



**PHOENICIA**

T.A.A. CYPRUS LTD.

# **CODE OF CONDUCT**

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# A. CODE OF CONDUCT PURPOSE

Phoenicia T.A.A. (Cyprus) Ltd, including its subsidiaries Phoenicia Fereos Hellas SA and Phoenicia Fereos Cyprus Ltd (the **Group**), consider corporate responsibility as one of the main values on which their business is based and which, in addition, is the fundamental tool that guarantees the sustainability and reputation of our business activity and long-term sustainability.

To ensure this, the **Group** has developed an ethical framework composed of a Code of Conduct (the **Code**) and a set of Policies (the **Policies**) that must be complied with not only by employees but also by third parties who work with the Group in the development of their activities (i.e., suppliers and customers) and describe the principles that should guide our behavior.

In any case, the **Group** is also aware that the **Code** does not describe all activities that employees or third parties may encounter in the development of the business, so everything that is not regulated by the Code and / or the Policies will have to be interpreted according to the spirit and recommendations that these documents establish.

# B. THE IMPORTANCE OF THE CODE OF CONDUCT

## B.1 EVERYONE'S RESPONSIBILITY

It is everyone's responsibility to create a work environment that promotes integrity, teamwork and trust. Each of us is responsible to:

- Comply with the local law and the Code and act responsibly, with integrity and in good faith.
- Treat everyone fairly and with respect, encouraging open communication and transparency in teams by thinking about how our decisions affect others.
- Challenge behavior that seems strange to us, share concerns with managers and report behavior that is inappropriate or violates local regulations and the Code.

## **B.2 THE IMPORTANCE OF ASKING FOR HELP AND SPEAKING OUT**

If you suspect that there has been a breach of legislation or the Code, you should raise your concerns. You can speak to:

- A supervisor
- Human Resources
- The Management Team
- Group Legal and Corporate Affairs Department
- Board of Directors of each company within the Group.

## **B.3 ZERO TOLERANCE FOR RETALIATIONS**

We will not tolerate retaliation against an individual who discloses a potential or actual Code violation or assists in an investigation. Retaliation may result in disciplinary action, up to and including termination of employment.

# **C. HOW WE ABIDE BY THE CODE**

The Management Body of each Company of the Group is responsible for overseeing the Group's management structures, controls and activities.

## **C.1 INVESTIGATIONS**

We have processes in place to ensure that concerns are treated equally across the Group. All investigations are confidential and conducted in accordance with any applicable legal obligations.

## **C.2. DISCIPLINARY ACTION**

Appropriate disciplinary action, including termination, will be taken against individuals who have breached the Code. Violations of local laws may also subject employees to enforcement by a court or other government entity.

# **TRUST, RESPECT AND RESPONSIBILITY**

**Our business activities directly or indirectly affect communities and societies around the world.**

**We are committed to building a work environment that promotes integrity, teamwork, diversity and trust.**

**This section contains:**

1. Discrimination and Harassment
2. Promoting a Wellbeing culture and a Healthy and Safe Work Environment
3. Environmental responsibilities
4. Respecting Human Rights and Labor relations
5. Community Involvement and charitable Contributions
6. Collaborate with governments and political institutions
7. Using social media responsibly

# **1. DISCRIMINATION AND HARASSMENT**

**We must all play our part in maintaining a workplace fair, respectful, free of any form of harassment, discrimination or any other kind of demeaning behavior.**

**We must:**

1.1	Treat all colleagues fairly and equally, creating an equal work environment, in accordance with their capacity to meet the requirements and standards of their job.
1.2	Demonstrate respect for cultures that may differ from our own.
1.3	Recruit, develop, promote, and provide other conditions of employment, for any person, regardless of age, race, origin, genre, sexual orientation, disability, political view, religion, marital status or physical or mental health or any other legally protected status.
1.4	Be reasonable in adapting yourself to employees' disabilities, religious beliefs or practices.

**We must not:**

1.5	Allow any discriminatory factor to influence our decisions, either directly or indirectly, with regard to an individual's recruitment, reward or career progression.
1.6	Engage in any form of harassment or abuse, or any behavior that could be perceived as offensive, intimidating, malicious or insulting.
1.7	Accept or engage in any form of behavior that excludes an individual or group of individuals from team or group activities, social engagements, team events or any other activity undertaken in their team.
1.8	Accept or engage in any form of behavior that creates a hostile working environment.

# **2. PROMOTING A WELLBEING CULTURE AND A HEALTHY AND SAFE WORKING ENVIRONMENT**

**We must behave in a manner that promotes a healthy, safe and productive work environment for all our employees, business partners, visitors, and surrounding communities, and challenge the unacceptable or potentially dangerous behaviors.**

**We must:**

2.1	Conduct our job in compliance with the Health and Safety laws and our own Occupational Health, Safety and the Environment Policy, even if they are stricter than local regulations.
2.2	Understand the hazards in an emergency situation and test our understanding.
2.3	Proactively consider our own health and safety and that of the colleagues and others.

2.4	Integrate health and safety considerations into our daily work activities.
2.5	Report to your Human Resource Manager all accidents, incidents, failures and breaches in compliance with Occupational Health and Safety.

**We must not:**

2.6	Accept or ignore any suspected poor practice concerning health and safety.
2.7	Tolerate or participate in violent actions, threatening behavior or physical intimidation.
2.8	Act in ways that endanger our safety and health, or the safety and health of others (i.e., go to work under the influence of drugs or alcohol or cover for those who do).

### **3. ENVIRONMENTAL RESPONSIBILITIES**

**We are committed to introducing more environmentally sustainable ways of working. This makes the best use of limited resources and supports operational efficiency and cost management. We all have a role to play in reducing the impact that our activities have on the environment.**

**We must:**

3.1	<p>Reduce the impact of our daily activities on the environment by:</p> <ul style="list-style-type: none"> <li>- favoring the use of renewable materials and the development of sustainable environmentally packaging, while continuing to meet customer expectations and consumer preferences.</li> <li>- modifying our own behavior to reduce our impact on the environment by reducing waste, cutting out unnecessary travel, saving water and energy.</li> <li>- ensuring unavoidable waste is reused, recycled or disposed of in a responsible way. - taking all the necessary actions to prevent violations of our Occupational Health Safety and the Environment Policy.</li> <li>- Work with our suppliers to improve supply chain impacts.</li> </ul>
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**We must not:**

3.2	Ignore or accept any suspected or known violations of our Occupational Health, Safety and the Environment Policy.
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## **4. RESPECTING HUMAN RIGHTS AND LABOR RELATIONS**

We must promote and protect Human Rights and ensure we do not, directly or indirectly, contribute to any violation of those Rights.

We must work towards the elimination of any abuse in Human Rights which may exist in the labor market, particularly in case they are in any way connected to our business activity or supply chain.

### **We must:**

4.1	Work with our suppliers, licensees, agents and joint ventures to encourage and support their implementation of minimum age/forced labor standards.
4.2	Encourage everyone who either directly or indirectly works with us to comply with our standards.
4.3	Protect the right of all employees allowing freedom of thought, conscience and religion, as well as the freedom of opinion and expression.
4.4	Respect the rights of all employees in case of any violation of their right to equal protection against discriminations.

### **We must not:**

4.5	Engage anyone under the minimum working age stipulated in each case, or under the compulsory schooling age.
4.6	Allow or make any distinction against any employee because of his political, religious or jurisdictional status of the country or territory to which he belongs, ensuring when necessary that valid working permits are in force for those working outside their country of origin.
4.7	Allow any discrimination arising from an employee's right to freely participate in his community culture.

## **5. COMMUNITY INVOLVEMENT AND CHARITABLE CONTRIBUTIONS**

We are committed to making a positive contribution in those communities where we work. It is good for employee engagement, good for business relationships and good for our Group's reputation.

### **We must:**

5.1	Take special care when considering to make charitable contributions, making prior request to the Board of Direction of the Company and to the public officials, bearing in mind that We must avoid everything that may create a conflict of interests, that could be regarded as bribe or corruption, or that may enter in conflict with our standard on gifts and entertainment.
5.2	Refer to our Marketing Standards to ensure that any proposed donation would not in any way violate our own policy.

5.3	Follow and implement our community involvement recommendations.
5.4	Support community projects that improve people’s lives.
5.5	Encourage and enable our employees to volunteer to help our wider communities.
5.6	Further the charitable interests of our employees.

**We must not:**

5.7	Give any charitable donation to any unregistered entity or non-profit organizations whether are informal or unrecognized as well as to individuals or organizations when due diligence has not been conducted.
5.8	Work with community projects, activities or charities that are not officially recognized, registered, or governed.
5.9	Use charitable donations or community investments to directly advertise or promote our brands or products.
5.10	Support individuals.
5.11	Endorse projects of either our Group or the charity that may be publicly criticized as improper or pandering, especially if they are related to children and health.

## **6. COLLABORATE WITH GOVERNMENTS AND POLITICAL INSTITUTIONS**

Engaging with governments, regulators, industry bodies and public interest groups is an important and necessary element of our business and fundamental to the commercial success of the Group Companies. We have a legitimate role to play in all developments that affect our operations.

**We must:**

6.1	Follow Group guidance when engaging in “influencing” activities with public bodies or interest groups.
6.2	Be politically neutral in all our business engagement activities.
6.3	Ensure that our personal views and opinions cannot be interpreted as representing those of the Group.
6.4	Support the creation of political action committees or similar organizations, provided that prior approval has been received from the Board of Directors of Group companies.
6.5	Ensure that we obtain legal information prior to any joint industrial engagement with governments/regulators.

**We must not:**

6.6	Represent or claim to act on behalf of the Company in any political activity which we are carrying out as private individuals.
6.7	Pay regulators or special interest groups.
6.8	Donate to political parties or associations of individuals unless permitted by Law.
6.9	Use Group resources to support private political activities.

## **7. USING SOCIAL MEDIA RESPONSIBLY**

**Our reputation depends on us acting responsibly and with integrity. Social media can help us share information, our positions, our brand, and product information. However, breaches of local regulations can quickly have a negative impact on our reputation.**

### **We must:**

7.1	Take care to represent the Group and its employees in a positive light to protect our values and reputation.
7.2	Identify ourselves as employees when representing the Group or Group's products.
7.3	Comply with our social media guidelines.

### **We must not:**

7.4	Make false or negative statements that could be perceived as breaches of the law and writing opinions that give the impression that the Group endorses or that they are written on behalf of the Group when this is not the case.
7.5	Represent the Group on social media platforms unless you are acting in your official capacity or with Company approval.
7.6	Disclose confidential, private, or privileged information about our Group, customers, suppliers or colleagues.
7.7	Use social media to sell or market our products unless permitted by local law or regulation.

# **BUSINESS INTEGRITY**

**Conducting business with integrity will support the sustainable growth of our business.**

**We are committed to dealing honestly, fairly and lawfully with all parties with whom we conduct business.**

**This section contains:**

8. Fighting Illicit Trade
9. Preventing Money Laundering
10. Competition and Anti-Trust
11. Trade responsibly
12. Anti-Bribery and Corruption
13. Gifts and Entertainment
14. Responsible Procurement and Supplier Partnerships
15. Customs and Tax
16. International Sanctions and Trade Restrictions

## **8. FIGHTING ILLICIT TRADE**

The prevention and elimination of smuggling and counterfeiting is one of our major business priorities. We must never engage in or facilitate illicit trade activities.

We must ensure that we only conduct business with companies and individuals of good reputation. We must work with governments, regulatory bodies and law enforcement authorities to prevent the illicit trade of our products.

The illicit trade of our products has a damaging effect on our Company. It is contrary to our commercial interests and harms our business reputation and our brands. It diminishes the legitimate markets in which we operate to compete for market quota. It deprives governments of revenues and tempts consumers to purchase products from unregulated sources. In addition, the illicit trade undermines the regulations which govern the legitimate tobacco industry and there is a clear evidence that illicit trade funds organized crime and terrorism around the world, so eliminating it remains one of our top priorities.

*Illicit Trade products include:*

**Contraband** of legitimate products purchased on a duty paid or duty-free basis but smuggled into and sold illegally in other markets in contravention of fiscal or customs laws. These products are known as “black market products”.

**Counterfeit** of products which illegally copy existing brands which are manufactured and/or sold in violation of trademark rights, often smuggled into other markets to be sold without paying the correspondent duty.

### **We must:**

8.1	Supply products only in quantities proportional to their consumption in the destination market and in accordance with Duty Free Zone requirements.
8.2	Ensure legally binding written agreements are in place to cover all relationships with customers, distributors, licensees and other third parties.
8.3	Thoroughly Investigate all incidences of the product and take the corresponding measures to mitigate the risk of additional diversion.
8.4	Only trade with and supply product to customers who are committed to adhering to product sourcing and supply policies and make our customers aware of our position against illicit trade and their responsibility to follow the law and our Code of Conduct.
8.5	Ensure customers, distributors, licensees and other third parties are appropriately evaluated prior to the approval of signing the agreement, in accordance with procedures for approving new distributors, franchisees, licensees and service suppliers.
8.6	Report any suspicion related to the illicit trade of tobacco products to Commercial VicePresident, Sales Control Director or Security Division, gathering as much information as possible prior to doing so but without compromising either your own safety or the safety of other third parties.

8.7	Proactively work with governments and law enforcement agencies around the world to provide training, support investigations and conduct forensic analysis of seized tobacco products, and provide guidance on anti-illicit trade initiatives to ensure action is taken to protect our brands.
8.8	Ensure that any proposal to suspend and/or terminate the supply of products to our customers because of illicit trade activities with prior notice to the Legal Division.
8.9	Review every two years all data of our customers.

**We must not:**

8.10	Expose ourselves to a personal risk or danger when gathering or reporting suspected incidences of illicit trade activities.
8.11	Continue to trade with customers identified as being involved, deliberately or recklessly, in illicit trade.
8.12	Deliberately ignore or obviate any suspicion regarding the implication of a customer or supplier in the loss of our products in the legitimate supply chain.

## **9. PREVENTING MONEY LAUNDERING**

**Money laundering is the process of creating the appearance that funds obtained through criminal activity are legitimate or have a legal origin. It is a serious criminal activity. We must ensure that others do not use us to launder money, or we could be liable.**

**We must:**

9.1	Only accept payment from the customers, distributors and other companies or individuals with whom we commonly conduct business and with whom we have carried out full and proper due diligence and verification (including financial checks).
9.2	Learn to recognize the types of transactions related to money laundering activity and report such transactions if we suspect or observe them.
9.3	Immediately raise any concerns to Commercial and Financial Vice- Presidencies or Security Division, for example, after having heard a rumor which suggests that a customer is or may be involved in illicit trade activities.
9.4	Be very careful in all circumstances that suggest improper financial transactions might be taking place. Some examples of such activities are: <ul style="list-style-type: none"> <li>- A customer who is unwilling to provide general, personal or business information.</li> <li>- A customer who wants to pay large amounts of cash.</li> <li>- A customer who appears unconcerned with price or other terms and conditions of purchase.</li> <li>- A customer or supplier who wants to be paid into a bank account in a country different to his country of residence or social domicile.</li> </ul>

**We must not:**

9.5	Accept any cash or cash equivalents that are, or could be, the proceeds of criminal activity.
9.6	Ignore, deliberately or recklessly, any of the “red flags” that suggest improper financial transactions might be taking place.
9.7	Engage in deliberate illegal tax evasion or facilitating such evasion on behalf of third parties.

## **10. COMPETITION AND ANTI-TRUST**

Phoenicia T.A.A. (Cyprus) Ltd is committed to competing fairly and honestly with other enterprises in the same sector, and in this regard, we must comply with the anti-trust and competition laws that affect our business activity.

The general principles set out in this section are presented for guidance purposes only. Competition laws are designed to promote free markets and protect adult consumers and businesses. Although these laws are complex and differ from country to country, we must respect and comply with them. If we fail to do so, we can face serious consequences such as high fines, reputational damage or even imprisonment.

### **10.1 Agreements/Contact with Competitors**

By virtue of the applicable laws,

**We must:**

10.1.1	Ensure that we understand and comply with the competition laws that apply to our market.
10.1.2	Work and compete independently of our competitors.

Obtain approval from Legal Counsel or external legal advisors used by any Group Company before implementing a data sharing process that includes the provision of data to or from our competitors (including through intermediaries or third parties).

Besides, consult with the legal team regarding marketing activities or sales initiatives such as discount, promotional or commercial programs to avoid abusing our position and to ensure we comply with applicable laws.

**We must not:**

10.1.3	Make or indicate, either directly or indirectly, a willingness to agree prices, discounts or other terms of trade with competitors, including setting minimum or maximum prices, stabilizing, altering or coordinating the prices.
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10.1.4	Agree with the competitors the quality or quantity of products to be supplied into a particular market or customer group.
10.1.5	Engage in any form of bid rigging.
10.1.6	Agree with the competitors a boycott to a supplier, customer or distributor.
10.1.7	Agree with competitors to divide up markets, customers or product categories.
10.1.8	Discuss or exchange commercially sensitive information with competitors, including customer and product information.

## **10.2 Trade Associations**

### **We must not:**

10.2.1	Impose or agree fixed or minimum resale prices with customers or distributors or dictate their profit margin or the maximum level of discount they can offer, taking into consideration legislations of each country.
10.2.2	Sign Exclusive Distribution and Franchise Agreements with restrictive clauses regarding territories and passive sales that violate the anti-trust laws of each country.

## **10.3 Information Gathering**

### **We must:**

10.3.1	Understand what kind of competitive information we can gather and how we may use it.
10.3.2	Ensure that our own competitive information is not disclosed either directly or indirectly to competitors.

### **We must not:**

10.3.3	Attempt to gain access to information regarding the business activity of a competitor by illegal or inappropriate methods, including: <ul style="list-style-type: none"> <li>- developing of industrial espionage or undercover surveillance to access information which is not publically available;</li> <li>- hiring competitors' employees for the purpose of obtaining confidential information or important information from the commercial point of view;</li> <li>- approaching competitor's customers or employees to obtain confidential information.</li> </ul>
10.3.4	Adopt methods of gaining information which may be considered either inappropriate or illegal.
10.3.5	Accept, disclose or use information that we know or have reason to believe was disclosed confidentially or by a confidentiality agreement between a third party and one of our competitors. For example, information about a competitor's proposal



	while a negotiation process is still going on.
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#### **10.4 Monopolizing or Abusing a Dominant Market Position**

**We must:**

10.4.1	<p>Seek legal advice in each market on the activities that may cause a dominant position abuse. This includes:</p> <ul style="list-style-type: none"> <li>- bundling or tying different products and services together</li> <li>- using excessively aggressive discounting or incentives designed to drive out competitors</li> <li>- discriminating unfairly between customers, for example, charging different prices to customers of similar position, without objective justification</li> <li>- limiting production to prejudice customers</li> <li>- refusing to supply new or existing customers without objective justification</li> </ul>
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## **11. TRADE RESPONSIBLY**

**We are committed to marketing and advertising our products responsibly in accordance with the laws, industry Codes and voluntary agreements of the countries in which we operate. We apply our Marketing Principles (MPs) to consumer advertising and promotional activities and materials. Our MPs should prevail, except in situations where local legislation requires stricter standards.**

**We must:**

11.1	Direct communication about our products to adults exclusively.
11.2	Describe products in a way that complies with all applicable laws and regulations. Include clearly visible health warnings on all our tobacco products (where legally required) and ensure that all claims (product and ingredient) we make locally are true and can be confirmed.
11.3	Ensure that our partners and customers are committed to responsible marketing.

**We must not:**

11.4	Advertise or market our tobacco products to people under the age of 18 (or under the age legally permitted) or to non-smokers.
11.5	Claim that tobacco products are safe to use.

## **12. ANTI-BRIBERY AND CORRUPTION**

**We do not tolerate bribery and corruption. We take pride in our reputation and in doing business properly. Compliance with anti-bribery and corruption laws is mandatory wherever we do business and some of these laws may apply in all countries. Violation of national antibribery and corruption laws is a serious criminal offense for the individuals and companies involved and can include imprisonment and large financial penalties for Group Companies.**

### **We must:**

12.1	Bring any request or demand for a potentially corrupt payment by a third party to the attention of our line manager
12.2	Follow the special rules that apply to government officials and consultants.
12.3	Address all “red flags” that indicate there may be a corruption risk. Some examples of this kind of alert We must not ignore: <ul style="list-style-type: none"> <li>• When the country has a history of corruption problems.</li> <li>• The customer is not a resident or uses shell or ghost companies.</li> <li>• A consultant is related to, or recommended by, a public official.</li> <li>• A consultant requests for “urgent” high commission payments relative to the services offered.</li> <li>• A customer uses a bank account opened in a tax haven or belonging to a third party.</li> <li>• A customer, agent or consultant refuses to sign an agreement that meets Phoenicia T.A.A. (Cyprus) Ltd standards.</li> </ul>
12.4	Actively discourage the use of facilitation payments in markets we operate.
12.5	Seek guidance from your line manager, Legal Area of the Group and Security Division.

### **We must not:**

12.6	Pay, offer, accept or authorize a bribe or a facilitation payment, or ask anybody else to do so regardless of local law or culture.
12.7	Offer or give anything of value in order to ensure or contract business or for any other purpose
12.8	Make or authorize an improper payment and/or inducements or bribe to a government official or employee of a state-owned or controlled business.
12.9	Attempt to induce a public official to do something illegal.
12.10	Ignore or fail to report a corrupt activity
12.11	Establish an unrecorded fund (such as a secret cash or off-the-books account) for any purpose.
12.12	Encourage or facilitate someone else to commit or ignore a corrupt activity.

## **13. GIFTS AND ENTERTAINMENT**

Exchanging gifts and entertainment can help us build better and stronger business relationships, show courtesy and build trust. However, we should never offer or accept gifts and entertainment if doing so creates an obligation or gives the impression of creating an obligation. The improper exchange of gifts and entertainment can be considered a bribe.

### **We must:**

13.1	Always receive prior written authorization from the Co-presidents before giving or receiving anything, regardless of its value, from a public official or employee.
13.2	Have commercially justifiable purpose for every gift or entertainment and ensure that gifts and entertainment are modest and appropriate and have a justifiable business purpose.
13.3	Take into consideration the Internal <b>Norm on Gifts and Entertainment</b> before giving or receiving any gift or entertainment.

### **We must not:**

13.4	Offer, give or accept anything illegal or unethical, or which would result in a violation of law or of our Code of Conduct.
13.5	Offer, give or accept any cash or benefits in turn for a commercial favor, for example, from a supplier to obtain an agreement.
13.6	<b>Always unacceptable:</b> <ul style="list-style-type: none"><li>• Anything illegal or that could be perceived as a violation of local law or our Code of Conduct.</li><li>• Gifts, cash or cash equivalents.</li><li>• Offering, giving or receiving anything as part of an agreement to do or gain something in return.</li><li>• Any event that could be considered inappropriate, we feel uncomfortable about if it is made public or that might adversely affect the reputation of Phoenicia T.A.A. (Cyprus) Ltd</li></ul>

### **What is a public official or government employee?**

The definition of “public official or government employee” is very broad and includes:

- Officials or employees of all branches of government, such as regional and local authorities, judges, customs officials, and police forces.
- Political party officials, employees of political parties and candidates for public office.
- Officials or employees of public international organizations.
- Persons managing or working for government-controlled or state-owned companies.
- Members of a royal family.
- Relatives of a government official.
- Persons who support or influence government officials, such as consultants.

## **14. RESPONSIBLE PROCUREMENT AND SUPPLIER PARTNERSHIPS**

**Our success depends on building and maintaining open, honest, and fair partnerships with trusted suppliers and customers.**

**From time to time, we re-evaluate our suppliers using objective criteria such as product or service suitability, price, quality, service performance, trust, and reliability.**

### **We must:**

14.1	Adopt a responsible attitude when selecting suppliers, completing due diligence to ensure that their practices will not in any way damage our reputation.
14.2	Ensure that our supplier agreements incorporate our Code of Conduct to make certain that our suppliers are aware of our ethical standards and agree to comply with the overriding principles of the Code of Conduct.
14.3	Ensure that our day to day suppliers are aware of our Code of Conduct in their concern, referring, for instance, to contract for office maintenance and cleaning.
14.4	Encourage and support all of our suppliers to adopt our standards.
14.5	Always act in compliance with our Group Procurement Policy and treat suppliers and business partners with fairness and integrity.
14.6	Raise any concerns related to supplier activities to the respective Vice-presidency, so that the potential risks may be appropriately investigated.

**We must not:**

14.7	Accept or ignore supplier activities which may infringe the Human Rights Policy, national regulations or our Code of Conduct.
14.8	Allow a conflict of interest or personal bias to influence how we select or work with suppliers.

## **15. CUSTOMS AND TAX:**

**We must act with integrity in all our contacts with any Government authority, including customs and tax officials.**

**We must:**

15.1	Ensure all appropriate local destruction and tax reclaim documentation is accurately completed in order to include product volumes and values.
15.2	Ensure that our documentation is delivered according to the Customs rules and regulations.
15.3	Make sure that our product is distributed in a supervised environment, with updating of the local accounts and financial records with the purpose of registering all inventory destructions.
15.4	To be acquainted and comply with all the standards and restrictions in relation to the work with public officials and their employees or contractors.
15.5	Be honest, accurate and open in all our statements and certifications.

**We must not:**

15.6	Accept or ignore any suspected violation of our standards on customs and tax and discuss any concerns with our line manager and the Financial Vice-Presidency or Legal Division.
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## **16. INTERNATIONAL SANCTIONS AND TRADE RESTRICTIONS**

**The United Nations, the European Union and many individual countries impose strict controls on export and trade with other countries, individuals and companies. Violations of such controls could result in criminal and financial penalties for our Group and the individuals involved.**

**We must:**

16.1	Understand what sanctions and trade restrictions may be relevant to our functions and responsibilities.
16.2	Comply with all sanctions and trade restrictions.

**We must not:**

16.3	Accept or ignore any suspicion that international sanctions or trade restrictions are being violated.
16.4	Ignore whether sanctions or trade restrictions apply

# **RESPONSIBLE COMMERCIAL PRACTICE**

**We must ensure responsible and honest commercial practice when managing our business affairs.**

**Good corporate and individual conduct is essential when working with Phoenicia T.A.A. (Cyprus) Ltd assets, records and information.**

**This section contains:**

17. Ensuring the Accuracy of Accounting, Financial and Trade Records of Phoenicia T.A.A. (Cyprus) Ltd
18. Use of the Company Property, Assets and Resources
19. Intellectual Property
20. Responsible Advertising and Marketing
21. High Standards of Products and Business Processes
22. Privacy of Information (Data protection)
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## **17. ENSURING THE ACCURACY OF ACCOUNTING, FINANCIAL AND TRADE RECORDS OF PHOENICIA T.A.A. (CYPRUS) LTD**

We must honestly, accurately and objectively report and record all of our financial and nonfinancial information as this allows the Company to make decisions based on commercial activity, safeguard our resources, fulfill our responsibilities and achieve our legal and regulatory requirements. Falsifying records and accounts or misrepresenting the facts is fraud.

### **We must:**

17.1	Ensure all financial reports, notifications, forecasts and analysis we are responsible for is submitted honestly and accurately.
17.2	Comply with all laws, external accounting requirements and Company procedures for reporting financial and business information.
17.3	Demonstrate integrity and care when delivering our own travel expense and when approving those of others.
17.4	Avoid cash transactions. If there is no alternative, cash transactions must be authorized, properly recorded and documented.
17.5	Ensure contractual commitments we make on behalf of the Company are within the scope of our delegated authority.
17.6	Make all efforts to identify any potential misrepresentation of accounts, data or records or any incidence of potential fraud or deception and raise any concern about the accuracy of the financial reports to the Financial Vice-President.

### **We must not:**

17.7	Prepare or submit any information with the intention of misleading the record.
17.8	Make a dishonest or deceptive entry in any report or record.
17.9	Misrepresent the correct purpose of any transaction
17.10	Create an unrecorded or improperly described fund for any purpose
17.11	Sell, transfer or dispose of any Company asset without prior authorization and appropriately completed documentation.
17.12	Modify any Company record unless authorized to do so by established policies and procedures
17.13	Engage in any activity aimed at falsely exaggerating or moving sales volume or profit between reporting periods as this would distort our financial position.
17.14	Provide any information, either verbally or in writing, about our transactions that would make it possible for a customer or supplier to make inaccurate or deceptive financial statements.



## **18. USE OF COMPANY PROPERTY, ASSETS AND RESOURCES**

Company resources include cash, computer systems and technological devices (such as laptops, email address and mobile phones), vehicles, premises and intellectual property. These resources are provided to us for business purposes. Inappropriate use of Company resources has a direct effect on the profitability of our business.

### **We must:**

18.1	Protect and use the Company funds and property in the same way we use our own, safeguarding them against theft, loss, fraud or deceit.
18.2	Ensure all business expenditure, including personal expenses, is supported with honest, accurate and appropriate invoices, vouchers and documentation.
18.3	Ensure we only make reasonable personal use of Company supplied electronic systems, including personal computers, laptops and mobile devices.
18.4	Understand that the work we do for the Company belongs to the Company.
18.5	Respect the property and resources belonging to other organizations such as our business partners.

### **We must not:**

18.6	Use Company resources in a way that could compromise our Company or for a personal gain.
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## **19. INTELLECTUAL PROPERTY**

Our trademarks, design rights, patents, copyrights, and confidential business information give us a competitive advantage. If our intellectual property assets are not used properly, our interests and those of our adult consumers could be harmed. It is also important to respect the intellectual property rights of others.

### **We must:**

19.1	Protect the Company intellectual property assets and, given their importance to our business, we must also respect the intellectual property assets of third parties.
19.2	Report any product which we suspect may infringe the Company intellectual property rights including copycat products and suspected counterfeit products.

19.3	Ensure written agreements are in place to make certain that the Company is the owner of intellectual property rights of materials which are created or developed for us.
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**We must not:**

19.4	Use names, trademarks or other design elements which consumers might associate with some other competitors when marketing or promoting Company products.
19.5	Use technology, including software, which may infringe the intellectual property rights of others.

## **20. RESPONSIBLE ADVERTISING AND MARKETING**

**Our commercial activity is subject to specific advertising and marketing requirements based on law, industry codes, voluntary agreements and our own Standards. Regardless of where we work, we must apply these Standards at all times.**

**We must:**

20.1	Ensure that all of our tobacco products distributed by us, have clearly visible health warnings, according to the regulations in each country.
20.2	Always respect our Advertising Policy and International Marketing Standards, as well as the local cultures, practices and traditions which exist in our market.
20.3	Illustrate and describe our products in a fair and honest way that will not mislead consumers.
20.4	Ensure all claims we make are true and can be substantiated.

**We must not:**

20.5	Advertise or market our products to those under 18 years old. This includes the use of images or other content which could be perceived as attractive by minors.
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## **21. HIGH STANDARD OF PRODUCTS AND BUSINESS PROCESSES**

**Delivering high quality products and services to our customers and consumers is essential to the sustainability of our business.**

**We must promote high standards actively seeking to improve our working practices in all aspects of our company and in particular our sales operations.**

**We must:**

21.1	Demonstrate our commitment with high standard compliance, focusing constantly our attention on the quality in everything we do.
21.2	Continually seek to improve efficiencies in our commercial activities, services and product quality.
21.3	Support the delivery of our objectives by following and maintaining defined processes.
21.4	Ensure all relationships with business partners including customers, suppliers and third party producers are managed in accordance with our standards.
21.5	Maintain effective controls to ensure that any standard or quality issue is quickly identified, allowing us to adopt corrective actions.
21.6	Challenge the problems and support the process of encouraging team work to improve our performance standards.

**We must not:**

21.7	Accept or ignore poor standards
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## **22. PRIVACY OF INFORMATION (DATA PROTECTION)**

**We hold personal information about employees, customers, suppliers and other third parties. We are obliged to protect and respect that information to ensure that we comply with data protection laws.**

**We must:**

22.1	Only collect or use the information about employees, customers, suppliers and other individuals to the effects of the Company's activity.
22.2	Ensure that individuals whose information we hold know we have it and understand what it will be used for.
22.3	Share the information about employees, customers, suppliers and other individuals, only if the person, whose information we store would expect us to do that.
22.4	Keep with security the information about employees, customers, suppliers and other individuals, whether it is held in electronic or printed format.

22.5	Restrict access to the information about employees, customers, suppliers and other individuals to authorised people .
22.6	Ensure that the information on the employees, customers, purveyors and other persons is accurate and updated.
22.7	Delete or destroy the information about employees, customers, suppliers and other individuals as soon as there is no more need for it.
22.8	Ensure that employees who handle the information about employees, customers, suppliers and other individuals understand their responsibilities and put them into practice.
22.9	Comply with any additional legal requirement, concerning the information about employees, customers, suppliers and other individuals.

**We must not:**

22.10	Transfer information about employees, customers, suppliers and third parties unless permitted and adequately protected-
22.11	Prevent anyone from processing personal information unless authorized and they understand their responsibilities-

## **23. ELECTRONIC COMMUNICATIONS**

**We use electronic equipment to help us to do our work. The electronic equipment and the information it contains is Phoenicia T.A.A. (Cyprus) Ltd property. Information about our business, our customers, suppliers and business partners is critical to our business performance. We are obliged to keep it secure by protecting it from loss or damage and from unauthorized access, use, change or disclosure.**

**We must:**

23.1	Protect Company's computer systems from unauthorized use or theft when unattended.
23.2	Ensure the personal comments or remarks do not damage the reputation of the Company or commit the Company to something over which we have no authority.
23.3	Protect confidential information when traveling or sending information to others.
23.4	Report immediately any loss of confidential Company information or any attack on our information.
23.5	Only give access to our information, business processes or computer systems to people who have a legitimate business need and who have appropriate authorization.
23.6	Work with suppliers who adequately protect our information and computer systems.

**We must not:**

23.7	Install applications to any Company device or connect it to any other equipment unless approved by the Informatics Department.
23.8	Disable equipment security measures.
23.9	Use our email or Group internet/web servers (cloud servers, file hosting, social media, etc.) in a way that could damage the Group's reputation or commit the Group to something we do not have permission to do.
23.10	Share our personal passwords with others.

## **24. INFORMATION MANAGEMENT**

**We create, use, and share confidential information every day. It is important to protect this information to safeguard our own and the Group's interests and reputation. Besides, our people may have access to non-public information about the Group's financial performance or future financial/business plans and it is illegal to use inside information for personal gain or to share it with others.**

**We must:**

24.1	Carefully and accurately record the business activities for which we are responsible.
24.2	Ensure that records are kept in a way which allows sharing them appropriately.
24.3	Comply with all legal and business requirements for keeping records.
24.4	Review records on a regular basis and safely dispose of those which no longer need to be kept or which must be disposed of in accordance with law, including the compliance with rules on data protection.
24.5	Comply with any request received from Legal Division to suspend the disposal of records, including local and international authorities due to pending litigation or administrative investigations.

## **25. CONFIDENTIAL INFORMATION**

**We create, use and share confidential information on a daily basis. This information is considered confidential when it is not available to the public knowledge. We must protect this information in order to safeguard our own and the Company's interests and reputation.**

**Restrictions on sharing confidential information apply until it gets available to the public and remain in force even when we are personally no longer employed by the Company.**

**We must:**

25.1	Take particular care not to discuss or comment anything about confidential information in public areas, where it could be seen or overheard.
25.2	Ensure that security measures are in place to make certain that confidential information cannot be lost or stolen, particularly when traveling or when sending it to others.
25.3	Ensure that appropriate formal arrangements are in place relating to the necessary release of confidential information.

**We must not:**

25.4	Disclose information which is not publicly available to others inside the Company or organizations outside the Company, unless they have commercial reasons to know it or the disclosure is required by law.
25.5	Disclose information to people or organizations outside our business, except such disclosure is required for business purposes or by law.
25.6	Intent to obtain or use confidential information related to other people including our competitors, even if we are receiving the information indirectly.
25.7	Make use of confidential information from a previous employer.
25.8	Attempt to obtain or use confidential information about others.

## **26. CONFLICTS OF INTEREST**

**Personal relationships and conflicts of interest (which involve your partner, a family member or a close relative employed by a competitor, a supplier, or a customer of the Group) can affect our ability to decide in the best interests of Phoenicia T.A.A. (Cyprus) Ltd**

**We must:**

26.1	Avoid situations where personal relationships or financial interests influence or conflict with our business interests.
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**We must not:**

26.2	Use our position in the Company for personal benefit or for the benefit of our partner, family member or close relative.
26.3	Conceal personal relationships, bonds or hires that could be considered a conflict.

## **27. EXTERNAL COMMUNICATIONS**

Our reputation depends of our professional and ethical behavior. All we do and say and everything our external stakeholders say about us defines the Phoenicia T.A.A. (Cyprus) Ltd reputation.

Shareholders, financial analysts, customers and many others depend on us to provide accurate and reliable information about our operations, performance and financial outlook.

### **We must:**

27.1	Ensure there can be no misunderstandings between our personal views and those of the Company. For example, we must not use the Company's letterhead, logos or e-mail system to express personal views or for any personal matter.
27.2	Ensure media announcements and press releases are approved by an appropriately authorized person or by the Operational Marketing Division.
27.3	Ensure regulatory presentations and public statements are approved by the authorized persons of the Board of Direction.
27.4	Refer any approach made by an investor or financial analyst to the Investor Relations team.
27.5	Refer media and press enquiries to an appropriately authorized person or to the Commercial Vice-Presidency.
27.6	Protect the integrity of the information we provide by ensuring that it is accurate information.

### **We must not:**

27.7	Represent the Company externally unless we are trained and authorized to do so.
27.8	Allow our personal views and those of the Company to be confused.
27.9	Converse or write anything on behalf of the Company about subjects extending beyond our own area of responsibility.
27.10	Write anything on Weblog sites unless we make it explicitly clear that we are expressing personal points of view or opinions and not those of the Company or the Company's Management.

# **CODE OF CONDUCT ADMINISTRATION**

**Our Code of Conduct is specifically designed to ensure consistency in the compliance with the management of our commercial activities whether inside or outside the Company.**

**Phoenicia T.A.A. (Cyprus) Ltd is committed to truth, openness and objectivity in all its activities.**

**Procedures to investigating and handling potential violations of the Code of Conduct will be in accordance with the legislation in force.**

## **Responsibilities:**

The Management of Phoenicia T.A.A. (Cyprus) Ltd is responsible for administering our Code of Conduct.

All Managers of Phoenicia T.A.A. (Cyprus) Ltd are responsible of complying with the Code of Conduct by themselves and their subordinates.

All the Managers are responsible of notifying, honestly and accurately, all actual or potential violations of the Code of Conduct.

If an executive identifies a potential violation, he proceeds to inform it to the CEO, who will determine the process to be followed.

In all cases of violation of the Code of Conduct, the same procedure will be used for the application of the disciplinary measures, according to the legislation in force.



### **Signatures and Acknowledgment**

All the employees, including the new ones, must sign an acknowledgment document, confirming they have read the Code of Conduct and will abide by its provisions.

Not having read the Code of Conduct or signed the acknowledgment will not release an employee from complying with said Code.