



SCANDINAVIAN TOBACCO GROUP

SUPPLIER CODE OF CONDUCT

Scandinavian Tobacco Group (“STG”) believes that responsible and ethical behaviour are central to our success as a company and to the benefit of our stakeholders and the community, and we have similar expectations of our suppliers.

This STG Supplier Code of Conduct (the “Code”) serves to ensure that our suppliers are informed of STG’s expectations and share and apply our standards for responsible and ethical behaviour.

This Code applies to all STG suppliers regardless of the goods or types of services they offer. All suppliers are expected to operate in full compliance with applicable laws and regulations and in accordance with this Code; where this Code and the laws and regulations may differ, STG expects suppliers to apply the stricter standard.

Suppliers are expected to implement systems to demonstrate adherence to the principles and standards articulated in this Code, and STG encourages suppliers to promote the spirit of this Code in their own supply chain.

Labour and Human Rights

Forced Labour, Labour Rights and Freedom of Association

Suppliers should offer terms of employment and working conditions that, as a minimum, comply with local labour laws, including any rules on minimum wage, working hours and overtime work. Suppliers should also provide a contract (alternatively other clear written communication) specifying the terms of employment in a language understood by the employee.

Forced labour, bonded labour, or trafficked labour are not acceptable under any circumstances. Suppliers must offer employment conditions that allow employees to leave their job with notice determined by law or contract. Suppliers must not require employees to pay a deposit or surrender identification documents as part of their employment.

Suppliers should respect the rights of their employees to associate freely, to join or not join unions and to engage in collective bargaining without fear of reprisal or intimidation.

Child Labour

STG does not accept child labour.

Suppliers must respect the rights of children, including their right to development and to education, rest, and play. Suppliers may not subject any child to forced labour or child labour, including work for which the child is too young (below the applicable minimum age), or work



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which is mentally, physically, socially, or morally dangerous to children or that interferes with their schooling.

Suppliers must also respect the minimum working ages as defined by the ILO Convention 138 (or such higher ages which may be stipulated by national law or be defined nationally as the age for compulsory education).

Children who have reached the legal working age (normally 15 years according to the above, i.e., children between 15 and 18 years of age) may work but shall never perform hazardous work as defined under national regulations.

If national law permits, children 13-15 years old may perform light work as long as it does not threaten their health or safety or their ability to attend school or other education and to benefit from such education.

When and where relevant, suppliers should promote the right of children to be protected against forced labour and child labour.

Respect for Human Rights

Suppliers are expected to respect all laws, regulations and international standards related to human rights, understood as those expressed in the International Bill of Human Rights.

Suppliers should work actively to avoid causing or contributing to adverse impacts on human rights, and to address and mitigate such impacts if they occur.

Diversity and Non-Discrimination

STG encourages suppliers to promote diversity and inclusion in their work force.

STG expects suppliers to ensure equal treatment of their employees and refrain from any harassment or discrimination, including harassment and discrimination based on gender, age, race, religion, nationality, ethnicity, political opinion, sexual orientation, union membership, disability, health status, or any other basis.

Suppliers shall provide a workplace free of harassment and any kind of abuse and under no circumstances make use of corporal punishment or mental/physical coercion.

Health and Safety

Workplace Health and Safety

STG suppliers are expected to provide safe and healthy working conditions for their employees, as a minimum in line with relevant laws and regulations.

Suppliers must ensure proper oversight and management of operational hazards and risks, including the provision of protective equipment where necessary.



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Suppliers should also provide regular training in workplace safety practices and provide the means for employees to report unsafe conditions without reprisal. A record should be kept of all work-related accidents. Adequate facilities should be provided for personal hygiene.

Environment

Resource Management and Sustainability

Suppliers should seek to reduce waste as well as water and energy consumption and encourage the recycling and reuse of materials in their operations and supply chains and should actively and responsibly monitor and manage potential environmental and safety risks.

Suppliers must store, handle, and dispose of hazardous materials in an environmentally safe manner and in compliance with local laws and regulations.

Suppliers are encouraged to reduce greenhouse gas emissions associated with the products and services they provide and to track and reduce emissions across their broader supply chains.

Business Ethics

Anti-Corruption and -Bribery, Conflict of Interest

STG has a zero-tolerance approach to bribery, corruption, and corrupt behaviour of any kind. Suppliers are expected to comply with all applicable anti-corruption and anti-bribery laws and regulations where they do business.

STG does not provide facilitation payments. Suppliers should avoid facilitation payments wherever possible and work towards their elimination.

Suppliers should work actively to prevent conflicts of interest in their business dealings. Potential or actual conflicts of interest in relation to STG should be disclosed to STG in writing as soon as they are identified, so that they can be addressed accordingly.

Competition

STG supports free enterprise and fair competition. Violation of competition laws may be regarded as a criminal offence and can result in severe penalties. Suppliers are expected to compete fairly, openly, and independently in every market and to comply fully with all competition laws and regulations.

Export Controls and Sanctions

Suppliers must comply with all applicable trade restrictions and sanctions that regulate the export, re-export and/or importation of products, or the provision and use of services and financial transactions.



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Information and Data Protection

Suppliers should adhere to all relevant laws regarding the protection and processing of personal data and comply with contractual requirements regarding confidentiality and information security.

Monitoring and Compliance

Monitoring

Suppliers are responsible for continuously monitoring and reviewing that they are acting in accordance with the expectations and requirements set out in this Code. STG retains the right to verify compliance with this Code, and suppliers are expected to supply STG with relevant information regarding compliance if requested.

STG expects suppliers to implement internal controls and reporting channels so that ethical or legal breaches can be raised, also confidentially, and investigated appropriately. Any non-compliance shall be remedied in a timely manner.

Suppliers should ensure that anyone reporting in good faith is protected against retaliation.

Consequences of Non-Compliance

STG reserves the right to report any failure by the supplier to observe this Code to the supplier's management for their attention and, if necessary, corrective action. Non-compliance may lead to termination of STG's agreement with the supplier.

December 2022

Scandinavian Tobacco Group
The Executive Board