CONTEÚDO

- Compliance Program
- Governance Structure
- FCPA case
- Turning the Page
- Compliance Program’s Initiatives and Sustainability
- Helpline
- Living With a Compliance Monitor

COMPLIANCE PROGRAM
MAIN CHALLENGES

- Business complexity;
- Global reach;
- Regulatory Diversity;
- Data Privacy;
- Cultural differences;
- Effective controls worldwide;
- Need for constant dissemination of ethics and compliance culture to all stakeholders.
ELEMENTOS DO PROGRAMA

- Leadership and Organizational Structure
- Risk Management
- Policies, Procedures and Controls
- Training and Communication
- Monitoring, Auditing and Helpline

POLICIES, PROCEDURES AND CONTROLS

- Policies and Procedures with global applicability, adapted to the various businesses and jurisdictions:
  - Code of Ethics and Conduct;
  - Global Anti-corruption Policy.
- Main control tools:
  - Due Diligence;
  - Know Your Customer;

POLICIES, PROCEDURES AND CONTROLS – KYC

- Know Your Customer ("KYC") procedure in effect since August 2017;
- Analysis based on risk factors (embargoed countries, corruption perception index, conflict of interest, government or private client and adverse media);
- "Screening" by Dow Jones;
- "Go Live" of KYC Portal in January 2018.
TRAINING AND COMMUNICATION

- Online modules and F2F;
- Different formats (case studies, policy reading sessions, workshops, etc.);
- Customization of matters by function/business, defined upon risk assessment.

Internal Communications Campaign, throughout all sites in Brazil and abroad and affiliates 2017-2018

VISUAL IDENTITY
- 35 big banners at industrial facilities
- 1,500 banners and posters in meeting rooms, office space, etc.

FOLDER | ETHICS FUNDAMENTALS
- 23,000 copies distributed

BANDEIRANTE MAGAZINE
- 20,000 copies distributed
35 big banners in all industrial facilities

1,500 banners and posters

Folder with important concepts and principles to guide behavior, based on the Code of Ethics and Conduct

Nov and dec/2017
22,000 copies

Special edition to strengthen ethical and compliance culture and become a reference in Brazil and the world

20,000 copies distributed
December 2017
Weekly series of stories based on real complaints from our Helpline

20 episodes launched

More than 50,000 visualizations

Launched in Nov/2017

O ASSÉDIO MASCARADO


GOVERNANCE STRUCTURE

Shareholders

Board of Directors

People and Governance Committee

Audit and Risk Committee

Strategy Committee

Management Board

Fiscal Committee

Compliance

Internal Audit

Internal Risks and Controls
GOVERNANCE STRUCTURE (Cont.)

- Direct line to CAR: Compliance, Internal Audit and Internal Risks and Controls;
- CAR is comprised of 4 independent Directors, with the Chairman’s support and participation in all meetings;
- CEO has the leadership role as to initiatives and Compliance messaging – Tone at the Top;

FCPA CASE

- SEC subpoena received on September 1st, 2010;
- Embraer collaborated with the authorities and voluntarily hired outside counsel in Brasil and in the US to investigate;
- More than 100,000 documents produced and more than 100 interviews;
- 4 transactions between 2007 and 2011 – Saudi Arabia, India, Dominican Republic and Mozambique, involving the sale of 16 aircraft;

SETTLEMENT

- October 24, 2016 – simultaneously executed with DOJ/SEC and MPF/CVM;
- US$ 205 million between fines and disgorgement;
- 20% discount for collaboration;
- It was the first FCPA settlement executed by the DOJ and the SEC with a Brazilian company.
TURNING THE PAGE

- Transparency in the disclosure of the settlement;
- Utilize the case as example in training sessions, meetings, leadership townhalls, etc.;
- #beetheexample campaign;
- “Zero Tolerance” policy implemented;
- Strengthen leadership as ethics role model (Tone at the Top);
- Compliance as a priority and job condition;
- New core value: “Ethics and integrity are at the core of everything we do.”
- Helpline as the main tool for detection of violations: non-retaliation;

COMPLIANCE PROGRAM’S INITIATIVE AND SUSTAINABILITY

- The company is fully collaborating with the independent monitor. We view the monitorship as an opportunity to enhance our processes;
- Ethics survey, carried out by ‘Ethics and Compliance Initiative’, in the first half of 2017;
- Training sessions focused on gray zones, ethical dilemmas and lessons learned;
- 250 Compliance Agents throughout the company globally, providing capability to the policies and procedures.

HELPLINE

- Channel for reporting conduct deviations
- Global
- Available 24/7
- Confidential
- Anonymous
- Non-retribution
- Independent investigation
- Disciplinary measures
- Think, Rethink videos
LIVING WITH A COMPLIANCE MONITOR

- How can a company leverage the work of the monitor and minimize its disruption to the business?

- What happens during the different years?
  - Review compliance program and make recommendations [Year 1]
  - Implement recommendations, review discrete aspects of the compliance program, and make additional recommendations [Year 2]
  - Sustainability and certification, if appropriate [Year 3]

- Key considerations to have in mind during the term of the monitorship – DON'T WAIT TO START IMPLEMENTATION