

# Imperial Brands Plc

Parent Entity Jurisdiction	HQ	Ownership	Rank	Final Score
UK	UK	Publicly Traded	5 (of 15)	2.47 (of 5)

## Operating Environment

- Imperial Brands Plc (Imperial) operates in all four Index Regions, and in 28 of the 36 Index Countries<sup>1</sup>. Its top five countries by Volume Sales are the USA, Germany, the UK, Spain, and Russia.
- Imperial operates across HMICs (21 Index Countries) and LMICs (seven Index Countries).
- Imperial’s product portfolio<sup>2</sup> consists of cigarettes, fine cut tobacco, cigars, cigarillos, pipe tobacco, e-liquids, closed system vaping products, non-tobacco nicotine pouches and heated tobacco.

## Publicly Stated Position on Tobacco Harm Reduction

- *“We understand society’s concerns about the health risks of smoking and recognise our role in helping to reduce the harm caused by combustible tobacco products. We are committed to strengthening our Next Generation Products (NGP) performance and in doing so, to making a more meaningful contribution to harm reduction by offering adult smokers a range of potentially less harmful products. We are committed to tobacco harm reduction.”*(Imperial, Annual Report and Accounts 2021).<sup>3</sup>

## Change Since 2020 Index

- Imperial’s Product Sales category score declined following the “strategic exit”<sup>4</sup> of RRP in Russia (MyBlu closed system vaping product) and Japan (Pulze heated tobacco, Myblu nicotine-free closed system vaping product) in 2021.<sup>5</sup>
- Imperial’s Product Offer category score also declined as the number of countries in which Imperial sold RRP declined.

<sup>1</sup> Note: In its 2021 Annual Report, Imperial reports that it sells in “over 120 countries”, Imperial Brands Plc. (2022). *2021 Annual Report*, Page 178, Accessed on August 22, 2022, from <https://www.imperialbrandspc.com/content/dam/imperialbrands/corporate2022/documents/investors/reports/annual-report-2021.pdf.downloadasset.pdf>

<sup>2</sup> Listed high to low in order of company’s global volume sales in 2021.

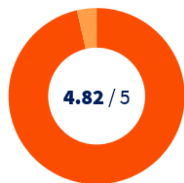
<sup>3</sup> Imperial Brands Plc. (2022). *Annual Report and Accounts 2021*, Page 52, Accessed August 21, 2022, from <https://www.imperialbrandspc.com/content/dam/imperialbrands/corporate2022/documents/investors/reports/annual-report-2021.pdf.downloadasset.pdf>

<sup>4</sup> Imperial Brands Plc. (2021). *Annual Report and Accounts 2021*, Page 69, Accessed August 23<sup>rd</sup>, 2022, from <https://www.imperialbrandspc.com/investors/annual-report-accounts-2021.html>

<sup>5</sup> Note, as of 2021 Imperial was trialing heated tobacco in two new countries, Greece, and Czech Republic, outside of Index Country scope. Imperial Brands Plc. (2022). *Annual Report 2021*, Page 21 <https://www.imperialbrandspc.com/investors/annual-report-accounts-2021.html>

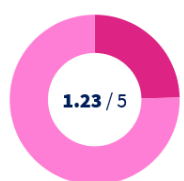
## Key Performance Indicators

### Strategy & Management (Category Score: 4.82/5 - Category<sup>6</sup> Rank 4/15)



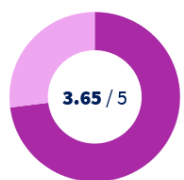
- Imperial publicly acknowledges its role in, and has made a formal commitment to reducing, tobacco-related death and disease, as part of its “Forging a Path for a Healthier Future” vision.<sup>7</sup>
- Imperial has an objective related to tobacco harm reduction (including a “contribution to a healthier future for our consumers and society through potentially reduced risk products”<sup>8</sup>), but the objective is not time-bound or measurable.

### Product Sales (Category Score: 1.23/5 - Category Rank 8/15)



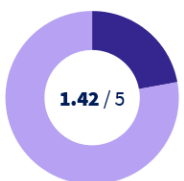
- Imperial has the fifth-highest Volume Sales of HRPs (2021: 268.5 billion stick equivalents).<sup>9</sup>
- With 1.3% of its total volumes coming from RRP, Imperial has the eighth-highest score for Ratio of Volume Sales (RRPs versus HRPs).

### Capital Allocation & Expenditure (Category Score: 3.65/5 - Category Rank 5/15)



- At 73%, Imperial’s allocation of R&D Expenditure on RRP (versus its total R&D expenditure) is the sixth-highest of the Index Companies.
- At 38%, Imperial’s allocation of Capital Expenditure (RRP versus HRPs) ranks it in fifth place.

### Product Offer (Category Score: 1.42/5 - Category Rank 9/15)



- Imperial offers HRPs (cigarettes, fine cut tobacco, cigars, cigarillos, pipe tobacco) in 27 Index Countries, and RRP (e-liquids, closed system vaping products, non-tobacco nicotine pouches, heated tobacco) in 12 Index Countries.
- In terms of product categories, Imperial has five HRPs, compared to four RRP, in its portfolio.

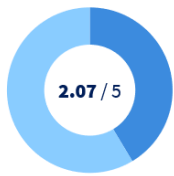
<sup>6</sup> Each category is made up of multiple indicators. Certain indicator-level ranks are also listed in the text below.

<sup>7</sup> Imperial Brands Plc. (2021). *Annual Report and Accounts 2021*, Page 52, Accessed August 21, 2022, from <https://www.imperialbrandspc.com/content/dam/imperialbrands/corporate2022/documents/investors/reports/annual-report-2021.pdf.downloadasset.pdf>

<sup>8</sup> Ibid. Page 6

<sup>9</sup> Negative indicator, i.e. a higher number indicates lower performance.

### Marketing Policy & Compliance (Category Score: 2.07/5 - Category Rank 5/15)



- Imperial’s Youth Access Prevention Policy (“Prohibit Sales to Those Under the Age of 18 Worldwide” principle) is outlined in its Code of Conduct, which is published on Imperial’s corporate website.<sup>10</sup>
- Imperial discloses the numbers but not the details of reported violations of its Youth Access Prevention Policy.

### Lobbying & Advocacy (Category Score: 2.29/5 - Category Rank 5/15)



- Imperial discloses its policy positions related to tobacco harm reduction in the “Our Beliefs” section of its corporate website.<sup>11</sup>
- Imperial does not disclose specific lobbying activities and memberships in all jurisdictions in which it operates.

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<sup>10</sup> Imperial Brands Plc. (2020). *Corporate Website, Code of Conduct*, Page 29, Accessed August 21, 2022, from <https://www.imperialbrandspkc.com/content/dam/imperialbrands/corporate2022/documents/healthier-futures/governance/our-code-of-contact/English-Code-of-Conduct.pdf.downloadasset.pdf>

<sup>11</sup> Imperial Brands Plc. (2022). *Corporate Website, Our Beliefs*, Accessed August 23, 2022, from <https://imperialbrandsscience.com/about-us/positions/>

## Key Figures: Imperial Brand Plc



**Headquarters:**  
UK



**Rank: 5/15** =  
2020 Index restated rank: **5/15**



**Ownership:**  
Privately Held



**Final Score: 2.47/5** ▼  
2020 Index restated score: **2.81/5**

### Value sales: HRPs & RRP



### Capital Allocation and Expenditure\*: HRPs & RRP



\*Capital Allocation and Expenditure includes Marketing, M&A, R&D and Capital Expenditure

Source: Tobacco Transformation Index 2022 and Index 2020, <https://tobaccotransformationindex.org/> Euromonitor International