

# Charitable Contributions and Social Sponsorship Policy

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*ITP Aero is part of the Rolls-Royce group of companies and is subject to the same standards of behaviour as the rest of Rolls-Royce. ITP Aero has adopted this Policy based on the equivalent Rolls-Royce Group Policy. This Policy is mandatory and applies to all employees and workers of ITP Aero, including the parent company and all its subsidiaries. This Policy sets the minimum standard that must be followed. Where local laws, regulations or rules impose a higher standard, that higher standard must be followed.*

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*ITP Aero is part of the Rolls-Royce group of companies and is subject to the same standards of behaviour as the rest of Rolls-Royce. ITP Aero has adopted this "ITP Aero charitable contributions and social sponsorship policy" ("Policy") based on the "Rolls-Royce global charitable contributions and social sponsorship policy, 20 September 2017". This Policy is mandatory and applies to all employees of ITP Aero, including the parent company and all its subsidiaries ("ITP Aero" or "Company" or "employees"). This Policy sets the minimum standard that must be followed. Where local laws, regulations or rules impose a higher standard, that higher standard must be followed.*

## Introduction

*ITP Aero*, as part of the Rolls-Royce Group, has a responsibility to conduct business to the very highest ethical standards and build positive relationships with the communities around us.

Charitable Contributions and Social Sponsorships help us to do this, and should be viewed as part of the way we do business. They help support our company strategy and future success by:

- helping us to attract, recruit and retain the best people with the right skills from diverse backgrounds, particularly by investing in the skills we need;
- giving us opportunities to engage with our people beyond their day job;
- providing opportunities for our people to develop their skills and behaviours as well as having a positive impact in our communities; and
- helping to inform our customers, investors and other stakeholders about the kind of company we are.

However it is important to recognise that improper or excessive Charitable Contributions or Social Sponsorships can be a form of bribery or corruption, which is prohibited under the *ITP Aero* Code of Conduct and by law. Any incidents of bribery and corruption involving, or relating to, *ITP Aero* will damage our reputation and potentially threaten our ability to continue to do business. All employees have a personal responsibility for protecting our reputation and living up to our values.

## Purpose

This Policy sets out our strategy for making Charitable Contributions and Social Sponsorships which always have a social outcome. Please note that Charitable Contributions and Social Sponsorships may take the form of a financial contribution, but can also include Employee Time and Gifts-in-Kind.

The reasons for making this type of contribution may be socially or commercially motivated and examples include:

- presence at an industry event which is also open to the public - commercially motivated, yet has a social outcome
- presence at an industry event which is raising money for a charitable cause - socially motivated but has a business benefit
- sponsorship of a not-for-profit organisation - may be either socially or commercially motivated, but is usually considered to have a social outcome

- donations to local charities and community groups - socially motivated and support our social business objectives

Commercial sponsorships which have no social dimension are beyond the scope of this policy. However, they should be registered using the *ITP Aero* Sponsorship Workflow.

This Policy is mandatory and applies to all employees of *ITP Aero* and its subsidiaries (“*ITP Aero*” or “Company” or “employees”). Any contribution or donation that’s made in conjunction with, or through, a third party (including an intermediary) must also adhere to our Policy. This Policy sets the minimum standard that must be followed. Where local laws, regulations or rules impose a higher standard, that higher standard must be followed. Breaches of the *ITP Aero* ABC policies, including this Policy, are not acceptable and may result in disciplinary action up to and including dismissal.

We direct our support for Charitable Contributions and Social Sponsorships within one or more of the following four areas:

- Education and skills
- Environment
- Social investment
- Arts, culture and heritage

Please see Section 1 for more information about why these are our focus areas.

### Your responsibility

To read, understand and comply with this policy;

Raise any questions or concerns you might have. There is advice on how you can do so in Section 3.

### Your manager’s responsibility

To understand this policy and make sure that they do not ask you to work in a way that contravenes it.

## Common terms

### Charitable Contributions

Support for good causes, which can include one-off financial contributions, employee time, or gifts in kind. Charitable contributions are aligned to business rationale, generate goodwill for our company and are usually socially motivated.

### Community Investment

Longer-term commitments to charitable partnerships which support the company's strategic interests (such as our STEM reach target). Community investment often includes employee time and is usually socially motivated.

### Employee Time

A commitment of company time, made through our people. This includes time given to activities on behalf of the company (always with HR and Head previous approval).

### Gifts in Kind

Gifts of products, equipment or services which usually have little cost to the company but a greater value to the beneficiary.

### Social Sponsorships

Commitments aligned to our business objectives and which enhance our brand

and reputation (for example, our sponsorship of the Bilbao Guggenheim Museum). Sponsorships generally involve a defined benefit such as promotion of our brand, image, products or other agreed benefits.

Social sponsorships can be either socially or commercially motivated, as long as they have a social dimension.

### STEM

Science, Technology, Engineering & Maths (STEM) are at the heart of everything we do. ITP Aero carries out a number of STEM focused activities every year. As part of the Rolls-Royce Group we should encourage STEM activities and register them.

### Company

This means any company within the *ITP Aero* group, including the parent company (*Industria de Turbo Propulsores S.A.U.*) and its wholly owned subsidiaries or any other company in which they have a controlling and/or majority shareholding.

### ITP Aero

This means, as applicable, either the whole *ITP Aero* group or any Company thereof as defined above.

# 1 Charitable Contributions and Sponsorships Policy

## 1.1. Areas we support

We direct our support for Charitable Contributions and Social Sponsorships within one or more of the following four areas:

- Education and skills  
With a focus on Science, Technology, Engineering and Mathematics (STEM) which are key to our future success;
- Environment  
Adding value, and a social dimension, to the company's environment strategy;
- Social investment  
Making a positive difference in the communities where we operate;
- Arts, culture and heritage  
Contributing to cultural vibrancy in the places where we are based.

### Important note:

Any proposals which fall outside of these areas of support require authorisation from Rolls-Royce Group Charitable Contributions and Sponsorship Committee (GCCSC). Please see Section 2.

## 1.2. Our rationale

This explains why we direct our support towards each of the following four areas:

### 1.2.1. Education and skills – our STEM focus

A strong future pipeline of well-qualified scientists and engineers is key to the future success of our business.

We aim to inspire young people to study STEM subjects and encourage them to see:

- the life-long career opportunities STEM can offer
- why STEM is so important to economic prosperity

We are measuring and reporting the progress and you will find in section 1.3.3 more information about how you can contribute as an *ITP Aero* employee to the Rolls-Royce Group ambitious global target to reach 6 million people through STEM education programmes and activities by 2020.

### 1.2.2. Environment

Our investment in this area reflects the importance of environmental factors in our product development as well as the personal commitment many of our people have to environmental issues.

Much of the Rolls-Royce Group work in this area has strong links with education.

### 1.2.3. Social investment

Together with a range of specialist partners, we support social investment programmes that make a positive difference in local communities.

In particular, we support activities that respond to local needs and help disadvantaged communities.

### 1.2.4. Arts, culture and heritage

Business and the arts can prosper from working in partnership to develop creative thinking and innovation.

Our support for local projects helps to enhance the cultural vibrancy of the communities where our people live and work.

Projects which reflect our own heritage can engage communities with our company, particularly by linking past achievements with the technologies and skills needed for the future.

Arts, culture and heritage projects often link to education and social investment too.

### 1.3. Key considerations, approvals and reporting requirements

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#### You must:

##### 1.3.1. Key considerations

Any Charitable Contributions or Social Sponsorships we offer or give must:

- be a legitimate, justified Charitable Contribution or Social Sponsorship and never in exchange for obtaining an inappropriate advantage or benefit;
- be offered or given in an open manner. Support must not be given to, or for the benefit of, an individual, unless approved by *ITP Aero* Sponsorship workflow.
- not influence or appear to influence the independence of the giver or receiver of the Charitable Contribution or Social Sponsorship;

- be reasonable in value and frequency and not be considered offensive or inappropriate;
- be in compliance with all laws, rules and regulations and in accordance with the receiving party's own compliance rules;
- be approved in advance by your line manager and, where it includes a financial contribution, also be approved by the *ITP Aero* Sponsorship Workflow
- not be deliberately structured as an arrangement specifically in order to avoid approval requirements in this policy (for example, it should not be given in a personal capacity); and
- not give rise to an actual or potential conflict of interest (as defined in the *ITP Aero* Conflicts of Interest Policy). Where a potential or actual conflict of interest exists as a result of a connection and/or relationship with the receiver, this must be mitigated and disclosed in accordance with the *ITP Aero* Conflicts of Interest Policy.

##### 1.3.2. Beneficiary and ABC checks and approvals.

Before offering or giving a Charitable Contribution or Social Sponsorship, you should make reasonable efforts to satisfy yourself that the beneficiary will use our contributions for social benefit. You must:

- only support registered charities and non-profit making organisations;
- only support organisations which reflect our own values and behaviours;
- check publicly available information about the beneficiary;



- check with other current supporters about the beneficiary's work;
- where the Charitable Contribution or Social Sponsorship includes a financial contribution go through the *ITP Aero* Sponsorship Workflow (which includes the Ethics & Compliance approval)
- comply with the requirements of the *ITP Aero* Gifts and Hospitality Policy, where the Charitable Contribution or Social Sponsorship includes a Gift in Kind.

### 1.3.3. Reporting and record keeping

All approved Charitable Contributions and Social Sponsorships must be recorded as part of the Rolls-Royce Group. The information submitted will:

- help us to report *ITP Aero* global contributions
- contribute towards STEM development initiative
- allow us to carry out internal and external benchmarking
- create the visibility and transparency that is both expected and required.

All Charitable Contributions and Social Sponsorships, which require financial support, have to be recorded through the *ITP Aero* Sponsorship Workflow.

For any other contribution of this kind that does not require financial support please contact with the Communications Department ([comunicacion@itpaero.com](mailto:comunicacion@itpaero.com)) so a record is appropriately registered.

## 1.4. Telling our story

Our social activities provide great opportunities to engage with our people, customers, suppliers and institutions, and to tell people more about the kind of company we are.

We publish information about our social investment in our publications, such as the corporate magazine AIR, and on our website. Also Rolls-Royce publish in the Annual Report and take part in global benchmarks such as the Dow Jones Sustainability Index.

Transparency and visibility also ensure we can answer any questions that may be asked about our activities.

So it is important that we are able to tell the story about the great activities we are involved in and the overall contributions we make.

### 1.4.1. Communications support and brand guidance.

Charitable Contributions and Social Sponsorships often include opportunities to publicise our support and promote our brand.

Promotion of our brand may be a defined benefit within a social sponsorship, sometimes involving a contractual agreement. Seek advice from the legal team before agreeing any contract.

We are responsible for managing our reputation through our partners and particularly when our trademark is used.

Refer to the Communications Department for advice and to ensure use of our trademark is approved. Also seek advice from the Communications Department about any potential media opportunities, including those offered by our partner organisations. The Communications Department will also advise

you about ways of sharing good news stories within *ITP Aero* and with the Rolls-Royce Group.

Digital media provides great opportunities to share good news with wide audiences. Our Social Media Policy provides guidance around what you can share and how to do this appropriately.

A summary of the process steps:

- Check that the proposed contribution meets the criteria set out in this policy.
- Ensure you go through the *ITP Aero* Sponsorships Workflow – which includes Head and Compliance approval - prior to offering any Charitable Contributions or Social Sponsorships which includes a financial contribution.
- Report every approved contribution
- Talk to the Communications Department so that we can tell great news stories about our charitable partnerships and activities.



## 2 Our responsibilities

Remember that this policy applies to everyone. The key roles and responsibilities summarised below ensure that we have good governance of our Charitable Contributions and Social Sponsorships.

Who	Responsible for
<b>Group Charitable Contributions and Sponsorship Committee (GCCSC)</b>	<p>The Rolls-Royce Group Charitable Contributions and Sponsorship Committee (GCCSC) reports to Rolls-Royce Executive Leadership Team and is responsible for:</p> <ul style="list-style-type: none"> <li>• Implementing global policy;</li> <li>• Ensuring visibility of activities;</li> <li>• Endorsing Charitable Contributions and Social Sponsorships budgets for functions, sectors and regions;</li> <li>• Reviewing all Charitable Contributions or Social Sponsorships of £50,000 or more in one year;</li> <li>• Reviewing proposals that are Group-wide and are therefore not within an individual function, region or sector's budget;</li> <li>• Reviewing more urgent appeals such as those for disaster relief and gaining agreement from the Executive Leadership Team to support these as appropriate; and</li> <li>• Reviewing any proposals that fall outside of the policy criteria and have been endorsed by a region, business or function.</li> </ul>
<b>ITP Aero General Manager</b>	<p><i>ITP Aero</i> General Manager is responsible for:</p> <ul style="list-style-type: none"> <li>• Implementing this policy within <i>ITP Aero</i></li> <li>• Setting budgets for <i>ITP Aero</i></li> <li>• Establishing appropriate delegated authority levels to enable consideration and approval of Charitable Contributions and Social Sponsorships.</li> <li>• Referring any endorsed Charitable Contributions and Social Sponsorships with a value of £50,000 or more in one year to the GCCSC;</li> <li>• Referring any endorsed proposals that fall outside of the policy criteria to the GCCSC; and</li> <li>• Ensuring that records of contributions and decision making are kept;</li> </ul>
<b>ITP Aero Charitable Contributions and Social Sponsorships Committee</b>	<p><i>ITP Aero</i> Charitable Contributions and Social Sponsorships Committee, is responsible for:</p> <ul style="list-style-type: none"> <li>• Implementing this policy within <i>ITP Aero</i>;</li> <li>• Setting budgets for <i>ITP Aero</i> and gaining the endorsement of the GCCSC;</li> <li>• Establishing appropriate delegated authority levels to enable consideration and approval of Charitable Contributions and Social Sponsorships.</li> <li>• Referring any endorsed Charitable Contributions or Social Sponsorships with a value of £50,000 or more in one year to the GCCSC;</li> <li>• Referring any endorsed proposals that fall outside of the policy criteria to the GCCSC;</li> <li>• Ensuring that records of contributions and decision making are kept by the Communications Department and shared with Rolls-Royce Community Investment &amp; Education Outreach department in an effective and timely manner.;</li> </ul>

## You

- Remember that Charitable Contributions and Social Sponsorships can be made in Employee Time or as Gifts in Kind, as well as financial contributions.
- Anyone involved in making Charitable Contributions and Social Sponsorships is responsible for:
  - Reading, understanding and complying with this Policy;
  - Obtaining all necessary approvals, including the *ITP Aero* Sponsorship Workflow approval where it includes a financial contribution; and
  - Raising any questions or concerns with your Head, Ethics & Compliance Team or a subject matter expert. This includes concerns about possible breaches of the Policy and you can also contact our *ITP Aero* Ethics Line, as an alternative, in this case.

### 3 Where to find out more

If you have any questions or need further information, you can contact:

- Name: Susana Herrero Quinn  
Role: *ITP Aero* Head of Communications  
Address: Industria de Turbo Propulsores S.A., Francisca Delgado, 9, 28108, Alcobendas, Madrid  
Telephone: +34 912 060 114  
Mobile: +34 610 260 992  
Email: [susana.herrero@itpaero.com](mailto:susana.herrero@itpaero.com)
- Name: Manuel P. González San Segundo  
Role: *ITP Aero* Executive Director of Organization & Resources  
Address: Industria de Turbo Propulsores S.A., Francisca Delgado, 9, 28108, Alcobendas, Madrid  
Telephone: +34 912 060 144  
Mobile: +34 607 428 158  
Email: [manuel.gonzalez@itpaero.com](mailto:manuel.gonzalez@itpaero.com)
- The ITP Aero Ethics Line  
Available at the intranet [ecm.itpaero.com](http://ecm.itpaero.com) and the website [www.itpaero.com](http://www.itpaero.com)

## 4 Other documents you should read

- The *ITP Aero* Code of Conduct
- The ABC Policies and guidance documents on the *ITP Aero* intranet Ethics & Compliance site

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