

1. QUALITY POLICY

2 Edition

Date latest update: 09/07/2021

QUALITY POLICY

Our quality policy is based on continuous improvement. For this, we guarantee the commitment of all the stakeholders that constitute our company, which include the Top Management and manufacturers. Therefore, we are focused on maintaining a proactive communication across the company to ensure the continuity of our standards and values in our corporate culture.

STATEMENT OF APPLICABILITY

Activity performed: the promotion of tobacco brands on behalf of the manufacturers, and the execution of specific marketing and promotion campaigns for our products.

This activity does not require the following regulatory requirements:

- 8.3. Design: the Company does not design; its activity is the marketing and execution of tobacco brands on behalf of the manufacturers.
- 7.1.5. Monitoring and measurement resources: it is a services Company and it does not require any measurement equipment for the monitoring of its activities.

OUR QUALITY OBJECTIVES ARE:

- **Provide excellence services.**

We have a team of professionals immersed in a policy of continuous improvement, because we are aware that this effort is of vital importance for our growth. All this added to a unique and preferential treatment of our customers and manufacturers, allows us to guarantee their full satisfaction.

- **Continue positioning ourselves in the market.**

Maintain and improve our position in the market being the first tobacco Company with 100% Spanish capital by sales volume, and fifth in the ranking, right behind the large multinational companies.

This makes us focus on possible investments, since we evaluate and adapt to changes in the environment and to any suggestion and feedback from our customers or sales force.

- **Guarantee the best quality in the elaboration of the products that we commercialize.**

The products that we sell are subjected to a strict control selection of the raw materials that are used, which must be provided by those manufacturers that meet our needs. These manufacturers do not only comply with all established legal requirements, but also prove in a daily basis to be environmentally conscious and aware.

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WHAT MAKES US DIFFERENT

We have been able to develop products with different characteristics to position them in those niche market segments where similar alternatives did not exist, thus achieving consumer's acceptance and being today highly demanded products in the market.

Our *know-how* has allowed us to market a wide and varied portfolio of products, including Nero and Rubio cigarettes from different market segments, additive-free and organic tobacco in various formats, pipe tobacco and roll your own tobacco, cigarillos with and without filter, cigars, chewing tobacco and snuff, as well as water pipe tobacco.

CONTINUOUS IMPROVEMENT: THE FUTURE OF OUR COMPANY

The culture of promoting continuous improvement is present in all daily activities of PROMO TOBACCO. This will encourage us to continue growing in the future. The entire team consisting of Promoters, Supervisors, Sales Manager, Office Staff, Manufacturers and Suppliers, is aligned to successfully achieve the strategic objectives. In short, all the groups of interest carry out teamwork with a common objective: "CONTINUOUS IMPROVEMENT".

MISION, VISION AND VALUES OF OUR POLICY

Mission: Our main mission is "To be a reliable Company".

Vision: Our vision is to continue consolidating ourselves in the long term as the best considered and largest Company, except for the 4 Big Tobacco Companies in Spain.

Values: Our main value is based on creating wealth in the Spanish market by increasing and trying to maintain the employment rate during times of economic recession.

Another value that our Company conveys is the rapprochement of international cultures with the Spanish one.

HOW DO I CONTRIBUTE WITH MY WORK IN COMPLIANCE WITH THE QUALITY POLICY?

Promo Tobacco is committed to review and maintain its processes permanently, since it is subjected to a constant process of continuous improvement of the system.

The Chief Management is in charge of directing and supporting, committing at the same time to achieve the strategic objectives of the organization.

The Sales Manager plans the commercial strategy analyzing the behavior of the market, based on the means and resources that the Company provides.

The Supervisor must know the strengths and weaknesses of his team. He must take care of the first, and thanks to his experience, must make the second disappear until they become strengths. He is the link to channel the information between the commercial team and the commercial management in both ways.

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The Promoters do not only sell. They are our image in the tobacco shop, and they must know its tastes in order to anticipate its needs. They must also keep the Company and the tobacconist up to date with trends.

The Office Staff consists of competent professionals with great experience in the sector and are responsible for directing, coordinating and managing the tasks of marketing, administration, quality and finance, interacting altogether to achieve a common goal.

Suppliers try to establish mutually beneficial and trusting relationships.

Manufacturers offer quality products, meeting the requirements of customers and those required by legislation, ensuring respect for the environment at all times.

ADDITIONAL OBJECTIVES

A part from the quality objectives mentioned above, we must also try to achieve:

- The maximum satisfaction of our clients and other groups of interest.
- Effectiveness and efficiency: continuous improvement.
- Decision making based on data and information.
- Trusting manufacturers.
- Qualified employees.
- Endowment of required resources.
- Compliance of established legal requirement.
- Analysis of the environment to identify weaknesses and opportunities.
 - o Customer's drive.
 - o Leadership.
 - o Staff participation and integration.
 - o Focus on processes.
 - o Focus on the managing system.
 - o Continuous improvement.
 - o Decision making based on facts and real data.
 - o Relationships mutually beneficial with suppliers.

KPI's

We establish the following general KPI's:

- Sales
- TMC Rejections
- TMC Sanctions
- Non-conformities
- New manufacturers
- Increase of the campaigns volume
- Staff
- Satisfaction of suppliers
- Improvement opportunities

We establish the following KPI's for the satisfaction of our customers:

- Increase of the number of references
- Increase of the % of Marketing's Budget
- Christmas cards
- Annual convention – manufacturers and sales force