

Donations, Community Investment and Sponsorship Policy



Introduction

CTP has a long-standing tradition of caring for communities. CTP supports UN Sustainable Development Goals. CTP promotes socially responsible behaviour throughout the countries in which it operates involving different groups of internal and external stakeholders and supports a wide range of community-based organizations mainly focused on children and adolescents' development (e.g. training for professional skills, study grants and equipment support), social well-being and local infrastructure development. The majority of the budget should support long term initiatives.

CTP also aims to be a good neighbour in every location it conducts its business

Key elements

- All activities must be in compliance with CTP's Code of Conduct and Group Anti-Bribery and Corruption Policy.
- Donations, community investment and sponsorship are focused on strategic areas.
- Controls, including approval process, monitor payments monitoring and checking that procedures are being followed, need to be implemented.
- Donations, sponsorship strategy and procedures are as transparent as possible, and, where possible, payments. CTP can decide to communicate about these issues in its annual report or in other means of communication.
- Donations must never be aimed to change or affect any decision-making or be a vessel for bribes.

Definitions

Donations

Donations are cash, non-cash or in-kind payments made for the benefit of society and may be made for charitable, educational, social welfare or similar purposes. These include social investment programs and can involve contributions to social and economic development. Donations are always to be made without demand or expectation of any (business) return.

Community investments	CTP community investment activities are focused on education, youth economic empowerment, social well-being, affordable housing and infrastructural development. It is important that activities are executed within municipalities and communities that are directly related to CTParks. Relation might be administrative – i.e., the same municipality, or social – i.e., stakeholders, or potential stakeholders, living in the area.
Infrastructure Investments	As part of its construction projects or bid for a contract, CTP often commits to funding the construction of a public facility or similar benefit. That relates to needs of communities where CTParks are located. It can cover both people living nearby and CTP tenants and their employees. The value of these community investments can be very high, and in some countries, these are required by regulations. These do not include the sponsorship or donation specified in capture BRIBERY RISKS/ Involvement of a potential client or public official.
Other Community Investments	These activities can have form of organizing events both in CTP premises and other places for tenants' employees and other people; providing services subsidized or paid by CTP (medical care, conference rooms, canteen), investment in physical infrastructure around parks and supporting development of other local infrastructure.
Sponsorships	<p>Sponsorships are marketing expense and should be related to CTP's activities and in line with CTP's values. These can be payments or in-kind benefits, to associate our name with an activity or other organization. Sponsorship is preferably not paid in cash.</p> <p>Sponsorship differs from the above categories, and it is a transaction where CTP provides a payment or in-kind benefit, to associate its name with an activity or other organization including sport events and clubs. CTP might receive rights and benefits e.g. for use of the name of the sponsored organization, advertisement on events and publications, facilities and other opportunities to promote CTP.</p>
In-Kind Benefits	Instead of financial support, CTP may provide in-kind benefits such as the use of CTP facilities or resources, people involvement during working hours. While this may be reasonable in some cases, it can also create risks of bribery and undue influence, whether real or perceived. Common business practices such as business lunch or short-term parking are not the subject of this policy. CTP staff shall always consider proportionality of the benefit.

Roles, Approval Process and Reporting

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Donations CTP follows a top-down approach, meaning we make funds available for charity and societal engagement by budgeting 0.5-1 % of the Rental Revenues in each country assuming KPIs are met. Local decision-making bodies (Country Head, CFO or other respective person) are competent to render decisions up to and including EUR 10.000, - and in total not more than 30 % of the total country charity budget (annually cumulative per beneficiary). Any exceeding amounts needs to be confirmed by local decision-making body and one of the Executive Directors of CTP N.V. All costs should be allocated under respective TC code.
Requestor must fill ANNEX 1 and obtain internal approval before committing to any engagement.

Community Investments

Infrastructure Investments
The direct linkage to a contract and high financial volumes and often political relation makes them high risk. All the risks shall be evaluated properly. Infrastructure development expenditure is subject to project development approval process.

Other Community Investments
All Other Community Investments are subject to Donations approval process.

Sponsorship Sponsorship is a business transaction and should be part of a promotion, marketing or advertising budget and is subject to standard marketing expenditure approval process.

Bribery Risks

Be aware that charitable contributions, community investments and sponsorships can:

- all be used as bribes;
- be made to support the pet cause of a public official with decision-making power over contracts or regulations that affect CTP;
- used to channel funds to front organisations controlled by a bribery recipient;
- present opportunities for employees to make inflated donations or sponsorship fees and receive money back from the recipients as kickbacks.

We shall consider these to prevent any harm to CTP and its reputation..

Inflated payments to hide bribes or kickbacks We shall benchmark donations to provide a reasonable contribution/payment. Always avoid inflated payments, resulting in "slush funds" that can be used to pay bribes or be paid back as kickbacks. The related promotional and marketing activities such as rights for media, ticket sales and hospitality shall be also properly considered to avoid being used to channel funds.

Use of 'front' organizations

Ensure donations or sponsorships are not directed to a "front" organisation to channel bribes. For instance, be sure that an official responsible for a contract decision did not create a trust, charity or event for the specific purpose of receiving bribes in the form of donations or sponsorship.

Involvement of a potential client or public official

Never make a sponsorship or donation to an organisation with the aim of benefiting or influencing a decision maker on a contract or other matter of importance to CTP. The benefit can be that the decision maker has an interest in or a family association with the recipient organisation or the recipient body or it is a favoured cause such as a sports club.

Conflict Of Interest

A Conflict of Interest is a personal connection that interferes with an employees' ability to perform their duties in a fair and impartial manner. It occurs when an employee's private interests interfere with the interests of CTP, or where the family members or friends of a CTP employee receives improper benefits because of that relationship.

If any CTP staff member has any family or friendship relationships with those charitable organisations being awarded donations, community investment or sponsorship (in cash or non-cash) from CTP (whether at Group or local levels), then they must declare this to the Group AML & Compliance Officer before the transaction is made. Irrespective of whether that Conflict of Interest is actual, potential, or perceived, the respective CTP Staff must not take part in making a decision that could be perceived to influence a (potential) transaction.

Forbidden Counterparties

Persons related in whatever way to Authorities (e.g. mayor, employee of municipality council) that deal with CTP or will in the future deal with CTP (such as regulator, local municipalities representatives etc.), external inspectors, external auditor staff or any other officials and/or their related persons shall never benefit from any contributions, to avoid any risks of negative perceptions of bribery and/or undue influence and potential reputational damage.

Direct or indirect contributions to political causes can also present corruption risks because they can be used to exert undue influence on decision-making processes involving CTP directly or indirectly. CTP Staff are prohibited from making any political contributions on behalf of a CTP Group entity, unless approved in advance by the CTP CEO and the CTP Group AML & Compliance Officer or deputy CEO and the CTP Group AML & Compliance Officer.

In-Kind Benefits And Risks

Examples of in-kind benefits	<ul style="list-style-type: none">• Use of company accommodation, facilities• Use of company aircraft• Use of company car
Risks	<ul style="list-style-type: none">• The recipient organisation has been set up or is controlled by an official or relative of an official.• The size or value of the benefit unfairly influences the decision to award a contract.• The facility is unnecessary and does not meet the needs of the community, e.g., a “vanity” project by a public official.• The benefit is for a community in the political constituency of the elected official negotiating the contract.• The contract payments are siphoned off by the official.• A lack of consultation and transparency means the investment is perceived by the public as improper, misdirected, or unnecessary.

Legal Agreements

CTP will not disburse funds before a written agreement is signed. The following points need to be covered in such an agreement:

1. Purpose – the supported project or activity;
2. Duration – for how long the support is planned (one-time payment or longer cooperation);
3. Payment Terms – one off payment or payment schedule, conditions for payment;
4. Principles – confirmation of supported organization that the principles of non-discrimination and political neutrality are observed;
5. Confirmation of tax deductibility in line with local tax regulations;
6. Promotion of CTP and CTP logos as sponsor by the supported organization;
7. Use for public relations and marketing – consent to use of signs, pictures and other material for the CTP’s public relations and marketing purposes;
8. GDPR requirements must be followed.

Accounting, Tax And Recordkeeping

All executed contributions should be reported for the record to Group AML & Compliance Officer, at least 3 weeks after completion. Mandatory information: beneficiary, reason for initiative, brief description, CTP financial contribution, CTP in-kind contribution (including employees involved and time spent), timeline, outcome or supporting documentation, e.g., photographs (if relevant).

The Group AML & Compliance Officer maintains a list of contributions. CTP will accurately record total charitable contribution in its annual report and accounts.

For questions related to these guidelines, please contact the CTP Group AML & Compliance Officer at compliance@ctp.eu and/or CTP Group Head of ESG Management esg@ctp.eu.

Reporting Noncompliance

Employees and third parties can raise concerns via

e-mail address:

whistleblowing@ctp.cz

Phone:

+420 607 287 287

post mail:

CTP Invest, spol. s r.o.

Group AML Compliance Officer

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