

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

### 1. Business Ethics

**Guiding Principles:** Companies are expected to uphold the highest standards of integrity and to operate honestly and equitably throughout the supply chain in accordance with local laws.

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
1. Responsible Sourcing of Materials	<p><b>LEI Nº 13.186, DE 11 DE NOVEMBRO DE 2015</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This law institutes the Education Policy for Sustainable Consumption (Art. 1).</li> <li>- It stimulates the adoption of ecologically sustainable consumption practices and production techniques (Art 2).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies should incorporate the social, cultural and environmental dimensions into the production and management process.</li> <li>- Companies should promote the use of natural resources based on ecologically sustainable techniques and management practices.</li> <li>- Companies should incorporate environmental labelling in their products, i.e., information on environmental aspects of the product.</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/_ato2015-2018/2015/lei/l13186.htm">http://www.planalto.gov.br/ccivil_03/_ato2015-2018/2015/lei/l13186.htm</a></p>	<p>This law only encourages companies to search for more responsible sources of materials and production techniques, accounting for environmental and social issues. Meanwhile, the Practical Guidance expect companies to use validated conflict free smelters and refiners for procurement of tin, tungsten, tantalum and gold in the products they produce, as well as to not knowingly provide products containing raw materials that contribute to human rights abuses, bribery and ethics violations, nor negatively impact the environment. So it is <u>less strict</u> than the Guiding Principles and Practical Guidance.</p>
2. Anti-Corruption	<p><b>LEI Nº 12.846, DE 1º DE AGOSTO DE 2013</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It governs the administrative and civil accountability of legal entities for the practice of acts against the public, national or foreign administration (Art.1).</li> <li>- This law is applied to all companies and entities regardless of the type of organization or corporate model adopted, as well as any foundations, associations or foreign companies that have their headquarters, branch or representation in Brazil (Art. 1, only paragraph).</li> <li>- It defines which acts are considered harmful to public, national or foreign administration (Chapter II).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i></li> </ul>	<p>Anti-corruption laws in Brazil are mandatory for all companies and establish penalties to entities and people that do not comply with them. However, companies should also be aware that the guiding principles and practical guidance expect companies to comply with the anti-corruption laws in the countries that they do business in. In this sense, the Brazilian law is <u>less strict</u>.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

- It defines the sanctions applied to legal entities held responsible for such harmful acts (Chapter III).
- Legal entities are responsible in the administrative and civil spheres for the harmful acts (chapter II) foreseen in this law, so companies must be aware of them.
- Fines in the amount of 0.1% to 20% of gross sales in the last fiscal year and extraordinary publications of the conviction will be applied to the legal entities considered responsible for the harmful acts foreseen in this Law (Chapter III).
- Managers or administrators may also be held guilty for unlawful acts to the extent of their culpability (Arts. 3 and 26).

Source: [http://www.planalto.gov.br/ccivil\\_03/ato2011-2014/2013/lei/l12846.htm](http://www.planalto.gov.br/ccivil_03/ato2011-2014/2013/lei/l12846.htm)

### LEI Nº 9.613, DE 3 DE MARÇO DE 1998

- *Scope of the legislation:*
  - It governs crimes of money laundering or concealment of goods, rights and values, as well as the use of the financial system for illicit acts (preamble).
  - This law is modified by law 12.683/2012.
- *Key points for suppliers:*
  - Actions such as hiding or disguising the nature, origin, location, disposition, movement or ownership of assets, rights or values arising, directly or indirectly, from criminal offenses are likely to be criminally sanctioned by the terms of this law (Art. 1).
  - The effects of the conviction are likely to be complemented by the national Criminal Code (Art. 7)
  - Legal entities and their managers or administrators are also likely to administrative sanctions (Art. 12).

Source: [http://www.planalto.gov.br/ccivil\\_03/LEIS/L9613.htm](http://www.planalto.gov.br/ccivil_03/LEIS/L9613.htm)

### 3. Privacy

### LEI Nº 13.709, DE 14 DE AGOSTO DE 2018

- *Scope of the legislation:*
  - It deals with the processing of personal data, including digital media, by natural person or by legal entity of public or private law, with the purpose of protecting freedom and privacy of people. It must be attended by August 2020 (Arts. 1 and 65).

The Brazilian legislation on data privacy establishes obligations that must be observed in order to process, use and storage data regardless of how they were collected not only by companies, but also by subcontractors. It also establishes rights data providers have over their own data. The Practical Guidance expects companies to put in place appropriate measures

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>- It is applied to any operation carried out by a natural person or a legal entity ruled by public or private law, regardless of the environment, the country of its headquarter or the country where the data is located (Art. 2).</li> <li>- This law is modified by the provisory measure 869/2018.</li> </ul> <ul style="list-style-type: none"> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- To comply with legal or regulatory obligations, companies should observe the requirements for processing personal data (Chapter II, Section I), among which consent is needed by the data holder as to its use.</li> <li>- Companies have to be aware of the possibility of holding sensitive personal data (Chapter II, Section II).</li> <li>- The data provider has the right to easily access the information for the purpose of processing such data (Chapter III).</li> <li>- Data processing agents are subject to administrative sanctions according to this law (Chapter VIII).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/ Ato2015-2018/2018/Lei/L13709.htm">http://www.planalto.gov.br/ccivil_03/ Ato2015-2018/2018/Lei/L13709.htm</a></p> <p><b>LEI Nº 12.965, DE 23 DE ABRIL DE 2014</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It establishes principles, guarantees, rights and duties for the use of the Internet in Brazil (preamble, art. 1).</li> <li>- It deals with the use of internet in the country and the relationship between the provider and the internet user.</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies must comply with this law regarding collection, storage, use and grant to third parties of access to private data to third parties through the internet (Arts. 11 and 21).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/ ato2011-2014/2014/lei/l12965.htm">http://www.planalto.gov.br/ccivil_03/ ato2011-2014/2014/lei/l12965.htm</a></p>	<p>to respect privacy and personal data, cascading these principles and contractual obligations in relation to data privacy to any subcontractors or Tier 2 suppliers who will be processing the personal data. In this sense, it is possible to say the Brazilian legislation is <u>similar</u> to the Guiding Principles and Practical Guidance.</p>
<p>4. Financial Responsibility/Accurate Records</p>	<p><b>RESOLUÇÃO CFC Nº 1.328, DE 18 DE MARÇO DE 2011</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It governs the Structure of the Brazilian Accounting Standards (preamble).</li> <li>- It classifies, structures and identifies the Brazilian Accounting Standards (Art. 2, 3 and 7).</li> </ul> </li> </ul>	<p>The Brazilian legislation on financial responsibility and accurate records follows international statements of accountability: companies must ensure their records are trustful, accurate, complete and understandable. In this sense, it is <u>similar</u> to the requirements of the Guiding Principles and Practical Guidance.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

- *Key points for suppliers:*
  - Companies in Brazil must follow the same standards of elaboration and style used in the international norms (Art. 1).
  - Companies in non-compliance with the Brazilian Accounting Standards are subject to the penalties provided for in items "c" to "g" of art. 27 of Decree-Law No. 9,295 / 46 (Art. 10)

Source: <http://www.normaslegais.com.br/legislacao/resolucaoafc1328.htm>

### LEI Nº 6.404, DE 15 DE DEZEMBRO DE 1976

- *Scope of the legislation:*
  - It governs, among others, on accountant statements of S.A. Corporations (Chapter XV).
  - This law is modified by the law 13129/2015.
- *Key points for suppliers:*
  - Companies should be aware of the types of financial statements to be presented at the end of the fiscal year (Art. 176).
  - Accountant statements must be classified according to the recorded assets, and grouped in such a way as to facilitate the knowledge and analysis of the financial situation of the company (Sections 2 to 6).

Source: [http://www.planalto.gov.br/ccivil\\_03/leis/L6404consol.htm](http://www.planalto.gov.br/ccivil_03/leis/L6404consol.htm)

### LEI Nº 11.638, DE 28 DE DEZEMBRO DE 2007

- *Scope of the legislation:*
  - Updates the law 6.404/76 and establishes new rules for large companies (preamble)
- *Key points for suppliers:*
  - Large companies (i.e., companies with annual revenues above R\$ 300 million and whose assets exceed R\$ 240 million) are now compiled to follow the same accountant statements of S.A. companies (Art. 3).

Source: [http://www.planalto.gov.br/ccivil\\_03/\\_Ato2007-2010/2007/Lei/L11638.htm](http://www.planalto.gov.br/ccivil_03/_Ato2007-2010/2007/Lei/L11638.htm)

5. Disclosure of Information

### INSTRUÇÃO CVM Nº 358, DE 3 DE JANEIRO DE 2002

- *Scope of the legislation:*

The Brazilian legislation governs disclosure of information related to the financial statements of the companies. Although some companies have

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>- It governs on the disclosure and use of information of a material act or fact related to companies, disciplines disclosure of information in trading of securities and acquisition of significant batches of shares (preamble).</li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Any material act or fact that may predominantly influence: (i) the price of the securities issued by listed companies or related thereto; or (ii) in the decision to buy, sell or hold such securities, or even to exercise any rights inherent to them must be disclosed to the market.</li> <li>- Decisions by a controlling shareholder, a resolution of the general meeting or of the management bodies of the publicly held company or any other political, administrative, technical, business or economic-financial act or fact related to the business must be disclosed.</li> <li>- The disclosure of a relevant act or fact must occur through at least one of the following channels of communication: newspapers of great circulation and / or news portal on the Internet</li> </ul> </li> </ul> <p>Source: <a href="http://www.cvm.gov.br/legislacao/instrucoes/inst358.html">http://www.cvm.gov.br/legislacao/instrucoes/inst358.html</a></p> <p><b>LEI Nº 6.385, DE 7 DE DEZEMBRO DE 1976</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It governs on the discipline of the securities market and creates the Brazilian Securities and Exchange Commission (CVM, in the Portuguese acronym; preamble).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Business of minority shareholders, purchase and sale, transfer and sale of securities and of companies issued by holding companies or controlling companies must comply with the disclosure norms established by CVM (Art. 22).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/leis/L6385.htm">http://www.planalto.gov.br/ccivil_03/leis/L6385.htm</a></p>	<p>provided other kinds of reports, such as Integrated Reports or Sustainability Reports, there is no legislation on such topics. Thus, it is possible to say the Brazilian legislation is <u>less strict</u> than the Guiding Principles and Practical Guidance since these also require companies to disclose financial and non-financial such as information on labour force, health and safety practices, environmental practices, business activities, financial situation and performance.</p>
<p>6. Fair Competition/Anti-Trust</p>	<p><b>LEI Nº 9.279, DE 14 DE MAIO DE 1996</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It regulates rights and obligations related to industrial property and typifies unfair competition (Chapter VI).</li> <li>- It establishes sanctions for companies in unfair competition (general dispositions in chapter VII).</li> </ul> </li> </ul>	<p>Practices that should be prevented according to the Guiding Principles and Practical Guidance are illegal or even unlawful crimes according to the Brazilian legislation on fair competition and anti-trust, so the Brazilian law is <u>stricter</u> than requirements of the Guiding Principles and Practical Guidance.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

- *Key points for suppliers:*
  - Examples of unfair competition are: publications to the detriment of competitors or with false information to gain advantage, the use of fraudulent means to divert customers from others, creating confusion between products or establishments, misusing names and trademarks, offering adulterated or falsified products, the bribery of employees of other companies, providing benefits to third parties for unlawful money, the use of unauthorized or confidential information without authorization and/or information obtained unlawfully, the commercialization of non-patented product or not acknowledging the proper registration.
  - Employers or administrators of the company, who incur these establishments, may be criminally prosecuted (Art. 195).

Source: [http://www.planalto.gov.br/ccivil\\_03/Leis/L9279.htm](http://www.planalto.gov.br/ccivil_03/Leis/L9279.htm)

### LEI Nº 12.529, DE 30 DE NOVEMBRO DE 2011

- *Scope of the legislation:*
  - It structures the Brazilian System for the Defense of Competition and governs the prevention and repression of infractions against the economic order (preamble).
- *Key points for suppliers:*
  - The various forms of infractions against the economic order imply the responsibility of the company and the individual responsibility of its directors or managers (Art. 32).
  - Companies or entities that belong to an economic group, in fact or in law, shall be jointly and severally liable when at least one of them commits an infraction of the economic order (Art. 34)
  - Infractions against the economic order, regardless of fault, include: limiting, distorting or in any way prejudicing free competition or free enterprise; dominating the market of goods or services (i.e., a company or group of undertakings is capable of unilaterally or in a coordinated manner changing market conditions or when it controls at least 20% of the relevant market); arbitrarily increasing profits (Art. 36).

Source: [http://www.planalto.gov.br/ccivil\\_03/ Ato2011-2014/2011/Lei/L12529.htm](http://www.planalto.gov.br/ccivil_03/ Ato2011-2014/2011/Lei/L12529.htm)

7. Conflicts of Interest

### LEI Nº 6.404, DE 15 DE DEZEMBRO DE 1976

- *Scope of the legislation:*

The Guiding Principles and Practical Guidance state that companies should make decisions

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>- It governs, among others, the abuse of the voting right and conflict of interest (Art. 156).</li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Shareholders are liable for damages caused by the abusive exercise of the right to vote, even if their votes have not prevailed. They will also be obliged to transfer to the company the advantages they have received in case of conflict of interests (Art. 165).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/leis/L6404consol.htm">http://www.planalto.gov.br/ccivil_03/leis/L6404consol.htm</a></p> <p><b>LEI Nº 12.813, DE 16 DE MAIO DE 2013</b></p> <p><i>Scope of the legislation:</i></p> <ul style="list-style-type: none"> <li>- It defines the conflict of interests as the situation generated by the confrontation between public and private interests, which could jeopardize the collective interest or improperly influence the performance of the public function (Art. 6).</li> <li>- This law is applied to all occupants of public offices or employment of the Executive: ministers, president, vice presidents and directors or equivalents, municipalities, public foundations, public companies or mixed economy companies; and also occupants of positions or jobs whose exercise provides access to privileged information (Art. 2)</li> </ul> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Providing services or negotiating with individuals or legal entities interested in the decision of the public agent or collegiate in which the person participates; acting, even informally, as prosecutor or intermediary of private interests in organs and entities of any of the governmental powers; receiving gifts from anyone who has an interest in the decision of the public agent or collegiate of which the person participates outside the established normals; providing services, even if applicable, to companies whose activities are controlled, monitored or regulated by the body to which the public agent is bound, are examples of conflicts of interest (Art. 5).</li> <li>- This law is careful in including every and any <u>former</u> occupants of public offices after leaving the position for six months (Art. 6).</li> </ul> </li> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/_Ato2011-2014/2013/Lei/L12813.htm">http://www.planalto.gov.br/ccivil_03/_Ato2011-2014/2013/Lei/L12813.htm</a></p>	<p>based solely on business judgements, free of any favoritism. The Brazilian legislation punishes decisions based on personal interests and prevents administrators of negotiating with officers or former officers of governmental agencies in situation of any conflict, so it is possible to consider it <u>as strict as</u> the Guiding Principles and Practical Guidance.</p>
8. Counterfeit Parts	<b>LEI Nº 9.279, DE 14 DE MAIO DE 1996</b>	Although the Brazilian legislation assures manufacturers their rights over the products by



## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It regulates rights and obligations related to industrial property and makes the commerce of counterfeit parts illegal (Chapter VII).</li> <li>- It establishes sanctions for companies that trade counterfeit parts (Title V).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Acts such as trademark infringement, geographical indication infringement and copyright and software violations are considered violations of industrial property rights in both the civil and criminal spheres (Title V).</li> <li>- The rights holder have legal standing to bring civil lawsuits for industrial property infringement (Art. 44).</li> <li>- Merchandise suspected of being counterfeit might be seized and destructed (Art. 198).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/Leis/L9279.htm">http://www.planalto.gov.br/ccivil_03/Leis/L9279.htm</a></p>	<p>them developed and criminalizes companies that produce and commercialize counterfeit products, it does not require companies to confirm they are not using counterfeit products, so it is <u>less strict</u> than the Guiding Principles and Practical Guidance, which expect companies to confirm that any sales to non-OEM customers are compliant with local laws and those products sold will be used in a lawful manner.</p>
<p>9. Intellectual Property</p>	<p><b>LEI Nº 9.279, DE 14 DE MAIO DE 1996</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It regulates rights and obligations related to industrial property, including trades and patents (Chapters I, II and IV).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Patents and utility models, industrial designs, trademarks registration and geographical indications are protected by law and violating them are examples of offenses (Title V).</li> <li>- Companies that infringe such law are likely to criminally respond for their acts (Title V).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/Leis/L9279.htm">http://www.planalto.gov.br/ccivil_03/Leis/L9279.htm</a></p> <p><b>LEI Nº 9.610, DE 19 DE FEVEREIRO DE 1998</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It updates, consolidates and regulates copyright legislation in Brazil (preamble).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies that make original or copy of literary, artistic or scientific work available for the public through non-authorized sale, lease or any other form</li> </ul> </li> </ul>	<p>The Brazilian legislation is <u>similar</u> to the Guiding Principles regarding intellectual property, for both require entities to respect intellectual property rights and use practices to protect the transfer of technology.</p>



## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<p>of transfer of ownership or possession are violating intellectual property and might be accordingly prosecuted (Title VII).</p> <ul style="list-style-type: none"> <li>- Any entity that sells or distributes or uses a work of others for the purpose of obtaining gain, advantage, profit, for him or herself is responsible for this violation of the law and might be equally punished (Art. 104).</li> </ul> <p>Source: <a href="http://www.planalto.gov.br/Ccivil_03/leis/L9610.htm">http://www.planalto.gov.br/Ccivil_03/leis/L9610.htm</a></p>	
<p>10. Export Controls and Economic Sanctions</p>	<p><b>LEI Nº 5.025, DE 10 DE JUNHO DE 1966</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It governs the international commerce (preamble).</li> <li>- It establishes the National Council for Foreign Trade (CONCEX, in the Portuguese acronym), which is responsible for formulating the foreign trade policy, determining, guiding and coordinating the execution of the necessary measures to expand the foreign trade transactions (Art. 1).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Entities that commit penalties regarding export fraud related to prices, weights, measures, classification and quality might be punished according to this law (Chapter VI).</li> <li>- Depending on the products or services to be exported, companies might receive exemptions or benefits in the terms of this law (Chapter V).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/LEIS/L5025compilada.htm">http://www.planalto.gov.br/ccivil_03/LEIS/L5025compilada.htm</a></p> <p><b>LEI Nº 9.112, DE 10 DE OUTUBRO DE 1995</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It disciplines the operations related to the export of sensitive goods and services directly related to such goods (preamble).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies should be aware of sensitive goods, which are considered to be goods of general application, if they are relevant for military application, and goods of use in the nuclear, chemical and biological areas (Art. 1).</li> <li>- The List of Sensitive Goods will be periodically updated and published in the Official Gazette (Art. 2).</li> <li>- Brazil is a participant in the Missile Technology Control Regime and the Nuclear Suppliers Group. Accordingly, Brazil implements export controls for all items listed by these international export control regimes. The country</li> </ul> </li> </ul>	<p>According to the Guiding Principles and Practical Guidance, companies are expected to establish appropriate policies and procedures to ensure compliance with applicable export controls, economic sanctions laws and regulations of all relevant countries. The Brazilian legislation, although with some degree of precision on policies towards exportations, does not require companies to establish procedures about it, so it is <u>less strict</u> than the Guiding Principles and Practical Guidance.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<p>also controls exports of scheduled chemicals subject to the Chemical Weapons Convention (CWC), as well as certain biological items and munitions listed on its national control lists.</p> <ul style="list-style-type: none"> <li>- Brazil imposes restrictions or embargoes on exports for some jurisdictions based on the decisions of the United Nations and other international organizations. The country does not generally impose embargoes or economic sanctions unilaterally.</li> </ul> <p>Source: <a href="http://www.planalto.gov.br/CCIVil_03/LEIS/L9112.htm">http://www.planalto.gov.br/CCIVil_03/LEIS/L9112.htm</a></p> <p><a href="http://www.itamaraty.gov.br/pt-BR/politica-externa/paz-e-seguranca-internacionais/147-regimes-de-controle-de-exportacao">http://www.itamaraty.gov.br/pt-BR/politica-externa/paz-e-seguranca-internacionais/147-regimes-de-controle-de-exportacao</a></p>	
<p>11. Protection of Identity and Non-Retaliation</p>	<p><b>DECRETO Nº 8.420, DE 18 DE MARÇO DE 2015</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It regulates the anticorruption law (<i>Lei nº 12.846, de 1º de agosto de 2013</i>), which governs the administrative and civil accountability of legal entities for the practice of acts against the public, national or foreign administration (preamble).</li> <li>- It encourages entities to have an Integrity Program, which includes the defense and protection of identity (Chapter IV).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Although this law mainly rules anticorruption practices, it fosters entities to establish internal mechanisms and procedures for reporting of irregularities and the effective application of codes of ethics and conduct (Chapter IV).</li> <li>- Entities that possess Integrity Programs might receive discounts on sanctions for non-compliance with this law (Art. 7).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2013/lei/12846.htm">http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2013/lei/12846.htm</a></p>	<p>The Brazilian legislation only encourages companies to have grievance mechanisms, not turning them mandatory, so it is <u>less strict</u> than the Guiding Principles and Practical Guidance, which state companies shall develop and implement such practices.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

### 2. Working Conditions and Human Rights

**Guiding Principles:** Companies should respect the human rights of workers, and treat all people with dignity as recognized by the international community.

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
<p>1. Child Labour and Young Workers</p>	<p><b>LEI Nº 8.069, DE 13 DE JULHO DE 1990</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This law governs integral protection of children and adolescents, considering children persons up to 12 years of age and adolescents those between 12 and 18 years of age (Art. 1 and 2).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- It establishes that any work is prohibited to persons under the age of 14 years, except as apprentices (Chapter V).</li> <li>- Apprentices are prohibited to work at night (between 22h and 5h, to perform dangerous, unhealthy or painful tasks, to work carried out in places, where their professional training, and their physical, mental, moral and social development may be harmed, and to attend working hours and places that do not permit their school attendance (Art. 67).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/LEIS/L8069.htm">http://www.planalto.gov.br/ccivil_03/LEIS/L8069.htm</a></p> <p><b>DECRETO-LEI Nº 5.452, DE 1º DE MAIO DE 1943</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This decree law establishes the norms that regulate the individual and collective relations of work (Labour Code, preamble).</li> <li>- Chapter IV establishes measures to protect people working under the age of 18 years.</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies must be aware of the duties and legal responsibilities of minors when hiring them (Chapter IV).</li> <li>- Apprentices are entitled to minimum wage/hour (Art. 428).</li> </ul> </li> </ul>	<p>Brazilian legislation on child labour and young workers is <u>similar</u> to the Guiding Principles and Practical Guidance, for these both require companies to attend to minors in their best interest, such as their right to attend school and student learning programs, and preventing them from working conditions that might be harmful.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	Source: <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm</a>	
2. Wages and Benefits	<p><b>DECRETO-LEI Nº 5.452, DE 1º DE MAIO DE 1943</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This decree law establishes the norms that regulate the individual and collective relations of work (Labour Code, preamble).</li> <li>- It consolidates regulations regarding wages and benefits, rights and duties of employers and employees (Art. 1).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Wages and benefits must be guaranteed to works in accordance with the terms of this law (Title I).</li> <li>- To be in compliance with wages and benefits regulations, companies must observe the requirements of this law and union trade agreements (Title VI).</li> <li>- Basic benefits include minimum wage, rest breaks, parenthood leave, paid vacation, social security contribution, compensation for exceeding working hours, compensation for work under insalubrious conditions (Title II, chapter II).</li> <li>- At the end of each service period, companies must provide the employee with a receipt stating each of the payment installments, such as remuneration, paid weekly rest and additionally legal entitlements (Title IV, chapter I).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm</a></p> <p><b>CONSTITUIÇÃO DA REPÚBLICA FEDERATIVA DO BRASIL DE 1988</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- The 7<sup>th</sup> article (Chapter II) of the Brazilian Constitution establishes rights workers in Brazil are entitled to.</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Entities should know the different rights workers are entitled to, most of which are included in the Labour Code (<i>decreto-lei</i> 5452/43), in order to be in compliance with working regulations.</li> </ul> </li> </ul>	<p>Brazilian main legislation on wages and benefits is <u>similar</u> to the Guiding Principles and Practical Guidance, for they both state that companies with both insourced and outsourced workers must compensate workers in accordance with applicable local laws and regulations, including minimum wages, overtime hours and legally mandatory benefits. Moreover, according to both Practical Guidance and Brazilian legislation, companies should provide workers a wage statement that includes adequate information to verify compensation for work performed for each pay period. The Brazilian legislation also states that it is forbidden to hire temporary workers to replace striking workers.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<p>Source: <a href="http://www.planalto.gov.br/ccivil_03/Constituicao/Constituicao.htm">http://www.planalto.gov.br/ccivil_03/Constituicao/Constituicao.htm</a></p> <p><b>LEI Nº 6.019, DE 3 DE JANEIRO DE 1974</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It governs temporary and outsourced labour (preamble).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- It is forbidden to hire temporary workers to replace striking workers (Art. 2).</li> <li>- The rights of temporary/outsourced workers, although different from the rights of workers hired by the Labour Code, are guaranteed under this law (Art. 4 and 12).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/LEIS/L6019.htm">http://www.planalto.gov.br/ccivil_03/LEIS/L6019.htm</a></p>	
<p>3. Working Hours</p>	<p><b>DECRETO-LEI Nº 5.452, DE 1º DE MAIO DE 1943</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This decree-law establishes norms that regulate the individual and collective relations of work (Labour Code, preamble).</li> <li>- Chapter IV establishes measures to protect people working under the age of 18 years.</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Working hours in Brazil should not exceed 44 hours a week and preferentially, 8 hours a day (Art. 58).</li> <li>- Working hours cannot exceed 44 hours a week and overtime cannot surpass 2 hours a day (Art. 59).</li> <li>- Overtime pay will be at least 50% higher than the normal hour. Overtime can also be compensated using a time reposition system (“<i>banco de horas</i>”) (Art. 59).</li> <li>- Between two workdays, there must be a minimum period of 11 consecutive hours for rest (Art. 382).</li> <li>- Collective agreements shall be also observed for working hours (Title VI).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm</a></p>	<p>Brazilian legislation on working hours is similar to the Guiding Principles and Practical Guidance. They all state that companies must control and accordingly compensate overtime, respecting current legislation and collective agreements.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

### 4. Forced Labour

#### **DECRETO-LEI Nº 2.848, DE 7 DE DEZEMBRO DE 1940**

- *Scope of the legislation:*
  - It establishes the Brazilian Criminal Code and defines actions considered crimes regarding forced labour/slavery and human traffic (preamble and title IV).
- *Key points for suppliers:*
  - Reducing someone to conditions analogous to slavery, subjecting people to forced labour, to exhaustive working hours, to degrading working conditions, restricting locomotion, extensively guarding or retaining personal objects and documents are crimes (Art. 149).
  - Recruiting workers to another locality of the national territory by fraud or collection of any amount of the worker, as well as not ensuring conditions of their return to the place of origin are also actions subject to punishment (Art. 206 and 207).

Source: [http://www.planalto.gov.br/ccivil\\_03/decreto-lei/De12848.htm](http://www.planalto.gov.br/ccivil_03/decreto-lei/De12848.htm)

#### **PORTARIA INTERMINISTERIAL MTPS/MMIRDH Nº 4 DE 11 DE MAIO DE 2016**

- *Scope of the legislation:*
  - It establishes the Register of Employers that submitted workers to conditions analogous to slavery and the rules that apply to them (preamble).
- *Key points for suppliers:*
  - The name of the employer remains disclosed in the Register for a period of two years, during which the Labour Inspection will carry out monitoring in order to verify the regularity of the working conditions (Art. 3).
  - Creditors may deny credit, loans and contracts to listed companies.
  - This law is modified by *portaria 1.293/2017*.

Source:

The Brazilian legislation, the Guiding Principles and Practical Guidance are similar regarding forced labour for these require companies to ensure all workers receive a written contract or ensure they understand the terms of employment in a language well understood by the worker, as well as to not hold, destroy, conceal, confiscate or deny access to employee identity documents (unless required by applicable law). The Practical Guidance also expect companies to ensure that workers are not required to pay recruitment fees or related fees of any type for employment.

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<a href="https://www.jusbrasil.com.br/diarios/115727801/dou-secao-1-13-05-2016-pg-178">https://www.jusbrasil.com.br/diarios/115727801/dou-secao-1-13-05-2016-pg-178</a>	
<p>5. Freedom of Association</p>	<p><b>CONSTITUIÇÃO DA REPÚBLICA FEDERATIVA DO BRASIL DE 1988</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- The Brazilian Constitution establishes the right of free association to trade unions of all workers in Brazil (Art. 8, chapter II).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- The professional or trade union association is free (Art. 8).</li> <li>- Unionized employees in charge of union leadership, titular or alternate, can be dismissed only after one year of the end of their terms (Art. 8, VIII).</li> <li>- The right to strike is guaranteed (Art. 9).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/Constituicao/Constituicao.htm">http://www.planalto.gov.br/ccivil_03/Constituicao/Constituicao.htm</a></p> <p><b>DECRETO-LEI Nº 5.452, DE 1º DE MAIO DE 1943</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This decree law establishes the norms that regulate the individual and collective relations of work (Labour Code).</li> <li>- Title V, chapter I establishes regulations regarding trade unions and freedom of association.</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- All workers are entitled to associating to trade unions and discussing better working conditions without being harassed (Art. 511 and 540).</li> <li>- Entities that try to prevent workers from associating to trade unions are punished by the terms of this law (Art. 543).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm</a></p>	<p>The Brazilian legislation guarantees workers are entitled to freedom to associate to trade unions and negotiate better working conditions, which is also required by the Guiding Principles and therefore they are <u>similar</u>.</p>



## Expectations towards suppliers as defined in the Guiding Principles and local legislation

### 6. Health & Safety

#### **PORTARIA SIT Nº 84, de 04 DE MARÇO DE 2009**

- *Scope of the legislation:*
  - It establishes Regulatory Norms (RNs) related to occupational safety and health, which are mandatory for private and public entities.
- *Key points for suppliers:*
  - Compliance with these RNs does not exempt enterprises from compliance with other provisions that, related to the subject, are included in building codes, state or municipal health regulations, and others, stemming from collective labour agreements and conventions.
  - To comply with and to enforce the legal and regulatory provisions regarding occupational safety and health is responsibility of employers.
  - Companies should inform workers of occupational hazards that may arise in the workplace, means to prevent and limit such risks and the measures adopted by the enterprise to mitigate and avoid them, and the results of environmental assessments conducted in the workplace.
  - Companies should be aware of all RNs, which govern inspections, work stoppages, specialized services, accident prevention, personal protective equipment (PPE), occupational health control program, buildings conditions, environmental risk prevention program, electrical safety, furnaces, ergonomics, conditions of work with flammable and combustible materials, work performed outdoors, occupational health and safety in mining, fire protection, sanitation and comfort, industrial waste, security signals, etc.
  - Non-compliance with regulations regarding occupational safety and health shall entail penalties for the employer (NR 28).

Source:

[https://enit.trabalho.gov.br/portal/images/Arquivos\\_SST/SST\\_NR/NR-01.pdf](https://enit.trabalho.gov.br/portal/images/Arquivos_SST/SST_NR/NR-01.pdf)

#### **DECRETO-LEI Nº 5.452, DE 1º DE MAIO DE 1943**

- *Scope of the legislation:*

Regulations regarding occupational health and safety in Brazil are very strict and complement the Guiding Principles and Practical Guidance for not only they encourage companies to comply with legislation about health and safety, safety hazards, personal protective equipment, inspections, fire protection and machinery, but also state very specific topics in different areas of a company that shall be met in order to improve working conditions for employees, such as, for instance, ergonomics, machinery access and handling, access and handling of chemicals, high voltage electrical equipment services, services on higher places without stable structures and confined spaces.

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>- This decree law establishes the norms that regulate the individual and collective relations of work (Labour Code, preamble).</li> <li>- Title II, chapter V establishes regulations regarding occupational health and safety.</li> </ul> <ul style="list-style-type: none"> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Health, hygiene and safety standards established in law or regulatory norms cannot be reduced or suppressed (Art. 611).</li> <li>- Infractions related to occupational health and safety are subject to punishment and expensive fines (Art. 201).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm</a></p>	
<p>7. Harassment</p>	<p><b>DECRETO-LEI Nº 2.848, DE 7 DE DEZEMBRO DE 1940</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It establishes the Brazilian Criminal Code and defines which actions are considered crimes with their respective penalties, including sexual harassment (included by law 10224/2001).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Forcing someone with the purpose of gaining any advantage or sexual favor is understood as sexual harassment (Art. 216).</li> <li>- Coercions such as threats by words, in writing, gestures or any symbolic means to cause unfair and serious harm are crimes.</li> <li>- People that commit these crimes are likely to be arrested up to two years.</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/Del2848compilado.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/Del2848compilado.htm</a></p> <p><b>LEI Nº 13.185, DE 6 DE NOVEMBRO DE 2015</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It establishes the program to Combat Systematic Intimidation (Bullying), including cyberbullying (preamble).</li> </ul> </li> </ul>	<p>Although the Brazilian legislation is very rigid on sexual harassment and bullying, it still does not define moral harassment very clearly. It also does not require companies to establish policies anti-harassment, so it is <u>less strict</u> than the Guiding Principles and the Practical Guidance.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Any act of physical or psychological, intentional and repetitive violence without obvious motivation, practiced by an individual or group, against one or more people, with the purpose of intimidation or assault in an imbalance of power between the parties involved are recognized as bullying (Arts. 1 and 2).</li> </ul> </li> </ul> <p>Source:  <a href="http://www.planalto.gov.br/ccivil_03/ato2015-2018/2015/lei/l13185.htm">http://www.planalto.gov.br/ccivil_03/ato2015-2018/2015/lei/l13185.htm</a></p>	
<p>8. Non-Discrimination</p>	<p><b>DECRETO-LEI Nº 5.452, DE 1º DE MAIO DE 1943</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This decree law establishes the norms that regulate the individual and collective relations of work (Labour Code, preamble).</li> <li>- Title IV, chapter II establishes equality of rights to all workers regardless of their characteristics.</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Work of equal value shall correspond to the same salary, regardless of gender, ethnicity, age or origin (Arts. 5 and 461).</li> <li>- Companies should ensure fair and impartial treatment of employees, preventing any form of discrimination based on sex, age, religion, political opinion or trade union activity (Art. 510).</li> <li>- Any proven actions of discrimination based on sex or ethnicity will be penalized with a fine (Art. 461).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm">http://www.planalto.gov.br/ccivil_03/decreto-lei/Del5452.htm</a></p> <p><b>LEI Nº 9.029, DE 13 DE ABRIL DE 1995</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- This law prohibits the adoption of any discriminatory practice related to work (preamble).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- The adoption of any discriminatory and restrictive practices for the purposes of hiring and during an employment relationship,</li> </ul> </li> </ul>	<p>The Brazilian legislation is similar to the Guiding Principles and Practical Guidance since they require from companies not to discriminate against people regarding any characteristics, opinions or conditions, including health and fertility issues.</p>

## LEGISLATION SUMMARY: BRAZIL

### *Expectations towards suppliers as defined in the Guiding Principles and local legislation*

- including discrimination for reasons such as sex, origin, color, ethnicity, marital status, disabilities or age is forbidden (Art. 1).
- The requirement of any test or medical report related to the sterilization or the state of pregnancy and the adoption of any measures to induce sterilization are considered crimes and are subject to penalties (Art. 2).

Source: [http://www.planalto.gov.br/ccivil\\_03/LEIS/L9029.HTM](http://www.planalto.gov.br/ccivil_03/LEIS/L9029.HTM)

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

### 3. Environment

**Guiding Principles:** Companies are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle.

Topic	Relevant local legislation	Benchmark against Guiding Principles / Practical Guidance
<p>1. Energy Consumption &amp; Greenhouse Gas Emissions</p>	<p><b>LEI Nº 9.478, DE 6 DE AGOSTO DE 1997</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It governs the Brazilian National Energy Policy (preamble).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- The use of alternative energy sources and the mitigation of greenhouse gas emissions in the energy and transport sectors are defined as priorities (Art. 1).</li> <li>- All activities related to transportation, processing and storage of products related to petroleum, natural gas and biofuels must follow regulations of the National Petroleum Agency (ANP, Art. 8).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/leis/L9478.htm">http://www.planalto.gov.br/ccivil_03/leis/L9478.htm</a></p> <p><b>LEI Nº 10.295, DE 17 DE OUTUBRO DE 2001</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It governs the Brazilian policy for conservation and rational use of energy, aiming at the efficient allocation of energy resources and the preservation of the environment (Art. 1).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies should observe the requirements of maximum levels of specific energy consumption and minimum energy efficiency of machines and appliances manufactured or commercialized in the country (Art. 2).</li> <li>- Manufacturers and importers of products that do not meet such requirements are subject to fines of up to 100% of the sale price of the products (Art. 3).</li> </ul> </li> </ul>	<p>Although the Brazilian legislation also encourages efficient use of energy and reduction of greenhouse gas emissions, it is <u>less strict</u> than the Guiding Principles and the Practical Guidance for it does not set specific measures for companies to adopt, such as tracking and documenting energy consumption and greenhouse gas emission at the facility and/or corporate level; setting an energy management strategy to reduce greenhouse gas emissions occurring from raw materials extraction, product manufacturing, transportation and end-of-life operations; or an energy management program to establish goals and energy reduction projects.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<p>Source:  <a href="http://www.planalto.gov.br/ccivil_03/leis/LEIS_2001/L10295.htm">http://www.planalto.gov.br/ccivil_03/leis/LEIS_2001/L10295.htm</a></p> <p><b>LEI Nº 12.187, DE 29 DE DEZEMBRO DE 2009</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It institutes the National Policy on Climate Change its principles, aims, guidelines and instruments (Art. 1).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies should be aware of fiscal and tax measures to stimulate reduction of emissions of greenhouse gases, as well as specific lines of credit and financing of public and private financial agents (Art. 6).</li> <li>- The Brazilian Emission Reduction Market (MBRE) is operated in commodities and exchanges, stock exchanges and organized over-the-counter entities, authorized by the Brazilian Securities and Exchange Commission (CVM), where securities representing emissions of greenhouse effect can be traded (Art. 9).</li> </ul> </li> </ul> <p>Source:  <a href="http://www.planalto.gov.br/ccivil_03/ Ato2007-2010/2009/Lei/L12187.htm">http://www.planalto.gov.br/ccivil_03/ Ato2007-2010/2009/Lei/L12187.htm</a></p>	
<p>2. Water Quality &amp; Consumption</p>	<p><b>LEI Nº 9.433, DE 8 DE JANEIRO DE 1997</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It establishes the National Water Resources Policy and defines infringements related to water use (preamble).</li> <li>- It ensures the rational and integrated use of water resources (Art.1).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Permission to use water shall be emitted by competent federal, state or municipal authority (Art 14).</li> <li>- Companies should be aware of the infringements related to the use of surface or underground water in the terms of this law (Title III).</li> </ul> </li> </ul>	<p>The Brazilian legislation encourages companies to properly use water resources and state strict measures to be taken in order to manage water consumption and disposal. However, it does not establish how companies must approach water assessment strategies. In this sense, it is <u>less strict</u> than the requirements of the Guiding Principles and Practical Guidance, which expect companies to establish water assessment and water balance for each operation and site, as well as a baseline and goals for consumption reduction and efficiency increase.</p>

### *Expectations towards suppliers as defined in the Guiding Principles and local legislation*

- Extraction of water for final consumption or input in productive processes, discharge of effluents and other liquid or gaseous wastes into a water body or any use that would alter the regime, amount or quality of the water in a water body is subject to grant by regulatory agencies (Title I, chapter IV, section III).

Source: [http://www.planalto.gov.br/ccivil\\_03/LEIS/L9433.htm](http://www.planalto.gov.br/ccivil_03/LEIS/L9433.htm)

#### **RESOLUÇÃO CONAMA Nº 357, DE 17 DE MARÇO DE 2005**

##### ▪ *Scope of the legislation:*

- It establishes the classification of water bodies and environmental guidelines for surface water consumption, as well as conditions and standards for effluent discharges. It is complemented by *resolução* CONAMA 430/2011.

##### ▪ *Key points for suppliers:*

- It is important to know the classification of water bodies because companies must take it into consideration to observe the limits of the substances present in the effluents accordingly.
- Companies must follow the standards for the presence of microorganisms or heavy metals that may interfere with the quality of the water for each type of use.
- Failure to comply with the classification of rivers and the treatment of effluents can generate heavy fines for the companies involved.
- Standards of biochemical oxygen demand (DBO), chemical oxygen demand (DQO) and total suspended solids (SST) are defined.
- Analysis of the support capacity of the receiving water body shall be performed and taken into consideration prior to water releases.
- It is important to know how to manage the effluents of companies, obeying the norms presented in this resolution in order to avoid fines and protect water resources

Source: <http://www2.mma.gov.br/port/conama/res/res05/res35705.pdf>  
<http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=646>



## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<p><b>RESOLUÇÃO CONAMA Nº 396, DE 3 DE ABRIL DE 2008</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It establishes the classification and environmental guidelines for the consumption of groundwater and the prevention control of groundwater pollution (preamble).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies must take the classification of groundwater bodies into consideration (Arts. 3 and 6).</li> <li>- Failure to comply with the regulations stated in this resolution are subject to punishment.</li> <li>- The maximum values allowed (VMP) and the classification patterns present in the appendices I and II for each type of groundwater use must be watched.</li> <li>- Companies must manage their groundwater consumption attending norms established also by local regulatory agencies (Arts. 6 and 12).</li> </ul> </li> </ul> <p>Source:  <a href="http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=562">http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=562</a></p>	
<p>3. Air Quality</p>	<p><b>RESOLUÇÕES CONAMA ON AIR QUALITY</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- The <i>Conselho Nacional de Meio Ambiente</i> (CONAMA) is the regulatory agency in charge of regulating atmospheric emissions and air quality using resolutions to do so. Conama has emitted several resolutions regarding the different emission sources to comply with international air quality standards.</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- <b>RESOLUÇÃO CONAMA Nº 18, DE 6 DE MAIO DE 1986:</b> it creates the Program for the Control of Air Pollution by Automotive Vehicles, which aims, among others, to reduce the levels of pollutants emission vehicles and to promote technological development in automotive engineering and methods to measure pollution.</li> </ul> </li> </ul>	<p>The Brazilian legislation is <u>less strict</u> than the Guiding Principles and Practical Guidance, which they require companies to establish an air emissions management plan that meets or exceeds regulatory requirements for each facility.</p>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

Source:

<http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=41>

- *RESOLUÇÃO CONAMA Nº 5, DE 15 DE JUNHO 1989*: it creates the Air Pollution Control Program (PRONAR), determining the need to establish emission limits and adopt air quality standards for the emission of gaseous pollutants and particulate matter (PM) by fixed sources.

Source:

<http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=81>

- *RESOLUÇÃO CONAMA Nº 3, DE 28 DE JUNHO DE 1990*: defines air quality standards as atmospheric concentrations according to the World Health Organization.

Source:

<http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=100>

- *RESOLUÇÃO CONAMA Nº 8, DE 6 DE DEZEMBRO DE 1990*: it establishes maximum limits for pollutants emissions from external combustion sources. It complements PRONAR by setting limits for the concentration of certain pollutants in the air.

Source:

<http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=105>

- *RESOLUÇÃO CONAMA nº 267, DE 14 DE SETEMBRO DE 2000*: it prohibits, in all of the national territory, the use of controlled substances in accordance with the Montreal Protocol and substances that destroy the Ozone layer.

Source:

<http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=265>

- *RESOLUÇÃO CONAMA Nº 382, DE 26 DE DEZEMBRO DE 2006*: it establishes specific emission limits for each type of source or fuel used. It is applied to fixed sources such as industrial facilities built after 2007. The limits are listed in the annexes and classified by pollutant and by type of source.

Source:

<http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=520>

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>- RESOLUÇÃO CONAMA Nº 436, DE 26 DE DEZEMBRO DE 2011: this resolution determines emission limits of main pollutants with firm deadlines and the implementation of changes for main industrial sectors. Old factories (built up to 2007) have to modernize and substantially reduce emissions, matching the plants built after 2007.</li> </ul> <p>Source: <a href="http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=660">http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=660</a></p>	
<p>4. Natural Resources Management and Waste Reduction</p>	<p><b>LEI Nº 6.938, DE 31 DE AGOSTO DE 1981</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It establishes the National Environmental Policy, its purposes and mechanisms for formulation and application, and aims to preserve, improve and recover the environmental quality, aiming at ensuring conditions for socio-economic development (Arts. 1 and 2).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Public and private business activities must be exercised in accordance with the guidelines of this law.</li> <li>- Companies must be aware of the criteria and standards of environmental quality and norms related to the use and management of environmental resources (Arts. 4 and 8).</li> <li>- The responsibility and obligation to recover and / or indemnify the damage caused to the environment belongs to the polluter (Arts. 4 and 14).</li> <li>- Activities that are effective or potentially polluting must be licensed and reviewed (Arts. 8 and 9).</li> <li>- Potentially polluting activities potentially and users of environmental resources must have the Federal Technical Registry (Art. 9).</li> <li>- Disciplinary or compensatory penalties for non-compliance with measures of nature preservation or mitigation of environmental degradation might be applied (Art. 9).</li> </ul> </li> </ul> <p>Source: <a href="http://www.planalto.gov.br/ccivil_03/Leis/L6938.htm">http://www.planalto.gov.br/ccivil_03/Leis/L6938.htm</a></p>	<p>Although the Brazilian legislation on natural resources and waste management, the Guiding Principles and Practical Guidance require companies to be responsible for the waste they produce and promote actions to reduce or reuse residuals, the Brazilian legislation is <u>stricter</u> for it states the different methods of disposal according to type of waste and approaches waste management in an integrated way.</p> <p>It is important to mention, however, that despite being quite complete in some aspects, the Brazilian legislation still misses some important topics regarding natural resources, such as marine water management and the use of sustainable resources to minimize residual products over the product's life cycle.</p>

## *Expectations towards suppliers as defined in the Guiding Principles and local legislation*

### **LEI Nº 9.605, DE 12 DE FEVEREIRO DE 1998**

- *Scope of the legislation:*
  - It governs criminal and administrative sanctions derived from conducts and activities harmful to the environment (Environmental Crimes Law, preamble).
  
- *Key points for suppliers:*
  - The liability of legal entities does not exclude natural persons, authors, co-authors or participants in the same act (Art. 3).
  - Legal entities might be administratively, civilly and criminally liable under the provisions of this law (Art. 3).
  - Companies must be aware of the crimes and respective penalties related to wildlife, native vegetation, pollution and cultural patrimony in the terms of this law (Chapter V).

Source: [http://www.planalto.gov.br/ccivil\\_03/leis/L9605.htm](http://www.planalto.gov.br/ccivil_03/leis/L9605.htm)

### **LEI Nº 12.305, DE 2 DE AGOSTO DE 2010**

- *Scope of the legislation:*
  - This law establishes the National Solid Waste Policy (preamble).
  - It governs principles, objectives, instruments and guidelines for the integrated management of solid wastes, including hazardous waste and the responsibilities of generators (Art. 1).
  
- *Key points for suppliers:*
  - This law is applicable to individuals and legal entities, whether public or private (Art. 1).
  - It establishes a system of co-responsibility for the generation and management of solid wastes and residues (Chapter III).
  - It states conducts relating to disposal of forbidden solid waste, as well as special rules according to the type of waste (Chapter IV).
  - Some industrial sectors must implement reverse logistics systems (Art. 33).

## *Expectations towards suppliers as defined in the Guiding Principles and local legislation*

Source:

[http://www.planalto.gov.br/ccivil\\_03/ Ato2007-2010/2010/Lei/L12305.htm](http://www.planalto.gov.br/ccivil_03/ Ato2007-2010/2010/Lei/L12305.htm)

### **LEI Nº 13.123, DE 20 DE MAIO DE 2015**

- *Scope of the legislation:*
  - This law deals with access to genetic heritage, protection of traditional knowledge and sharing of benefits for the conservation and sustainable use of biodiversity (Art. 1).
- *Key points for suppliers:*
  - Excepting microenterprises, small businesses and individual microentrepreneurs, all benefits resulting from the economic exploitation of finished products or reproductive material resulting from access to the genetic heritage of species found in local conditions or traditional knowledge, even if produced outside the country, must be distributed (Art. 17).
  - Companies that explore biodiversity or traditional knowledge must be aware of the sanctions imposed by this law in order to avoid penalties (Chapter VI).

Source: [http://www.planalto.gov.br/ccivil\\_03/ Ato2015-2018/2015/Lei/L13123.htm](http://www.planalto.gov.br/ccivil_03/ Ato2015-2018/2015/Lei/L13123.htm)

### **LEI COMPLEMENTAR Nº 140, DE 8 DE DEZEMBRO DE 2011**

- *Scope of the legislation:*
  - This law supplements rules for administrative actions related to the protection of natural landscapes, protection of the environment, pollution in any form and the preservation of forests, fauna and other vegetation (Art. 1).
- *Key points for suppliers:*
  - This law is applied to activities that demand environmental licensing (Art. 18).
  - Activities that involve the exploration of environmental resources, effectively or potentially polluting or capable of

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

causing environmental degradation depend on licensing (Art. 20).

Source: [http://www.planalto.gov.br/ccivil\\_03/LEIS/LCP/Lcp140.htm](http://www.planalto.gov.br/ccivil_03/LEIS/LCP/Lcp140.htm)

### **LEI Nº 12.651, DE 25 DE MAIO DE 2012**

- *Scope of the legislation:*
  - This law establishes general norms on the protection of vegetation, areas of preservation and reserve, the exploitation of forests, forest raw materials and control of forest products (Forestry Code, Art. 1).
  
- *Key points for suppliers:*
  - Companies that use forest resources need to establish the Sustainable Forest Management Plan (PMFS, Art. 31).
  - Industrial companies that use a large amount of forest raw material are obliged to elaborate and implement a Sustainable Supply Plan (PSS, Art. 34).
  - Companies must be aware of conservation support programs promoted by the Executive through good practices that combine productivity with reduction of environmental impacts (Art. 41).
  - The environmental license of companies that need it must be renewed each five years but companies need to meet the requirements of the environmental legislation to do so (Art. 11).

Source: [http://www.planalto.gov.br/ccivil\\_03/\\_Ato2011-2014/2012/Lei/L12651.htm](http://www.planalto.gov.br/ccivil_03/_Ato2011-2014/2012/Lei/L12651.htm)

### **RESOLUÇÃO CONAMA Nº 420, DE 28 DE DEZEMBRO DE 2009**

- *Scope of the legislation:*
  - It governs criteria and guiding values of quality of the soil for the presence of chemicals (preamble).
  - It also establishes guidelines for the environmental management of contaminated soil by chemicals due to anthropic activities (Art. 1).

## Expectations towards suppliers as defined in the Guiding Principles and local legislation

	<ul style="list-style-type: none"> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Companies must be aware of the guidelines on the management of contaminated areas (Chapter II).</li> <li>- Companies are responsible for taking measures to conserve soil, mitigate damages and apply soil treatment in case of pollution (Chapter III).</li> <li>- Values for references on soil quality are stipulated in the appendices of the resolution (Art. 8).</li> </ul> </li> </ul> <p>Source:  <a href="http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=620">http://www2.mma.gov.br/port/conama/legiabre.cfm?codlegi=620</a></p>	
<p>5. Responsible Chemical Management</p>	<p><b>PORTARIA Nº 1.274, DE 25 DE AGOSTO DE 2003</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i> <ul style="list-style-type: none"> <li>- It establishes a tool for controlling and supervising operations with chemical products controlled by the Federal Police (Art. 2).</li> </ul> </li> <li>▪ <i>Key points for suppliers:</i> <ul style="list-style-type: none"> <li>- Any chemical product that may be directly or indirectly used for the illicit manufacture of narcotic, psychotropic, physical or psychic substances needs regulation by the Federal Police of Brazil.</li> <li>- All parties involved in the operations with chemicals are subject to control and supervision and must hold a Certificate of Operation License or Special Authorization (Art. 3)</li> <li>- The legal entity that needs to operate controlled chemical products must require a register at the Federal Police, which must be annually reviewed (Art. 4).</li> <li>- Chemicals subject to control and supervision are listed in the Lists I, II, III, IV and in their respective addenda, in Annex I.</li> </ul> </li> </ul> <p>Source:  <a href="http://www.pf.gov.br/servicos-pf/produtos-quimicos/legislacao/PORTARIA1274.pdf">http://www.pf.gov.br/servicos-pf/produtos-quimicos/legislacao/PORTARIA1274.pdf</a></p> <p><b>DECRETO Nº 9.493, DE 5 DE SETEMBRO DE 2018</b></p> <ul style="list-style-type: none"> <li>▪ <i>Scope of the legislation:</i></li> </ul>	<p>Brazil has rules on transport and management of chemical products and residuals, which are similar to the Guiding Principles. However, it is important to mention that in Brazil, there are no specific laws applied to industrial chemicals specifically. In October 2018, the National Chemicals Safety Commission (<i>Comitê Nacional Sobre Segurança Química</i>), along with the Ministry of Environment published a law project to the control of chemical projects. This law would set provisions on the creation of a national chemical substance inventory and on the evaluation and control of chemical substances.</p>



## Expectations towards suppliers as defined in the Guiding Principles and local legislation

- It approves the Regulation for the Supervision of Controlled Products (preamble).
- It sets principles and standards for the inspection of chemical products controlled by the Army (Art. 1).
- *Key points for suppliers:*
  - Products subject to this regulation include: products with destructive power, products that may cause damage to people or property, potentially indicated as restricted use due to public safety or products of military interest (Art. 2).
  - It establishes the Controlled Product Inspection System - SisFPC, with the purpose of promoting the regulation, authorization and supervision of activities related to Controlled Products (Art. 11).
  - Products that need Army's regulation are listed at [http://www.dfpc.eb.mil.br/legislacao\\_r105\\_anexos/anexol.pdf](http://www.dfpc.eb.mil.br/legislacao_r105_anexos/anexol.pdf).

Source: [http://www.planalto.gov.br/ccivil\\_03/\\_Ato2015-2018/2018/Decreto/D9493.htm](http://www.planalto.gov.br/ccivil_03/_Ato2015-2018/2018/Decreto/D9493.htm)

### **RESOLUÇÃO ANTT Nº 420, DE 12 DE FEVEREIRO DE 2004**

- *Scope of the legislation:*
  - It regulates the Transport of Dangerous Products (Art. 1).
- *Key points for suppliers:*
  - Definitions and information necessary to classify the product into the various classes and subclasses are stated in this resolution.
  - Criteria for classification of the products not listed by name on the List of Hazardous Products are given.
  - Exemptions allowed for certain products are stated in this resolution.

Source:

<http://www.sbpc.org.br/upload/conteudo/320110405154556.pdf>