The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>7</td>
<td>35.7%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>75%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>70%</td>
</tr>
<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>78.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>62.2%</strong></td>
</tr>
</tbody>
</table>
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:
1

Comments:
Based on public information, there is evidence that the company’s compliance microsite contains a statement from the President and CEO supporting the company’s ethics agenda. Further, it is evident from an analysis of the company’s Code of Ethics and Conduct and its Global Anti-Corruption Policy that anti-corruption is a component of its commitment to ethics. The company therefore scores 1. To score higher, TI would need to see evidence of several similar statements or one statement supporting the company’s strong stance against corruption specifically.

References:
Public:
The Compliance Program, Statement from the President and CEO:
‘At Embraer we are in continuous search for improvement and excellence in everything we do. In that context, we are individually and collectively committed to the highest level of ethics and adherence to laws, regulations and policies pertinent to our activities’.

Code of Ethics and Conduct:

Embraer Anti-Corruption Policy:
A2:
Does the company's Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:
2

Comments:
Based on public information, there is evidence that the company’s CEO has issued multiple strong statements supporting the company’s anti-corruption stance (including at the World Economic Forum) and that he is also Co-Chair of the Safeguarding Aviation and Travel Value Chains Against Corruption project.

References:
Public:
‘World Economic Forum calls on business leaders to strive for corruption-free world’

PACI: Designing Corruption out of the System - Transparency and Anti-Corruption (Davos, 2014):
‘PACI: Designing Corruption out of the System - One Global Voice on Transparency and Anti-Corruption
The Forum’s Partnering Against Corruption Initiative (PACI), the foremost CEO community committed to levelling the playing field against corruption, will take the next step in its evolution by expanding both its strategic angle and its collective action approach.

Speakers
• Frederico Curado, President and Chief Executive Officer, EMBRAER, Brazil; Chair/Co-Chair of the Governors for Aviation and Travel for 2013’
https://www.youtube.com/watch?v=hzgs0MxrAY4

‘WEF launches PACI Vanguard to combat business corruption’, Staff Writer, Al Arabiya News (23 January 2014):
‘A group of world’s top business leaders — named the PACI Vanguard — was formed on Thursday in the World Economic Forum to act as “the premier global business voice

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advocating for a more robust anti-corruption agenda,” according to a press statement by the WEF.

The group of 20 CEOs is said to build on the more than 100 leading companies that are PACI members and have signed on to the PACI Principles for Countering Corruption. “The industry can set a firm stance on keeping any form of corruption and misconduct out of the system and use its competences to influence the global value chains and other stakeholders to embrace this fundamental principle,” said Frederico Curado, President and Chief Executive Officer, Embraer and Co-Chair of the Safeguarding Aviation and Travel Value Chains Against Corruption project.


‘Members of the PACI Vanguard 24

.....

Frederico Curado, chief executive, Embraer, Brazil’

http://www.thenational.ae/business/davos/20140128/wef-unleashes-a-new-acronym-in-campaign-against-corruption

‘WEF launches anti-corruption community’, India Blooms News Service (Davos-Klosters, Switzerland, Jan 23 (IBNS)):

‘Based on a decade of anti-corruption work through its Partnering Against Corruption Initiative (PACI), the World Economic Forum has launched a community of top business leaders across industry — named the PACI Vanguard — committed to being the premier global business voice advocating for a more robust anti-corruption agenda.

“The industry can set a firm stance on keeping any form of corruption and misconduct out of the system and use its competences to influence the global value chains and other stakeholders to embrace this fundamental principle,” said Frederico Curado, President and Chief Executive Officer, Embraer and Co-Chair of the Safeguarding Aviation and Travel Value Chains Against Corruption project.’


Safeguarding Aviation and Travel Value Chains Against Corruption:

‘Preface:

Our Commitment to Action on Corruption

As leaders of the aerospace, aviation and hospitality industries, we recognize that corruption is a strategic business risk and that it is a collective imperative to fight corruption in all its forms across travel and tourism value chains.
We agree on the need to:

– Build on the achievements of the World Economic Forum’s Partnering Against Corruption Initiative (PACI) to raise business standards and to contribute to a more competitive, transparent, accountable and ethical business society

– Accelerate collective action to eliminate corruption from our value chains, and preserve our sectors’ competitiveness and its role in sustainable economic and social development worldwide.

Frederico Curado, President and Chief Executive Officer, Embraer SA; Co-Chair of the Safeguarding Aviation and Travel Value Chains Against Corruption Project; 2013 Chair of the World Economic Forum Aviation & Travel Industry Partners Community

A3: Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score: 0

Comments: Based on public information, there is limited evidence that the CEO demonstrates a strong internal-facing commitment to the ethics and anti-corruption agenda of the company. TI notes that there are statements in the Compliance Program and the Annual report, but no evidence of the personal internal facing commitment through speaking at training events or other employee gatherings.

References:

Public:

MESSAGE FROM THE PRESIDENT & CEO

Consolidated results, improved corporate governance practices, advances in our Embraer Entrepreneurs Excellence Program (EEP), expansion of our international operations, and commitment to socio-environmental initiatives show Embraer to be on the right path, notwithstanding a challenging international environment.

Discontinued growth (2012)

Amid several macroeconomic challenges and a global aviation market still affected by weak demand and a legacy of overcapacity, Embraer saw a slowdown in orders and deliveries, leading to a severe decline in 2012. The company was faced with the challenge of aligning its strategy with the market realities. In 2013, the company continued its progress in the development of the product structure in the second generation of E series, with the selection of six of the main engines, in November, TII and in December 2015, the company announced the development of six new engines, for the development of the E series.

Executive Action highlighted the importance of investing in its product portfolio and the company’s growth strategy. Embraer introduced the new E190-E2 model, which will enter service in 2015. The company also announced the development of a new business jet, the Global 7500, and the introduction of a new Embraer Phenom 300E, which will enter service in 2016. In addition, Embraer announced the development of a new regional jet, the Embraer E195-E2, which will enter service in 2017. The company also announced the development of a new business jet, the Global 8500, and the introduction of a new Embraer Phenom 300ER, which will enter service in 2018. In addition, Embraer announced the development of a new regional jet, the Embraer E195-E2, which will enter service in 2017. The company also announced the development of a new business jet, the Global 8500, and the introduction of a new Embraer Phenom 300ER, which will enter service in 2018.

Operating performance

Embraer’s net sales were BRL 37.0 billion (2013: BRL 39.2 billion), representing a decrease of 6%, due to lower deliveries in 2013. The company’s operating profit increased to BRL 2.5 billion (2013: BRL 2.2 billion), representing an operating margin of 6.7%.

Clinical research

The Company continued to be one of the largest researchers in the world, with the development of several new technologies, including the development of the C919 regional jet, the Embraer E190-E2, and the development of the C919 regional jet, the Embraer E190-E2. The company also announced the development of a new business jet, the Global 8500, and the introduction of a new Embraer Phenom 300ER, which will enter service in 2018. In addition, Embraer announced the development of a new regional jet, the Embraer E195-E2, which will enter service in 2017. The company also announced the development of a new business jet, the Global 8500, and the introduction of a new Embraer Phenom 300ER, which will enter service in 2018.

Management excellence

The Company’s sustainable governance practices have been praised, with the announcement of several initiatives, including the development of the C919 regional jet, the Embraer E190-E2, and the development of the C919 regional jet, the Embraer E190-E2. The company also announced the development of a new business jet, the Global 8500, and the introduction of a new Embraer Phenom 300ER, which will enter service in 2018. In addition, Embraer announced the development of a new regional jet, the Embraer E195-E2, which will enter service in 2017. The company also announced the development of a new business jet, the Global 8500, and the introduction of a new Embraer Phenom 300ER, which will enter service in 2018.
Evolution in the governance model
With a view to consistently improve its corporate governance and risk management processes, Embraer created, in 2012, the Compliance Department and the Internal Auditing Department.

Reporting directly to the Audit and Risk Committee, the Compliance Department was created to unify and strengthen the Company’s existing rules and procedures. Embraer’s Enhanced Compliance Program (ECP) has a global scope and consolidates and reinforces the Company’s compliance practices, with a special focus on anti-corruption and export controls. In 2013, the Company will consolidate the program’s activities and implement specific goals for different areas of the Company.

Reporting directly to the Audit and Risk Committee, the Internal Auditing Department acts independently and is responsible for controlling the Company’s internal audit activities. With a set of internal rules in effect, the Internal Audit Manual is expected to be completed in 2013.

Risk management
Represented in the top spheres of governance and geared towards transparency, safety, and securing the Company’s operations and resources for the long term, Embraer’s risk management practices evolved throughout 2012. In January, the Risk Committee of the Board of Directors expanded its scope to incorporate audit responsibilities and now assumed the Audit and Risk Committee.

In terms of the wider community, Embraer High School inaugurated its second branch in the town of Botucatu (Brazil), with a class of 120 students from the public school system.

Embraer remains committed to the principles of the UN’s Global Compact and has been deepening its sustainability practices, including through its recent enrolment in the World Economic Forum’s Partnership Against Corruption Initiative (PACT). For the fourth consecutive year, the Company was listed in the 2013/2014 Dow Jones Sustainability Index (DJSI) and also in BM&FBovespa’s Corporate Sustainability Index (ISE).

In 2014 we expect to continue growing and improving our processes, investing in our people, in technological innovation and in relationships with our clients, shareholders, suppliers and society in general, in a bid to build a sustainable future and secure the Company’s longevity.

On behalf of Embraer’s Board of Executive Officers and the Board of Directors, I thank everyone both inside and outside the Company who contributed towards our development and accomplishments in 2013.

Frederico Fleury Curado
President & CEO
Compliance
Conforming to the highest international standards of good practice as well as local and international legislation, Embraer strengthened its Compliance program with a focus on promoting anti-corruption efforts and export controls.

The Compliance Directory, which acts independently and reports directly to the Audit and Risk Committee and the Board of Directors, is responsible for the management of this program. It is focused on continuously improving processes, training employees and promoting a culture of ethics and business integrity in internal and external interactions.

Ethics and transparency GRI 4.8
Embraer’s Code of Ethics and Conduct ensures the Company’s commitment to best practices in accounting and corporate transparency and integrity. Based on the Company’s values and the principles of the Global Compact, the document is available in Portuguese, English, French and Mandarin. It is distributed to all the Company’s employees and those of its subsidiaries in Brazil and overseas at the time of hiring or whenever there is a new update. The Code of Ethics and Conduct is available for consultation on www.embraer.com by clicking on the “Ethics and Compliance” icon.

Embraer also has a Helpline, responsible for gathering, recording, evaluating, and discussing complaints received from all sources, permitting anybody to report possible violations of the Code of Ethics and Conduct, corporate governance practices or legislation. An independent company administers the Helpline; this ensures the anonymity and confidentiality of complaints.

In 2013 the Ethics Committee evaluated 176 complaints, of which 26% were deemed valid. In terms of complaints relating to discrimination, the Company logged four in 2013; however

Contact points – Channel for lodging complaints: Helpline
Embraer internet: accessible to all employees

Embraer website (www.embraer.com): icon “Ethics and Compliance”, Helpline section or by calling one of the following numbers:
Brazil: 0800-721-6968
Portugal: 800-180-118
USA: 1-877-900-8779
Singapore: 800-130-2122
China: 400-120-4946
France: 0805-080508

PERCENTAGE OF EMPLOYEES (AND TOTAL NUMBER) TRAINED IN ANTI-CORRUPTION PROCEDURES (%)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>1.40% (240)</td>
<td>3.43% (017)</td>
<td>100%** (1,160)</td>
</tr>
<tr>
<td>Non-managers</td>
<td>0.00% (000)</td>
<td>0.00% (000)</td>
<td>01.00% (0,020)</td>
</tr>
</tbody>
</table>

* Percentages are based on the following employee totals: 17,566 (2011), 17,970 (September 2012), 18,650 (2013).
** As anticipated in 2013 the Company fulfilled the goal of training 100% of the employees working in areas of highest risk exposure. In addition, 96% of employees were trained in the Code of Ethics and Conduct that addresses the anti-corruption theme in one of its chapters. In 2014, Embraer aims to carry out phase 2 of its anti-corruption training, covering 100% of managers and all employees working in areas of highest risk exposure.
A4:

Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:

2

Comments:

Based on public information, there is evidence that the company publishes its statement of values and principles in its compliance microsite. These include transparency, honesty, trust, and integrity. These values and principles are elaborated upon in its comprehensive Code of Ethics and Conduct, which includes sections on its Principles, Business Values and Company Conduct. The Anti-Corruption Policy also outlines a set of standards to which employees are expected to adhere.

References:

Public:

The Compliance Program:

‘Message from Frederico Curado, President and CEO
At Embraer we are in continuous search for improvement and excellence in everything we do. In that context, we are individually and collectively committed to the highest level of ethics and adherence to laws, regulations and policies pertinent to our activities. We believe that by doing things right and demonstrating that business success and integrity can and should go hand in hand, we honor the confidence our stakeholders place in us and lead by example to bring our principles to all those with whom we interact.’


Code of Ethics and Conduct, p.3:

‘Principles
The Embraer Code of Ethics and Conduct reflects the commitment to achieve the business goals with social responsibility, valuing its relationship with shareholders, employees and suppliers, preserving the environment and contributing to the development of the communities where we are present. The Code is based on the business values of the Company and on the principles established by the UN Global Treaty, and seeks the good practices of corporate and accounting governance, for transparent, objective and timely communication, and for actions and decisions always taken with responsibility, quality, honesty, trust, respect and loyalty. It is the duty of all the Company’s constituents

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(administrators, employees, interns, at all Embraer units and subsidiaries, in Brazil and abroad) to comply with and enforce all the articles of this Code, with the leaders having the additional duty to publicize and ensure compliance with the said document at their respective work areas. Therefore, it is understood that any conduct that may characterize a breach of any of the principles of this Code, as well as those non-compliant with the general society ethical laws and standards will be considered serious faults. With the goal to ensure the commitment to and application of the Code, Embraer has the Company Ethics and Conduct Committee and the Committee of Auditing and Risks of the Administration Board. The Code is valid for an indefinite period of time. It must be distributed to all the Company constituents, who will not be able to allege, under any circumstances or argument, lack of knowledge of the guidelines therein contained. Partners, suppliers, clients, shareholders, community and investors will also be able to access it via the Embraer website.‘

(p.5) : ‘Business Values
The Practice of our Business Values unites us and shapes our attitudes, reinforcing our results and assuring the perpetuity of the Company. Our people are what make us fly; People, who are happy, competent, valued, fulfilled and committed to what they do. People who are team members and act with integrity, coherence, respect and mutual trust. We are here to serve our customers; Earning client loyalty through their complete satisfaction and building strong and lasting relationships. Establishing partnerships based on real commitment and flexibility. We strive for company excellence; Business action guided by simplicity, agility, flexibility and safety, while permanently seeking continuous improvement and excellence. Enterprising attitude based on integrated planning, responsible delegation and performance discipline. Boldness and innovation are our hallmarks; Technological vanguard, organization which learns continuously, capacity for innovation, transformation of the internal reality and of influence of the markets where it is present. Strategic vision and capacity to overcome challenges with creativity and courage. Global presence is our frontier; Global thought and presence, with local action, as competitive levers, through the use of the best at each location. Vision of a world with no borders and valorization of diversity. We build a sustainable future. Constantly striving to build the foundation for the Company’s longevity, considering stockholders profitability, respect for quality of life, environment and society.’


Embraer Anti-Corruption Policy:
A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score: 2

Comments:
Based on public information, TI has ascertained that the company is a member of the World Economic Forum Partnering Against Corruption, as well as the UN Global Compact. The CEO is also Co-Chair of the Safeguarding Aviation and Travel Value Chains Against Corruption project.

References:
Public:
‘World Economic Forum calls on business leaders to strive for corruption-free world’
PACI: Designing Corruption out of the System – Transparency and Anti-Corruption (Davos, 2014):
https://www.youtube.com/watch?v=hzgs0MxrAY4

Code of Ethics and Conduct, p.4:
‘UN Global Treaty
In 2008, Embraer adhered to the UN Global Treaty, endorsing its ten principles and practicing them systematically, integrating it to its processes and generating regular follow-up reports:
...ANTI-CORRUPTION, which originates on the United Nations Convention Against Corruption
10. The Company must fight against corruption in all its forms, including extortion and bribery.’

UN Global Compact Participants and Stakeholders:
https://www.unglobalcompact.org/participant/3261-EMBRAER-S-A-
A6:
Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:

1

Comments:
Based on public information, there is some readily available evidence that the Ethics and Compliance organisation is supervised by the Board of Directors and its Risk and Audit Committee. However, there is no evidence of clear terms of reference on what this responsibility entails. The company therefore scores 1.

References:
Public:
The Compliance Program:
‘The Ethics and Compliance organization is supervised by the Board of Directors and its Risk & Audit Committee and Embraer’s President and CEO as follows:
   - The Board of Directors and its Risks and Audit Committee ensure the effectiveness of the Company’s Compliance Program;
   - The President and CEO is responsible to lead all initiatives to promote the corporate integrity and comply to laws and regulations;
   - The Compliance Department provides day to day management of the Compliance Program establishing standards, procedures and training protocols to prevent illegal, unethical and improper conduct;
The compliance organization is complemented with the group of dedicated compliance officers and reinforced with the teams of compliance agents involved on day to day operations.’

Annual Report (2013), p. 37:
Board of Directors

The Board of Directors defines guidelines, goals, budgets, and investment plans; it also approves the Company’s Strategic and Action Plans. During its two-year mandate, the Board also monitors the Company’s performance, appoints independent auditors, decides on stock issues and bonuses, elects and dismisses members of the Board of Executive Officers, and keeps checks on management.

It comprises 11 active members, 7 of them independent. The Brazilian Government names one member and employees nominate two others: a representative of the Embraer Employee Investment Club (Clube de Investimentos dos Empregados Embraer - CIEMB) and another elected directly by non-shareholding employees. Since 2010, Embraer has been implementing procedures to evaluate the Board’s and its members’ performance; the evaluation assesses individual and group contributions to achieving established objectives and ensuring excellent corporate governance.

Auxiliary committees

Strategy Committee: keeps track of Company administration and results and is responsible for assisting the Board of Directors in formulation of the Strategic Plan and the Action Plan, with a focus on objectives, macro projects, and evaluation of potential new business opportunities.

Audit and Risk Committee: assists in identifying and managing business risks inherent to the Company’s activities; auditing risk supervising the quality of financial reporting and compliance with legal and regulatory requirements. In addition, the Committee makes recommendations for the selection of the external audit company and supervises its activities, among other functions.

Human Resources Committee: provides support to the Board of Directors in selecting and dismissing Company directors, defining their respective functions, setting remuneration and human resources policies, administering the Company’s share option programs and recommending the allocation of funds to employee associations and charities, and to leisure and private retirement plans.

Fiscal Board

This committee is made up of a minimum of three and a maximum of five active members along with an equal number of alternates (shareholders or otherwise). Members are elected to one-year terms in an Ordinary General Meeting. The Fiscal Board reports directly to the General Meeting, and is charged with overseeing administrative management, through regular quarterly meetings or extraordinary meetings to evaluate financial statements.

COMPOSITION OF THE FISCAL BOARD
ELECTED ON 16TH APRIL 2014

Ivan Mendes do Carmo          President
Eduardo Coutinho Guerra       Vice-President
Nelson de Menezes Filho
José Mauro Lave Viela         FB Member
Takii Hiroshima
Compliance
Conforming to the highest international standards of good practice as well as local and international legislation, Embraer strengthened its Compliance program with a focus on promoting anti-corruption efforts and export controls.

The Compliance Directory, which acts independently and reports directly to the Audit and Risk Committee and the Board of Directors, is responsible for the management of this program. It is focused on continuously improving processes, training employees and promoting a culture of ethics and business integrity in internal and external interactions.

Ethics and transparency GRI 4.8
Embraer’s Code of Ethics and Conduct ensures the Company’s...
A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:
1

Comments:
Based on public information, there is evidence that suggests the Chief Compliance Officer is in charge of the company anti-corruption policy. However, there is no readily available evidence outlining who this individual is and what their responsibilities are. The company therefore scores 1.

References:
Public:
Embraer Global Anti-Corruption Policy, p.11:
’9.6. ANTI-CORRUPTION PROGRAM REVIEW
The Chief Compliance Officer (or designee) in conjunction with the Director of Internal Controls and the Director of Internal Audit will periodically assess the effectiveness of the compliance program and report their findings to the Embraer President and Chief Executive Officer, the Management Board, and the Audit Committee of the Board of Directors’

The Compliance Program:
‘The Ethics and Compliance organization is supervised by the Board of Directors and its Risk & Audit Committee and Embraer’s President and CEO as follows:
- The Board of Directors and its Risks and Audit Committee ensure the effectiveness of the Company’s Compliance Program;
- The President and CEO is responsible to lead all initiatives to promote the corporate integrity and comply to laws and regulations;
- The Compliance Department provides day to day management of the Compliance Program establishing standards, procedures and training protocols to prevent illegal, unethical and improper conduct;

The compliance organization is complemented with the group of dedicated compliance officers and reinforced with the teams of compliance agents involved on day to day operations.’
Annual Report (2013), p.43:
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:
1

Comments:
Based on public information, there is some evidence that there is ongoing monitoring of the anti-corruption policy. However, it is not clear how often this monitoring and review takes place and what the exact scope of the review is. The company therefore scores 1.

References:
Public:
Embraer Global Anti-Corruption Policy, p.11:
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Annual Report (2013), p. 43:
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‘The Ethics and Compliance organization is supervised by the Board of Directors and its Risk
& Audit Committee and Embraer’s President and CEO as follows:

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- The President and CEO is responsible to lead all initiatives to promote the corporate integrity and comply to laws and regulations;
- The Compliance Department provides day to day management of the Compliance Program establishing standards, procedures and training protocols to prevent illegal, unethical and improper conduct;

The compliance organization is complemented with the group of dedicated compliance officers and reinforced with the teams of compliance agents involved on day to day operations.’


Annual Report (2013), p. 43:
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:
0

Comments:
Based on public information, there is no readily available evidence to demonstrate that the review of the ethics and anti-corruption agenda is undertaken according to a formal, clear, written plan. Likewise, there is no readily available evidence of improvement plans being implemented when issues are identified.

References:
Public:
Embraer Anti-Corruption Policy:

The Compliance Program:


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Embraer also has a Helpline, responsible for gathering, recording, evaluating, and discussing complaints received from all sources, permitting anybody to report possible violations of the Code of Ethics and Conduct, corporate governance practices or legislation. An independent company administers the Helpline; this ensures the anonymity and confidentiality of complaints.

In 2013 the Ethics Committee evaluated 176 complaints, of which 26% were deemed valid. In terms of complaints relating to discrimination, the Company logged four in 2013; however after proper analysis, they were judged to be unfounded.

Also in 2013, Embraer implemented an anti-corruption policy and became an active member of the World Economic Forum’s Partnering Against Corruption Initiative (PACI), as well as being a signatory to the UN’s Global Compact.

A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:
0

Comments:
Based on public information, there is no readily available information to demonstrate that there is a formal process for review of the company’s policies in response to actual or alleged instances of corruption. TI notes that the Chief Compliance Officer periodically assesses the programme’s effectiveness but it is unclear whether this is done in case of violations or alleged cases of corruption.

References:
Public:
TI notes:
Embraer Global Anti-Corruption Policy, p.11:
‘9.6. ANTI-CORRUPTION PROGRAM REVIEW
The Chief Compliance Officer (or designee) in conjunction with the Director of Internal Controls and the Director of Internal Audit will periodically assess the effectiveness of the compliance program and report their findings to the Embraer President and Chief Executive Officer, the Management Board, and the Audit Committee of the Board of Directors’

The Compliance Program:

Annual Report (2013), p.43:
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A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure implemented enterprise-wide. TI notes that the Global Anti-Corruption Policy highlights ‘red flags’ and outlines a non-exhaustive list of examples of such red flags. However, this seems to be part of a due diligence procedure and not of an enterprise wide risk assessment process.

References:
Public:
TI notes:
Embraer Anti-Corruption Policy, pp.9-10:
‘8. RED FLAGS
While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.”
Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.
When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.
The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.
Please Note: This list is not exhaustive.
• Transactions involving a country known for corrupt payments;
• Payments offered or made in cash;
• Extravagant or lavish gifts or hospitality involving a Government Official;
• Offshore payments or payments made to countries traditionally known as tax havens;
• Inadequately documented payments or expenses;
• Employee or Third-Party Intermediary requests that a transaction is structured in a manner to disguise material facts or to evade local laws;
• Third-Party Intermediary requests payment in a country other than the country in which it has its registered headquarters or senior management offices, or in which it has a permanent establishment directly involved in the performance of the business for which it was retained;
• Third-Party Intermediary is not qualified or lacks the necessary experience and resources to perform the functions for which the Third-Party Intermediary has been hired or retained;
• Third-Party Intermediary was recently created or otherwise lacks any historical information;
• Third-Party Intermediary refuses to certify to anti-corruption compliance, or objects to anti-corruption representations, warranties, covenants, audit rights, and related language in agreements with Embraer;
• Third-Party Intermediary with current or previous cases of corruption or other legal violations;
• Third-Party Intermediary with questionable or duplicated responsibilities;
• Third-Party Intermediaries recommended by a Government Official;
• Third-Party Intermediaries who have a personal family or business relationship with a Government Official;
• Third-Party Intermediaries requesting unusual contract terms or payment arrangements that raise concerns under Brazil, U.S. U.K., and/or other local law (including anti-money laundering laws), such as payment in cash, payment in another country’s currency, payment to a third party that is not connected in any way to the business transaction, or payment prior to a purchase agreement being finalized (or any other form of advance payment);
• Third-Party Intermediary’s commissions or fees exceed the customary rate for similar services in the geographic area, or unreasonably exceed rates paid by Embraer for similar services elsewhere.


The Compliance Program:

The Elements of the Compliance Program

The Embrer’s Compliance Program is based on the following elements:

• Leadership and Organizational Structure;
• Risk Management;
• Policies, Procedures and Controls;
• Training and Communication;
• Monitoring, Auditing and the Channel to report concerns "The Helpline";
A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:
1

Comments:
Based on public information, there is evidence that potential ‘red flags’ should be considered by company decision-makers when assessing proposed business decisions (such as entering a new market). However, there is a lack of clarity surrounding how this guidance should be applied and precisely to which business decisions it applies. The company therefore scores 1.

References:
Public:
Embraer Anti-Corruption Policy, pp.9-10:
‘8. RED FLAGS
While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.”
Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.
When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.
The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.
Please Note: This list is not exhaustive.
• Transactions involving a country known for corrupt payments;
• Payments offered or made in cash;
• Extravagant or lavish gifts or hospitality involving a Government Official;
• Offshore payments or payments made to countries traditionally known as tax havens;
• Inadequately documented payments or expenses;
• Employee or Third-Party Intermediary requests that a transaction is structured in a manner to disguise material facts or to evade local laws;
• Third-Party Intermediary requests payment in a country other than the country in which it has its registered headquarters or senior management offices, or in which it has a permanent establishment directly involved in the performance of the business for which it was retained;
• Third-Party Intermediary is not qualified or lacks the necessary experience and resources to perform the functions for which the Third-Party Intermediary has been hired or retained;
• Third-Party Intermediary was recently created or otherwise lacks any historical information;
• Third-Party Intermediary refuses to certify to anti-corruption compliance, or objects to anti-corruption representations, warranties, covenants, audit rights, and related language in agreements with Embraer;
• Third-Party Intermediary with current or previous cases of corruption or other legal violations;
• Third-Party Intermediary with questionable or duplicated responsibilities;
• Third-Party Intermediaries recommended by a Government Official;
• Third-Party Intermediaries who have a personal family or business relationship with a Government Official;
• Third-Party Intermediaries requesting unusual contract terms or payment arrangements that raise concerns under Brazil, U.S. U.K., and/or other local law (including anti-money laundering laws), such as payment in cash, payment in another country’s currency, payment to a third party that is not connected in any way to the business transaction, or payment prior to a purchase agreement being finalized (or any other form of advance payment);
• Third-Party Intermediary’s commissions or fees exceed the customary rate for similar services in the geographic area, or unreasonably exceed rates paid by Embraer for similar services elsewhere.

A11: Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score: 1

Comments: Based on public information, there is evidence that the company’s Global Anti-Corruption Policy (section 5.1.7) outlines the mandatory due diligence procedures for engaging third-party intermediaries and other business partners. However, there is no publicly available information to demonstrate that the company refreshes the due diligence at least every three years and/or when there is a significant change in the business relationship. The company therefore scores 1.

References:

Public:
Embraer Anti-Corruption Policy, pp.7-9:
‘5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS
Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business -- primarily Third-Party Intermediaries -- particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).
Under applicable law, Embraer may be held responsible for the actions of such Third-Party Intermediaries in giving or accepting bribes, for example, and/or failing to take sufficient steps as a Company to prevent Third-Party Intermediaries from participating in bribery or related conduct, whether or not Embraer was actually aware of the alleged improper conduct.
Therefore, an Embraer Employee must never ask a Third-Party Intermediary to engage in (or condone) any conduct that the employee is prohibited from engaging in himself or herself under this Policy. Also, an Employee must never turn a “blind eye” to suspected violations of this Policy by Third-Party Intermediaries or disregard otherwise suspect circumstances. Any actual or suspected inappropriate conduct must be promptly reported to the Compliance Department.
All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer’s Business Partner Due Diligence Procedure.

While the amount of time and effort required for Third-Party Intermediary due diligence will depend on the number and complexity of the issues raised during the due diligence review and the particular country(ies) involved, the scope of a due diligence review should be sufficient to determine the compliance-related risks Embraer may face in conducting business with the prospective Intermediary or other business partner.

Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.

Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.

Embraer’s due diligence efforts are conducted under the leadership of the Compliance Department in conjunction with the rules, guidance, and process described in the Company’s Business Partner Due Diligence Procedure. If you have any questions about the need for due diligence or how to properly perform your role in the due diligence process, please consult the Compliance Department.

Embraer is committed to undertaking appropriate and reasonable due diligence on the reputation and integrity of any business in which it invests. Accordingly, due diligence shall be undertaken with respect to mergers, acquisitions, and joint ventures. Guidelines for appropriate due diligence with respect to these affiliations can be found in the Company’s applicable policies and procedures.

Finally, Embraer requires written agreements for all engagements with Third-Party Intermediaries and other business partners. In certain limited circumstances involving the acquisition of goods or services from a supplier (as described in the Company’s Resolution DP-014), the written agreement may be in the form of a purchase order, which will include
appropriate anti-corruption covenants.’

(p.11): Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law.’

A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:

1

Comments:
Based on public information, there is some evidence that the company has contractual obligations in place and suppliers are expected to comply with a written agreement (which may be in the form of a purchase order) ‘which will include appropriate anti-corruption covenants’.

It is therefore evident that agents are expected to comply by the same anti-corruption standards as Embraer employees and failure to do so may be sanctioned with termination of the contract. However, there is no indication that the company has monitoring or auditing oversight of its agents. The company therefore scores 1.

References:

Public:
Embraer Anti-Corruption Policy, p.2:
‘3. APPLICATION
This Policy applies to all of Embraer, including the Company’s international operations and any business activities managed or conducted on Embraer’s behalf by Third-Party Intermediaries, including joint ventures. Every Employee (as defined above) is required to become familiar with, and abide by, this Policy. The Policy also applies to the Company’s affiliates, direct or indirect subsidiaries to which the Code of Ethics applies, and agents, representatives, consultants, independent contractors, and other Third-Party Intermediaries engaged by the Company.
Any Embraer subsidiaries not covered by the Code of Ethics must also adhere to the principles expressed in this Policy. The Compliance Department will collaborate with such subsidiaries to ensure that they promptly adopt policies and procedures that promote the same standards, principles, and objectives advanced by this Policy.’

(pp.7-9):
‘5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS
Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business –
primarily Third-Party Intermediaries – particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).

Under applicable law, Embraer may be held responsible for the actions of such Third-Party Intermediaries in giving or accepting bribes, for example, and/or failing to take sufficient steps as a Company to prevent Third-Party Intermediaries from participating in bribery or related conduct, whether or not Embraer was actually aware of the alleged improper conduct.

Therefore, an Embraer Employee must never ask a Third-Party Intermediary to engage in (or condone) any conduct that the employee is prohibited from engaging in himself or herself under this Policy. Also, an Employee must never turn a “blind eye” to suspected violations of this Policy by Third-Party Intermediaries or disregard otherwise suspect circumstances. Any actual or suspected inappropriate conduct must be promptly reported to the Compliance Department.

All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer’s Business Partner Due Diligence Procedure.

While the amount of time and effort required for Third-Party Intermediary due diligence will depend on the number and complexity of the issues raised during the due diligence review and the particular country(ies) involved, the scope of a due diligence review should be sufficient to determine the compliance-related risks Embraer may face in conducting business with the prospective Intermediary or other business partner.

Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.

Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.
Embraer’s due diligence efforts are conducted under the leadership of the Compliance Department in conjunction with the rules, guidance, and process described in the Company’s Business Partner Due Diligence Procedure. If you have any questions about the need for due diligence or how to properly perform your role in the due diligence process, please consult the Compliance Department.

Embraer is committed to undertaking appropriate and reasonable due diligence on the reputation and integrity of any business in which it invests. Accordingly, due diligence shall be undertaken with respect to mergers, acquisitions, and joint ventures. Guidelines for appropriate due diligence with respect to these affiliations can be found in the Company’s applicable policies and procedures.

Finally, Embraer requires written agreements for all engagements with Third-Party Intermediaries and other business partners. In certain limited circumstances involving the acquisition of goods or services from a supplier (as described in the Company’s Resolution DP-014), the written agreement may be in the form of a purchase order, which will include appropriate anti-corruption covenants.’

(pp. 10-11):
‘Section 9.1 Sanctions
Embraer and/or its Employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law, or under criminal law. This can result in severe fines and penalties, debarment, and/or imprisonment if the Company EMBRAER GLOBAL ANTI-CORRUPTION POLICY and/or its Employees are found to be in violation of applicable anti-corruption and anti-bribery laws and/or regulations.
Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies.
Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law.’

A13:
Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:

2

Comments:
Based on public information, there is evidence that the company communicates its anti-corruption policy to its business partners with clear sanctions in place if policies are breached.

References:
Public:
Embraer Anti-Corruption Policy, p.2:
‘3. APPLICATION
This Policy applies to all of Embraer, including the Company’s international operations and any business activities managed or conducted on Embraer’s behalf by Third-Party Intermediaries, including joint ventures. Every Employee (as defined above) is required to become familiar with, and abide by, this Policy. The Policy also applies to the Company’s affiliates, direct or indirect subsidiaries to which the Code of Ethics applies, and agents, representatives, consultants, independent contractors, and other Third-Party Intermediaries engaged by the Company.’
(pp.7-9):
‘5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS
Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business – primarily Third-Party Intermediaries – particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).
Under applicable law, Embraer may be held responsible for the actions of such Third-Party Intermediaries in giving or accepting bribes, for example, and/or failing to take sufficient steps as a Company to prevent Third-Party Intermediaries from participating in bribery or related conduct, whether or not Embraer was actually aware of the alleged improper conduct.
Therefore, an Embraer Employee must never ask a Third-Party Intermediary to engage in (or condone) any conduct that the employee is prohibited from engaging in himself or herself under this Policy. Also, an Employee must never turn a “blind eye” to suspected violations of this Policy by Third-Party Intermediaries or disregard otherwise suspect circumstances. Any actual or suspected inappropriate conduct must be promptly reported to the Compliance Department.

All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer’s Business Partner Due Diligence Procedure.

While the amount of time and effort required for Third-Party Intermediary due diligence will depend on the number and complexity of the issues raised during the due diligence review and the particular country(ies) involved, the scope of a due diligence review should be sufficient to determine the compliance-related risks Embraer may face in conducting business with the prospective Intermediary or other business partner.

Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.

Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.

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Embraer is committed to undertaking appropriate and reasonable due diligence on the reputation and integrity of any business in which it invests. Accordingly, due diligence shall
be undertaken with respect to mergers, acquisitions, and joint ventures. Guidelines for appropriate due diligence with respect to these affiliations can be found in the Company’s applicable policies and procedures.

Finally, Embraer requires written agreements for all engagements with Third-Party Intermediaries and other business partners. In certain limited circumstances involving the acquisition of goods or services from a supplier (as described in the Company’s Resolution DP-014), the written agreement may be in the form of a purchase order, which will include appropriate anti-corruption covenants.’

(pp. 10-11):
‘Section 9.1 Sanctions
Embraer and/or its Employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law, or under criminal law. This can result in severe fines and penalties, debarment, and/or imprisonment if the Company EMBRAER GLOBAL ANTI-CORRUPTION POLICY and/or its Employees are found to be in violation of applicable anti-corruption and anti-bribery laws and/or regulations.

Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies.

Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law.’

A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company explicitly addresses the corruption risks associated with offset contracting.

References:
Public:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting its offset partners and offset brokers. TI notes that Section 5.1.7 of the Global Anti-Corruption Policy outlines mandatory due diligence for engaging third party intermediaries and other business partners. This includes ‘associated persons, agents, suppliers, consultants, contractors, and other business partners with whom [the company] conducts business’. However, there is no specific mention of offset brokers or offset partners.

References:
Public:
TI notes:
Embraer Anti-Corruption Policy, pp.7-9:
‘5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS
Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business – primarily Third-Party Intermediaries – particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).
Under applicable law, Embraer may be held responsible for the actions of such Third-Party Intermediaries in giving or accepting bribes, for example, and/or failing to take sufficient steps as a Company to prevent Third-Party Intermediaries from participating in bribery or related conduct, whether or not Embraer was actually aware of the alleged improper conduct.

Therefore, an Embraer Employee must never ask a Third-Party Intermediary to engage in (or condone) any conduct that the employee is prohibited from engaging in himself or herself under this Policy. Also, an Employee must never turn a “blind eye” to suspected violations of this Policy by Third-Party Intermediaries or disregard otherwise suspect circumstances. Any
actual or suspected inappropriate conduct must be promptly reported to the Compliance Department.

All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer’s Business Partner Due Diligence Procedure.

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Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.

Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.

Embraer’s due diligence efforts are conducted under the leadership of the Compliance Department in conjunction with the rules, guidance, and process described in the Company’s Business Partner Due Diligence Procedure. If you have any questions about the need for due diligence or how to properly perform your role in the due diligence process, please consult the Compliance Department.

Embraer is committed to undertaking appropriate and reasonable due diligence on the reputation and integrity of any business in which it invests. Accordingly, due diligence shall be undertaken with respect to mergers, acquisitions, and joint ventures. Guidelines for appropriate due diligence with respect to these affiliations can be found in the Company’s applicable policies and procedures.

Finally, Embraer requires written agreements for all engagements with Third-Party
Intermediaries and other business partners. In certain limited circumstances involving the acquisition of goods or services from a supplier (as described in the Company’s Resolution DP-014), the written agreement may be in the form of a purchase order, which will include appropriate anti-corruption covenants.’

A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:
2

Comments:
Based on public information, there is evidence that the company has an extensive anti-corruption policy which prohibits both the giving and receiving of bribes and is explicit on the various forms that corruption can take.

References:
Public:
Embraer Anti-Corruption Policy, p.1:
‘Statement of Policy
The Embraer Global Anti-Corruption Policy (the “Policy”) commits Embraer S.A. and its subsidiaries and affiliates (collectively, “Embraer” or the “Company”) in all operations throughout the world to conducting business ethically and with the utmost integrity. The Policy requires compliance with Embraer’s Code of Ethics and Conduct (“Code of Ethics”) and all relevant laws and regulations against bribery and corruption including, but not limited to, the laws of Brazil, the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act (“UKBA”), and other applicable national anti-bribery statutes and implementing rules and regulations.
The Policy also reflects Embraer’s commitment to adhering to the relevant standards set forth in the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Government Officials in International Business Transactions (“OECD Convention”), the United Nations Convention Against Corruption (“UNCAC”), the United Nations Global Compact, and the Inter-American Convention Against Corruption. Furthermore, it is Embraer’s policy that all Third-Party Intermediaries (as defined in Section 4.2.4., below) and other business partners it engages comply with the same laws, regulations, standards, and ethical business practices, as detailed in Embraer’s Business Partner Compliance Due Diligence Procedure (“Business Partner Due Diligence Procedure”). The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1)
or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3.).

A16:
Is the anti-corruption policy explicitly one of zero tolerance?

Score:
2

Comments:
Based on public information, there is evidence that the company has a strongly-worded anti-corruption policy, which demonstrates the company’s stance and intolerance to all forms of corruption.

References:
Public:
Embraer Anti-Corruption Policy, p.2:
‘Accordingly, as a company committed to compliance and the highest ethical standards, Embraer expects all Employees and Third-Party Intermediaries to comply with this Policy, all associated procedures, the Code of Ethics, and all Brazil, U.S, U.K., and other applicable anti-corruption laws and regulations. Embraer will not authorize or tolerate any business practice that does not comply with this Policy.’
(p.11):
‘Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies. ‘

Code of Ethics and Conduct, p.4:
‘ANTI-CORRUPTION, which originates on the United Nations Convention Against Corruption 10. The Company must fight against corruption in all its forms, including extortion and bribery.’
(p.14):
‘1.9 As far as corruption and other offences
a) Corruption, such as extortion, bribery, money laundering, as well any other form of active or passive corruption, is strictly intolerable.
b) The Company has the firm commitment to comply rigorously the laws applicable to his actions and conducting its business and its constituents must faithfully comply with said commitment. The Company will not accept the practice of any action that may be or may be construed as a business offence or that may risk the image or conduct of the Company.'
c) All legislation related to the matters encompassed in this article must be totally fulfilled by the Company and its constituents, especially applicable national or foreign legislation, which deals with

(i) prevention and fight against corruption, as well as any other similar conduct, including any type of bribery, offering or receiving undue goods, favors or advantages, even in the face of persons related to private organizations or companies;

(ii) prevention and fight against money laundering,

prevention and fight against terrorism, in all its forms, and its financing, (iv) prevention and fight against unfair competition and other undue commercial practices; and (v) prevention and fight against slave and child labor.’

A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

2

Comments:
Based on public information, there is evidence that the company’s anti-corruption policy is easily accessible on the compliance microsite and is available in both Portuguese and English.

References:
Public:
Embraer Anti-Corruption Policy (in English and in Portuguese):
http://www.embraer.com.br/compliance/pdfs/Embraer%20Pol%C3%A7a%20Anticorrup%C3%A7%C3%A3o_PORT.pdf

Code of Ethics and Conduct :

The Compliance Program:
A17(a):
Is the company's anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s anti-corruption policy is written in accessible, comprehensive language.

References:

Public:
Embraer Anti-Corruption Policy (in English and in Portuguese):
http://www.embraer.com.br/compliance/pdfs/Embraer%20Pol%C3%ADtica%20Global%20Anticorrup%C3%A7%C3%A3o_PORT.pdf

Code of Ethics and Conduct:

The Compliance Program:
A18:

Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

2

Comments:

Based on public information, there is evidence that the company’s anti-corruption policy specifically applies to all employees, ‘directors, officers, managers, and employees’.

References:

Public:
Embraer Anti-Corruption Policy, p.1:
‘Statement of Policy
The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3.).’

(p.2):
3. APPLICATION
This Policy applies to all of Embraer, including the Company’s international operations and any business activities managed or conducted on Embraer’s behalf by Third-Party Intermediaries, including joint ventures. Every Employee (as defined above) is required to become familiar with, and abide by, this Policy. The Policy also applies to the Company’s affiliates, direct or indirect subsidiaries to which the Code of Ethics applies, and agents, representatives, consultants, independent contractors, and other Third-Party Intermediaries engaged by the Company.

Any Embraer subsidiaries not covered by the Code of Ethics must also adhere to the principles expressed in this Policy. The Compliance Department will collaborate with such subsidiaries to ensure that they promptly adopt policies and procedures that promote the same standards, principles, and objectives advanced by this Policy.’

http://www.embraer.com.br/compliance/pdfs/Embraer%20Global%20Anti-
A20:
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:
1

Comments:
Based on public information, there is some evidence that the Anti-Corruption Policy and the Code of Ethics and Conduct refer to conflicts of interest. However, the wording of the policy remains fairly vague and examples given are limited. Further, it is not clear whether the policy applies to Board members, as well as other employees. The company therefore scores 1.

References:
Public
Embraer Anti-Corruption Policy, p.7:
‘5.1.6. CONFLICT OF INTEREST
All Employees must avoid conflicts of interest and are expected to perform their duties conscientiously, honestly, and in accordance with the best interests of Embraer. Employees must not abuse their position, misuse confidential knowledge for personal or Third-Party Intermediary gain, or have any direct involvement in any business in conflict with Embraer’s commercial interests, or that in anyway compromises their independence and impartiality.
Additional guidance on the question of conflicts of interest is provided in the Code of Ethics.’

Code of Ethics and Conduct, pp. 10-11:
‘1.7 With conflicts of interest
a) The Company’s constituents have the obligation to be loyal to it, by protecting its legitimate interests whenever necessary and by basing their behaviors in attitudes that do not risk the financial and patrimonial safety of Embraer.
b) The Company’s constituents’ private interests must not interfere with Embraer’s interests. To that effect, all relationships that are or appear to present conflict of interest between the Company and its constituents must be avoided; including, conflicts that involve family members or individuals who have a close relationship with you, whether professional or personal.
c) The Company’s constituents must not have economic and/or financial interests in a
competitor, client, distributor or supplier, as long as such interest may influence or appear to influence the actions they perform in Embraer’s behalf.

d) If a situation occurs that represents or may represent a conflict of interest and it is impossible to avoid that conflict, the Company constituent involved must communicate the matter to his/her leader, fully reporting in writing all the circumstances related to the case.

e) The Company’s constituents are forbidden to request gifts, tips, favors or any kind of advantage, whether in their own benefit, their family members or individuals closely related to them, professionally or personally.

f) The Company’s constituents, except when it is not a conflict of interest, must not work for or receive compensation for services provided to any competitor, client, distributor or supplier.

g) Perform any kind of uncommon work, other than the activities developed by Embraer, as well as selling of any kind of product or service within the Company’s facilities, whether during working hours or not, is forbidden.

h) Company assets, such as telephones, equipment, material or information must not be used to perform work outside of the activities developed by Embraer.

i) Leadership and administrators are forbidden to influence or evaluate positions or salaries of family members or closely related individuals.’

(p.16):

2.4 Conflicts of interest

a) Company constituents that might have relatives or closely related individuals working in businesses that provide services or goods to Embraer, must not use their personal influence on negotiations, decisions about choices or deal closings.

b) Company constituents are forbidden to perform external activities, paid or not, that might characterize conflict of interest with Embraer businesses or make inappropriate use of information, technologies, knowledge or any other means, tangible or intangible, that are Company’s property.


By-laws of Embraer, p.30:

‘Members of the Board of Directors

Section 30 – The members of the Board of Directors must be persons of unimpeachable integrity and, unless a waiver is given by the Shareholders’ Meeting, may not:
I. hold positions in companies that could be regarded as competitors of the Corporation; or
II. have or represent interests that conflict which those of the Corporation.

Paragraph 1 – For the purpose of the provision in Section 115 of Law No. 6,404/76, a vote cast by a shareholder for election of a Board member that does not meet the requirements of this Section will be deemed an abusive vote.

Paragraph 2 – No member of the Board of Directors may have access to information, participate in Board meetings or cast a vote where such member has or represents interests that conflict with those of the Corporation.’

http://ri.embraer.com.br/show.aspx?idCanal=GrwYNiVreTxDQQRDeQgKA
A21:

Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

2

Comments:

Based on public information, there is evidence that the company has a policy on gifts with clear upper limits to guarantee that such transactions are not a subterfuge for bribery.

References:

Public:
Code of Ethics and Conduct, pp. 12-13:
‘Giveaways and gifts

Company constituents may accept low value giveaways (amount up to US$ 100), always ensuring that their sense of evaluation has not been compromised and that there is no agreement, explicit or implicit that they are somehow obligated to do something in return for the item offered. In case the gift or giveaway is received under circumstances that will not allow the Company constituent to refuse it, or if there is reasonable doubt as to whether the value of the giveaway exceeds that of the maximum amount allowed, the item will be forwarded to the respective Executive Vice President for him to decide the appropriate destination for it. The Executive Vice Presidents will be able to, in exceptional situation, authorize receiving gifts, giveaways or other things of value or utility that exceed the maximum amount allowed, however, they must obtain advance approval from the Ethics Committee. B) Receiving giveaways, favors or any items of value or utility that may generate even the appearance of impropriety of conduct or potential impact in the Company’s business decisions is forbidden. Any Company constituent is strictly forbidden to receive money, any other items or services offered by third parties (even if through a raffle or contest) in any context related, directly or indirectly, to his activity at the Company, regardless of the amount involved. C) Concession of giveaways, favors or things of value or utility to commercial counterparts (including potential counterparts) and their constituents is forbidden, except for promotional articles or sales campaign items whose value does not exceed the maximum amount allowed (up to US$ 100) and that are used with the purpose of institutional or commercial publicizing of the Company or its products and, further, that they do not and may not interfere in the business decision making of the other party. The Executive Vice Presidents will be able to, in exceptional situations, authorize the concession gifts, giveaways or other things of value or utility that exceed the maximum amount allowed, however, they must obtain advance approval from the Ethics Committee.
D) All the Company’s constituents are expressly forbidden to offer or promise directly or through third parties, payments, gifts or benefits to public agents, political parties or their members, as well as candidates to public positions and family members or anyone equal to those previously described with the intention of obtaining benefits for himself or for the Company.

E) The prohibition established in article c) above does not apply to cost and expenses incurred directly as a consequence of the actual demonstration of its products to clients or potential clients, as well as, for example, airport fees and expenses with fuel used in aircraft demonstration flights, which may be funded by the Company, without their constituting violation of this Code.

F) Donations and Sponsorships are permitted, as long as they observe internal procedures, the Bylaws and the legislation in force.’


Embraer Anti-Corruption Policy, p.1:
‘The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3.).’

(pp. 3-4):
‘4.2.2. The term “Anything of Value” is broad and can include any item of monetary value, including, but not limited to, the following:
• Cash or the equivalent (including gift cards);
• Benefits and favors (such as special access to a government agency);
• Performing services that would otherwise have to be paid for or purchased;
• Gifts;
• Contracts or other business opportunities awarded to a company in which a Government Official has an ownership or other beneficial interest;
• Employment or consultancy opportunities;
• Charitable donations;
• Political contributions;
• Medical, educational, or living expenses; or
• Travel, meals, lodging, shopping, or entertainment expenses.
In addition, the company has a policy that regulates gifts by setting an upper limit of $100.’

(pp.5-6):
‘5.1.1. GIFTS AND HOSPITALITY (INCLUDES MEALS AND ENTERTAINMENT)
Embraer’s business decisions and those of its partners must be made objectively, without influence by gifts or favors. A small, reasonably priced gift or gesture of respect or gratitude
may sometimes be an appropriate way for business people to display respect for each other. Nevertheless, regardless of value, the giving or receipt of a gift, meal, entertainment, or other hospitality benefit must not be done with the intent to improperly influence a Government Official or any other party doing business with Embraer.

Accordingly, under certain limited circumstances, Embraer allows for the provision of gifts, meals, entertainment, Embraer promotional items, and other items of nominal value, to Government Officials or any other party doing business with Embraer. Before providing any gift, meal, entertainment offering, or other hospitality benefit, review the Code of Ethics and the detailed guidance provided in Embraer’s applicable policies and procedures. Please direct any questions about gifts and hospitality to the Compliance Department.

Requirements for any Gift or Hospitality Benefit

• It is not made with the intent to influence the recipient in order to obtain or retain any improper business advantage for Embraer or any other individual or entity, or as an explicit or implicit exchange for favors or benefits, or for any other corrupt purpose;
• It is not given to a Government Official, commercial entity, or related individual when an Embraer contract or regulatory decision is pending with that official, entity, or individual;
• It does not include cash or a cash equivalent (such as gift certificates or vouchers);
• It is not lavish or extravagant – rather, it must be of reasonable/modest value (e.g., insignificant compared with average local salaries);
• It is provided (or received) on an infrequent basis – no more than four (4) times per 12-month period, with each individual gift, meal, entertainment offering, or other hospitality benefit counting as one (1) time for purposes of the frequency limitation;
• It does not include expenses for any of the recipient’s relatives;
• It is provided openly and transparently;
• It is given in connection with the promotion, demonstration, or explanation of Company’s products or services;
• It is in accordance with the local laws and culture of the country in which you are operating;
• It is fully documented and supported by receipts and corresponding paperwork; and
• It is timely and accurately recorded in Embraer’s books and records.’

A22:

Does the company’s anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:

2

Comments:

Based on public information, there is evidence that the company has a policy on giving and receipt of hospitality with clear upper limits to ensure against corruption.

References:

Public:
Code of Ethics and Conduct, pp. 12-13:
‘Giveaways anf gifts
Company constituents may accept low value giveaways (amount up to US$ 100), always ensuring that their sense of evaluation has not been compromised and that there is no agreement, explicit or implicit that they are somehow obligated to do something in return for the item offered. In case the gift or giveaway is received under circumstances that will not allow the Company constituent to refuse it, or if there is reasonable doubt as to whether the value of the giveaway exceeds that of the maximum amount allowed, the item will be forwarded to the respective Executive Vice President for him to decide the appropriate destination for it. The Executive Vice Presidents will be able to, in exceptional situation, authorize receiving gifts, giveaways or other things of value or utility that exceed the maximum amount allowed, however, they must obtain advance approval from the Ethics Committee. B) Receiving giveaways, favors or any items of value or utility that may generate even the appearance of impropriety of conduct or potential impact in the Company’s business decisions is forbidden. Any Company constituent is strictly forbidden to receive money, any other items or services offered by third parties (even if through a raffle or contest) in any context related, directly or indirectly, to his activity at the Company, regardless of the amount involved. C) Concession of giveaways, favors or things of value or utility to commercial counterparts (including potential counterparts) and their constituents is forbidden, except for promotional articles or sales campaign items whose value does not exceed the maximum amount allowed (up to US$ 100) and that are used with the purpose of institutional or commercial publicizing of the Company or its products and, further, that they do not and may not interfere in the business decision making of the other party. The Executive Vice Presidents will be able to, in exceptional situations, authorize the concession gifts, giveaways or other things of value or utility that exceed the maximum amount
allowed, however, they must obtain advance approval from the Ethics Committee.

D) All the Company’s constituents are expressly forbidden to offer or promise directly or through third parties, payments, gifts or benefits to public agents, political parties or their members, as well as candidates to public positions and family members or anyone equal to those previously described with the intention of obtaining benefits for himself or for the Company.

E) The prohibition established in article c) above does not apply to cost and expenses incurred directly as a consequence of the actual demonstration of its products to clients or potential clients, as well as, for example, airport fees and expenses with fuel used in aircraft demonstration flights, which may be funded by the Company, without their constituting violation of this Code.

F) Donations and Sponsorships are permitted, as long as they observe internal procedures, the Bylaws and the legislation in force.


Embraer Anti-Corruption Policy, p.1:
‘The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3).’

(pp. 3-4):
‘4.2.2. The term “Anything of Value” is broad and can include any item of monetary value, including, but not limited to, the following:
- Cash or the equivalent (including gift cards);
- Benefits and favors (such as special access to a government agency);
- Performing services that would otherwise have to be paid for or purchased;
- Gifts;
- Contracts or other business opportunities awarded to a company in which a Government Official has an ownership or other beneficial interest;
- Employment or consultancy opportunities;
- Charitable donations;
- Political contributions;
- Medical, educational, or living expenses; or
- Travel, meals, lodging, shopping, or entertainment expenses.
In addition, the company has a policy that regulates gifts by setting an upper limit of $100.’

(pp.5-6):
‘5.1.1. GIFTS AND HOSPITALITY (INCLUDES MEALS AND ENTERTAINMENT)
Embraer’s business decisions and those of its partners must be made objectively, without influence by gifts or favors. A small, reasonably priced gift or gesture of respect or gratitude
may sometimes be an appropriate way for business people to display respect for each other. Nevertheless, regardless of value, the giving or receipt of a gift, meal, entertainment, or other hospitality benefit must not be done with the intent to improperly influence a Government Official or any other party doing business with Embraer.

Accordingly, under certain limited circumstances, Embraer allows for the provision of gifts, meals, entertainment, Embraer promotional items, and other items of nominal value, to Government Officials or any other party doing business with Embraer. Before providing any gift, meal, entertainment offering, or other hospitality benefit, review the Code of Ethics and the detailed guidance provided in Embraer’s applicable policies and procedures. Please direct any questions about gifts and hospitality to the Compliance Department.

Requirements for any Gift or Hospitality Benefit

- It is not made with the intent to influence the recipient in order to obtain or retain any improper business advantage for Embraer or any other individual or entity, or as an explicit or implicit exchange for favors or benefits, or for any other corrupt purpose;
- It is not given to a Government Official, commercial entity, or related individual when an Embraer contract or regulatory decision is pending with that official, entity, or individual;
- It does not include cash or a cash equivalent (such as gift certificates or vouchers);
- It is not lavish or extravagant – rather, it must be of reasonable/modest value (e.g., insignificant compared with average local salaries);
- It is provided (or received) on an infrequent basis – no more than four (4) times per 12-month period, with each individual gift, meal, entertainment offering, or other hospitality benefit counting as one (1) time for purposes of the frequency limitation;
- It does not include expenses for any of the recipient’s relatives;
- It is provided openly and transparently;
- It is given in connection with the promotion, demonstration, or explanation of Company’s products or services;
- It is in accordance with the local laws and culture of the country in which you are operating;
- It is fully documented and supported by receipts and corresponding paperwork; and
- It is timely and accurately recorded in Embraer’s books and records.’

A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:

1

Comments:
Based on public information, there is evidence that the company clearly prohibits facilitation payments, which are also clearly defined in the policy. However, the company provides no guidance or supplementary information on how the policy is to be implemented in practice. The company therefore scores 1.

References:
Public
Embraer Anti-Corruption Policy, pp.4-5:
‘4.2.5. The term “Facilitating,” Expediting,” or “Grease” Payment means: EMBRAER GLOBAL ANTI-CORRUPTION POLICY
• Any small or nominal payment made to a Government Official, typically to speed up and/or secure the performance of a non-discretionary “routine governmental action.” Such payments are prohibited by the Company (as discussed below in Section 6 of the Policy).
• By way of example, “routine governmental actions” may include the following:
  1. Obtaining permits, licenses, or other official documents to qualify a person or entity to do business in a foreign country;
  2. Processing governmental papers, such as visas and work orders;
  3. Providing police protection, mail pick-up and delivery, or scheduling inspections;
  4. Providing phone service, power and water supply, loading cargo, or protecting goods from deterioration; or
  5. Actions of a similar nature.’

(p.9):
‘6. FACILITATING PAYMENTS
The use of facilitating payments (as defined in Section 4.2.5), may be considered a customary way of doing business in some countries. It is, however, important to understand that such payments are prohibited by the anti-bribery laws of many countries, including Brazil and the U.K. (under the UKBA). Additionally, clients whose projects Embraer may be supporting might prohibit such payments. Furthermore, facilitating payments are generally illegal under the local laws of most countries worldwide. Based on the above, this Policy
prohibits Employees or Third-Party Intermediaries from making facilitating payments on the Company’s behalf.’

A24: Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score: 1

Comments: Based on public information, there is evidence that the Anti-Corruption Policy explicitly prohibits political contributions in any form on behalf of the company for the purpose of obtaining or retaining any “Improper Advantage”. Other contributions are only made following approval and employees are required to inform the Compliance Department of any contributions made. However, it is not clear that such contributions are publicly disclosed. The company therefore scores 1.

References:

Public:
Embraer Anti-Corruption Policy, p.1:
‘The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3).’

(pp. 3-4):
‘4.2.2. The term “Anything of Value” is broad and can include any item of monetary value, including, but not limited to, the following:
• Cash or the equivalent (including gift cards);
• Benefits and favors (such as special access to a government agency);
• Performing services that would otherwise have to be paid for or purchased;
• Gifts;
• Contracts or other business opportunities awarded to a company in which a Government Official has an ownership or other beneficial interest;
• Employment or consultancy opportunities;
• Charitable donations;
• Political contributions;’


Code of Ethics and Conduct, p.8:
e) The relationships of the Company with rulers, public authorities or political parties must be based on transparency, honesty and ethics, so as to ensure honest and sustainable relationships with the authorities in the Executive, Legislative and Judiciary branches at the municipal, state (regional) and federal (national) scope of the various countries, always respecting the laws in force.’

(p.13): ‘d) All the Company’s constituents are expressly forbidden to offer or promise directly or through third parties, payments, gifts or benefits to public agents, political parties or their members, as well as candidates to public positions and family members or anyone equal to those previously described with the intention of obtaining benefits for himself or for the Company.

1.8 Giveaways and gifts
f) Donations and Sponsorships are permitted, as long as they observe internal procedures, the Bylaws and the legislation in force.’


By-laws of Embraer, p. 16:
‘Section 33 - It is incumbent on the Board of Directors:
XXI. To authorize a transfer of corporate funds to employee associations, charitable, recreational and private pension entities, as well as any donation of corporate funds to a third party;’

http://ri.embraer.com.br/show.aspx?idCanal=GrwYNw/VreTxNQQRDdOgKA==

Supreme Electoral Tribunal in Brazil:
http://www.tse.jus.br/eleicoes/estatisticas/repositorio-de-dados-eleitorais
A25:
Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:
0

Comments:
Based on public information, there is no readily available evidence to suggest that the company has a policy on engagement in lobbying activities.

References:
Public:
NA
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

1

Comments:
Based on public information, there is evidence that the company regulates charitable contributions in order to prevent undue influence. The applications of these guidelines are clear, and staff are asked to report and record all charitable donations. However, it is not clear if such contributions are publicly declared. The company therefore scores 1.

References:
Public:

Embraer Anti-Corruption Policy, p.1:
‘The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3.).’

(pp. 3-4):
‘4.2.2. The term “Anything of Value” is broad and can include any item of monetary value, including, but not limited to, the following:
• Cash or the equivalent (including gift cards);
• Benefits and favors (such as special access to a government agency);
• Performing services that would otherwise have to be paid for or purchased;
• Gifts;
• Contracts or other business opportunities awarded to a company in which a Government Official has an ownership or other beneficial interest;
• Employment or consultancy opportunities;
• Charitable donations;
• Political contributions;’

(pp. 6-7):
### 5.1.3. DONATIONS & SPONSORSHIPS

Embraer supports making contributions to the communities in which it does business and permits reasonable donations to charities. However, Embraer must always take reasonable steps to verify that any such contribution is not an illegal payment to a Government Official in violation of this Policy and any applicable anti-corruption laws or regulations. Donations and sponsorships are permitted, as long as they adhere strictly to internal procedures, the Embraer Bylaws, and any applicable laws and regulations in force, and cannot be used as a means to improperly influence business decisions. Embraer must be certain that donations and sponsorships are not used to promote illegal payments, and must confirm through adequate due diligence that the recipient charity does not act as a conduit to fund illegal activities in violation of this Policy or of any applicable anti-corruption laws or regulations.

Any Embraer Employee making a request for a charitable donation must submit appropriate supporting documentation so that it can be accurately recorded in Embraer’s books and records. For purposes of this section, charitable contributions include money, services, and Anything of Value.

Before you provide any donation or sponsorship, review the additional guidance in the Code of Ethics and Embraer’s donations and sponsorships policies and procedures. Please direct any questions about donations or sponsorships to the Compliance Department.


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**Annual Report (2013), p.78:**

‘Social Responsibility GRI EC8, SO1

Through the Embraer Education and Research Institute (Instituto Embraer de Educação e Pesquisa - IEEP), the Company adopts a structured approach to social investments. These are focused primarily on promoting education, in the belief that this is the most efficient means of fostering a society’s development and achieving social inclusion. In 2013 Embraer invested R$ 21 million in these kinds of programs and projects.

The centerpieces of Embraer’s social investment initiatives are the two Embraer Schools. Fully funded by the Company, these offer three years of high school to students from the public school system. In addition to study grants, the students receive uniforms, study materials, meals and transport.

**Scholarship Fund**

Through its Scholarship Fund, the Company seeks to assist Embraer High School alumni who have been offered places at universities located far from São José dos Campos and lack the financial means to cover subsistence expenses. The Company contributes 25% of the financing of the scheme, the rest being supplied by partner companies, along with voluntary contributions from around 800 employees and former Fund beneficiaries; after joining the job market, these begin to pay back the sums received during their university studies. In 2013, some 302 university students drew monthly assistance of R$ 616.20, and 270 former beneficiaries paid back part of what they had received.
Embraer provides financial support to educational projects developed by Non-Governmental Organizations (NGOs) in the communities where the Company is active. Through its Social Partnership Program (Programa de Parceria Social - PPS), Embraer employees work alongside the NGOs in the design and implementation of social initiatives and volunteering activities.
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

1

Comments:

Based on public information, there is evidence that the company’s Global Anti-Corruption Policy and Code of Ethics and Conduct provide written guidance to help Board members and employees to understand the firm’s ethics and anti-corruption agenda. However, although the guidance is comprehensive in places, there is a lack of scenarios and illustrations to demonstrate how it should be interpreted by employees. The action that an employee should take upon either encountering a risk of corruption or uncovering an example of it is unclear, beyond being asked to ‘direct any questions... to the Compliance Department’. The company therefore scores 1.

References:

Public:
Embraer Anti-Corruption Policy:

Code of Ethics and Conduct:

The Compliance Program:
‘The Embraer’s Compliance Program is based on the following elements:
(1) Leadership;
(2) Risk Assessment;
(3) Standards and Controls;
(4) Training and Communication; and
(5) Monitoring, Auditing, Testing, and Response.’
A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:

2

Comments:
Based on public information, there is evidence that the company conducts training that explicitly covers anti-corruption and compliance.

References:
Public:
Training and Awareness:

‘The purpose of the Ethics and Compliance training program is to:

- Disseminate the Embraer’s values, standards, policies and procedures regarding ethical business conduct;
- Conduct E&C training to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls;
- Use several ways for ethics education and awareness programs such as web-based, live and external certification providing knowledge in compliance with the laws and regulations;
- Continuous training through updated courses, materials and news from external providers and internal education systems;
- Deliver focus training on anti-corruption and export control laws and regulations;
- Provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners;


Embraer Anti-Corruption Policy, p.11:

‘9.4. TRAINING

Periodic training on the Embraer anti-corruption program will occur on a schedule determined annually by the Chief Compliance Officer. This training will, at a minimum, include senior management and Employees whose responsibilities require them to interact with Government Officials, as well as employees in Accounting, Sales, Internal Audit, Internal Controls and Risk, Legal, Marketing, Compliance, and Procurement -- plus Third-Party Intermediaries, as necessary and appropriate.
9.5. CERTIFICATION

All Employees who are determined by the Chief Compliance Officer to require mandatory anti-corruption training must, as part of successfully completing this training, certify, in writing:

• That they have received, understand, and will comply with Embraer’s policies and procedures relating to anti-corruption compliance;
• That they have acted in compliance with and will continue to act in compliance with such policies and procedures; and
• That they will promptly report any allegations, violations, or compliance-related concerns of which they become aware.

A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

2

Comments:
Based on public information, there is evidence that the company’s compliance microsite states that an aim of the Compliance and Ethics training is to ‘provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners’. TI notes there is evidence in the Annual report that only a certain percentage of the employees are trained annually and it is unclear whether exceptions apply.

References:

Public:
Training and Awareness:
‘The purpose of the Ethics and Compliance training program is to:
- Disseminate the Embraer’s values, standards, policies and procedures regarding ethical business conduct;
- Conduct E&C training to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls;
- Provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners;


Annual Report (2013), p. 43-44:
‘During the course of the year Embraer carried out a risk assessment analysis focusing on corruption-related risks across all its units, subsidiaries and majority-owned companies. In addition, 96% of employees were trained on the Code of Ethics and Conduct, to which they individually and formally adhere; and 100% of leaders underwent training on anticorruption policies and legislation.’
<table>
<thead>
<tr>
<th>MANAGERS</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.49%</td>
<td>3.43%</td>
<td>100% * (1,152)</td>
</tr>
<tr>
<td>(240)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>51.05% (9,520)</td>
</tr>
<tr>
<td>NONMANAGERS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(617)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Percentages are based on the following employee totals: 17,265 (2011); 17,970 (September 2012); 18,650 (2013).

* As anticipated in 2013, the Company fulfilled the goal of 100% training.
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

1

Comments:
Based on public information, there is evidence to confirm that the company conducts targeted anti-corruption training to members of the Board. Further, there is evidence that in 2013 100% of the managers had been trained. However, it is not clear how often they are retrained. The company therefore scores 1.

References:

Public:
Training and Awareness:
‘The purpose of the Ethics and Compliance training program is to:
- Disseminate the Embraer’s values, standards, policies and procedures regarding ethical business conduct;
- Conduct E&C training to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls;
- Use several ways for ethics education and awareness programs such as web-based, live and external certification providing knowledge in compliance with the laws and regulations;
- Continuous training through updated courses, materials and news from external providers and internal education systems;
- Deliver focus training on anti-corruption and export control laws and regulations;
- Provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners;


Annual Report (2013), p.43-44:
‘During the course of the year Embraer carried out a risk assessment analysis focusing on corruption-related risks across all its units, subsidiaries and majority-owned companies. In addition, 96% of employees were trained on the Code of Ethics and Conduct, to which they individually and formally adhere; and 100% of leaders underwent training on anticorruption policies and legislation.’
PERCENTAGE OF EMPLOYEES (AND TOTAL NUMBER) TRAINED IN ANTI-CORRUPTION PROCEDURES (%) GRI S03

<table>
<thead>
<tr>
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<tr>
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</tr>
<tr>
<td>Non managers</td>
<td>(240)</td>
<td>(617)</td>
<td>51.05% (9,520)</td>
</tr>
</tbody>
</table>

1 Percentages are based on the following employee totals: 17,265 (2011); 17,970 (September 2012); 18,650 (2013).

** As anticipated in 2013, the Company fulfilled the goal of

A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:

1

Comments:
Based on public information, there is evidence that the company clearly recognises the sensitivity of certain positions, stating that anti-corruption training is provided ‘to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls’. However, there is no readily available evidence to suggest that the anti-corruption training is tailored for these staff members, but rather that staff in these positions are the ‘minimum’ audience of the training. The company therefore scores 1.

References:

Public:
Training and Awareness:
‘The purpose of the Ethics and Compliance training program is to:
- Disseminate the Embraer’s values, standards, policies and procedures regarding ethical business conduct;
- Conduct E&C training to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls;
- Use several ways for ethics education and awareness programs such as web-based, live and external certification providing knowledge in compliance with the laws and regulations;
- Continuous training through updated courses, materials and news from external providers and internal education systems;
- Deliver focus training on anti-corruption and export control laws and regulations;
- Provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners;


Embraer Anti-Corruption Policy, p.11:
9.4. TRAINING

Periodic training on the Embraer anti-corruption program will occur on a schedule determined annually by the Chief Compliance Officer. This training will, at a minimum, include senior management and Employees whose responsibilities require them to interact with Government Officials, as well as employees in Accounting, Sales, Internal Audit, Internal Controls and Risk, Legal, Marketing, Compliance, and Procurement -- plus Third-Party Intermediaries, as necessary and appropriate.

9.5. CERTIFICATION

All Employees who are determined by the Chief Compliance Officer to require mandatory anti-corruption training must, as part of successfully completing this training, certify, in writing:

- That they have received, understand, and will comply with Embraer’s policies and procedures relating to anti-corruption compliance;
- That they have acted in compliance with and will continue to act in compliance with such policies and procedures; and
- That they will promptly report any allegations, violations, or compliance-related concerns of which they become aware.

A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:
1

Comments:
Based on public information, there is evidence that the company has outlined the disclosure procedure for declaring conflicts of interest. TI notes that the score is restricted to a 1 here because conflicts are not reported to an independent department.

References:
Public:
Embraer Anti-Corruption Policy, p.7:
‘5.1.6. CONFLICT OF INTEREST
All Employees must avoid conflicts of interest and are expected to perform their duties conscientiously, honestly, and in accordance with the best interests of Embraer. Employees must not abuse their position, misuse confidential knowledge for personal or Third-Party Intermediary gain, or have any direct involvement in any business in conflict with Embraer’s commercial interests, or that in anyway compromises their independence and impartiality.
Additional guidance on the question of conflicts of interest is provided in the Code of Ethics.’

Code of Ethics and Conduct, pp.10-11:
‘1.7 With conflicts of interest
... 
d) If a situation occurs that represents or may represent a conflict of interest and it is impossible to avoid that conflict, the Company constituent involved must communicate the matter to his/her leader, fully reporting in writing all the circumstances related to the case.
e) The Company’s constituents are forbidden to request gifts, tips, favors or any kind of advantage, whether in their own benefit, their family members or individuals closely related to them, professionally or personally.
f) The Company’s constituents, except when it is not a conflict of interest, must not work for or receive compensation for services provided to any competitor, client, distributor or supplier.
g) Perform any kind of uncommon work, other than the activities developed by Embraer, as
well as selling of any kind of product or service within the Company’s facilities, whether during working hours or not, is forbidden.

h) Company assets, such as telephones, equipment, material or information must not be used to perform work outside of the activities developed by Embraer.

i) Leadership and administrators are forbidden to influence or evaluate positions or salaries of family members or closely related individuals.’

A32: Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score: 2

Comments: Based on public information, there is evidence of the company’s commitment to apply disciplinary action to employees and Board members found to be engaged in corrupt activities.

References:
Public:
Embraer Anti-Corruption Policy, p.1:
The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3).

(p.11):
‘Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies.’

A33:
Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

2

Comments:
Based on public information, there is evidence that the company provides multiple and well-publicised channels for reporting concerns or suspected corrupt activity. Section 11 of the Anti-Corruption Policy and Section 3 of the Code of Ethics and Conduct contain the specific regulations that confirm this. Employees may make a report to the company’s Compliance Department, to the confidential Helpline, or by visiting the online Ethics Portal.

References:
Public:
Embraer Anti-Corruption Policy, p.12:
‘11. ASKING QUESTIONS AND REPORTING INCIDENTS OR CONCERNS
Embraer’s Employees are encouraged to ask questions regarding this Policy. Any question or uncertainty about a specific situation relating in any way to this Policy (or related policies or procedures) should be addressed to the Compliance Department before taking action. Employees must promptly report any bribe, solicitation, or offer of an improper payment or advantage.
You may ask questions or make a report to Embraer’s Compliance Department at: compliance@embraer.com.br. You can also use Embraer’s confidential Helpline or visit the Ethics Portal for additional assistance or further information about reporting.’

Code of Ethics and Conduct, p. 17:
‘3. Means of Communication
The Company has an Ethics Website which concentrates information about ethics and a space to forward questions directly to the Ethics Committee. In case of non-compliance with the terms described in this Code, Embraer has a confidential, safe and anonymous mechanism (Channel for Harmful Practices which allows any person to inform about the non-compliance or potential distortion noticed in regards to the contents of the Code.

EMBRAER 16/12/14
WWW.EMBRAER.COM.BR/EN-US/PAGES/HOME.ASPX
The Channel for Harmful Practices is available in three different ways: via intranet, Embraer website or mail. By mail through post office box: Caixa Postal nº 11.331, CEP 05422-970 São Paulo – SP, Brasil.

All denunciation are automatically sent to an independent external auditing company, that after a preliminary analysis, submits them to the “Ethics Committee” that analyzes and recommends the applicable corrective actions. Depending on the seriousness and scope of the denunciations, they are forwarded to the Internal Auditing Committee, which is directly linked to the Administration Committee through its Auditing and Risks Committee which has the responsibility to analyze them and take the applicable measures.


Annual Report (2013), p. 43:

‘Embraer also has a Helpline, responsible for gathering, recording, evaluating, and discussing complaints received from all sources, permitting anybody to report possible violations to the Code of Ethics and Conduct, corporate governance practices or legislation. An independent company administers the Helpline; this ensures the anonymity and confidentiality of complaints.

In 2013 the Ethics Committee evaluated 176 complaints, of which 26% were deemed valid. In terms of complaints relating to discrimination, the Company logged four in 2013; however after proper analysis, they were judged to be unfounded’

A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:

2

Comments:
Based on public information, there is evidence that across all geographies, employees have access to more than one reporting channel. This includes the Compliance Department and the Helpline.

References:

Public:
The Compliance Program:
The Compliance SystemThe Compliance system seeks to cover processes and operations based on risk assessment, policies and procedures, training and communication, monitoring and auditing, counseling, remediation and reporting lines. All initiatives are designed to prevent, detect and respond to any compliance requirement.

Embraer Anti-Corruption Policy, p.12:
‘11. ASKING QUESTIONS AND REPORTING INCIDENTS OR CONCERNS
Embraer’s Employees are encouraged to ask questions regarding this Policy. Any question or uncertainty about a specific situation relating in any way to this Policy (or related policies or procedures) should be addressed to the Compliance Department before taking action. Employees must promptly report any bribe, solicitation, or offer of an improper payment or advantage.
You may ask questions or make a report to Embraer’s Compliance Department at: compliance@embraer.com.br. You can also use Embraer’s confidential Helpline or visit the Ethics Portal for additional assistance or further information about reporting.’

Code of Ethics and Conduct, p.17:
‘The Company has an Ethics Website which concentrates information about ethics and a space to forward questions directly to the Ethics Committee.'
In case of non-compliance with the terms described in this Code, Embraer has a confidential, safe and anonymous mechanism (Channel for Harmful Practices which allows any person to inform about the non-compliance or potential distortion noticed in regards to the contents of the Code. The Channel for Harmful Practices is available in three different ways: via intranet, Embraer website or mail. By mail through post office box: Caixa Postal nº 11.331, CEP 05422-970 São Paulo – SP, Brasil.

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A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:
1

Comments:
Based on public information, there is evidence that employees are not deterred from whistleblowing; however, there is no readily available evidence that whistleblowers are supported. The company therefore scores 1.

References:
Public:
Embraer Anti-Corruption Policy, p.11:
‘9.3. NO RETALIATION
As stated in the Code of Ethics, regardless of the type of alleged misconduct reported, or the method of reporting, Embraer will not tolerate retaliation or retribution against anyone who makes a good faith report of an alleged violation of the Code of Ethics, this Policy, other applicable policies, or applicable laws and regulations, regardless of the results of the Company’s investigation of the allegation(s).’
(p.12):
‘11. ASKING QUESTIONS AND REPORTING INCIDENTS OR CONCERNS
Embraer’s Employees are encouraged to ask questions regarding this Policy. Any question or uncertainty about a specific situation relating in any way to this Policy (or related policies or procedures) should be addressed to the Compliance Department before taking action. Employees must promptly report any bribe, solicitation, or offer of an improper payment or advantage.
You may ask questions or make a report to Embraer’s Compliance Department at: compliance@embraer.com.br. You can also use Embraer’s confidential Helpline or visit the Ethics Portal for additional assistance or further information about reporting.’

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The Compliance Program:

‘The Compliance SystemThe Compliance system seeks to cover processes and operations based on risk assessment, policies and procedures, training and communication, monitoring and auditing, counseling, remediation and reporting lines. All initiatives are designed to prevent, detect and respond to any compliance requirement.

To contact the Compliance department, you can send an email to compliance@embraer.com.br’


Annual Report (2013), p. 43:

‘Embraer also has a Helpline, responsible for gathering, recording, evaluating, and discussing complaints received from all sources, permitting anybody to report possible violations
to the Code of Ethics and Conduct, corporate governance practices or legislation. An independent company administers the Helpline; this ensures the anonymity and confidentiality of complaints.

In 2013 the Ethics Committee evaluated 176 complaints, of which 26% were deemed valid. In terms of complaints relating to discrimination, the Company logged four in 2013; however after proper analysis, they were judged to be unfounded’

A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:

2

Comments:
Based on public information, there is evidence that the company has multiple well-publicised resources where help and advice on corruption-related issues can be sought.

References:
Public:
Embraer Anti-Corruption Policy, p.12:
‘11. ASKING QUESTIONS AND REPORTING INCIDENTS OR CONCERNS
Embraer’s Employees are encouraged to ask questions regarding this Policy. Any question or uncertainty about a specific situation relating in any way to this Policy (or related policies or procedures) should be addressed to the Compliance Department before taking action. Employees must promptly report any bribe, solicitation, or offer of an improper payment or advantage.
You may ask questions or make a report to Embraer’s Compliance Department at: compliance@embraer.com.br. You can also use Embraer’s confidential Helpline or visit the Ethics Portal for additional assistance or further information about reporting.’

The Compliance Program:
‘To contact the Compliance department, you can send an email to compliance@embraer.com.br’
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

1

Comments:
Based on public information, there is evidence that the company commits to non-retaliation for reporting of corruption in good faith. However, there is no publicly available evidence that disciplinary measures are applied to employees who breach this policy. The company therefore scores 1.

References:
Public:
Embraer Anti-Corruption Policy, p.11:
‘9.3. NO RETALIATION
As stated in the Code of Ethics, regardless of the type of alleged misconduct reported, or the method of reporting, Embraer will not tolerate retaliation or retribution against anyone who makes a good faith report of an alleged violation of the Code of Ethics, this Policy, other applicable policies, or applicable laws and regulations, regardless of the results of the Company’s investigation of the allegation(s).’

The Compliance Program Helpline:
Information Sources:

Company website:

Embraer Global Anti-Corruption Policy:
http://www.embraer.com.br/compliance/pdfs/Embraer%20Pol%C3%A7%C3%A3o%20Global%20Anticorrup%C3%A7%C3%A3o_PORT.pdf [Portuguese]

The Compliance Program:

Code of Ethics and Conduct:

Annual Report (2013):

Annual Report (2012):