

# STAKEHOLDER ENGAGEMENT

Building and maintaining trust with our stakeholders is vital for business success, we have identified our stakeholders as those with whom we have a financial relationship or who are either directly affected by, or have a direct interest in, our business operations.

We take an integrated approach to our stakeholder management which forms part of our day-to-day management. Periodically we convene an external stakeholder panel to gain further insight and views from our key stakeholders. Stakeholder views are also important in understanding our material issues and form a key role in our materiality assessments.

## INTERESTS AND PERSPECTIVES OF OUR KEY STAKEHOLDER GROUPS

Key stakeholder groups	How we engage and seek to understand	Main mutual interests	Our response
<b>Consumers</b>	<ul style="list-style-type: none"> <li>– Academic and medical expert reviews of tobacco science and next generation products</li> <li>– Engagement with authorities</li> <li>– Customer and consumer feedback</li> <li>– Consumer research</li> <li>– In-market engagement and research</li> <li>– Stakeholder Panel</li> </ul>	<ul style="list-style-type: none"> <li>– Provision of products; NGP and tobacco products</li> <li>– Tobacco and health</li> <li>– Harm reduction</li> <li>– Product quality</li> <li>– Legislative control impacting consumer freedoms</li> <li>– Responsible product disposal</li> <li>– Product development and innovation</li> <li>– Product content regulation</li> <li>– Preventing sales to minors</li> </ul>	<ul style="list-style-type: none"> <li>– Development of reduced harm next-generation products (NGP)</li> <li>– Science and Submissions activities with expert toxicologists</li> <li>– Risk Assessment Panel</li> <li>– Product development and innovation</li> <li>– ISO 9001 quality management systems</li> <li>– Consumer complaints and product recall procedures</li> <li>– Scientific website disclosure</li> <li>– Publication of corporate positions</li> <li>– Support of litter campaigns</li> <li>– Regulatory engagement on legislative control</li> <li>– Sustainable product developments</li> <li>– Packaging minimisation projects</li> <li>– Youth access prevention activities</li> <li>– Producer Responsibility compliance</li> <li>– Our E-vapour Products Marketing Standards</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>– Customer dialogue</li> <li>– Key account management</li> <li>– Market research</li> <li>– Customer surveys</li> <li>– Regulatory engagement</li> <li>– Submissions to consultations</li> <li>– Trade and industry associations</li> <li>– Stakeholder Panel</li> </ul>	<ul style="list-style-type: none"> <li>– Protecting legitimate markets</li> <li>– Preventing sales to minors</li> <li>– Combating criminals taking market share</li> </ul>	<ul style="list-style-type: none"> <li>– International Marketing Standard (IMS)</li> <li>– IMS communication, audit and review</li> <li>– Youth access prevention activities</li> <li>– Product supply compliance process</li> <li>– Know Your Customer programme</li> <li>– Track-and-trace technology</li> <li>– Our E-vapour Products Marketing Standards</li> </ul>

Key stakeholder groups	How we engage and seek to understand	Main mutual interests	Our response
<b>Employees</b>	<ul style="list-style-type: none"> <li>Trade unions and Works Councils</li> <li>European Employee Works Council</li> <li>Local authority engagement</li> <li>Employee consultations</li> <li>Joint negotiating and collective agreements</li> <li>Employee surveys</li> <li>Regional meetings of Sales and Factory personnel on OHSE matters</li> <li>Health and Safety committees</li> <li>Stakeholder Panel</li> </ul>	<ul style="list-style-type: none"> <li>Creating a safe and engaging work environment</li> <li>Reward and recognition</li> <li>Integrated performance management</li> <li>Fairness and respect</li> <li>Engagement and consultation</li> <li>Clarity for behaviour expectations</li> <li>Training and development</li> <li>Minimising environmental impact</li> <li>Diversity</li> </ul>	<ul style="list-style-type: none"> <li>Formal employment policies and practices</li> <li>Anti-discrimination and anti-harassment procedures</li> <li>Confidential grievance procedures</li> <li>Performance appraisal</li> <li>Training and development investment</li> <li>Organisational restructuring social plans</li> <li>Code of Conduct and training</li> <li>Health and safety systems, training and equipment investment</li> <li>Values and Leadership Expectations</li> <li>Employee benefits packages</li> <li>Volunteering support</li> <li>Employee awareness and training</li> <li>Diversity working groups</li> <li>Global HR 'Workday' system</li> <li>External 'best employer' recognition</li> <li>OHSAS 18001 management system</li> <li>Engagement on waste, energy, water and CO<sub>2</sub> emissions</li> <li>Address of human rights</li> </ul>
<b>Governments and regulators</b>	<ul style="list-style-type: none"> <li>Regulatory engagement</li> <li>Submissions to consultations</li> <li>Trade and industry associations</li> <li>Memoranda of Understanding and cooperation agreements</li> <li>Engagement with local authorities on environmental issues</li> <li>Stakeholder Panel</li> </ul>	<ul style="list-style-type: none"> <li>Legitimate provision of products</li> <li>Adherence to regulations and legislation</li> <li>Collection and payment of taxes</li> <li>Informed regulatory control debates</li> <li>Anti-illicit trade activities and collaboration</li> <li>Valuing natural capital and minimising environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>Providing regulatory submissions and disclosing information</li> <li>Meeting or exceeding regulatory requirements in our corporate standards</li> <li>Anti-illicit trade activities and intelligence sharing</li> <li>Provision of expert knowledge</li> <li>EU agreement against contraband</li> <li>Payment of excise and other taxes</li> <li>ISO 14001 management systems</li> <li>Environmental due diligence audits</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Procurement and purchasing relationships</li> <li>Supplier suggestions programme</li> <li>CDP Climate Change Programme</li> <li>CDP Supply Chain Programme</li> <li>Supplier roundtables</li> <li>CDP Forests participation</li> <li>CDP Water participation</li> <li>Stakeholder Panel</li> </ul>	<ul style="list-style-type: none"> <li>Promoting responsible sourcing</li> <li>Sustainable solutions</li> <li>Reducing reputational risks</li> <li>Minimising environmental impacts</li> <li>Determining sustainable solutions</li> <li>Promoting human rights and good labour practices</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Tobacco Programme</li> <li>Supplier qualification, assessment and audit</li> <li>Partnership investments</li> <li>Environmental and social partnerships</li> <li>Climate change and carbon management</li> <li>Sustainable product developments</li> <li>Forestry protection and reforestation</li> <li>Engagement on waste, energy, water and CO<sub>2</sub> emissions</li> <li>Address of human rights</li> <li>Understanding Modern Slavery in the supply chain</li> </ul>
<b>Communities and NGOs</b>	<ul style="list-style-type: none"> <li>Dialogue with local authorities</li> <li>Relationships with communities and NGOs</li> <li>Stakeholder Panel</li> <li>Environmental partnership projects</li> </ul>	<ul style="list-style-type: none"> <li>Being a local force for good</li> <li>Collaboration and partnership</li> <li>Seeking mutual economic, social and environmental benefits</li> <li>Addressing human rights issues</li> </ul>	<ul style="list-style-type: none"> <li>Leaf Partnership projects</li> <li>Community projects to address environmental and social issues</li> <li>Partnership investments</li> <li>Eliminating Child Labour in Tobacco Foundation</li> <li>Address of human rights</li> <li>Social-economic impact assessments</li> <li>Contribution to livelihoods</li> <li>Energy efficiency projects</li> </ul>
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>Dialogue with institutional investors and socially responsible investors</li> <li>Participation in sector conferences</li> <li>Selected surveys and indices</li> <li>Investor questionnaires</li> <li>Annual General Meeting</li> <li>Human Rights Impact Assessments</li> <li>Dialogue with key NGOs</li> <li>Stakeholder Panel</li> </ul>	<ul style="list-style-type: none"> <li>Continuing returns on investment</li> <li>Risk mitigation</li> <li>Good environmental, social and governance (ESG) management</li> <li>Developing Next Generation Products</li> </ul>	<ul style="list-style-type: none"> <li>Materiality assessment of responsibility issues</li> <li>Code of Conduct</li> <li>Supplier Code</li> <li>Corporate governance</li> <li>Risk management mechanisms</li> <li>Corporate communications and investor relations activities</li> <li>Internal audits</li> <li>Non-financial reporting and disclosure</li> <li>Participation in the CDP programmes</li> <li>Production of annual Sustainability Reporting</li> <li>Climate change and carbon management</li> <li>Targets for waste, energy, water and CO<sub>2</sub> emissions</li> <li>Renewable energy investment</li> </ul>