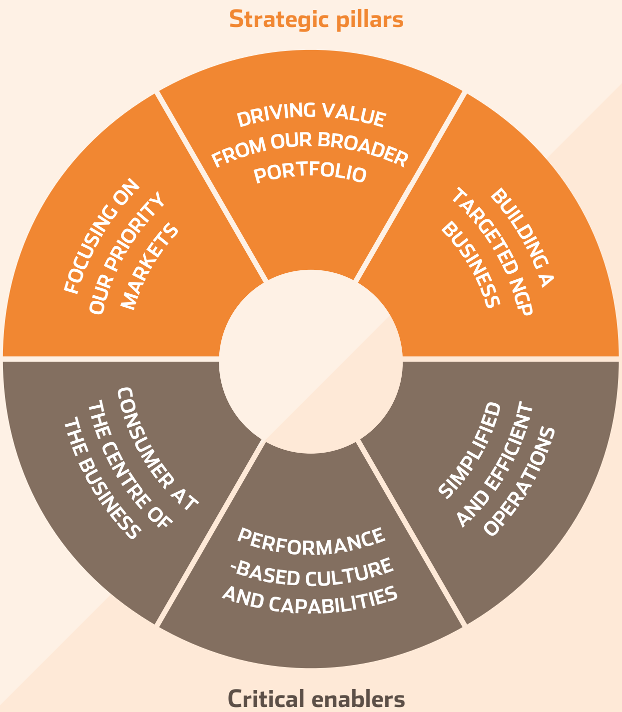
DELIVERING ON OUR STRATEGY

OUR FOCUSED STRATEGY



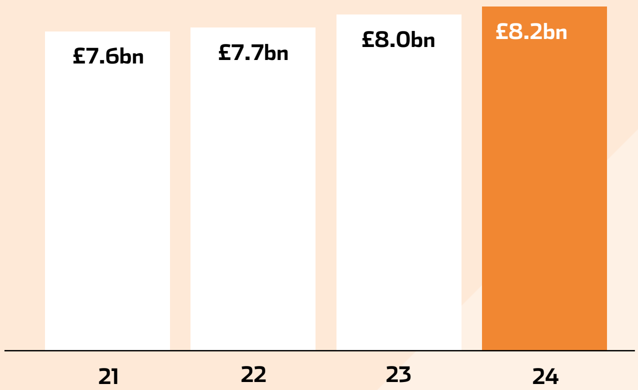
MARKETS WE OPERATE IN

c.120

TOBACCO AND NGP NET REVENUE (£ BILLION)

£8.2bn

2023: £8.0bn



2024 Tobacco & NGP net revenue growth at constant currency +4.6%

AGGREGATE MARKET SHARE OF OUR FIVE PRIORITY COMBUSTIBLE MARKETS (BASIS POINTS)

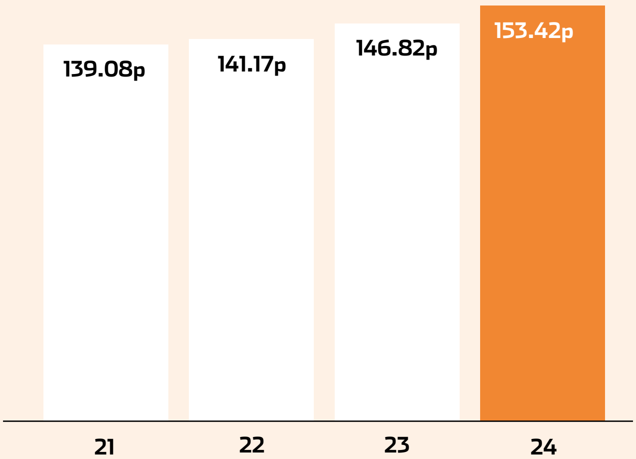
+5bps

2023: +10bps

DIVIDEND PER SHARE (PENCE)

153.42p

2023: 146.82p

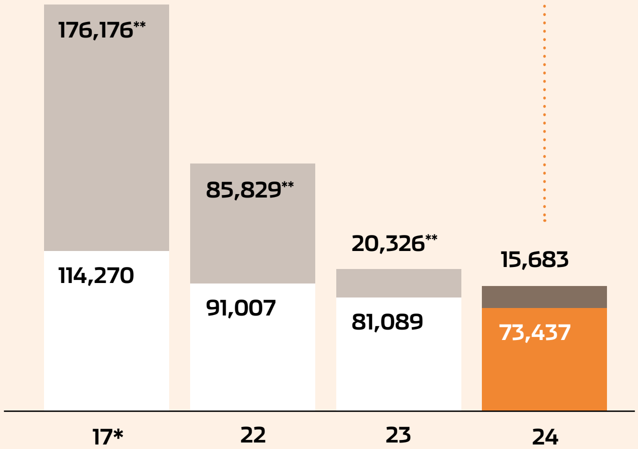


2024 Dividend per share growth +4.5%

ABSOLUTE CO_2 EQUIVALENT EMISSIONS SCOPE 1 AND SCOPE 2 MARKET-BASED (TONNES)

89,120t

2023: 101,415t**



Our target is to be Net Zero in our direct operations by 2030

* 2017 is the baseline.

** Baseline and previous years have been restated due to Scope 2 market-based emissions correction.

NGP NET REVENUE GROWTH AT CONSTANT CURRENCY (PER CENT)

+26.4%

2023: +26.4%

FY25 SHARE REPURCHASE ANNOUNCED (£ BILLION)

£1.25bn

2024: £1.1bn

OUR CONSUMER FOCUS

WE START WITH THE CONSUMER

We put the consumer at the centre of our business, with strong insights guiding our approach to building a portfolio of local and international challenger brands which resonate with millions of adult consumers every day.

INTERNATIONAL BRANDS

JPS
West
P&S
Davidoff CIGARETTES
RIZLA+
GAULOISES

LOCAL JEWELS

Winston
BACKWOODS
Fortuna ORIGINAL
L&B
FINE
GOLDEN VIRGINIA 1877 THE ORIGINAL 1877

NEXT GENERATION PRODUCTS (NGP)

blu
PULZE HEAT TECHNOLOGY
zone
skruf
iD HEATED TOBACCO
iSENZIA ZERO TOBACCO

"The best moment to smoke is when I am alone, with my coffee and I have zero issues on my mind. A smoker always sees tobacco quality first, and for me, why would I pay more when Gauloises gives me the quality I need?"

GAULOISES **Mohamed,** Morocco

"I wanted to find something that would not smell like a typical cigarette, would be flavourful and enjoyable to use among friends. I like the iSenzia flavours and I like that the device is small and handy. I like to use Pulze when reading – it's relaxing."

PULZE **Julia,** Poland

"Zone is my go-to pouch, it has a soft mouth feel and just the right level of intensity. My friends and family have noticed that I no longer smell of cigarettes, and I have more confidence because of it."

zone **Vonte,** USA

"I used to smoke socially, but vaping is a bit more mellow, and the taste isn't so strong. A lot of my friends smoke, so vaping means I'm not left out. I can join in, but in my own way. I like that the new blu bar kit is rechargeable, and quite compact."

blu **Claudia,** UK

WHY INVEST IN IMPERIAL?

We are a consumer-focused business underpinned by a disciplined capital allocation framework. This gives us the ability to invest in our strategy, while maintaining a strong, efficient balance sheet and delivering enhanced shareholder returns.

REVITALISED TOBACCO BUSINESS

Investment in our brand equity and sales force initiatives has enabled us to balance market share delivery with strong pricing. The tobacco value creation model remains resilient, with affordability enabling sustainable pricing to offset volume declines. In our top five combustible markets that generate c.70% of operating profit, we have grown market share after years of declines. This, combined with a more disciplined focus on our broader market portfolio, is driving improved combustible returns.

Aggregate priority market share cumulative 2021-2024 (basis points)

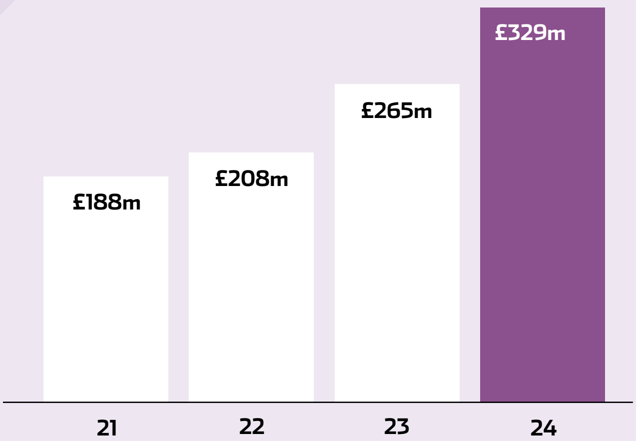
+48bps

BUILDING A SUSTAINABLE NEXT GENERATION PRODUCT BUSINESS

Next generation products (NGP) offer adult smokers a route to smoking cessation and remain relatively nascent in many markets. As a challenger, our role is to offer consumers a choice where they have already expressed an NGP preference and where we can leverage our existing customer relationships. Our partnership approach to product innovation enables us to adapt swiftly to changing consumer preferences and with our consumer focus and disciplined execution we have built an NGP business that offers choice.

NGP net revenue (£ million)

£329m



SELF-HELP INITIATIVES DELIVERING OPERATIONAL IMPROVEMENT

We have identified multiple initiatives to deliver operational improvements that will enhance our decision making and drive efficiencies. For example, we are adopting new ways of working with our enabling functions using a global business service model and implementing a new ERP system to replace our 60 legacy systems.

COMBINED, THESE ARE GENERATING A STRONG FINANCIAL OUTLOOK

Improving tobacco and NGP net revenue trajectory, with a compound annual growth rate of 1% to 2%.

Enhancing profitability through operational leverage, better geographic mix from continued stabilisation of priority market shares, reduced losses from our investment in NGP and restructuring cost savings driving a mid single-digit compound annual growth rate for Group adjusted operating profit.

The business is highly cash generative with low capital intensity, a working capital focus and disciplined capital expenditure producing adjusted operating cash conversion of typically 90% to 100%.

Free cash flow generated in FY24

£2.4bn

2023: £2.4bn

ENHANCING OUR CAPITAL RETURNS

We have a clear capital allocation framework alongside our strategy:

1. Invest in strategic delivery
Since our strategy is largely organic and we work with innovation partners, our capital expenditure needs are relatively light. Any M&A is likely to be small.

2. Maintain leverage
We are committed to an investment grade credit rating and will maintain our leverage at the lower end of the range 2.0-2.5 times adjusted net debt/EBITDA.

3. Progressive dividend growth
We have committed to grow our dividend every year, taking into account the underlying business performance.

4. Return surplus capital to shareholders
We have an ongoing share buyback programme, with £1.25 billion committed in FY25.

Further information on our strategy can be found on pages 16 to 21.

Capital returns to shareholders committed in FY25

£2.8bn

2024: £2.4bn

DEVELOPING OUR TRACK RECORD

Dear Shareholders

I am pleased to report a further step-up in performance: operationally, financially, and in the delivery of our ambitious People and Planet objectives. Our success in 2024 builds on the consistent track record we have been developing since the launch of our current strategy four years ago. As we enter the final year of the plan, I couldn't be more proud of the progress the company has made leaning into our challenger status and embedding the consumer at the heart of everything we do.

Against an unpredictable environment, the team has been innovative, resourceful and resilient, and has demonstrated a laser focus on delivery of their commitments.

While Imperial Brands' transformation journey continues, and there are always risks associated with a change programme of this ambition and scale, it is undoubtedly a much stronger business than it was when we began this journey in 2021. We are now better able to create predictable and sustainable value for shareholders and meet the needs of our wider stakeholders.

STARTING WITH THE CONSUMER

The scale of our transformation, particularly within our growing consumer capabilities, was brought home to me by two Board visits over the past year.

In March, we visited the Czech Republic, a highly competitive market for next generation products (NGP). I was pleased to see our team using a challenger mindset to compete successfully against our larger competitors.

Fresh consumer insights were being used to build targeted, differentiated brands. Our agile sales teams were getting new products to market at pace and identifying new channels and promotional opportunities. This activity was underpinned by a deep sense of responsibility and clearly focused on adult smokers and existing nicotine consumers.

Our second visit in July was to our fast-developing innovation centre – or "Sense Hub" – in Liverpool. It is a great case study for Imperial's challenger way of developing new products. We saw how our team was bringing together consumers and third-party partners in the same space to drive new insights and accelerate development cycles. This distinctive way of working has taken us from a position four years ago where our products were uncompetitive to a point now where we have attractive offerings in multiple categories.

ACCELERATING CAPITAL RETURNS FOR SHAREHOLDERS

Our consumer-focused transformation has supported a further improvement in financial performance. This year we met our strategic objectives of low-single-digit growth in tobacco and mid-single-digit adjusted operating profit growth. In NGP, we achieved double-digit net revenue growth while also reducing our losses.

We have clearly defined our capital allocation priorities, which start with investment to support our strategic delivery. Our objective is to support the long-term sustainable cash flows of the business to enable us to maintain our progressive dividend policy and ongoing share buyback. The Board is recommending a total annual dividend of 153.42 pence per share, which represents an increase of 4.5% on the prior financial year in line with the Group's progressive policy. We also announced a change to the future dividend payment profile to four equal dividend payments for FY25 onwards. Smoothing of the dividend payment profile will result in more consistent cash returns to shareholders throughout the year, compared to the current 30:70 split. This is enabled by the strong visibility of cash flows from our portfolio following the successful execution of our strategy.

During the five-year period of our current strategy we expect to make total capital returns including dividends and share buybacks of £10 billion – equivalent to 67% of our market value in January 2021 when we launched our strategy.

DELIVERING ON PEOPLE AND PLANET OBJECTIVES

Our challenger mindset has been important in the way we are now consistently delivering on our People and Planet priorities, which focus on building a healthier future for our consumers, colleagues and wider environment. Our recent progress is a result of the resourcefulness, deep accountability and purposeful collaboration of a great many people in our business.

In September I kicked off an ESG webinar for investors. We have come a long way in the two years since our previous event covering this topic. We have driven significant reductions in carbon emissions, waste and workplace accidents.

Our broad plan to improve diversity, equity and inclusion is starting to yield results. In particular, we have seen improvements in female representation in senior management.

The Board plays a highly engaged role providing support and challenge to management as they develop and deliver their ESG plans. Over the past year, we have made further improvements to the way we provide oversight, including an expansion of the remit for the People & Governance Committee, now known as the People, Governance & Sustainability Committee, which is chaired by me.

For more on People and Planet see pages 59-77

For the People, Governance & Sustainability Committee report, see page 104

ENGAGING FOR CONSUMER HEALTH

A key ESG priority is to play a growing role in tobacco harm reduction by developing our NGP business and engaging for balanced, strongly enforced regulatory environments.

We are building on our long-term commitment to science which analyses the harm reduction potential of our NGP and their real-world use as smoking cessation tools.

In our major markets, we seek regulation that balances the need to make an attractive range of smoke-free products available to adult smokers, while driving out irresponsible products and preventing youth access.

We continue to be concerned with policy in some markets which leans towards prohibition. In August, I visited our employees, consumers and customers in Australia, one of the most challenging markets in our portfolio, where around 30% of tobacco products are illicit. The Australian market is a sobering example of the unintended consequences of over-restrictive regulation. Onerous limits on the availability of NGP and extremely high taxation on tobacco products have led to a spiralling trade in illegal products. These prohibitive policies have been damaging both for consumers seeking trusted reduced harm products and for the government, which receives decreasing excise revenues.

BOARD CHANGES

Our Board has a strong and diverse mix of skills and experiences, and we continue to develop our capabilities through education sessions and new appointments. In January, we welcomed Julie Hamilton to the Board and to our People, Governance & Sustainability Committee. In October 2024, she also joined the Remuneration Committee. Julie, who was Chief Commercial and Global Sales Officer at Diageo, has over 30 years' experience in marketing, strategy and digital transformation. Prior to Diageo, Julie spent 25 years at the Coca-Cola Company where she held a range of leadership positions, including Chief Customer and Commercial Leadership Officer.

Diane de Saint Victor has decided to retire from the Board at the conclusion of the 2025 AGM. Diane has been a valued member of the Board, with roles on the Remuneration and People, Governance & Sustainability Committees. I would like to thank Diane for her insights and contribution over the past three years and on behalf of the Board, wish her the best for the future.

BECOMING AN EVEN STRONGER CHALLENGER

As we enter the final year of our current strategy, our transformation will carry on at pace as we continue to develop consumer capabilities, agile ways of working and our performance culture. In March 2025, I look forward to joining Stefan and our management team, when we provide detail of our next five-year strategy, which will build on our recent success and evolve Imperial Brands into an even stronger challenger business.

Thérèse Esperdy

Thérèse Esperdy
Chair

"We are better able to create predictable and sustainable value for shareholders and meet the needs of our wider stakeholders."

DELIVERING ON OUR STRATEGY

As we enter the final year of our current strategy, I am pleased with how we have strengthened the Company and delivered a more consistent performance.

Imperial Brands has become a more effective challenger business through new consumer capabilities, agile ways of working, and a high-performance culture.

This ongoing transformation is driving improving operational and financial outcomes, and growing capital returns.

STRONG PERFORMANCE

In combustible tobacco, our focus on operational excellence has enabled us to grow aggregate market share in our five priority markets with a five basis point improvement, while driving further strong pricing.

Since the launch of our strategy in 2021, these five largest markets, which account for c.70% of operating profit, have recorded a cumulative aggregate share increase of 48 basis points. This performance is consistent with our strategic objective to hold or grow aggregate share across these markets, balancing market share delivery with value creation.

Over the past year, tobacco pricing increased 7.8%, more than offsetting declining volumes, to deliver tobacco net revenue growth of 3.8% at constant currency.

In next generation products (NGP), we continue to grow through product innovation and scaling up within our existing market footprint. NGP net revenue grew by 26% on a constant currency basis. At actual exchange rates, this takes our cumulative growth over the four years since 2020 to 64%.

The Company's strong performance has driven constant currency net revenue growth in tobacco and NGP revenue of 4.6% – the strongest like-for-like top-line growth in more than 10 years. Logista in our Distribution segment also contributed positively to our financial results with gross profit up 4.4%. This was driven by strong performance in the underlying business particularly in Spain and Italy as well as the benefit of prior year acquisitions.

All of this helped to drive Group adjusted operating profit growth of 4.6% at constant currency and reported operating profit growth of 4.5%.

A STRONGER CHALLENGER BUSINESS

This strong financial performance is underpinned by our transformation into a strong challenger business better able to deliver consistent growth.

Being a successful challenger is about getting closer to consumers, making targeted technology investments to improve agility, and building a culture of high performance.

Our Global Consumer Office, set up in 2021, is now well established, with a team of 1,000 experts in insights, innovation, marketing and revenue growth management, working seamlessly with our markets.

A highlight of my year was visiting our new sensory laboratory in Shenzhen, which further strengthens our innovation capabilities, helping us link our consumers to our valued partners.

Over the past 12 months, we passed important milestones in our long-term digital investment programme. In particular, in October 2024 the first market cluster went live in our project to create a unified enterprise resource planning system replacing 60 legacy systems.

We continue to add to our capabilities through senior appointments. During the year we welcomed three new members of the Executive Leadership Team. Priyali Kamath joined us from P&G as President of Africa, Asia, Australasia and Central & Eastern Europe. Deborah Binks-Moore brings deep experience of regulated businesses to the new role of Chief Corporate Affairs Officer. Kevin Massie has been appointed General Counsel, having held a range of senior roles, most recently at the international consumer business PZ Cussons.

Across the organisation, we continue to invest in developing our culture. 850 colleagues have now completed Connected Leadership, our intensive seven-day programme which enables our senior people to become better coaches to their teams.

This year in our Employee Experience survey we maintained our 74% engagement score, which is one percentage point above the global benchmark.

CONSISTENT COMBUSTIBLE PERFORMANCE

Our transformation is leading to further success at a market level, where in combustibles we focus on the performance of our five priority markets.

Share gains in the US, Germany, Spain and Australia have been offset by a decline in the UK.

In the US, our portfolio, which offers adult smokers a brand offering at each key price point, enabled us to continue to gain share. This structured approach, combined with our continued investment in improving our sales and marketing capabilities, has supported more than four years of stable or growing share and an improved financial performance.

In Germany, our initiatives have stabilised our market share after more than a decade of steep losses. In Spain, we delivered another year of share gains coupled with improved pricing. The UK and Australia are challenging markets with elevated market size declines caused by high excise and growth in illicit trade. Here, we have continued to balance value creation through increased pricing while managing our market share performance.

We are also delivering strong performances in our medium-sized and smaller markets. For example, in our Africa, Asia, Australasia and Central & Eastern European (AAACE) region, we delivered an improved financial performance after a difficult first half which was affected by disruption to shipment timings in the Middle East.

SUSTAINABLE GROWTH IN NEXT GENERATION PRODUCTS

In NGP, we made significant progress towards our goal of a sustainable business which makes a strong contribution to both Group performance and reducing harm for consumers.

For the first time, we reported increased revenue in all three regions. We are also growing revenue and market share across all three categories.

In the US, our return to growth was spearheaded by the launch in February of Zone, our modern oral nicotine proposition. Early feedback from both consumers and the retail trade has been extremely positive.

In the Europe region, we saw strong growth in vape, led by the UK and supported by new products including the 1,000-puff blu bar disposable and the rechargeable blu bar kit. In this category, we now have a highly competitive product portfolio focused on responsibly meeting the needs of adult smokers and existing nicotine consumers.

In AAACE, improving revenues were supported by progress in the heated category. In our focus markets in Central & Eastern Europe, we are building consumer loyalty and securing our fair share against strong competition. Our iSenzia tea-based heat sticks are emerging as an important addition to our offering.

Following the launch of our strategy in 2021, we needed to reset our NGP operations while we gathered consumer insights and modernised our product portfolio. Now, following a period of test-and-learn launches, we are operating at scale with NGP available in over 20 markets. In eight markets, NGP account for 20% or more of total tobacco and NGP net revenue and in 11 markets, we have brands which occupy top three positions in their categories. Our growing success has meant that we have been able to continue to reduce losses while continuing to invest in future growth. We still have a long way to go on this journey, but we have built the foundations for a sustainable business, underpinned by disciplined investment and increased agility to meet changing consumer needs.

> "Being a successful challenger is about getting closer to consumers, making targeted technology investments to improve agility, and building a culture of high performance."

TOWARDS A HEALTHIER FUTURE

Our NGP business is not just growing consistently – it is also growing responsibly.

During the year we completed several scientific studies which validated the potential of our new products to support smokers seeking to quit cigarettes.

We maintain rigorous marketing standards to ensure we only target adults who already smoke or consume nicotine products. Additionally, we continue to engage with policymakers to develop strong regulatory regimes which build trust in NGP by minimising youth access and eliminating illegal products.

Strong progress continues to be made on our other People & Planet priorities, including our "Triple Zero" objectives, which cover carbon emissions, waste and workplace injuries.

Direct carbon emissions are now down 69% since our baseline year of 2017 and we remain on course to become Net Zero across our supply chain by 2040. Since May 2024, within our own operations we have sent zero waste to landfill and have reduced absolute waste by 32% compared to our 2017 baseline. The number of lost-time accidents has reduced by 47% compared to our 2019 baseline year.

In September, we were pleased to showcase our evolving approach to ESG through an investor webinar. For more information on our progress see pages 59-77. A replay of our webinar, together with our presentation, is available at www.imperialbrandsplc.com.

ALLOCATING CAPITAL WITH DISCIPLINE

As a highly cash generative business, we recognise the importance of a clear and transparent capital allocation framework to our stakeholders. Consistency and discipline are key principles that underpin our four capital allocation priorities:

- Invest behind the strategy to deliver our growth initiatives
- Maintain a strong and efficient balance sheet with a target leverage towards the lower end of our adjusted net debt to EBITDA range of 2-2.5 times
- A progressive dividend policy with dividends growing annually, taking into account underlying business performance
- Return surplus capital to shareholders

Since reaching our target leverage in September 2022, we have entered into an ongoing, multi-year buyback, which began with an initial buyback of £1 billion during FY23, and a further £1.1 billion for FY24. In October 2024, we announced a third year of buybacks with a £1.25 billion programme – an increase of 14% on the prior year. This will be largely completed during FY25 and will bring our capital returns via buybacks under the current strategy to £3.35 billion.

In line with our progressive dividend policy, we are recommending a 4.5% increase for the FY24 dividend to 153.42 pence per share. In October, we announced our intention to change the payment profile of our dividend to four equal quarterly payments for FY25 onwards. This change in the dividend payment profile will lead to more consistent cash returns to shareholders throughout the year and, during the transitional period of FY25, will result in increased dividend payments of 40.08 pence per share in June and September 2025.

OUTLOOK

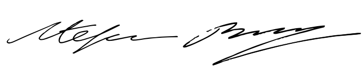
We are now working on our strategy for the next five-year period through to 2030, which will build on the foundations established under the current strategy. Further details will be provided at a capital markets event on 26 March 2025. In the meantime, our priority is to deliver on the final 12 months of the current five-year plan and, while we take nothing for granted, we remain confident in our ability to deliver on our existing operational and financial commitments.

In the coming year, at constant currency we expect to deliver low single-digit tobacco and NGP net revenue growth and to grow our Group adjusted operating profit close to the middle of our mid-single-digit range. This will be driven by continued profit growth from our combustible tobacco business and a further reduction in operating losses in our NGP portfolio. Given the strong momentum in our NGP business, we will continue to invest to drive another year of double-digit constant currency net revenue growth, while balancing our objective to build a sustainable and profitable business.

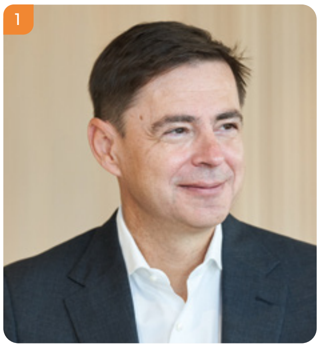
In line with previous years, performance will be weighted to the second half of the year driven by the phasing of combustible pricing and investment. As a result, first half Group adjusted operating profit is expected to grow at low single digits at constant currency.

We expect to deliver at least high-single-digit earnings per share growth at the full year at constant currency supported by the ongoing share buyback and partly offset by higher adjusted finance and tax costs. At current rates, foreign exchange translation is expected to be a headwind of 1-2% to net revenue, adjusted operating profit and earnings per share.

We remain focused on driving sustainable growth in cash flows to underpin another year of shareholder returns and to support our growing role in this industry's transition to a healthier future.



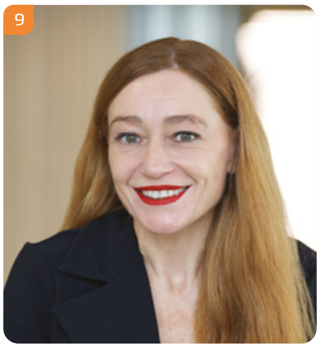
Stefan Bombhard
Chief Executive Officer











A TEAM WITH DIVERSE EXPERIENCE

Our Executive Leadership Team (ELT) has a strong blend of experience from across leading global consumer companies and deep tobacco and local market knowledge.

1. Stefan Bomhard (German)
Chief Executive Officer

2. Lukas Paravicini (Swiss)
Chief Financial Officer

3.Deborah Binks-Moore (British)
Chief Corporate Affairs Officer

4. Alison Clarke (British)
Chief People and Culture Officer

5. Javier Huerta (Mexican)
Chief Supply Chain Officer

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

7. Kevin Massie (Canadian)
General Counsel

8. Murray McGowan (British)
Chief Strategy and Development Officer

9. Paola Pocci (Italian)
Chief Consumer Officer

10. Kim Reed (American)
President and CEO, Americas Region

11. Aleš Struminský (Czech)
President, Europe Region

For more information see
www.imperialbrandsplc.com

OUR DISTINCTIVE APPROACH

The choices we make in running our business differentiate us from our global peers.

Consumer centricity
We put the consumer at the centre of our business with strong consumer insight guiding all our decision-making.

Local and international brands
Our differentiated brand portfolio means we offer consumers heritage brands with local provenance and international brands that have a broader geographic appeal.

Focus
We focus our investment on clear performance drivers in our five priority combustible markets and drive value from our broader market portfolio.

We are building our NGP business in markets where consumers have already expressed their preferences and where we already have established distribution.

Partnerships
Our partnership approach to innovation enables us to compete in multiple NGP categories with an agile response to changing market dynamics and fast product development.

OUR ASSETS

Our colleagues
Our colleagues are our most important asset. We have 25,000 committed and passionate employees who want to make a difference.

Our brands
Our portfolio of 160 brands provides enjoyment and pleasure for millions of adult consumers every day.

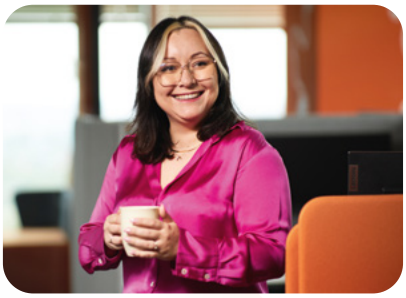
Our relationships
We have solid, trusted partnerships with stakeholders, including customers and suppliers across c.120 markets.

Our operations
We have a network of 27 manufacturing sites that source and process tobacco raw materials to provide high-quality products at lowest cost.

Our industry knowledge
Our deep knowledge of the tobacco and nicotine industry, including our consumer insights, helps us to operate responsibly in all our markets.

Our financial strength
We are able to raise prices to more than offset volume declines to deliver high margins and strong cash flows to invest and drive returns.

WHAT WE DO



ADULT CONSUMER INSIGHTS

We start with the consumer – and everything we do is based around a deep understanding of existing adult smokers and nicotine consumers. Our insights research is led by our Global Consumer Office and we unlock value by ensuring we offer our consumers the right product choices to meet their needs. These insights provide competitive advantage and inform our product offerings in both combustible tobacco and NGP.

SCIENCE & REGULATION

We use our know-how and smaller size to be agile in how we respond to regulatory changes. This is supported by our science and corporate affairs teams, who understand the regulatory environment in all our markets and ensure we operate responsibly and provide high-quality products compliant with local standards. We work to scientifically substantiate the harm reduction potential of all our NGP relative to cigarettes.

MARKETING & INNOVATION

Our marketing and innovation teams add value by using consumer insights to develop a portfolio of combustible tobacco and potentially reduced-harm products to engage and excite adult consumers. We use sales and marketing communications and innovation to differentiate our brands and meet evolving consumer needs, while at the same time ensuring our products are not marketed to youth.

STAKEHOLDER VALUE

Consumers
Millions of adults worldwide choose to enjoy our tobacco and next generation products. Meeting their expectations of quality and understanding their evolving requirements are vital for the long-term sustainable growth of our business.

Governments and regulators
Approaches to legislation vary significantly across geographies. We support reasonable regulation of tobacco and nicotine products and look to have constructive engagement with policymakers and regulators.

Colleagues
It is essential we create a supportive, safe and rewarding work environment to enable them to deliver our goals and develop their careers.

Investors
Our investors provide capital to the business and monitor management's allocation of that capital within the business.

Customers
We work closely with distributors, wholesalers and retailers to ensure our products are available to adult consumers in a diverse range of outlets worldwide. They play a crucial role in our business model.

Suppliers
We maintain strong relationships with our tobacco, non-tobacco materials (NTM) and NGP suppliers to help ensure sustainable supply and business continuity, underpinned by fair contract and payment terms.

For more information see pages 54-57.

SUSTAINABLE SOURCING

Our leaf purchasing teams work with a diverse and complex supply chain from smallholder farmers to multinational companies to procure high-quality leaf and nicotine for our products. Our procurement teams add value by responsibly meeting all our sourcing needs including leaf, nicotine and non-tobacco materials such as papers, filters and packaging, as well as the power and water we use to run our factories. Their decisions are guided by our ESG commitments.

EFFICIENT MANUFACTURING

Our manufacturing teams employ the latest production methods, working to the highest quality and product manufacturing standards. Our scale and knowledge are competitive strengths, enabling us to supply quality products at lowest cost. Where appropriate, for example with NGP devices, we use third-party manufacturers with the technical expertise to deliver high-quality products. We also use third-party logistics companies to distribute our products.

STRONG RETAIL PARTNERSHIPS

We sell our products to our customers. Our sales and marketing teams have built strong partnerships with them through sales force coverage, retailer incentivisation and point-of-sale advertising, where appropriate. We understand their needs and help them to navigate the changing regulatory environment. Our goal is to deliver mutually attractive commercial arrangements that support growth and value creation for our retailer, wholesaler and distributor customers.

OUR STRATEGY IN ACTION

The choices we make are guided by our strategy, purpose and vision as well as our approach to managing our environmental, social and governance (ESG) priorities.

OUR PURPOSE

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

OUR VISION

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

STRATEGIC PILLARS

For more information see pages 18-19.

CRITICAL ENABLERS

For more information see pages 20-21.

HOW WE MEASURE OUR PERFORMANCE

To measure our performance we have 10 financial and four non-financial key performance indicators. We also measure the performance of several other indicators.

Financial performance is reported on pages 34-41, and non-financial performance is reported on pages 59-77.

OUR BEHAVIOURS

Start with the Consumer

Collaborate with Purpose

Be Authentic, Inclusive to all

Take Accountability with Confidence

Build our Future

OUR APPROACH TO ESG

For more information see pages 59-77.

HEALTHIER FUTURES

- Consumer health
- Climate change
- Packaging and waste

POSITIVE CONTRIBUTION TO SOCIETY

- Farmer livelihoods & welfare
- Sustainable & responsible sourcing

SAFE & INCLUSIVE WORKPLACE

- Human rights
- Employee health, safety & wellbeing
- Diversity, equity & inclusion

STRATEGIC PILLARS

KEY DEVELOPMENTS

FOCUSING ON PRIORITY MARKETS

Our approach is creating growing revenue and profit from our largest tobacco businesses

Five markets – the United States, Germany, the UK, Spain and Australia – contribute around 70% of operating profit. A key pillar of our strategy is a focus on driving value in these businesses through targeted brand building, improvements in sales capabilities and careful portfolio management.

Our ambition is to maintain stable market share in aggregate and in any given year some markets will grow share while other markets may see reductions. In 2024, we recorded the fourth consecutive year of stable or growing aggregate share alongside strong pricing. Share gains in the US, Germany, Spain and Australia have more than offset declines in the UK.

DRIVING VALUE FROM OUR BROADER MARKET PORTFOLIO

We focus on the medium-sized and smaller markets with the strongest opportunities for future growth

We have developed a rigorous approach to managing our broader portfolio of markets. This involves stronger consumer engagement, targeted investment in brands and improved sales execution.

The establishment of the Africa, Asia, Australasia and Central & Eastern Europe region has enabled stronger performance management of these markets and more effective sharing of best practices. We utilise the same tools as our largest five markets to drive performance across our broader market portfolio.

BUILDING SCALE IN NEXT GENERATION PRODUCTS

We are defining a distinctive challenger position offering strong consumer choices across multiple categories

Our consumer-led, partnership approach to innovation and development means we now have attractive propositions across all categories: vape, heated products and oral nicotine. However, we continue to be disciplined in our market entry strategy – only launching products where there is existing consumer demand for the category and where we already have strong routes to market. Since 2020, at actual exchange rates we have grown NGP net revenue by 64%, and NGP now accounts for 4% of tobacco and NGP net revenue.

During 2024, we grew NGP net revenue across all three of our global regions – and across all categories. US performance was driven by the launch of our new Zone oral nicotine pouches. In the Europe region, growth was led by our refreshed portfolio of vaping products including the new blu bar disposable and the rechargeable blu bar kit. In AAACE, we are building consumer loyalty in heated products, including our new iSenzia tea-based sticks.

OUR TRANSFORMATION IN ACTION

2021
Definition of key operational levers to drive performance in each of our five largest combustible markets; US, the largest global market established as separate region led by Kim Reed; aggregate market share for priority markets stabilised after a period of decline

2022
Branding refreshed for local jewel brands including Winston in US and Nobel in Spain

2023
Focused investment in sales force in US and Germany continues

2024
Aggregate market share growth alongside strong pricing; German market share growth

Five priority markets and their FY24 share gains/losses

12-month share

USA
+15bps

Spain
+5bps

Germany
+2bps

Australia
+5bps

UK
-50bps

In each of these markets Imperial enjoys a top-three market position, with established brands and strong customer relationships. Our aggregate market share has improved by +5bps versus the prior year.

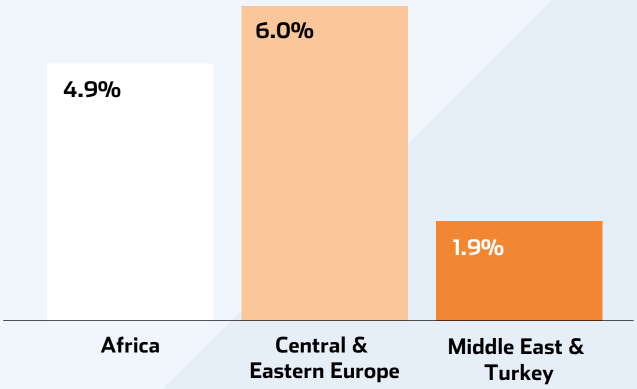
2021
AAA (later AAACE) region established to enable stronger focus on attractive medium-sized and smaller markets

2022
Exits from Japan, Russia and several Central Asian markets

2023
Strong revenue growth reported in Africa; Asia, Middle East & Turkey; Central & Eastern Europe

2024
Further consumer experience added to the ELT with the appointment of AAACE President Priyali Kamath from P&G

FY24 Tobacco and NGP net revenue growth by wider market clusters



2020
NGP reboot: disciplined market exits and underperforming investments cut

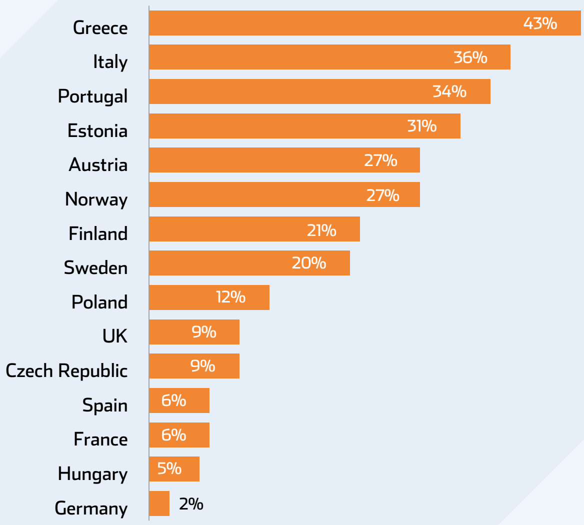
2021
Investment aligned behind new strategy; test and learn approach in heated tobacco with trials in Greece and Czech Republic

2022
blu 2.0 pod device pilots in France; roll-out of new oral pouch flavours in European markets

2023
Multiple vape and heated product and market launches; NGP now available in more than 20 European markets

2024
Launch of Zone oral pouches in US; NGP accounts for 20% or more of tobacco and NGP net revenue in eight European markets

NGP as a percentage of Imperial's tobacco and NGP net revenue in European markets



CRITICAL ENABLERS

KEY DEVELOPMENTS

PUTTING THE CONSUMER AT THE CENTRE OF THE BUSINESS

Investments in insights, innovation, marketing and portfolio management are supporting success in global markets

The tobacco and nicotine environment is undergoing transformative change with consumer tastes becoming more eclectic. The pace of innovation is accelerating and there is now a broad NGP ecosystem where partnering is important to success. To capitalise on these long-term trends, we have been patiently investing in our consumer capabilities.

In consumer insights, there has been a step change in our level of consumer interactions. During FY24 we conducted a total of 220,000 interviews and, at any one time, we have at least 70 research programmes in flight. Also during the year, we opened a new sensory laboratory in Shenzhen adding to our existing facilities in Liverpool and Hamburg. In revenue growth management, after initial pilots, we have begun a global roll-out of SWIPE, our new price simulation tool.

DEVELOPING OUR PERFORMANCE CULTURE

We have a structured approach to becoming a more accountable, collaborative and inclusive organisation

Our progress towards becoming a consistently high-performing business has been driven by an integrated multi-year programme. Underpinning all our activities have been our five behaviours: Start with the Consumer; Collaborate with Purpose; Take Accountability with Confidence; Be Authentic and Inclusive to all; and Build our Future.

Key activities for 2024 have included an expansion of the Connected Leadership programme, which enables our senior people to become better coaches and unlock the full potential of their teams. We have also launched new initiatives to support career development and the acceleration of high-potential female leaders.

This year we maintained our strong engagement score of 74%, one point above the global benchmark.

SIMPLIFYING AND BECOMING MORE EFFICIENT

New ways of working and improvements in tech and data are enabling more sustainable growth

Our 2021 strategy identified a need to better integrate our operations to become simpler and more efficient.

We have made significant structural changes to our enabling functions including finance, IT and People & Culture to help these teams partner more closely with the business. Our Global Business Services unit, set up in 2022, is now well established and across our global factory footprint, we are improving standardisation, driving a safety-first and quality-first approach.

We have also embarked on Unify, our multi-year business transformation programme, enabling the simplification of our operations and making them more efficient by standardising our core business processes, harmonising our data and unifying our core system that connect us globally to provide enhanced business and consumer insights, enabling informed decisions at speed for us to be an agile and challenger business. In October 2024, we passed an important milestone with the first market cluster adopting these tools.

OUR TRANSFORMATION IN ACTION

2021
Group Consumer Office established, creating new centre of expertise for insights, innovation, marketing and portfolio management

2022
Acceleration of development cycles enables new NGP launches

2023
Innovation hubs open in Liverpool and Hamburg; launch of "Dimensions", global insights project segmenting individual consumer moments; New York capital markets day showcasing consumer capabilities; Paola Pocci appointed as Chief Consumer Officer

2024
Opening of Shenzhen sensory laboratory, enabling closer collaboration with partners

Consumer interviews in FY24
220,000

Innovation centres
3

People in the Global Consumer universe
1,000

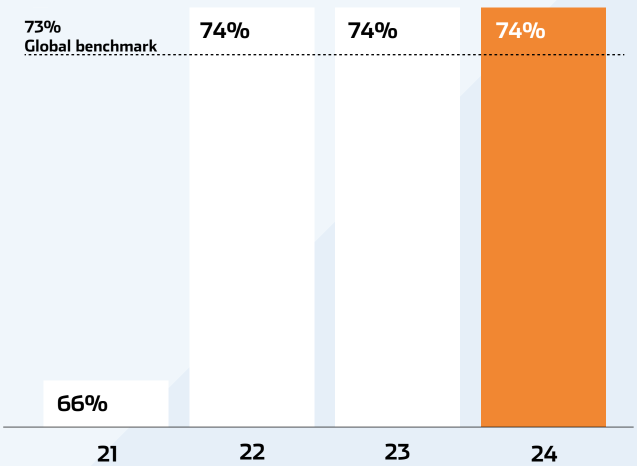
2021
Strategy launch identifies Culture as key enabler for improved performance; Connections programme to embed five core behaviours

2022
Connected Performance – more rigorous performance management for objective setting and bonuses; Board approves long-term diversity, equity and inclusion ambitions

2023
Connected Leadership coaching courses begin. By end FY24, 850 leaders have graduated from this seven-day programme

2024
We maintained our engagement score at 74%, one percentage point above the global benchmark

Employee engagement



2021
New performance management approach introduced; market clusters reduced from 13 to 10

2022
Changes to business support functions; investment in new ERP system announced

2023
300 roles moved to new Global Business Services unit

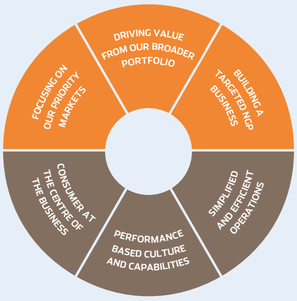
2024
Connected Change programme launched to embed change management skills among senior leaders; new ERP system live in first market October 2024

Legacy systems to be replaced by 2028
60

People employed in our Global Business Services unit
>320

Productivity gains
10%

HOW WE ARE PERFORMING

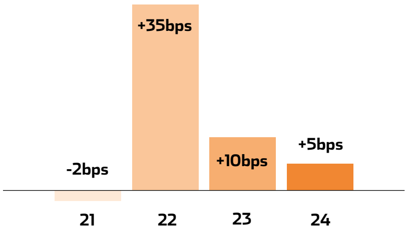


R KPIs used as bonus and LTIP performance criteria for Executive Directors. See Remuneration Report on pages 115-129 for more information

We use key performance indicators to assess the progress we are making in delivering our purpose, vision and strategy.

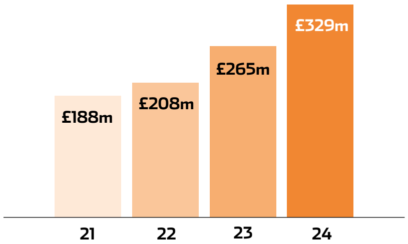
FINANCIAL KPIs[1]

Aggregate priority market share vs prior year (basis points) R



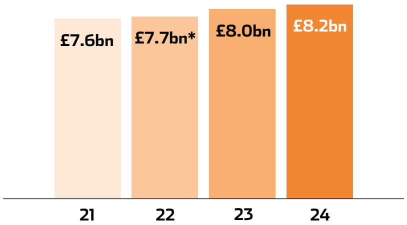
Performance
Our "focus on our priority markets" has enabled us to stabilise the market share loss we experienced for a number of years. We balance market share with value creation so we are no longer the major market share donor to our competitors in our higher value markets. Gains in the US, Germany, Spain and Australia offset declines in the UK.

NGP net revenue (£m) R



Performance
NGP revenue grew by 26.4% on a constant currency basis in the year. This growth in our NGP revenue reflects our strategic priority to "build a targeted NGP business" and the step up in investment during the period.

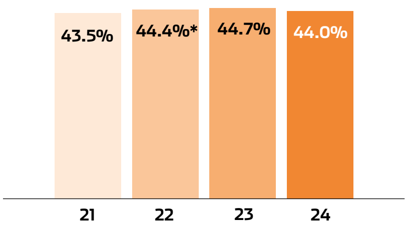
Tobacco & NGP net revenue (£bn)



Performance
Tobacco & NGP net revenue grew by 1.8% at actual exchange rates and increased by 4.6% on a constant currency basis. Tobacco net revenue was up 3.8% at constant currency, reflecting progress made in the two combustible strategic priorities of: "focus on our priority markets" and "driving value from our broader portfolio".

* Excluding Russia.

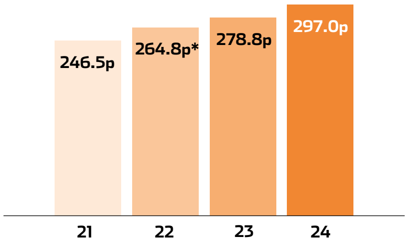
Tobacco & NGP adjusted operating margin (%)



Performance
Margins declined 70 basis points at actual rates and 10 basis points at constant currency. While gross margins increased, the decline in adjusted operating margin is a result of inflation and increased depreciation.

* Excluding Russia.

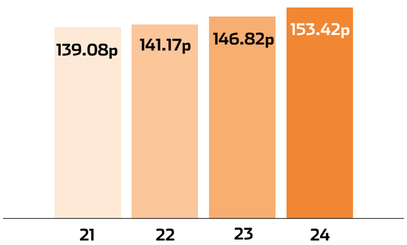
Adjusted earnings per share (pence) R



Performance
Adjusted earnings per share increased 6.5% at actual exchange rates and increased 10.9% on a constant currency basis. Reported earnings per share grew 19.1%. This movement is explained in the Group Financial Review.

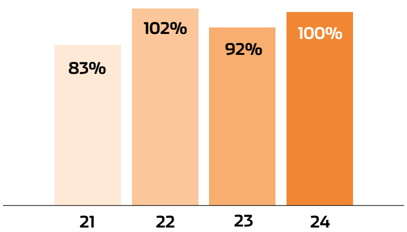
* Excluding Russia.

Dividend per share (pence)



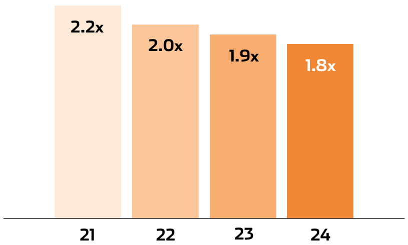
Performance
The dividend grew 4.5% reflecting our progressive dividend policy and in line with our capital allocation policy.

Adjusted operating cash conversion rate (%) R



Performance
2024 adjusting cash conversion of 100% was higher than the prior year due to an improvement in working capital.

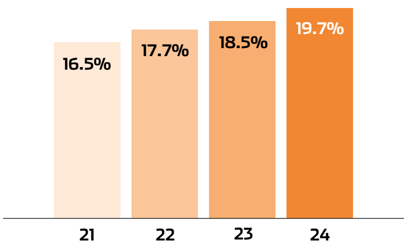
Adjusted net debt to EBITDA (multiple) R



Performance
Adjusted net debt to EBITDA reduced to 1.8x in FY24, close to our capital allocation target of 2.0x to 2.5x. Adjusted net debt reduced to £7.7 billion, after £2.3 billion of returns to shareholders via dividend and share buyback. EBITDA increased year-on-year, reflecting the growth in adjusted operating profit during the financial year.

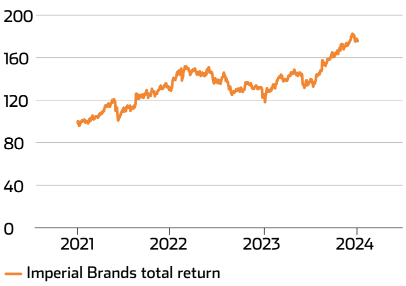
1. Definitions for financial KPIs can be found in Supplementary Information.

Return on invested capital (%) R



Performance
Return on invested capital improved in the year by 120bps to 19.7%, benefiting from a reduction in FY24 invested capital compared to the prior year, mainly due to the foreign exchange impact on intangible assets.

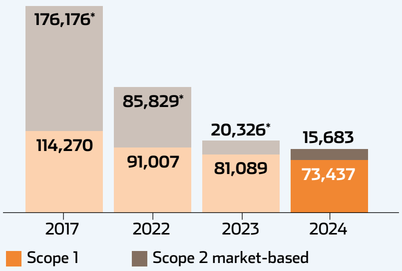
Total shareholder return R



Performance
We have delivered total shareholder returns of 76% over the prior three-year period. Delivery in line with our guidance supports growing investor confidence in our management team's ability to implement our strategy.

NON-FINANCIAL KPIs[1,2]

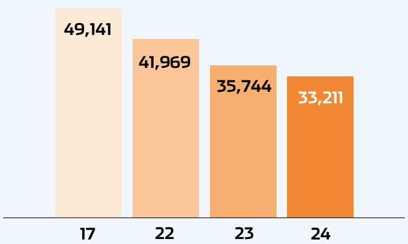
Absolute Scope 1 and 2 market-based CO_2 equivalent emissions (tonnes)[3] R



Total value is total Scope 1 and Scope 2 market-based absolute CO_2e emissions

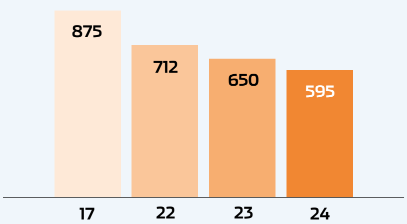
Performance
We have seen a 69% decrease in our total Scope 1 and Scope 2 market-based emissions from our 2017 baseline year. *The baseline and previous years' data has been restated due to the correction in Scope 2 market-based emissions relating to the source of heat and steam in our factory in Türkiye.

Waste (tonnes)[3]



Performance
Our target is to reduce waste by 20% by 2030. We have exceeded this target with a 32% reduction in waste compared to the 2017 baseline year. We will set a new waste reduction target subject to ESG Committee approval.

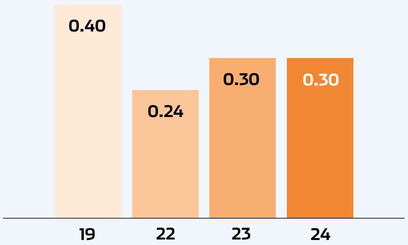
Energy consumption (GWh)[3] R



Performance
We set a target to reduce absolute energy consumption by 25% by 2030 versus the 2017 baseline year. In FY24 we exceeded this target with a 32% reduction compared to the baseline year. We will set a new energy reduction target subject to ESG Committee approval.

Our 2024 relative energy consumption is 72,943 kWh/£m net revenue.

Lost time accident frequency rate (per 200,000 hours)[4]



Performance
Although we have reduced the number of lost time accidents in FY24, 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.

Employee experience

To monitor the progress of our cultural change programme, we conduct an annual Employee Experience survey. In FY24, our employee engagement score was 74%, the same level as the prior year and above the global benchmark. Participation in the survey was 83%. Additionally, we have developed an internal bespoke index with which to monitor the outcome of our leadership talent development programmes.

More non-financial performance indicators can be found in the ESG Review on pages 59-77 and in our Reporting Criteria document available on our website.

1. Definitions for non-financial KPIs can be found in the ESG Review on pages 59-77 and in the Reporting Criteria document available at www.imperialbrandsplc.com.
2. Certain 2024 non-financial 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. See www.imperialbrandsplc.com/sustainability for more information.
3. Our 2024 environmental data follows the reporting period Q4 financial year 2023 to Q3 financial year 2024. This is to allow for data collection, validation and external assurance. Our reporting scope and definitions are detailed in the Reporting Criteria document published on our website.
4. Our health and safety data is for the full 2024 financial year. Our reporting scope and definitions are detailed in the Reporting Criteria document published on our website.

GLOBAL MARKET CONTEXT

As the highly regulated global market for tobacco transforms into a more diverse market for nicotine across multiple categories, Imperial is leveraging its challenger mindset to deliver for consumer needs and consumer health.

EVOLVING CONSUMER DEMAND

The global nicotine market represents US$ 957 billion of retail sales, with 92% of this accounted for by combustible tobacco. Within combustible tobacco, cigarettes remain the largest category, with more than 5.3 trillion consumed each year. However, the development and consumer adoption of next generation products (NGP) and smokeless tobacco over the past decade has led to retail sales of US$ 77 billion, accounting for the remaining 8%. NGP encompasses vaping products, heated tobacco devices and sticks, and oral nicotine pouches.

Despite the well-known health risks of smoking, more than 20% of the world's adult population still choose to smoke. Our consumers tell us they value our products for the moments of relaxation and pleasure they provide. Many of these consumers also tell us that they are looking for potentially less harmful alternatives to traditional combustible products, but that they have yet to find a perfect replacement for cigarettes. (For more information see pages 64-65.)

This means we are seeing a growing diversity of behaviour, with consumers using different products for different moments in their day.

Our strategy prepares us for a market where multiple nicotine categories coexist, but these market developments are not without their challenges. A greater number of nicotine product categories introduces supply chain complexity – which Imperial mitigates using a strong supplier partnership model. It also introduces regulatory complexity, which can be harder to mitigate. (For more information see pages 46-48.)

Thanks to our focused investments in transformation, we are now well placed to provide much greater consumer choice and to make a positive contribution to this wider market transition.

PROMOTING HARM REDUCTION

Regional and market regulators have diverse policies towards tobacco harm reduction. Public health bodies agree it is the smoke created by the burning of tobacco leaf that contains most of the harmful chemicals responsible for smoking-related disease. This is not always reflected in policy.

Some governments, such as the UK and New Zealand, have policies that support existing smokers' transition to potentially less harmful products, and these markets have seen positive public health benefits.

Other governments and the World Health Organization (WHO) do not recognise the public health benefits of NGP. This is often due to a sole focus on concerns about a youth access "on-ramp". This is an important consideration, although it should not detract from the much larger – and scientifically substantiated – value of the "off-ramp" that NGP can provide to many millions of existing smokers.

We will continue to advocate for policies that embrace the concept of tobacco harm reduction.

NAVIGATING REGULATION AND EXCISE

The traditional tobacco market remains heavily regulated. Such regulation continues to evolve and remains a significant influence on how we manufacture, advertise and sell our products, and how our consumers buy and enjoy them. Regulation varies widely across regions and markets.

Nationally, countries such as New Zealand and Australia have unveiled comprehensive programmes of new regulation, while other countries such as the US and Greece have further developed product-by-product approval pathways for the marketing of tobacco and nicotine products.

At a regional level, the EU is re-examining its Tobacco Products Directive, Tobacco Advertising Directive and Tobacco Excise Directive.

Combustible tobacco is heavily taxed, contributing more than €80 billion to European governments alone each year, and is often seen as a non-controversial source of urgent additional government funding.

High excise taxes are also a tool governments use to curb combustible demand. Excise taxes vary; some are based on a percentage share of the retail price while others are linked to inflation, such as in the UK, where we have seen drastic excise rises over the last year.

Imperial Brands supports reasonable and rational regulation of tobacco and nicotine products. We believe NGP offer potential harm reduction and should be subject to excise rates at significantly lower levels than combustible products to help encourage smoker transition.

We are also clear that all our products are for adult nicotine consumers only. (For more information see pages 64-65.)

Global nicotine market retail sales:

US$ 957 billion

of which NGP and smokeless tobacco accounts for:

US$ 77 billion

Source: Euromonitor 2024

Cigarettes consumed globally each year:

5.3 trillion

Source: Euromonitor 2024

Percentage of world's adult population who smoke:

>20%

Source: OurWorldinData.org

Combustible tobacco tax contribution to European governments:

€80 billion

Source: EU Commission (2022, last full year available)

COMBATTING ILLICIT TRADE

The prevalence of the illicit trade in tobacco and nicotine products means that we face competition from a criminal supply chain.

Illicit tobacco deprives the responsible industry of revenue, deprives governments of vital excise and deprives consumers of the security of enjoying rigorously tested, high-quality products. The illicit trade is a complex phenomenon, driven by economic, practical and political factors.

Where governments have adopted aggressive policies against NGP to limit the development of the nicotine market, we have seen negative consequences for population-level public health and the growth of an illicit trade in NGP.

At the extreme end is the difference between New Zealand, where the legalisation of vape coincided with a steep fall in youth smoking rates, and Australia, where there has never been a significant legal market for NGP and yet a black market thrives.

Fighting illicit trade requires a co-ordinated approach from government and industry. Imperial continues to work with enforcement agencies and to encourage proportionate regulation that will minimise the likelihood of nicotine products being targeted by criminal organisations.

EUROPE REGION

AT A GLANCE

Tobacco volume
-3.7%

NGP net revenue*
+20.5%

Tobacco & NGP net revenue*
+5.6%

Adjusted operating profit*
+7.5%

Tobacco net revenue*
+4.5%

* Change at constant currency.

HEADLINES

- Financial performance driven by strong pricing across multiple markets as volume decline rates continue to improve
- Encouraging stabilisation in German market share, with market share growth in Spain and decline in the UK
- Leveraging our local jewel brand strategy to drive operational and financial performance
- NGP net revenue performance reflects scale building in existing markets and new product innovations
- Successful roll-out of new vapour products including the 1,000-puff blu bar disposable and the rechargeable blu bar kit during the year
- Adjusted operating profit growth reflects strong combustible performance and improving NGP gross margins

Our results in Europe are driven by strong combustible pricing, an improvement in volume decline rates and growth in NGP net revenue.

Strategic initiatives in our priority markets supported our combustible tobacco performance. In Germany, we delivered an encouraging stabilisation in market share after more than a decade of market share declines. Investments in our sales force size and capabilities have led to an improvement of our retailer coverage and mean we are better able to take advantage of market opportunities. We leveraged our portfolio and revenue management capabilities to support the roll-out of new formats in both the premium and the value pricing points. In Spain, our brand equity investments supported price increases while still delivering market share growth. Strong sales growth was driven by our local jewel brands strategy with a new value proposition with Fortuna GO to capture down-trading as the pricing ladder expands and a focus on key distribution channels. In the UK, our continued brand equity investment in our local jewel brands, underpinned the roll-out of a new fine cut offer and supported price increases which helped to partially mitigate the challenging market volume declines and market share declines.

Tobacco volumes were broadly in line with long-term decline rates at 3.7%. German volumes benefited from the easing of pressures on consumer incomes combined with an encouraging market share performance. This offset the impact of elevated excise regimes in markets, such as the UK, which contributed to continuing pressure on volumes in those markets. Tobacco net revenue increased 4.5% at constant currency, reflecting a strong price mix of 8.2%, which more than offset the volume declines.

Our NGP portfolio has delivered strong net revenue growth of 20.5% at constant currency with growth across all three categories as we gained scale in our existing market footprints. Our consumer-led partnership model on NGP innovation supported new product roll-outs in all three categories. In vaping, in the UK, France and Spain we introduced a new disposable device under the blu brand which delivers an increased 1,000 puffs. Additionally, in response to consumer demand for a more sustainable product, towards the end of the year we rolled out our pod-based blu bar kit, in France and the UK, offering consumers the same experience as blu bar but with a rechargeable battery. In heated tobacco, we introduced iSenzia tea-based heat sticks into Italy and Greece to extend choice to adult smokers with flavoured non-tobacco sticks which can be used in our Pulze 2.0 devices. In modern oral nicotine, we continue to meet evolving consumer preferences with flavour launches in ZoneX and Skruf Modern in Norway.

Tobacco and NGP adjusted operating profit for the year increased 7.5% at constant currency, mainly reflecting the strong tobacco performance together with improvement in NGP gross margins.

		Full year result		Change	
		2024	2023	Actual	Constant currency
Tobacco volume	bn SE	**86.6**	89.9	-3.7%	–
Tobacco & NGP net revenue	£m	**3,366**	3,240	+3.9%	+5.6%
Tobacco net revenue	£m	**3,106**	3,020	+2.8%	+4.5%
NGP net revenue	£m	**260**	220	+18.2%	+20.5%
Adjusted operating profit	£m	**1,541**	1,482	+4.0%	+7.5%

Priority market	Performance
Tobacco share	
Germany • 18.3% (+2bps) • 13% of tobacco & NGP net revenue	We have delivered an encouraging turnaround in our market share as investments in our strategic initiatives gained traction. Sales force expansion has improved our distribution coverage and enabled greater frequency of store visits, while capability enhancements supported improved agility to capture channel shifts. We continue to manage our brand portfolio across all key price segments to appeal to a range of consumer needs. In the premium sector, we grew our Davidoff brands with new pack formats and in the value sector, we extended our Paramount brand with the successful launch of roll-your-own format in fine-cut tobacco. In NGP, our blu bar vapour product has continued to grow share since its launch in 2023.
UK • 37.9% (-50 bps*) • 7% of tobacco & NGP net revenue	The UK market remains an important value contributor to the Group. We increased prices in the period as we continued to balance value creation alongside managing our overall share, which declined over the year. Our strategic investments in our local jewel brands underpinned the successful roll-out of a fine-cut offer. This somewhat offset the overall market size decline, driven by above inflation excise tax increases across both cigarettes and fine cut tobacco and growth in the illicit market for tobacco and vaping products. Our NGP sales benefited from the successful roll-out of new products including the 1,000-puff blu bar disposable and the rechargeable blu bar kit.
Spain • 26.6% (+5 bps*) • 5% of tobacco & NGP net revenue	We delivered market share gains for the sixth successive year, offsetting the modest decline in the overall tobacco market volume. Our market share increase was driven by innovation such as the continued success of West pack format extensions and a focus on key distribution channels. In NGP, the roll-out of the 1,000-puff blu bar disposable and blu box, an ergonomic design popular with consumers in Spain, has been well received by consumers and the trade. The blu brand is the joint market-leader in vapour by retail sales value as at August 2024.

* Market share has been restated to reflect more accurate data sources and channel mix.

AMERICAS REGION

Kim Reed
President and CEO, Americas Region

AT A GLANCE

Tobacco volume
-7.7%

NGP net revenue*
+29.4%

Tobacco & NGP net revenue*
+4.3%

Adjusted operating profit*
+1.8%

Tobacco net revenue*
+4.0%

* Change at constant currency.

HEADLINES

- Cigarette share growth up 15 basis points to 10.9%
- Tobacco net revenue growth at constant currency reflects strong pricing (+11.7%) and market share gains offsetting volume declines
- Mass market cigar performance improved, benefiting from product innovation and brand loyalty
- NGP net revenue growth reflecting successful targeted launch of modern oral brand, Zone, in 12 metropolitan areas
- Adjusted operating profit grew at constant currency, reflecting strong cigarette pricing, which more than offset the reduction in volumes, increased NGP investment, higher leaf costs, leaf inventory adjustments and wage inflation. At actual exchange rates, adjusted operating profit declined

We delivered a strong performance with market share gains in our cigarette portfolio coupled with strong pricing, which supported growth in net revenue and adjusted operating profit. We are pleased to report strong growth in our NGP net revenue, driven by the successful launch of our modern oral brand, Zone.

Share gains supported an outperformance in our tobacco volumes, down 7.7%, against an industry volume decline of 9.0% in cigarettes and a 6.7% fall in industry mass market cigar volumes. Industry cigarette declines are steeper than the long-term average driven by macroeconomic pressure on consumer disposable income and increased sales of illicit vaping products. Mass market cigar industry volume declines reflect sales of illicit products at the lowest price point.

On a constant currency basis, tobacco net revenue increased by 4.0%, as strong pricing of around +11.7% offset volume declines.

Our cigarette out-performance reflects the improvement in our cigarette market share of 15 basis points to 10.9% – our sixth consecutive year of market share growth. This was driven by our investment in sales execution and brand building, and the careful positioning of our brand portfolio to meet the needs of consumers across a range of price points.

We continue our focused investment on sales force effectiveness, and the expansion of the number of retail stores where we sell our brands. For example, investment supported share growth in Winston within the premium segment, which helped to offset KOOL performance in the face of increased competitor discounting in the menthol segment. Improved sales force execution enabled an expansion of store listings for Crowns, supporting market share growth of the brand in the growing deep discount segment. This progress in cigarettes is despite continued pricing actions from our competitors.

Our mass market cigar portfolio improved against a weak comparator in the prior year due to supply disruptions as a result of Hurricane Ian in September 2022. Additionally, continued innovation and investment in quality supported market share gains in the natural leaf segment with Backwoods, our premium iconic heritage brand.

Our NGP net revenue grew 29.4% on a constant currency basis, the first year of growth under the current strategy. This has been driven by our entry into the fast-growing modern oral nicotine pouch segment in February, with a targeted launch under the Zone brand in 12 metropolitan areas. The brand offers a differentiated option for consumers with a range of 14 product variants and leverages the Company's existing US sales force. We are encouraged by early consumer repurchase rates and have increased the number of stores since launch.

Adjusted operating profit grew 1.8% at constant currency, reflecting strong cigarette pricing, which more than offset the reduction in volumes, increased NGP investment into supporting the launch of Zone, higher leaf costs, leaf inventory adjustments and wage inflation. At actual exchange rates, adjusted operating profit declined -1.8%.

		Full year result		Change	
		2024	2023	Actual	Constant currency
Tobacco volume	bn SE	**19.1**	20.7	-7.7%	–
Tobacco & NGP net revenue	£m	**2,836**	2,812	+0.9%	+4.3%
Tobacco net revenue	£m	**2,793**	2,778	+0.5%	+4.0%
NGP net revenue	£m	**43**	34	+26.5%	+29.4%
Adjusted operating profit	£m	**1,235**	1,257	-1.8%	+1.8%

AFRICA, ASIA, AUSTRALASIA AND CENTRAL & EASTERN EUROPE

AT A GLANCE

Tobacco volume
-3.5%

NGP net revenue*
+136.4%

Tobacco & NGP net revenue*
+3.3%

Adjusted operating profit*
+2.3%

Tobacco net revenue*
+2.5%

* Change at constant currency.

HEADLINES

- Strong financial results at constant currency reflecting recovery in the second half of the year as earlier disruption due to shipment timings abated
- Tobacco and NGP net revenue growth at constant currency driven by our African, Central & Eastern European and Asia, Middle East & Turkey market clusters
- At actual exchange rates, tobacco & NGP net revenue declined
- Positive tobacco price mix across region offset volume declines
- Market size pressures in Australia somewhat offset by market share growth and pricing supported by active brand portfolio management
- NGP net revenue growth reflecting new product introductions in Central & Eastern Europe markets
- Adjusted operating profit delivery at constant currency driven by strong tobacco performance and reduction of NGP losses. At actual exchange rates, adjusted operating profit declined

The region delivered a solid operational and financial performance, benefiting from a recovery in the second half as we mitigated the impact of disruption of Red Sea trade.

Tobacco and NGP net revenue grew 3.3% at constant currency reflecting continued focus on pricing discipline across the region, with tobacco price mix of 6.0% offsetting volume declines of 3.5%. These results reflect the targeted approach we are taking to our investment in sales execution and marketing in Australia, our one priority market in the region, and our improved consumer insight and revenue growth management tools applied to our broad market clusters. At actual exchange rates, tobacco and NGP net revenue declined -0.3%.

Australia delivered a resilient profit performance with further market share gains for the fifth consecutive year. This has been driven by the active management of brand portfolio to ensure we have an offer for consumers across all key price points, as well as a continued close partnership with our retail customers. These gains have been delivered against a backdrop of increased volume declines driven by excise tax increases and growth in both illicit combustible and vaping products.

In our African markets, we grew revenue through strong pricing as we focused on increasing consumer engagement through the management of our local jewel and key international brands. In our sub-Saharan African markets our local jewel brands performed well, with Fine taking share in Ivory Coast supported by format innovation, strengthening distribution and point of sales presence. This more than offset pressures in Morocco where recent excise tax changes have disadvantaged the low price segment and impacted Gauloises.

In our Asia, Middle East and Turkey (AMET) cluster, the impact of the Red Sea disruption seen in the first half of the year was mitigated and we exercised strong pricing discipline. Our global brand Davidoff resonates with local consumers and performed well in Saudi Arabia. Davidoff also has strong brand loyalty in Taiwan, where a refocus to convenience channels together with brand innovation has led to market share growth after several years of decline and an improving contribution to performance throughout the year.

In our Central & Eastern European (CEE) market cluster our combustible and NGP portfolios performed well. NGP net revenue doubled over the period as we refined our go-to-market approach in Poland applying learnings from our Czech Republic market. In combustibles, strong pricing offset volume declines to support financial delivery.

NGP net revenue growth in the period reflects the launch of our 1,000 puff blu bar vaping product in Poland. In heated tobacco products, the introduction of iSenzia, tea-based heat sticks, to Czech Republic and Poland, extended the choice to adult smokers with a flavoured non-tobacco stick that can be used in our Pulze 2.0 device.

Adjusted operating profit grew 2.3% at constant currency, driven by a strong tobacco performance in all market clusters and a reduction in NGP losses. At actual exchange rates, adjusted operating profit declined -3.9%.

		Full year result		Change	
		2024	2023	Actual	Constant currency
Tobacco volume	bn SE	**84.3**	87.4	-3.5%	–
Tobacco & NGP net revenue	£m	**1,955**	1,960	-0.3%	+3.3%
Tobacco net revenue	£m	**1,929**	1,949	-1.0%	+2.5%
NGP net revenue	£m	**26**	11	+136.4%	+136.4%
Adjusted operating profit	£m	**811**	844	-3.9%	+2.3%

Priority market	Performance
Tobacco share	
Australia • 32.2% (+5 bps*) • 3% of Group tobacco & NGP net revenue	The Australian market contributed to Group profit growth in the period. Against a backdrop of steep market volume declines as consumers normalised use of illicit products, we grew our market share supported by a focused approach to revenue growth management. Clear price tiering and product differentiation supported stable market share for JPS. In the fifth price segment, L&B is now Australia's fastest growing cigarette brand since inception in 2021, driven by pack format extensions. In fine cut tobacco, our local jewel brand, Champion, in the higher price segment, extended its lead of the category, while Riverstone remained stable. Continued improvements in the supply chain supported increased efficiencies and underpinned positive profit contribution from the market.

* Market share has been restated to reflect more accurate data sources and channel mix.

DISTRIBUTION

AT A GLANCE

Gross profit*

+4.4%

Adjusted operating margin excluding eliminations*,**

+109bps

Adjusted operating profit excluding eliminations*,**

+9.8%

Adjusted operating profit including eliminations*,**

+8.6%

* Change at constant currency.
** Eliminations relate to sales of tobacco and NGP product to Logista that are still held in their inventory.

HEADLINES

- Gross profit reflects good underlying growth and integration of prior year acquisitions
- Diversification strategy means over 50% gross profit from non-tobacco-related businesses
- Adjusted operating profit includes strong contribution from profit on inventory following tobacco price increases

Distribution consists of our 50.01% stake in Logista, a Spanish-listed distributor of tobacco and other convenience products and provider of freight, parcel, courier services and pharmaceutical logistics. It operates an end-to-end distribution model that covers the full value chain from collection to more than 200,000 points of sale across Europe.

Performance was in line with expectations and includes the incremental financial contribution from acquisitions made during this period and the prior two financial years in line with Logista's strategy to accelerate growth in European non-tobacco distribution. These include the acquisition of Belgium Parcel Service (BPS); the acquisition of SGEL Libros, a national book distribution and publishing company, which was formally acquired by Logista Libros, a 50% subsidiary of Logista and Grupo Planeta in October 2023; and the acquisition of Gramma Farmaceutici, a pharmaceutical distribution company in Italy, which completed in July 2023. In May 2024, Logista acquired the remaining 30% stake in Speedlink as expected under the original agreement. Furthermore, in July 2024, Logista acquired the remaining 26.7% stake in Herinvemol S.L., trading as "Transportes El Mosca", giving Logista 100% ownership of the company.

		Full year result		Change	
		2024	2023	Actual	Constant currency
Distribution gross profit*	£m	**1,503**	1,466	+2.5%	+4.4%
Adjusted operating profit	£m	**330**	306	+7.8%	+9.8%
Adjusted operating profit margin	%	**22.0**	20.9	+108bps	+109bps
Eliminations	£m	**(6)**	(2)	-200.0%	-200.0%
Adjusted operating profit (inc. eliminations)	£m	**324**	304	+6.6%	+8.6%

* Distribution gross profit is Distribution revenue less the cost of distributing products.

Gross profit – Gross profit at £1,503 million was 4.4% higher on a constant currency basis with good performance in particular in Spain and Italy reflecting the integration of prior year acquisitions.

In Iberia, growth in gross profit was driven in part by tobacco and related products, with the former benefiting from manufacturer price increases in Spain for the third consecutive year. Transport services recorded growth year on year, with a positive contribution from long-distance transport which includes Logista Freight and Transportes El Mosca, the latter incorporated at the end of October 2022. There was good growth in Nacex, the express courier business, and Logista Parcel, supported by the opening of new temperature-controlled capacity during the period. Pharmaceutical distribution continues to expand both its customer base and product offering.

In Italy, gross profit was supported by good performance in tobacco, benefiting from growth in volumes and manufacturer price increases which led to a higher profit on inventory than in the prior year. The period benefits from the first full incorporation of Gramma Farmaceutici, with the acquisition completing in July 2023. This acquisition is the first stage of our expansion into the pharma segment in Italy.

In France, gross profit reflects tobacco volume declines, partially offset by price increases following excise tax increases and subsequent manufacturer price increases which led to a profit on inventory higher than in the prior year. Logista also successfully completed a pilot for NGP recycling during the period.

Operating profit – Adjusted operating profit margin increased by 109 basis points at constant currency reflecting the strong performance from profit on inventory in tobacco following manufacturers' price increases in the period. After eliminations, the adjusted operating profit contribution to the Group increased 8.6% on a constant currency basis. In line with our policy of adjusting items for only Board-approved restructuring programmes, charges and profits/losses on disposals relating to restructuring activities have not been recognised as adjusting items.

Cash – In line with the rest of Imperial Brands, Logista is part of the inter-company cash pooling arrangement, which further enhances the Group's liquidity. On a 12-month basis, the daily average cash balance loaned to the Group by Logista was c.£1.8 billion, with movements in the cash position during the 12-month period varying from a high of c.£2.5 billion to a low of c.£0.7 billion, primarily due to the timing of excise duty payments. At 30 September 2024, the loan position was c.£1.9 billion compared to c.£2.0 billion at 30 September 2023.

Lukas Paravicini
Chief Financial Officer

ACCELERATING RETURNS

SUMMARY FINANCIAL INFORMATION

Volumes
-4.0%
reflecting wider industry market size declines across our footprint

Tobacco & NGP net revenue
+4.6%
at constant currency, driven by robust tobacco price mix and NGP growth

Adjusted operating cash conversion
100%
2023: 92%

Reported operating profit
+4.5%
reflecting operating performance, with adverse foreign exchange movements

Adjusted operating profit
+4.6%
at constant currency, driven by tobacco pricing, reduced NGP losses and Logista

Adjusted net debt/EBITDA
1.8x
2023: 1.9x

Reported basic EPS
300.7p
an increase of 19.1%

Adjusted EPS
297.0p
an increase of 10.9% on a constant currency basis

As we enter the final year of our current strategy, these results reflect Imperial's improved resilience to withstand geopolitical and macroeconomic pressures and the benefit of our continued investments in consumer capability and cultural transformation. We have delivered market share gains in our priority markets and achieved robust tobacco pricing to support the delivery of another year of improving financial performance and growing capital returns.

On a constant currency basis, tobacco & NGP net revenue grew 4.6%, reflecting strong tobacco price mix and NGP growth. Group adjusted operating profit rose 4.6%, on a constant currency basis. Logista in our Distribution segment contributed positively to our results with gross profit up 4.4%. This was driven by strong performance in the underlying business particularly in Spain and Italy, as well as the benefit of prior year acquisitions.

Reported revenue declined -0.2% reflecting volume declines in our high excise markets and adverse foreign exchange, largely offset by growth in NGP and Distribution revenues. Reported operating profit increased +4.5%, driven by strong operating performance, with adverse foreign exchange movements offset by the non-repeat of charges relating to legal provisions and fair value adjustments and impairment of other financial assets.

Cash generation remains a key focus, and we have delivered £2.4 billion of free cash flow, with 100% adjusted operating cash conversion. The strong cash generation has enabled us to invest in our strategy, committing to return £2.4 billion to shareholders via dividend and share buyback. Reported net debt reduced by £0.1 billion to £8.3 billion with adjusted net debt/EBITDA at 1.8x in FY24.

On a reported basis, cash flow improved year on year due to a working capital cash inflow.

We have announced a further £1.25 billion share buyback, which we expect to complete no later than 29 October 2025. This represents approximately 6.8% of the share capital as at 30 September 2024 and is a 13.6% increase on last year's £1.1 billion buyback, where we repurchased 54,087,312 shares, or 6.0% of our share capital, in FY24. In support of our progressive dividend policy, we are also increasing our dividend per share by 4.5% for FY24.

We anticipate our growth phase will continue for the remainder of our five-year strategy as the business capitalises on the gains and investments we have previously made.

SUMMARY INCOME STATEMENT

	Reported		Adjusted	
£ million (unless otherwise indicated)	**2024**	2023	**2024**	2023
Revenue/net revenue/gross profit*				
Tobacco & NGP revenue/net revenue	**21,307**	21,656	**8,157**	8,012
Distribution revenue/gross profit	**11,104**	10,819	**1,503**	1,466
Operating profit				
Tobacco & NGP	**3,238**	3,106	**3,587**	3,583
Distribution	**322**	298	**330**	306
Eliminations	**(6)**	(2)	**(6)**	(2)
Group operating profit	**3,554**	3,402	**3,911**	3,887
Net finance costs	**(534)**	(298)	**(402)**	(410)
Share of profit/(losses) of investments accounted for using the equity method	**9**	7	**9**	7
Profit before tax	**3,029**	3,111	**3,518**	3,484
Tax	**(282)**	(655)	**(799)**	(781)
Profit for the year	**2,747**	2,456	**2,719**	2,703
Minority interests	**(134)**	(128)	**(138)**	(131)
Earnings per ordinary share (pence)	**300.7**	252.4	**297.0**	278.8
Dividend per share (pence)	**153.42**	146.82	**153.42**	146.82

* Reported revenue includes duty, similar items, distribution and sale of peripheral products, which are excluded from net revenue; net revenue comprises reported revenue less duty and similar items, excluding sale of peripheral products and distribution revenue. Distribution gross profit is Distribution revenue less the cost of distributing products. This was previously referred to as Distribution net revenue.

Alternative performance measures (APM)

When managing the performance of our business we focus on non-GAAP measures, which we refer to as adjusted measures. We believe they provide a useful comparison of underlying performance from one period to the next, as GAAP measures can include one-off, non-recurring items and recurring items that relate to earlier acquisitions. These adjusted measures are supplementary to, and should not be regarded as a substitute for, GAAP measures, which we refer to as reported measures. The basis of our adjusted measures is explained in the accounting policies accompanying our financial statements and the APM section within the Supplementary Information.

Reconciliations between reported and adjusted measures are included in the Supplementary Information. Percentage growth figures for adjusted results are given on a constant currency basis, where the effects of exchange rate movements on the translation of the results of our overseas operations are removed.

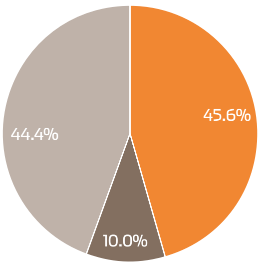
While we believe that APMs can provide helpful information which supplements reported measures, we are also aware of the need to ensure that an appropriate balance is maintained between the two sets of reporting metrics, with adjusted disclosures not being given greater prominence than GAAP measures.

In the prior year, we included measures of performance to exclude our exit from Russia in April 2022 in the comparator values. Reference to these comparator values is not required in this financial year. Thus we have reduced the number of APMs used in the period.

GROUP RESULTS – ADJUSTED CONSTANT CURRENCY ANALYSIS

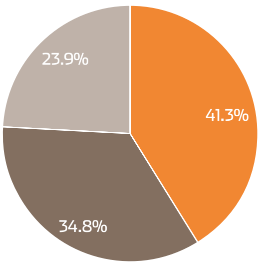
£ million (unless otherwise indicated)	Full year ended 30 September 2023	Foreign exchange	Constant currency movement	Full year ended 30 September 2024	Change	Constant currency change
Tobacco & NGP net revenue						
Europe	3,240	(56)	182	3,366	3.9%	5.6%
Americas	2,812	(96)	120	2,836	0.9%	4.3%
Africa, Asia, Australasia and Central & Eastern Europe	1,960	(69)	64	1,955	(0.3%)	3.3%
Tobacco & NGP net revenue	8,012	(221)	366	8,157	1.8%	4.6%
Tobacco & NGP adjusted operating profit						
Europe	1,482	(52)	111	1,541	4.0%	7.5%
Americas	1,257	(44)	22	1,235	(1.8%)	1.8%
Africa, Asia, Australasia and Central & Eastern Europe	844	(52)	19	811	(3.9%)	2.3%
Tobacco & NGP adjusted operating profit	3,583	(148)	152	3,587	0.1%	4.2%
Distribution						
Gross profit	1,466	(27)	64	1,503	2.5%	4.4%
Adjusted operating profit including eliminations	304	(6)	26	324	6.6%	8.6%
Group adjusted results						
Adjusted operating profit	3,887	(154)	178	3,911	0.6%	4.6%
Adjusted net finance costs	(410)	15	(7)	(402)	2.0%	(1.7%)
Adjusted EPS (pence)	278.8	(12.2)	30.4	297.0	6.5%	10.9%

Volumes, billion stick equivalent (SE)



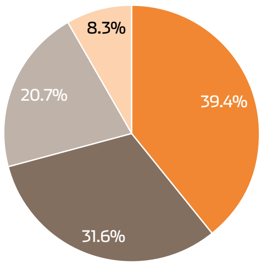
Europe	86.6bn SE
Americas	19.1bn SE
AAACE	84.3bn SE

Tobacco & NGP net revenue (actual FX rate), £ million



Europe	£3,366m
Americas	£2,836m
AAACE	£1,955m

Adjusted operating profit (actual FX rate), £ million



Europe	£1,541m
Americas	£1,235m
AAACE	£811m
Distribution	£324m

SALES PERFORMANCE

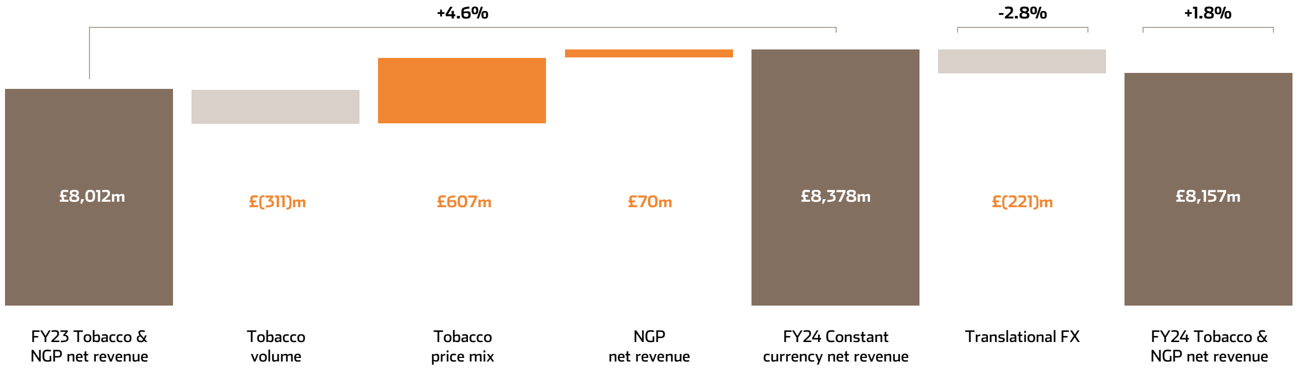
- Reported revenue declined -0.2% reflecting volume declines in high excise markets and adverse foreign exchange, largely offset by growth in NGP and Distribution revenues
- Tobacco & NGP net revenue grew +4.6% at constant currency, comprising +3.8% from tobacco and +26.4% from NGP
- Tobacco volume was down -4.0%, reflecting wider industry market size declines across our footprint
- Aggregate market share growth in our five priority markets of +5bps (FY23 +10bps)
- Tobacco price mix was strong at +7.8% due to positive pricing offsetting a small negative mix
- NGP net revenue increased +26.4% to £335m at constant currency, driven by growth across all geographies with the US region back to growth
- Distribution gross profit grew +4.4%, driven by strong tobacco pricing and benefit of prior year acquisitions
- Translation FX was a headwind at -2.8% due to average sterling strengthening against the dollar and euro

Reported revenue

-0.2%

Tobacco & NGP net revenue

+4.6%



OPERATING PROFIT

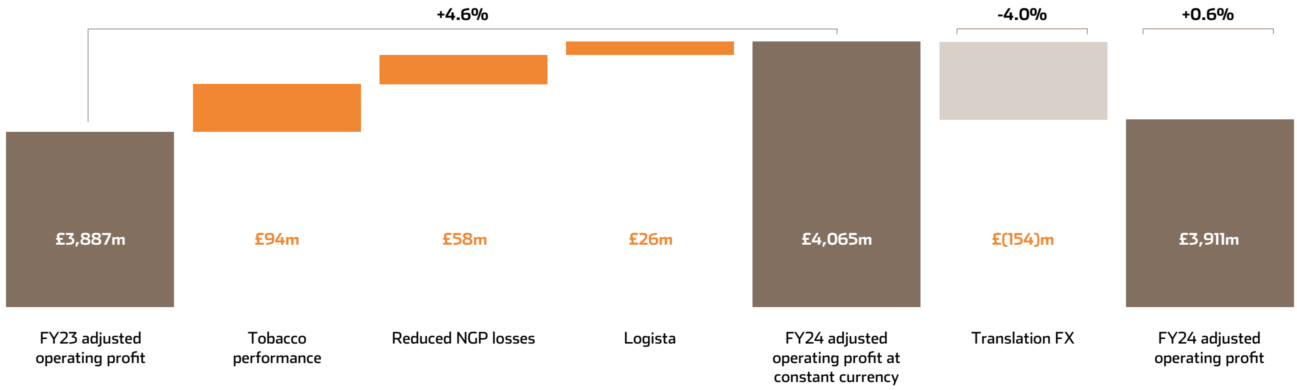
- Reported Group operating profit of £3,554m increased by +4.5% reflecting strong operating performance, with adverse foreign exchange offset by the non-repeat of charges relating to legal provisions and the write-down of financial assets
- Adjusted Group operating profit increased +4.6% at constant currency, driven by strong tobacco pricing offsetting tobacco volume declines, lower NGP losses and Logista performance
- Tobacco adjusted operating profit increased by +2.5% at constant currency, reflecting strong pricing offsetting volume declines
- NGP losses reduced 43.0% at constant currency to £77m, with improved gross margin and volume growth supporting continued investment in new product launches
- Translation FX on adjusted operating profit of -4.0% reflects average sterling strengthening against the dollar and euro

Reported operating profit

+4.5%

Group adjusted operating profit

+4.6%



EARNINGS PER SHARE

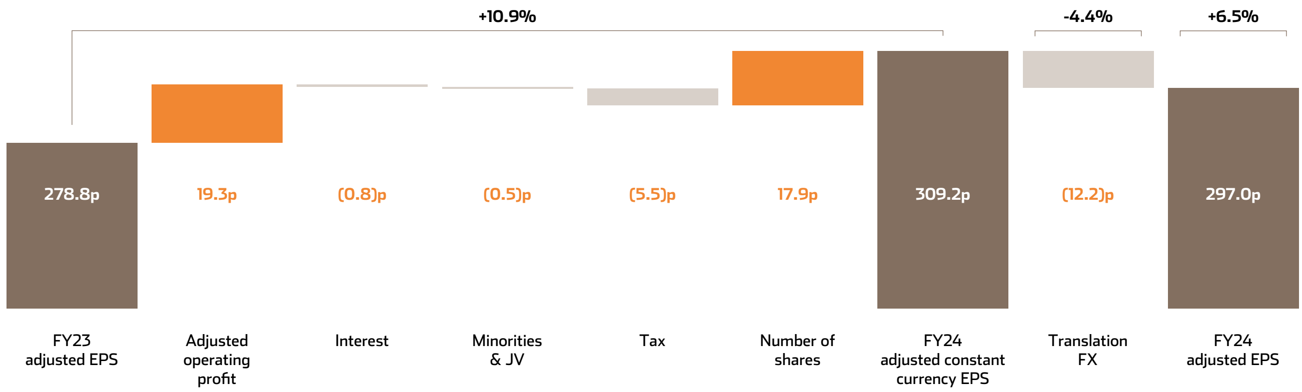
- Reported EPS increased +19.1% to 300.7 pence reflecting strong operating performance, lower tax charge and reduced share count, offsetting higher interest costs
- Adjusted EPS was 297.0 pence, up +10.9% at constant currency with adjusted operating profit growth enhanced by the reduced share count due to the ongoing share buyback

Reported EPS

+19.1%

Adjusted EPS

+10.9%



SUMMARY CASH FLOW STATEMENT*

	Reported		Adjusted	
£ million	**2024**	2023	**2024**	2023
Group operating profit	**3,554**	3,402	**3,911**	3,887
Depreciation, amortisation and impairments	**647**	632	**294**	270
EBITDA	**4,201**	4,034	**4,205**	4,157
Loss on disposal of subsidiary	**–**	1	**–**	–
Profit on disposal of assets	**(13)**	(39)	**(13)**	(39)
Other non-cash movements	**(93)**	70	**(54)**	46
Operating cash flows before movement in working capital	**4,095**	4,066	**4,138**	4,164
Working capital	**100**	(347)	**100**	(347)
Tax cash flow	**(888)**	(590)	**(888)**	(590)
Cash flows from operating activities	**3,307**	3,129	**3,350**	3,227
Net capital expenditure	**(321)**	(254)	**(321)**	(254)
Restructuring	**–**	–	**(43)**	(98)
Cash interest	**(416)**	(407)	**(416)**	(407)
Minority interest dividends	**(136)**	(104)	**(136)**	(104)
Free cash flow	**2,434**	2,364	**2,434**	2,364
Acquisitions	**(42)**	(183)	**(42)**	(183)
Acquisition of non-controlling interests	**(49)**	–	**(49)**	–
Shareholder dividends	**(1,299)**	(1,312)	**(1,299)**	(1,312)
Share buyback	**(1,020)**	(1,006)	**(1,020)**	(1,006)
Net cash inflow/(outflow)	**24**	(137)	**24**	(137)
Leases paid	**(93)**	(92)		
Increase in borrowings	**3,848**	1,462		
Repayment of borrowings	**(3,948)**	(1,518)		
Cash flow relating to derivative instruments	**(34)**	(64)		
Net decrease in cash and cash equivalents	**(203)**	(349)		

* See Financial Statements for full Cash Flow Statement.

CASH FLOW

Cash flows from operating activities were £3,307 million (2023: £3,129 million).

As anticipated, gross capital expenditure of £371 million was higher than the prior year (2023: £325 million). Capital expenditure net of the proceeds from the sale of assets, or net capital expenditure, was £321 million, and was also higher than the prior year (2023: £254 million). Net capital expenditure is anticipated to remain within an expected range of £300 million to £350 million in 2025. The increased capital expenditure is supporting projects to drive simplified and efficient operations in line with our strategic plan.

Adjusted operating cash conversion was 100% (2023: 92%) on a 12-month basis.

£ million (unless otherwise indicated)	2024	2023
Adjusted operating profit	**3,911**	3,887
Cash flow from operating activities post capital expenditure pre interest and tax	**3,917**	3,563
Adjusted operating cash conversion	**100%**	92%

Free cash flow of £2,434 million (2023: £2,364 million) is above the prior year primarily due to the higher cash flows from operating activities as a result of the working capital inflow compared to the outflow in the prior year, offset by higher cash taxes.

Restructuring cash costs relating to Board-approved restructuring programmes totalled £43 million (2023: £95 million), and comprised three previous programmes: Cost Optimisation Programme I of £8 million (2023: £24 million), Cost Optimisation Programme II of £10 million (2023: £10 million) and the 2021 Strategic Review Programme of £25 million (2023: £61 million). Together, the cumulative cash spend for all three restructuring programmes is £1,389 million to date. The remaining cash spend is ongoing, although not expected to be in excess of the existing provisions.

£ million	2024	2023
Restructuring cash cost	**43**	98
Cumulative to date	**1,389**	1,346

The net cash inflow of £24 million (2023: £137 million outflow) improved year on year, reflecting positive working capital movement and lower acquisitions compared to the prior year. Acquisition costs were £42 million (2023: £183 million) and include Imperial's deferred consideration for intellectual property relating to nicotine pouches marketed in the US and Logista's acquisition of Belgium Parcel Service (BPS). Acquisition of non-controlling interests of £49 million relate to Logista's acquisition of the remaining stakes in El Mosca, Speedlink and Carbo Collabatelle. Of the £1.1 billion share buyback announced in October 2023, £1.0 billion was completed in the period with the remaining £0.1 billion to be finalised in October. We have announced a further share buyback of up to £1.25 billion of shares during FY25.

RETURN ON INVESTED CAPITAL

Return on invested capital (ROIC) increased by 120 basis points, driven by a reduction in invested capital. ROIC is 19.7% (2023: 18.5%).

Adjusted operating profit increased by £24 million.

Our FY24 invested capital has reduced compared to the prior year mainly due to the foreign exchange impact on intangible assets.

£ million	2024	2023
Reported operating profit	**3,554**	3,402
Adjusting items (APM section within Supplementary Information)	**357**	485
Adjusted operating profit	**3,911**	3,887
Equivalent tax charge	**(888)**	(871)
Net adjusted operating profit after tax	**3,023**	3,016
Working capital	**(2,772)**	(2,567)
Intangible assets	**15,938**	16,944
Property, plant and equipment	**1,561**	1,617
Invested capital	**14,727**	15,994
Average annual invested capital	**15,361**	16,304
Return on invested capital	**19.7%**	18.5%

ADJUSTED NET DEBT/EBITDA

Adjusted net debt reduced by £286 million to £7,740 million (2023: £8,026 million) in the year and continued strong cash generation supported additional return of capital to shareholders via a share buyback. Adjusted net debt/EBITDA is 0.1x below prior year at 1.8x.

Reported net debt reduced by £98 million to £8,340 million (2023: £8,438 million). Excluding accrued interest, lease liabilities and the fair value of interest rate derivatives providing commercial hedges of interest risk, Group adjusted net debt was £7,740 million (2023: £8,026 million).

£ million	2024	2023
Reported net debt	**(8,340)**	(8,438)
Accrued interest	**95**	125
Lease liabilities	**386**	349
Fair value of interest rate derivatives	**119**	(62)
Adjusted net debt	**(7,740)**	(8,026)
Adjusted EBITDA	**4,205**	4,157
Adjusted net debt/EBITDA	**1.8x**	1.9x

RECONCILIATION BETWEEN REPORTED AND ADJUSTED PERFORMANCE MEASURES

	Operating profit		Net finance (costs)/income		Earnings per share (pence)	
£ million unless otherwise indicated	**2024**	2023	**2024**	2023	**2024**	2023
Reported	**3,554**	3,402	**(534)**	(298)	**300.7**	252.4
Russia, Ukraine and associated markets	**–**	4	**–**	–	**–**	0.4
Amortisation and impairment of acquired intangibles	**353**	347	**–**	–	**40.6**	38.0
Fair value adjustment and impairment of other financial assets	**–**	36	**–**	–	**–**	3.4
Loss on disposal of subsidiaries	**–**	1	**–**	–	**–**	0.1
Charges related to legal provisions	**–**	85	**–**	–	**(0.2)**	6.4
Structural changes to defined benefit pension schemes	**4**	12	**–**	–	**0.5**	1.0
Net fair value and exchange movements on financial instruments	**–**	–	**110**	(149)	**(13.1)**	(25.8)
Post-employment benefits net financing cost/(income)	**–**	–	**11**	(13)	**0.7**	(1.4)
Tax interest cost	**–**	–	**10**	50	**1.3**	5.2
Effects of discounting long-term provisions	**–**	–	**1**	–	**0.1**	–
Recognition of deferred tax assets	**–**	–	**–**	–	**(33.7)**	(23.0)
Provision for state aid recoverable	**–**	–	**–**	–	**(11.6)**	–
Uncertain tax positions	**–**	–	**–**	–	**18.9**	22.4
Prior year adjustments	**–**	–	**–**	–	**(6.6)**	–
Adjustments above attributable to non-controlling interests	**–**	–	**–**	–	**(0.6)**	(0.3)
Adjusted	**3,911**	3,887	**(402)**	(410)	**297.0**	278.8

Adjusting items

The main reconciling items of the Group's reported to adjusted operating profit are shown above.

In the period to 30 September 2024 adjusting items relate mainly to amortisation of acquired intangibles of £353 million (2023: £347 million) and fair value movements on derivative financial instruments of £110 million (2023: £(149) million).

Restructuring charges relating to Board-approved restructuring programmes have already been fully recognised in profit and loss in previous years but provisions and cash spend are ongoing. Any further restructuring costs in the financial year have therefore not been recognised as adjusting items in the FY24 results. There will be ongoing cash spend from past restructuring programmes.

During the period factory footprint rationalisation costs were supported by profit on sale of former operational sites and have not been included in adjusted items.

Finance costs

Adjusted net finance costs were lower at £402 million (2023: £410 million), due to savings from swapping our outstanding US dollar bonds to euro in September 2023, a tailwind from a higher GBP/EUR FX rate and lower average adjusted net debt over the course of the year offset by the refinancing of naturally maturing cheaper debt at higher rates in both FY23 and FY24. Reported net finance costs were £534 million (2023: £298 million), incorporating the impact of net fair value and foreign exchange losses on financial instruments of £110 million (2023: £149 million gain), post-employment benefits net financing costs of £11 million (2023: £13 million income) and net tax settlement interest costs of £10 million (2023: £50 million). The net fair value losses of £119 million on financial instruments are primarily due to negative valuation movement of the Group's interest rate derivatives reflecting lower future market interest rate expectations.

Our all-in cost of debt modestly decreased to 4.2% (2023: 4.3%) reflecting the previously mentioned factors.

Our interest cover increased to 10.5x (2023: 10.1x) reflecting the Group's higher adjusted EBITDA and lower adjusted net finance costs for the year.

While interest rates are expected to fall, they are likely to remain higher than they were prior to the start of FY23, meaning we will continue to refinance naturally maturing cheaper debt at higher rates. We therefore still expect upward pressure on finance costs going forward although we have hedging in place for 83% of our expected debt in FY25.

Taxation
Our adjusted effective tax rate is 22.7% (2023: 22.4%) and the reported effective tax rate is 9.3% (2023: 21.1%). The increase in the adjusted effective tax rate on the prior year is driven by upward pressure from a higher UK corporation tax rate offset by reduced negative impacts from the prior year's adjustment of our priority markets. The adjusted tax rate is higher than the reported rate mainly due to the positive outcome in the state aid litigation following the European Court of Justice decision on 19 September 2024 and foreign exchange movements arising on consolidation which are not subject to tax.

We expect our adjusted effective tax rate for the year ended 30 September 2025 to be between 23% to 24%.

The effective tax rate is sensitive to the geographic mix of profits, reflecting a combination of higher rates in certain markets such as the USA and lower rates in other markets such as the UK. The rate is also sensitive to future legislative changes affecting international businesses such as changes arising from the OECD's (Organisation for Economic Cooperation and Development) Base Erosion and Profits Shifting (BEPS) work. Whilst we seek to mitigate the impact of these changes, we anticipate there will be further upward pressure on the adjusted and reported tax rate in the medium term, due to global pressures to increase CIT tax rates.

Our Group tax strategy is publicly available and can be found in the Governance section of our corporate website.

Exchange rates
Foreign exchange had a negative impact on Group adjusted operating profit and adjusted earnings per share at average exchange rates (4.0% and 4.4%, respectively). Sterling strengthened against the US dollar (3.4%) and against the euro (1.8%). Other major currencies remained broadly flat compared to the prior year.

Dividend payments
The Group paid two interim dividends of 22.45 pence per share in June and September 2024.

The Board has approved a further interim dividend of 54.26 pence per share and will propose a final dividend of 54.26 pence per share bringing the total dividend for the year to 153.42 pence. This represents a 4.5% increase to the amount of 146.82 pence per share paid in the prior year and is in line with the Group's progressive dividend policy.

The annual dividend represents a payout ratio of 51.0% with respect to basic earnings per share.

The third interim dividend will be paid on 31 December 2024 to shareholders registered on 29 November 2024. Subject to AGM approval, the proposed final dividend will be paid on 31 March 2025 to shareholders registered on 21 February 2025.

We have announced a change to the future dividend payment profile to four equal quarterly dividend payments for FY25 onwards. This smoothing of the dividend payment profile will result in more consistent cash returns to shareholders throughout the year, compared to the current 30:70 split. This is enabled by the strong visibility of cash flows from our portfolio following the successful execution of our strategy. The change will also help to reduce our leverage variance within the year, particularly around the half year, which is partly a result of the current dividend phasing.

To create the base for future quarterly payments, we intend to pay two interim cash dividends of 40.08 pence per share in June and September 2025.

Dividend payments

	Amount (pence)	Ex-date	Record date	Payment date
FY24 First interim	22.45	23-May-24	24-May-24	28-Jun-24
FY24 Second interim	22.45	22-Aug-24	23-Aug-24	30-Sep-24
FY24 Third interim	54.26	28-Nov-24	29-Nov-24	31-Dec-24
FY24 Final	54.26	20-Feb-25	21-Feb-25	31-Mar-25
FY25 First interim	40.08	22-May-25	23-May-25	30-Jun-25
FY25 Second interim	40.08	21-Aug-25	22-Aug-25	30-Sep-25

Funding/liquidity
During the year, we repaid our £600 million bond which matured in March 2024 and our US$ 1 billion bond which matured in July 2024. In June 2024, we issued bonds totalling US$ 2 billion; US$ 1.25 billion with a coupon of 5.5%, maturing in February 2030, and US$ 750 million with a coupon of 5.875%, maturing in July 2034. Simultaneously, we also repurchased US$ 550 million of the existing US$ 1.5 billion bond maturing in July 2025 via a capped tender offer. We swapped the new US dollar bonds to euro, therefore closing adjusted net debt continues to be materially all euro. As at 30 September 2024, the Group had committed financing in place of around £12.1 billion, which comprised 30% bank facilities and 70% raised from capital markets. During the year, the maturity date of €3,125 million of the Group's existing syndicated multi-currency facility was extended to 30 September 2027. One further tranche of €184 million was not extended and therefore maintains its maturity date of 30 September 2025. In October 2024, the second tranche of €184 million which had not been extended during the year and had a maturity date of 30 March 2026 was sold to another financial institution and the maturity date of that tranche was extended to 30 September 2027. The Group also put in place an additional £700 million of committed bilateral bank facilities with maturity dates in September 2025.

The Group remains fully compliant with all our banking covenants and remains committed to retaining our investment grade ratings.

Lukas Paravicini
Chief Financial Officer

MANAGING RISK

The principal risks faced by the Group and Imperial's risk management approach are described in the following pages.

Risks represent the various potential outcomes that are managed whilst implementing the Group's strategy. Imperial defines a risk as the exposure to the consequences of uncertainty. Risk is anything that could disrupt the achievement of the Group's strategy and objectives.

The Board and management have reviewed the risk landscape (current and emerging) and related profiling, with risk mitigations and impacts assessed.

Many of these risks are external and cannot be fully mitigated, and while the Group continues to monitor its risk landscape, there can be no guarantee that additional risks will not arise, or that other known risks not mentioned increase in materiality.

Risk appetite

The Board is responsible for setting the Group's risk appetite and has completed its annual exercise to ensure this is aligned to, and supports, delivery of the Group strategy.

The resultant risk management approach supports the achievement of objectives and the Board's wider responsibility for risk management through clear communication of the expected outcomes of key controls and related monitoring.

Risk landscape

The Group operates in highly competitive global markets and faces general commercial risks associated with a large consumer packaged goods (CPG) business.

Imperial constantly assesses and evaluates the risks posed by the changing environments in which the Group operates, whether geopolitical, socioeconomic or technological. The consideration of potential impacts and most likely causes ensures a timely, measured and appropriate response.

The Group, along with all other businesses, has faced challenges due to inflationary pressures which have led to higher commodity and energy prices as well as economic pressures on consumer spending.

Risk management framework

The framework is designed to ensure accountability for the identification, assessment and mitigation of risks throughout the business, supported by appropriate capabilities.

The success of the risk management approach relies upon the effectiveness of the control frameworks in place to manage risks and seize opportunities that arise.

Imperial's approach to governance, risk management and internal control follows the "three lines model", which enables the business to achieve its strategic objectives while remaining aligned to the Board's risk appetite.

To enhance the Group's risk management framework, we continuously look for ways to improve and further standardise the application of risk management and controls across the Group. For example this year we have established the Integrated Assurance Forum and published a Group Risk Policy.

RISK CAUSES

As a Group we face a number of issues which we treat as causes of current risks rather than evaluating them as risks in themselves. By adopting this approach, we ensure consideration of impacts and required mitigations across the business and increase the effectiveness and accountability for assessments on a "bottom-up" basis, enabling local and Group initiatives to be developed to optimise our responses.

Climate risk

The impacts of climate risk on the business have been evaluated across the Group in relation to their impact on existing risks. Key impacts exist within our manufacturing footprint and wider supply chain, with short- and long-term consideration of possible vulnerabilities and required mitigations to ensure resilience.

Inflation

The impact of inflationary pressures on both the business and consumers has been assessed as part of risk assessments.

This creates more dynamic feedback between "bottom-up", "top-down" and cross-functional perspectives, ensuring the broadest consideration of impacts and mitigations.

Geopolitical risk

The Group is exposed to geopolitical and economic conditions of the countries and regions in which it operates, which could impact its largest markets and may affect continuity of supply.

Any adverse geopolitical or economic developments in, or affecting, the Group's key countries and regions, including, but not limited to, increased international trade tensions or the outbreak of conflict could impact the Group and its operations.

The identification and effective mitigation of geopolitical risks has become an increasingly important factor within the Group's operational continuity planning for our internal resilience and the resilience of our wider supply chain, key customers and service providers. This consistent and complete assessment better informs Group actions.

EMERGING RISKS

As part of the risk assessment performed by the Group Risk Committee and the Board, emerging risk topics have been discussed and considered.

Regulatory change

Due to the highly regulated nature of the industry the Group operates in, new regulatory change risks are continuously emerging.

The Group considers any emerging regulatory change risks beyond the general three-year risk horizon, so that mitigations can be developed to manage the impacts of future changes.

Further regulatory changes are being considered, with the UK generational smoking ban and further restrictions on vaping being under consideration in multiple European markets. The Group is assessing this emerging risk and developing appropriate mitigations.

IT service concentration risk

Dependence on a single IT service provider for multiple business capabilities poses a risk. A failure could disrupt multiple business aspects or indirectly impact the Group through upstream service providers.

New types of cyber risk

Some systems may be particularly vulnerable to ransomware due to underinvestment or technical debt, potentially causing prolonged business disruptions or more significant impacts. The Group continuously assesses cyber threats, especially amid geopolitical tensions, and monitors the effectiveness of security controls.

TOP-DOWN AND BOTTOM-UP RISK ASSESSMENT APPROACH

"Top-down"

"Bottom-up"

Who is involved?	**What** activities are completed? Assessment and evaluation of risks	**How** do we confirm risks are managed?
Board	• Oversight of the Group's internal control systems, risk management process and framework • Provides operational and strategic risk perspectives, ensuring these are considered in Group strategy • Sets the Group's risk appetite annually • Reviews the Group's principal risks and considers emerging risks and themes identified in twice yearly risk assessment process	• Oversees risk management approach and reporting • Reviews results of twice yearly risk assessment, including the Group's principal risks • Discusses and agrees risk appetite for the Group's principal risks
Audit Committee	• Reviews scope, quality and results of assurance provided by internal and external audit • Reviews results of other internal assurance provision over key controls of the Group	• Oversees risk management approach and reporting • Regularly reviews results of assurance activities
ELT	• High-impact risks identified in "bottom-up" assessments are consolidated for review by ELT • Respective ELT risk domain owners' validation of risk assessment output prior to Risk Committee • Regularly reviews results of Group Controls Matrix (GCM) internal control testing	• Reviews results of assurance activities to ensure effective closure of any observations raised
Risk Committee	• Provides "top-down" insights to risk assessment process • Considers emerging risks and themes identified in risk assessment process • Provides input into development of risk management activities	• Meets throughout the year to oversee risk management approach and reporting • Reviews results of assurance activities to ensure the effectiveness of risk mitigations
Integrated Assurance Forum	• Co-ordinates assurance activities to ensure all relevant risks and compliance requirements are adequately addressed • Provides appropriate information to the Group Risk Committee and Board for it to be able to attest to the effectiveness of material controls	• Selection of senior stakeholders, meets quarterly to ensure an appropriate assurance approach is in place for material controls
Third line	• Group Internal Audit performs risk-based, challenging audits and provides insights and recommendations to the Audit Committee and management	• Provides the Board with independent assurance over the effectiveness of the design and operation of the risk management framework • Provides audit reports and reporting to management and the Audit Committee
Second line	• Evaluation of first line, "bottom-up" risk assessments by subject matter experts, in line with Board risk appetite • Review and agreement of functional risk registers by functional leadership teams, with minimum six-monthly formal update • Formal completion of legal and regulatory disclosures (e.g. ESG-related, TCFD, Human Rights, Group Science regulatory certifications)	• Define and implement policy and risk management activities aligned to risk appetite • Provide support to business in design and implementation of local mitigations • Review results of GCM testing and identify common themes • Review results of assurance activities to ensure effective closure of observations raised
First line	• Local ownership and accountability for completion and continued update of risk register, with minimum twice yearly formal update • Local leadership team input to review and formally agree risk assessment outcomes • Approach includes requirement to assess effectiveness of related risk mitigations on an ongoing basis • Completion of regular key control testing across the business – GCM communicates key requirements and required testing	• Leadership accountability for risk assessment and mitigation effectiveness • Regional leadership team oversight and input • Dedicated Global Business Services (GBS) Compliance function responsible for performing control assurance activities in selected first line operations • Management certification of compliance with Group policies, GCM financial control compliance, laws and regulations and notification of fraud on a six-monthly basis

The mitigation and management of identified risks is vital to the success of the Group. The Group's risk management and internal control framework and related reporting are further discussed in the Audit Committee report on page 108.

The following section highlights the principal risks the Group faces and identifies the mitigations that are in place to manage them, with all risks reported on a mitigated basis.

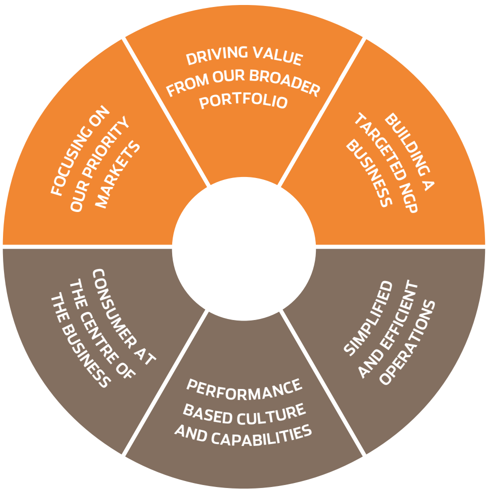
Not all of these principal risks are within Imperial's direct control, and the list cannot be considered to be exhaustive, as other risks and uncertainties may emerge in a changing business environment.

The risks reported are those currently considered by the Board to have the most likely impact on achievement of the Group's objectives.

As explained in our half year results statement, the wording used to describe the principal risks has been updated, but the risks remain aligned with those identified in the 2023 Annual Report and Accounts.

RISK ASSESSMENT PRINCIPLES

- Risk assessments are aligned with the business planning cycle and strategic objectives, focusing not only on the identification and assessment of risks, but most importantly on the effectiveness of the mitigations in place
- Imperial adopts a dynamic approach which facilitates and collates views from functional risk owners and a broad spectrum of other relevant stakeholders, providing end-to-end insights from a wide collection of second line experts – enabling a richer, more balanced perspective on current and emerging risks
- Current and emerging risks are considered on an ongoing basis across the business, with a general three-year horizon (though longer where applicable, e.g. climate risk). This horizon ensures appropriate focus and includes consideration of changes in the causes of existing risks (e.g. specific proposed regulatory change) ensuring timely evaluation of the effectiveness of current and future mitigations
- Specific risk topics are presented to the Board, Audit Committee, Risk Committee and ELT during the year. These discussions provide further detail from first- and second-line management on their risk management responsibilities



An illustration of the primary impact each risk might have on relevant strategy elements and the change in risk profile compared to last year is included for each principal risk using these symbols

Risk profile change

- Risk profile increasing
- Risk profile unchanged

Refer to page 16 for more details on our strategic pillars

PRICING & EXCISE CHANGE

Risks relating to the impact of future excise changes and our ability to achieve planned pricing

Risk profile change	Strategic impacts	Change in year
Risk profile unchanged		• At a global level, reduction in year-on-year inflation rates reducing pressure on pricing • Pricing pressure remains where there is a need to offset accelerated excise schemes and market size and volume declines

Impact

- In markets where the increased cost of living makes consumers more price-sensitive, significant price increases affect both product demand and sales volumes
- Pricing pressure may be exacerbated by excise increases which further elevates product prices. This could result in downtrading to lower price products/categories or an increase in the attractiveness of illicit product, impacting sales volumes
- Illicit products thrive in high-excise environments, reducing the size of the legitimate tobacco market, increasing risks to consumers from non-compliant product, and financing organised crime
- Inferior counterfeit product could result in damage to brands

Mitigation

- Clear pricing strategy and strong oversight by regional leadership teams, supported by analysis and evaluation of pricing dynamics, elasticity and segments evolution
- The Group's Revenue Growth Management function is systematically supporting market teams with assessment of new excise structures, proposing optimum solutions via scenario planning and consumer pricing analytics
- AI enabled tools developed to better model and predict impacts of excise, inflation and other consumer pressures
- Engagement with authorities providing informed input and evidence about the unintended consequences of disproportionate changes in product taxation, supported by above-market engagement, argumentation, and data
- Continuous monitoring and intelligence gathering for developments to help predict and prepare our responses to excise change proposals

REGULATORY CHANGE

Risks relating to the impact of future regulatory change on our ability to produce, market and sell our products

Risk profile change	Strategic impacts	Change in year
		• The regulatory landscape continues to evolve, with the introduction of more restrictive combustible regulations and increasing complexity e.g. characterising flavour bans, category bans and generational access bans • Wider alignment between Tobacco and NGP regulation could arise in the EU under expected reforms to the EU Tobacco Products Directive (EUTPD) and other legislation, and globally as a result of decisions made at the WHO Conference of Parties • Youth Access Prevention is driving political and social pressure in many markets resulting in legislation to ban disposable vapes, together with continuing focus on single use plastics extended producer responsibility legislation in Europe • Track & Trace regulations may take unwelcome non-digital forms when implemented in countries outside of Europe. Continued risk of NGP Track & Trace introduction • New marketing denial orders (MDOs) have been issued from the FDA in connection with some flavoured disposable products. These are subject to ongoing litigation • While new regulations and excise taxes are being considered in some markets, there have been other instances where legislation has been removed, such as "Smokefree" restrictions in New Zealand which included a generational ban, or delayed, such as the US menthol ban

Impact

- Regulatory change can restrict product specification, such as bans on menthol or other flavours or ingredients, consumer interaction, and product supply. These restrictions can affect consumers' ability to enjoy our products, potentially impacting sales volumes and market size and related access to potentially reduced-risk nicotine products
- Compliance with increasingly complex regulatory requirements increases the risk of additional cost to the Group and inadvertent non-compliance. Non-compliance could result in regulatory censure, financial penalty and reputational damage
- When regulations require interpretation, the resulting judgements can lead to disputes or investigations by regulators. This can incur financial costs or cause reputational damage, even if no fault is proven

Mitigation

- Group policies and standards and a reviewed set of Group public policy positions are in place to align with regulatory developments
- Continuous monitoring of and engagement with regulators to highlight risks of disproportionate regulation; proposal of moderate alternatives; and development of sustainable regulatory framework for NGP
- Subject matter experts employed to assess the impacts of proposed regulatory change and Group-wide impacts
- Project teams in place to manage the impacts of regulatory change, ensuring required compliance is achieved and opportunities identified
- Legal action can be taken to defend against or prevent regulatory change where this impacts legal freedoms

PRODUCT SUPPLY

Risks relating to the supply of materials and services to support our ability to operate and produce

Risk profile change | Strategic impacts | Change in year

- While at a global level, year-on-year inflation rates have reduced, fluctuations in leaf and commodity pricing continue to pose risks, and upsides, to our cost of goods
- Geopolitical tensions have continued to increase however our exposure in these areas e.g. Middle East, so far has not seen any material impacts in the Group's key countries and regions
- Climate change is potentially increasing the frequency and intensity of adverse weather impacting supply chains, notably cigar operations in our Caribbean factories and the Philippines
- Recent adverse weather impacts on US leaf crop may shift demands (and prices) outside of the US, increasing cost risk

Impact

- Loss of a key manufacturing site or capacity could impact the Group's ability to meet short-term production demands
- Failure to supply markets could lead to a loss of short-term sales volume and potentially erode consumer loyalty, which may impact longer-term sales volumes and brand value
- Failure to manage cost inflation could result in increased cost of goods
- Severe weather episodes could impact raw material supply, manufacturing sites and warehousing, potentially affecting short-term supply to markets
- A lack of availability of raw materials, or raw materials of poor quality, could impact short-term supply to markets

Mitigation

- Material stocks (leaf and non-tobacco) maintained in line with assessed supply continuity plans, and aligned to sales forecast requirements
- Production capacity planning includes agreed business continuity measures in the event of machine failure or site issue
- Supplier agreements, standards and practices include requirement to comply with Group policies, including quality requirements for goods and services supplied
- Ongoing risk assessments and supplier reviews including quality, ESG, and business continuity and contingency plans
- Alternative locations for NGP production have been explored. Work continues to reduce the relocation times and proactively manage safety stocks for combustibles

TECHNOLOGY RESILIENCE

Risks relating to the ability of IT infrastructure to support business and regulatory requirements

Risk profile change | Strategic impacts | Change in year

- The Group continues to operate in an external environment with heightened geopolitical risks, which highlight the continued risk of, and increasing exposure to corporate cyber-attacks
- External cyber threats remain pervasive, including an increase in third-party security incidents
- While not a direct cyber incident, the global Crowdstrike/Microsoft outage highlighted supply chain risks in technology management
- The proliferation of Artificial Intelligence (AI) presents new challenges and opportunities to security of systems, data and physical facilities. We expect and prepare for increasing trends in the sophistication and complexity of technology attacks

Impact

- Loss of critical systems could impact product supply to distributors or retailers resulting in revenue loss and reputation damage with customers and other stakeholders
- Failure to protect personal or sensitive corporate data from loss could result in inability to achieve strategic goals, regulatory breach and related censure, significant financial costs or penalty, reputational damage or lost competitive advantage

Mitigation

- Vulnerability scanning and penetration testing to reduce attack surface
- High risk suppliers vetted and periodically reviewed
- Ongoing investment in security tools and capabilities
- Crisis management and disaster recovery plans for critical systems tested to support the ability to respond and recovery from unplanned events
- Employee awareness and training to educate colleagues on the cyber risks that we face

PRODUCT INNOVATION AND PORTFOLIO

Risks relating to effective product innovation, aligned to consumer preferences and regulatory requirements

Risk profile change | Strategic impacts | Change in year

- Continued emergence and growth of new lower-price / value-brands in combustible tiers across many markets
- Continuation of downtrading trend as consumers become increasingly value-driven due to inflationary pressures on disposable income and increasing excise taxes on tobacco products
- Continued competitor activity in the NGP market with growth in category size through new product developments, product launches and marketing initiatives
- Increasing trends towards purchasing innovative and new vape subcategories
- Evolving regulation of NGP, with potential further flavour bans, disposables bans, and plain packaging being considered

Impact

- If the Group's product portfolio does not align with consumer preferences, it could lead to reduced preference for our products, lower sales volumes and diminished brand equity
- Failure to act upon consumer trends and insights could result in lost opportunities, notably in NGP where innovations are more prevalent and faster to markets
- Failure to ensure effective implementation of market or retail initiatives could result in lost opportunities, wasted investments and potential loss of market share
- Failure to identify intellectual property (IP) constraints in the innovation of new products could impact development and/or launch, limiting the ability to respond to competitor offerings and potential litigation
- Failure to align NGP portfolio to consumer needs and expectations could result in failure to achieve NGP ambition
- Failure to develop NGP categories could impact achievement of key ESG priorities
- Failure to develop a sustainable commercial model for all NGP categories could result in failure to achieve NGP ambition

Mitigation

- Wide portfolio across all combustible value tiers
- Acquisition of US range of nicotine pouches from TJP Labs to facilitate entry into the US modern oral market
- Consolidated NGP category management approach enabling holistic view of opportunities and informed investment strategy
- Global Consumer Office accountability for product/brand strategy and initiatives, together with strong partnership and collaboration with supply chain for market developments and introductions
- Consumer capabilities strengthened with all three Sense Hub innovation centres now fully operational
- Further elevation of consumer insights and brand building skills to ensure consumer relevance across innovation
- Innovations and go-to-market plans are validated against consumer needs and preferences
- Regulatory strategies, marketing guidelines and product standards developed to support our consumers and our business
- Brand monitoring, including equity tracking
- Innovation processes develop consumer products based upon robust analysis, testing and scientific support

CONSUMER AND MARKET TRENDS

Risks relating to the impact of changing consumer behaviour and market trends on commercial objectives.

Risk profile change | Strategic impacts | Change in year

- Continued rise in illicit trade due to widening gap between duty paid and non-duty paid prices as a result of excise impacts, notably in Europe, and Australia where excise levels are very high
- US illicit trade has recently become more pronounced, especially within disposable flavour vapes
- Continued rapid development and proliferation together with innovation in new NGP categories
- Continued economic pressure on consumers due to inflation, the increased cost of living and economic uncertainty across our market footprint, resulting in down trading and increasing propensity to purchase illicit product

Impact

- Failure to obtain or effectively respond to commercial insights and learnings, would result in loss of market share or inability to capitalise on commercial opportunities
- Failure to respond to changes in market environment could result in the Group's portfolio being less attractive to consumers, resulting in reduced sales
- Economic pressure on consumers could result in reduced spend on tobacco products and alternatives, reducing market size
- Increases in illicit trade impact the size of the legitimate market, impacting sales volumes

Mitigation

- Enhanced consumer insights operating model with continued increase in capabilities and tools, including a separate Business Intelligence Vertical that includes Competitor Analysis
- Strengthening of the innovation pipeline and governance
- Market impacts analysed as part of market size calculations
- Cigarette Empty Pack Survey collection reporting provides trend analysis of illicit impacts enabling more targeted and effective interventions
- Pilot vape Empty Pack Survey completed in UK – continuous updates planned
- Excise and price monitoring provides insights into possible changes in illicit impacts through widening disparity between the price of legitimate and illicit product
- Industry trade groups and joint operations with enforcement agencies to combat illicit trade

ENVIRONMENT

Risks relating to the impact from business operations on the natural environment in which we operate

Risk profile change | Strategic impacts | Change in year

- Carbon emissions in our operations have reduced 69% since 2017 and remain on track to reach Net Zero across our value chain by 2040
- Achieved an energy consumption reduction of 32% since 2017, achieving our original 2030 target of 25%, which has been reset to a 45% reduction by 2030
- New impending reporting requirements, such as the EU Corporate Sustainability Reporting Directive. Compliance by in-scope subsidiaries required by 2025
- The Group continues to face increasing climatic impacts across its global footprint. According to our TCFD analyses (pages 78-89) we do not expect this to result in significant cost exposure within the next 10 years

Impact

- Failure to mitigate environmental impacts of our products and processes may result in a reduced or negative perception of Imperial negatively impacting market share and revenue
- Failure to meet expectations, or to ensure at least parity with industry peers, may impact the Group's reputation as a sustainable business and adversely affect stakeholder sentiment or share price
- Poor ESG ratings could result in reduced access to capital or higher capital costs
- Failure to comply with key ESG-related regulation, including environmental legislation, would result in a material impact to the Group, including, but not limited to, financial penalties
- Failure to comply with increasing regulatory reporting requirements for non-financial data, e.g. the EU Corporate Sustainability Reporting Directive could result in legal, operational, and reputational consequences for Imperial

Mitigation

- ESG strategy, agenda and communications, including ongoing development and materiality assessment, aligned to strategic goals and targets
- Climate targets are embedded in executive remuneration
- ESG Committee with executive representation in place to provide oversight
- Investor and stakeholder presentations ensure alignment with expectations and transparency on progress of Group actions
- CSRD working group to prepare for mandatory disclosures, and Environment working group in place to manage them
- Dedicated climate risk reporting through TCFD framework
- Our actions to mitigate climate risks have earned us a position on the CDP's A List for climate for a fifth consecutive year
- Sustainable Tobacco Programme (STP) and reforestation schemes help reduce the environmental impact of leaf growing

SOCIAL

Risks relating to social considerations within and from our business operations and extended supply chain

Risk profile change	Strategic impacts	Change in year
		• Continued focus on ESG-related matters from investors and external stakeholders • The recently adopted EU Corporate Sustainability Due Diligence Directive introduces further requirements to conduct due diligence throughout our global value chain, and will be applicable from 2027

Impact

- Failure to comply with key ESG-related regulation, including human rights legislation, would result in a material impact to the Group, including, but not limited to, financial penalties
- Reputational damage may result from allegations, even where no wrongdoing has occurred
- Employee engagement or attractiveness of the Group as an employer may be adversely affected as a result of any perception that the Group is acting in an inappropriate manner

Mitigation

- ESG strategy, agenda and communications, including ongoing development and materiality assessment, aligned to strategic goals and targets
- ESG Committee with executive representation in place to provide oversight
- Investor and stakeholder presentations ensure alignment with expectations and transparency on progress of Group actions
- Human Rights Compliance working group meets regularly, specialist human rights capabilities recruited, Human Rights Policy in place and Human Rights Audits conducted by the ESG function
- Human Rights Policy and risk management framework
- Sedex (Supplier Ethical Data Exchange) used for supplier ethical trading risk assessments

LEGAL COMPLIANCE

Risks relating to compliance with laws and regulations and the management of significant legal matters

Risk profile change	Strategic impacts	Change in year
		• Continued external trend of ESG-related litigation risks with external focus on human rights issues in international supply chains and greenwashing claims

Impact

- As with other corporates, litigation and other claims are pending against the Group. The interpretation of the law and the related judgments can lead to disputes or investigation and possible financial costs or reputational damage
- Failure to comply with regulations could result in investigation and the enforcement of financial penalties or regulatory censure
- Investigations or allegations of wrongdoing can demand significant management time, potentially diverting focus from other operational matters
- If any claim against the Group was to be successful, it might result in a significant liability for damages and could lead to further claims
- Regardless of the outcome, the costs of defending such claims can be substantial and may not be fully recoverable
- The reputational damage arising from investigations or allegations of non-compliance could have a greater impact with external stakeholders than the penalties or actions related to the matter itself

Mitigation

- Internal and external lawyers employed, specialising in the defence of product liability claims and other litigation. To date, no tobacco litigation claim brought against the Group has been successful and/or resulted in the recovery of damages or settlement monies
- Advice is provided to mitigate the causes of litigation, along with guidance on defence strategies to direct and manage litigation risk and monitor potential claims around the Group
- The Group's Code of Conduct and core behaviours articulate the way employees are expected to act, with compliance certified by management across the business
- The Group's policies and standards mandate that employees must comply with legislation relevant to both a UK-listed company and local law

BUSINESS TRANSFORMATION

Risks relating to the design, implementation and benefit realisation of organisational change initiatives

Risk profile change

Strategic impacts

Change in year

- Continuing high volume of transformation activity across the Group, including the ERP consolidation programme
- High volume of change and resource demand required to support transformation programmes across the business
- Increasing scale and complexity of cross-functional integration requiring careful management of project interdependencies.

Impact

- Ineffective business transformation could result in disruption to delivery of business objectives or higher cost of implementation than forecast
- High demand for local resources to support transformation may impact employee engagement

Mitigation

- Transformation Centre of Expertise working in conjunction with Independent Quality Assurance and Internal Audit to support successful delivery
- All strategic programmes undergo a "setup for success" review of key programme attributes
- "Air traffic control" planning with the business to ensure sufficient resources available to enable programme delivery in addition to business as usual commitments
- Change capability embedded into major change programmes and standardised approach to change management being developed
- Specialist Organisation Effectiveness expertise safeguards design and development of organisational capabilities in line with strategic objectives

LIQUIDITY AND GOING CONCERN STATEMENT

The Group's policy is to ensure that we always have sufficient capital markets funding and committed bank facilities in place to meet foreseeable peak borrowing requirements.

The Group recognises there can be uncertainty in the external environment, however, during past periods of disruption (e.g. COVID-19, political uncertainty in Russia and Ukraine and Middle East), the Group effectively managed operations across the world and has proved it has an established mechanism to operate efficiently despite this uncertainty. The Directors consider that a one-off discrete event with immediate cash outflow is of greatest concern to the short-term liquidity of the Group.

The Directors have assessed the emerging and principal risks of the business, including stress testing a range of different scenarios that may affect the business. These included scenarios which examined the implications of:

- A one-off discrete event resulting in immediate cash outflow such as unexpected duty and tax payments; and/or other legal and regulatory risks materialising of c.£500 million
- A rapid and lasting deterioration to the Group's profitability because markets become closed to tobacco products or there are sustained failures to our tobacco manufacturing and supply chains. These assumed a permanent reduction in profitability of 10% from 1 October 2024

The scenario planning also considered mitigation actions including reductions to capital expenditure, dividend payments and share buyback programme. There are additional actions that were not modelled but could be taken including other cost mitigations such as staff redundancies, working capital management, retrenchment of leases and discussions with lenders about capital structure.

Under the reverse stress test scenario, after considering mitigation actions including reductions of capital expenditure, dividend payments and share buyback programme, we have modelled that a 37% EBITDA reduction would lead the Group to have sufficient headroom until 30 November 2025.

The Group believes this reverse stress test scenario to be remote given the relatively small impact on our trading performance and bad debt levels during the COVID-19 pandemic and political uncertainty with regard to Ukraine and Russia. In this scenario the Group would implement a number of mitigating actions including revoking the uncommitted dividend, pausing the share buyback and reducing discretionary spend such as capital expenditure.

Based on its review of future cash flows covering the period through to 30 November 2025, and having assessed the principal risks facing the Group, the Board is of the opinion that the Group as a whole and Imperial Brands PLC have adequate resources to meet their operational needs for a period of twelve months from the date of approval of the financial statements and concludes that it is appropriate to prepare the financial statements on a going concern basis.

VIABILITY STATEMENT

The Board has reviewed the long-term prospects of the Group to assess its viability. This review, which is based on the business plan which was completed in July 2024, incorporated the activities and key risks of the Group together with the factors likely to affect the Group's future development, performance, financial position, cash flows, liquidity position and borrowing facilities as described in the 'Managing risk' section of this report on pages 42 to 44.

In addition, we describe in notes 21 to 22 the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to market, credit and liquidity risk.

Assessment

To report on the long-term viability of the Group, the Board reviewed the overall funding capacity and headroom available to withstand severe events and conducted a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The assessment assumes that any bank debt maturing in the next three years can be refinanced at commercially acceptable terms or via our current standby facility. The Board believes that three years is an appropriate time horizon given the current business portfolio and limited visibility beyond three years. This assessment also included reviewing and understanding both the impact and the mitigation factors in respect of each of those risks. The viability assessment has two parts:

- First, the Board considered the period over which it has a reasonable expectation that the Group will continue to operate and meet its liabilities, considering current debt facilities and debt headroom; and
- Second, it considered the potential impact of severe but plausible scenarios over this period, including:
  - assessing scenarios for each individual principal risk, for example commercial issues and the impact of regulatory challenges; and
  - assessing scenarios that involve more than one principal risk including multi-risk scenarios.

Findings

Viability review period

Whilst the Board has no reason to believe the Group will not be viable over a longer period, the period over which the Board considers it possible to form a reasonable expectation as to the Group's longer-term viability, based on the risk and sensitivity analysis undertaken, is the three-year period to 30 September 2027. This reflects the period used for the Group's business plans and has been selected because, together with the planning process set out above, it gives management and the Board sufficient, realistic visibility on the future in the context of the industry environment.

The Group's annual corporate planning processes include completion of a strategic review, preparation of a three-year business plan and a periodic re-forecast of current-year business performance and likely landing. The plans and projections prepared as part of these corporate planning processes consider the Group's cash flows, committed funding, forecast future funding requirements, banking covenants and other key financial ratios, including those relevant to maintaining our investment grade ratings. These projections represent the Directors' best estimate of the expected future financial prospects of the business, based on all currently available information.

The use of the strategic plan enables a high level of confidence in assessing viability, even in extreme adverse events, due to a number of mitigating factors such as:

- Flexibility of cash outflow with respect to the ability to manage dividend returns to investors, capital expenditure projects planned to take place within the three-year horizon, return of surplus capital to investors via share buyback, plus promotional marketing programmes
- The Group has mature business relationships and operates globally within well-established markets
- The Group's operations are highly cash generative, and the Group has access to the external debt markets to raise further funding

RISK IMPACT REVIEW

For each of our principal risks, plausible risk impact scenarios have been assessed together with a multiple risk scenario. The following table summarises the key scenarios that were considered, both individually and in aggregate:

Risk scenarios modelled	Level of severity reviewed	Link to principal risk
The consequences of adverse operating and commercial pressures, involving volume reduction and/or falls in margin, driven by unforeseen reductions in the size of the legitimate tobacco market or other changes in the level of consumer demand for our products.	The maximum quantifiable impact of all envisaged business risks, including the impact of a loss of market size and share and lack of pricing. The value of these combined risks totals £0.5 billion over the three-year period under review. A further worst-case scenario has also been considered, modelling a 10% reduction on remaining EBITDA after consideration of the isolated business risks. The value of this EBITDA modelled totals £1.3 billion over the three-year period under review. We have reduced the EBITDA reduction from 15% in the prior year to 10% this year to better represent a plausible downside scenario.	• Pricing and excise change • Regulatory change • Product supply • Technology resilience • Product innovation and portfolio • Consumer and market trends • Social • Environment • Business transformation
The possible costs associated with legal and other regulatory challenges, including competition enquiries and tax audits.	Failure to successfully defend existing and reasonably foreseeable future legal and regulatory challenges, at the expected financial exposure. The value of these combined risks is c.£1.3 billion.	• Legal compliance • Social • Environment

None of the scenarios reviewed, either individually or in aggregate, would cause Imperial Brands to cease to be viable.

Climate-related risks have been assessed as causes of a number of our underlying risks which are included within the scenario modelling, including, but not limited to, the failure to supply product due to weather-related impacts on individual factories, the cost of complying with environmental legislation such as carbon pricing, and the impact that climate change has upon the supply of raw materials (notably leaf).

In 2023, we also conducted a quantified climate scenario analysis with 4°C and 1.5-2°C pathways aligned with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and Paris Agreement. The scenario analysis takes into consideration climate-related physical and transition risk to 2050, which we disclose in detail for the next 10 years. The Group does not consider climate change to be a risk from a viability perspective. The Group holds c.12 months of leaf stock protecting against any shortage or incremental cost caused by a natural event, hence it would not materially impact the period under review. Any incremental cost would have an EBITDA impact lower than that modelled as part of the scenario testing.

CONCLUSION

On the basis of this robust assessment of the emerging and principal risks facing the Group, and on the assumption that they are managed or mitigated in the ways disclosed, the Board's review of the business plan and other matters considered and reviewed during the year, and the results of the sensitivity analysis undertaken and described above, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 30 September 2027.

BUILDING TRUST WITH OUR STAKEHOLDERS

Building and maintaining trust with our stakeholders underpins the success and reputation of Imperial Brands. Through stakeholder collaboration we aim to develop the Company, minimise our environmental impact, make a positive social contribution and uphold high standards of governance.

This section of the Annual Report provides insight into how stakeholder engagement is taken into consideration by the Board and the Executive Leadership Team (ELT) in their decision-making processes. It goes on to describe how we monitor the effectiveness of our engagement.

CONSUMERS

Our strategy starts with our consumers. Millions of adults worldwide choose to enjoy our tobacco and next generation products. The better we understand the preferences of our consumers, the better we are able to serve them. This helps us grow our business, and it helps us identify and capitalise on opportunities as a challenger business.

HOW THE BOARD CONSIDERS THIS STAKEHOLDER

- The Board participated in a number of consumer immersion events over the course of the year, in the Czech Republic and the UK. These afforded Board members the opportunity to get closer to the consumer by hearing directly from them about their behaviours, likes and dislikes. Board members were also able to discuss matters important to both combustible and nicotine product consumers, with a particular focus on heated tobacco and NGP product innovation
- Our CEO also met separately with consumers during the year
- A visit to one of our Innovation Hubs provided Board members with first-hand insights to consumer preferences

HOW WE ENGAGE WITH THIS STAKEHOLDER

- Consumer roundtables and focus groups are held to understand consumers' specific requirements and preferences
- Feedback from these focus groups is used in our decision-making for investments in brand refreshes and marketing
- The Global Consumer Office, headed by the Chief Consumer Officer, leads consumer-listening initiatives across the Group

WHAT MATTERS TO THIS STAKEHOLDER

- Our focus groups informed us that adult consumers want a choice of brands and quality products at the right price points
- Consumer preferences such as cigarette pack formats, flavours and filters, as well as the choice of potentially less harmful NGP, evolve over time
- Fully understanding consumer needs allows us to remain relevant and underpins consumer loyalty to brands

HOW WE MONITOR THE EFFECTIVENESS OF OUR ENGAGEMENT

- We hold regular consumer focus groups to assess the impact of our brand refreshes and marketing campaigns on consumers
- We believe market share changes across products, channels and geographies reflect the effectiveness of our engagement with consumers
- Regular data-led updates from the Global Consumer Office provide the Executive with evidence and an opportunity to challenge assumptions when making decisions related to our product portfolio

Further information on how the Board has considered stakeholders when making key decisions is given on the following pages and also in the Governance Report on pages 98 to 103.

The Board's decision-making process is illustrated in our Section 172(1) statement on page 102 which is incorporated into this Strategic Report by reference.

COLLEAGUES	CUSTOMERS
Our colleagues are Imperial's most important asset and are critical to the success of the business. It is essential we create a supportive, safe and rewarding work environment to enable them to deliver our goals and develop their careers. We believe that a diverse and engaged workforce is imperative for business success.	Where it is difficult to engage directly with consumers, engaging with retailers provides useful insights into our consumers' behaviour and preferences. This helps us grow our business, even where there are regulatory headwinds, and identify opportunities to be a successful challenger. We work closely with distributors, wholesalers and retailers to ensure our products are available to adult consumers in a diverse range of outlets. These stakeholders play a crucial role in our business model.
• Collective responsibility for workforce engagement has been embedded into the Board's governance framework in the remit of the People, Governance & Sustainability Committee, of which every Non-Executive Director is a member • The Board held three "Meet the Board" events with groups of colleagues during the year, giving the Board the opportunity to hear colleagues' perspectives, allowing the Board to incorporate colleagues' views into its decision-making • The Board also engages with a broad cross-section of employees by way of dinners, informal drinks and site visits • The Board receives regular feedback from our employees through updates at the PGS Committee	• The Board has participated in store visits in the Czech Republic over the course of the year. These visits provided the opportunity to talk directly to retailers • Our CEO meets with customers regularly throughout the year
• "Connections", our purpose, vision and behaviours development programme, continued, ensuring all colleagues experience training to enhance their understanding of these behaviours, and what they mean for them in their role • Over 300 senior leaders were equipped with skills in performance coaching through the Connected Leadership Programme: asking powerful questions, recognising and valuing difference and actively listening to engage and empower employee performance • CEO and leadership town hall meetings, in person and virtually, providing direct feedback opportunities	• Our market cluster leadership teams engage with our customers to understand how to improve the effectiveness of their sales forces • We work closely with our distributors to understand how we can best manage our relationships, and have a dedicated team to support distributor sales and build best practice in distributor management across the Company • We use key account management practices to engage with our largest customers to better understand their needs and to create strong commercial partnerships to help our businesses create value together
• Continued progress on DE&I and issues of authenticity and inclusion, particularly around gender, ethnicity, LGBTQ+ and disability, are taken seriously • Responsibility and accountability, underpinned by a fair assessment of contribution, with senior managers leading by example • Health, safety and wellbeing continue to be a priority	• A diverse portfolio of quality products that appeal to consumers, with consistent communication on the launch pipeline and investment behind relevant brands • Ease of ordering and a strong supply chain to maintain high levels of on-shelf availability • Support to protect against illicit trade and underage sales and guidance through industry changes, such as display bans or plain packaging
• We review the results of our annual workforce engagement in the Employee Experience survey, and ask people leaders to create action plans as a result of the survey and we review completion and progress of these plans • We review the results of our interim pulse surveys • The ESG Committee, chaired by the CEO, receives feedback from the Business Employee Resource Groups (BERGs) • Feedback is shared by BERG members and the Global DEI Team in the DEI Steering Group • We collate feedback from exit interviews to find out why employees choose to leave us	• We monitor our performance relative to other FMCG companies through the Advantage Survey and other benchmarking surveys. Feedback from these surveys is reviewed and taken into account in our engagement plans and in setting priorities • We hold management roundtable events with regional customers to hear first-hand how Imperial is performing relative to peers • A quarterly pulse report provides performance feedback which is used to highlight areas for improvement • We have KPIs to monitor progress against operational initiatives

GOVERNMENTS AND REGULATORS

The regulation of tobacco and nicotine varies significantly across our global markets. We believe that reasonable and balanced regulation of tobacco and nicotine products is essential to support consumers on their harm reduction journey, and we seek constructive engagement with policy makers and regulators to achieve this.

HOW THE BOARD CONSIDERS THIS STAKEHOLDER

- Our corporate strategy includes building a portfolio of next generation products (NGP) with potentially reduced harm
- The Board would like to engage more with this stakeholder but opportunities have been limited
- Our Chief Corporate Affairs Officer presents to the Board regularly on the Group's regulatory risks and our corporate affairs strategy to manage these risks
- Management provides updates to the Board as part of the regional business reviews, including, where relevant, any updates on the regulatory landscape

HOW WE ENGAGE WITH THIS STAKEHOLDER

- The Board welcomes constructive engagement with regulators, with management being primarily responsible for understanding and ensuring compliance with applicable laws and regulations
- Management regularly drafts responses to government consultation exercises, highlighting the potential impact of any regulatory changes under consideration on our business, our consumers, customers, suppliers, workforce, and other stakeholders and, where relevant, sharing our scientific evidence and consumer research with government, and to explore policy alternatives
- We also assess regulatory impact on product design and marketing support around brand launches
- This monitoring allows the Board to take relevant legislation and regulation into account when making its decisions

WHAT MATTERS TO THIS STAKEHOLDER

- Tobacco excise revenues
- Public health spending on smoking-related health issues
- Assessment of reduced harm from NGP
- Confidence that our business is operating in compliance with local laws and regulations in each government's or regulator's region
- Collaboration with law enforcement agencies countering illicit trade and preventing youth access to tobacco and nicotine products

HOW WE MONITOR THE EFFECTIVENESS OF OUR ENGAGEMENT

- We track regulatory approval of products that we submit for listing in markets where this is required
- We review proposed new legislation and the Company's ability to be involved in the development of regulation effectively supporting public health objectives
- We monitor both direct and indirect feedback from regulators

INVESTORS

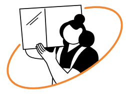
Our investors provide capital to the business with a view to receiving a return on that investment through capital growth and dividend returns.

- Our CEO, CFO and Chair have regular meetings with our major investors to update them on our performance, hear their views directly and consult with them
- The Board receives a report at every meeting on stock market performance, investor engagement, and investor/analyst feedback following all investor events
- During the year, the Board commissioned an investor perception study to gather feedback on our delivery of our strategy, performance and communications
- Our AGM provides an opportunity for the Board to meet with investors

- Our Annual and Interim results presentations inform investors how the business is performing
- We maintain a programme of active dialogue with our key financial stakeholders, including institutional shareholders, potential investors, holders of our bonds and sell-side research analysts
- Our CEO, CFO and senior management present at various conferences throughout the year, including the Deutsche Bank Consumer Conference in Paris in June 2024 and the Barclays Global Consumer Staples Conference in September 2024
- Our Chair and CEO led an ESG investor webinar in September 2024, providing an update on progress with our ESG priorities

- Confidence in the Board that it has appropriate oversight of the management team
- Trust in the management team to have a strategy and operational plan to optimise value creation and ensure the long-term sustainability of returns, and to deliver on that strategy
- The setting of realistic expectations combined with transparent reporting of performance against KPIs, both financial and non-financial, including ESG metrics
- Disciplined capital allocation

- Our CEO, CFO and Chair engage with investors to gather feedback on how we are performing against our strategy
- Topics discussed during the year included the continued delivery against the strategy, sustainability of the tobacco value model, development of our NGP business, capital allocation considerations and ESG
- The Board receives an investor relations update at every Board meeting, which sets out the latest investor views, share register movements and recent market and competitor developments
- Investor perception is assessed on an ongoing basis through feedback on meetings, our events and our conference presentations. This feedback is shared with the Board in the IR Board Report



SUPPLIERS

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.

- The Board reviews and approves our Modern Slavery Statement annually
- Suppliers within our supply chain are included as part of the Board's ESG considerations (focus on sustainable and responsible sourcing and farmer's livelihood as part of our People and Planet strategy)
- Factory and site visits help the Board understand the complexities of our global supply chain

- Our Supplier Relationship Management "Connect" Programme creates further opportunities to align with suppliers on our strategic goals, strive for mutual growth and communicate to suppliers the importance of our People and Planet agenda and align with them on our broader Company objectives
- Our Supplier Qualification Programme is a screening process for all new non-tobacco materials and NGP suppliers
- Partner suppliers complete a self-assessment questionnaire covering the following categories: Labour, Health and Safety, Environment, and Business Ethics
- Our Supplier Code of Conduct helps ensure we engage suppliers that meet our minimum standards

- Sourcing products and services in a compliant, sustainable and socially conscious manner
- Fair and ethical treatment, openness and transparency. If they have a concern suppliers can use the Speak Up process
- Supporting and developing farming communities and promoting sustainable agriculture
- Achieving a decent standard of living
- Our Leaf Partnership Projects support communities in tobacco-growing countries most in need

- Ongoing legal and trading compliance screening
- Supplier performance reviews
- Bi-annual strategic business reviews including 360° feedback process across our most strategic suppliers
- Detailed vendor rating system
- Annual Sustainable Tobacco Programme assessment forms part of supplier ratings, along with quality, cost and value
- Critical suppliers are required to undertake on-site quality assurance audits as part of onboarding and further risk-based audits after that
- Ethical trading risks are monitored through our ethical trading risk assessment platform, and other channels

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The following table constitutes our Non-Financial and Sustainability Information Statement in compliance with Sections 414CA and 414CB of the Companies Act 2006.

The information listed is incorporated by cross-reference. Additional non-financial information is also available on our website.

Reporting requirement	Policies	Further information	Page
Environmental matters*	• Environmental Policy • Filter Policy • Sustainable Tobacco Programme • Biodiversity Statement	Environmental targets	23, 66, 68, 88
		International management systems	67, 78
		Climate and energy	66, 78
		Reducing waste	68
		Sustainable tobacco supply	70, 72
Employees*	• Code of Conduct • Group-wide Employment Policy • Fairness at Work Policy • Speaking Up Policy • Occupational Health, Safety and Environmental Policy and framework	Diverse and engaged workforce	76
		Workplace health and safety	74
		International management systems	74, 75, 77
		Lost time accident (LTA) rate	75
Respect for human rights*	• Human Rights Policy • Code of Conduct • Supplier Code of Conduct • Health Protection and Wellbeing Policy • Fairness at Work Policy • Speaking Up Policy	Diverse and engaged workforce	76
		Workplace health and safety	74
		Human rights	73
		International management systems	73
Social matters*	• International Marketing Standards • Policy on taxation • Community Contributions and Volunteering Policy • Information Security Policy	Human rights	73
		Youth access prevention	65
		Farmer livelihoods and welfare	70
		Charitable and political donations	130
Anti-corruption and anti-bribery*	• Code of Conduct • Fraud Risk Management Policy • Speaking Up Policy • Supplier Code of Conduct	How we manage risk	42
		Governance, risk management and internal control	42, 113
		Powered by responsibility	61
Description of principal risks and impact of business activity		Principal risks and uncertainties	45
		Governance, risk management and internal control	42, 113
Description of the business model		Business model Our Distinctive Approach	14
Non-financial key performance indicators		Key performance indicators	22
		Sustainability performance indicators	63, 66, 68
Climate-related financial disclosures		TCFD report	78

* Further information on our policies, due diligence and outcomes in these areas is contained throughout the Strategic Report.