

# MODERN SLAVERY

## STATEMENT 2023



**IMPERIAL  
BRANDS**

# MODERN SLAVERY

## STATEMENT 2023

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For more information on our ESG strategy and detailed approach to human rights, please visit: [www.imperialbrandsplc.com/healthier-futures/our-esg-strategy](https://www.imperialbrandsplc.com/healthier-futures/our-esg-strategy)

Imperial Tobacco Australia Limited ACN 088 148 681 trading as Imperial Brands Australasia (IBA) is the Australian trading subsidiary in the Imperial Brands plc group of companies ('Imperial Brands' or 'the Group') and is a reporting entity within the meaning of sections 4 and 5 of the Modern Slavery Act 2018 (Cth).

This statement covers IBA's full financial year to 30 September 2023.

This is the fourth statement IBA has produced to comply with the Modern Slavery Act 2018 (Cth). The previous statements produced by IBA can be accessed on the public registry.

IBA's Board of Directors approved this statement on 5 April 2024 in accordance with section 13(2)(c) of the Modern Slavery Act 2018 (Cth), and it is signed on IBA's behalf by Pratik Kumar Ganguly.

## OUR COMMITMENT

As an international business, Imperial Brands recognises the importance, influence, and duty it has in promoting respect for human rights. Imperial Brands' policy is to respect and support the dignity, wellbeing and human rights of its employees, the workers in its supply chain and the communities in which the Group operates. Imperial Brands and IBA is committed to conducting business in a responsible and sustainable way, seeking to mitigate the potential risk of human rights abuses both within the business' direct operations and supply chain.

Like all businesses, Imperial Brands and IBA run the risk of being exposed to modern slavery either within its direct operations or indirectly through supply chains. Managing this risk is a multi-stakeholder issue, one which requires engagement with employees, business partners, suppliers and other key stakeholders associated with the business, including customers and NGOs.

Imperial Brands' commitment to human rights, including modern slavery and forced labour, extends through several Group policies, including Imperial Brands' Code of Conduct, Supplier Code of Conduct and Human Rights Policy. These documents set out the foundations for the Group's approach to human rights, which all employees, suppliers and business partners are expected to adhere to. The Imperial Brands Board has oversight of the Group's ESG (environmental, social and governance) agenda, supported by a cross-functional ESG Committee.

Human rights, which includes modern slavery, is one of Imperial Brands' eight priority ESG issues. To read about the other priority areas, here: <https://www.imperialbrandspc.com/healthier-futures/our-esg-strategy>.

The Group ESG strategy sets clear aims for each of these issues and is aligned with the United Nations (UN) Sustainable Development Goals (SDGs), which aim to have a transformational impact on the world by 2030. Performance against the ESG strategy is detailed within the Group's Annual Report and Accounts, Imperial Brands' corporate website and ESG Performance Summary.

Imperial Brands' focus in 2023 was to continue strengthening the human rights due diligence framework and embedding human rights awareness across functions within the business, including conducting three international modern slavery audits, following a risk-based approach, in the Dominican Republic, Spain, and Madagascar. Imperial Brands also created a modern slavery toolkit with a clear escalation process and launched a global digital human rights learning module for employees. Imperial Brands seized these two initiatives to emphasise how to raise concerns using the independently run speak-up service, which was complemented by several communication campaigns on the Group internal intranet. Equally, in 2023, Imperial Brands rolled out the new Supplier Code of Conduct.

Imperial Brands, including IBA, is committed to raising awareness and improving processes in its business and supply chains, and progress against this commitment is detailed throughout this statement.



For more information on our sustainability strategy and detailed approach to human rights, please visit: [www.imperialbrandspc.com/healthier-futures/our-esg-strategy](https://www.imperialbrandspc.com/healthier-futures/our-esg-strategy)

# OUR BUSINESS AND SUPPLY CHAINS

Imperial Brands recognise that, along with the Group's direct operations, its supply chain has the potential for human rights abuses, and Imperial Brands is committed to working with employees, suppliers and business partners to improve supply chain standards.

# OUR BUSINESS AND SUPPLY CHAINS

## OUR STRUCTURE AND BUSINESS

### OUR STRUCTURE

Imperial Brands is the fourth largest international tobacco group of companies, operating across 120 markets. Imperial Brands manufacture and sells conventional tobacco products (such as cigarettes and rolling tobacco), smoking accessories (including cigarette papers) and potentially less harmful Next Generation Products (NGPs) (such as e-cigarettes, heated tobacco products and snus).

IBA is the Australian trading subsidiary of Imperial Brands. IBA's ultimate holding company is Imperial Tobacco Limited, registered in the United Kingdom.

IBA is a public company registered in Australia with its principal place of business and registered office at John Player Special House Level 4, 4-8 Inglewood Place, Norwest NSW.

In the financial year ending 30 September 2023, IBA employed approximately 238 people in Australia.

### OUR BUSINESS

Imperial Brands is now into the third year of its five-year strategy to transform Imperial into a business better able to deliver sustainable growth year in, year out. The Group's commitment to ESG issues is integral to Imperial Brands' business strategy and underpins its purpose and vision.

Over time, Imperial Brands' new strategic plan will deliver a more robust and more consistent performance in both conventional tobacco products and Next Generation Products (NGP).

The Group's ESG strategy and ESG priorities, including modern slavery, have been actively considered as part of this review and will continue to underpin its commercial strategy.

Imperial Brands is committed to conducting its operations responsibly and respecting the business' people, communities and the planet. The Group's ESG responsibilities are fulfilled through a robust governance framework, upholding high standards of corporate governance, transparency and ethics.

This statement includes policies and processes conducted by Imperial Brands and the Australian subsidiary, IBA.

# OUR BUSINESS AND SUPPLY CHAINS

## OUR BUSINESS AND WORKFORCE IN 2023

**25,000**

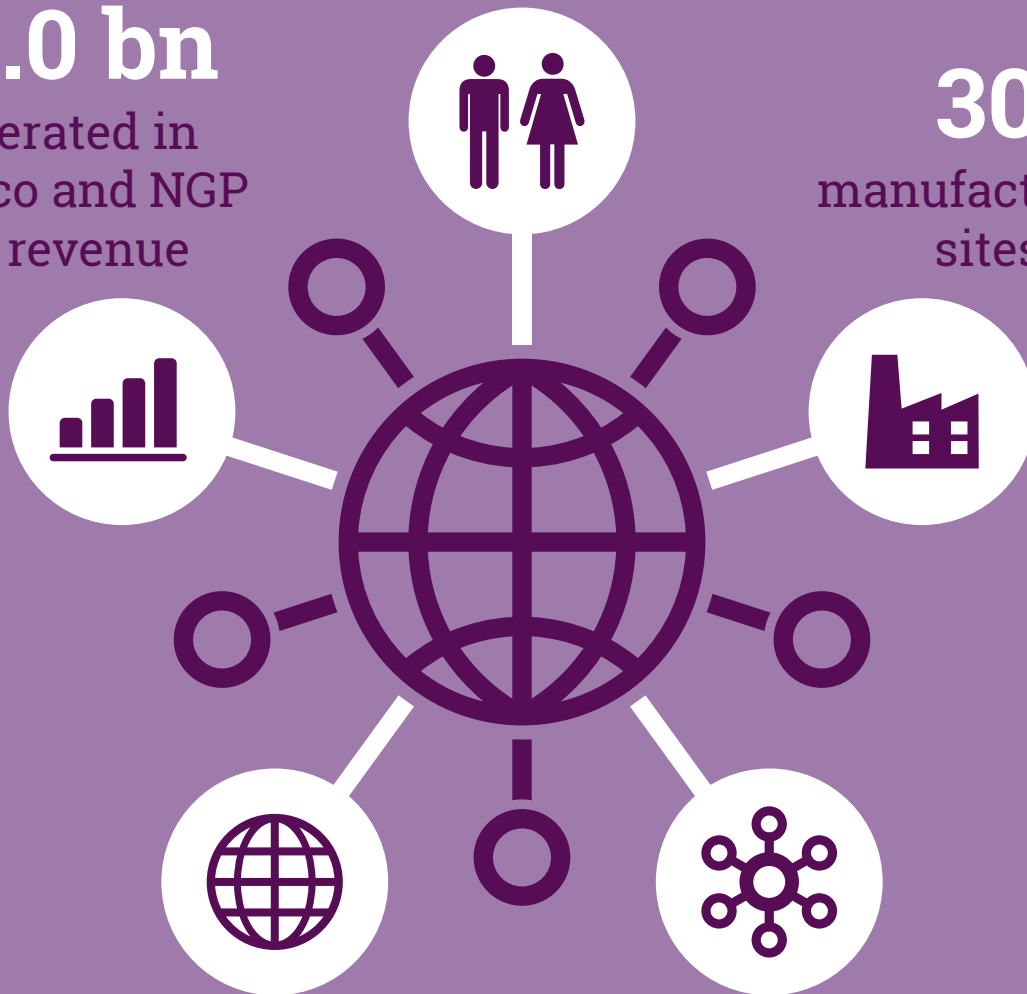
employees worldwide

**£8.0 bn**

generated in tobacco and NGP net revenue

**30**

manufacturing sites



**120**

markets worldwide selling our products

**160**

brands in our portfolio

# OUR BUSINESS AND SUPPLY CHAINS

## OUR SUPPLY CHAINS

### IBA LOCAL SUPPLY CHAINS

IBA, as a trading subsidiary of Imperial Brands, imports and distributes conventional tobacco products and smoking accessories in Australia. Approximately 99% of IBA's product imports originate from Taiwan or the European Union where they are manufactured by the Imperial Brands Group. The balance of the manufactured tobacco products which IBA imports and distributes are from companies that are not part of the Group.

Overall, IBA distributes tobacco products to approximately 4600 wholesalers and retailers across Australia, and Imperial Brands work with two logistics companies who facilitate the distribution of these products.

IBA works closely with the Imperial Brands Group and approximately 168 other suppliers who together provide a wide range of services supporting IBA's local operations.

### IMPERIAL BRANDS' SUPPLY CHAINS

Imperial Brands establishes a relationship of trust and integrity with its suppliers and expect suppliers to conduct their business in an ethical and responsible manner and comply with all applicable laws and regulations, provide a fair and safe workplace, and demonstrate respect for human rights, diversity, equity, and inclusion, as well as to adopt policies and practices that protect the planet and reduce negative environmental impacts.

Imperial Brands' respect for human rights is reflected in the Group's requirements for supplier standards, business conduct and employment practices. The Supplier Code of Conduct sets out the behaviours Imperial Brands expects its suppliers to demonstrate.

Through the Group's procurement processes, suppliers are encouraged to meet the minimum standards outlined in the Supplier Code of Conduct. Regular meetings are had throughout the year with Imperial Brands' centrally managed suppliers where any ESG-related concerns can be raised. If a supplier fails to demonstrate its commitment to ESG, the Group may require improvements or may terminate the relationship.

Imperial Brands recognises that, along with its direct operations, its supply chain has the potential for human rights abuses. Imperial Brands is committed to working with its suppliers and business partners to improve supply chain standards. In 2023, Imperial Brands launched its updated Supplier Code of Conduct to reflect its sustainability commitments as part of the ESG strategy.

Imperial Brands' ambition doesn't stop at minimum standards. The Group will look to address activities that it thinks may breach the Supplier Code of Conduct, and encourages suppliers to seek opportunities to go beyond the expectations outlined in it to together, make a positive social and environmental impact.

Since August 2023, Imperial Brands has been working with Sedex to encourage partner suppliers to undertake its ethical trading self-assessment. This allows Imperial Brands to identify risks within its supply chain and target areas of improvement. The Group has already started this process. Imperial Brands plans to review the risk framework and launch it officially in 2024. Sedex stands for Supplier Ethical Data Exchange and is an independent organisation that teams up with companies to improve ethical and responsible business practices in global supply chains.

### SEDEX SELF-ASSESSMENT

**Imperial Brands' ambition is to undertake risk assessment across its supply base.**

By identifying a third-party provider and, thanks to the insights provided through their platform and completing a self-assessment and further in-depth targeted audits where appropriate, Imperial intends to work with partner suppliers to drive improvements and mitigate risks through its supply chain.

Imperial has chosen Sedex to help gain supply chain visibility, assess supply chain risks and support legislation compliance. Partner suppliers are encouraged to be registered with Sedex (or equivalent) and have, in the first instance, completed a self-assessment questionnaire across the following categories: Labour, Health and Safety, Environment, and Business Ethics.

Imperial Brands started its relationship with Sedex in 2023 and intends to obtain self-assessments from its crucial partner suppliers throughout 2024.

# OUR BUSINESS AND SUPPLY CHAINS

## OUR SUPPLY CHAINS

**Imperial Brands has two distinct supply chains consisting of tobacco leaf supply and Non-Tobacco Materials supply (NTM), which includes NGP, indirect goods and services, and logistics. At a local level, IBA's supply chain involves the distribution of tobacco and tobacco-related products to wholesalers and retailers across Australia.**



### TOBACCO LEAF SUPPLY

Imperial Brands takes pride in working with its suppliers to advance good agricultural practices and are committed to purchasing tobacco from socially and environmentally responsible suppliers.

The Group sources tobacco globally, primarily through large international tobacco merchants, with a global sourcing footprint covering Africa, the Americas, Asia and Europe. Of these, the largest tobacco-sourcing countries include Brazil, India, Spain, and China.



**The vast majority of Imperial Brands' tobacco, 97%, is sourced from third-party suppliers, with the remaining balance coming from directly contracted growers in Madagascar and Laos and from vertically integrated farms in Madagascar.**

In 2023, the Group purchased more than 141,000 tonnes of tobacco leaf from 32 countries around the world.

In 2023, 93% of leaf suppliers reported on their due diligence and actions taken through the Sustainable Tobacco Programme (STP). The STP includes a human rights module and specifically references guidance on modern slavery. Further information on STP is detailed in the statement's Assessment of Modern Slavery Risk in the Group's Operations and Supply Chain.

**c.141,000**

tonnes of tobacco leaf purchased from 32 countries



### NON-TOBACCO MATERIALS SUPPLY (NTM)

NTMs that Imperial Brands buys include paper, filters, glue and ingredients for cigarette and cigar products. Together with the components that go into making NGP, such as plastic casings, batteries and heaters, these represent the materials which are directly used in the manufacturing process and part of the final product. NTMs are also referred to as 'direct materials' because they are included in Imperial Brands' products.

The Group also procures goods and services that, while an essential part of the overall manufacturing or operations process, are not integrated into the final product. There are referred to these as 'indirect', or general goods and services. These include IT hardware and software, professional and corporate services, the provision of utilities, facilities management and logistics.

All key strategic direct and indirect suppliers are managed by the Group's global procurement central category teams, and smaller suppliers are managed by local procurement teams. Year-on-year, Imperial Brands consolidates the number of suppliers where possible, to better enable oversight and control over the supply chain.

In 2023, the Group had 299 direct material suppliers, 75 of which are managed centrally by the global procurement team and 224 managed by local procurement teams. Of the Group's direct material supplier base, approximately 85% of the main spend is with 23 suppliers.

**c.12,000**

suppliers on our approved direct and indirect supplier list



## GOVERNANCE AND POLICIES

As a global business, Imperial Brands recognises the role it has in promoting respect for human rights, including the prevention of modern slavery.

# GOVERNANCE AND POLICIES



The governance structure for the Group's ESG responsibilities includes Imperial Brands' ESG Committee, chaired by the Imperial Brands Group CEO.

Endorsed by the ESG Committee, the Human Rights Compliance Working Group (HRCWG) operates to strengthen the Group's human rights due diligence framework.

Imperial Brands maintains a human rights risk appetite statement which is endorsed by the ESG Committee and by the Imperial Brands PLC Board.

IBA's Board of Directors has primary responsibility for the governance of IBA in Australia. IBA relies upon and engages in the comprehensive ESG Strategy and compliance framework of Imperial Brands, in addition to local business processes and initiatives.

## POLICIES

As a global business, Imperial Brands recognises the role in promoting respect for human rights, including the prevention of modern slavery and human trafficking. Imperial Brands and IBA's policy is to respect and support the dignity, wellbeing and human rights of the Group's employees, the workers in the Group's supply chain and the communities in which Imperial Brands operate.

Imperial Brands' Code of Conduct ("the Code") is embedded throughout the Group and drives the Group's responsible approach. The Code is aligned with policies, internal controls and risk management processes that underpin the Group's strategy.

Imperial Brands' commitment to human rights is a fundamental part of the Code and the Group's Supplier Code of Conduct. These documents set out the foundations of the Group's approach to human rights, to which all Imperial Brands employees, suppliers and business partners are expected to adhere.

Employees are expected to comply with applicable human rights laws and with the human rights commitments contained in the Code and the Human Rights Policy.

Imperial Brands expects its suppliers, business and joint venture partners to comply with applicable human rights laws and with the human rights commitments contained in the Supplier Code.

Imperial Brands' commitment to respect human rights is informed by internationally recognised standards, including the International Bill of Human Rights<sup>1</sup>, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the ILO's core conventions<sup>2</sup>, as well as the principles contained within the UN Guiding Principles on Business and Human Rights<sup>3</sup> and the UN Sustainable Development Goals<sup>4</sup> (UNSDGs).

## RELATED POLICIES

Code of Conduct

Supplier Code of Conduct

Human Rights Policy

Speaking Up (whistleblowing)

Anti-Bribery and Corruption Policy

Employment Policy

Fairness at Work Policy

Global Procurement Policy

Group Environmental Policy

Group Health, Safety and Wellbeing Policy

<sup>1</sup>The International Bill of Human Rights is comprised of the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.

<sup>2</sup>Imperial Brands is also guided by ILO Convention No.138 on Minimum Age for Employment and ILO Recommendation No.190 on the Worst Forms of Child Labour, respectively; ILO Convention No.29 on Forced Labour and No.105 of the Abolition of Forced Labour.

<sup>3</sup>The UN Guiding Principles on Business and Human Rights are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations.

<sup>4</sup>The UNSDGs are a set of 17 interconnected universal goals intended to create a "blueprint to achieve a better and more sustainable future for all." They are a global call to action for governments, businesses, academia, civil society organisations and individuals alike to realise sustainable development by 2030. The UNSDGs were adopted in September 2015 by the UN General Assembly.

# GOVERNANCE AND POLICIES

## POLICIES (cont.)

Imperial Brands' Human Rights Policy applies to all Imperial Brands companies, including wholly owned subsidiaries such as IBA, and to any joint venture where Imperial Brands has management control. Imperial Brand's also encourages the Group's standards to be applied in companies where Imperial Brands does not have management control. Imperial Brands Human Rights Policy applies to all employees, directors, and officers of Imperial Brands companies, including temporary and contract staff. In 2021, Imperial Brands conducted an expert review of the Group's policy to increase alignment with international standards such as the UNGPs and the ILO Conventions. In 2022, Imperial Brands refreshed its Human Rights Policy in the spirit and ambition of the Group's new ESG Strategy. As part of that work, Imperial Brands acted on feedback from a number of external agencies and internal stakeholders. In 2023, Imperial Brands reviewed its Human Rights Policy to ensure it reflected new trends and developments in respecting and promoting human rights. Imperial Brands also included an updated list of human rights risks, also known as 'salient issues'. One of the salient issues identified is modern slavery.

Through Imperial Brands' procurement processes, suppliers are encouraged to meet the minimum standards outlined in the Supplier Code of Conduct – and go further, where possible or required by contractual agreement. Imperial Brands takes a 'continuous improvement' approach to the implementation of these standards. Where a breach of the Supplier Code of Conduct is suspected, Imperial Brands may request the supplier to cooperate with an internal or external review and to make improvements. Suppliers are also expected to endeavour to ensure that their own business partners meet standards comparable to those set out in the Supplier Code of Conduct.

The updated Supplier Code of Conduct reinforces Imperial Brands' commitment to conducting its business ethically and respecting and promoting human rights and the environment.

Compliance with the Code of Conduct and Supplier Code of Conduct is monitored through the due diligence processes outlined from [page 17](#).

As a global business, Imperial Brands recognises the role and influence it has in promoting respect for human rights across our business and supply chains.



# GOVERNANCE AND POLICIES



Imperial Brands' Human Rights Policy applies to all Imperial Brands companies, including wholly owned subsidiaries, and to any joint venture where Imperial Brands has management control.

It applies to all employees, directors and officers of Imperial Brands companies, including temporary and contract staff. In 2021, Imperial Brands conducted an expert review of the policy to increase alignment with international standards such as the UNGPs and the ILO Conventions. The Human Rights Policy was updated in 2022 and reviewed again the following year. Imperial Brands launched its new Supplier Code of Conduct in 2023.

Through its procurement processes, Imperial Brands encourages its suppliers to meet the minimum standards outlined in the Supplier Code of Conduct – and go further, where possible or required by contractual agreement. Imperial Brands takes a 'continuous improvement' approach to the implementation of these standards. Where a breach is suspected, Imperial Brands may request the supplier to cooperate with an internal or external review and to make improvements. Imperial Brands also expect its suppliers to endeavour to ensure that their own business partners meet standards comparable to those set out in the Supplier Code of Conduct.

## REPORTS OF MODERN SLAVERY

During 2022 Imperial Brands investigated several instances of potential modern slavery. Based on the assessment, none of these instances were determined to amount to modern slavery. However, Imperial Brands did identify examples of policy breach and in these cases remedial action has been taken.

Based on rightsholder interviews and community engagement, prioritised risks were identified, by the HRIA including fair treatment, health and safety, and working hours. These risks are being addressed.

Within the fair treatment risks two findings emerged from worker interviews on transport fees and the retention of identity cards on one of Imperial Brands' commercial farms, contrary to policy. These findings were solely associated with migrant workers from the south of Madagascar who travelled north for the tobacco growing and harvesting season. Imperial Brands' investigation confirmed that contrary to policy, 109 seasonal migrant workers had had their identity cards temporarily retained by local farm offices, and 979 migrant workers had paid transport fees totalling USD 30,000 during the growing season in 2022. Immediate remediation followed, which included returning any identity cards still withheld, a plan to fully reimburse the transport fee and restatement of policy.

During 2023, Imperial Brands worked on an ongoing preventative action plan for the Group's commercial farms in Madagascar which aims to improve the fair treatment of workers. Actions include a full review of farm-level management systems, comprehensive training for farm-level management to increase their awareness of practices that may fall on the spectrum of forced labour, more frequent and in-depth monitoring and surveillance of implemented systems, and a revised worker onboarding process to help ensure that workers are fully aware of their rights. Related actions included launching the local grievance mechanism and supporting the development of worker committees.

The dedicated local grievance mechanism for Imperial Brands' farms in Madagascar is operating successfully, and is complementary to the Group's global speaking up service. All potential grievances raised are reviewed and, where appropriate investigated. Once the investigations are concluded – should any be confirmed as incidents of modern slavery - they will be reported in the Group's next statement. Imperial Brands is continuing to embrace the lessons learned over the preceding year. The HRIA and issues identified through the Group's grievance mechanisms will be used to inform improvements to Imperial Brands' policies and processes in relation to the risk of modern slavery and human rights more generally.

Imperial Brands remains committed to further enhancing its approach and understanding, recognising that this is a continuous, collaborative and evolving process.

# GOVERNANCE AND POLICIES

## SPEAKING UP (WHISTLEBLOWING POLICY)

Imperial Brands' Speaking Up process provides an important mechanism through which reports of modern slavery or other alleged human rights abuses can be made. There are several ways for the Group's employees to raise concerns, including via their people leader and the local People and Culture team. Employees and third parties can also submit a concern anonymously or independently through an automated Confidential Reporting System, which can be accessed via a QR code. There is also a local toll-free line; a list of numbers can be accessed [here](#).

Imperial Brands does not tolerate retaliation against an individual who discloses an actual or suspected breach of the Code or helps with an investigation.

During 2023 no confirmed reports of modern slavery were received the Group's Speaking Up reporting process and no reports of modern slavery were made locally in Australia.

The Group's Board is provided with updates on the Speaking Up process and incidents.

Further information can be found in the [Speaking Up Policy](#).

## THE IMPORTANCE OF ASKING FOR HELP AND SPEAKING UP

Imperial Brands takes any allegations relating to human rights extremely seriously. Imperial Brands believe that by sharing opinions and concerns, Imperial Brands can innovate, improve, and become more effective as an organisation. Imperial Brands can reduce risks and resolve issues by telling people about unsafe conditions or improper behaviour to create a better, safer workplace. Besides Imperial Brands' Speaking Up platform, there are other ways to raise concerns. For example, concerns about a breach of the law, the Code of Conduct or any other policy can be raised by employees speaking to people leaders, the People and Culture team, the Governance team, Legal Counsel or Group Legal or the Company Secretary.

Imperial Brands' established a Modern Slavery Working Group to escalate any concerns of modern slavery effectively. Imperial Brands has utilised this working group to review the existing escalation process to identify potential areas for improvement. As one of Imperial Brands' modern slavery commitments for 2023, working with Slave-Free Alliance, of which Imperial Brands is a founding member, Imperial Brands developed a modern slavery toolkit to help colleagues enhance their knowledge about modern slavery, identify its key indicators and characteristics, respond appropriately to potential victims, and to escalate and report any concerns. The Human Rights Compliance Working Group endorsed the toolkit, which was soft-launched at an event hosted by colleagues from the Manisa factory in Türkiye. The toolkit was presented to the ESG Committee at its September 2023 meeting.

## NON-COMPLIANCE CASE IN EUROPE

During 2023 Imperial Brands identified an incidence of non-compliance with its modern slavery processes. A facilities management company serving several of the Group's European factories engaged a subcontractor that had not issued legally required employment contracts for all their personnel. An employee of the subcontractor at one of Imperial Brands' factories brought this to the attention of the Imperial Brands Trade Union representative, who immediately informed the local People & Culture team. The issue was investigated, and the findings shared with the contractor. A remediation action plan was agreed and implemented.

This included ensuring that Imperial Brands' contractor works only with directly contracted employees.



Further information can be found in our Speaking Up Policy.

For further information on how we are addressing ESG-related topics please visit our website:

[www.imperialbrandspc.com/healthier-futures](http://www.imperialbrandspc.com/healthier-futures)

# ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAIN

Imperial Brands' ongoing commitment to human rights includes a desire to make a positive impact within Imperial Brands suppliers' tobacco-growing communities. The STP is the key framework enabling this commitment.



# ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAIN



Imperial Brands ongoing commitment to human rights includes a desire to make a positive impact within the Group's suppliers' tobacco growing communities. The STP is the key framework enabling the Group's commitment.

The STP is aimed at enhancing agricultural supply chain due diligence and accelerating the positive social and environmental impact in tobacco growing communities. The Group's tobacco leaf suppliers are encouraged to participate in STP. It is an independently managed framework which works by providing us with visibility over the tobacco leaf supply chain in two ways. First, by empowering the Group's suppliers to report on the actions they are taking to address any risks identified. Second, by verifying these actions both remotely and in the field (the latter on a risk-based approach). Imperial Brands use this information to design the Group's response to support its leaf suppliers in taking effective action through action plans. Imperial Brands maintain a dialogue with these suppliers on their action plan progress and provide support through Leaf Partnerships to enhance long-term projects and initiatives. Through Leaf Partnerships, Imperial Brands work directly with the Group's leaf suppliers to fund identified projects on a risk-based approach and support their impact in tobacco-growing communities.

Imperial Brands enhance the STP data gathered, analysed and responded to by conducting in-country verifications. The purpose is to corroborate information provided by suppliers through STP on their approach to address potential risks identified, and further understand their systems, processes and interventions in place. Imperial Brands conducted this in-country verification for seven of the Group's twelve priority countries<sup>5</sup> in 2023 and have completed the annual review to improve this methodology. During the past year Imperial Brands participated in six independent Supply Chain Impact Assessments (SCIA) conducted in the field. The objective of these assessments was to identify risks within the leaf supply chain and help focus suppliers to develop prioritised action plans. Where appropriate, Imperial Brands jointly commissioned these assessments with key stakeholders.

For example, a SCIA was conducted in Indonesia in partnership with other tobacco manufacturers and included 14 tobacco merchants in total. A total of 231 rightsholders were engaged with from tobacco-growing communities to help identify salient risks. These included the risk of unsafe use of pesticides and inconsistent PPE standards, poor waste collection and the potential of children working on family farms. Therefore, in addition to leaf suppliers developing individual action plans, local tobacco companies joined together to form an industry forum to work collectively on some of these noncompetitive issues. Imperial Brands have closely followed the development of these action plans and forums over the last year and will continue to stay informed through dialogue with the Group's suppliers on their progress.

Imperial Brands is proud to be a founding member of the Slave-Free Alliance (SFA) and continue to support the international charity Hope for Justice in their pursuit of a slave-free world. As part of the Group's modern slavery commitments for 2023, with Slave-Free Alliance, Imperial Brands developed a modern slavery toolkit to help colleagues enhance their knowledge about modern slavery, identify its key indicators and characteristics, respond appropriately to potential victims, and escalate and report any concerns.

## IBA Operations & Supply Chain

IBA distributes products to our Australian wholesaler and retailer customers. More than 99% of these products are manufactured and supplied to us by our parent company, Imperial Brands. However IBA also distributes a small number of products manufactured and supplied by companies that are not within the Imperial Brands Group. These products make up less than 1% of IBA's annual trade volumes.

IBA considers its downstream supply chain to present a low risk of modern slavery practices given that our direct supply chains are based and controlled in Australia and are limited to the distribution of manufactured products as well as the professional services required to support the operation of our business.

<sup>5</sup> Our Country Rating Model prioritises our sourcing origins based on several factors, including human rights risks.

# ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAIN

## MODERN SLAVERY SELF-ASSESSMENTS

Building on the modern slavery review project conducted across manufacturing sites in 2020, Imperial Brands mapped out the modern slavery workforce risks and potential areas of concern for Imperial Brands' Global Supply Chain operations. This included owned factories' distribution centres and ITG Brands' operations management.

Imperial Brands used a self-assessment questionnaire for 21 modern slavery leading indicators to assess the Group's baseline. From this exercise, Imperial Brands learned that improvements could be made in the clarity of the self-assessment questionnaire, and there were practical challenges in gathering data from some manufacturing sites. These findings were instrumental in shaping the Group's modern slavery commitments for 2023. In order to ensure that the Group's modern slavery local champions and their supporting teams had all the necessary support to carry out their responsibilities, Imperial Brands established a global community of modern slavery local champions. The aim of this community is to provide a specialised forum where sites facing similar challenges can collaborate and share best practices as well as new materials. Those sites yet to be fully compliant were encouraged to develop action plans to address identified gaps.

The output from the self-assessment questionnaires is captured in the Non-Financial Reporting (NFR) system and reported across the Group. They are tracked and monitored via self-assessments, which are verified in internal audits across the sites against the Group's internal document 'Manufacturing Standard: Modern Slavery', which was developed in 2020 to support the local teams.

In 2023, Imperial Brands updated and renamed this standard, which is now known as the 'Modern Slavery Global Standard'. Changes included widening its scope of application and enhancing its alignment to relevant standards such as the BS25700 Organisation Responses to Modern Slavery, the first national standard of its type. Imperial Brands also took the opportunity to include the renewed policies and introduce additional content, including the latest statistics on modern slavery worldwide, a more comprehensive list of vulnerable groups, information about the Group's speak-up channels, and the modern slavery leading indicators and local champions.





## DUE DILIGENCE PROCESSES

Imperial Brands' focus in 2023 was to continue strengthening the Group's due diligence process in alignment with international frameworks, including the UN Guiding Principles on Business and Human Rights, and legislation to ensure Imperial Brands are equipped to identify, prevent, and mitigate potential human rights risks.

# DUE DILIGENCE PROCESSES



Imperial Brands' focus in 2023 was to continue strengthening the Group's due diligence process in alignment with international frameworks, including the United Nations Guiding Principles on Business and Human Rights and legislation, to ensure Imperial Brands are equipped to identify, prevent, and mitigate potential human rights risks.

## IMPERIAL BRANDS HAS:

- Conducted three international modern slavery audits against its 21 modern slavery leading indicators, which observed a risk-based approach while maintaining a geographical balance. The audits in the Dominican Republic, Spain and Madagascar were unique opportunities to identify and act on areas of the Group's due diligence activity. The outcome was that all three locations either reached or maintained full compliance with the leading indicators. Additionally, the Group Internal Audit, GIA, team assessed human rights controls in Poland, Belgium, the Republic of the Congo, and North Macedonia. These audits allowed Imperial Brands to gain a better understanding of the local context and share best practices with other factories facing similar challenges.
- With Slave-Free Alliance, of which Imperial Brands is a founding member, a modern slavery toolkit was developed to help colleagues enhance their knowledge about modern slavery, identify its key indicators and characteristics, respond appropriately to potential victims, and escalate and report any concerns. This new resource includes Speak Up information as well as an updated list of modern slavery local champions. Imperial Brands' two human rights sponsors, Paola Pocci and Javier Huerta, Chief Consumer Officer & AAACE Region President and Chief Supply Chain Officer, respectively, endorsed the toolkit.
- Closely monitored the latest developments in upcoming legislation, such as the European directives on corporate sustainability reporting and corporate sustainability due diligence. Imperial Brands aim to be fully prepared for when these regulations come into effect to avoid any disruptions in the Group's value chain.
- As part of the activities of the newly established modern slavery local champions community, Imperial Brands made several changes to the NFR platform to minimise the risk of modern slavery in the Group's operations. All sites not fully compliant with the 21 modern slavery leading indicators have been asked to develop and share action plans to address the missing leading indicators.
- Updated the Group's Modern Slavery Manufacturing Standard. It is now the Group's Modern Slavery Global Standard with a wider scope of application and enhanced alignment to relevant standards, particularly the BS25700. This was an opportunity to include the renewed policies and introduce additional content, such as the latest statistics on modern slavery worldwide and a more comprehensive list of vulnerable groups.
- Human Rights Policy annual review allowed Imperial Brands' to address the feedback received from ESG rating agencies and international framework recommendations. Imperial Brands' also updated the list of salient issues, including child labour, modern slavery, occupational health, safety and well-being, fair wages and decent work, non-discrimination and harassment, gender equity, and freedom of association and collective bargaining.

## IBA's focus in 2023 was to assess and improve on our local due diligence processes.

Imperial Brands have commenced this work and are making progress against our goals, including the introduction of new modern slavery questionnaires to assist in identifying risk areas in our supply chain, and increasing awareness within our business on modern slavery through online modules and making it a part of the conversations Imperial Brands have with our customers.

## OUR OPERATIONS

In 2023, Imperial Brands took steps to enhance its human rights due diligence processes across its sites, consolidate the access to the Speaking Up process, and embed human rights awareness across functions within the business. As well as to pay special attention to the updated human rights salient issues, that is, child labour, modern slavery, occupational health, safety and wellbeing; fair wages and decent work; non-discrimination and harassment and gender equity; and freedom of association and collective bargaining.

Imperial Brands appreciates that, like all businesses, it runs the risk of being exposed to modern slavery. For that reason, Imperial Brands kept its commitment to conduct three modern slavery audits. In 2023, these audits occurred in the Dominican Republic, Spain and Madagascar. They were unique opportunities to identify and act on potential concerns and gain a better understanding of the local context.

The audits did not identify any instances of suspected modern slavery. Areas of improvement were identified. These included clarifying the benefit of engaging with suppliers to encourage them to check any high levels of occupancy of people at a single address, and to check for unrelated people using the same bank account. The factories were praised for their comprehensive employee manuals, clear display of speak up information across changing areas, canteens, and corridors, and detailed payslips.

Imperial Brands' operations are regularly monitored and audited using a risk-based approach. Where a risk is identified, internal audits can include an assessment of labour practices, health and safety procedures in place as well as assessing local employee awareness of, and training in, the following: Imperial's Code of Conduct; International Marketing Standards; Whistleblowing Policy; and Grievance Policy.

Additionally, Group Internal Audit performed a number of audits in which the newly created human rights module was implemented. These audits covered the factories of Tarnowo and Radom in Poland, the Wilrijk factory in Belgium, the factories in Greensboro in the US and Skopje in North Macedonia. As well as the Congo and Madagascar factories, and the Taiwan and Madagascar markets. GIA also conducted a review to validate the responses provided by a supplier in the Philippines to a human rights self-assessment.

# DUE DILIGENCE PROCESSES

## TOBACCO LEAF SUPPLY

Imperial Brands wishes to make a positive impact within its suppliers' tobacco-growing communities and are working in partnership with its leaf suppliers to identify issues within tobacco-growing communities. Imperial Brands uses Supply Chain Impact Assessments, conducted in collaboration with its suppliers, which enables Imperial Brands to focus on local priorities and strengthen policy commitments and standards in order to increase the positive impact of the Group's actions.

Similar to other agriculture dependent businesses, the risk of human rights abuses, including child labour and modern slavery, is most significant in the tobacco-growing supply chain. Addressing issues such as child labour and modern slavery requires a multi-stakeholder response; no single entity can address issues in isolation.

### In 2023:

All Human and Labour Rights potential issues reported to date by suppliers through STP<sup>6</sup> have been acted upon and Imperial remains in dialogue with suppliers on their efforts to address those issues. This approach includes the Group's 'Leaf In-Country Verification' methodology to corroborate information provided by suppliers through STP on their approach to address potential risks identified, and further understand their systems, processes and interventions in place. Imperial Brands conducted this in-country verification for seven of its twelve priority countries<sup>7</sup> in 2023 and have completed the annual review to improve this methodology.

Within Imperial Brands' leaf supply chain six Supply Chain Impact Assessments (SCIA) have been conducted. For those that are complete, supplier action plans are in progress.

Imperial Brands' 'Leaf Partnership' program supported 101,410<sup>8</sup> new beneficiaries in its priority countries across Africa, Asia, and the Americas. In funding these projects, Imperial Brands aims to boost suppliers' efforts at addressing the root causes of human rights risks within their supply chains.

In collaboration with key stakeholders, including the industry, suppliers and NGOs, Imperial Brands seeks to address the risk of child labour through three main avenues:

1

### STP

The Human and Labour Rights section of STP is a critical element for the respect of human rights and is aligned with the relevant International Labour Organisation (ILO) core conventions and the principles and guidance contained within other external frameworks such as the UN Guiding Principles on Business and Human Rights.



2

### Imperial Brands' Leaf Partnership Projects

Imperial Brands works directly with leaf suppliers to fund projects in tobacco growing communities to help tackle some of the root causes of child labour.



3

### The Eliminating Child Labour in Tobacco Growing Foundation (ECLT)

Imperial Brands actively supports the ECLT and its aims to tackle the root causes of child labour, by improving access to education and providing alternatives to childhood working. It also has an advocacy role, raising awareness with governments and communities to galvanise positive action.

[See ECLT website for more information.](#)



<sup>6</sup> Crop year data is reported on STP once the season is fully completed, and then undergoes a desktop validation. Crop years 2021 and 2022 have now been fully responded to by Imperial.

<sup>7</sup> Our Country Rating Model prioritises our sourcing origins based on several factors, including human rights risks.

<sup>8</sup> This number represents the number of new beneficiaries from 2023 projects.

# DUE DILIGENCE PROCESSES

## SUSTAINABLE TOBACCO PROGRAMME

In 2023 Imperial Brands continued to collaborate with the industry and have enhanced the due diligence processes to identify, prioritise, respond, measure and report on the work Imperial Brands and its suppliers do as part of a continual process to improve human rights impact.

Through cross-industry dialogue and a continual improvement cycle, the STP has been designed to enable Imperial Brands' suppliers to report on the steps they are taking to produce a sustainable quality supply of tobacco leaf, as well as providing the opportunity for farmers to improve labour standards, raise standards of living and address environmental challenges, by sharing knowledge on good agricultural practices.

All suppliers from whom Imperial Brands sources tobacco are encouraged to participate in the STP. STP is independently managed on behalf of the participants by a Secretariat and is a framework for continuous improvement. Using an independent online platform, the Secretariat gathers specific data across eight themes – one of which is Human and Labour Rights – from suppliers via an annual self-assessment questionnaire. All this data is validated remotely and verified in-field on a risk basis by independent subject-matter experts.

Through the STP, suppliers are empowered to report on any risks identified and, on the actions, they are taking to address them. When this data is verified, the programmes and interventions that are in place in Imperial Brands' supply chains are checked and measured. Additionally, this process is complemented with in-country verifications carried out by Imperial Brands' Leaf team to corroborate information provided by suppliers through STP on their approach to address potential risks identified, and further understand their systems, processes and interventions in place. In 2023, Imperial Brands conducted this in-country verification for seven of its twelve priority countries<sup>9</sup> and have completed the annual review to improve this methodology. Imperial Brands aims to cover the remaining five priority counties in 2024. The STP annual assessment is part of Imperial Brands formal supplier relationship management and is integral to the suppliers' ratings that Imperial Brands determine along with quality, cost and value. Where a supplier persistently fails to demonstrate how they are managing their environmental, social and governance responsibilities in a certain sourcing origin, Imperial Brands will consider ceasing purchase from that sourcing origin.

<sup>9</sup> Imperial's Country Rating Model prioritises our sourcing origins based on several factors, including human rights risks.

# DUE DILIGENCE PROCESSES

Through Imperial Brands' procurement processes, suppliers are encouraged to meet the minimum standards outlined in the Supplier Code of Conduct. Imperial Brands has regular meetings throughout the year with all centrally managed suppliers where any ESG-related concerns can be raised. If a supplier fails to demonstrate its commitment to ESG, Imperial Brands may require improvements or may terminate the relationship.

## NTM AND NGP SUPPLY

The Supplier Qualification Programme is the first screening process for all new NTM and NGP suppliers.

This involves suppliers completing a self-assessment, which includes questions on business conduct, environmental management, and labour practices, including discrimination, child and forced labour, freedom of association, remuneration, working hours and health and safety.

Once on board, Imperial Brands' Global Quality team perform their own reviews, which may include the supplier being asked to provide evidence for their management of ESG issues, including how the supplier communicates their own Code of Conduct and grievance policies across their operations and how they conduct audits and act on findings.

## SERVICES AND GOODS SUPPLY

The Group's logistics and indirect suppliers of goods and services, including facilities management, do not undergo the Supplier Qualification Programme. Where Imperial Brands have run a tender process, the supplier is requested to provide copies of policies relevant to the services that they supply, which may include those addressing labour practices, forced labour and child labour (in the case of service outsourcing or goods manufacture). Imperial Brands review the policies as part of the selection process.

For larger service requirements, for example a new outsourced service or a move of service provision to a different geography, or goods manufacture, Imperial Brands would typically conduct a site visit as part of the selection process. Imperial Brands does not carry out regular onsite audits of its indirect suppliers. Any site visits would be ad-hoc and defined on a case-by-case basis if an area of ESG risk has been identified.

## NEW SUPPLIER CODE OF CONDUCT

Imperial Brands aims to source products and services from a diverse supply base that matches its ESG values and ambitions.

By further defining expectations for partners in the supply chain, Imperial Brands can help ensure work with partners matches and drives ESG values and ambitions.

In 2023, Imperial Brands launched its refreshed Supplier Code of Conduct, which has an increased focus on business integrity, human rights, diversity, equity and inclusion and the environment. While suppliers may be managed globally, regionally, or locally, the ambition is that all suppliers meet the same standard to enable Imperial Brands to meet its commitments to stakeholders, employers, and communities.

The new Supplier Code of Conduct can be found on Imperial Brands' [website](#), and a link is included in the purchase order, T&Cs, contracts, and tender documents. The existing Supplier Code of Conduct will be "phased out" as the new one is communicated to new and existing suppliers as and when Procurement teams engage.



# IBA'S PROCUREMENT & DUE DILIGENCE PROCESSES

IBA has its own business processes for assessing the risk of modern slavery in our supply chain. These steps are taken alongside the activities driven by Imperial Brands at Group level.

## ETHICAL SOURCING

The ethical screening tool provides reports on the 'riskography' of the supplier and provide details on recent or historical events to the extent they concern the supplier and any potential modern slavery related issues.

The ethical supplier screening tool enables IBA to run checks on businesses before engaging with them and to ensure that existing supplier relationships are suitable and align with Imperial Brands' Group objectives. The tool also enables IBA to receive alerts and update reports about our suppliers.

The ethical supplier screening tool is used on every new contractor engaged by IBA. Overall, IBA has undertaken screening on suppliers representing approximately 95% of IBA's annual third-party spend.

## CONTRACTS

IBA's standard procurement contracts contain express provisions obliging our suppliers to take reasonable steps to ensure that its supply chains and businesses are free of human rights abuses, trafficking or slavery. IBA also seeks that suppliers notify IBA of any actual or suspected modern slavery practices in their supply chains, where those practices have any connection to the supplier's provision of goods or services to IBA. Our contracts with our customers also contain similar provisions.

In all circumstances, IBA seeks that our customers and third-party suppliers agree to our modern slavery provisions; however if a supplier will not agree to be bound by these terms, IBA relies on other factors to determine the appropriateness of a new or continuing relationship with that supplier. These factors include our existing relationship with the supplier, our knowledge of their supply chains, whether the supplier is itself a reporting entity under the Modern Slavery Act 2018 (Cth) and its submissions to date, the search results of ethical screening checks, and any other relevant factors.

## MODERN SLAVERY QUESTIONNAIRE

In 2023, IBA continued using our Modern Slavery Supplier Questionnaire which is required to be completed by all new key suppliers. This questionnaire allows IBA to assess the relative risks of a potential supplier's supply chain and will contribute to IBA's decision on whether or not to engage with that supplier.

## TRAINING AND AWARENESS

All IBA employees are required to undertake Code of Conduct training on commencement of employment, and refresher training is required whenever the Code of Conduct is updated.

In addition to this training, in 2023 Imperial Brands rolled out the new Imperial Brands training module to all of our employees in Australia. This module is discussed further on [page 26](#).

## EXTERNAL ALLEGATIONS AND REMEDIATION

Imperial Brands is committed to investigating potential human rights issues identified within its supply chain and direct operations. The Group takes any allegations relating to human rights, including modern slavery, extremely seriously.

# EXTERNAL ALLEGATIONS AND REMEDIATION



Imperial Brands is committed to investigating potential human rights issues identified within its supply chain and direct operations. The Group takes any allegations relating to human rights, including modern slavery, extremely seriously. Imperial Brands pursue multi-stakeholder initiatives, including an industry-wide sustainable tobacco programme which is aligned to the UNGP and engage both internally and with any relevant external stakeholders, which may include suppliers and NGOs, to investigate allegations and respond to any issues identified effectively.



## MALAWI

In June 2020 Imperial Brands responded to a claimant law firm's allegations of human rights issues in the Malawian tobacco supply chain, which included allegations relating to child and forced labour. In December 2020, a claim was filed in the UK High Court against Imperial Brands plc, Imperial Tobacco Limited and four of its subsidiaries by a group of tobacco farm workers. Imperial is vigorously defending the claim. As this is an ongoing litigation, Imperial Brands are unable to comment further.



# MODERN SLAVERY TRAINING AND AWARENESS

Imperial Brands' modern slavery e-learning course has been developed to support employees understand the issue and explain how to raise concerns on suspected or actual human rights abuses. The programme is available in 15 languages and has been taken by thousands of employees from around the world.

In early 2023, Imperial Brands launched a new ESG digital awareness programme for colleagues worldwide. The human rights section focuses on explaining what human rights are, Imperial Brands' role as a company in respecting and promoting human rights, how to recognise the main signs of modern slavery, and how to report potential instances of human rights violations, both internally and externally. Imperial Brands also created specific content for different areas of the business, in particular operations, procurement, salesforce, and office workers. At the end of the training, a list of additional resources are provided for those colleagues who wish to expand their knowledge about human rights and modern slavery. The idea behind this training was to make it easy to follow, engaging and informative. Imperial Brands' aim was to raise awareness about the importance of these topics and to invite everyone to become human rights and modern slavery champions inside and outside work.

At the end of the Group's financial year, in September 2023, Imperial Brands partnered with Hope for Justice to host a series of informative sessions aimed at raising awareness about modern slavery. The sessions looked at the rescue of victims and their experiences, and encouraged participants to take action to contribute to ending modern slavery beyond their workplace. These sessions were conducted in Spanish, French and English. Around 500 employees from over 20 countries attended the sessions.

# MODERN SLAVERY TRAINING AND AWARENESS



Imperial Brands' Code of Conduct is embedded throughout Imperial Brands and IBA, driving our responsible approach. It is aligned with the policies, internal controls and risk management processes that underpin the Group's strategy. It also includes the Group's respect for human rights.

Imperial Brands' Code of Conduct sets out the responsible behaviours Imperial Brands expect from employees in their dealings with colleagues, customers, consumers, suppliers, agents, intermediaries, advisers, governments and competitors. The Code is available in over 30 languages and is published on the Group's corporate website. Imperial Brands' Supplier Code of Conduct, updated in 2023, is aligned to the Code of Conduct and is also available in multiple languages. Imperial Brands employees are required to undertake Code of Conduct training, including e-learning courses and face-to-face sessions.

Since its launch in 2018 the course has been integrated into the governance learning module and has been completed by 99% of the Group's priority target population; this includes the management group and key personnel from across business functions. Imperial Brands is actively working to expand the rollout of the training to employees and third parties who may not have access to the online training platform, through face-to-face training.

Imperial Brands modern slavery e-learning course has been developed to support employees understand the issue and explain how to raise concerns on suspected or actual human rights abuses. The course is available in 15 languages, including Chinese Traditional, Czech, Dutch, English, French, German, Greek, Italian, Japanese, Polish, Portuguese, Romanian, Russian, Spanish, and Ukrainian. Additionally, in-person training was carried out in Madagascar and Laos. In Madagascar, Imperial Brands reached 237 permanent workers and 3,007 seasonal workers (an increase of 30% and 172% from 2022, respectively). While in Laos, the training was delivered to 563 directly-contracted farmers, representing 100% of the grower base.

Training on sustainable practices and human rights for the Group's Leaf team and directly contracted farmers is an ongoing process. This is paired with the vast majority of Imperial Brands' key suppliers who provide training to farmers across the growing season, focusing on peak growing periods. A range of methods are used, such as posters, handbooks, storytelling and kits to help land key messages.

In 2023, as part of Imperial Brands' ongoing commitment to continue raising awareness and further enhance knowledge of human rights and modern slavery, the Group launched a new ESG digital awareness programme for colleagues worldwide. This digital training module focuses on explaining what human rights are, the Group's

commitment and role in respecting and promoting human rights, how to recognise the main signs of modern slavery, and how to report potential instances of human rights violations, both internally and externally. Imperial Brands believes that further improving the company's understanding of human rights will be instrumental in minimising the risks of potential abuses Imperial Brands may be exposed to.

In September 2023, Imperial Brands partnered with Hope for Justice to host a series of informative sessions to raise awareness about modern slavery. On this occasion, Imperial Brands focused on the rescue of the victims and how to restore their lives after such a traumatic experience. Additionally, participants were encouraged to take action to contribute to ending modern slavery beyond their workplace. These sessions were conducted in English, French and Spanish and covered four continents.

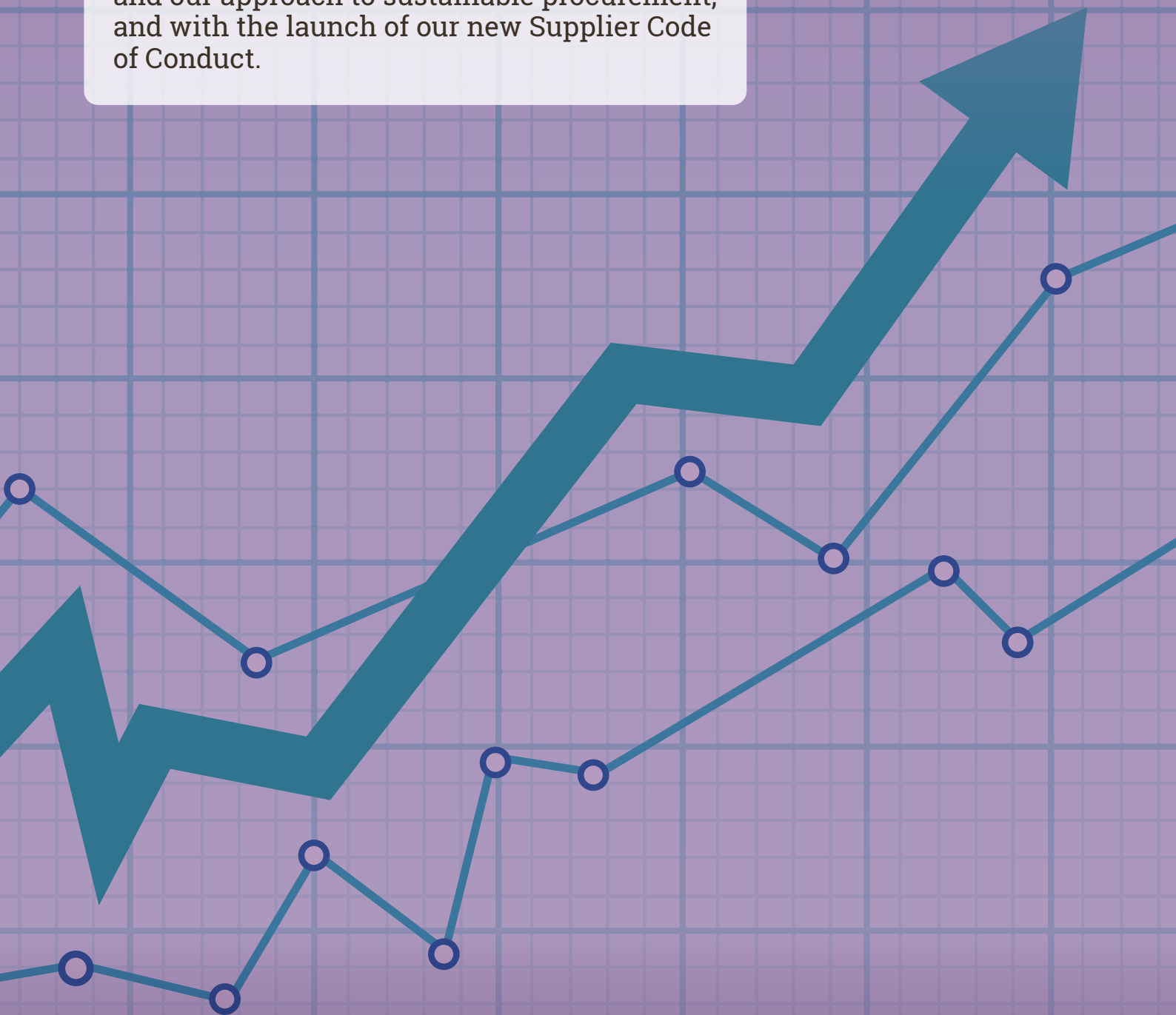
To mark Anti-Slavery Week 2023, Imperial Brands launched an internal communication campaign aimed at raising awareness about the complex and multifaceted nature of modern slavery. Thanks to the collective efforts of the Leaf, Procurement, Governance, Global Supply Chain, NGP, and People and Culture teams, the campaign received over 6,500 views on Imperial Brands intranet, which is a testament to Imperial Brands commitment to combat modern slavery.

Imperial Brands modern slavery digital course has been developed to support employees to understand the issue and explain how to raise concerns on suspected or actual human rights abuses. The new human rights digital learning seeks to deepen Imperial Brands' commitment and role in respecting and promoting human rights.



# PROGRESS AGAINST 2023 COMMITMENTS

Imperial Brands and IBA have made good progress this year, by strengthening our human rights governance and due diligence and our approach to sustainable procurement, and with the launch of our new Supplier Code of Conduct.



# PROGRESS AGAINST 2023 COMMITMENTS



Imperial Brands and IBA have made good progress this year, by strengthening our human rights governance and due diligence and our approach to sustainable procurement, and with the launch of our new Supplier Code of Conduct. Imperial Brands continued monitoring the modern slavery leading indicators performance and reporting on key actions to prevent and address human rights-related issues arising within the supply chain. And Imperial Brands developed a new ESG digital learning programme to raise awareness among employees of the importance of respecting human rights. Imperial Brands also established a Modern Slavery Local Champions Community, updated the modern slavery manufacturing standard, and created a modern slavery toolkit.

**In 2023, IBA also made good progress against our local goals, which will continue into 2024:**

COMMITMENT	STATUS
Roll out Imperial Brands' <b>updated Supplier Code of Conduct</b> to IBA employees and develop a plan for rolling this out to our suppliers.	Completed 
Roll out Imperial Brands' new <b>modern slavery e-learning module</b> to all IBA employees.	Completed 
<b>Conduct a gap analysis</b> to identify areas for improvement in IBA's approach to assessing and addressing the risk of modern slavery in our direct operations.	In Progress 
Conduct <b>ethical supplier screening</b> against all new suppliers.	In Progress 
<b>Identify and assess the actions</b> taken by non-Imperial Brands suppliers of manufactured cigarette products to reduce the risk of modern slavery in their supply chains.	To be initiated 
Over the 2023 and 2024 reporting years, roll out IBA's procurement <b>questionnaire to all key suppliers</b> with whom IBA has a continuing relationship.	In Progress 
<b>Develop a modern slavery questionnaire</b> for our trading partners and commence roll out to IBA's key retail partners.	Completed 
Tailor Imperial Brands' <b>investigations template</b> for IBA's local business activities.	Completed 
Continue considering the engagement of a suitable local <b>not-for-profit partner</b> to combat modern slavery practices.	In Progress 
Roll out Imperial Brands' <b>Human Rights Policy</b> to all IBA employees.	Completed 

## APPROVAL

The IBA Board of Directors approved this statement on 5 April 2024.



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