

Anti-Bribery and Anti- Corruption Manual

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Introduction

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- This Manual is part of the Program created by Raízen to fight bribery and corruption, as they go against Raízen's culture, its core values of Honesty, Integrity, and Respect for People, its principles, and its Code of Conduct shared by its employees unconditionally and unrestrictedly.
- Raízen fulfills its duty to conduct its business ethically and in accordance with local and international legislation.
- There is no business or result that justifies resorting to bribery and/or corruption. The tremendous negative impact on the company's finances, reputation, business, and growth plans greatly exceeds any benefit that may be obtained from bribery and corruption.
- To directly fight bribery and corruption is good for the company's reputation and helps to attract business partners, clients, suppliers, employees, and quality service providers, and seize the best business opportunities.

Raízen's position on bribery and corruption is very clear: they should **never** happen.

To whom does this
manual apply?

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This Manual is mandatory for:

- Raízen's employees, managers, partners, distributors, representatives, contractors, suppliers, attorneys-in-fact, and agents, including the Company's Board of Directors and Executive Board.
- Companies and joint ventures in which any of the Raízen Group's companies have direct or indirect controlling interest.
- For joint ventures not controlled by any of Raízen Group's companies, Raízen's representative in the joint venture must try to encourage the adoption of this Manual, as well as the Anti-Bribery and Anti-Corruption Policy or, should that not be possible, equivalent principles.
- If third parties (consulting firms, attorneys-in-fact, representatives, etc.) are engaged to act on behalf of Raízen, Raízen's employee in charge of such engagement must ensure that such contractors are aware of and have formally adhered to the rules of this Manual (see the "Representatives and Intermediaries" section).

Raízen's employees involved in bribery and/or corruption are subject to disciplinary measures, dismissal (including termination for cause), and may have a criminal action brought against them.

Understanding the Legislation

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- There are many national and international laws created specifically to identify and punish cases of bribery and corruption, including in corporations. Raízen is subject not only to the Brazilian legislation but also to some international anti-corruption rules that have the force of a local law and must be complied with by the Company and its employees.
- On account of the diversity of the anti-corruption laws, this Manual will help you understand and act in compliance with the legislation, avoiding any liability to the company and individuals, including criminal liability.
- The main foreign laws that may be applied to Raízen, its employees and third party representatives are the **Foreign Corrupt Practices Act – FCPA**, a US law that shaped most anti-corruption laws of other countries, and the UK Bribery Act – UKBA.
- The main Brazilian anti-corruption law is **Law No. 12846, of August 1, 2013**, which regulates administrative and civil liability resulting from acts of corruption against the government, including liability of legal entities.

Acts of corruption committed by Raízen, its employees, and third party representatives may entail liability for both its shareholders, in Brazil and abroad.

International Legislation

- Foreign Corrupt Practices Act (FCPA)
- UK Bribery Act (UKBA)
- OAS's Inter-American Convention against Corruption
- Organization for Economic Co-operation and Development – OECD
- UN's Global Compact against corruption

Brazilian Legislation

- Criminal Code
- Administrative Impropriety Law
- Bidding Process Law
- Anti-Corruption Law
- Decree No. 60106/14 (State of São Paulo)

In general, bribery is committed only in relation to a public servant under the legislation.

Raízen's Policy goes further: bribery is not admitted in any way, whether it involves a public servant or not.

- The **FCPA** prohibits bribery of public servants, even outside the United States, by companies and individuals subject to the provisions of the FCPA, **which is the case of Raízen directly, or because its shareholders have business and/or securities issued within US jurisdiction.**
- Under the **FCPA**, bribery is any payment or promise of payment in cash, gifts, entertainment or any other thing of value intended to influence public servants, anywhere in the world, to offer the briber any undue advantage in order to get or favor any deal.
- Under the **FCPA**, it is irrelevant whether the bribe was paid directly or with the help of an intermediary, or whether the act of bribery occurs outside the US territory. Its application is “extraterritorial.”
- Heavy fines may be imposed on both Raízen and its shareholders and/or briber. If it is an individual, a sentence of imprisonment may be imposed as well (criminal liability).

- The **Brazilian Criminal Code** criminalizes the act of offering or promising any type of undue advantage to a public servant to induce them to perform, not to perform, or delay any act they should perform, and imposes a penalty of **up to twelve (12) years of imprisonment and a fine.**
- Pursuant to **Law No. 8666/93**, an individual that performs acts of corruption to take advantage in a bidding process is also committing a crime and may be imposed a sentence of imprisonment and a fine.
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- The **Anti-Corruption Law** (Law No. 12846/13) lists several acts that are considered corruption, among which are the following:
 - Promise, offer or give, directly or indirectly, undue advantage to a government agent or a third party related to him/her.
 - As to **bidding processes** and contracts: thwart or swindle, by means of adjustment, arrangement, or any other expedient, the competitive nature of public procurement.
 - **Hinder investigation or inspection** conducted by government bodies, entities or agents, or interfere with their work, including regulatory agencies and inspection authorities of the national financial system.

- The Brazilian **Anti-Corruption Law** establishes a series of penalties that may be imposed on companies for corruption or bribery:
 - Fine of up to **20%** of the gross sales revenue of the last fiscal year, or up to **R\$ 60,000,000.00** when gross sales revenue cannot be verified;
 - Publication of the adverse judgment (negative effect on the company's image);
 - Compensation for all damages caused;
 - Suspension or partial discontinuation of the company's activities;
 - **Compulsory dissolution** of the company;
 - Ban on incentives, subsidies, and loans from government entities or financial institutions for 1 to 5 years;
 - Inclusion in the National Register of Punished Companies (CNEP).

Under the Anti-Corruption Law, the company's liability **does not** exclude the civil and criminal liability of the individual who committed an act of corruption.

Bribery, Facilitation Payments, and Kickbacks

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- Raízen’s policy does not differentiate between bribery and payments called “**facilitation**,” which are forbidden as well.
- **Facilitation payment** is usually a small amount, not officially or legally required, paid to a public servant (often of a lower-level position) to initiate or expedite a process which is such official’s obligation to perform.
- We also strive to ensure our agents, contractors, service providers, representatives, attorneys-in-fact, and suppliers do not make facilitation payments on our behalf.
- Raízen’s employees should never accept or offer bribery, facilitation payment, kickback or other undue payments for any reason whatsoever.
- **Kickback** is how bribery is accomplished, and it may be a payment in cash, gifts or anything of value that is offered in exchange for undue favorable treatment. That applies to transactions with employees or representatives of a foreign or local government, or with any private company or individuals, in conducting national or international business. It also applies to situations where kickback is offered or received directly or through third parties, such as agents, representatives, contractors, distributors, or trade associations.

Representatives and Intermediaries

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- Execution of a contract with a representative, attorney-in-fact, sales agent, consultant, supplier or service provider (Third Party) that may have a direct or indirect relationship with a government agency on behalf of Raízen poses the risk of the Third Party making an improper payment to obtain undue advantage. **The fact that Raízen is not aware of any act of bribery or corruption committed by Third Parties does not rule out Raízen's liability.**
- Thus, before executing this type of contract, the company must carry out a reasonably informative and thorough evaluation of the Third Party involved and ensure its integrity.
- In case of certainty or suspicion about whether the Third Party made or will make any illegal payment in connection with any contract with Raízen, all payments to such Third Party must be immediately stopped, and the matter should be submitted to the focal point of Compliance.
- To evaluate the Third Party's integrity, the following factors must be taken into account, among others:
 - **Geographical risk**, that is, the level of corruption recurrent in the country where the Third Party is located. The entity Transparency International publishes a corruption risk assessment for almost all countries, which is available at <http://www.transparency.org/country>;
 - **Due diligence** conducted for execution of contracts with Third Parties. Should there be any red flags or issues raised during the due diligence, the focal point of Compliance must be immediately informed;
 - **National Register of Punished Companies (CNEP)** – check whether the Third Party is included in this register and other similar registers.

Gifts and Hospitality

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- Raízen prohibits its employees from requesting gifts, entertainment or hospitality from third parties with which they have a relationship. As a general principle, the company also discourages accepting gifts, entertainment or hospitality. However, Raízen acknowledges that occasional acceptance or offer of gifts, entertainment, and hospitality of insubstantial value can be a legitimate contribution to good business relationships.

It is important that gifts, entertainment or hospitality are never perceived as significant enough to influence their beneficiaries in their decision-making process.

- **What you should consider:** Raízen acknowledges that, at times, refusing to accept gifts, entertainment or hospitality from a business partner or not offering them may be perceived as impolite. Raízen's employees must consider the following aspects before accepting or offering gifts or hospitality:
 - Can my acceptance or offer entail an obligation?
 - Is the gift, entertainment or hospitality a reward for a business transaction?
 - Is the gift, entertainment or hospitality of excessive value?

- **Acceptable gifts, entertainment, and hospitality.** The following may be accepted or given (considering public servants as well) without prior approval from your line management or CEO:
 - Gift (whether comprising one or more items) whose value does not exceed R\$ 100.00 per beneficiary, including corporate gifts that feature the logo of the donor (diaries, calendars, etc.), especially on holiday season, such as Christmas and New Year;
 - Meals not exceeding R\$ 200.00 per person, provided that reasonably associated with legitimate events in which Raízen is represented before function/business partners;
 - Invitations to occasional events not exceeding R\$ 400.00 per person and extending over a period of more than one day. In this case, “occasional” means no more than two or three times a year with the same function/business partner.
- Pay attention to the rules on facilitation payments to make sure no gift, entertainment or hospitality is perceived as such. If you have any doubt, talk to your supervisor or focal point in your department and keep contemporary internal records of the events.**
- **Gifts, entertainment, and hospitality that require approval from the Area Officer/CEO.** Approval from your Officer will be required for you to accept or offer:
 - Gifts or hospitality exceeding the amounts indicated in the left column;
 - Events that last longer than a day or that take place more often than allowed by the rules on the left column;
 - Travel or lodging.
 - **Special occasions.** Special occasions involving senior executives of Raízen and third parties’ senior representatives may justify initiatives involving higher amounts, depending on the business protocol generally accepted and with CEO’s approval.

- **Forbidden gifts, entertainment, and hospitality.** You can never accept or offer the following, with or without approval:
 - Illegal gifts, entertainment, and hospitality;
 - Money or equivalent;
 - Personal services;
 - Loans;
 - Gifts, entertainment or hospitality that are improper in nature or in improper places;
 - Events or meals in which the function/ business partner is not participating;
 - Gifts or hospitality at times when decisions that are important to Raízen are to be made by the beneficiaries.

If approval is required for the gift, entertainment or hospitality, formally request approval and be reasonably clear about the specific circumstances of the event. The clearer the request for approval, the more transparent the process will be, and the less likely negative consequences will be faced.

Sponsorships, Donations, and Social Investments

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Sponsorships, donations, and social investments should never influence the conduct or decision-making process involving third parties in favor of Raízen's interests. They must be offered to legitimate organizations, not to individuals.

- Sponsorships, donations, and social investments may be used for improper purposes and mask acts of bribery and corruption. These risks may be identified by analyzing the integrity of the beneficiaries and the assisted projects, to ensure the initiative is not meant to bring a result that benefits Raízen.

When dealing with sponsorships, donations, and social investments, take the following precautions:

- Check whether the recipient is a legitimate organization;
- Identify whether there are any government representatives or public servants involved (for example, if a government representative requested the donation or sponsorship or if they are affiliated with the recipient of the donation or sponsorship);
- Make sure relevant facts identified in the integrity analysis have been addressed;
- For social investment, involve the Social Responsibility manager; and
- Keep records of the initiative not only in the company's accounting but also management records detailing the circumstances that justify its development by Raízen.

*Mergers, Divestiture,
Acquisitions and Joint
Ventures*

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- In line with the international practices in this regard, the Brazilian Anti-Corruption Law establishes successor liability for acts committed by legal entities that were succeeded by other(s) in a corporate acquisition.
- The risk of liability for acts committed in the past by legal entities acquired by Raízen leads to the need for a due diligence as part of the acquisition process.
- Raízen's employees involved in mergers, divestiture, acquisition, and organization of joint ventures must ensure that the audit on compliance with anti-corruption rules is part of the process and is conducted by appropriate professionals (Legal/ Finance).

Every acquisition or transfer of assets (including non-controlling interest) or organization of joint venture (JV) must include a specific audit on compliance with anti-corruption laws.

In the case of JVs not controlled by Raízen, the business manager in charge of the negotiation must make sure the Anti-Bribery and Anti-Corruption Policy and this Manual or equivalent material are adopted by the JV.

- If this Manual or equivalent material cannot be adopted by a JV not controlled by Raízen, the business manager must notify the competent focal point of Compliance and get instructions on the necessary actions to approve the deal.

- The business manager in charge must demand that the management of the JV not controlled by Raízen adopt this Manual or similar material, and prepare an annual report on compliance with anti-corruption rules.
- If any non-conformity is reported or if there is reason to believe it exists, Raízen's representative in the JV must, on behalf of Raízen, formally express their disapproval and demand that immediate corrective measures be taken.

- Any Raízen employee allocated in a JV must promptly notify Raízen's Legal Department, their immediate superior or a focal point of Compliance if such employee becomes aware of:
 - bribery or attempted bribery by or involving any employee or officer of the JV;
 - allegation or investigation of bribery involving the JV.

Raízen's Legal Department must be consulted immediately if members of the JV's board indicated by Raízen have doubts as to whether their conduct in the JV may constitute violation of their fiduciary duties to the JV.

Questions and Information

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- Raízen has the duty to investigate any allegations made in good faith about violation of its Code of Conduct, its internal policies and the laws, and it is committed to respecting the privacy of any personal data it processes.
- All incidents will be properly registered and handled under the Key Principles of Data Privacy and Protection, adopted by Raízen's Code of Conduct, available at http://intranet.raizen.com/codigo_etica/default.aspx.
- **RAÍZEN IS DETERMINED TO CONDUCT ITS BUSINESS ACCORDING TO ITS CORE VALUES OF HONESTY, INTEGRITY, AND RESPECT FOR PEOPLE, AND IS COMMITTED TO EXPEND ANY NECESSARY EFFORTS AND RESOURCES TO FIGHT BRIBERY AND CORRUPTION.**
- If you want to report any violation or you have any questions about this Manual or Raízen's Anti-Bribery and Anti-Corruption Policy, do not hesitate to contact the Focal Point of Compliance indicated for your area, your immediate superior, the manager of your department, Controlling, Audit or the Legal Department, or contact Raízen's Ethics Channel:
 - 0800-772-4936
 - canaldeetica@raizen.com