



VALORIZAÇÃO DE RESÍDUOS

# **ANTICORRUPTION POLICY**



## **Anticorruption Policy**

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## 1. INTRODUCTION

In view of the values and beliefs held by **ORIZON VALORIZAÇÃO DE RESÍDUOS S/A.** (“Company”) and the general rules of the Code of Ethics setting forth guidelines for the activities of all of those working on our behalf, this Policy aims to consolidate understandings, suggestions, procedures and precautions to be used in the day-to-day business of our employees and third parties for compliance with those guidelines.

The conduct of business at the Company, including our subsidiaries, is conditional upon compliance with the applicable laws and with the rules and principles set forth in the Code of Ethics, as detailed in this Policy.

Given the wide reach of objectionable conducts that could be casuistically related, not only at the legal level, but also at the corporate level, the provisions of the Code of Ethics and this Policy seek to set forth key rules and parameters that should underpin any activities carried out at the Company.

However, any questions or omissions should be reported through the relevant Reporting Channels to the Company’s Ethics Committee, which will provide any clarifications and complementary information needed. Likewise, we allow for the possibility that, in the face of any specific case, we may be flexible about any parameter set forth herein. However, that will require previous submission to and approval by the Ethics Committee.

### 1.1. Definitions

When used herein, the terms defined below shall be interpreted according to the following definitions, irrespective of the gender used and/or whether used in plural or singular form.

**Public Official:** Any individual, whether or not a government employee, acting, even temporarily or without pay, in an official capacity or holding a government office, employment or role at or for a Government Authority, any individual working for a service company hired or contracted to perform any activity that is typical of the Public Administration, or any political party official, employees or other persons working for or on behalf of a political party or candidate for public office.

**Governmental Authority:** Every agency, department or entity of the direct or indirect administration or foundation of any of the Branches of Government at the Federal, State and Municipal levels, of the Federal District or any Territory, any company incorporated into the public property or an entity to whose creation or funding the public treasury contributed or contributes more than fifty percent of its equity or annual revenues, and any bodies, state-run entities or diplomatic representations from any foreign country or international public organizations, including sovereign funds or any entity whose ownership is a sovereign fund.

**Giveaways:** Items of no commercial value or whose market value is under R\$100.00 (or the equivalent in the relevant country) given away out of courtesy or for marketing or advertising purposes, which should bear the logo of the company or legal entity having given it to a Company Employee, such as daily planners, calendars, keychains, pen drives and pens.

**Collaborator(s):** All of the Company's employees, interns, outsourced staff, executives and officers, as well as members of its board of directors.

**Philanthropic Organization:** Any non-profit<sup>1</sup> legal entity whose purpose is to provide services in the fields of social work, health care, education, sports, culture, science, leisure or others.

**Entertainment:** Any activities or events whose main purpose is to provide leisure to those attending, such as parties, concerts or sporting events.

**Intermediary:** Every individual or legal entity other than the intended end recipient of a certain Facilitation Payment or Undue Advantage or otherwise acting so as to conceal its final destination.

**Facilitation Payment:** Any payment to any individual, whether or not a Public Official, even through an Intermediary, for such individual to expedite or ensure the performance of any action under their responsibility to which the Company may be entitled. Payments made by official means and permitted by laws are not included in this definition, to the extent they are not in conflict with the provisions of the applicable anticorruption laws.

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<sup>1</sup> A legal entity that does not distribute, among its partners or associates, directors, officers, employees or donors, any operating surpluses, net or gross, dividends, bonuses, interests or portions of equity, earned upon the exercise of their activities, fully applying them to attainment of its respective corporate purpose, is considered a not-for profit entity.

**Politically Exposed Person**<sup>2</sup>: Any Public Officials holding or individuals who have held in the past five years, in Brazil or any foreign countries, territories or facilities, relevant government offices, employment or roles, as well as their representatives, family members and close collaborators.

**Gifts**: Any items of commercial value that do not fit the definition of Giveaways.

**Third Party**: Every individual or legal entity that is neither a Company collaborator nor solely and fully hired thereby, but is hired to assist with the conduct of its business, such as partners, consortium members, representatives, suppliers, temporary advisors, agents or third parties acting on the Company's behalf.

**Undue Advantage**: Any tangible or intangible asset, including currency and securities, offered, promised or delivered with a view to unduly influencing or rewarding any action, decision or omission of any person, whether a Public Official or not. This concept includes Gifts, Entertainment, plane tickets, accommodation, donations, sponsorship or any other thing of value used for such purposes, to wit, unduly influencing or rewarding any action or decision.

**Travel**: Any spending on modes of transport, such as overland, air, railway, highway or waterway transport, or on stays at hotels, inns, resorts or any other form of accommodation which, in any case, has no connection with any work activities carried out by Collaborators in respect of the Company or are not contemplated in agreements with Third Parties.

## 1.2. Reporting

If any Company Collaborator is not certain about what is the right action to take in any given situation, they shall refer to the Company's Ethics Committee.

In addition, should any Collaborator detect or suspect in good faith that a potential breach of the Compliance Program may have arisen, especially the Company's Code of Ethics or Compliance Policies, they shall report the fact through the reporting channel available to that end.

## 1.3. Supervision

<sup>2</sup> Such as holders of political offices, ministers of state, presidents, vice-presidents or directors of agencies, government-owned or government-controlled companies, governors, mayors, members of the court of auditors, among others. See Resolution No. 16, of March 28, 2007, of the Council for Financial Activities Control.

All Company Collaborators must be familiar with the rules and principals set forth in the Code of Ethics, as well as its Compliance Policies, and observe them anywhere in the world.

Managers are required to ensure their teams follow those rules and principles, thereby preventing, within the scope of their responsibilities, any such misconducts from occurring as could have been avoided by the due supervision.

#### **1.4. Sanctions**

Any Collaborator or Third Party who fails to comply with any provisions of the Code of Ethics, the Suppliers' Code of Conduct or our Compliance Policies applicable thereto will be subject to the sanctions set forth in the Company's Code of Ethics, such as disciplinary action, including termination of contract.

In addition, Collaborators and Third Parties should be advised that any breaches of any provisions of this policy can carry criminal, civil and administrative liability.

#### **1.5. Exceptions**

Except as explicitly provided for otherwise elsewhere herein, only the Ethics Committee, in the conduct of its activities, can authorize, upon review of a specific case and subject to a specific procedure, potential exceptions to the provisions of any of the Compliance Policies set forth herein.

## **2. ANTICORRUPTION POLICY**

### **2.1. Purpose**

To supplement the anticorruption provisions set forth in the Company's Code of Ethics and establish guidelines for external interactions of Collaborators and Third Parties, particularly with Public Officials.

### **2.2. Scope**

This policy applies to Company Collaborators, as well as all Third Parties. Its scope also comprises all activities carried out in Brazil or abroad.

### **2.3. General Considerations – Prohibition to promise, offer, deliver, receive or authorize Undue Advantages**

Several countries in the world have enacted laws for combating acts related to the practice of corruption in order to protect integrity of the business environment and of spending of public funds and to fight against all acts that negatively affect society as a whole. For an act of corruption to be characterized, most of these laws require that a Public Official be the beneficiary of an Undue Advantage promised/offered/delivered by another person who would be interested in an act or omission of said Public Official. However, all forms of corruption – even those that do not involve Public Officials – are inadequate and inconsistent with the Company’s values, being therefore absolutely prohibited.

Likewise, Company Collaborators and Third Parties should strive for ethics and transparency in conducting their activities, performing them with professionalism and always in the best interest of the Company, irrespectively of any advantage offered by other persons or even demanded by them.

A decent, respectful and professional treatment is a prerogative in all interactions of the Company. Accordingly, even if requested by their superior or another Collaborator, the Collaborator and/or Third Party must never go against the provisions of this Policy and the other internal rules of the Company. The Ethics Committee must be contacted immediately if an Undue Advantage is requested or even offered to any of our Collaborators or Third Parties within the scope of the activities developed in the interest, for the benefit or representation of the Company. Based on the laws in force<sup>3</sup>, and on the Company’s values and beliefs, this Policy reiterates that the Company prohibits its Collaborators and Third Parties from promising, offering, receiving, authorizing or giving any Undue Advantage to an individual - whether a Public Official or not. Accordingly:

- The Undue Advantage should always be analyzed from the point of view of the person who will potentially receive it. An item may be of no value for those who offer it. But for those who receive it, it may be extremely valuable and capable of influencing their ability to make

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<sup>3</sup> In Brazil, the main laws addressing the subject are: Criminal Code (Decree-Law No. 2848/1940), Administrative Misconduct Law (Law 8.429/1992), Bidding Law (Law No. 8.666/1993), Antitrust Law (Law No. 12.529/2011), Differentiated Public Procurement Regime Law – RDC (Law No. 12.462/2011), Anticorruption Law (Law No. 12.846/2013). There are also several other significant legal instruments to fight corruption in Brazil. Additionally, the country ratified international conventions on the topic, among which the United Nations Convention Against Corruption, the OECD Anti-bribery Convention and the OAE Anticorruption Convention are worthy of note.

decisions and act in accordance with their responsibilities.

- It does not matter if the beneficiary of the Undue Advantage has accepted it or not. The mere offer goes against the values of the Company, and for this reason its Collaborators and Third Parties are not authorized to act in this way. It is also worth stressing that the mere offer or promise of an advantage to a Public Official is considered illegal.
- The prohibitions against the promise, offer, delivery, receipt and authorization of an Undue Advantage described in this policy consider the final beneficiary of the advantage. As such, they even cover the use of Intermediaries for this purpose.

There are situations that should raise a red flag for Company Collaborators and Third Parties, such as those described below. In these cases, and whenever situations emerge that give rise to suspicion regarding integrity of the procedures being adopted, the Ethics Committee should be contacted.

- Payments to Public Officials, their relatives, legal entities in which they hold an equity interest or to an individual or legal entity indicated by the Public Official;
- Requests for payments to be made to the bank account of a third party or to a bank account in another country not related to the agreement;
- Requests for payments to be made in kind;
- Requests for commissions or “success fees” that are not in line with usual market practices or are incompatible with the nature of the services provided;
- Requests for advance of payments or unusual pressure for payments to be processed, not in line with usual practices;
- Receipt or offer of extravagant and excessive gifts, potentially in violation of the Company’s internal policies;
- An individual insisting on a personal interaction with a certain supplier or customer;
- Decisions regarding approval of projects or agreements made in atypical conditions or that are harmful to the interests of the Company, whether due to costs, conditions or terms;



- Preference or direction for contracting of certain third parties without any plausible justification, notably of a technical or financial nature;
- Attempts to avoid or prevent due diligence processes required for the agreement to be performed or maintained.
- Noncompliance with usual procedures for contracting third parties.
- Request or approval of payments of tax invoices above the amounts provided for in the agreement.
- Refusal to include anticorruption compliance clauses in the agreement;
- Request for a job to be offered for a relative of a Public Official.

### 2.3.1. Facilitation Payments

No Company Collaborator or Third Party is authorized to make any Facilitation Payments.

On the other hand, we emphasize that payments provided for in the law are permitted and do not conflict with the provisions of this policy.

**In case of any request for Facilitation Payments, the Collaborator and/or Third Party should refuse to make it, communicating to the requesting party the prohibitions provided for in this internal policy. Additionally, the Ethics Committee should be immediately informed in this regard.**

### 2.3.2. Other Forms of Corruption

The Company does not condone any type of corruption. Corruption for the Company is not limited to acts in relations with Public Officials nor only to the delivery, promise or offer of an Undue Advantage. Corruption should be broadly understood as encompassing several illegal acts that are notably harmful to the public administration, such as bid rigging, collusion with competitors to frustrate competition in bidding processes, imposition of difficulties in investigations or inspections by Public Officials or Government Authorities, money laundering, among others.

The Ethics Committee should be consulted whenever you are engaged in procedures involving interactions

with Public Officials and are not sure about how to act in these situations.

#### **2.3.2.1. Interactions with Government Authorities and Public Officials**

Public bids are competitive by nature. The public interest is best served when various competitors compete on a fair basis for the contract, because in doing so the best bid is more likely to be selected. Accordingly, to ensure fair competition, the Company, its Collaborators and Third Parties should have no contact with competitors in order to defraud, frustrate or prevent competition in any bidding process.

The Company therefore requires that its Collaborators and Third Parties adopt certain attitudes to avoid performance of unwanted acts within the context of their relationship with Government Authorities or Public officials, such as:

- Interacting on behalf, in the interest or for the benefit of the Company with Public Officials or Politically Exposed Persons that may influence a decision-making process, strictly when necessary for development of their professional activities;
- Avoid interactions with Public Officials or Politically Exposed Persons that are likely to influence a decision-making process without the presence of another Collaborator and/or Third Party;
- Any agreement or combination with private agents of Public Officials to remove any bidder, to defraud or frustrate any public bidding or a contract resulting from it is prohibited;
- It is prohibited to influence Public Officials in order to obtain an Undue Advantage, including regarding amendment or extension of a public agreement;
- It is prohibited to alter or defraud any registration or minutes of meetings of any contacts between Collaborators, Third Parties and Public Officials;
- Interactions with Public Officials during bidding procedures must comply with the forms established in the invitations to bid;
- It is prohibited to manipulate or defraud the economic and financial balance of public contracts;
- It is prohibited to obtain undue benefits, whether economic, commercial or personal, including by means of addendums or other contractual negotiations/modifications; and

- Maintenance of an accounting record of any payments made by the Company is mandatory.

### **2.3.2.2. Inspections and Investigations**

Within the context of legitimate inspections and investigations conducted by Public Officials or private agents acting on behalf, in the interest or for the benefit of Government Authorities, Collaborators and Third Parties should not hinder or interfere with the activity of such agents carrying out the investigation or inspection, pursuant to applicable legislation. Examples of authorities that may carry out such activities include: Federal Revenue, IBAMA [Brazilian Institute for the Environment and Renewable Natural Resources], Ministry of Labor and Employment and Municipal Administrations, among others.

Contacts with such agents in situations involving inspections should, whenever possible, be accompanied by at least two Collaborators or one Collaborator together with a Third Party or even two Third Parties jointly. Requests made by such agents and the documents submitted by the Collaborators or Third Parties should be duly controlled and registered so that the Company may protect its interests in these situations.

This being said, without prejudice to the exercise by the Company of the legal guarantees and protections assured to it, Collaborators and Third Parties should have as their guidelines the accessibility of documents and information regarding interactions, contracting and provision of services to bodies or entities of the Public Administration, in addition to the following precautions:

- It is prohibited to perform acts to hinder or defraud investigations or inspections by public bodies, including, but not limited to, corruption of inspectors, managers or auditors for performance of fraudulent measures or for recognition of the appropriateness of poorly-delivered or undelivered services;
- Provide for the proper rendering of accounts, which will be complete and accurate;
- Submit the information requested by the Public Official regarding inspection of the procedures;
- Request minutes of the inspections made for measurement or inspection of works or provision of services, including, whenever possible, the identification of the Public Official in charges and a summary of what has been inspected; and

- Maintain internal records of the inspections made by Government Authorities.

## 2.4. Records of expenses

It is important that the records of all expenses incurred by the Company, as well as all payments made by it, be duly registered and entered in the accounting books in an accurate and clear manner. No payment made should be omitted, or posted to inadequate accounts or concealed by means of adulterated or fictitious documents. Additionally, the approval authorities of each Collaborator should be respected and transactions should only be carried out with the due approvals.

Rio de Janeiro, State of Rio de Janeiro, February 20, 2019

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