

## SUPPLIER'S CODE OF CONDUCT

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## 1. INTRODUCTION

The operation in national and international market, as well as in different business units and cultural environments, requires transparent standards and the compliance with different legislations.

Enseada Indústria Naval S.A. (“Enseada”) values its reputation and credibility, and the ethical principles guiding its operations contribute to maintain its image of a solid and reputable entity towards its suppliers, clients, shareholders, partners, Members and society in general.

Enseada understands that it must share its values and principles, as well as instruct its suppliers with respect to main guidelines that guide its relations, to meet the requirements regarding best practices of corporate governance, ethics, integrity and transparency.

All suppliers and those who is interested in doing business with Enseada, must comply with the guidelines of this Code of Conduct, which aims to clearly provide for the values and behaviors expected by Enseada.

## 2. WORKPLACE

Enseada requires cordiality, trust, respect, dignity and honesty in the relationships between its Members, irrespective of any hierarchical position, occupation or role. These conducts must also be adopted by its suppliers and their respective members.

Enseada's suppliers must ensure that their members are treated equitably and fairly, with respect to their differences and non-discrimination and inexistence of limitations of any kind.

In addition to comply with legal requirements established in the place assigned for rendering of services, Enseada's suppliers must comply with internationally recognized human rights, including but not limited to:

- Respect for dignity.
- The value of each person.
- The right to life and freedom.
- Freedom of opinion and expression.
- Freedom of association.

- Right to work and education.

The human rights must be followed, due to their universality, since they are applied to all persons equally and without discrimination, due to their inalienability, since no one can be deprived of such rights and due to their indivisibility, as they are interrelated and interdependent.

Alcoholic beverages and illegal drugs must not be consumed in the workplace, nor may persons who are inebriated or under the influence of substances that interfere with their behavior, who could affect the safety and the activities of others, enter Enseada's facilities.

Selling or bartering merchandise or services in one's personal interest at Enseada's facilities is prohibited.

The possession, custody or manipulation of weapons or ammunition of any kind at Enseada's facilities is expressly prohibited.

## **2.1 WORKING CONDITIONS**

Working is a respectable activity. Work values human potentialities, such as the spirit of serving, as well as the capacity and desire of achieve results.

Therefore, forced labor or in conditions analogous to forced labor, child labor, sexual exploration and human trafficking will not be allowed or tolerated during services provided to Enseada, nor within activities performed by agents or business partners in its value chain.

Enseada will not establish nor maintain business relations with suppliers that use irregular and/or illegal labor practices involving children or adolescents, that subject their employees to degrading conditions or conditions analogous to slavery, or that condone sexual exploration or human trafficking.

## **2.2 HARASSMENT**

Harassment, in all of its forms, violates trust and respect among suppliers' members and Enseada and its suppliers.

Therefore, threats, mobbing, sexual harassment of any kind, including towards women, among others, will not be tolerated. Also, no situations characterized as disrespectful,

intimidating or threatening will be tolerated in the relationship among suppliers' members or among Enseada and its suppliers, irrespective of their duties.

### **2.3 LABOR PRACTICES**

Enseada only accepts the establishment of business relationships with suppliers that comply with human rights and labor laws.

Enseada requires that its suppliers strictly comply with the labor laws of the places where they carry their activities, as well as the agreements and collective bargaining agreements in force, without implying in the establishment of any kind of relationship with Enseada.

### **2.4 OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT**

Occupational health, safety and environment measures are essential. Suppliers must contribute to ecologically sustainable development, continuously seeking to reduce the environmental impact of their inputs, operations, products and services.

Likewise, Enseada's suppliers must ensure the safety of their members as to working hours, compliance with occupational health and safety rules applicable to their activities, as well as the labor laws from the place where they operate, including safety practices established by Enseada.

In case of accidents and inspection within the scope of Supplier's provision of services involving Enseada, the supplier and its members, whoever has contact with the incident or public authorities first, must promptly report such events, and then provide them in writing, to the internal persons in charge of Enseada's occupational and/or environmental safety, as the case may be.

## **3. COMPLIANCE WITH THE LAW**

Enseada's suppliers must comply with the rules, regulations, practices and best customs of each country or region where they operate.

The different and dynamics business context whereby Enseada operates requires that the behavior of its suppliers surpasses the text of the laws. Suppliers must preserve the spirit of laws and regulations, upon compliance with the highest ethics, integrity and transparency standards, even preventing the impression of improper acts.

This responsibility also involves the adoption of applicable measures whenever suppliers are aware of irregularities being practiced, and that may jeopardize PPG reputation and interests.

Any doubts as to the lawfulness of a conduct must be clarified with Enseada's General Counsel or Chief Compliance Officer.

#### **4. ACCOUNTING RECORDS**

Accounting records are a tangible representation of the results of a company. Thus, Enseada's suppliers must ensure that there are internal controls that assure the prompt preparation and reliability of their financial reports and statements. The integrity of these records is thus a fundamental substructure of the reliability and transparency between Enseada and its suppliers.

The law and generally accepted accounting standards and principles shall be rigorously observed in each jurisdiction, so as to generate complete, consistent and accurate records and reports that facilitate disclosure and assessment of the operations and results of suppliers.

False, misleading or incomplete accounting records are strictly prohibited. Information about suppliers shall be transparent, and be regularly disclosed and accessible in accurate and comprehensive form.

#### **5. COMBATING CORRUPTION**

The commitment of Enseada's suppliers in complying with the anticorruption laws applicable in workplaces, or having international effectiveness is of the essence.

Enseada does not tolerate the performance of any corruption-related acts and values meritocracy and fair market competition. This same behavior shall be required from its suppliers.

Enseada's suppliers and their members must undertake to not tolerate Corruption, in any of its forms and context, including private corruption, Extortion and Bribery, and to firmly refuse any business opportunities that enter into conflict with this Code of Conduct.

Taking into consideration different anticorruption legislations, suppliers acting directly or indirectly on behalf of Enseada, are hereby prevented from:

- Offering, promising, inducing, giving or authorizing, directly or indirectly, Undue Advantage or a Thing of Value for any person, especially Public Agents or third persons related to them, with the objective of influencing decisions in favor of Enseada, or that involve a form of personal gain that could affect Enseada's interests.
- Offering, promising, effecting or accepting facilitation payments, which are payments considered insignificant made to any Public Agent or a third person related to them, with the objective of trying to guarantee an advantage, normally to grease routine or non-discretionary actions, such as permissions, licenses, customs documents and other official documents, or police protection and other actions of similar nature.
- Soliciting or accepting Bribes.
- Making payments as a result of threats, blackmail, extortion and enticement, except in circumstances in which the life or safety of the Member is at risk.
- Financing, underwriting or sponsoring illicit actions.
- Manipulating or defrauding bidding procedures or administrative contracts.
- Utilizing a front person to dissimulate or hide an identity and real interests, toward undertaking illicit acts.
- Hindering an investigation or inspection by agencies, entities or Public Agents, or intervening in their activity.

Suppliers must also take care of the recruitment of their suppliers/subcontractors and business partners, that must also operate in accordance with the legislation in force regarding their activities, particularly Act No. 12.846/2013 ("Brazilian Anticorruption Law"), FCPA ("Foreign Corrupt Practices Act") and their provisions. Suppliers must also hold a procedure to verify the practices of business partners and their suppliers/subcontractors and business partners prior to the decision of establishing business relations, in order to identify any deviations of conduct or risk of such deviations with respect to the principles and values of this Code.

Suppliers are liable for losses resulting from practices, acts and omissions of their subcontractors/suppliers and business partners that may affect Enseada.

Besides, all Enseada's suppliers may be subject to an integrity due diligence, at Enseada's discretion, whereby the Company will evaluate the level of risk in the relationship with suppliers, from the information related to reputation, honesty, and anticorruption practices adopted by them.

The due diligence result will be recorded and documented, and it will serve as a base for the decision on the beginning or continuation of a business relationship with the supplier and the level of monitoring required. Any and all agreement executed with Enseada's suppliers must provide for clauses regarding compliance with the applicable anticorruption laws in force.

## **6. PREVENTION OF MONEY LAUNDERING**

Money laundering is a process that tries to mask the nature and source of ill-begotten gains, introducing them into the local economy by inserting illicit money into commercial flows in a way that appears to be legitimate, or so that its true origin or owner cannot be identified.

Those involved with criminal activities, such as bribery, fraud, terrorism, gun and narcotic smuggling, try to conceal the income from their crimes or cause them to seem legit by means of "laundering" in lawful business activities. Likewise, the terrorism can be financed with lawful funds, sometimes called "reverse" Money laundering, since it is a lawful business being used to finance a criminal activity.

Enseada's suppliers and their respective members must comply with the laws and regulations concerning Money laundering and terrorism financing in all countries where they operate. Money laundering and terrorism financing and their facilitation are strictly prohibited in any kind or context.

Enseada shall only do business with Third Parties, including agents, consultants and business partners that are involved in legitimate activities and whose resources are of legitimate origin.

## **7. EXERCISE OF POLITICAL RIGHT**

According to its principles and concepts, Enseada does not adopt a political-party position and, therefore, it must be preserved from any political action on the account of its suppliers.

In this regard, suppliers and their members are prohibited from disseminate their political-party activities to Enseada. Therefore, they are not allowed to conduct political-parties activities or obtain votes, directly or indirectly, within establishments or communication means owned by Enseada, nor offer, promise, authorize or give, directly or indirectly, political contributions, to political parties or candidates running for political parties with Enseada's funds or on its behalf.

Political contribution include, but it is not limited to Money contributions, availability of transportation means for candidates and their staff, offer of meeting place for political campaigns, or payment of graphics to print disclosure materials from political parties and their candidates.

Notwithstanding, suppliers must comply with the choices and personal exercise of citizenship from their members, including free expression and individual option of political participation, politics, political party association and run for public or political offices.

## **8. INTERNAL COMMUNICATION**

It is the responsibility of Enseada's suppliers to ensure that the ethical principles established herein are effectively practiced by every member, executive, partner, shareholder and suppliers involved in the business relationship with Enseada.

Suppliers must conduct periodical training with its members in order to ensure that they understand the applicable anticorruption laws, as well as their Codes and policies, which may not be less strict than Enseada's. If supplier does not provide evidence to Enseada regarding the fulfillment of such trainings, supplier must accept to receive eventual trainings held by Enseada, and shall require the presence of all representatives involved in the commercial relationship with Enseada.

## **9. MONITORING AND EVALUATION**

Enseada monitors the development and performance of its suppliers with respect to the compliance of applicable contracts and principles provided in this Code. The evaluation aims to support the enhancement of management and strengthen business relationship.

Thus, supplier must contribute to Enseada during the assessments provided in this item, providing information and enabling the access to its establishment in pre-established times and dates, as requested.



## 10. VIOLATION OF CONDUCT

Enseada's Ethics Line is made available so all Members, clients, third-parties, and external persons, in a safe and responsible manner, may contribute with information to maintain a safe, ethical, honest, transparent and productive corporate environment.

If supplier, by means of its agents or any of its members, may come to suspect or become aware of any breach of any provision of this Code of Conduct, on the account of any person, then supplier must report such fact to Enseada's Member in charge for managing its contract or, if there is any impediment or discomfort in this interaction, supplier must use Enseada's Ethics Line channel, an independent channel, managed by a specialized company which ensures complete secrecy, available 24h per day, with the following service options:

On the internet: [www.enseadaethicsline.com](http://www.enseadaethicsline.com)

On the telephone: **0800 337 3737 (Toll-free calls made from Brazil)**

(International calls may be made as collect calls to number **+55 11 2739-4533**)

No retaliation will be allowed against those who, in good faith, report alleged crimes, dishonesty, violation of the provisions of this Code and/or applicable laws or any other illegal act made against Enseada. Retaliation acts and reports made in bad faith will not be tolerated.

If any violation of the provisions of this Code is identified and duly confirmed, Enseada will adopt the measures applicable to mitigate damages and losses, which may include, but not be limited to warning, cooperation with competent authorities in case of investigations due to illegal acts, compensation for damages suffered, suspension/termination of affected agreements, replacement of persons involved and registration of such fact in Company's internal records for further references.

## GLOSSARY

“Public Agent”: Any individual who is:

- agent, authority, employee, servant, or representative of a government entity, body, agency or public offices, including any executive, legislative or judicial branch entities, entities directly or indirectly controlled by the government, public companies, mixed economy companies and government foundations, whether national or international;
- person holding, even if temporarily and without compensation, a position or employment within the entity of a Sovereign State and its territories, including entities providing services or serving a government position;
- officer, manager, Member or representative of an international public organization;
- officer, director or employee of a political party, as well as candidates for elective or political public offices.; and
- member of a Royal family, including persons that does not have formal authority, but are able to influence corporate interests.

“**Mobbing**” is the practice of abusive conducts by one or more persons against an individual, usually in a repetitive and prolonged manner, to coerce, humiliate, disrespect, diminish, or embarrass him during working hours.

“**Sexual Harassment**” means when someone holding a privileged position uses such condition to coerce or offer benefits to an individual to obtain sexual favors or advantage.

“**Thing of Value**”: Any types of non-financial or financial offers, such as Money, gifts, meals, entertainment, transport, favors, services, loans, guarantees, use of property or equipment, job or intern offers, donations or favorable opportunities, political or charitable contributions, changes in commercial conditions, discounts, reimbursements or payment of debts or expenses, among others, given, whether directly or indirectly, to persons who can benefit from business with Enseada, its controlled companies or even a Close Relative or related to such person.

“**Controlled Companies**”: Companies where Enseada, directly or by means of other controlled companies, owns stockholder’s rights that permanently ensure

preponderance in the decision-making process and the power to elect the majority of the management.

**“Controls”:** Mechanisms minimizing the possibility of risks or mitigating their impact in the business.

**“Corruption”:** Abuse of power or procedure for personal or dishonest benefit. The Corruption may occur in different ways such as Bribe (kickback, grease payments, political and charitable donations, sponsorship, gifts, promotional items and Entertainments) conflict of interests, collusion (manipulation of offers, cartels and price fixing), patronage, procurement of illegal information, use of privileged information, tax evasion, among others.

**“Extortion”:** A serious impending threat to the physical integrity of an individual or asset, in order to obtain money or other Things of Value.

**“Members” or “Enseada Members”:** All persons working and making part of Enseada, its controlled companies and Business, whether they are Director, Officers, Professionals of any kind, interns and apprentices.

**“Monitoring”:** Ensure that all matters are handled by the respective persons in charge, according with the relevant provisions.

**“Close Relative”:** Any relative by consanguinity or affinity, in direct or collateral line, up to the third-degree of relationship with children, stepchildren, father and mother, stepfather and stepmother, spouses and partners, siblings, mother and father in law, brother and sister in law, grandparents, grandchildren, uncles, aunts, cousins, etc., and any person living on the same house, except for landlords and employees.

**“Politically Exposed Person”:** Persons who exercise or have exercised some material public role or function in Brazil or other foreign countries and territories and their Close Relatives, in such period as is established in applicable law.

**"Risks"**: The effect of uncertainty in achieving Enseada's objectives, characterized by a deviation from what is expected, be it positive or negative. Risk is often expressed in terms of a combination of consequences of an event and the probability such event will occur.

**"Bribery"**: The act of offering, giving, soliciting, authorizing or receiving money, a gift, a Thing of Value, Undue Advantage, or any type of offer made as a form of inducing the commission of any act, omission, influence or Undue Advantage, dishonest or illegal act, or a breach of trust in the performance of the functions of an individual.

**"Third-Parties"**: Means any individual or entity that acts in the name, interest or for the benefit of Enseada, provides services or furnishes other goods, as well as commercial partners that provide services to Enseada, directly related to obtaining, retaining or facilitating business, or to conducting the Company's affairs, including, without limitation, any distributors, agents, brokers, expeditors, intermediaries, partners in the supply chain, consultants, retailers, contractors and other providers of professional services.

**"Undue Advantage"**: Every individual advantage, payment or benefit, whether direct or indirect, tangible or intangible, to which a person has no right.