



ESG: PEOPLE AND PLANET PERFORMANCE SUMMARY 2024



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INTRODUCTION

Delivering on our ESG priorities through our strong performance culture

Our commitment to environmental, social and governance (ESG) issues is a core element of our business strategy and aligns to our purpose and vision.

The Company's overarching vision is to be a strong challenger business, and we apply this same mindset to our ESG priorities.

In ESG, being a challenger means starting with the consumer and looking at issues, such as consumer health or sustainable packaging, through the lens of the people who use our products.

Being a challenger is about acting with agility. The teams who lead on our ESG priorities operate close to our businesses and their goals are aligned to our commercial objectives. We see clear synergies, for example in our drive to reduce carbon emissions and our wider ambitions to build more efficient manufacturing processes.

Being a challenger is also about having a high-performance culture. In each of our priority areas, we have clearly defined accountabilities, metrics and objectives. We have been building capabilities through external hires, the upskilling of our existing people and new systems enabling us to become more data driven.

Our eight focus areas are grouped into three categories:

1. Healthier Futures
2. Positive Contribution to Society
3. Safe & Inclusive Workplace

Each focus area aligns with at least one of the United Nations' Sustainable Development Goals (UN SDGs).



Our Purpose:

To forge a path to a healthier future for moments of relaxation and pleasure.



Our Vision:

To build a strong challenger business powered by responsibility, focus and choice.

During 2024 there has been a particular focus on galvanising our people behind our ESG priorities, which we refer to internally as our "People and Planet" agenda. An important element of this engagement has been our Triple Zero initiative, highlighting our aspirations for zero carbon, zero waste and zero injuries.

To educate and raise awareness, we dedicated an episode of Connections TV, our global internal channel, to People and Planet, which was viewed by more than 3,000 colleagues. Other activities included a CEO-led event for our top 500 leaders on the role they need to play in our ESG strategy.

In FY24 ESG metrics continue to be part of executive remuneration.

See our 2024 Annual Report and Accounts pg. 117

Find out more

We provide further detail on our approach to managing our ESG responsibilities on our corporate website: [Healthier Futures](#).

Our [Reporting Criteria document](#) provides further information on our ESG-related metrics including scope and methodology used.

We report ESG-related information in accordance with the core options of the Global Reporting Initiative (GRI) Standards and against the Sustainable Accounting Standards Board (SASB) framework for tobacco. Details can be found in our [2024 GRI and SASB Index](#).

Follow the QR code to take you to our website.



DOUBLE MATERIALITY ASSESSMENT














In 2023, we conducted our first double materiality assessment (DMA). This year, as part of our preparation for the upcoming Corporate Sustainability Reporting Directive (CSRD) requirements, we have designed our DMA approach to meet CSRD requirements. Double materiality identifies both how a Company’s operations impact people and the environment (impact materiality) and how sustainability matters impact the Company itself (financial materiality).

To support this exercise, we have followed the European Financial Reporting Advisory Group (EFRAG) best practice by adopting an approach combining data and technology with stakeholder validation. We have used Datamaran, an ESG software solution, to provide the process and data to facilitate the identification, assessment and monitoring of material issues across our value chain. Analysis of information from thousands of data points, including corporate reports, mandatory and voluntary regulations and online news, informed our stakeholder engagement.

- We are working towards a traceable and auditable process, suitable for external assurance as required by CSRD, which supported us in the following three key areas:
- 1. Identify the European Sustainability Reporting Standards (ESRS) disclosure requirements and data points to report on.
 - 2. Build and update the ESG strategy.
 - 3. Set up ongoing governance and due diligence oversight.

While our DMA is still in progress and pending sign off from independent auditors, early headline results indicate that our eight ESG topics and their relevant impacts, risks, and opportunities have been identified as material to our business. In addition to this, it has highlighted additional areas of focus, particularly in governance. We have in place controls and frameworks for these areas, ensuring they are well managed. The full, confirmed results will be disclosed in the next Annual Report.

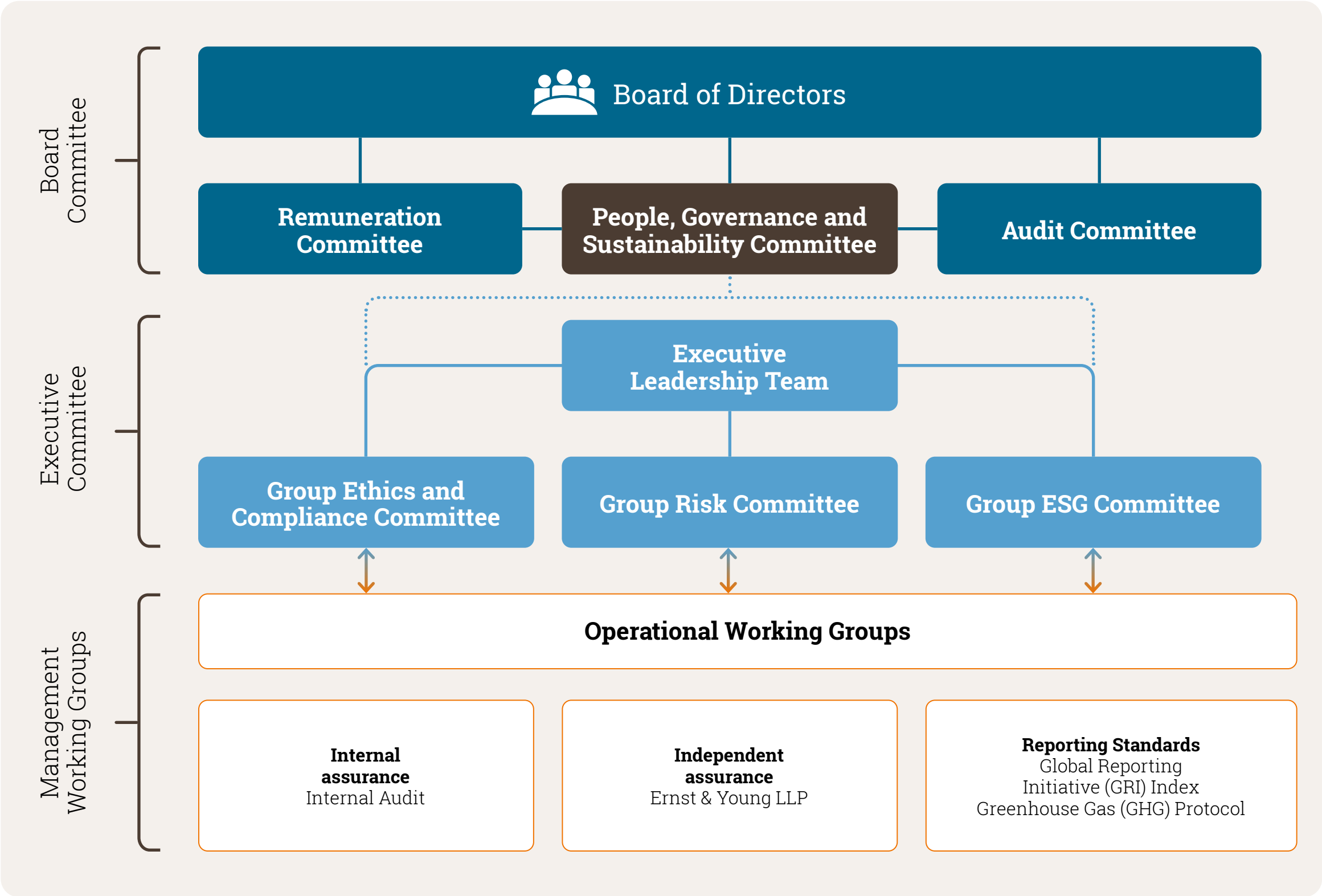
Preliminary Results for Double Materiality Assessment*

ESRS topic		Financial materiality	Impact materiality	Link to ESG topic	
E1	Climate change	Material	Material		Climate change
					Climate change
E2	Pollution	Material	Material		Packaging & Waste
E3	Water and marine resources	Not material	Not material		
E4	Biodiversity and ecosystems	Not material	Not material		
E5	Circular economy	Material	Material		Packaging & Waste
S1	Own workforce	Material	Material		Diversity, Equity, & Inclusion
					Health, Safety & Wellbeing
					Human rights
S2	Workers in the value chain	Material	Material		Diversity, Equity, & Inclusion
					Health, Safety & Wellbeing
					Human rights
S3	Affected communities	Not material	Not material		
S4	Consumers and end users	Material	Material		Consumer Health
G1	Business conduct	Material	Material		Sustainable & Responsible Sourcing
					Farmer Livelihoods & Welfare

*Based on early results - table contents subject to change

ESG GOVERNANCE

POWERED BY RESPONSIBILITY



We are committed to conducting our operations responsibly and respecting our people, our communities and our planet.

We continue to strengthen our governance framework in relation to ESG, with distinct, well-defined roles for the Board and management.

To ensure the Board has oversight of all relevant ESG issues, the People & Governance Committee has been reframed as the People, Governance & Sustainability (PGS) Committee and is chaired by the Chair of Imperial Brands. The PGS Committee receives direct reports from two key Executive Committees: the Group ESG Committee and the Group Ethics and Compliance Committee, both chaired by our CEO. The PGS

Committee plays a key role in reviewing Imperial's ESG and ethics and compliance practices and how risks in these areas are managed.

The ESG Committee is responsible for overseeing, advising and guiding the implementation of our People and Planet agenda. It monitors the Company's progress on ESG commitments and objectives, ensuring that sufficient resources are allocated to achieve these goals.

There are a number of operational working groups that address each of the ESG priority topics and relevant updates from these groups are reported to the ESG Committee.

"While we face many challenges, overall, we are meeting our commitments and demonstrating a consistent track record in ESG performance. The transformation in our performance culture and engagement of the workforce has helped to drive this progress. However, we recognise there is more work to do for us to deliver our ESG agenda."

Tony Dunnage,
Global ESG Director

ESG SPONSOR

ALIGNED TO EXECUTIVE REMIT

Deborah Binks-Moore
Chief Corporate Affairs Officer

Paola Pocci
Chief Consumer Officer

Priyali Kamath
President, Africa, Asia, Australasia, and Central & Eastern Europe (AAACE) Region

Lukas Paravicini
Chief Financial Officer

Javier Huerta
Chief Supply Chain Officer

Kevin Massie
General Counsel

Javier Huerta
Chief Supply Chain Officer

Kim Reed
President and CEO, Americas Region

Priyali Kamath
President, Africa, Asia, Australasia, and Central & Eastern Europe (AAACE) Region

Aleš Struminský
President, Europe Region

Javier Huerta
Chief Supply Chain Officer

Paola Pocci
Chief Consumer Officer

Kevin Massie
General Counsel

Javier Huerta
Chief Supply Chain Officer

Aleš Struminský
President, Europe Region

Murray McGowan
Chief Strategy and Development Officer

Alison Clarke
Chief People and Culture Officer

ESG Committee Chair
Stefan Bomhard,
Chief Executive Officer

ELT lead on ESG
Alison Clarke,
Chief People and Culture Officer

Global ESG Director
Tony Dunnage,
ESG Director

ELT Sponsors Key Responsibilities

Delivery of our ESG targets is supported by active engagement from our senior executives. Each priority area is sponsored by members of the Executive Leadership Team, who challenge strategy development, drive integration and show visibility from the top.

An ESG executive sponsor forum convenes three times a year to identify synergies, share best practice and develop future strategy

OUR ESG APPROACH SUPPORTS OUR STRATEGY, PURPOSE AND VISION

Board and senior management are highly engaged with our ESG agenda



OUR PEOPLE & PLANET AMBITION

HEALTHIER FUTURES



POSITIVE CONTRIBUTION TO SOCIETY



SAFE & INCLUSIVE WORKPLACE



POWERED BY RESPONSIBILITY



CONSUMER HEALTH

We are committed to strengthening our next generation products (NGP) and making a more meaningful contribution to harm reduction by offering adult smokers a range of potentially less harmful products.

OUR PLAN:

Provide adult smokers with access to potentially harm reduced products.
Continue to substantiate the harm reduction potential of all NGP through our Scientific Assessment Framework (SAF).
Build upon strategies to prevent unintended use of our products.



CLIMATE CHANGE

We are committed to reducing our impact on the climate throughout our value chain. Focusing on both mitigation and adaptation.

OUR PLAN:

By 2040 our value chain will be Net Zero emissions (Scope 1,2,3).
By 2030, 100% of energy for our operations will be from renewable sources and we will also reduce energy use by *25%, allowing us to achieve Net Zero in our direct operations.
By 2025, 100% of our purchased grid electricity will come from traceable renewable sources.



PACKAGING & WASTE

We are committed to minimising waste associated with our products, packaging and production processes.

OUR PLAN:

By 2025 our operations will send zero waste to landfill.
100% of our packaging will be reusable, recyclable or compostable (EU & UK) by 2025.
Reduce total waste from our operations *20% by 2030.

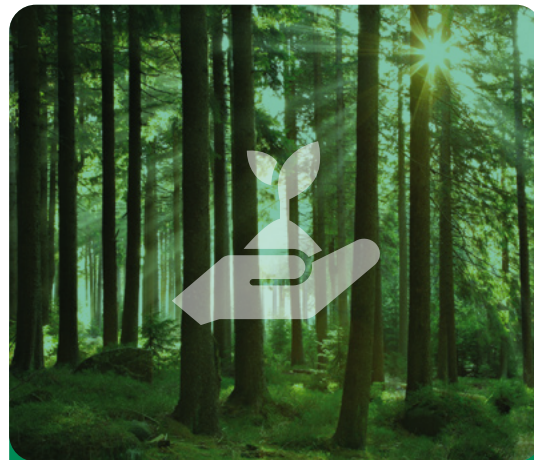


FARMER LIVELIHOODS & WELFARE

We are committed to engaging with our suppliers to support and develop farming communities and promote sustainable agriculture.

OUR PLAN:

We require our leaf suppliers to express a commitment to supporting their farmers access a decent standard of living.
Supporting suppliers and their farmers to access sustainable wood for tobacco curing fuel by 2025.
Support suppliers to improve access to basic needs for 180,000 farmers and their families in each of three project categories by 2023.



SUSTAINABLE & RESPONSIBLE SOURCING

We are committed to sourcing products and services in a compliant, sustainable and socially conscious manner. We will work with our suppliers to ensure continuous improvements.

OUR PLAN:

Continue to use the CDP Supply Chain Programme alongside our internal Supplier Relationship Management (SRM) Connect to improve the collection, quality, and robustness of Scope 3 data. Seek collaboration opportunities with partner suppliers to effectively reduce our Scope 3 emissions.
Integrate the use of SEDEX and SMETA audits into our procurement process to drive continuous improvement.



HUMAN RIGHTS

We are committed to raising awareness and improving processes in our operations and supply chains recognising the importance, influence and role we have in promoting and protecting human rights.

OUR PLAN:

Implement Human Rights Leading Indicators (HRLI) across our factory sites and main offices.
Continue to increase human rights awareness across the business.
Align our due diligence process to the EU Corporate Sustainability Due Diligence Directive (CSDDD).



EMPLOYEE HEALTH, SAFETY & WELLBEING

We are committed to achieving world-class occupational health, safety and wellbeing for all our employees.

OUR PLAN:

A "Zero" injury aspiration.
100% compliance with OHSE Framework by 2025.
**75% reduction in Lost Time Accident (LTA) rate by 2030.
**60% reduction in fleet collision rate by 2025.
Enable local sites to tailor initiatives addressing local wellbeing needs.



DIVERSITY, EQUITY & INCLUSION

We are committed to creating a truly diverse and inclusive organisation renowned for celebrating difference, enabling our people to feel that they belong and be their authentic selves.

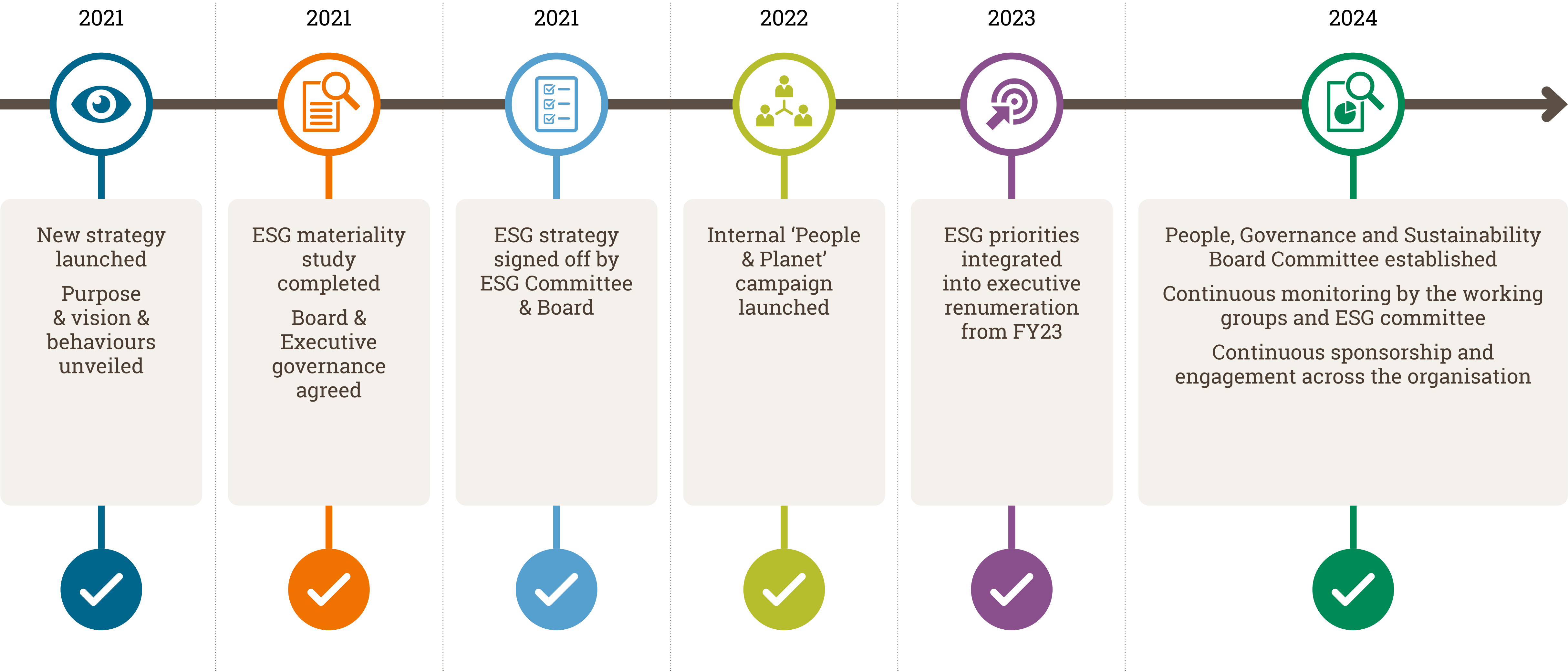
We will respect, recognise and value the diversity of our consumers and reflect the communities in which we operate.

OUR PLAN:

Continue to raise awareness and accountability for DEI.
Capture data through the global employee-self identification campaign to measure progress we are making in various DEI metrics.
Improve gender balance in senior management.

DEVELOPED THROUGH A COMPREHENSIVE REVIEW

ESG fully integrated into strategy, vision, purpose and behaviours



POWERED BY RESPONSIBILITY

REFRESHED ALL OUR POLICIES ACROSS THE KEY AREAS



Code of Conduct

Our Code of Conduct sets out the responsible behaviours we expect from employees in their dealings with colleagues, customers, consumers, suppliers, agents, intermediaries, advisers, governments and competitors.



Supplier Code of Conduct

We expect our suppliers to conduct their business in an ethical and responsible manner and comply with all applicable laws and regulations. Our Supplier Code, based on our Code of Conduct, sets out the behaviours we expect our suppliers to demonstrate.



Speaking Up Policy

We expect all our employees and business partners to act with integrity in accordance with the standards of behaviour described in our Code of Conduct, and we enable reporting of concerns in a safe manner.



Group Human Rights Policy

We are committed to respecting the human rights of our people throughout our operations, and we expect our suppliers and business partners to do the same.



Group Health, Safety and Wellbeing Policy

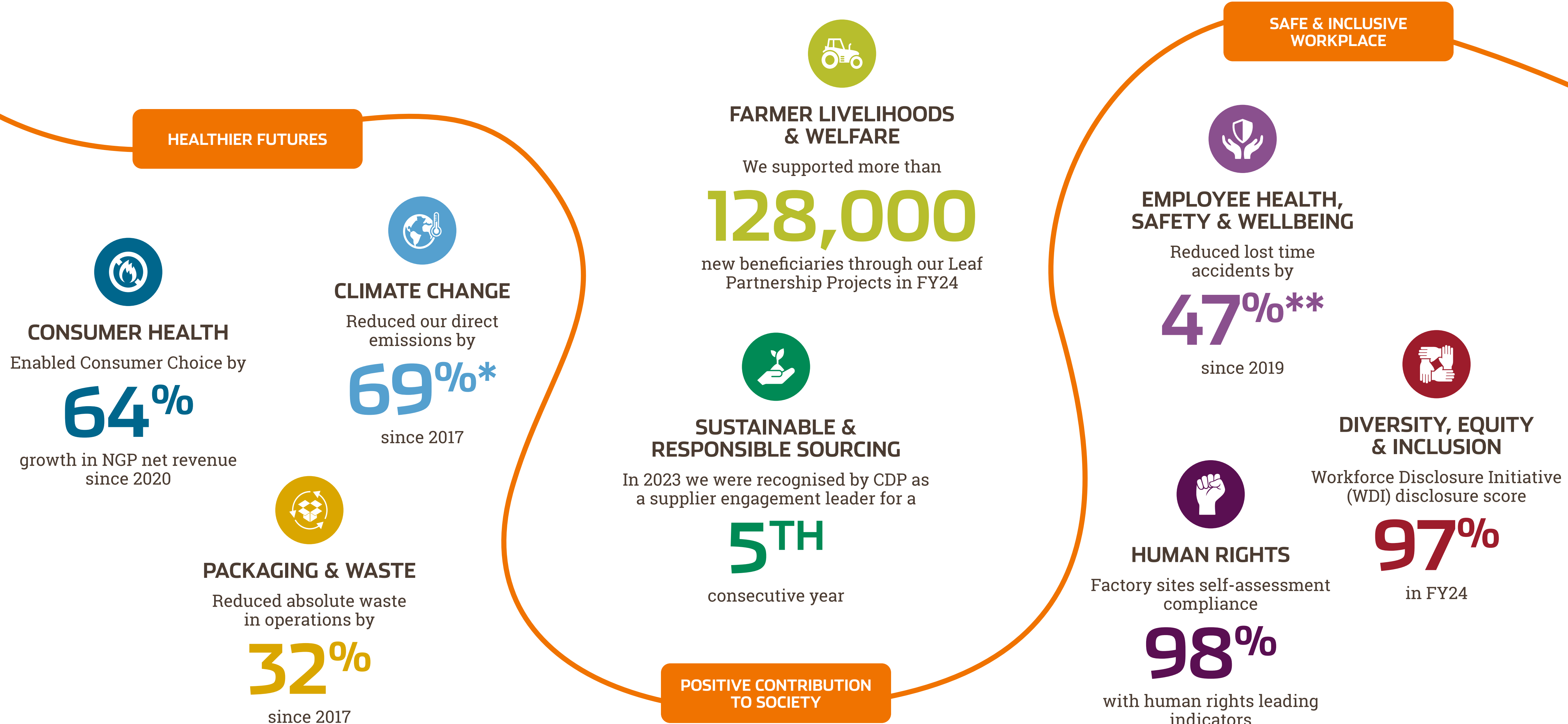
We want to achieve world class Occupational Health, Safety, and Wellbeing (OHSW) standards throughout our global operations, and everyone at Imperial Brands has a role to play in making this happen.



IMPERIAL BRANDS IN NUMBERS



ESG PERFORMANCE HIGHLIGHTS



* Scope 1 and Scope 2 market-based emissions (CO2 equivalent tonnes)
** Absolute number of lost time accidents.



CONSUMER HEALTH

We are committed to strengthening our next generation products (NGP) to make a more meaningful contribution to harm reduction by offering adult smokers a range of potentially less harmful products.

SDGs



We are committed to tobacco harm reduction.

BEHAVIOURS:



Start with the Consumer

Imperial Brands continues to transform, driven by consumer-centric science and innovation and a commitment to make a meaningful contribution to tobacco harm reduction (THR) through our portfolio of NGP.

Access to choice

Focusing on consumer choice, we now sell NGP in 24 countries and offer potentially harm reduced cigarette alternatives to over 200 million adult smokers and adult nicotine users.

Last year we upscaled our heated, vape and oral nicotine delivery (OND) propositions within existing market footprints.

Our blu vaping portfolio expanded with new formats like blu bar kit and blu bar box, while we continued to responsibly launch new NGP flavours in markets without flavour restrictions.

Aligned with our challenger approach, we also entered the rapidly expanding US tobacco-free oral nicotine pouch market with Zone.

iSenzia – our new tobacco-free heated herbal product – was also launched in several markets.

Scientific substantiation

We continue to substantiate the harm reduction potential of all our NGP relative to cigarettes through our multi-discipline scientific assessment framework.

Last year, for instance, we undertook in-market observational studies focusing on providing adult smokers – with no intention to quit – with our heated and vaping propositions.

The studies investigated how adult smokers use our products over time to reduce their smoking or quit cigarettes entirely.

In the Czech Republic, we conducted a study of 300 smokers with no intention to quit and introduced them to our heated products. By the end of the study, half of the consumers had completely switched or cut smoking by at least 50%.

A similar study conducted in the UK, where adult smokers were offered our blu vapes, we found that one in three had halved their smoking in just three weeks. By week six, up to 40% had either completely switched or cut their cigarette consumption.

Imperial Brands’ continuing contribution to the wider body of academic research around NGP includes publishing 31 peer-reviewed papers and presenting 24 scientific posters at conferences over the last five years.

Unintended use prevention

We share concerns that the continuing irresponsible marketing and retailing of NGP – and a concerning rise in illicit products – are undermining trust in the category’s public health potential.

To address key issues like these, we have accelerated external engagement, education and communication. Over the last year we have:

- Enhanced our contribution to the external debates around NGP (like the importance of flavours and nicotine misperceptions) through both hosting and participating in THR-themed events in Brussels, Miami, Dubai, Warsaw and Athens.
- Successfully piloted an internal sales force and external retailer/trade-focused education programme to upskill their THR and NGP knowledge to build grassroots capability and advocacy through our internal Science Academy.

We continue to engage extensively with regulators and public health bodies across the world to advocate for balanced regulation, which offers adult smokers a range of effective alternatives to cigarettes while minimising unintended use.

Our commitment to responsible marketing and sale of our NGP and combustible tobacco products is summarised by our Marketing Principles and underpinned by a strict group-wide International Marketing Standard for NGP.



Marketing Principles

1. We only engage with adult consumers of tobacco and nicotine products.
2. Our marketing is honest and transparent.
3. We give our consumers the information they need to make informed choices.
4. We will never encourage people to start smoking or non-smokers to use recreational nicotine products, and never discourage consumers of our products from quitting.
5. We comply with the local laws, codes of practice and voluntary agreements which govern the advertising, promotion, and sale of our products.

Governance

Governance bodies:

- Consumer Health Working Group
- Product Stewardship and Health Group (PSHG)
- Non-Financial Reporting Steering Group

Key policies:

- International Marketing Standards
- NGP Policy Positions

ELT Sponsors:

Deborah Binks-Moore
Chief Corporate Affairs Officer

Paola Pocci
Chief Consumer Officer

Priyali Kamath
President, Africa, Asia, Australasia, and Central & Eastern Europe (AAACE) Region



Our challenger approach to Consumer Health

Start with the consumer

A data-driven approach informed by a deep understanding of consumers and our markets

Provide consumer choice

Our role is to provide consumer choice in existing markets

Meeting untapped consumer needs

We seek to build differentiated challenger brands that meet untapped consumer needs

Scientific validation

We validate our potentially reduced risk product offers through rigorous scientific validation

Key Impact, Risk and Opportunity

Impact:

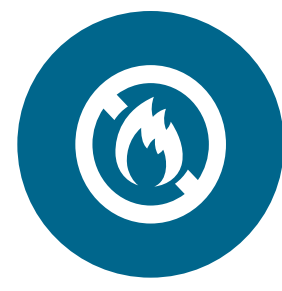
Our quality management system and continuous improvement initiatives enhance product safety and quality, benefiting consumers globally.

Risk:

Risks relating to obtaining the appropriate regulatory approval to market our products resulting in the inability to sell such products.

Opportunity:

Proactively investing in robust quality control and product safety measures could enhance brand reputation, customer and consumer trust, and long-term profitability and social impact.



CONSUMER HEALTH

We are committed to strengthening our next generation products (NGP) to make a more meaningful contribution to harm reduction by offering adult smokers a range of potentially less harmful products.

SDGs



We are committed to tobacco harm reduction.

BEHAVIOURS:



Start with the Consumer

To aid understanding of the harm reduction potential of NGP relative to cigarettes, we have developed the relative risk scale (below). It helps demonstrate the crucial distinction between high-risk cigarettes and other, potentially reduced harm nicotine-containing products that do not involve tobacco combustion.

THE RELATIVE RISK SCALE

An illustrative representation of the current scientific evidence:



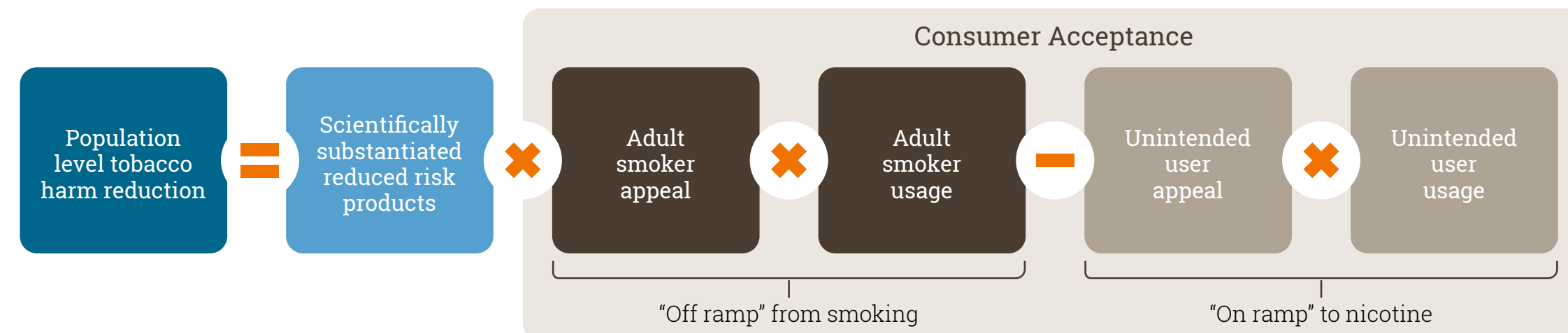
Consumer choice and harm reduction

The best health-related outcome is for adult smokers not to smoke or use any tobacco or nicotine product. The next best is transitioning adult smokers to potentially reduced harm NGP.

As a consumer-centric organisation, we are confident that by increasing NGP choice and improving product experiences through continued innovation that meets consumers' evolving needs, we can help increase adult smoker switching rates.



Consumer choice must be provided responsibly



Consumer acceptance and satisfaction are essential to help enable harm reduction.

Switching adult smokers to potentially reduced harm nicotine products is known as 'off-ramping'. We are

conscious of society's concerns around use of these products, especially by youth. This unintended usage is often described as 'on-ramping'.

At a population level, harm reduction can only be achieved if the 'off-ramp'

substantially outweighs the risk of 'on-ramping', which we are committed to helping minimise or eliminate.

As a responsible manufacturer, all our products are aimed at existing adult smokers and nicotine consumers only.



Case Study Behavioural study in the Czech Republic

We conducted a behavioural study using our heated tobacco system, PULZE & iD, in the Czech Republic. We recruited 332 adult smokers, all of whom initially expressed no intention to quit. Each participant received a free PULZE device along with a variety of iD sticks in different flavours.

For 6 weeks, we recorded:

1. Their daily number of cigarettes smoked.
2. Number of iD sticks consumed per flavour.
3. Any other usage of tobacco/nicotine products, or nicotine cessation medication.

At week 6, we noted:

1. Reductions in smoking after participants began using PULZE and iD, with a drop of more than 35% observed in the first week of the study.
2. 16% of participants had completely switched to using PULZE and iD.
3. The importance of flavours, with fruit-flavoured iD sticks accounting for over 40% of sticks consumed.
4. 87% of participants expressed a positive intention to buy iD sticks within the next 30 days with their own money.

Following up with participants at 24 weeks to see how they were getting on, we learned that over 31% of participants had not smoked any cigarettes within the past 7 days.

These results demonstrate PULZE and iD's potential in helping adult smokers – even those with no intention to quit – to either substantially reduce, or completely stop, using cigarettes.

Source: Russell et al., 2024 (internal data, to be published)

*FY24 NGP net revenue was £329 million and has been independently assured by Ernst & Young LLP (EY) under the limited assurance requirements of the ISAE 3000 standard. EY's Assurance Opinion is available on our website.



CLIMATE CHANGE

We are committed to reducing our impact on the climate throughout our value chain, focusing on both mitigation and adaptation.

SDGs



Ensure access to affordable, reliable, sustainable, and modern energy for all.



Take urgent action to combat climate change and its impacts.

BEHAVIOURS:



Build our Future

Climate change is a key priority for our stakeholders, and it is also a critical business concern that has the potential to directly impact financial performance and risk management.

Relevant risks and opportunities are disclosed in our Task Force on Climate-related Financial Disclosures (TCFD) section in our 2024 Annual Report and through our CDP disclosures which are available on the CDP website.

We are committed to addressing our climate change impact, aiming to be fully Net Zero by 2040. This long-term goal involves eliminating our net greenhouse gas (GHG) emissions, not only within our business operations but also throughout our entire supply chain.

We have also set two key intermediate goals for 2030.

- 1] To be Net Zero for our Scope 1 and 2 emissions.
- 2] To have reduced all our carbon emissions related to our business – that is Scope 1, 2 and 3 GHG emissions together – by 50% compared to the 2017 baseline year.

Delivering on our targets

During 2024, we made further progress reducing our direct emissions and can report a 69% reduction in our direct Scope 1 and 2 market-based emissions compared to the 2017 baseline year.

Most of these emissions reductions come from changes to manufacturing activities, where we take a data-led approach to improve operational efficiency. In the past year, we invested in a new global energy management system to continually collect usage data. This system has allowed us to map and compare our manufacturing energy usage across our footprint which is already providing specific, actionable insights. We are now building a general framework of leading environmental indicators and accompanying guidance, and over the next year, this will be introduced to all factory sites.

Carbon reduction through fleet management

Emissions from our global fleet of around 4,600 vehicles account for approximately 29% of Scope 1 emissions.

We are seeking energy efficiencies and a transition away from fossil fuel, while also being mindful of the need to improve the effectiveness of our sales force.

As we transition to lower carbon alternatives, we will take actions such as the introduction and expansion of electric vehicles where it makes practical sense, as well as the use of hybrid vehicles as part of our approach.

Progress on our indirect targets

Achieving our Net Zero goal by 2040 requires us to manage carbon reduction across our Scope 3 emissions, which account for more than 90% of our total carbon footprint.

Our strategy is to prioritise our large suppliers, those with high spend and emissions. We are working with these

suppliers to gain a more precise understanding of their most material emission sources.

We also encourage them to set science-based targets, improve disclosure and seek external validation of their emissions reduction plans.

Suppliers are being engaged both through the CDP Supply Chain Programme and our own internal Supplier Relationship Management (SRM) initiative known as SRM Connect. For additional details, please see page 27.

Within Scope 3, the Purchased Goods and Services category is the most material at 678,527 tonnes of CO₂e, accounting for approximately 63% of total carbon emissions. This year we have obtained independent assurance of this data. We have achieved our 2024 objective of ensuring that 50% of suppliers by spend in this category commit to science-based targets.

In FY25 we will explore how to add Net Zero clauses into our new contracts to reinforce our commitment to reducing emissions across our supply chain.

Governance

Governance bodies:

- Environmental Compliance Working Group
- Climate Change Engineering Forum
- Non-Financial Reporting Steering Group

Key policies:

- [Environment Policy](#)
- [Biodiversity Statement](#)

ELT Sponsors:

Lukas Paravicini
Chief Financial Officer



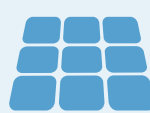
Our 5 step plan towards Net Zero



1. Undertake **Energy Efficiency** initiatives



2. Switch to **100% Renewable** grid electricity



3. Transition all other energy types to **Renewable Sources**



4. Achieve **Net Zero** in our operations



5. Become **Climate Positive**, which means saving more greenhouse gas emissions than we are generating

Key Impact, Risk and Opportunity

Impact:

Lack of primary data and complex supply chain hinder accurate Scope 3 emissions reporting, challenging comprehensive decarbonisation efforts.

Risk:

Risks relating to the impacts of climate change and compliance with environmental standards or legislation, resulting in reputational damage, legal censure or long-term inability to source materials.

Opportunity:

Investing in energy efficiency, renewable energy, and sustainable logistics can drive cost savings, enhance brand reputation, and position the business for a low-carbon future.



CLIMATE CHANGE

We are committed to reducing our impact on the climate throughout our value chain, focusing on both mitigation and adaptation.

BEHAVIOURS:



Build our Future

SDGs



Ensure access to affordable, reliable, sustainable, and modern energy for all.



Take urgent action to combat climate change and its impacts.

GHG emissions across our value chain in 2024 (% tCO₂e)

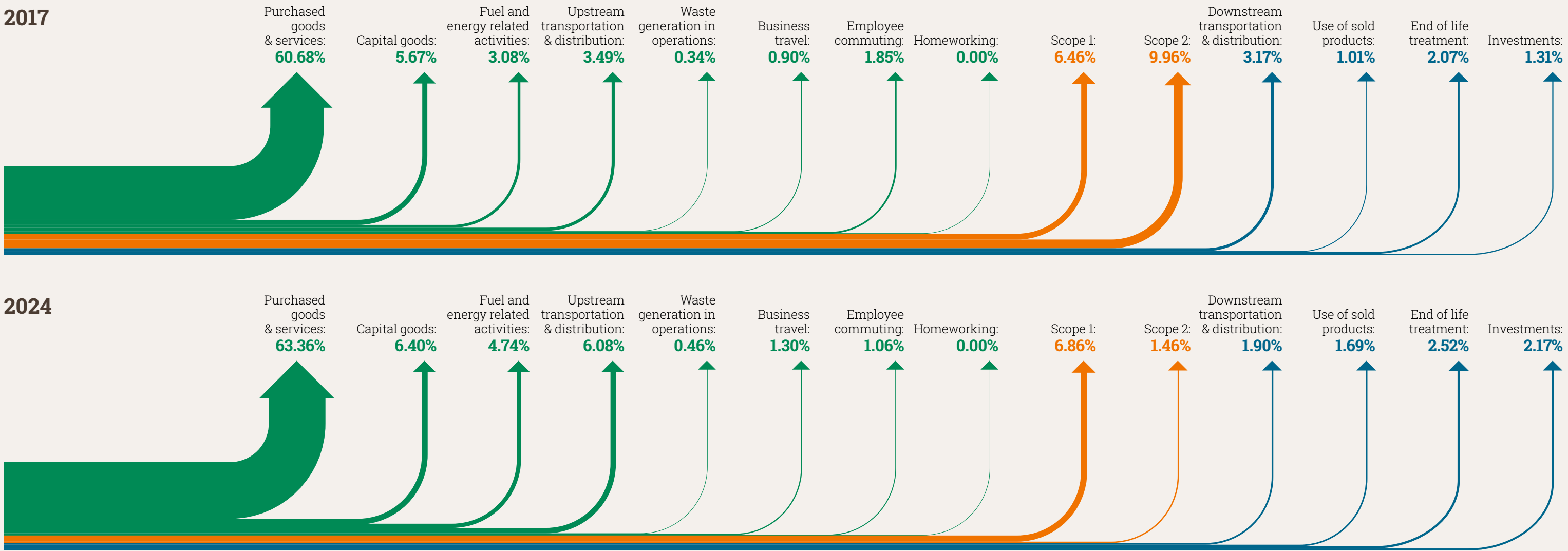
Scope 1: 6.86%
Scope 2: 1.46%
Scope 3: 91.68%

Scope 1: Emissions that arise from stationary fuel combustion at our sites, refrigerant gases and from mobile fuel consumption in our fleet of Company sales vehicles.

Scope 2: Indirect emissions which arise from the use of purchased electricity, heat and steam at our sites.

Scope 3: All other indirect emissions occurring in the value chain as a result of our activities.

● **Our Supply Chain:** Upstream Scope 3 emissions: 2017: **76.02%** 2024: **83.40%**
● **Our Operations:** Direct Scope 1 & 2 emissions: 2017: **16.42%** 2024: **8.32%**
● **Our Products:** Downstream Scope 3 emissions: 2017: **7.56%** 2024: **8.28%**



Scope 1 & 2:

We have made significant progress in reducing our Scope 1 and Scope 2 emissions, achieving a 69% reduction since 2017. Our decarbonization efforts focus on energy efficiency, supported by declining operational volumes. We are committed to energy conservation and have a team of Zero Heroes to champion various initiatives.

As we approach our 2030 target for Scope 2 emissions, our focus is shifting to Scope 1 emissions. With a Net Zero factory and successful projects as our foundation, we are on track to meet our goals, collaborating with our 20,000 employees to find innovative solutions.

Scope 3:

We are committed to reducing our Scope 3 emissions by 50% by 2030. We have taken a two-pronged approach focusing on emissions calculation methodology and supplier engagement. In FY24, we updated our Scope 3 calculation methodology for Scope 3 category 1: Purchased Goods and Services, which accounts for approximately 63% of our total carbon footprint and is our most material Scope 3 category. As a result we have restated our 2017 baseline year based on this new calculation methodology.

Our approach includes a focus on the most material Scope 3 categories and prioritising engagement with our largest suppliers to gather detailed data. This engagement occurs through various channels, including the CDP supply chain programme our own Supplier

Relationship Management Programme called SRM connect, and through direct conversations with suppliers to ensure we have a comprehensive understanding of our emissions.

Approximately 80% of our spending is with around 100 suppliers, primarily in the Purchased Goods and Services category. We are committed to ensuring the accuracy of our emissions and in FY24 we sought independent assurance of the calculation methodology for this category.

We collaborate closely with suppliers to understand the impact of our supply chain and its emissions. In 2024, we expanded our invitations to the CDP Supply Chain Programme to 249 suppliers, enhancing our coverage. We plan to enhance data capture by obtaining more detailed activity-level information directly from suppliers. All our

global tobacco and packaging suppliers have been invited to join the CDP supply chain initiative, and we will also address other significant categories like Capital Goods and Upstream Transportation and Distribution.

As we refine our data approach, we will transition from spend-based to revenue-allocated and activity data, ensuring supplier alignment with our material categories. Our goal is full decarbonisation of our value chain by 2040, focusing on improving data quality and transparency.

We will engage suppliers in achieving Net Zero by introducing contractual clauses and utilising tools like our SRM Connect to identify initiatives with suppliers to reduce emissions. We plan to develop KPIs and incentives, including an internal carbon price, to enhance our decarbonisation efforts.

Please see our Net Zero Transition Plan for more detail



CLIMATE CHANGE: TARGETS & PROGRESS

We are committed to reducing our impact on the climate throughout our value chain, focusing on both mitigation and adaptation.

BEHAVIOURS:



Build our
Future

SDGs



Ensure access to affordable, reliable, sustainable, and modern energy for all.



Take urgent action to combat climate change and its impacts.

Intermediate Targets

2025 100% grid electricity from traceable renewable sources

2025 Reduce Scope 1 and 2 market-based emissions by 50%

2030 100% energy from renewables

2030 Reduce total energy consumption by 25%

2024 Progress from 2017 base year

97% grid electricity from renewable traceable sources

69% reduction in Scope 1 & 2 market-based emissions

42% from renewable energy sources

32% reduction in energy consumption



Our actions to cut emissions and mitigate climate risks have earned us a position on the CDP's A List for climate change, for a fifth consecutive year. Our 2023 CDP scorecard is available on our website [Performance page](#).



2024 Climate Leader:

Imperial has been recognised as a 2024 Climate Leader by the Financial Times for a fourth consecutive year, in its ranking of actions taken by European businesses.



100% OF OUR PURCHASED GRID ELECTRICITY
will come from traceable renewable sources

Reduce absolute Scope 1 and 2 GHG emissions by
50%



100% OF THE ENERGY SOURCED
for our operations from renewable sources

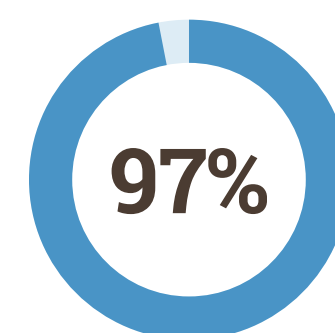
BE NET ZERO
in our direct operations
(Scope 1 and 2 GHG emissions)

REDUCE:
Absolute Scope 3 emissions by 50%
Energy consumption by 25%

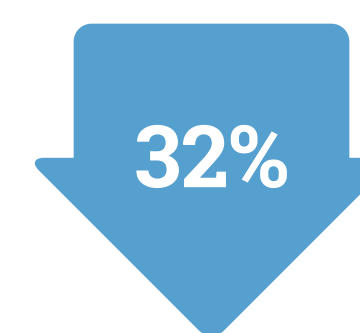


OUR VALUE CHAIN WILL BE NET ZERO EMISSIONS
(absolute Scope 1, 2 and 3 GHG emissions)

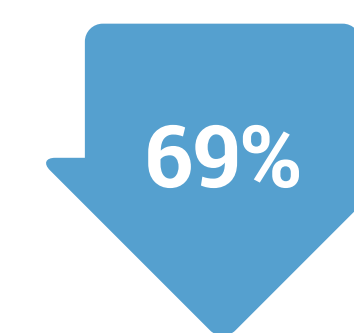
PERFORMANCE



97% of our purchased grid electricity was supplied by traceable renewable source, in 2024



32% reduction in energy consumption compared to the 2017 baseline year



69% decrease in total Scope 1 and 2 market-based emissions compared to the 2017 baseline year



CLIMATE CHANGE: PERFORMANCE

Performance Indicator	Unit	2017	2022	2023	2024	Progress	Commentary
Operations with ISO 14001 certification	%	92	83	82	86	<div></div>	The increase seen in 2024 is driven by our Congo Factory obtaining certification this year, supporting our aim to increase ISO certification across our manufacturing sites.
Absolute energy consumption ¹	GWh	875	712	650	595 ^A	<div></div>	We set a target to reduce our absolute energy consumption by 25% by 2030 versus a 2017 baseline. We achieved a 32% decrease in energy consumption compared to the base year driven by both production reductions and energy efficiency initiatives. We exceeded the target and will set a new target subject to ESG Committee approval.
Relative energy consumption ¹	kWh/£m net revenue	112,801	91,364	81,128	72,943 ^A	<div></div>	
Electricity from purchased renewable sources ¹	%	8	52	96	97 ^A	<div></div>	Where possible we purchase Renewable Energy Certificates (RECs) from within the same market boundary as electricity is being consumed. In markets where RECs are not available within the same market boundary, we purchase from a nearby geographical location. We are regularly reviewing this with the intention to purchase from within the same market boundary once a source becomes available. The remaining 3% of non-renewable grid electricity is accounted for by our Taiwan factory, and is planned to be addressed in 2025, supporting our 2025 goal to reach 100% renewable purchased grid electricity.
Energy from renewable sources ¹	%	4*	22*	40*	42 ^A	<div></div>	In FY24, 42% of our energy was from renewable sources. This is mainly driven by the use of renewable electricity with our RECs scheme. We have set a target to use 100% renewable energy by 2030. We have restated our baseline and previous years' data, as we have clarified the source of heat and steam in our factory in Türkiye is not from renewable sources.
Absolute Scope 1 CO ₂ e emissions ¹	Tonnes	114,270	91,007	81,089	73,437 ^A	<div></div>	Our Scope 1 emissions arise from stationary fuel combustion at our sites, refrigerant gases, and mobile fuel combustion in our fleet of Company sales vehicles. We have seen a 9% decrease in Scope 1 emissions since last year and a 36% reduction from our 2017 baseline year. Our focus now is on finding solutions to reduce emissions from our our natural gas consumption and global fleet vehicles which account for around 50% and 30% of our Scope 1 emissions respectively.
Absolute Scope 2 CO ₂ e location-based emissions ¹	Tonnes	161,360	131,236	114,059	108,470 ^A	<div></div>	Our Scope 2 location-based emissions comprise the indirect emissions resulting from the use of purchased electricity, heat and steam at our sites. We have seen a 5% decrease in Scope 2 location-based emissions since last year and a 33% reduction from our 2017 baseline year, driven by national grid changes, and by energy efficiency projects.
Absolute Scope 2 CO ₂ e market-based emissions ¹	Tonnes	176,176*	85,829*	20,326*	15,683 ^A	<div></div>	We report Scope 2 location-based and market-based emissions according to the GHG Protocol Scope 2 Guidance (2015) and CDP guidance. We have seen a 23% reduction in Scope 2 market-based emissions compared to last year and a 91% decrease compared to the 2017 baseline year. This significant reduction in Scope 2 market-based emissions reflects the increase in our use of electricity purchased from traceable renewable sources. We have restated our baseline and previous years' data, as we have clarified the source of heat and steam in our factory in Türkiye is not from renewable sources.
Total absolute Scope 1 and 2 location-based CO ₂ e emissions ¹	Tonnes	275,630	222,243	195,148	181,907 ^A	<div></div>	We have seen a 34% decrease in our total Scope 1 and 2 location-based emissions from our 2017 baseline. Our target is to be at Net Zero in our direct operations by 2030.
Relative Scope 1 and 2 location-based CO ₂ e emissions ¹	Tonnes/£m net revenue	35.5	28.5	24.4	22.3 ^A	<div></div>	We have also set a Scope 3 target to be Net Zero by 2040.
Total absolute Scope 1 and 2 market-based CO ₂ e emissions ¹	Tonnes	290,446*	176,836*	101,415*	89,120 ^A	<div></div>	We have seen a 69% decrease in our total Scope 1 and Scope 2 market-based emissions from our 2017 baseline year. This has been driven by our increased use of electricity purchased from traceable renewable sources. Due to the correction in emissions relating to the source of heat and steam in our factory in Türkiye, we have restated our baseline year, and previous years data for our Scope 2 market-based emissions.
Relative Scope 1 and 2 market-based CO ₂ e emissions ¹	Tonnes/£m net revenue	37.44*	22.69*	12.66*	10.93 ^A	<div></div>	

Progress on track Focus required to accelerate progress Intervention required to accelerate progress

(A) Select 2024 data has been independently assured by Ernst & Young LLP (EY) under the limited assurance requirements of the ISAE 3000 standard. EY Assurance Opinion is available on our website. Our reporting scope and definitions are detailed in the Reporting Criteria document published on our website.
1. Our 2024 environmental data covers the reporting period Q4 2023 to Q3 2024. This is to allow for data collection, validation and external assurance. We use the industry leading Greenhouse Gases (GHG) Protocol standard to inform our reporting of Scope 1 and 2 emissions.
* Baseline and previous years have been restated due to the correction in Scope 2 market-based emissions relating to the source of heat and steam in our factory in Türkiye.



CLIMATE CHANGE: PERFORMANCE

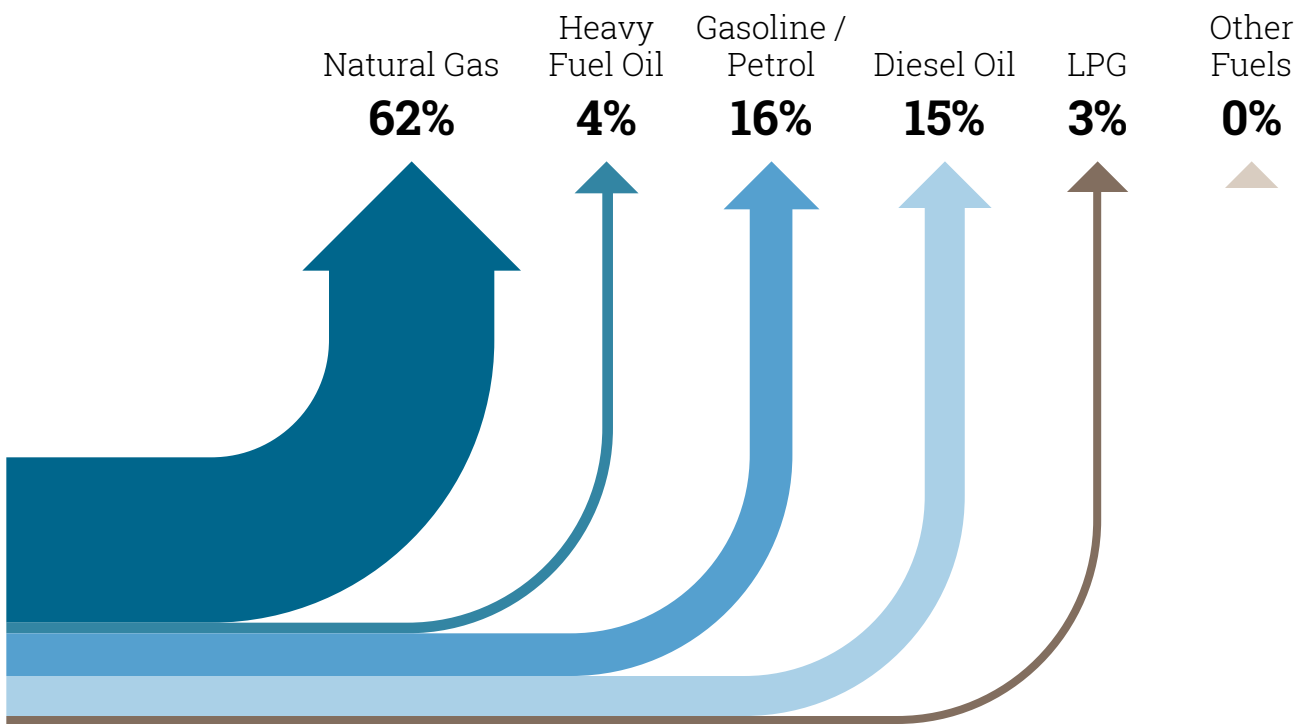
Performance Indicator	Unit	2017	2022	2023	2024	Progress	Commentary
Total Scope 3 CO ₂ e emissions ¹	Tonnes	1,478,494*	–	–	981,703	●	In FY24, we updated our Scope 3 calculation methodology for Scope 3 category 1: Purchased Goods and Services, which accounts for approximately 63% of our total carbon footprint and is our most material Scope 3 category. As a result we have restated our 2017 baseline year* based on this new calculation methodology. We have seen a 34% decrease in total Scope 3 emissions compared to the 2017 baseline year. We have set a more ambitious target to reduce our Scope 3 emissions by 50% by 2030.
Scope 3 CO ₂ e emissions: Purchased Goods and Services ¹	Tonnes	1,073,384	–	–	678,527 ^A	●	Within Scope 3, the Purchased Goods and Services category is the most material accounting for approximately 63% of total carbon emissions. This year we have obtained independent assurance of this data, and restated the baseline year.
Key suppliers by spend with science-based targets	%	–	25	33	50	●	We have achieved our 2024 objective of ensuring that 50% of suppliers by spend in this category commit to science-based targets.
Absolute water consumption ¹	m ³	1,468,626	1,056,982	999,214	903,475 ^A	●	We set a target to reduce our absolute water consumption by 30% by 2030 versus a 2017 baseline. In FY24 we achieved a 38% reduction, exceeding the target, and we will set a new target subject to ESG Committee approval. Our farms in Madagascar are excluded from this metric. In FY24, we installed several meters to accurately monitor water consumption and are currently in a validation phase, aiming to report results in FY25.
Relative water consumption ¹	m ³ /£m net revenue	189	136	125	111 ^A		

● Progress on track ● Focus required to accelerate progress ● Intervention required to accelerate progress

The charts below offer a breakdown of our total energy consumption in FY24, categorised by energy type, since our baseline year. Looking ahead, our strategic focus will center on direct energy sources, building upon the substantial progress we have achieved in decarbonising indirect energy sources.

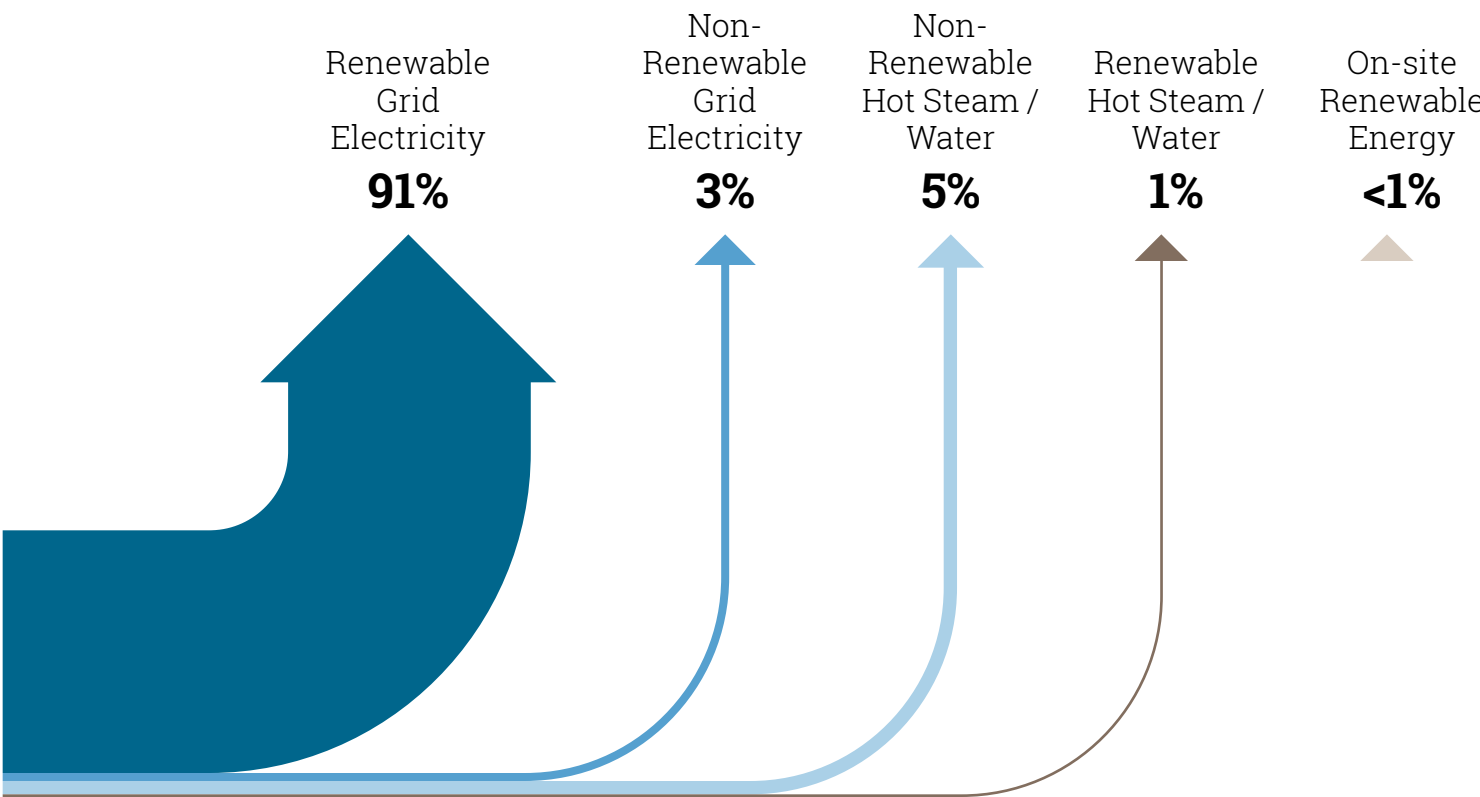
Direct Energy Consumption by Source GWh (%)

GRI Standard 302-1



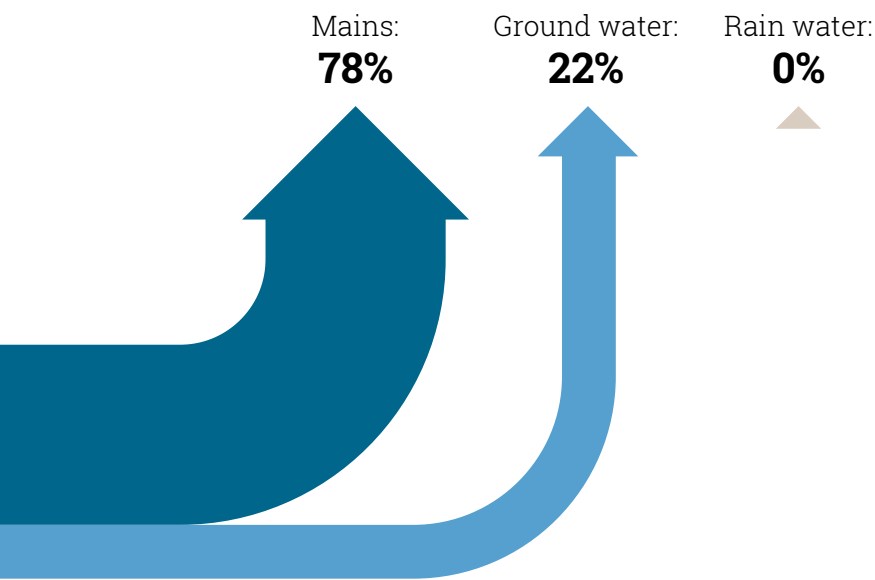
Indirect Energy Consumption by Source GWh (%)

GRI Standard 302-2



Water consumption by withdrawal source (m³)

GRI Standard 303-3



The chart on the left focuses on our water consumption, emphasising its significance within our broader climate change program. Water conservation remains a key priority for our organisation, and we are committed to continually reducing our consumption.

	Unit	2017	2022	2023	2024
Mains	m ³	1,187,229	809,551	767,607	705,418
Ground Water	m ³	278,566	240,244	229,249	196,006
Rain Water	m ³	2,832	2,010	2,358	2,051
Total	m ³	1,468,626	1,051,805	999,214	903,475

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1. Our 2024 environmental data covers the reporting period Q4 2023 to Q3 2024. This is to allow for data collection, validation and external assurance. We use the industry leading Greenhouse Gases (GHG) Protocol standard to inform our reporting of Scope 1, Scope 2 and Scope 3 emissions.
* Restated baseline as a result of updated Scope 3 calculation methodology.



PACKAGING & WASTE

We are committed to minimising waste associated with products, packaging and production processes.

BEHAVIOURS:



Start with the Consumer

SDGs



We aim to ensure sustainable consumption and production patterns.

Governance

Governance bodies:

- Combustible Product Strategy Group
- Product Sustainability Forum
- Non-Financial Reporting Steering Group

Key policies:

- [Environment Policy](#)
- Filter Policy
- NGP Policies

ELT Sponsors:

Javier Huerta
Chief Supply
Chain Officer



Aleš Struminský
President,
Europe Region



We are dedicated to environmental compliance and actively reducing our environmental footprint. Our goal is to ensure all our packaging is reusable, recyclable or compostable and to minimise waste across our products, packaging and production processes.

The consumer is a central part of our strategy. And as consumer and government attention shifts towards sustainable manufacturing and recyclable packaging, we aim to efficiently use resources and minimise waste at its source.

Packaging commitments and innovation

Our research suggests that, while consumers prioritise product quality and are unwilling to compromise on this, they also highly value waste reduction. Working with third-party experts to assess the recyclability of our packaging, we developed new ways to create the same quality or better packaging where our existing packaging was not recyclable.

This underpins our target for all our EU and UK packaging to be reusable, recyclable or compostable by 2025. In FY24 based on third-party certifications, 94% of our packaging formats are now deemed recyclable.

We also set a target for all our products sold in the EU and UK to have an average packaging recycling recovery score of more than 80% by 2030. Based on the third-party packaging recyclability assessment for the volume of packaging from products sold in the year, we achieved in FY24 an average packaging recyclability score of 84% and exceeded the target.

Recent innovations include make-your-own cigarette buckets with reduced quantities of plastic, without compromising on consumer acceptance. In Spain, we introduced the industry's first roll-your-own tobacco pouch, featuring a food-grade recycled plastic content of 42%. We have also launched a snus can made from food-approved, bio-circular plastic.

Zero Waste ambition

In pursuit of our Zero Waste ambition, we established a goal to eliminate landfill waste from all our operations by 2025. We can report that since May 2024, we have sent zero waste to landfill from our manufacturing operations and main offices. Three sites in the Central African Republic, Mali and Ukraine are currently out of scope due to ongoing conflicts in these regions. Due to this and other challenges our focus is on maintaining this zero landfill status at our in-scope sites.

To support the next phase of our waste reduction programme, we have formed a global community of "Zero Heroes" dedicated to championing ongoing initiatives. We achieved our 20% waste reduction target ahead of time and will set a new target subject to approval by the ESG Committee.

Looking ahead our focus will be on eliminating or reducing waste at its source. Additionally, we will conduct detailed assessments of existing waste and its origins and develop strategies to prevent it.

Cigarette butts

We believe that, currently, the most effective approach to combating littering is through the partnership with other key stakeholders, such as tobacco manufacturers, government agencies, retailers and local communities, educating consumers on the importance of the proper disposal of used cigarette butts.

We participate in Extended Producer Responsibility schemes, both on a voluntary basis and to fulfil regulatory requirements under various legislation, including the EU Single-Use Plastics Directive. The costs of these can cover waste management, the clean-up of litter and consumer awareness-raising measures.

Meanwhile, we continue to search for alternative materials for our filters, most of which contain single-use plastics.

NGP waste

We are committed to enhancing the sustainability and recyclability of NGP materials and packaging.

To support our consumers with the responsible disposal of our blu products, "take-back" schemes for vaping devices and pods continue in some markets.

Our blu bar kit was developed to enable consumers to move from disposable products into pod systems. Whilst our current blu bar 1000 already had a removable battery, our new blu bar kit will enable consumers to have the same sensory experience but in a pod format, allowing them to keep the device and responsibly dispose of the pod only.



Case Study: Horizon Pack

In Spain, we launched our first recycled Roll-Your-Own (RYO) pack for our Horizon brand, marking an industry first. The new Horizon pack features 100% recycled wrap and 40% recycled pouch materials, resulting in a total of 42% recycled plastic content. These calculations are based on the ISCC Mass Balance Approach.

We collaborated closely with our suppliers and the local market, always keeping consumer needs in mind. Our research indicates that tobacco consumers desire more sustainable products but are not willing to compromise on quality, freshness, or safety.

Research conducted during the launch revealed:

- 63% of Horizon smokers were aware of the packaging change to recycled materials.
- 97% reported an increased perception of the brand's quality.
- 96% indicated a positive impact on their brand choice.

We are also developing similar concepts for our other leading RYO pouch formats.

Key Impact, Risk and Opportunity

Impact:

Operational waste reduction initiatives could generate financial savings through lower disposal, labor, and compliance costs while promoting sustainability.

Risk:

Failure to comply with emerging regulations on extended producer responsibility, single-use plastics, and recycled content requirements could lead to increased costs and legal liabilities.

Opportunity:

Developing sustainable product offerings, implementing circular economy initiatives, and partnering with suppliers can drive growth, enhance brand reputation, and reduce environmental impact.



PACKAGING & WASTE: TARGETS & PROGRESS

We are committed to minimising waste associated with products, packaging and production processes.

BEHAVIOURS:



Start with the Consumer

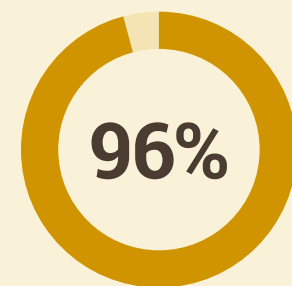
SDGs



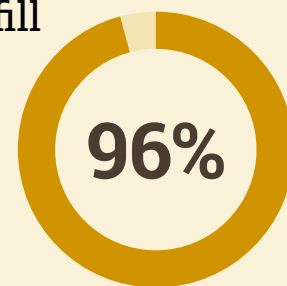
We aim to ensure sustainable consumption and production patterns.

Our progress in 2024

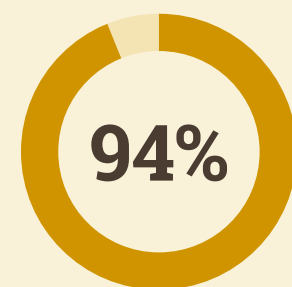
96% of all wood fibre in our packaging is from sustainable sources



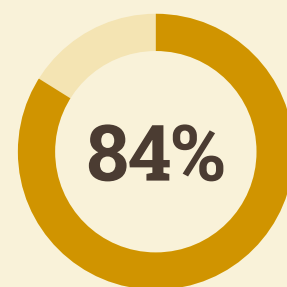
96% reduction in waste sent to landfill compared to 2017 baseline year



94% of our packaging material in the EU and the UK is reusable, recyclable or compostable



84% average packaging recycling score for products sold in the EU and UK



Send
ZERO WASTE
to landfill in our operations

Make
100%
of our packaging reusable, recyclable or compostable in EU and UK

Sustainably source
100%
of the wood fibre in our packaging



REDUCE
waste generated within our operations by

20%
Aim to have more than
80%
average packaging recycling score for products sold in the EU and UK

PERFORMANCE



96% reduction in waste sent to landfill compared to 2017 baseline year



32% reduction in waste across our operations compared to 2017 baseline year



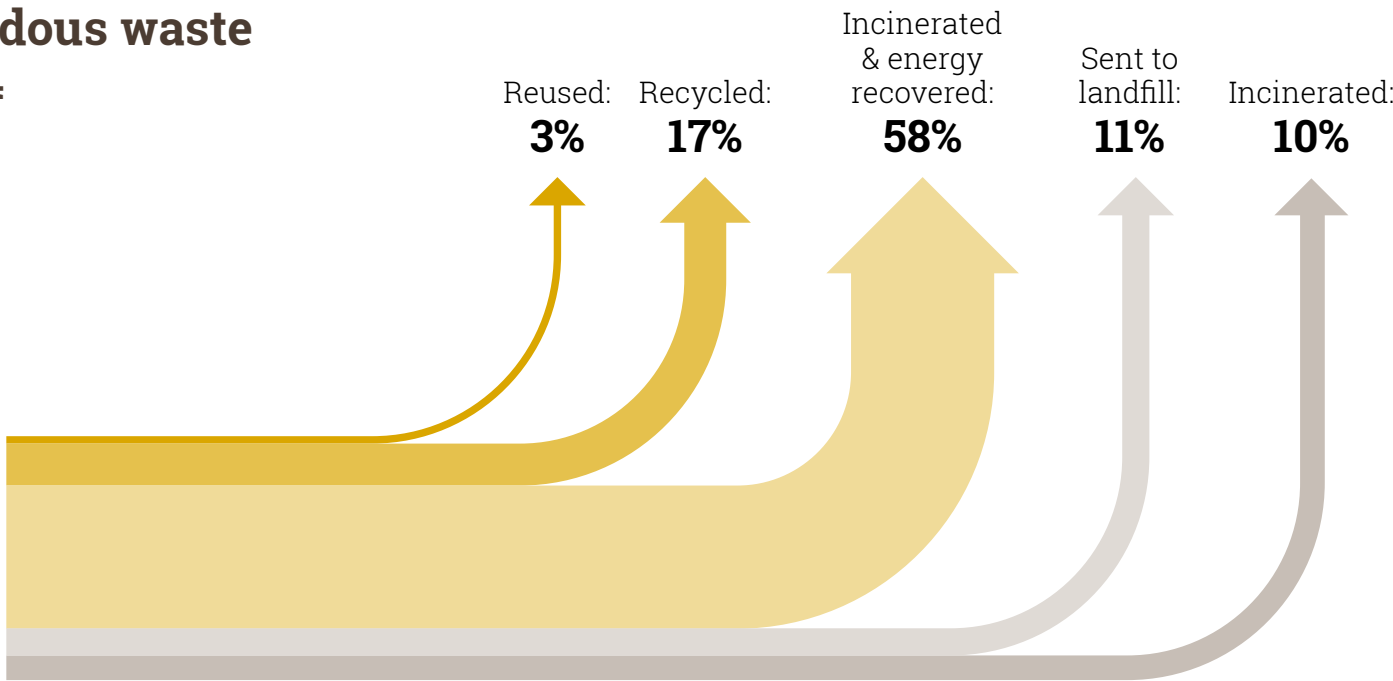
PACKAGING & WASTE: PERFORMANCE

Performance Indicator	Unit	2017	2022	2023	2024	Progress	Commentary
Absolute waste ¹	Tonnes	49,141	41,969	35,744	33,211 ^A	●	Our target is to reduce waste by 20% by 2030. In FY24 we saw a 32% reduction in absolute waste compared to the 2017 baseline year, exceeding the target set. We will set a new target subject to ESG Committee approval.
Relative waste ¹	Tonnes/£m net revenue	6.34	5.39	4.47	4.07 ^A		
Waste to landfill ¹	Tonnes	7,200	8,544	4,442	264 ^A	●	Our target is to achieve zero non-hazardous waste sent to landfill by 2025. We can report that since May 2024, we have sent zero waste to landfill from our manufacturing operations and main offices. Three sites in the Central African Republic, Mali and Ukraine are currently out of scope due to ongoing conflicts in these regions. Due to this and other challenges our focus is on maintaining this zero landfill status.
Relative waste to landfill ¹	Tonnes/£m net revenue	0.93	1.10	0.56	0.03 ^A		
Landfill avoidance rate ¹	%	88	85	91	99 ^A	●	A key element of our approach to reducing our environmental impact is to avoid waste sent to landfill, by prioritising reuse, recycling, and composting. Where these are not possible, we incinerate waste with energy recovery, to help maintain zero waste to landfill.
Packaging in the EU and the UK that is reusable, recyclable or compostable	%	-	95	91*	94 ^A	●	We aim to have 100% of our packaging material in the EU and the UK to be reusable, recyclable or compostable by 2025. A third party assess the materials and provide certifications which indicate we are on track to achieve this target. The 2023 data* has been restated due to a previous incorrect classification of products as recyclable.
Average recyclability score for packaging sold in the EU and UK	%	-	-	-	84 ^A	●	We aim to have an average recycling score of 80% or more by 2030 for packaging of products sold in the EU & UK. A third party assess the recyclability of the packaging and provide certifications which demonstrate that we have exceeded the target set, with a score of 84%.
Sustainably sourced wood fibre in our packaging	%	-	97	97	96 ^A	●	We aim to have 100% of all wood fibre in our packaging from sustainable sources by 2025. The slight reduction of this score seen in 2024 is due to a change in the calculation methodology. We are on track to achieve this target.

● Progress on track ● Focus required to accelerate progress ● Intervention required to accelerate progress

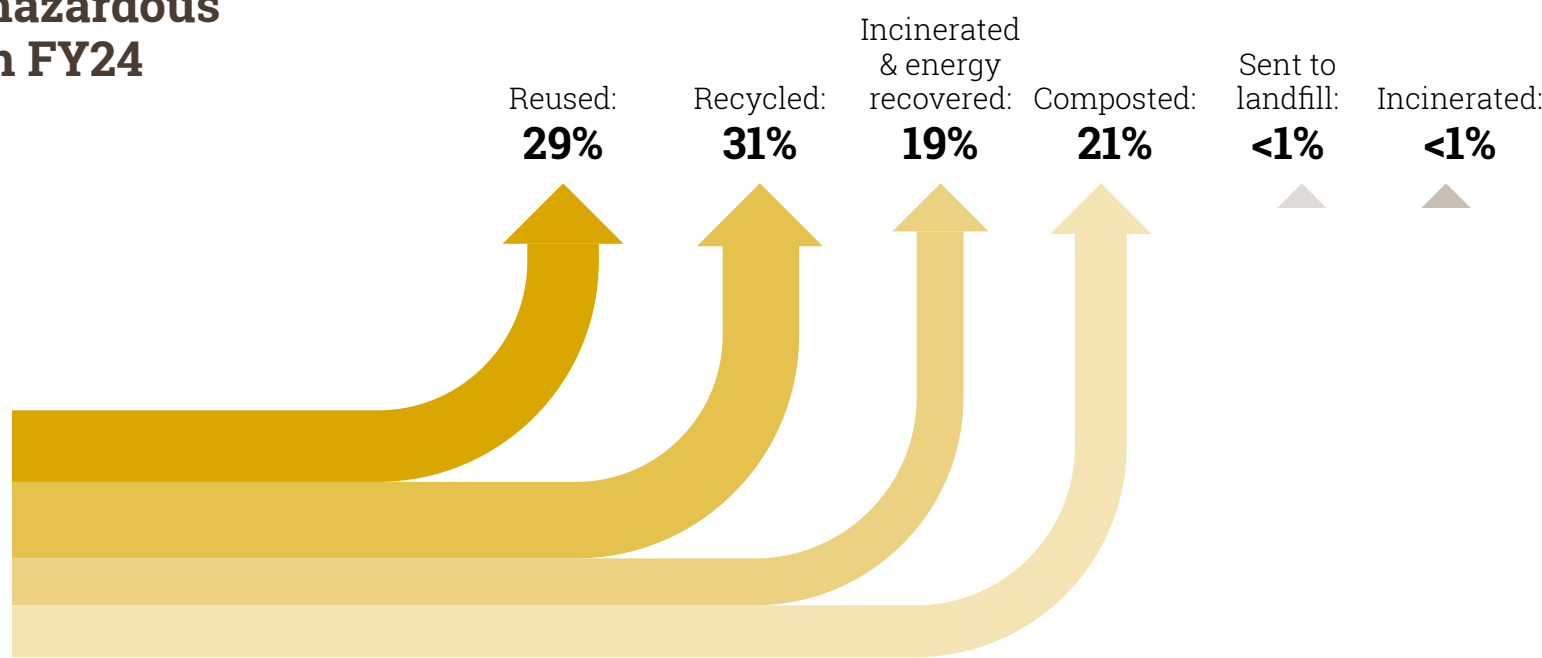
Disposal of hazardous waste (Tonnes) in FY24

GRI Standard 306-2



Disposal of non-hazardous waste (Tonnes) in FY24

GRI Standard 306-2



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1. Our 2023 environmental data covers the reporting period Q4 2022 to Q3 2023. This is to allow for data collection, validation and external assurance. To note: Absolute waste does not include reused waste.



FARMER LIVELIHOODS & WELFARE

We are committed to engaging with our suppliers to support and develop farming communities and promote sustainable agriculture.

BEHAVIOURS:



**Collaborate
with Purpose**

SDGs



Governance

Governance bodies:

- Leaf Compliance Working Group
- Sustainable Tobacco Programme (STP) Guidance
- Non-Financial Reporting Steering Group

Key policies:

- [Human Rights Policy](#)
- [Child Labour Policy](#)
- [Biodiversity Statement](#)

ELT Sponsors:

Javier Huerta
Chief Supply
Chain Officer



Kim Reed
President and CEO,
Americas Region



For us to be able to serve our consumers over the long term, it is important that farmers continue choosing to grow tobacco.

We purchase approximately 97% of our tobacco through both global and niche suppliers from more than 32 countries worldwide, and only 3% from our own directly contracted farms in Madagascar and Laos.

We engage with our leaf suppliers to support security of supply, develop farming communities and promote sustainable agriculture. These activities include improving farmer access to basic needs, a decent standard of living, and income diversification enabling them to continue to grow tobacco sustainably.

The Sustainable Tobacco Programme

We work collaboratively with our suppliers to enhance standards in our leaf supply chain and manage leaf supply risk both directly with our suppliers and through partnerships, such as those created through the Sustainable Tobacco Programme (STP).

The STP is an industry body that verifies annual supplier self-assessments. STP is independently managed and provides us with visibility over our leaf supply chain in two ways:

1. By empowering our suppliers to report on the actions they are taking to address any risks identified, and how they are having a positive impact on the ground.
2. By verifying these actions either remotely or in the field.

This informs our strategy to support our suppliers in taking effective action. All our tobacco leaf suppliers are encouraged to participate in the STP.

Decent standard of living

The industry has formally adopted the Living Income Benchmark which is detailed in the STP Workbook 2023. This is the guidance document developed by the STP secretariat which our suppliers can reference when completing the annual STP self-assessment.

The benchmark varies by country and includes costs for food, housing, education, healthcare, transport, clothing and other essential needs.

Overall farm net income, including income from outside the farm, is measured against the relevant Living Income Benchmark for that location. This income needs to exceed the benchmark to be considered a living income, meaning the farmer can afford a decent standard of living.

We are collaborating with our suppliers to identify those farmers that have difficulties in achieving a living income and to support them with specific actions via our Leaf Partnership programme.

Leaf Partnership programme

Through our Leaf Partnership programme, we support the supply chain and the journey of farmers to achieving a decent standard of living.

The programme is conducted in close partnership with suppliers. In FY24, Imperial provided financial support for projects in 13 countries, with more than 128,000 new beneficiaries, focusing on three broad initiatives:

1. Dedicated financial sustainability projects to help farmers enhance their income. We have a target to improve farmers' access to projects that improve their financial sustainability by 2030. Please see our case studies for Indonesia and the Philippines.
2. Increasing access to basic needs to make farming communities a better place to live. We have a target to support suppliers to improve access to basic needs for 180,000 farmers and their families by 2030. This target aims to reach 180,000 new beneficiaries in each project category: childcare and education; clean water; and sanitation and hygiene.

In FY24 we reached the target of 180,000 tobacco community members benefiting from projects aimed at increasing access to clean water.
3. The introduction of sustainable agricultural practices where they are not already in place. We have a target to support suppliers to provide access to 100% sustainable wood for use as tobacco curing fuel by 2025.

Key Impact, Risk and Opportunity

Impact:

Support and development through our Leaf Partnership projects address the lack of access to basic human needs - such as clean water - to make tobacco-growing communities a better place to live. Our aim is to make these improvements for 180,000 people through our suppliers by 2030, across each of the three pillars of education, water, and sanitation and hygiene.

Risk:

Costs of production can fluctuate, and we have seen these largely increase post-Covid pandemic due to global shifts in the price of raw materials and farm inputs, such as fertilizer. Without interventions to support farmers adjust for these increased costs, a resulting effect can be a reduction in the supply of tobacco leaf, which can have a knock-on effect to business continuity at the micro and macro level.

Opportunity:

We aim to further support tobacco-farming communities become more resilient and robust against these global-level shifts through Leaf Partnership projects targeting increased financial and production sustainability. Please refer to our Philippines case study above for further insight.



Case Study: Micro-businesses in Indonesia

In many rural regions where we source tobacco leaf, tobacco farming is a crucial part of family income. To support our supplier, Universal PT Tempu Rejo in Indonesia, we have initiated innovative projects to help the families of directly-contracted farmers and the broader tobacco-growing community diversify their income streams.

In 2023, we funded micro-business start-ups across coffee roasting, traditional 'batik' clothes printing, catfish ponds, and vegetable gardens – benefitting over 250 people. Our supplier provided the necessary materials and knowledge to help these businesses become self-sustaining. We are pleased to report that over 80% of these initiatives were still operational in 2024, with improvements identified to prevent future discontinuation.



Case Study: Financial capacity building in the Philippines

Farmers operate their businesses, and we aim to support them in achieving long-term success. Since 2023, through our supplier Universal in the Philippines, we are piloting a project with over 5,000 directly-contracted farmers.

This initiative focuses on enhancing the farmer's their financial literacy by providing interactive sessions with subject-matter experts. These sessions help farmers set financial goals and manage their income effectively. We are closely monitoring the project's progress and evaluating the outcomes as reported by our supplier.



FARMER LIVELIHOODS & WELFARE

ADDRESSING CHILD LABOUR

We are committed to engaging with our suppliers to support and develop farming communities and promote sustainable agriculture.

BEHAVIOURS:



**Collaborate
with Purpose**

SDGs



Addressing Child Labour Risks

As with other agricultural industries, the risk of child labour is highest in the cultivation part of our supply chain. In addition to working directly with our suppliers, we recognise that child labour is a multi-stakeholder issue, which no single entity can address in isolation. In collaboration with key stakeholders including the industry and suppliers operating in these communities, we seek to address the risk of child labour through three main activities:

1

The Sustainable Tobacco Programme (STP)

The Human and Labour Rights section of STP is aligned with the relevant ILO core conventions and the principles and guidance contained within the United Nations Guiding Principles (UNGP) on Business and Human Rights.

STP

2

Our Leaf Partnership Projects

Working directly with our suppliers to fund projects that aim to tackle some of the root causes of child labour.



3

Eliminating Child Labour in Tobacco Growing Foundation (ECLT)

We are members of the ECLT and support its aims to tackle the root causes of child labour.



Our aim is to contribute to the elimination of child labour by addressing the risk in our own directly-contracted markets and third-party supply chains.

We work to address the risks of child labour in our third-party supply chain through the STP. The STP has a specific framework on Human & Labour Rights, which features a section on child labour risks, with detailed guidance for participating suppliers.

According to the International Labour Organisation (ILO), the highest

concentration of child labour is in agriculture, estimated at 70% globally¹.

Tobacco is mostly grown by independent smallholder farmers on plots of land from 0.5 to 2 hectares in area, where traditional manual methods for activities such as transplanting and harvesting are still applied. The risk of children working below a country's legal minimum age, during school hours, or in potentially health-damaging tasks is highest during these labour-intensive tasks.

Our child labour definition

We do not tolerate child labour. Child labour is defined as work that deprives children of their childhood, potential, and dignity, and is harmful to their physical and mental development. Our policy is consistent with the standards established by ILO Conventions No.138 (Minimum Age), No.182 (Worst Forms of Child Labour), and No.184 (Health & Safety in Agriculture).

Our minimum age for employment to full work is 15 years or the minimum age in accordance with local laws, whichever affords greater protection². No young

person below 18 should be involved in any type of hazardous work³. Light work may be permitted in accordance with local laws, provided this does not interfere with schooling, health, or personal development.

We consider that decent and safe youth employment above the local legal working age can be an important contribution to young people's development, their future, and for economic opportunities in the communities in which we operate.

Our contracted farmers in Madagascar and Laos

As part of our directly-contracted operations, in Madagascar and Laos we implement our Human Rights Policy, which sets out Imperial's position on child labour. In line with the United Nations Guiding Principles on Business & Human Rights (UNGPs), our due diligence involves identifying, prioritising, and responding to risks in our tobacco-growing communities.

For the most recent crop year (2023) 1,398 farmers were directly contracted to grow, harvest, and supply us with tobacco leaf in Madagascar and Laos. In crop year 2023, our 30 field technicians

conducted over 50,000 on-farm visits to the farmers throughout the tobacco-growing season, of which a key purpose is to monitor potential risks. Each of our field technicians are trained in-house before the crop season starts on the key areas, including supporting farmers to address the risk of child labour.

Our field technicians deliver training to each contracted farmer, and we supplement this through village noticeboards, poster campaigns or targeted sessions with wider members of the community.

100% of directly-contracted farmers attended training or awareness days in 2023 in Madagascar and Laos

To encourage children's development and prevent opportunities for work, we have trialled supporting school and holiday activities

In Laos, during the school holidays in 2023, we ran sports, film and arts clubs that over 300 children were invited to attend. We collected feedback and data on these and other interventions, including via direct community engagement with 75 parents, teachers, and children. We analyse this feedback to identify potential improvements to the activity design, which could support our long-term aim of reducing the risk of child labour in these communities.

Our Leaf Partnership programme complements the work our suppliers are already doing, amplifying their impact in tobacco-growing communities, by directly funding specific projects.

We recognise that the risk of child labour is a complex challenge, and our contribution via our suppliers only plays one part in seeking to mitigate and prevent this risk. The following are two examples of these interventions that highlight some of the work we do to address the risks of child labour via Leaf Partnership projects.

In the Philippines, Imperial supported Universal Leaf's programme Let's P.L.A.Y in 2023 across the Province of Isabela. Imperial's support enabled our supplier to run an after-school programme during the tobacco-harvesting season to supplement the school day with extra-curricular activities, such as sports, music, reading, and art classes. A 2022 World Bank report highlights the presence of learning poverty in the Philippines⁴.

As such, this project offered materials and the space for 4,330 children to continue learning, exploring and developing new skills and interests. This project falls under 'improving access to education', as part of our 2030 ambition targeting basic needs for 180,000 farmers and their families.

In India, Imperial supported our supplier, ITC, to upgrade school washroom facilities in 2023. This intervention has benefitted over 2,500 students in government-run schools in rural communities. The improved sanitation facilities aim to promote good hygiene practices and level the school environment for boys and girls. This project falls under 'improving access to WASH' (water, sanitation, hygiene), as part of our 2030 ambition targeting basic needs for 180,000 farmers and their families.

Please see our Human Rights Policy and our latest Modern Slavery Statement for more information on our approach to human rights.

1. <https://www.ilo.org/topics/child-labour/child-labour-statistics-and-research>

2. ILO Convention 138 establishes that certain developing countries may specify a minimum age of 14

3. Hazardous work must be referenced against the list issued by each country, as established by ILO Convention 182 on the Worst Forms of Child Labour, which has been universally ratified.

4. <https://documents1.worldbank.org/curated/en/099000207152223103/pdf/IDU002b5536c0db4104ec3087d809906ec2eae56.pdf>



FARMER LIVELIHOODS & WELFARE

We are committed to engaging with our suppliers to support and develop farming communities and promote sustainable agriculture.



SDGs



We aim to purchase from and engage leaf suppliers who support their farmers to achieve a decent standard of living by:

- 1. Continuing to enhance due diligence in our leaf supply chain, co-ordinated through our Leaf Compliance and Reporting E-tool (CARE) programme.
- 2. Continuing to set high expectations for suppliers who contract with farmers.
- 3. Increasing our support for projects that have a direct impact within the tobacco communities in our supply chain.

OVER 128,000

new beneficiaries in 13 countries supported through our Leaf Partnership Programme in FY24.



Forestry

Many of our suppliers' contracted farmers use wood in tobacco production, either as a fuel in the curing of tobacco or for constructing barns required for the curing of tobacco.

We have committed to supporting suppliers provide their farmers access to 100% sustainable wood for use as tobacco curing fuel by 2025. The ambition is for 100% of the wood harvested to be sourced sustainably or that the wood used will be matched by managed planting.

In FY24, 86% of the wood sourced was from sustainable and traceable sources with an additional 13% was matched by managed planting. Therefore, 99% of the wood used for tobacco curing is now sustainably sourced or matched by managed planting.

We also financially support forestry programmes. This includes Imperial Brands' own dedicated forestry programme managed through a key supplier in Tanzania. Planting trees sustainably that farmers can access decreases the pressures on the indigenous woodland that is being harvested for use in tobacco production.

There are also economic benefits for farmers in labour saving, reduced cost of wood and transport.



99% of wood used for tobacco curing is sustainably sourced or matched by managed planting



Biodiversity

The responsible husbandry and restoration of natural habitats, soils, and water are integral to sustainable agriculture. Our suppliers are encouraged to protect and enhance biodiversity in their growing areas.

This includes topic areas covered by STP, such as: the mapping of sensitive areas, responsible soil management and integrated pest management (IPM) to reduce the use of pesticides and increase micro-flora.

We also support and engage with suppliers in the planting of indigenous trees to encourage and grow local biodiversity by supporting insect and bird life.

For further information please see our Biodiversity Statement.



100% of leaf suppliers reporting on their due diligence and actions through the Sustainable Tobacco Programme



Water

We have a target to support suppliers to improve access to basic needs for 180,000 farmers by 2030. This includes access to clean water, sanitation, and hygiene (WASH). In FY24 we achieved this target.

Encouraging a water stewardship approach to managing water in our suppliers' catchment areas and directly supporting their projects through our Leaf Partnership programme are key areas of importance for Imperial.

There are now 180,004 tobacco community members benefiting from projects aimed at increasing access to water. This includes the provision or rehabilitation of more than 2,000 boreholes and wells and the construction of 26 dams.

Between 2021 and 2024 our investment in water, sanitation, and hygiene projects in countries of most need, including Mozambique, India, the Dominican Republic, Guatemala, Brazil, Indonesia and Honduras equates to around US\$ 3.72m.

OVER 180,000

tobacco community members benefiting from projects aimed at increasing access to water



FARMER LIVELIHOODS & WELFARE: TARGETS & PROGRESS

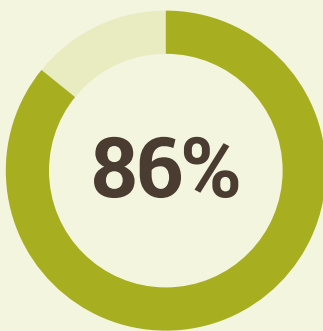
We are committed to engaging with our suppliers to support and develop farming communities and promote sustainable agriculture.



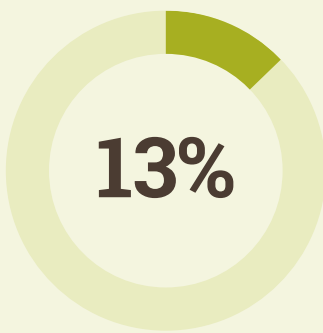
SDGs



Our progress in 2024



86% of wood for use as tobacco curing fuel¹ was sourced from sustainable sources



13% of wood for use as tobacco curing fuel¹ was matched by managed planting



Support suppliers to provide access to

100%
SUSTAINABLE
WOOD FOR USE AS
TOBACCO CURING
FUEL¹



99% of wood sourced from sustainable sources or matched by managed planting



Support suppliers to improve access to basic needs for

180,000
FARMERS² AND THEIR
FAMILIES

in each of the project categories



96,666

Childcare and education project beneficiaries

180,004

Clean water project beneficiaries

64,694

Sanitation and hygiene project beneficiaries



FARMER LIVELIHOODS & WELFARE: PERFORMANCE

Performance Indicator	Units	2022	2023	2024	Progress	Commentary
Suppliers participating in the Sustainable Tobacco Programme	%	96	93	100	<div></div>	In FY24, all of our tobacco leaf suppliers were reporting on their due diligence and actions through the Sustainable Tobacco Programme.
Tobacco farming community members benefiting from new Imperial Leaf Partnership Projects	Number	84,000	101,410	128,916	<div></div>	Through our Leaf Partnership programme we continue to fund projects aimed at addressing key livelihood and welfare issues in tobacco communities. This number represents the number of new beneficiaries in 13 countries from projects in 2024.
Percentage of leaf suppliers expressing a commitment to support their farmers to access a decent standard of living	%	–	83	98 ^A	<div></div>	We require our leaf suppliers to be committed to supporting their farmers to access a decent standard of living by having clear written commitments and/or policies in place to support the commitment. At the end of FY24, 98% of the suppliers we purchase tobacco leaf from had expressed this commitment.
Sustainable wood for use as tobacco curing fuel ¹						
Percentage of wood sourced from sustainable sources	%	–	85 [*]	86 ^A	<div></div>	Imperial has committed to supporting suppliers and their farmers access sustainable wood for use as tobacco curing fuel by 2025. The ambition is for 100% of the wood harvested to be matched by managed planting.
Percentage of wood used matched by managed planting	%	–	11 ^{**}	13	<div></div>	In FY24, 99% of the wood used for tobacco curing fuel was either sourced from sustainable sources or was matched by managed planting.
Support suppliers to improve access to basic needs for 180,000 farmers ² and their families in each of the project categories by 2030						
Childcare and education project beneficiaries	Number	–	36,000	96,666	<div></div>	Imperial continues to fund childcare and education projects in tobacco communities. This number represents the total number of cumulative active beneficiaries as of the end of FY24.
Clean water project beneficiaries	Number	–	155,000	180,004	<div></div>	Imperial continues to fund clean water projects in tobacco communities. In FY24 we exceeded the target of 180,000 tobacco community members benefiting from projects aimed at increasing access to clean water.
Sanitation and hygiene project beneficiaries	Number	–	33,000	64,694	<div></div>	Imperial continues to fund sanitation and hygiene projects in tobacco communities. This number represents the total number of cumulative active beneficiaries as of the end of FY24.

Progress on track Focus required to accelerate progress Intervention required to accelerate progress

1. Based on flue cured and dark fire cured tobacco, which are the tobacco types that require wood for curing.
2. Based on suppliers' directly contracted farmers in 2021 sourcing origins that are rated as high risk for poverty according to Maplecroft.
* Number has been restated following a retesting of supplier data.
** This is a new number based on the methodology used in FY24 which has been applied to the FY23 data set.
A. Data has been independently assured by Ernst & Young LLP (EY) under the limited assurance requirements of the ISAE 3000 standard. EY's Assurance Opinion is available on our website.



SUSTAINABLE & RESPONSIBLE SOURCING

We are committed to sourcing products and services in a compliant, sustainable and socially conscious manner. We will work with our suppliers to ensure continuous improvements.

SDGs



We aim to ensure sustainable consumption and production patterns.



Sustainable and responsible sourcing ensures the long-term viability of our supply chain, supports the communities we operate in, and aligns with our commitment to minimising our environmental impact. Suppliers are essential partners in our business operations – and their commitment to quality, innovation and ethical practices supports both our commercial success and our People and Planet agenda.

SRM Connect

This year we launched our new Supplier Relationship Management (SRM) programme, called SRM Connect. It has been deployed across our most strategic suppliers. This framework offers the tools, governance, data and incentives needed to build strong, consistent and sustainable partnerships across all procurement spending areas globally. The SRM Connect framework also provides us with an improved ability to communicate to suppliers the importance of our People and Planet agenda and align with them on our broader ESG objectives.



We have opted to partner with Sedex (Supplier Ethical Data Exchange) to enhance supply chain visibility, assess risks and ensure compliance with legislation. We expect our partner suppliers to be registered with Sedex (or an equivalent platform) and to have initially completed a self-assessment questionnaire covering the following categories: Labour, Health & Safety, Environment, and Business Ethics. We have implemented ethical trading risk assessments for our partner suppliers, covering over 60% of our supplier spend. We have established a risk-based approach to determine when suppliers need to undergo a Sedex Members Ethical Trade Audit (SMETA). Using the audit results, we will collaborate with our suppliers to minimise risks and enhance their overall ESG performance. We will integrate the use of Sedex and SMETA audits into our procurement process, ensuring that suppliers adhere to ethical standards and sustainability practices. Supplier improvement plans will be developed and monitored to drive continuous improvement and foster long-term partnerships based on shared sustainability goals.

For more information on our supply chain due diligence process see our [Modern Slavery Statement](#)



We have been recognised as a Supplier Engagement Leader by the CDP for a fifth successive year. All companies making climate change disclosures to the CDP receive a Supplier Engagement Rating in addition to their climate change score, rating them on how effectively they engage their suppliers on climate issues.



Case study: Our strategy for obtaining more precise Scope 3 data.

Approximately 80% of our carbon footprint is in the upstream part of our supply chain. Scope 3.1 which is the Purchased Goods and Services category accounts for approximately 76% of these emissions and our focus has been on obtaining accurate data for this category to drive emissions reductions. Our challenge was to accurately calculate our Scope 3.1 emissions and obtain independent assurance of this data which was achieved. We have continued to engage with our suppliers via the CDP Supply Chain Programme to better understand our suppliers' operational emissions. This programme provides tools and frameworks to gather and analyse Scope 1, 2 and 3 emissions data directly from our suppliers. This approach allowed us to more precisely assess the emissions profile of the entire supply chain. We successfully achieved a detailed breakdown of emissions by procurement category and supplier, allowing us to identify areas with the highest emissions and target them for reduction efforts. By creating separate emission factors for supplier Scope 1, 2, and 3 emissions, we could accurately track and integrate supplier emission reduction initiatives into our calculations. This differentiation enabled more precise monitoring of emissions and the effectiveness of our reduction strategies. It also highlighted opportunities for collaboration with our suppliers to further reduce emissions. Overall, the updated methodology for Scope 3.1 calculation not only enhanced the accuracy and reliability of our emissions data but also provided a clear pathway for engaging suppliers in our sustainability efforts.

Key Impact, Risk and Opportunity

Impact:

Accelerating decarbonisation across the supply chain by setting ambitious emissions reduction targets and collaborating with suppliers to drive progress.

Risk:

Risks relating to continuity of supply, or escalation in price, of goods, services, or materials, resulting in inability to meet production demand and/or increased cost of production.

Opportunity:

Investing in supply chain efficiencies, sustainability initiatives, and innovative solutions can enhance competitiveness, reduce environmental impact, meet evolving customer expectations and potentially attract investors.



SUSTAINABLE & RESPONSIBLE SOURCING: TARGETS & PROGRESS

We are committed to sourcing products and services in a compliant, sustainable and socially conscious manner. We will work with our suppliers to ensure continuous improvements.



SDGs



We aim to ensure sustainable consumption and production patterns.

Our Procurement Strategy

Covers all third-party spend among all five of our supply chain categories:

- 1 Tobacco leaf:** We have a global sourcing footprint, which covers Africa, Americas, Asia and Europe. Of these, our major tobacco sourcing countries include Brazil, India, Spain, China and others in Asia and Sub-Saharan Africa.
- 2 Non-tobacco materials (NTM):** The NTM we buy directly include paper, filters, glue and ingredients for cigarette products. Of our direct material supplier base, approximately 85% of our main spend is with 24 suppliers.
- 3 Next generation products (NGP):** The NGP supply chain encompasses all the components that go into making NGP including electronics, liquids, and packaging materials.
- 4 Indirect goods and services:** We have indirect suppliers who provide services and goods such as IT hardware and software, professional and corporate services and provision of utilities.
- 5 Logistics:** We have logistics suppliers both upstream and downstream of our operations.



Rolled out refreshed SUPPLIER CODE OF CONDUCT

to procurement teams and key partner suppliers

Using Sedex to undertake

ETHICAL TRADING ASSESSMENT

of our partner suppliers



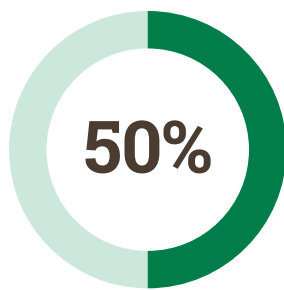
Ensure that
50%

of our **purchased goods and services suppliers by spend** have committed to science-based targets by 2024

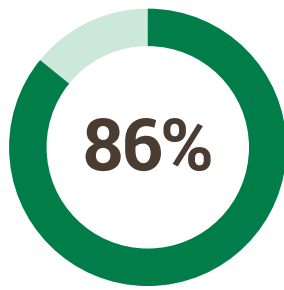
Ensure that
50%

of our **partner suppliers by spend** have ethical trading assessment via Sedex or equivalent by 2024

PERFORMANCE



50% of purchased goods and services suppliers by spend have committed to science-based targets¹



86% of partner suppliers by spend have ethical trading assessment via Sedex or equivalent



Expand use of the CDP SUPPLY CHAIN PROGRAMME

to enhance data collection and transparency

Integrate the use of SEDEX AND SMETA AUDITS

into our procurement process to drive continuous improvement

Continue to use SRM CONNECT to engage with strategic suppliers on sustainability initiatives

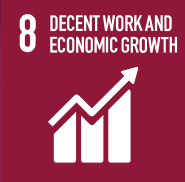


HUMAN RIGHTS

We are committed to raising awareness and improving processes in our supply chains, and we recognise the importance, influence, and role we have in promoting and protecting human rights.



SDGs



We are committed to decent work for all and sustainable economic growth.

Governance

Governance bodies:

- Human Rights Compliance Working Group
- Leaf Compliance Working Group
- Non-Financial Reporting Steering Group

Key policies:

- [Human Rights Policy](#)
- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Speaking Up Policy](#)
- [Health Safety and Wellbeing Policy](#)
- Fairness at Work Policy

ELT Sponsors:

Javier Huerta
Chief Supply Chain Officer



Paola Pocci
Chief Consumer Officer



Kevin Massie
General Counsel



Human rights are the fundamental rights and freedoms that belong to every person. They apply regardless of where we are from, what we believe or how we choose to live our lives. As a responsible business, we do not tolerate human rights violations. If we identify potential or actual violations, we act quickly and deliberately to address them.

Human rights leading indicators

To continue to minimise our risk of being exposed to modern slavery and labour exploitation, we reframed our modern slavery indicators to human rights leading indicators (HRLI). These leading indicators are a series of questions we ask sites to report on covering topics like policies and procedures, employment contracts, training, recruitment, and speaking up, which go beyond the notion of modern slavery. We have revised the wording of these indicators, added extra guidance for each one, and included examples of how to meet them.

The introduction of the HRLI is helping our sites in achieving a more consistent understanding of their requirements. It is also improving the accuracy of our reporting and ensuring alignment with our Human Rights Policy.

Over 2,000 employees have completed our human rights digital training module

Modern slavery audits

A key tool for understanding human rights risks and preventing violations is our ongoing programme of modern slavery audits. During FY24 we conducted audits at factories in the Ivory Coast, the US and Morocco. These provided insights into the local context and allowed us to work with factory teams to mitigate the risk of modern slavery. In addition, we piloted additional lighter-touch audits conducted online. These targeted sites which consistently reported 100% compliance with leading indicators and helped identify potential inconsistencies and share best practices.

In FY25, we will review our risk-based selection of priority locations to assess their exposure to human rights risks and begin developing action plans to address these issues.

Raising awareness

Enhancing employee awareness of human rights enables us to better identify potential or actual violations. We believe knowledge will be crucial in reducing our risk of human rights abuses.

Human rights digital training has been made mandatory for a large proportion of our management population. This learning covers definitions of human rights and our role as a Company in protecting them; recognising signs of modern slavery; and how to report concerns, both informally and through our Speaking Up service. Over 2,000 employees have completed the digital training module.

In addition, more than 900 colleagues participated in 19 human rights webinars, sharing our work and commitments.

In FY25, we intend to develop more non-English language resources and ensure all sites have communication plans in place to raise awareness about how to report human rights concerns.



Case Study: Raising awareness of human rights

Our understanding of human rights is continually evolving, and we recognise its complexity. Therefore, creating training opportunities is essential to raise awareness of this critical issue.

We partnered with Hope for Justice to host a series of informative sessions to raise awareness about modern slavery. These sessions were conducted in English and French, and more than 230 colleagues were able to join.

In 2024, we conducted 19 human rights webinars for our business. Three of these webinars were specifically for our hubs in Poland, one in English and two in Polish with the assistance of a translator. Overall, more than 900 colleagues from various parts of the business participated in these webinars.

Raising awareness of human rights helps us adapt to a rapidly changing environment and take measures to minimise the risk of human rights abuses affecting anyone working for or with us. Importantly, the knowledge we gain at work can be shared with our families and communities, enabling us all to become advocates for human rights.

19 human rights webinars conducted. More than 900 colleagues from across the business participated.



Key Impact, Risk and Opportunity

Impact:

Robust audits and assessments aim to ensure compliance with labour laws while promoting decent work, gender equality, non-discrimination, human rights awareness, and sustainable agricultural practices globally.

Risk:

Risk relating to the Group breaching or being accused of breaching Human Rights legislation either within the organisation or in our value chain, resulting in adverse reputational or legal consequences.

Opportunity:

Proactively managing human rights and labour practices can build customer and investor confidence, and support a sustainable, compliant value chain.



HUMAN RIGHTS: PROGRESS

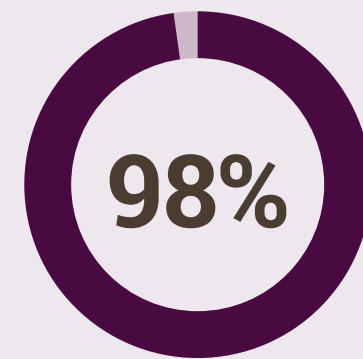
We are committed to raising awareness and improving processes in our supply chains, and we recognise the importance, influence, and role we have in promoting and protecting human rights.



SDGs



We are committed to decent work for all and sustainable economic growth.



98% of factory sites self-assessment compliance with human rights leading indicators. There are two sites that will address gaps to reach compliance with our internal standard in FY25.

Over 2,000

employees have completed the Human Rights digital training module.



ESG Team conducted three international **modern slavery audits** following a risk-based approach while maintaining a geographical balance

Created a **Modern Slavery Toolkit** and a **group escalation process** to ensure all employees are equipped with necessary knowledge

Updated our **Human Rights Policy** to enhance alignment with international standards



Continue to strengthen employee access to **Speak Up channels**

Performed **modern slavery audits** in 5 factory locations and piloted lighter-touch audits in additional locations

Reviewed and updated **21 modern slavery leading indicators** creating a guidance document for clarity and consistency

Introduced **modern slavery leading indicators** to a selection of markets and clusters on a risk-based approach



Implementation of new **human rights leading indicators** across manufacturing sites and clusters

Continue to increase **human rights awareness** through training and development of new materials in multiple languages

Review our selection of **priority locations** to inform our audit planning process

Align our **due diligence process** to the EU Corporate Sustainability Due Diligence Directive

OUR JOURNEY

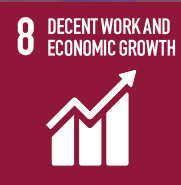


EMPLOYEE HEALTH, SAFETY & WELLBEING

We are committed to achieving world-class occupational health, safety & wellbeing for all our employees.



SDGs



We aim to ensure healthy lives and promote well-being for all.

Governance

Governance bodies:

- Health and Safety Working Group
- Non-Financial Reporting Steering Group

Key policies:

- [Health and Safety and Wellbeing Policy](#)
- Health and Safety Framework
- [Human Rights Policy](#)

ELT Sponsors:

Javier Huerta
Chief Supply Chain Officer

Kim Reed
President and CEO, Americas Region

Priyali Kamath
President, Africa, Asia, Australasia, and Central & Eastern Europe (AAACE) Region

Aleš Struminský
President, Europe Region



Our Group Health Safety and Wellbeing Policy sets out our commitment to provide a safe, healthy, and supportive working environment for our employees and everyone involved in our business. We adopt a “Plan, Do, Check, Act” approach to set objectives and action plans, focusing on systematically identifying and controlling hazards and risks, to support a continuous improvement cycle. Our commitment includes seeking improvement opportunities, providing necessary resources and training, fostering effective communication, and ensuring compliance with local health, safety, and wellbeing regulations.

Developing a stronger culture of care

Our integrated approach is underpinned by a long-term campaign with the unifying theme of “I Own Safety”. This seeks to build awareness, develop strong accountability and give people confidence to speak up in unsafe situations.

This campaign has included both global events and targeted local initiatives. In FY25 we aim to extend the updated health and safety standards to all office locations, ensuring a more consistent approach across the organisation.

Improving processes

We continue to improve processes and data, driving consistency across the Group. Each of our factory locations conducted a self-assessment of leading indicators, supported by 38 trained internal reviewers which highlighted good practices and made recommendations for improvement. We also conduct on-site visits to review and assess compliance. Since FY22, we have completed 38 of these visits. We created an app for incident investigations, capturing information in a more detailed and standardised manner. See case study for details. This gives us a clearer overview of potential gaps and root causes, allowing us to address issues at the Group level.

Connected to this app, we implemented a real-time dashboard, enabling leaders to monitor trends, gain deeper insights and be empowered to take greater ownership of safety issues.

We will continue to improve the quality of incident investigations by further incorporating behavioural factors into root cause analysis.

Developing capabilities and positive behaviours

During 2024 we continued to take initiatives to improve the health and safety skills of our senior people leaders. In FY24, 210 leaders were trained on the Behavioural Safety Programme for safety leadership, a course certified by the Institution of Occupational Safety and Health. This aimed to improve understanding the role of conversations with peers and team members and identifying and influencing safe behaviours.

Building on the success of the Behavioural Safety Programme in FY24, we will continue to roll this out to more colleagues across Imperial to promote a safer work environment.

Performance to date has shown an improvement however, to reach our longer term ambition to be a Zero Injury business, we know we need to do more to build awareness, drive consistency through our organisation and improve our capabilities.

Wellbeing

Our employee wellbeing support is locally managed and encompasses a variety of initiatives, including resilience training, employee assistance programmes, health checks, awareness campaigns, flexible working arrangements, family-friendly policies and facilities, as well as workplace celebrations and social events.

Our Wellbeing Plan

- Foster a mentally healthy culture by incorporating these principles into People Leader training.
- Run regular initiatives to raise awareness of mental health issues at work.
- Enable local sites to tailor initiatives addressing local wellbeing needs.



Case study: Creation of an incident reporting app

Imperial Brands faced a challenge in standardising incident reporting, which was previously captured via Word documents resulting in inconsistent information and a lack of comprehensive trend analysis. To address this, the Group Health, Safety, and Wellbeing team developed an incident reporting app using Microsoft tools. The app aimed to capture standardised incident information, ensure timely notifications to stakeholders, and enable data visualisation through a dashboard.

The app was built using Microsoft PowerApps, linked to a SharePoint List for data collection. Microsoft Power Automate was used to automate notifications and report generation, while Microsoft PowerBI provided data visualization. The development process started with the original Word document form and was updated to meet new incident investigation standards. Feedback from the Health & Safety community helped refine the app to be user-friendly.

Despite challenges, such as limited app development experience and ensuring GDPR compliance, the team successfully delivered the app within two months. The app has since standardised incident investigations, facilitated prompt actions on recurring incidents, and identified trends and contributing factors, such as the impact of length of service on incidents.

We will continuously improve the app to enhance data capture and improve user experience. For FY25, new fields will be added to identify potential contributing factors like including a new field to record hours worked or kilometres travelled before and incident, ensuring the app remains a valuable tool for incident reporting and analysis.

Key Impact, Risk and Opportunity

Impact:

Implementing safety programs and technologies that reduce road fatalities, injuries, and carbon emissions, while promoting employee well-being and a strong safety culture.

Risk:

Risks relating to the physical health and safety of employees, including whilst remote working, resulting in serious injury in or outside the workplace, adverse productivity, reputational or legal consequences.

Opportunity:

Investing in innovative safety solutions and fostering a strong safety culture can enhance employee well-being, productivity, and brand reputation.



EMPLOYEE HEALTH, SAFETY & WELLBEING: TARGETS & PROGRESS

We are committed to achieving world-class occupational health, safety & wellbeing for all our employees.



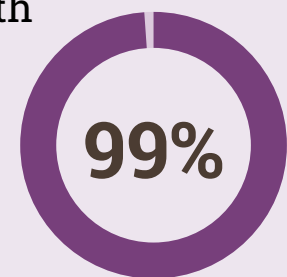
SDGs



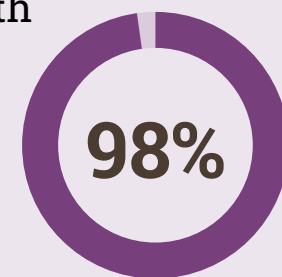
We aim to ensure healthy lives and promote well-being for all.

Our progress in 2024

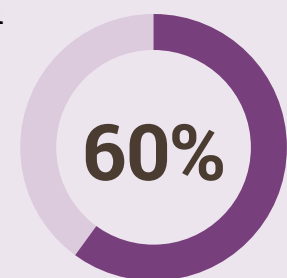
Compliance with Occupational Health and Safety (OHS) Framework – manufacturing



Compliance with Occupational Health and Safety (OHS) Framework – sales



Fleet vehicles fitted with in vehicle monitoring system



Leaders trained in the Behavioural Safety Programme



Roll out of
**BEHAVIOURAL SCIENCE
IN SAFETY LEADERSHIP**
training

Designed
**BEHAVIOURAL BASED
SAFETY PROGRAMME**
Foundations

Launch
GROUP STANDARDS
for safety leadership routines

**ZERO INJURY
ASPIRATION**
campaign focus on awareness
and education

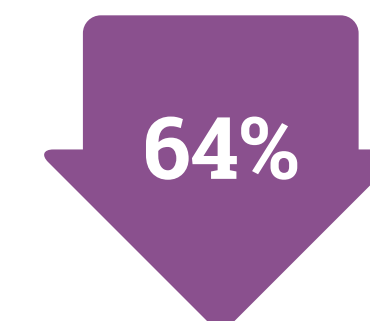
Implementation of
**WELLBEING FRAMEWORK
AND GUIDANCE**



**75% OF FLEET
VEHICLES**
will be fitted with an
In Vehicle Monitoring System

**60%
REDUCTION**
in fleet collision rate

**100%
COMPLIANCE**
with the OHSE Framework



64% reduction
in fleet collision
rate since 2019
baseline year



25% reduction
in LTA rate
compared to our
2019 baseline year



**75%
REDUCTION**
in LTA rate



EMPLOYEE HEALTH, SAFETY & WELLBEING: PERFORMANCE

Performance Indicator	Unit	2019	2022	2023	2024	Progress	Commentary
Employee fatalities ¹	Number	2	0	0	0	●	There have been no work-related fatalities to employees. Sadly, one of our employees did pass away during commuting in one of our vehicles following a road accident.
Contractor fatalities ¹	Number	0	0	1	0	●	There have been no work-related fatalities to contractors.
Members of the public fatalities involving Imperial Brands vehicles ¹	Number	1	0	0	0	●	Road safety remains a priority across all our operations.
Lost time accidents (LTAs) ^{1,2}	Number	101	57	57	54	●	We have reduced our absolute number of lost time accidents by 5% compared to last year and by 47% compared to the 2019 baseline year.
LTA rate ^{1,2}	Lost time accidents per 200,000 hours worked	0.40	0.24	0.30	0.30 ^A	●	Although we have reduced the number of lost time accidents, the lost time accident rate has remained unchanged from last year due to a corresponding reduction in hours worked. We have seen a 25% decrease in the LTA rate compared to the 2019 baseline year.
Total number of accidents ^{1,2}	Number	850	522	420	318	●	We have seen a 24% decrease in total accidents compared to last year and a 63% reduction compared to the 2019 baseline year.
Accident rate ^{1,2}	Total accidents per 200,000 hours worked	3.39	2.24	2.24	1.75	●	The accident rate reduced by 22% compared to last year and by 48% compared to the 2019 baseline year.
Fleet collision rate ¹	Accidents per million kilometres	5.03	2.8	2.29	1.82 ^A	●	There has been a 21% decrease in our vehicle accident rate compared to last year and a 64% decrease compared to the 2019 baseline year. Road safety remains a key priority for us. We adopt global standards for road safety and use our Drive Safe campaign to promote awareness and influence behaviour.
Fleet vehicles fitted with an in-vehicle monitoring system (IVMS) ¹	%	–	57.3	46.9	60.3	●	Evidence shows that in-vehicle monitoring systems typically lead to fuel reduction and improved safety performance and we will continue to test and extend coverage.
Compliance with the OHSE Framework (Manufacturing) ¹	%	–	87	93	99	●	We aim to be at 100% compliance with our framework standards by 2025.
Compliance with the OHSE Framework (Sales) ¹	%	–	93	94	98	●	We aim to be at 100% compliance with our framework standards by 2025.
ISO 45001 certification ¹	%	79	71	72	79	●	Of the factories in scope, 79% have certification for the international standard for health and safety at work.

● Progress on track ● Focus required to accelerate progress ● Intervention required to accelerate progress

A. Select 2024 data has been independently assured by Ernst & Young LLP (EY) under the limited assurance requirements of the ISAE 3000 standard. EY's Assurance Opinion is available on our website. Our reporting scope and definitions are detailed in the Reporting Criteria document published on our website.
1. Our health and safety data is for the full 2024 financial year.
2. Accidents reported do not include commuting to or from work, or those sustained by third parties such as distributors.



EMPLOYEE HEALTH, SAFETY & WELLBEING: PERFORMANCE

	FY19 (baseline year)	FY22	FY23	FY24
Fatalities Work related incidents including physical assaults resulting in the death of employees, third party contractors or members of the public. 'Work-related' means that the incident occurred in relation to the employees' or contractors' activities executed on behalf of the Company, or a member of the public was killed because of an employee or contractor work activity. Traveling to and from work accidents are excluded as well as other non-work-related death-in-service such as employee death from natural causes or other non-work-related cause.	2	0	1*	0
Major Injuries Reportable specified injuries to employee. The types of injuries include among others: fractures, amputations, serious burns and loss of consciousness.	8	4	4	4
Lost Time Accidents Work-related accidents resulting in absence from one or more scheduled workdays or shifts, beyond the day or shift the accident occurred.	101	57	57	54
Accidents Work-related accidents including physical assaults to employees. 'Work-related' means that the incident occurred in relation to the employees' activities executed on behalf of the Company. Traveling to and from work accidents are excluded. "Accidents" are work-related accidents resulting in injury, irrespective of whether there was any lost time or not.	850	522	420	318
Near Misses** An incident that while not causing harm has the potential to cause injury or ill health.	12,182	15,437	10,494	34,118***

* Contractor fatality
** We have upskilled our workforce's understanding of the definition of near misses and its reporting. In prior years, the numbers had also included safety observations. From 2023, this figure is exclusive to near misses.
*** Near miss reporting structure was corrected for GSC to match Sales reporting.



DIVERSITY, EQUITY & INCLUSION

We are committed to creating a truly diverse and inclusive organisation renowned for celebrating difference, enabling our people to feel that they belong and be their authentic selves. We will respect, recognise and value the diversity of our consumers and reflect the communities in which we operate.

BEHAVIOURS:



Be Authentic,
Inclusive to all

SDGs



We aim to achieve gender equality and a more inclusive organisation.

Governance

Governance bodies:

- DEI Steering Group
- Business Employee Resource Groups (BERGs)
- Human Rights Working Group
- Non-Financial Reporting Steering Group

Key policies:

- [Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Human Rights Policy](#)
- Fairness at Work Policy

ELT Sponsors:

Murray McGowan
Chief Strategy
and Development
Officer



Alison Clarke
Chief People and
Culture Officer



Diversity, equity and inclusion (DEI) support the development of our performance-based culture. An important focus in DEI is to drive positive commercial outcomes by creating a more diverse and inclusive workforce. It is also important that our employee base mirrors the varied global communities where we operate – a diverse workforce allows us to better understand and serve our consumers.

Improving gender balance in senior management

We have a well-defined five-year DEI strategy, which includes gender diversity objectives at three of the most senior levels within the organisation.

These commitments extend to setting global and local gender diversity goals and ensuring accountability for DEI objectives with each ELT member.

Furthermore, we conduct quarterly reviews against clearly defined local targets in each region and function to monitor progress, review attrition, recruitment and promotion levels, and create action plans.

To support these objectives, we have implemented targeted talent attraction plans, provided inclusive interview skills training for line managers, and developed the “Accelerating Women into Leadership” programme, which will begin during FY25.

I Belong campaign

In 2023-24, we launched a global employee self-identification campaign called “I Belong”, enabling employees to confidentially share additional personal information in our Workday system. Understanding our employees better helps us track DEI progress, especially regarding ethnicity representation in key markets.

Obtaining employee self-identification data has been challenging due to the diverse markets and complex legal and cultural landscapes. However, employees can now confidentially share their diversity data in 32 of the countries in which we operate. Some of these countries allow only limited information, such as nationality or disability, while a few permit the collection of race/ethnicity and sexual orientation data.

Employee diversity data sharing encourages inclusivity analysis and goal setting. We have set ethnicity goals in the US and plan to do the same in the UK once we gather sufficient data.

Raising awareness and accountability for DEI

In 2024, we introduced an interactive DEI module for all employees. It emphasises our collective role in making DEI a reality by fostering an inclusive culture and respecting our differences. All employees, including new hires, are expected to complete this module as part of their mandatory learning and development or induction.

Additionally, we have developed and implemented an allyship training programme to enhance understanding and build allyship skills for enhanced workplace inclusivity. This initiative began in 2024 and will continue in 2025.

We also conduct targeted DEI workshops, webinars, and speaker sessions on LGBTQ+, neurodiversity, race/ethnicity, gender, and inclusive leadership. Our global Business Employee Resource Groups (BERGs) continue to play a key role in championing DEI progress. This year, we initiated a development programme to support BERG executive sponsors and leaders.

Our global Business Employee Resource Groups (BERGs) covering:

- Gender ERG
- LGBTQ+ ERG
- Ethnicity ERG
- Disability ERG

Are important sources of expertise and enthusiastic champions of our agenda



Case study: Increasing diversity within our sales force in Germany

In recent years, the German market has faced some challenges, prompting Imperial Brands to refresh its sales approach. A key focus has been enabling the field sales force to align better with the Company's commitment to authenticity and inclusivity. This strategy aims to better represent Germany's diverse population, which includes approximately 30% of individuals with multicultural backgrounds. This representation is important for fostering a consumer-first approach and enhancing relationships with local communities.

Through collaboration with our People and Culture function the local team in Germany established a Field Force team that reflects 32 nationalities and cultures. Over nine months, more than 70 new sales representatives were onboarded, who contributed to the acquisition of 10,000 new customers. Feedback from retailers has been overwhelmingly positive, leading to improved customer relationships and more effective retail management.

The diverse team has also enhanced performance in the independent market segment, resulting in sustainable distribution and quicker product launches due to clearer communication. This diversity not only enriches decision-making but also boosts overall business efficiency. The commitment to diversity has proven to be both culturally and commercially rewarding, allowing Imperial Brands to better reflect the communities it serves and build a strong performance culture.

Key Impact, Risk and Opportunity

Impact:

Measures to increase female representation in management positions can inspire collaboration, innovation and high performance through promoting inclusion and diversity.

Risk:

Failure to achieve diversity and inclusion targets could negatively impact talent pipeline, business performance, and reputation.

Opportunity:

Embracing diversity and inclusion can enhance decision-making, innovation, and financial performance by leveraging diverse perspectives and talent.



DIVERSITY, EQUITY & INCLUSION: TARGETS & PROGRESS

We are committed to creating a truly diverse and inclusive organisation renowned for celebrating difference, enabling our people to feel that they belong and be their authentic selves. We will respect, recognise and value the diversity of our consumers and reflect the communities in which we operate.

BEHAVIOURS:

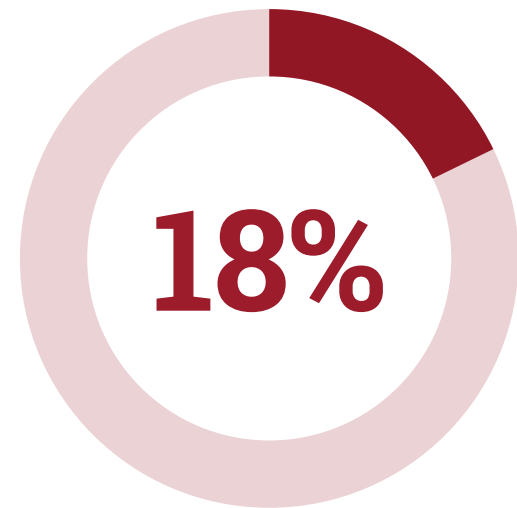


Be Authentic,
Inclusive to all

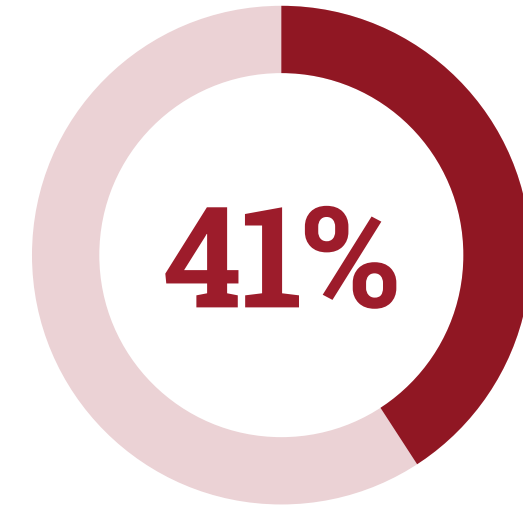
SDGs



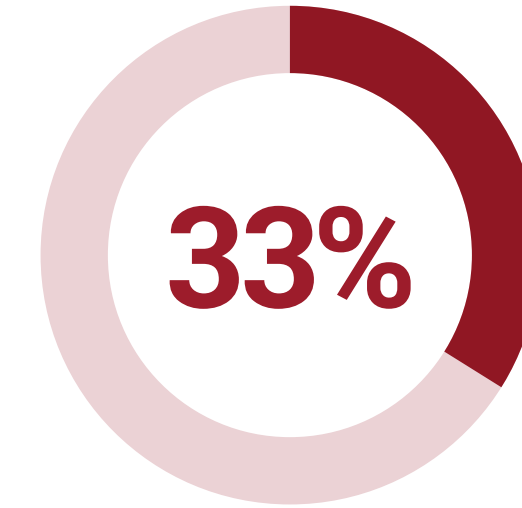
We aim to achieve gender equality and a more inclusive organisation.



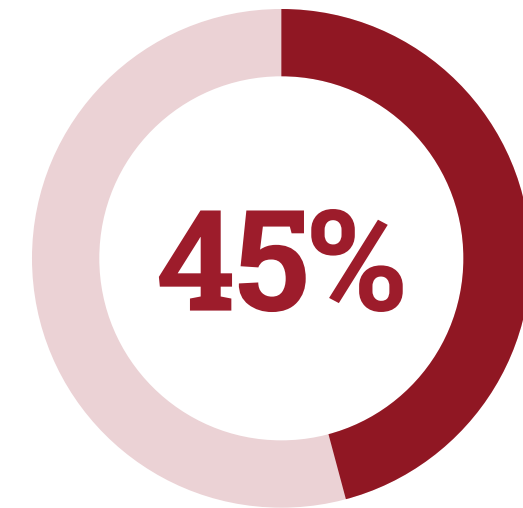
18% of the Board identify as being from an
ETHNIC MINORITY BACKGROUND



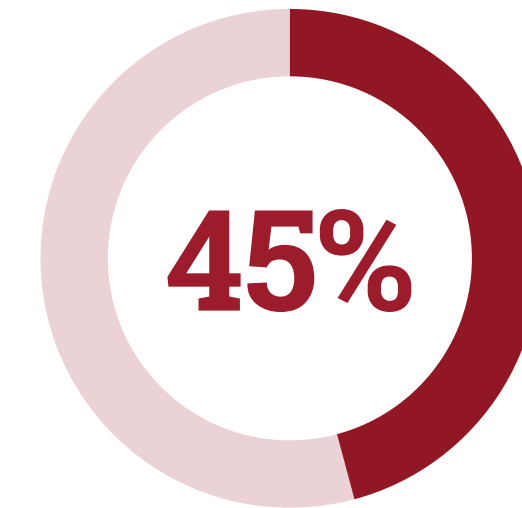
41% of the
WORKFORCE
are female



33% of the
SENIOR MANAGEMENT*
are female



45% of the
EXECUTIVE LEADERSHIP TEAM
are female



45% of the
BOARD
are female

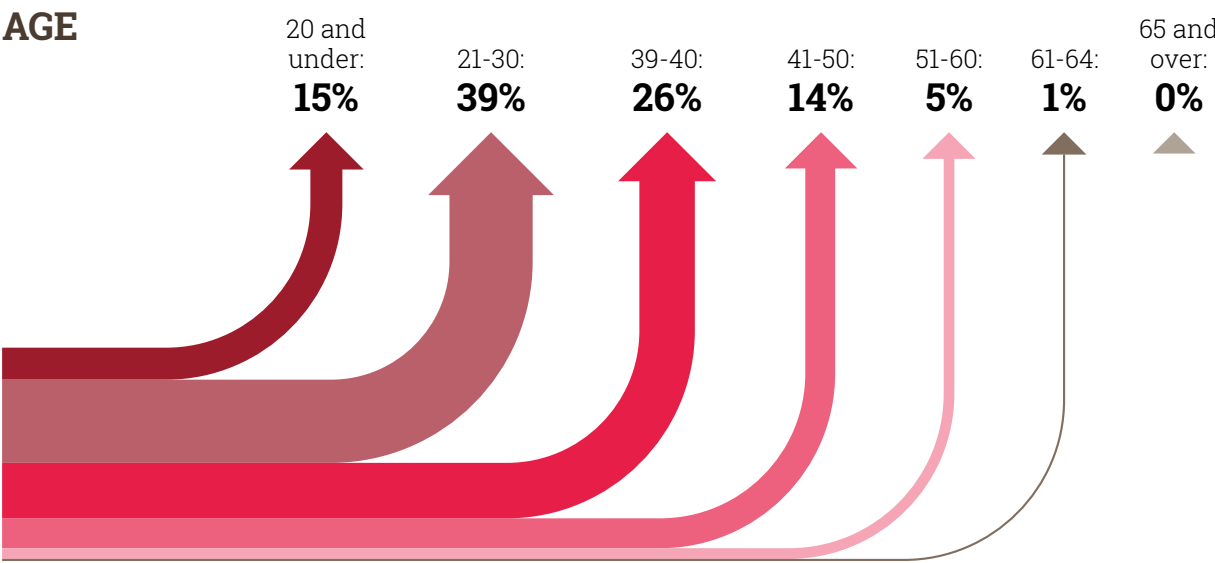
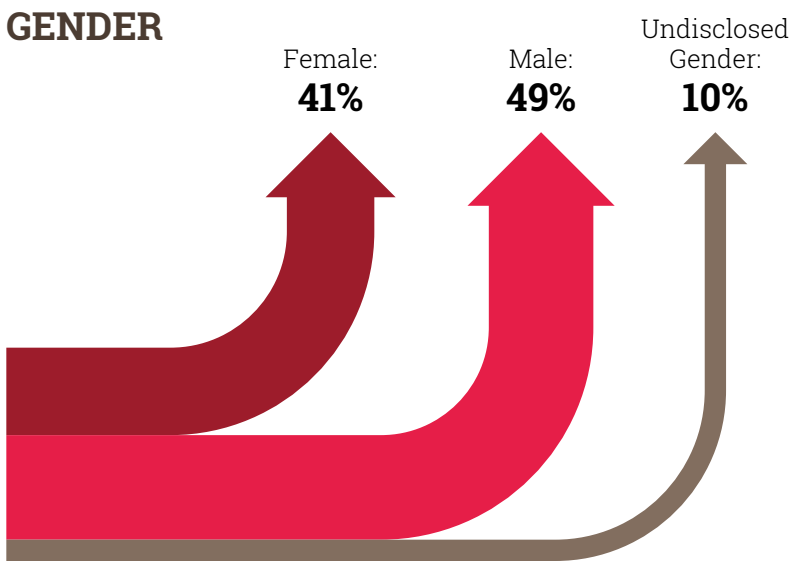


DIVERSITY, EQUITY & INCLUSION: PERFORMANCE

Performance Indicator ¹	Unit	2021	2022	2023	2024	Progress	Commentary
Female employees in the workforce ²	%	40	40	39	41 ^A	●	Female representation has remained broadly consistent across the last three years. FY24: 7,653 female, 11,112 male, 82 not declared.
Female senior management ³	%	–	29	31	33 ^A	●	Targeted talent attraction and development plans have seen an increase in female representation at senior management level. FY24: 218 female, 430 male, 3 not declared.
Female Executive Leadership Team (ELT) members	%	33	33	30	45 ^A	●	Female representation on the ELT has increased in FY24, following the appointments of Deborah Binks-Moore and Priyali Kamath. FY24: 5 women, 6 men.
Female PLC Board members	%	22	40	40	45 ^A	●	Female representation on the Board has increased following the appointment of Julie Hamilton in January 2024. FY24: 5 women, 6 men.
Ethnic background on our Board	%	10	20	20	18 ^A	●	On 30 September 2024 (end of FY24), 18% of the Board members identified as being from an ethnic minority background. The slight decrease seen in FY24 is due to the appointment of new Board member, Julie Hamilton in January 2024.
FTSE Women Leaders Review Combined Executive Leadership Team & Direct Reports	%	21.4	24.3	26.7	32.1 ^A	●	The FTSE Women Leaders Review is the successor to the Hampton-Alexander Review. It is the UK's independent, voluntary initiative aimed at increasing the representation of women on FTSE 350 boards and leadership teams. The reporting date is 31 October 2024.
Employee turnover rate ⁴	%	10	30*	16	14	●	Turnover has fallen slightly compared to FY23, and is significantly lower than FY22's spike caused by divestiture and business transformation.

● Progress on track ● Focus required to accelerate progress ● Intervention required to accelerate progress

New Employee Hires for 2024⁵ GRI Standard 401-1



Employee Turnover Rate for 2024⁵

GRI Standard 401-1

Group	Total	% Rate
Female	969	39.86%
Male	1,389	57.14%
Under 30	3,117	34.14%
30-50	1,081	43.27%
Over 50	518	22.58%

A. Select 2023 data has been independently assured by Ernst & Young LLP (EY) under the limited assurance requirements of the ISAE 3000 standard. EY's Assurance Opinion is available on our website. Our reporting scope and definitions are detailed in the Reporting Criteria document published on our website.

1. We recognise the need to gain more comprehensive employee demographic data in order to understand the diversity of our employee base and drive inclusion. This will form a key part of our new DEI strategy and will help us measure (where appropriate) ethnic minority, disability, LGBTQ+ and other key DEI dimensions.

2. Based on employees recorded in Imperial Brands Group Human Resources Information Systems, excluding Logista, contractors and casual labour.

3. The proportion of senior management employees (Global Grades 3, 4, 5) recorded as female across Imperial Brands Group, excluding Logista.

4. This reflects all employees excluding those employed by Logista.

5. Excludes Logista. The gender and age group figures exclude any individual who has chosen not to disclose their age and/or gender and so will not sum to the total figures.

* Includes divestiture of our Russian business.

FURTHER READING

This summary forms part of our wider ESG reporting, which includes our:

Annual Report and Accounts:

Detailing corporate strategy, financial and non-financial performance as well as information on Risk and ESG performance and our disclosures based on the Task Force on Climate-related Disclosures (TCFD) requirements.

FIND OUT MORE

Corporate Website: Healthier Futures:

We provide further detail on our approach to managing our ESG responsibilities on our website, and in our ESG strategy document.

FIND OUT MORE

Reporting Criteria Document:

This document sets out our reporting approach, scope and criteria which underpins the PLC Board's commitment to disclose our ESG performance in the Annual Report and Accounts and on the corporate website.

FIND OUT MORE

GRI and SASB Index:

Our ESG reporting is aligned to the Global Reporting Initiative (GRI) Standards and the Sustainable Accounting Standards Board (SASB) framework for Tobacco. This index lists the GRI and SASB Standards we are reporting against, and where the information can be found across our suite of ESG reporting.

FIND OUT MORE

Independent Assurance Statement:

We appointed Ernst & Young LLP to provide limited independent assurance over selected ESG content within the Annual Report for the period ended 30 September 2024. The assurance statement is available on our corporate website.

FIND OUT MORE

Use the QR code to take you to our corporate website: **Healthier Futures**



