

# WE LIVE BY OUR CODE.

Code of ethics and business conduct



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# INTRODUCTION

BA's values are Humbleness, Ambition, Rigour and Transparency. Considering the mentioned values as well as the growing importance of behavioural and ethical matters, BA deemed essential the existence and spreading of a Code of Ethics and Entrepreneurial Conduct for all the Companies of the Group and for all the Employees.

We believe that all BA's employees have been conducting themselves in an ethical behaviour. However, by means of the creation of this Code of Ethics, the principles, values and conducts considered required to all Employees and members of the organization are set out in a clear and transparent manner. This document expresses BA's commitment towards this purpose, to enhance the applicable ethical patterns and to create a working environment that promotes respect, integrity and equity.

BA believes that the daily concerns with efficiency and economic growth cannot be dissociated from an irreprehensible ethical conduct. Besides the application of environmental quality, safety and food safety management principles, BA has assumed the implementation of a social responsibility system, which aims to consolidate its contribution to the community as a socially responsible Group.

BA has been practicing a management committed towards the development of its Employees and of the society by means of adopting the basic principles of responsibility and transparency; therefore honoring its commitment of recognizing its economic, social and environmental sustainability as an essential factor to the continuous development of its business.. Consequently, BA is committed in interacting with the communities by promoting actions that aim the growth of education, citizenship and sustainability.

We hope these rules become a true code of conduct and contribute to the reinforcement of BA's image and role as a reference Group in the glass packaging industry and to strengthen ties between all interested parties, in other words, shareholders, employees, customers, suppliers, social partners, public institutions and the community in general.

# SCOPE OF APPLICATION AND DISCIPLINARY ACTION

The present Code of Ethics applies to all Employees of BA Group (hereinafter also referred to as “BA”), which includes the company BA Glass I – Serviços de Gestão e Investimentos, SA and all its subsidiary companies.

“Employees” means all members of corporate bodies and all the workers, whether temporary or permanent.

“Suppliers” means all organizations that supply goods or services to BA.

The present Code applies, despite other rules, whether legal or regulatory, to all Employees, whom are bound to it as a result of their job and position.

The violation of these rules and principles constitutes disciplinary infraction according to the terms of disciplinary regulation, regardless of any social, criminal or misdemeanor responsibility that might occur.

# GUIDING PRINCIPLES

BA's companies and Employees shall endeavour to comply with all legal and regulatory rules that apply to the BA Group. Therefore, the Employees shall refrain from, on behalf of any company of the BA Group, performing any act susceptible of violating any applicable laws and regulations.

The Employees shall demonstrate their respect and loyalty to BA, contributing to its credibility and good-name, upholding BA's prestige and using its resources in an efficient manner.

BA and its Employees shall guide their behaviour according to principles of honesty, integrity, transparency and professional diligence by respecting the following rules:

## **a) Responsibility**

All Employees shall guide their behaviour by the compliance of all limits to their responsibilities. The Employees shall use all powers delegated upon them in a prudent and non-abusive manner, always bearing in mind BA's interests and the pursuit of the defined objectives.

However, the Employees shall not hesitate to question the defined objectives when they think there are alternatives that would better serve to achieve BA's vision and the creation of value.

## **b) Confidentiality and Secrecy**

All Employees are subject to professional confidentiality and shall maintain confidential all information they become aware of as a result of their duties and respect all rules concerning the confidentiality of such information.

## **c) Conflict of Interests**

The Employees shall act with independence, impartiality and loyalty to BA, regardless of their own personal interests or of the interests of third-parties. Therefore, Employees shall refrain from interfering or influencing any decision that may affect people to whom they are related to, as a result of family ties, or that may affect entities with whom they currently or have previously worked. Eventual conflict of interest situations shall be brought to the attention of Employees' superiors.

The Employees shall refrain from exercising duties in companies outside BA's Group, particularly when such activities may interfere with the performance of their duties in BA or with BA Group's activity or goals. To ensure objectiveness and impartiality, BA does not allow direct family members or equivalent to be in a hierarchical or direct functional relationship.

## **d) Work Environment and Balance**

BA undertakes to promote a cordial work environment as considers that it is essential to the Employees' wellbeing and to the performance of their duties.. Similarly, all Employees shall contribute to creating and maintaining a friendly work environment, by means of treating their co-workers in a proper and polite manner and shall promote mutual assistance and cooperation.

BA considers the balance between its Employees professional and personal life essential and encourages its Employees to pursue such goal.

**e) Professional Pride and Perfection**

Two of BA Group's main values are Rigour and Ambition. BA's Employees shall perform their work with pride and seek to perfect their skills and knowledge (namely by benefiting from professional training courses in which they may participate), in order to improve their personal skills, the performance of their duties and to better serve BA's customers.

**f) Company Assets and Resources**

The Employees shall protect and maintain BA's assets and use its resources efficiently, avoiding unnecessary waste. Similarly, Employees shall refrain from using BA's property for their own or third-party interests.

**g) Condemning Corruption and Bribery**

Acts of active or passive corruption are forbidden, whether conducted through acts or omissions or by creating or maintaining situations of special favours or irregularities.

It is expressly forbidden and condemned any attempted act of allurement or influence undertake by means of payment of money or other type of bribe to any organisation, in any part of the world,

Any offerings made to third parties shall not be given on a personal basis, but on BA's behalf and according with the rules and procedures established by the latter.

Any offerings made by third-parties shall be notified to the Employee's superior and, furthermore, any monetary amount or unreasonable gifts that are clearly disproportionate to common practices or that might indicate an unclear intent of the offeror, shall be refused.

**h) Personal Transactions Performed by Employees**

The Employees shall refrain from negotiating deals or contracts in which they are party in conditions that are not considered to be the normal market terms used by BA in its transactions, namely in the negotiation of loans, discounts and payment terms.

**i) Privacy and confidentiality**

BA collects and maintains personal information of its Employees updated, according to its needs and legal obligations. The Employees who work with personal data are obliged to maintain confidentiality and cannot, under any circumstance, provide such data to any unauthorized entity for any purpose whatsoever.

This obligation shall survive the termination of the respective employment agreement.

**j) Transparency**

The Employees shall inform BA of any fact concerning and relevant to the latter, and which disclosure could influence the BA's economic, environmental or social situation.



# RELATIONSHIP WITH INTERESTED PARTIES

## **a) Relationship with Customers and Suppliers**

BA and its Employees shall actively promote the content and observance of BA's safety regulations and practices to its customers and suppliers.

In the relationship with customers and suppliers, BA and its Employees shall guide their behaviour according to principles of professionalism, rectitude and courteousness, and with respect to customers and suppliers rights and sensibilities.

The information given to customers regarding products/services/prices shall be rendered in a clear manner, so as to allow their free and reflected analysis, and ensure effective customer service.

BA shall comply with all commitments entered with suppliers and demand reciprocal treatment. All contracts shall be worded in a clear and unambiguous manner and without any relevant omissions.

BA shall not maintain any relationship with suppliers that are not aligned with BA Groups' principles and values, and shall actively promote this policy with its Employees, undertaking to adopt the necessary measures if and when ethically reproachable behaviour is found to exist.

It is BA Group's intention to work only with partners that respect the rules of good conduct in their commercial relationships, including with their employees and local communities, by subscribing and observing the "Code of Conduct for Suppliers and Sub-suppliers".

## **b) Relationship with Shareholders**

The creation of value for shareholders is an essential purpose and arises from excellence in performance and a sustainable business path, balancing with economic, social and environmental concerns.

BA undertakes to respect the principle of equal treatment of its shareholders, as well as the principles of relevancy and materiality of information disclosed which shall be true, accurate and transparent.

## **c) Relationship with Supervisory Authorities**

BA shall co-operate with supervisory and inspection authorities, satisfying requests made by the latter, and refrain from adopting any behaviour that can hinder the performance of their duties.

## **d) Relationship with Competitors**

BA and its Employees shall respect market rules and criteria, by promoting fair and healthy competition, complying with anti-trust legislation, and respecting intellectual property rights.

## **e) Relationship with the Media**

Information provided to the media shall be rendered by a BA representative or someone duly authorised for such purpose. The provided Information shall be true, accurate and transparent, in accordance to BA Group's values, and considering the context in which the information is produced.



# COMMITMENT REGARDING HUMAN RIGHTS

BA recognises the fundamental and universal human rights set forth in human rights conventions and international treaties, namely, the Universal Declaration of Human Rights of the United Nations and International Labour Organisation, complying with the rules of social responsibility (SA 8000) namely:

## **a) Child labour**

BA Group's companies do not employ, neither are directly or indirectly involved in child labour, and repudiate such practices, nor do they accept suppliers resorting to such practices. It is a practice assumed by BA Group that the minimum admission age for Employees is 18 years old.

## **b) Forced and compulsory labour**

BA Group's companies do not resort, neither are directly or indirectly involved in practices which resort to forced or compulsory labour, and repudiate such practices, nor do they accept suppliers resorting to such practices. BA will never retain original personal documents nor will it become involved in any other situation that could force an Employee to stay at BA company against his/her own will. Furthermore, BA undertakes not to become involved in or support the traffic of human beings, their arbitrary detention or torture.

## **c) Health and Safety**

Promoting health and safety of its Employees is one of BA's main priorities.

Therefore, BA is committed to providing with the necessary conditions to assure a good, safe and healthy working environment to all Employees and also to its partners who are inside its facilities, such as customers, suppliers, members of the community or any other entity.

The Employees must have knowledge of the safe and hygiene rules, and shall comply with them and carry them out, despite being internal, national or community regulations. Therefore, any disobedience or any nonconformity must be reported. For the mentioned purpose, BA is committed to performing regular training to its Employees.

In case of serious and eminent danger, the Employees have the right to leave the respective location without any previous authorization of BA.

## **d) Freedom of association and right to collective bargaining**

The companies of the BA Group are in favour of freedom of organization and pacific association, freedom of religion and ideology as well as freedom of speech and opinion. BA will not interfere in the exercise of its Employees' rights relatively to freedom of association nor with the right to collective bargaining; BA provides all the necessary means for the exercise of such rights. The union representatives will not be, under any circumstance, subjected to discrimination.

## **e) Non-Discrimination and Equal Opportunities**

BA repudiates discriminatory practices, and consequently undertakes not to become involved in or support any situation that does not respect the principle of non-discrimination based on race, gender, nationality, language, birth, sexual orientation, marital status, physical handicap, political convictions,

## COMMITMENT REGARDING HUMAN RIGHTS

religion, trade union membership, family responsibilities, as well as the principle of equal opportunities among all its Employees, and shall not accept as supplier entities which adhere to such discrimination practices, regardless of such practices referring to contracting activities, remuneration, access to training, promotion, termination of contract or any other activity.

### **f) Disciplinary practices**

BA will treat all Employees with respect and dignity, and will not involve or tolerate the use of corporal, mental or verbal punishment. Violence, harassment or abuse of power are strongly rejected, therefore any suspicion of the use of such practices shall be reported to the Management Board.

### **g) Labour time**

BA's working time is practiced according to the applicable laws and to the patterns of the industry. Overtime work is done voluntarily, and shall not exceed 12 hours per week per Employee unless in unforeseen exceptional circumstances.

### **h) Remuneration**

BA is committed to compensating its Employees as required by equity, according to the law and to the individual performance. BA assumes the compromise of providing remuneration considered sufficient for the basic needs of its Employees, as well as to provide some supplementary income to assure a dignified life.

On a monthly basis, BA provides its Employees clear, detailed and evident information regarding the component of each salary.

**NOTE:** Besides the present Code, BA has specific documentation that regulates some of the social conduct rules already mentioned.

# COMMITMENTS TOWARDS ENVIRONMENTAL SUSTAINABILITY

Besides its economic and social approaching, BA also recognizes the environmental sustainability as an essential factor towards the development of BA´s business.

BA is committed to properly use natural resources and the available technologies in order to prevent and minimize the environmental impact, compromising itself to consider sustainability in its decision process. The advantages of incorporating broken glass (cullet) in the glass production process has a strong environmental purpose, as it decreases the deposit of residuals in landfill, reduces the extraction of natural resources, reduces energetic consumption for fusion, and reduces the time emissions of greenhouse gases such as carbon dioxide.

The glass packaging is totally and endlessly recyclable but, to be possible to recycle all the glass packaging put out in the market, the consumer must have a responsible attitude.

Every employee of BA is also a consumer, so they all shall be aware of the necessity of separating glass packaging from others and of putting it in the glass container. Additionally, they shall also minimize the environmental impacts by following these rules:

## **Rational use of resources**

- Save water
- Use energy in an effective way
- Preserve the forest by reducing paper consumption

## **Residuals**

- Reduce the production of residuals and recycle them, whenever possible.
- Re-use all generated residuals (example: paper, packaging,...)
- Segregate adequately the residuals according to its typology
- Do not eliminate residuals in an illegal way (burn, bury and abandon)

# FINAL PROVISIONS

The Supervisory Board of each company of the BA Group will approve the present Code of Ethics, and will promote its communication and clarify any doubts and questions regarding its interpretation and resolve any situation that has been omitted.

**Approved at the meeting of the Board on the 25th of October of 2011.**

# SPEAK UP (WHISTLEBLOWING PROCEDURE)

BA GLASS leads its activity by its values: Humbleness, Emotion, Ambition, Rigour and Transparency. Considering these values, as well as the importance of behavioral and ethical matters, the **Speak Up** initiative establishes rules and communication channels to ensure that all persons can report any known or reasonable suspicious irregularities - any unacceptable situation, act or omission, intentional or seriously negligent, performed by any BA Glass Group employee or management body in the relation with the company stakeholders.\*

## When should be reported?

It must be reported whenever witnessed any irregularities related to corruption and bribery, fraud, conflict of interest, money laundering, anti-competition practices, confidential information, sexual or other kind of harassment, discrimination of any nature, and labor and human rights.

## Who should report?

Any stakeholder can report any known or reasonable suspicious irregularities.

## How can it be reported?

The complaint shall be made in writing, containing a description of all the facts and information that may support the assessment of the irregularity reported.

It can be used the **normal channels** to report these irregularities (Line Management, Human Resources department or Legal Affairs), or it can be used one of the **following channels**:

- **By email** - [speakup@baglass.com](mailto:speakup@baglass.com)
- **By post** - Speak Up,  
Avenida Vasco da Gama, 8001, 4434-508, Avintes, Portugal

## Treatment

The information will be treated in a confidential way and directly delivered to an independent and multidisciplinary team to analyze the situation, composed by the CEO, CPO, CFO and Group Legal Counsel.

Any reports concerning a member of the Executive Board or the CEO will be dealt with by the Group Legal Counsel. Within a maximum period of 48 working hours of the reception of any irregularity, the appointed team shall start an investigation and, the final decision shall propose the application of the most appropriate measures in the light of the severity of the irregularity or the facts proven to exist.

## Confidentiality

All reports will not be subject to any retaliation, intimidation or discrimination, including disciplinary action.

**It's in the hands of each one of us to prevent and report any situation that may constitute an irregularity. BA Glass aims to contribute to a better work environment and to a fairer society.**

\*More information available on procedure OP99IMS28(en) Whistleblowing.

# DISCIPLINARY SANCTIONS AND CRIMINAL SANCTIONS

The violation of the rules and principles of the Code of Ethics constitutes disciplinary infraction, according to the terms of disciplinary regulation, regardless of any civil, administrative, or criminal liability that may occur.

The disciplinary sanctions that can be applied in case of non-compliance are as follows:

- a) Reprimand**
- b) Recorded reprimand**
- c) Monetary penalty**
- d) Loss of vacation days**
- e) Suspension from work with loss of pay and seniority**
- f) Dismissal without indemnity or compensation**

Or any other applicable sanctions, under the legislation in force at any given time.

Regarding acts of corruption and related offenses, namely the crimes of corruption, undue receipt or offer of an advantage, embezzlement, economic participation in business, extortion, abuse of power, prevarication, influence peddling, money laundering, or fraud in obtaining or diverting subsidies, grants, or credit, the associated criminal sanctions include fines and imprisonment, according to the applicable criminal legislation at any given time.









