure compliance, and safeguard its operations, while maintaining a steadfast commitment to operational excellence and sustainability.

3.1 Risk Management

Brascabos' culture reflects a strong commitment to continuously ensuring that its team acts responsibly and proactively in processes related to risk management and internal controls, with the aim of fostering a safe environment and strengthening decision-making.

In 2021, several initiatives were launched to advance risk management practices, supported by a Big Four consulting firm. A comprehensive risk mapping project was carried out across all areas of the company, resulting in a consolidated risk matrix developed according to the level of criticality.

To ensure the ongoing management of business risks and the mitigation of impacts in compliance with legal requirements, the same year saw a review of the company's main internal control practices. This review covered procedural structures, approval levels, formal policies, and included a cybersecurity assessment.

The company is continuously challenged to keep its team engaged and responsive in all processes involving risk management.

Commitment to the ongoing challenge of keeping the team acting responsibly and proactively.

A risk mapping project was carried out across all areas of the company and consolidated into a risk matrix.

Ongoing business risk management and strategies aimed at mitigating their impacts.

Mitigate threats, ensure business continuity, establish a secure environment, and strengthen decision-making.



Risk Management at Brascabos focuses on actively engaging the team in identifying and mitigating operational and strategic risks. With the support of specialized consulting firms, the company conducted a comprehensive risk mapping, establishing a risk matrix that guides preventive and corrective actions. The goal is to ensure sound decision-making, mitigate threats, and guarantee business continuity and sustainability.

3.2 Internal Controls

→ Control Environment Maturity

With the aim of strengthening its internal control environment, Brascabos developed and implemented an Internal Controls Maturity Framework designed to demonstrate the company's progress and cultural alignment on this topic.

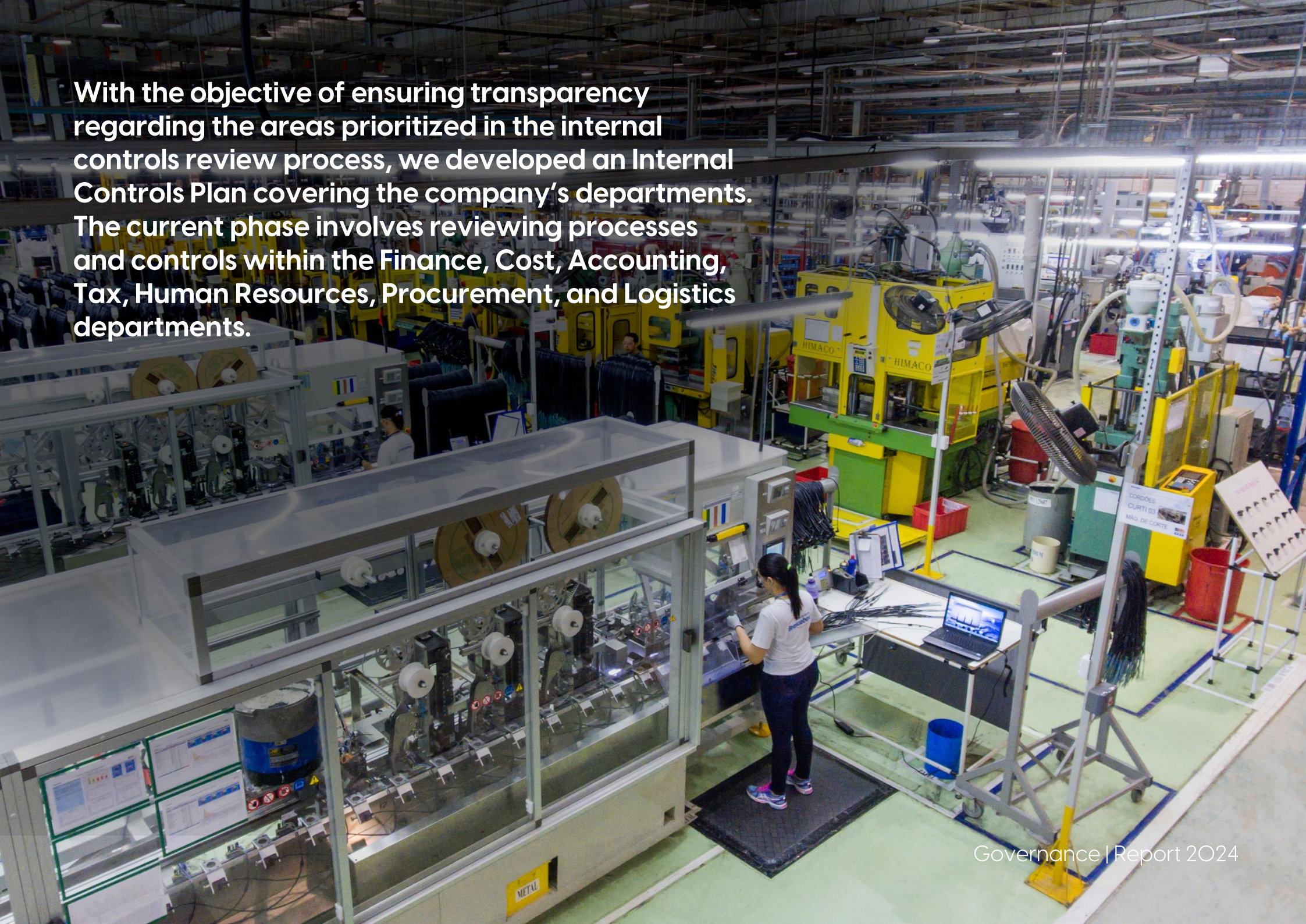
The development roadmap for this maturity framework is structured in five phases. These phases assess the internal control environment in all its dimensions, from the formulation and execution of action plans to the ongoing monitoring of controls.

→ Internal Controls Plan

With the aim of ensuring transparency regarding the areas to be prioritized in the internal controls review process, we developed an Internal Controls Plan covering all areas of the company.

The initial focus of this plan was the Procurement department, where more than 1,800 hours of specialized consulting were invested to review all activities related to indirect purchasing and services in light of internal control requirements.

With the objective of ensuring transparency regarding the areas prioritized in the internal controls review process, we developed an Internal Controls Plan covering the company's departments. The current phase involves reviewing processes and controls within the Finance, Cost, Accounting, Tax, Human Resources, Procurement, and Logistics departments.





4. Cybersecurity

Cybersecurity is a critical priority to ensure the integrity, confidentiality, and availability of the company's data and systems. With the rise of cyber threats, it is imperative to adopt a proactive and comprehensive approach to protect information and ensure business continuity. This section outlines the advanced technologies employed, monitoring tools implemented, and controls established to mitigate risks.

Advanced Technologies for Data Protection

Cybersecurity is a fundamental pillar of our governance, and we are committed to keeping our data and systems protected against cyber threats. We will continue to invest in advanced technologies, strengthen our risk mitigation controls, and promote a culture of security throughout the company.

We utilize a robust set of technologies to ensure the protection of our data against cyber threats. Among these, the following stand out:

Endpoint Security: We have implemented EDR solutions on all endpoints to quickly detect and respond to suspicious activities. These tools allow us to continuously monitor our endpoints, identify anomalous behavior, and isolate potential threats before they can cause significant damage.

Advanced Firewall: This solution integrates multiple security functions, such as real-time traffic inspection, intrusion prevention system (IPS), content filtering, application control, and protection against advanced threats. It is essential for establishing a robust barrier against external attacks.

Threat Monitoring and Detection Tools:

To maintain a high level of security, we have deployed a set of threat monitoring and detection tools managed by a Security Operations Center (SOC).

Advanced Technologies for Data Protection

24/7 Monitoring: Our security solutions are continuously monitored by a dedicated Security Operations Center (SOC), which analyzes and responds to security incidents in real time. This constant vigilance ensures that any suspicious activity is quickly detected and addressed.

Behavioral Analysis and Threat Intelligence: We employ advanced behavioral analysis technologies to identify patterns of anomalous activity and potential threats. Additionally, we integrate threat intelligence to stay up-to-date on the latest tactics and techniques used by cybercriminals.

Risk Mitigation Controls: We adopt a rigorous approach to mitigating cyber risks by implementing a variety of security controls and practices.

Link and Server Contingency: We maintain contingencies for links and servers to ensure service availability in the event of failures or attacks. This redundancy allows us to maintain business continuity even in adverse situations.

Contingency Backups: Regular backups of all critical data are performed and stored in secure, isolated locations. These backups are periodically tested to ensure rapid restoration if needed.

Training and Awareness: We invest in ongoing training and awareness programs for our employees, aiming to educate them on cybersecurity best practices and the importance of adhering to established policies and procedures.

TOTVS Cloud ERP: The company's TOTVS ERP system operates entirely in the cloud, providing additional security for operational availability.



To maintain a high level of security, we have implemented a suite of threat monitoring and detection tools managed by a Security Operations Center (SOC).



Together we can be better connected.

