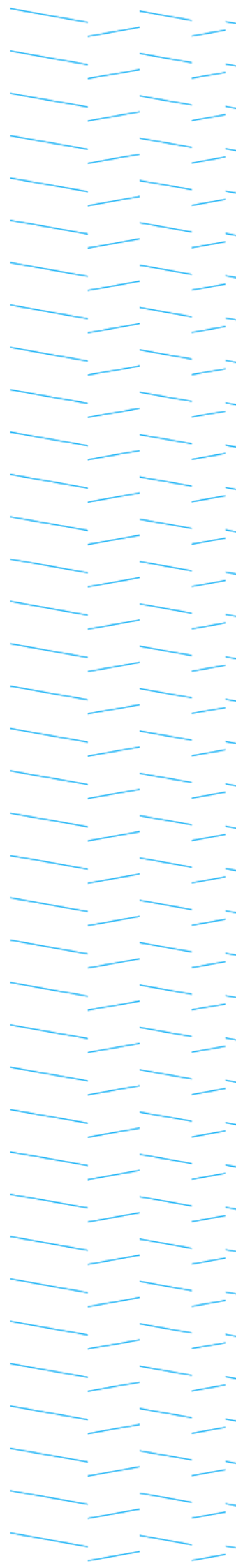


# NELES

## Neles Corporate Community Engagement, Sponsoring and Donations policy

Policy is effective from 1.7.2020

Reviewed and approved by: Board of Directors



# NELES

## Purpose of the document and description of the policy

This document describes Neles’ community engagement, sponsoring and donations practices and principles. This policy applies to all employees of the Neles group of companies.

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### Introduction

As a responsible and engaged global corporate citizen, Neles is committed to help our customers, communities, and colleagues to make a positive difference around the world. Through these activities we take active role in society and the communities in which we operate – beyond our primary business. The targets we choose to support, have clear connection to the work we do, reflect our values, and follow our Code of Conduct.

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## 1 Main areas

As we operate globally and in various cultures, we support only projects that are commonly accepted and respected. Neles will focus on supporting the following themes in its programs:

### **a) Causes identified in the local community**

Community involvement is the power to bring positive, measurable change to the communities in which we operate and to our business. We hope to bring about a direct and concrete social benefit by having a positive impact on the communities and areas in which we operate. The causes identified in the local community are for the public good, for example, for the benefit of children (supporting education in particular), disabled people and victims of natural disasters, or for the benefit of local environmental protection.

### **b) Environmental and safety issues**

Neles participates in environmental programs, events, and organizations to increase the exchange of information, improve the awareness on environmental issues or gain positive impact on the environment.

### **c) Science, research, and education**

Neles co-operates with research and education programs run by universities or research institutions that address technology or business management issues related to Neles' business.

Neles will not sponsor (or give donations to) professional sports, entertainment, or other commercial events, unless approved by Head of Neles Brand and Communication in accordance with the Approval Grid.

## 2 Ways to contribute

Neles may contribute to the areas identified above in the following ways:

### **a) Local community engagement**

Examples include in-kind donations and employee volunteer work. All Neles employees are entitled to do volunteer work for up to 3 hours of work time per year, or where so specifically agreed, up to two days.

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## **b) Donations**

Donation is a financial contribution to another organization. Financial contribution can be a cash contribution or non-cash contribution, such as, new or used equipment products (e.g. computers) or targeted supplies (toys, food, clothing). Local Volunteer work is also a type of non-cash donation.

It should be noted that Neles does not make political donations.

## **c) Sponsorship**

Sponsorships are part of Neles' marketing communication. The goal of sponsorship is to promote Neles' strategic targets and build Neles' desired brand image and have contact with our key target groups. The co-operation should have measurable visibility and broader benefits to our operations.

Neles always signs a written agreement for the sponsorship. The agreement must specify the parties to the agreement, objectives of co-operation, sponsored amount and the considerations given to the sponsor. The term of the sponsorship agreements is 2 years maximum to ensure flexibility.

## **3 General guidance**

All activities carried out under this policy must comply with Code of Conduct and Neles' guidance. Neles does not sponsor or give donations to initiatives or organizations with political, ideological, or religious purposes. Neither should our activities create tension between various stakeholder groups, employee groups or local communities.

Unless a prior approval of the Chief Compliance Officer has been obtained, sponsorship or donations cannot be made for projects, initiatives, or organizations:

- 1) if the approver, or his/her direct supervisor or subordinate is involved directly or indirectly e.g. through family members (conflict of interest) or
- 2) if such project, initiative, or organization is connected to a customer or other business partner of Neles.

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## 4 Approvals

**Local community engagement.** The type of volunteer work and its timing shall be approved by the supervisor of the employee.

**Sponsorships and donations.** The aggregate annual monetary value of sponsorships and donations, as well as the value of each individual case, are controlled on the legal entity level. Prior to any donations or sponsorships, the respective legal entity must have a plan and budget approved in accordance with Neles' budgeting practice. Spending exceeding the approved budget is not allowed without the written consent of a member of management as set out in the Neles Approval Grid. The approval limits of sponsorships and donations are set out in the Approval Grid.

## 5 Reporting

All sponsorships, donations and time spent on local community engagement must be documented and reported as instructed by Head of Sustainability. Local community engagement, sponsorships and donations are reported to Neles' management and Board of Directors. Sponsorships and donations are also publicly reported to all stakeholders via Neles' annual report.