

A photograph of the Earth's horizon from space, showing a bright sun or star rising over the horizon, creating a lens flare effect. The Earth's surface is visible in shades of blue and white, with the atmosphere glowing at the edge.

Welcome to BAT





Our refined purpose and vision...

Our purpose is to create

A Better Tomorrow™

with a vision to Build

a Smokeless World

**- one where smokers have migrated
from cigarettes to
smokeless alternatives.**



A message from our Chief Executive



For BAT, A Better Tomorrow™
is very clear.

**We will work to Build
a Smokeless World.**

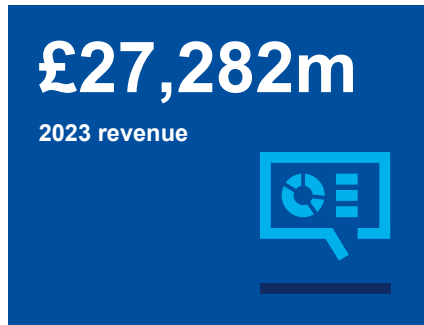
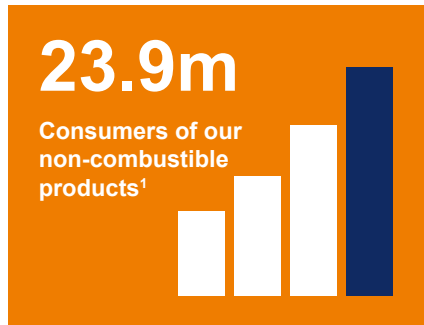
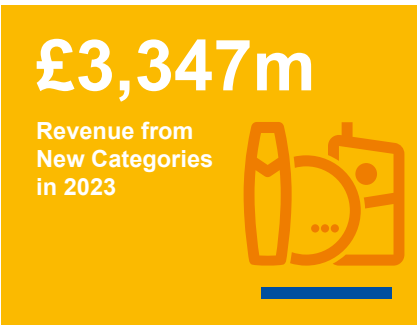
The way we will do this
is by switching as many
smokers as we can
to our smokeless products.



Tadeu Marroco, Chief Executive

Key business statistics

As at 31 December 2023 (unless otherwise stated)



1. Excludes Russia and Belarus

A global business



Our regions around the world

- UNITED STATES OF AMERICA (U.S.)
- AMERICAS AND EUROPE (AME)
- ASIA-PACIFIC, MIDDLE EAST AND AFRICA (APMEA)
- ASSOCIATES AND JOINT VENTURES

Map is accurate as at 31 December 2023 and is representative of general geographic regions and does not suggest that the Group operates in each country of every region.

Our strategic portfolio

Our consumer-centric, multi-category portfolio reflects our commitment to meeting the evolving and varied needs of today's adult consumer



Building A Better Tomorrow™

We are committed to transforming BAT to reduce our health impact by Building a Smokeless World

1

We are uniquely positioned with our consumer-centric multi-category portfolio

2

We have the strengths, new capabilities, brands and resources to succeed

3

We are on a journey; transformation is happening. The opportunity is huge

4

We are confident in delivering our sustainability targets and building A Better Tomorrow™

5

Transforming BAT into a multi-category Consumer Packaged Goods company




 50 million consumers of Non-Combustible** products by 2030

 £5bn New Category Revenue 2025 & Profitability by 2024***

 Carbon neutral operations Scope 1&2 by 2030^

 Net zero value chain emissions by 2050^

 <1% waste from Direct operations to landfill by 2025^

Reducing the health impact of our business, based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.







*Beyond refers to Wellbeing & Stimulation. Expected target market for consumer acquisition is adult consumers seeking wellbeing and stimulation solutions in their daily lives. **Consumers of Non-Combustible products definition. See Appendix A6. ***Profitability at category contribution level: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories. ^Environmental targets. See Appendix A5.

Our Strategy Our Strategic Navigator




Delivering for:

- CONSUMERS
- SOCIETY
- EMPLOYEES
- SHAREHOLDERS & INVESTORS

-    Purpose/Vision/Mission
-    Pillars & Building Blocks
-  We are BAT: Our Values

Enabled by our values



TRULY INCLUSIVE

We embrace diversity and celebrate our differences

We are curious and safeguard the right to say what you think

We debate constructively yet progress together



DO THE RIGHT THING

We act with integrity to achieve results

We care about our impact on society and our planet

We are thoughtful in our decision making



LOVE OUR CONSUMER

We understand the consumer better than anyone

We are obsessed with innovation and our brands

We have the courage to test, fail fast, and learn to improve



PASSION TO WIN

We equally value “How” and “What”, and go the extra mile for success

We prioritise effectively and act like owners of our business

We own our purpose with determination and resilience



EMPOWERED THROUGH TRUST

We start with trust and believe in each other

We ensure decisions are made at the right level

We understand that empowerment comes with accountability



STRONGER TOGETHER

We pull together as one team, through good and bad

We collaborate beyond borders and functions

We help each other grow and succeed

Underpinned by World-class science

For more than 60 years, research and development has been a critical part of our business. The main focus of our R&D investment is on developing and scientifically-substantiating New Category products to assess their reduced-risk profile^{*†}.



^{*}Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.
[†]Our Vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Leading in Sustainability and Integrity

As we transition from cigarettes to smokeless products¹, we are addressing not only our products’ public health impact but also our other material sustainability¹ topics.

Related Material Topics:

- Harm Reduction
- Circular Economy
- Marketing and Communications
- Supplier Engagement

Related Material Topics:

- Climate Change
- Circular Economy
- Biodiversity and Ecosystems
- Supplier Engagement

Related Material Topics:

- Biodiversity and Ecosystems
- Water
- Human Rights
- Farmer Livelihoods and Communities

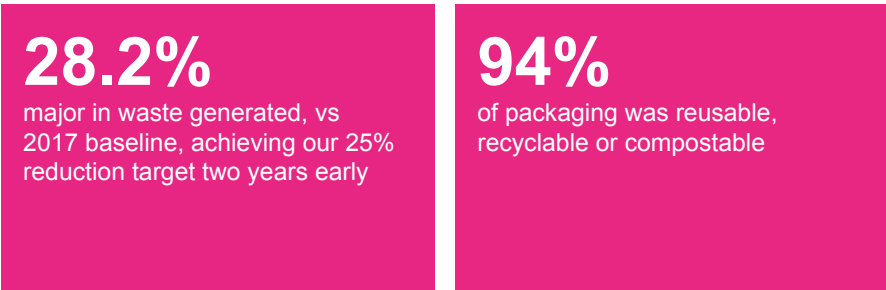
Related Material Topics:

- Employees, Diversity and Culture
- Marketing and Communications
- Ethics and Integrity
- Supplier Engagement

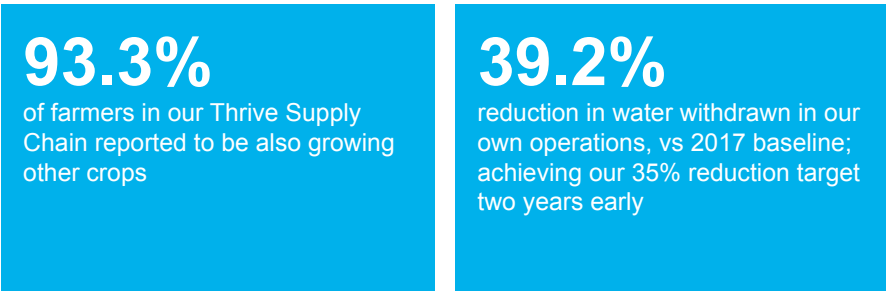


Sustainability Highlights

Responsible Leadership in New Categories



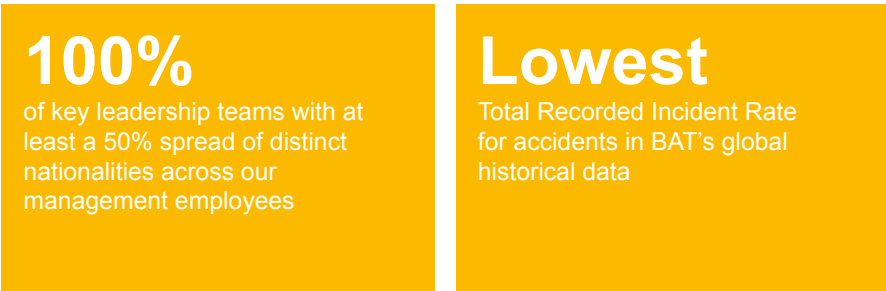
Create Positive Value in Agriculture



Deliver Net Zero GHG Emissions Across Our Value Chain



Trusted Organisation, Operating with Integrity



1. Although financial materiality has been considered in the development of our Double Materiality Assessment(DMA), our DMA and any conclusions in this document as to the materiality or significance of sustainability or ESG matters do not imply that all topics discussed therein are financially material to our business taken as a whole, and such topics may not significantly alter the total mix of information available about our securities.

BAT in Italy



Company

- **+500 employees** in Rome and Trieste.
- **+EUR 2 billion** in excise revenue on an annual basis.
- The first company in the sector to **sign a multi-year Memorandum of Understanding with MASAF** in 2011 for the purchase of Italian tobacco.



Agricultural Chain

- **400 farms**, which operate on an area of about 3,000 hectares.
- **6,000 people** employed.
- **purchase of approximately 15,000 tonnes** in the last three years.



Investments

- **about 20mn € per year** for the purchase of Italian tobacco leaf.
- **130mn € per year approx** at Group level for the purchase of machinery and industrial equipment.
- **+110mn € per year** in marketing, distribution and events activities.
- **500mn € over 5 years** of 'A Better Tomorrow™ Innovation Hub' in Trieste.

Trieste Innovation Hub

Turning the challenge of innovation and sustainability into an opportunity to become a lighthouse for all.

Project features



Best Greenfield **VERTICAL START UP** in **BAT**



FAST PRODUCTION started less than one year from the construction



First BAT production site in the world fully dedicated to **NEW CATEGORY** products



SUSTAINABLE SITE with Carbon Neutral and Zero Waste to Landfill for 2023 certifications



First site with **PHARMA** production in **BAT**

Production



401 Mn pouches produced in 2023 for 7 markets



Highest standard in terms of **QUALITY**



Highest standard of **EFFICIENCY**



Highest standard of **SAFETY**

Organization



DIVERSE

- **43% Women** in managerial roles
- **18 Nationalities**
- **95% diverse background industries**



EMPLOYER BRANDING

9000 application received
3% Voluntary turnover

Sustainability Lighthouse

High Energy Efficiency

Highest possible efficiency chiller with Waste Heat Recovery

State of the art Air Handling Unit

Onsite Electricity Generation

Photovoltaic panels => 40% of electricity demand

Windtree generating 10 MWh/a

Heat Generation

1 MW biomass boiler operating on wood pellets

Our commitment for A Better Tomorrow™ has already rewarded us with two certifications relevant for us and for the Earth.

Carbon Neutrality

100%
Green electricity

100%
Renewable energy
coming from biomass and solar

