

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

CETARSA

CETARSA, in its Corporate Social Responsibility Statement includes all those principles and commitments to society manifested through values that determine our actions and decision-making, with rigor, professionalism and transparency, which, in one way or another, improve its social work and business. Over the years, these principles have evolved adding new ideas, programs and actions, thereby helping to add value to the company and to increase customers and suppliers confidence in us; also increasing our teams commitment with the aim of maintaining mutually beneficial relationships with our community thus improving the quality of life of our stakeholders, promoting employment and economic development in the communities where we operate.

We understand that our company is not an isolated entity, but rather it is part of society and influences it. We play a fundamental role in economic development and we cause an impact in the communities where we carry out our activity, this encouraged us to guide our strategy towards Social Responsibility, given that we are not oblivious to the changes that occur in our environment, but are well aware of them and therefore we adapt to them updating pertinent improvements.

We are aware that our business decisions affect the social and environmental surroundings in which we operate; consequently we will obtain better results if our activity takes place in a climate of cooperation with our immediate environment. By implementing a responsible management system we aspire to positively influence our society, to increase the sense of belonging to the company and to approach a greater satisfaction of people who work in it, greater productivity and competitiveness and more and better trust from our customers.

For all these reasons, Social Responsibility has become a true COMMITMENT for CETARSA, which evolves effectively day by day.

As part of our commitment, we develop responsible practices with our stakeholders:

a) Our Human Teams:

- Achieve maximum commitment and loyalty from the workforce of CETARSA through the deployment of our management and people coordination model as well as our corporate culture, generating an emotional and material environment which allows us to attract and develop the best individual and collective talent.
- Continuously develop the skills and knowledge, generating a stimulating, participatory, motivating work environment in which persons can fully develop their abilities, giving the best of themselves while also help to improve their employability.
- Implement practices that guarantee the safety of the workforce and ensure their health and well-being.
- Respect diversity and promote equal opportunities, stablishing principles of non-discrimination by reason of gender, age, disability or any other circumstance; promoting inclusive leadership throughout the chain of responsibilities, through respect for diversity and the reassurance of non-discrimination in access to employment, training, development, compensation or professional promotion.
- Promote practices for balancing work and family life.
- Promote relationships framed in social dialogue and collective bargaining.
- Promote a culture of social commitment and shared values among staff.
- The protection of Human Rights and monitoring of non-violation of the same.
- CETARSA is adhered to the State Pact Against Gender Violence.

b) Society and Environment

- Promote own and collective initiatives to achieve the Sustainable Development Goals.
- Participate in initiatives and collaborate with regulatory bodies and other organizations in order to promote and disseminate responsible practices.
- Define and apply an Environmental Policy that includes, among others, management of risks in this field, the progressive integration of environmental variables in the development of products and the promotion of eco-efficiency principles as well as the management of direct impacts.
- Promote actions against climate change.
- Prioritize the reduction of GHG emissions during cultivation and industrial production stage.
- We assume our maximum responsibility regarding the reduction of the environmental impact of tobacco cultivation and thereby the improvement of biodiversity in the surroundings of the producing farms, we approach this through a proper management of agricultural soil and application of fertilizers based on previous analyzes of soil fertility.
- We promote the STP program (Sustainability in Tobacco Production), as a source of action principles and which constitutes a point of reference.
- For all these reasons, we intend to advance in the use of renewable energy, in the use of more energy-efficient vehicles and carry out active policies aimed at reducing the carbon footprint to minimize climate change and its consequences.
- Likewise, we commit to:
 - Train and educate growers in the sustainable and safe use of phytosanitary products.
 - Guarantee the varietal integrity of the tobacco seeds used, which must be free of genetic modification and have an optimal adaptation to our growth medium, the result of a contrasted improvement process.
 - Provide the necessary tools for the elimination of foreign matter all throughout the supply chain.
 - Promote efficient water use.
 - Know and monitor the traceability of tobacco leaves from seeds to end customers.
 - Promote energy optimization and prioritize the use of biofuels.
 - In addition, for the final product reliability, all tobacco received will be analyzed regarding the presence of phytosanitary residues, chemical products or unauthorized substances, as well as any other type of contaminant.
- In the same way, we collaborate with Local Entities, public and private Non-Profit Organizations for the maintenance and improvement of our natural resources and promotion of recycling.
- CETARSA is actively committed to protecting the environment from the impact of its factories, carrying out actions regarding:
 - Controlled removal of hazardous and non-hazardous waste through authorized waste agents.
 - Annual measurement of atmospheric emissions of smoke and particles in order to detect deviations and comply with current legislation on the matter.
 - Implementation of measures in terms of energy and water efficiency.
 - Control of measures for soil protection.
 - Annual measurement of discharge control values.
 - Annual calculation and commitments to minimize our carbon footprint. .

c) Suppliers

- Define and apply a Responsible Purchasing Policy that includes, among others, providing complete and transparent information in the supply processes, respect for human and labor rights in the supply chain, and stimulating the demand for socially responsible products and services.
- CETARSA is involved in raising awareness, advising and demanding from growers the implementation all those agricultural practices that improve agro-environmental sustainability,

focusing on optimizing the use of natural resources such as water, prioritizing the use of renewable inputs or those with less environmental impact and using more efficient methods and technologies such as Integrated Pest Management.

- Supplier farmers, as well as their associations, cooperatives and curing centers, commit to inexcusable compliance with the code of agricultural labor practices based on measurable principles of action such as prohibition of child labor, payment of salaries according to legislation, working day not exceeding the legal maximum, fair treatment, eradication of forced labor and ensuring of a safe work environment where freedom of association and every other labor right are guaranteed. This compliance is evaluated through the Due Diligence procedure to whose implementation they commit.
- In the same way, CETARSA will observe in its commercial relations with third parties the guarantee of ethical and acceptable working conditions and habits. Our suppliers accept and agree to follow our policies and work practices.

d) Customers

- Maximum commitment to the application of ethical business practices.
- Placing the costumer at the center of our activity, in order to establish long-lasting relationships based on mutual trust and value contribution which allows us to sustain our growth.
- Define and apply a responsible marketing policy.
- Promote transparent, clear and responsible communication.

This company undertakes the commitment to review and update the Corporate Social Responsibility Statement on a regular basis and unexpectedly audit its degree of compliance.

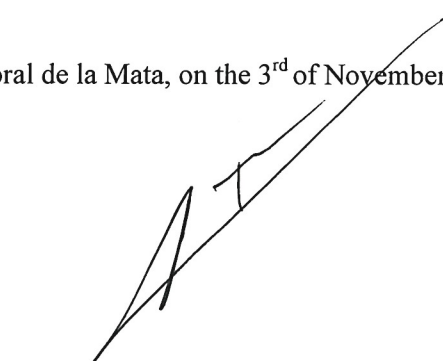
This statement is complemented by the Code of Ethics, a review procedure for our responsibility policy, and the assumption of our policy regarding suppliers developed in the CETARSA Social Responsibility Regulation.

CETARSA is member of OITAB (Spanish Inter-professional Tobacco Organization), and it is through this organization that goals, objectives and information regarding the dignified conditions of men and women growers of tobacco are framed.

For all the above, we state that:

The Social Responsibility Statement constitutes an unavoidable and continuous COMMITMENT for CETARSA and this Presidency, the management team and all our human teams are involved in it, as part of our commitment to a sustainable future.

Approved in Navalmoral de la Mata, on the 3rd of November, 2022



Juan Andres Tovar Mena
President