

STG Greenhouse Gas Emissions Recalculation Policy

Scandinavian Tobacco Group's vision is to be the undisputed and sustainable global leader in cigars. In support of this, STG has established its Rolling Responsibly sustainability agenda, which includes Paris Agreement-aligned targets for reduction of our greenhouse gas (GHG) emissions. STG continuously evaluates and periodically adapts and updates our business structure and operations to respond to global market conditions, and our business model focuses not only on organic growth but also on potential mergers and acquisitions as a means to deliver value to our stakeholders.

This means that STG may also periodically need to recalculate our GHG emissions baseline and progress towards our emissions targets. This, to ensure our GHG calculations, targets and progress remain accurate over time. STG will do this when either structural changes, changes to calculation methodology or discovered errors give rise to an increase or decrease in emissions greater than 5%. STG has set 2020 as the baseline year for Scope 1 & 2, and 2022 for Scope 3 for our GHG emissions calculations and targets.

Examples of structural changes that might materially impact our GHG emissions baseline or annual performance include, but are not limited to, mergers and acquisitions, business divestitures, or significant modifications to our global production footprint. In situations where such examples may cover a partial business year, STG will review and may adjust our baseline and current year emissions calculations for the entire year. In the specific case of an acquisition, where the acquired company itself may or may not have GHG Protocol-aligned emissions data, STG will seek full and accurate data and adjust and make any necessary recalculations of baseline and/or year-on-year emissions within one year of the completion of the acquisition.

STG may also choose to recalculate our GHG emissions in situations where there are changes in calculation methodologies, for example changes to standard emissions protocols or emissions factors, or changes in data access or quality. In cases where STG discovers an error in previously reported data or calculations, we will report and update these where they are materially significant.

STG reserves the right to recalculate the baseline for changes less than 5%, both due to structural changes, changes to the calculation methodology or due to the discovery of significant errors.