

Code of Ethics and Good Practices



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COFUSA
FORESTAL RÍO DE LOS PÁJAROS S.A.
URUFOR S.A.
BIOENER S.A.

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Introduction

The objective of the present Code of Ethics and Good Practices is to ensure all the employees of Compañía Forestal Uruguaya S.A., Forestal Río de los Pájaros S.A., Urufor S.A. and Bioener S.A. (hereinafter Grupo Forestal) are aware of the personal integrity principles that must be reflected in their daily behavior, as well as to establish a reference frame for working relationships.

The ethics principles that are established represent our culture in action: the way we behave with each other, with the clients and the community as a whole, the way we make an effort to behave with integrity and valor, and the way we stay firm in the face of what is correct.

Both the Board of Directors and the employees have the duty to apply the principles that are established in the present Code, which will guide the day-to-day behavior.

Our vision

Our intention is to be recognized for our high quality products, which are obtained by handling our forests in a sustainable way and by the high quality of our industrialization process. Moreover, our main interest is to be able to comply with the expectations and wishes of our clients, suppliers and employees so as to achieve the well-being and development of our community.

Our mission

To offer cultivated high quality wood, within a context of maximum economic, social, and environmental sustainability.

Our objectives

- Preserve the integrity of our project together with its natural and social environment.
- To achieve a balance between our productive objectives and the environmental preservation.
- To install ourselves in the rural area and to add value in a sustainable way.
- To achieve the highest standards of security and occupational health.
- To encourage education and the welfare of the communities.
- To cooperate with the development of the neighboring community.
- To encourage the proper use of the wood and exploitation of timber products.

- To contribute actively to the sustainable development in the forestry sector, both at a local and national level.

The Code in context

Our vision, mission and objectives guide the way of acting of Grupo Forestal and they are the ones who allow us to offer high quality products and to ensure the sustained and sustainable functioning of the business. This Code backs up our ability to behave in a coherent way with our vision, mission and objectives.

The present Code constitutes, consequently, a behavioral model based on our objectives that includes a series of recommendations to act correctly and to guide the relationships between the members of Grupo Forestal with other people.

The Code is not designed to offer specific guidelines before every situation in which doubts could arise regarding our daily behavior. It does establish a series of expected behavior, mainly to respect laws and applicable normative.

The Code is applied, with mandatory force, to all the employees of Grupo Forestal, including those hired temporarily or that are performing functions in the probation period, as well as the Board of Directors' members.

It is the responsibility of each employee, to report any behavior or act that is considered as a violation of the Code and the working ethics. In the chapter "Inquiry and/or Reporting Channels" different channels are established through which described situations can be reported.

It is mandatory for Grupo Forestal employees to read, know and comply with what is established in the present Code. Any doubt or controversy about its contents or about ethical behaviors while carrying out tasks should be taken to his/her Leader, the Human Resources Manager or to the Compliance Officer.

Summary: what is expected from us?

- 1- That we know the norms and we act according to them. That we ask questions when in doubt.
- 2- That we act with honesty and integrity, reporting situations of violations of the Code or work ethic.

1. Working Relationships

Grupo Forestal and its collaborators

Grupo Forestal promotes and ensures compliance with the internal behavioral rules.

Grupo Forestal and its contractors recognize the rights of the workers established in the laws and national dispositions and those international norms of the ILO (International Labor Organization) expressly ratified by our country. We assume the commitment of complying with labor norms in force and to fully respect them, in all their levels and circumstances.

Grupo Forestal and its collaborators present and encourage an attitude of respect towards individual differences, rejecting and/or reporting every and all acts of discrimination for sex, age, race, social origin, religion, political beliefs or any other form of discrimination.

Also, we adhere to the current laws and normative against any type of moral, sexual or other type of harassment.

Harassment situations are not accepted, be it by word, gesture or behavior, self-esteem, security or image of the employee regarding the hierarchy link. We encourage that the harasser is reported and we promote colleagues in similar situations to act in the same way.

No differences will be made regarding salary or opportunities regarding gender. All the staff will have the same opportunities; the only differences will be made regarding the development and commitment shown.

The Board of Directors is committed to offering a safe work of place that is free of accidents, adopting preventive measures according to the evaluated risks and the norms in force. Grupo Forestal promotes the welfare and health of its employees, reporting all the risky behaviors within the working environment (tobacco consumption in non permitted areas, or consumption of psychoactive substances, alcohol or drugs that represent a risk for themselves or others).

The training period is a key tool to help its collaborators obtain the required abilities to be able to develop their functions in a safe way. This is why we keep programs on education, security and health in the working environment.

Moreover, Grupo Forestal will not tolerate, under any circumstance, child labor.

2. Community support and environmental responsibility

Community support.

Grupo Forestal is committed to working with the community to which it belongs. The work is carried out in a socially responsible way, contributing to the local development, valuing the needs and concerns of the different sectors of the community's population, working in different projects that arise from the community itself in different thematic areas.

Our program highlights the support to children and teenagers that have fewer economic resources, specially regarding education, health and the environment. We also support the development of alternative productions in the rural area (apiculture, horticulture), while in the urban area we actively collaborate in different projects that aim to improve living quarters.

Environmental responsibility

We are aware of the influence we create in the area and this is why we consider the protection of the environment as a priority; we want to reach a balance between our productive objectives and the environmental preservation.

Grupo Forestal complies with all the applicable environmental laws, recognizing the impact it has in the air, water, earth and biodiversity. This is why it works and carries out important activities relating to and greatly invests in research and development according to the better practices in the matter and commits to apply them.

We have been certified by FSC®: Forest Stewardship Council TM, a non-profit international body, created with the objective to promote the handling of forests in an environmentally adequate way, which is socially fair and economically viable.

All the members of Grupo Forestal should look after the environment as part of their daily work, then...what can we do?

- Do not waste resources unnecessarily
- Report the cases where any type of risk to the environment is identified.

3. Build trust on how we carry out business

Being trustworthy and offering high quality services

Our product's quality is key to our sustained development, it is a part of how we create and build trust with our clients and with our communities.

We negotiate and assure contracts with our clients, suppliers and others in a legitimate and honest way. We comply with our contractual obligations and with the accorded terms and conditions.

Our reputation is defined by confidence, integrity and the sustained achievement of high quality products. Our continuous success is based in defending quality standards, complying with applicable laws and norms and ethical obligations while we carry out our job.

How can we demonstrate our integrity?

- Negotiating and assuring contracts with our clients, suppliers and others in a legitimate and honest way.
- We comply with our contractual obligations and with the accorded terms and conditions.
- Being transparent when we fix our prices and registering them in a precise way.
- Competing in an equitable way.

Zero tolerance for bribery and corruption

To abstain from involving in bribery or corruption practices it is vital to maintain the confidence in our colleagues, clients and other members with which we work on a daily basis.

We do not require, accept, offer, promise or pay bribes, either directly or through third parties.

The staff can receive or give gifts as long as Grupo Forestal's interests are not affected, neither its commercial relationship with people or organizations. In said cases, our employee has to inform his/her immediate superior and if it corresponds, the actions to be taken are evaluated.

It is important to consider that, according to the defined internal proceedings, a register of the gifts, entertainment or donations that are done must be kept.

How should we proceed?

- We do not give, offer or accept any type of valuable objects from a member of the government or private person that affects the interests of Grupo Forestal.

What is understood by valuable object?

- It includes any benefit that can be offered, given or received that implies an advantage, regardless of its size, for a physical or moral person. It can include non-material, monetary or non-monetary benefits and it can be a matter of objective or subjective opinions.

Compliance with the laws and relationship with official institutions

Grupo Forestal complies with the laws, norms and legal proceedings in force in the country.

We handle all the public information with transparency, responsibility and truthfulness. We present our Financial Statements, where we reflect our activities, investments and economic and financial context.

We are responsible tax-payers; we manage all our sworn declarations with accuracy and good faith. Official institutions and regulating bodies receive from us the required information on time and in the correct way.



The Board of Directors ensures the faithful compliance with all the obligations with the different interest Groups to which Grupo Forestal is related to: tax payment, social security, personal compensations, suppliers, financial institutions, regulating organisms, etc. It offers full collaboration with the audits of government bodies and those related to the environment.

We are all responsible of complying with the law as well as giving the law a fair treatment.

- Accounting registers, books or Grupo Forestal's accounts are not to be forged.
- Information that does not contain the documents that support said operations must not be registered in the accounting books.
- Any economic transaction of suspicious origin that can imply illegal activities must be reported.

Grupo Forestal's Assets

All Grupo Forestal's collaborators are responsible for the preservation of the assets. By assets we understand the building structure, machinery, plantations or vehicles but also its processes, formulas or business strategies.

The brand or logos of Grupo Forestal cannot be used in working or social activities in which Grupo Forestal is not involved, neither with banners, by being mentioned in publicity media or clothes.

Each one of Grupo Forestal's members must take the adequate measures to protect the confidentiality and the safety of the information, as well as handling its personal data according to the norms in force for these cases.

Our confidentiality duty does not end when we stop being part of Grupo Forestal; we keep respecting the confidentiality of the information even after we stop working within Grupo Forestal.

How should we proceed?

- Grupo Forestal's confidential matters must not be discussed in public or in social media.
- It is necessary to use the safety tools Grupo Forestal has put at your service.

4. Relationship with third parties

By knowing our clients and third parties involved in the business, we reduce the risk of being involved in illegal activities.

Clients

Grupo Forestal is permanently in contact with its clients to satisfy their needs and to achieve the objective of offering high quality products.

We know the clients we work with. We develop customer due diligence measures (CDD), both for new clients and existing ones. Each client will present a different risk, based on its legal form, the place where its activities are carried out, among other parameters.

We keep the information relating to the clients and their operations and commercial relationships with the highest degree of confidentiality.

Due diligence measures at least imply:

Identifying the client: information requirements to determine the real identity of the potential client, his reputation, address and references that validate the aforementioned information.

Check: personal and commercial background check of our potential clients.

Shareholders

The Board of Directors of Grupo Forestal has acted and continues to act offering an equitable treatment to all the shareholders and has carried out protection actions regarding all of them.

The Assemblies are carried out with no exception and rigorously between the stipulated dates and at the expected times.

Suppliers

Grupo Forestal establishes proceedings and controls to obtain an adequate knowledge of the suppliers with which it works with.

In a first instance, it is necessary to carry out suppliers due diligence and include the contractual terms according to what was established by Grupo Forestal. We cannot forget that Grupo Forestal can be used by third parties to make illegal or inappropriate behaviors seem transparent.

We are committed with responsible practices and we hope our suppliers comply with the laws in force and that they share the principles described in this Code. In this sense, Grupo Forestal complies with the norms that control outsourced companies regarding its working, social security and no child labor obligations, as well as not promoting forced labor.

How should we proceed?

- Consider if we have the necessary information about our supplier.
- Pay special attention to confidential information and not share information about the products, production volumes, costs, prices, etc.
- Control the performance of Grupo Forestal's suppliers and take the needed measures in case of breaches.

Competition

We compete equitably, we do not celebrate any formal or informal agreement with our competitors to illegally restrict the competition, fix prices or assign clients, markets, people or services. Grupo Forestal adheres to norms that regulate loyal competition and free market.

We should not discuss or exchange sensitive information with our competitors.

We respect the confidential information of our competitors, gathering only the information that is publicly available or that can be obtained in a non-illegal way.

How should we proceed?

- Every contact we keep with our competitors must have a clear objective, avoiding, in this way, unnecessary contact.
- We must not provide, negotiate or discuss sensitive commercial information with our competitors such as: prices, production volumes, discounts, and market considerations, among other relevant aspects of the business.
- If one of our competitors tries to establish a conversation about a sensitive subject for Grupo Forestal, do not doubt in contacting the Compliance Officer.

5. Compliance with the Code of Ethics and Good Practices

Compliance with the present Code is a responsibility of all Grupo Forestal's members, to achieve the greatest development and to reach all the established objectives.

In case of breaches of the established norms in the Code or any other Grupo Forestal's policies, disciplinary sanctions can be applied that might mean the end of the working contract.

6. Inquiry and reporting channels

In order to be honest with the values of integrity and empathy, a problem that has been reported, will be handled with confidentiality and will be discussed with others only if it is necessary or advisable given the circumstances.

In case of inquiry or report you must get in touch with your direct superior, the Human Resources Manager or the Compliance Officer.

In addition to the mentioned channels, the option of a specific number to call is offered. You can call anonymously to report acts or behaviors that fall off from the compliance of the norms established in the present Code.

Which are the mechanisms at hand if I want to report a problem?

Who to refer to within Grupo Forestal: Immediate Superior, Human Resources Manager or Compliance Officer.

e-mail: reportarproblema@ciaforestal.com.uy

Telephone 08008207