

SCANDINAVIAN TOBACCO GROUP

MARKETING PRINCIPLES

These Marketing Principles apply to all products bearing STG's brands and set out the minimum standards to be followed in the development, marketing, promotion and sale of our products worldwide. Third parties engaged by STG to carry out such activities must also comply with these Marketing Principles. Unless specifically stated otherwise, the Marketing Principles apply to STG's communications with consumers, not communication with the trade. The advertising and marketing of tobacco and nicotine products is often regulated by law or regulations. If a country's laws or regulations are less restrictive than these Marketing Principles, the Marketing Principles will apply, and vice versa. In other words, the most restrictive regulation always applies.

1. Core principles

- 1.1 **Our products are intended for adults only and we do not market or sell our products to anyone under the age of 18 or such higher age as may be required by local law.**
- 1.2 **We do not encourage non-smokers to become smokers, or non-nicotine users to become nicotine users.**
- 1.3 **We inform consumers about the risks associated with the use of our products.**
- 1.4 **Our communications and product claims are accurate and not misleading.**

2. Definitions

Adult:

A person who is at least 18 years of age, or such higher age as may be required by local law.

Marketing:

Any communication, activity or commercial initiative, irrespective of the channel, by or on behalf of an STG company with the purpose of advertising or promoting a tobacco or nicotine product to consumers, including advertisements, promotional items (merchandise), promotional offers and events. Communications on and in packaging may constitute advertisements if they aim at promoting a product.

Point of Sale:

Any permanent or temporary physical place from which tobacco or nicotine products are offered to consumers.

Sponsorship:

Any contribution to an event, individual or institution with the purpose of promoting tobacco or nicotine products to consumers.

Youth:

A person who is not an Adult.

3. Products and Packaging

- 3.1 The design and features of our products and consumer packaging must reflect that the products are intended for Adults. Brand names and denominators must not be particularly appealing to Youth.
- 3.2 All packaging presented to consumers must include a clearly visible health warning.
- 3.3 Products and their packaging shall not give the impression or contain elements that could be perceived to suggest that the product is without risk or that it is less harmful than other products.
- 3.4 The minimum pack size is 10 pieces for little cigars, and tobacco for 10 cigarettes for fine-cut tobacco.

4. Marketing

- 4.1 General rules. Marketing shall be aimed at Adults and may not be placed in areas, channels and venues frequented primarily by Youth. Only Adults whose age has been confirmed may participate in a promotional offer or event. People depicted in Marketing must be and appear at least 23 years old.
- 4.2 Sampling. Sampling can only be offered to Adults whose age has been verified and may only be carried out by people who are and appear at least 23 years old.
- 4.3 Third parties. Third parties promoting our products must be and appear to be at least 23 years of age and have a clear Adult profile. They must make it clear that they are engaged by us.
- 4.4 Sponsorships. Sponsorships are allowed provided the event/institution/individual sponsored has a clear Adult profile. Sponsorships related to little cigars and fine-cut tobacco are not allowed. Marketing referring to, or involving sport, and sponsorship of sporting events are not permitted for tobacco products, except for handmade cigars.
- 4.5 TV, films, theatre. Advertisements and product placements in films, television, theatre, radio etc. are not permitted. Advertisements for and product placement of hand-made cigars and pipe tobacco may take place in connection with films, television, radio, theatre and computer games that have a clear Adult profile.
- 4.6 Health warnings. All Marketing must carry a clearly visible health warning. Point of Sale materials and promotional items (merchandise) where brand logos and brand elements cover less than 250 square centimeters/40 square inches need not carry a health warning. Health warnings are not required on Marketing material related to STG's retail sale of tobacco products in the United States.
- 4.7 Misleading elements. Marketing must not give the impression or contain elements that could be perceived as suggesting that a product is without risk or less harmful than other products. This also applies to communications to the trade. The established term "a mild cigar" may be used to describe handmade cigars in the United States. Advertisements for tobacco products must not give the impression that the use of the products will increase social or professional success.
- 4.8 Direct Marketing. Marketing material sent directly to consumers via email, SMS and direct mail require the prior consent of the consumer and confirmation of the consumer's age. Consent, age verification and health warnings are not required for Marketing material sent directly to consumers in relation to STG's retail sale of tobacco products in the United States.
- 4.9 Cross-branding. STG-owned brands cannot be licensed to third parties for use on non-tobacco/non-nicotine products. STG can use a brand owned by a third party on STG branded products provided that the third party, the brand and any products which the brand is used for, have a clear Adult profile.

5. Digital Marketing and Sale

- 5.1 Digital Marketing shall only be placed in media channels whose audience is reasonably established to be predominantly adult.
- 5.2 Websites and social media profiles for our products shall be age restricted. Internet sales of tobacco and nicotine products require verification of the purchaser's adult status.
- 5.3 STG must appear as sender of its Marketing communication on websites and social media.
- 5.4 Advertisements on the Internet and on STG driven social media profiles must carry a clearly visible health warning. Health warnings are not required if the social media profile or website is related to retail sale of tobacco products in the United States.
- 5.5 STG does not sell or ship tobacco products to consumers across national borders.

6. Health warnings

- 6.1 Unless otherwise required by local law the health warning shall read "Tobacco seriously damages health" for tobacco products and "This product contains nicotine which is a highly addictive substance" for nicotine products. Health warnings must be in the local language (and English for Duty-free/Global Travel Retail).
- 6.2 The packaging and advertisements for nicotine products shall carry a sign indicating that the products are for adult consumers only ("18+").
- 6.3 Marketing materials intended for the trade need not carry a health warning.
- 6.4 Pack shots must always show the product as sold in a specific country, incl. applicable warnings in the local language. This also applies to communications with the trade.

7. Interpretation

Questions regarding the interpretation of these Marketing Principles should be addressed to an STG lawyer. The Executive Management has the ultimate responsibility for interpretation of the Marketing Principles.

December 2024

The Executive Board