

Dear Washington Retailers,

Juul Labs, Inc. (“JLI”) entered into a [final consent judgment \(“settlement”\) with the State of Washington](#) on April 12, 2022. This settlement is consistent with our ongoing efforts to reset our company and our relationships with stakeholders as we continue to combat underage use and advance the opportunity for harm reduction for adult smokers. Importantly, we look forward to working with the State Attorney General and other manufacturers to develop potential industry-wide sales and marketing practices to ensure a more responsible marketplace for vapor products.

This settlement builds upon programs already underway in Washington State and nationwide to restrict underage access to JUUL products. These actions will require the support of all business partners and we look forward to working with you to ensure compliance with these requirements.

## What should I do as a retailer?

Effective April 12, 2022, all Washington retailers of JUUL products will need to adhere to strict **Age-Verification and Product-Quantity Limits**. The best way to comply with this requirement is to integrate **Enhanced Access Controls (“EAC”)** with the point-of-sale system.

## What are Enhanced Access Controls?

Enhanced Access Controls are sales requirements designed to ensure the purchaser of JUUL products is at least 21 years of age and limit the amount of product that can be purchased to restrict bulk-purchasing. The sales requirements to comply with EAC include:

1. A point-of-sale system capable of the following:
  - A. Electronically scan of government-issued identification to verify that the purchaser is at least 21 years of age and the identification is not expired;
  - B. Automatically block any transaction that involves more than 1 JUUL Device and/or 4 packs of JUULpods per transaction; and
  - C. Automatically block any transaction that does not comply with the sales requirements described in (a)-(b) above.
2. Visually confirm that the purchaser matches the individual represented on their identification.

Adopting EAC ensures that a retailer is prepared for the in-store compliance checks or “secret shops” that are required by the Washington State consent judgment. All retailers should understand the state requires JLI to perform these compliance checks monthly for at least 2 years, starting April 12th, 2022.

If you haven’t adopted EAC, please visit our website for more information: <https://www.juulabsretailer.com/>



**JUUL Labs, Inc.**  
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#### What if I have questions?

- Visit our website for more information <https://www.juulabsretailer.com>
- Contact the Washington Division Manager by phone: (206) 395-5249 or email [EACWashington@juul.com](mailto:EACWashington@juul.com)
- Call our Call Center at 1 (855) 780-7966 between 9 AM to 9 PM ET

We sincerely appreciate your continued support of our mission and look forward to working together to sell our products responsibly and combat underage use.

Thank you.

Juul Labs, Inc.

## Additional Information:

### What are the consent judgment requirements for Age-Verification and Product-Quantity Limits in Washington?

The Washington State consent judgment requirements include the following:

#### Age-Verification:

- Salesclerk verifies that anyone appearing under the age of 27 years old will be asked to show identification confirming they are of legal age to purchase JUUL products.
- This policy is designed to ensure a purchaser of JUUL products is at least 21 years of age, complying with federal requirements.

#### Product-Quantity Limits:

- Limit of 1 JUUL Device and/or 4 packs of JUULpods per transaction.
- This is an internal, JLI policy that limits the amount of JUUL products that can be sold in any single transaction.

### Compliance Checks (“Secret Shops”):

JLI will continue to monitor retailer compliance by conducting periodic in-store compliance checks – also known as “secret shops”. The existing mystery shop program has been ongoing since 2018. Program expansion in Washington is underway as of April 12th, 2022. Secret shoppers will attempt to purchase JUUL products to ensure the salesclerk complies with Federal age-verification requirements and JLI’s product quantity limits of 1 JUUL Device and 4 packs of JUULpods per transaction.

### What happens if a retailer fails a JLI compliance check?

If a retailer fails an in-store compliance check, JLI will fulfill the following requirements of the settlement agreement set forth by the Washington State Attorney General.

All retailers will be notified of any JLI compliance check failures. First, second, and third failures must be reshopped within 60 days for an additional JLI compliance check. Age-verification failures must be reported to the FDA and Washington State Attorney General will receive a report on the Washington Mystery Shopper program every 3 months.

#### Second violation: Occurring within one year of first violation

A second JLI compliance check failure will result in notification to relevant distributors and sub-distributors in Washington and result in the retail store being restricted from promotional activities for two promotional cycles following the date of the second failed compliance check.

#### Third violation: Occurring within one year of first violation

A third JLI compliance check failure will result in notification to relevant distributors and sub-distributors in Washington and result in JLI ceasing business with the Washington retail store for three (3) years from the date of the third failed compliance check.

Fourth violation: Occurring within one year of the first violation

A fourth JLI compliance check failure will result in notification to relevant distributors and sub-distributors in Washington and result in JLI ceasing doing business with the Washington retail store until a change of ownership occurs with new owners being unrelated to the prior owners.

Who will failures be communicated to, and why?

The Washington State consent judgment requires JLI to report second, third, and fourth mystery shop failures to relevant wholesalers, distributors, and sub-distributors so that they can execute any applicable promotional activities suspension or sales ban. The settlement additionally requires JLI to report to the FDA any age-verification failures identified in the second, third or fourth mystery shops.

The Washington State consent judgment requires JLI to report the results of its mystery shop program to the Washington Attorney General every three (3) months, starting in July 2022.