




# CODE OF CONDUCT





**As a family-owned company CONTRAF-NICOTEX-TOBACCO GmbH (CNT)** has adopted both Legality and Corporate Responsibility as an integral part of its Corporate Governance Principles. CNT as well as its affiliated companies adhere to the applicable laws and regulations in the countries where business activities are conducted as a minimum standard (Legality Principle). Some countries shall also carefully consider which principle of Good Corporate Governance should be implemented in addition to the local laws and regulations.

Compliance generally means complying with all applicable laws and regulations. In our view compliance also includes to follow the internal guidelines of CNT additionally as laid down in this document, and to monitor the implementation of these rules throughout the group company.

This **Code of Conduct** is mandatory for our activities worldwide and sets the base for a minimum standard for each of our employees to be followed. For employees, this means a clear direction is set for their day to day activities, while for suppliers and customers it is a binding promise on which they can rely.

CONTRAF-NICOTEX-TOBACCO GmbH (CNT)

The Management Board

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## **Corporate Governance: Principles, Ethics and Integrity**

CNT operates in many markets worldwide; therefore we think and act internationally. We have a reputation for flexible customer service, best quality products and being highly innovative, bringing our business into new markets and taking opportunities. CNT aims to improve quality, productivity and innovation across all our business while continuing to invest in the future of the Company. As a family owned business we are in a position to think and act free from short term interests.

The principle of mutual benefit shall be the basis on which we build our long term relationships with our business partners. We strongly believe that business partners should have the opportunity to benefit from their relationship with us. Our operations uphold high standards of behavior, ethics and integrity and respect employees' rights. Furthermore, we believe that universally recognized fundamental human rights should be respected at all times. The quality of our products and highly professional customer service are the foundation of our success. Integrity and Fair Competition are core principles of our company. CNT operates in an environmentally responsible and efficient manner and will endeavor to minimize any adverse impact on the environment.



## **1. PERSONAL INTEGRITY**

### **Conflicts of Interest**

A Conflict of Interest occurs when an employee's private interest interferes with his or her duties as a CNT employee. CNT recognizes and respects its employee's private interests and activities.

Nevertheless, CNT expects full loyalty from all its employees. Employees may not engage in activities which could conflict with CNT's business and could interfere with the employee's job responsibilities, which at all times must be performed in CNT's interests. Employees may not use their position or CNT's information or assets for their personal gain or for the inappropriate benefit of others.

## **2. COMMERCIAL INTEGRITY**

### **Fair Competition**

We promote free and fair competition and we face this challenge in a free and open manner. CNT seeks to outperform our competition fairly and honestly through superior performance, never through unethical or illegal business practices including all national and international trade control and restrictions as well as embargo laws.

### **Anti-corruption and Bribery**

CNT believes that all its business activities shall be accomplished fairly and with integrity based on the general principles of supply and demand in a free market. Each employee is responsible for avoiding corruption and should not offer, promise, pay or authorize anything of value to obtain an improper advantage when doing business.

All of our employees are expected to keep accurate and transparent records that reflect actual transactions and payments in compliance with CNT's policy.

The Company shall clearly state this policy to its employees as well to its representatives, agents and other involved persons or parties who might act for and/or on behalf of the Company.

### **Accounting and Financial Reporting**

It is essential that the Company records its financial and non-financial information prudently and accurately. Company's books, records and accounts must fit in the Company Accounting Policies. Company's records must be accurate and complete and they should allow an accurate view of the business at any point in time. Supporting documentation should be collected at the time of a transaction. Accounting records and documentation should be retained in accordance with local legal and fiscal requirements. Annual financial statements and documents relating to acquisitions and other significant transactions should be kept permanently.

The Company will fully co-operate with any internal or external audits, making sure that it will provide the auditors with accurate information and allow them unrestricted access to documents.



### **3. PRIVACY AND DATA PROTECTION**

CNT maintains personal data about employees, clients, suppliers and other third parties, which have to be protected against any unauthorized disclosure. As well we have to secure business and trade secrets, because they result from our work, investments, research and development activities and represent an important value for us.

The Company strongly protects these data in any form and keeps them confidential.

### **4. COMPANY PROPERTY AND VALUABLE ASSETS**

We protect the property, the propriety values and the business opportunities of our Company. The property and propriety values essential to the CNTs operations have been accumulated through the hard work and dedication of our employees. Our continuing success depends on protecting and preserving these assets.

All CNT employees are expected to protect and preserve the Company property and other valuable assets to ensure and promote sustainable development.

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## 5. EMPLOYMENT

### **Child Labor and Forced Labor**

CNT is aware of the disturbing fact that child labor and forced labor remain significant problems in many parts of the world. Social and economic conditions can fuel this problem and government capacity to address it may be limited, especially in less developed countries.

Global supply chains for raw materials, including the agricultural products of relevance to our business, can be lengthy and quite complex, reducing our potential influence and adding further hurdles to the challenge of understanding and effectively addressing issues that may exist.

The Company strongly believes that it has the responsibility to engage in employment practices which meet the highest legal and ethical standards.

### **Occupational Health & Safety**

The health and safety of employees is of vital concern to the Company. It is the Company's policy to provide a workplace that is in compliance with all applicable national and local laws and regulations.

The Company complies with all applicable national and international laws and regulations regarding Occupational Health & Safety Policy affecting our business practices. We have established procedures for assessing and reviewing the occupational health and safety impacts of its present and future activities on a regular basis. We seek continually to identify and implement pro-active measures required to safeguard the health and safety of our employees on company premises.



### **Fair Treatment and Equal Opportunities**

CNT is firmly committed to provide equal opportunity to each employee. Cultural diversity is seen as a CNT asset. Diversity and equal opportunity are both a part of our philosophy and an important element of our success in the global marketplace.

We respect diversity and make no hiring, employment or business decisions based on race, age, ethnic background, gender, religion or belief, disability, sexual orientation or any other characteristic protected by law.

Our recruitment strategy is based on retaining and attracting the best and most suitable people at all levels of the business and this is reflected in an objective approach to recruitment and selection.



## 6. ENVIRONMENT

### **Environmental Responsibility**

The Company shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. We have a commitment to protect natural resources, significantly reduce the use of hazardous materials and to engage in activities that reuse and recycle.

### **Sustainable Development**

The term Sustainable Development (SD) was used by the Brundtland Commission which formulated what has become the most often-quoted definition of SD as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs.” CNT is committed to environmental sustainability with the goal of ensuring and promoting environmental protection for current and future generations.

### **Climate Change and CO<sub>2</sub> Emissions**

The Company is aware of the problems related to global warming. We shall constantly try to reduce the carbon dioxide emissions through lower energy consumption of our operations globally. We shall continually seek to improve corporate environmental performance through ongoing research and development. We have been disclosing our Carbon dioxide emissions (Scope 1&2) to the Carbon Disclosure Project since 2009.