

Scope

This statement of environmental actions and commitments applies to STG's activities within its direct span of control, including its employees and workers employed by our production sites, sales teams, and retail and distribution centers, across all geographies where the Group operates. STG also encourages our upstream and downstream value chain suppliers and business partners, consistent with our Supplier Code of Conduct, to apply the standards reflected in our environmental commitments.

STG is committed to reducing the impact of our products, operations and value chain activities on the environment. Group business activities all along our value chain depend on ensuring the quality and availability of the natural resources used in manufacturing our products, including soil, water, and forestry-derived materials. We are thus committed to addressing relevant environmental impacts, risks and opportunities associated with the manufacturing of our products.

Consistent with this approach, STG commits to:

- STG's Executive Board supervise our overall environmental agenda
- Comply with reporting requirements associated with relevant EU environmental legislation
- Regularly review the effectiveness of our risk management and internal control systems to ensure proactive management of environmental risks.
- Assess material environmental impacts and risks in STG operations and along our value chain and set strategies and actions to address material impacts and risks.
- Set clear targets to address material environmental impacts, as well as communicate them and report on progress towards our targets.
- Implement, monitor and continuously improve our environmental management systems and processes to improve environmental performance.
- Engage employees on environmental issues and ensure those responsible for managing actions related to delivering our environmental goals have the necessary skills and knowledge to lead and support our environmental commitments.

Material environmental topics:

Specific to STG operations and value chain activities, we have identified two priority material topics which we commit to address, including the identification and delivery of relevant targets. Reducing our carbon emissions will prevail in our work.

Climate change: STG commits to reducing our Scope 1, 2 & 3 greenhouse gas emissions in line with near- and long-term targets approved by SBTi. We aim to reach net-zero science-based target by 2050. STG also commits to increasing its share of renewable energy use and more efficient energy management. While delivering on our science-based targets, we aim to contribute to our operations' adaptation to climate change.

Circularity: STG commits to optimize our resource use in non-tobacco materials and relevant products/ingredient groups. This may include using less material, recycled content in our packaging and a greater use of renewable sources, to gradually move away from virgin resources.

STG regularly reviews and updates our actions to align with these commitments and evolving regulations. Furthermore, the Group adjusts our environmental agenda when materiality assessments and corporate strategy updates deem it appropriate.