



# REPORTING CRITERIA DOCUMENT 2023:

Principles, Criteria and Methodologies



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## Principles, Criteria and Methodologies

**This document sets out Imperial Brands' reporting approach, scope, and criteria which underpins the PLC Board's commitment to disclose our responsible performance, in the Environmental, Social, and Governance (ESG) section of the Annual Report and Accounts (AR&A) and on the corporate website.**

### WE AIM TO:

- Report our activities honestly and give a fair impression of business conduct.
- Provide key stakeholders with appropriate information, as guided by leading frameworks and standards such as the Global Reporting Initiative (GRI); and
- Inform relevant investor evaluations and indices.

### COMMITMENT TO REPORTING

As a UK public company, we are required to disclose specific information in the AR&A, under the UK Companies Act. In addition, we provide information on how we manage our business responsibly, with key performance measures to demonstrate our progress. This helps to demonstrate that our Board of Directors is addressing their environmental, social and governance (ESG) responsibilities towards key stakeholders, including employees, investors, suppliers, customers, consumers, communities, government, and society.

We have a formal approach to ESG reporting which identifies important issues and performance indicators. Resulting information is used by Executive Management to set improvement objectives and targets, which are also endorsed by the PLC Board. Performance management is then driven and enabled at functional, market and site level.

We periodically undertake an ESG materiality assessment, to review, identify and prioritise the most important sustainability issues for our business and external stakeholders. We conducted our latest materiality assessment in March 2023 listening to the views of consumers, customers, employees, regulators, investors, and shareholders. Our 2021 assessment identified eight focus areas, which we have grouped into three broad categories: Healthier Futures, Positive Contribution to Society and Safe and Inclusive Workplace, which our latest assessment re-confirmed. These ESG focus areas are critical to achieving our vision and longer-term purpose, as we build a strong challenger business, powered by responsibility, focus and choice. We make our own internal assessments by considering global sustainability issues and relevant social and environmental risks. We reference leading guidelines and indices, which include the Global Reporting Initiative (GRI) Standards and CDP.

### GENERAL REPORTING PRINCIPLES

In developing our reporting, we have been guided by good practice principles. We therefore seek to report information which is:

- Inclusive; relevant to our key stakeholders.
- Material; mutually important to us and our stakeholders.
- Responsive; action based on informed decisions.
- Impactful; effective action addressing mutually important issues; and
- Robust; timely, accurate and, where appropriate, subject to verification and assurance.

Where possible we provide year-on-year comparable data with explanations on our performance.

### REPORTING BOUNDARIES AND SCOPE OF REPORTING

Our business is managed and reported on a functional basis.

We manage, gather and report data either as a whole or by function for activities over which we have operational control. We do not report on a legal entity basis. Our reporting includes all activities at manufacturing sites, main offices, Madagascar Farms\* and from sales operations associated with the production and sale of products. Operations not included, as deemed de minimis or being outside of our current reporting scope, relate to the small sales offices and warehouses, which collectively contribute no more than two per cent of each reported indicator.

\*The only tobacco farms within our operational control are located in Madagascar. They collect their data and report together.

# OUR PEOPLE AND PLANET AGENDA

An important element of the foundation-building phase of our business strategy has been a refresh of our approach to environmental, social and governance (ESG) responsibilities. Imperial has a long tradition of responsible business with a strong track record of preventing underage<sup>1</sup> access, combating illicit

trade and continually reducing its carbon footprint. Our recent ESG review has focused on prioritising our activities to ensure they fully align with our new strategy, purpose and vision and meet the evolving expectation of stakeholders. Our ESG strategy represents an exciting opportunity to make a positive difference, as well as be

a platform to demonstrate our strategic risk management of ESG issues. A full materiality study, which combined both quantitative data-led analysis and qualitative stakeholder interviews, highlighted eight key areas of focus. **We have grouped these into three broad categories:**

## HEALTHIER FUTURES



### CONSUMER HEALTH

We are committed to strengthening our next generation products (NGP) and making a more meaningful contribution to harm reduction by offering adult smokers a range of potentially less harmful products.



### CLIMATE CHANGE

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



### PACKAGING & WASTE

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

## POSITIVE CONTRIBUTION TO SOCIETY



### FARMER LIVELIHOODS & WELFARE

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



### SUSTAINABLE & RESPONSIBLE SOURCING

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

**Our ESG strategy remains aligned with the United Nations Sustainable Development Goals (SDGs).**



## SAFE & INCLUSIVE WORKPLACE



### HUMAN RIGHTS

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



### EMPLOYEE HEALTH, SAFETY & WELLBEING

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



### DIVERSITY, EQUITY & INCLUSION

We are committed to creating a truly diverse and inclusive organisation renowned for celebrating difference, enabling our people to feel that they belong and be their authentic selves. We will respect, recognise and value the diversity of our consumers and reflect the communities in which we operate.

1. Underage is defined as consumers under the age of 18 or a higher legal age for purchase.

# REPORTING ENTITIES\*



\*Correct as of 30 September 2023. Entities may have been double counted if site is both a manufacturing site and a Sales and Marketing entity. Not all entities are required to complete all environmental and OHS campaigns, see individual indicator for scope details.

Where appropriate, we differentiate manufacturing operations as these locations make a greater contribution to the data values for the majority of indicators. Unless stated otherwise, all manufacturing sites under our operational control are in scope. Not all entities detailed above will report both occupational health and safety and environmental data, full scope inclusions are detailed under 'scope' for each indicator.

The logistics part of our Group business operates under the legal entity of Logista. Due to commercial sensitivities this entity is managed remotely, and it is responsible for its own data. Logista does not report into Group non-financial data and this is specified in the scope of individual indicators. We report independently verified information provided by Logista in our Annual Report and Accounts. Logista has provided verified data since financial year (FY) 2014 for absolute Scope 1, 2 and 3 emissions. Further information on Logista can be found at <https://www.logista.com/en/home.html>.

Our relative indicators are expressed against tobacco and NGP net revenue, which comprises of tobacco and NGP revenue less duty and similar items, excluding peripheral products. Units for absolute and relative measures can be found in the 'unit' section for each individual indicator.

## INTRODUCING NEW SITES AND SITE CLOSURES

Based on business transformation, we introduce and remove entities to our reporting scope. Any changes in scope are clearly reported within this document and in particular the 'scope' section of each reported indicator. Our relative reported performance against tobacco and NGP net revenue helps to normalise any such changes in scope.

Occupational health safety and environment data for new sites is included into the Group reporting scope once the data collection from sites has been validated in the Non-Financial Reporting (NFR) System. Where possible, historic data may be used to ensure we have a full reporting year worth of data before reporting, where this is not possible an estimate may be used.

Where we have sites that are closing, data will be included in our Group reporting until such time as is impractical to do so. For Occupational Health and Safety (OHS) data this will include data up until the last day of operational control.

For environmental data this will include data up until the last day of production and/or decommissioning if undertaken by Imperial.

## RESTATING THE GROUP BASELINE

Restating the Group baseline for environmental data may be required if a material or significant change occurs. If material data errors are detected during the independent assurance process, we make all necessary steps to restate data, including the baseline if required.

Our baseline year is 2017 for all environmental indicators. This has been determined based on the work done to set science-based carbon reduction targets which were approved by the Science Based Targets Initiative. In FY23 we recalculated our scope 3 in line with the latest guidance from the greenhouse gas protocol and CDP and have restated our baseline.

## IMPERIAL BRANDS NFR SYSTEM

The NFR system is the main reporting system for collecting OHS and environment data. The system is subject to administrative support provided by a third-party, SustainIt.

Raw data, in line with NFR data definitions, is entered into the system at site level by contributors, who are often topic specialists in their area. Data is then validated on the system, by a senior manager, taking full accountability for timeliness and accuracy of the data.

The system calculates performance indicators from the data entered and can generate reports at any level of the organisation including at local, regional, functional, and Group level to inform performance management processes.

Data collection campaigns are launched through the NFR System, on a monthly, quarterly, or annual basis; further information on campaign frequency can be found in the 'Method' section of each individual indicator. Users are required to submit data against strict deadlines to meet internal and external reporting requirements.

Once deadlines have passed, campaigns are closed. Following monthly investigation, data checks and clarifications, the data is reported internally. At the end of our reporting year the data is frozen to allow for assurance, and any further changes required are logged in a change log and can only be implemented once the change threshold for the indicator has been met (2%). The data checking process provides a series of data quality checks assessing trends and anomalies on a monthly basis.

Amendments may be made as part of the validation and correction process or following the end-of-year independent assurance process. In the unlikely event amendments are significant (>2%), the figures will be restated in the subsequent annual reporting with a footnote in the public disclosures explaining the restatement.

Our environmental reporting year, 1 July – 30 June, covers a 12-month period which consists of 3 months from the previous financial year and 9 months of the current financial year, allowing us enough time for internal consolidation, checking and external data verification. Normalised net revenue indicators relate to the full financial year.

## ASSURANCE

We engage an independent third party to provide limited assurance of selected publicly reported information. This is in line with good practice and to help build trust with our stakeholders.

The assurance exercise is scoped to test select quantitative indicators and whether reporting is accurate and reliable. We focus on performance indicators that are most material to both our organisation and stakeholders. This approach enables the third party to provide a limited assurance opinion on the completeness and accuracy of the reported information in all material respects.

The assurance and verification process includes data assessment and testing, sample site visits and a number of interviews with management and subject matter experts. Details of assurance activities including the assurance statement can be accessed on our website.

# INDICATORS

## SAFE & INCLUSIVE WORKPLACE

### EMPLOYEE HEALTH, SAFETY & WELLBEING

|   |    |
|---|----|
| Compliance with Health and Safety Framework                       | 7  |
| Operations with ISO 45001 at the time of reporting                | 7  |
| Accidents & lost time accidents                                   | 8  |
| Lost time accident frequency rate                                 | 8  |
| Accident frequency rate   | 9  |
| Fleet Collision Rate  | 9  |
| Fatalities  | 10 |
| Fleet vehicles fitted with an In Vehicle Monitoring System (IVMS) | 10 |

### DIVERSITY, EQUITY & INCLUSION

|   |    |
|---|----|
| Female employee representation in the workforce                                     | 11 |
| Female employee representation in senior management                                 | 11 |
| Female employee direct reports to the Executive Leadership Team (ELT)               | 11 |
| Female Executive Leadership Team (ELT) Members                                      | 12 |
| Female PLC Board Members  | 12 |
| Ethnic Background PLC Board   | 12 |
| FTSE Women Leaders Review Combined Executive Leadership Team (ELT) & Direct Reports | 13 |
| Employee Turnover Rate  | 13 |
| New Employee Hires  | 13 |

## POSITIVE CONTRIBUTION TO SOCIETY

### FARMER LIVELIHOODS & WELFARE

|  |    |
|--|----|
| Percentage of leaf suppliers committed to support their farmers access a decent standard of living | 14 |
| Percentage of sustainable wood use   | 15 |
| Number of farmers and families with improved access to childcare and education                     | 16 |
| Number of farmers and families with improved access to clean water                                 | 17 |
| Number of farmers and families with improved access to sanitation and hygiene                      | 18 |
| Percentage of tobacco farmers growing complimentary crops  | 19 |

## POSITIVE CONTRIBUTION TO SOCIETY

### FARMER LIVELIHOODS & WELFARE (CTD)

|   |    |
|---|----|
| Percentage of tobacco farmers with access to initiatives to improve agricultural productivity | 20 |
| Suppliers have corrective action plans for 100% of non-conformances (where required)          | 21 |
| Suppliers have preventative action plans for 100% of non-conformances (where required)        | 21 |
| Percentage of leaf suppliers participating in STP   | 22 |

## HEALTHIER FUTURES

### CONSUMER HEALTH

|  |    |
|--|----|
| Percentage net revenue from NGP Products | 23 |
|--|----|

### PACKAGING & WASTE

|   |    |
|---|----|
| Absolute and Relative Environmental Waste             | 24 |
| Absolute and Relative Environmental Waste to Landfill | 24 |
| Landfill waste avoidance                              | 25 |
| Waste Recycled  | 25 |
| Reusable, recyclable, or compostable packaging waste  | 25 |
| Sustainably sourced wood fibre in our packaging       | 26 |

### CLIMATE CHANGE

|   |    |
|---|----|
| Operations with ISO 14001 at the time of reporting                            | 27 |
| Absolute and relative energy consumption                                      | 27 |
| Percentage of purchased grid electricity from renewable sources               | 28 |
| Percentage of energy from renewable sources                                   | 28 |
| Compliance with UK Streamlined Energy and Carbon Reporting (SECR) Regulations | 29 |
| Absolute & Relative Scope 1 and 2 CO2 Equivalent Emissions                    | 30 |
| Renewable Energy Site   | 31 |
| Absolute Scope 3 CO2 equivalent emissions                                     | 31 |
| Scope 3 CO2 equivalent emissions – Business Travel                            | 32 |
| Key Suppliers with Science Based Targets (SBT)                                | 33 |
| Absolute and Relative Water Consumption                                       | 34 |

### COMMUNITY INVESTMENT

|                                    |    |
|------------------------------------|----|
| Community Investment (Allocations) | 35 |
|------------------------------------|----|

# INDICATORS FOR NON-FINANCIAL REPORTING – REPORTING SPECIFICS AND METHODOLOGY

This section details the methodology for all indicators we publicly disclose in the 2023 Annual Report and Accounts and the ESG section of the corporate website: Healthier Futures. Not all indicators have been subject to third party data verification. This is clearly stated within the criteria for each indicator.



## EMPLOYEE HEALTH, SAFETY & WELLBEING

### Compliance with Health and Safety Framework

|   |  |
|---|--|
| <b>Definition</b>                         | Our framework follows a Plan-Do-Check-Act approach, and it is measured through 17 key leading indicators. These include policy review and communication, establishing a strategy and defining roles and responsibilities, having access to competent advice, identifying legal requirements, and proving compliance, provision of work equipment, resources, and training, regular review of objectives and targets, completion of audits and risk assessments, and incident management. |
| <b>Scope</b>                              | Data for this indicator is currently collected for all sales and marketing entities and all manufacturing sites.   |
| <b>Reporting Period</b>                   | 1 October 2022 – 30 September 2023   |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Compliance with the Framework Leading Indicators is recorded quarterly. For sales and marketing entities, the data is collated by the central NFR team with help from the cluster contributors. The percentage score for sales and marketing sites is submitted at cluster level. For manufacturing sites this data is reported in the NFR system by individual sites and collated at Group level for reporting.   |
| <b>Third party data verification FY23</b> | No   |

### Operations with ISO 45001 at the time of reporting

|   |   |
|---|---|
| <b>Definition</b>                         | We approach the improvement of OHS performance through risk management, employee training, performance reporting, audits, and improvement planning. This is structured by the application of a local formal OHS management system, which is subject to an annual independent audit by external certification companies to help drive continuous improvement. We have selected the international standard ISO 45001 as the most appropriate standard for guiding the development of our local OHS systems. |
| <b>Scope</b>                              | The scope covers all manufacturing sites including cigarette, other tobacco products (OTP), cigar, tobacco leaf processing, paper, and tube operations. It excludes laboratories, main offices, Sales and Marketing entities, distribution centres, leaf warehouses, farms, and joint ventures.   |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023   |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | Through the NFR system, information on the occurrence of ISO 45001 certifications is collated centrally on an annual basis. The central team calculates the percentage by dividing the number of certifications by the number of operating sites within the scope. NFR users at the sites are required to upload the current certificate.   |
| <b>Third party data verification FY23</b> | No  |



# EMPLOYEE HEALTH, SAFETY & WELLBEING

## Accidents & lost time accidents

|   |   |
|---|---|
| <b>Definition</b>                         | Work-related incidents including physical assaults to employees. 'Work-related' means that the incident occurred in relation to the employees' activities executed on behalf of the company. Travelling to and from work accidents are excluded. "Lost Time Accidents" are work-related accidents resulting in absence from one or more scheduled workdays or shifts beyond the day or shift the accident occurred. A workday or shift is the specified hours that the employee is required to do on behalf of the company within any 24-hour period. "Accidents" are work-related accidents resulting in no lost time i.e., the employee can immediately return to work, or the employee is unable to work for a period on the day of the accident but is able to return to work at the next available workday or shift. |
| <b>Scope</b>                              | Data for this indicator is collected for all sales and marketing entities, all manufacturing sites, warehouses, offices, and fully contracted workers at Madagascar Farms. Employees include those employed directly by the company whether they are full-time, part-time or on a specific length contract including agency workers under the control of Imperial Brands.   |
| <b>Reporting Period</b>                   | 1 October 2022 – 30 September 2023  |
| <b>Unit</b>                               | Number  |
| <b>Method</b>                             | 'Lost Time Accident' and 'Accident' data is entered into the NFR system monthly, by local personnel. The system then consolidates the data for the central Group ESG team to review.  |
| <b>Third party data verification FY23</b> | No  |

## Lost time accident frequency rate

|   |  |
|---|--|
| <b>Definition</b>                         | Lost time accidents are work-related incidents resulting in absence from one or more scheduled workdays or shifts, beyond the day or shift the accident occurred. A workday or shift is the specified hours that the employee is required to do activity on behalf of the company within any 24-hour period. 'Work-related' means that the incident occurred in relation to the employees' activities executed on behalf of the company. This excludes situations such as travelling to and from work.   |
| <b>Scope</b>                              | Data for this indicator is collected for all sales and marketing entities, all manufacturing sites, warehouses, offices, and fully contracted workers at Madagascar Farms. Lost time accident frequency rate relates to employees who are employed directly by the company whether they are full-time, part-time or on a specific length contract. It does not apply to contractors who are employed by a third party but does include agency workers working under the control of Imperial Brands.  |
| <b>Reporting Period</b>                   | 1 October 2022 - 30 September 2023   |
| <b>Unit</b>                               | Number of lost time accidents per 200,000 hours  |
| <b>Method</b>                             | <p>Lost time accident, and hours worked data is entered into the NFR system monthly by local personnel. The system then consolidates the data for the central Group ESG team to review.</p> <p>Hours worked is the average number of hours worked multiplied by the average number of employees during the period. Where actual data is available this is used (e.g., clock in/out systems).</p> <p>The lost time accident frequency rate is calculated as follows: (Total number of lost time accidents except while travelling to and from work/number of hours worked) x 200,000 hours.</p> |
| <b>Third party data verification FY23</b> | Yes  |





# EMPLOYEE HEALTH, SAFETY & WELLBEING

## Accident frequency rate

|   |  |
|---|--|
| <b>Definition</b>                         | Accidents are work-related incidents resulting in no lost time i.e., the employee can immediately return to work, or the employee is unable to work for a period on the day of the incident but is able to return to work at the next available workday or shift. 'Work-related' means that the incident occurred in relation to the employees' activities executed on behalf of the company. This excludes situations such as travelling to and from work.                              |
| <b>Scope</b>                              | Data for this indicator is collected for all sales and marketing entities, all manufacturing sites, warehouses, offices and fully contracted workers at Madagascar Farms. Accident frequency rate relates to employees who are employed directly by the company whether they are full-time, part-time or on a specific length contract. It does not apply to contractors who are employed by a third party but does include agency workers working under the control of Imperial Brands. |
| <b>Reporting Period</b>                   | 1 October 2022 – 30 September 2023   |
| <b>Unit</b>                               | Number of accidents per 200,000 hours  |
| <b>Method</b>                             | Accident and hours worked data is entered into the NFR system monthly by local personnel. The system then consolidates the data for the central Group ESG team to review. The accident frequency rate is calculated as follows: The accident frequency rate is calculated as follows: (Total number of accidents except while travelling to and from work/number of hours worked) x 200,000 hours.   |
| <b>Third party data verification FY23</b> | No   |

## Fleet Collision Rate

|   |  |
|---|--|
| <b>Definition</b>                         | Work related vehicle collisions involving the Imperial Brands fleet of vehicles including motorbikes, 3 wheeled vehicles such as "Tuk Tuks", cars, and goods vehicles. 'Work-related' means that the collision occurred in relation to the employees' activities executed on behalf of the company. Travelling to and from place of work collisions are excluded apart from collisions involving Sales Representatives travelling between home and customer premises, which are included. A workday or shift is the specified hours that the employee is required to do activity on behalf of the company within any 24-hour period. All vehicle accidents are included that result in injury, death, or material damage, however there are several types of accidents that are excluded: acts of God/nature, collisions with animals, hit while parked, fire, theft, vandalism, collisions with debris, glass/windscreen only damage, or vehicle failure. Internal transport collisions such as forklift trucks are excluded. |
| <b>Scope</b>                              | Data for this indicator is collected only for sales and marketing entities. Employees include those employed directly by the company whether they are full-time, part-time or on a specific length contract including agency workers under the control of Imperial Brands.   |
| <b>Reporting Period</b>                   | 1 October 2022 – 30 September 2023   |
| <b>Unit</b>                               | Collisions per million kilometres  |
| <b>Method</b>                             | Data is entered into the NFR system monthly by local personnel. The system then consolidates the data for the Group ESG team to review. Accident frequency rate is calculated by: (number of collisions x 1,000,000)/ kilometres driven.   |
| <b>Third party data verification FY23</b> | Yes  |



# EMPLOYEE HEALTH, SAFETY & WELLBEING

## Fatalities

|   |  |
|---|--|
| <b>Definition</b>                         | Work related incidents including physical assaults resulting in the death of employees, third party contractors or members of the public. 'Work-related' means that the incident occurred in relation to the employees' or contractors' activities executed on behalf of the company, or a member of the public was killed because of an employee or contractor work activity. Travelling to and from work accidents are excluded as well as other non-work-related death-in-service such as employee death from natural causes or other non-work-related cause.   |
| <b>Scope</b>                              | Data for this indicator is collected for all sales and marketing entities, all manufacturing sites, warehouses, offices, and fully contracted workers at Madagascar Farms. Fatalities to employees include those employed directly by the company whether they are full-time, part-time or on a specific length contract including agency workers under the control of Imperial Brands. Contractors relates to third parties working at Imperial Brands premises conducting work commissioned by Imperial Brands. Visitors to an Imperial Brands location involved in fatal accidents will be recorded as "members of the public". |
| <b>Reporting Period</b>                   | 1 October 2022 – 30 September 2023   |
| <b>Unit</b>                               | Number   |
| <b>Method</b>                             | There is an internal Standard outlining the immediate escalation process. Data is entered into the NFR system monthly by local personnel.  |
| <b>Third party data verification FY23</b> | No   |

## Fleet vehicles fitted with an In Vehicle Monitoring System (IVMS)

|   |  |
|---|--|
| <b>Definition</b>                         | A range of IVMS solutions are available including basic 'App' type monitoring, through to hardware installed in vehicles linked to data gathering and reporting software. Markets should choose the system most suited to their needs. As a minimum, it must record against a driver identifier such as employee or driving license number, the speed, harsh acceleration or deceleration, kilometres or miles driven, driven hours. |
| <b>Scope</b>                              | Data for this indicator is collected for all Sales entities.   |
| <b>Reporting Period</b>                   | 1 October 2022 – 30 September 2023   |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Data is entered into the NFR system on a quarterly basis by local personnel. The system then consolidates the data for the central Group ESG team to review.   |
| <b>Third party data verification FY23</b> | No   |



# DIVERSITY EQUITY & INCLUSION

## Female Representation in the workforce

|   |   |
|---|---|
| <b>Definition</b>                         | The proportion of employees recorded as female across Imperial Brands Group excluding Logista.  |
| <b>Scope</b>                              | The scope covers full-time and part-time employees at Imperial Brands companies.  |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023   |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | Number of female employees divided by number of all employees. Where employee gender is listed as 'blank' or 'not declared', these are included in the calculation as non-female. |
| <b>Third party data verification FY23</b> | Yes   |

## Female employee representation in senior management

|   |   |
|---|---|
| <b>Definition</b>                         | The proportion of senior management employees (Global Grade 3, 4 and 5) recorded as female across Imperial Brands Group.  |
| <b>Scope</b>                              | The scope covers full-time and part-time employees at senior management level: Global Grade 3, 4 and 5.   |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023   |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | Number of female employees (Global Grade 3, 4 and 5) divided by number of all Global Grade 3, 4 and 5 employees. Where employee gender is listed as 'blank' or 'not declared', these are included in the calculation as non-female. |
| <b>Third party data verification FY23</b> | Yes   |

## Female employee direct reports to the Executive Leadership Team (ELT)

|   |  |
|---|--|
| <b>Definition</b>                         | The proportion of direct reports to the ELT recorded as female across Imperial Brands Group.   |
| <b>Scope</b>                              | The scope covers all direct reports to the ELT across Imperial Brands, excluding administrative or support staff.                                    |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023  |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Number of female employees reporting to the ELT divided by number of all employees reporting to the ELT – excluding administrative or support staff. |
| <b>Third party data verification FY23</b> | Yes  |



# DIVERSITY EQUITY & INCLUSION

## Female Executive Leadership Team (ELT) Members

|   |   |
|---|---|
| <b>Definition</b>                         | The Executive Leadership Team (ELT) comprises the Executive Directors and key members of our senior management team. The ELT is responsible for supporting the Chief Executive with implementation of Group strategy, monitoring the detailed operational performance of all aspects of the business and ensuring the Group achieves its financial and non-financial targets. |
| <b>Scope</b>                              | The scope covers all ELT members.   |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023   |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | Number of female ELT members divided by the total number of ELT members, excluding the Company Secretary. ELT member adjustments are announced by the Company Secretariat.  |
| <b>Third party data verification FY23</b> | Yes   |

## Female PLC Board Members

|   |  |
|---|--|
| <b>Definition</b>                         | The Imperial Brands Board manages overall control of Group affairs, including responsibility for: commercial strategy, approval of financial statements, major acquisitions and disposals, authority levels for expenditure, treasury and risk management policies and succession plans for senior executives. |
| <b>Scope</b>                              | The scope covers all PLC Board members. The Company Secretary is excluded.   |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023  |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Number of female Board members divided by number of total PLC Board members. Board member adjustments are announced to the Group by Corporate Communications and Company Secretariat.  |
| <b>Third party data verification FY23</b> | Yes  |

## Ethnic Background PLC Board

|   |   |
|---|---|
| <b>Definition</b>                         | The Imperial Brands Board manages overall control of Group affairs, including responsibility for: commercial strategy; approval of financial statements; major acquisitions and disposals; authority levels for expenditure; treasury and risk management policies; and succession plans for senior executives. |
| <b>Scope</b>                              | The scope covers all PLC Board members. The Company Secretary is excluded.  |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023   |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | Number of Board members who self-identify as being from a non-white background divided by number of total PLC Board members. Board member adjustments are announced to the Group by Corporate Communications and Company Secretariat.   |
| <b>Third party data verification FY23</b> | Yes   |



# DIVERSITY EQUITY & INCLUSION

## FTSE Women Leaders Review Combined Executive Leadership Team (ELT) & Direct Reports

|   |  |
|---|--|
| <b>Definition</b>                         | Imperial Brands participates in the FTSE Women Leaders review, an independent, business-led framework supported by Government which sets recommendations to improve the representation of women on the Boards and Leadership teams of the FTSE 350 and 50 of the UK's largest private companies. |
| <b>Scope</b>                              | The scope covers all ELT Members and direct reports to the ELT across Imperial Brands, excluding administrative or support staff.  |
| <b>Reporting Period</b>                   | As of 31 October 2023  |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Number of female employees and contractors in or reporting to the ELT divided by number of all employees and contractors in or reporting to the ELT – excluding administrative or support staff.   |
| <b>Third party data verification FY23</b> | Yes  |

## Employee Turnover Rate

|   |  |
|---|--|
| <b>Definition</b>                         | The percentage of employees who have left the business over the financial year either voluntarily or involuntarily.  |
| <b>Scope</b>                              | The scope includes all employees in our Workday system. This reflects all employees excluding those employed by ITG Brands and Logista, which represents approximately 65% of our employee population. |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023  |
| <b>Unit</b>                               | Percentage: Leavers as a percentage of the average population  |
| <b>Method</b>                             | The total number of employees who left the company over the reporting period divided by the average of the Employee population at the start and end of the reporting period.                           |
| <b>Third party data verification FY23</b> | No   |

## New Employee Hires

|   |  |
|---|--|
| <b>Definition</b>                         | The number of employees who were hired into the company over the reporting period.   |
| <b>Scope</b>                              | The scope includes all employees in our Workday system. This reflects all employees excluding those employed by ITG Brands and Logista, which represents approximately 65% of our employee population. |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023  |
| <b>Unit</b>                               | Percentage. Split by Gender and Split by Age Group   |
| <b>Method</b>                             | The number of employees hired for each demographic group divided by the total number of employees hired over the reporting period.   |
| <b>Third party data verification FY23</b> | No   |



# FARMER LIVELIHOODS & WELFARE

## Percentage of leaf suppliers committed to support their farmers access a decent standard of living

**Definition**

The Living Income Community of Practice defines a living income as the net annual income for a household in a place to afford a decent standard of living for all members of that household. A decent standard of living will vary between countries and within countries (e.g., depending on rural and urban conditions). There are, however, some core elements that are included in a defined decent standard of living, which include costs of food, water, housing, education, healthcare, transport, clothing, and other essential needs such as provisions or savings for unexpected events. The outcome of calculating the cost of a decent standard of living in a particular place is a living income benchmark. Living income benchmarks may be used to assess for living income gaps, or the negative difference between a living income benchmark and a farmers’ actual income.

According to this concept, a farmer’s actual net income goes beyond primary or secondary crops to look at farmer incomes holistically including other net revenue streams farmers have available to achieve a decent standard of living.

**Scope**

All leaf suppliers, from whom Imperial sourced tobacco during the period under review.

**Reporting Period**

2023, based on crop years that ended during the 2023 calendar year

**Unit**

Tobacco leaf suppliers

**Method**

The methodology uses supplier self-assessment data from the Sustainable Tobacco Program (STP)<sup>1</sup>.

The total number of leaf suppliers who answer “yes” to the STP self-assessment question “Is your company committed to addressing farmer livelihoods” (question ID: 70345) is calculated as a percentage of the total number of leaf suppliers.

As a further data integrity measure, the STP Secretariat then substantiate the answers to this question by comparing for consistency against the question that requests suppliers to upload a policy or commitment confirming their commitment to addressing farmer livelihoods (question ID: 70346). Without a policy or commitment uploaded, the supplier is required to answer “no” to the commitment question above, used for this KPI.

<sup>1</sup>The Sustainable Tobacco Programme (STP) is an industry initiative which aims to help enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. Annual self-assessments are completed by suppliers online. This supplier data is substantiated by a third party, the STP Secretariat, which aims at improving data integrity and reflecting its intended purpose.

**Third party data verification FY23**

No – Substantiation ready (if required)



# FARMER LIVELIHOODS & WELFARE

## Percentage of sustainable wood use

### Definition

There are various tobacco leaf curing methods, including air-curing, sun-curing, and flue-curing. The type of curing method is dependent on the tobacco variety. Fuel-cured tobacco requires fuels for curing, since the tobacco leaf is dried, in curing barns, by means of heated air.

Fuels for curing are categorised into biogenic and fossil fuels, as well as other fuels. Biogenic fuels include wood (from sustainable and un-sustainable sources), machine-made bagasse, rice husk, corn cobs, grass, shrubs, tree branches or straw, and handmade bagasse or palm oil kernel shells (POKS). Fossil fuels include coal, LPG, and natural gas. Other fuels may for example include electricity.

Sustainable wood fuel is defined as wood produced through sustainable management practices. Sustainable management practices ensure that the regrowth or regeneration (of forests/wooded land) is equal to, or greater than, the level of extraction/depletion.

Sources of sustainable wood may include, but is not limited to, legal plantations (including on-farm planting, that are sustainably managed), secondary or degraded forests that are sustainably managed, identified-, invasive-, or exotic species that are not planted on purpose and approved for removal and certified material under recognized schemes, like FSC or PEFC.

Sources of un-sustainable wood may include, but is not limited to, natural forests that are un-sustainably managed, plantations that are a result of the conversion of natural forests, as well as primary forests and forests of high conservation value.

As such, to be wood sustainable, the wood used for curing should not contribute towards deforestation.

### Scope

Suppliers', from whom Imperial sourced tobacco during the period under review, contracted farmers growing tobacco types that require fuel for curing (i.e., Dark Fire Cured and Flue Cured Virginia tobacco).

### Reporting Period

2023, based on crop years that ended during the 2023 calendar year

### Unit

Sustainable wood use (%)

### Method

The methodology uses supplier self-assessment data from the Sustainable Tobacco Program (STP)<sup>2</sup>.

The total volume of sustainable wood used from the answers to the STP self-assessment question "Amount of wood from sustainable sources used as curing fuel" (question ID 69979 and 69946) is calculated as a percentage of the total volume of wood required to cure the tobacco.

<sup>2</sup>The Sustainable Tobacco Programme (STP) is an industry initiative which aims to help enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. Annual self-assessments are completed by suppliers online. This supplier data is substantiated by a third party, the STP Secretariat, which aims at improving data integrity and reflecting its intended purpose.

### Third party data verification FY23

Yes



# FARMER LIVELIHOODS & WELFARE

## Number of farmers and families with improved access to childcare and education

|   |  |
|---|--|
| <b>Definition</b>                         | Farmers and their families in tobacco growing communities have improved access to childcare and education facilities and other projects to address root causes of child labour, for example, supporting the ability to get to schools and increasing attendance. Improved conditions refer to farmers and their families being in a better position after the delivery of the project compared to those prior. Access refers to a means or opportunity to benefit from these projects. This definition may be superseded by local regulations and best practices where relevant.   |
| <b>Scope</b>                              | All leaf suppliers', from whom Imperial sourced tobacco during the period under review, farmer's and worker's children based in countries in most need of support.   |
| <b>Reporting Period</b>                   | 2023   |
| <b>Unit</b>                               | Number of beneficiaries (i.e., the number of suppliers' farmer's and families in tobacco growing communities)  |
| <b>Method</b>                             | <p>The methodology uses a combination of sustainability data from Maplecroft risk indices, insights from the Sustainable Tobacco Program (STP)<sup>3</sup> and supplier responses to Imperial's annual Livelihoods Survey.</p> <p>Relevant Maplecroft risk indices are used to identify Imperial's active sourcing countries in most need of support to improve access to childcare and education. Suppliers' farmer's and worker's children, based in these countries, are then considered for Imperial Leaf Partnership projects.</p> <p>The total number of beneficiaries with improved access to childcare and education because of these Imperial Leaf Partnership projects are calculated for this KPI, where the family size of a suppliers' farmer or worker is based on the average family size of the country.</p> <p><sup>3</sup>The Sustainable Tobacco Programme (STP) is an industry initiative which aims to help enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. Annual self-assessments are completed by suppliers online. This supplier data is substantiated by a third party, the STP Secretariat, which aims at improving data integrity and reflecting its intended purpose.</p> |
| <b>Third party data verification FY23</b> | No   |





# FARMER LIVELIHOODS & WELFARE

## Number of farmers and families with improved access to clean water

|   |   |
|---|---|
| <b>Definition</b>                         | <p>Clean drinking water is defined as water that does not represent any significant risk to health over a lifetime of consumption. Improved sources include, but is not limited to, piped water, boreholes, tube wells, protected dug wells, protected springs, and packaged or delivered water. Access to clean water is assumed as use of an improved water source with a total collection time of a maximum of a 30-minute walk, for a round trip including queuing, or 1km.</p> <p>This definition may be superseded by local regulations and best practices where relevant.</p>  |
| <b>Scope</b>                              | <p>All leaf suppliers', from whom Imperial sourced tobacco during the period under review, farmers and their families based in countries in most need of support.</p>   |
| <b>Reporting Period</b>                   | <p>2023</p>   |
| <b>Unit</b>                               | <p>Number of beneficiaries (i.e., the number of suppliers' farmers and their families)</p>  |
| <b>Method</b>                             | <p>The methodology uses a combination of sustainability data from Maplecroft risk indices, insights from the Sustainable Tobacco Program (STP)<sup>4</sup> and supplier responses to Imperial's annual Livelihoods Survey.</p> <p>Relevant Maplecroft's risk indices are used to identify Imperial's active sourcing countries in most need of support to improve access to clean water. Suppliers' farmers based in these countries are then considered for Imperial Leaf Partnership projects.</p> <p>The total number of beneficiaries with improved access to clean water because of these Imperial Leaf Partnership projects are calculated for this KPI, where the family size of a suppliers' farmer or worker is based on the average family size of the country.</p> <p><sup>4</sup>The Sustainable Tobacco Programme (STP) is an industry initiative which aims to help enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. Annual self-assessments are completed by suppliers online. This supplier data is substantiated by a third party, the STP Secretariat, which aims at improving data integrity and reflecting its intended purpose.</p> |
| <b>Third party data verification FY23</b> | <p>No</p>   |



# FARMER LIVELIHOODS & WELFARE

## Number of farmers and families with improved access to sanitation and hygiene

**Definition**

Sanitation is defined as the use of improved facilities which are not shared with other households and where excreta are safely disposed in situ or transported and treated offsite.

Improved sanitation facilities are those designed to hygienically separate excreta from human contact and ensure that excreta do not re-enter the immediate environment (at household, field, and accommodation level).

Improved sanitation facilities include flush/pour flush to piped sewer systems, septic tanks, or pit latrines, ventilated improved pit latrines, composting toilets, or pit latrines with slabs.

This definition may be superseded by local regulations and best practices where relevant.

**Scope**

All leaf suppliers', from whom Imperial sourced tobacco during the period under review, farmers and their families based in countries in most need of support.

**Reporting Period**

2023

**Unit**

Number of beneficiaries (i.e., the number of suppliers' farmers and their families)

**Method**

The methodology uses a combination of sustainability data from Maplecroft risk indices, insights from the Sustainable Tobacco Program (STP)<sup>5</sup> and supplier responses to Imperial's annual Livelihoods Survey.

Relevant Maplecroft's risk indices are used to identify Imperial's active sourcing countries in most need of support to improve access to sanitation and hygiene. Suppliers' farmers based in these countries are then considered for Imperial Leaf Partnership projects.

The total number of beneficiaries with improved access to sanitation and hygiene as a result of these Imperial Leaf Partnership projects are calculated for this KPI, where the family size of a suppliers' farmer or worker is based on the average family size of the particular country.

<sup>5</sup>The Sustainable Tobacco Programme (STP) is an industry initiative which aims to help enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. Annual self-assessments are completed by suppliers online. This supplier data is substantiated by a third party, the STP Secretariat, which aims at improving data integrity and reflecting its intended purpose.

**Third party data verification FY23**

No



## FARMER LIVELIHOODS & WELFARE

### Percentage of tobacco farmers growing complimentary crops

**Definition**

Complimentary crops are those the farmer grows alongside or in-between tobacco harvests, either for their own consumption or commercialization. This includes food crops such as maize, groundnuts, and supplementary crops such as cotton and timber. We request visibility on all types of complimentary crops grown and initiatives that support farmers growing these crops, such as through technical assistance.

It is important for Imperial to have sight of the number of suppliers' contracted farmers growing complimentary crops, either independently or with supplier support, to assess food security and living standards.

**Scope**

12 priority countries, 8 global suppliers.

Priority countries: Madagascar, Guatemala, India, Indonesia, Malawi, Honduras, Mozambique, Dominican Republic, Brazil, Philippines, Turkey, and Laos (as per the Leaf Sustainability Country Rating Model).

**Reporting Period**

2023

**Unit**

Suppliers' contracted farmers

**Method**

The methodology uses a combination of sustainability data from Maplecroft risk indexes, insights from the Sustainable Tobacco Program (STP)<sup>6</sup> and supplier responses to Imperial's annual Livelihoods Survey.

Following a risk-based approach, 12 countries of Imperial's current sourcing footprint, are identified as priority.

Data used in this indicator is based on supplier submissions for their operations in the 12 priority countries. The Imperial Leaf Sustainability Team review, analyse, and visualise the data submitted, which is then reviewed and confirmed by suppliers.

For this KPI, the number of suppliers' contracted farmers, based in the priority countries, growing complimentary crops is calculated as a percentage of the total number of suppliers' contracted farmers, based in the priority countries.

<sup>6</sup>The Sustainable Tobacco Programme (STP) is an industry initiative which aims to help enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. Annual self-assessments are completed by suppliers online. This supplier data is substantiated by a third party, the STP Secretariat, which aims at improving data integrity and reflecting its intended purpose.

**Third party data verification FY23**

No



# FARMER LIVELIHOODS & WELFARE

## Percentage of tobacco farmers with access to initiatives to improve agricultural productivity

|   |  |
|---|--|
| <b>Definition</b>                         | <p>Productivity and efficiency initiatives enable farmers to increase efficiency of tobacco production, by reducing costs of production or improving yield and/or quality. We request suppliers disclose all their efforts to assist farmers improve agricultural productivity and efficiency, which covers enhancing mechanisation, provision of financing, training, or inputs such as fertilizer.</p> <p>It is important for us to know how many farmers are granted access to these initiatives to assess differing levels of supplier support for tobacco production, and therefore understand farmer income stability and future prospects.</p>  |
| <b>Scope</b>                              | <p>12 priority countries, 8 global suppliers</p> <p>Priority countries: Madagascar, Guatemala, India, Indonesia, Malawi, Honduras, Mozambique, Dominican Republic, Brazil, Philippines, Turkey, and Laos (as per the Leaf Sustainability Country Rating Model).</p>  |
| <b>Reporting Period</b>                   | 2023   |
| <b>Unit</b>                               | Suppliers' contracted farmers  |
| <b>Method</b>                             | <p>The methodology uses a combination of sustainability data from Maplecroft risk indexes, insights from the Sustainable Tobacco Program (STP)<sup>7</sup> and supplier responses to Imperial's annual Livelihoods Survey.</p> <p>Following a risk-based approach, 12 countries of Imperial's current sourcing footprint, are identified as priority.</p> <p>Data used in this indicator is based on supplier submissions for their operations in the 12 priority countries. The Imperial Leaf Sustainability Team review, analyse, and visualise the data submitted, which is then reviewed and confirmed by suppliers.</p> <p>For this KPI, the number of suppliers' contracted farmers, based in the priority countries, with access to initiatives to improve agricultural productivity is calculated as a percentage of the total number of suppliers' contracted farmers, based in the priority countries.</p> <p><sup>7</sup>The Sustainable Tobacco Programme (STP) is an industry initiative which aims to help enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. Annual self-assessments are completed by suppliers online. This supplier data is substantiated by a third party, the STP Secretariat, which aims at improving data integrity and reflecting its intended purpose.</p> |
| <b>Third party data verification FY23</b> | No   |



# FARMER LIVELIHOODS & WELFARE

## Suppliers have corrective action plans for 100% of non-conformances (where required)

|   |   |
|---|---|
| <b>Definition</b>                         | A Standard Operating Procedure (SOP) for addressing non-conformances is in place and has been implemented for all identified and confirmed non-conformances. The SOP consists of documenting, escalating, correcting, and following up on the non-conformance. A corrective action plan is an immediate short-term response taken that aims at restoring the situation to how it was before the adverse impact. As an example, if the non-conformance stems from a hazard, the corrective action will remove the hazard and/or the rightsholder to which it poses a risk. |
| <b>Scope</b>                              | Direct operations (i.e., suppliers based in Madagascar and Laos).   |
| <b>Reporting Period</b>                   | 2023, based on crop years that ended during the 2023 calendar year  |
| <b>Unit</b>                               | Suppliers' corrective action plans  |
| <b>Method</b>                             | An internally developed procedure is used to determine when corrective action plans are required for actual non-conformances, based on the nature of the actual non-conformance. An actual non-conformance within the leaf supply chain is one which was reported as potential, investigated and confirmed as a non-conformance.<br><br>The methodology then calculates all actual non-conformances which have corrective action plans in place as a percentage of all actual non-conformances which require corrective action plans.                                     |
| <b>Third party data verification FY23</b> | No  |

## Suppliers have preventative action plans for 100% of non-conformances (where required)

|   |  |
|---|--|
| <b>Definition</b>                         | A Standard Operating Procedure (SOP) for addressing non-conformances is in place and has been implemented for all identified and confirmed non-conformances. The SOP consists of documenting, escalating, correcting, and following up on the non-conformance. A preventative action plan is a longer-term response that seeks to address the root cause of the non-conformance, based on the root-cause analysis. Actions are targeted to eliminate root causes, and therefore prevent further occurrence of the non-conformance. As a result, these actions tend to be part of a longer-term commitment, initiative or project that aims to bring about systemic and durable change. |
| <b>Scope</b>                              | Direct operations (i.e., suppliers based in Madagascar and Laos).  |
| <b>Reporting Period</b>                   | 2023, based on crop years that ended during the 2023 calendar year   |
| <b>Unit</b>                               | Suppliers' preventative action plans   |
| <b>Method</b>                             | An internally developed procedure is used to determine when preventative action plans are required for actual non-conformances, based on the nature of the actual non-conformance. An actual non-conformance within the leaf supply chain is one which was reported as potential, investigated and confirmed as a non-conformance.<br><br>The methodology then calculates all actual non-conformances which have preventative action plans in place as a percentage of all actual non-conformances which require preventative action plans.  |
| <b>Third party data verification FY23</b> | No   |



# FARMER LIVELIHOODS & WELFARE

## Percentage of leaf suppliers participating in STP

|   |   |
|---|---|
| <b>Definition</b>                         | <p>The Sustainable Tobacco Program (STP) is an industry initiative to enhance agricultural supply chain due diligence and accelerate positive impacts on social and environmental footprints. The framework brings together companies in a collaborative effort to develop innovative solutions that benefit all stakeholders. STP's goal is to improve livelihoods while operating within planetary boundaries and respecting human rights.</p> <p>The STP is governed by a steering committee made up of members. STP is operated and evolved by a secretariat. The committee works with the secretariat to continuously improve the framework.</p> |
| <b>Scope</b>                              | All leaf suppliers, from whom Imperial sourced tobacco during the period under review.  |
| <b>Reporting Period</b>                   | 2023, based on crop years that ended during the 2023 calendar year  |
| <b>Unit</b>                               | All leaf suppliers, from whom Imperial sourced tobacco during the period under review   |
| <b>Method</b>                             | The number of leaf suppliers participating in STP (i.e., completing and submitting STP self-assessments) is calculated as a percentage of the total number of leaf suppliers.   |
| <b>Third party data verification FY23</b> | No  |



# CONSUMER HEALTH



## Percentage net revenue from NGP Products

|   |  |
|---|--|
| <b>Definition</b>                         | Refers to the percentage of net revenue from Next Generation Products (NGP). Net revenue comprising associated revenue less duty and similar items recognised across the Group.                                    |
| <b>Scope</b>                              | The scope covers all NGP products including Vapour, Heated Tobacco, and Modern Oral Nicotine across the Group.   |
| <b>Reporting Period</b>                   | 1 October 2022 – 30th September 2023   |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Absolute NGP net revenue reported by the Group as at 30 September 2023, less absolute NGP net revenue reported by the Group as at 30 September 2021, divided by the absolute NGP net revenue at 30 September 2021. |
| <b>Third party data verification FY23</b> | Yes  |



# PACKAGING & WASTE

## Absolute and Relative Environmental Waste

|   |  |
|---|--|
| <b>Definition</b>                         | A key element of our environmental approach is to minimise both total waste and the waste sent to landfill. This is also part of our focus on cost optimisation. In general, waste includes items such as tobacco, paper, packaging materials, glues, cellophane, filter tow, and cardboard. Where possible we seek to reduce, re-use and recycle waste. A small amount of waste is classified as hazardous. Hazardous waste is identified as being potentially harmful to the environment or to humans and its handling is guided by regulation such as the European Regulation on Classification, Labelling and Packaging (CLP Regulation). We also include offensive waste in our definition of hazardous waste, which includes medical or sanitary waste. The handling of waste is dependent on the geographical location. |
| <b>Scope</b>                              | The scope covers waste originating from manufacturing sites and main offices under our operational control but excludes waste reused both within our operations and externally.  |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023   |
| <b>Unit for Absolute Waste</b>            | Tonnes   |
| <b>Unit for Relative Waste</b>            | Tonnes per £million tobacco and NGP net revenue  |
| <b>Method</b>                             | Waste data is entered into the NFR system on a quarterly basis and consolidated ready for the Group ESG team to review. Waste data is reported by 13 waste types: Tobacco, Paper, Cardboard, Wood, Plastic, Glass, Metal, Other Non-Hazardous solid waste, Hazardous Solid, Hazardous Liquid, Operational write-offs, Non-operational write-offs and recalls, Construction Waste. The inputted data is based on weights provided by waste management companies, invoices, and internal computation. Estimated data is based on actual and assured numbers from the previous reporting period. Once available, estimated data is changed to actual data.  |
| <b>Third party data verification FY23</b> | Yes  |

## Absolute and Relative Environmental Waste to Landfill

|  |   |
|--|---|
| <b>Definition</b>                          | Waste sent to landfill is waste classified under local legislation as non-hazardous that we have been unable to recycle, reuse or incinerate for energy recovery. We have committed to send zero waste to landfill by 2025. Factories are reducing the amount of waste they send to landfill by reducing, reusing, recycling and where possible, composting. We are unable to use this disposal route in all countries. |
| <b>Scope</b>                               | All waste sent to landfill, and incineration without energy recovery is included in our definition of landfilled waste. The scope covers waste originating from manufacturing sites and main offices. Hazardous waste, including offensive waste such as medical and sanitary is excluded.  |
| <b>Reporting Period</b>                    | 1 July 2022 – 30 June 2023  |
| <b>Unit for Absolute Waste to Landfill</b> | Tonnes  |
| <b>Unit for Relative Waste to Landfill</b> | Tonnes per £million tobacco and NGP net revenue   |
| <b>Method</b>                              | Waste data is entered into the NFR system on a quarterly basis and consolidated ready for the Group ESG team to review.   |
| <b>Third party data verification FY23</b>  | Yes   |





# PACKAGING & WASTE

## Landfill waste avoidance

|   |   |
|---|---|
| <b>Definition</b>                         | The conscious and proactive effort to minimise the amount of waste that ends up in landfill. We have committed to send zero waste to landfill by 2025. Factories are reducing the amount of waste they send to landfill by reusing waste, recycling, composting, and incineration (with energy recovery). |
| <b>Scope</b>                              | The scope covers materials reused and waste recycled, composted, and incinerated (with energy recovery) originating from manufacturing sites and main offices. Compared to waste sent to landfill or incinerated without energy recovery. Hazardous waste, including offensive waste, is excluded         |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023  |
| <b>Unit</b>                               | Percentage/tonnes   |
| <b>Method</b>                             | Data is entered into the NFR system on a quarterly basis and consolidated ready for the Group ESG team to review centrally. Landfill waste avoidance data is entered from data sources such as invoices. Calculated as (Total Waste diverted from landfill + waste reused)/(Total waste + Waste reused).  |
| <b>Third party data verification FY23</b> | Yes   |

## Waste Recycled

|   |   |
|---|---|
| <b>Definition</b>                         | Waste materials which have been reprocessed into products, materials, or substances whether for the original or other purposes. This includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations. For example: plastic, paper, carton board, cleaning solvents, and pallets sent to third parties to be recycled. |
| <b>Scope</b>                              | The scope covers waste originating from manufacturing sites and main offices.   |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023  |
| <b>Unit</b>                               | Percentage/ tonnes  |
| <b>Method</b>                             | Data is entered into the NFR system on a quarterly basis and consolidated ready for the Group ESG team to review.   |
| <b>Third party data verification FY23</b> | No  |

## Reusable, recyclable, or compostable packaging waste

|   |   |
|---|---|
| <b>Definition</b>                         | A key element of our environmental approach is ensuring all our packaging is reusable, recyclable, or compostable. We are assessing the recyclability of every packaging type on sale to identify where we can improve. All our packaging will be recyclable by 2025, and we will also have a recycling recovery score of at least 80% by 2030. The recycling system we are assessing against is the German sorting and recycling system. |
| <b>Scope</b>                              | All packaging sold in the EU and UK produced in-house operations.   |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023  |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | Packaging samples are provided to an external agency which accesses the recyclability (how much material in % of the total packaging can be recovered during the recycling process) of our packaging and certifies it.  |
| <b>Third party data verification FY23</b> | No  |



## PACKAGING & WASTE

### Sustainably sourced wood fibre in our packaging

|   |  |
|---|--|
| <b>Definition</b>                         | Sustainably Sourced means that all wood fibres used in packaging or print applications are sourced entirely from FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certifications) certified forests or any other equivalent specification, that has been approved by Imperial. We have committed to source 100% of the wood fibre in our packaging sustainably by 2025. This includes all the types of packaging related to wood such as, paper, card, and cardboard used in our consumer, sales, and shipping units. |
| <b>Scope</b>                              | In scope is all packaging sold in the globally produced in-house operations.   |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023   |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | All suppliers supplying wood fibre-based materials used in packaging or print applications are asked to sign an agreement confirming the material is sourced according to our definition of sustainable sourcing prior to the material being delivered. This agreement is stored centrally with the bill of materials and is managed by the Packaging & Print Specification team.  |
| <b>Third party data verification FY23</b> | No   |



# CLIMATE CHANGE

## Operations with ISO 14001 at the time of reporting

|   |  |
|---|--|
| <b>Definition</b>                         | We approach the improvement of environmental performance through risk management, employee training, performance reporting, audits, and improvement planning. This is structured by application of formal environmental management systems which are subject to an annual independent audit by external certification companies, to help drive continuous improvement. We have selected the international standard ISO 14001 as the most appropriate standard for guiding the development of our environmental management systems. |
| <b>Scope</b>                              | The scope covers all manufacturing sites including cigarette, other tobacco products (OTP), cigar, tobacco leaf processing, paper, and tube operations. It excludes laboratories, main offices, Sales and Marketing entities, distribution centres, leaf warehouses, farms, and joint ventures.  |
| <b>Reporting Period</b>                   | As of end of financial year 30 September 2023  |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Through the NFR system, information on the occurrence of ISO 14001 environmental management system certifications is collated centrally on an annual basis. The Group ESG team calculates the percentage by dividing the number of certifications by the number of operating sites within the scope. NFR users at the site are required to upload the current certificate.   |
| <b>Third party data verification FY23</b> | No   |

## Absolute and relative energy consumption

|   |   |
|---|---|
| <b>Definition</b>                           | Our operations use energy to generate light, heat, power, cooling, refrigeration, and steam, and to run compressors. These originate from a variety of sources including fossil fuels and renewable sources. The electricity we use is sourced from a combination of grid electricity and green energy suppliers.   |
| <b>Scope</b>                                | All sites over which we have operational control, including factories, main offices, sales fleets and the farms in Madagascar. It excludes only sites deemed de minimis, or those outside of our operational control.   |
| <b>Reporting Period</b>                     | 1 July 2022 – 30 June 2023  |
| <b>Unit for Absolute Energy Consumption</b> | GWh   |
| <b>Unit for Relative Energy Consumption</b> | KWh per £million tobacco and NGP net revenue  |
| <b>Method</b>                               | <p>Energy usage data is collated monthly at entity level and entered in the NFR System. The Group ESG team collate and review the data centrally. Energy usage is entered from data sources such as invoices and where not available meter readings and usage-records.</p> <p>When actual data is not available, we use estimates based on the previous reporting period. All estimation methodology is shared as part of the assurance process, and updated to actual if the data is available prior to assurance.</p> |
| <b>Third party data verification FY23</b>   | Yes   |



# CLIMATE CHANGE

## Percentage of purchased grid electricity from renewable sources

|   |  |
|---|--|
| <b>Definition</b>                         | Purchased electricity that is delivered to sites via national grids may be generated from fossil and renewable sources. Renewable sources are where the site has entered into a contractual arrangement with the supplier for renewable electricity or where Renewable Energy Certificates (RECs) have been purchased. RECs are purchased from within the same 'market-boundary', as defined by CDP, as the site consuming the electricity, where available, otherwise from a nearby geographical country with a connected grid. |
| <b>Scope</b>                              | The scope covers electricity that is generated by a third party and delivered via a national grid system. Electricity generated on-site is out of scope.   |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023   |
| <b>Unit</b>                               | Percentage   |
| <b>Method</b>                             | Grid Electricity usage data is collated monthly at site level and entered in the NFR System. The Group ESG team collate and review the data centrally. Electricity usage is entered from data sources such as invoices and where not available meter readings, and usage-records. Contractual arrangements to identify renewable sources are obtained from Group Procurement, and RECs are obtained from our third-party provider. Calculated as Renewable grid electricity/ total grid electricity.                             |
| <b>Third party data verification FY23</b> | Yes  |

## Percentage of energy from renewable sources

|   |   |
|---|---|
| <b>Definition</b>                         | The energy we use is either purchased or generated on-site. Purchased energy is delivered to sites and can be generated renewably, or from fossil fuels. On-site energy generation can be through the use of a generator, or on-site renewables. We purchase renewable energy by entering a renewable energy contract with suppliers, purchasing Renewable Energy Certificates (RECs) or using on-site renewables to generate energy. RECS are purchased from within the same 'market-boundary', as defined by CDP, as the site consuming the electricity, where available, otherwise from a nearby geographical country with a connected grid. |
| <b>Scope</b>                              | All Energy consumed within our sites and sales fleets, whether purchased or generated on site. Sites considered out of scope are either out of operational control or deemed de minimis.  |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023  |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | Energy consumption is collected monthly at site level and entered into the NFR system. The Group ESG team collate and review the data centrally. Energy consumption is collected from data sources such as invoices and meter readings and where no available meter readings, stock-records, and usage-records. Contractual arrangements to identify renewable sources are obtained from Group Procurement, and RECs from our third-party provider. Calculated as Renewable energy/ total energy consumption.   |
| <b>Third party data verification FY23</b> | Yes   |



# CLIMATE CHANGE

## Compliance with UK Streamlined Energy and Carbon Reporting (SECR) Regulations

|   |   |
|---|---|
| <b>Definition</b>                                     | As a UK listed company, we are required to report on the energy consumption and associated emissions of our 'UK & offshore area', separately, and in comparison, to our global energy consumption, and related emissions. The 2018 Regulations are designed to increase awareness of energy costs within organisations, provide data to inform adoption of energy efficiency measures and help to reduce impact on climate change. They also seek to provide greater transparency for stakeholders. |
| <b>Scope</b>  | Our scope of reporting against the SECR comprises of energy consumption (Scope 1 & 2) from our UK Head Office and UK Sales in Bristol, Nottingham site, London Hub and our Liverpool innovation centre. The data from our Republic of Ireland Sales office and the Ireland sales fleet is considered de minimis.  |
| <b>Reporting Period</b>                               | 1 July 2022 – 30 June 2023  |
| <b>Unit energy consumption UK &amp; offshore area</b> | kWh   |
| <b>Unit relative energy consumption</b>               | kWh/ £m net revenue   |
| <b>Unit Emissions UK &amp; offshore area</b>          | CO <sub>2</sub> e   |
| <b>Relative Emissions UK &amp; offshore area</b>      | CO <sub>2</sub> e/ £m net revenue   |
| <b>Method</b>   | Data is collected in the NFR system monthly. NFR users are required to enter volume data for the consumption of petrol or gasoline; LPG; and diesel. The Group ESG team collate and review the data centrally. Sales and Marketing entities submit fuel type and litres consumed for this calculation, which is converted to GWh using the DEFRA Lower Calorific Value. Revenue figures are provided for the financial year by group finance.   |
| <b>Third party data verification 2023</b>             | No  |



# CLIMATE CHANGE

## Absolute & Relative CO<sub>2</sub> Equivalent Emissions

|   |  |
|---|--|
| <b>Definition</b>   | As part of our commitment to tackle climate change, we monitor energy and HFC refrigerant usage to calculate our carbon dioxide equivalent emissions with a view to target reductions. We report in line with the Global Greenhouse Gas Protocol on scope 1 (direct) and scope 2 (indirect). In line with the latest guidance, we use two different reporting methodologies to report on Scope 2: location based (using national grid factors) and market based, where we account for the purchase of Renewable Energy Certificates (RECs).  |
| <b>Scope</b>  | <p>Our reported emissions include all main sources from manufacturing sites over which we have operational control, our sales fleets, and our main offices. Operations not included are only those deemed de minimis which relate to the small sales offices, or warehouses which are immaterial to our total Scope 1 (direct) and 2 (indirect) emissions.</p> <p>In compliance with UK Mandatory Greenhouse Gas (GHG) emissions reporting regulations, we report on GHG emissions resulting from our tobacco operations which fall within our operational control.</p> <p>Our Scope 1 emissions comprise of: emissions from stationary fuel combustion at our sites; emissions from mobile fuel combustion in our fleet of company vehicles; leakage of refrigerant gases; and process emissions from the Dry Ice Expanded Tobacco process related to tobacco expansion.</p> <p>Our Scope 2 emissions comprise of the indirect emissions resulting from the use of purchased electricity (including green energy), purchased heat and steam for our sites.</p>  |
| <b>Reporting Period</b>   | 1 July 2022 – 30 June 2023   |
| <b>Unit for Absolute CO<sub>2</sub>e Emissions from Energy Consumed</b> | Tonnes   |
| <b>Unit for Relative CO<sub>2</sub>e Emissions from Energy Consumed</b> | Tonnes per £million Tobacco and NGP net revenue  |
| <b>Method</b>   | <p>Energy usage data is collated monthly at entity level and entered in the NFR System for automated emissions calculation. Group ESG collate and review the data centrally. Energy usage is entered from data sources such as invoices and where not available meter readings, stock-records, and usage-records.</p> <p>We report Scope 1 and Scope 2 CO<sub>2</sub> emissions for which we are responsible using a methodology based on the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). As such, we report on the seven main greenhouse gases and report in terms of tonnes of CO<sub>2</sub> equivalents (t CO<sub>2</sub>e).</p> <p>We report Scope 2 location-based and market-based emissions according to the GHG Protocol Scope 2 Guidance (2015) and CDP guidance.</p> <p>We use UK DEFRA emission factors for stationary combustion and UK Government conversion factors managed by the Department for Business, Energy &amp; Industrial Strategy (BEIS) to inform our carbon reporting. We monitor these guidelines, including updates for conversion factors and make updates to methodology calculations annually for the calendar year. Emission factors for purchased grid electricity (location-based) are obtained from the International Energy Agency (IEA), Association of Issuing Bodies (AIB) and Green-e.</p> |
| <b>Third party data verification FY23</b>                               | Yes  |



# CLIMATE CHANGE

## Renewable Energy Site

|   |   |
|---|---|
| <b>Definition</b>                         | Imperial Brands defines a site as a renewable energy site (or carbon neutral) if the site uses only renewable energy for its direct operations, excluding minor applications such as emergency systems, when they do not exceed 1% of the total energy use of the site. At Imperial Brands, we understand renewable energy sites as an intermediate step in our journey towards being a Net Zero company. |
| <b>Scope</b>                              | All sites over which we have operational control.   |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023  |
| <b>Unit</b>                               | Number  |
| <b>Method</b>                             | Imperial Brands defines a renewable energy site if the site uses only renewable energy for its direct operations, excluding minor applications such as emergency systems, when they do not exceed 1% of the total energy use of the site.   |
| <b>Third party data verification FY23</b> | No  |

## Absolute Scope 3 CO<sub>2</sub> equivalent emissions

|   |   |
|---|---|
| <b>Definition</b>                         | Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. An independent carbon life cycle analysis (LCA) conducted across our value chain identified that around 89% of our total carbon footprint is attributed to our Scope 3 emissions. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of goods; and use of products and services.   |
| <b>Scope</b>                              | In 2017, we undertook an independent review of all 15 Scope 3 categories of the Greenhouse Gas (GHG) Protocol to determine where our greatest carbon impacts are. The analysis demonstrated that our most significant carbon impacts came from just three categories, re-confirmed with our re-calculation in 2023: Category 1 Purchased Goods and Services which account for around 65% of our Scope 3 emissions; Category 2 Capital Goods which account for 8% and is mainly related to the purchase of new machineries and Category 4 Upstream transportation and distribution which account for around 7% of Scope 3 emissions. Based on our business model, we are not reporting on Categories 8; 10; 13 and 14. Based on our analysis we have set the following target for Scope 3 emissions which is currently being reviewed by the Science Based Targets Initiative: We commit to reduce absolute Scope 3 emissions by 50% by 2030 from a 2017 baseline year, and to be Net Zero in our entire value chain (scope 1,2 &3) by 2040. |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023 for business travel, 1 October 2022 to 30 September 2023 for all other categories  |
| <b>Unit</b>                               | Tonnes CO <sub>2</sub> e  |
| <b>Method</b>                             | We follow the Corporate Value Chain (Scope 3) Accounting and Reporting Standard and its principle of Relevance; Completeness; Consistency; Transparency and Accuracy. In 2023, we recalculated our scope 3 baseline, and calculated for the first time our scope 3 emissions for Financial Year 2022 based on the calculation in the 2017 model that was completed by an independent expert agency. This quantification methodology for data collection multiplies activity data by an emission factor. We use specific life cycle emission factors for our Scope 3 calculation related to fuels and energy consumed in our value chain.  |
| <b>Third party data verification FY23</b> | No  |



# CLIMATE CHANGE

## Scope 3 CO<sub>2</sub> equivalent emissions – Business Travel

|   |  |
|---|--|
| <b>Definition</b>                         | Business travel scope 3 emissions include emissions associated with travel undertaken for work or business purposes.   |
| <b>Scope</b>                              | <p>Business travel is tracked through a Group-wide agreement with a third-party global expense booking system provider. The system records details of air and rail travel taken during the reporting period indicated which is converted into CO<sub>2</sub>e emissions in line with the GHG Protocol for Scope 3 business travel, distance-based method. Hotel stays or car travel are not tracked in the system, and therefore are out of scope. Only bookings for those countries having access to the global booking system provider are in scope. Markets that have not yet access to the global booking system are the following: Burkina Faso; Ivory Coast; Mali; Niger; Central African Republic; Chad; Congo Brazzaville; La Reunion; Malawi.</p> <p>For bookings made outside the system provider including rail and air travel, we use a spend-based approach. This is the case for the following countries: USA; UK; Germany; Poland; Spain; Australia; Portugal; New Zealand; Netherlands; France; Luxembourg; Belgium.</p> |
| <b>Reporting Period</b>                   | 1 July 2022 – 30 June 2023   |
| <b>Unit</b>                               | Tonnes CO <sub>2</sub> e   |
| <b>Method</b>                             | <p>Data reported through the booking system is converted to tonnes CO<sub>2</sub>e using the UK Government GHG Conversion Factors for Company Reporting, managed by DEFRA, which is updated annually. The most recent emission factor is used to convert data for the whole reporting period.</p> <p>Air travel is separated into eleven categories based on domestic, international, distance travelled and travel class. For rail travel there are three categories based on international and national rail travel as well as the EPA factor for rail travel within the USA.</p> <p>The kilometres travelled are calculated using a formula based on the distance travelled between two locations derived from the longitude and latitude of each location and the conversion from miles into kilometres.</p> <p>For bookings outside the booking system provider, we use the spend-based approach due to a lack of distance data. We multiple spend for each rail and air travel with the respective emission factors.</p>           |
| <b>Third party data verification FY23</b> | Yes  |





# CLIMATE CHANGE

## Key Suppliers with Science Based Targets (SBT)

|   |   |
|---|---|
| <b>Definition</b>                         | An independent carbon life cycle analysis (LCA) conducted across our value chain identified that around 89% of our total carbon footprint is attributed to our Scope 3 emissions. Scope 3 emissions are a consequence of the activities of our business but occur from sources not owned or controlled by the company. Category 1: Purchased goods and services contributes 65% of our Scope 3 emissions, and therefore is a key focus point for engagement of partners to reduce emissions.  |
| <b>Scope</b>                              | We undertook an independent review of all 15 Scope 3 categories of the Greenhouse Gas (GHG) Protocol to determine where our greatest carbon impacts are. The analysis demonstrated that our most significant carbon impacts came from just three categories: Category 1 Purchased Goods and Services which account for around 65% of our Scope 3 emissions; Category 2 Capital Goods which account for 8% and is mainly related to the purchase of new machineries and Category 4 Upstream transportation and distribution which account for around 7% of Scope 3 emissions. Based on this analysis we have set the following targets for our suppliers which have been validated by the Science Based Targets Initiative:<br>We commit that 50% of our suppliers by spend covering Category 1. Purchased Goods and Services will have science-based targets by 2024; and<br>We commit that 100% of our suppliers covering Category 15. Investments, will have science-based targets by 2024. |
| <b>Reporting Period</b>                   | 1 October 2022 – 30 September 2023  |
| <b>Unit</b>                               | Percentage  |
| <b>Method</b>                             | We invite all our key suppliers to participate in the annual CDP Supply Chain Programme. Through this platform suppliers disclose key environmental information including: their Scope 1 and 2 emissions, the targets they have set and their environmental risks. They can also suggest collaborative opportunities for us to work on together to reduce environmental impacts. The CDP output enables us to determine what percentage of our suppliers in Category 1. Purchased Goods and Services have set a science-based target. We are able to map these suppliers to spend within the PGS category using procurement spend data.   |
| <b>Third party data verification FY23</b> | No  |



# CLIMATE CHANGE

## Absolute and Relative Water Consumption

|  |   |
|--|---|
| <b>Definition</b>                          | Our water consumption figure reflects water withdrawal, both from water provided by suppliers and water we extract from natural sources. Our total water consumption represents the amount of water that is drawn into the boundaries of the organization from all sources for any use over the course of the reporting year.   |
| <b>Scope</b>                               | All sites over which we have operational control. Our tobacco farms in Madagascar are excluded. Other sites are excluded according to the de minimis rule, or where we do not have operational control.   |
| <b>Reporting Period</b>                    | 1 July 2022 – 30 June 2023  |
| <b>Unit for absolute water consumption</b> | Cubic meters (m <sup>3</sup> )  |
| <b>Unit for Relative Water Consumption</b> | Cubic metre (m <sup>3</sup> ) per £million tobacco and NGP net revenue  |
| <b>Method</b>                              | Our absolute water consumption represented the total amount of water that is withdrawn into the boundaries of our organization. Water usage information is collected monthly at entity level using meter readings, invoices, extracted water measurements and usage records, as appropriate for the site. Data is entered into the NFR System for central collation and review by the Group ESG team. Sources of water withdrawals are municipal or mains water, surface water, ground water and rainwater. |
| <b>Third party data verification FY23</b>  | Yes   |

# COMMUNITY INVESTMENT

## Community Investment (Allocations)

|   |   |
|---|---|
| <b>Definition</b>                         | <p>On a voluntary basis we seek to support several communities in which we operate and from where we source tobacco. This is through community and sustainability related projects which provide benefits over and above those are brought by our normal commercial operations and transactions. The term 'community investment' covers funds which are allocated to not-for-profit partnerships, community and sustainability related projects and charitable donations.</p>   |
| <b>Scope</b>                              | <ul style="list-style-type: none"><li>• The Eliminating Child Labour in Tobacco Growing Foundation (ECLT) and Hope for Justice.</li><li>• Leaf Partnerships, which predominately addresses farmer viability, rural incomes, and environmental sustainability issues in prioritised tobacco-growing communities, and</li><li>• A reserve for ad hoc allocations and requirements, such as in response to a humanitarian disaster. The allocations are predominately facilitated by the UK Charities Aid Foundation (CAF), which provides banking facilities and verifies charitable organisations. The main exception in the use of CAF is for the Leaf Partnerships, where project costs with suppliers are charged directly against the cost of leaf.</li><li>• Local market or cluster community investments, approved centrally according to our business approvals process, and in line with our community investment guidance and code of conduct and payments are dealt with at local level.</li></ul> <p>We refer to allocations rather than actual spend, because the time at which funds are spent within a project may occur later than within the current financial year. The financial value of the Community Investment spend does not include employee time, in-kind contributions, management costs or other community support that may be provided by any budget holder within our Group, at a local level.</p> |
| <b>Reporting Period</b>                   | 1st October 2022 to 30 September 2023   |
| <b>Unit</b>                               | Reported in UK Sterling Millions of Pounds (£m)   |
| <b>Method</b>                             | <p>The financial value for the Community Investment allocations made within the financial year is extracted from our financial reporting and accounting system by Group Finance and checked against the Business Approval Process system for financial allocation.</p> <p>In kind donations are also recorded on an ad-hoc basis in FY23 donations were made of furniture and equipment to a National Charity following our Bristol office refurbishment. The charity calculated the monetary value (based on purchasing goods new) which we include in our reporting.</p> <p>All allocations are to £m British Sterling and where applicable utilise the Group's defined average exchange rate for the period in question.</p>   |
| <b>Third party data verification FY23</b> | No  |

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