

## LEADERSHIP AND GOVERNANCE

Our Board of Directors is responsible for the delivery of our strategies, activities and the financial, social, environmental and governance performance of the company.

The Board delegates responsibility for developing and implementing strategies and for the day-to-day management to the Chief Executive, who is supported by the Operating Executive (OPEX); comprising of the Executive Board of Directors and members of our senior management team.

We have cross-functional networks of specialist who deal with sustainability issues within their areas of specialism. These include our Corporate Affairs network, Occupational Health Safety and Environment (OHSE) professionals, Human Resources Management, Product Scientists and Market Coordinators. Executive oversight includes an annual review of the Sustainability strategy by the OPEX, followed by an annual review by the Board.

Our Code of Conduct and Supplier Code sets out the expectations of business conduct and all who work for and with us are expected to comply with the Code; enabling a unified standard for business across our global operations.

### RISK

The Group's risk management framework, aligned with the operating model is an integrated approach based upon the three-lines of defence model. The Board has ultimate responsibility for the Group's strategy and related risk appetite, and is also responsible for ensuring the effectiveness of the risk management and internal control systems, with the Audit Committee assisting with discharging these responsibilities.

The Group's Risk Committee and Group Governance function assist the OPEX and Audit Committee by identifying, assessing and ranking material risks and opportunities for the business; identifying and assessing the adequacy of the measures in place to manage, mitigate or control them. The Group's Risk Register documents all Group risks and their control measures. Please see the Annual Report and Accounts for more detail.

### OUR VALUES

We take pride in what we do and how we do it. Acting responsibly and with integrity has helped us create and sustain a successful business. Underpinning this are our values. These are the essence of what Imperial is about and define who we are. They provide us with a common bond, guiding the way we do business and influencing the way we behave. Our values are about working together, continually improving, taking ownership and making the most of every opportunity.



## STRATEGIC FOCUS

How we manage the most important sustainability issues aligned to our three strategic areas of focus.

### TOBACCO SUSTAINABLE SUPPLY

#### FARMER WELFARE FORESTRY AND BIODIVERSITY CHILD LABOUR

Our approach to ensuring a sustainable supply of tobacco is predominately set and defined by Group Manufacturing and Supply. Group Procurement set the standards and requirements for supplier requisitions and payments.

The Leaf Sustainability team has specific managerial responsibilities for the advancement of farmer livelihoods and welfare through the Leaf Partnership budget. They also have overall management of forestry issues; promoting and implementing good agricultural practices, through the application of the Sustainable Tobacco Programme (STP).

Child labour is managed through our Leaf Partnerships, the STP and our partnership with the Eliminating Child Labour in Tobacco (ECLT) Foundation.

### NGP REDUCED HARM

#### HARM REDUCTION OUR SCIENCE RESEARCH AND DEVELOPMENT

The Product Stewardship and Health Group (PSHG) consists of senior scientific, research and legal specialist who provide regular updates and advice to the Operating Executive (OPEX).

We have an Assessment, Guidance and Permissions (AGP) Group, which consists of expert toxicologists who assess, prior to manufacture, the suitability and regulatory compliance of the material specifications to be used.

Our Risk Assessment Panel (RAP) are called upon in the event of a suspected contamination; their role is to assess whether the defective product poses potential risk to consumer safety and recommend a course of corrective action.

### BEHAVING RESPONSIBLY PEOPLE AND OPERATIONS

#### HEALTH SAFETY AND WELLBEING DIVERSITY

#### RECRUITMENT, DEVELOPMENT AND REWARD

The central OHSE Team set the Group standards and provide specialist expertise for health and safety which is deployed through a network of Regional OHSE specialists. We operate a 'plan, do, check, act' OHSE framework throughout our operations which includes formal management review processes. Performance is regularly monitored, reviewed and reported to various levels of operational management, OPEX and the PLC Board.

Employment practices including recruitment, development, reward and diversity are defined and set by the HR Centre of Expertise and shared and enabled throughout the Group via HR Business Partners. This is enabled through our global HR system – Workday.

### Our Internal Policies and Standards

- Code of Conduct
- Anti-Bribery and Corruption
- Competition and Anti-Trust Policy
- Corporate Affairs Engagement Policy
- Fraud Risk and Management Policy
- Global Procurement Policy
- Integrated ITG Leaf Processing manual for cigar manufacturing
- ITG Leaf Processing Manual for cigarette and OTP Manufacture Policy
- Speaking Up (Whistleblowing) Policy
- Supplier Security Compliance
- Sustainable Tobacco Programme (STP)
- Supplier Standards and Contracts
- Supplier Code

- Code of Conduct
- Global Digital Marketing Policy
- International Marketing Standards
- Product and Technical Development Policy
- Product Stewardship and Health Policy
- Product Supply Compliance Policy
- Sanctions Compliance Policy
- Secure Machinery Disposal
- Standards for Transport and Warehousing
- ISO 9001 Quality Management
- ISO17001 Laboratory Management

- Code of Conduct
- Employment Policy
- General employment practices
- Employee engagement
- Fairness at work Policy
- Health protection, wellbeing Policy
- Travel safety Policy
- UK Bribery Act
- Speaking up (Whistleblowing)
- Occupational Health, Safety and Environment (OHSE) Policy
- OHSAS 18001 occupational health and safety management
- Regulatory Compliance in Health and Safety
- Community Contributions and Volunteering Policy

## ESG FRAMEWORK

Our sustainability strategy is framed by the social, environmental and governance issues that are most important to our business

### ENVIRONMENT

#### CLIMATE AND ENERGY

#### WATER

#### WASTE

The central CR Team set the Group standards and provide specialist expertise for environmental management which is deployed through a regional network of OHSE specialists.

Operational management of environmental issues, management systems and performance is the responsibility of local management, including Factory Managers. Environmental performance data is collected from all sites via our Non-financial Reporting system (NFR) and presented to OPEX quarterly and the Board annual.

The Code of Conduct and Supplier Code define our expectations on environmental management by third parties working with us or on our behalf.

### SOCIAL

#### HUMAN RIGHTS

The central CR Team lead on the group understanding of Business and Human Rights and work with the most relevant functions and departments to ensure that requirements are met and improvements progressed.

Supply chain human rights issues are managed through our STP programme for leaf suppliers and the supplier qualification and vendor rating system for non-tobacco material and next generation products.

Employment Practices, our Human Rights policy and the Supplier Code are particularly relevant in the respect of Human Rights.

### GOVERNANCE

#### REGULATION

#### ADULT CHOICE

#### ILLICIT TRADE

To ensure our products are sold responsibly, market control activities are enabled worldwide through a network of specialists, including Corporate and Regulatory Affairs. New marketing developments and brand communications are led by central marketing and overseen by the Brand Regulatory Protection Team.

Anti-illicit trade activities are overseen by an anti-illicit trade steering Group and market activities are controlled by Corporate and Regulatory Affairs, including Group Security. We use a Track and Trace System which allows us to keep track of our product movements throughout the supply chain.

### Our Internal Policies and Standards

- Code of Conduct
- OHSE Policy
- Participation in the Carbon Disclosure Project
- ISO 5001 Energy Efficiency
- Regulatory Compliance for Emissions
- ISO 14001 Environmental management
- Regulatory Compliance for Environmental Impacts and Reporting
- Supplier Code
- Response to Taskforce on Climate Related Financial Disclosure (TCFD)

- Code of Conduct
- Human Rights Policy
- Supplier Code
- Employment Policy
- General employment practices
- Response to UK Modern Slavery Act
- Sustainable Tobacco Programme (STP)
- OHSE Policy
- Procurement Policy
- Supplier qualification programme
- Whistle blowing Policy

- Code of Conduct
- Regulatory compliance with Employment Law
- ITG Inspection and Weight control procedures of tobacco deliveries
- Memoranda of Understanding
- Anti-bribery and corruption Policy
- Whistle blowing Policy
- International Marketing Standards Policy
- E-vapour products Marketing Standards
- Product supply compliance Policy