

# CODE OF CONDUCT



Klabin

## **THE RELATIONSHIP BETWEEN CORPORATE ETHICS AND INDIVIDUAL ETHICS**

Ethics is a reflection of the behavior of human beings who act taking into consideration their values. Saying that something is ethical presupposes it is an attitude oriented to good acts.

When it comes to corporate ethics, what is taken into account is the organization values and objectives as well as the way it wishes to interact with its stakeholders. When one chooses to work in a company, it is indispensable that his or her personal values are in accordance with those of the company, independently of position or function.

Klabin is represented by all its employees. Each one is a part of the company's history, values, learning and achievements, reason why the individual's conduct and attitudes directly interfere with the organization's ethics and image.

In order to compose the ethical principles that govern the company, it is essential to establish wished and expected postures of its employees and other business partners. Therefore, we have prepared this Code, which presents the conducts accepted by the company so that the employees' attitudes are aligned with Klabin's corporate ethics.

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## 1. OBJECTIVES

Klabin's Code of Conduct is a guide to the issues which orient the relationship between its Board Members, employees, customers, suppliers, public entities and society as a whole, that is to say, it establishes values and guidelines intended to orientate decisions and attitudes in the exercise of their responsibilities.



## 2. SCOPE

It is directed to all the Board Members and employees of Klabin and its affiliated and subsidiary companies in their relations with suppliers, customers, shareholders, service contractors, competitors, public entities, financial institutions, the press and the public in general.

It is the responsibility of Board Members and employees to get to know and put this Code of Conduct into practice in its entirety by asserting the principles and values established herein.



## 3. PRINCIPLES

Klabin is convinced that, in order to achieve Company goals, it must act with rectitude and transparency and also exercise its social function with responsibility.

The basic values that guide the decisions and attitudes at Klabin are founded on morality, dignity, liberty, integrity, loyalty, transparency and justice and intended to preserve the moral assets of the Company.

Klabin is committed to the quality of life and to the development of its employees and to its effective participation in the communities where it has operations.

Relations between Klabin, its employees, shareholders, suppliers, customers, competitors and public entities are underscored by the best practices and any circumstances which are damaging due to the personal interests of employees and shareholders are inadmissible.

Non-observance of the guidelines described in this Code and in other internal rulings will be considered a violation, especially if it results in benefits to persons or third parties and damages to Klabin, and will be subject to the application of punishment foreseen in law, which may lead to the termination of a work contract.



## 4. COMMITMENTS

### 4.1 EMPLOYEES

Klabin pledges to run programs of quality of life, health and work safety for its employees, providing a respectful organizational environment which stimulates personal and social development appropriate for work performance, and it pays careful attention to compliance with current legislation, contracts, agreements, collective bargaining and internal regulations.

Decisions on non-regulated matters should be based on the principles established in this Code, on previous appraisal of the facts and on formal acceptance by the hierarchical superior. Engagement of the departments responsible for specific matters is indispensable, since this avoids interference and discordant interpretations which can cause conflicts in management and good practices and affect the organizational climate.

The following are considered to be fair criteria for admission and promotion of Klabin's employees: technical preparedness, professional experience and capacity to join in working groups; no discrimination on account of religious belief, color, race, sex, age, marital status, sexual preference or deficiency of any nature is acceptable. Employees are also expected to demonstrate utmost care, commitment and competence and negligence and insubordination will not be tolerated as long as the instructions given do not present risks to anyone's physical integrity.

Klabin will not accept that its employees hire or influence the hiring of relatives by blood or by marriage such as: brothers and sisters, uncles and aunts, cousins, nephews and nieces, spouses and any kind of in-law, to work in direct or indirect subordination to them within the same hierarchy.

Under no circumstances, including situations that already exist at the time of publication of this Code, is direct subordination permitted in the cases described above.

Klabin guarantees freedom of association to its employees. Klabin seeks to keep an agenda for open and constant dialog with entities that represent their employees, which surpasses collective labor negotiation and changes in legislation.

With regard to child labor, Klabin will only admit the hiring of apprentice minors in accordance with the law and for administrative and technical areas, as long as this practice does not interfere with their schooling and their educational development.

People with Special Needs should be provided with conditions that enable them to exercise their activities as Klabin employees.

Behavior with colleagues, customers, suppliers' employees and society in general which leads to a climate of intimidation and constraint, such as sexual harassment, and actions, insinuation or attitudes which affect the dignity or psychological and physical integrity of people will not be tolerated.

Neither will the use of any means of communication especially electronic media, such as e-mail and internet, to file or send direct mailing, correspondence or files not connected with professional activities, particularly those of immoral, racial or fatuous content. All data stored in Klabin's computers, including e-mails (@klabin.com.br) sent or received through the Klabin network are held to be the property of the Company and not the private property of the employee.

Employees must also not install nor use computer files or software that have not been licensed by the Company or approved by the management, nor may they use software approved in a way different from that established by the license or in the copyright contract.

Use of frequent flyer programs in favor of employees is accepted. However, losses to Klabin will not be tolerated when they result from flight alterations or other programs for the purpose of accumulating additional points or miles.

## 4.2 SHAREHOLDERS

Klabin is committed to developing actions that promote adequate returns for its shareholders and investors, in terms of dividends and growth in share value, and that provide continuity for its plan of sustainable development.

Klabin's relationship with shareholders, investors and analysts is based on the rules of Corporate Governance, on transparent, precise and opportune communication, conducted by Members of the Board and specifically designated employees, whilst respecting access by all in good time to relevant information.

## 4.3 CUSTOMERS

Klabin has committed itself to the continuous satisfaction and anticipation of all its customers' needs by exceeding their expectations where quality, technological innovation, agility and reliability are concerned.

Customer relationships should be steered by good commercial practices, ethical attitudes and utmost care for information. However it is not permitted to give gifts such as: trips and presents which are not institutional, to customers' employees. In commercial relationships with customers, payment is allowed of meals, transport and lodging by either party.

## 4.4 SUPPLIERS AND SERVICE CONTRACTORS

The relationship between Klabin and its suppliers and service contractors requires transparency and rectitude in all commercial contacts.

The selection and development of suppliers will be governed by technical factors, cost, quality and compliance with all legal obligations as well as by the observance of good social and environmental practices.

The receipt of any values, presents and privileges when acquiring materials or other such items and services creates conflicts of interest (and compromises the employee with the supplier), harms Klabin's image and will not be tolerated, except in the case of institutional gifts.

Trips, courtesies and free gifts offered by suppliers and service contractors, when in the interest of Klabin, may be accepted upon prior approval by the director responsible and formal communication to the Executive Board and to Internal Auditing.

## 4.5 SUSTAINABLE DEVELOPMENT

Sustainable Development for Klabin is the pursuit of integrated and responsible growth, which combines profitability, social development and environmental commitment. These premises govern its strategic decisions considering fundamental aspects related to economic viability, respect for the areas and communities where it is present and ongoing improvement in its environmental performance.

Klabin's partners and suppliers are also expected to adopt similar environmental and social commitments in order to promote sustainable development in its operation chain.

**Communities:** Klabin's activities must be carried out in complete harmony with the communities where its operations are located, while interacting in a professional (not paternalistic) manner and giving support to socioeconomic development in these regions. Klabin, in the role of development agent and as a part of the social context in communities where it is active, encourages the voluntary participation of all its employees in social and cultural projects and in activities which inspire the practice of citizenship.

**Environment:** Klabin has a commitment to preserve the environment and maintain the quality of life of its employees, of its partners in the production chain and of the communities where it has operations. To realize improvements and ensure an ecologically balanced environment for future generations, the production processes in the plants of Klabin and its integrated partners are continually upgraded and adjusted so as to meet environmental legislation and even exceed its limits.

## 4.6 PRESS

All Company information to be disclosed to the press must be accurate and transparent, in accord with principles based on truth and in conformity with the legislation in force. This contact will be made by specifically designated employees in such a manner as to uphold a credible relationship with the communication media and the positive image of the Company in the face of public opinion.

## 4.7 ALCOHOL, DRUGS AND GAMBLING

The use, sale or possession of alcoholic beverages or drugs are prohibited on Klabin's premises, since they make its employees and outsourced workers unfit to perform any activity. Nobody should remain in Klabin's facilities when they are under the influence of or affected by the use of said substances.

Leisure-related activities are permitted at certain times as defined by the company, as long as they cause no harm to employees, customers, suppliers and the community.

## 4.8 WORK SAFETY

Safety is the responsibility of all employees, service contractors and part-time workers. The correct use of safety equipment, unremitting attention and an unceasing preventive attitude towards accident prevention help to reduce risks and preserve health and life.

No task should be carried out under conditions of risk. Everyone should be familiar with the protection measures presented in internal norms

and in contracts with service contractors and put them into practice systematically during the work period. It is the duty of everyone to report unsafe acts or conditions, accidents and incidents.

#### 4.9 POLITICAL ACTIVITIES

Klabin is not opposed to its employees running for election. However, this fact must be communicated previously and during the period prior to the electoral process.

Employees or third parties will not be allowed to run election campaigns on Klabin's premises and take advantage of their position or use the name of Klabin for political promotion and persuasion.

#### 4.10 GOVERNMENT BODIES AND REGULATORS

Klabin discourages granting any advantage or privilege to public agents, is careful to comply with policies, norms and prevention controls and is against money laundering and illicit acts of any kind in strict compliance with the applicable laws and in conformity with the best national and international practices.

#### 4.11 COMMERCIAL PARTNERS AND COMPETITORS

Employee behavior which denigrates the image of Klabin, its commercial partners and competitors will not be permitted.

Relations with competitors should be conducted within the legal limits.



## 5. PROTECTION OF ASSETS

Klabin's assets comprise resources which are used to run its business. These assets of Klabin are made up of material values such as: buildings, machinery, stocks; intellectual property and intangible values such as: confidential information, business plans and budget data recorded in information systems, or in any form of electronic media, not just of the Company but also those of its customers, suppliers and service contractors.

All property and equipment made available by Klabin are for professional use in accordance with Company policies.

Klabin reserves the right to execute checks on the utilization of allotted materials either by superiors or by Internal Auditors and if improper use is proven, it is the responsibility of those in charge to take the appropriate measures to correct deviations.

For Klabin, confidential information is a part of the most valuable intangibles and its knowledge can be acquired formally or informally. Examples of confidential information are business plans, financial information, salary data, staff composition, the technical equipment used and commercial data.

Any employee who is aware of confidential information that has been acquired by inappropriate means, formally or informally, must instantly communicate this fact to his or her immediate superior without disclosing it to others.



It will be considered a serious violation for an employee either to keep in a paper or computer file confidential information unrelated to the performance of his or her function or, principally, to disclose it.

Whenever information of a confidential nature is requested, it is up to the employee to ask for previous written authorization from his or her superior.

The safeguarding of confidential information must be carried out securely and with the utmost care. After being used, information should be protected or destroyed in such a way as to make the use or partial recovery of the data by third parties impossible.

It is recommended that Klabin's internal affairs should not be discussed in public places, such as: elevators, taxis, airports and so on.

Access by employees to information systems data containing confidential information must be approved by their superiors and communicated to Internal Auditing, which has the power to deny access.

## 5.1 RESPECT FOR PRIVACY, CONFIDENTIALITY AND USE OF INFORMATION

Klabin is committed to the privacy and confidentiality of personal information acquired from its investors, customers, suppliers, employees and of any other stakeholder to whom Klabin may relate. Under no circumstances will Klabin make available or use this information without previous authorization.

Klabin's employees with access to private information of related parties must care for the safe use and safeguard, reporting to immediate superior any mistake in the application of this commitment.

Non-observance of these guidelines may lead to the termination of a work contract.



## 6. GUIDELINES FOR CONFLICT OF INTERESTS

### 6.1 OBLIGATIONS OF BOARD MEMBERS AND EMPLOYEES

From all Board Members and employees, Klabin expects full-time dedication to work and efforts involving the Company's interests, rectitude in business dealings and reticence about facts and information of a confidential nature. There will always be a conflict of interests when an executive or employee is engaged with any activity which is incompatible with the interests of the Company.

Unacceptable conduct which can lead to cancellation of a work or service contract:

- Exercise a parallel activity which jeopardizes the period of work or performance at Klabin.
- Use Klabin's resources for personal gain or that of others.
- Employees who have influence over purchasing decisions may not hire for themselves or for other employees service suppliers contracted by Klabin, nor may they participate as an owner, partner or director in companies which have a commercial relationship with Klabin.
- Request sponsorship from suppliers for improvements to leisure centers, sporting events and parties, except in the case of special events and conditions previously approved by the Executive Board.
- Use the prestige of one's position and privileged information at Klabin for the benefit of oneself or of others.

- Receive presents, holiday trips or benefits from suppliers and service contractors or customers, except those stipulated by this Code.
- Disclose unauthorized information.
- Use equipment and resources to access information, e-mail and internet, for unauthorized purpose.
- Use unlicensed software inside Klabin.
- Show abusive behavior which may cause constraint to subordinates or other people inside Klabin, such as: offensive language, discrimination and sexual or moral harassment.
- Lend a personal password, essential for execution of one's job at Klabin, to third parties even though they may be employees.

## 6.2 FREE GIFTS AND PRESENTS

Klabin expects free gifts and presents to be refused, when being offered to employees who have the power to interfere in decisions of interest to the giver. Gifts identified as being free for distribution (without commercial value and exhibiting a logo-mark or advertisement, classified as institutional) are the exception to this rule and may be offered and accepted.

## 6.3 DONATIONS AND SPONSORSHIPS

Klabin supports and encourages projects involving people of recognized merit and qualified companies that are committed to social responsibility. These projects should be aligned with the interests and institutional and market-related guidelines which elevate the Company's image.

## 6.4 NEGOTIATION OF KLABIN SHARES

It is the responsibility of all – full and alternate members of the Company's Board and Fiscal Council, external auditors, service contractors, shareholders, directors and managers – to protect and keep secret all relevant information not yet disclosed by Klabin to the market, neither to reveal nor use it for personal gain or that of others, in compliance with the Policy of Disclosure and Negotiation of Company Shares and the norms and sanctions as edited by the CVM (Securities and Exchange Commission of Brazil).

## 6.5 ACCOUNTING RECORDS

Klabin keeps accurate, complete and true accounting records. They are drawn up with sufficient attention to detail and duly published in official books and corroborated by reliable documentation, in accordance with internal norms of the Company, the pertinent legislation and generally accepted accounting principles in such a way as to permit the preparation of credible financial statements.

All managers should collaborate by way of their activities with quality of information and in this respect should previously appraise and communicate to the Controller any impacts caused by changes or new processes in Klabin's businesses.

Commitments taken and payments made should receive previous authorization from the competent level of approval. Likewise, the records should be made by the duly authorized users, definitively prohibited to lend individual passwords that give access to systems to others, whether they be employees or third parties.



## 7. ACCUSATIONS AND COMPLAINTS

The Ombudsman should be informed in case violations to this Code are witnessed or suspected. Contact through email address on [klabin.com.br/ouvidoria](mailto:klabin.com.br/ouvidoria) or via telephone **0800 718 7814**.

Contact confidentiality is guaranteed in both channels

### APPROVAL AND EFFECTIVENESS

This Code was approved by the Company's Board of Directors at their meeting on June 27/2013 and came into effect immediately.

All other norms and regulations established by the Company remain effective.

### TERMS OF ACCEPTANCE

I hereby declare that I have received a copy of Klabin's Code of Conduct and promise to abide by and care for the complete and constant observance of all the instructions and moral principles which orient our internal and external relationships.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Department: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature: \_\_\_\_\_





Klabin