

CORPORATE SOCIAL RESPONSIBILITY OF COMPAÑÍA ESPAÑOLA DE TABACO EN RAMA S.A.

Through its Corporate Social Responsibility policy, CETARSA has evolved over the years a set of principles, policies, programs and developments that have helped to add value to the company, gain the confidence of our customers and suppliers, increase the commitment of our employees and achieve the respect of the community we live in, so the Corporate Social Responsibility Policy has become a genuine COMMITMENT for this company.

To approach this, we understand our Corporate Social Responsibility policy and the STP (Sustainable Tobacco Programme) as a source of ideas, and, far from being a burden to the company, it has become a major point of reference and, beyond compliance with legal obligations, this company voluntarily decides to embrace responsibility for the problems and challenges the society we operate in is facing.

As a company committed to an increasing Corporate Social Responsibility Policy, we value the importance of considering a priority both environmental factors and the employment conditions, those to improve the quality of working life to our employees, examining all possible occupational risks for we all to enjoy dignified work.

We demand from farmers and their staff an unavoidable compliance with the code of agricultural working practices, applying measurable performance principles as the prohibition of child labour, ensuring wages and working hours within legality, fair trade, eradication of forced work and a safe environment where freedom of association is guaranteed.

In short, to promote the adoption of best practices, aimed at integrating ethical values such as equality and solidarity.

We understand that our company is not an isolated entity, we are part of society and influence on it. We generate employment; we play a key role in economic development and have an impact on the communities where we operate. This motivates us to guide our strategy towards social responsibility. We are not unaware of the changes occurring in our environment, but willing to adapt to them by the incorporation of appropriate improvements. Our company tries to react to the changing needs of the different groups of interest with which it interacts.

We realize that our business decisions affect our social and environmental surroundings, so we will get better results if our activity is developed in cooperation with our environment, and, through the implementation of a responsible management system, we aim to have a better corporate reputation, a positive influence on society, an increasing motivation and sense of being part of the company of our employees, higher productivity and competitiveness, and more and better customer confidence.

Besides, in our commercial relations with third parties, CETARSA will monitor that their working conditions and practices are ethical and acceptable. Our suppliers accept and agree to follow our policies and work practices.

Therefore, we intend to move on in the use of solar energy, to replace fossil fuel with natural gas and support the use of more efficient and eco-friendly vehicles, as well as our commitment to

carry out active policies aimed at reducing the carbon footprint in order to minimize the consequences of climate change, just as we intend to continue our efforts to train the farmers in the use of environmentally friendly phytosanitary; removing foreign matters both in origin and in manufacturing processes, implementing traceability to obtain a better product and promoting a more efficient use of water and energy. Regarding our employees, we will reinforce training systems, prevention, health at work and family life balance. We will also collaborate with local authorities and non profit public or private associations on the maintenance and enhancement of our natural life resources and the support of recycling.

This company makes a commitment to review and update its Corporate Social Responsibility policy on a regular basis and to unexpectedly audit its compliance, and declares that it should be complemented with the following subjects: our principles and ethical code, a review process for this policy of responsibility; the assumption of our policy by suppliers; a manual for employees; compliance with ILO conventions; promotion of equality of opportunity, the implementation of a preventive policy and of safety and health, the creation of a commission of biodiversity and a guide to good agricultural practices. Finally, agrees to include a clause in relation to these issues in the Contract Type of growing and sale of tobacco.

The company, during its almost 30 years of existence, has striven to develop one of our most important business assets: INTEGRITY.

It is well known our commitment to the problems endured by the tobacco areas, our commitment to Extremadura, as a region, and Spain, as a country.

Our next commitment will be to draft a Code of Behaviour according to our Ethical Code because conducting our activities in accordance with high ethical standards is the right thing to do, but it is also a good business.

For all of which, we state that:

The CSR policy is to Cetarsa an unavoidable and growing COMMITMENT and therein are involved this Presidency, the management team and all our employees, as part of our commitment to quality, excellence and future.