

NO REASON TO CELEBRATE

One year after banning flavoured vapour products, 61 percent of vapers questioned in a Leger survey still purchase flavoured vaping products (not including tobacco flavour).

Montreal, Quebec - October 30, 2024 - One year ago, the Government of Quebec banned all flavours of vapour products (except tobacco), however, without adequate enforcement Imperial Tobacco Canada estimates that 60 percent of the vapour market is now illegal in the province underpinned by hundreds of vape shops and dozens of online retailers that flout both the letter and spirit of the law.

"If the government's objective was to create an untaxed and unregulated vapour market, then well done and mission accomplished," said Eric Gagnon, Vice President, Corporate and Regulatory Affairs, Imperial Tobacco Canada.

QUEBECERS ARE STILL FINDING FLAVOURED VAPES

Imperial Tobacco Canada commissioned Leger to ask adult consumers about their vapour product purchasing habits in the last 12 months. The survey was conducted between October 10 and 15 and 1,002 adult respondents were questioned (including 500 respondents who are currently vapers).

Here are some of the highlights from the Leger survey:

- 61 percent of vapers said that they purchased flavoured vapour products (not including tobacco flavoured) in the past 12 months
 - o 40 percent of those respondents said that they purchased an illegal flavoured vapour product from a vape shop
 - 33 percent of those respondents said they purchased flavoured vapour products online (which a law in place since 2015 prohibits the sale of vapour products online)
 - o 47 percent of those respondents said they knew it was illegal when they purchased a flavoured vapour product

Last year, the Government of Quebec patted themselves on the back when they banned flavours in order to protect Quebec youth. As demonstrated by numerous reports in the last year, including a recent short film by the Coalition pour le Contrôle du Tabac (CQTS) on Crave, the fact of the matter is that youth are still accessing flavoured vaping products in Quebec through illegal sources. It has also forced normally law-abiding Quebecers to resort to the black market.

ENFORCEMENT IS NON-EXISITANT

A report from the Ministère de la Santé et des Services Sociaux (MSSS) website reveals that only 150 (38 percent of all vape shops) have been inspected by MSSS. Worse yet, very few fines have been issued with reports showing only 28 of those 150 received fines, even though more than 90 percent are uncompliant¹.

The minimum fine for a retailer that is caught selling flavoured vaping products is only \$2,500, and for a repeat offense \$5,000.

"For many vape shops, the fines are simply the cost of doing business," said Mr. Gagnon. "History had demonstrated again and again that prohibition does not work. The market will find a way to meet the demand. If the government had enforced the existing laws in the first place, we wouldn't have needed this draconian and punitive ban."

THE SOLUTIONS

Imperial Tobacco Canada has outlined five solutions that, if implemented, could return order the vapour products market.

- 1. Train MSSS inspectors to accurately identify non-compliant products such as "flavour shots" and issue fines heavy enough to deter illegal players.
- 2. Conduct an "enforcement blitz" to demonstrate the gravity of the situation and ensure public awareness of the government's intention.
- 3. Identify the largest distributors selling non-compliant products into Quebec and issue the largest possible fines against them (\$500,000).
- 4. Address online sales by issuing warnings and, if necessary, severe fines against e-commerce platforms, payment providers and couriers who facilitate the commission of offences.

If the government is unable to enforce the regulation,

5. Restrict the sale of flavoured vapour products to government-run retail outlets (such as the SAQ and SQDC) that are already trusted to sell flavoured alcohol and cannabis to adult consumers.

"We have always said that our door is open, and we welcome a frank, honest discussion about the realities of the vaping market in Quebec," said Mr. Gagnon. "Now is probably a good time for the government, the industry and health groups to work together and find a solution that will really prevent youth from purchasing vaping products while ensuring adults still have access to a less harmful alternative to smoking."

For a better understanding of the illegal vaping products market in Quebec and a summary of the first year of the Quebec flavour ban, <u>click here</u>.

To view Leger's survey results, click here.

About Imperial Tobacco Canada

 $^{^{1}\ \}text{https://ccentral.ca/cicc-unveils-compliance-report-quebecs-ban-flavoured-vaping-sales}$

Imperial Tobacco Canada is Canada's leading tobacco and nicotine products company and is part of the world's most international tobacco group: BAT. At BAT, our purpose is to create A Better TomorrowTM by Building a Smokeless World.

Our vision is for A Smokeless World built on smokeless products where, ultimately, cigarettes have become a thing of the past. A world where smokers have migrated from cigarettes to smokeless alternatives. A world where smokers make a Switch to Better.

-30-

For more information or interview requests, please contact:

Dalia Esposito Torchia Communications 514-654-2635 dalia@torchiacom.com