

# DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

## FINAL ASSESSMENT

### EMBRAER S.A.

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	7/8
2. Internal Controls	6	4/12
3. Support to Employees	7	6/14
4. Conflict of Interest	4	3/8
5. Customer Engagement	7	2/14
6. Supply Chain Management	5	2/10
7. Agents, Intermediaries and Joint Ventures	10	8/20
8. Offsets	4	0/8
9. High Risk Markets	4	3/8
10. State-Owned Enterprises	5	9/10
<b>TOTAL</b>		<b>44/112</b>
<b>BAND</b>		<b>D</b>

\*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

## 1. Leadership and Organisational Culture

Question
<b>1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company publishes a statement in its Code of Ethics and Conduct which outlines its commitment to ethics and business integrity. The Code includes an introductory joint message by both the Chairman of the Board and the President and CEO of the company.</p> <p>However, the company receives a score of '1' because the statement does not explicitly mention anti-bribery and corruption. The company makes some other published commitments to anti-bribery and corruption, however there is no direct evidence that these statements are endorsed by the company's leadership.</p>
Evidence
<p><b>[1] Code of Ethics and Conduct (Document)</b>            Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>            [p.3] The Embraer Code of Ethics and Conduct reflects our commitment to meeting our business objectives ethically and transparently, developing internal and external relationships based on integrity, preserving the environment and contributing to the well-being of the communities where we operate. The Code is based on the Embraer Corporate Values, on the United Nations Global Compact principles and on best practices in corporate and accounting governance, with its fundamental aim being full compliance with laws and regulations applicable to the Company's operations, and must be observed by all its employees. Embraer's good reputation and credibility are built by all its people, through their acts and attitudes day after day. We thank everyone for their dedication and commitment to fully appreciating and observing this Code, and to protecting the integrity of the Company.</p> <p>Alexandre Gonçalves Silva            Chairman of the Board</p> <p>Frederico Fleury Curado            President &amp;CEO</p> <p>[p.7] Anti-corruption            Embraer has a firm commitment to fight corruption in all its forms, including extortion and bribery. To this end, the Company complies with the anticorruption laws and regulations in all places where it operates. Embraer shall not tolerate any form of active or ...</p> <p>[p.8] passive corruption, such as extortion or bribery, in the attempt to influence negotiations, or to obtain any undue advantage. For further information, please consult the Anti-Corruption Policy and its associated procedures.</p> <p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>            Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>            [p.1] 1. STATEMENT OF POLICY            The Embraer Global Anti-Corruption Policy (the "Policy") commits Embraer S.A. and its subsidiaries and affiliates (collectively, "Embraer" or the "Company") in all operations throughout the world to conducting business ethically and with the utmost integrity. The Policy requires compliance with Embraer's Code of Ethics and Conduct ("Code of Ethics") and all relevant laws and regulations against bribery and corruption including, but not limited to, the laws of Brazil, the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act ("UKBA"), and other applicable national anti-bribery statutes and implementing rules and regulations.</p> <p>The Policy also reflects Embraer's commitment to adhering to the relevant standards set forth in the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Government Officials in</p>

International Business Transactions (“OECD Convention”), the United Nations Convention Against Corruption (“UNCAC”), the United Nations Global Compact, and the Inter-American Convention Against Corruption. Furthermore, it is Embraer’s policy that all Third-Party Intermediaries (as defined in Section 4.2.4., below) and other business partners it engages comply with the same laws, regulations, standards, and ethical business practices, as detailed in Embraer’s Business Partner Compliance Due Diligence Procedure (“Business Partner Due Diligence Procedure”).

The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3.).

Accordingly, as a company committed to compliance and the highest ethical standards, Embraer expects all Employees and Third-Party Intermediaries to comply with this Policy, all associated procedures, the Code of Ethics, and all Brazil, U.S, U.K., and other applicable anti-corruption laws and regulations. Embraer will not authorize or tolerate any business practice that does not comply with this Policy. Additionally, all Employees are required to review their respective business practices on a periodic basis and, if inconsistent with this Policy in any way, work with the Embraer Compliance Department (“Compliance Department”) to make the appropriate practice adjustments to ensure compliance.

<b>Question</b>
<p><b>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</b></p> <p><b>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</b></p> <p><b>b) All board members, including non-executive directors.</b></p>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company publishes an anti-corruption policy, which makes specific reference to the prohibition of bribery, payments to public officials, commercial bribery, and facilitation payments. This policy clearly applies to all employees, including employees and board members as described in (a) and (b) in the question.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.1] 1. STATEMENT OF POLICY</p> <p>The Embraer Global Anti-Corruption Policy (the “Policy”) commits Embraer S.A. and its subsidiaries and affiliates (collectively, “Embraer” or the “Company”) in all operations throughout the world to conducting business ethically and with the utmost integrity. The Policy requires compliance with Embraer’s Code of Ethics and Conduct (“Code of Ethics”) and all relevant laws and regulations against bribery and corruption including, but not limited to, the laws of Brazil, the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act (“UKBA”), and other applicable national anti-bribery statutes and implementing rules and regulations.</p> <p>The Policy also reflects Embraer’s commitment to adhering to the relevant standards set forth in the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Government Officials in International Business Transactions (“OECD Convention”), the United Nations Convention Against Corruption (“UNCAC”), the United Nations Global Compact, and the Inter-American Convention Against Corruption. Furthermore, it is Embraer’s policy that all Third-Party Intermediaries (as defined in Section 4.2.4., below) and other business partners it engages comply with the same laws, regulations, standards, and ethical business practices, as detailed in Embraer’s Business Partner Compliance Due Diligence Procedure (“Business Partner Due Diligence Procedure”).</p> <p>The Policy specifically prohibits Embraer’s directors, officers, managers, and employees (collectively, “Employees”), and all “Third-Party Intermediaries” (as defined in Section 4.2.4) retained by the Company from engaging in any corrupt activity and directly or indirectly offering, promising, providing, or authorizing anyone to provide money or “Anything of Value” (as defined in Section 4.2.2) to a “Government Official” (as defined in Section 4.2.1) or any private individual or entity for the purpose of obtaining or retaining any “Improper Advantage” (as defined in Section 4.2.3.).</p> <p>Accordingly, as a company committed to compliance and the highest ethical standards, Embraer expects all Employees and Third-Party Intermediaries to comply with this Policy, all associated procedures, the Code of Ethics, and all Brazil, U.S, U.K., and other applicable anti-corruption laws and regulations. Embraer will not authorize or tolerate any business practice that does not comply with this Policy. Additionally, all Employees are required to review their respective business practices on a periodic basis and, if inconsistent with this Policy in any way, work with the Embraer Compliance Department (“Compliance Department”) to make the appropriate practice adjustments to ensure compliance.</p> <p>This Policy is not designed to provide answers to all issues and considerations pertaining to bribery and related matters that may arise in the course of the Company’s business. Also, the examples provided in the Policy are intended to help the reader understand the subject matter and the critical importance of compliance; they do not reflect an exhaustive list of circumstances covered by the Policy. Therefore, whenever there is any uncertainty about whether this Policy applies, or if you have any questions or suspicions about the propriety of any conduct, you must promptly seek advice from the Compliance Department. The Compliance Department can be contacted through the email address referenced at the end of this Policy.</p>

All Employees, as well as all Embraer business partners, are expected to become familiar with, and comply with, this Policy, and to recognize and report potential anti-corruption compliance-related issues in time for them to be appropriately addressed by the Compliance Department.

## [p.2] 2. OBJECTIVE

The purpose of this Policy is to outline and explain the prohibitions against bribery and corruption in all of the Company's operations, to highlight the specific compliance requirements relating to these prohibitions, and to reinforce Embraer's commitment to conduct business globally with the highest standards of honesty and integrity.

As a global company, Embraer must comply with the anti-bribery and corruption laws and regulations of every country in which it operates. Moreover, in addition to the applicable Brazilian anti-corruption laws, as a company registered in the U.S. market, Embraer is subject to the requirements of the FCPA. Both laws prohibit the payment of bribes and other illegal payments to foreign Government Officials anywhere in the world. Violating these laws or any other applicable anti-corruption laws potentially exposes Embraer and any Employees and/or Third-Party Intermediaries involved (regardless of nationality or location of residence) to significant criminal, civil, and/or administrative liability, and related fines and/or penalties.

This Policy should be read in conjunction with the Code of Ethics and related policies and procedures. In the event of a conflict between this Policy and other Embraer policies, or in a situation where the provisions of this Policy are more specific than the Code of Ethics or other policies, Employees must apply the more restrictive policy or procedure. In such a circumstance, please notify the Compliance Department so that it can promptly address the conflict, advise you about any appropriate steps to take and, if necessary, update the relevant policy or procedure.

## 3. APPLICATION

This Policy applies to all of Embraer, including the Company's international operations and any business activities managed or conducted on Embraer's behalf by Third-Party Intermediaries, including joint ventures. Every Employee (as defined above) is required to become familiar with, and abide by, this Policy. The Policy also applies to the Company's affiliates, direct or indirect subsidiaries to which the Code of Ethics applies, and agents, representatives, consultants, independent contractors, and other Third-Party Intermediaries engaged by the Company.

Any Embraer subsidiaries not covered by the Code of Ethics must also adhere to the principles expressed in this Policy. The Compliance Department will collaborate with such subsidiaries to ensure that they promptly adopt policies and procedures that promote the same standards, principles, and objectives advanced by this Policy.

## 4. PROHIBITED AND RESTRICTED PAYMENTS

This Policy prohibits:

- the offer, promise, authorization, or payment of money or Anything of Value, either directly, or indirectly through a Third-Party Intermediary, to a Government Official or private individual or entity, in order to secure an Improper Advantage.

Importantly, key anti-bribery statutes, including Brazilian anti-corruption laws and the FCPA, prohibit these payments of money or Anything of Value whether they are made directly or indirectly through Third-Party Intermediaries.

Please Note: Even the offer of money or Anything of Value in the manner described above is prohibited, regardless of whether the money or item of value is accepted by the intended recipient.

### 4.1. TYPES OF BRIBERY

#### [p.3] 4.1.1. BRIBERY OF GOVERNMENT OFFICIALS

Under this Policy, offering, giving, promising, or authorizing the offering, giving, or promise, of money or Anything of Value, to a Government Official, directly or indirectly, in order to obtain an Improper Advantage, qualifies as bribery.

#### 4.1.2. PRIVATE SECTOR (COMMERCIAL) BRIBERY

Embraer also prohibits bribery in the private sector. Accordingly, no Employee may offer, give, promise, or receive money, or Anything of Value, to or from an individual or entity in the private sector, in order to obtain an Improper Advantage.

## 4.2. DEFINITIONS

### 4.2.1. The term “Government Official” means:

- Any officer or employee, appointed or elected, of a local, state, regional, federal, or multi-national government or any department, agency, or ministry of a government;
- Any individual who, although temporarily or without payment, holds a public position, employment or function;
- Any officer or employee of a public international organization such as the United Nations or the World Bank;
- Any individual acting in an official capacity for or on behalf of a government agency, department, ministry, or public international organization;
- A political party, political party official, or any candidate for political office;
- Any officer or employee of a state-owned or state-controlled entity, as well as entities that perform a government function (such as air or seaport, utility, energy, water, or power); or
- Any member of a royal family (note that such individuals may lack formal authority but may otherwise be influential in advancing Embraer’s business interests either through partially owning or managing state-owned or state-controlled companies).

Please Note: Family members of any of the individuals listed above may also qualify as Government Officials if Employee or Third-Party Intermediary interactions with them are intended or have the effect of conferring Anything of Value on a Government Official. Any questions relating to whether an individual or an entity is a Government Official should be directed to the Compliance Department.

### 4.2.2. The term “Anything of Value” is broad and can include any item of monetary value, including, but not limited to, the following:

- Cash or the equivalent (including gift cards);
- Benefits and favors (such as special access to a government agency);
- Performing services that would otherwise have to be paid for or purchased;
- Gifts;

[p.4] • Contracts or other business opportunities awarded to a company in which a Government Official has an ownership or other beneficial interest;

- Employment or consultancy opportunities;
- Charitable donations;
- Political contributions;
- Medical, educational, or living expenses; or
- Travel, meals, lodging, shopping, or entertainment expenses.

### 4.2.3. The term “Improper Advantage” covers almost any improper payment made in a business context, such as paying or giving Anything of Value to a Government Official or private individual or entity, directly or indirectly, in order to:

- Influence or prevent a governmental action, or any other action, such as the awarding of a contract, imposition of a tax or fine, or the cancellation of an existing contract or contractual obligation;
- Obtain a license, permit, or other authorization from a government entity or Government Official that the Company is not otherwise entitled to;
- Obtain confidential information about business opportunities, bids, or the activities of competitors;
- Influence the award of a contract;
- Influence the termination of a contract that is disadvantageous to Embraer; or
- Secure any other Improper Advantage.

### 4.2.4. The term “Third-Party Intermediary” means any individual (not employed by Embraer) or entity engaged (formally or informally) by the Company to act for or on Embraer’s behalf, regardless of the name or title of the individual or entity. This definition includes, but is not limited to, the following:

- Any individual or entity used for obtaining and/or retaining business, such as agents, advisors, consultants, subcontractors, sales representatives, and joint venture partners;

- Any individual or entity acting to secure a license, visa, permit, or other form of authorization from, or by intervening in a regulatory matter with, a Government Official;
- Any individual or entity used to represent the Company or its interests before a government, government entity, or state-owned or state-controlled company;
- Any individual or entity used to represent Embraer in tax or legal matters;
- Any individual or entity used to represent Embraer in the customs clearance process; or
- Any individual or entity used to represent Embraer before any client.

4.2.5. The term “Facilitating,” “Expediting,” or “Grease” Payment means:

[p.5] • Any small or nominal payment made to a Government Official, typically to speed up and/or secure the performance of a non-discretionary “routine governmental action.” Such payments are prohibited by the Company (as discussed below in Section 6 of the Policy).

• By way of example, “routine governmental actions” may include the following:

1. Obtaining permits, licenses, or other official documents to qualify a person or entity to do business in a foreign country;
2. Processing governmental papers, such as visas and work orders;
3. Providing police protection, mail pick-up and delivery, or scheduling inspections;
4. Providing phone service, power and water supply, loading cargo, or protecting goods from deterioration; or
5. Actions of a similar nature.

#### [p.9]6. FACILITATING PAYMENTS

The use of facilitating payments (as defined in Section 4.2.5), may be considered a customary way of doing business in some countries. It is, however, important to understand that such payments are prohibited by the anti-bribery laws of many countries, including Brazil and the U.K. (under the UKBA). Additionally, clients whose projects Embraer may be supporting might prohibit such payments. Furthermore, facilitating payments are generally illegal under the local laws of most countries worldwide. Based on the above, this Policy prohibits Employees or Third-Party Intermediaries from making facilitating payments on the Company’s behalf.

#### **[6] Embraer Internal Regulations of the Board of Directors (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=8wcFTnfry8NFLtw2+pfng==>

Article 5. In order to be invested, Board Members shall: (i) sign the Investiture Instrument, drawn in the Minutes Book of the Board of Directors, as well as the Confidentiality Agreement, the Acceptance of the Company’s Code of Ethics and Conduct, the Acceptance of the Trading Policy of Securities Issued by the Company and the Acceptance of the Material Information Disclosure and Confidentiality Policy; and (ii) provide a statement representing that they are not barred from exercising their functions, subject to the penalties provided in applicable law, which statement will be filed in the Company’s headquarters.

#### **[1] Code of Ethics and Conduct (document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/CEC\\_ENG\\_5th\\_Edition.pdf](http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf)

[p.4] EECF – Embraer Enhanced Compliance Program

Embraer seeks to guarantee the highest level of ethics and integrity in its activities. To this end, it has established an Ethics and Compliance Program in order to promote and support all actions aimed at adhering to laws and regulations applicable to the business and internal policies of the Company.

Embraer’s Ethics and Compliance Program is based on fundamental elements, such as the maintenance of a responsible organization and structure through its leadership, constant risk management, the establishment of adequate policies and internal control standards, training and communication with the public, as well as the processes of monitoring, auditing and reporting channels for the evaluation and assessment of potential deviance from established conduct or procedures.

The Program is coordinated by the Embraer Compliance Office, which reports to the Audit and Risk Committee Board.

Commitment to the UN global compact

In 2008, Embraer joined the UN Global Compact, systematically integrating its ten principals into the Company's processes.

[...]

ANTI-CORRUPTION, derived from the UN Convention against Corruption:

10. The Company must work against corruption in all its forms, including extortion and bribery.

[p.5] Adhering to the Code

All board members, directors and employees of Embraer, of its units and subsidiaries, as well as third parties that represent the Company, must adhere to the principles outlined in this Code. Companies in which Embraer has majority control must adopt the principles of this Code and those in which Embraer has minority control must be encouraged to do so as well.

Responsibility of Employees

- To meet and ensure adherence to all principles in this code, as well as to observe the policies and internal procedures of the Company;

[p.7] Illegal or improper payments

Embraer prohibits its board members, directors, employees, suppliers, business partners or other third parties that represent the Company from authorizing or effecting, directly or indirectly, any improper or illegal payments to obtain business advantages. Improper payments such as money, assets, resources, private benefits, favors, gifts, entertainment and hospitality, among others, may be characterized as anything of value to obtain business or improper advantage.

When it is necessary to hire third parties or other providers to act on behalf of Embraer, such as consultants or suppliers, it is compulsory to observe the internal policies and procedures of the Company in the selection, choice and monitoring of the activities thereof, including risk analysis, due diligence and internal approvals.

Anti-corruption

Embraer has a firm commitment to fight corruption in all its forms, including extortion and bribery. To this end, the Company complies with the anticorruption laws and regulations in all places where it operates. Embraer shall not tolerate any form of active or

[p.8] passive corruption, such as extortion or bribery, in the attempt to influence negotiations, or to obtain any undue advantage. For further information, please consult the Anti-Corruption Policy and its associated procedures.

[p.9] Board Members, directors, employees and all individuals or legal entities that carry out activities for or on behalf of Embraer are subject to administrative or legal disciplinary measures in the event of violation of the principles and values established by this Code, including termination of employment or the contractual business relationship, as appropriate.



<b>Question</b>
<b>1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the Board of Directors and the Audit, Risk and Ethics Committee oversee the company's Anti-Bribery and Corruption programme, which is part of a broader Ethics and Compliance Programme. The company indicates that this includes reviewing reports from management on the programme's performance, and there is evidence that the committee has the authority to require that any necessary changes or updates to the programme are made.</p>
<b>Evidence</b>
<p><b>[26] EMBRAER - Investor Relations - Organizational Structure (Webpage)</b>  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==&amp;linguagem=en#">https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==&amp;linguagem=en#</a>  Organizational Structure</p> <p>Management  Meeting the highest standards of corporate governance, Embraer's Management is made up of the Board of Directors and its three advisory committees (Strategy Committee, Audit, Risk and Ethic Committee and People and Governance Committee), the Fiscal Board and the Board of Executive Officers. Below we present the names, positions and brief biographical information of the Management members.</p> <p>[...]</p> <p>Audit, Risk and Ethic Committee  Assists in identifying and managing business risks inherent to the Company's activities, adapting risk management models, guidelines, and policies, and verifying managerial and accounting information released to the public and to regulatory agencies. With regard to auditing in particular, the committee recommends which company should be responsible for the external audit, supervises its activities, and is responsible for adopting any measures needed to field and address complaints about financial statements, internal controls, and the independent audit. The Committee is also responsible for ensuring the quality of financial reporting and compliance with legal, regulatory and evaluation requirements, and to manage the Company's qualifications, as well as monitor the performance and independence of the internal audit, financial risks, and internal controls with the responsibility to review the adequacy of human and financial resources used in the Company's risk management. The committee shall implement, disseminate, review, update and conduct training regarding the Company's Code of Ethics and Conduct and the Helpline channel, as well as assess and propose corrective measures for breaches of the Company's Code of Ethics and Conduct, including delegating certain activities to the Company's Ethics and Conduct Committee.</p> <p><b>[27] Internal Regulations of the Audit, Risk and Ethics Committee (Document)</b>  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==">https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==</a></p> <p>[p.1] Article 3 – The Committee shall assist the Board in the exercise of its functions. The Committee shall primarily:</p> <p>[p.2] (f) implement, disseminate, review, update and recommend training plans regarding the Company's Code of Ethics and Conduct and the Helpline channel; and</p> <p>(g) assess and propose corrective measures for breaches of the Company's Code of Ethics and Conduct, including delegating certain activities to the Company's Ethics and Conduct Committee.</p> <p>Paragraph 1 – The Committee shall also perform the functions of: (i) an Audit Committee, for purposes of U.S. law, primarily the "Sarbanes-Oxley Act"; (ii) a Statutory Audit Committee, pursuant to Instruction 509 of the Brazilian Securities Commission (Comissão de Valores Mobiliários) ("CVM"), dated November 16, 2011 ("CVM Instruction No. 509"); and (iii) an Ethics and Conduct Committee.</p> <p>Paragraph 2 – For purposes of Paragraph 1 of Article 3, the Committee shall:</p>

[p.6] (m) supervise and inspect the Company's policies to ensure compliance with applicable laws and regulations, upon a review and assessment of:

- (i) the adequacy and effectiveness of procedures to ensure compliance with applicable laws and regulations;
- (ii) any legal matters, including the status of pending disputes that may have a material impact on the Company;
- (iii) any communications or requirements from governmental or regulatory agencies that may have a material impact on financial reports or result in potential breach of the procedures to ensure compliance with applicable laws and regulations;
- (iv) any fraud committed by members of management or employees responsible for the preparation of financial reports; and
- (v) the compliance with the Code of Ethics and events of conflict of interests.

[p.9] Article 6 – The Coordinator of the Committee shall:

- (a) chair the meetings of the Committee;
- (b) represent the Committee, as a board;
- (c) comply with and cause the compliance with these Internal Regulations;
- (d) report the activities and progress of works under the responsibility of the Committee in the ordinary meetings of the Board;
- (e) present, together with the other members of the Committee, as required or convenient, the activities of the Committee to the Board, at least, on a quarterly basis;
- (f) request administrative support for the operation of the Committee to the CEO;
- (g) request funds to the Company, as required for the operation of the Committee, in accordance with the annual or projected budget approved by the Board; and
- (h) attend, together with the other members of the Committee, as required or convenient, Ordinary Shareholders' Meetings and, as deemed convenient or required according to the Company's interests, Extraordinary Shareholders' Meetings of the Company.

[p.10] Article 9 – The Chairman of the Board may, at any time, attend the meetings, even if he or she is not a member of the Committee. Executive Officers, employees, experts and/or consultants of the Company may be called to attend the meetings, on occasion or permanently, as required or convenient, at the discretion of the Committee. The Risk and Internal Controls Officer, Compliance Officer and Internal Audit Officer shall prepare periodic reports to the Committee regarding the progress of their activities.

**[6] Embraer Internal Regulations of the Board of Directors (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=8wcFTnfry8NFLTw2+pfng==>

[p.5] Sole Paragraph – In exercising its powers related to the identification, supervision and monitoring of the risks to which the Company is exposed, the Board must take into account periodic reports about annual planning and the progress of activities related to risk management, internal controls, internal audit and compliance.

**[3] The Compliance Program (webpage)**

Accessed 21/06/2019

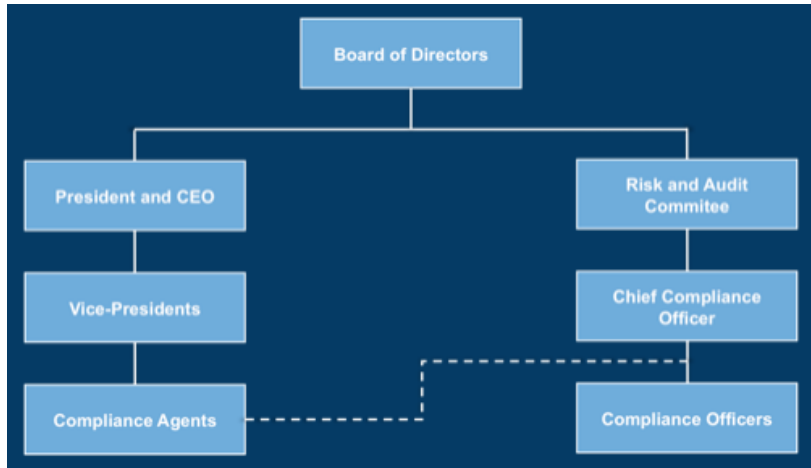
<http://compliance.embraer.com.br/en/SitePages/Home.aspx>

Leadership and Organization

The Ethics and Compliance organization is supervised by the Board of Directors and its Risk & Audit Committee and Embraer’s President and CEO as follows:

- The Board of Directors and its Risks and Audit Committee ensure the effectiveness of the Company’s Compliance Program;
- The President and CEO is responsible to lead all initiatives to promote the corporate integrity and comply to laws and regulations;
- The Compliance Department provides day to day management of the Compliance Program establishing standards, procedures and training protocols to prevent illegal, unethical and improper conduct;

The compliance organization is complemented with the group of dedicated compliance officers and reinforced with the teams of compliance agents involved on day operations.

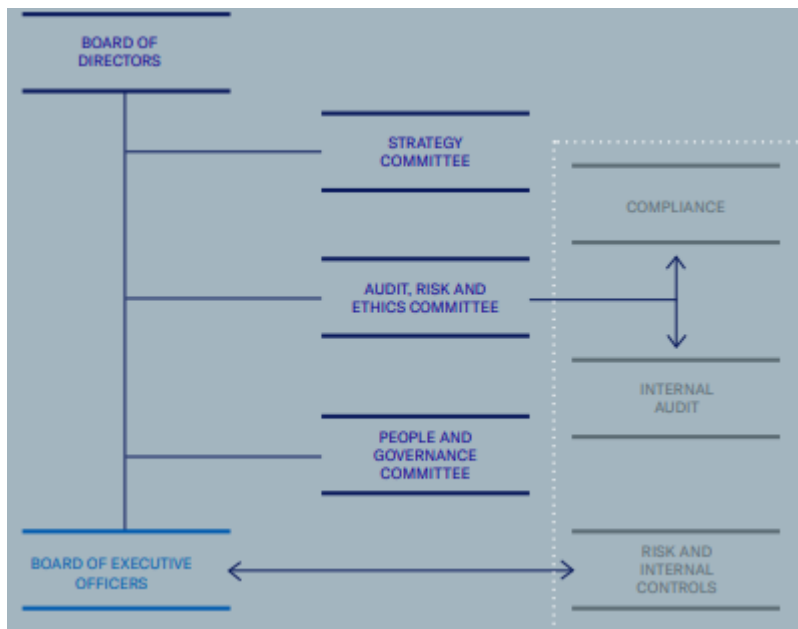


**[4] Embraer 2018 Annual Report (document)**

Accessed 21/06/2019

<https://daflwcl3bnxyt.cloudfront.net/m/4b17dfa6842aa991/original/Annual-Report-2018.pdf>

[p.14] Governance



**[1] Code of Ethics and Conduct (document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/CEC\\_ENG\\_5th\\_Edition.pdf](http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf)

[p.4] EECF – Embraer Enhanced Compliance Program

Embraer seeks to guarantee the highest level of ethics and integrity in its activities. To this end, it has established an Ethics and Compliance Program in order to promote and support all actions aimed at adhering to laws and regulations applicable to the business and internal policies of the Company.

Embraer's Ethics and Compliance Program is based on fundamental elements, such as the maintenance of a responsible organization and structure through its leadership, constant risk management, the establishment of adequate policies and internal control standards, training and communication with the public, as well as the processes of monitoring, auditing and reporting channels for the evaluation and assessment of potential deviance from established conduct or procedures.

The Program is coordinated by the Embraer Compliance Office, which reports to the Audit and Risk Committee Board.

[p.9] Supervision of the Code

The Board of Directors, through its Audit and Risk Committee, oversees the Executive Board in implementing the Code, the responsibility for dissemination and execution of which lies with Embraer's Compliance Office.

**[2] Embraer Global Anti-Corruption Policy (document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/Embraer\\_Global\\_Anti-Corruption\\_Policy\\_English.pdf](http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf)

[p.11] 9.6. ANTI-CORRUPTION PROGRAM REVIEW

The Chief Compliance Officer (or designee) in conjunction with the Director of Internal Controls and the Director of Internal Audit will periodically assess the effectiveness of the anti-corruption compliance program and report their findings to the Embraer President and Chief Executive Officer, the Management Board, and the Audit Committee of the Board of Directors.

[p.12] 9.7. DOCUMENT AND MAINTAIN

The Chief Compliance Officer (or designee) shall regularly document Embraer's anti-bribery compliance efforts in order to demonstrate that the Company disseminated, implemented, and enforced its anti-corruption compliance program, as expected by regulators in Brazil, the U.S., the U.K., and other countries in which the Company operates. Records of educational materials, attendance at training sessions, certifications of compliance, due diligence efforts, suspicious activity reports, and compliance reviews shall be maintained on a regular basis.

[...]

**12. IMPLEMENTATION**

This Policy and its associated procedures describe the rules and guidelines of Embraer's Global Anti-Corruption Policy and Anti-Corruption Compliance Program. For any questions regarding the proper interpretation of this Policy, please consult the Compliance Department.

**13. POLICY OWNERSHIP**

Embraer's Management Board owns this Policy and is responsible for maintaining, managing, and administering it consistent with Company policy, through the Compliance Department. This Policy is subject to amendment, as the Management Board deems necessary and appropriate, on the advice of the Compliance Department (in coordination with the Legal department), based on changes in applicable Embraer policy or relevant laws and regulations.

Question
<b>1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?</b>
Score
<b>2</b>
Comments
Based on publicly available information, there is evidence that a designated senior executive – the Chief Compliance Officer – has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. The company indicates that this person has a direct reporting line to the board and board committee that provides oversight of the anti-bribery and corruption programme. There is evidence of reporting and feedback activities between this person and the board as part of the company's reporting structure.
Evidence
<p><b>[2] Embraer Global Anti-Corruption Policy (document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>  [p.11] 9.6. ANTI-CORRUPTION PROGRAM REVIEW</p> <p>The Chief Compliance Officer (or designee) in conjunction with the Director of Internal Controls and the Director of Internal Audit will periodically assess the effectiveness of the anti-corruption compliance program and report their findings to the Embraer President and Chief Executive Officer, the Management Board, and the Audit Committee of the Board of Directors.</p> <p>[p.12] 9.7. DOCUMENT AND MAINTAIN</p> <p>The Chief Compliance Officer (or designee) shall regularly document Embraer's anti-bribery compliance efforts in order to demonstrate that the Company disseminated, implemented, and enforced its anti-corruption compliance program, as expected by regulators in Brazil, the U.S., the U.K., and other countries in which the Company operates. Records of educational materials, attendance at training sessions, certifications of compliance, due diligence efforts, suspicious activity reports, and compliance reviews shall be maintained on a regular basis.</p> <p>[...]13. POLICY OWNERSHIP</p> <p>Embraer's Management Board owns this Policy and is responsible for maintaining, managing, and administering it consistent with Company policy, through the Compliance Department. This Policy is subject to amendment, as the Management Board deems necessary and appropriate, on the advice of the Compliance Department (in coordination with the Legal department), based on changes in applicable Embraer policy or relevant laws and regulations.</p> <p><b>[1] Code of Ethics and Conduct (document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>  [p.4] EECF – Embraer Enhanced Compliance Program</p> <p>Embraer seeks to guarantee the highest level of ethics and integrity in its activities. To this end, it has established an Ethics and Compliance Program in order to promote and support all actions aimed at adhering to laws and regulations applicable to the business and internal policies of the Company.</p> <p>Embraer's Ethics and Compliance Program is based on fundamental elements, such as the maintenance of a responsible organization and structure through its leadership, constant risk management, the establishment of adequate policies and internal control standards, training and communication with the public, as well as the processes of monitoring, auditing and reporting channels for the evaluation and assessment of potential deviance from established conduct or procedures.</p> <p>The Program is coordinated by the Embraer Compliance Office, which reports to the Audit and Risk Committee Board.</p>

**[3] The Compliance Program (webpage)**

Accessed 21/06/2019

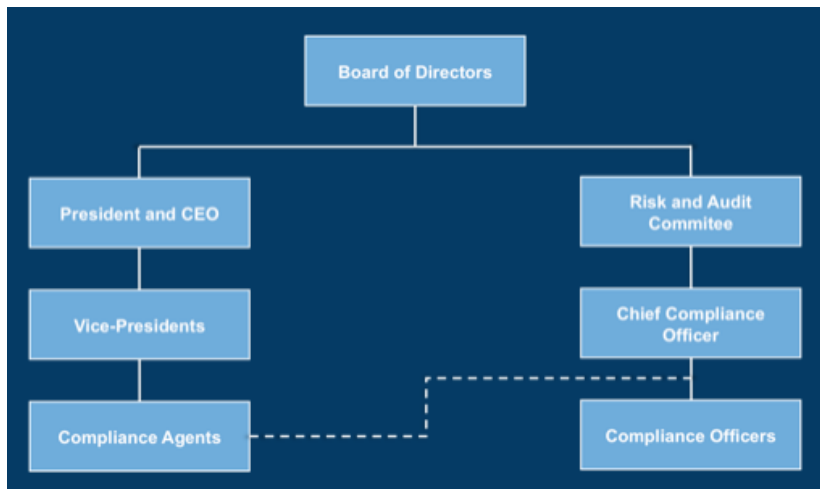
<http://compliance.embraer.com.br/en/SitePages/Home.aspx>

**Leadership and Organization**


The Ethics and Compliance organization is supervised by the Board of Directors and its Risk & Audit Committee and Embraer’s President and CEO as follows:

- The Board of Directors and its Risks and Audit Committee ensure the effectiveness of the Company’s Compliance Program;
- The President and CEO is responsible to lead all initiatives to promote the corporate integrity and comply to laws and regulations;
- The Compliance Department provides day to day management of the Compliance Program establishing standards, procedures and training protocols to prevent illegal, unethical and improper conduct;

The compliance organization is complemented with the group of dedicated compliance officers and reinforced with the teams of compliance agents involved on day operations.



## 2. Internal Controls

<b>Question</b>
<b>2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?</b>
<b>Score</b>
2
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has a formal bribery and corruption risk assessment procedure that informs the design of its anti-corruption and bribery programme. The company indicates that risk assessments are reviewed annually by the Board of Executive Officers, and this body reports to the Audit, Risk and Ethics Committee. There is evidence that the results of such reviews are used to develop tailored mitigation plans and to update specific parts of the company's anti-bribery and corruption programme.</p>
<b>Evidence</b>
<p><b>[22] Embraer Risk Management Policy (Document)</b>                  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=cdmVBZmg9l2ofvgNeXUx7w==">https://ri.embraer.com.br/Download.aspx?Arquivo=cdmVBZmg9l2ofvgNeXUx7w==</a>                  [p.1] 1. OBJECTIVE                  The purpose of this policy is to orientate all Company employees regarding the actions aimed to reduce risk exposure, with the objective to ensure that the identification, analysis, evaluation and management of the risk are carried out according to the needs and best practices established by Embraer, increasing the probability of reaching short, medium and long time goals.</p> <p>[p.3] 4. GUIDELINES                  The guidelines presented herein define and distinguish the process's macro flows of the Company's Corporate Risk Management, which corresponds:</p> <ul style="list-style-type: none"> <li>• Strengthen the Culture of Corporate Risk Management;</li> <li>• Define roles and responsibilities;</li> <li>• Standardize concepts and practices;</li> <li>• Ensure that Governance principles are followed;</li> <li>• Support the achievement of the objectives and goals of Embraer and its Subsidiaries.</li> </ul>  <p>[p.4] 4.1 Risk Typology                  Business risks classification:</p>

4.1.1 Strategic Risks: risks associated to strategic decisions of the Company's High Management aimed at achieving its business objectives, ensuring Embraer's capacity or ability to protect itself or adapt to environmental changes.

4.1.2 Financial Risks: risks that may affect the Company's financial results.

4.1.3 Regulatory / Legal Risks: risks of legal or regulatory sanctions, with financial or reputation losses impacts that Embraer may suffer as a result of failures to comply with laws, agreements, regulations, Code of Ethics and Conduct, among others.

4.1.4 Operational risks: operational risks refers to possible losses of efficiency and effectiveness of organization operations.

#### 4.2 Scenario Definition

Annually, the Board of Directors and the Executive Board of Embraer S.A. define the goals (short and medium term) and the strategic objectives (long term) of the Company. Considering the expected results, internal and external environments influences, besides risk appetite, the Scope and Criteria are defined to be considered in the Corporate Risks Management.

#### 4.3 Risk Identification

Business risks related to the Company's strategic objectives (Context) are identified and prioritized to ensure previous knowledge and management at an acceptable level of any materializations that may occur.

#### 4.4 Risk Analysis

The Risk Management area, with Vice-Presidencies (Risk Owner and Process Owner), analyze the risks, affected areas, causes and potential consequences that may adversely affect Embraer's strategic goals and / or objectives.

#### 4.5 Risk Evaluation

After analyzing each uncertainty, the Risk Management area and the Vice-Presidencies (Risk Owner and Process Owner) evaluate the risks using the positioning tool ("ruler" with the Company's risk appetite - see Management Procedure Business Risks). Risks are then positioned considering Impact and Vulnerability.

#### [p.5] 4.6 Mitigate the Risk

Based on the results, each Risk Owner and Process Owner and/or High Management must approve the risk treatment: avoid, share, reduce or accept. If the option is to accept the risk, monitoring metrics must be established. In cases that the definition is to reduce exposure to risk, action / mitigation plans must be defined and monitored through KRI's (Key Risk Indicators), responsible employees and deadlines.

#### 4.7 Monitor

For risk management to be effective, Risk Owners and Process Owners must monitor the risks identified and prioritized, based on the best Risk Management practices established by Embraer.

#### 4.8 Communicate

The purpose of the Corporate Risk Management communication is to continuously capacitate and educate employees about the dissemination of the risk culture.

#### [p.6] 5 ROLES AND RESPONSIBILITIES

##### 5.1 Risk Management and Internal Controls:

- Coordinate and define the standards for the integrated risk management process
- Support and ensure risks identification and monitoring and their respective action plans
- Perform risk and internal controls consolidation
- Periodically report formally to the CAR, CA, and RD, when prompted
- Disseminate to the company the culture of risk management and internal controls

##### 5.2 Executive Boards:

- Sponsor the deployment of the risk management In their respective areas



- Approve norms, level of risk appetite to their respective areas
- Manage the inherent risks to their activities (identify, assess and treat);
- Define and monitor action/mitigation plans to reduce risk exposure and define the one responsible and the implementation date of the plan
- Inform the Risk Management and Internal Controls area of new risks or events that are relevant to their respective developments

#### 5.3 CEO e CFO:

- Approve key-documents (example: Risk Management Policy);
- Monitor Risk indicators;
- Evaluate reports and results and provide appropriate instructions.

#### 5.4 CAR (Audit and Risk Committee) :

- Monitor and evaluate risks, of operational, marketing, image, corporate governance, financial or legal natures of Embraer's managed markets, through the diagnosis of risks sources on Company's activities;
- Assess the adequacy of the measurement models of the risks listed above, as well as the adhesion tests and validation of the used models;
- Analyze and give their opinion about the guidelines and risk management policies, mainly on the financial impact estimate of unexpected losses in normal and stressful situations;
- Analyze and give their opinion about the managerial and accountable informations disclosed to the public and regulatory authorities regarding Company's profile and risk management;
- Assess the adequacy of human and financial resources addressed to risk management;
- The Committee will also function as (i) Audit Committee for US law purposes, especially the "Sarbanes-Oxley Act", and (ii) Statutory Audit Committee, pursuant to Instruction 509, of November 16, 2011 ("CVM Instruction 509), from the Securities and Exchange Commission ("CVM").
- Assess and monitor Embraer's risk exposure, which may also require detailed informations about policies and procedures.

#### 5.5 CA (Administrative Council):

- Approve the Risk Management policy e revise whenever necessary;
- Identify, supervise and monitor risks which Embraer may be exposed to, whether financial, legal, tax, operational, commercial or others;
- Monitor this Policy's implementation and ensure that there is a crisis management plan that allows the Company to overcome them safely.

### **[3] The Compliance Program (Webpage)**

Accessed 21/06/2019

<http://compliance.embraer.com.br/en/SitePages/Home.aspx>

Leadership and Organization

The Ethics and Compliance organization is supervised by the Board of Directors and its Risk & Audit Committee and Embraer's President and CEO as follows:

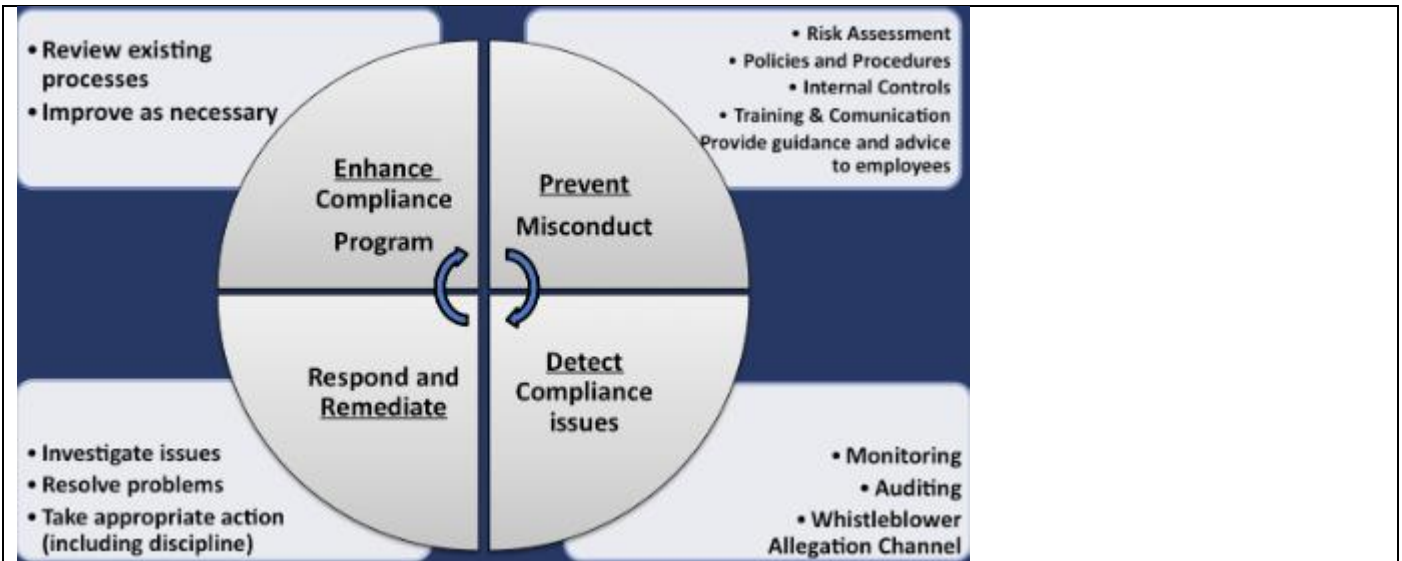
- The Board of Directors and its Risks and Audit Committee ensure the effectiveness of the Company's Compliance Program;
- The President and CEO is responsible to lead all initiatives to promote the corporate integrity and comply to laws and regulations;
- The Compliance Department provides day to day management of the Compliance Program establishing standards, procedures and training protocols to prevent illegal, unethical and improper conduct;

The compliance organization is complemented with the group of dedicated compliance officers and reinforced with the teams of compliance agents involved on day operations.

[...]

#### The Compliance System

The Compliance system seeks to cover processes and operations based on risk assessment, policies and procedures, training and communication, monitoring and auditing, counselling, remediation and reporting lines. All initiatives are designed to prevent, detect and respond to any compliance requirement.



**[1] Code of Ethics and Conduct (document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/CEC\\_ENG\\_5th\\_Edition.pdf](http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf)

[p.4] Embraer’s Ethics and Compliance Program is based on fundamental elements, such as the maintenance of a responsible organization and structure through its leadership, constant risk management, the establishment of adequate policies and internal control standards, training and communication with the public, as well as the processes of monitoring, auditing and reporting channels for the evaluation and assessment of potential deviance from established conduct or procedures.

**[28] Embraer Internal regulations of the Board of Executive Officers (Document)**

Accessed 23/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=yQZf+eTxLToT0XogPeQpGg==>

[p.2] Article 6 – The Board of Executive Officers shall review, at least annually, the efficacy of the risk management and internal control policies and systems and compliance program. The Board of Executive Officers is also accountable for this review before the Audit, Risk and Ethics Committee.

Article 7 – The Board of Executive Officers shall perform the risk management policy and, as required, propose to the Audit, Risk and Ethics Committee of the Board of Directors any amendments to this policy, based on changes in risks to which the Company is exposed.

**[6] Embraer Internal Regulations of the Board of Directors (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=8wcFTnfy8NFLtw2+pfng==>

[p.5] Sole Paragraph – In exercising its powers related to the identification, supervision and monitoring of the risks to which the Company is exposed, the Board must take into account periodic reports about annual planning and the progress of activities related to risk management, internal controls, internal audit and compliance.

**[27] Internal Regulations of the Audit, Risk and Ethics Committee (Document)**

Accessed 22/06/2019

<https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==>

[p.1] Article 3 – The Committee shall assist the Board in the exercise of its functions. The Committee shall primarily:

(a) monitor and assess operating, market, image, corporate governance, financial or legal corporate risks of the markets in which the Company operates, diagnosing the sources of risk in the Company’s activities;

(b) review the adequacy of the risk assessment models mentioned in item (a) above, as well as the adequacy of compliance and validation tests of the used models;

(c) analyze and express an opinion on risk management guidelines and policies, primarily regarding the estimated financial impacts of unforeseen losses in normal and stress scenarios;

**[7] Sustainability Indicators - Anti-corruption risk assessment (Webpage)**

Accessed 21/06/2019

<https://embraer.com/global/en/sustainability-indicators>

Operations assessed for risks related to corruption

The analysis of risks related to corruption is carried out through the due diligence process, introduced in 2014 with the publication of Due Diligence Procedure. Since then, both new and existing service providers attend to a reputational assessment undertaken by the Compliance team, which includes searches in official databases and media about corruption involvement, tax evasion, fraud, terrorism, etc. If no restrictions are found, the Compliance team issues a certificate. There is a systemic lockout for payments from any suppliers that are not certified by due diligence.

**[8] Sustainability Indicators - Anti-corruption risk assessment (2) (Webpage)**

Accessed 21/06/2019

<https://embraer.com/global/en/sustainability-indicators>

Several fronts monitor complaints and controls related to the anti-corruption policy: (1) Compliance and Internal Audit departments carry actions to monitor high-risk operations; (2) the Compliance department is responsible for investigating Helpline complaints; (3) Internal Controls area is responsible for carrying out tests of SOX controls. In addition, the Compliance Program regarding SOX controls are also evaluated by external auditors.

**[9] Sustainability Indicators - Anti-corruption risk assessment (3) (Webpage)**

Accessed 21/06/2019

<https://embraer.com/global/en/sustainability-indicators>

Due Diligence analysis occur by demand according to new suppliers contracts (or renovation of older contracts) as well as for relevant sponsorship opportunities or affiliations to class entities. Therefore, there are no targets related to the number of analysis submitted. By 2018, 100% of Embraer's operations were submitted to risk evaluation related to corruption. The due diligence procedure was applied to suppliers, sponsors, donations and class entities.

**[10] Sustainability Indicators - Anti-corruption risk assessment (4) (Webpage)**

Accessed 21/06/2019

<https://embraer.com/global/en/sustainability-indicators>

Risks related to corruption (GRI 205-1)

Risks	Type of risk evaluation	Action to mitigate risks
<b>Conflicts of interest (improper or incorrect payments in order to obtain favors)</b>	Qualitative	Inclusion of the subject of conflicts of interest in training that is related to anti-corruption and to the Code of Ethics, analysis of suppliers through the due diligence process, in addition to responses to periodic consultations held with the Compliance team. Additionally, continuous surveillance was implemented for payments considered critical and specific tests were included for the departments analyzed by the Internal Audit. Control tests were also performed for SOx certification, by the Internal Controls department.
<b>Improper accounting (incorrect records and/or provisioning)</b>	Qualitative	Continuous surveillance was implemented for payments considered critical and specific tests were included for the departments analyzed by the Internal Audit. Additionally, control tests were also performed for SOx

[Table goes on to give other examples of corruption risks]

<b>Question</b>
<b>2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
Based on publicly available information, there is evidence that the company's anti-bribery and corruption programme is subject to regular review. However, the company receives a score '0' because it is not clear how frequently these audits or reviews are conducted, nor is there evidence to indicate that the findings are used to update the company's anti-bribery and corruption programme.
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>  [p.9] 7. BOOKS AND RECORDS, ACCOUNTING, AND PAYMENT PRACTICES  In compliance with applicable laws, it is Embraer's policy to maintain at all times accurate and reasonably detailed books and records that reflect Embraer's transactions. Compliance with this policy is regularly audited and subject to the Company's internal controls procedures. In reference to this instruction, the records of all payments made or received must accurately and properly reflect the transaction. Moreover the Company prohibits secret, unrecorded, or unreported transactions.</p> <p>[p.11] 9.6. ANTI-CORRUPTION PROGRAM REVIEW  The Chief Compliance Officer (or designee) in conjunction with the Director of Internal Controls and the Director of Internal Audit will periodically assess the effectiveness of the anti-corruption compliance program and report their findings to the Embraer President and Chief Executive Officer, the Management Board, and the Audit Committee of the Board of Directors.</p> <p>[p.12] 13. POLICY OWNERSHIP  Embraer's Management Board owns this Policy and is responsible for maintaining, managing, and administering it consistent with Company policy, through the Compliance Department. This Policy is subject to amendment, as the Management Board deems necessary and appropriate, on the advice of the Compliance Department (in coordination with the Legal department), based on changes in applicable Embraer policy or relevant laws and regulations.</p> <p><b>[28] Embraer Internal regulations of the Board of Executive Officers (Document)</b>  Accessed 12/05/2020  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=MNb0EriT4Gg7rUqqOTomkw==">https://ri.embraer.com.br/Download.aspx?Arquivo=MNb0EriT4Gg7rUqqOTomkw==</a>  [p.5] Sole Paragraph – In exercising its powers related to the identification, supervision and monitoring of the risks to which the Company is exposed, the Board must take into account periodic reports about annual planning and the progress of activities related to risk management, internal controls, internal audit and compliance.</p> <p>[p.6] Article 8 – In addition to the duties set forth in applicable laws and regulations and the Bylaws, all Board Members shall:</p> <p>[...]</p> <p>(v) ensure the adoption of best corporate governance practices by the Company;</p> <p><b>[27] Internal Regulations of the Audit, Risk and Ethics Committee (Document)</b>  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==">https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==</a>  [p.2] Paragraph 1 – The Committee shall also perform the functions of: (i) an Audit Committee, for purposes of U.S. law, primarily the "Sarbanes-Oxley Act"; (ii) a Statutory Audit Committee, pursuant to Instruction 509 of the Brazilian Securities Commission (Comissão de Valores Mobiliários) ("CVM"), dated November 16, 2011 ("CVM Instruction No. 509"); and (iii) an Ethics and Conduct Committee.</p>

Paragraph 2 – For purposes of Paragraph 1 of Article 3, the Committee shall:

[...]

[p.3] (d) supervise and inspect the activities of the area responsible for the Company's internal controls, monitoring the quality and integrity of internal control mechanisms;

(e) supervise and inspect the activities of the area responsible for the Company's internal audit, including the organization, team, duties, work plans and results of the internal audit function;

(f) supervise and inspect the activities of the area responsible for the Company's compliance, including the organization, team, duties, work plans and results of the compliance function;

[...]

[p.6] (m) supervise and inspect the Company's policies to ensure compliance with applicable laws and regulations, upon a review and assessment of:

(i) the adequacy and effectiveness of procedures to ensure compliance with applicable laws and regulations;

(ii) any legal matters, including the status of pending disputes that may have a material impact on the Company;

(iii) any communications or requirements from governmental or regulatory agencies that may have a material impact on financial reports or result in potential breach of the procedures to ensure compliance with applicable laws and regulations;

(iv) any fraud committed by members of management or employees responsible for the preparation of financial reports; and

(v) the compliance with the Code of Ethics and events of conflict of interests.

<b>Question</b>
<b>2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>There is evidence that the company publicly commits to investigating incidents, and there is evidence that the company documents information on each investigation.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that it publishes information on the whole investigation process from receipt to final outcome, nor is it clear that the company takes steps to ensure the independence of its investigations. There is also no evidence that a central body reviews the status of investigations on at least an annual basis. Although there is evidence of an option for whistleblowers to monitor the progress of an investigation, there is no evidence that the company makes a clear commitment to providing whistleblowers with updates on the outcome of investigations.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.10] 9.1. SANCTIONS                  Embraer and/or its Employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law, or under criminal law. This can result in severe fines and penalties, debarment, and/or imprisonment if the Company and/or its Employees are found to be in violation of applicable anti-corruption and anti-bribery laws and/or regulations. Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies. Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law..</p> <p>[p.11] 9.2. REPORTING CONCERNS                  It is the responsibility of all Employees to ensure compliance with this Policy. If you have any questions or concerns about past or proposed actions by anyone at Embraer (or any Third-Party Intermediary working with the Company in any capacity) that could violate this Policy or applicable law, please promptly contact the Embraer Compliance Department.</p> <p>9.3. NO RETALIATION                  As stated in the Code of Ethics, regardless of the type of alleged misconduct reported, or the method of reporting, Embraer will not tolerate retaliation or retribution against anyone who makes a good faith report of an alleged violation of the Code of Ethics, this Policy, other applicable policies, or applicable laws and regulations, regardless of the results of the Company’s investigation of the allegation(s).</p> <p>9.5. CERTIFICATION                  All Employees who are determined by the Chief Compliance Officer to require mandatory anti-corruption training must, as part of successfully completing this training, certify, in writing:</p> <ul style="list-style-type: none"> <li>• That they have received, understand, and will comply with Embraer’s policies and procedures relating to anti-corruption compliance;</li> <li>• That they have acted in compliance with and will continue to act in compliance with such policies and procedures; and</li> <li>• That they will promptly report any allegations, violations, or compliance-related concerns of which they become aware.</li> </ul> <p>[p.12] 9.7. DOCUMENT AND MAINTAIN                  The Chief Compliance Officer (or designee) shall regularly document Embraer’s anti-bribery compliance efforts in order to demonstrate that the Company disseminated, implemented, and enforced its anti-corruption compliance program, as expected by regulators in Brazil, the U.S., the U.K., and other countries in which the Company</p>

operates. Records of educational materials, attendance at training sessions, certifications of compliance, due diligence efforts, suspicious activity reports, and compliance reviews shall be maintained on a regular basis.

[p.12] 11. ASKING QUESTIONS AND REPORTING INCIDENTS OR CONCERNS

Embraer's Employees are encouraged to ask questions regarding this Policy. Any question or uncertainty about a specific situation relating in any way to this Policy (or related policies or procedures) should be addressed to the Compliance Department before taking action. Employees must promptly report any bribe, solicitation, or offer of an improper payment or advantage. You may ask questions or make a report to Embraer's Compliance Department at: [compliance@embraer.com.br](mailto:compliance@embraer.com.br). You can also use Embraer's confidential Helpline or visit the Ethics Portal for additional assistance or further information about reporting.

**[1] Code of Ethics and Conduct (Document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/CEC\\_ENG\\_5th\\_Edition.pdf](http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf)

[p.9] Reporting violations

All Embraer stakeholders, including but not limited to employees, suppliers, customers, shareholders and business partners, among others, must report any concern in relation to the potential violation of the principles and values of this Code.

Embraer provides various channels for reporting concerns or violations of this Code. Any person may report a concern or violation through the following channels:

- The Board of Directions and its Audit and Risk Committee;
- The leader or manager, in the case of employees;
- The Compliance department or designated compliance representative in the various departments of the Company;
- Internal Audit;
- Human Resources;
- The legal department; or
- The Helpline (via our website [www.embraer.com.br](http://www.embraer.com.br))

The Helpline is a confidential channel for employees and stakeholders to report or seek support for ethical conduct concerns related to the potential violations of Embraer policies, of this Code, or of any law or regulation.

Embraer does not tolerate any retaliation, veiled or otherwise, against any person who reports a concern in good faith through the channels made available by the Company. Additionally, all reported issues, concerns, complaints or violations directed to the Helpline will be treated with confidentiality and respect for anonymity.

[...]

N.B.: The laws of some countries do not allow anonymous reporting, in which case the Company will inform the complainant of this condition

**[11] Helpline – The direct channel to raise concerns (Webpage)**

Accessed 21/06/2019

<http://compliance.embraer.com.br/en/sitepages/helpline.aspx>

The Helpline is a confidential tool for employees and stakeholders to report or seek support for ethical behavior concerns related to potential violation of Embraer's policies as well as any law or regulation.

No tolerance for retaliation

Embraer does not tolerate retaliation for anyone who reports a concern in good faith.

Confidentiality and anonymity

All reported issues, concerns, complaints or breaches directed to the Embraer Helpline will be treated on a confidential and anonymous basis.

\* Due to certain legislations, some countries do not allow the anonymous report and Embraer will respect the respective laws informing the particular whistleblower when the requirement arises.

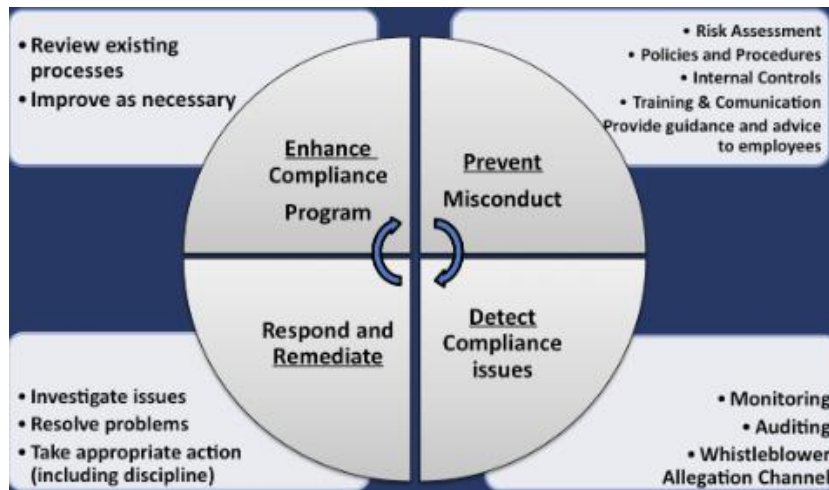
**[3] The Compliance Program (Webpage)**

Accessed 21/06/2019

<http://compliance.embraer.com.br/en/SitePages/Home.aspx>

The Compliance System

The Compliance system seeks to cover processes and operations based on risk assessment, policies and procedures, training and communication, monitoring and auditing, counselling, remediation and reporting lines. All initiatives are designed to prevent, detect and respond to any compliance requirement.



**[12] Helpline – Report incident (1) (Webpage)**

Accessed 21/06/2019

<https://canalconfidencial.com.br/embraerhelpline/>

Report incident

The information recorded here will be received by an independent and specialized company, ICTS, contracted and authorized by Embraer according to Embraer’s Helpline Policy, ensuring absolute confidentiality and appropriate treatment of each situation in accordance with Embraer’s Helpline Policy and Procedure, including to avoid conflicts of interest.

The information submitted will be used by Embraer in accordance with applicable Embraer policies, procedures, and directives, and in accordance with applicable laws.

**[13] Helpline – Report incident (2) (Webpage)**

Accessed 21/06/2019

<https://canalconfidencial.com.br/embraerhelpline/>

Report incident

Please report the situation made you get in touch with the Helpline. The level of detail provided is very important to the analysis process. Please, be sure to include:

- \* What (describe the situation)
- \* Who (name of involved people , including witnesses)
- \* When (dates and/or periods when the situation occurred)
- \* Where (where it happened)
- \* Why (reason)
- \* How much/how many (if measurement is possible)
- \* Evidences (if they exist and where/how they may be obtained)

To check your report status, please take note of the protocol number that will be provided upon report submission. We thank you for your initiative and confidence.

**[27] Internal Regulations of the Audit, Risk and Ethics Committee (Document)**

Accessed 22/06/2019

<https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==>

[p.2] Paragraph 2 – For purposes of Paragraph 1 of Article 3, the Committee shall:

[p.6] (k) take the required initiatives and measures to receive, review and address reports and claims, including external and internal confidential and anonymous reports and claims, regarding matters under its responsibility, primarily those referring to financial statements, internal controls and external audit;



<b>Question</b>
<b>2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
Based on publicly available information, there is no evidence that the company assures itself of the quality of its internal investigations.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no clear evidence that the company commits to report material findings from internal investigations to the board or to the relevant authorities, if necessary. There is some indication that reviewing reports falls under the remit of the Audit, Risk and Ethics Committee, however it is not clear that this may include handling and escalating material findings or criminal conduct to the board or authorities.
<b>Evidence</b>
<p><b>[27] Internal Regulations of the Audit, Risk and Ethics Committee (Document)</b>                  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==">https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==</a></p> <p>[p.2] Paragraph 2 – For purposes of Paragraph 1 of Article 3, the Committee shall:</p> <p>[p.6] (k) take the required initiatives and measures to receive, review and address reports and claims, including external and internal confidential and anonymous reports and claims, regarding matters under its responsibility, primarily those referring to financial statements, internal controls and external audit;</p>

<b>Question</b>														
<b>2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?</b>														
<b>Score</b>														
1														
<b>Comments</b>														
<p>There is evidence that the company publishes some data on the reports made to its Helpline in 2017. The company also publishes a statement that in 2017 and 2018 there were no confirmed cases of corruption. The company's data is disaggregated to give the number of investigations launched and the number of disciplinary actions as a result of investigation findings.</p> <p>However, the company receives a score of '1' because there is evidence that this data only relates to one specific reporting channel, so it is not clear that it covers all incident investigations. There is also no evidence that the information is published on an annual basis.</p>														
<b>Evidence</b>														
<p><b>[16] Sustainability Indicators - Anti-corruption risk assessment (6) (Webpage)</b>                  Accessed 21/06/2019  <a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>                  Confirmed incidents of corruption and actions taken                  In 2018, the company recorded no cases of corruption.</p> <p><b>[29] Embraer 2017 Annual Report (Document)</b>                  Accessed 23/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA==">https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA==</a>                  [p.14]</p> <p>Number of labor practice complaints fielded, processed and resolved through a formal mechanism in 2017 <sup>100-21</sup></p> <table border="1"> <tr> <td>Complaints made through the hotline</td> <td>492</td> </tr> <tr> <td>Out of scope</td> <td>48</td> </tr> <tr> <td>Within scope</td> <td>444</td> </tr> <tr> <td><b>Measures implemented</b></td> <td><b>106</b></td> </tr> <tr> <td>Warnings and suspensions</td> <td>16</td> </tr> <tr> <td>Layoffs</td> <td>16</td> </tr> <tr> <td>Coaching, monitoring, guidance, awareness campaign and improved processes and policies</td> <td>74</td> </tr> </table> <p>[p.20] Helpline                  The Helpline is a tool to register allegations and concerns related to attitudes that violate the Code of Ethics and Conduct and the law. Contacts are consolidated by an independent company and forwarded to the Compliance department, in order to assure the confidentiality of the person who files the case, who also receives a protocol number to monitor its progress online. Among the issues raised throughout 2016, nearly 60% were related to conduct deviation, of which 45% were pertinent. Referrals and solutions to the issues included coaching and conduct monitoring, in addition to disciplinary measures, such as warnings, suspensions and dismissals. In total, 325 reports were filed during the year, a 7% increase over 2015. This rise demonstrates the growing credibility of the channel and of the awareness among employees and third-party collaborators regarding the conduct expected by the company. In 2017, the Helpline changed its name to Helpline – Whistleblowing Channel, in order to help the public better understand its purpose.</p> <p>[p.45] 205-3 – CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN In 2017, the company recorded no cases of corruption.</p>	Complaints made through the hotline	492	Out of scope	48	Within scope	444	<b>Measures implemented</b>	<b>106</b>	Warnings and suspensions	16	Layoffs	16	Coaching, monitoring, guidance, awareness campaign and improved processes and policies	74
Complaints made through the hotline	492													
Out of scope	48													
Within scope	444													
<b>Measures implemented</b>	<b>106</b>													
Warnings and suspensions	16													
Layoffs	16													
Coaching, monitoring, guidance, awareness campaign and improved processes and policies	74													

### 3. Support to Employees

Question
<b>3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is evidence that the company provides a training module on the basic principles of its anti-bribery and corruption policy to all employees.</p> <p>However, the company receives a score of '1' because it not clear how frequently the company conducts or provides this training. There is also no clear evidence that training is provided to all employees across all divisions, all countries of operation and in all appropriate languages.</p>
Evidence
<p><b>[29] Embraer 2017 Annual Report (Document)</b>  Accessed 23/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA">https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA</a>  [p.13] Thus, workshops and online training were held to approximately 17,000 employees, and more than 250 compliance agents were trained to act as multipliers of internal ethical principles. All board members, executive board officers, leaders, employees and contractors are trained on the guidelines set out in these documents.</p> <p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>  [p.11] 9.4. TRAINING  Periodic training on the Embraer anti-corruption program will occur on a schedule determined annually by the Chief Compliance Officer. This training will, at a minimum, include senior management and Employees whose responsibilities require them to interact with Government Officials, as well as employees in Accounting, Sales, Internal Audit, Internal Controls and Risk, Legal, Marketing, Compliance, and Procurement -- plus Third-Party Intermediaries, as necessary and appropriate.</p> <p>9.5. CERTIFICATION  All Employees who are determined by the Chief Compliance Officer to require mandatory anti-corruption training must, as part of successfully completing this training, certify, in writing:</p> <ul style="list-style-type: none"> <li>• That they have received, understand, and will comply with Embraer's policies and procedures relating to anti-corruption compliance;</li> <li>• That they have acted in compliance with and will continue to act in compliance with such policies and procedures; and</li> <li>• That they will promptly report any allegations, violations, or compliance-related concerns of which they become aware.</li> </ul> <p><b>[1] Code of Ethics and Conduct (document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>  [p.4] EECP – Embraer Enhanced Compliance Program</p> <p>Embraer seeks to guarantee the highest level of ethics and integrity in its activities. To this end, it has established an Ethics and Compliance Program in order to promote and support all actions aimed at adhering to laws and regulations applicable to the business and internal policies of the Company.</p> <p>Embraer's Ethics and Compliance Program is based on fundamental elements, such as the maintenance of a responsible organization and structure through its leadership, constant risk management, the establishment of adequate policies and internal control standards, training and communication with the public, as well as the</p>

processes of monitoring, auditing and reporting channels for the evaluation and assessment of potential deviance from established conduct or procedures.

#### **[14] Training – Information and Awareness (Webpage)**

Accessed 21/06/2019

<http://compliance.embraer.com.br/en/sitepages/treinamentos.aspx>

The compliance awareness is built through continuous training to prevent breaches of our values, principles and guidelines.

The purpose of the Ethics and Compliance training program is to:

- Disseminate the Embraer's values, standards, policies and procedures regarding ethical business conduct;
- Conduct E&C training to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls;
- Use several ways for ethics education and awareness programs such as web-based, live and external certification providing knowledge in compliance with the laws and regulations;
- Continuous training through updated courses, materials and news from external providers and internal education systems;
- Deliver focus training on anti-corruption and export control laws and regulations;
- Provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners;

#### **Communication**

Awareness is reinforced through internal and external communication which supports compliance topics in the company. All employees are informed of new measures and developments via intranet, e-mail, Embraer's internal television and mainly from the leadership in regular meetings. Our external public is informed about what we are doing from website, news and publications such as the company's annual report.

<b>Question</b>
<p><b>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</b></p> <p><b>a) Employees in high risk positions,</b>  <b>b) Middle management,</b>  <b>c) Board members.</b></p>
<b>Score</b>
1
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company provides tailored anti-corruption training to employees in high risk positions, senior management staff and board members. However, the company receives a score of '1' because it is not clear how frequently these employees are required to refresh their training.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>  [p.11] 9.4. TRAINING  Periodic training on the Embraer anti-corruption program will occur on a schedule determined annually by the Chief Compliance Officer. This training will, at a minimum, include senior management and Employees whose responsibilities require them to interact with Government Officials, as well as employees in Accounting, Sales, Internal Audit, Internal Controls and Risk, Legal, Marketing, Compliance, and Procurement -- plus Third-Party Intermediaries, as necessary and appropriate.</p> <p>9.5. CERTIFICATION  All Employees who are determined by the Chief Compliance Officer to require mandatory anti-corruption training must, as part of successfully completing this training, certify, in writing:</p> <ul style="list-style-type: none"> <li>• That they have received, understand, and will comply with Embraer's policies and procedures relating to anti-corruption compliance;</li> <li>• That they have acted in compliance with and will continue to act in compliance with such policies and procedures; and</li> <li>• That they will promptly report any allegations, violations, or compliance-related concerns of which they become aware.</li> </ul> <p><b>[14] Training – Information and Awareness (Webpage)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/en/sitepages/treinamentos.aspx">http://compliance.embraer.com.br/en/sitepages/treinamentos.aspx</a>  The compliance awareness is built through continuous training to prevent breaches of our values, principles and guidelines.  The purpose of the Ethics and Compliance training program is to:</p> <ul style="list-style-type: none"> <li>• Disseminate the Embraer's values, standards, policies and procedures regarding ethical business conduct;</li> <li>• Conduct E&amp;C training to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls;</li> <li>• Use several ways for ethics education and awareness programs such as web-based, live and external certification providing knowledge in compliance with the laws and regulations;</li> <li>• Continuous training through updated courses, materials and news from external providers and internal education systems;</li> <li>• Deliver focus training on anti-corruption and export control laws and regulations;</li> <li>• Provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners;</li> </ul> <p>Communication  Awareness is reinforced through internal and external communication which supports compliance topics in the company. All employees are informed of new measures and developments via intranet, e-mail, Embraer's internal television and mainly from the leadership in regular meetings. Our external public is informed about what we are doing from website, news and publications such as the company's annual report.</p>

<b>Question</b>
<b>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</b>
<b>Score</b>
1
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company monitors and records its educational materials, attendance at training sessions and certifications of compliance, and that it conducts staff surveys in relation to employee engagement with Ethics and Compliance.</p> <p>However, the company receives a score of '1' because it is not clear how frequently it conducts such reviews. There is also no clear evidence that the results are used to update specific parts of the company's anti-bribery and corruption communications and training programme.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>  [p.11] 9.6. ANTI-CORRUPTION PROGRAM REVIEW  The Chief Compliance Officer (or designee) in conjunction with the Director of Internal Controls and the Director of Internal Audit will periodically assess the effectiveness of the anti-corruption compliance program and report their findings to the Embraer President and Chief Executive Officer, the Management Board, and the Audit Committee of the Board of Directors.</p> <p>[p.12] 9.7. DOCUMENT AND MAINTAIN  The Chief Compliance Officer (or designee) shall regularly document Embraer's anti-bribery compliance efforts in order to demonstrate that the Company disseminated, implemented, and enforced its anti-corruption compliance program, as expected by regulators in Brazil, the U.S., the U.K., and other countries in which the Company operates. Records of educational materials, attendance at training sessions, certifications of compliance, due diligence efforts, suspicious activity reports, and compliance reviews shall be maintained on a regular basis.</p> <p><b>[14] Training – Information and Awareness (Webpage)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/en/sitepages/treinamentos.aspx">http://compliance.embraer.com.br/en/sitepages/treinamentos.aspx</a>  The compliance awareness is built through continuous training to prevent breaches of our values, principles and guidelines.</p> <p>The purpose of the Ethics and Compliance training program is to:</p> <ul style="list-style-type: none"> <li>• Disseminate the Embraer's values, standards, policies and procedures regarding ethical business conduct;</li> <li>• Conduct E&amp;C training to all employees involving the board of directors, top management and areas particularly dedicated to assure compliance such as procurement, sales, finance legal, government relations business development, internal audit and controls;</li> <li>• Use several ways for ethics education and awareness programs such as web-based, live and external certification providing knowledge in compliance with the laws and regulations;</li> <li>• Continuous training through updated courses, materials and news from external providers and internal education systems;</li> <li>• Deliver focus training on anti-corruption and export control laws and regulations;</li> <li>• Provide training in all countries where the company operates and has sites, subsidiaries, affiliates and business partners;</li> </ul> <p>Communication  Awareness is reinforced through internal and external communication which supports compliance topics in the company. All employees are informed of new measures and developments via intranet, e-mail, Embraer's internal television and mainly from the leadership in regular meetings. Our external public is informed about what we are doing from website, news and publications such as the company's annual report.</p>

**[29] Embraer 2017 Annual Report (Document)**

Accessed 23/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA>

[p.35]

Aspect	Indicator	Goal (December 2017)	2015*	2016	2017
Ethics	Percentage of adherence to compliance policy and procedure*	100%	Managers: 100%* Non managers: 98.98%* * Considering the trainings held on Anti-Corruption - Code of Ethics and Conduct	Managers: 98%* Non managers: 98%* * Considering the trainings held on Anti-Corruption - Code of Ethics and Conduct	Managers: 94%* Non managers: 99%* * Considering the trainings held on Anti-Corruption - Code of Ethics and Conduct

[p.41]

Material Issue	Responsible area	Indicators	2020 target	Management
<b>Ethics, transparency and compliance</b>	Vice-Presidency for Legal Affairs	Employee engagement in Ethics and Compliance survey	90%	In addition to the climate research, Helpline reports are also monitored, as well as the responses to the Ethics and Compliance research, which generate action plans specifically to each case. This theme is governed by the Anti-Corruption Policy and by the Code of Ethics and Conduct, applicable to all Embraer units in Brazil and abroad, as well as companies controlled by the holding company.

**[28] Embraer Internal regulations of the Board of Executive Officers (Document)**

Accessed 12/05/2020

<https://ri.embraer.com.br/Download.aspx?Arquivo=MNb0EriT4Gg7rUqqOTomkw==>

[p.5] Sole Paragraph – In exercising its powers related to the identification, supervision and monitoring of the risks to which the Company is exposed, the Board must take into account periodic reports about annual planning and the progress of activities related to risk management, internal controls, internal audit and compliance.



<b>Question</b>
<b>3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
Based on publicly available information, there is no evidence that the company commits to support and protect employees who refuse to act unethically.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>3.6. Does the company have a clear policy of non-retaliation against whistle-blowers and employees who report bribery and corruption incidents?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has a policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. There is evidence to indicate that this policy applies to all employees across the organisation, including those engaged by the group as third parties.</p> <p>However, the company receives a score of '1' because there is no evidence that the company assures itself of its employees' confidence in this commitment through surveys, usage data or other means.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.1] Accordingly, as a company committed to compliance and the highest ethical standards, Embraer expects all Employees and Third-Party Intermediaries to comply with this Policy, all associated procedures, the Code of Ethics, and all Brazil, U.S, U.K., and other applicable anti-corruption laws and regulations. Embraer will not authorize or tolerate any business practice that does not comply with this Policy. Additionally, all Employees are required to review their respective business practices on a periodic basis and, if inconsistent with this Policy in any way, work with the Embraer Compliance Department ("Compliance Department") to make the appropriate practice adjustments to ensure compliance.</p> <p>[p.10] 9.1. SANCTIONS  Embraer and/or its Employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law, or under criminal law. This can result in severe fines and penalties, debarment, and/or imprisonment if the Company and/or its Employees are found to be in violation of applicable anti-corruption and anti-bribery laws and/or regulations. Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies. Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law..</p> <p>[p.11] 9.2. REPORTING CONCERNS  It is the responsibility of all Employees to ensure compliance with this Policy. If you have any questions or concerns about past or proposed actions by anyone at Embraer (or any Third-Party Intermediary working with the Company in any capacity) that could violate this Policy or applicable law, please promptly contact the Embraer Compliance Department.</p> <p>9.3. NO RETALIATION  As stated in the Code of Ethics, regardless of the type of alleged misconduct reported, or the method of reporting, Embraer will not tolerate retaliation or retribution against anyone who makes a good faith report of an alleged violation of the Code of Ethics, this Policy, other applicable policies, or applicable laws and regulations, regardless of the results of the Company's investigation of the allegation(s).</p> <p><b>[1] Code of Ethics and Conduct (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a></p> <p>[p.5] Adhering to the Code  All board members, directors and employees of Embraer, of its units and subsidiaries, as well as third parties that represent the Company, must adhere to the principles outlined in this Code. Companies in which Embraer has majority control must adopt the principles of this Code and those in which Embraer has minority control must be encouraged to do so as well.</p>

### Responsibility of Employees

- To meet and ensure adherence to all principles in this code, as well as to observe the policies and internal procedures of the Company;

[p.9] Embraer does not tolerate any retaliation, veiled or otherwise, against any person who reports a concern in good faith through the channels made available by the Company. Additionally, all reported issues, concerns, complaints or violations directed to the Helpline will be treated with confidentiality and respect for anonymity.

#### **[11] Helpline – The direct channel to raise concerns (Webpage)**

Accessed 21/06/2019

<http://compliance.embraer.com.br/en/sitepages/helpline.aspx>

The Helpline is a confidential tool for employees and stakeholders to report or seek support for ethical behavior concerns related to potential violation of Embraer's policies as well as any law or regulation.

#### No tolerance for retaliation

Embraer does not tolerate retaliation for anyone who reports a concern in good faith.

#### Confidentiality and anonymity

All reported issues, concerns, complaints or breaches directed to the Embraer Helpline will be treated on a confidential and anonymous basis.

\* Due to certain legislations, some countries do not allow the anonymous report and Embraer will respect the respective laws informing the particular whistleblower when the requirement arises.

<b>Question</b>
<b>3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company has multiple channels to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. There is evidence that these channels are sufficiently varied to allow the employee to raise concerns across the management chain and to an external channel managed by an independent third party. There is evidence that these channels allow for confidential and, wherever possible, anonymous reporting.</p> <p>The company indicates that channels are available and accessible to all stakeholders, including all employees in all jurisdictions where the company operates and those employed by the group as third parties, as well as in all relevant languages.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>                  [p.11] 9.2. REPORTING CONCERNS                  It is the responsibility of all Employees to ensure compliance with this Policy. If you have any questions or concerns about past or proposed actions by anyone at Embraer (or any Third-Party Intermediary working with the Company in any capacity) that could violate this Policy or applicable law, please promptly contact the Embraer Compliance Department.</p> <p>9.3. NO RETALIATION                  As stated in the Code of Ethics, regardless of the type of alleged misconduct reported, or the method of reporting, Embraer will not tolerate retaliation or retribution against anyone who makes a good faith report of an alleged violation of the Code of Ethics, this Policy, other applicable policies, or applicable laws and regulations, regardless of the results of the Company's investigation of the allegation(s).</p> <p>11. ASKING QUESTIONS AND REPORTING INCIDENTS OR CONCERNS                  Embraer's Employees are encouraged to ask questions regarding this Policy. Any question or uncertainty about a specific situation relating in any way to this Policy (or related policies or procedures) should be addressed to the Compliance Department before taking action. Employees must promptly report any bribe, solicitation, or offer of an improper payment or advantage.                  You may ask questions or make a report to Embraer's Compliance Department at: <a href="mailto:compliance@embraer.com.br">compliance@embraer.com.br</a>. You can also use Embraer's confidential Helpline or visit the Ethics Portal for additional assistance or further information about reporting</p> <p><b>[11] Helpline – The direct channel to raise concerns (Webpage)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/en/sitepages/helpline.aspx">http://compliance.embraer.com.br/en/sitepages/helpline.aspx</a>                  The Helpline is a confidential tool for employees and stakeholders to report or seek support for ethical behavior concerns related to potential violation of Embraer's policies as well as any law or regulation.</p> <p>No tolerance for retaliation                  Embraer does not tolerate retaliation for anyone who reports a concern in good faith.</p> <p>Confidentiality and anonymity                  All reported issues, concerns, complaints or breaches directed to the Embraer Helpline will be treated on a confidential and anonymous basis.                  * Due to certain legislations, some countries do not allow the anonymous report and Embraer will respect the respective laws informing the particular whistleblower when the requirement arises.</p>

#### How to submit a complaint or concern?

- Brazil: 0800-721-5968
- Portugal: 800-180-118
- USA: 1-877-900-8779
- Singapore: 800-130-2122
- China: 400-120-4946
- France: 0805-080608
- Netherlands: 0-800-022-7230
- Via Website: Embraer Helpline

This channel must be used exclusively for reporting concerns relating to ethical conduct and compliance with the law, regulations and internal policies Embraer. If you need additional information, please contact the Compliance Department at [Embraer compliance@embraer.com.br](mailto:embraer.compliance@embraer.com.br).

#### [12] Helpline – Report incident (1) (Webpage)

Accessed 21/06/2019

<https://canalconfidencial.com.br/embraerhelpline/>

##### Report incident

The information recorded here will be received by an independent and specialized company, ICTS, contracted and authorized by Embraer according to Embraer's Helpline Policy, ensuring absolute confidentiality and appropriate treatment of each situation in accordance with Embraer's Helpline Policy and Procedure, including to avoid conflicts of interest.

The information submitted will be used by Embraer in accordance with applicable Embraer policies, procedures, and directives, and in accordance with applicable laws.

#### [13] Helpline – Report incident (2) (Webpage)

Accessed 21/06/2019

<https://canalconfidencial.com.br/embraerhelpline/>

##### Report incident

Please report the situation made you get in touch with the Helpline. The level of detail provided is very important to the analysis process. Please, be sure to include:

- \* What (describe the situation)
- \* Who (name of involved people , including witnesses)
- \* When (dates and/or periods when the situation occurred)
- \* Where (where it happened)
- \* Why (reason)
- \* How much/how many (if measurement is possible)
- \* Evidences (if they exist and where/how they may be obtained)

To check your report status, please take note of the protocol number that will be provided upon report submission. We thank you for your initiative and confidence.

#### [1] Code of Ethics and Conduct (Document)

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/CEC\\_ENG\\_5th\\_Edition.pdf](http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf)

[p.9] Reporting violations

All Embraer stakeholders, including but not limited to employees, suppliers, customers, shareholders and business partners, among others, must report any concern in relation to the potential violation of the principles and values of this Code. Embraer provides various channels for reporting concerns or violations of this Code. Any person may report a concern or violation through the following channels:

- The Board of Directions and its Audit and Risk Committee;
- The leader or manager, in the case of employees;
- The Compliance department or designated compliance representative in the various departments of the Company;
- Internal Audit;
- Human Resources;
- The legal department; or
- The Helpline (via our website [www.embraer.com.br](http://www.embraer.com.br))

## 4. Conflict of Interest

<b>Question</b>
<b>4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has policies that address and define conflicts of interest, including actual, potential and perceived conflicts. There is evidence that the policies explicitly cover all of the categories of possible conflicts listed in the guidance – employee relationships, government relationships, financial interests and other employment – and apply to all employees and board members, including those of subsidiaries and other controlled entities.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>  [p.7] 5.1.6. CONFLICT OF INTEREST  All Employees must avoid conflicts of interest and are expected to perform their duties conscientiously, honestly, and in accordance with the best interests of Embraer. Employees must not abuse their position, misuse confidential knowledge for personal or Third-Party Intermediary gain, or have any direct involvement in any business in conflict with Embraer's commercial interests, or that in anyway compromises their independence and impartiality. Additional guidance on the question of conflicts of interest is provided in the Code of Ethics.</p> <p><b>[1] Code of Ethics and Conduct (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>  [p.7] Conflict of interests</p> <p>A conflict of interest occurs when an individual's interest in personal gain or advantage interferes in Embraer's business decisions. Situations that may create, or appear to create, a conflict between personal interests and those of the company shall be avoided. Examples of potential conflicts of interest are, among others:</p> <ul style="list-style-type: none"> <li>• Deciding upon deals with suppliers, customers, competitors, business partners or third parties in general, when these deals involve companies or any other entity owned or managed or which belong to or are operated by relatives or close friends;</li> <li>• Requesting presents, gifts, favors or any other benefit, whether professional or personal, for oneself, ones relatives, close friends or any third parties;</li> <li>• Performing services or works other than those set out by the Company, whether internal or external, paid or unpaid, that may result in competition or conflict with the activities and negotiations of Embraer;</li> <li>• Using Embraer's resources, working hours, equipment or materials to perform services that impair the performance of Embraer's work activities or interests;</li> <li>• Using one's position or influence at Embraer to provide unfair advantage in hiring people, supervising or unduly benefiting family members, relatives or acquaintances, or even using one's position to improperly benefit external activities not related to the Company.</li> </ul> <p>When faced with a situation that poses or may pose a potential conflict of interest, you must inform your immediate leader or the Company's compliance department, as necessary.</p> <p><b>[17] Policy of Related Party Transactions and Conflicts of Interest (Document)</b>  Accessed 21/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=qf/SJ8gvlQIy9mN1mfQeQ==">https://ri.embraer.com.br/Download.aspx?Arquivo=qf/SJ8gvlQIy9mN1mfQeQ==</a>  [p.1] 1. INTRODUCTION</p>

1.1. This Related Party Transactions and Conflict of Interest Policy ("Policy") was prepared pursuant to Law No. 6.404, dated December 15, 1976 ("LSA"), and the bylaws of Embraer S.A. ("Company"), taking into account best corporate governance practices.

## 2. PURPOSE

2.1. The purpose of this Policy is to ensure that the transactions entered into by the Company and its Subsidiaries involving Related Parties (as defined below) are conducted on terms and conditions that are not less favorable to the Company than those negotiated in transactions with non-Related Parties, under the same circumstances or in similar scenarios, ensuring that these transactions are conducted in the best interest of the Company, always grounded on the principles of transparency and commutativity.

## 3. APPLICATION

3.1. This Policy applies to the Company and the transactions entered into with individuals and/or companies defined as Related Parties in Clause 4 below.

3.2. This Policy also applies to the Embraer Group, as defined below. The Company's Compliance Area must cooperate with all independently managed and operated subsidiaries to ensure the implementation and performance of this Policy.

## 4. DEFINITIONS

4.1. In accordance with the definitions set forth in CPC Technical Pronouncement (Pronunciamento Técnico CPC) No. 5, issued by the Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis) and approved by the Brazilian Securities Commission (Comissão de Valores Mobiliários), pursuant to Resolution No. 642/10, "Related Parties" are individuals or companies that are related to the Company, as follows<sup>1</sup>:

4.1.1. An individual is deemed to be related to the Company if this individual or his or her close relative:

(a) has full or shared control of the Company;

[p.2] (b) exercises significant influence on the Company; and

(c) is a close family member of personnel who exercise material influence on the management of the Company or its parent company. Personnel who exercise material influence on management are the individuals who have direct or indirect authority and responsibility concerning the planning, direction and control of the activities of the Company. For purposes of this Policy, personnel who exercise material influence on the management of the

Company consist of each member of the Board of Directors ("CA"), members of the advisory committees of the Board of Directors, the Executive Vice- President and Vice-President.

For purposes of this Policy, close family members are family members or friends who may influence, or be influenced by, the relevant individuals in their business with the entity, including (i) their spouses or partners and children; (ii) children of their spouses or partners; (iii) their dependents, the dependents of their spouses or partners; and (iv) close friends.

4.1.2. An entity is deemed to be related to the Company if this entity:

(a) (i) controls, is controlled by or is jointly controlled by the Company (including parent companies or subsidiaries);

(ii) has significant influence on the Company; or (iii) jointly controls the Company;

(b) is an affiliate of the Company or third entity jointly controlled by the Company;

(c) if the Company and other entity are jointly controlled by a third entity;

(d) is a Subsidiary, including a wholly-owned subsidiary, jointly-controlled subsidiary or significantly influenced subsidiary; or an entity whose material voting power is directly or indirectly held by any individual referred to in Clause 4.1.1; or

(e) is a post-employment benefits plan whose beneficiaries are employees of both entities, i.e., the Company and any entity related to the Company.

[p.5] 5.3. Prohibited Transactions

5.3.1. The following Related Party Transactions are prohibited:

(a) transactions conducted in conditions other than market conditions or that somehow may harm the interests of the Company;



- (b) transactions that involve employees and members of management whose private or personal businesses interfere or conflict with the interests of the Company or result from the use of confidential information obtained in the exercise of their titles or functions in the Company; and
- (c) transactions conducted to the detriment of the Company to favor affiliates, subsidiaries or parent companies.

[p.6] 5.6 Compliance and Internal Controls Areas

5.6.1. The Company has a Compliance area (“Compliance Area”) and an Internal Controls area (“Internal Controls Area”), which are responsible for, among others, ensuring the monitoring of conflicts of interest that may occur in the Company, including by adopting a questionnaire as the one set forth in Annex I hereto, to know the status of Related Parties.

5.6.2. Conflicts of interest arise when personal, social, financial or political interests are placed above the interests of the Company. Potential conflicts of interest involving Employees must be informed to and approved by the relevant hierarchical superior, who must refer them to the members of the Compliance Area, Internal Controls Area or Legal Department in case of any doubts on how to address such

[p.7] conflicts. Potential conflicts of interest involving a member of the Board of Directors must be informed to the Compliance Officer and approved by the Audit, Risk and Ethics Committee. Employees and members of the Board of Directors are responsible for documenting these approvals.

5.6.3. Conflicts of interest also exist when the businesses or other external interests of Employees or members of the Board of Directors affect their objectivity, motivation or performance. The Company does not allow its Employees to have a second employment relationship. Individuals related to the Company cannot associate themselves with competitors, except in specific events and upon request to the relevant hierarchical superior and the Compliance Area, in case of Employees, or the Audit, Risk and Ethics Committee, in case of members of the Board of Directors.

5.6.4. The Compliance Area must inform the Audit, Risk and Ethics Committee about any conflict of interest that is not provided herein and that may represent a risk to any interest of the Company, presenting suggestions that it deems appropriate to mitigate such risks.

[p.8] Annex I  
Conflict of Interest Questionnaire

Transparency and the verification of conflicts of interest have the purpose of protecting Embraer when it enters into legal transactions or executes agreements that may benefit the private interests of its executives, officers and key-personnel responsible for management.

A potential conflict of interest does not represent an absolute impediment to legal transactions or agreements (“Transactions”) with such individuals. However, transparency and the previous analysis of these acts allow Embraer to find fair solutions, protecting the interests of these individuals (contracting parties) and the interests of the Company.

Definitions

Embraer (or the Company) means Embraer S.A. or any of its direct or indirect subsidiaries or affiliates.

Close Parties means key members of management who have direct or indirect authority and responsibility concerning the planning, direction or control of the company’s activities, including any member of management, advisory committees of the Board of Directors and Fiscal Council of Embraer or any of its (direct or indirect) subsidiaries or affiliates.

Family Member means any relative, including father, mother, children, brothers, sisters, partners, spouses, fathers-in-law, mothers-in-law, sons-in-law, daughters-in-law, stepfathers, stepmothers, stepchildren, uncles, aunts, nephews, nieces, grandparents, grandchildren, great-grandparents, great-grandchildren, brothers-in-law, sisters-in-law and cousins.

Organization means any third party, such as suppliers, clients, financial institutions, consulting companies, non-governmental entities, foundations, associations, direct or indirect governmental agencies, federal agencies or governmental entities that interact with the Company.

All individuals identified as Close Parties must fill in this questionnaire every year.

**[6] Embraer Internal Regulations of the Board of Directors (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=8wcFTnfry8NFLTw2+pfng==>

[p.2] CHAPTER II

**SCOPE OF OPERATIONS AND OBJECTIVES**

Article 2.

The Board shall establish the general direction of the Company's business and make decisions on strategic issues, in accordance with the following guidelines:

[...]

(vii) preventing and managing conflicts of interest or diverging opinions so that the interests of the Company always prevail;

[p.5] CHAPTER V

**DUTIES OF BOARD MEMBERS**

Article 8. In addition to the duties set forth in applicable laws and regulations and the Bylaws, all Board Members shall:

[...]

(iv) before a resolution is taken, represent that, for any reason, they have a particular interest or a conflict of interest with the Company in connection with the matter submitted for review, abstaining from discussing and voting it;

[...]

Article 9. Any change in the professional and/or personal status of Board Members that may affect their stay in office, including conflicts of interest and legal impediments, among others, must be informed by the relevant Board Member to the Chairman of the Board, who shall submit the matter to the Board for analysis.

[p.9] Article 24. The minutes of the meetings of the Board of Directors and its Committees must be clearly drawn in summary form, recording: (i) all decisions taken; (ii) the voting abstentions due to conflict of interest; and (iii) dissenting votes, upon request, subject to the formal approval of all Board Members or members of the relevant Committee in attendance, as applicable.

**[18] Policy for the Appointment and Training of Members of the Board of Directors and Committees (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=w7f3QAd17S0S+6WdPd8Gtw==>

[p.2] 5. PROHIBITIONS TO APPOINTMENT

5.1. The following individuals should not be appointed and/or serve as members of the Board of Directors: (a) representatives of regulatory agencies to which the Company is subject; (b) Ministers of State and State and Municipal Secretaries; (c) political party statutory officers and members of the Legislative Branch of any State, even if on leave; (d) relatives by blood or affinity, up to the second degree, of the individuals mentioned in the previous items; (e) individuals who served, in the last 36 (thirty-six) months, in the decision-making structures of political parties; and (f) individuals who worked, in the last 36 (thirty-six) months, in the organization, structuring and conduction of electoral campaigns.

<b>Question</b>
<b>4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has procedures to identify, declare and manage actual, potential and perceived conflicts of interest. There is evidence that managers and board members are required to complete declarations of conflicts of interest, which are reviewed by a designated body. The company states that disciplinary measures apply for breaches of its policies.</p> <p>However, the company receives a score of '1' because there is no evidence that all employees are required to make conflicts of interest declarations, nor that declarations are held in a dedicated central register. In addition, there is no evidence that the company's conflict of interest policy provides examples of criteria for recusals.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>  [p.7] 5.1.6. CONFLICT OF INTEREST  All Employees must avoid conflicts of interest and are expected to perform their duties conscientiously, honestly, and in accordance with the best interests of Embraer. Employees must not abuse their position, misuse confidential knowledge for personal or Third-Party Intermediary gain, or have any direct involvement in any business in conflict with Embraer's commercial interests, or that in anyway compromises their independence and impartiality. Additional guidance on the question of conflicts of interest is provided in the Code of Ethics.</p> <p>[p.11] Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies.</p> <p>Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law.</p> <p><b>[1] Code of Ethics and Conduct (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>  [p.7] When faced with a situation that poses or may pose a potential conflict of interest, you must inform your immediate leader or the Company's compliance department, as necessary.</p> <p>[p.9] Penalties for violations</p> <p>Board Members, directors, employees and all individuals or legal entities that carry out activities for or on behalf of Embraer are subject to administrative or legal disciplinary measures in the event of violation of the principles and values established by this Code, including termination of employment or the contractual business relationship, as appropriate.</p> <p><b>[17] Policy of Related Party Transactions and Conflicts of Interest (Document)</b>  Accessed 21/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=qlf/SJ8gvlQly9mN1mfQeQ==">https://ri.embraer.com.br/Download.aspx?Arquivo=qlf/SJ8gvlQly9mN1mfQeQ==</a>  [p.6] 5.6 Compliance and Internal Controls Areas  5.6.1. The Company has a Compliance area ("Compliance Area") and an Internal Controls area ("Internal Controls Area"), which are responsible for, among others, ensuring the monitoring of conflicts of interest that may occur in the Company, including by adopting a questionnaire as the one set forth in Annex I hereto, to know the status of Related Parties.  5.6.2. Conflicts of interest arise when personal, social, financial or political interests are placed above the interests of the Company. Potential conflicts of interest involving Employees must be informed to and approved by the</p>

relevant hierarchical superior, who must refer them to the members of the Compliance Area, Internal Controls Area or Legal Department in case of any doubts on how to address such [p.7] conflicts. Potential conflicts of interest involving a member of the Board of Directors must be informed to the Compliance Officer and approved by the Audit, Risk and Ethics Committee. Employees and members of the Board of Directors are responsible for documenting these approvals.

5.6.3. Conflicts of interest also exist when the businesses or other external interests of Employees or members of the Board of Directors affect their objectivity, motivation or performance. The Company does not allow its Employees to have a second employment relationship. Individuals related to the Company cannot associate themselves with competitors, except in specific events and upon request to the relevant hierarchical superior and the Compliance Area, in case of Employees, or the Audit, Risk and Ethics Committee, in case of members of the Board of Directors.

5.6.4. The Compliance Area must inform the Audit, Risk and Ethics Committee about any conflict of interest that is not provided herein and that may represent a risk to any interest of the Company, presenting suggestions that it deems appropriate to mitigate such risks.

## 6. PENALTIES

6.1. Violations hereof will be examined by the Audit, Risk and Ethics Committee and then submitted to the Board of Directors of the Company, which will adopt the applicable measures. Certain conducts may operate as crimes and subject the responsible individuals to the penalties set forth in applicable law.

## 7. RESPONSIBILITY

7.1. The Executive Areas to which the Compliance and Internal Controls Areas report are responsible for supervising, inspecting and monitoring the activities set forth herein. Doubts and conflicts related to these matters must be submitted to the Audit, Risk and Ethics Committee.

## 8. APPROVAL, DURATION AND REVIEW

8.1. This Policy was approved by the Board of Directors and will be in effect for an indefinite term and must be reviewed every 2 (two) years, or sooner as required, to ensure that it is in accordance with the requirements of Embraer, its business and other stakeholders. If no changes are required, this Policy will be published again in Embraer's Document Management System (Sistema de Gestão de Documentos da Embraer) ("DOC.EMB") and in the appropriate channels of Embraer's Subsidiaries, with an updated review date.

[p.8] Annex I

Conflict of Interest Questionnaire

Transparency and the verification of conflicts of interest have the purpose of protecting Embraer when it enters into legal transactions or executes agreements that may benefit the private interests of its executives, officers and key-personnel responsible for management.

A potential conflict of interest does not represent an absolute impediment to legal transactions or agreements ("Transactions") with such individuals. However, transparency and the previous analysis of these acts allow Embraer to find fair solutions, protecting the interests of these individuals (contracting parties) and the interests of the Company.

[...]

Close Parties means key members of management who have direct or indirect authority and responsibility concerning the planning, direction or control of the company's activities, including any member of management, advisory committees of the Board of Directors and Fiscal Council of Embraer or any of its (direct or indirect) subsidiaries or affiliates.

[...] All individuals identified as Close Parties must fill in this questionnaire every year. Questions

1. Are you a director, officer, representative, employee, partner or shareholder\* of any Organization that has business or a relationship\*\* with Embraer?

\*Shareholder holding an equity interest equal to or above 5% in this Organization.

\*\*Significant business or relationships that may influence your decision in relation to Embraer.

<b>Question</b>
<b>4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
Based on publicly available information, there is some evidence that the company has controls to assess and regulate the employment of current or former public officials to its board of directors. However, the company receives a score of '0' because the company's policy only appears to apply to appointments to the board. There is no evidence that the company has a broader policy regulating the employment of current or former public officials.
<b>Evidence</b>
<p><b>[18] Policy for the Appointment and Training of Members of the Board of Directors and Committees (Document)</b>  Accessed 21/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=w7f3QAd17S0S+6WdPd8Gtw==">https://ri.embraer.com.br/Download.aspx?Arquivo=w7f3QAd17S0S+6WdPd8Gtw==</a>  [p.2] 5. PROHIBITIONS TO APPOINTMENT</p> <p>5.1. The following individuals should not be appointed and/or serve as members of the Board of Directors: (a) representatives of regulatory agencies to which the Company is subject; (b) Ministers of State and State and Municipal Secretaries; (c) political party statutory officers and members of the Legislative Branch of any State, even if on leave; (d) relatives by blood or affinity, up to the second degree, of the individuals mentioned in the previous items; (e) individuals who served, in the last 36 (thirty-six) months, in the decision-making structures of political parties; and (f) individuals who worked, in the last 36 (thirty-six) months, in the organization, structuring and conduction of electoral campaigns.</p>

<b>Question</b>
<b>4.4. Does the company report details of the contracted services of serving politicians to the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publicly reports details of the contracted services of serving politicians.
<b>Evidence</b>
No evidence found.

## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

Question														
<b>5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?</b>														
Score														
<b>0</b>														
Comments														
<p>Based on publicly available information, there is evidence that the company has a policy which prohibits corporate political contributions, whether by the company itself or by any other entity or individual acting on its behalf. However, there is evidence that the company is associated with a Political Action Committee (PAC) in the United States, so the company therefore receives a score of '0' as per the scoring criteria.</p>														
Evidence														
<p><b>[1] Code of Ethics and Conduct (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>                  [p.7] Political contributions</p> <p>Embraer does not participate in political campaigns, nor does it make contributions to political parties or candidates for political office. For this reason, this nature of donations or contributions is prohibited, whether is made by the Company or by the members of Executive or Administrative Boards.</p> <p><b>[31] OpenSecrets Embraer Aircraft Holdings PAC Summary (Webpage)</b>                  Accessed 10/11/2020  <a href="https://www.opensecrets.org/political-action-committees-pacs/embraer-aircraft-holdings/C00472225/summary/2020?spending-charts=party-totals-section">https://www.opensecrets.org/political-action-committees-pacs/embraer-aircraft-holdings/C00472225/summary/2020?spending-charts=party-totals-section</a></p> <div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;"> <p><b>PAC Contribution Data, 2019-2020</b></p> <table border="1"> <tr> <td>Contributions from this PAC to federal candidates (list recipients) <i>28.42% to Democrats, 71.58% to Republicans</i></td> <td style="text-align: right;">\$47,500</td> </tr> <tr> <td>Contributions to this PAC from individual donors of \$200 or more (list donors)</td> <td style="text-align: right;">\$31,297</td> </tr> </table> </div> <div style="border: 1px solid #ccc; padding: 10px;"> <p><b>PAC Registration Details</b></p> <table border="1"> <tr> <td>Official PAC Name:</td> <td>EMBRAER AIRCRAFT HOLDING INC POLITICAL ACTION COMMITTEE (EMBRAER PAC)</td> </tr> <tr> <td>Location:</td> <td>FT LAUDERDALE , FL 33315</td> </tr> <tr> <td>Industry:</td> <td>Air Transport; Aircraft manufacturers</td> </tr> <tr> <td>Treasurer:</td> <td>GARY KRETZ</td> </tr> <tr> <td>FEC Committee ID:</td> <td>C00472225</td> </tr> </table> </div>	Contributions from this PAC to federal candidates (list recipients) <i>28.42% to Democrats, 71.58% to Republicans</i>	\$47,500	Contributions to this PAC from individual donors of \$200 or more (list donors)	\$31,297	Official PAC Name:	EMBRAER AIRCRAFT HOLDING INC POLITICAL ACTION COMMITTEE (EMBRAER PAC)	Location:	FT LAUDERDALE , FL 33315	Industry:	Air Transport; Aircraft manufacturers	Treasurer:	GARY KRETZ	FEC Committee ID:	C00472225
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**[2] Embraer Global Anti-Corruption Policy (Document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/Embraer\\_Global\\_Anti-Corruption\\_Policy\\_English.pdf](http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf)

[p.2] This Policy should be read in conjunction with the Code of Ethics and related policies and procedures. In the event of a conflict between this Policy and other Embraer policies, or in a situation where the provisions of this Policy are more specific than the Code of Ethics or other policies, Employees must apply the more restrictive policy or procedure. In such a circumstance, please notify the Compliance Department so that it can promptly address the conflict, advise you about any appropriate steps to take and, if necessary, update the relevant policy or procedure.

[p.7] 5.1.5. POLITICAL CONTRIBUTIONS

This Policy prohibits Embraer from making any political contribution, including any such contribution to a political party or candidate for political office, for or on the Company's behalf, without the authorization of the Board of Directors in accordance with the Code of Ethics, this Policy, and all applicable laws and regulations.

This Policy is not intended, however, to prevent Employees from participating in the political process in their home countries (or where they may be located), or from making personal political contributions. However, should they wish to do so, Employees may not represent that their own political contributions (or any related opinions or affiliations) are related in any way to Embraer.

Please direct any questions about political contributions to the Compliance Department.



<b>Question</b>
<b>5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>The company publishes a statement that it does not make corporate political contributions.</p> <p>However, the company receives a score of '0' because there is evidence that it is associated with a Political Action Committee (PAC) in the United States and there is no evidence that it publishes any information in relation to the PAC's disbursements on its website or that it provides a direct link to its official disclosures.</p>
<b>Evidence</b>
No evidence found.

Question
<b>5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?</b>
Score
1
Comments
<p>There is evidence that the company has a policy for both charitable donations and sponsorships, whether made directly or indirectly through its corporate foundations, to ensure that such contributions are not used as vehicles for bribery and corruption. There is some evidence that the company's internal procedures include measures to ensure this, for example, by requiring due diligence on recipients. The company publishes some information about the donations made through its foundations.</p> <p>However, the company receives a score of '1' because there is no evidence that it publishes full information about its charitable donations or sponsorships for the most recently reported financial year, such as details of the recipient, amount, country of recipient and which corporate entity made the payment.</p>
Evidence
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.6] 5.1.3. DONATIONS &amp; SPONSORSHIPS  Embraer supports making contributions to the communities in which it does business and permits reasonable donations to charities. However, Embraer must always take reasonable steps to verify that any such contribution is not an illegal payment to a Government Official in violation of this Policy and any applicable anti-corruption laws or regulations.</p> <p>[p.7] Donations and sponsorships are permitted, as long as they adhere strictly to internal procedures, the Embraer Bylaws, and any applicable laws and regulations in force, and cannot be used as a means to improperly influence business decisions. Embraer must be certain that donations and sponsorships are not used to promote illegal payments, and must confirm through adequate due diligence that the recipient charity does not act as a conduit to fund illegal activities in violation of this Policy or of any applicable anti-corruption laws or regulations.</p> <p>Any Embraer Employee making a request for a charitable donation must submit appropriate supporting documentation so that it can be accurately recorded in Embraer's books and records. For purposes of this section, charitable contributions include money, services, and Anything of Value.</p> <p>Before you provide any donation or sponsorship, review the additional guidance in the Code of Ethics and Embraer's donations and sponsorships policies and procedures. Please direct any questions about donations or sponsorships to the Compliance Department.</p> <p>p.9] 7. BOOKS AND RECORDS, ACCOUNTING, AND PAYMENT PRACTICES</p> <p>In compliance with applicable laws, it is Embraer's policy to maintain at all times accurate and reasonably detailed books and records that reflect Embraer's transactions. Compliance with this policy is regularly audited and subject to the Company's internal controls procedures. In reference to this instruction, the records of all payments made or received must accurately and properly reflect the transaction. Moreover the Company prohibits secret, unrecorded, or unreported transactions.</p> <p>To ensure compliance with this Policy and relevant, applicable laws, it is essential that all Embraer business and financial records fairly and accurately reflect each transaction involving company business and/or the disposition of company assets. All expenses must be accurately accounted for, include appropriate supporting documentation, and be promptly entered into company records before they are reimbursed.</p> <p>This includes, for example, the accurate identification (in expense reports and related business and financial records) of all payments to Third-Party Intermediaries acting for or on Embraer's behalf, as well as all charitable donations, gifts, meals, entertainment, or other hospitality involving Government Officials or private individuals or entities.</p>

It is a violation of this Policy for any Employee or any Third-Party Intermediary to condone or knowingly disguise, falsify, or request reimbursement for any expense that does not meet the requirements of the Code of Ethics and this Policy.

Please Note: Approvals for any payments relating to the Company's business and financial engagements must be made in accordance with rules set out in Resolution DP-014.

**[1] Code of Ethics and Conduct (Document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/CEC\\_ENG\\_5th\\_Edition.pdf](http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf)

[p.7] Donations and sponsorship

As part of its corporate responsibility, Embraer may donate goods or funds in order to support scientific research activities, arts and culture, social and educational projects. As a principle, all donations must meet the requirements of transparency, with clear aims and objectives, without expectation of return or exchange, and must be substantiated by appropriate documentation, with appropriate accounting records and in accordance with relevant laws and regulations. Sponsorships are allowed and used in brand promotion, advertising, or opportunities for Embraer to demonstrate or promote its products and services, or in the exercise of its corporate responsibility. Sponsorships must never be used to gain undue advantages, directly or indirectly, whether for the Company or for individuals.

**[19] Demonstrações Financeiras Padronizadas / Embraer 2018 Financial Statements (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA==>

[p.27] Instituto Embraer de Educação e Pesquisa

O Instituto Embraer de Educação e Pesquisa - IEEP consolida o investimento social privado realizado pela Empresa no Brasil. As iniciativas do IEEP buscam engajar comunidades, escolas e empregados da Embraer em ações voltadas a educação. Em 2018, o investimento social da Embraer foi da ordem de R\$ 20 milhões, destinados a programas desenvolvidos nas regiões em que a Empresa possui atividades no Brasil.

Dentre os projetos do IEEP, destacam-se os Colégios Embraer, que atendem alunos de baixa renda e egressos da rede pública de ensino, conforme critérios socioeconômicos estabelecidos. O modelo oferece as três séries do Ensino Médio em período integral e, em 15 anos de existência, se tornou referência em educação, com altas taxas de aprovação em vestibulares de universidades públicas e privadas. Atualmente, o Colégio Embraer Juarez Wanderley, em São José dos Campos, está posicionado na 13ª colocação no ranking do Índice de Desenvolvimento da Educação Básica (IDEB). No total, cerca de 3.500 alunos já foram formados nas duas unidades, localizadas em São José dos Campos e Botucatu, ambas no interior de São Paulo. Em 2018, com objetivo de garantir a sustentabilidade de longo prazo do projeto, os Colégios abriram as portas também para alunos pagantes, destinando a eles 20% das vagas. A fim de contribuir com a continuidade dos estudos de jovens de baixa renda, o IEEP criou em 2005 o programa Fundo de Bolsas, destinado a ex-alunos dos Colégios com ótimo desempenho escolar, limitações financeiras e que tenham sido aprovados em universidades públicas ou particulares com isenção total de mensalidade. Em 2018, o Fundo beneficiou 144 universitários. O IEEP também trabalha diretamente com as comunidades locais financiando projetos educacionais propostos por organizações da sociedade civil.

As iniciativas são pautadas pela agenda dos Objetivos do Desenvolvimento Sustentável (ODS) das Nações Unidas. Desde 2004, mais de 180 projetos educacionais foram apoiados e, em 2018, o Instituto passou a oferecer consultorias gratuitas às organizações sociais, todas realizadas por voluntários da Embraer que dedicaram mais de 800 horas às consultorias. Por meio do Centro Histórico Embraer, criado em 2006, o IEEP resgata, preserva e divulga a memória da indústria aeronáutica no Brasil – tema que é objeto de estudo dentro e fora do país. Em 2018, o Instituto Embraer promoveu, em parceria com o Aeroporto Internacional de São Paulo, a instalação artística “O Primeiro Sopro”, criada pelos artistas Carmela Rocha e Marko Brajovic. Com público de mais de 100.000 pessoas, a instalação buscou homenagear os cinquenta anos do Bandeirante, avião cuja necessidade de produção seriada deu origem à Embraer. Em 2018, o Centro também lançou seu novo site [www.centrohistoricoembraer.com.br](http://www.centrohistoricoembraer.com.br) O Instituto Embraer coordena também programas de fomento à cultura do empreendedorismo e do voluntariado, por meio de parcerias com organizações públicas e privadas. Em 2018, mais de 600 empregados se envolveram nas ações sociais promovidas e apoiadas pelo Instituto Embraer no Brasil, China, Portugal e Singapura. Para mais informações acesse [www.institutoembraer.org.br](http://www.institutoembraer.org.br)

[p.28] Embraer Foundation

Com o objetivo de consolidar sua estratégia de responsabilidade social corporativa nos Estados Unidos, a Embraer criou em 2016 a Embraer Foundation, organização irmã do Instituto Embraer, que tem sua atuação pautada por três frentes: voluntariado, parcerias sociais e ambientais e empreendedorismo. Os pilares estão alinhados à estratégia global de responsabilidade social da Companhia e respeitam as particularidades de investimento social nos Estados Unidos. Em 2018, cerca de 500 voluntários se engajaram nas atividades sociais promovidas pela fundação, totalizando 3.300 horas. No pilar de parcerias, 15 organizações foram contempladas e receberão apoio da fundação para a realização de projetos, no mesmo molde do Programa Parceria Social do Instituto Embraer no Brasil.

Para mais informações acesse [www.embraerfoundation.org](http://www.embraerfoundation.org)

**Translation:**

[p.27] Embraer Institute of Education and Research

The Embraer Institute of Education and Research - IEEP consolidates the private social investment carried out by the Company in Brazil. IEEP's initiatives seek to engage Embraer communities, schools and employees in education-related actions. In 2018, Embraer's social investment was of the order of R \$ 20 million, destined to programs developed in the regions where the Company has activities in Brazil.

Among the IEEP projects, Embraer Colleges, which serve low-income students and graduates of the public school system, stand out according to established socio-economic criteria. The model offers the three full-time High School levels and, in its 15 years of existence, has become a reference in education, with high approval rates in public and private university entrance exams. Currently, the Embraer Juarez Wanderley College in São José dos Campos is ranked 13th in the Basic Education Development Index (IDEB). In total, about 3,500 students have already been trained in the two units, located in São José dos Campos and Botucatu, both in São Paulo. In 2018, in order to guarantee the long-term sustainability of the project, the Colleges opened the doors for paying students, earmarking 20% of the vacancies. In order to contribute to the continuation of the studies of low-income young people, IEEP created in 2005 the Fund for Scholarships for former students of Colleges with excellent school performance, financial limitations and that have been approved in public or private universities with full monthly tax exemption. In 2018, the Fund benefited 144 university students. IEEP also works directly with local communities to fund educational projects proposed by civil society organizations.

The initiatives are guided by the United Nations Sustainable Development Goals (SDO) agenda. Since 2004, more than 180 educational projects have been supported and, in 2018, the centre started offering free consultations to social organizations, all carried out by Embraer volunteers who dedicated more than 800 hours to consultancies. Through the Embraer Historical Center, created in 2006, IEEP rescues, preserves and disseminates the memory of the aeronautics industry in Brazil - a subject that is the object of study in and outside the country. In 2018, the Embraer Institute promoted, in partnership with the São Paulo International Airport, the "O Sopro Sopro" art installation, created by artists Carmela Rocha and Marko Brajovic. With an audience of more than 100,000 people, the installation sought to honor the fifty years of Bandeirante, an airplane whose serial production needs gave birth to Embraer. In 2018, the Center also launched its new website [www.centrohistoricoembraer.com.br](http://www.centrohistoricoembraer.com.br) The Embraer Institute also coordinates programs to promote the culture of entrepreneurship and volunteering, through partnerships with public and private organizations. In 2018, more than 600 employees were involved in the social actions promoted and supported by the Embraer Institute in Brazil, China, Portugal and Singapore. For more information visit [www.institutoembraer.org.br](http://www.institutoembraer.org.br)

[p.28] Embraer Foundation

In order to consolidate its strategy of corporate social responsibility in the United States, Embraer created in 2016 the Embraer Foundation, the sister organization of the Embraer Institute, which operates on three pillars: volunteering, social partnerships and environmental and entrepreneurship. The pillars are aligned with the Company's global social responsibility strategy and respect the particularities of social investment in the United States. In 2018, about 500 volunteers engaged in the social activities promoted by the foundation, amounting 3,300 hours. In the pillar of partnerships, 15 organizations were considered and will receive support from the foundation for the development of projects, in the same mold of the Social Partnership Program of the Embraer Institute in Brazil. For more information go to [www.embraerfoundation.org](http://www.embraerfoundation.org)

**5.2 Lobbying**

<b>Question</b>
<b>5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
Based on publicly available information, there is no evidence that the company has a policy or procedure covering lobbying activities.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company publishes its lobbying aims, topics or activities.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>5.2.3 Does the company publish full details of its global lobbying expenditure?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company publishes information on its lobbying expenditure.
<b>Evidence</b>
No evidence found.

### 5.3 Gifts and Hospitality

<b>Question</b>
<b>5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company has a policy on gifts and hospitality. There is evidence that the company’s policy addresses the risks associated with gifts and hospitality given to and/or received from public officials.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that this policy specifies financial or proportional limits or different approval procedures for different types of promotional expenses. Although there is some evidence that gifts are recorded, there is also no clear evidence that gifts and hospitality above a certain threshold are recorded in a dedicated central register that is accessible to those responsible for oversight of the process.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>                  [p.5] 5. PROCEDURES</p> <p><b>5.1. GUIDELINES FOR PERMISSIBLE PAYMENTS</b></p> <p>This Policy permits Employees to provide modest gifts, meals, entertainment (collectively, “Hospitality”), travel benefits, or other things of value to Government Officials and private individuals, as long as the provision of such items is legal and directly related to:</p> <ul style="list-style-type: none"> <li>• The promotion or demonstration of Embraer’s products and services; or</li> <li>• The performance of a particular Embraer contract with a government or state-owned or state-operated entity.</li> </ul> <p>Below are Embraer’s requirements under this Policy with respect to the circumstances by which certain things of value may be provided.</p> <p><b>5.1.1. GIFTS AND HOSPITALITY (INCLUDES MEALS AND ENTERTAINMENT)</b></p> <p>Embraer’s business decisions and those of its partners must be made objectively, without influence by gifts or favors. A small, reasonably priced gift or gesture of respect or gratitude may sometimes be an appropriate way for business people to display respect for each other. Nevertheless, regardless of value, the giving or receipt of a gift, meal, entertainment, or other hospitality benefit must not be done with the intent to improperly influence a Government Official or any other party doing business with Embraer. Accordingly, under certain limited circumstances, Embraer allows for the provision of gifts, meals, entertainment, Embraer promotional items, and other items of nominal value, to Government Officials or any other party doing business with Embraer. Before providing any gift, meal, entertainment offering, or other hospitality benefit, review the Code of Ethics and the detailed guidance provided in Embraer’s applicable policies and procedures. Please direct any questions about gifts and hospitality to the Compliance Department.</p> <p>Requirements for any Gift or Hospitality Benefit</p> <p>[p.6] • It is not made with the intent to influence the recipient in order to obtain or retain any improper business advantage for Embraer or any other individual or entity, or as an explicit or implicit exchange for favors or benefits, or for any other corrupt purpose;</p> <ul style="list-style-type: none"> <li>• It is not given to a Government Official, commercial entity, or related individual when an Embraer contract or regulatory decision is pending with that official, entity, or individual;</li> <li>• It does not include cash or a cash equivalent (such as gift certificates or vouchers);</li> <li>• It is not lavish or extravagant – rather, it must be of reasonable/modest value (e.g., insignificant compared with average local salaries);</li> </ul>



- It is provided (or received) on an infrequent basis -- no more than four (4) times per 12-month period, with each individual gift, meal, entertainment offering, or other hospitality benefit counting as one (1) time for purposes of the frequency limitation;
- It does not include expenses for any of the recipient's relatives;
- It is provided openly and transparently;
- It is given in connection with the promotion, demonstration, or explanation of Company's products or services;
- It is in accordance with the local laws and culture of the country in which you are operating;
- It is fully documented and supported by receipts and corresponding paperwork; and
- It is timely and accurately recorded in Embraer's books and records.

[p.6] 5.1.2. TRAVEL, EDUCATION, AND RELATED EXPENSES

Embraer may receive requests to host Government Officials for training or other business related reasons, either at Embraer facilities, or at training opportunities sponsored by outside vendors. Embraer may also be asked to host Government Officials at operational meetings, project meetings, or other events. A request to pay the travel expenses of any Government Official, within or outside his or her home county, must be carefully reviewed to ensure consistency with this Policy and the applicable laws of the official's country. Also, note that even where local laws may permit Embraer to pay a Government Official's expenses, there could be additional Brazil, U.S., U.K., or other legal requirements applicable to the handling, accounting, and reporting of such payments. These laws and regulations must be considered when planning Embraer-paid travel for any Government Official or private individual. Before you provide any travel, education, or related expenses to Government Officials or private individuals, review the additional guidance in the Code of Ethics and Embraer's applicable policies and procedures. Please direct any questions about these expenses to the Compliance Department.

[p.9] 7. BOOKS AND RECORDS, ACCOUNTING, AND PAYMENT PRACTICES

In compliance with applicable laws, it is Embraer's policy to maintain at all times accurate and reasonably detailed books and records that reflect Embraer's transactions. Compliance with this policy is regularly audited and subject to the Company's internal controls procedures. In reference to this instruction, the records of all payments made or received must accurately and properly reflect the transaction. Moreover the Company prohibits secret, unrecorded, or unreported transactions.

To ensure compliance with this Policy and relevant, applicable laws, it is essential that all Embraer business and financial records fairly and accurately reflect each transaction involving company business and/or the disposition of company assets. All expenses must be accurately accounted for, include appropriate supporting documentation, and be promptly entered into company records before they are reimbursed.

This includes, for example, the accurate identification (in expense reports and related business and financial records) of all payments to Third-Party Intermediaries acting for or on Embraer's behalf, as well as all charitable donations, gifts, meals, entertainment, or other hospitality involving Government Officials or private individuals or entities.

It is a violation of this Policy for any Employee or any Third-Party Intermediary to condone or knowingly disguise, falsify, or request reimbursement for any expense that does not meet the requirements of the Code of Ethics and this Policy.

Please Note: Approvals for any payments relating to the Company's business and financial engagements must be made in accordance with rules set out in Resolution DP-014.

**[1] Code of Ethics and Conduct (Document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/CEC\\_ENG\\_5th\\_Edition.pdf](http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf)

[p.7] Gifts and hospitality (entertainment, travel expenses, accommodation and other benefits)

The offering and receiving of gifts, presents and hospitality such as entertainment, travel expenses, accommodations or other advantages or benefits that create the impression of impropriety, or which allow you or anyone else to act to obtain an undue advantage, must be avoided. Any negotiation, relationship, offer or promise to public or private authorities must be in strict compliance with the laws and internal policies of Embraer.

Gifts and hospitality must be modest and reasonable in value, not extravagant. Gifts should only be offered or accepted in connection with the promotion, demonstration or explanation of Embraer products and services. Gifts

and entertainment must never be offered or accepted (a) in money, (b) if there is any intention to obtain an undue advantage or (c) when prohibited by law or regulations applicable to the parties involved.

## 6. Supply Chain Management

<b>Question</b>
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
<b>Score</b>
0
<b>Comments</b>
Based on publicly available information, there is no evidence that the company requires the involvement of its procurement department in the establishment and oversight of its supplier base.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?</b>
<b>Score</b>
1
<b>Comments</b>
<p>Based on publicly available information, there is some evidence that the company has formal procedures to conduct risk-based due diligence on suppliers, which includes checks on ownership. There is some evidence to suggest that the company might be willing to review and/or terminate supplier relationships in circumstances where a red flag highlighted in the due diligence cannot be mitigated.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that it repeats the due diligence process every two years or whenever there is a change in the business relationship. There is also no clear evidence to suggest that the highest risk suppliers are subject to enhanced due diligence.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>                  [p.7] 5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS</p> <p>Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business -- primarily Third-Party</p> <p>[p.8] Intermediaries -- particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).</p> <p>Under applicable law, Embraer may be held responsible for the actions of such Third-Party Intermediaries in giving or accepting bribes, for example, and/or failing to take sufficient steps as a Company to prevent Third-Party Intermediaries from participating in bribery or related conduct, whether or not Embraer was actually aware of the alleged improper conduct.</p> <p>Therefore, an Embraer Employee must never ask a Third-Party Intermediary to engage in (or condone) any conduct that the employee is prohibited from engaging in himself or herself under this Policy. Also, an Employee must never turn a “blind eye” to suspected violations of this Policy by Third-Party Intermediaries or disregard otherwise suspect circumstances. Any actual or suspected inappropriate conduct must be promptly reported to the Compliance Department.</p> <p>All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer’s Business Partner Due Diligence Procedure.</p> <p>While the amount of time and effort required for Third-Party Intermediary due diligence will depend on the number and complexity of the issues raised during the due diligence review and the particular country(ies) involved, the scope of a due diligence review should be sufficient to determine the compliance-related risks Embraer may face in conducting business with the prospective Intermediary or other business partner.</p> <p>Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.</p>

Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.

Embraer's due diligence efforts are conducted under the leadership of the Compliance Department in conjunction with the rules, guidance, and process described in the Company's Business Partner Due Diligence Procedure. If you have any questions about the need for due diligence or how to properly perform your role in the due diligence process, please consult the Compliance Department.

Embraer is committed to undertaking appropriate and reasonable due diligence on the reputation and integrity of any business in which it invests. Accordingly, due diligence shall be undertaken with respect to mergers, acquisitions, and joint ventures. Guidelines for appropriate due diligence with respect to these affiliations can be found in the Company's applicable policies and procedures.

Finally, Embraer requires written agreements for all engagements with Third-Party Intermediaries and other business partners. In certain limited circumstances involving the acquisition of goods or services from a supplier (as described in the Company's Resolution DP-014), the written agreement may be in the form of a purchase order, which will include appropriate anti-corruption covenants.

#### [p.9] 8. RED FLAGS

While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related "Red Flags." Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.

When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.

The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.

[p.10] Please Note: This list is not exhaustive.

- Transactions involving a country known for corrupt payments;
- Payments offered or made in cash;
- Extravagant or lavish gifts or hospitality involving a Government Official;
- Offshore payments or payments made to countries traditionally known as tax havens;
- Inadequately documented payments or expenses;
- Employee or Third-Party Intermediary requests that a transaction is structured in a manner to disguise material facts or to evade local laws;
- Third-Party Intermediary requests payment in a country other than the country in which it has its registered headquarters or senior management offices, or in which it has a permanent establishment directly involved in the performance of the business for which it was retained;
- Third-Party Intermediary is not qualified or lacks the necessary experience and resources to perform the functions for which the Third-Party Intermediary has been hired or retained;
- Third-Party Intermediary was recently created or otherwise lacks any historical information;
- Third-Party Intermediary refuses to certify to anti-corruption compliance, or objects to anti-corruption representations, warranties, covenants, audit rights, and related language in agreements with Embraer;
- Third-Party Intermediary with current or previous cases of corruption or other legal violations;
- Third-Party Intermediary with questionable or duplicated responsibilities;
- Third-Party Intermediaries recommended by a Government Official;
- Third-Party Intermediaries who have a personal family or business relationship with a Government Official;
- Third-Party Intermediaries requesting unusual contract terms or payment arrangements that raise concerns under Brazil, U.S. U.K., and/or other local law (including anti-money laundering laws), such as payment in cash, payment in another country's currency, payment to a third party that is not connected in any way to

the business transaction, or payment prior to a purchase agreement being finalized (or any other form of advance payment);

- Third-Party Intermediary’s commissions or fees exceed the customary rate for similar services in the geographic area, or unreasonably exceed rates paid by Embraer for similar services elsewhere.

**[29] Embraer 2017 Annual Report (Document)**

Accessed 23/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA==>

[p.44] The analysis of risks related to corruption is carried out through the due diligence process, introduced in 2014 with the publication of Due Diligence Procedure. Since then, both new and existing service providers attend to a reputational assessment undertaken by the Compliance team, which includes searches in official databases and media about corruption involvement, tax evasion, fraud, terrorism, etc. If no restrictions are found, the Compliance team issues a certificate. There is a systemic lockout for payments from any suppliers that are not certified by due diligence. Regarding the number of certified suppliers between the end of 2013 and May 2014 – when the requests for analysis were still made by e-mail –, there were 608 suppliers approved; between May and December 2014 – when requests were made via the portal –, there were 1,107 more; in 2015, 2,704; in 2016, 5,164; and in 2017, 3,099 providers. In total, by 2016, there were 12,682 suppliers and third parties certified.

<b>Operation</b>	<b>Total number of operations submitted to risk assessments related to corruption</b>	<b>Percentage of operations submitted to risk assessments related to corruption</b>
<b>Due diligence of suppliers</b>	3,099	100
<b>Due diligence of sponsorships</b>	118	100
<b>Due diligence of donations</b>	9	100
<b>Due diligence of class entities</b>	38	100

<b>Question</b>
<b>6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?</b>
<b>Score</b>
1
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company expects its suppliers to abide by its Code of Ethics and Conduct, and that it may include anti-corruption covenants in its written agreements with suppliers. There is also evidence that the company has a system to communicate its anti-corruption policies and expectations to suppliers.</p> <p>However, the company receives a score of '1' because there is no clear evidence that it takes active steps to ensure that all its suppliers have adequate anti-bribery and corruption policies in place or that they respect the Embraer Code of Ethics and Conduct.</p>
<b>Evidence</b>
<p><b>[1] Code of Ethics and Conduct (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>                  [p.5] Adhering to the Code</p> <p>All board members, directors and employees of Embraer, of its units and subsidiaries, as well as third parties that represent the Company, must adhere to the principles outlined in this Code. Companies in which Embraer has majority control must adopt the principles of this Code and those in which Embraer has minority control must be encouraged to do so as well.</p> <p>[p.8] Integrity in proceedings of purchase and sale</p> <p>At Embraer, purchase and supply processes are based on integrity and competitive equality to ensure the best quality and cost-benefit ratio in the supply of materials and services. It is expected that suppliers are committed to the policies and procedures of the Company in competitive processes, and that they respect this Code of Ethics and Conduct, acting in accordance with legal requirements for health, safety and working environment, respect for privacy, the treatment of confidential information, competition law, anti- corruption, import and export control and the prevention of money laundering.</p> <p>[...]</p> <p>The Company is intolerant to any form of corruption in the buying and selling process. For further information, please consult the Anti-Corruption Policy and its associated procedures.</p> <p>[p.9] Penalties for violations</p> <p>Board Members, directors, employees and all individuals or legal entities that carry out activities for or on behalf of Embraer are subject to administrative or legal disciplinary measures in the event of violation of the principles and values established by this Code, including termination of employment or the contractual business relationship, as appropriate.</p> <p><b>[29] Embraer 2017 Annual Report (Document)</b>                  Accessed 23/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA==">https://ri.embraer.com.br/Download.aspx?Arquivo=q7sjdiN5R2Qau1Klv15EtA==</a>                  [p.40] GRI 103: MANAGEMENT APPROACH 103-1 – EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY   102-46 - DEFINING REPORT CONTENT AND MATERIAL TOPICS BOUNDARIES</p> <p>In order to clearly define the sustainability issues of greatest relevance to the company and its stakeholders, Embraer engages shareholders, customers, suppliers, representatives of social organizations and class entities, in addition to its own executives. The engagement is made through consultation cycles every three years. This</p>

process results in the company's Materiality. The current one came into force in 2017 and gave rise to the 2020 Sustainability Plan, with indicators and targets for each material topic.

Material Issue	Stakeholder	Scope	Impacts
<b>Ethics, transparency and compliance</b>	All stakeholders of the company	Inside and outside of the organization	Unethical behavior may damage reputation of a company: causing negative effects on customers, employees and investors; causing financial penalties and, as a result, affecting profits. The commitment to achieve the business goals with social responsibility is crucial, considering the relationship with shareholders, employees and suppliers, protecting the environment and contributing to community development.

[p.45]

Types of trading partners	Number of each type of trading partner	Number of suppliers which were notified of the anti-corruption procedures and policies
<b>Suppliers</b>	3,003	3,003
<b>Third parties (commercial-representatives, law firms and logistics agents)</b>	96	96



<b>Question</b>
<b>6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required throughout the supply chain.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no clear evidence that the company publishes high-level data on its ethical or anti-corruption incidents and investigations involving its suppliers. The company publishes a statement that there were no corruption incidents in 2017 and 2018; however, there is no clear evidence that this includes cases involving suppliers.
<b>Evidence</b>
<p><b>[16] Sustainability Indicators - Anti-corruption risk assessment (6) (Webpage)</b>                  Accessed 21/06/2019  <a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>                  Confirmed incidents of corruption and actions taken                  In 2018, the company recorded no cases of corruption.</p> <p><b>[29] Embraer 2017 Annual Report (Document)</b>                  Accessed 23/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=g7sjdiN5R2Qau1Klv15EtA==">https://ri.embraer.com.br/Download.aspx?Arquivo=g7sjdiN5R2Qau1Klv15EtA==</a>                  [p.45] 205-3 – CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN                  In 2017, the company recorded no cases of corruption.</p>

## 7. Agents, Intermediaries and Joint Ventures

### 7.1 Agents and Intermediaries

<b>Question</b>
7.1.1 Does the company have a clear policy on the use of agents?
<b>Score</b>
2
<b>Comments</b>
<p>There is evidence that the company has a policy to control the use of agents, which addresses the corruption risks associated with the use of agents and provides details of specific controls to mitigate these risks. As part of this policy, the company commits to establishing and verifying that the use of an agent is, in each case, necessary to perform a legitimate business function. There is evidence that this policy applies to all divisions within the organisation which might employ agents, including subsidiaries and joint ventures.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>                  [p.2] 3. APPLICATION                  This Policy applies to all of Embraer, including the Company's international operations and any business activities managed or conducted on Embraer's behalf by Third-Party Intermediaries, including joint ventures. Every Employee (as defined above) is required to become familiar with, and abide by, this Policy. The Policy also applies to the Company's affiliates, direct or indirect subsidiaries to which the Code of Ethics applies, and agents, representatives, consultants, independent contractors, and other Third-Party Intermediaries engaged by the Company. Any Embraer subsidiaries not covered by the Code of Ethics must also adhere to the principles expressed in this Policy. The Compliance Department will collaborate with such subsidiaries to ensure that they promptly adopt policies and procedures that promote the same standards, principles, and objectives advanced by this Policy.</p> <p>[p.7] 5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS</p> <p>Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business -- primarily Third-Party Intermediaries -- particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).</p> <p>Under applicable law, Embraer may be held responsible for the actions of such Third-Party Intermediaries in giving or accepting bribes, for example, and/or failing to take sufficient steps as a Company to prevent Third-Party Intermediaries from participating in bribery or related conduct, whether or not Embraer was actually aware of the alleged improper conduct.</p> <p>Therefore, an Embraer Employee must never ask a Third-Party Intermediary to engage in (or condone) any conduct that the employee is prohibited from engaging in himself or herself under this Policy. Also, an Employee must never turn a "blind eye" to suspected violations of this Policy by Third-Party Intermediaries or disregard otherwise suspect circumstances. Any actual or suspected inappropriate conduct must be promptly reported to the Compliance Department.</p> <p>All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer's Business Partner Due Diligence Procedure.</p>

[...]

Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.

Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.

## [p.9] 8. RED FLAGS

While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.” Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.

When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.

The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.

[p.10] Please Note: This list is not exhaustive.

- Transactions involving a country known for corrupt payments;
- Payments offered or made in cash;
- Extravagant or lavish gifts or hospitality involving a Government Official;
- Offshore payments or payments made to countries traditionally known as tax havens;
- Inadequately documented payments or expenses;
- Employee or Third-Party Intermediary requests that a transaction is structured in a manner to disguise material facts or to evade local laws;
- Third-Party Intermediary requests payment in a country other than the country in which it has its registered headquarters or senior management offices, or in which it has a permanent establishment directly involved in the performance of the business for which it was retained;
- Third-Party Intermediary is not qualified or lacks the necessary experience and resources to perform the functions for which the Third-Party Intermediary has been hired or retained;
- Third-Party Intermediary was recently created or otherwise lacks any historical information;
- Third-Party Intermediary refuses to certify to anti-corruption compliance, or objects to anti-corruption representations, warranties, covenants, audit rights, and related language in agreements with Embraer;
- Third-Party Intermediary with current or previous cases of corruption or other legal violations;
- Third-Party Intermediary with questionable or duplicated responsibilities;
- Third-Party Intermediaries recommended by a Government Official;
- Third-Party Intermediaries who have a personal family or business relationship with a Government Official;
- Third-Party Intermediaries requesting unusual contract terms or payment arrangements that raise concerns under Brazil, U.S. U.K., and/or other local law (including anti-money laundering laws), such as payment in cash, payment in another country’s currency, payment to a third party that is not connected in any way to the business transaction, or payment prior to a purchase agreement being finalized (or any other form of advance payment);
- Third-Party Intermediary’s commissions or fees exceed the customary rate for similar services in the geographic area, or unreasonably exceed rates paid by Embraer for similar services elsewhere.

[p.10] 9. OTHER ISSUES RELATED TO THIS POLICY AND ANTI-CORRUPTION COMPLIANCE

9.1. SANCTIONS

Embraer and/or its Employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law, or under criminal law. This can result in severe fines and penalties, debarment, and/or imprisonment if the Company and/or its Employees are found to be in violation of applicable anti-corruption and anti-bribery laws and/or regulations. Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies. Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law.

<b>Question</b>
<b>7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?</b>
<b>Score</b>
1
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to engaging with agents and intermediaries.</p> <p>However, the company receives a score of ‘1’ because it is not clear whether agents and highest risk intermediaries are subject to enhanced due diligence. There is also no evidence that due diligence is repeated every two years or when there is a significant change in the business relationship.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>                  [p.7] 5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS</p> <p>Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business -- primarily Third-Party</p> <p>[p.8] Intermediaries -- particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).</p> <p>[...]</p> <p>All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer’s Business Partner Due Diligence Procedure.</p> <p>While the amount of time and effort required for Third-Party Intermediary due diligence will depend on the number and complexity of the issues raised during the due diligence review and the particular country(ies) involved, the scope of a due diligence review should be sufficient to determine the compliance-related risks Embraer may face in conducting business with the prospective Intermediary or other business partner.</p> <p>Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.</p> <p>Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.</p> <p>Embraer’s due diligence efforts are conducted under the leadership of the Compliance Department in conjunction with the rules, guidance, and process described in the Company’s Business Partner Due Diligence Procedure. If you have any questions about the need for due diligence or how to properly perform your role in the due diligence process, please consult the Compliance Department.</p>

## [p.9] 8. RED FLAGS

While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.” Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.

When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.

The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.

[p.10] Please Note: This list is not exhaustive.

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- Payments offered or made in cash;
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- Inadequately documented payments or expenses;
- Employee or Third-Party Intermediary requests that a transaction is structured in a manner to disguise material facts or to evade local laws;
- Third-Party Intermediary requests payment in a country other than the country in which it has its registered headquarters or senior management offices, or in which it has a permanent establishment directly involved in the performance of the business for which it was retained;
- Third-Party Intermediary is not qualified or lacks the necessary experience and resources to perform the functions for which the Third-Party Intermediary has been hired or retained;
- Third-Party Intermediary was recently created or otherwise lacks any historical information;
- Third-Party Intermediary refuses to certify to anti-corruption compliance, or objects to anti-corruption representations, warranties, covenants, audit rights, and related language in agreements with Embraer;
- Third-Party Intermediary with current or previous cases of corruption or other legal violations;
- Third-Party Intermediary with questionable or duplicated responsibilities;
- Third-Party Intermediaries recommended by a Government Official;
- Third-Party Intermediaries who have a personal family or business relationship with a Government Official;
- Third-Party Intermediaries requesting unusual contract terms or payment arrangements that raise concerns under Brazil, U.S. U.K., and/or other local law (including anti-money laundering laws), such as payment in cash, payment in another country’s currency, payment to a third party that is not connected in any way to the business transaction, or payment prior to a purchase agreement being finalized (or any other form of advance payment);
- Third-Party Intermediary’s commissions or fees exceed the customary rate for similar services in the geographic area, or unreasonably exceed rates paid by Embraer for similar services elsewhere.

<b>Question</b>
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has formal procedures in place to establish the beneficial ownership of agents prior to engaging them.</p> <p>However, the company receives a score of '0' because there is no evidence that it commits to not engaging or terminating its engagement with agents or intermediaries in cases where beneficial ownership cannot be established. In addition, although the company states that it may engage external vendors to independently verify beneficial ownership information, it is not clear whether it does so for all high risk agents. There is also no clear evidence that the company reviews ownership information at least every two years or when there is a significant change in the business relationship.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.7] 5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS</p> <p>Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business -- primarily Third-Party</p> <p>[p.8] Intermediaries -- particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).</p> <p>[...]</p> <p>[p.8] Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a "Government Official"; (ii) whether or not an entity employs a "Government Official" or is a company in which a "Government Official" has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.</p> <p>Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.</p>



<b>Question</b>
<b>7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
Based on publicly available information, there is evidence that the company’s anti-bribery and corruption policy applies to all agents and intermediaries acting for or on behalf of the company. There is evidence that the company includes anti-bribery and corruption clauses in their contracts, which include audit and termination rights.
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>                  [p.2] 3. APPLICATION</p> <p>This Policy applies to all of Embraer, including the Company’s international operations and any business activities managed or conducted on Embraer’s behalf by Third-Party Intermediaries, including joint ventures. Every Employee (as defined above) is required to become familiar with, and abide by, this Policy. The Policy also applies to the Company’s affiliates, direct or indirect subsidiaries to which the Code of Ethics applies, and agents, representatives, consultants, independent contractors, and other Third-Party Intermediaries engaged by the Company.</p> <p>Any Embraer subsidiaries not covered by the Code of Ethics must also adhere to the principles expressed in this Policy. The Compliance Department will collaborate with such subsidiaries to ensure that they promptly adopt policies and procedures that promote the same standards, principles, and objectives advanced by this Policy.</p> <p>[p.4] 4.2.4. The term “Third-Party Intermediary” means any individual (not employed by Embraer) or entity engaged (formally or informally) by the Company to act for or on Embraer’s behalf, regardless of the name or title of the individual or entity.</p> <p>This definition includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Any individual or entity used for obtaining and/or retaining business, such as agents, advisors, consultants, subcontractors, sales representatives, and joint venture partners;</li> </ul> <p>[p.8] Finally, Embraer requires written agreements for all engagements with Third-Party Intermediaries and other business partners. In certain limited circumstances involving the acquisition of goods or [p.9] services from a supplier (as described in the Company’s Resolution DP-014), the written agreement may be in the form of a purchase order, which will include appropriate anti-corruption covenants.</p> <p>[...]</p> <p><b>8. RED FLAGS</b></p> <p>While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.” Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.</p> <p>When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.</p> <p>The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.</p>

- Third-Party Intermediary refuses to certify to anti-corruption compliance, or objects to anti-corruption representations, warranties, covenants, audit rights, and related language in agreements with Embraer;

[p.10] 9. OTHER ISSUES RELATED TO THIS POLICY AND ANTI-CORRUPTION COMPLIANCE

9.1. SANCTIONS

Embraer and/or its Employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law, or under criminal law. This can result in severe fines and penalties, debarment, and/or imprisonment if the Company and/or its Employees are found to be in violation of applicable anti-corruption and anti-bribery laws and/or regulations. Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies. Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law.

<b>Question</b>
<b>7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>There is evidence that the company recognises incentive structures for agents as a factor in bribery and corruption risk. The company lists several red flags for third party intermediaries which relate to incentive schemes. However, the company receives a score of '0' because, based on publicly available information, there is no evidence that it has in place specific controls to mitigate these risks.</p>
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>                  [p.9] 8. RED FLAGS</p> <p>While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.” Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.</p> <p>When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.</p> <p>The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.</p> <p>[p.10] Please Note: This list is not exhaustive.</p> <p>[...]</p> <ul style="list-style-type: none"> <li>• Employee or Third-Party Intermediary requests that a transaction is structured in a manner to disguise material facts or to evade local laws;</li> <li>• Third-Party Intermediary requests payment in a country other than the country in which it has its registered headquarters or senior management offices, or in which it has a permanent establishment directly involved in the performance of the business for which it was retained;</li> </ul> <p>[...]</p> <ul style="list-style-type: none"> <li>• Third-Party Intermediaries requesting unusual contract terms or payment arrangements that raise concerns under Brazil, U.S. U.K., and/or other local law (including anti-money laundering laws), such as payment in cash, payment in another country’s currency, payment to a third party that is not connected in any way to the business transaction, or payment prior to a purchase agreement being finalized (or any other form of advance payment);</li> <li>• Third-Party Intermediary’s commissions or fees exceed the customary rate for similar services in the geographic area, or unreasonably exceed rates paid by Embraer for similar services elsewhere.</li> </ul>

<b>Question</b>
<b>7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes details of the agents contracted to act with and on behalf of the company.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no clear evidence that the company publishes high-level data on its ethical or anti-corruption incidents and investigations involving its agents or intermediaries. The company publishes a statement that there were no corruption incidents in 2017 and 2018, however there is no evidence that this includes cases involving agents.
<b>Evidence</b>
<p><b>[16] Sustainability Indicators - Anti-corruption risk assessment (6) (Webpage)</b>                  Accessed 21/06/2019  <a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>                  Confirmed incidents of corruption and actions taken                  In 2018, the company recorded no cases of corruption.</p> <p><b>[29] Embraer 2017 Annual Report (Document)</b>                  Accessed 23/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=g7sjdiN5R2Qau1Klv15EtA==">https://ri.embraer.com.br/Download.aspx?Arquivo=g7sjdiN5R2Qau1Klv15EtA==</a>                  [p.45] 205-3 – CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN                  In 2017, the company recorded no cases of corruption.</p>

## 7.2 Joint Ventures

Question
<b>7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?</b>
Score
<b>1</b>
Comments
<p>Based on publicly available information, there is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence on joint venture partners, which are included in the definition of a third-party intermediary. There is evidence that this process includes checks on the ownership of the partner.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that joint ventures operating in high risk markets or with high risk partners, such as state-owned enterprises, are subject to enhanced due diligence. There is also no evidence to suggest that due diligence is repeated at least every two years or when there is a significant change in the business relationship.</p>
Evidence
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.4] 4.2.4. The term “Third-Party Intermediary” means any individual (not employed by Embraer) or entity engaged (formally or informally) by the Company to act for or on Embraer’s behalf, regardless of the name or title of the individual or entity.</p> <p>This definition includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Any individual or entity used for obtaining and/or retaining business, such as agents, advisors, consultants, subcontractors, sales representatives, and joint venture partners;</li> </ul> <p>[p.7] 5.1.7. MANDATORY DUE DILIGENCE FOR ENGAGING THIRD-PARTY INTERMEDIARIES AND OTHER BUSINESS PARTNERS</p> <p>Embraer can be held liable for the actions of associated persons, agents, suppliers, consultants, contractors, and other business partners with whom it conducts business -- primarily Third-Party</p> <p>[p.8] Intermediaries -- particularly where a Third-Party Intermediary is performing services or otherwise conducting dealings, discussions, or negotiations for or on behalf of Embraer with public or private organizations (and/or their officials, officers, or other employees).</p> <p>[...]</p> <p>All Third-Party Intermediaries conducting business with, for, or on behalf of Embraer are required to act with the highest level of business, professional, and legal integrity. Any Embraer employee seeking to establish a business relationship between Embraer and a Third-Party Intermediary must, prior to engaging the Third-Party Intermediary, carefully review and follow Embraer’s Business Partner Due Diligence Procedure.</p> <p>While the amount of time and effort required for Third-Party Intermediary due diligence will depend on the number and complexity of the issues raised during the due diligence review and the particular country(ies) involved, the scope of a due diligence review should be sufficient to determine the compliance-related risks Embraer may face in conducting business with the prospective Intermediary or other business partner.</p> <p>Generally speaking, the due diligence review should determine, among other things: (i) whether or not an individual proposing to serve the Company in exchange for payment is a “Government Official”; (ii) whether or not an entity employs a “Government Official” or is a company in which a “Government Official” has an ownership interest or serves on the board of directors; (iii) whether the services the individual or entity is being put forward to perform are necessary to further an existing business initiative or contract; (iv) whether the individual or entity has the expertise, experience, and other qualifications to perform the necessary services in a legitimate fashion; and (iv) whether or not the individual or entity is likely to engage in practices that could expose Embraer to liability.</p>

Any issues or Red Flags (as discussed in Section 8) raised during the course of the due diligence review must be addressed to the satisfaction of the Compliance Department before formally entering into, or continuing, the relationship. If necessary, Embraer may engage the services of external vendors to research the ownership, expertise, experience, and other qualifications of the Third-Party Intermediary under consideration to perform under a proposed or existing agreement with Embraer.

Embraer's due diligence efforts are conducted under the leadership of the Compliance Department in conjunction with the rules, guidance, and process described in the Company's Business Partner Due Diligence Procedure. If you have any questions about the need for due diligence or how to properly perform your role in the due diligence process, please consult the Compliance Department.

Embraer is committed to undertaking appropriate and reasonable due diligence on the reputation and integrity of any business in which it invests. Accordingly, due diligence shall be undertaken with respect to mergers, acquisitions, and joint ventures. Guidelines for appropriate due diligence with respect to these affiliations can be found in the Company's applicable policies and procedures.

<b>Question</b>
<b>7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture relationships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
Based on publicly available information, there is evidence that the company requires joint venture partners to adopt its own anti-corruption policy. There is also evidence that the company requires anti-bribery and corruption clauses in its contracts with joint venture partners, and that these include audit and termination rights.
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.2] 3. APPLICATION                  This Policy applies to all of Embraer, including the Company’s international operations and any business activities managed or conducted on Embraer’s behalf by Third-Party Intermediaries, including joint ventures. Every Employee (as defined above) is required to become familiar with, and abide by, this Policy. The Policy also applies to the Company’s affiliates, direct or indirect subsidiaries to which the Code of Ethics applies, and agents, representatives, consultants, independent contractors, and other Third-Party Intermediaries engaged by the Company.</p> <p>Any Embraer subsidiaries not covered by the Code of Ethics must also adhere to the principles expressed in this Policy. The Compliance Department will collaborate with such subsidiaries to ensure that they promptly adopt policies and procedures that promote the same standards, principles, and objectives advanced by this Policy.</p> <p>[p.4] 4.2.4. The term “Third-Party Intermediary” means any individual (not employed by Embraer) or entity engaged (formally or informally) by the Company to act for or on Embraer’s behalf, regardless of the name or title of the individual or entity.</p> <p>This definition includes, but is not limited to, the following:                  • Any individual or entity used for obtaining and/or retaining business, such as agents, advisors, consultants, subcontractors, sales representatives, and joint venture partners;</p> <p>[p.8] Finally, Embraer requires written agreements for all engagements with Third-Party Intermediaries and other business partners. In certain limited circumstances involving the acquisition of goods or                  [p.9] services from a supplier (as described in the Company’s Resolution DP-014), the written agreement may be in the form of a purchase order, which will include appropriate anti-corruption covenants.</p> <p>[p.9] 8. RED FLAGS</p> <p>While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.” Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.</p> <p>When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.</p> <p>The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.</p> <p>[p.10] Please Note: This list is not exhaustive.</p>



[...]

- Third-Party Intermediary refuses to certify to anti-corruption compliance, or objects to anti-corruption representations, warranties, covenants, audit rights, and related language in agreements with Embraer;

[...]

## 9. OTHER ISSUES RELATED TO THIS POLICY AND ANTI-CORRUPTION COMPLIANCE

### 9.1. SANCTIONS

Embraer and/or its Employees can be investigated by government regulators in different jurisdictions and, depending on the circumstances, prosecuted administratively, under civil law, or under criminal law. This can result in severe fines and penalties, debarment, and/or imprisonment if the Company [p.11] and/or its Employees are found to be in violation of applicable anti-corruption and anti-bribery laws and/or regulations.

Any Employee found to be in violation of this Policy will be subject to disciplinary action, which may include termination of employment in accordance with applicable laws and company policies.

Agents, consultants, and other Third-Party Intermediaries working for Embraer found to be in violation of this Policy may be subject to termination of the business relationship, as well as any other legal and remedial actions available to Embraer under applicable law.

<b>Question</b>
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
<b>Score</b>
0
<b>Comments</b>
There is no publicly available evidence that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures.
<b>Evidence</b>
No evidence found.

## 8. Offsets

<b>Question</b>
<b>8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence that the company addresses the corruption risks associated with offset contracting, nor is there evidence that the company has a dedicated body, department or team responsible for monitoring of its offset activities.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
Based on publicly available information, there is no evidence that the company conducts risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of its offset programme.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>8.4 Does the company publish details about the beneficiaries of its indirect offset projects?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any details of its offset obligations or contracts.
<b>Evidence</b>
No evidence found.

## 9. High Risk Markets

<b>Question</b>
<b>9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
Based on publicly available information, there is no clear evidence that risk assessment procedures are used to inform the company’s operations in markets at high risk of corruption.
<b>Evidence</b>
<p><b>[2] Embraer Global Anti-Corruption Policy (Document)</b>                  Accessed 21/06/2019  <a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a></p> <p>[p.9] 8. RED FLAGS</p> <p>While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related “Red Flags.” Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption.</p> <p>When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.</p> <p>The following are examples that may suggest non-compliance with this Policy, or represent common areas of corruption-related compliance risks. If you become aware of the existence of any of these circumstances, or are suspicious in any way relating to such circumstances, you should promptly inform the Compliance Department or report the concern through the Embraer Helpline.</p> <p>[p.10] Please Note: This list is not exhaustive.</p> <ul style="list-style-type: none"> <li>• Transactions involving a country known for corrupt payments;</li> </ul> <p>[...]</p> <ul style="list-style-type: none"> <li>• Offshore payments or payments made to countries traditionally known as tax havens;</li> </ul>

**Question**

**9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?**

**Score**

1

**Comments**

There is evidence that the company publishes a list of its subsidiaries, holdings and joint venture partnerships, including information on the percentage ownership and the country of incorporation. There is evidence that this evidence is published and updated on an annual basis, as part of the company's Financial Statements.

However, the company receives a score of '1' because there is no evidence that the list includes the countries of operation for each entity.

**Evidence**

**[19] Demonstrações Financeiras Padronizadas / Embraer 2018 Financial Statements (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA==>

[p.60]

**Estrutura societária da Companhia**

Abaixo as informações relacionadas às controladas e controladas em conjunto.

Empresas do Grupo Embraer	Participação	País	Principais atividades
<b>ELEB Equipamentos Ltda.</b>	<b>100%</b>	<b>Brasil</b>	<b>Venda de equipamentos hidráulicos e mecânicos para a indústria aeronáutica</b>
<b>Embraer Aircraft Holding, Inc.</b>	<b>100%</b>	<b>EUA</b>	<b>Concentra as atividades corporativas nos EUA</b>
Embraer Aircraft Customer Services, Inc.	100%	EUA	Venda de peças de reposição e serviços de apoio na América do Norte e Caribe
Embraer Aircraft Maintenance Services Inc.	100%	EUA	Manutenção de aeronaves e componentes
Embraer Business Innovation Center, Inc.	100%	EUA	Desenvolve pesquisas de inovação tecnológica em aviação e áreas afins
Embraer Executive Jet Services, LLC	100%	EUA	Suporte pós-venda e manutenção de aeronaves
Embraer Executive Aircraft, Inc.	100%	EUA	Montagem final e entrega dos jatos executivos
Embraer Engineering & Technology Center USA, Inc.	100%	EUA	Serviços de engenharia relacionadas à pesquisa e desenvolvimento de aeronaves
Embraer Aero Seating Technologies, LLC	100%	EUA	Produção e manutenção de assentos para aeronaves
Embraer Defense and Security, Inc.	100%	EUA	Fornecimento de aeronaves Super Tucano, para a Força Aérea Americana (LAS)
Embraer CAE Training Services, LLC	51%	EUA	Treinamento de pilotos, mecânicos e tripulação
<b>Embraer Aviation Europe – EAE</b>	<b>100%</b>	<b>França</b>	<b>Concentra atividades corporativas no exterior, notadamente Europa</b>
Embraer Aviation International – EAI	100%	França	Venda de peças e serviços de pós-venda na Europa, África e no Oriente Médio
Embraer Europe SARL	100%	França	Representação comercial da Companhia na Europa, África e no Oriente Médio
<b>Embraer Defesa e Segurança Participações S.A.</b>	<b>100%</b>	<b>Brasil</b>	<b>Coordena investimentos no segmento de Defesa &amp; Segurança</b>
Atech - Negócios em Tecnologias S.A.	100%	Brasil	Desenvolvimento e serviços em controle, comunicações, computadores e inteligência
Visiona Tecnologia Espacial S.A.	51%	Brasil	Fornecimento do Sistema SGDC do Governo Brasileiro
Visiona Internacional B.V.	100%	Holanda	Integração e fornecimento do Sistema SGDC do Governo Brasileiro
SAVIS Tecnologia e Sistemas S.A.	100%	Brasil	Atuação nas atividades de Defesa & Segurança junto ao Governo Brasileiro
<b>Embraer GPX Ltda.</b>	<b>100%</b>	<b>Brasil</b>	<b>Serviço de manutenção de aeronaves</b>
<b>Embraer Netherlands Finance B.V.</b>	<b>100%</b>	<b>Holanda</b>	<b>Operações financeiras como captação e aplicação de recursos do Grupo Embraer</b>
<b>Embraer Netherlands B.V.</b>	<b>100%</b>	<b>Holanda</b>	<b>Concentra atividades corporativas no exterior</b>
Embraer Asia Pacific PTE. Ltd.	100%	Singapura	Serviços e suporte pós-venda na Ásia
Airholding SGPS S.A.	100%	Portugal	Coordena investimentos em subsidiária em Portugal
OGMA - Indústria Aeronáutica de Portugal S.A.	65%	Portugal	Manutenção e produção aeronáutica
Embraer CAE Training Services (UK) Limited	51%	Reino Unido	Sem operação
Embraer Portugal S.A.	100%	Portugal	Coordena investimentos e atividades econômicas em subsidiárias em Portugal
Embraer Portugal Estruturas Metálicas, S.A.	100%	Portugal	Fabricação de peças e produtos metálicos para a indústria aeronáutica
Embraer Portugal Estruturas em Compósitos, S.A.	100%	Portugal	Fabricação de peças e produtos compostos para a indústria aeronáutica
Embraer (China) Aircraft Technical Services Co. Ltd.	100%	China	Venda e manutenção para suporte pós-venda na China
EZ Air Interior Limited	50%	Irlanda	Fabricação de interiores para aeronaves comerciais
<b>Embraer Overseas Ltd.</b>	<b>100%</b>	<b>Ilhas Cayman</b>	<b>Operações financeiras como captação e aplicação de recursos do Grupo Embraer</b>
<b>Embraer Spain Holding Co. SL</b>	<b>100%</b>	<b>Espanha</b>	<b>Concentra atividades corporativas no exterior</b>
ECC Investment Switzerland AG	100%	Suíça	Coordena investimentos em subsidiárias no exterior
ECC Insurance & Financial Company Limited.	100%	Ilhas Cayman	Provê garantias financeiras oferecidas nas estruturas de vendas de aeronaves
Embraer Finance Ltd.	100%	Ilhas Cayman	Apoio à Companhia nas estruturas financeiras de operações específicas
Embraer Merco S.A.	100%	Uruguai	Sem operação - em processo de liquidação



**Translation:**

Subsidiaries and participations of the company  
Below you can find the information on fully and partly controlled companies:  
[see companies in the table above]

[p.98]

**(ii) Subsidiárias com participação de acionistas não controladores**

As entidades do grupo descritas abaixo possuem participação de acionistas não controladores, porém baseado nos acordos contratuais e análise das normas contábeis vigentes, a Companhia tem o controle e dessa forma tem que consolidar essas entidades:

Entidade	País	Participação grupo Embraer	Participação acionistas não controladores
OGMA - Indústria Aeronáutica de Portugal S.A.	Portugal	65,0%	35,0%
Embraer CAE Training Services Ltd.	Reino Unido	51,0%	49,0%
Visiona Tecnologia Espacial S.A.	Brasil	51,0%	49,0%
Embraer CAE Training Services	Estados Unidos da América	51,0%	49,0%

**Translation:**

Subsidiaries with participation of non-controlling shareholders  
The following group entities hold participation of non-controlling shareholders, however, based on contractual agreements and analysis of current accounting standards, the company has control and therefore has to consolidate the following entities.  
[continues for 5 rows as shown above]

**[23] Embraer Form 20-F US SEC (Document)**

Accessed 22/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA==>

[p.4] The Transaction

The strategic partnership with Boeing comprises:

(i) the separation and transfer, by Embraer, of assets, liabilities, properties, rights and obligations (subject to certain exceptions) related to the commercial aviation business unit to Yaborã Indústria Aeronáutica S.A., a Brazilian closely-held corporation that will conduct the commercial aviation business and perform services that are currently performed by Embraer (the “Commercial Aviation NewCo” or “Commercial Aviation JV”);

(ii) the acquisition and subscription by Boeing Brasil Serviços Técnicos Aeronáuticos Ltda, a subsidiary of Boeing in Brazil (“Boeing Brazil”) of shares representing 80% of the Commercial Aviation NewCo’s share capital, so that Embraer and Boeing Brazil will hold, respectively, 20% and 80% of the total and voting share capital of the Commercial Aviation NewCo, pursuant to the terms of a master transaction agreement executed on January 24, 2019 by and among Embraer, Boeing, Boeing Brazil and the Commercial Aviation NewCo (the “Master Transaction Agreement”), and the execution by the same parties of a shareholders’ agreement that will govern the relationship of Embraer and Boeing Brazil as shareholders of the Commercial Aviation NewCo;

(iii) the execution by Embraer or an affiliate thereof, Boeing or an affiliate thereof and/or the Commercial Aviation NewCo, as applicable, of operational agreements that will govern, among other matters, the provision of general and engineering services, intellectual property licensing, research and development, use and access of certain facilities, supply of certain products and components, and an agreement to maximize potential cost reduction opportunities in Embraer’s supply chain and the provision of certain support and maintenance services (the “Commercial Aviation JV Operational Agreements”);

(iv) the formation of another joint venture between Embraer and Boeing (or any of their respective subsidiaries) for the promotion and development of new markets and applications for the multi-mission airplane KC-390, based on jointly identified opportunities, and development, manufacture and sales of the KC-390, in which joint venture Embraer or its subsidiary will hold the majority of the share capital (the “KC-390 NewCo” and “KC-390 JV”) and the

execution by Embraer or its subsidiary and Boeing or its subsidiary, as applicable, of the Amended and Restated Limited Liability Company Agreement of the KC-390 NewCo; (the “Restated Limited Liability Company Agreement”); and

(v) the execution, by Embraer or an affiliate thereof, Boeing or an affiliate thereof and/or the KC-390 NewCo, as the case may be, of certain operational agreements for the KC-390 NewCo, including supply, intellectual property licensing, engineering services and other services and support agreements, which main conditions are set forth in the Contribution Agreement (as defined below) and the final terms will be negotiated by the parties until the closing of the Transaction (“KC-390 JV Operational Agreements” and, together with items (i) through (iv) above, collectively, the “Transaction”).

[p.42] Principal Defense and Security Subsidiaries and Joint Ventures

Savis Tecnologia e Sistemas S.A. and Bradar

Savis Tecnologia e Sistemas S.A. is a company dedicated to developing, designing, certifying, industrializing, integrating and deploying systems and services in the area of border monitoring and protection of strategic structures.

Bradar is specialized in the development of electronic systems and sensors as defense radars for ground and aerial surveillance, electronic warfare and intelligence equipment, and airborne remote sensing solutions for mapping and monitoring using synthetic aperture radar (BradarSAR) that generates high-resolution precision maps on day or night and all weather conditions. In 2018, the Bradar was merged into Embraer S.A. in order to guarantee better synergy and reduce costs.

Savis, through its distinct systems integration capabilities, and Bradar, with its technological development capabilities, have joined efforts in the execution of complex projects. Together, they form the Consortium Tepro, which is responsible for implementing the Integrated Border Monitoring System, or SISFRON, in Brazil. Savis as leader of the Tepro Consortium, is the lead system integrator for Phase I of Brazilian Army’s SISFRON, which is one of the largest ongoing border surveillance projects in the world. The full scope of the SISFRON will encompass the surveillance and protection of more than 10,000 miles of Brazilian western land borders, stretching through 11 Brazilian states and 10 neighboring countries, covering 27% of Brazil’s land mass.

SISFRON’s Phase I includes the surveillance and protection of approximately 400 miles of Brazilian borders under responsibility of the Western Military Command, covering the frontiers between the Brazilian States of Mato Grosso and Mato Grosso do Sul with Paraguay and Bolivia.

In 2017, the SISFRON Program was over 2/3 implemented, delivering operational capabilities to the Brazilian Army in different technologies and areas of application, including sensors for electromagnetic signal intelligence, or COMINT, mobile and fixed ground surveillance radars, optronics, tactical and strategic communications networks, mobile and fixed command and control centers. All of this works organically as one system, backed by extensive Integrated Logistic Support.

Another important accomplishment for Savis and Bradar in 2017 was the conclusion of the development phase and production of the first two operational units of COMINT Sensors for SISFRON by Bradar, the transfer and initial operation of the SISFRON Network Operations Center in the city of Campo Grande, State of Mato Grosso do Sul, and successful completion of the S200 Radar Conformity Assessment by the Brazilian Air Force.

In 2018, more than 70.0% of the SISFRON program was delivered and operational. During this year, additional operational capabilities were made available to the Brazilian Army, among which the deployment of electronic warfare systems developed and manufactured by Embraer.

[p.43] Atech

Atech is a Brazilian company, fully owned by us since 2013, focused in complex systems for critical missions, developing products and services in the area of command and control, communications, computer and intelligence, air defense and air traffic control for the defense, security and other civil applications. Atech is responsible for the development and modernization of Brazilian Air Traffic Control Systems and has already implemented the new SAGITÁRIO system in 14 Air Traffic Centers in Brazil. In 2017, Atech also signed important contracts, including a new long term contract to continue updating and modernizing the Brazilian air traffic control systems.

In 2017, Atech successfully delivered and implemented the second phase of the Air Traffic Flow Management System (Skyflow) to the Airport Authority of India. Atech also concluded the development and started the implementation of the integrated solution (Air-Ground Surveillance, Air Traffic Control, Communication and Command and Control) in an African country as part of the contract signed in 2015.

As part of the Nucleoelectric Generation Laboratory program, or LABGENE, signed with the Brazilian Navy to develop the protection and control system of the nuclear reactor for the project, Atech concluded all system definition and the procurement phase of the project and the program has been evolving as planned.

The company also continued the technology transfer and development of the mission training and support system of the new Brazilian FX fighter program, as part of our contract with SAAB. Other relevant programs have evolved in 2017, as the H-XBR (Atech is responsible for the Tactical Mission System) with the conclusion of the qualification phase of the system in the helicopter H-225. Atech is also positioned as the strategic alternative to develop critical systems for Embraer, including the new Logistics Execution System (LES) and digital solutions.

In 2018, Atech advanced on several fronts, increasing its revenues, conquering new markets and achieving better results, such as contracting with main suppliers for the LABGENE, receiving and accomplishing several tests of acceptance for the control and monitoring subsystems as well as the inauguration of the first replica of the control room. In the area of air traffic control in Brazil, Atech completed the upgrade of the aeronautical messaging system (AMHS) and the implementation of the platform for evaluation and simulation of the new aeronautical communications network (ATN-BR). In the defense market, it also successfully concluded tests for the acceptance of the first fixed center for air traffic control and surveillance in a North African country, as well as the delivery of the first mobile air and ground surveillance centers.

In the naval helicopter for the Brazilian Navy (H-XBR) program, the final certification of the tactical naval data management system was obtained, concluding the program's development phase with the delivery of two complete sets with the embedded console tactical and mission computers.

Visiona Tecnologia Espacial S.A.

In November 2011, Embraer and Telecomunicações Brasileiras S.A., or Telebras, formed Visiona Tecnologia Espacial S.A., or Visiona, of which Embraer holds a 51% stake and Telebras 49%.

Through this partnership between Embraer and Telebras, Visiona is the prime contractor for the Brazilian Strategic and Defense Communications Geostationary Satellite, or SGDC, with responsibility for the system integration. This is a key step for Embraer's entry into the satellite integration business.

In November 2013, Visiona was selected by Telebras to be the integrator of the SGDC system that, once delivered, will be operated by Telebras and the Brazilian Ministry of Defense.

In December 2016, after a successful phase of environmental and functional tests, the satellite was delivered and approved. It is ready to be shipped to the launch site according to its launch slot. The ground system's test and validation was also concluded in December 2016.

In 2017, the SGDC X-Band services (6 GHz to 8.5 GHz), which is used for strategic defense communication was launched successfully, and Telebras took over its control. Visiona has also signed a contract to support Telebras in its satellite operations.

In 2018, Visiona launched the VCUB nano-satellite program, the first satellite designed by a company in the Brazilian industry, and signed partnerships with INPE, SENAI-SC / EMBRAPA II, Government of Santa Catarina, CEMADEN and EMBRAPA for technological development and evaluation of the products generated by satellite.

[p.44] Indústria Aeronáutica de Portugal S.A—OGMA

Indústria Aeronáutica de Portugal S.A, or OGMA, located in Alverca, Portugal, combines the accumulated know-how as an aircraft manufacturer and maintenance service provider. It offers worldwide MRO services for defense, commercial and executive aviation as well for aircraft engines and components. Furthermore, OGMA plays an important role as a major aerostructures supplier of integrated solutions to OEMs and first tier suppliers. OGMA delivers assemblies and sub-assemblies of both metallic and composite materials. Embraer owns 65% of the voting capital of OGMA and the Portuguese Defense Company (EMPORDEF) owns the remaining 35%.

During 2016, OGMA made important investments focusing on efficiency and maintenance capability improvements, including a new painting hangar, a new commercial aircraft MRO line and manufacturing capabilities (automatic riveting and 5axe machines). In 2017, OGMA proceeded in making investments in continuous MRO improvements and in its aerostructures manufacturing area, specifically in equipment and technologies and continuous training for its personnel.

OGMA celebrated its 100 years of activity in the aeronautical market in 2018. During the period, OGMA continued its investments in the areas of MRO and the manufacturing of aerostructures. We also entered into a contract for the maintenance and management of the Brazilian Air Force's C-130 aircraft fleet, as well as a contract with two airlines, from Scandinavia and Central Asia, respectively, for the maintenance of Embraer E-190 aircraft, strengthening OGMA's position in this market. OGMA further extended the MRO spectrum, obtaining certification for maintenance of the Rolls-Royce AE1107 engine. In addition, we also entered into pylon manufacturing contract with one of the largest manufacturers of executive aircraft.

**[19] Demonstrações Financeiras Padronizadas / Embraer 2018 Financial Statements (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA==>

[p.2] 2.1.2 Demonstrações financeiras consolidadas

As demonstrações financeiras consolidadas incluem os saldos em 31 de dezembro da Controladora e de todas as subsidiárias que a Embraer, direta ou indiretamente, tem controle (Controladas) e entidades de propósitos específicos (EPEs) controladas pela Companhia, assim como fundos de investimentos em participações que são coligadas contabilizadas utilizando o método da equivalência patrimonial. Para operações controladas em conjunto (joint operations), a Companhia contabiliza os ativos, passivos, receitas e despesas relativos à sua participação na operação. As demonstrações financeiras consolidadas são elaboradas na moeda funcional da Controladora e convertida para moeda de apresentação conforme Nota 2.2.2. Todas as contas e saldos oriundos de transações ocorridas entre as entidades consolidadas são eliminados.

**Translation:**

[p.2] 2.1.2 Consolidated Financial Statements

The consolidated financial statements include the balances as of December 31 of the Parent Company and all the subsidiaries that Embraer controls directly or indirectly (Subsidiaries) and special purpose entities (EPEs) controlled by the Company, as well as equity investment funds which are related to accounting using the equity method. For jointly controlled operations, the Company records the assets, liabilities, revenues and expenses related to its participation in the operation. The consolidated financial statements are prepared in the Parent Company's functional currency and converted into the presentation currency as described in Note 2.2.2. All accounts and balances arising from transactions between consolidated entities are eliminated.

**Question**

**9.3 Does the company disclose its beneficial ownership and control structure?**

**Score**

**2**

**Comments**

There is evidence that the company is publicly listed on several global markets, including the New York Stock Exchange. Based on the scoring criteria, the company is therefore not required to provide further details of its beneficial ownership and automatically receives a score of '2'.

In addition, the company indicates that the Brazilian government holds one "golden share", which provides it with veto rights in certain circumstances. This is understood to represent a meaningful minority of shareholder value.

**Evidence**

**[30] Financial Times Markets Data (Webpage)**  
 Accessed 06/03/2020  
<https://markets.ft.com/data/equities/tearsheet/summary?s=ERJ:NYQ>



**[23] Embraer Form 20-F US SEC (Document)**  
 Accessed 22/06/2019  
<https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA==>  
 [p.91] ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7A. Major Shareholders

Shareholders

We have total authorized capital of 1,000,000,000 shares, with an aggregate of 740,465,044 common shares, including one special "golden share" held by the Brazilian government, issued and outstanding. The golden share provides the Brazilian government with veto rights in certain specific circumstances. In addition, non-Brazilian shareholders may have their voting rights restricted in certain specific circumstances. For further information on the voting rights of our common shares, see "Item 10B. Additional Information—Memorandum and Articles of Association—Description of Capital Stock—Voting Rights of Shares."

The table below sets forth information related to the amount of shares held by our significant shareholders. As of the date of this annual report, in accordance with the most recent shareholder position informed to us:

	Common Shares	
	Shares <sup>(1)</sup>	(%)
Brandes Investment Partners, L.P. <sup>(2)</sup>	106,656,095	14.40
Mondrian Investments Partners Limited <sup>(3)</sup>	73,587,000	9.94
BNDES Participações S.A.BNDESPAR <sup>(4)</sup>	39,762,489	5.37
Blackrock INC <sup>(5)</sup>	37,176,992	5.02
União Federal/Brazilian government <sup>(6)</sup>	1	0.00
Shares in company treasury	4,636,258	0.63
Others	478,646,209	64.64
<b>Total</b>	<b>740,465,044</b>	<b>100.00</b>

(1) The amount of shares includes our ADS.  
 (2) Brandes Investment Partners, L.P. is a 100% employee-owned independent investment advisory firm founded and co-owned by Charles Howard Brandes. The firm manages the Brandes series of mutual funds in addition to other funds and caters to individual and institutions.  
 (3) Mondrian Investment Partners Limited was founded in 1990, is an independent, employee-owned, global investment manager with offices in London and Philadelphia. The firm launches and manages equity, fixed income, and balanced mutual fund and invests in the public equity and fixed income markets across the globe.  
 (4) BNDESPAR is a wholly-owned subsidiary of Banco Nacional de Desenvolvimento Econômico e Social—BNDES, the government-owned national development bank of Brazil.  
 (5) Blackrock INC. is an American global investment management corporation based in New York City. Founded in 1988, initially as a risk management and fixed income institutional asset manager, BlackRock is the world's largest asset manager.  
 (6) The Brazilian government holds our "golden share."

There have been no significant changes in percentage ownership by any major shareholder in the past three years. On December 31, 2018, we had approximately 41,531 holders of common shares, including common shares in the form of ADSs. According to the most accurate information available to us, on December 31, 2018, an aggregate of 86,508,495 common shares in the form of ADSs were held by 139 record holders, including DTC in the United States.

[p.92] 7B. Related Party Transactions

The Brazilian Government

The Brazilian government, through its direct and indirect stakes in us and its ownership of our “golden share,” is one of our major shareholders. The issuance of the “golden share” was a requirement of the regulations governing our privatization in 1994 and grants the Brazilian government veto rights over certain military-related programs and corporate actions (including transfers of control and changes in our name, logo and corporate purposes). For further information on the voting rights of our golden share, see “Item 10B. Additional Information—Memorandum and Articles of Association—Description of Capital Stock—Voting Rights of Shares—Golden Share.” As of December 31, 2018, in addition to the “golden share,” the Brazilian government owned an indirect 5.37% stake in us through BNDESPAR, a wholly-owned subsidiary of BNDES, which, in turn, is controlled by the Brazilian government. As a result, for the purposes of this annual report’s disclosure requirements, we consider transactions between Embraer and the Brazilian government or its agencies as falling within the definition of “related party transactions.”

The Brazilian government plays an important role in our business activities, including as:

- a major customer of our defense products, through the Brazilian Air Force;
- a source for research debt financing through technology development institutions, including FINEP and BNDES;
- an export credit agency, through BNDES; and
- a source of short-term and long-term financing and a provider of asset management and commercial banking services, through Banco do Brasil.

[24] EMBRAER - Investor Relations - Capital Ownership (Webpage)

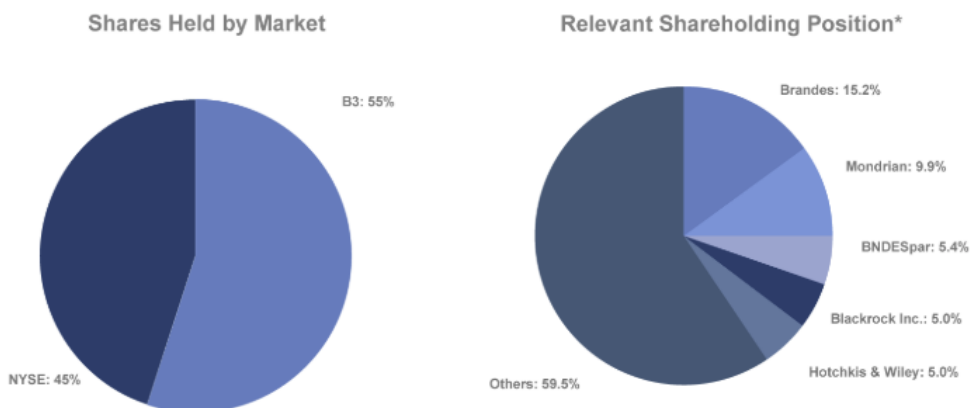
Accessed 22/06/2019

<https://ri.embraer.com.br/show.aspx?idCanal=LIY+r3qqt49YpDERgHIHtA==&linguagem=en#>

Capital Ownership



Embraer's capital is composed of 740,465,044 shares with the following distribution:



\*Information updated according to the notices received from shareholders in compliance with the provisions of art. 12 of ICMV 358/02.

<b>Question</b>
<b>9.4 Does the company publish a percentage breakdown of its defence sales by customer?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>There is evidence that the company publishes some information about its defence sales by customer. The company indicates that, for its most recently reported financial year, the Brazilian government accounted for 48.1% of its sales.</p> <p>However, the company receives a score of '0' because there is no evidence that it publishes information about its customers for at least 50% of its defence sales, nor that it indicates whether this data represents defence or non-defence sales, or both.</p>
<b>Evidence</b>
<p><b>[23] Embraer Form 20-F US SEC (Document)</b>  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA==">https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA==</a>  [p.14] In our Defense and Security business, the Brazilian government is our largest customer of defense aircraft products. Revenue from sales to the Brazilian government accounted for 48.1% of segment revenue for the year ended December 31, 2018. A decrease in defense investments by the Brazilian government due to budgetary constraints or other factors that are out of our control could decrease our Defense and Security revenue. We cannot assure you that the Brazilian government will continue to acquire defense products and services from us in the future at the same rate or at the same level.</p> <p>[p.92] A Major Customer (Brazilian Government)</p> <p>The Brazilian government, mainly through the Brazilian Air Force, has been a significant customer of Embraer since its inception. For the year ended December 31, 2018, the Brazilian government, mainly through the Brazilian Air Force, accounted for 48.1 % or US\$ 346.7 million of the revenue of our Defense and Security business. In addition, as of December 31, 2018, the Brazilian Air Force owed us US\$90.3 million in trade account receivables and had a credit against us of US\$42.3 million in customer advances. We expect to continue to be the primary source of new aircraft and spare parts and services for the Brazilian government. For a description of our transactions with the Brazilian government, see "Item 4B. Information on the Company—Business Overview—Defense and Security Business."</p> <p><b>[19] Demonstrações Financeiras Padronizadas / Embraer 2018 Financial Statements (Document)</b>  Accessed 21/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA==">https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA==</a>  [p.9] Em 2018, foram entregues seis aeronaves A-29 Super Tucano para um cliente não divulgado. As aeronaves serão utilizadas para treinamento tático e avançado, bem como em missões de ataque leve e ISR (inteligência, vigilância e reconhecimento). No Programa de Apoio Aéreo Leve (LAS - Light Air Support), da Força Aérea dos Estados Unidos (USAF), três aeronaves A29 Super Tucano foram entregues. Também foi assinado o contrato de venda de doze aeronaves A-29 Super Tucano para a Força Aérea da Nigéria. Além disso, a aeronave A-29 Super Tucano também obteve sucesso nas demonstrações em solo e em voo realizadas pela USAF para o programa Light Attack Aircraft (LAA), anteriormente nominado como OA-X. Com relação às aeronaves de transportes especiais, foi entregue a última aeronave de cinco unidades Phenom 100 à empresa Affinity Flying Training Services, para serem operadas pelo Sistema Militar de Treinamento de Voo do Ministério da Defesa do Reino Unido (UKMFTS). Também foram vendidas duas aeronaves Phenom 100 para um cliente não divulgado, com previsão de entrega para o 2º semestre de 2019. Em relação aos Programas de Modernização, a Embraer entregou à Diretoria Aeronáutica da Marinha do Brasil (DAerM), duas aeronaves referentes ao Programa AF1/1A e, para a FAB, uma aeronave referente ao Programa A1-M e uma aeronave referente ao Programa F-5BR2. Foi entregue, ainda, a terceira aeronave de quatro unidades Legacy 500 ao Grupo Especial de Inspeção em Voo (GEIV). A última entrega tem data prevista para o 2º semestre de 2019.</p>
<b>Translation:</b>

[p.9] In 2018, six A-29 Super Tucano aircraft were delivered to an undisclosed customer. The aircraft will be used for tactical and advanced training, as well as light attack and ISR missions (intelligence, surveillance and reconnaissance). In the United States Air Force (USAF) Light Air Support Program (LAS), three A29 Super Tucano aircraft were delivered. Also we signed a contract for the sale of twelve A-29 Super Tucano aircraft to the Air Force of Nigeria. In addition, the A-29 Super Tucano aircraft was also successful in the ground and flight demonstrations conducted by the USAF for the Light Attack Aircraft (LAA) program, previously nominated as OA-X. In regards to the special transport aircraft, the last aircraft of five Phenom 100 units was delivered to Affinity Flying Training Services, to be operated by the UKMFTS Military Flight Training System (UKMFTS). Two Phenom 100 aircraft were also sold to an undisclosed customer, scheduled for delivery in the second half of 2019. Embraer delivered to the Aeronautical Board of the Brazilian Navy (DAerM) two aircraft related to the Program AF1 / 1A and, for FAB, an aircraft for Program A1-M and one aircraft for the F-5BR2 Program. The third aircraft of four Legacy 500 units was also delivered to the Special Flight Inspection Group (GEIV). The last delivery is scheduled for the second half of 2019.



## 10. State-Owned Enterprises (SOEs)

Question
<b>10.1 Does the SOE publish a breakdown of its shareholder voting rights?</b>
Score
<b>2</b>
Comments
<p>The company publishes clear information about its shareholder voting rights to indicate the percentage allocated to each shareholder. The company indicates that the Brazilian government holds a meaningful minority of voting rights though one golden share.</p>
Evidence
<p><b>[23] Embraer Form 20-F US SEC (Document)</b>            Accessed 22/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA">https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA</a>            [p.25] Our bylaws contain provisions that limit the voting rights of certain shareholders, including non-Brazilian shareholders.</p> <p>Our bylaws contain provisions that limit the rights of a shareholder or group of shareholders, including brokers acting on behalf of one or more holders of ADSs, to exercise voting rights in respect of more than 5% of the outstanding shares of our capital stock at any general meeting of shareholders. See “Item 10B. Additional Information—Memorandum and Articles of Association—Description of Capital Stock—Voting Rights of Shares—Limitations on the Voting Rights of Certain Holders of Common Shares.”</p> <p>Our bylaws also contain provisions that limit the right of non-Brazilian shareholders to exercise voting rights in respect of more than two-thirds of the voting rights that may be exercised by Brazilian shareholders present at any general meeting of shareholders. This limitation will effectively prevent our takeover by non-Brazilian shareholders and limit the ability of non-Brazilian shareholders to effect control over us. For further information on our voting rights, see “Item 10B. Additional Information—Memorandum and Articles of Association—Voting Rights of Shares—Limitation on the Voting Rights of Non-Brazilian Shareholders.”</p> <p>[p.91] ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</p> <p>7A. Major Shareholders</p> <p>Shareholders</p> <p>We have total authorized capital of 1,000,000,000 shares, with an aggregate of 740,465,044 common shares, including one special “golden share” held by the Brazilian government, issued and outstanding. The golden share provides the Brazilian government with veto rights in certain specific circumstances. In addition, non-Brazilian shareholders may have their voting rights restricted in certain specific circumstances. For further information on the voting rights of our common shares, see “Item 10B. Additional Information—Memorandum and Articles of Association—Description of Capital Stock—Voting Rights of Shares.”</p> <p>[p.104] Limitations on the Voting Rights of Certain Holders of Common Shares</p> <p>Our bylaws provide that, at any shareholders’ meeting, no shareholder or group of shareholders, including brokers acting on behalf of one or more holders of ADSs, may exercise votes representing more than 5% of the quantity of shares into which our capital stock is divided. Votes that exceed this 5% threshold will not be considered.</p> <p>For purposes of our bylaws, two or more of our shareholders are considered to be a “group of shareholders” if:</p> <ul style="list-style-type: none"> <li>• they are parties to a voting agreement;</li> <li>• one of them is, directly or indirectly, a controlling shareholder or controlling parent company of the other, or the others;</li> <li>• they are companies directly or indirectly controlled by the same person/entity, or group of persons/entities, which may or may not be shareholders; or</li> </ul>

• they are companies, associations, foundations, cooperatives and trusts, investment funds or portfolios, universalities of rights or any other forms of organization or undertaking (i) with the same administrators or managers, or further (ii) whose administrators or managers are companies that are directly or indirectly controlled by the same person/entity, or group of persons/entities, which may or may not be shareholders.

In the case of investment funds having a common administrator, only funds with policies of investment and of exercise of voting rights at shareholders’ meetings that fall under the responsibility of the administrator on a discretionary basis will be considered to be a group of shareholders.

In addition, shareholders represented by the same proxy, administrator or representative on any account at any shareholders’ meeting will be considered to be a group of shareholders, except for holders of our ADSs when represented by the relevant depository. All signatories to a shareholders’ agreement that addresses the exercise of voting rights will also be considered to be a group of shareholders for purposes of the foregoing limitation.

[p.105] This limitation on the voting rights of certain holders of common shares is illustrated in the following table:

Equity Interest of Shareholder or Group of Shareholders	Voting Rights as a Percentage of our Capital Stock
1%	1%
2%	2%
3%	3%
4%	4%
5%	5%
> 5%	5%

**Limitation on the Voting Rights of Non-Brazilian Shareholders**

In accordance with the edital (invitation to bid) issued by the Brazilian government in connection with the privatization of Embraer in 1994, voting participation of non-Brazilian holders of Embraer common shares was limited to 40% of Embraer common shares votes at shareholders’ meeting.

Our bylaws provide that, at any shareholders’ meeting, non-Brazilian shareholders and groups of non-Brazilian shareholders may not exercise voting rights representing more than two-thirds of the total votes of all of the Brazilian shareholders present at the meeting. The total number of votes that may be exercised by Brazilian shareholders and by non-Brazilian shareholders will be assessed after giving effect to the 5% voting limitation described above in “Item 10B. Limitation on the Voting Rights of Certain Holders of Common Shares.” Votes of non-Brazilian shareholders that exceed this two-thirds threshold will not be considered. If the total vote of non-Brazilian shareholders at any shareholders’ meeting exceeds two-thirds of the votes that may be exercised by the Brazilian shareholders present at such meeting, the number of votes of each non-Brazilian shareholder will be proportionately reduced so that the total vote of non-Brazilian shareholders does not exceed two-thirds of the total votes that can be exercised by Brazilian shareholders present at the shareholders’ meeting.

The fraction of two-thirds effectively limits the voting rights of non-Brazilian shareholders and groups of non-Brazilian shareholders to 40% of share capital represented at the shareholders’ meeting. The objective of this limitation is to ensure that Brazilian shareholders constitute a majority of the total votes cast at any shareholders’ meeting. This limitation will effectively prevent our takeover by non-Brazilian shareholders and limit the ability of non-Brazilian shareholders to control us.

For purposes of our bylaws, the following are considered to be “Brazilian shareholders”:

- Brazilian individuals, whether native or naturalized, resident in Brazil or abroad;
- legal private entities organized under the laws of Brazil that have their administrative head offices in Brazil and (i) do not have a foreign controlling parent company, unless the parent company meets the requirements of clause (ii) of this item, and (ii) are controlled, directly or indirectly, by one or more Brazilian individuals, whether native or naturalized, resident in Brazil or abroad; and
- investment funds or clubs organized under the laws of Brazil that have their administrative head office in Brazil and whose managers and/or investors holding the majority of their equity interests are persons/entities referred to above.

A Brazilian shareholder will be required to provide evidence to us and the depository agent for the book-entry registry that such shareholder satisfies the foregoing requirements and only after this evidence is given will the shareholder be included in the records of Brazilian shareholders.

For purposes of our bylaws, “non-Brazilian shareholders” are any individuals, legal entities, investment funds or clubs and any other organizations that are not considered Brazilian shareholders and that cannot evidence that they satisfy the requirements to for registration as Brazilian shareholders, according to our bylaws.

A “group of shareholders,” as defined above, will be considered to be non-Brazilian whenever one or more of its members is a non-Brazilian shareholder.

**[19] Demonstrações Financeiras Padronizadas / Embraer 2018 Financial Statements (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA==>

[p.74] PATRIMÔNIO LÍQUIDO

27.1 Capital social

O capital social autorizado está dividido em 1.000.000.000 de ações ordinárias. Em 31 de dezembro de 2018, o capital social da Controladora, subscrito e integralizado, totalizava R\$ 5.159.617, representado por 740.465.044 ações ordinárias, sem valor nominal, das quais 4.977.698 ações encontra-se em tesouraria. O capital da Companhia compreende apenas ações ordinárias. Conforme art. 14 do Estatuto Social, cada ação ordinária conferirá direito a um voto nas deliberações da Assembleia Geral observando que, nenhum acionista ou grupo de acionistas poderá exercer votos em número superior a 5% da quantidade de ações em que se dividir o capital social da Companhia. Votos que excederem o limite de 5% não serão considerados. Em 31 de Dezembro de 2017, o montante em Reserva de investimento e Capital de Giro da Companhia excedeu o percentual de 80% do capital social conforme previsto no Estatuto Social (art. 50. par.1º) e adicionalmente o saldo das reservas de lucros (excluída a reserva de incentivos fiscais) excedeu o limite legal do capital social conforme previsto no art.199 da Lei 6.404/76; dessa forma foi aprovado o aumento de capital social no montante de R\$ 370.000, em reunião do conselho de administração realizada no dia 05 de Março de 2018. Esse aumento foi refletido no 1º trimestre de 2018.

[p.74] 27.3 Ação ordinária especial

A União Federal detém uma ação ordinária especial (golden share), com mesmo direito de voto dos outros acionistas detentores de ações ordinárias, porém com direitos especiais conforme descrito no artigo 9 do Estatuto Social da Embraer.

**Translation:**

[p.74] SHAREHOLDERS 'EQUITY

27.1 Share capital

The authorized share capital is divided into 1,000,000,000 common shares. On 31 December 2018, the Company's capital stock, subscribed and paid-in, amounted R \$ 5,159,617, represented by 740,465,044 common shares, with no par value, of which 4,977,698 shares are held in treasury. The Company's capital comprises only common shares. According to art. 14 of the Bylaws, each common share shall confer one vote in the deliberations of the General Meeting, observing that no shareholder or group of shareholders may exercise more than 5% of the number of shares in which the Company's capital stock is divided. Votes that exceed the 5% limit will not be considered. As of 31 December 2017, the amount in the Investment Reserve and Working Capital of the Company exceeded the percentage of 80% of the capital stock as provided for in the Bylaws (article 50.par.1º) and additionally the balance of the profit reserves (excluding the tax incentive reserve) exceeded the legal limit of the capital stock as provided in article 99 of Law 6,404 / 76; in this way, the capital increase of R \$ 370,000 was approved at a meeting of the Board of Directors held on 5 March 2018. This increase was reflected in the first quarter of 2018.

[p.74] 27.3 Special ordinary share

The Federal Government holds a special golden share, with the same voting rights as other common shareholders, but with special rights as described in article 9 of Embraer's Bylaws.

<b>Question</b>
<b>10.2 Are the SOE's commercial and public policy objectives publicly available?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
There is evidence that the company publishes information on its commercial objectives for both its commercial and defence businesses. There is evidence that these objectives are published and updated on an annual basis, as part of the company's annual Financial Statements.
<b>Evidence</b>
<p><b>[19] Demonstrações Financeiras Padronizadas / Embraer 2018 Financial Statements (Document)</b>  Accessed 21/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91IcfbNJA==">https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91IcfbNJA==</a>  [p.21] Modelo de Gestão</p> <p>O modelo de gestão da Embraer é formalmente descrito no Sistema Empresarial Embraer – SEE e contempla o planejamento de longo prazo, especificado no Plano Estratégico da Empresa e os projetos de curto e médio prazo, estabelecidos no Plano de Ação. Enquanto o primeiro define macro estratégias e macroprojetos para os próximos 15 anos, o segundo contempla os objetivos a serem cumpridos nos dois primeiros anos e estabelece, com foco na sustentabilidade, as metas operacionais e econômico-financeiras para o período. Tanto o Plano Estratégico quanto o Plano de Ação visam a perenidade do negócio e a geração de valor para os acionistas, focando no aumento da competitividade, no aprimoramento do modelo de excelência empresarial e na busca contínua por melhores resultados. O Plano Estratégico está centrado em seis principais vertentes:</p> <p>Aviação Comercial: solidificar a posição de relevância no seu segmento de atuação, expandindo a base de clientes, trabalhando no aperfeiçoamento dos E-Jets e otimizando a gestão dos ativos; Aviação Executiva: consolidar-se como um dos principais fabricantes de jatos executivos no mundo, priorizando a rentabilidade do negócio, investindo na eficiência de produção, aumentando a competitividade dos produtos e mantendo os elevados níveis de satisfação dos clientes; Defesa &amp; Segurança: ser protagonista em soluções de defesa e espaço no Brasil, diversificando o portfólio de produtos e serviços e expandindo a atuação internacional, além de buscar aumentar a eficiência e integração entre as atividades; Serviços &amp; Suporte: buscar o crescimento do negócio de suporte ao cliente através da captura de novos mercados, aumento de eficiência operacional e ser reconhecida pelos clientes como a melhor provedora de serviços e suporte; Inovação e Estratégia: direcionar o crescimento sustentável da Empresa, através de um ambiente favorável à inovação, utilizando tecnologias digitais e traçando estratégias com o objetivo de maximizar o crescimento e a eficiência da utilização dos recursos; Eficiência: prosseguir implantando a cultura de eficiência em todos os níveis da Companhia, difundir a marca Embraer e ser referência em compliance, buscando ser a melhor e mais eficiente empresa aeroespacial e de defesa do mundo.</p> <p><b>Translation:</b></p> <p>[p.21] Management Model</p> <p>Embraer's management model is formally described in the Embraer Enterprise System - SEE and includes the long-term planning specified in the Company's Strategic Plan and the short- and medium-term projects established in the Embraer Plan of Action. While the first defines macro strategies and macroprojects for the next 15 years, the second contemplates the objectives to be fulfilled in the first two years and establishes, with focus on sustainability, the operational and economic-financial goals for the period. Both the Strategic Plan and the Action Plan aim at business continuity and shareholder value generation, focusing on increasing competitiveness, improving the business excellence model and continuously seeking better results. The Strategic Plan focuses on six main areas: Commercial Aviation: solidifying the position of relevance in its segment, expanding the customer base, working on improving the E-Jets and optimizing asset management; Executive Aviation: consolidate itself as one of the leading executive jet manufacturers in the world, prioritizing business profitability, investing in production efficiency, increasing product competitiveness and maintaining high levels of customer satisfaction; Defense &amp; Security: to be a protagonist in defense and space solutions in Brazil, diversifying the portfolio of products and services and expanding international operations, in addition to seeking to increase efficiency and integration among activities; Services &amp; Support: Seek growth in customer support business by capturing new markets, increasing operational efficiency and being recognized by customers as the best service and support provider; Innovation and Strategy: driving the Company's sustainable growth through an innovation-friendly environment, using digital technologies and designing strategies to maximize growth and efficiency of resource use; Efficiency: continue implementing the</p>

culture of efficiency at all levels of the Company, disseminate the Embraer brand and become a reference in compliance, seeking to be the best and most efficient aerospace and defense company in the world.

<b>Question</b>
<b>10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company publishes information about the nomination process, appointment and composition of its board and provides details of its board members. The company discloses details of its nomination process, including the criteria for nomination, which company representatives are involved in the nomination, and who makes the final appointment decision. For each board member, the company discloses whether that person has any connection to the company or the state or is an independent director.</p>
<b>Evidence</b>
<p><b>[26] EMBRAER - Investor Relations - Organizational Structure (Webpage)</b>  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==&amp;linguagem=en#">https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==&amp;linguagem=en#</a>  Organizational Structure</p> <p><b>Management</b>  Meeting the highest standards of corporate governance, Embraer's Management is made up of the Board of Directors and its three advisory committees (Strategy Committee, Audit, Risk and Ethic Committee and People and Governance Committee), the Fiscal Board and the Board of Executive Officers. Below we present the names, positions and brief biographical information of the Management members.</p> <p><b>Board of Directors</b>  Our Board of Directors meets in regular sessions eight times a year and in extraordinary sessions when called by the President or by a majority of its members. It is the body responsible, among others, for establishing our general business policies and for electing our executive officers, as well as for overseeing the management of the same.</p> <p>Among the members of the Board, seven are independent according to the criteria defined in the Novo Mercado Rules, which are (i) has no ties to the Company except for owning an equity share of its capital stock; (ii) is not a Controlling Shareholder, the Controlling Shareholder's spouse or a relative to the second degree, is not or has not been linked in the last 3 (three) years to a company or entity with ties to the Controlling Shareholder (this restriction does not apply to people linked to governmental institutions of education and research); (iii) has not been a senior manager of the Company or employed by or worked for the Company, the Controlling Shareholder or any other company controlled by the Company; (iv) is not a direct or indirect supplier or purchaser of the Company's services or products or both, to a degree that results in loss of independency; (v) is not an employee or manager of a company or entity that supplies services or products or both to, or buys these from, the Company; (vi) is not a spouse or a relative to the second degree of any senior manager of the Company; (vii) does not receive any compensation from the Company except for that related to its activities as member of the Board of Directors (this restriction does not apply to cash from equity interests in the capital stock)</p> <ul style="list-style-type: none"> <li>• Alexandre Gonçalves Silva - Chairman of the Board</li> <li>• Sergio Eraldo de Salles Pinto - Vice Chairman of the Board</li> <li>• Alexandre Magalhães Filho - Board of Directors Effective Member</li> <li>• Edmilson Saes - Board of Directors Effective Member</li> <li>• Israel Vainboin - Board of Directors Effective Member</li> <li>• João Cox Neto - Board of Directors Effective Member</li> <li>• José Magno Resende de Araújo - Board of Directors Effective Member</li> <li>• Márcio de Souza - Board of Directors Effective Member</li> <li>• Maria Letícia de Freitas Costa - Board of Directors Effective Member</li> <li>• Pedro Wongtschowski - Board of Directors Effective Member</li> <li>• Raul Calfat - Board of Directors Effective Member</li> <li>• Jeferson Domingues de Freitas - Board of Directors Alternate Member</li> <li>• Kaoru Sasaki - Board of Directors Alternate Member</li> <li>• Maria Antonieta Rosina Tedesco de Oliveira - Board of Directors Alternate Member</li> </ul>

**[23] Embraer Form 20-F US SEC (Document)**

Accessed 22/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA==>

[p.82] Alexandre Gonçalves Silva.

Mr. Silva holds a BS in Mechanical Engineering from PUC Rio de Janeiro. In his 40-year career, he has occupied positions in several areas, including 22 years as a CEO. Mr. Silva was CEO of GE in Brazil from 2001 to 2007 and since then, Mr. Silva has occupied positions on boards of directors of various companies. Mr. Silva is Chairman of the Board of Directors of Embraer and an independent board member at, Votorantim Cimentos, Ultrapar and Nitroquímica. Mr. Silva is a Pro Bono Board member of the American Chamber of Commerce since 2003. Mr. Silva is an independent member of the Board of Directors of Embraer.

Sérgio Eraldo de Salles Pinto.

Mr. Salles Pinto has been CEO of Bozano Group since 2011 and he was an Executive Officer from 2000 to 2010. From 1988 to 2000, he worked at several companies of Banco Bozano, Simonsen S.A. He was originally elected to the Board of Directors of Embraer in April 2009 and he is an independent member, being a member of the Human Resources Committee and coordinator of the Audit and Risk Committee. Mr. Salles Pinto earned undergraduate degrees in Economics and Electrical Engineering from the Center of Unified Teaching of Brasília (CEUB) and the University of Brasília (UnB), respectively. He holds a Master's degree in Economics from Fundação Getúlio Vargas—Rio de Janeiro (EPGE) and a Master's degree in Administration from the Catholic University of Rio de Janeiro (PUC). Mr. Salles Pinto is the Chairman of the Board of Directors of Bozano Investimentos Gestora de Recursos, a member of the Board of Directors of Azul Linhas Aéreas and Vice-President of the Board of Directors of Ouro Preto Óleo e Gás.

Alexandre Magalhães Filho.

Mr. Magalhães Filho has a degree in accounting sciences, with a specialization in budget analysis. He has been an employee of Embraer since 1986, where he has held the following positions: 1986 to 2008, Budget Supervisor, Assistant Controllership Officer, and Pricing and Economic Planning Manager; 2008 to 2010, Costs Manager. His current position is Financial Process Manager, and he is in charge of cost, accounting and tax procedures, including products and services costing, accounting for 29 companies, controllership and IFRS accounting consolidation for 50 companies in the Embraer group, and tax operations. Mr. Magalhães Filho sat on the Fiscal Council of: (i) Banco do Brasil Previdência Privada (BBPREV) from 1997 to 2009; (ii) Embraer Prev – Sociedade de Previdência Complementar from 2010 to 2012, being reelected for the period 2015 to 2018; (iii) Instituto Embraer de Educação e Pesquisas, since 2001; and (iv) Cooperativa dos Empregados da Embraer (Cooperemb) from 2009 to 2011, was elected to the Board of Directors for the 2015-2017 term. Mr. Magalhães Filho was an alternate director for the representative of the Embraer Employees Investment Club (CIEMB) on the Board of Directors of Embraer from 2013 to 2015, was elected as an acting director for the 2015-2017 term and has been nominated by Embraer's employees to be reelected for the 2017–2019 term.

Cecília Mendes Garcez Siqueira.

Ms. Siqueira holds a degree in education and an MBA in General Business – Top Executives and Pension Plan Management, as well as a master's degree in business management. She has been an employee of BB since 1979, where she has held the following positions: 1979 to 2002, various positions; 2002 to 2010, Chief Planning Officer, and Chief Administrative Officer until May 2018. Ms. Siqueira served on the Board of Directors of Neoenergia from 2002 to 2005, where she also acted as Coordinator of the HR Committee. From 2005 to 2008, Ms. Siqueira served as Vice Chairman of the Board of Directors of CPFL Energia, where she also acted as Coordinator of the HR Committee. She served as a director of Embraer from 2008 to 2011, where she also sat on the Strategies and Risk Committee. Ms. Siqueira also sat on the Board of Directors of Sauípe S.A. from 2011 to 2013. Ms. Siqueira is an independent member of the Board of Directors of Embraer.

Dejair Losnak Filho.

Dejair Losnak Filho holds a Bachelor's Degree in Law from the Universidade do Vale do Paraíba in São José dos Campos, in 2011; holds a post-graduate degree in Social Security and Labor Law, by UNISAL, in 2013; holds a post-graduate degree in Social Security Law from Faculdade Legale, in São Paulo; and a course for Members of the Board of Directors by the Instituto Brasileiro de Governança Corporativa (IBGC) in November and December 2017. Mr. Losnak was elected in 2017 a member of the Board of Directors of Embraer S.A. by representatives of non-shareholders, and has been Programmer of Production of the company since 2003.

Israel Vainboim.

Mr. Vainboim was a member of the Board of Directors of Itaú Unibanco S.A. from 2009 to April 2015. He is a member of the Board of Directors of Cia. lochpe-Maxion, member of the Board Council of MAM (Museu de Arte Moderna de São Paulo), member of the Board of Alfredo Volpi of Modern Art Institute, member of the Board of

MASP, Vice-President of the Board of Albert Einstein Hospital in São Paulo and Chairman of the Board of the Brazilian-Israeli Chamber of Commerce. Mr. Vainboim served at Unibanco in various capacities since 1969. Mr. Vainboim was also the President of Unibanco from 1988 to 1992 and member of its Board of Directors until 2008. Mr. Vainboim was president of Unibanco Holdings S.A. from 1994 to 2007, Chairman of the Board of Directors and President of the Audit Committee of Unibanco Holdings S.A. from 2007 to February 2009. He was first elected to the Board of Directors of Embraer in April 2009 and he is an independent member. Mr. Vainboim earned an undergraduate degree in Mechanical Engineering from the Federal University of Rio de Janeiro and holds an MBA from Stanford University.

[p.83] João Cox Neto.

Mr. Cox currently serves as Chairman of the board of directors of TIM Participações and TIM Brasil S.A. and also as a member of the boards of directors of Petrobras S.A., Embraer S.A., Braskem S.A. and Linx S.A. He is the founding partner and managing director of Cox Investments & Advisory. Between 2006 and 2010, Cox served as CEO and vice-chairman of Claro. In 2005, he was the vice-chairman of the board of directors of Cellcom Israel. He served as CFO and investor relations of Telemig Celular Participações and Tele Norte Celular Participações from April 1999 to August 2004 and also CEO of Telemig Celular and Amazonia Celular from August 2002 to August 2004. In addition, Cox has served as a member of the boards of directors of certain companies in Brazil, Argentina, Holland and Israel. He served as a board member of the CRSFN—National Financial System Resources Council, ABRASCA (Brazilian Association of Publicly Held Companies) and IBRI (Brazilian Institute of Investors' Relations). Cox holds a bachelor's degree in economics from Universidade Federal da Bahia and attended to post graduation in economics at Université du Québec à Montreal and at the College of Petroleum Studies of Oxford University. Mr. Cox is an independent member of the Board of Directors of Embraer, also acting as a head of the Governance and Human Resources Committee and member of the Audit and Risks Committee.

José Magno Resende de Araújo.

On April 8, 2016, Mr. Araújo was appointed as Air Force Operations Commander of the Brazilian Air Force (Comando de Operações Aeroespaciais). He served as Economic and Finance Secretary of the Brazilian Air Force (Secretaria de Economia, Finanças e Administração da Aeronáutica) from April 8, 2018 through January 10, 2019; as Chief of Staff for the Brazilian Air Force command from April 20, 2012 to April 8, 2016, as Commander of the Brazilian Air Force Training and Adaptation Center (Centro de Instrução e Adaptação da Aeronáutica) from April 7, 2011 to April 12, 2012 and as head of the Brazilian Air Force Congressional Support (Assessoria Parlamentar da Aeronáutica), from July 17, 2008 to April 7, 2011. Mr. Araújo completed several academic courses, including the Official Airmen Training Course at the Brazilian Air Force Academy in Pirassununga, SP in 1980, the Improvement Course for Offices, the Command and Staff Course, the Aerospace Policy and Strategy Course and an MBA in Strategic Institutional Management in 2006.

Maria Leticia de Freitas Costa.

Mrs. Costa holds a degree in Production Engineering from Polytechnical School of the University of São Paulo in 1982, and a MBA from Samuel Curtis Johnson School of Business, Cornell University, in 1986. Mrs. Costa is a partner at Prada Assessoria Empresarial Ltda., since 2010; member of the Board of Directors of Localiza S.A., since 2009; member of the Board of Directors of RBS Mídia, since 2016; member of the Board of Directors of BB Mapfre, since 2015; member of the Board of Directors of Mapfre S.A., since 2015; member of the Board of Directors of Martins S.A., since 2014; member of the Board of Directors of Totvs S.A.; member of the Audit Committee of Votorantim Cimentos, since 2015; Strategy Committee of Votorantim Cimentos since 2018; member of the Audit Committee of Votorantim Metais (VMH and CBA), from 2015 to 2017; Post graduation Director of the Insper Institute of Education and Research, from 2011 to 2015; member of the Board of Directors of Marcopolo from 2012 to 2016; member of the Board of Directors of Gafisa S.A., from 2011 to 2012; member of the Audit Committee of Votorantim Industrial, from 2012 to 2014; member of the Strategy Committee of Bematech S.A., from 2014 to 2015. Mrs. Costa is an independent member of Embraer's Board of Directors and a member of the Human Resources and Strategy Committees.

Pedro Wongtschowski.

Mr. Wongtschowski served as General Manager of Oxiteno S.A. (1992-2006). From January 2007 to December 2012, he served as President of ULTRAPAR Participações S.A., a public company doing business in the fields of fuel distribution (Ipiranga), LPG distribution (Ultragaz), bulk liquid logistics (Ultracargo), and specialty chemicals manufacturing (Oxiteno). He is a member of the Board of Directors of Ultrapar Participações S.A. Mr. Wongtschowski is an independent director of Embraer, Votorantim S.A. and Centro de Tecnologia Canavieira S.A.

Raul Calfat.

Mr. Calfat holds a degree in business administration from Fundação Getúlio Vargas' Business School. Mr. Calfat was CEO, until December 2013, and is Chairman of the Board of Directors of Votorantim S.A., since January 2014;



Chairman of the Board of Directors of Aché Laboratórios Farmacêuticos., since September 2018; independent board member of Duratex S.A., since 2015; and member of the Board of Directors of the Sírío-Libanês Hospital, since August 2015. Calfat is an independent member of Embraer's Board of Directors and a member of the Strategy Committee and the Audit and Risk Committee.

### **[18] Policy for the Appointment and Training of Members of the Board of Directors and Committees (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=w7f3QAd17S0S+6WdPd8Gtw==>

#### **3. GUIDELINES**

- 3.1. Members must be appointed pursuant to the Bylaws, Internal Regulations of the Board of Directors, Code of Ethics and applicable law to reflect and consolidate existing structures in order to protect the interests of shareholders and the market.
- 3.2. The members appointed as members of the Board of Directors must be highly qualified professionals, with distinguished experience (technical, professional and academic experience) and in line with Embraer's values and culture.
- 3.3. The appointment process must also take into account the following criteria: complementary competences, availability of time to exercise their functions and diversity, among others.

#### **4. PROCESS OF APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS**

- 4.1. In addition to the ("Assessment Process") (formal process of assessment of the Board of Directors, Directors and Committees, as described in the Internal Regulations, the composition of the Board of Directors must be assessed every two years to ensure that the competences of its members are complementary.
- 4.2. The proposal for election of members of the Board of Directors must take into account the result of the Assessment Process, including performance during the period, experience, attendance to meetings during the previous term of office and attendance in mandatory annual trainings offered by the Company.
- 4.3. Except for the candidates appointed by the Federal Government and employees, the other members of the Board of Directors must be independent members, as defined in the Regulation of Novo Mercado.

#### **[p.2] 5. PROHIBITIONS TO APPOINTMENT**

- 5.1. The following individuals should not be appointed and/or serve as members of the Board of Directors: (a) representatives of regulatory agencies to which the Company is subject; (b) Ministers of State and State and Municipal Secretaries; (c) political party statutory officers and members of the Legislative Branch of any State, even if on leave; (d) relatives by blood or affinity, up to the second degree, of the individuals mentioned in the previous items; (e) individuals who served, in the last 36 (thirty-six) months, in the decision-making structures of political parties; and (f) individuals who worked, in the last 36 (thirty-six) months, in the organization, structuring and conduction of electoral campaigns.
  - 5.1.1. Without prejudice to the above provisions, the Board of Directors will assess potential conflicts that make the appointment and/or service of Board Members unadvisable.
- 5.2. Members of the Board of Directors who do not have positive results in the Assessment Process cannot be reinstated.

#### **6. VERIFICATION OF REQUIREMENTS AND PROHIBITIONS**

- 6.1. Subject to the provisions of this Policy, requirements and prohibitions apply to appointments, reinstatements and elections.
- 6.2. The fulfillment of requirements must be confirmed upon presentation of documents, which will be kept in the Company's headquarters for at least (five) years from the last day of the term of office of the relevant member of the Board of Directors.
- 6.3. Embraer's People and Governance Committee, in its supporting role, must express an opinion to assist the Board of Directors in the appointment of its members, confirming the fulfillment of requirements and absence of prohibitions for the relevant elections.
- 6.4. The result of the Assessment Process of the Board of Directors, its Committees and Board Members, including, among others, the performance and attendance of members in meetings, will be taken into account in the relevant appointments.

### **[6] Embraer Internal Regulations of the Board of Directors (Document)**

Accessed 21/06/2019

<https://ri.embraer.com.br/Download.aspx?Arquivo=8wcFTnfry8NFLtw2+pfng==>

[p.2] CHAPTER III COMPOSITION, TERM OF OFFICE AND INVESTITURE

Article 3. Pursuant to the Bylaws, the Board consists of eleven (11) members, who must be qualified professionals of unblemished reputation, committed to fulfilling their fiduciary duties. The members of the Board are elected by the Shareholders' Meeting for a unified two-year term. Reelection is permitted, pursuant to the paragraphs below.

Paragraph 1 – The Federal Government, as holder of the golden share, is entitled to elect one sitting member of the Board and its alternate.

Paragraph 2 – The employees of the Company are entitled to elect, in a separate vote, two sitting Board Members and their alternates as follows: one member and respective alternate shall be appointed by CIEMB – Clube de Investimentos dos Empregados da Embraer and the other member and respective alternate shall be appointed by employees who are not shareholders of the Company.

Paragraph 3 – The other eight (8) members shall be elected by the other shareholders of the Company.

Paragraph 4 – Members of the Board of Directors cannot accumulate the position of Officers of the Company.

Paragraph 5 – At least two (2) members or 20% of the Board of Directors, whichever is higher, must be independent directors, as defined in the Regulation of the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão (“Novo Mercado Regulation”).

Paragraph 6 – If the result of the percentage calculation referred to above equals a fraction, the Company shall round up fractions to the immediately following whole number.

Article 4. Except as provided in Article 32 of the Bylaws (election by multiple vote), the election of Board Members set forth in Paragraph 3 of Article 3 hereof must be conducted in accordance with a slate system, rather than separate voting.

[p.3] Paragraph 1 – In case of the election provided in this Article 4, the Board shall appoint a slate and the management of the Company has up to 30 days before the date scheduled for the Shareholders' Meeting to send to the Stock Exchange, include in a website and provide to shareholders, at the Company's headquarters, a document including the name, identification and curriculum of the candidates running for Board Members under the slate formed as set forth in this paragraph.

Paragraph 2 – The People and Governance Committee shall analyze, select and appoint the names that will form the slate referred to in Paragraph 1 above to the Board.

Paragraph 3 – Individuals with distinguished knowledge in different areas, including the aviation, finance, corporate management and legal areas, must be preferably selected.

Paragraph 4 – The People and Governance Committee shall recommend the candidates running for Chairman and Vice Chairman of the Board to the Board and the Board shall submit this recommendation to the Shareholders' Meeting. Recommendations must ideally include Board Members who have already served for at least one term of office in the Company and who may serve for at least another two terms of office in this function. Additionally, the members who take over these positions must have the time required to exercise them.

Paragraph 5 – The decision of the Board about the composition of the slate and the appointment of the candidates running for Chairman and Vice Chairman of the Board must take into account the most recent assessment of the Board Members and the needs of the Company at the time of such decision.

Paragraph 6 – Board members should not be elected for more than five consecutive terms of office, i.e., more than ten years.

Article 5. In order to be invested, Board Members shall:

- (i) sign the Investiture Instrument, drawn in the Minutes Book of the Board of Directors, as well as the Confidentiality Agreement, the Acceptance of the Company's Code of Ethics and Conduct, the Acceptance of the Trading Policy of Securities Issued by the Company and the Acceptance of the Material Information Disclosure and Confidentiality Policy; and
- (ii) provide a statement representing that they are not barred from exercising their functions, subject to the penalties provided in applicable law, which statement will be filed in the Company's headquarters.

Article 6. Newly elected Board Members or alternates who become sitting members (in the cases referred to in Paragraphs 1 and 2 of Article 3 hereof) must attend the Integration Program for New Members of the Board of Directors (Programa de [p.4] Integração dos Novos Membros do Conselho de Administração), developed by the People and Governance Committee, to acquire or renew their knowledge of their fiduciary duties and respective responsibilities, as well as obtain basic information about the Company, its ongoing business and strategies, products, material issues and culture. Moreover, Board Members must be up to date about best corporate governance practices, including in accordance with the Policy of Appointment and Training of Members of the Board of Directors and Committees.

**[25] Embraer By-Laws (Webpage)**

Accessed 22/06/2019

<https://ri.embraer.com.br/show.aspx?idCanal=Kacx+BqjYTwZmMKBRQu5Yg==&linguagem=en#>

Part I

Board of Directors

Composition

Section 27 - The Board of Directors will be composed of at least nine and no more than eleven members, all of whom will be elected by the Shareholders' Meeting for a unified two years term, reelection being permitted, with due regard for the provisions in Paragraphs 1 and 2 below.

Paragraph 1 - The Brazilian Federal Government as the holder of the Golden Share is entitled to elect one acting Board member and his alternate.

Paragraph 2 - The employees of the Company will be entitled to elect, by separate vote, two acting Board members and their alternates as follows: one Board member and his alternate will be appointed by the Employee Investment Club of the Company (CIEMB - Clube de Investimentos dos Empregados da Embraer), and one Board member and his alternate will be appointed by the non-shareholder employees of the Company.

Paragraph 3 - The remaining Board members will be elected by the other shareholders of the Company, subject to the provisions of Sections 31 and 32 hereof. It will be incumbent on the Chairman of the Shareholders' Meeting, when conducting the proceedings related to the election of Board members, to determine the voting mechanism for election of Board members, as contemplated in this Paragraph (Section 31 or Section 32).

Paragraph 4 - Subject to the introduction and paragraphs 1 and 2 of this Section, the number of members of the Board of Directors in each term of office will be determined at the Shareholders' Meeting whose agenda includes the election of members of the Board of Directors.

Paragraph 5 - No member of the Board of Directors may hold a position as executive officer of the Company.

Paragraph 6 - At least two (2) or twenty percent (20%), whichever is higher, of the directors shall be Independent Directors, as defined in the Novo Mercado Regulations. The candidates for the Board of Directors will be determined as independent in the Shareholders' Meeting that elects them, and in the case there is a controlling shareholder, they will also be deemed independent director(s) if elected pursuant to Section 141, Paragraph 4 of Law No. 6,404/76, subject to the provision of Section 32, Paragraph 7 hereof.

Paragraph 7 - If the calculation of the percentage referred to in the preceding Paragraph results in a fractional number of directors, this percentage will be rounded up to the next whole number.

Section 28 - The Board of Directors will have a Chairman and a Vice Chairman, who will be elected by the Shareholders' Meeting shortly after election of the Board members.

Section 29 - The replacement of the members of the Board of Directors in the case of absence, impediment or as a result of a vacancy will be conducted as follows:

I. except as provided in items IV, V and VI below, in the event of impediment or vacancy with respect to up two directors, the Board of Directors will continue to be composed of the remaining members until the end of their terms of office or, at the discretion of the Board of Directors, the remaining members of the Board of Directors will appoint the substitute(s) that will serve until the next Shareholders' Meeting, at which time the replacement(s) will be elected. In the event of vacancy with respect to more than two directors, the following rules apply: (x) if the vacancy does not refer to the majority of positions, the other members of the Board of Directors may call a Shareholders'

Meeting to elect the substitute(s) or directly appoint the substitute(s), and no more than two seats in the Board of Directors can remain vacant; (y) if the vacancy refers to the majority of positions, a Shareholders' Meeting must be called to elect their substitutes. In all cases, substitutes must serve for the remaining terms of office of the directors they replaced;

II. in the event of temporary absence or impediment of the Chairman of the Board, his duties will be discharged by the Vice Chairman of the Board on a temporary basis;

III. in the event of a vacancy in the office of the Chairman of the Board of Directors, the Vice Chairman of the Board will serve as Chairman of the Board for the unexpired term of office, and the remaining members of the Board of Directors will promptly appoint a new Vice Chairman of the Board, who will discharge his duties until the next following Shareholders' Meeting, at which time a replacement will be elected;

IV. in the event of impediment of any acting director referred to in Paragraphs 1 and 2 of Section 27, his alternate will serve until such time as the impediment will have ceased;

V. in the event of a vacancy with respect to any acting director referred to in Paragraphs 1 and 2 of Section 27, his alternate will serve until the next following Annual Shareholders' Meeting, which will elect a replacement; and

VI. in the event of a cumulative vacancy with respect to both an acting and an alternate director referred to in Paragraphs 1 and 2 of Section 27, the Board will promptly call a Shareholders' Meeting to fill the vacant positions.

#### Members of the Board of Directors

Section 30 - The members of the Board of Directors must be persons of upstanding reputation and, unless a waiver is given by the Shareholders' Meeting, may not:

I. hold positions in companies that could be regarded as competitors of the Company; or

II. have or represent interests that conflict with those of the Company.

Paragraph 1 - For the purpose of the provision in Section 115 of Law No. 6,404/76, a vote cast by a shareholder for election of a Board member that does not meet the requirements of this Section will be deemed an abusive vote.

Paragraph 2 - No member of the Board of Directors may have access to information, participate in Board meetings or cast a vote where such member has or represents interests that conflict with those of the Company.

Paragraph 3 - With regard to the election of the members of the Board of Directors pursuant to Paragraph 3 of Section 27, regardless of the election process to be adopted (Section 31 or Section 32), any shareholder that wishes to nominate a slate of candidates, in the event of election by slate of candidates, or one candidate, in the event of the adoption of the multiple voting process, that is not a member of the Board of Directors or the slate of candidates appointed by the Board of Directors shall notify the Company of this in writing, within 10 days before the occurrence of the Shareholders' Meeting, indicating the name, qualifications and professional résumé of each one and attaching to the notification a certificate signed by the candidate attesting his/her acceptance to run for office. The Company will publish, up to eight days before the date of the Shareholders' Meeting, an announcement informing the shareholders the location where they may obtain the list of all the candidates proposed in the terms of this Paragraph and a copy of his or her qualifications and professional résumés.

#### Election by Ticket

Section 31 - Except as provided in Section 32 hereof, election of members of the Board of Directors as contemplated in Paragraph 3 of Section 27 shall be conducted according to a slate system, whereby no vote may be cast for an individual candidate.

Paragraph 1 - In the case of an election as referred to in this Section 31, the Board of Directors will nominate a slate of candidates, provided that the management of the Company, no later than 30 days prior to the date scheduled for the Shareholders' Meeting, send to the stock exchange, post on the Company's website and make available to the shareholders at the Company's principal place of business a document containing the names and other particulars and résumés of the candidates for the positions of acting Board members listed on the slate referred to in this Paragraph.

Paragraph 2 - Any shareholder or group of shareholders may propose another slate for the Board of Directors, subject to the following rules:

a) the proposal should be notified in writing to the Company, up to 10 days before the date on which the Shareholders' Meeting is held, provided, further, that the same shareholder or group of shareholders may not submit more than one slate;

b) the notice should indicate the names of the candidates for the slate and, for members who will not be members of the Board of Directors or members of the slate indicated by the Board of Directors, the notice should indicate the respective qualifications and professional résumés, executed instrument certifying acceptance to run in the election, as well as other information and documents required by applicable law;

c) up to eight days before the date of the Shareholders' Meeting, the Company will publish a notice informing the place where the shareholders may obtain a copy of the proposed slate and a copy of the qualifications and professional résumés of the candidates, such notice to be posted on the Company's website as well.

Paragraph 3 - The name of a same person may appear in two or more slates, including the slate mentioned in Paragraph 1.

Paragraph 4 - Each shareholder may only vote for one slate, and all votes will be computed with due regard for the limitations provided for in Sections 14 and 15 hereof. The candidates in the slate receiving the largest number of votes at the Shareholders' Meeting will be elected.

#### Election by Cumulative Voting

Section 32 - In connection with the election of the members of the Board of Directors as contemplated in Paragraph 3 of Section 27, the shareholders representing at least 5% of the voting capital stock will be free to request the adoption of the cumulative voting method, no later than 48 hours prior to the date of the Shareholders' Meeting.

Paragraph 1 - Promptly upon receiving such a request, the Company will publish a notice to the shareholders communicating that the election will be conducted according to the method of cumulative voting.

Paragraph 2 - After the Shareholders' Meeting is called to order, the Presiding Officers will determine, based on the Brazilian Shareholders and the Foreign Shareholders that have signed the Shareholder Attendance Book and the number of their shares, the number of votes that each Brazilian or foreign shareholder may cast, subject to the following rules:

a) firstly, a calculation will be made of the number of votes that each shareholder may cast according to the provision of item I of Section 14, ascribing to each share that does not exceed 5% of the total of the shares of the Company's capital stock as many votes as correspond to the number of members of the Board of Directors to be elected; and

b) secondly, if the aggregate votes of the Foreign Shareholders exceed two-thirds (2/3) of the aggregate votes of the Brazilian Shareholders, then a percentage reduction factor will be applied to the votes of each Foreign Shareholder so as to make them compliant with the limit in item II of Section 14.

Paragraph 3- The following persons may be candidates for positions on the Board of Directors:

a) the persons on the slates referred to in Paragraphs 1 and 2 of Section 31; and

b) a candidate that is nominated by any shareholder and is not a member of the proposed slate must send his or her qualifications and professional résumé, the executed instrument certifying his or her acceptance to run in the election and other information and documents required by applicable regulations.

Paragraph 4 - Each shareholder will have the right to give the votes ascribed to him pursuant to Paragraph 2 to a single candidate, or to distribute such votes among several candidates. The members that receive the largest number of votes will be elected.

Paragraph 5 - Any offices that fail to be filled due to a tie vote will be up for a new vote, according to the same method but adjusted for the number of votes that each shareholder will be entitled to cast given the number of positions to be filled.

Paragraph 6 - Whenever an election is conducted according to the foregoing method, removal of any Board member by the Shareholders' Meeting will entail removal of all other members and the holding of a new election; if a vacancy occurs for any other reasons, the following Shareholders' Meeting will hold a new election of the entire Board.

Paragraph 7 - Paragraph 4 of Section 141 of Law No. 6,404/76 will only be applicable if the Company has a controlling shareholder.

Question
<b>10.4 Is the SOE's audit committee composed of a majority of independent directors?</b>
Score
<b>2</b>
Comments
<p>There is evidence that the company's board-level audit committee is composed of a majority of independent directors; in other words, non-company, non-executive and non-state affiliated. The company discloses the name and status of each member.</p>
Evidence
<p><b>[27] Internal Regulations of the Audit, Risk and Ethics Committee (Document)</b>  Accessed 22/06/2019  <a href="https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==">https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==</a></p> <p>[p.1] Article 1 – Pursuant to Article 34 of the Bylaws of Embraer S.A. (“Company”), the Board of Directors shall designate a permanent Audit and Risk Committee (“Committee”), consisting of no more than five (5) members, with no decision- making or management powers, to assist it in its functions.</p> <p>Article 2 – The Committee, in the exercise of its functions to assist the Board of Directors of the Company, is regulated by the provisions hereof.</p> <p>Sole Paragraph – The Committee is independent, with autonomy to operate and have its own annual or projected budget, as approved by the Board of Directors. The Committee is independent to conduct or determine consultations, evaluations and investigations within the scope of its activities, including by engaging and employing independent external specialists.</p> <p>[p.5] Article 4 – The Committee must be formed in accordance with the following requirements:</p> <p>(a) the Coordinator of the Committee shall be appointed by the Board of Directors;  (b) at least one (1) of its members must have confirmed experience in corporate accounting matters, and at least one (1) of its members must be an audit committee financial expert for purposes of applicable rules under the Sarbanes-Oxley Act; and  (c) its members must be independent pursuant to applicable Brazilian law and the Sarbanes-Oxley Act.</p> <p>Paragraph 1 – In order to fulfill the requirement of confirmed experience in corporate accounting matters provided in item (b) of the head provision of Article 4, the member of the Committee must have:</p> <p>(a) knowledge of generally accepted accounting principles and financial statements;  (b) the ability to review and apply such accounting principles to the main accounting estimates;  (c) experience in the preparation, audit, analysis or review of financial statements with comparable levels of reach and complexity as those of the Company;  (d) an educational background compatible with the knowledge of corporate accounting required for the activities of the Committee; and  [p.6] (e) knowledge of internal controls and corporate accounting procedures.</p> <p>Paragraph 2 – In order to fulfill the requirement of independence provided in item (c) of the head provision of Article 4, the member of the Committee shall not:</p> <p>(a) be, or have been, in the past five (5) years:  (i) an officer or employee of the Company or of its direct or indirect parent company, subsidiaries, affiliates or companies under common control; or  (ii) the technical responsible of the team involved in the Company's audit works; and  (b) be a spouse, relative in the direct or collateral line, up to the third degree, or by affinity, up to the second degree, of the persons referred to in item (a)(i) above.</p> <p>Paragraph 3 – The fulfilment of the requirements provided in Paragraph 1 above must be confirmed through documentation kept at the Company's headquarters, available to the CVM, for a period of five (5) years from the last day of the term of office of the relevant member of the Committee.</p>

Paragraph 4 – The officers of the Company or of its direct or indirect parent company, subsidiaries, affiliates or companies under common control cannot be members of the Committee.

Paragraph 5 – The members of the Committee shall perform their activities impartially and skeptically, especially regarding the estimates included in the financial statements and the management of the Company.

Paragraph 6 – Replacements of members of the Committee must be informed to the CVM within ten (10) days from replacement.

Article 5 – The term of office of members of the Committee begins on the date of their appointment by the Board of Directors and ends at the end of their term of office as directors, upon their resignation, or earlier, if so decided by the Board of Directors; provided that the total period of service as members of the Committee do not exceed ten (10) years.

Paragraph 1 – After holding a single term or successive terms of office for any period, members of the Committee may only become members of the Committee again after a period of at least three (3) years from the end of their terms of office.

#### **[26] EMBRAER - Investor Relations - Organizational Structure (Webpage)**

Accessed 22/06/2019

<https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==&linguagem=en#>

Audit, Risk and Ethic Committee

[...]

Sergio Eraldo de Salles Pinto – Coordinator

Mr. Salles Pinto has been CEO of Bozano Group since 2011 and he was an Executive Officer from 2000 to 2010. From 1988 to 2000, he worked at several companies of Banco Bozano, Simonsen S.A. He was originally elected to the Board of Directors of Embraer in April 2009 and he is an independent member, being a member of the People and Governance Committee and coordinator of the Audit, Risk and Ethics Committee. Mr. Salles Pinto earned undergraduate degrees in Economics and Electrical Engineering from the Center of Unified Teaching of Brasília (CEUB) and the University of Brasília (UnB), respectively. He holds a Master's degree in Economics from Fundação Getúlio Vargas – Rio de Janeiro (EPGE) and a Master's degree in Administration from the Catholic University of Rio de Janeiro (PUC). Mr. Salles Pinto is a member of the Board of Directors of Azul Linhas Aéreas and Vice-President of the Board of Directors of Ouro Preto Óleo e Gás.

Israel Vainboim – Member

Mr. Vainboim was a member of the Board of Directors of Itaú Unibanco S.A. from 2009 to April 2015. He is a member of the Board of Directors of Cia. Iochpe-Maxion, member of the Board Council of MAM (Museu de Arte Moderna de São Paulo), member of the Consulting Board of Alfredo Volpi of Modern Art Institute, member of the Deliberative Board of MASP, President of the Fiscal Council of Albert Einstein Hospital in São Paulo and Chairman of the Deliberative Board of the Brazilian-Israeli Chamber of Commerce. Mr. Vainboim served at Unibanco in various capacities since 1969. Mr. Vainboim was also the CEO of Unibanco from 1988 to 1992 and member of its Board of Directors until 2008. Mr. Vainboim was CEO of Unibanco Holdings S.A. from 1994 to 2007, Chairman of the Board of Directors and Chairman of the Audit Committee of Unibanco Holdings S.A. from 2007 to February 2009. He was first elected to the Board of Directors of Embraer in April 2009 and he is an independent member, being a member of the Audit, Risk and Ethics Committee and coordinator of the Strategy Committee. Mr. Vainboim earned an undergraduate degree in Mechanical Engineering from the Federal University of Rio de Janeiro and holds an MBA from Stanford University.

João Cox Neto – Member

Mr. Cox currently serves as Chairman of the Board of Directors of TIM Participações S.A. and TIM Brasil S.A. and also as a member of the Boards of Directors of Petrobras S.A., Embraer S.A., Braskem S.A. and Linx S.A. He is the founding partner and managing director of Cox Investments & Advisory. Between 2006 and 2010, Cox served as CEO and Vice-Chairman of the Board of Directors of Claro. In 2005, he was the Vice-Chairman of the Board of Directors of Cellcom Israel. He served as CFO and Investor Relations of Telemig Celular Participações and Tele Norte Celular Participações from April 1999 to August 2004 and also as CEO of Telemig Celular and Amazonia Celular from August 2002 to August 2004. In addition, Cox has served as a member of the boards of directors of certain companies in Brazil, Argentina, Holland and Israel. He served as a board member of the CRSFN - National Financial System Resources Council, ABRASCA (Brazilian Association of Publicly Held Companies) and IBRI (Brazilian Institute of Investors' Relations). Cox holds a bachelor's degree in economics from Universidade Federal da Bahia and attended to post graduation in economics at Université du Québec à Montreal and at the College of

Petroleum Studies of Oxford University. Mr. Cox is an independent member of the Board of Directors of Embraer, and also coordinates the People and Governance Committee and is a member of the Audit, Risks and Ethics Committee.

**Márcio de Souza – Member**

Mr. Souza currently serves as member of the Boards of Directors of Embraer, Management Director of Previ, where he is responsible for the following areas: administrative support, people management, information technology, accounting, financial control, process mapping and controlling, managing the daily operation of the entity. He has an extensive career at Banco do Brasil and at Previ, on various positions since 1981. Prior to assuming the position of Director, he served as Benefits Executive Manager of Previ. Mr. Souza holds a bachelor's degree in Law from the Universidade Católica of Petrópolis, in 1989; holds an MBA in Project Management from Fundação Getúlio Vargas in 2009; specialization in writ of mandamus by the Universidade Católica of Petrópolis, in 1993; Specialization in Executive Development by Insper in 2017; certification in CPA-20 in 2014; and Certification of Pension Funds Manager - ICSS, in 2016. Mr. Souza is an independent member of the Board of Directors of Embraer, also acting as a member of the Audit, Risks and Ethics Committee.

**Nelson Krahenbuhl Salgado - Secretary**

Mr. Salgado has been elected Executive Vice President, Financial and Investor Relations since April 2018. Mr. Salgado graduated in engineering and earned a master's degree from the University of São Paulo. In 1997 he was awarded a PhD Degree in computational Mechanics by the Wessex Institute of Technology, England and later became a visiting professor at the aeronautical engineering division of ITA, Instituto Tecnológico de Aeronáutica. In 2002 he completed a MBA at Fundação Getúlio Vargas, São Paulo. Mr. Salgado has been with Embraer for 30 years. Having started at the engineering department, he held executive positions on corporate functions such as Strategic Planning, Economical and Financial Planning and Mergers and Acquisitions. From early 2012 to January 2014 he was the CEO of Visiona Tecnologia Espacial, a joint venture company formed by Embraer and Telebras. In February 2014, Mr. Salgado rejoined Embraer S.A. as Vice President of Institutional Relations and Sustainability, and later became responsible for the Company's strategy.



<b>Question</b>
<b>10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>Based on publicly available information, there is evidence that the company has a system in place for asset transactions with related parties. The company indicates that responsibility for these transactions is held at board level, and that all transactions are documented and subject to scrutiny by the Audit, Risk and Ethics Committee. The values of these transactions are made public in the company's financial reports.</p> <p>However, the company receives a score of '1' because it is not clear whether this policy applies to all asset transactions or if it is applicable only in transactions with related parties.</p>
<b>Evidence</b>
<p><b>[17] Policy of Related Party Transactions and Conflicts of Interest (Document)</b>  Accessed 21/06/2019  <a href="https://ri.embraer.com.br/Download.aspx?Arquivo=qlf/SJ8gvlQly9mN1mfQeQ==">https://ri.embraer.com.br/Download.aspx?Arquivo=qlf/SJ8gvlQly9mN1mfQeQ==</a>  [p.1] 1. INTRODUCTION</p> <p>1.1. This Related Party Transactions and Conflict of Interest Policy ("Policy") was prepared pursuant to Law No. 6.404, dated December 15, 1976 ("LSA"), and the bylaws of Embraer S.A. ("Company"), taking into account best corporate governance practices.</p> <p>2. PURPOSE</p> <p>2.1. The purpose of this Policy is to ensure that the transactions entered into by the Company and its Subsidiaries involving Related Parties (as defined below) are conducted on terms and conditions that are not less favorable to the Company than those negotiated in transactions with non-Related Parties, under the same circumstances or in similar scenarios, ensuring that these transactions are conducted in the best interest of the Company, always grounded on the principles of transparency and commutativity.</p> <p>3. APPLICATION</p> <p>3.1. This Policy applies to the Company and the transactions entered into with individuals and/or companies defined as Related Parties in Clause 4 below.</p> <p>3.2. This Policy also applies to the Embraer Group, as defined below. The Company's Compliance Area must cooperate with all independently managed and operated subsidiaries to ensure the implementation and performance of this Policy.</p> <p>4. DEFINITIONS</p> <p>4.1. In accordance with the definitions set forth in CPC Technical Pronouncement (Pronunciamento Técnico CPC) No. 5, issued by the Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis) and approved by the Brazilian Securities Commission (Comissão de Valores Mobiliários), pursuant to Resolution No. 642/10, "Related Parties" are individuals or companies that are related to the Company, as follows1:</p> <p>4.1.1. An individual is deemed to be related to the Company if this individual or his or her close relative:</p> <p>(a) has full or shared control of the Company;</p> <p>[p.2] (b) exercises significant influence on the Company; and</p> <p>(c) is a close family member of personnel who exercise material influence on the management of the Company or its parent company. Personnel who exercise material influence on management are the individuals who have direct or indirect authority and responsibility concerning the planning, direction and control of the activities of the Company. For purposes of this Policy, personnel who exercise material influence on the management of the Company consist of each member of the Board of Directors ("CA"), members of the advisory committees of the Board of Directors, the Executive Vice- President and Vice-President.</p>

For purposes of this Policy, close family members are family members or friends who may influence, or be influenced by, the relevant individuals in their business with the entity, including (i) their spouses or partners and children; (ii) children of their spouses or partners; (iii) their dependents, the dependents of their spouses or partners; and (iv) close friends.

4.1.2. An entity is deemed to be related to the Company if this entity:

- (a) (i) controls, is controlled by or is jointly controlled by the Company (including parent companies or subsidiaries); (ii) has significant influence on the Company; or (iii) jointly controls the Company;
- (b) is an affiliate of the Company or third entity jointly controlled by the Company;
- (c) if the Company and other entity are jointly controlled by a third entity;
- (d) is a Subsidiary, including a wholly-owned subsidiary, jointly-controlled subsidiary or significantly influenced subsidiary; or an entity whose material voting power is directly or indirectly held by any individual referred to in Clause 4.1.1; or
- (e) is a post-employment benefits plan whose beneficiaries are employees of both entities, i.e., the Company and any entity related to the Company.

## 5. GUIDELINES

### 5.1. Formalization of Related Party Transactions

5.1.1. Related Party Transactions, pursuant to the terms hereof, are subject to the following conditions:

(a) information deemed required for the discussion about a Related Party Transaction must be sent to the Audit, Risk and Ethics Committee ("AREC"), Board of Executive Officers and Board of Directors, as applicable, together with the call notice of the meeting in which the Related Party Transaction will be submitted for analysis and discussion by the relevant body;

[p.3] (b) the proposed agreement or legal transaction must be submitted to the Board of Executive Officers or Board of Directors, as applicable, duly grounded by the proposing Board of Executive Officers, contemplating all items listed in item (c) below and identifying: (i) all amounts that the Company may disburse, (ii) the alignment of the transaction with the Company's strategic plan and (iii) the analysis of the risks involved in entering into and performing such agreement or legal transaction;

(c) in the process of analysis and approval of Related Party Transactions, the Board of Directors or Board of Executive Officers, as applicable, must analyze the following information, in addition to other information deemed material for the analysis of Related Party Transactions:

1. The terms and conditions of the Related Party Transaction;
2. The interest of the Related Party;
3. The purpose and opportunity represented by the Related Party Transaction;
4. The contractual status of the Company in the Related Party Transaction and the nature of the Company's participation;
5. If the Related Party Transaction involves the sale of an asset, the description of the asset, including date of purchase and book value or attributed cost;
6. Information about potential counterparties in the Related Party Transaction;
7. The approximate financial amount of the Related Party Transaction, as well as the financial amount corresponding to the interest of the Related Party;
8. A description of any provisions or restrictions imposed on the Company as a result of the execution of the Related Party Transaction;
9. Any reputational risk to the Company involved in the Related Party Transaction;
10. Any other information that may be material to shareholders and investors, in view of the circumstances of the Related Party Transaction; and
11. Potential financial obligations of the Company resulting from the performance of the agreement.

(d) Related Party Transactions must be periodically informed to the Audit, Risk and Ethics Committee, including the main information related to each transaction and the respective negotiation and approval process, in order to verify if they meet the Company's corporate purpose and were conducted on a commutative basis or upon the payment of adequate compensation;

- (e) Related Party Transactions must be entered into in Market Conditions and pursuant to the terms hereof, in accordance with the other practices of the Company's management;
- (f) Related Party Transactions must be entered into in writing, specifying their main characteristics and conditions, such as: global price, unit price, terms,  
[p.4] guarantees, payment of taxes, payment of fees and attainment of licenses, among other information deemed material;
- (g) Related Party Transactions must be clearly disclosed in the financial statements of the Company, in accordance with the materiality criteria set forth in accounting standards;
- (h) they must prohibit the payment of any type of compensation to advisors, consultants or middlemen that generates conflicts of interest with the Company, members of management, shareholders or classes of shareholders;
- (i) they must prohibit loans in favor of the controlling shareholder and members of management; and
- (j) they must ensure equal treatment to all shareholders of the Company in corporate reorganizations involving Related Parties.

5.1.2. For purposes of this Policy, "Market Conditions" means the conditions that followed, during negotiations, the principles of competitiveness (service prices and conditions compatible with those practiced in the market); conformity (compliance of the services provided with the contractual terms and responsibilities set forth by the Company, as well as appropriate information security controls); and transparency (appropriate disclosure of the agreed conditions, as duly applied, and their reflexes on the financial statements of the Company). Negotiations among related parties must follow the same principles and procedures that guide the negotiations of the Embraer Group with independent parties.

5.1.3. If members of management or employees become aware of any Related Party Transaction that was not submitted to the approval procedures set forth herein before its completion, the relevant Transaction must be submitted to the Board of Directors or Board of Executive Officers for analysis, as applicable. The relevant board must conduct an analysis as set forth herein and also take into account all options available to the Company, including the ratification, change or, if possible, the termination of the Related Party Transaction.

## 5.2. Disclosure Obligations

### 5.2.1. The Company:

(a) prepares its financial statements in accordance with the applicable accounting standards (International Financial Reporting Standards – IFRS) and the rules set forth in CPC Technical Pronouncement (Pronunciamento Técnico CPC) No. 5, as issued by the Accounting Pronouncement Committee (Comitê de Pronunciamentos Contábeis) and approved by the CVM through Resolution No. 642/10, informing its relationships and transactions with Related Parties and identifying existing balances, including commitments, between the Company and its Related Parties;

[p.5] (b) complies with LSA, pursuant to which members of management: (i) can only enter into transactions with the Company in reasonable or equal conditions, identical to those prevailing in the market or those that the Company would enter into with third parties (paragraph 1 of article 156) and (ii) cannot, to the detriment of the Company, favor affiliates, parent companies or subsidiaries, ensuring that transactions between companies, if any, are conducted strictly on a commutative basis or are entered into upon the payment of adequate compensation (article 117, paragraph 1, "f," and article 245);

(c) discloses information about Related Party Transactions to the market, pursuant to CVM Instruction No. 480/09, through its Reference Form (Formulário de Referência);

(d) complies with the disclosure rules set forth in the Regulation of Novo Mercado of the B3 S.A. – Brasil, Bolsa, Balcão, especially regarding the additional requirements for periodic quarterly information ("ITRs") of Related Party Transactions;

(e) annually discloses its information in its Form 20-F of the Securities and Exchange Commission ("SEC"), in compliance with applicable provisions of U.S. law under the Securities Exchange Act of 1934;

(f) complies with the jurisdiction rules set forth in item XXI of article 33 of its Bylaws, granting to the Board of Directors the power to approve the execution of certain agreements or legal transactions; and

(g) has a Compliance area, responsible for, among others, ensuring the monitoring of conflicts of interest that may occur in the Company, including by adopting a questionnaire to know the status of the Related Party.

### 5.3. Prohibited Transactions

5.3.1. The following Related Party Transactions are prohibited:

(a) transactions conducted in conditions other than market conditions or that somehow may harm the interests of the Company;

(b) transactions that involve employees and members of management whose private or personal businesses interfere or conflict with the interests of the Company or result from the use of confidential information obtained in the exercise of their titles or functions in the Company; and

(c) transactions conducted to the detriment of the Company to favor affiliates, subsidiaries or parent companies.

### 5.4. Related Party Transactions in Significant Amounts

5.4.1. Related Party Transactions in Significant Amounts refer to any Related Party Transactions involving an amount above R\$5,000,000.00 (five million Reais) in one single agreement or legal transaction, or R\$20,000,000.00 (twenty million Reais)

[p.6] in a series of agreements or legal transactions in 12 (twelve) months ("Significant Amounts").

5.4.2. Related Party Transactions that involve amounts below the Significant Amounts are subject to the formal approval of the Company's Board of Executive Officers and Board of Directors.

5.4.3. Related Party Transactions that involve amounts equal to or above the Significant Amounts are subject to: (i) the prior opinion of the Audit, Risk and Ethics Committee, which may, if deemed appropriate, recommend the adoption of an independent negotiation mechanism and (ii) the formal approval of the Board of Directors of the Company, which may contemplate the preparation of an appraisal report or expert opinion by an independent and trustworthy consultant, evidencing that the transaction will be entered into on a commutative basis or upon the payment of adequate compensation, and any director may request the engagement of such consulting services.

5.4.4. The Board of Directors of the Company is also responsible for approving the execution of any agreements or transactions of any nature involving, on one side, the Company and, on the other side: (i) any shareholder of the Company that holds more than 5 (five percent) of the Company's capital stock; (ii) any member of the management of the Company, as well as their respective spouses and relatives up to the 4th degree; or (iii) any subsidiaries, parent companies, affiliates or jointly controlled companies of any of the individuals identified in items "i" and "ii".

#### **[27] Internal Regulations of the Audit, Risk and Ethics Committee (Document)**

Accessed 22/06/2019

<https://ri.embraer.com.br/show.aspx?idCanal=Wmucb8uR4UfOplaP3iV3nQ==>

[p.2] Paragraph 2 – For purposes of Paragraph 1 of Article 3, the Committee shall:

[p.4] (i) analyze and monitor the Company's risk exposure, and request detailed information about policies and procedures related to: (i) compensation of members of management; (ii) use of the Company's assets; and (iii) expenses incurred on behalf of the Company;

(j) assess and monitor, together with the Company's management and the internal audit area, the adequacy of related party transactions entered into by the Company and the relevant evidence;

#### **[2] Embraer Global Anti-Corruption Policy (Document)**

Accessed 21/06/2019

[http://compliance.embraer.com.br/pdfs/Embraer\\_Global\\_Anti-Corruption\\_Policy\\_English.pdf](http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf)

[p.9] 7. BOOKS AND RECORDS, ACCOUNTING, AND PAYMENT PRACTICES

In compliance with applicable laws, it is Embraer's policy to maintain at all times accurate and reasonably detailed books and records that reflect Embraer's transactions. Compliance with this policy is regularly audited and subject

to the Company's internal controls procedures. In reference to this instruction, the records of all payments made or received must accurately and properly reflect the transaction. Moreover the Company prohibits secret, unrecorded, or unreported transactions.

To ensure compliance with this Policy and relevant, applicable laws, it is essential that all Embraer business and financial records fairly and accurately reflect each transaction involving company business and/or the disposition of company assets. All expenses must be accurately accounted for, include appropriate supporting documentation, and be promptly entered into company records before they are reimbursed.

This includes, for example, the accurate identification (in expense reports and related business and financial records) of all payments to Third-Party Intermediaries acting for or on Embraer's behalf, as well as all charitable donations, gifts, meals, entertainment, or other hospitality involving Government Officials or private individuals or entities.

It is a violation of this Policy for any Employee or any Third-Party Intermediary to condone or knowingly disguise, falsify, or request reimbursement for any expense that does not meet the requirements of the Code of Ethics and this Policy. Please Note: Approvals for any payments relating to the Company's business and financial engagements must be made in accordance with rules set out in Resolution DP-014.

## 8. RED FLAGS

While each proposed business transaction, engagement, or related payment must be evaluated on its specific facts, particular attention must be given to bribery and corruption-related "Red Flags." Red Flags will be deemed to exist whenever some fact or circumstance suggests that the particular transaction, relationship, or engagement involves a likely risk of bribery and/or corruption. When a Red Flag is identified, careful consideration must be given to the steps that should be taken to mitigate or eliminate the bribery or corruption risk the particular relationship may present, including possible termination of the relationship.

## List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Code of Ethics and Conduct	01/07/2019	<a href="http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf">http://compliance.embraer.com.br/pdfs/CEC_ENG_5th_Edition.pdf</a>
02	Document	Embraer Global Anti-Corruption Policy	01/07/2019	<a href="http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf">http://compliance.embraer.com.br/pdfs/Embraer_Global_Anti-Corruption_Policy_English.pdf</a>
03	Webpage	The Compliance Program	01/07/2019	<a href="http://compliance.embraer.com.br/en/SitePages/Home.aspx">http://compliance.embraer.com.br/en/SitePages/Home.aspx</a>
04	Document	Embraer 2018 Annual Report	01/07/2019	<a href="https://daflwcl3bnxyt.cloudfront.net/m/4b17dfa6842aa991/original/Annual-Report-2018.pdf">https://daflwcl3bnxyt.cloudfront.net/m/4b17dfa6842aa991/original/Annual-Report-2018.pdf</a>
05	Document	Embraer Minutes of the Extraordinary Shareholders Meeting May 2019	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=loQqfHBSONnNtuRktKMhRw==&amp;IdCanal=/p2vsiewl1NobVCuGRTbVA==">https://ri.embraer.com.br/Download.aspx?Arquivo=loQqfHBSONnNtuRktKMhRw==&amp;IdCanal=/p2vsiewl1NobVCuGRTbVA==</a>
06	Document	Embraer Internal Regulations of the Board of Directors	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=8wcFTnfry8NFLTtw2+pfnng==">https://ri.embraer.com.br/Download.aspx?Arquivo=8wcFTnfry8NFLTtw2+pfnng==</a>
07	Webpage	Sustainability Indicators - Anti-corruption risk assessment (1)	01/07/2019	<a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>
08	Webpage	Sustainability Indicators - Anti-corruption risk assessment (2)	01/07/2019	<a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>
09	Webpage	Sustainability Indicators - Anti-corruption risk assessment (3)	01/07/2019	<a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>
10	Webpage	Sustainability Indicators - Anti-corruption risk assessment (4)	01/07/2019	<a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>
11	Webpage	Helpline – The direct channel to raise concerns	01/07/2019	<a href="http://compliance.embraer.com.br/en/sitepages/helpline.aspx">http://compliance.embraer.com.br/en/sitepages/helpline.aspx</a>
12	Webpage	Helpline – Report incident (1)	01/07/2019	<a href="https://canalconfidencial.com.br/embraerhelpline/">https://canalconfidencial.com.br/embraerhelpline/</a>
13	Webpage	Helpline – Report incident (2)	01/07/2019	<a href="https://canalconfidencial.com.br/embraerhelpline/">https://canalconfidencial.com.br/embraerhelpline/</a>
14	Webpage	Training – Information and Awareness	01/07/2019	<a href="http://compliance.embraer.com.br/en/sitepages/treinamentos.aspx">http://compliance.embraer.com.br/en/sitepages/treinamentos.aspx</a>
15	Webpage	Sustainability Indicators - Anti-corruption risk assessment (5)	01/07/2019	<a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>
16	Webpage	Sustainability Indicators - Anti-corruption risk assessment (6)	01/07/2019	<a href="https://embraer.com/global/en/sustainability-indicators">https://embraer.com/global/en/sustainability-indicators</a>
17	Document	Policy of Related Party Transactions and Conflicts of Interest	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=qlf/SJ8gvlQIy9mN1mfQeQ">https://ri.embraer.com.br/Download.aspx?Arquivo=qlf/SJ8gvlQIy9mN1mfQeQ</a>
18	Document	Policy for the Appointment and	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=w7f3QAd17S0S+6WdPd8Gtw">https://ri.embraer.com.br/Download.aspx?Arquivo=w7f3QAd17S0S+6WdPd8Gtw</a>

		Training of Members of the Board of Directors and Committees		
19	Document	Embraer 2018 Financial Statements	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA">https://ri.embraer.com.br/Download.aspx?Arquivo=dRqUQc9HpdCLV91lcfbNJA</a>
20	Webpage	Supplier Requirements	01/07/2019	<a href="https://www.embraersuppliers.com/esuppliers/#/en-US/supplier-requirements">https://www.embraersuppliers.com/esuppliers/#/en-US/supplier-requirements</a>
21	Webpage	What does Embraer expect from suppliers	01/07/2019	<a href="https://www.embraersuppliers.com/esuppliers/#/en-US/what-does-embraer-expect">https://www.embraersuppliers.com/esuppliers/#/en-US/what-does-embraer-expect</a>
22	Document	Embraer Risk Management Policy	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=cdmVBZmg9I2ofvgNeXUx7w">https://ri.embraer.com.br/Download.aspx?Arquivo=cdmVBZmg9I2ofvgNeXUx7w</a>
23	Document	Embraer Form 20-F US SEC	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA">https://ri.embraer.com.br/Download.aspx?Arquivo=G70kTgMB+aKWMq5o3OrGgA</a>
24	Webpage	EMBRAER - Investor Relations - Capital Ownership	01/07/2019	<a href="https://ri.embraer.com.br/show.aspx?idCanal=LIY+r3qqt49YpDERgHIHtA==&amp;linguagem=en#">https://ri.embraer.com.br/show.aspx?idCanal=LIY+r3qqt49YpDERgHIHtA==&amp;linguagem=en#</a>
25	Webpage	Embraer By-Laws	01/07/2019	<a href="https://ri.embraer.com.br/show.aspx?idCanal=Kacx+BqjYTzZmMKBRQu5Yg==&amp;linguagem=en#">https://ri.embraer.com.br/show.aspx?idCanal=Kacx+BqjYTzZmMKBRQu5Yg==&amp;linguagem=en#</a>
26	Webpage	EMBRAER - Investor Relations - Organizational Structure	01/07/2019	<a href="https://ri.embraer.com.br/show.aspx?idCanal=Wmuchb8uR4UfOplaP3iV3nQ==&amp;linguagem=en#">https://ri.embraer.com.br/show.aspx?idCanal=Wmuchb8uR4UfOplaP3iV3nQ==&amp;linguagem=en#</a>
27	Document	Internal Regulations of the Audit, Risk and Ethics Committee	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=Bb bctVUIUoNEuyRSdt8xUA">https://ri.embraer.com.br/Download.aspx?Arquivo=Bb bctVUIUoNEuyRSdt8xUA</a>
28	Document	Embraer Internal regulations of the Board of Executive Officers	12/05/2020	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=MN b0EriT4Gg7rUqqOTomkw==">https://ri.embraer.com.br/Download.aspx?Arquivo=MN b0EriT4Gg7rUqqOTomkw==</a>
29	Document	Embraer 2017 Annual Report	01/07/2019	<a href="https://ri.embraer.com.br/Download.aspx?Arquivo=q7s jdiN5R2Qau1Klv15EtA==">https://ri.embraer.com.br/Download.aspx?Arquivo=q7s jdiN5R2Qau1Klv15EtA==</a>
30	Webpage	Financial Times Markets Data	06/03/2020	<a href="https://markets.ft.com/data/equities/tearsheet/summary?s=ERJ:NYQ">https://markets.ft.com/data/equities/tearsheet/summary?s=ERJ:NYQ</a>
31	Webpage	OpenSecrets Embraer Aircraft Holdings PAC Summary	10/11/2020	<a href="https://www.opensecrets.org/political-action-committees-pacs/embraer-aircraft-holdings/C00472225/summary/2020?spending-charts=party-totals-section">https://www.opensecrets.org/political-action-committees-pacs/embraer-aircraft-holdings/C00472225/summary/2020?spending-charts=party-totals-section</a>