

## Responsible Marketing Audit

The Group has established a sound internal audit management system. Every year, the Internal Control and Audit Center takes the lead in conducting regular special audits on responsible marketing, conducting a comprehensive review of the marketing activities of electronic atomization products to assess their compliance with the *Responsible Marketing Policy* and ethical promotion standards. The audit focuses on three core areas:

**Compliance of marketing content:** Strictly verify whether advertising materials, product labels, etc. comply with core regulatory requirements such as China's national standard for *Electronic Cigarettes* (GB 41700-2022), the European Union's *Tobacco Products Directive* (TPD), and the *Premarket Tobacco Application* (PMTA) by the US Food and Drug Administration (FDA), ensuring that marketing content contains no false or misleading statements.

**Measures for the protection of minors:** Review the effectiveness of age verification mechanisms in online and offline channels, and assess whether marketing information effectively avoids the risk of exposure to minors.

**Supervision of partners' performance:** Supervise distributors, retailers and other partners in terms of their compliance with agreement terms, company systems and legal responsibilities to ensure their

compliant operations.

The Internal Control and Audit Center has conducted a systematic evaluation of the entire process of marketing activities through special audits. Audit methods include document review, physical sampling, channel mystery audit, and analysis of consumer feedback. The audit results are used to identify areas for improvement, optimize institutional processes, and strengthen transparent management and accountability mechanisms. In addition, the Group has established internal reporting channels to encourage employees to supervise irregularities and ensure the legality and compliance of all types of marketing activities.

In accordance with the audit plan, the Internal Control and Audit Center audited the continuous compliance with the *Responsible Marketing Policy* and ethical promotion standards in 2024 and found no major non-compliance issues.