

**FERTILIZANTES**



**HERINGER**



## **INTRODUCTION**

The Company's standards and rules specifically defining the work of its officers and employees are included in Internal Rules or Regulation Code or also Code of Conduct. The Code of Conduct of Fertilizantes Heringer lays down the principles related to work with colleagues, business with suppliers, clients, governments and local communities. The Code works a reminder always present in our responsibility of building such relationship based on integrity, fairness and respect for human being and the environment.

At an ethical company, everyone must participate in the process to ensure that our businesses are aligned with our ideals.

This Code is available in Portuguese on the Company's website.

## **TO ALL EMPLOYEES**

When preparing this Code of Conduct, Fertilizantes Heringer reiterates its commitment to conducts the Company deems as correct to manage its business, comprising all the parties composing it: relationship with employees, suppliers, clients and society.

Any operation, business or commercial transactions practiced on behalf of Fertilizantes Heringer by its duly authorized employees or third parties must be carried out in conformity with as follows and with the prevailing laws.

## **ETHICAL PRINCIPLES OF FERTILIZANTES HERINGER**

- Respect the human being;
- Respect to the environment;
- Respect and compliance with established agreements;
- Commitment to truth and fairness;
- Respect prevailing laws, culture and habits;
- Commitment to preserve the Company's strategies and confidential information, which must remain even after termination of employment at Heringer;
- Commitment to good practices focused on the value chain;
- Clear and honest communication with its stakeholders<sup>1</sup>;
- Transparency, equity, accountability and corporate responsibility.

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<sup>1</sup> Related parties (clients, suppliers, investors, employees, banks, regulators and civil association)



## **PURPOSE OF THE CODE OF CONDUCT**

This present code of conduct aims at establishing the guidelines for all employees and officers of Fertilizantes Heringer related to the ethical and moral conduct to be adopted in internal and external business relationships, irrespective of their duties, responsibilities and positions held. The rules mentioned herein apply to all locations and situations where Fertilizantes Heringer business is carried out, as well as all events it conducts.

## **COMPLIANCE WITH THE CODE OF CONDUCT**

We expect that all employees have uprightly conduct compatible with company's values, being responsible for the compliance with the Code of Conduct.

Therefore:

- Upon cognizance of situations characterizing illegal, doubtful or non-ethical conduct, the Company must be promptly notified by the Officer in charge for the affected area, whose anonymity is ensured.
- We do not accept the supply of false or adulterated information, as well as its dissemination;
- We do not accept the participation in acts infringing the Code of Conduct, as well as its connivance, authorization and omission of related facts;
- The mistakes eventually made must be honestly acknowledged and immediately informed to the leadership or person in charge of the area for their due correction;
- All employees must be aware and observe the company's policies and rules.
- We will assume that all employees are aware and agree with the conditions established in this present code of ethics. Therefore, Fertilizantes Heringer is responsible for disclosing the Code whenever it is restated.
- Doubts on the interpretation or application of the Code of Conduct should be forwarded to the Officer of the corresponding area, who will evaluated them and issue a report about it.

Certain that, acting in non-conformity with the rules laid down herein will be subject to disciplinary actions.

## **RELATIONSHIP WITH EMPLOYEES**

### **Work Environment**

The workplace must be based on the ethical conduct of all employees and officers, regardless of their hierarchical position and fully exempt from interpersonal offenses, defamation, coercion, repression, intimidation, mobbing, sexual harassment, verbal and non-verbal violence, any type of discrimination, privilege and other unethical and disreputable conducts, mainly deriving from relationships between leaders and subordinates.

Fertilizantes Heringer understands that each employee is responsible for his/her own personal and professional development, his/her safety at work and for the safety of his/her companions, thus, the company will offer a proper environment, with continued investment in group insurance against risks of accidents and damages to health of its employees, pointing out here, that it will continue providing on a free-of-charge basis risk proper individual protection equipment and under perfect condition of conservation and operation.

The ownership and/or consumption of illicit drugs and alcohol will not be allowed at the workplace, nor the possession of arms, unless by those responsible for the organization's security.

### **Human Resources**

All hiring should have a selection process, involving the human resources and requesting areas, and must always comply with the principles of competence and potential. This procedure also applies in the case of the eventual hiring of relatives.

Referring to admission and promotion, the job position basic requirements will be met. We will neither accept nor tolerate any form of discrimination in selection processes, as well as dismissal, training, compensation, promotion or transfer of employees.

Any form of harassment is strictly forbidden, as well as we will not accept to use the job position to request favors or personal services to employees.

The hierarchical superiors are directly responsible for the acts practiced by their subordinated or empowered employees, being in charge of the necessary professional guidance, supervision and verification of regular fulfillment of tasks assigned thereto, as well as the observance to the ethical rules laid down herein.

The employees must be qualified for the execution of assigned tasks, and in addition to being guided, they must also be previously trained and be updated, according to the company's needs.

Freedom of consciousness and belief is inviolable, however, we do not allow employees to use facilities and company's equipment in work hours or without previous authorization for the practice of political, ideological or religious activities.

### **Child and Slave Labor**

Fertilizantes Heringer disavows the child and slave labor. Therefore, the Company does not avow the use of unfree, child labor, or any other type of exploration that hurts the human dignity.

Business relations should be established with companies that comply with the labor legislation and do not use child, unfree or slave labor.

### **Relationship between Employees**

Relationships may coexist between employees. However, private issues should not interfere at work. The Company is not opposed to relationships between employees, however subordination situations will not be accepted, direct or indirectly, or activities that generate or characterize conflict of interest.

### **Position before the Media**

Media relationship should be conducted through the Investor Relations area, which will authorize disclosures and/or interviews to the media.

### **Role of Leaders**

A leader should:

- Minutely know the code in order to apply it to its employees and clarify any doubts. Should it not be possible, this should be forwarded to the hierarchical superior or the board;
- Support its team, delegate tasks and develop the potential of its employees and treat equally all employees, respecting the rights and obligations of each one of them;
- Set the example of honesty, integrity and transparency for the team and correctly advise them indicating conflict situations;
- Contribute for a nice and respectful environment so everyone is comfortable to expose their different points of view;
- Identify infringements to the code and correct or forward them to the superior or the board.

## CONFLICT OF INTERESTS

Your ability of perceiving is one of your most valuable possessions. You must avoid any association or activity to cause conflict or seeming to cause conflict with the exercise of your ability of perceiving.

The conflicts may arise in various situations. It is impossible to list all of them herein. Not always it is easy to distinguish appropriate and non-appropriate situations. In case of doubts, consult your Manager or Executive Officer.

The following guidelines apply to most of the situations of conflict:

- The financial interest of employee or member of his/her immediate family or of other nature is forbidden in any business or company maintaining business relationship with Fertilizantes Heringer.
- The employees must be careful when accepting or doing small favors which may lead to other bigger favors. It is also important that they are acquainted with the Code of Conduct so that other persons, internally or externally, do not feel they are entitled to receive or request a special treatment, thinking that it is possible to influence a decision inside the company by means of gifts or favors.
- The conflict of interests occurs when particular interests interfere anyway or seem to interfere in Fertilizantes Heringer's interests. A conflict of interests may arise when an employee or officer acts or has interest which may hinder the effective and objective performance of his/her work at Fertilizantes Heringer. The conflict of interests also arises when a family member is in a position in which he/she may be unduly benefited, as a result of his/her relationship with Fertilizantes Heringer. We expect that each employee or officer avoids external activity, financial interest or relationship which may represent potential or seeming conflict of interest.
- We require that each employee or officer reveals any conflict of interest to a company's partner.

The employees must:

- Exempt from personally taking opportunities, assets or rights they know are necessary to Fertilizantes Heringer or of its interest;
- Abstain from using for their own benefit or of third parties the information they are aware including those on business opportunities, as well as services, goods, credits or industrial property rights of Fertilizantes Heringer;
- Inform the executive officer about having up to third-degree relatives participating in the management or control of competitors, suppliers or clients and abstain from participating in business decisions of Fertilizantes Heringer with such companies.

## **BUSINESS GIFTS**

Common sense and discretion must be exercised when accepting gifts from suppliers, clients, employees (whether or not superiors), etc., since these may influence, even apparently, in business decisions. The intention is to avoid any indication of impropriety or conflict of interests. Only common sense as previously mentioned, acceptance and offering of kindness in the form of symbolic amounts are allowed, as well as other offerings, such as:

- A. Gifts in general that have the name of the offering company printed on, such as: pens, agendas, clocks, notebooks, key rings, card compartments, etc.,
- B. Lunches or dinners related to activities of the company.
- C. Cultural and sports entertainments since sponsored to several clients of the supplier or institution that interests the company to be represented by at the event.
- D. Invitation of trips by suppliers to make business with the company.

For items C and D is necessary the approval of the immediate superior.

Other gifts, such as: electronic equipment and electrical appliances, Christmas baskets, beverage, food, among others, should be raffled among all employees of the unit. Items (or gifts) amounting more than R\$300.00 may not be accepted.

## **PROTECTION AND UTILIZATION OF ASSETS AND INFORMATION**

The industrial and trade secrets, property information of Fertilizantes Heringer, as well as most part of internal information are valuable assets. The protection of such information and the maintenance of their secrecy have essential role in our ability of growing and competing.

Thus, Fertilizantes Heringer's assets must be used, solely to comply with the duties of each employee, rejecting their use for any other purposes. Therefore, we will not allow the use of time, facilities, materials or equipment available for purposes not related to the company's goals.

The employees acknowledge that all information they are aware of and/or have access, in view of their position and duties is confidential and may not be transferred to employees outside department/sector and/or third parties who do not have business or professional relationship with Fertilizantes Heringer. Should be verified secrecy violation, the employee in charge may be responsible for the losses and/or damages caused to the company, as well as may suffer legal

sanctions applicable to each type of agreement in effect.

We point out that their obligations in relation to such information are:

- Not disclose it to persons outside Fertilizantes Heringer;
- Not use it for their own benefit or of third parties;
- In the event of employee's withdrawal, he/she continues obliged to protect information until these become public or until Fertilizantes Heringer no longer deems it as confidential information.
- The request of financial or business information by the media, financial community or public must be submitted to the Board of Executive Officers. It is essential that nobody answers personally such requests, since any inadequate or inaccurate answer may compromise the company's legal position.
- The Information Technology resources, mainly equipment, access to the Internet and e-mail must be used for the purposes of employees' work and carefully used, as per guidance and procedures defined by the Information Technology Department.

Thus, the following is prohibited:

- Messages of harassment, discrimination, offense, defamation, causing disruption, fraudulent or threatening messages, including those offensively referring to race, gender, age, sexual orientation, religion, religious beliefs, national origin, disabilities, condition as war veteran or other characteristics protected by law.
- Non-authorized distribution of information containing commercial, industrial secret, confidential information or pertaining to Fertilizantes Heringer.

The Information Technology Resources users must not assume any right to personal or confidential privacy when using such resources.

The employees are aware that the company has a specialized computerized system to control the access and the use of the Internet, which is capable of identifying, tracking and proving the non-conformities in the usage, as per security rules and specific policy adopted by this Code of Conduct. We point out that the utilization for other purposes and/or contrary to the adopted rules may be typified as serious fault, the employees assuming the responsibility to indemnify Fertilizantes Heringer, should be verified damages deriving from infringements to the Internet and email usage rules and specific policy adopted by the company.

## **USE OF PASSWORDS**

Users' passwords are personal and untransferable and cannot be shared, disclosed to third parties, recorded in paper or in visible system or of unprotected access.

If login and password is obtained from third parties on a permissive, accidental manner or otherwise, employee must immediately inform his/her immediate superior or the Information Technology area.

Employees are expressly forbidden, under any circumstance, to use users' logins and passwords rather than their personal password.

## **CLIENTS**

By intending to maintain with clients a relationship guided by rules introduced by this code of conduct, we require:

- Serve well the client by means of an opened and honest relationship, focused on his/her needs;
- The awareness about the client importance must be clear to all employees who must be committed to seek solutions meeting and satisfying clients' interests, in agreement with the company's goals;
- In cases of conflict of interests, act on a transparent basis with client, clarifying him/her about the problem under consideration;
- We will not accept discrimination of age, gender, race, religious belief, ascendancy, among others, when serving client.

## **RELATIONSHIP WITH SUPPLIERS**

By intending to also maintain with suppliers a relationship guided by rules introduced by this code of conduct, it is necessary:

- Suppliers must be seen as an extension of the company, who share the same ethical principles and ongoing improvement of the quality during the partnership relationship.
- The hiring should take in consideration the good practices established by the Global Pact, such as: the elimination of all kinds of unfree or compulsory labor, abolition of child labor and any type of discrimination and social and environmental responsibility.

## **RELATIONSHIP WITH COMPETITORS**

Fertilizantes Heringer S.A. conducts its activities based on the principles of free competition.

All market and competition information, legitimate and necessary to business, should be obtained through transparent and idoneous practices, illicit or morally unacceptable means will not be accepted.

The employer is forbidden to adopt any attitude that denigrates the image of Company's competitors.

The relationship with competitors should be ethically conducted, avoiding any acts or practices that may characterize unfair competition, the formation of groups or cartels, or any other infringements against the economic order.

No employee is authorized to provide any information about the company to our competitors.

## **INVESTOR RELATIONS**

The communication with shareholders should be transparent and properly conducted through the Investor Relations area, enabling the follow-up of Heringer's activities and performance. The treatment given to shareholders does not depend on the number of shares they hold.

## **COMMUNITIES**

All business units of Fertilizantes Heringer should have a strong and cooperative relation with their neighboring communities. The organization always seeks to understand and meet the needs of the local community, and work jointly with people and authorities responsible for the solution of eventual problems.

## **PUBLIC POWER RELATIONS**

All employees of Fertilizantes Heringer are expressly forbidden to offer gifts and/or benefits to public servants, their family or related parties, whether directly or by third parties.

## **ENVIRONMENT**

Based on its Environment Policy, the Company requires that all its employees, up to the senior Management, respect the environment, encouraging them to adopt sustainable environmental practices.

## **CHARACTERIZATION OF MISTAKE**

Mistakes deriving from decisions taken by Fertilizantes Heringer's employees, when doubts prevail in relation to what is outlined in the Code of Conduct, will not mean the violation to such code: mistakes must be analyzed and taken as learning.

The performance focus will be the process and not the person, however, mistakes deriving from negligence and bad faith must have differentiated treatment and those responsible will be subject to pertinent sanctions.

### **DISCIPLINARY ACTION**

The violation to the principles outlined in this Code of Conduct committed by any Heringer's employee is subject to the disciplinary actions, not necessarily following the order below:

- Verbal warning,
- Written warning,
- Suspension,
- Dismissal without cause,
- Dismissal with cause,
- Filing of civil/criminal lawsuit.

This present Code of Conduct will be reviewed whenever necessary.

October 2014

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