

# CODE OF ETHICS AND CONDUCT



TUPY



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Dear Colleague,

Aligned with the objectives of Tupy S.A. in always seeking and adopting the best practices in all spheres of its activity, we present this new edition of the Tupy Code of Ethics and Conduct.

Our intention is to formalize our orientation to the internal public in regard to our actions so as to direct conduct and behavior in day-to-day actions, with a view toward maintaining the highest ethical standards in our activities.

All the internal, institutional and business relations maintained by Tupy employees and representatives must be directed by the same values, both in our country and in the various others in which our company acts.

We recognize the importance of this Code to assure due consideration to all the publics which we relate to, and we are aware that Tupy's success is a consequence of the responsibility and willingness to assume commitments in an integral and transparent way. The directives and orientations contained in this document reflect Tupy's way of being - a solid, reliable company which is aware of its responsibilities.

Read this attentively, seek answers to your questions and contribute to your own refinement. We are sure that the fulfillment of these principles, at all levels of the company, will strengthen our brand and our image.

Sincerely,

*Luiz Tarquínio Sardinha Ferro*  
President

*Fernando Cestari de Rizzo*  
Vice president of Sales and Marketing

*Luis Carlos Guedes*  
Vice president of Operations and Engineering

*Manuel Wladimiro Woyno Quijano*  
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*Roberto Heeren*  
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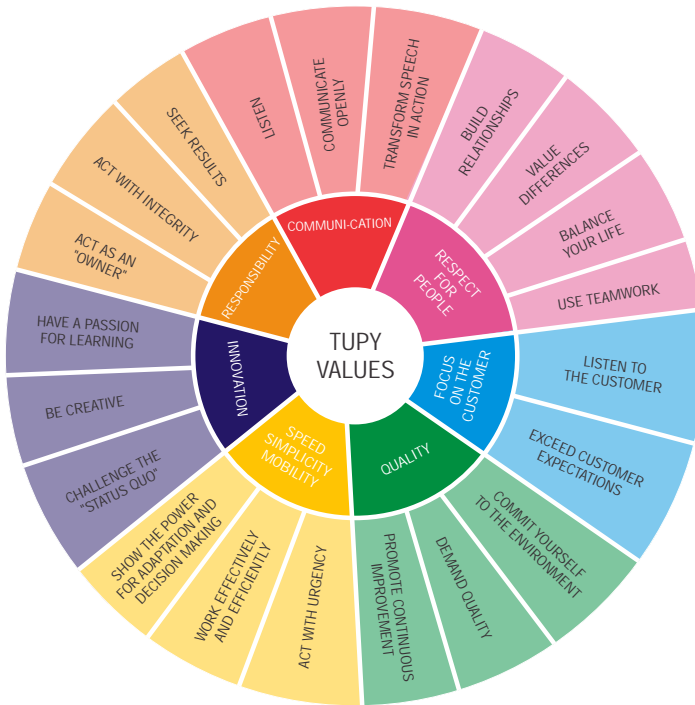
## VISION

- To be a world class company
- To be number 1 in the focused sectors in the global market
- To be a company without borders.

## MISSION

The Tupy company are people who work in a team to satisfy customer needs. Each person is an important and valuable member of the team. Each one strives with mind, heart and courage to act with excellence, assuring reliable, economical and quality service. All take pride in Tupy being number 1 and best in seeking customer satisfaction.

## VALUES



The Tupy Code of Ethics and Conduct is a document that describes the posture and principles of the company in regard to internal relations and conduct of its business.

Its practice represents an organizational evolution, providing a constant educational process that can stimulate dialog regarding ethical conflicts, dilemmas and questions that arise daily or may come to arise in our daily activity.

It is the responsibility of the internal public to contribute to respect for the Code, and it is everybody's responsibility to know its content and apply it in daily activity.

Reading of this Code does not substitute the obligation of fulfillment of the policies and procedures which have already been established by the company.

Any and all questions regarding decisions to be made or interpretation of the Code should be resolved with your immediate leadership or through the channels made available by Tupy (see the chapter Systematization of the Code of Ethics and Conduct).

The document is divided up into publics of relationship, presented in the following way:

- Internal Public
- Stockholders
- Customers
- Competitors
- Suppliers of Products and Services
- Environment
- Community
- Government
- Society

Tupy expects that all employees act in complete conformity with the orientations of this Code, in a way that is integral to and coherent with the highest ethical standards.

## 1 - INTERNAL PUBLIC (employees, trainees and third parties)

Tupy believes that people construct the foundation of an ethical company. Therefore, it is expected that the internal public reflects on its conduct, always aiming for the best for itself and for company success.

### 1.1. Hierarchical relationships among peers and relationships with third parties:

At Tupy, everyone must have respect for themselves and their commitments, regardless of the position held in the organizational structure.

#### Conduct directives:

- Everyone must be treated with respect and dignity.
- Leaders must be an example of ethical behavior for the whole company, recognize the merits of each person and provide for equality in professional development, in accordance with the value and contribution of each one.
- In the work environment, one must act with a team spirit, commitment, loyalty and dignity, respecting individual characteristics, regardless of the area or sector, seeking to create an excellent organizational atmosphere.

### 1.2. Moral or Sexual Harassment

Personal and professional relationships at Tupy must be developed through respect, valuing human beings, so as to allow full exercise of their physical and mental capacity.

#### Conduct directives:

- Abusive practices in the use of one's job, function or position are not permitted, as for example, arrogance, intimidation, threats, humiliation or making for a constrained relationship.
- Acts in which the job, function or position held come to be used for obtaining advantages are not tolerated.

### 1.3. Valuing diversity

Tupy respects and values differences of race, color, sex, sexual orientation, religion, political persuasion, origin, social class, age, handicaps, marital status and hierarchical level.

#### Conduct directives:

- Acts of discrimination, disregard, intimidation and making for a constrained relationship are not tolerated.

### 1.4. Conflict of interest

Tupy does not allow that its business be influenced by personal interests of any nature.

#### Conduct directives:

- In selective processes and promotions, Tupy gives value to fulfillment of technical and behavioral criteria. In any and all decision making processes, any type of partiality or undue sponsorship is not tolerated.
- Private sale of products or services, performed by employees, trainees and third parties is not permitted within company premises.
- Outside parallel professional activities are permitted, as long as they do not conflict with the interests and business of the company and/or with professional activity.
- Tupy does not allow that its goods (and the employee's workday) be used for one's own benefit. Any possible need of this sort may only be tended to if it does not interfere in the workday, and through consent of one's immediate supervisor.
- Whenever one is representing the company in outside events and/or in relationships with the outside public (government, customers, suppliers, among others), one must act in accordance with the interests of Tupy.
- Cases of theft and robbery are dealt with in strict accordance with law.

## 1.5. Health and safety

The constant effort for preservation of the health and physical integrity of the internal public is a Tupy commitment and the responsibility of all.

### Conduct directives:

- Tupy commits itself to providing, in its installations, a safe working environment, with controlled health and safety risks, for its entire internal public, customers, visitors and suppliers.
- The internal public must rigorously follow the health and work safety norms and procedures.
- Tupy encourages the internal public to seek health practices in promoting health and quality of life, regardless of the internal actions made available by the company.

## 1.6. Secrecy and transparency of information

Tupy considers its information to be an important and strategic asset for the success of its business.

### Conduct directives:

- It is the duty of the internal public to maintain absolute secrecy regarding any type of information, fact or knowledge related to Tupy strategy, processes and products.
- Unofficial and/or unauthorized information of any sort regarding the company must not be disclosed.
- Providing information regarding any Tupy employee or former employee without the express and previous authorization of company Directors is not allowed.
- Any and all requests from media (radio, television, newspaper and others) must be directed to the Communications area, which will deal with the requests in accordance with Tupy policy.

- Internal and external information, indications and communications, must express the reality of the facts, and must not undergo any alteration.
- No employee may speak in Tupy's name without the express and previous authorization from company Directors.

### 1.7. Intellectual Property

The knowledge developed by the company is among its greatest assets and must always be protected.

#### Conduct directives:

- All the technologies, products, processes and methodologies developed by employees and trainees in the exercise of their functions inside and outside the company premises are characterized as goods belonging to Tupy.
- Tupy and its employees, to the extent of their attributions, should require of the contracted parties, subcontracted parties and other partners that have business with the company due care for Tupy intellectual property.

### 1.8. Compliance with legislation, policies and rules

Tupy believes that in order to live in a more decent and sustainable world, it is important to abide by laws.

#### Conduct directives:

- The norms that regulate company relations with the internal public must be abided by at all levels.

### 1.9. Child and Slave Labor

Tupy does not hire minors under 18 (unless under the condition of a minor apprentice) and does not use any form of forced labor (or that which is analogous to slavery) repudiating such practices.

### Conduct directives:

- Employees have the responsibility of informing the Human Resources Manager regarding the possible existence of child or forced labor (or that analogous to slavery) in any organization with which the company is related.

## 2 - STOCKHOLDERS

Tupy seeks the best return for its stockholders, seeking to expand the business and guarantee its sustainability, always acting in a disciplined way and observing applicable legislation.

### Conduct directives:

- Tupy complies with legislation in regard to business corporations and other applicable norms.
- Tupy maintains ample means of disclosure of information to its stockholders, inspection organs and other stakeholders.
- It is the responsibility of all administrators and employees to protect and maintain secrecy regarding any relevant information which has not yet been disclosed by Tupy to the market, as well as not to use it to obtain an advantage for themselves or for others.

## 3- CUSTOMERS

Tupy seeks business partners that are in tune with the ethical standards of the company.

All customers must be served with courtesy, excellence and efficiency. This relationship must be characterized by collaboration, consideration, respect, and care for the interests of both sides.

In the event of controversy, disagreement or any question which is difficult to resolve, which may expose the company to risk, orientation from one's immediate leader must be sought before taking any initiative.

### 3.1. Fulfillment of legislation, policies, rules and contracts

Tupy believes that such a premise is the basis of a responsible relationship.

#### Conduct directives:

- Tupy will always care for the fulfillment of its contractual obligations (payment conditions, delivery deadlines, among others) which have been previously established in its business relationships.
- The norms that regulate company relations with customers must be fulfilled at all levels.

### 3.2. Social Responsibility

To the extent of its possibilities and considering the premises of austere management, Tupy always seeks to act in favor of improvements of a socio-environmental character, obeying the best business practices and standards.

#### Conduct directives:

- Tupy is against child labor or forced labor (or that analogous to slavery), repudiating these practices.
- To the extent of its possibilities and considering its institutional and business needs, Tupy seeks to encourage its customers to construct sustainable relationships which may bring benefits to both parties and to society.

### 3.3. Partiality, Undue Sponsorship and conflict of interest

Tupy does not allow its business to be influenced by personal interests of any nature.

### Conduct directives:

- Relationships between Tupy and its customers must occur as based on professional, technical and business criteria. All customers deserve attention and respect, regardless of their size or financial importance. Personal interests may not have weight in negotiation processes, and there must be no type of partiality, undue sponsorship or conflict of interest.
- Presents, advantages and favors, whose circumstances may give rise to suspicion of undue partiality, must not be offered to customers, except for courtesy items that characterize acts of kindness in the relationship, such as business meals and institutional gifts which are impersonal, like pens, shirts, caps, key chains, among other things.
- It is prohibited to offer or accept loans and courtesy items, like money or the equivalent, which may characterize bribery, graft and corruption.
- Trips and visits to customers are paid by Tupy. Payment of trips for customers for institutional visits will be analyzed by those directly responsible for each request and weighed in accordance with the strategy adopted at the time of the request.

### 3.4. Secrecy and transparency of information

Tupy considers its information to be a very important and strategic asset for the success of its business.

### Conduct directives:

- Information, when requested and which may be made available, must be passed on in a precise, clear and transparent way, guaranteeing its trustworthiness if necessary.
- Any information considered confidential or strategic, whether property of Tupy or the customer, must not be disclosed, unless there is authorization from the party that is the holder.

### 3.5. Use of the Tupy brand name

The Tupy brand name is a good that must be protected by all its employees.

#### Conduct directives:

- Every request for use of the Tupy name or brand by customers/resellers in internal or external communication channels must be authorized by the Marketing area, thus guaranteeing the business interests of Tupy and the correct use of the brand or name.

## 4 - COMPETITORS

Legal and good relationships with the competition is one of the premises for a fair and competitive market.

#### Orientadores de conduta:

- Tupy observes and respects laws regarding competition and antitrust that govern domestic and foreign markets. It must reject all actions that may be interpreted as non-competitive, monopolistic, cartel formation or contrary to local, national or international laws that regulate the competitive practices of the market.

## 5 – FORNECEDORES DE PRODUTOS E SERVIÇOS

Tupy seeks business partners that are in tune with the ethical standards of the company.

All suppliers of products and services must be served with courtesy, excellence and efficiency. This relationship must be characterized by collaboration, consideration, respect, and care for the interests of both sides.

In the event of controversy, disagreement or any question which is difficult to resolve, which may expose the company to risk, orientation from one's immediate leader must be sought before taking any initiative.

## 5.1. Fulfillment of contracts, policies and internal rules

Tupy believes that this is the basis of a responsible relationship.

### Conduct directives:

- Tupy will always care for the fulfillment of its contractual obligations which have been previously established in its business relationships.
- The norms that regulate company relations with suppliers of products and services must be fulfilled at all levels.
- The internal public must follow the Tupy policies and rules that direct relationships with suppliers of products and services at the time of their access to and presence on company premises.

## 5.2. Social responsibility

To the extent of its possibilities and considering the premises of austere management, Tupy always seeks to act in favor of improvements of a socio-environmental character, obeying the best business practices and standards.

### Conduct directives:

- Tupy is against child labor or forced labor (or that analogous to slavery), repudiating these practices.
- Tupy avoids relationships with suppliers of products and services that do not meet the labor, tax, and environmental norms and health and work safety norms, as well as those that do not respect human rights.
- To the extent of its possibilities and considering its institutional and business needs, Tupy seeks to encourage its suppliers of products and services to construct sustainable relationships which may bring benefits to both parties and to society.

### 5.3. Partiality, Undue Sponsorship and conflict of interest

Tupy does not allow its business to be influenced by personal interests of any nature.

#### Conduct directives:

- ❖ Relationships between Tupy and its suppliers of products and services must occur as based on professional, technical and business criteria.
- ❖ Personal interests may not weigh in negotiation processes and there may be no partiality, nor undue sponsorship or conflict of interest.
- ❖ The internal public must not directly or indirectly participate in the business or decision making process in relation to the companies where: relatives work who have an influence of the negotiation process with Tupy or who have corporate, individual or family participation.
- ❖ Presents, commissions, advantages and favors, whose circumstances may give rise to suspicion of undue partiality, must not be accepted from suppliers of products and services, except for courtesy items that characterize acts of kindness in the relationship, such as business meals and institutional gifts which are impersonal, like pens, shirts, caps, key chains, among other things.
- ❖ It is prohibited to offer or accept loans and courtesy items, like money or the equivalent, which may characterize bribery, graft and corruption.
- ❖ Expenses of Tupy employees in regard to trips for visits to suppliers of products and services are all paid by Tupy.

### 5.4. Secrecy and transparency of information

Tupy considers its information to be a very important and strategic asset for the success of its business.

#### Conduct directives:

- ❖ Information, when requested and which may be made available, must be passed on in a precise, clear and transparent way, guaranteeing its trustworthiness.

- Any information considered confidential or strategic, whether property of Tupy or the suppliers of products and services, must not be disclosed, unless there is authorization from the party that is the holder.

### 5.5. Use of the Tupy brand name

The Tupy brand name is a good that must be protected by all its employees.

#### Conduct directives:

- Every request for use of the Tupy name or brand by suppliers of products and services in internal or external communication channels must be authorized by the Marketing area, thus guaranteeing the business interests of Tupy and the correct use of the brand or name.

## 6 - ENVIRONMENT

Tupy has a strong commitment to environmental questions because it believes that in that way a sustainable future for future generations is guaranteed.

#### Conduct directives:

- Tupy has a commitment to performing its industrial activities in a sustainable manner. Preservation of the environment must be observed in all internal and external company processes and procedures.
- Tupy always seeks to abide by the norms and laws in effect in respect to the environment.
- The company encourages its employees so that they spread the culture of environmental preservation.
- Tupy employees must respect the established environmental norms and procedures, as well as continually seek to minimize the environmental impacts associated with its activities.

## 7 – COMMUNITY

Tupy understands that the success of its business is intimately connected to a healthy relationship and mutual exchange with the communities near its factories.

### Conduct directives:

- ☉ Tupy respects the cultural and social integrity of the community.
- ☉ Tupy maintains channels for communication and dialog with the communities where it is active with the objective of monitoring, evaluating and controlling the impacts of its activities.

## 8 - GOVERNMENT

Tupy recognizes its role in the construction of a better country and, for that reason, it seeks to maintain constructive relations with the government at all levels.

### Conduct directives:

- ☉ Tupy abides by the laws and regulations applicable to its activities at all levels of Brazilian public administration, as well as of other countries where it does business.
- ☉ Maintenance and keeping of Tupy books, records and controls must express the reality of the facts.
- ☉ Tupy relates with government officials and other public authorities with transparency, integrity and impartiality.
- ☉ Tupy maintains a position of neutrality and impartiality in relation to candidates and political parties.
- ☉ Employees and outside professionals that work within Tupy, when they are participants in political party activities, may not perform them within company premises. For that reason, the use of resources, programs and services or the association of the Tupy brand with activities of a political party nature in its installations are not permitted.

## 9 – SOCIETY

Upon relating to entities that represent the interests of society, Tupy seeks to ally its legitimate interests with the interests of the country.

### Conduct directives:

- International legislation and treaties must be fulfilled at all levels.
- Tupy maintains with a relationship of respect with employers' associations and labor unions.
- Tupy does not discriminate against any professional for belonging to the union movement.
- The relationship of Tupy with the press is based on truthfulness and on respect for the right to information, as long as the company information is not of a confidential character.
- Tupy does not grant sponsorship and does not approve campaigns and advertising material that encourages the use of illicit drugs, which generates discriminatory exposure, which provokes ill feelings, humiliation, exclusion or which exposes the vulnerability of individuals and groups.

The Tupy system of ethics is a mechanism to aid in the fulfillment of the principles and items of conduct described in this Code and has the main objective of spreading them and clarifying them.

This system is composed of the principles and items of conduct hereby presented, channels of dialog, a committee and procedures for denunciations, questions, suggestions and conflict resolution. The Ethics System is a management tools that helps leadership in the decision making process.

## Procedures for manifestations, denunciations and conflict resolution

In case of denunciation or questions in relation to the content of this document, you should act in the following manner:

### If you are a Tupy employee:

- 1 – Seek to clarify or resolve the question with your immediate leader;
- 2 – If you do not feel comfortable in speaking with your immediate leader, seek out the internal HR consultants or the members of the Ethics Committee;
- 3 – If you still do not feel comfortable in doing this, use the communication channels which are available, such as: a physical form; email: [etica@tupy.com.br](mailto:etica@tupy.com.br) ; ethics form on the Intranet; post office box 33 - Joinville - SC - ZIP 89201-970 or the ethics link on the site: [www.tupy.com.br](http://www.tupy.com.br).

### If you are not a Tupy employee:

- 1 – Use the email: [etica@tupy.com.br](mailto:etica@tupy.com.br), the post office box 33 - Joinville - SC - ZIP 89201-970 or the ethics link on the site: [www.tupy.com.br](http://www.tupy.com.br).

The confidentiality of the information recorded and of the person that recorded it is guaranteed. Anonymity is permitted, although not encouraged. Tupy will make no retaliation against the person that makes any type of denunciation, which, however, is expected to be made with responsibility and consistency.

All cases will be taken before the Ethics Committee which will evaluate them and, if it is necessary, investigate the situation and make due recommendations to the immediate leaders of the persons involved or those responsible for the processes in question.

### Ethics Committee

The Tupy Ethics Committee is an independent body and its functions are: to promote the principles and items of conduct described in the Code, give direction regarding the matters contained in it, evaluate and suggest forwarding in reference to possible denunciations.

### Penalties

The lack of fulfillment of the items of conduct and orientations indicated in this Code may result in sanctions and punishments, in accordance with the seriousness of the matter.

### Revision of the Code

This Code was launched in October 2009 and, in June 2010, was revised to include the job title of Vice president of Organizational and Human Development and the name of its holder. A new revision is forecast for October 2010, and thereafter every two years.

**Moral harassment** - actions which generate humiliation, intimidation and demands beyond that expected within a healthy work environment, during the work day or outside of it. Moral harassment is established when there is continuity in a repeated and prolonged manner, becoming an everyday habit.

**Sexual harassment** – coercing someone for the purpose of obtaining sexual advantages or favors, with the agent of this action making use of a higher hierarchical condition, ascendancy or even abuse of a relationship of trust among peers during the work day or outside of it. Sexual harassment is established when there is continuity in a repeated and prolonged manner, becoming an everyday habit.

**Cartel formation** - an agreement (verbal or written) among competitors mainly for artificial establishment of prices or production quotas, division of customers and markets to act in. Cartels normally occur in markets in which there are a small number of suppliers and normally involve homogeneous products. This may also be established in the case of an agreement made among two or more companies in the same activity to try to hurt competitors or to offer the same products and services leaving the consumer without the possibility of choice.

**Conflict of Interest** –the situation in which the individual is seen trying to favor his own interests (including the interests of third parties with whom he has a relationship) against the interests of the company.

**Discrimination** – differentiated treatment given to individuals in hiring, remuneration, access to educational opportunities and promotion based on race, color, nationality, handicaps, sex, age, sexual orientation, or union or political affiliation.

**Partiality** - is the act of favoring someone simply through friendship, family relationship and/or money without considering evaluations of professional and behavioral aspects.

**Monopoly** - is how one denominates a situation of lack of competition/competitors in which one company, for any reason, is the sole actor in a certain market, imposing its prices on consumers.

**Intellectual property** – sum of technical knowledge of a person or of all those in an organization in reference to a certain economic activity, which often consists of a relative competitive advantage.

**Social responsibility** - refers to the form of management with a view toward sustainability of the company and society by means of constant care for the quality of the relationship with stockholders, employees, customers, suppliers, the community and other stakeholders, considering the balance between economic, social and environmental aspects.

**Child Labor** - is work executed by persons of an age under that permitted by law. In Brazil, the Federal Constitution of 1988 (art. 7, XXXIII) allow labor, in general, as of 16 years of age, except in the cases of nighttime, dangerous or unhealthy work, for which the minimum age is 18. The Constitution also allows work as of 14 years of age (art. 227, § 3, I), but only under the condition of apprentice (art. 7, XXXIII). The CLT (Consolidation of Labor Laws), in addition, guarantees adolescent workers from 14 to 18 years of age a series of special protections, detailed in its Chapter IV (articles 402 to 441). Among them are prohibition of work in locations harmful to their formation, to their physical, mental, moral and social development, and at times and locations that do not allow school attendance (art. 403, sole §). The CLT also grants to the student worker under 18 the right to make his vacation period coincide with the school vacation period (art. 136, §2).

**Forced labor (or that analogous to slavery)** - Forced labor may assume various forms. In general terms, it is characterized by the way of making a person perform certain types of labor in inappropriate conditions and through threats of imposition of unjust penalties if this labor is not performed. Forced labor may arise from deceptive or forced practices of recruitment, or may create a situation in which a person is not able to free himself from the work if he so wishes, thus resulting in a situation of slavery (due to debts, retaining of documents, among other things) and, in some cases, may acquire the characteristics of the slavery and/or slave trafficking of times past.

**Valuing of diversity** - is one of the basic principles of citizenship, which aims to recognize, respect and value differences among individuals and assure conditions so that there is equality of opportunity and conditions for full development of talents and potential. Diversity may be understood as a set of visible or invisible differences that include factors such as sex, race/ethnicity, handicaps, age, sexual orientation, religion, nationality, and lifestyle, among other things.



TUPY