

Independent Assurance Statement to the Directors of Imperial Brands plc

We have been engaged by Imperial Brands plc (“The Group”) to perform a ‘limited assurance engagement,’ as defined by the International Standards on Assurance Engagements, here after referred to as the engagement, to report on Imperial Brands plc’s selected performance data and qualitative statements for the year ended 30th September 2024 presented in the below reports (collectively referred to as the “Report”):

- The Group’s 2024 Annual Report and Accounts (ESG Review section)
- The Group’s 2024 ESG Performance Summary

Specifically, our statement is applicable to the following disclosures (“the Subject Matter”):

ESG Data Sets (Imperial Brands Plc)

Climate Change	<ul style="list-style-type: none"> • Relative water consumption (m³/£m net revenue) • Absolute water consumption (m³) • Relative energy consumption (kWh/£m net revenue) • Absolute energy consumption (GWh) • Electricity from purchased renewable sources (%) • Energy from renewable sources (%) • Relative Scope 1 CO₂e emissions (t/£m net revenue) • Absolute Scope 1 CO₂e emissions (t) • Relative Scope 2 CO₂e emissions (location-based) (t/£m net revenue) • Absolute Scope 2 CO₂e emissions (location-based) (t) • Relative Scope 2 CO₂e emissions (market-based) (t/£m net revenue) • Absolute Scope 2 CO₂e emissions (market-based) (t) • Absolute Scope 3 CO₂e emissions: Purchased Goods & Services - (t)
Packaging and Waste	<ul style="list-style-type: none"> • Relative environmental waste (t/£m net revenue) • Absolute environmental waste (t) • Relative environmental waste to landfill (t/£m net revenue) • Absolute environmental waste to landfill(t) • Landfill avoidance rate (% of total waste which is diverted from landfill) • Packaging in the EU and UK that is reuseable, recyclable or compostable (%) • Average recyclability score of packaging in the EU and UK (%) • % of wood fibre in our packaging sustainably sourced
Health, Safety & wellbeing	<ul style="list-style-type: none"> • Lost-time accident frequency rate (per 200,000 hours) • Fleet collision rate (accidents per million kms)
Consumer Health	<ul style="list-style-type: none"> • Net revenue from NGP products (£m)
Diversity, Equity & Inclusion	<ul style="list-style-type: none"> • Female PLC Board members (%) • Female Executive Leadership Team (ELT) members (%) • Female employees in the workforce (%) • Female representation at senior management level (%) • Ethnic background on PLC Board (%) • FTSE Women Leaders Review Combined Executive Leadership Team & Direct Reports



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ESG Data Sets (Imperial Brands Plc)

Farmer	• % of wood for use as tobacco curing fuel sourced from sustainable sources
Livelihoods and Welfare	• % of leaf suppliers expressing a commitment to support their farmers to access a decent standard of living

The selected statements within the Report that are included within the Subject Matter are included in Appendix 1 of our Assurance Statement.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Imperial Brands

In preparing the Subject Matter, Imperial Brands applied the methodology as described in the Reporting Criteria Document 2024 (“The Criteria”) which is located on the Imperial Brands plc website.

Imperial Brands’ responsibilities

Imperial Brands’ management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000 (Revised)’) and the terms of reference for this engagement as agreed with Imperial Brands’ on 15 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures



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regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

1. **Interviewing a selection of the Group's management** to understand the progress made in the area of ESG performance during the reporting year and to test the coverage of topics within the Report.
2. **Conducting one in-person and three remote site visits** to understand local level ESG performance, data collection processes and to test samples back to underlying source evidence.
3. **Considering the coverage of key issues within the Report** against the topics discussed in our management interviews and business and site-level reviews.
4. **Performing detailed testing on the ESG Data Sets** and carrying out the following activities to assess the Subject Matter:
 - a. Interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
 - b. Analytical review procedures to understand the appropriateness of the data;
 - c. Testing, on a sample basis, against underlying source information to check the accuracy and completeness of the data and the appropriate application of the Criteria;
 - d. Assessing the Report for the appropriate presentation of the data including limitations and assumptions.
5. **Assessing supporting evidence for selected statements in The Report** to identify whether such statements are fairly stated considering the underlying documentation provided by management. Refer to Appendix 1 of this Assurance Statement for the statements subject to this procedure.

We also performed such other procedures as we considered necessary in the circumstances.



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Conclusion

Conclusion on ESG Data Sets:

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 30th September 2024 in order for it to be in accordance with the Criteria.

Conclusion on selected statements within the report:

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected statements (refer to Appendix 1), are not, in all material respects, fairly stated in line with the supporting evidence.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any persons other than Imperial Brands plc, or for any purpose other than that for which it was prepared.

Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

Ernst & Young LLP
18th November 2024
London



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Appendix 1: Selected statements within the Reports, forming part of the Subject Matter

We list the selected statements, with the words underlined, that have been subject to the procedures described in step 5 of the procedures performed within our Assurance Statement.

Where the statements selected contain quantitative information, our procedures performed involved tying to the underlying documentation provided by management. Our procedures did not assess the completeness and accuracy of the underlying data.

Page number	Statement within The Group's 2024 Annual Report and Accounts (ESG Review and Task Force on Climate-Related Financial Disclosures sections)
18	In Spain, we launched our first recycled Roll-Your-Own (RYO) pack for our Horizon brand, marking an industry first. <u>The new Horizon pack features 100% recycled wrap and 40% recycled pouch materials, resulting in a total of 42% recycled plastic content.</u> These calculations are based on the ISCC Mass Balance Approach.
59	Last year we supported <u>more than 128,000 New Beneficiaries</u> through our Leaf Partnership Programme.
59	<u>To educate and raise awareness, we dedicated an episode of Connections TV, our global internal channel, to People and Planet.</u>
61	The majority of reports made in FY24 related to employee grievances. Allegations were also received of misuse and/or theft of Company property (including through our fraud reporting process). Some of these allegations were found to be valid in whole or part. None were found to be material in nature or value. <u>Where appropriate, corrective action was taken.</u>
62	We have participated in the investor-backed Workforce Disclosure Initiative (WDI) since 2019. This benchmark is based on a disclosure score. <u>We received a 97% disclosure score for our WDI submission.</u>
64	Imperial Brands' continuing contribution to the <u>wider body of academic research around NGP includes publishing 31 peer-reviewed papers and presenting 24 scientific posters</u> at conferences over the last five years.
64	In the Czech Republic, <u>we conducted a study of 300 smokers</u> with no intention to quit and introduced them to our heated products. By the end of the study, <u>half of consumers had completely switched or cut smoking by at least 50%.</u>
64	In a similar study conducted in the UK, where smokers were offered our blu vapes, found <u>that one in three had halved their smoking in just three weeks. By week six, up to 40% of them had either completely switched or substantially cut their cigarette consumption.</u>
65	<u>We actively participate within international product standards bodies like the International Organization for Standardization (ISO) and the European Committee for Standardization (CEN), and established industry scientific associations like the Cooperation Centre for Scientific Research Relative to Tobacco (CORESTA).</u>
66	<u>Most of these emissions reductions come from changes to manufacturing activities, where we take a data-led approach to improve operational efficiency.</u>
67	In 2025, we will focus on <u>expanding the use of the CDP Supply Chain Programme</u> to enhance data collection and transparency.
67	In <u>2025 we will be launching Net Zero supplier contract clauses</u> to reinforce our commitment to <u>reducing emissions across our supply chain.</u>
69	<u>We participate in Extended Producer Responsibility schemes, both on a voluntary basis and to fulfil regulatory requirements under various legislation,</u> including the EU Single-Use Plastics Directive.
69	To support our consumers with the responsible disposal of our blu products, <u>"take-back" schemes for vaping devices and pods continue in some markets.</u>
70	All our tobacco leaf suppliers are expected to participate in the STP. <u>In 2024 (based on the 2023 tobacco leaf crop year), 100% of our suppliers reported on their due diligence.</u>



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71	180,000 tobacco community members benefiting from Leaf Partnership projects aimed at increasing access to clean water.
71	We also financially support forestry programmes. This includes Imperial Brands' own dedicated forestry programme managed through a key supplier in Tanzania.
72	We have implemented ethical trading risk assessments for our key strategic suppliers, covering over 60% of our supplier spend.
72	During 2024, we achieved our target of ensuring that 50% of suppliers by spend within the Purchased Goods and Services category are committed to science-based targets.
73	98% of our factory sites self-assessments are compliant with our human rights leading indicators.
73	During FY24 we conducted audits at factories in the Ivory Coast, the US and Morocco. These provided more in depth insights into the local context and allowed us to work with factory teams to mitigate the risk of modern slavery.
73	In addition, more than 900 colleagues participated in 19 human rights webinars, sharing our work and commitments.
74	In FY24, 210 leaders were trained on the Behavioural Safety Programme for safety leadership, a course certified by the Institution of Occupational Safety and Health.
79	The [ESG] Committee meets quarterly, attended by all Non-Executive Directors, and received four updates on climate-related risks and opportunities in FY24.
79	In FY24, we introduced ESG Sponsor days, led by Alison Clarke, Chief People and Culture Officer and ELT (Executive Leadership Team) lead for ESG.
81	Numbers in Table 1: Chronic Weather 50. Acute weather: 52. Policy and legal: 9. Market 311. Energy sourcing 46.
82	£296,000 spent on water access projects in FY24.
82	89% of our tobacco leaf suppliers by spend are engaged in water risk projects.
82	97% of our directly contracted farmers grow complementary crops.
82	Our tobacco leaf procurement strategy relies on an outsourced model, with 97% of the leaf sourced from third parties in 2023
82	Based on the scenario analysis undertaken in 2023, we have assessed nine physical risks, including coastal inundation, soil subsidence, surface water flooding, riverine flooding, extreme wind, forest fire, and water stress.
83	We have a policy for 100% of our manufacturing sites to have business continuity plans in place to mitigate any potential interruption to operations.



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Page number	Statement within the ESG performance summary
18	In Spain, we launched our first recycled Roll-Your-Own (RYO) pack for our Horizon brand, marking an industry first. The new Horizon pack features 100% recycled wrap and 40% recycled pouch materials, <u>resulting in a total of 42% recycled plastic content</u> . These calculations are based on the ISCC Mass Balance Approach.
21	In 2023, we funded micro-business start-ups across coffee roasting, traditional 'batik' clothes printing, <u>catfish ponds, and vegetable gardens - benefitting over 250 people</u> . Our supplier provided the necessary materials and knowledge to help these businesses become self-sustaining.
22	In India, Imperial supported our supplier, ITC, to <u>upgrade school washroom facilities in 2023. This intervention has benefitted over 2,500 students in government-run schools in rural communities</u> .
23	Between 2021 and 2024 our investment in water, sanitation, and hygiene projects in countries of most need, <u>including Mozambique, India, the Dominican Republic, Guatemala, Brazil, Indonesia and Honduras equates to around US\$ 3.72m</u> .
25	Percentage of wood used matched by managed planting. 2023: 11%