



# Sustainability Strategy

## Farmer Livelihoods and Welfare

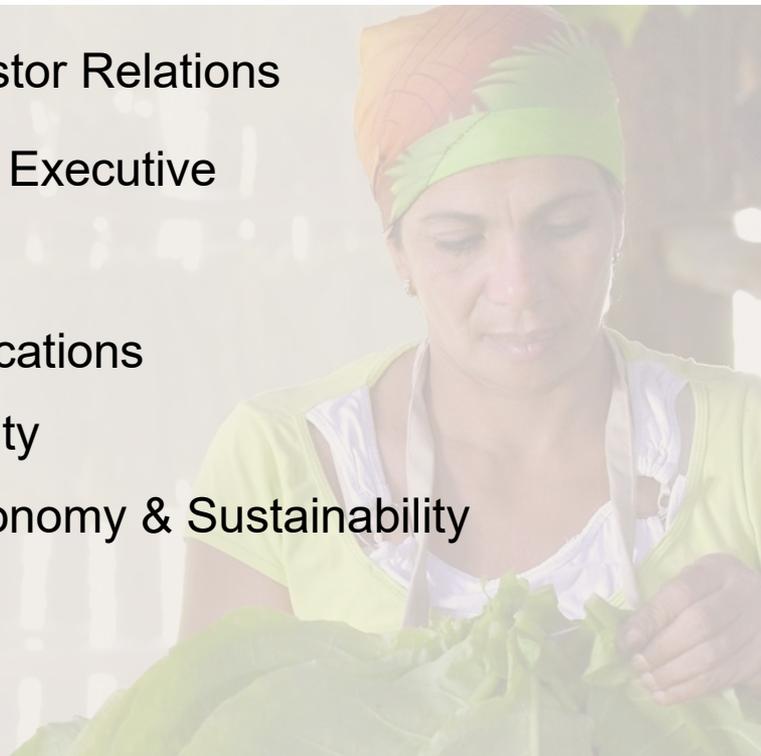


**Imperial Brands ESG Webinar**

# Agenda



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



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# Group Strategy

MAXIMISE SUSTAINABLE SHAREHOLDER RETURNS



## LONG-TERM QUALITY GROWTH

### TOBACCO MAXIMISATION

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

### NEXT GENERATION PRODUCTS

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

### COST AND CASH

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

## ENABLING THE BUSINESS TO GROW AND CREATE VALUE

### TOBACCO SUSTAINABLE SUPPLY



### NEXT GENERATION PRODUCTS REDUCED HARM



### BEHAVING RESPONSIBLY PEOPLE AND OPERATIONS



Our sustainability strategy is central to our growth aspirations

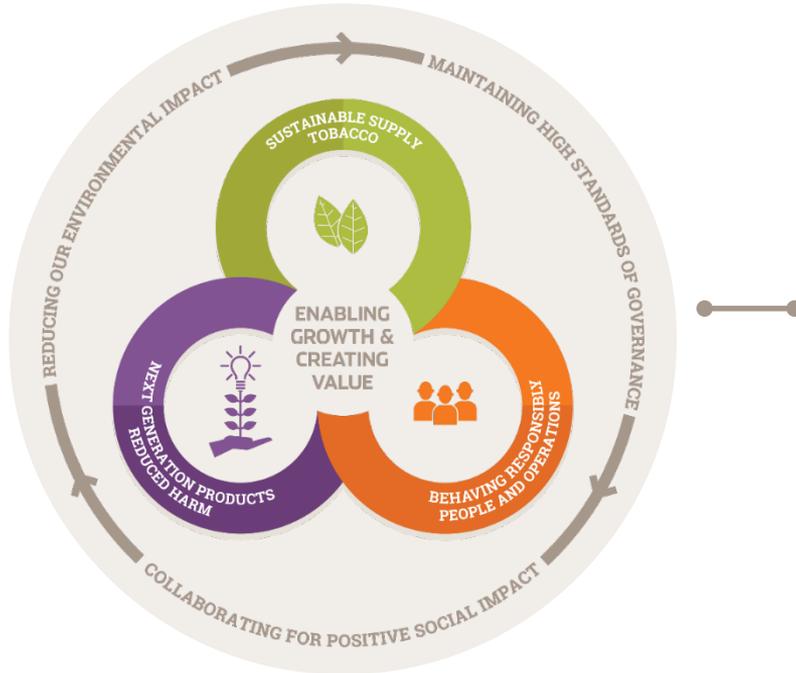
## HIGH STANDARDS OF GOVERNANCE



# UN Sustainable Development Goals and TCFD



# Our Sustainability Strategy



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

## ESG considerations are:

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



ENABLING THE BUSINESS TO GROW AND CREATE VALUE

TOBACCO  
SUSTAINABLE  
SUPPLY



NEXT GENERATION  
PRODUCTS  
REDUCED HARM



BEHAVING  
RESPONSIBLY  
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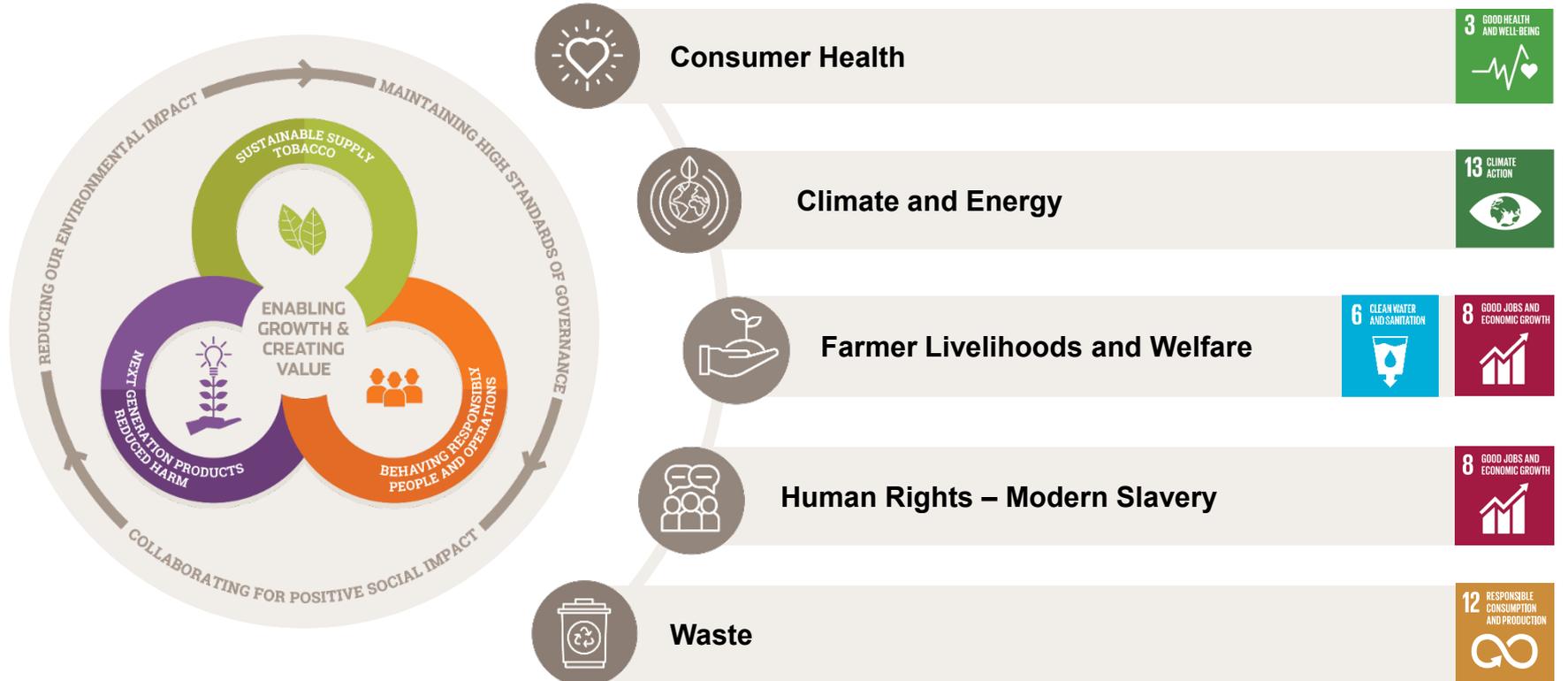


Key Environmental (E), Social (S), Governance (G) Responsibilities

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



# Priority ESG Focus Areas



# Farmer Livelihoods and Welfare



# Tobacco Sourcing



Responsible long term  
tobacco sourcing  
partnerships

97%

Sourced from third parties



# Fair Pay for Farmers



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



# Alternative Crop Farming



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



# Addressing Child Labour



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



# Sustainable Tobacco Programme (STP)



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



# Leaf Partnership Programme



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



# Leaf Partnership Programme: Borehole Project



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



# Eliminating Child Labour in Tobacco Growing (ECLT) Foundation



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



# Safe Chemical Use



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



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Q&A



# Imperial Brands ESG: For More Information...



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[Sustainability pages on our website](#)

[Sustainability review from 2019 ARA](#)



[Read more about sustainable supply](#)



[Sustainability Contacts](#)



[Stakeholder Panel Statement 2019](#)

