



GROUP ENVIRONMENT POLICY

At Imperial Brands, we aim to be Net Zero in our value chain by 2040. We are committed to minimising our environmental impact and promoting sustainability throughout our value chain. We recognise the importance of preserving our planet and striving to be a responsible business. Environmental sustainability is integral to the long-term success of our business and, in line with our robust approach to ESG (Environmental, Social and Governance), underpins our drive to create shared value for our stakeholders.

The Group Environment Policy makes our commitment clear, which extends through several Group policies, including our **Code of Conduct** and **Supplier Code of Conduct**. These set out the foundations of our approach to environmental sustainability which all our employees, suppliers, and business partners are required to adhere to. We aim to maintain high standards of governance on our journey to minimise our climate impact and reduce our carbon footprint, energy, waste, and water consumption as well as the impact we are having on biodiversity. This includes the way we produce, use, and dispose of our products, and requires all employees and partners to understand their responsibilities.

OBJECTIVES OF THIS POLICY

To minimise the short, medium and long term impact of our business activities on the environment and to prevent non-compliance with local legal environmental requirements through appropriate product development, supply chain and local operational activities. Additionally, the objective is to reduce the likelihood of environmental issues impacting the company's ability to achieve its strategic objectives.

SCOPE OF THIS POLICY

This Policy applies to all entities, functions and staff working for or on behalf of Imperial Brands PLC and any entities controlled by it, including ITGB but excluding our Spanish subsidiary Logista, a logistics company which operates independently and has its own independent Board. Where Imperial Brands PLC does not have direct control, it is recommended that the principles of this Policy be adopted or incorporated into an existing policy by our partners to demonstrate the commitments reflected in this Policy.

EXCEPTION MANAGEMENT AND LOCAL LEGISLATIVE RESTRICTIONS

Where this Policy conflicts with local legislative requirements, such local requirements take precedence over the requirements stated in this Policy. Additionally, where there might be specific business reasons why this Policy, or part of this Policy, cannot be adopted by the Local Entity the exception can be managed against criteria set out by Group ESG.

Any such exceptions should be notified to the Policy Owner, supported by evidence of local legislative requirements or business reasoning. Policy exceptions require explicit approval by the Policy Owner, are recorded and shall be reviewed on an annual basis by the Policy Owner to confirm their ongoing validity.

POLICY REVIEW

This Policy shall be reviewed on an annual basis or upon any significant changes to risk profile or risk appetite for the risks within the scope of this Policy.

RELATED CONTENT

Additional policies should be considered alongside this Group Environment Policy and it is the responsibility of the Policy Owner to ensure alignment by engaging the policy owners of the following policies:

- **Code of Conduct** – Describes the standards of responsible behaviour that all our employees are expected to follow.
- **Supplier Code of Conduct** – Describes our minimum requirements for our suppliers..
- **Product and Technical Development Policy** – Describes meeting anticipated or established consumer demands.
- **Biodiversity Statement** – Describes the Group's commitment on reducing its impact on biodiversity.

To fulfil our commitments, we shall:

- as a minimum, operate in compliance with all applicable environmental **legal requirements**, and, in markets where legislation is less stringent, we will apply our own rigorous standards set out in this policy (subject to approved policy exception).
- assess, monitor, and manage our environmental and climate related **risks to our own operations and our supply chain in line with LSE Listing Rule 9.8.6(8) R** (previously known as TCFD)¹.
- implement and maintain **management systems** following the “Plan, Do, Check, Act” approach, based on the principles of continuous improvement.
- **monitor performance** by setting meaningful metrics and targets that stretch the business to continually improve environmental performance.
- provide suitable **resources** and enhance **capabilities** where required¹.
- Continue to improve our **sourcing** of goods and services **responsibly**.
- work towards a **circular economy** when innovating and developing products and packaging to reduce waste and keep resources in use for as long as possible.
- **engage with stakeholders** across our value chain on environmental issues, to ensure we effectively raise supply chain standards and reduce our wider environmental footprint.
- **report transparently** by communicating our environmental performance internally and externally, ensuring claims can be substantiated¹.

This Policy applies to all employees at Imperial Brands. Where Imperial Brands does not have direct control, we encourage our partners to demonstrate the commitments reflected in this Policy and our Supplier Code of Conduct. We all have a role to play in reducing our impact on the environment and we expect everyone to take personal responsibility for delivering against these commitments. Employees are actively encouraged to engage with others to inform, share knowledge, and innovate to achieve our environmental ambitions. Further details on this Policy can be found in the remainder of this document.



Lukas Paravicini
Chief Executive Officer
October 2025

Policy Owner: Group Environmental Sustainability
Effective Date: October 2025



¹ more information on current reporting, metrics and targets, including our aim towards supporting a circular economy can be reviewed in our ESG performance summary, or our heathier futures webpages

Our Environment Policy outlines our key commitments and actions:

1. INNOVATION

Our innovation function aims to utilise lifecycle assessment in the design of key new products as well as for current ones to better understand the environmental effects of our products and to find ways to reduce those effects. We look to apply the circular economy concept when innovating and developing products and packaging to reduce waste during the use of our products and keep resources in use for as long as possible.

2. SOURCING OF RAW MATERIALS

Global procurement are committed to improving our sourcing of products and services to be compliant, sustainable, and in a socially conscious manner. We will work with our suppliers to ensure continuous improvement. We refreshed our Supplier code of conduct in 2023, calling out the environmental expectations we have of our partners and we intend to further strengthen our supplier due diligence, risk assessment and management approach to complement this.

Deforestation and Conversion Free:

We are committed to producing and sourcing tobacco and other deforestation-risk raw materials that do not contribute to deforestation or conversion of other natural ecosystems by 2030. Our commitment is aligned to SBTi and AFi requirements.

3. MANUFACTURING

Global Supply chain should aim to produce our products in an effective and efficient manner through building upon ISO

certification of our production sites. Our environmental objectives¹ are focused but not limited to the following:

Emissions Reduction:

We are committed to reducing our impact on the climate throughout our value chain, focusing on both mitigation and adaptation. We report our environmental performance in our annual report and accounts. By 2030 we aim to be net zero within our own operations (Scope 1 and 2) and to have a net zero value chain (Scope 1, 2 and 3) by 2040². We are also committed to minimising air pollutant emissions across our operations and supply chain to support healthier air quality and meet regulatory standards.

Waste Management:

We are committed to minimising waste associated with products, packaging, and production processes. This includes minimising overall waste, eliminating waste to landfill and making all our packaging in the EU and UK reusable, recyclable or compostable by 2025³.

Water Management:

We are committed to reduce our water withdrawal especially in water scarce areas. We have embedded the physical risk of drought and flooding in our climate change scenario analysis and are reporting on these risks as part of our TCFD disclosure within the annual report and accounts².

4. FLEET

To meet our Net Zero ambition, where reasonable in terms of availability, economy and infrastructure, battery electric vehicles should be the preferred vehicle selection option.

5. STAKEHOLDER ENGAGEMENT

We will actively engage with our employees, customers, suppliers, and local communities to raise awareness about environmental issues and encourage their participation in sustainable practices. We have reached our supplier engagement target for 50% of our suppliers by spend within the purchased goods and services category⁴ to have science-based targets by 2024. We will continue to encourage suppliers to complete CDP Supply Chain on annual basis and continuously improve their progress towards Net Zero. One of our tools to engage with our suppliers is the Supplier Relationship Management-Connect program².

The Sustainable Tobacco Programme (STP):

We are committed to engaging with our suppliers to support and develop farming communities and promote sustainable agriculture. As part of our membership in the industry-wide STP, we are enhancing agricultural supply chain due diligence and aiming to improve the social and environmental impact in tobacco growing communities¹.

6. COMPLIANCE AND CONTINUOUS IMPROVEMENT

We are committed to complying with all applicable environmental laws, regulations, and standards and ask our suppliers to do the same. Additionally, we will regularly assess our environmental performance, set targets for improvement, and strive for continuous environmental management system enhancement¹. Further, we will periodically monitor local risks through climate scenario analysis and take appropriate actions in response to local incident reports.

¹ more information on current metric and targets, including our aim towards supporting a circular economy can be reviewed in our ESG performance summary, or our heathier futures webpages

² For more information on our environmental management targets within manufacturing, please see our ESG performance summary, or our heathier futures webpages

³ Covering level 1 and 2 packaging and based on assessment conducted through an external institute.

⁴ Purchased goods and services is the global greenhouse gas protocol scope 3 category one. For Imperial, it contributes 63% of our carbon footprint as of 2024.

Glossary

CIRCULAR ECONOMY:

The circular economy is a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting.

DEFORESTATION

Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.

CONVERSION

Loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function.

NET ZERO:

Our Net zero target has been approved by the Science Based Targets Initiative (SBTi). According to the SBTi net zero is defined as a state of balance between anthropogenic emissions and anthropogenic removals. We are targeting net-zero GHG emissions, which also includes non-CO2 GHGs. Net-zero GHG emissions must be achieved at the global level to stabilize temperature increase, and targets set using the SBTi's Net-Zero Standard must cover all UNFCCC/Kyoto GHG emissions

RESPONSIBLY/ SUSTAINABLY SOURCED:

Responsible/Sustainable sourcing is the integration of social, ethical and environmental performance factors into the process of selecting suppliers

SUPPLY CHAIN STANDARDS:

A series of minimum standards that we apply across our supplier base, as set out in the supplier code of conduct.