



Sustainability Strategy

Farmer Livelihoods and Welfare



Imperial Brands ESG Webinar

Agenda



- Introduction: Peter Durman, Director of Investor Relations
- Sustainability Strategy: Alison Cooper, Chief Executive
- Farmer Livelihoods and Welfare:
 - Alex Parsons, Director of Group Communications
 - Surinder Sond, Group Head of Sustainability
 - Warwick Evans, Senior Manager Leaf Agronomy & Sustainability
- Q&A



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Group Strategy

MAXIMISE SUSTAINABLE SHAREHOLDER RETURNS



LONG-TERM QUALITY GROWTH

TOBACCO MAXIMISATION

- Clear focus on driving growth in our priority markets
- Building the contribution from our high-quality Asset Brands
- Market Repeatable Model for growth

NEXT GENERATION PRODUCTS

- Portfolio of vapour, heated tobacco and oral nicotine brands
- 4Bs brand adoption model for moving adult smokers into the NGP category
- Dynamic innovation pipeline supports growth

COST AND CASH

- Disciplined capital allocation
- Simplify operating model
- Lean manufacturing
- Control of overheads
- Maximise cash conversion

ENABLING THE BUSINESS TO GROW AND CREATE VALUE

TOBACCO SUSTAINABLE SUPPLY



NEXT GENERATION PRODUCTS REDUCED HARM



BEHAVING RESPONSIBLY PEOPLE AND OPERATIONS



HIGH STANDARDS OF GOVERNANCE

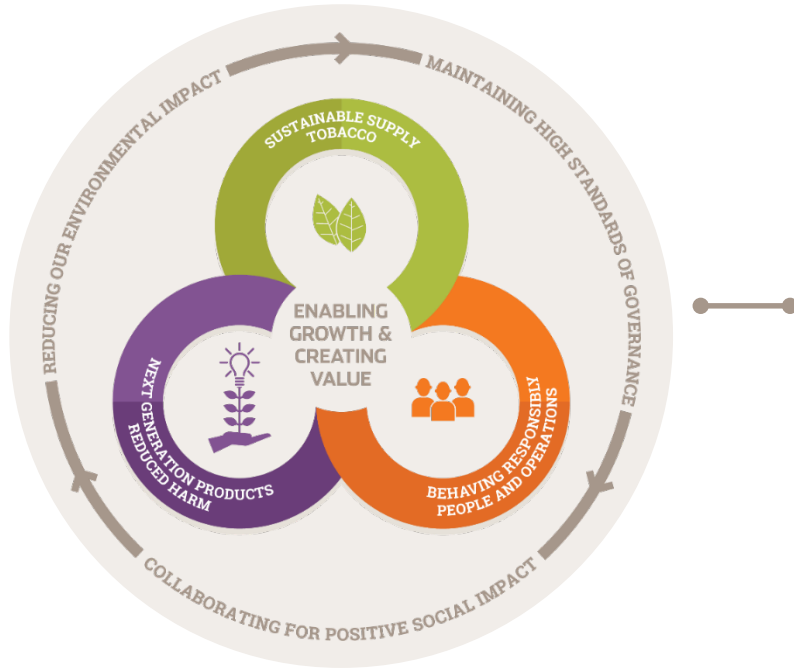
**Our
sustainability
strategy is
central to our
growth
aspirations**



UN Sustainable Development Goals and TCFD



Our Sustainability Strategy



- maintaining sustainable agricultural practices to ensure a consistent, quality supply of tobacco
- developing alternative products that are potentially less harmful to health
- behaving responsibly at all times and providing a safe and rewarding work environment for our employees

ESG considerations are:

- Integrated into business decisions
- Embedded in our risk framework
- Overseen by the Board and senior leadership forums
- Actively managed across the Group
- Supported by employees



ENABLING THE BUSINESS TO GROW AND CREATE VALUE

**TOBACCO
SUSTAINABLE
SUPPLY**



**NEXT GENERATION
PRODUCTS
REDUCED HARM**



**BEHAVING
RESPONSIBLY
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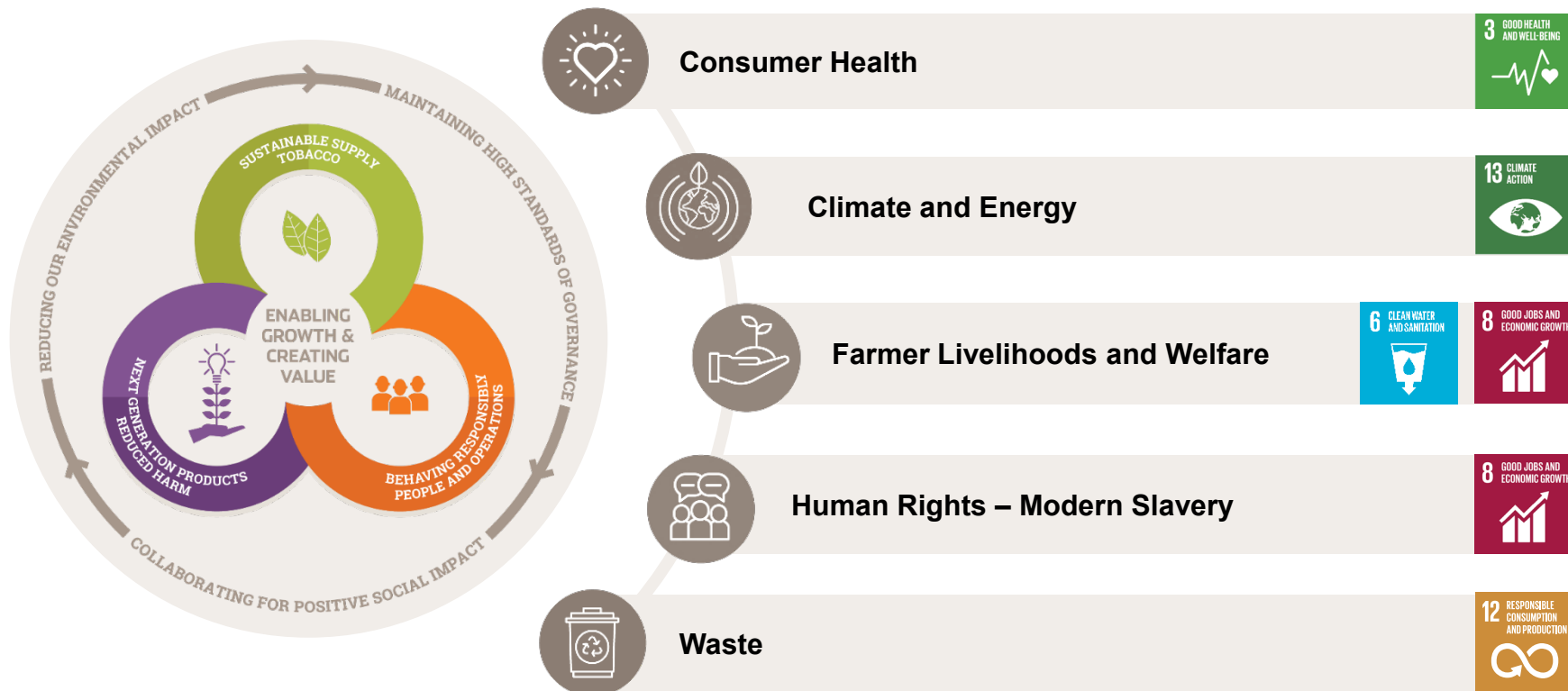
Key Environmental (E), Social (S), Governance (G) Responsibilities

E	Climate and Energy Deforestation Water	Climate and Energy Waste Water	Climate and Energy Waste Water
S	Farmer Livelihoods and Welfare Health and Safety Human Rights	Consumer Health Health and Safety Human Rights	Health and Safety Human Rights
G	Youth Access Prevention Business Conduct		

Stakeholder Panel



Priority ESG Focus Areas



Farmer Livelihoods and Welfare



Tobacco Sourcing



Responsible long term
tobacco sourcing
partnerships

97%

Sourced from third parties



Fair Pay for Farmers



- Partnership approach with suppliers and farmers
- Committed to ensuring fair pay
- Farmers understand cost of production, potential crop yields and prices
- Technical advice and support provided through Integrated Production System



Alternative Crop Farming



- Support tobacco farmers to grow alternative crops
- Vegetables, sunflowers, nuts, maize, honey, beans
- Consumed by families/communities or sold for extra income



Addressing Child Labour



1. Sustainable Tobacco Programme (STP)
2. Leaf Partnership investment projects
3. Eliminating Child Labour in Tobacco Growing (ECLT) Foundation



Sustainable Tobacco Programme (STP)



- Aims to drive consistently high agricultural practices
- Industry-wide initiative for continuous improvement
- Informs supplier rating, focuses interventions and supports dialogue
- STP2.0 currently being developed



Leaf Partnership Programme



- Support farming communities with the most needs
- Focus on providing access to clean water and water storage facilities
- Reducing child labour as children often involved in fetching water



Leaf Partnership Programme: Borehole Project



- Identified Malawi village with no access to clean drinking water
- Financed provision of borehole
- Responsibility of maintaining borehole handed over to community
- Reducing child labour; enabling children to go to school



Eliminating Child Labour in Tobacco Growing (ECLT) Foundation



- Facilitating stakeholder engagement to collectively address child labour
- Transitioning vision to encompass a broader remit
- From 'combatting the root causes of child labour in tobacco-growing communities'
- To 'creating thriving agricultural communities where tobacco is grown'



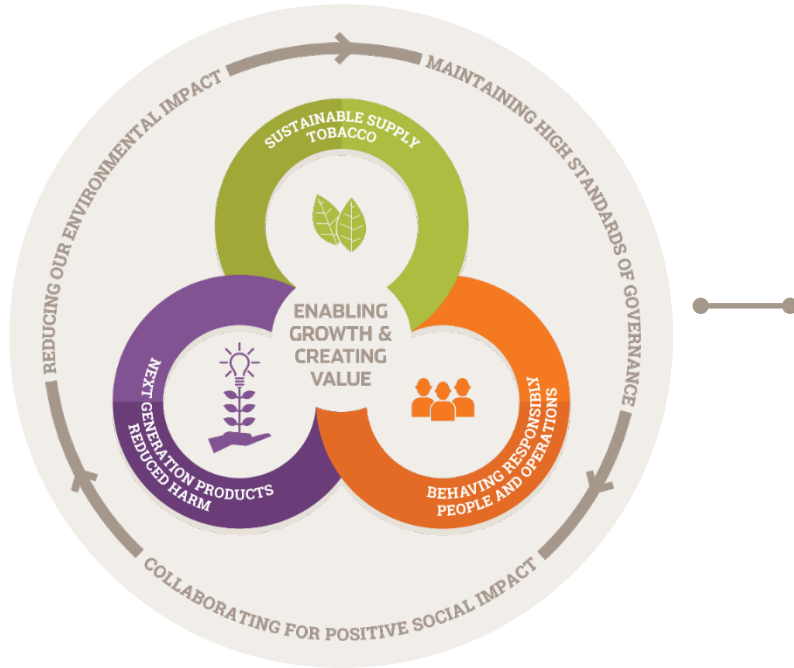
Safe Chemical Use



- Promote safe working environment for suppliers and farmers
- Farmers trained to use, store, dispose of crop protection agents
- Crops purchased from our suppliers have very few and low chemical residue levels



Our Sustainability Strategy



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Q&A ?

Imperial Brands ESG: For More Information...

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[Sustainability review from 2019 ARA](#)



[Read more about sustainable supply](#)



[Sustainability Contacts](#)



[Stakeholder Panel Statement 2019](#)

