



**Roots  
good conduct**





**Supplier**  
Code of  
Conduct

**Roots good conduct**



# Supplier Code of Conduct

## Dear Supplier,

This is the Supplier Code of Conduct of Veracel Celulose. Its objective is to provide you with guidance on the main directives that govern the relationship between Veracel and its suppliers.

This partnership is fundamental to Veracel, because it helps it fulfil its mission of using sustainable practices to transform renewable resources into top quality bleached cellulose fiber. At various stages in our production chain this partnership with companies from different locations and of a variety of sizes – each one with its own story and challenges – is necessary.

We believe that our principles, values and practices can be incorporated into the day-to-day routine of all our suppliers for the benefit of each one, whatever their characteristics. These values and practices reflect high ethical and moral standards and seek to ensure credibility and preserve the image of the company and of its suppliers. In addition to constructing healthy, transparent and sustainable relationships, it creates the conditions needed for turning the vision we have of our business into a benchmark in sustainability worldwide.

That is why we share our values and restate our commitment to best practices in corporate governance in this document.

The subjects dealt with here seek to serve the legitimate interests of all stakeholders in relation to service provision and product supply. If you have any doubts, criticisms or suggestions as to how we can improve our relationship, talk to your contract manager or send us a message via "Contact Us", available at [www.veracel.com.br](http://www.veracel.com.br).

This initiative should strengthen the alliance between Veracel and its suppliers, by creating a business environment that is suitable for the growth of the production chain and for sustainable development.



Antonio Sergio Alipio  
CEO







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## INTRODUCTION

Veracel Celulose, a private corporation, has its headquarters and mill in Eunápolis, Bahia. It is one of the biggest pulp producers in Brazil and recognized as having one of the lowest cost pulp production processes, which makes it globally competitive in the segment in which it operates.

The objective of this Supplier Code of Conduct is to make clear what Veracel understands by ethical conduct in trade relations with those companies that supply it with service and products.

We hope our suppliers understand these criteria and apply them in the whole of their business chain, in other words, the customers, partners, raw material suppliers and service providers that are directly or indirectly connected to the company's activities.



## VERACEL'S VISION, MISSION AND VALUES

**Vision:** To be a benchmark in sustainability worldwide.

**Mission :** To use sustainable practices and technological excellence to transform renewable resources into high quality bleached cellulose fiber.

**Values:** A commitment to results, relationships based on constant dialogue, integrity and transparency, respect for the environment, social responsibility, customer satisfaction and commitment to people.

## REACH

This code applies to all Veracel suppliers, their employees, partners, administrators, affiliates, subsidiary companies, the companies of which they are subsidiaries, companies under common ownership, their service providers and their sub-contractors ("stakeholders"), as far as concerns the provision of service and the supply of products.



## CONCEPTS

**COMPLIANCE** – The term 'Compliance' comes from the English verb "to comply", which means to carry out, satisfy and undertake what was imposed in accordance with the legislation and regulations applicable to the business and in accordance with Veracel's Code of Conduct and the policies and rules of the organization. In short, it is being in conformity with rules, norms and procedures.

**CORRUPTION** – This is the abuse of power or authority by a person in order to obtain personal advantage. The most common form of corruption is bribery.

**ANTICORRUPTION LAWS** – Veracel is obliged to observe the Anticorruption Laws listed below and all the laws and rules that are applicable within the terms of Brazilian legislation:

- **FCPA** – Foreign Corrupt Practices Act – The corrupt practices law of the United States of America.
- **UK Bribery Act** – The corrupt practices law of the United Kingdom.
- **Lei 12.846 de 2013** – Brazilian anticorruption law.

**BRIBERY** – The act of giving or receiving money, a gift, or other advantage as a way of inducing the practice of any dishonest or illegal act, or the breakdown in trust in the practice of their functions.

**MANAGER** – Area manager or director.

**GIFT** – This is anything of value that is given or received in a commercial relationship and for which the recipient does not need to pay.

**THING OF WORTH** – For the purposes of this policy this means money, gifts, trips, entertainment, or the offer of employment, meals or work. An item of value may also include the sponsorship of events, scholarships, support for research and charitable contributions being requested, or for the benefit of a government employee, or members of their family, even if it is for the benefit of a legitimate charitable organization.

## 1. HEALTH AND SAFETY AT WORK

Veracel always puts life first in its values. This means that we do not neglect the health and safety of anyone who is involved in our production chain.

We likewise invite our suppliers and their stakeholders to assume this commitment so that together we can achieve excellence in our health and safety practices and results.

When providing any services in Veracel the supplier must:

- Fulfil the requirements of the labor and social security legislation and of agreements and collective labor conventions, with all their rules and established parameters;
- Offer conditions of health and safety in the workplace in line with the applicable laws and the rules and procedures of Veracel mentioned in contract;
- Try and mobilize their employees and propose initiatives linked to health, safety and care of the environment;
- Inform the contract manager regarding the evolution of the health and safety management indicators of their employees and the results of any investigations into work-related accidents in current contracts with Veracel;
- Prohibit their employees to use illegal psychoactive drugs on Veracel premises;
- Facilitate any monitoring or audits organized by Veracel and adopt and manage action plans with the aim of achieving continuous improvement.

## 2. OBEYING THE LAW, RULES AND CONTRACTS

Compliance with the law, rules and contracts is the basis of the pursuit for sustainable development. This includes respect for health, safety, the environment, human and labor rights and municipal, state and federal legislation.

### 2.1. LEGISLATION

Veracel's relationship with its suppliers and their stakeholders must be based on extremely strict standards in compliance with current legislation, as applicable to the lines of business in which the company and Veracel operate.





## 2.2. VERACEL CONTRACTS AND RULES

The supplier must fulfil the contractual obligations established between the parties and respect this Code of Conduct and ensure that the stakeholders respect it during the whole of the contract period.

Any contractual alteration, even if requested by an employee of our company, must be previously authorized in writing by the contract manager and may be negotiated by the Veracel management.

## 2.3. AGREEMENTS, TREATIES AND CONVENTIONS

Veracel encourages its suppliers to understand and act on the basis of the international pacts, agreements, treaties and conventions that are applicable to their line of business. This action must also be disseminated in their value chain.

## 2.4. ANTICORRUPTION AND ANTIBRIBERY LAWS

The supplier and its stakeholders must act in strict compliance with all applicable laws, including global anticorruption and antibribery laws and those that apply to Veracel's operations in those countries where it operates.

## 3. TRANSPARENCY IN RELATIONSHIPS

Acting in a correct way forms part of the values of Veracel and as such we believe that transparency is essential in any partnership.

That is why we recommend that our suppliers and their stakeholders:

- Act positively, objectively and courteously, with honesty, dignity, respect, transparency, loyalty, mutual respect and collaboration;
- Pledge the truth of any information provided to Veracel, relating to legal, tax, economic, financial, health and safety, environmental and quality matters and the professional training of service providers, and such like;
- Be clear and transparent in the information provided to Veracel when negotiating contracts and their amendments, as well as in the administration of current contracts, avoiding practices that do not facilitate these processes flowing smoothly;
- Do not distort figures, **especially** those that are reflected in management reports or the financial statements of Veracel;
- Seek always to formalize the communication of important information in writing;
- Guarantee that their stakeholders know of the existence of this document and its provisions and comply with them.



## 4. ETHICS IN COMMERCIAL RELATIONS

Ethics guides our behavior as an organization. Therefore, we reserve the right to select our suppliers considering **the values, principles and practices contained in this code.**

### 4.1. CORRUPTION AND FRAUD

Veracel does not admit the use of fraudulent practices or any other type of corruption in its business environment. The conduct of our suppliers and stakeholders that is intolerable and liable to the appropriate legal and contractual measures includes:

- Offering, paying, promising, transferring or authorizing payment in money, or anything of value, directly or indirectly to Veracel employees or **third parties**;
- Falsifying documents, brands or products;
- Concealing accidents and incidents;
- Carrying out, or being involved in any illegal activity or conduct.

### 4.2. OFFER OF GIFTS, PRESENTS AND TRIPS TO VERACEL EMPLOYEES

Gifts, presents and trips must only be offered to Veracel employees in accordance with the criteria established in our Code of Conduct, which is available at [www.veracel.com.br](http://www.veracel.com.br).

### 4.3. CONFLICT OF INTEREST

Any type of private, family, close friendship or commercial relationship between suppliers, employees and former employees of Veracel must be communicated to the company's Internal Audit and Compliance area.

### 4.4. ABUSE OF POWER / HARASSMENT

We do not condone coercive commercial practices to obtain advantage, or any other type of harassment (moral, sexual, racial, political or religious).

### 4.5. USE OF ALCOHOL

The consumption of alcoholic beverages during working hours is prohibited, as it is during rest and meal intervals. It is also not allowed to work when under the influence of alcohol.



## **4.6 USE AND CARRYING OF DRUGS**

Suppliers and their stakeholders are prohibited from using and/or carrying drugs and/or remaining in the workplace when under the influence of these substances, which can affect the safety and performance of their activities.

## **4.7. CARRYING ARMS**

All types of arms are prohibited on Veracel premises, except when carried by professionals who are expressly authorized to do so.

## **4.8. SALE OF GOODS**

The sale or exchange of goods of private interest on Veracel premises is forbidden.

## **4.9. UNFAIR COMPETITION**

Acts of corporate spying or any other unfair competition practice will not be accepted.

## **4.10. SOCIAL NETWORKS**

If the supplier and its stakeholders use social networks they must respect the values of Veracel and of this Code whenever they mention Veracel or make reference to any of its employees or third parties, as well as when they refer to their commercial relationship with Veracel without directly mentioning its name.

# **5. SECRECY AND CONFIDENTIALITY OF INFORMATION**

Confidential and strategic information must not be divulged or used for the benefit of suppliers or third parties. Suppliers must ensure that their stakeholders comply with these confidentiality provisions.

Provided the following information has not been made available to the public by any means of communication, it is considered to be confidential:

- Technical or commercial product data;
- Business and commercialization objectives, tactics and strategies;
- Annual budgets;
- Short and long-term planning;
- Sales volume and conditions;
- Survey results;



- Statistical, financial, accounting and operational data;
- Information about the commercial contract between Veracel and the supplier.

## 6. SUPPLIER COMPLIANCE WITH LABOR LAWS

The supplier undertakes only to provide Veracel with service by way of its partners or employees who are regularly formalized and to ensure full compliance with the labor laws (whether of a legal, administrative or regulatory origin, or a collective rule).

Compliance with the labor rules can be checked by Veracel, which reserves the right to retain invoices in total or in part if a labor-related risk is discovered.

In the case of any eventual retention because of a labor-law related risk, payment will be suspended without the incidence of interest or monetary correction and will only be released when the risk situation has been eliminated.

## 7. CONDUTA DOS FORNECEDORES

Just as for Veracel's own employees, suppliers and their stakeholders who exercise any activities that have been engaged by Veracel either on or off its premises must act in a way that is conducive to our values and principles, as contained in Veracel's Code of Conduct, which is available at [www.veracel.com.br](http://www.veracel.com.br).

Suppliers under contract to Veracel must also:

- Respect the rules and procedures adopted by Veracel for entering and leaving environments when accessing Veracel areas registered as employees, in accordance with the company's internal procedures;
- Look after Veracel's goods and products they are provided with for doing work, and compensate Veracel for any damage caused to the same because of acts, facts or omissions of the supplier or its stakeholders.

## 8. COMMUNITY RELATIONS

It is the supplier's responsibility to establish a relevant and appropriate dialogue with local communities, based on a long-term common positive agenda, aimed at sustainable local development, while respecting freedom of expression and peaceful demonstration, in accordance with the law.



## 9. HUMAN RIGHTS

Veracel respects and promotes human rights in its activities along the whole of its production chain and in the regions where it is located, in accordance with the UN's Universal Declaration of Human Rights. In this sense, it seeks to establish a commercial relationship with those suppliers that share its principles and values and that respect human rights.

### 9.1. WORKING CONDITIONS

All suppliers and their stakeholders must provide their employees with dignified working conditions. Working hours, pay and benefits and health and safety requirements must respect the country's labor legislation.

### 9.2. DIVERSITY

All suppliers and their stakeholders must respect and value differences of gender, origin, race, sexual orientation, beliefs, religious practices, political conviction, ideology, social class, condition as a disabled person, marital status or age.

### 9.3. SOCIAL INCLUSION

All suppliers and their stakeholders must promote the inclusion of people with a disability in the make-up of their work-forces, as well as other quotas determined by law.

### 9.4. CHILD AND SLAVE LABOR, OR AKIN TO SLAVE LABOR, AND PREVENTION OF THE SEXUAL EXPLOITATION OF CHILDREN

All suppliers and their stakeholders must prohibit and repudiate the use of children and adolescents for sexual ends (including for profit, objects of value or other elements of exchange), child labor, forced labor, or labor akin to slave labor.

The evidence of any of these practices here listed will result in commercial sanctions being imposed by Veracel, without prejudice to any appropriate legal sanctions. We recommend that suppliers and their stakeholders develop actions for combatting the exploitation of the illegal or irregular working conditions mentioned here.



## 9.5. GENDER EQUALITY

Veracel believes that, regardless of gender, each one has unique talents and the capacity to grow and develop both personally and professionally.

We encourage our suppliers and their stakeholders to permanently pursue the recognition and promotion of talent and capacity, regardless of gender.

## 10. THE ENVIRONMENT

Looking after our planet is one of our values. In this sense Veracel understands the environmental quality of its activities, products and services to be fundamental factors for the sustainability of its business. As such it works to ensure its production chain remains in accordance with current environmental legislation.

That is why suppliers must:

- Comply with the environmental legislation applicable to their products and services;
- Provide products and services with the correct licensing and environmental permits;
- Have knowledge of the environmental aspects and impacts caused by their activities, products and services and plan the control actions necessary and sufficient for keeping them under control, not limiting themselves merely to protecting themselves by complying with current legislation or rules.

If any incident or accident occurs, the emergency control procedure must be complied with and any damage must be controlled, mitigated, repaired and communicated immediately to the Veracel contract manager.

## 11. ANONYMOUS COMMUNICATION CHANNEL

The Anonymous Communication Channel, which is available to people both inside and outside Veracel, is a proactive, transparent, independent, impartial and anonymous communication tool for reporting violations or the suspicion of any non-compliance with any one of the points detailed in this Veracel Supplier Code of Conduct.

Any person who feels they have been affected by Veracel or by its suppliers in the provision of service to the company, due to irregularities relating to rules, policies, ethics, human rights or the environment, and has not had their problem solved by the company's help channels, should lodge a complaint.



Every complaint received by Veracel will be dealt with in confidentiality. There will be no retaliation against the employee or supplier for reporting something in good faith.

Formal complaint channels are available at [www.veracel.com.br](http://www.veracel.com.br) on the Anonymous Communication link, or by calling 0800 7210764.

## 12. COMMITMENT TO OPERATIONAL EXCELLENCE

Veracel has a commitment to operational excellence and values the performance of its suppliers that focus on health, safety and the environment. It also values a focus on discipline in its processes, quality control in its deliveries, innovation and a technical contribution to Veracel's own operations.

In order to monitor and guarantee continuous process improvement, the company carries out periodic audits.

## 13. TRAINING

Conscious of its commitment to the value of good conduct, corporate governance, sustainability and compliance with good international practices, Veracel has adopted its own Code of Conduct and a Supplier Code of Conduct.

In order to disseminate these Codes to employees and permanent service provider and supply partners, Veracel offers support for consistent training, with the aim of raising awareness about the importance of incorporating the values of good conduct and integrity in their day-to-day activities.

## 14. COMPLEMENTARY PROVISIONS

Failure to comply with the principles and commitments expressed in this Code may lead to the adoption of disciplinary measures, which in accordance with Veracel rules range from blocking the supplier from taking part in any new acquisitions to cancelling current contracts. Full observation of this code is a fundamental condition for the company remaining on the Veracel supplier database.



## TERM OF RESPONSIBILITY

The Company \_\_\_\_\_  
in this act duly represented by \_\_\_\_\_  
\_\_\_\_\_  
profession \_\_\_\_\_  
bearer of identity card number \_\_\_\_\_, declares that:

- 1) The Company knows and accepts the principles contained in Veracel's Supplier Code of Conduct, the complete text of which was handed to the Company in its entirety on this date;
- 2) As from this date, the Company will seek to comply with the terms and conditions of this Code and to adapt to it, develop it and include it in the Company's management processes;
- 3) The Company will seek to share with Veracel and with the Company's respective supplier network the efforts, difficulties and triumphs encountered in incorporating the proposed practices that aim at the sustainability of the company's business;
- 4) The Company is aware that the signing of this Term of Responsibility does not oblige Veracel to establish any commercial relationship with the Company;
- 5) At least once a year, the Company will train those employees involved with providing Veracel with a service or supplying it on the terms of this Code.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

**VERACEL**



# VERACEL



[www.veracel.com.br](http://www.veracel.com.br) (Contact Us)



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