




NO.13 – SUPPORT AND SPONSORSHIP FOR SOCIAL PROJECTS USING TAX INCENTIVES

Responsible Area: People & ESG

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1.  What do you find in this document: guidelines on utilizing federal, state, and municipal incentives, including tax waivers, for sponsorships.

1. OBJECTIVE

Establish guidelines and rules for sponsorship using federal, state, and municipal tax incentives.

2. SCOPE

This Guideline applies to all areas of Dexco, its administrators, and employees.

3. NORMATIVE REFERENCES

- Federal Sports Law (No. 11,438)
- Federal Cultural Law (former Rouanet Law No. 8,313/91, Article 18)
- Audiovisual Law (No. 8,685/93, 11,437/06, Article 1-A)
- Federal recycling incentive law (No. 14,260/2021)
- State Law SP No. 12,268/06 of the PROAC - Cultural Action Program
- State Sports Law (São Paulo State Law for Sports Incentives, Decree 55,636/2010)
- PRONAS - National Program to Support Health Care for Persons with Disabilities
- PRONON - National Program to Support Oncology Care (Federal Law No. 12,715/12)
- Elderly Funds (Law No. 12,213/10)
- FUMCADs - Municipal Funds for Children and Adolescent Rights.
- Federal Law No. 12,846/13
- Dexco Supplier Code of Conduct
- PO.14 Anti-Corruption Policy
- PO.16 Human Rights Policy

4. DEFINITIONS

4.1. Social Investment: funding allocated to actions, projects, and programs aimed at promoting sustainability, social impact, and the development of local communities.

4.2. Sponsorship: financial investment with the purpose of enabling the sponsored party to carry out their events or projects.

4.3. Tax Incentive(s): the direct or indirect reduction or elimination of the respective tax burden, derived from specific laws or regulations of the Public Administration, for application in projects of public interest.

4.4. Applicant: a legal entity responsible for the authorship, implementation, and development of the social project or program.

4.5. Institutional Projects: projects aimed at expanding positive social impacts and working on the corporate image of the Company.

5. DESCRIPTION OF METHODS AND RESPONSIBILITIES

5.1. Sponsorship Spheres with Tax Incentives

The Company may carry out sponsorships through tax incentives for initiatives related to decent housing, culture, sports, the elderly, health, education, and children and adolescents, among others legally provided for, with available funds for investment necessarily linked to the amount of taxes paid, such as Income Tax paid to the Federal Government and ICMS paid in each state where the Company is present.

The areas of focus may undergo changes based on identified social demands and issues, as long as they are aligned with the company's long-term strategy.

5.1.1. Social Investment and Projects

The company may carry out sponsorships aiming at social investment and the development of projects with access to the general public, always committing to the guidelines provided in the current and applicable legislation for each project.

The projects must have a defined scope for classification in:

- Cultural Incentives: Projects focused on Performing Arts, Visual Arts, Cinema and Video, Literature, Music, Socio-cultural Heritage, among others.
- Sports Incentives: Projects focused on sports as leisure; Sports as an instrument of education and social inclusion; and Sports infrastructure.
- Guarantee and defense of the rights of Children and Adolescents.
- Quality of life and guarantee of the rights of the Elderly.
- Promotion of the rehabilitation of people with disabilities.
- Prevention, combat, and treatment of Cancer.
- Education Incentives: Social projects with a socio-educational perspective that use education as a tool for social transformation; entrepreneurship and income generation.
- Recycling incentives.

5.2. Selection Criteria

- Selection Criteria
- Respecting the legal requirements, the projects that may receive sponsorships will be selected by the ESG - Social Responsibility Management, based on meeting the minimum criteria listed below:
- The project's execution location, which should preferably be within the Company's operational or interest territory;
- The project's alignment with the ESG strategy and business objectives, as well as compliance with other relevant internal policies and institutional interests;
- Addressing the priority needs of the communities where the Company operates;
- Promoting social impact in the communities benefiting from the initiative.
- The potential for project replication in different locations and among diverse audiences;
- Eligibility, in the case of Children and Adolescent Funds and the Elderly Fund;
- Not representing or appearing to provide undue advantage to any party, including in accordance with the PO.14 Anti-Corruption policy;
- No sponsorship that compromises the image and/or reputation of the Organization, its shareholders, directors, or employees shall be conducted.

5.3. Methods and Responsibilities

5.3.1. Feasibility Analysis and Social Investment Planning

- The ESG - Social Responsibility Management is responsible for analyzing and pre-selecting the social projects received, considering the criteria established for private social investment in the year.
- The Tax Management is responsible for informing the ESG - Social Responsibility Management about the availability of resources in the Company for conducting Sponsorships through Tax Incentives.
- After determining the available amount, the ESG - Social Responsibility Management is responsible for preparing the investment plan proposal, aligned with the Company's purpose and strategy.
- The ESG - Social Responsibility Management is responsible for forwarding the pre-selected projects to the Compliance department, along with the documentation described in the Sponsorship Approval Form: Sponsorship Form; a simple copy of the identification card and CPF (for individuals) or a simple copy of the contract or consolidated bylaws (for legal entities); minutes of the board election (for legal entities); project description and publication in the Official Gazette.
- The Compliance department should analyze the reputation of the proponent by consulting available public registers in order to identify any integrity risks involving the beneficiary. The Compliance department may require the proponent to submit all necessary documents for the preparation of its reputational report

to be sent to the ESG - Social Responsibility Management. If Compliance issues an unfavorable opinion, the sponsorship should not be carried out.

- Based on the favorable opinion from the Compliance department, the ESG - Social Responsibility Management may proceed with the sponsorship process, submitting the social investment plan for approval by the Executive Committee and the Sustainability Committee.

- The ESG - Social Responsibility Management is responsible for executing the payment of the projects, according to the approved social investment plan by the Executive and Sustainability Committees. Payments for projects facilitated through state laws should follow the respective schedule provided by the Department of Finance. For projects funded by own resources, payments will be made based on negotiations with the proponent.

5.3.2. Sponsorship Implementation

- All sponsorships will be carried out through the execution of the respective sponsorship agreement between the Company and the Proponent (and the fundraiser, if applicable), who must adhere to the Dexco Supplier Code of Conduct through the contract to be executed.
- It is the responsibility of the Legal department to provide legal assistance to the areas involved in sponsorships using tax incentives and self-funded resources, and to prepare the legal instrument for contracting potential projects. They are also responsible for validating the completed contracts provided by the Proponent and reviewed by the ESG Management at the end of the contracting process.
- The ESG Management is responsible for sending the applicable standard contract to the Proponent, who will then fill it out and return it with their complete information (company name, address, CNPJ, type of company, and representative form).
- The ESG Management is responsible for making payments in accordance with the applicable legislation, following the established analysis steps in section 6.3.2.
- It is necessary to receive the receipts as proof of the funds received by the projects through the Federal Law of Culture (formerly Rouanet Law), Federal Sports Law, CMDCA, CMI, Pronas, and Pronon. These receipts must be submitted to the tax department by the beginning of the following month after the payment.
- Relationships with the Public Administration must be transparent, free from influence or conflicts of interest, and without any exchange of favors.
- Dexco, its administrators, and employees must make decisions without being influenced by personal, political, party-related, ideological, or authoritative relationships.
- Whenever there is a provision for the distribution of tickets, invitations, copies, items, etc., in the projects sponsored by the Company under this policy, it is necessary to comply with the limits established in the applicable

legislation, as outlined below:

- a. Offering or delivering tickets, invitations, copies, items, etc., from projects sponsored by the Company to public officials or those equivalent to them is prohibited, as stated in the Anti-Corruption Policy – PO.14.

5.3.3. Post-analysis and Document Archiving

It is the responsibility of the Social Responsibility department - ESG Management:

- Maintain records of all documentation, contracts, and evidence required by this Standard.
- Include the sponsorships carried out under this Standard in the company's annual report to ensure transparency in the use of tax incentives.
- Ensure that the proponent's accountability is provided, and they should submit a complete copy of the documentation delivered to the Public Administration for archiving and control by the aforementioned department.

5.4. Prohibitions

Without prejudice to other prohibitions under the law, in accordance with Normative Instruction No. 01/2017 of the Ministry of Culture, any sponsorship of a cultural project related to the Federal Culture Law, formerly known as Rouanet Law, is subject to the prohibition of the following counterparty obligations to the Company, even if the sponsorship is carried out through private funds (non-incentivized), including if only through such funds:

- Differentiation among audiences in the commercialization of the cultural product under conditions different from those practiced for the general public.
- Reservation of space at the event for a specific audience.
- Display of the sponsor's brand or name in promotional materials other than those approved by the Ministry of Culture.
- Performance of rehearsals, presentations, visits, receptions, parties, cocktails, catering services, or any activities associated with the cultural project that have restricted access or limitations.
- Provision of products or services to the project, in addition to the monetary contribution provided through sponsorship.

5.5. In the execution of sponsorships, the following are prohibited:

- The offering or receiving by the Company, its administrators, and employees of any consideration beyond legal limits, illicit financial or material advantages as a result of the sponsorship they provide.
- Carrying out sponsorships outside the provisions and legally established limits.
- Granting sponsorships directly to public officials, entities or bodies of the direct or indirect Public Administration, or to relatives of public officials up to the third degree by blood, marriage, or affinity.

- Using tax incentives for sponsorships of projects intended for individuals without meeting the criteria of public interest established in current legislation.
- Entering sponsorships that involve non-independent cultural activities, meaning activities that are associated or indirectly linked to broadcasting companies, sound and image, or open or subscription-based electronic communication operators.

If there is a direct or indirect association or link with the Company, its shareholders, administrators, directors, and/or their respective spouses and relatives up to the third degree, except in the case of assets that are demonstrably protected by public authorities, the proposal must also be approved by the related parties committee.

- Sponsorship of projects with political, partisan, and/or religious nature is prohibited.

Sponsorships using tax incentives are exclusively provided by the Company in monetary form, and the transfer of assets or services from the Company is prohibited.

6. SANCTIONS

Non-compliance with the guidelines of this Standard will be subject to the application of the appropriate disciplinary and judicial measures.

7. TERMS

This standard will take effect from its publication date and must be revised every 2(two) years.

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