



SCANDINAVIAN TOBACCO GROUP

DIVERSITY & INCLUSION POLICY



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INTRODUCTION

This document outlines Scandinavian Tobacco Group (STG)'s commitment to fostering a diverse and inclusive workplace environment. It details our understanding of diversity, the importance of inclusion, and our specific focus on gender diversity. The policy aims to create an organizational culture where every individual's unique skills and perspectives are valued, leading to increased innovation, team performance, and problem-solving abilities. This comprehensive guide will explore the various aspects of our diversity and inclusion initiatives, strategies for implementation, and the expected outcomes for STG and its subsidiaries.

UNDERSTANDING DIVERSITY IN THE WORKPLACE

Diversity in the workplace encompasses a wide range of human differences that make each individual unique. At STG, we recognize that diversity goes beyond visible differences and includes various dimensions that shape our employees' experiences and perspectives.

Visible Diversity

This includes aspects such as gender, age, race, ethnicity, and physical abilities.

Invisible Diversity

These are less apparent characteristics like sexual orientation, socioeconomic background, education, religion, and cultural values.

Cognitive Diversity

This refers to differences in thinking styles, problem-solving approaches, and decision-making processes.

Experiential Diversity

This encompasses the unique life experiences, work histories, and skill sets that each individual brings to the workplace.

By embracing all these aspects of diversity, STG aims to create a rich tapestry of perspectives that drive innovation and success. We believe that a diverse workforce better reflects our global customer base and enables us to understand and serve their needs more effectively.

THE POWER OF INCLUSION

While diversity focuses on the makeup of our workforce, inclusion is about creating an environment where all individuals feel welcomed, respected, and valued. At STG, we strive to foster an inclusive culture that goes beyond mere representation.

Empowerment

- An inclusive workplace empowers all employees to contribute their ideas and perspectives without fear of judgment or discrimination. This leads to more innovative solutions and better decision-making.

Engagement

- When employees feel included, they are more engaged in their work. This increased engagement translates to higher productivity, better job satisfaction, and lower turnover rates.

Collaboration

- Inclusion fosters a collaborative environment where diverse teams can work together effectively, leveraging their unique strengths to achieve common goals.

By prioritizing inclusion, STG creates a workplace where every individual can thrive and contribute to their fullest potential. This not only benefits our employees but also enhances our overall organizational performance and competitiveness in the global market.

GENDER DIVERSITY: A KEY FOCUS AREA

While STG is committed to all aspects of diversity, we recognize the particular importance of gender diversity in creating a balanced and equitable workplace. Our focus on gender diversity is driven by the understanding that gender diverse teams lead to better business outcomes.

To achieve greater gender diversity, especially in leadership positions, we are implementing the following strategies:

- Setting specific targets for gender representation at senior leadership level
- Implementing unbiased recruitment and promotion processes
- Ensuring equal pay for equal work by implementing global job architecture and job grading infrastructure Providing flexible work arrangements to support work-life balance for all employees

By focusing on these initiatives, we aim to create an environment where all employees, regardless of gender, have equal opportunities for career development and leadership roles. This commitment to gender diversity is not just about fairness; it's about leveraging the full potential of our talent pool to drive innovation and success.



DIVERSITY & INCLUSION IN ACTION

At STG, we believe that diversity and inclusion should be more than just policy statements. We are committed to putting these principles into action through various initiatives and programs:

Diversity Training	Diversity & Inclusion Committee	Inclusive Leadership	Diversity Metrics
Regular workshops and seminars to raise awareness about unconscious bias and promote inclusive behaviors.	Employee network for collaborating with leadership and peers to help strengthen our culture of belonging.	Training for managers on inclusive leadership practices and fostering diverse teams.	Regular tracking and reporting of diversity metrics to measure progress and identify areas for improvement.

These initiatives above are designed to create a more inclusive culture at STG, where diversity is not just tolerated but actively celebrated and leveraged for organizational success. By embedding these practices into our daily operations, we aim to make diversity and inclusion an integral part of our company culture.

RESPONSIBILITIES AND ACCOUNTABILITY

Creating and maintaining a diverse and inclusive workplace is a shared responsibility at STG. While our leadership team plays a crucial role in setting the tone and direction, every member of our organization has a part to play in fostering an inclusive environment.

1

Leadership

Our executive team and board of directors are responsible for setting diversity and inclusion goals, allocating resources, and holding the organization accountable for progress.

2

People & Culture

P&C is tasked with developing and implementing diversity and inclusion initiatives, monitoring progress, and providing guidance on best practices.

3

People Leaders

People Leaders are expected to promote inclusive behaviors within their teams, ensure fair treatment and equal opportunities, and actively support diversity initiatives.

4

All Employees

Every employee has a responsibility to treat colleagues with respect, challenge their own biases, and contribute to an inclusive workplace culture.

To ensure accountability going forward we will focus our efforts in regularly assess our progress towards diversity and inclusion goals, incorporate these metrics into performance evaluations where relevant, and transparently report on our efforts and outcomes in the coming years. By making diversity and inclusion everyone's responsibility, we aim to create a truly inclusive culture that permeates every aspect of our organization.

CONCLUSION AND FUTURE COMMITMENTS

STG's commitment to diversity and inclusion is not a one-time initiative, but an ongoing journey of growth and improvement. We recognize that creating a truly inclusive workplace requires continuous effort, learning, and adaptation. As we move forward, we pledge to:

- Regularly review and update our diversity and inclusion policies to ensure they remain relevant and effective.
- Expand our focus beyond gender diversity to address other aspects of diversity, including but not limited to race, ethnicity, age, disability and cognitive.
- Collaborate with external organizations and experts to stay informed about best practices in diversity and inclusion.
- Encourage open dialogue about diversity and inclusion challenges and opportunities within our organization Celebrate our successes while continuously striving for improvement.

By embracing diversity and fostering inclusion, STG is not only creating a better workplace for our employees but also positioning ourselves for long-term success in an increasingly diverse and interconnected world. We believe that our commitment to diversity and inclusion will drive innovation, enhance our competitive edge, and contribute to a more equitable and prosperous future for all.

