



## **NO.05 – DONATIONS**

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**Areas Responsible: Human Development and Organizational & Corporate Governance**

**Creation: 19/09/2017**

**Latest revision: 27/10/2020**

**?** **What you will find in this document:** guidelines for any area or unit of Dexco making donations of products, services, goods and/or money.

### **1. OBJECTIVE**

Establish guidelines for the process of donating products, miscellaneous goods and/or money by the Organization.

### **2. SCOPE**

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

### **3. REFERENCES**

- Code of Conduct
- PO.07 Policy for Transactions with Related Parties
- PO.14 Policy for Combating Corruption

### **4. DEFINITIONS**

**4.1 Donor:** any company that is part of the Organization that is authorized to make a donation, that is, which possesses ownership of the object to be delivered and which is not legally impeded from doing so.

**4.2 Grantee/Recipient:** third sector organizations (institutions, foundations, community associations, NGOs and philanthropic entities), companies, public bodies - within the limitations established herein - individual or legal entity eligible to receive donations as provided herein.

**4.3 Intermediary:** Organization that will broker/mediate the donation between the donating company and the recipient company or organization.

**4.4 Donation:** transfer of ownership of miscellaneous assets, Dexco products, third-party goods and/or cash on a permanent and unconditional basis by the Organization.

**4.5 Soliciting Management Team:** area seeking permission to make the donation, which should collect all the data and details needed for the process, in accordance with the guidelines of this policy herein, while soliciting the authorization of the overseeing management and director responsible.

**4.6 Civil Society Organization of Public Interest (OSCIP):** private non-profit or economic legal entities that have been incorporated and have been operating in good legal standing for at least 3 (three) years, normally constituted as associations or foundations. The soliciting area should submit evidence that

these criteria are fulfilled (e.g. a certificate proving that the organization is an OSCIP), as the donation may be tax deductible in these cases.

## 5. CRITERIA

### 5.1 General Criteria

All donations should meet the following cumulative criteria:

- Comply with the Sustainability strategy and each business;
- Be in the institutional and relationship interests of Dexco and aligned with the Company's values;
- Ensure that the Grantee is located within the territory of activity or interests of Dexco;
- Receive assent from the Compliance area (reputational analysis);
- Be approved by the Director responsible, HR Director and President;
- Use the accounts and cost centers ascribed to donations;
- Not involve counter-exchanges, favors and/or conflicts of interest

### 5.2 Public Bodies

Donations to public bodies should only be made on an exceptional basis, and on condition that they fulfill the following purposes: i) Comply with legal requirements; ii) Preserve public goods/services affected by our activities; iii) Support causes that are aligned with the Company's activities and/or values.

All donations to Public Bodies should, as an obligation, meet the requirements below:

- Receive formal sign-off on the request via official letter, signed by the representative of the Public Body;
- Submission of the public notice for publication in the Government Gazette;
- Approval by the Compliance area - reputational analysis;
  - Absence of any form of bribery, favors, exchange, advantage and/or conflict of interest.

### 5.3 Restrictions & Prohibitions

Dexco does not make donations that infringe the laws in force and/or internal policies and guidelines. Thus, it is prohibited to make any

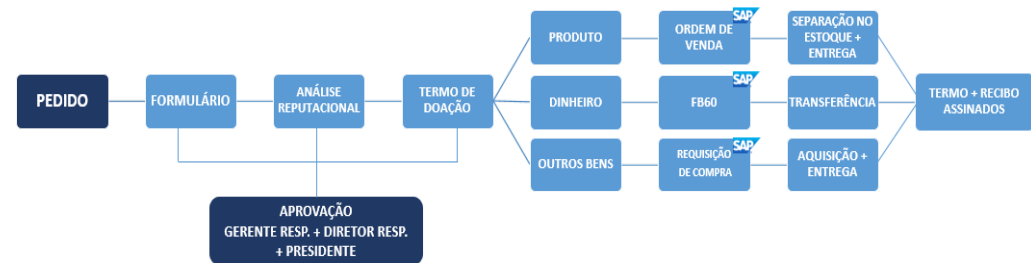
donations that:

- Do not conform with the mandatory general criteria;
- Present a risk to the reputation/image of Dexco or its shareholders and employees;
- Compromise the company's structure, budget and/or cash flow;
- Involve favors, inappropriate advantages, counter-exchange and/or conflict of interest;
- Benefit political parties or entities, candidates for public office or political campaigns;
  - Involve cash payment to Public Agencies, regardless of the means and value.

## 6. TYPE OF DONATIONS

- **Dexco Products** – a donation of any and all products manufactured by the Dexco Group;
- **Other Assets** – the donation of miscellaneous assets, which may be owned by the Donor (e.g. electronic equipment) and/or acquired from third parties to serve specific purposes.
- **Cash** – donation of a sum of cash, by bank transfer, to the Grantee. Cash donations will be approved only as an exception and duly justified.

## 7. FORMAL PROCESS FLOW & RESPONSIBILITIES



### 7.1 Documents needed to Formalize a Donation

The following documents are required to formalize a donation:

- Official Letter and Publication of a public notice in the Government Gazette (if the Grantee is a public body);
- Donation Form;

- Budget (product or miscellaneous assets);
- Reputational Report;
- Donation Terms;
- Receipt for Donation

**Note. The aforementioned documents should be submitted before the donation is finalized, with the exception of the receipt, which serves the purpose of proving delivery.**

### 7.1.1 Donation Request

If the donation request originates from an Institution/Public Body, it is mandatory to formalize it via official letter, duly signed by the representative. For private institutions, formalizing the request via email is recommended.

Upon receiving the donation request, the soliciting area should assess whether it is in accordance with Dexco values and strategy and then collect all the data necessary to proceed with the request and enable the completion of the Donation Form.

### 7.1.2 Donation Form

The Donation Form (Attachment I) should be completed by the soliciting area in all cases, and serves to formalize the request. The soliciting area should complete all the fields in detail and include an acceptable justification for the donation, consistent with the criteria and requirements set out in this Policy.

The Donation Form, duly completed and signed (physically or electronically) by the Soliciting Management Team and Director, should be sent to the Social area, for assessment as to whether the donation meets the required criteria. Following a positive assessment, the Social area will submit the request for approval by the Human Resources Department and Dexco President.

Once the approvals are obtained, the Social area will forward the relevant documents (official letter, form, budget, and others relevant to the request) to the Compliance area for reputational analysis.

**DEDUCTIBLE DONATIONS:** The soliciting area should confirm whether the grantee is an OSCIP (Civil Society Organization of Public Interest) and, should this be the case, request the certificate of proof, and fill out the Declaration of Receipt of Funds by Donation from the Federal Revenue (Attachment III). It should then send the documents to the Tax Accounting area to process the respective Income Tax deduction.

### 7.1.3 Reputational Analysis Report

The Compliance area is responsible for carrying out reputational analysis of the Grantee and any intermediaries, and any of its partners, by consulting available public records. On completion, Compliance will issue a report supporting or opposing the donation, depending on the results of the research. If there is insufficient data to prepare the analysis, Compliance will notify the soliciting area.

Dexco does not recommend any donation that exposes the image and/or reputation of the Organization, its shareholders, directors or employees, especially if the donation represents, or appears to represent, a conflict of interest, favor, or offer of undue advantage to any of the parties involved.

### 7.1.4 Donations Terms

After accounting for the donation, in keeping with the instructions described in items 7.2 Initiating a Requisition in the System and 7.3 Acquisition of Goods and Separation of Stock, the soliciting area should inform the Social area of the amount involved, so that the final figure is included in the supporting documents related to the donation.

The Social area should then request the Legal Department prepare the Donation Terms, a document that makes the donation official, which must be signed by two representatives of Dexco and also by two representatives of the Grantee before the donation takes place. Signatures can be made in person or electronically, so long as a valid tool is used.

Once the Terms have been completed, the Social area should return the document to the soliciting area in order to collect the Grantee's signatures. Once obtained, the physical copy should be sent to the Social area to collect the signatures of the Director responsible and President. Once signed by all parties, the scanned copy should be sent to the Social, Compliance and Legal areas.

### 7.1.5 Receipt of Delivery

The soliciting area is responsible for monitoring and mediating the entire donation process. Upon delivery, the soliciting area should forward the donation receipt to the Grantee and collect the signature of the person responsible for receiving it. It is recommended that the soliciting area also request photos of the donation being delivered.

The receipt should be completed by the soliciting area, in keeping with the model in Attachment II of this Policy, stating the date of delivery, description, quantity and values of the donated items, which should be compatible with the data described in the respective Donation Term. After being signed by all parties, the scanned copy should be sent to the Social, Compliance, Legal areas.

### 7.1.6 Storage of Documents

All of the documents discussed in this Policy, plus any others connected to the donation, should be filed and stored in the soliciting area for a minimum of 5 (five) years.

## 7.2 Initiating a Requisition on the System

The donation should be accounted for appropriately and duly reflected in the company's accounting records. There are two general ledger accounts that can be used for the purposes of donations in SAP:

- (i) 5010630 – Op. Exp. – Donations OSCIP >> Grantee classified as OSCIP or Public Utility (only for deductible donations);
- (ii) 5010611 – Op. Exp. – Donations >> For Grantees that are **NOT** classified as OSCIP or Public Utility (non-deductible donations).

In addition to listing the appropriate account in the system, the soliciting area should allocate the appropriate cost center to be debited:

- (i) Donations made by the corporate areas, DECA and/or Wood >> DXDOACON01;

- (ii) Donations made by Forestry >> DFDOACON01;

- (iii) Donations made by Ceusa >> CEDOACON01.

The soliciting area should set up a requisition on SAP using the following transactions:

### 7.2.1 Dexco Products (Sales Order)

The soliciting area should send the Donation Form to the Special Sales area, duly signed by the responsible director and the president, so that the Sales Order (SO) can be set up on the system.

The Special Sales area should access SAP to issue the SO and enter transaction "VA01" and order type ZDBC. The information contained on the Donation Form, such as the material to be donated, amount donated and the business area, should be completed on the system. The appropriate G/L account and cost center should also be entered, as described in item 7.2 of this Policy.

After setting up the SO on the system, the Special Sales area should send an email to the Sales and Shipping teams, to trigger the procedures for the acquisition and separation of stock, as described in item 7.3 of this Policy.

### 7.2.2 Goods Acquired by Third-parties (Purchase Requisition)

The soliciting area should create a Purchase Requisition (PR) in SAP with the budget information sent by the Supply Area, as described in item 7.1.2 of this Policy.

Before creating the PR, the soliciting area should identify whether the supplier is registered on SAP (access transaction XK03 in the system and enter the CNPJ to identify whether there the supplier is already registered). If not registered, the soliciting area should send the completed registration form to the CSC area, detailing: corporate name, address, state registration and bank details for payment.

To issue the RC, the soliciting area should access SAP and run transaction ME51N, while also inserting the appropriate G/L account and cost center, as described in item 7.2 of this Policy.

After creating the PR on the system, the soliciting area should send the PR number and the Donation Form to the Supply area, duly signed by the director responsible and the president, so that the purchase order can be generated and sent to the Supplier, who should issue the Tax Receipt and proceed with the delivery of the product that is to be donated, as described in item 7.3 of this Policy.

### **7.2.3 Money (FB60)**

To issue the requisition, the soliciting area should access SAP and run transaction FB60 on behalf of the Grantee, and insert the relevant G/L account and cost center, as described in item 7.2 of this Policy. If the donation exceeds R\$30,000, the soliciting area should inform the Tax accounting area, as a specific tax is incurred. Documentation and approvals should be included by way of an attachment to the FB60 transaction.

## **7.3 Acquisition of Goods and Stock Separation**

The soliciting area is responsible for liaising with the relevant areas, previously identified in this Policy, regarding the acquisition of the items to be donated, in addition to organizing the necessary operations for delivery. The acquisition and separation of the donation should be carried out in keeping with the items below:

### **7.3.1 Dexco Products (Sales Order)**

The Shipping team invoices the product on the sales order (SO) and issues the delivery note in order to separate the products in stock. With the products duly invoiced, Shipping carries out the delivery of these products to the Grantee using a carrier hired by Dexco.

### **7.3.2 Goods acquired by third-parties (Purchase Requisition)**

The supplier should issue the Tax Receipt together with the invoice to Dexco, which should include the Grantee's delivery address and the order number generated by the Supplies area.

The Tax Receipt should be entered by the supplier onto JIRA, the system used by the Accounts Receivable (CSC) area to manage the Tax Receipts and effect the payment.

The CSC area effects the payment to the supplier, and is responsible for delivering the product to be donated to the location indicated on the Tax Receipt.

## **8. DONATION TO OTHER PUBLICS**

### **8.1 Donation to Employee**

IT equipment or products manufactured by Dexco may be donated to employees on an extraordinary basis, provided this is duly justified and subject to the following approvals: i) by the manager and director responsible; ii) at least 1 COMEX member; iii) the President.

### **8.2. Related parties**

The soliciting area, when completing the donation form, should identify the involvement of related parties, in accordance with Policy PO.07 Transactions with Related Parties. If the donation involves related parties that have an equity interest in Dexco, the soliciting area should notify Financial Control Management through the Related Party Identification Form Attachment in PO.07, within 05 (five) business days, so that the Financial Control Management can report to the Committee for the Assessment of Transactions with Related Parties.

### **8.3 Donation of Property**

Donations of properties owned by Dexco should follow a separate flow, given the particularities and legal issues involved. Therefore, after approval by the director responsible, the Legal Department must be involved in initiating the procedures that permit the process move ahead.

## **9. GOVERNANCE & MANAGEMENT OF THE PROCESS**

The Social area (Human and Organizational Development Management (DHO) will be responsible for tracking and managing donations, ensuring that the mandatory criteria have been met, and that all supporting documents have been compiled and the donations duly made. This control and the respective data will be shared monthly with the Compliance area for monitoring and compliance with the Integrity Program.

## **10. DISCLOSURE**

Any and all disclosure regarding donations made by Dexco, regardless of the means or channel, should be evaluated and approved by the Communication area in advance.

## **11. SANCTIONS**

Non-compliance with the guidelines in this Policy will be subject to the application of appropriate disciplinary and legal measures.

## **12. TERM**

This Policy will come into effect from the date of publication and should be reviewed every 2 (two) years.

## **13. ATTACHMENTS**

Attachment I – Donation Form

Attachment II – Donation Receipt

Attachment III – Declaration of Receipt of Goods by Donation

## ATTACHMENT I – DONATION FORM

## DONATION FORM – NO.05

## Guidelines:

- Before filling out this document, it is essential to read NO.05, which provides all the information about the criteria, steps and documents required for the Donation.
- The form must be duly completed and signed by the soliciting area's management and director, which validates the first stage of the process and confirms the Business Unit's interest in making the donation and aligning with the strategy and internal guidelines.
- In the case of donations of Dexco products, together with the Form, the soliciting area must provide the Sales area a list describing the specification of the materials and the respective quotation.
- The donation should be recorded in the appropriate ledger account and cost center for the activity and Business Unit, as indicated in NO.05.

ABOUT THE DONATION:			
<b>Items requested:</b>	<input type="checkbox"/> Dexcp products (products manufactured by Dexco). <input type="checkbox"/> Goods and/or services contracted from third-parties (goods from third-parties, priced by Dexco, in favor of the Grantee). <input type="checkbox"/> Dexco Goods (delivery of goods that are no longer in use or that are not required by Dexco in virtue of having been replaced or become redundant, on condition that Dexco is removed from any risks associated with the use or installation). <input type="checkbox"/> Cash (cash donation, which will be authorized only on an exceptional basis).		
<b>Specification of the items requested:</b>			
<b>Total value of the items requested:</b> <b>*Attach budget</b>	R\$		
<b>Describe the purpose of the donation:</b>			
<b>Territory impacted:</b>		<b>Lead time for delivery of the donation:</b>	
<b>Meeting the criteria of the donation:</b>	<input type="checkbox"/> The request is in line with the Sustainability Strategy, the business plan, the Code of Ethics and Conduct and the company's internal rules <input type="checkbox"/> The territory benefiting is part of the region where Dexco has operations or forestry units. <input type="checkbox"/> The donation does not involve counter-exchange, favors and/or conflicts of interest.		

	<input type="checkbox"/> Dexco has an institutional or relationship interest in the scope of the donation.  <p style="text-align: center;"><b>Important:</b> all criteria should be met for the donation.</p>
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ABOUT THE GRANTEE (Beneficiary of the donation):			
<b>Institution/Body:</b>		<b>CNPJ / CPF:</b>	
<b>The Institution/Body is an OSCIP? (If YES, request copy of the Certificate)</b>	<input type="checkbox"/> Yes:  <input type="checkbox"/> No		
<b>The donation is tax deductible for Income Tax purposes? *Should the Grantee be OSCIP, it will be deductible.</b>	<input type="checkbox"/> Yes:  <input type="checkbox"/> No		
<b>Is it an entity that is part of Public Administration? In which sphere? (If YES, the soliciting area must collect an Official Letter formalizing the order and Publication of a Notice in the Official Gazette).</b>	<input type="checkbox"/> Yes:  <input type="checkbox"/> No		
<b>Name of legal representative(s):</b> (Attach copy of ID document)		<b>CPF(s):</b>	
<b>The institution/body has previously received donations from Dexco?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Date of most recent donation</b>
<b>Site of institution/body</b>			
ABOUT THE DONOR (COMPANY IN THE DEXCO GROUP):			
<b>Unit</b>		<b>CNPJ:</b>	
<b>Interest of the Unit in making the Donation / Justification:</b>			
<b>Ledger account and Cost Center: (See guidelines in NO.5)</b>			



*APPROVAL***Manager of the Soliciting Area****Director of Human Resources****Name:****Name:****Date:****Date:***APPROVAL***Director of the Soliciting Area****President****Name:****Name:****Date:****Date:****Documents to be attached to the Form:**

- Original donation request (institution email or signed Official Letter);
- Private Individual: simple copy of identity card and CPF;
- Legal entity: simple copy of the contract or articles of association, identification document of the legal representatives and minutes of the election of the board.
- Donation of Dexco products: list with specification and quotation, prepared by Sales.
- Donation of outsourced products/services: list with specification and quotation sent by Supply Area/Supplier.

In case of OSCIP or Public Utility Organization: supporting certificate

**ATTACHMENT II - RECEIPT OF DONATION**

**RECEIPT OF DONATION**

**[FULL CORPORATE NAME OF THE GRANTEE]** with headquarters at **[headquarters address]**, No. **[number]**, neighborhood **[neighborhood]**, ZIP **[ZIP CODE]**, in the Municipality of **[city]**, State of **[State]**, registered with the CNPJ/MF under No. **[CNPJ of the grantee]**, by its undersigned legal representative(s), declares that it has received, as a donation, unconditionally, from **DEXCO SA**, established at **[unit address responsible for the donation]**, **[number/complement]**, neighborhood **[neighborhood]**, ZIP **[ZIP CODE]**, in the Municipality of **[city]**, State of **[State]**, registered with the CNPJ/MF under nº 97.837.181/00 **[final number of the unit responsible for the donation]**, the item(s) described below, for the sole and exclusive purpose of **[describing in detail the purpose and destination of the donation]**:

- **[describe item, specification and quantity donated]** to the total amount of R\$ **[total price of the item]**.

I declare, as of this date, to be solely responsible for the correct destination and use of the donated items, and for any taxes arising from the donation, with DEXCO SA being exempt from any and all liability in relation to their use, purpose and consequences, and being empowered at any time to demand due compensation from the grantee for any damages or losses arising.

**[location]**, **[day]** of **[month]** of 20**[year]**.

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**[FULL CORPORATE NAME OF GRANTEE]**

**[Full name(s) of the legal representative(s) of the Grantee]**  
**[position]**

**ATTACHMENT III – DECLARATION OF THE RECEIPT OF GOODS THROUGH DONATION**

## Declaration of the Receipt of Goods through Donation

## 1. IDENTIFICATION

<b>Institution/Body (donor company):</b>		<b>CNPJ / CPF:</b>
<b>Address</b>		

<b>Institution/Body (receiving company):</b>		<b>CNPJ / CPF:</b>
<b>Address</b>		

## 2. BANK DETAILS

<b>Bank</b>	<b>Branch</b>	<b>Checking Account</b>

## 3. FORMAL ACT

**[describe the item, specification and quantity donated]** to the total amount of R\$ **[total price of the item]**.

## 4. PERSON RESPONSIBLE FOR THE APPLICATION OF LEGAL SUPPORT

<b>Name:</b>	<b>CPF:</b>

## 5. DECLARATION OF RESPONSIBILITY

As so it is declared, for the purposes of the provisions of art. 13, § 2, item III - "a", "b" and "c", of Law No. 9249, of December 26, 1995, and in art. 28, § 1, letter "b.3" and § 3, "a", "b" and "c", of IN SRF nº 11, of February 21, 1996, that this entity undertakes to fully apply the resources received in the fulfilment of its corporate objectives and not to distribute profits, bonuses or advantages to directors, sponsors or associates, under any form or pretext, and that the person responsible for the application of the resources, and the entity's legal representative are aware that any falsehood contained in this information provided, will subject them, together with the other persons who have participated, to the penalties provided for in the criminal and tax code, with respect to ideological falsehood (art. 299 of the Penal Code) and to crime against the tax order (art. 1 of the Law No. 8137 of December 27, 1990).

6. OBSERVATIONS

1. Any falsehood in the information contained in the declaration constitutes a crime pursuant to art. 299 of the Penal Code, and also a crime against the tax order pursuant to art. 1 of Law No. 8137, of December 27, 1990.
2. The donating legal entity shall keep on file, available for inspection, the declaration signed based on this Normative Instruction.

[location], [day] of [month] of 20[year].

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**[FULL CORPORATE NAME OF GRANTEE]**

[Full name(s) of the legal representative(s) of the Grantee]  
[position]

# Dexco

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