DELIVERING ON OUR ESG PRIORITIES THROUGH OUR STRONG PERFORMANCE CULTURE

Purpose: Forging a path to a healthier future for moments of relaxation and pleasure.

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

Reduced our Scope 1 and Scope 2 market-based emissions by

69%

since 2017

Last year we supported more than

128,000

New beneficiaries through our Leaf Partnership Programme

Reduced lost time accidents by

47%

since 2019 (absolute numbers)

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.

It is also about acting with agility. The teams who lead 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 the application of new systems enabling us to become more data driven.

We continue to strengthen our governance framework in relation to ESG, with distinct, well-defined roles for the Board and management. Please see page 61 for further details.

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 set the tone from the top.

An ESG executive sponsor forum convenes three times a year to identify synergies, share best practice, develop future strategy and to really harness the power of the collective.

Our eight focus areas are grouped into three categories: Healthier Futures, Positive Contribution to Society, and Safe & Inclusive Workplace. Each focus area aligns with at least one of the United Nations' Sustainable Development Goals (UN SDGs).

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.

ESG REPORTING FRAMEWORK

Our Reporting Criteria document provides further information on ESG-related metrics.

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.

Note: Logista is a public company listed on the Bolsa de Madrid and is managed remotely due to commercial sensitivities and is responsible for its own data, including ESG-related data, and, accordingly, remains out of scope for all Imperial ESG-related KPIs. However, the steps Logista is taking to address the impacts on its business of climate change are detailed in our TCFD disclosures on page 78.

ESG: People and Planet Performance Summary 2024

Further information and data related to each of the material ESG issues is available on our website in our 2024 ESG: People and Planet Performance Summary.

In FY24 ESG metrics continue to be part of executive remuneration. See page 117 for more information.

Our performance culture drives ESG accountability.

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) 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; and 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, the DMA has highlighted additional areas of focus, particularly in governance. We have controls and frameworks in place for these areas, to ensure they are well managed. The full, confirmed results will be disclosed in next year's Annual Report.

Further details on our DMA results and process can be found in the ESG Performance Summary.

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

PRELIMINARY RESULTS FOR DOUBLE MATERIALITY ASSESSMENT

ESRS topic	Financial materiality	Impact materiality	Link to ESG topic
E1 - Climate Change	Material	Material	Climate Change
E2 - Pollution	Material	Material	Climate Change and 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, and Human Rights
S2 - Workers in the value chain	Material	Material	Diversity, Equity, & Inclusion, Health, Safety & Wellbeing, and 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 and Farmer Livelihoods & Welfare

POWERED BY RESPONSIBILITY

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

We fulfil our ESG responsibilities by maintaining a strong governance framework that emphasises high standards of corporate governance, transparency and ethics. We are committed to continuously reviewing and enhancing our risk management processes and disclosure practices to align with evolving standards and best practice.

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 Group Ethics and Compliance Committee is responsible for providing leadership and monitoring of our ethics and compliance programme. It supports and reinforces effective management of ethics and compliance risk, has oversight of investigations, reviews the Group and Supplier Codes of Conduct and establishes activities and processes that foster ethical business conduct, legal and regulatory compliance.

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. For more information, please see our 2024 ESG Performance Summary.

REFRESHED CODE OF CONDUCT

We launched a refreshed Group Code of Conduct in FY24. Front and centre of this new Code is the message that our people should feel free to speak up about any concern they may have relating to compliance or ethics matters, anonymously if necessary, and without fear of retaliation. There is also new coverage of diversity, equity and inclusion, and the introduction of a dedicated section on integrity in science.

Our Code is the foundational document of our Imperial Brands governance framework. It is our guide to doing the right thing and outlines the standards of behaviour that we expect from everyone who works for our organisation.

It is aligned with the policies, internal controls and risk management processes that underpin our strategy. The Code sets out the responsible behaviours we expect including from employees in their dealings with colleagues, customers, consumers, suppliers, agents, intermediaries, advisers, governments and competitors. All employees and business partners are expected to act with integrity and in accordance with the standards of behaviour set out in the Code.

At the end of FY24, the refreshed Code had been translated into six languages. Further translations into 23 languages are planned by the end of calendar year 2024.

The roll-out of the Code will continue through FY25, supported by a dedicated learning programme.

We expect our suppliers to conduct their business in an ethical and responsible manner and to comply with all applicable laws and regulations. Our Supplier Code of Conduct, refreshed in 2023, is available in 20 languages and sets out the behaviours we expect our suppliers to demonstrate.

The Supplier Code of Conduct is embedded into our Procurement Policy and processes, which govern how we select and contract with our suppliers.

SPEAKING UP

Our Speaking Up platform is available both to our employees and to other stakeholders, including suppliers and farmers. The platform offers a wide range of reporting routes and supports anonymous reporting and feedback.

The Speaking Up Policy is made available both internally and on the Group website in over 30 languages.

All reports made to our Speaking Up platform during the year were investigated by appropriate senior management, including members of our People and Culture team, Group Finance, Global Security Operations, and Group Legal. At all times, protection of the individual making the report was a key consideration.

The majority of reports made in FY24 related to employee grievances. Allegations were also received of misuse and/or theft of Company property (including through our fraud reporting process). Some of these allegations were found to be valid in whole or part. None were found to be material in nature or value. Where appropriate, corrective action was taken.

ANTI-BRIBERY AND CORRUPTION POLICY

We have a zero-tolerance approach to bribery and corruption. These commitments are made in our Code of Conduct, Supplier Code of Conduct and in our dedicated Anti-Bribery and Corruption (ABAC) Policy. Mandatory ABAC training is provided to online employees. Measures are in place to assess our business partners for compliance risk, including ABAC.

Where appropriate (risk and value based), our business partners are required to commit to specific contractual commitments relating to ABAC compliance. Processes exist both to allow reporting (including anonymously) of any allegations of bribery and also to detect and investigate any allegations.

During FY24 there were no confirmed cases of bribery against the Group.

OUR ACTIONS RECOGNISED

2023 CDP A List for Climate Change:
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.

CDP Supplier Engagement Leader:
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 (SER), in addition to their climate change score, rating them on how effectively they engage their suppliers on climate issues.

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.

SBTi
The Science Based Targets initiative (SBTi) has verified both our near-term and long-term science-based emissions reduction targets.

Our overarching target to be Net Zero by 2040 has also been approved by the SBTi.

Race to Zero
In 2021, we joined the UN's Race to Zero, the world's largest coalition of non-state actors taking immediate action to halve global emissions by 2030. In doing so, we joined other members in our goal to reduce emissions across all scopes swiftly and fairly, in line with the Paris Agreement, and with transparent action plans and near-term targets.

Business Ambition for 1.5 degrees
The Business Ambition for 1.5 degrees campaign was an urgent call to action from a global coalition of UN agencies, business and industry leaders, in a partnership with the Race to Zero. We joined in November 2021, reaffirming our commitment to be Net Zero across all three scopes by 2040.

INVESTOR BENCHMARKS

Our ESG management and performance is evaluated by a wide range of external rating agencies.

We believe it is important for rating agencies to work together with companies, investors and other stakeholders to improve consistency and transparency in producing robust ESG data and ratings.

In its last updated report in August 2023, Sustainalytics notes that Imperial Brands is at high risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. The company is noted for its strong corporate governance performance, which is reducing its overall risk.

We have participated in the investor-backed Workforce Disclosure Initiative (WDI) since 2019. This benchmark is based on a disclosure score.

In 2024 we received a 97% disclosure score for our WDI submission.

MSCI has given Imperial Brands an A rating in its latest report updated in September 2024. They note that Imperial Brands continues to lead global peers on corporate governance practices. However, scrutiny over its supply chain labour practices remains.

Moody's Analytics gave Imperial Brands an overall ESG score of 44/100 in their last review update in January 2024.

INDEPENDENT ASSURANCE

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 engagement was planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

These procedures were designed to conclude on the accuracy and completeness of selected ESG indicators, which are indicated in the report with an "A". An unqualified opinion was issued and is available on our website along with further details of the scope, respective responsibilities, work performed, limitations and conclusions.

ESG HIGHLIGHTS

SUSTAINABLE DEVELOPMENT GOALS

Our ESG strategy remains aligned with the United Nations Sustainable Development Goals.

HEALTHIER FUTURES

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.

NGP net revenue has increased

64%

since 2020

CLIMATE CHANGE

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

Reduced our Scope 1 and Scope 2 market-based emissions by

69%

since 2017

PACKAGING & WASTE

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

Reduced absolute waste across our operations by

32%

since 2017

POSITIVE CONTRIBUTION TO SOCIETY

FARMER LIVELIHOODS & WELFARE

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

180,000

tobacco community members benefiting from Leaf Partnership projects aimed at increasing access to clean water.

SUSTAINABLE & RESPONSIBLE SOURCING

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

We have been recognised by the CDP as a supplier engagement leader in 2023 for a

5th year

SAFE & INCLUSIVE WORKPLACE

HUMAN RIGHTS

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

Factory sites self-assessment compliance

98%

with human rights leading indicators

EMPLOYEE HEALTH, SAFETY & WELLBEING

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

Reduced lost time accidents by

47%

since 2019 (absolute numbers)

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.

Disclosure score

97%

in the 2024 Workforce Disclosure Initiative (WDI)

CONSUMER HEALTH

COMMITMENT:

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.

Links to SDGs

- SDG 3: We are committed to tobacco harm reduction

Behaviours

KPI
NGP net revenue

Status: On track

METRIC
NGP net revenue from tobacco and NGP net revenue

Baseline Year (2020)	£201m
2024'	£329m^A

FY24 Performance
NGP net revenue has increased by 64% since 2020.

Our consumer health ambitions are underpinned by three pillars:

1. Consumer Choice: Providing adult smokers and nicotine consumers with a range of NGP.
2. Scientific Substantiation: Demonstrating our NGP are potentially harm reduced compared to smoking.
3. Unintended Use Prevention: Ensuring our NGP are used by adult smokers and adult nicotine users only.

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 NGP portfolio.

Access to choice

Focusing on consumer choice, we now sell NGP in more than 20 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.

As part of our meaningful contribution to THR, this research often goes significantly beyond the routine testing required by regulators.

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%.

In 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.

Our diverse network of professional scientists is spread across several countries and ISO-certified laboratories. Planning has begun for a new state-of-the-art facility in Hamburg.

We also continue to evolve our innovative Alternatives to Animal Testing (ATAT) programme. This year, using ATAT methods our scientists demonstrated significant reductions in markers of smoking-related disease for our vape and heated products, compared to cigarettes.

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.

Please visit our science website for more information.

We undertake a range of safeguarding activities to protect our consumers by taking care in the product design, manufacture, scientific substantiation and marketing of our NGP.

One such activity relates to governance, in particular the Product Stewardship and Health Group, which is responsible for advising the Board on all consumer safety issues. Please see our ESG Performance Summary 2024 for more information.

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.

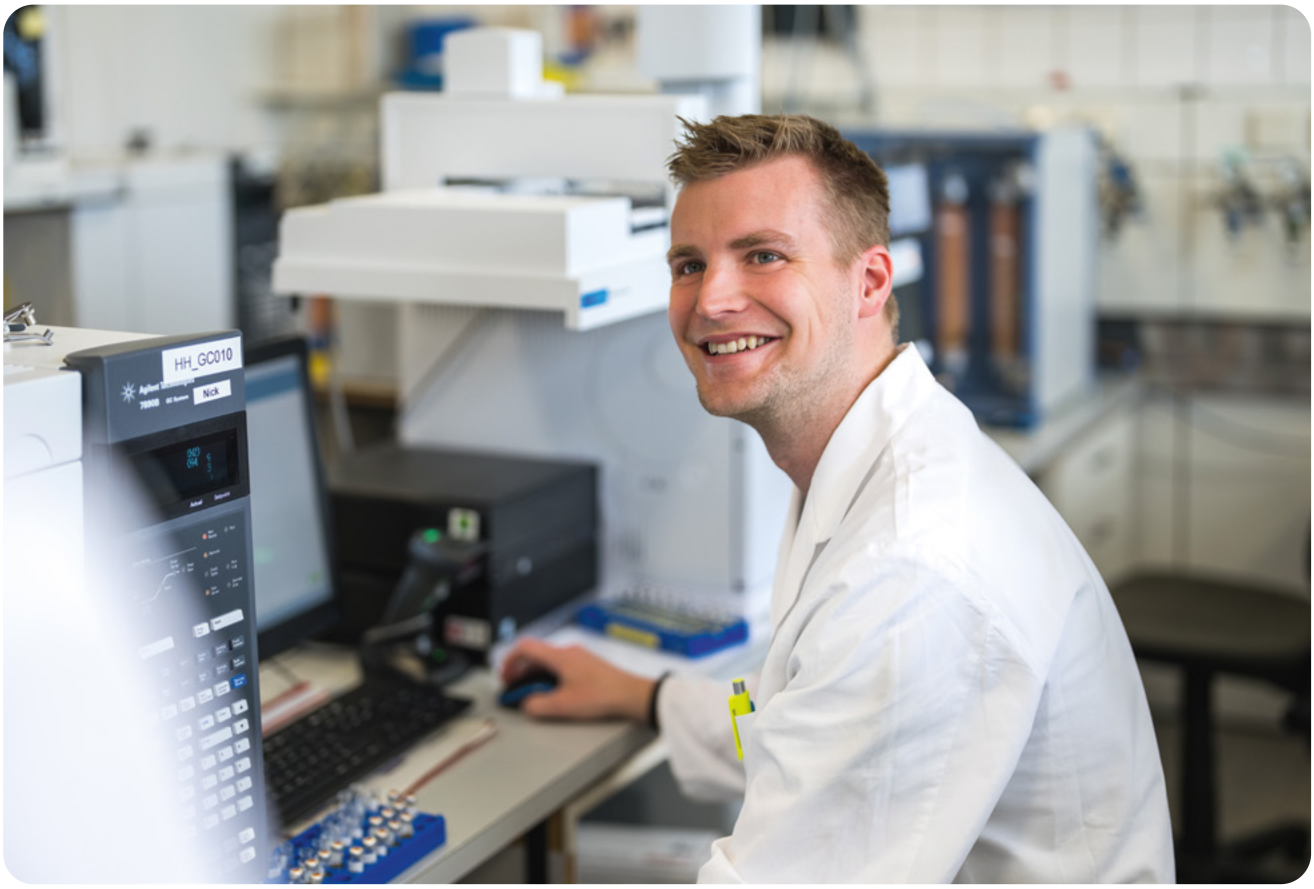
To address key issues like these, we have accelerated external engagement, education and communication. Over the last year we have:

- Enhanced our contribution to external NGP debates (for example, discussions on the importance of flavours and nicotine misperceptions) by hosting and participating in THR-themed events in Brussels, Miami, Dubai, Warsaw and Athens.
- Successfully piloted a trade-focused education programme to our own sales force and external retailers to upskill their THR and NGP knowledge and to build grassroots capability and advocacy through our internal Science Academy.

We actively participate within international product standards bodies like the International Organization for Standardization (ISO) and the European Committee for Standardization (CEN), and established industry scientific associations like the Cooperation Centre for Scientific Research Relative to Tobacco (CORESTA).

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.

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.



CLIMATE CHANGE

COMMITMENT:

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

Links to SDGs

- **SDG 13:** Take urgent action to combat climate change and its impacts
- **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all

Behaviours

TARGET
25% Reduction in energy consumption by 2030

METRIC
Absolute energy consumption in our operations (GWh)[1]

Status: Achieved, new target to be implemented

Baseline Year (2017)	875 GWh
2024	595 GWh[A]

TARGET
50% Reduction in Scope 1 and Scope 2 GHG emissions by 2025

METRIC
Absolute Scope 1 and Scope 2 market-based CO_2e emissions (Tonnes)[1]

Status: Achieved

Baseline Year (2017)	290,446*
2024	89,120[A]

TARGET
50% Reduction in absolute Scope 3 emissions by 2030

METRIC
Total Scope 3 CO_2e emissions (Tonnes)

Status: On track

Baseline Year (2017)	1,478,494**
2024	981,703

FY24 Performance

We achieved our energy reduction target ahead of time with a 32% decrease in energy consumption compared to the 2017 baseline year. We will set a new target subject to approval by the ESG Committee.

We achieved a 69% reduction in our total Scope 1 and Scope 2 market-based CO_2e emissions compared to the baseline year. *The baseline has been restated due to the correction in Scope 2 emissions relating to the source of heat and steam in our factory in Türkiye.

In FY24, we updated our Scope 3 calculation methodology and as a result we have restated our 2017 baseline year** based on this new methodology. We have seen a 34% decrease in total Scope 3 emissions compared to the 2017 baseline year.

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.

Extreme weather events and supply chain disruptions can pose direct threats to our people, operations, assets and revenue streams. We assess and quantify these challenges and mitigate significant risks.

Relevant risks and opportunities are disclosed in our Task Force on Climate-related Financial Disclosures (TCFD) report; see page 78 for details.

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.

Our journey to Net Zero presents an opportunity for us to play our part in curbing global warming and also to introduce improved manufacturing and sales techniques, and to strengthen supply chain relationships.

During 2024, the Science Based Targets initiative (SBTi) validated our 2040 Net Zero target, along with our short and medium-term objectives, reaffirming our alignment with the Paris Agreement.

Our target to be fully Net Zero by 2040 is one part of our Triple Zero campaign.

Delivering on our direct 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 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 around 29% of Scope 1 emissions. We are seeking solutions that drive energy efficiencies and support the

For more targets and metrics related to climate change, please see our ESG Performance Summary 2024.

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 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.

energy transition. 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 establish reduction targets, improve disclosure, and seek external validation of their plans through the SBTi. 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 72.

In 2025, we will focus on expanding the use of the CDP Supply Chain Programme to enhance data collection and transparency. We will explore opportunities to collaborate with suppliers to reduce emissions and work closely with them to improve our overall Scope 3 emission calculations.

Within Scope 3, the Purchased Goods and Services category is the most material at 678,527[A] tonnes of CO_2e, accounting for approximately 63% of total carbon emissions. This year we have obtained independent assurance of this data. Further information is provided in our ESG Performance Summary 2024.

We have achieved our 2024 objective of ensuring that 50% of suppliers by spend in this category commit to science-based targets. Please see page 72 for more details.

In 2025 we will be launching Net Zero supplier contract clauses to reinforce our commitment to reducing emissions across our supply chain.

We have mapped our journey to Net Zero with a five-step plan illustrated below.

We have mapped a five-step approach 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

LOGISTA EMISSIONS

Performance indicator	Unit	2017 (base year)	2021	2022	2023	Commentary
Logista absolute Scope 1 and 2 CO_2e emissions	Tonnes	38,554	45,557	47,099	132,262	Logista is managed remotely due to commercial sensitivities and is responsible for its own data. Logista has provided independently assured data from 2023 for absolute Scope 1, 2 and 3 emissions.
Logista absolute Scope 3 CO_2e emissions	Tonnes	193,611	194,634	189,709	335,851	Data for 2024 is still undergoing independent assurance. The increase in Scope 1 and 2 emissions seen in 2023 can be attributed to acquisitions and the expansion of the emissions accounting boundary to include maritime and rail transport. This change reflects the diverse transport services provided by the newly acquired entities. Logista's 2023 relative Scope 1 and 2 emissions comprise 57 tonnes (2022: 23 tonnes) of CO_2e per £million of 2023 distribution fees (our non-GAAP revenue measure for Logista). Further information on the scope of Logista's GHG reporting is available at www.grupologista.com.

SCOPE 1 AND 2 EMISSIONS – UK AND GLOBAL[1,2,3]

		2024		2023	
Performance indicator	Units	**UK and offshore area**	**Global (Excluding UK and offshore area)**	UK and offshore area	Global (Excluding UK and offshore area)
Scope 1 emissions	tCO_2e	**1,688**	**71,749**	1,841	79,248
Relative Scope 1 emissions	tCO_2e/£m net revenue	**0.2**	**8.8**	0.2	9.9
Scope 2 location-based emissions	tCO_2e	**876**	**107,594**	872	113,187
Relative Scope 2 location-based emissions	tCO_2e/£m net revenue	**0.1**	**13.2**	0.1	14.1
Scope 2 market-based emissions	tCO_2e	**0**	**15,683**	0	20,326*
Relative Scope 2 market-based emissions	tCO_2e/£m net revenue	**0**	**1.9**	0	2.5*
Total Gross Scope 1 and Scope 2 location-based emissions	tCO_2e	**2,564**	**179,343**	2,713	192,435
Relative Scope 1 and Scope 2 location-based	tCO_2e/£m net revenue	**0.3**	**22.0**	0.3	24.0
Total Gross Scope 1 and Scope 2 market-based emissions	tCO_2e	**1,688**	**87,432**	1,841	99,574*
Relative Scope 1 and Scope 2 market-based	tCO_2e/£m net revenue	**0.2**	**10.7**	0.2	12.4*
Energy consumption	kWh	**12,495,251**	**582,776,582**	13,233,516	637,059,838

1. We have provided reporting in compliance with UK Streamlined Energy and Carbon Reporting (SECR) regulations (being the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the SECR under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.
2. For details on the methodology used for SECR calculations, please see our Reporting Criteria document available on our website.
3. Energy efficiency measures taken in FY24 are reported in our 2024 CDP Climate Change disclosures available on the CDP website.

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.

* 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.

PACKAGING & WASTE

COMMITMENT:

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

Links to SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- **SDG 12:** Ensure sustainable consumption and production patterns

Behaviours

TARGET	METRIC
20% Reduction in waste generated in our operations by 2030	**Absolute waste** (Tonnes)[1]

Status: Achieved, new target to be implemented

Baseline Year (2017)	49,141
2024	33,211[A]

TARGET	METRIC
Zero Waste to landfill in our operations by 2025	Absolute **non-hazardous waste sent to landfill** (Tonnes)[1]

Status: On track

Baseline Year (2017)	7,200
2024	264[A]

TARGET	METRIC
100% of all wood fibre in our packaging will be sustainably sourced by 2025	Percentage of **wood fibre in our packaging** sustainably sourced

Status: On track

Baseline Year (2022)	97%
2024	96%[A]

FY24 Performance

We achieved our waste reduction target ahead of time with a 32% decrease in waste compared to the 2017 baseline year. We will set a new target subject to approval by the ESG Committee.

We achieved a 96% reduction in non-hazardous waste sent to landfill compared to the baseline year.

96%[A] of wood fibre in our packaging is now sustainably sourced. The slight reduction of this score seen in 2024 is due to a change in the calculation methodology.

As a responsible manufacturer, we are committed to minimising our environmental impact and promoting sustainability throughout our value chain. The Group Environmental Policy makes our commitment clear, which extends through several Group policies, including our Code of Conduct and Supplier Code of Conduct. These set out the foundations of our approach to environmental sustainability which all our employees, suppliers, and business partners are required to adhere to. Our due diligence processes are designed to uphold high standards to minimise our environmental impact by reducing our carbon footprint, energy, waste, and water consumption, as well as protecting biodiversity. This commitment involves responsible production, usage, and disposal of our products, requiring all employees and partners to understand their roles.

The consumer is the starting point for our strategy. And as consumers' and policy makers' attention shifts to more sustainable manufacturing and recyclable packaging, we aim to efficiently use resources and minimise waste at source.

We are working towards ensuring all our packaging is reusable, recyclable or compostable and to minimise waste across our products, packaging and production processes.

Innovating for waste reduction

Our research suggests that, while consumers value product quality and are unwilling to compromise on this, they also highly value waste reduction but do not want to pay extra for this.

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%[A] 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 recyclability score of more than 80% by 2030. Based on third-party packaging recyclability assessments, for the volume of packaging from products sold in the year, in FY24 we achieved an average packaging recyclability score of 84%[A].

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.

For more targets and metrics related to packaging and waste, please see our ESG Performance Summary 2024.

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 2024 environmental data covers the reporting period Q4 2023 to Q3 2024. This is to allow for data collection, validation and external assurance.

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" to champion 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.

Cigarette butts

We believe that the most effective approach to combating littering is through 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.

Consumer acceptance and emissions regulation have meant that we are yet to find an adequate alternative substitute for the traditional cigarette filter. However, we continue to search for alternative materials for our filters.

NGP waste

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

Our blu bar kit was developed to enable consumers to move from disposable products into rechargeable pod systems. Whilst our current blu bar 1000 already had a removable battery, our new blu bar kit enables 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.

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 target to maintain Zero Waste to landfill is one part of our Triple Zero campaign.

FARMER LIVELIHOODS & WELFARE

COMMITMENT:

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

Links to SDGs

1 NO POVERTY, 2 ZERO HUNGER, 4 QUALITY EDUCATION, 17 PARTNERSHIPS FOR THE GOALS, 6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 15 LIFE ON LAND

Behaviours

Collaborate with Purpose

KPI

All leaf suppliers expressing a commitment to supporting their farmers to access a decent standard of living

METRIC

Percentage of leaf suppliers expressing a commitment to support their farmers to access a **decent standard of living**

Status: On track

Baseline Year (2023)	83%
2024'	98%[A]

TARGET

100% Sustainable wood used as tobacco curing fuel[1] by 2025

METRIC

Percentage of **sustainably sourced wood or matched by managed planting**

Status: On track

Baseline Year (2023)	85%*
2024 Sustainably sourced wood	86%[A]
2024 Managed planting	13%

KPI

100% of our tobacco leaf suppliers participating in the Sustainable Tobacco Programme (STP)

METRIC

Percentage of total **leaf suppliers participating in the STP**

Status: Achieved

Baseline Year (2022)	96%
2024	100%

FY24 Performance

98%[A] of our leaf suppliers have expressed a commitment to support their farmers to access a decent standard of living.

86%[A] of the wood was sourced from sustainable and traceable sources with an additional 13% matched by managed planting.

The baseline number* has been restated following a retesting of supplier data.

100% of our leaf suppliers participated in the STP.

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 30 countries worldwide, and around 3% from our own directly contracted farms.

Tobacco farmers are facing new challenges including extreme weather events, succession challenges, and inflation. In addition farmers have choices over whether to prioritise growing tobacco over other crops.

We engage with our leaf suppliers to ensure 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 collaborate with our suppliers to enhance standards in our leaf supply chain and manage leaf supply risks with our suppliers and through partnerships, such as those created through the Sustainable Tobacco Programme (STP).

The STP is an industry body which verifies annual supplier self-assessments. To accelerate positive social and environmental impact in tobacco-growing communities we aim to enhance agricultural supply chain due diligence.

The STP is independently managed and provides us with enhanced 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 expected to participate in the STP. In 2024 (based on the 2023 tobacco leaf crop year), 100% of our suppliers reported on their due diligence.

Our key suppliers have mature due diligence processes in place, underpinned by the suppliers' on-farm monitoring technology. Our suppliers contract with farmers at the beginning of a growing season with the necessary training and inputs to grow tobacco responsibly. Their technicians monitor the crop and labour practices throughout the year.

For more targets and metrics related to farmer livelihoods and welfare please see our ESG Performance Summary 2024.

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.

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.

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.

At the end of FY24, 98%[A] of our leaf suppliers expressed a commitment to supporting their farmers to access 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 Leaf Partnership Programme is integral to our leaf sourcing strategy and an essential part of our farmer livelihoods and welfare ambition. The programme is conducted in close partnership with suppliers. In each country, we identify the best local solutions that the suppliers then implement using our funding.

In FY24, Imperial provided financial support for projects in 13 countries, with more than 128,000 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. This year we enabled our suppliers to roll out financial literacy training to more than 1,500 farmers in three countries.
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[2] by 2030. This target aims to reach 180,000 active 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.

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 to 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%[A] of the wood was sourced from sustainable and traceable sources with an additional 13% 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.

Addressing child labour

As with other agricultural industries, the risk of child labour is highest in the cultivation part of our supply chain. 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 the STP is aligned with the relevant International Labour Organization (ILO) core conventions and the principles and guidance contained within the United Nations Guiding Principles (UNGP) on Business and Human Rights.
2. **Our Leaf Partnership Programme**
   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.

For more information on how we are addressing the issue of child labour, please see our ESG Performance Summary 2024.

SUSTAINABLE & RESPONSIBLE SOURCING

COMMITMENT:

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.

Links to SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12: We aim to ensure sustainable consumption and production patterns

Behaviours

TARGET
50% of Purchased Goods and Services (PGS) suppliers by spend are committed to science-based targets by 2024

METRIC
Percentage of suppliers in the PGS category by spend committed to science-based targets

Status: Achieved

Baseline Year (2022)	25%
2024	50%

TARGET
50% of partner suppliers by spend have an ethical trading assessment via Sedex or equivalent by 2024

METRIC
Percentage of partner suppliers by spend with an ethical trading assessment via Sedex or equivalent

Status: Achieved

Baseline Year (2023)	0%
2024	86%

FY24 Performance

We achieved our target of 50% of suppliers by spend in the PGS category committed to science-based targets.

We exceeded our target for our partner suppliers by spend having an ethical trading assessment via Sedex or equivalent, with 86% at the end of FY24.

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.

Supplier engagement

This year we launched our new Supplier Relationship Management (SRM) programme, called SRM Connect. 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 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 allows us to more precisely assess the emissions profile of the entire supply chain.

Sedex

We have opted to use 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.

Suppliers with science-based targets (SBTs)

Our supply chain team continues to support our wider ambitions to become a fully Net Zero emissions business by 2040.

During 2024, we achieved our target of ensuring that 50% of suppliers by spend within the Purchased Goods and Services category are committed to science-based targets.

HUMAN RIGHTS

COMMITMENT:

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.

Links to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8: We are committed to decent work for all and to sustainable economic growth

Behaviours

Take Accountability with Confidence

KPI

Factory sites self-assessment compliance with our human rights leading indicators

Status: On track

Baseline Year (2021)	76%
2024	98%

FY24 Performance

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

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) covering a wide range of topics including 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.

Using HRLI is helping us to achieve a more consistent understanding of the requirements and improve the accuracy of our reporting and ensure alignment with our Human Rights Policy.

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 more in depth 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 plan to review a risk-based selection of priority locations to assess their exposure to human rights risks and develop action plans to address these issues.

Raising awareness

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

Human rights training is 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 training.

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.

For more information please see our latest Modern Slavery Statement available on our website.

EMPLOYEE HEALTH, SAFETY & WELLBEING

COMMITMENT:

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

Links to SDGs

- SDG 3: Good health and wellbeing
- SDG 8: Decent work and economic growth

Behaviours

TARGET
75% Reduction in lost time accident (LTA) rate by 2030

METRIC
Lost time accidents per 200,000 hours worked[1,2]

Status: Requires focus

Baseline Year (2019)	0.4
2024	0.3[A]

KPI
Reduction in total number of accidents each year

METRIC
Absolute total **number of accidents**[1,2]

Status: On track

Baseline Year (2019)	850
2024	318

TARGET
60% Reduction in fleet collision rate by 2025

METRIC
Fleet collisions per million kilometres[1]

Status: Achieved

Baseline Year (2022)	5.03
2024	1.82[A]

FY24 Performance

We have seen a 25% reduction in the LTA rate compared to the 2019 baseline year.

We have seen a 63% reduction in the total number of accidents compared to the 2019 baseline year.

We have achieved the target set for fleet collision rate with a 64% reduction compared to the 2019 baseline year.

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.

Our Zero Injury aspiration is part of our Triple Zero campaign

Developing a stronger safety culture

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

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.

To enhance data-driven decision-making and implement effective control measures, we strengthened our existing process of incident investigation by incorporating additional data fields to identify correlations and trends.

We developed an app for incident investigations that standardises information capture, providing a clearer view of gaps and root causes for Group-level issue resolution. Additionally, a real-time dashboard was implemented, allowing leaders to monitor trends and gain insights, thereby enhancing their ownership of safety issues.

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

Developing capabilities and positive behaviours

During 2024 we continued to take initiatives to improve the health and safety skills of our senior managers.

In FY24, 210 leaders were trained on the Behavioural Science Programme for safety leadership, a course certified by the Institution of Occupational Safety and Health.

For more targets and metrics related to health and safety please see our ESG Performance Summary 2024.

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.

This aimed to improve understanding of the role of conversations with peers and team members and identifying and influencing safe behaviours. In addition, we have established the Safety Synergy forum, facilitating the exchange of best practices across Sales and Marketing functions.

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

The wellbeing of our employees is of great importance.

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.

In October 2023, we celebrated World Mental Health Day with a campaign focused on empowering leaders and employees to discuss mental health more openly. The key message was "Let's care for each other". Our goal was to inform employees that conversations about mental health are essential skills everyone should have, and to foster a sense of comfort and acceptance around these discussions. The campaign included educational and awareness materials such as briefings for People Leaders on how to lead on check-in conversations with employees, team-building activities, leaflets, posters, and cards with mental health conversation starters.

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.

HEALTH AND SAFETY PERFORMANCE[1]

Performance indicator	Unit	2019 (base year)	2022	2023	**2024**	Commentary
Employee fatalities	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	Number	0	0	1	**0**	There have been no work-related fatalities to contractors.
Members of the public fatalities involving Imperial Brands vehicles	Number	1	0	0	**0**	Road safety remains a priority across all our operations.
Lost time accidents (LTAs)[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[2]	LTAs 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[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[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	Accidents per million kilometres	5.03	2.80	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)	%	–	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 Health and Safety Framework (Manufacturing)	%	–	87	93	**99**	We aim to be at 100% compliance with our framework standards by 2025.
Compliance with the Health and Safety Framework (Sales)	%	–	93	94	**98**	We aim to be at 100% compliance with our framework standards by 2025.
ISO 45001 certification	%	79	71	72	**79**	Of the factories in scope, 79% have certification for the international standard for health and safety at work.

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.

DIVERSITY, EQUITY & INCLUSION

COMMITMENT:

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.

Links to SDGs

5 GENDER EQUALITY

- SDG 5: We aim to achieve gender equality and a more inclusive organisation

Behaviours

KPI
Female representation at Executive Leadership Team (ELT) level

METRIC
Percentage of **females at ELT level**

Status: On Track

Baseline Year (2021)	33%
2024'	45%[A]

KPI
Female representation on the Board

METRIC
Percentage of **female Board members**

Status: On Track

Baseline Year (2021)	22%
2024'	45%[A]

FY24 Performance

Two female ELT members were appointed in FY24.

One female Board member was appointed in FY24.

For more targets and metrics related to DEI, please see our ESG Performance Summary 2024.

Diversity, equity and inclusion (DEI) support the development of our performance-based culture. An important focus 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.

Our Fairness at Work Policy aims to promote high standards of conduct and job performance among employees, foster positive working relationships, and eliminate harassment. It ensures that no employee or job applicant faces discrimination based on gender, race, disability, marital status, nationality, sexual orientation, age, religious beliefs, or any other unrelated factors. The Group complies with this policy by promoting equal opportunities and addressing discrimination while ensuring fair performance management. Formal grievance procedures protect employees from harassment.

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.

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.

Raising awareness and accountability for DEI

In 2024, we introduced an interactive DEI training 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 FOUR GLOBAL BUSINESS EMPLOYEE RESOURCE GROUPS COVERING:

- Gender
- Ethnicity
- Disability
- LGBTQ+

Are important sources of expertise and enthusiastic champions of our agenda.

DIVERSITY, EQUITY AND INCLUSION PERFORMANCE[1]

Performance indicator	Unit	2021	2022	2023	2024	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	30	30	**45[A]**	Female representation on the ELT has increased in FY24, following the appointments of Deborah Binks-Moore and Priyali Kamath. FY24: 5 female, 6 male.
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 female, 6 male.
Ethnic minority 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.
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.

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. 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.
* Includes divestiture of our Russian business.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

After conducting our first double materiality assessment in 2023, climate change continues to be a critical focus area for us, both within our organisation and in our external engagements. Our ESG strategy, with climate change as a key priority, is integral to the delivery of our business strategy and our approach to the TCFD report.

While preparing this report, we have taken into account the TCFD framework, which covers Governance, Strategy, Risk Management, and Metrics and Targets. Additionally, we have considered more recent frameworks, including the International Sustainability Standards Board (ISSB IFRS S1 and S2) and the European Sustainability Reporting Standards (ESRS), as part of our commitment to complying with future requirements.

We provide further details about our climate strategy in our Climate Transition Plan and ESG: People and Planet Performance Summary 2024. In addition, our performance related to climate change is outlined in the climate change pages of this Annual Report. We believe we are on track to achieve our Net Zero target, as specified in more detail on page 66.

In accordance with the UK Listing Rule 6.6.6(8)R, we have made disclosures in this TCFD report that are fully consistent with each of the TCFD Recommendations and Recommended Disclosures. Specifically, we have made climate-related financial disclosures for the year ending 30th September 2024 related to governance, strategy, risk management, and metrics and targets.

For more information on our double materiality assessment, please see page 60

CLIMATE-RELATED GOVERNANCE

ESG oversight and management are integrated throughout our organisation.

The Board reviews performance against climate-related targets and our Climate Transition Plan, which encompasses financial risks and opportunities. During the year, the Board expanded the role of the People & Governance Committee to enhance their oversight of sustainability and ESG. The Committee meets quarterly, is attended by all Non-Executive Directors, and received four updates on climate-related risks and opportunities in FY24. It reviews ESG progress and oversees how ESG risks are managed. It also reviews the Group's non-financial reporting, internal verification and external assurance, in conjunction with the Audit Committee. Directors stay informed about climate-related risks, opportunities and performance through the quarterly ESG report, ensuring oversight and monitoring as needed. We have two Non-Executive Directors with climate-related matter experience. Diane de Saint Victor served as an executive committee member at a leading technology solutions provider, helping industries reduce their energy consumption. Alan Johnson served as the president and chair of the Board at the International Federation of Accountants (IFAC), which successfully advocated for the establishment of the International Sustainability Standards Board (ISSB). As chair of the Stakeholder Advisory Council of the Audit and Ethics Standard Settings Board, he continues to support the assurance of climate-related disclosures. In FY24 we introduced ESG Sponsor days, led by Alison Clarke, Chief People and Culture Officer and Executive Leadership Team (ELT) lead for ESG. These reviews encompass all eight ESG topics, including climate change (see page 59), with topic owners and other subject matter experts sharing progress, performance and requests for support with each other. We have also established a TCFD steering group. This group oversees our annual climate risk and opportunity strategy and action plan, integrating efforts from both ESG and Finance teams. Our Director of Corporate Financial Planning & Analysis oversees long-term financial planning and takes climate-related risks and opportunities into account. They are actively involved in the TCFD steering group dedicated to managing actions and disclosures on climate-related risks and opportunities.

For further details on our climate management efforts, please see our Climate Transition Plan and Environment Policy available on our website.

People, Governance & Sustainability Committee
A Board-level committee chaired by a NED

↓ Informing

Audit Committee
A Board-level committee chaired by a NED
reported into by Internal Audit, our third line of defence

↓ Informing

Remuneration Committee
A Board-level committee chaired by a NED

↓ Informing

Board of Directors
The Board of Directors provides oversight of our climate-related risks and opportunities programme. It has endorsed all climate-related targets, including the necessary investments for implementing programmes aimed at reducing carbon emissions and achieving our climate action goals. Additionally, the Board reviews business plans and major plans of action, including expenditure (such as climate-related capital expenditure). It oversees enterprise risk appetite, assessment, and management; longer-term strategy; and the annual budget plan, which includes provision for climate change activities. It also monitors implementation and performance against objectives and oversees acquisitions and divestitures.

Reporting ↑↓ Informing

Second line of defence
is either managed at the ELT or functional leadership level, depending on the materiality of the risk. Climate risk and opportunity reporting are integrated into business functions, and multiple forums provide updates on these matters to the ELT.

ESG Committee
CHAIRED BY CEO

The ESG Committee receives quarterly updates on the performance and progress of our strategy from the ESG team and other internal subject matter experts. The Committee includes all members of the Executive Leadership Team (ELT) and additional senior management from across the organisation. The Chief Financial Officer (CFO) serves as the executive-level sponsor for climate change. Additionally, the Global ESG Director, reporting to the Chief People and Culture Officer, leads the Global ESG team and acts as the secretariat for the ESG Committee.

Reporting ↑

Planet Strategy Group
Oversees all planet-related activities across our ESG pillars. It comprises directors and function heads from across the business, and is run by the Global ESG team.

First line of defence
is assigned either to members of the Planet Strategy Group or to members of the groups that contribute to it, depending on who manages the topic operationally.

Reporting ↑

Environment Compliance Working Group
Owns the Environment Policy

Reporting ↑

Individual working groups covering material areas of activity, including TCFD, factories and fleet.

Reporting ↑↓ Informing

Group Risk Committee
CHAIRED BY CEO

Our Group Risk Committee oversees our risk management approach and reporting. It convenes at least three times a year to provide "top-down" insights into the periodic risk assessment process, which includes assessments of climate-related risks.

For additional details on our enterprise risk management, please see page 42.

Reporting ↑

Global Risk & Internal Control
Coordinates risk and control framework improvement and manages the periodic risk assessment to provide a consolidated view of risk movement, mitigation and gaps.

In April the Board expanded the role of the People & Governance Committee to enhance their oversight of sustainability and ESG. The People, Governance & Sustainability Committee meets quarterly, attended by all Non-Executive Directors. It reviews ESG progress and oversees how ESG risks are managed. It also reviews all aspects of the Group's non-financial reporting, its internal verification and external assurance, in conjunction with the Audit Committee.

CLIMATE-RELATED RISKS AND OPPORTUNITIES STRATEGY

Our climate change strategy is well-defined. To support it, we integrate climate-related risks and opportunities management into business functions. The strategy is established and overseen by the Global ESG team, with teams across the business taking operational responsibility as our first line of defence. Additionally, we regularly conduct climate scenario analyses to keep our approach up to date.

OUR APPROACH

In line with the TCFD recommendations, our climate-related financial analyses cover the period from 2023 to 2050. We conducted an initial analysis in 2022, updated in 2023. These analyses covered two temperature scenarios: Representative Concentration Pathway (RCP) 2.6 (corresponding to a 1.5-2ºC scenario) and RCP 8.5 (representing a 4ºC scenario). RCP 2.6 aligns closely with our Net Zero ambition, while RCP 8.5 represents a worst case scenario. The resulting risks have been integrated into our broader Group risk management framework.

When defining the scope of the physical and transitional scenario analyses, we considered a range of potential hazards, including physical impacts and changes in local or global policies related to transition. Based on this analysis, we have explored various options for our operational and financial planning. To establish the scope of assets for the analysis, our global asset base was analysed for greatest value alongside our tobacco and NGP supply chains, establishing a list of 54 sites and locations. The risks and opportunities in tables 3-9 are the results of the analysis and prioritisation.

In FY24, we evaluated our global climate-related insurance outlook in conjunction with third-party scenario analyses. Our collaboration with FM Global ensures insurance coverage for all our sites, including climate-related risks. We account for both physical and transition risks associated with climate change within our supply chain and direct operations, incorporating them into Imperial's principal risk considerations. These assessments guide our management and monitoring of climate risks for critical business decisions.

The third-party scenario risk analysis identified four distinct risks and one opportunity aligned with Imperial Brands' risk framework, illustrated in Table 1. These are associated with the maximum financial impact (MFI), which relates to the gross risk and assumes no mitigation or adaptation activities. The analysis covers both temperature scenarios across the Company's asset base from 2023 to 2050. We disclose the financial impact in Table 1 for the period from 2024 to 2033, following our time horizons associated with financial and risk assessment, also used in CDP (Table 2). The estimated accumulated financial impact has been factored into our financial models for goodwill, impairment, deferred tax assets (notes 12, 8, and 23 respectively), going concern and viability (page 103). The MFI calculation excludes inflation and cannot predict the impacts of future government policies. Risks and opportunities have been prioritised based on the findings of the scenario analyses.

We employed a third line of defence our internal audit team—throughout the disclosure process, and have contracted an independent third party with TCFD expertise to assure our disclosure against the listing rule. This gives us confidence in our assessment and resulting mitigation and adaptation strategy.

OUR SCOPE

Imperial Brands PLC has analysed all its assets in the MFI analysis, except for Logista, which operates independently to protect commercial sensitivities. In this report, we also summarise Logista's separate findings on page 87.

TABLE 1:

THE ESTIMATED FINANCIAL IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES OVER THE NEXT 10 YEARS

	Estimated accumulated maximum financial impact (MFI) over 10 years (£m)[1]	Impact[2]		Impact predicted as a result of our climate change strategy[3]
		1.5-2°C	4°C	
PHYSICAL RISKS				
Chronic weather	50	Lower impact	Medium impact	Lower impact
Acute weather	52	Lower impact	Medium impact	Lower impact
TRANSITION RISKS				
Policy and legal	9	Medium impact	Lower impact	Lower impact
Market	311	High impact	Lower impact	Medium impact
CLIMATE-RELATED OPPORTUNITIES				
Energy sourcing	46[4]	High impact	Lower impact	Medium impact

Lower impact	Lower impact is considered to be at <0.2% of asset value.
Medium impact	Medium impact is considered to be at 0.2-1% of asset value.
High impact	High or significant impact is considered to be >1% of asset value.

We have adopted a risk-based approach to address climate-related risks by analysing identified risks and opportunities and integrating their management into our Climate Change strategy. Recognising the critical role of climate risk and opportunity management, these considerations have informed our FY25-27 business plans. It's important to note that, apart from market, the risks mentioned above are not deemed financially significant, as defined in Table 1 (where significance is measured as more than 1% of asset value).

After conducting this analysis, we adjusted our Climate Change strategy to ensure comprehensive consideration of these risks and opportunities. We have implemented action plans aimed at minimising their potential impact.

In our 2024 risk matrix (found on page 49), Environment, including the reputational risks of not delivering our climate change strategy, is flagged as a principal risk. Going forward, we will closely monitor these factors, integrating them into our business risk management practices.

IMPACT, RISK MITIGATION, AND ASSOCIATED METRICS AND TARGETS

Among the four risks identified in Table 1, specific contributing risks have been deemed most material, contributing to the estimated financial impact. We detail these in the following four pages (tables 3-9), and as part of our business planning and climate strategy activities.

Although the analyses cover the period up to 2050, we believe that a more detailed examination over a 10-year horizon better aligns with our business planning and risk management horizons as illustrated in Table 2.

TABLE 2: ALL RISKS ARE CONSIDERED WITHIN A 10-YEAR TIME HORIZON

Our timeframe used in CDP	Short	Medium	Long
	0-1 years	1-3 years	3-10 years
Alignment to our business planning	Short-term business planning cycle	3-year business planning cycle	Goodwill impairment & risk horizon

1. Maximum financial impact taken for the scenario most likely to produce a higher financial impact.
2. Assuming no decarbonisation measures are taken by Imperial Brands.
3. In accordance with Imperial Brands' risk assessment, our climate change strategy includes action to mitigate these risks, which if taken should affect the likely financial impact as a proportion of asset value, as well as capitalise on opportunities.
4. Cost avoidance as a result of energy transition.

PHYSICAL RISKS: CHRONIC WEATHER

Based on the scenario analysis undertaken in 2023, we have assessed nine physical risks, including coastal inundation, soil subsidence, surface water flooding, riverine flooding, extreme wind, forest fire, and water stress. These risks apply to both our direct operations and our tobacco purchasing regions. From this analysis, we have identified four critical physical risks. In Table 1, we outline the potential financial impact of chronic and acute weather events. The specific risks contributing to this impact are outlined in Tables 3 to 6.

TABLE 3

CHRONIC DROUGHT RISK

Short	Medium	Long
		■

Scenario materiality

1.5-2°C	Lower impact
4.0°C	Lower impact
Impact predicted as a result of our climate change strategy	Lower impact

Predicted impact

Drought poses a risk to our tobacco farms and broader supply chain, with a potential impact on revenues.

Despite this, these risks are not deemed financially significant.

Associated opportunity

Projects regarding adaptation, water and decent standard of living for farmers, as set out within the farmer livelihoods pillar of our ESG strategy (page 70).

Sustainable sourcing of wood fibre for our packaging and products, which helps to stabilise local risks of drought.

Mitigating actions

Our tobacco leaf procurement strategy relies on an outsourced model, with 97% of the leaf sourced from third parties in 2023. We have identified interchangeable tobaccos across suppliers and locations, enabling us to establish contingency sourcing options for our tobacco leaf supply. Collaborating closely with suppliers is essential for implementing effective mitigation and adaptation. Our global risk-based approach involves analysing key tobacco sourcing locations at risk, in order to address potential challenges.

In FY24 we implemented water access projects in collaboration with farmers across Brazil, Mozambique, and India. Additionally, within our broader supply chain, we procure wood fibre products for non-tobacco materials (NTMs) and packaging, aiming for 100% sustainable wood fibre sourcing by 2025. Our ongoing efforts involve working closely with suppliers to achieve 100% sustainably sourced wood fibre for our packaging, and we are exploring ways to extend this initiative to include NTMs.

For further details, please refer to page 68.

Related metrics and targets

- £296,000 spent on water access projects in FY24.
- 96% of our packaging is from sustainably sourced wood fibre*.

LINKS TO OUR ESG STRATEGY

TYPE OF RISK ACCORDING TO OUR GLOBAL RISK STRUCTURE

Product supply

* Please refer to the Reporting Criteria document for method, definition and scope.

TABLE 4

CHANGES IN TOBACCO CROP YIELD

Short	Medium	Long
	■	■

Scenario materiality

1.5-2°C	Lower impact
4.0°C	Medium impact
Impact predicted as a result of our climate change strategy	Lower impact

Predicted impact

There is a risk that leaf supply is disrupted due to these events, which may affect our ability to generate revenues. Key factors contributing to this situation include water access challenges for tobacco farmers, as well as concerns related to soil health and biodiversity.

Despite this, these risks are not deemed financially significant.

Associated opportunity

Projects regarding adaptation, water and decent standard of living for farmers, as set out within the farmer livelihoods pillar of our ESG strategy (page 70).

Mitigating actions

While we anticipate some revenue decline due to disruptions in the agricultural supply chain, there is a potential offset from increased tobacco yields in certain regions due to rising temperatures. Our tobacco leaf procurement strategy leverages supplier expertise in tobacco cultivation, ensuring contingency sourcing options are available. Additionally, within our leaf supply chain, we maintain approximately 12 months' worth of leaf stock to mitigate climate-related interruptions and minimise the risk of shortages.

As part of our tobacco leaf engagement efforts, we collaborate with suppliers to encourage farmers to cultivate complementary or secondary crops.

For further details, please refer to page 70.

Related metrics and targets

- 89% of our tobacco leaf suppliers by spend are engaged in water risk projects.
- 97% of our directly contracted farmers grow complementary crops*.

LINKS TO OUR ESG STRATEGY

TYPE OF RISK ACCORDING TO OUR GLOBAL RISK STRUCTURE

Product supply

Refer to page 59 for more details on links to our ESG strategy and page 42 for how we manage risk.

- Lower impact
- Medium impact
- High impact

PHYSICAL RISKS: ACUTE WEATHER

TABLE 5

INCREASED FREQUENCY AND SEVERITY OF EXTREME WEATHER EVENTS

Short	Medium	Long
	■	■

Scenario materiality

1.5-2°C

4.0°C

Impact predicted as a result of our climate change strategy

Predicted impact

In our tobacco leaf supply chain, we anticipate a decline in revenues due to supply chain disruptions impacting production capacity. However, the analyses indicate that the business remains relatively unaffected by both chronic and acute physical risks in the short term.

Regarding our manufacturing operations, our leased factory in the Dominican Republic is expected to be most affected, primarily due to surface water flooding. Physical risks in other locations were deemed immaterial.

Despite this, these risks are not deemed financially significant.

Associated opportunity

Improved adaptation and mitigation at sites directly impacts on insurance premiums.

Mitigating actions

To ensure operational continuity, we have a policy for all our manufacturing sites to put robust business continuity plans in place.

Additionally, we have global property damage and business interruption insurance through FM Global, which covers potential property damage resulting from weather-related events.

FM Global conducts thorough risk assessments at each site, performing approximately 50 to 60 site visits annually. Their focus includes evaluating fire risks and natural catastrophes. When gaps are identified, recommendations are prioritised based on expected losses. Over the past five years, Imperial has successfully implemented more than 30 FM Global natural hazard recommendations.

In our tobacco supply chain, we actively participate in relief and community support during extreme weather events, as part of our commitment to help tobacco farmers achieve a decent standard of living. In FY24, we collaborated with suppliers to provide relief in the tobacco-growing regions affected by cyclone Freddie in Mozambique. Our efforts focused on improving access, providing food relief, and enhancing farming infrastructure.

Related metrics and targets

- We have a policy for 100% of our manufacturing sites to have business continuity plans in place to mitigate any potential interruption to operations.

LINKS TO OUR ESG STRATEGY

TYPE OF RISK ACCORDING TO OUR GLOBAL RISK STRUCTURE

Product supply

5. NOAA, 2021.

TABLE 6

SEVERE HURRICANE RISK

Short	Medium	Long
	■	■

Scenario materiality

1.5-2°C

4.0°C

Impact predicted as a result of our climate change strategy

Predicted impact

While supply chain disruptions and their impact on production capacity could potentially lead to decreased revenues, the analysis indicates that storms are likely to increase in severity by approximately 5% over the 21st century[5].

We have some sites such as our factories in Puerto Rico, Dominican Republic, and the Philippines which are specifically exposed to an increasing risk of severe hurricanes.

Despite this, these risks are not deemed financially significant.

Associated opportunity

Improved adaptation and mitigation at sites directly impact insurance premiums.

Mitigating actions

Within our direct operations, the Group maintains supply chain contingency plans and insurance coverage to address this risk. Additionally, we explore alternative sourcing options for our broader tobacco supply chain.

Our insurer, FM Global, conducts on-site visits to analyse wind exposures, with a specific focus on sites located in known high-wind zones. During these evaluations, FM Global assesses the resilience of building envelopes. This includes examining uplift pressures on roof systems, debris impact on building walls, and the effects of high winds on other elements such as dock doors. FM Global provides practical recommendations to enhance resilience, encompassing both physical improvements and human element procedures, such as emergency response planning.

Related metrics and targets

- We have a policy for 100% of our manufacturing sites to have business continuity plans in place to mitigate any potential interruption to operations.
- We will measure the percentage of tobacco leaf produced in high-risk locations with alternate sourcing options.

LINKS TO OUR ESG STRATEGY

TYPE OF RISK ACCORDING TO OUR GLOBAL RISK STRUCTURE

Product supply

TRANSITION RISKS

The transition risks identified in our climate scenario analysis are integrated into our risk framework and effectively communicated with the relevant sites and functions. Our climate change strategy is closely linked to these transition risks, particularly focusing on two primary areas: carbon taxation for our operations and material costs associated with our products, packaging, and leaf supply chain. In Table 1, we outline the potential financial impact of these transitional risks, with further details provided in Tables 7 and 8.

TABLE 7

POLICY AND LEGAL

Short	Medium	Long
	■	■

Scenario materiality

1.5-2°C	Medium impact
4.0°C	Lower impact
Impact predicted as a result of our climate change strategy	Lower impact

Predicted impact
The emergence of regulations like carbon taxation and carbon pricing mechanisms may lead to increased costs.

Despite this, these risks are not deemed financially significant.

Associated opportunity
A transition to renewable energy can avoid these costs, see our climate-related opportunity: renewable energy sourcing.

Mitigating actions
To address the impact of carbon pricing and emerging regulations, we rely on our climate change strategy, specifically aiming to achieve Net Zero in our direct operations by 2030. In 2023, we re-evaluated the impact of carbon pricing, considering the global economy's improved ability to transition, including a higher share of renewable energy in the energy mix.

In FY24, our factory in Belgium responded to local regulations by installing solar panels on its roof. The factory proposed this initiative, with support from Global engineering. The solar panels necessary to meet the 2030 regulation have been approved through our business approval plan system.

Related metrics and targets
- 97% traceable renewable purchased grid electricity*
- 42% renewable energy*

LINKS TO OUR ESG STRATEGY

TYPE OF RISK ACCORDING TO OUR GLOBAL RISK STRUCTURE

Environment

* Please refer to the Reporting Criteria document for method, definition and scope.

Refer to page 59 for more details on links to our ESG strategy and page 42 for how we manage risk.

- Lower impact
- Medium impact
- High impact

TABLE 8

MARKET

Short	Medium	Long
■	■	■

Scenario materiality

1.5-2°C	High impact
4.0°C	Lower impact
Impact predicted as a result of our climate change strategy	Medium impact

Predicted impact
The anticipated increase in our suppliers' cost base due to carbon taxation and physical risks may impact materials costs for both non-tobacco materials (NTM) and tobacco leaf. These cost increases could arise from higher operating expenses for raw material suppliers.

While the absolute risk related to increased materials cost is significant, the accumulated value over the next decade is projected to remain below 2% of our NTM and tobacco leaf expenditure if no additional mitigating measures are implemented.

Associated opportunity
The presence of Net Zero goals throughout our supply chain offers an opportunity for cost avoidance in material sourcing. Additionally, in FY24, our revenue from products produced at renewable energy sites reached 2.4%.

Mitigating actions
By executing our climate change strategy to be Net Zero by 2040, we expect to significantly reduce material costs exposure to carbon pricing. Our collaboration with partners to address Scope 3 emissions plays a crucial role in achieving this goal. In FY24, we focused on achieving our supplier engagement target: to engage 50% of our Purchased Goods and Services suppliers by spend to commit to science-based targets. We also independently assured our Purchased Goods and Services emissions accounting methodology in FY24, please see our climate change pages 66 to 67 for more detail.

We have published a comprehensive Climate Transition Plan** that encompasses policy, energy, technology and other pathways as part of our climate change strategy and includes our Scope 3 emissions.

We have expanded the number of suppliers invited to respond to the CDP supply chain survey from 115 to 249 in FY24.

Related metrics and targets
- 50% of our Purchased Goods and Services suppliers by spend will commit to science-based targets*
- 249 suppliers invited to CDP supply chain
- 2.4% of our net revenue is from products produced in a renewable energy site*
- In FY25 we will explore how to add Net Zero clauses into our new contracts

LINKS TO OUR ESG STRATEGY

TYPE OF RISK ACCORDING TO OUR GLOBAL RISK STRUCTURE

Environment

** Please refer to our Climate Transition Plan, available on the healthier futures page of our website.

CLIMATE-RELATED OPPORTUNITIES

In Table 1 we set out the potential financial impact of a climate-related opportunity: energy sourcing. This is expanded more in Table 9.

TABLE 9

ENERGY SOURCING

Short	Medium	Long

Scenario materiality

1.5-2°C	●
4.0°C	●
Impact predicted as a result of our climate change strategy	●

Predicted impact

By leveraging our climate change strategy, we can mitigate costs associated with carbon tax within our operations.

In FY24, both the UK and Germany implemented carbon taxes on energy sources. These countries are Tier 1 markets where we have sites, including a factory in Germany. The total exposure to carbon tax in FY24 amounts to 0.6% of our energy expenditure.

Actions

Successfully implementing our climate change strategy allows us to maximise the benefits of the green energy transition and avoid carbon costs in the 1.5-2°C climate scenario.

We have developed a decarbonisation glide path and transition plan that maps our emissions reduction efforts towards achieving Net Zero.

For further details, refer to our ESG Review (page 59) and explore the ESG: People and Planet Performance Summary 2024 on our website.

In both scenarios, our strategic approach to renewable energy procurement is expected to positively impact cost management. However, we remain vigilant about the potential impact of carbon prices and evaluate the business's ability to manage or pass through these costs.

Currently, all sites except Taiwan are purchasing traceable renewable grid electricity. Our proactive approach aims to limit costs and mitigate impact, as evidenced by the significant increase in traceable renewable grid electricity.

Looking ahead, in FY25, we plan to conduct a pilot to enhance our understanding and capabilities related to power purchase agreements, further strengthening our renewable energy procurement efforts.

Related metrics and targets

- Carbon tax cost exposure within FY24 is 0.6% of global energy spend

LINKS TO OUR ESG STRATEGY

TYPE OF RISK ACCORDING TO OUR GLOBAL RISK STRUCTURE

Environment

IMPACT OF RISKS IN FINANCIAL REPORTING

Imperial Brands' long-term financial planning spans a three-year period. Of the most material risks identified (Tables 3-9), only Market has been identified as significant. We anticipate that climate-related risks will not materially impact the Group, with the largest risk projected to remain below £14 million for 2025 (and £58 million over the three-year period). This risk primarily pertains to increased operating costs associated with NTM and tobacco leaf, calculated based on the maximum financial impact (MFI) resulting from the 1.5-2°C scenario.

We currently have no committed liabilities with third parties related to climate impact that should be provided for. However, for financial statement areas covering periods beyond our three-year financial planning and Imperial Brands' climate-related risk horizon of 10 years, we have considered the MFI of material climate-related risks specific to those areas.

We assess our market MFI in goodwill and intangible assets impairment (note 12) as well as in our evaluation of the recoverability of deferred tax assets (note 23), summarised on page 156. The Directors' assessment of climate change impact is included in the going concern section and viability disclosures (page 103). In FY24, we incorporated these considerations into our business plans, ensuring climate-related risks and opportunities are balanced alongside other elements. If new climate-related risks or opportunities emerge, we remain committed to adjusting our strategy accordingly and integrating relevant costs into our profit and loss.

ASSUMPTIONS

The analyses assume no action is taken to decarbonise within our supply chain or operations. Additionally, they do not account for inflation, future government policies or subsidies, or existing mitigation efforts. Material costs include the expenses associated with physical risks materialising in the supply chain.

Moving forward, we will closely monitor the evolving impact of climate-related risks and opportunities. Our plan includes updating this analysis in 2025. As we have done previously, we will review the outcomes and incorporate them into our climate change strategy and decarbonisation planning as needed.

FUTURE REQUIREMENTS

The landscape of regulatory requirements and available standards for climate-related risks and opportunities is continually evolving. As a large UK-listed company with European subsidiaries, we are committed to achieving CSRD (Corporate Sustainability Reporting Directive) compliance. This means we will report against the ESRS (European Sustainability Reporting Standards) in the coming years.

Additionally, we closely monitor the development of other climate-related disclosure requirements, such as IFRS S1 and S2. Our intention is to work towards meeting these standards as well. It is as a result of this that the impact for transition within a 1.5 degree scenario is higher.

The UK's Transition Plan Taskforce has been instrumental in outlining the requirements for a transition plan. We have published our first carbon transition plan this year, ahead of mandatory reporting, and aim to work towards fully complying with the recommendations. With all ESG-related regulations and requirements, we remain vigilant, following international standards development closely to enhance our actions and disclosures.

For physical risks, we anticipate a higher impact within the 4 degree scenario, as more extreme weather is predicted. We will continue to monitor this in future years.

CLIMATE-RELATED RISK MANAGEMENT

In our principal risk structure, we acknowledge risks related to the impact of business operations on the natural environment where we operate as fundamental to operations.

We also ensure that other principal risks also take into account the risks and opportunities associated with climate change, as appropriate.

Assessment by each risk owner ensures that we accurately determine materiality and integrate ownership of associated climate-related risks and opportunities into the broader business.

With support from the global ESG team, risk owners review the potential causes and likelihood of any climate-related risks materialising. For further details on our risk management practices, and how risks are weighed against each other, please refer to the dedicated risk section on pages 42-53.

The Group's formal approach to risk management includes bi-annual updates to the Board regarding the results of the Group risk assessment, including our principal risks. Our risk management framework specifies accountability for identifying, assessing, and mitigating risks throughout the organisation. This framework aligns with the "three lines of defence" model, as outlined for climate change in the governance diagram on page 79.

Principal risk

Product supply

Risk profile:

Strategic impact:

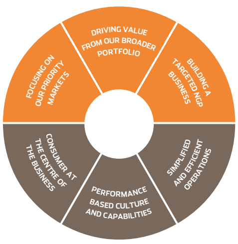
- Focusing on our priority markets
- Building a targeted NGP business
- Driving value from our broader portfolio

Environment

Risk profile:

Strategic impact:

- Focusing on our priority markets
- Simplified and efficient operations



Risk profile change

- Risk profile increasing
- Risk profile unchanged

Refer to page 45 for more details on risk profile and strategic impact

Climate change is considered within our risk management structure 47-49

- Product supply
- Environment

As the second line, the Global ESG team has accountability to assess climate-related risks identified by the first line. During this process, the first line also propose to mitigate, transfer, accept or control climate-related risks, a process that is reviewed and governed by both the second and third line, as appropriate. We set out our process for identifying, assessing and managing climate-related risks on page 80.

In FY24, Group Internal Audit conducted a comprehensive audit of our climate change strategy. Their assessment covered completeness, governance, progress, and integration into business functions. The audit received the highest assurance rating of "substantial". Additionally, we periodically engage a third party to independently validate the risks identified by the business.

For this TCFD report, we have introduced a fourth line of defence by seeking assurance against the UK Listing Rules from a third party. In formulating this report, we have also factored climate-related risks and opportunities into our business plans, with a focus on their expected impact from FY25 to FY27.

At our factory in Greensboro, North Carolina, USA, located in an area where hurricanes represent a risk, we have enhanced our emergency procedures to include a specific protocol for external climate-related emergencies.

This protocol identifies the safest locations for employees and visitors to seek shelter. Additionally, we conduct bi-annual practice sessions to ensure that everyone can follow the protocol swiftly and safely.

Our Group risk assessment standard reinforces the importance of considering climate-related event protocols across all sites as appropriate.

LOGISTA

Imperial Brands PLC has analysed all its assets in the MFI analysis, except for Logista, which operates independently to protect commercial sensitivities. As such, we consider Logista's separate analysis, disclosing a summary here. Logista's sustainability policy 2/2023 sets the pillars for the management of sustainability, including climate-related risks and opportunities. This structure, set out below, can also explain the relationship between Imperial Brands and Logista as regards to ESG, including climate-related matters:

1

The Board of Directors approved the sustainability policy. This body is ultimately responsible for supervising the observance of the policy, through the Audit, Control and Sustainability Committee.

The Board of Directors takes into consideration sustainability issues with regard to the determination of the risk control and management policy, and the supervision of the internal information and control systems.

2

Five employees of Imperial Brands sit on the Logista board, the Chief Strategy and Development Officer, the Corporate Development Director, the Group Finance Director, the Director of Strategy for Global Supply Chain and the Senior Investor Relations Manager, all of whom have regard to Imperial's climate change strategy.

The Director of Strategy for Global Supply Chain is also a topic owner for climate change at Imperial. Any climate-related risks raised to the board of Logista are reported to the overarching Imperial Board through these representatives, following the structure set out above.

3

The Imperial Brands Global ESG team, responsible for managing climate risk and opportunity and the Group-level TCFD report, has prepared this disclosure with the teams responsible for the management of climate risk within Logista.

Logista maintains close links between its investor relations team and those at Imperial Brands. Our global insurance provider, FM Global, also serves Logista in a manner consistent with the disclosure mentioned above. Additionally, Logista outlines its methods for managing climate-related risk through its sustainability policy.

The Sustainability Committee at Logista is responsible for preparing and co-ordinating sustainability strategy plans in collaboration with Logista's businesses. The Sustainability Committee reports at least twice a year on progress of climate-related goals and associated KPIs to the Executive Committee and the Audit, Control and Sustainability Committee.

Furthermore, the Corporate Finance function ensures the integrity of financial and non-financial information for both the Company and its subsidiaries. It also manages risks associated with financial and non-financial aspects.

LOGISTA'S RISKS AND OPPORTUNITIES

Logista conducted a separate scenario analysis for 2°C and 4°C pathways (aligned with RCP 4.5 and RCP 8.5) in accordance with the TCFD recommendations. This analysis evaluates climate-related physical and transitional risks, as well as opportunities across short-term (0-3 years), medium-term (3-5 years), and long-term (more than 5 years) horizons.

Logista's analysis incorporates physical scenarios from the Intergovernmental Panel on Climate Change (IPCC) (RCP 4.5 and RCP 8.5), and transition scenarios (STEPS and APS) from the International Energy Agency's World Energy Outlook (IEA WEO). They evaluate their climate-related risks following a risk methodology which takes into account several weighted criteria, to reach a final risk impact. Within the criteria they include economical metrics, reputational, legal and strategic criteria among others. The resulting risks for Logista are not included in Table 1 on page 81, but are in Logista's own Annual Reports. None of these risks are considered financially significant at Imperial Brands level, as the risk value is small compared to the Groups revenue.

Risk		Significance over 0-3 years 2°C	Significance over 0-3 years 4°C
Physical risks	Heavy precipitation	Very significant	Significant
Transitional risks	Emerging regulation	Very significant	Very significant
	Technology	Very significant	Very significant

Significant	High impact on financial value, Legal and Compliance, Processes, Health and Safety, Reputational and Strategic and a high probability of occurrence
Very significant	Very high impact on financial value, Legal and Compliance, Processes, Health and Safety, Reputational and Strategic and a high probability of occurrence

METRICS AND TARGETS

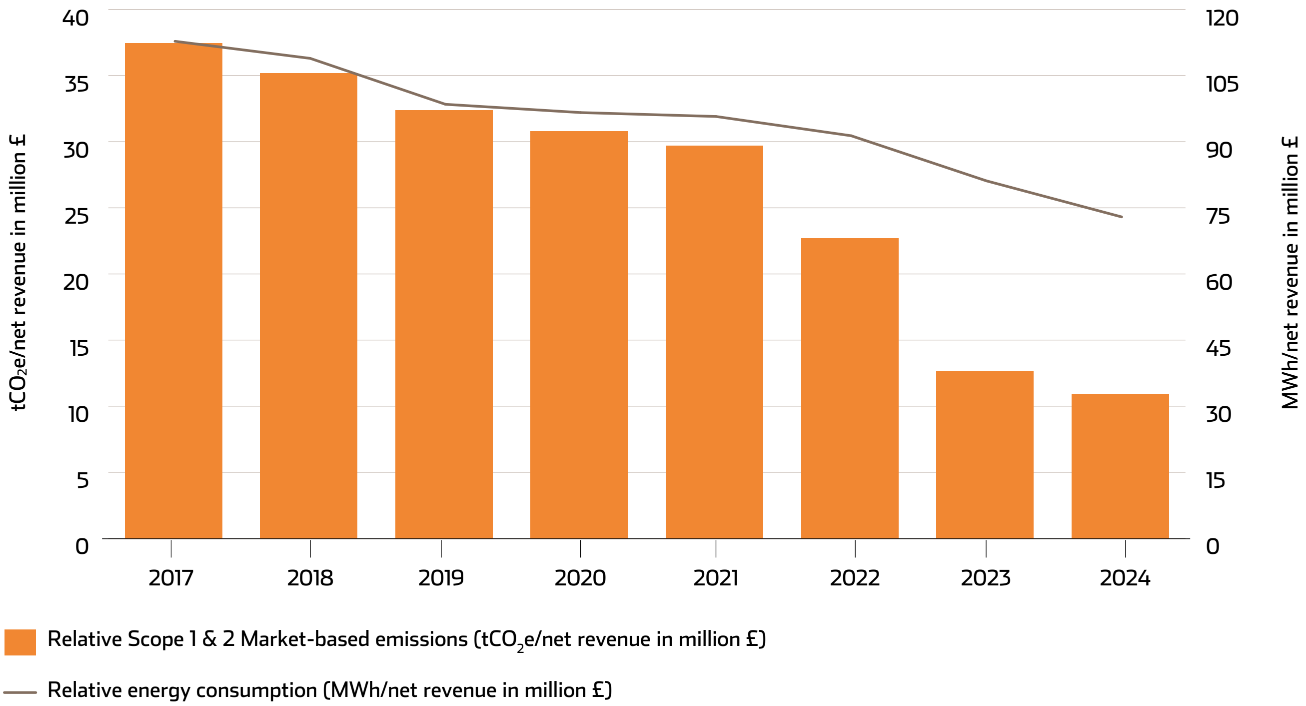
Our climate change targets present business opportunities: energy-saving initiatives and efficiency programmes can have both environmental benefits and result in cost savings.

Since 2019 we have had Scope 1, 2 and 3 targets aligned with the necessary reductions to limit climate warming to 2°C approved by the Science Based Targets initiative (SBTi).

In FY21, we raised our ambitions by joining the Business Ambition for 1.5°C Race to Zero initiative, led by the SBTi. In FY24, the SBTi validated our new targets[1], which align with the 1.5-2°C Paris Agreement. We report on performance against these and other climate change targets in our ESG pages (59). Notably, our strategy focuses on achieving absolute reductions rather than relying on carbon credits[1].

Beyond the disclosed metrics and targets related to specific risks, we also focus on overarching areas that support our climate change strategy and the management of climate-related risks and opportunities.

We have consistently disclosed emissions intensity and tracked energy intensity as key metrics to measure our climate performance. Our ongoing monitoring allows for a balanced review of our progress as we strive for absolute emissions reduction. For additional climate-related metrics and targets related to our climate strategy, including intensity metrics, emissions, energy, waste, and water, please see our climate change pages 66 to 67, our ESG: People and Planet Performance Summary 2024[4], or our Climate Transition Plan[4].



Metric/Aim	Target/Action	Start date	Performance in 2023	Performance in 2024	Climate-related risk or opportunity linked to
Energy intensity	Track energy intensity	2017	81 (MWh/m £ net revenue)	73 (MWh/m £ net revenue)	Energy sourcing policy & legal, market
Proportion of renewables in energy mix	We aim to reach 100% renewable energy by 2030*	2021	40%	42%	Energy sourcing & carbon tax
Fleet energy mix	Proportion of electric or hybrid vehicles in our fleet*	June 2023	2%	14%	Energy sourcing, policy and legal
Scope 3 categories assured and disclosed	Assure increased coverage of Scope 3 emissions to include our most material topics by 2028*	October 2024	Business travel assured and disclosed (1.3% of Scope 3 emissions)	Category 3.1** assured and disclosed (69% of Scope 3 emissions)	Market, policy and legal
Climate change targets linked to executive remuneration	Include allocation for climate change in Long-Term Incentive Plan	October 2023	5% in 1-year plan	10% in 3-year plan[2]	Policy and legal, energy sourcing
Internal carbon pricing mechanism integrated into decision-making framework[3]	Integrate into global supply chain decision-making framework by 2025	March 2023	Shadow price established for use in decision-making	Integrate shadow price into manufacturing decision framework	Energy sourcing, market, policy & legal
Conduct water assessments for extremely high and high risk water stressed areas	In 2025 we will pilot a water risk assessment in one of our high or extremely high water stressed sites	October 2025	Water risk assessment conducted to identify sites in water stressed areas	Alliance for Water Stewardship assessment identified for pilot	Chronic drought, extreme weather

1. Details of our validated SBTi targets are located on our website: https://www.imperialbrandsplc.com/content/dam/imperialbrands/corporate/documents/healthier-futures/sbti-targets/SBTi-targets-announcement-03-24.pdf.downloadasset.pdf.
2. For more information, please see our Remuneration report, from page 115.
3. For more information, please refer to our 2024 CDP submission.
4. https://www.imperialbrandsplc.com/healthier-futures.

* Please refer to the Reporting Criteria document for method, definition and scope.
** Category 3.1 of Scope 3 as set out by the Global Greenhouse Gas Protocol is Purchased Goods and Services.

The Strategic Report was approved by the Board and signed on its behalf.

By order of the Board.

Emily Carey

Emily Carey
Company Secretary