

NEXT GENERATION PRODUCTS

INTERNATIONAL MARKETING STANDARD*

*APPLICABLE ALSO TO ASSOCIATED PRODUCTS AND ACCESSORIES



**IMPERIAL
BRANDS**

OUR NEXT GENERATION PRODUCTS INTERNATIONAL MARKETING STANDARD

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> IMPERIAL BRANDS PLC INTERNATIONAL MARKETING STANDARD NEXT GENERATION PRODUCTS

IMPERIAL BRANDS PLC has a responsibility towards our Adult Consumers which is reflected in the quality and safety of our Next Generation Products, and the way we communicate with Adults through our marketing efforts.

We believe in:

- the tobacco harm reduction potential of Next Generation Products;
- commitment to marketing our Next Generation Products responsibly;
- alternatives to Combustible Tobacco Products such as Next Generation Products in particular which can make a significant contribution to tobacco harm reduction.

We will provide clear and accurate information about our Products and in particular Next Generation Products and their relative risks to enable Adult Consumers to make informed choices.

We are committed to the marketing, advertising and sale of our Products responsibly within the local laws, codes of practice and voluntary agreements which govern the advertising and promotion of our Products (**Legal Requirements**).

This Next Generation Products Marketing Standard governs our advertising, promotion and marketing activities and corresponding sales of our Products and applies to all our Adult Consumer marketing activities.

We fully support Youth access prevention and minimum age restrictions for the lawful sale and purchase of Next Generation and Associated Products.

We believe that our Products should only be sold to and used by Adult Consumers and we communicate in a responsible manner with Adults about our Products.

This International Marketing Standard shall not apply to any Products that are licensed by any medicines authority nor our Combustible Tobacco Products which are covered by the Combustible Tobacco Products and Accessories International Marketing Standard.

All Group Companies, employees and anyone working on our behalf (including all advertising, promotion, research agencies and any other organisations engaged in consumer marketing for our Products) shall adopt in good faith this Next Generation Products International Marketing Standard.

This Next Generation Products International Marketing Standard is approved and endorsed by the Imperial Brands Plc Executive Committee on 24 November 2020.

> OUR COMMITMENT

ADULTS ONLY

We shall:

- only direct our Products advertising /promotional materials and activities at Adults.
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RESPONSIBILITY AND RESPECT

We will:

- target the marketing of our Products to Adult Consumers.

We believe:

- that Adult Consumers should be offered a broad range of in particular Next Generation Products to meet their preferences;
 - in the tobacco harm reduction potential of Next Generation Products especially and commit to marketing our Products responsibly; and
 - in respecting the individual's choice and will not encourage people who are not Adult Consumers to use our Products.
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TRANSPARENCY

We will provide:

- clear and accurate information about our Products, especially Next Generation Products, and their relative risks to enable Adult Consumers to make informed choices.

> DEFINITIONS

ACCESSORIES

Items used for the consumption of Next Generation and Associated Products, for example, e-vapour or heated tobacco devices.

ADULT

A person aged 18 years or over, unless a higher minimum age for the lawful sale, purchase, possession or consumption of Next Generation and Associated Products is specified by local law or voluntary agreement. If a higher minimum age is specified, the term “adult” means a person of at least that specified minimum age.

ADULT CONSUMER

Adult consumer of Combustible Tobacco Products and/or Products covered by this International Marketing Standard.

ADVERTISING

Any Consumer advertising/promotional materials, activities and events relating to our Products. For the avoidance of doubt, the following are excluded from this definition:

- communications between our Group Companies and the relevant trade (trade communications);
- images of products, brands, packaging or advertising (a) in corporate communications (such as Annual Reports and Accounts) and/or (b) for purposes of historical interests;
- our Group Companies’ corporate websites intended to communicate company information rather than to promote Products;
- user generated content including texts, messages, pictures, social media, and videos that has been independently created by an online user, such content being placed on an internet site outside of the control of us or our Group Companies;
- Product packaging.

AGE VERIFICATION MECHANISM

Any verification mechanism which confirms that a consumer is an Adult, and where such confirmation is not possible due to technological restrictions, the inclusion of an appropriate Adult age gating statement.

ADULT VERIFICATION PROCES

Any verification process for online purchase of Next Generation and Associated Products which confirms that the consumer is an Adult Consumer.

ASSOCIATED PRODUCTS

Products which are not combusted and are

- (a) Tobacco-free non-nicotine containing products under the same brand name as a Next Generation Product, Traditional Non-Combustible Tobacco Product; or Combustible Tobacco Product;
- (b) Tobacco-free non-nicotine containing products not captured under (a) which are aimed/targeted only at Adult Consumers; and
- (c) Traditional Non-Combustible Tobacco Products.

COMBUSTIBLE TOBACCO PRODUCTS

Tobacco products that consist wholly or partially of parts of a tobacco plant and can be consumed involving a combustion process.

DEFINITIONS (continued)

DEMOGRAPHIC INFORMATION

Demographic information obtained by us or our agents from event owners/providers which shows at least (a) 75% of the intended audience of the event are Adults or, in the event such information is not available, (b) 75% of attendees at prior performance(s) of the event were Adults.

GROUP COMPANY/COMPANIES

Companies in which Imperial Brands Plc has a controlling interest, for example, where Imperial Brands Plc has more than 50% of (a) the shares and/or (b) voting rights.

LEGAL REQUIREMENT

Local laws, local/national countries' codes of practice and/or voluntary agreements governing the Products covered by this International Marketing Standard.

NICOTINE PRODUCTS

Nicotine containing products (independent of whether extracted from tobacco or synthetic nicotine).

NEXT GENERATION PRODUCTS

- a) Nicotine Products; and
- b) Potentially Reduced Harm Tobacco Products.

POTENTIALLY REDUCED HARM TOBACCO PRODUCTS

Products that:

- a) consist wholly or partially of parts of a tobacco plant and can be consumed without a combustion process;
- b) have the potential to reduce smoking-related disease; and
- c) have been first marketed after 2014.

PRODUCTS

- a) Next Generation Products;
- b) Associated Products, and
- c) Accessories

PROMOTIONAL EVENTS AND ACTIVITIES

Ranges of events and activities organised by or on behalf of a Group Company which are created specifically to raise awareness of a particular Next Generation or Associated Product brand amongst Adults, and which would not take place without the support of Group Companies.

SPONSORSHIP

An event, activity or team to whom Group Companies provide support in order to raise awareness of a particular Next Generation or Associated Product brand amongst Adults, but without which support the event, activity or team would still exist or take place.

TOBACCO PRODUCTS

Products that can be consumed and consist wholly or partially of parts of a tobacco plant.

TRADITIONAL NON-COMBUSTIBLE TOBACCO PRODUCTS

Tobacco Products such as traditional Swedish snus, moist snuff, or chewing tobacco, first marketed before 2014.

VAPING PRODUCTS

- a) A device such as an electronic cigarette (or e-cigarette) used for the inhalation of vapour;
- b) A nicotine or non-nicotine containing liquid, which is intended to be vapourised by a product within part (a) of this definition (including any item containing such liquid).

YOUTH

Anyone who is not an Adult.

> ADULTS ONLY

We shall:

- only direct our Products advertising / promotional materials and activities at Adults.

We believe that our Products' advertising and promotional marketing activities should only be directed to and appeal to Adults. We strongly support efforts to prevent both Youth access and initiation to our Products.

We support effective legislation and regulation to prevent Youth purchase and use of Next Generation and Associated Products.

Our Next Generation Products Marketing Standard embraces marketing practices which reflect our clear focus on marketing to Adults.

In particular, we will ensure that:

1. We shall not market our Products to Youth;
2. We will only direct our Products' marketing activities towards Adults;
3. We will not provide Next Generation and Associated Products in flavours that appeal primarily to Youth (for example, featuring baked goods, confectionary or candy-like naming/packaging);
4. We will design the packaging of our Products in a manner so that the content clearly does not appeal to Youth.
5. We will not market our Products in a manner that would:
 - feature or portray real or fictitious characters who are likely to appeal particularly to Youth (for example cartoon characters);
 - show people using our Products behaving in an adolescent or juvenile manner.

ADVERTISEMENTS

Our advertising, promotional and marketing activities will be directed towards viewers or participants, who to the best of our knowledge, are Adults. Such advertising, promotional and marketing activities will not use images or features that appeal primarily to Youth.

Any person using one of our Products or playing a significant role in our advertising must be and appear to be at least **twenty-five (25)** years old and shall not over-glamourize our Products or glamorize smoking.

PRINT ADVERTISING

We will only place our Products' brand advertising in printed media where we have satisfactory evidence (as established by objective, Demographic Information) that at least **75%** of the intended readers are Adults.

OUTDOOR ADVERTISING

We will not place any Products' brand advertising on outdoor sign or billboards positioned closer than 100 meters to the main entrance of a school. This does not include outdoor signs at a point of sale or adult educational establishments.

RADIO, TELEVISION AND CINEMA ADVERTISING

Where advertising of our Products is permitted:

- on radio and television, we will only place advertising of branded Products during those hours when the programming is directed at Adults (to minimize exposure to Youth); and
- in cinemas, we will only place advertising of branded Products where the advertisement is adjacent to films where the audience is likely to consist of a majority of Adults.

VIDEO ON DEMAND ADVERTISING

We will not include Products' brand advertising:

- on game consoles or any other similar medium (unless satisfactory measures are in place to ensure that the item is intended only to be provided to Adults);
- in programmes commissioned for, principally directed at, or likely to appeal particularly to Youth.

DIGITAL ADVERTISING

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|---|--|
| Internet Sites (managed by or on behalf of a Group Company) | We will only place Products' brand advertising on Internet sites: <ul style="list-style-type: none"> • if access to the internet site and any downloadable content is restricted to Adults; and • pre-site access Adult Verification Mechanisms are in place. |
| Internet / digital advertisements | We will only place Products' brand advertising where: <ul style="list-style-type: none"> • we have satisfactory evidence (as established by objective, Demographic Information) that at least 75% of the intended users are Adults. |
| Mobile Smartphone Applications | We will ensure any technologies which allow users to access Products' brand advertising Internet Sites via 'shortcuts' using smartphones: <ul style="list-style-type: none"> • will only be accessible by users who are Adults and pre-site access Adult Verification Mechanism are in place. |
| Social Media | We will only carry out social media activities: <ul style="list-style-type: none"> • in a responsible manner; • in accordance with our Code of Conduct; • where such activities are permitted under local Legal Requirements; • where we are clearly identified (including where any advertising, promotion, research agencies, social media influencers or any other organisations are engaged on our behalf); and • with social media influencers where 75% of the social media influencer's followers are or are likely to be Adults. |

ENDORSEMENT AND USE OF SPOKESPERSON

- We will only appoint Individuals (including brand ambassadors, influencers, models or celebrities) to endorse our Products who are and clearly appear to be aged **(twenty-five) 25** years or over.
- We will only appoint spokespersons where at least 75% of their following/intended audience are Adults (as established by objective, Demographic Information).

ONLINE SALES

We will restrict online sales of Products to Adults who have completed the associated Adult Verification Process as required.

OWN-BRANDED STORES

We will not establish any own-branded retail premises adjacent to retail premises that cater in their majority to the needs of Youth, such as toy stores or shops selling clothes and accessories for infants and children.

YOUTH ACCESS PREVENTION

We will encourage retailers we have merchandising agreements with, to:

- maintain signage that restricts sales to Adults; and
- carry out an ID check for anyone who appears to not be an Adult and who attempts to purchase one of our Products.

PROMOTIONAL EVENTS AND ACTIVITIES

We will ensure that promotional gifts, and our Promotional Events and Activities for branded Products will be designed to appeal to Adults.

In addition, we will:

- restrict access to branded Products' Promotional Events and Activities only to Adults;
- only direct branded Products' Promotional Events and Activities to age-verified Adults;
- only employ (whether directly or indirectly) personnel to participate in branded Products' Promotional Events and Activities (including sampling where legally permitted) who are, and clearly appear to be aged **(twenty-one) 21** years or over;

- only sell or give away brand promotional items bearing Products' brand names or logos to Adult Consumers. Branded Products' promotional clothing will only be made available in adult sizes; and
- only direct Products' brand promotional offers to Adult Consumers. Where such an offer permits an Adult Consumer to be accompanied by other persons at an event or activity, those accompanying the Adult Consumer must themselves be Adults.

SPONSORSHIP

We will only conduct Products' Sponsorship activities where **we have satisfactory evidence that:**

- all competitors, team members and active participants are Adults;
- such event or activity is directed to Adults where at least 75% of the intended audience are Adults (as established by objective, Demographic Information).

SAMPLING

Where sampling is legally permitted, we will only direct Product sampling at Adult Consumers of Combustible Tobacco Products and / or Next Generation and Associated Products who have given their express and informed consent to receive such samples.

> RESPONSIBILITY AND RESPECT

We:

- will target the marketing of our Products to Adult Consumers.

We believe:

- that Adult Consumers should be offered a broad range of in particular Next Generation Products to meet their preferences;
- in the tobacco harm reduction potential of Next Generation Products especially and commit to marketing our Products responsibly; and
- in respecting the individual's choice and will not encourage people who are not Adult Consumers to use our Products.

RESPONSIBILITY

We believe in and are committed to:

- providing effective alternatives to Combustible Tobacco Products and the potentially significant public health benefit if smokers transition to our Products and in particular Next Generation Products.
- offering a portfolio of Products, especially Next Generation Products, which meet Adult Consumer preferences.

In particular, we will:

- direct our marketing activities towards Adult Consumers; and
- only portray and promote images of usage of our Products in safe and appropriate environments.

RESPECT

We celebrate diversity in the world in which we live and work, and consequently in our marketing we will never discriminate, nor will we tolerate discrimination by our partners.

In particular, we will:

- adhere to generally accepted contemporary standards of good taste and demonstrate sensitivity towards local cultures and attitudes;
- not portray or endorse associations with illegal, antisocial or violent behaviour; and
- never represent an individual's choice not to use our Products in a disparaging or denigrating manner, mock such a choice, or imply that such a choice is wrong or foolish.

> TRANSPARENCY

We will provide:

- clear and accurate information about our Products, especially Next Generation Products, and their relative risks to enable Adult Consumers to make informed choices.

We do:

- believe in the tobacco harm reduction potential of Next Generation Products in particular.

We will:

- only expressly or implicitly make statements about the quality, performance or functional attributes of our Products and in particular Next Generation Products in our advertising, promotional and marketing activities when such statements can be supported by robust scientific evidence and technical or consumer research, as appropriate.
- All advertising of nicotine containing products will make it clear that they contain nicotine.

We will not:

- illustrate and describe our Products in an unfair and dishonest way that will mislead our Adult Consumers.

HEALTH WARNINGS

Next Generation and Associated Products

We will ensure that all relevant packaging of our Next Generation and Associated Products will carry clearly visible and appropriate health warnings as specified by Legal Requirements. For countries where no Legal Requirement for health warnings are specified, appropriate and commonly used health warnings and / or information shall be used.

Accessories

Unless required otherwise by countries' Legal Requirements, we do not place health warnings on relevant packaging of Next Generation and Associated Products Accessories as:

- Next Generation and Associated Products already carry health warnings and / or appropriate information; and
- further health warnings on relevant packaging of Accessories will not provide the Adult Consumer with any additional information.

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**IMPERIAL
BRANDS**