

The Edscha Group's Donation Policy

Our leading market position is the result amongst other things of our value-based corporate policies. These policies embody our philosophy as well as our values and enable us to maintain our reputation and the trust of the society in which we operate both now and in the future.

As an attractive employer with a high degree of social responsibility, Edscha performs an important social function. Within our sphere of influence we consistently strive to implement the key human rights, employment standards and environmental protection principles in which we believe.

Social commitment

We operate all over the world and are fully aware of our social and welfare responsibilities in those communities in which we have branches. It is very important to us to make a positive contribution there to the maintenance of social cohesion. Because of our high social, ethical and moral standards we support relevant projects and institutions by means of donations designed to promote the values which Edscha has embodied in its Code of Conduct.

What do we mean by donations?

By donations we mean voluntary cash or material gifts to people and organisations outside of the company itself, made by Edscha without asking anything in return to promote social, charitable, humanitarian, cultural or scientific purposes. The term also includes fees for memberships of institutions which promote such efforts.

Donations do not include gifts or payments made in order to receive something in return, but the public relations benefit which accrues to us when we are mentioned as having supported a good cause does not count for this purpose. Fees for memberships in which the company has a business interest (e.g. employers' associations) are not classified as donations.

Edscha provides support in the following fields

- **Social and humanitarian**

Edscha needs an intact social environment both for its business activities and for its employees to live in. We support institutions that help to maintain social order and provide assistance to people in need. We also do our best to help in emergency and disaster situations. The protection of the environment and the responsible use of the planet's resources are very important to Edscha.

Examples:

- memberships of charitable organisations formed to promote social, humanitarian or environmental goals,
- gifts to social institutions (food aid distribution centres, children's homes, senior citizens' residences),
- donations to amateur sports clubs, in particular ones providing sporting facilities for children,
- institutions designed to promote the integration in the community of people from all kinds of different countries and cultures,
- disaster relief.

- **Arts and culture**

Culture is the language of society. We therefore support institutions that promote cultural development.

Examples:

- gifts to enable museums to acquire exhibits,
- donations to foundations which award prizes for cultural achievements,
- donations to music schools (musical education for young children),
- memberships of charitable societies for the promotion of art and culture.

- **Education and science**

Edscha's commercial success is based on expert know-how, consistent innovational strength and modern technology. For this reason we promote local schools and universities, particularly in technical fields.

Examples:

- donations to schools and universities in the catchment areas of Edscha branches,
- gifts to scientific institutions for the award of research prizes,
- memberships of charitable associations for the promotion of research and training.

General rules on donations

What we do not support or provide:

- political donations (no gifts to politicians or political parties),
- gifts to individuals, however dramatic their circumstances,
- organisations formed in order to make a profit,
- professional sports clubs of whatever kind.

Donations and our "Code of Conduct"

Edscha relies exclusively on the quality of its products to ensure its success. It must be ensured that Edscha does not benefit from preferential treatment in the procurement, placement or execution of orders as a result of donations. It is thus quite clear that neither gifts to customers or suppliers are permissible nor concealed donations to clubs or institutions which are promoted by a customer or supplier and DO NOT promote the above-mentioned goals. It goes without saying that we do not contribute – either directly or indirectly – to business partners' corporate celebrations or social events.

Edscha does not promote institutions whose goals do not correspond with the values embodied in our Code of Conduct.

Transparency rule

The name of the recipient of a donation and the specific use to which it is to be put must be known. It must at all times be possible to state the reason for the donation and its purpose. Our recommendation is only to promote institutions about which adequate information has been obtained and of whose integrity there can be no doubt.

Deductibility for tax purposes

In countries in which donations are deductible for tax purposes they should be made in such a form (i.e. receipt to be provided) as to make this possible.

In countries in which donations are taxable the tax burden must be ascertained with the Finance Department and corresponding provision made in the donations budget.

Payments into personal bank accounts are not permitted.

No duplication of support

Duplication of support must be avoided. As the rule is for our donations to be made on a strictly local basis – i.e. no support for organisations covering more than the local region – this will generally not arise. If there is a need to deviate from this rule due to the urgency of a particular situation (disastrous flooding, tsunami, earthquake), this must be agreed in advance with the director of the Edscha Group's Human Resources department in Remscheid.