



Combined Performance and Sustainability Summary 2024



Building a Smokeless World

British American Tobacco p.l.c. (No. 3407696) Combined Performance and Sustainability Summary 2024: Cautionary statement and other information. This Combined Performance and Sustainability Summary is extracted (without material adjustment) from, and should be read as an introduction to and in conjunction with, the 2024 Annual Report and Accounts and Form 20-F of British American Tobacco p.l.c. (the Company) and the British American Tobacco Group (the "Group") prepared in accordance with UK requirements. It has been drawn up and is presented in accordance with, and reliance upon, applicable English company law and the liabilities of the Directors in connection with the report shall be subject to the limitations and restrictions provided by such law. This Combined Performance and Sustainability Summary contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this document are reasonable but they may be affected by a wide range of variables that could cause actual future results to differ materially from those currently anticipated. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; the inability to develop, commercialise and deliver the Group's New Categories strategy; the impact of supply chain disruptions; adverse litigation and dispute outcomes and the effect of such outcomes on the Group's financial condition; the impact of significant increases or structural changes in tobacco, nicotine and New Categories related taxes; translational and transactional foreign exchange rate exposure; changes or differences in domestic or international economic or political conditions; the ability to maintain credit ratings and to fund the business under the current capital structure; the impact of serious injury, illness or death in the workplace; adverse decisions by domestic or international regulatory bodies; changes in the market position, businesses, financial condition, results of operations or prospects of the Group; direct and indirect adverse impacts associated with Climate Change and the move towards a Circular Economy; and Cyber Security incidents caused by the heightened cyber-threat landscape and increased digital interactions with consumers, and changes to regulation. Further details on the principal risks that may affect the Group can be found in the 'Group Principal Risks' section of the Strategic Report of the 2024 Annual Report and Accounts and Form 20-F. A summary of all the risk factors (including the principal risks) which are monitored by the Board through the Group's risk register is set out in the section under the heading 'Group Risk Factors' in the Additional Disclosures section of the 2024 Annual report and Accounts and Form 20-F. It is believed that the expectations reflected in this Combined Performance and Sustainability Summary are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements reflect knowledge and information available at the date of preparation of this Combined Performance and Sustainability Summary and the Group undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements. This Combined Performance and Sustainability Summary is provided for information only and is not intended to be a substitute for reading the 2024 Annual Report and Accounts and Form 20-F. In particular, this Combined Performance and Sustainability Summary does not comprise the Company's Strategic Report or any supplementary materials and it does not contain sufficient information to allow for as full an understanding of the results of the Group and the state of affairs of the Group, and the principal risks facing the Group, as would be provided by the 2024 Annual Report and Accounts and Form 20-F. Shareholders may view a copy of the 2024 Annual Report and Accounts and Form 20-F on www.bat.com or obtain a hard copy free of charge (contact details can be located on page 41 of this Combined Performance and Sustainability Summary). Specific local mailing and/or notification requirements will apply to shareholders on the South Africa branch register. If you have sold or transferred all your shares in British American Tobacco p.l.c., you should send this Combined Performance and Sustainability Summary to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. This Combined Performance and Sustainability Summary provides alternative performance measures (APMs) which are not defined or specified under the requirements of International Financial Reporting Standards (IFRS). We believe these APMs provide readers with important additional information on our business. A comprehensive list of the APMs that we use, an explanation of how they are calculated, why we use them and a reconciliation to the most directly comparable IFRS measure where relevant is set out under the heading 'Non-GAAP measures' in the Additional Disclosures section of the 2024 Annual Report and Accounts and Form 20-F. BAT has shares listed on the London Stock Exchange (BATS), the Johannesburg Stock Exchange (BTJ), and, as American Depositary Shares (ADSs), on the New York Stock Exchange (BTI). References in this Combined Performance and Sustainability Summary to 'British American Tobacco', 'BAT', 'Group', 'we', 'us' and 'our' when denoting opinion refer to British American Tobacco p.l.c. and when denoting business activity refer to British American Tobacco Group operating, collectively or individually as the case may be. The material in this Combined Performance and Sustainability Summary is provided for the purpose of giving information about the Company to investors only and is not intended for general consumers. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this material is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. The material in this Combined Performance and Sustainability Summary is not provided for product advertising, promotional or marketing purposes. This material does not constitute and should not be construed as constituting an offer to sell, or a solicitation of an offer to buy, any of our products. Our products are sold only in compliance with the laws of the particular jurisdictions in which they are sold. References in this Combined Performance and Sustainability Summary to information on websites, including the web address of BAT, have been included as inactive textual references only. The websites and the information contained therein or connected there to are not intended to be incorporated into or to form part of this Combined Performance and Sustainability Summary.

In this year's report

Our Global Business	2
Our Multi-Category Portfolio	4
Chair's Introduction	6
Chief Executive's Review	8
Our Year in Numbers	10
Introducing Omni™	11
Chief Financial Officer's Review	22
Our Strategic Navigator	12
Our Business Model	14
Engaging with our Stakeholders	18
Investment Case	20
Our Markets and Megatrends	24
Quality Growth Highlights	26
Dynamic Business Highlights	28
Sustainability Progress	38
Sustainable Future Highlights	32
Dividends	40



A refined purpose:

The best choice any adult smoker can make will always be quitting combustible tobacco products completely.

For the last few years, our aim has been to build A Better Tomorrow™. This has meant working to reduce the health impact of our business by offering adult consumers a greater choice of enjoyable and reduced-risk† products compared to cigarettes. Now is the time to take a step forward.

BAT's New Category products are not smoking cessation devices and are not marketed for that purpose.

**A Better Tomorrow™
means Building a
Smokeless World.
A smokeless world built
on Smokeless products
where, ultimately,
cigarettes have become
a thing of the past.**

**A world where smokers
have migrated from
cigarettes to smokeless
alternatives.**

**A world where Tobacco
Harm Reduction is both
understood and accepted.
A world where smokers
make a switch to better.**

Notes:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the US, including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

**A BETTER
TOMORROW™**



+ Learn more about how we're
Building a Smokeless World at
bat.com/reporting

Our Global Business

Our regional profile maximises opportunities for quality growth in our sector. Each of our markets is accountable for its own performance and driving growth.

Our business is divided into three complementary regions, with a balanced presence in both high-growth emerging markets and highly profitable developed markets.

Our in-depth marketplace analysis delivers insights on consumer trends and segmentation, which facilitates our geographic brand prioritisation across our regions and markets.

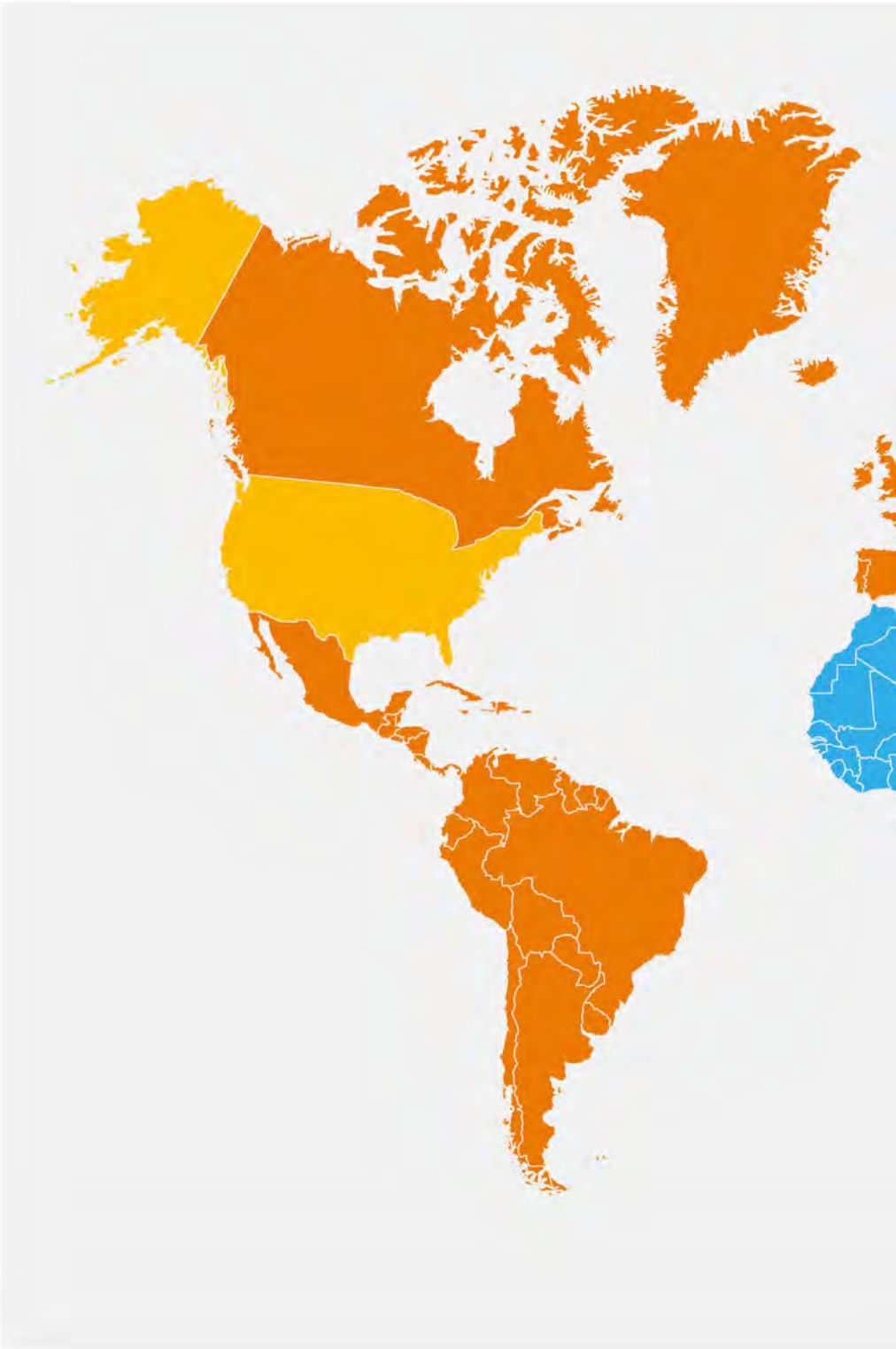
Consumer preferences and technology are evolving rapidly, and we are staying ahead of the curve with our digital hubs and innovation centres. We are also leveraging the expertise of our external partners and are looking forward to exciting results from our venturing initiative, Btomorrow Ventures.

Revenue by Region



Note:
Map is accurate as at 31 December 2024 and is representative of general geographic regions and does not suggest that the Group operates in each country of every region.

Three Complementary Regions

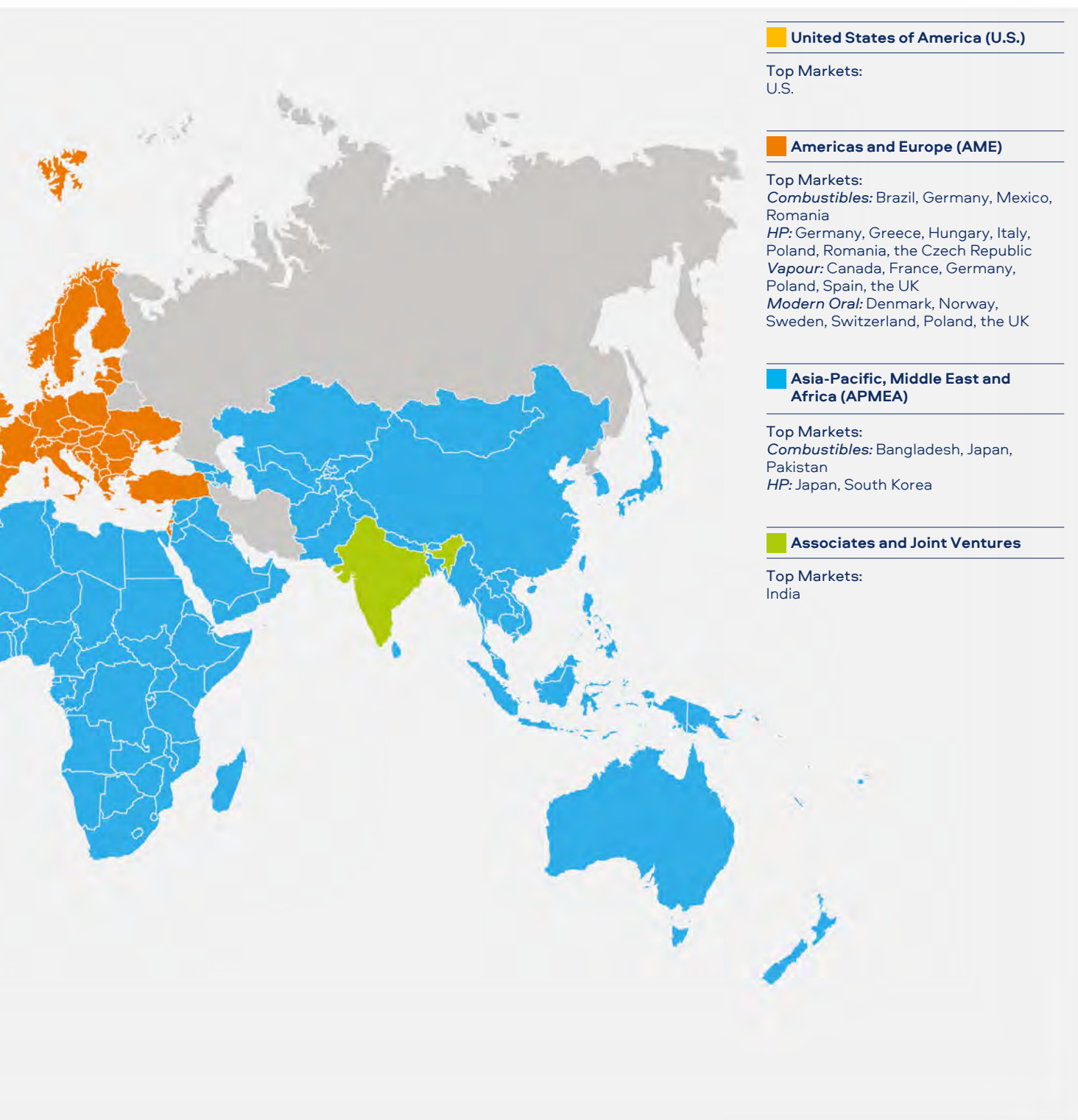


5
major product
categories

140
employee
nationalities

3
regions

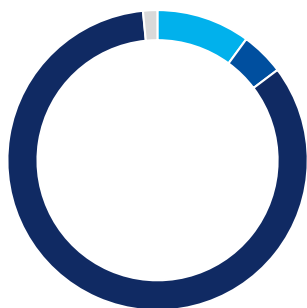
48,000+
employees



Our Multi-Category Portfolio

BAT is a consumer-focused business operating internationally. Our multi-category approach means we are well placed to provide adult consumers with products designed for every mood and moment. Our portfolio reflects our commitment to meeting the evolving and varied preferences of today's adult consumers.

Revenue by Product Category



£25,867m

Total revenue

New Categories	£3,432m	13.3%
Traditional Oral	£1,092m	4.2%
Combustibles	£20,685m	80.0%
Other	£658m	2.5%

Strategic Portfolio

These are our key brands in both the combustible and Smokeless^{††} categories. This ensures focus and investment on the brands and categories that will underpin the Group's future performance.

The strategic portfolio is:

Smokeless

All brands within New Categories (Vapour, Heated Products and Modern Oral) and the strategic Traditional Oral brands in moist and snus.

Combustibles

Dunhill, Kent, Lucky Strike, Pall Mall, Rothmans, Newport (U.S.), Natural American Spirit (U.S.), Camel (U.S.).

Notes:

BAT's New Category products are not smoking cessation devices and are not marketed for that purpose.

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the US, including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Vapour

Vapour products contain an e-liquid, nicotine and flavours, and a battery-powered heating element. When activated, via puff or button, the heating element heats the liquid and forms an aerosol, commonly known as vapour.

Global Drive Brands



63
markets

where our **Vapour products** are currently available

Heated Products

Heated Products (HPs) have two main functional parts: a battery-powered device and a consumable - which contains a plant-based (tobacco leaf or non-tobacco leaf) substance that is heated. Once the consumable has reached the necessary temperature, it forms an aerosol releasing nicotine and flavours.

Global Drive Brands

33
markets

where our **Heated Products** are currently available



Modern Oral

Modern Oral products are pouches which contain high-purity nicotine, water, and other high-quality ingredients. Consumers place the disposable pouch within the mouth, between the lip and gum. Nicotine and flavours are then released and absorbed through the inner lining of the mouth.

Global Drive Brands

44
markets

where our **Modern Oral** products are currently available



Traditional Oral

Traditional Oral products include snus and snuff. Snus is a moist form of oral tobacco originating from Sweden. It is available in loose form or as pouches.

With Traditional Oral products, consumers take a single portion or pouch and place it within the mouth, between the lip and gum. The nicotine and flavours are then absorbed through the inner lining of the cheek.

Global Drive Brands

3
markets

where our **Traditional Oral** products are currently available



Combustibles

The Group sold 505 billion cigarette sticks and 13 billion other tobacco products (stick equivalents) in 2024. With 37 fully integrated cigarette manufacturing facilities in 35 markets, the Group operates internationally.

Global Drive Brands



U.S.-specific



Chair's Introduction

Transformation in Action

Our corporate purpose is being lived by thousands of colleagues globally. At the same time, our refined strategy is enabling us to navigate transformation with focus, enhanced execution and resilience.

Luc Jobin
Chair



In 2024, we saw yet another year of significant challenges across the globe, with continued economic and political volatility.

The impact of these issues was further exacerbated by high interest rates and inflation, alongside persistent cost-of-living pressures. As a result, major economies have witnessed changes in consumer confidence and buying behaviours.

Across our industry we have seen a rapid evolution of markets, like the U.S., for example, where cigarette volumes have declined at pace as adult consumers seek out both value-for-money combustible products and smokeless alternatives.

However, I believe that when changes and challenges arise, so do opportunities to grow, overcome and even thrive.

Transforming with Purpose

As a Board we have a responsibility to ensure that the Group delivers for stakeholders. In 2020, we began the journey of our A Better Tomorrow™ purpose. Four years on and our corporate purpose is being lived by thousands of colleagues globally. At the same time, our refined strategy is enabling us to navigate transformation with focus, enhanced execution and resilience.

2024 was a year for BAT to build, invest, innovate and refine for a sustainable future, and it is crucial that shareholders have a clear view of the path ahead.

We have invested in bolstering our U.S. business, and in new product development and launches across our categories, while thoughtfully extracting value from our combustibles franchise. All of this has been done through the lens of having a better understanding of adult consumers and our evolving industry.

It has never been more important to maintain both momentum and strategic focus, and I'm confident we will continue to do just that.

Driving Sustainable Change

Our Combined Annual and Sustainability Report gives a full view of BAT's business strategy and performance. It also outlines our progress towards our purpose of A Better Tomorrow™ and reaffirms our commitment to Building a Smokeless World.

This is the third year that we have embedded our sustainability data into our Annual Report. It is also the first year that we have refined some of our focus areas from a sustainability perspective, demonstrating our ongoing efforts to create a meaningful impact. You can read more about our refined sustainability strategy on page 36.


Ultimately our goals have not changed. If anything, we are more acutely focused on how we reach them. Meaning how we migrate adult cigarette consumers actively, sustainably and responsibly to reduced-risk[†] Smokeless alternatives, and importantly, how we measure success. In doing so, BAT will be well positioned to deliver for investors, consumers and wider stakeholders, while employees can benefit from a purpose-driven business that they can feel excited about.

Our Values and Culture

A happy and engaged workforce moving in tandem typically leads to better performance, productivity and a sense of pride. It is here that our six corporate Values and cultural transformation play an important role, as they contribute to BAT's success and strategic delivery. The key is to bring everyone along on the journey, so expectations and behaviours are clear, along with what needs to be achieved.

To be an exciting and winning company means being a place where our people are passionate about what they do and the difference they make. It is also about understanding and being invested in BAT's success.



Our six corporate Values and cultural transformation play an important role, as they contribute to BAT's success and strategic delivery. 

Market Dynamics

With over one billion adult smokers in the world, there are many jurisdictions which, with the right regulatory approach, could see smoking rates decline faster through greater acceptance of Smokeless products.

We know that Tobacco Harm Reduction – encouraging smokers who would otherwise continue to smoke to switch completely to less risky alternatives[†] – is the fastest route to achieving a Smokeless World. This is why we're actively working with various stakeholders to make this a reality. The growth of adult smokers seeking Smokeless alternatives is a long-term, sectoral trend.

In many countries, the challenges presented by illicit trade continue to persist across the industry. This is a problem for both combustibles and New Category products, intensified by increasing costs in regions across the world. We believe more appropriate regulation and enforcement is needed to tackle these issues, and we welcome signs of increasing action.

Building a Smokeless World

Our aim to reduce the health impact of our business remains prominent, and one of the ways in which we are demonstrating our resolve on these issues is through our science.

We took a step forward in October by publishing a series of new industry-leading ambitions for our Vapour devices, supported by evidence-based solutions. 'BAT's Commitment to Responsible Vaping Products' is a comprehensive resource which sets out how we intend to tackle some of the most pressing societal concerns.

We believe that growth within the Smokeless category will be driven by sustained investment in our brands and targeted innovation to respond to the evolving tastes of adult consumers. With our multi-category portfolio, BAT is well placed to capitalise on this adult consumer shift to Smokeless products while continuing to manage the combustible cigarette business responsibly. Together with active portfolio management, we recognise that investing in our brands is fundamental to sustaining BAT's performance for the future.

Dividends and Share Buy-backs

Reflecting the confidence in our business and its future prospects, the Board has declared a dividend of 240.24p per ordinary share, payable in four equal instalments of 60.06p per ordinary share, to shareholders registered on the UK main register or the South Africa branch register and to American Depositary Shares (ADS) holders, each on the applicable record dates.

The dividends receivable by ADS holders in US dollars will be calculated based on the exchange rate on the applicable payment dates.

Further information on dividends can be found on pages 54 and 449 of the Annual Report and Form 20-F 2024.

As part of our active capital allocation, in March we launched a programme to buy back BAT ordinary shares worth £1.6 billion using proceeds from a partial share disposal of the Group's shareholding in ITC Limited (ITC). The first tranche of the programme saw the buy-back of BAT ordinary shares for a total amount of £700 million in 2024, with the remaining £900 million due to complete in 2025.

We continue to carefully review our capital allocation to provide value for shareholders and support the growth of BAT.

Board Changes

I was very pleased to welcome Soraya Benchikh to our Board this year.

Soraya joins the Board as Chief Financial Officer and Director, and she possesses extensive financial and leadership experience.

I would like to congratulate Soraya on her appointment, and I look forward to her contribution. With the breadth of experience and skills that we have on the Board, I am confident that our focus on accelerating our strategy will yield results.

Additionally, Uta Kemmerich-Keil will join the Board with effect from 17 February 2025. With her general management background in regulated industries and her experience in consumer, digital and strategic transformation, she makes a strong addition to our Board. Murray Kessler will step down from the Board with effect from 17 February 2025 and I would like to thank him for his contributions and wish him well in his new endeavours.

Summary and Outlook

It is encouraging that the outlook for the year ahead – according to some economists – is one of cautious optimism.

While it's fair to say that there are still some clouds on the horizon from a geopolitical and economic standpoint, our business has demonstrated time and time again that it is resilient. The diverse nature of our organisation, products, people and geographies are our strengths.

Building a sustainable future isn't always linear, and that was the priority for BAT in 2024. Looking ahead to the next few years, our efforts will be focused on delivery and innovation across the markets we serve globally.

Through continued investment in our brands and prioritising adult consumers and their preferences, the Board believes we are well placed to maximise opportunities in tobacco and nicotine as consumer preferences evolve. These markets remain attractive, and we are confident we have the right strategy in place, an exciting and winning culture, and the right people to deliver. Progress in these dimensions has bolstered our ability to execute consistently and sustainably. Tadeu discusses this in more detail on page 9.

BAT's Board and leadership team remain focused and confident in the Group's ability to deliver long-term, sustainable growth and value, while delivering A Better Tomorrow™.

Notes:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Chief Executive's Overview

We set a compelling ambition to be a predominantly Smokeless business by 2035, driven by our refined strategy, and this is already paying dividends.

Tadeu Marroco
Chief Executive



When I was appointed Chief Executive in May 2023, I set out to do two things: bring focus and discipline to the execution of our strategy, and deliver profitable transformation.

Despite a challenging external environment, I believe 2024 was a pivotal year in BAT's transformation with a real focus on investment for future growth.

We set a compelling ambition to be a predominantly Smokeless business by 2035, driven by our refined strategy, and this is already paying dividends.

Our global footprint and multi-category product portfolio have enabled us to continue to deliver resilient performance and value for shareholders – even during uncertain times. This, combined with our inclusive and delivery-focused culture, means we can achieve results today while pursuing future opportunities, reinforcing our commitment to enhance shareholder returns.

The foundations we have in place are strong. Looking ahead, strategic delivery and deployment are where we will focus our efforts to create A Better Tomorrow™.

Full-Year 2024 Performance

Despite a challenging environment, the resilience of BAT was reflected in our 2024 performance. Our focus on investment throughout the year is evident, with delivery in line with our guidance. Total Group revenue declined by 5.2%, largely due to the negative impact of the sale of our businesses in Russia and Belarus, partway through 2023 (and which, in turn, had an impact on 2024) and a translational currency headwind.

We continued to perform well in both AME and APMEA, growing total revenue (excluding Russia and Belarus and foreign exchange). I am pleased with the acceleration of our performance in the second half of the year, driven by the phasing of New Categories innovation and the benefits of investment in U.S. commercial actions, together with the unwind of related wholesaler inventory movements.

In the U.S., I am encouraged that our investment approach is strengthening our business, despite a challenging macro-economic backdrop and the continued prevalence of illicit single-use nicotine products. Through our commercial actions, we are confident we can further improve our performance through sharper execution and by opening up untapped growth opportunities, particularly related to Modern Oral.

Our New Categories delivered another strong performance, after achieving profitability (at a category contribution level) two years ahead of plan last year. In 2024, New Category contribution was £249 million, with category contribution reaching 7.1 ppts. Revenue from our Smokeless products accounted for 17.5% of Group revenue.

2024 also saw further progress towards an agreement regarding the ongoing litigation in Canada. I am pleased that there appears to be a pathway to an agreement of all parties which we believe will enable the Group to continue to transform in this important market.

While the headwinds in our operating environment remain, I am assured by the strength demonstrated by the business. However, the prospect of ongoing volatility gives us even more impetus for sharper strategic focus and delivery.

A Refined Strategy

I believe we have the right strategy to drive us forward to greater success. 2024 was an investment year, paving the way towards our ambition. The direction of travel is clear, and execution and cultural transformation are where we are focusing.

One of my highlights of 2024 was leading our Capital Markets Day in Southampton, where my Management Board showcased the progress made against priority areas for the business. From achieving profitability of our New Categories business two years ahead of schedule to improving our financial flexibility and strong cash generation, it is evident that our strategy is working.



The future is bright for BAT. I am excited about the difference we can make, and the potential we have to Build a Smokeless World and drive A Better Tomorrow™.



Another highlight for me this year was the launch of Omni™, a dedicated resource created by BAT specifically for scientists, public health authorities, regulators, policy makers and investors. It articulates our progress towards A Smokeless World, and demonstrates how science, innovation and over a decade's worth of evidence can combine to achieve it.

None of this would be possible without the 48,000+ talented people who work at BAT, who are guided by BAT's core values every day.

The truly inclusive culture we are building will ensure we have the talent to deliver both now and in the future. Further details on our new people strategy and culture transformation can be found on pages 28–29.

Our refined strategy is now embedded across the business, and it is fundamentally built upon three pillars: Quality Growth, Sustainable Future and Dynamic Business. Together they form a roadmap which we believe will enable BAT to continue to grow and transform sustainably, responsibly and successfully.

Quality Growth

As the driving force behind our transformation, our Quality Growth pillar is about how we innovate, transition into the future, and deliver great products in a sustainable way for consumers.

With a more balanced focus on top-line and bottom-line delivery, we are already seeing results in AME and APMEA. Meanwhile, our investments in the U.S. have put us on a stable footing which will enable us to replicate that success. Despite recent challenges, the U.S. remains the most profitable tobacco and nicotine market in the world and I believe it will be the cornerstone of our future growth.

We will maximise our growth potential by focusing on brands, efficiency and margin delivery across our business. At the same time, we will continue to build and maintain our competitive edge, while progressing our Beyond Nicotine portfolio and investments with an eye to medium- and long-term growth.

Effective regulation, both in the U.S. and the rest of the world, will be pivotal to ensure a level playing field and to allow consumers to switch to Smokeless alternatives if they choose. Our long track record of managing regulatory change gives us confidence that we will be able to navigate these issues.

Our new Chief Financial Officer, Soraya Benchikh, and I will be working closely together to build on our financial foundation. We will also continue our disciplined approach, with a focus on capital allocation and debt management. With a leverage ratio of 2.44x, inside our narrowed leverage target range of 2.0–2.5x adjusted net debt to adjusted EBITDA, we have increasing flexibility to deliver sustainable value, while remaining agile to respond to macro-economic and regulatory developments.

As part of our active capital allocation, in March we announced a £1.6 billion share buy-back programme, consisting of £700 million in 2024 and £900 million in 2025. This, in addition to maintaining a growing dividend, reflects our commitment to enhancing shareholder returns.

Ensuring that BAT is a diverse, inclusive and people-oriented place to work is another core part of the Dynamic Business pillar. I am truly proud of the culture we have built and the thousands of people across the globe who are bringing BAT's ambitions to life.

Looking Ahead with Confidence

What is clear to me is that our refined strategy is right and the foundations we're building upon are firm.

We are transparent about our intention to move our business beyond cigarettes by migrating adult smokers from cigarettes to Smokeless products.

What we won't do is shy away from the challenges that may come as a result. An example of this in 2024 was the launch of our new industry-leading ambitions for our Vapour devices and liquids, supported by evidence-based solutions, to tackle some of the most pressing societal concerns. We are actively engaging with stakeholders, and investing heavily in our science, innovation and resource to enable us to execute with precision and achieve high quality, long-term growth – with sustainability and integrity throughout.

Our transformation journey is well underway, and we are an organisation ready to deliver, with operational excellence and improving capital allocation flexibility for the benefit of all stakeholders.

The future is bright for BAT. I am excited about the difference we can make, and the potential we have to Build a Smokeless World and drive A Better Tomorrow™.

Sustainable Future

The Sustainable Future pillar is crucial to achieving our goal of creating A Better Tomorrow™ by Building a Smokeless World.

It emphasises our investment in the quality of our Smokeless products – driven by science, and our commitment to further external engagement and advocacy, including with regulators, to make our purpose a reality.

Sustainability and integrity remain a priority in everything we do as we work to provide more adult consumers around the world with access to Smokeless products responsibly.

Dynamic Business

Building further on BAT's success, the Dynamic Business pillar reflects our commitment to ensuring the business operates efficiently and effectively across all areas.

This will be achieved by creating financial flexibility to invest in our people, our products and to maximise shareholder returns.

Notes:

- Please refer to page 395 of the Annual Report and Form 20-F 2024 for the Non-GAAP measures definitions.
- * Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.
- † Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Our Year in Numbers

Our Performance Metrics	2024	%	2023	%	2022	IFRS GAAP	Non GAAP		
							Transformation Incentive - 2024	Incentive - 2025	Other Non-GAAP
Consumer									
Number of Smokeless Product Consumers ¹	29.1m		25.5m		22.3m				
Cigarette and HP volume share growth (bps)	10 bps		-10 bps		-10 bps		●		
Cigarette and HP value share growth (bps)	-30 bps		-50 bps		flat				
Volume									
Vapour (mn units)	616	-6%	654	+7%	612				
HP (bn sticks)	21	-12%	24	-1%	24				
Modern Oral (bn pouches)	8.3	+55%	5.4	+34%	4.0				
Cigarettes (bn sticks)	505	-9%	555	-8%	605				
Financial									
Revenue (£m)	25,867	-5.2%	27,283	-1.3%	27,655	●			
Organic Revenue at cc (%) ^{2,3,5}		+1.3%		+3.1%			●	●	●
Revenue from New Categories (£m)	3,432	+2.5%	3,347	+15.6%	2,894	●			
Organic Revenue from New Categories at cc (%) ^{2,5}		+8.9%		+21.0%				●	●
Smokeless revenue as % of total revenue (%)		17.5%		16.5%			●		●
Profit/(loss) from Operations (£m)	2,736	n/m	-15,751	-250%	10,523	●			
Adjusted Organic Profit from Operations at cc (%) ^{2,3,5}		+1.4%		+3.9%				●	●
Adjusted Organic Gross Profit growth at cc (%) ²		+0.5%		n/a			●		
New Category Adjusted Organic Gross margin at cc (%) ^{1,2,5}		55.7%		53.7%					●
New Category Contribution at cc (£m) ^{2,5}	249	n/m	17	n/m	-366			●	
New Category Contribution margin at cc (%) ^{2,5}		7.1%		0.9%			●		●
Operating Margin (%)	10.6%		-57.7%		38.1%	●			
Adjusted Operating Margin (%) ³	46.0%		45.7%		44.9%				●
Diluted Earnings/(Loss) per Share (p) ⁴	136.0	n/m	-646.6	-322%	291.9	●			
Adjusted Diluted Earnings per Share (p) ^{3,4}	362.5	-3.5%	375.6	+1.1%	371.4			●	
Adjusted Organic Diluted Earnings per Share at cc (%) ^{2,3,4,5}		+3.6%		+5.2%				●	●
Dividends per Share (p)	240.24	+2.0%	235.52	+2.0%	230.88				
Dividend Payout Ratio (%)	66.3%		62.7%		62.2%				
Net Cash Generated from Operating Activities (£m)	10,125	-5.5%	10,714	+3.1%	10,394	●			
Adjusted Cash Generated from Operations (£m)	7,554	-3.4%	7,824	-0.8%	7,889			●	●
Free Cash Flow before Dividends (£m)	7,901	-5.5%	8,360	+3.9%	8,049		●		
Cash Conversion (%)	370%		-68%		99%	●			
Operating Cash Conversion (%)	101%		100%		100%			●	●
Borrowings, including Lease Liabilities (£m)	36,950	-7.0%	39,730	-7.9%	43,139	●			
Adjusted Net Debt to Adjusted EBITDA (ratio) ³	2.4x		2.6x		2.9x		●		
Adjusted Return on Capital Employed (%) ³	12%		11%		10%		●		●
Total Shareholder Return (rank)	5 of 15		13 of 24		4 of 24			●	●

+ Find our **key sustainability ambitions, targets and metrics** on [page 38](#) and [39](#)

Please refer to the Non-GAAP section from page 398 of the Annual Report and Form 20-F 2024 for the Non-GAAP measures definitions. See the section 'Non-Financial Measures' on page 394 for more information on these non-financial KPIs.

Notes:

‡ Denotes phrase, paragraph or similar that does not form part of BAT's Annual Report on Form 20-F as filed with the SEC.

- Excludes Russia and Belarus.
- Where measures are presented 'at constant rates' or 'at cc', the measures are calculated based on a re-translation, at the prior year's exchange rates, of the current year results of the Group and, where applicable, its segments. See page 58 of the Annual Report and Form 20-F 2024 for the major foreign exchange rates used for Group reporting.
- Where measures are presented as 'adjusted', they are presented before the impact of adjusting items. Adjusting items represent certain items of income and expense which the Group considers distinctive based on their size, nature or incidence.
- In 2023, the Group reported a loss for the year. Following the requirements of IAS 33, the impact of share options would be antidilutive and is therefore excluded, for 2023, from the calculation of diluted earnings per share, calculated in accordance with IFRS. For remuneration purposes, and reflective of the Group's positive earnings on an adjusted basis, Management included the dilutive effect of share options in calculating adjusted diluted earnings per share.
- This measure is presented as it forms part of the Group's incentive schemes and is presented excluding the distortive effect of the sale (in 2023) of the Group's businesses in Russia and Belarus.

Introducing Omni™

Forward Thinking for a Smokeless World

**Review the evidence.
Join the conversation.**

Omni™ is an evidence-based manifesto for change, which captures BAT's commitment and progress towards Building a Smokeless World to create A Better Tomorrow™.

It makes a compelling case, offering insights into our scientific and real-world evidence of Tobacco Harm Reduction (THR) in action, supported by hundreds of independent scientific studies, our own research into innovations, and real-world examples.



Our ambition is for Omni™ to be a platform for a necessary societal conversation founded in evidence, a manifesto for change and a mandate for action.



Kingsley Wheaton
Chief Corporate Officer

Tobacco Harm Reduction presents a significant public health opportunity.

It is our hope that Omni™ will spur a dialogue with stakeholders – scientists, public health authorities, regulators, policy makers, and investors – and across the wider scientific and regulatory ecosystem related to tobacco and nicotine products.



www.asmokelessworld.com



Our Strategic Navigator

A BETTER TOMORROW™ Building a Smokeless World

Purpose/Vision/Mission

Pillars & Building Blocks

We are BAT:
Our Values

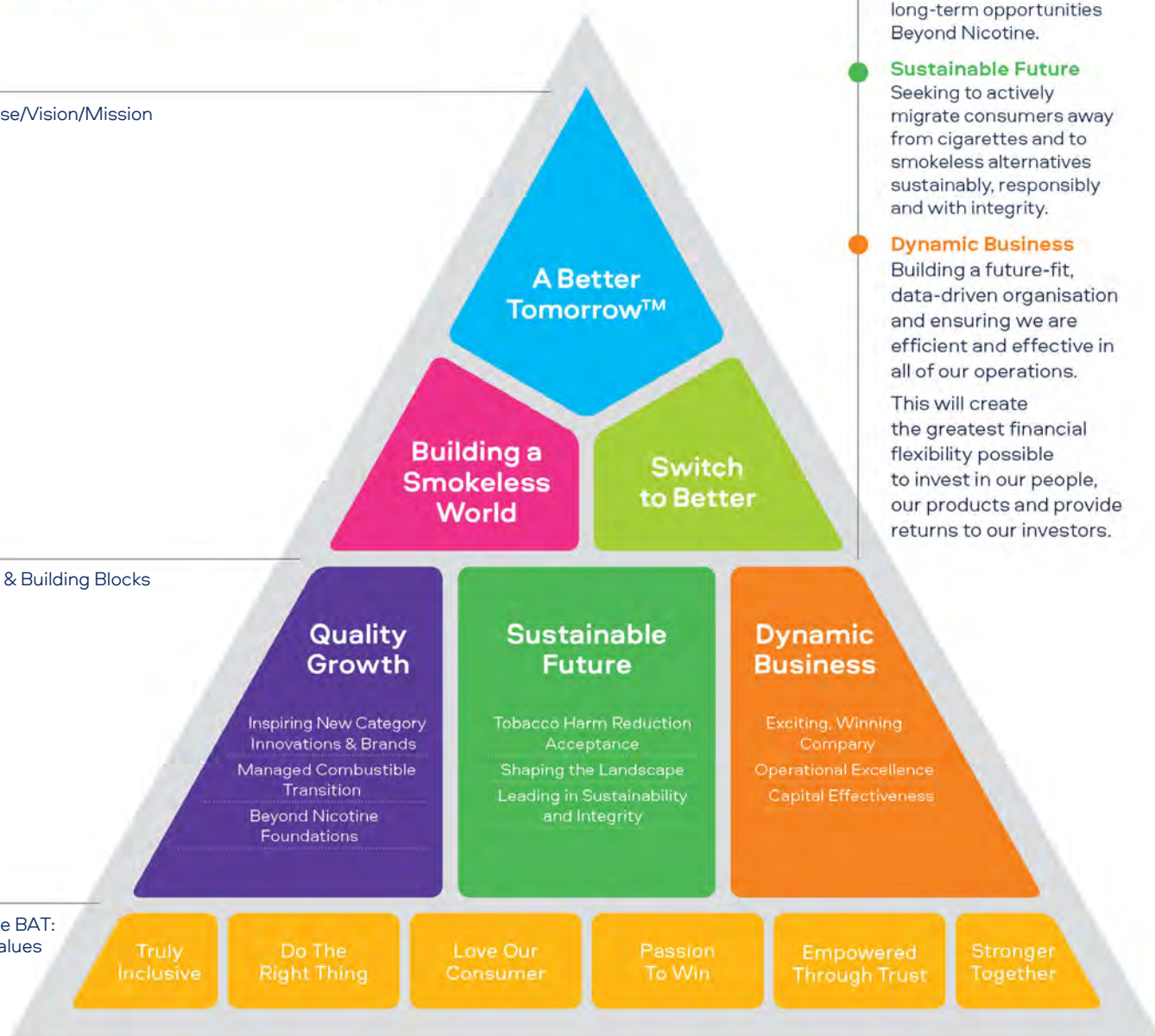
Delivering for

Consumers

Society

Employees

Shareholders & Investors



Quality Growth

In the tobacco and nicotine industry, steady combustibles revenues and growth of New Categories have driven continued revenue growth.

Meanwhile, only around 10% of the world's one billion smokers have Switched to Better^{*}, replacing combustibles with Smokeless products.

The opportunities for future growth, as we look to accelerate this transformation, are vast.

Our human and financial resource allocation decisions will be guided by the geographies and products we focus on, aided by our market archetype.

We will enhance our innovation ecosystem to achieve our aim of developing an incredible pipeline of new, scientifically substantiated products.

Our combustibles business remains essential to funding our transformation and continuing to reward our shareholders.

To enhance BAT's growth beyond 2025, in Beyond Nicotine we will pave the way to a new portfolio of non-nicotine-based products. Within this space, there are two categories that BAT is exploring: Wellbeing and Stimulation – functional consumable products that help people manage their mood and wellbeing; and cannabis.

Our commitments under Quality Growth:

Progressing toward quality, margin-accretive growth in Smokeless products

FMC volume decline but expecting continuing value delivery

Sensibly investing for the future Beyond Nicotine

+ For more details on the **Quality Growth pillar** of our refined strategy see [page 26](#)

Note:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

Sustainable Future

In recent years real strides have been made with Tobacco Harm Reduction (THR). As a result, there are now three significant global Smokeless tobacco and nicotine product categories: Vapour products, Heated Products and Modern Oral nicotine products.

Reducing the health impact of our business via THR is our ambition, which we believe is achievable by migrating more smokers to Smokeless products and advocating for the right regulatory environments for these products to flourish. We must do this responsibly and with integrity.

We recognise and support the objective of governments to reduce smoking rates and its associated health impact.

Combustible tobacco products pose serious health risks. The only way to avoid these risks is not to start or to quit smoking.

For those adults who would otherwise continue to smoke or start smoking, we believe they should be able to make better choices by opting for Smokeless alternatives instead of cigarettes.

Our efforts will be led primarily by science, supported by ongoing active external engagement with regulators and key stakeholders, while embedding sustainability across the Group.

As we transition from cigarettes to Smokeless products, our transformation must be comprehensive – addressing not only our products' public health impact but also our other material sustainability topics.

Our commitments under Sustainable Future:

Building a Smokeless World

Investing in the products, science and engagement to make A Better Tomorrow™ a reality

Conducting our business sustainably and with integrity

+ For more details on the **Sustainable Future pillar** of our refined strategy see [page 32](#)

Dynamic Business

We are confident that we can create the financial flexibility to invest in our people, enhance our products and deliver returns to shareholders.

Our commitment to building an organisation where people and performance come together to create excellence remains.

This is why creating an exciting, winning company is one of the building blocks of the Dynamic Business pillar.

Additionally, delivering value for shareholders through sustainable returns remains essential to achieving our strategic ambition. For more than 25 years we have consistently grown the dividend per ordinary share in absolute terms.

We have returned over £27.5 billion to shareholders over the last five years, through our progressive dividend policy and sustainable share buy-back, starting with £700 million in 2024 with a further £900 million committed for 2025. We have also continued to reduce leverage and closed the year within our narrowed target range, with an adjusted net debt to adjusted EBITDA ratio of 2.44x.

Reducing gross debt is another core component of the Dynamic Business pillar. The Group continues to target a solid investment-grade credit rating target of Baa1, BBB+ and BBB+ by Moody's/S&P/Fitch.

Given current challenges in the external environment, the Group aims to de-lever its gross debt levels (£37.0 billion in 2024) and moderate the annual net financing cost levels to better support the overall strategy of the Group. While net financing costs were £1.1 billion in 2024, this included a net gain in respect of a debt liability management exercise (described on page 55 of the Annual Report and Form 20-F 2024) of £590 million. On an adjusted basis, our net finance costs were £1.6 billion in 2024.

Our commitments under Dynamic Business:

Creating a diverse, inclusive and people-oriented place to work

Being data-driven and delivering operational excellence/cost management

Focused on investors' returns

+ For more details on the **Dynamic Business pillar** of our refined strategy see [page 28](#)

Our Business Model

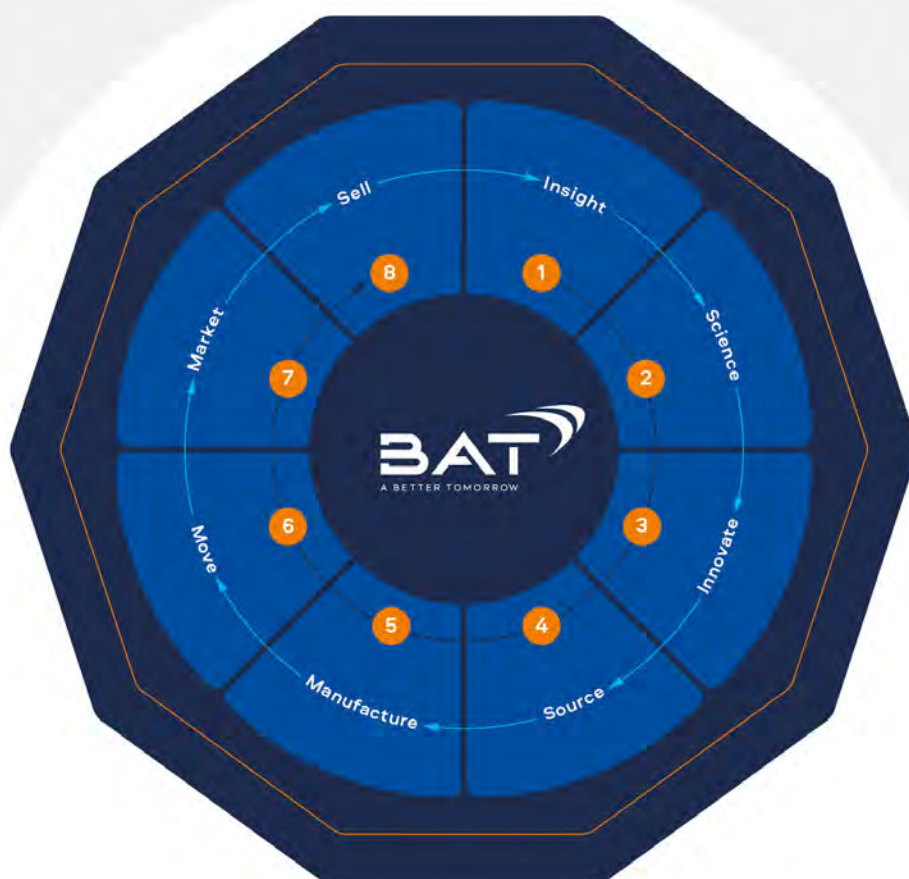
As a global thought-leading business, it's crucial for us to understand our adult consumers' preferences, so we can develop products they love and distribute them around the world. Listening to feedback from stakeholders also enables us to refine our strategy, deliver sustainable value and build A Better Tomorrow™.

Our eight-step business model

Our business model begins and ends with the consumer. The insights we gather from adult consumers, backed by robust science, unlock value by ensuring we offer the right product choices to meet their preferences. Our product portfolio is constantly being enhanced through innovations designed to better serve adult consumers and build A Better Tomorrow™.

[+ Read more about our stakeholders on page 18](#)

Following the responsible sourcing of raw materials and components, we utilise our global footprint to manufacture at speed and scale. We use our global distribution capabilities to ensure our products are where they need to be, when they are needed, based on our market archetype model. Through our responsible marketing practices and powerful portfolio, we market and sell our products which, in turn, generate further insights.



A Better Tomorrow™ for:



<p>1</p> <p>Seeing over the horizon</p> <p>We possess a deep understanding of consumers and their diverse preferences. This is aided by our rich heritage as one of the most established tobacco and nicotine businesses in the world, and our data and analytics-led approach.</p> <p>These insights enable the development and responsible marketing of our products, so that they are fit to satisfy consumer preferences.</p> <p>Powered by our consumer insights platform, we focus on product categories and consumer segments across our global business that have the greatest potential for sustainable growth.</p> <p>Link to Principal Risks</p> <p><i>Tobacco, New Categories and other regulation interrupts growth strategy; Inability to develop, commercialise and deliver the New Categories strategy; Climate change; Circular economy; Cyber security</i></p>	<p>2</p> <p>Accelerating Tobacco Harm Reduction acceptance</p> <p>To substantiate the product safety, quality and reduced-risk potential of our New Category products we rely on world-class science. It is crucial for building trust with consumers and regulators, and encouraging adult smokers to completely switch to less risky alternatives^{*†}.</p> <p>Chemistry, molecular biology, and toxicology are just some of the fields that our extensive scientific research programme covers. We are transparent about our science and have recently published a compendium of information in the Omni™, which explores over a decade's worth of Tobacco Harm Reduction evidence, alongside science and research.</p> <p>Link to Principal Risks</p> <p><i>Competition from illicit trade; Tobacco, New Categories and other regulation interrupts growth strategy; Significant increases or structural changes in tobacco, nicotine and New Categories related taxes; Inability to develop, commercialise and deliver the New Categories strategy</i></p>	<p>3</p> <p>Staying ahead of the curve</p> <p>With consumer preferences and technology evolving at pace, we rely on our growing global network of digital hubs, innovation hubs, world-class R&D laboratories, external partnerships and our corporate venturing initiative, Btomorrow Ventures.</p> <p>Innovation is central to us driving sustainable growth, and we invest significantly in research and development to create incredible products that satisfy consumer tastes. Led by data and consumer insights, each innovation takes us a step further towards building A Better Tomorrow™ by reducing the health impact of our business.</p> <p>Link to Principal Risks</p> <p><i>Inability to develop, commercialise and deliver the New Categories strategy; Climate change; Circular economy; Cyber security</i></p>	<p>4</p> <p>Sourcing materials responsibly</p> <p>Most of our tobacco is sourced by our Group-owned vertically integrated Leaf Operations through direct contracts with c.91,000 farmers. The remaining tobacco is sourced from third-party suppliers that, in turn, contract with an estimated 157,000 farmers. The vast majority of tobacco farms in our supply chain are smallholder family farms. Beyond tobacco, we source product materials like paper and filters for cigarettes and, for our New Category products, we have a growing supply chain in consumer electronics and e-liquids. We also have a vast network of suppliers of indirect goods and services that are unrelated to our products, such as for IT services and facilities management.</p> <p>Link to Principal Risks</p> <p><i>Geopolitical tensions; Supply chain disruption; Inability to develop, commercialise and deliver the New Categories strategy; Injury, illness or death in the workplace; Solvency and liquidity; Foreign exchange rate exposures; Climate change; Circular economy; Cyber security</i></p>
<p>5</p> <p>Utilising our global manufacturing footprint</p> <p>Our high-quality products are manufactured in our facilities across the globe. These products and the tobacco leaf we source are then optimised for distribution and sale.</p> <p>Our New Category products are manufactured in a mix of our own and third-party factories. We work to keep our costs globally competitive and endeavour to use our resources as effectively as possible.</p> <p>Link to Principal Risks</p> <p><i>Geopolitical tensions; Supply chain disruption; Disputed taxes, interest and penalties; Injury, illness or death in the workplace; Solvency and liquidity; Foreign exchange rate exposures; Climate change; Circular economy</i></p>	<p>6</p> <p>Moving our products seamlessly everywhere</p> <p>Using modern technologies, including AI and machine learning, helps us to get our products to the right place at the right time.</p> <p>Our products are sold around the world and distributed efficiently using distribution models tailored to suit local circumstances and conditions. These distribution models include retailers, supplied through our direct distribution capability or exclusive distributors, and our Direct-to-Consumer business – which has been accelerated through the deployment of owned e-commerce sites.</p> <p>Link to Principal Risks</p> <p><i>Geopolitical tensions; Tobacco, New Categories and other regulation interrupts growth strategy; Supply chain disruption; Inability to develop, commercialise and deliver the New Categories strategy; Foreign exchange rate exposures; Climate change; Cyber security</i></p>	<p>7</p> <p>Marketing our products responsibly</p> <p>Using a globally responsible approach to marketing, we seek to help raise standards and prevent under-age access, while growing our market share by encouraging adult consumers to choose our products.</p> <p>Our marketing across all our tobacco, nicotine and nicotine-free products and brands is governed by our Responsible Marketing Principles (RMP) and Responsible Marketing Code. They include strict requirements to be accurate, responsible, and targeted at adult consumers only. Our RMP are applied even when they are stricter than local laws.</p> <p>Link to Principal Risks</p> <p><i>Competition from illicit trade; Tobacco, New Categories and other regulation interrupts growth strategy; Inability to develop, commercialise and deliver the New Categories strategy; Litigation; Foreign exchange rate exposures</i></p>	<p>8</p> <p>Offering the consumer choice</p> <p>We are proud of our powerful portfolio of brands. This includes our combustibles portfolio and our Smokeless product brands which we believe will accelerate us towards our strategic aim. Our product pipeline is strong, aided by our quality insights, science and innovation, and being well-positioned globally. We offer adult consumers all over the world a range of high-quality products – from value-for-money to premium, including combustible products, Vapour, Modern Oral and Heated Products.</p> <p>Link to Principal Risks</p> <p><i>Competition from illicit trade; Geopolitical tensions; Tobacco, New Categories and other regulation interrupts growth strategy; Supply Chain disruption; Litigation; Significant increases or structural changes in tobacco, nicotine and New Categories related taxes; Inability to develop, commercialise and deliver the New Categories strategy; Disputed taxes, interest and penalties; Foreign exchange rate exposures; Circular economy</i></p>

Notes:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Our Business Model

Continued

A Better Tomorrow™ for:



Consumers

Adult consumers are at the core of everything we do and our success is underpinned by addressing their preferences, offering them a choice of enjoyable, innovative and less risky products[†].

Measured by:

63

Countries where **Vapour products** are available

33

Countries where **Heated Products** are available

44

Countries where **Modern Oral** products are available



Suppliers

Across the BAT Group, we work with thousands of different suppliers worldwide. Our suppliers are valued business partners and we believe, by working together, we can raise standards, drive sustainable practices, create shared value and build A Better Tomorrow™ for all.



Customers

Our customers include retailers, distributors and wholesalers who are essential for driving growth and embedding responsible marketing practices.



Our People

We employ 48,000+ people worldwide. Attracting and retaining an increasingly diverse workforce and providing a welcoming, inclusive working environment are key drivers in BAT's transformation journey to build A Better Tomorrow™. Our focus is on providing a dynamic, inspiring and purposeful place to work.

Measured by:

84%

Engagement Index score in our **Your Voice** employee survey

0.12

Lost Time Incident Rate (LTIR) vs 0.17 in 2023

44%

Proportion of women in **Management[†]** roles

Accredited as **Global Top Employer** by the Top Employers Institute

Note:

[†] As at 31 December 2024. Refer to the BAT 'Reporting Criteria' for a full description of key terms and definitions bat.com/reporting.



Society

We believe the greatest contribution we can make to society is Building a Smokeless World and reducing the health impact of our business. We will do this by encouraging those smokers who would otherwise continue to smoke to switch completely to Smokeless alternatives. Achieving this, while working to reduce our impact on the environment, is central to delivering A Better Tomorrow™.

Measured by:

29.1m

Consumers of **Smokeless products**

31%

Reduction of **waste** generated (vs 2017 baseline)

-42.6%

Reduction in Scope 1 & 2 **emissions** from our 2020 baseline

Notes:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

^ Refer to the BAT 'Reporting Criteria' for a full description of key terms and definitions at bat.com/reporting.



Shareholders & Investors

We are committed to delivering sustainable and superior returns to our shareholders and investors. It is essential that we maintain the support of our shareholders and investors to enable access to capital. This allows us to implement our strategy and achieve our business objectives.

Measured by:

3-5%

Revenue growth over the medium term

65%

A **progressive dividend** being a 65% dividend payout ratio over the long term




2-2.5x

Deleveraging the **balance sheet** into our 2.0-2.5x adjusted net debt to adjusted EBITDA target range

Medium-term, **4-6% increase in adjusted profit** from operations growth (excluding currency)

Engaging with Our Stakeholders

We work with, take into account and respond to the views and concerns of our stakeholders. This enables us to adapt to emerging risks and work to meet the expectations placed upon us as a multinational business.

	 Consumers	 Shareholders & Investors	 Our People
Why this stakeholder is important to us	As preferences and attitudes change in an evolving industry, understanding our adult consumers is essential to both successful portfolio and business growth.	It is essential that we maintain the support of our shareholders and bondholders to maintain access to capital. This allows us to implement our strategy and achieve our business objectives.	The quality of our people is a major reason why our Group continues to perform well. We understand the value of listening and responding to feedback from our people to maintain a fulfilling, rewarding and responsible work environment.
Examples of how we engaged in 2024	<ul style="list-style-type: none"> – Consumer panels, focus groups and interviews – Consumer care helplines – Responsible marketing and transparent communication – Real-time digital platforms 	<ul style="list-style-type: none"> – Annual General Meeting – Investor relations programme and shareholder engagement, including on our Directors' Remuneration Policy – Institutional shareholder meetings – Capital Markets Days – Investor roadshows – Results announcements – Annual Report and Form 20-F – Suite of focused sustainability reports and wider disclosures – Stock exchange announcements – Shareholder information on website – Launch of Omni™ 	<ul style="list-style-type: none"> – Director market and site visits – Virtual forums – Employee town halls – Global and regional webcasts – Your Voice employee surveys – Works councils and European Employee Council meetings – Graduate and management trainee events – Individual performance reviews – Speak Up channels
What matters to our stakeholders	<ul style="list-style-type: none"> – Health impact of our products and other social considerations – Product quality – Affordability and price – Ingredients/nicotine levels – Plastics/post-consumption product waste 	<ul style="list-style-type: none"> – Business performance – Sustainability agenda – Corporate governance – Strength of Group leadership – Board succession planning 	<ul style="list-style-type: none"> – Reward – Career development – Diversity and inclusion – Corporate responsibility – Health and safety – Business ethics
How we respond	<ul style="list-style-type: none"> – Development of innovative products – Product stewardship, quality and safety standards – Clear and accurate product information – Responsible Marketing Principles and Responsible Marketing Code – Circular economy strategy and initiatives 	<ul style="list-style-type: none"> – Regular dialogue and communications with shareholders and investors – Robust corporate governance – Double Materiality Assessment[^] and review of reporting landscape – Continual improvement of our Delivery with Integrity programme – Our range of enjoyable and innovative products – Product quality and safety standards – Responsible Marketing Principles and Responsible Marketing Code 	<ul style="list-style-type: none"> – Extensive communications and engagement with our people worldwide during and following the pandemic – Board review of and feedback on workforce engagement – Training and development programme – Diversity & Inclusion Strategy – Delivery with Integrity programme
Principal risk impact	<ul style="list-style-type: none"> – Competition from illicit trade – Tobacco, New Categories and other regulation interrupts growth strategy – Supply chain disruption – Significant increases or structural changes in tobacco, nicotine and New Categories related taxes – Inability to develop, commercialise and deliver the New Categories strategy – Climate change – Circular economy – Cyber security 	<ul style="list-style-type: none"> – Competition from illicit trade – Geopolitical tensions – Tobacco, New Categories and other regulation interrupts growth strategy – Litigation – Significant increases or structural changes in tobacco, nicotine and New Categories related taxes – Inability to develop, commercialise and deliver the New Categories strategy – Disputed taxes, interest and penalties – Solvency and liquidity – Foreign exchange rate exposures – Climate change – Circular economy – Cyber security 	<ul style="list-style-type: none"> – Geopolitical tensions – Supply chain disruption – Injury, illness or death in the workplace – Climate change – Circular economy – Cyber security

Listening to our stakeholders helps us better understand their views and concerns, and enables us to respond to them appropriately. It gives us valuable inputs to, and feedback on, our strategic approach, as well as our policies, procedures and ways of working.

 Suppliers	 Customers	 Government & Wider Society
<p>Effective relationships with farmers and suppliers of tobacco leaf, product materials and indirect services are essential to an efficient, productive and secure supply chain.</p>	<p>Our customers include retailers, global and local key accounts, distributors and wholesalers that are essential for driving growth and embedding responsible marketing practices.</p>	<p>We seek to be part of the debate that shapes the regulatory environment in which we operate, and to work collaboratively to develop joint solutions to common challenges.</p>
<ul style="list-style-type: none"> – Extension Services farmer support – Ongoing dialogue and relationship management – Supplier Voice survey, events and supplier summits – Strategic partnerships 	<ul style="list-style-type: none"> – Ongoing dialogue and account management – Customer Voice survey – Audits/performance reviews – Sales calls and visits by trade representatives – B2B programmes – Digital B2B eCommerce platforms 	<ul style="list-style-type: none"> – Meetings and ongoing dialogue – Submissions to government and advisory committees – Multi-stakeholder partnerships and working groups – External Scientific & Regulatory Panel – Peer-reviewed research – Biodiversity standards and improvement programmes – Community investment programmes and NGO partnerships – Double Materiality Assessment[^] related engagements – Launch of Omni™
<ul style="list-style-type: none"> – Productivity/quality/cost – Sustainable agriculture – Farmer livelihoods – Human rights – Health and safety – Climate change impacts – Double Materiality Assessment[^] and review of reporting landscape 	<ul style="list-style-type: none"> – Route-to-market planning – Contingency planning – Cost, price and quality – Stock availability – Consumer buying behaviour – Underage access prevention 	<ul style="list-style-type: none"> – Digital B2B eCommerce platforms – Product regulation – Tax/excise/illicit trade – Responsible marketing – Public health impacts – Human rights – Climate change impacts
<ul style="list-style-type: none"> – Supplier Code of Conduct – Sustainable agriculture and farmer livelihoods programme – Leaf operational standards for PPE and child labour prevention – Farmer Extension Services support and training 	<ul style="list-style-type: none"> – Customer loyalty programmes and incentives – Global Underage Access Prevention (UAP) Guidelines and initiatives 	<ul style="list-style-type: none"> – Standards of Business Conduct (SoBC) – Delivery with Integrity programme – Targeting 50% absolute reduction in Scope 1 and 2 GHG emissions by 2030 (vs 2020 baseline) – Human rights and climate impact assessments – Community investment programmes and charitable donations
<ul style="list-style-type: none"> – Geopolitical tensions – Supply chain disruption – Inability to develop, commercialise and deliver the New Categories strategy – Injury, illness or death in the workplace – Solvency and liquidity – Foreign exchange rate exposures – Climate change – Circular economy – Cyber security 	<ul style="list-style-type: none"> – Competition from illicit trade – Geopolitical tensions – Tobacco, New Categories and other regulation interrupts growth strategy – Supply chain disruption – Significant increases or structural changes in tobacco, nicotine and New Categories related taxes – Inability to develop, commercialise and deliver the New Categories strategy – Climate change – Circular economy – Cyber security 	<ul style="list-style-type: none"> – Competition from illicit trade – Geopolitical tensions – Tobacco, New Categories and other regulation interrupts growth strategy – Litigation – Significant increases or structural changes in tobacco, nicotine and New Categories related taxes – Inability to develop, commercialise and deliver the New Categories Strategy – Disputed taxes, interest and penalties – Climate change – Circular economy – Cyber security

Chief Financial Officer's Overview:

Investment Case

We are committed to delivering sustainable shareholder returns by driving quality New Category growth and extracting value from Combustibles, together with maximising cash generation to fund our progressive dividend and sustainable share buy-back.

Soraya Benchikh
Chief Financial Officer

>50%

Group **revenue** ambition from **Smokeless** products by 2035

50m

Consumers of our **Smokeless** products by 2030 ambition

3-5%

Expected medium-term **Group revenue** growth

4-6%

Expected medium-term **Group adjusted profit** from operations growth

>£50bn

Total **free cash flow** before dividends expected to be generated between 2024 and 2030.



Download our new Investor Relations app to access live share prices, news, reports and webcasts at:
<https://myirapp.com/bat/>



Transformation Driving Quality Growth

Our corporate purpose is to build A Better Tomorrow™ by reducing the health impact of our business. To accelerate the next phase of our transformation, we are committed to Building a Smokeless World. We will deploy our global multi-category portfolio to actively encourage adult smokers to 'Switch to Better' nicotine products, and continue to seek long-term opportunities Beyond Nicotine in Wellbeing and Stimulation, realising the multi-stakeholder benefits of A Better Tomorrow™.

Our commitment is demonstrated by our ambition to become a predominantly smokeless business, with over 50% of our revenue from Smokeless products by 2035. Revenue growth in the global nicotine industry is accelerating through the development of New Categories, which offer reduced-risk alternatives[†] to smoking.

We continue to make progress towards our target of 50 million adult consumers of our Smokeless products by 2030, adding another 3.6 million in 2024 to a total of 29.1 million.

Prioritising where and what products to focus on, via our market archetype model, will guide our resource allocation decisions. We are profitable within our New Categories business, on a category contribution basis, and we expect to be increasingly profitable in the coming years.

We strive to continue to profitably and responsibly manage our transition away from combustibles, generating funds to further invest in our transformation and deliver sustainable profit growth and cash flow over the long-term.

In order to achieve this, our refined strategic pillars will act as our executorial compass, and we will drive performance using KPIs to track our journey.

Dynamic Business Making Active Choices for the Future

Our multi-category portfolio benefits from decades of consumer insights that have driven our No. 1 global revenue position in combustibles.

In addition, leveraging the benefits of our expertise in science and R&D, our manufacturing, distribution and marketing has enabled us to build three global brands, Vuse, glo and Velo, delivering over £3 billion of annual revenue in less than a decade.

Our long-standing experience operating within complex regulatory, legal and fiscal frameworks provides us with a compelling competitive advantage to transform within the wider tobacco industry in the long-term. With our Corporate and Regulatory Affairs function we are driving a more proactive, science-led engagement with all stakeholders.

We will continue to increase investment in new capabilities, including enhancing our innovation pipeline, leading responsible New Category development and further leveraging our broad digital enablers. Our transformation will also be accelerated by a culture of inclusivity and collaboration, supported by senior talent recruitment from a diverse range of industries. Together with our Chief People Officer, we are focused on developing a skills-enabled and performance-driven organisation.

We continuously monitor and assess our capital allocation framework to: unlock shareholder value through investing in the right opportunities; optimise the return on our investments; and maximise our cash generation; reduce our leverage and generate sustainable cash returns for our shareholders.

Notes:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Building a Sustainable Future for Our Stakeholders

Building a Sustainable Future is about seeking to actively migrate consumers away from cigarettes and to Smokeless alternatives sustainably, responsibly and with integrity.

We seek to take a leading role in tackling some of the biggest global issues in sustainability. We intend to do this by responsibly Building a Smokeless World, reducing our use of natural resources and delivering our climate goals as we transition to A Better Tomorrow™. We strive to create a meaningful impact in the communities where we operate and inspire all our people to drive change.

In 2024, we refined our sustainability strategy to better address our material topics and continue to deliver greater value to our stakeholders, with five strategic delivery areas:

1. Tobacco Harm Reduction, 2. Climate, 3. Nature, 4. Circularity, and 5. Communities.

Action plans to address these focus areas are underway, and our commitments in each are rooted in ambitions and targets against which we will track and share the progress as our transformation continues.

Science will be a primary driver of our efforts, supported by more active external engagement and regulatory focus, while embedding sustainability across the organisation.

As we continue working towards reducing the health and sustainability impact of our business, we will drive growth, create shared value and build a stronger, more sustainable BAT.

For more details on the five strategic delivery areas, see page 37.

Continuing our Track Record of Delivery

We are confident in our growth outlook, and have a proven track record of performance.

Over the last 10 years, we have delivered 8% adjusted diluted EPS growth (at constant rates) and a 5% dividend CAGR and are confident in moving progressively to our medium-term targets of 3-5% revenue growth and 4-6% adjusted profit from operations growth on a constant currency basis by 2026.

The Group is highly cash generative. Over the last five years, we have delivered at least 100% operating cash conversion annually and returned, since 2020, a total of £27.5 billion to shareholders. We expect to deliver in excess of £50 billion of free cash flow before dividends between 2024 and 2030 (inclusive).

We remain committed to continuing our track record of consistent dividend growth for over a quarter of a century, rewarding our shareholders through all economic cycles. In 2024 we initiated a sustainable share buy-back programme starting with £700 million in 2024 and £900 million in 2025.

We have an active capital allocation framework to deliver long-term value for shareholders. This includes:

- a progressive dividend;
- operating within our target leverage corridor of 2.0-2.5x adjusted net debt to adjusted EBITDA;
- considering potential bolt-on M&A opportunities to accelerate our transformation; and
- sustainable share buy-back programmes to enhance shareholder returns.

Chief Financial Officer's Overview:

Our performance

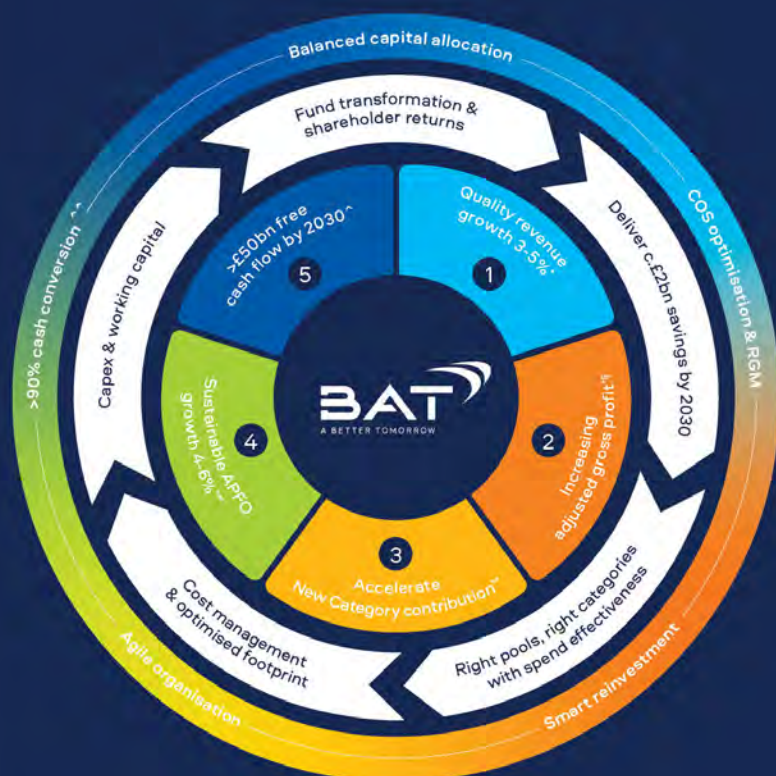
Our strategy is expected to deliver shareholder value creation as:

Combustibles fuel our transformation

Targeted capital deployment focuses on return on investment

Soraya Benchikh

Chief Financial Officer



I am honoured and delighted to be the Chief Financial Officer of BAT.

I am confident that we are in a strong position to deliver on our ambitions, and I share the passion and conviction to Build a Smokeless World.

Our strategy is designed to maximise shareholder sustainable returns.

Our key financial focus areas are:

fuelling our transformation as we maximise value from combustibles, using our scale and efficiencies to release cash;

deploying capital in a disciplined and targeted manner. This means investing wisely in the largest profit pools whilst maintaining a laser focus on return on investment;

strengthening our financial position by reducing debt, providing us with greater financial resilience; and

a balanced capital allocation approach – prioritising our transformation while delivering a progressive dividend, maintaining a sustainable share buy-back programme and exploring bolt-on acquisitions.

We believe we will achieve our priorities through an algorithm built around five key drivers.

Our five key drivers are:

- 1 Quality revenue growth.
- 2 Increase our adjusted gross profit.
- 3 Accelerate New Category contribution.
- 4 Sustainable growth in Adjusted Profit from Operations.
- 5 Deliver in excess of £50 billion of free cash flow by 2030.

Notes:

* On an organic, constant rate basis.

** Category contribution: Profit from operations before the impact of adjusting items and translational foreign exchange, having allocated costs that are directly attributable to New Categories.

*** On an adjusted, organic, constant rate basis.

^^ Net cash generated from operating activities before the impact of trading loans provided to a third party and after dividends paid to non-controlling interests, net interest paid and net capital expenditure.

§ Adjusted gross profit as defined on page 399 of the Annual Report and Form 20-F 2024.

2024 financial performance summary

Our financial results have been impacted by a number of events that impacted the current and comparator period.

In 2024, revenue was down 5.2% to £25,867 million (having declined 1.3% in 2023 to £27,283 million). This was partly due to the timing of the sale of our Russia and Belarus businesses in September 2023, negatively impacting the comparative revenue and profit from operations by £479 million and £193 million, respectively.

Profit from operations was £2,736 million, against a loss of £15,751 million in 2023.

2023 was also negatively impacted by the impairment charges (£27.3 billion) largely associated with our U.S. combustibles business. 2024 included a total charge of £6.2 billion in respect of the anticipated settlement of Canadian litigation (see page 328 of the Annual Report and Form 20-F 32024), the first year of amortisation charges of the U.S. combustibles brands (£1.4 billion), a charge of £646 million in respect of Camel Snus, a charge of £449 million in respect of an excise assessment in Romania and £149 million of fixed asset impairments related to the Group's London head office and the intention to seek an orderly exit from Cuba.

In 2024, translational foreign exchange was a headwind on both revenue (by 4.7%) and profit from operations (by 4.4%).

Excluding these items, on a constant currency basis, which we believe reflects the operational performance of the Group:

- Revenue was up 1.3% driven by the continued growth of New Categories, which grew revenue by 8.9%; and
- Adjusted profit from operations was up 1.4%, as New Categories further grew profitability (at the category contribution level) building on the momentum shown in 2023 as those products became profitable two years earlier than originally planned.

On a reported basis, basic EPS was 136.7p compared to -646.6p in 2023, which was a decline of 320.5%. Diluted EPS was 136.0p in 2024, while in 2023 it was -646.6p, or down 321.5%. This was mainly due to the impacts to profit from operations described earlier, offset by a one-off gain of £1.4 billion, recognised as the Group monetised a portion of the investment in its Indian associate ITC and a credit of £0.6 billion related to debt refinancing undertaken in 2024.

Excluding the adjusting items and the effect of translational foreign exchange, adjusted diluted earnings per share, at constant rates, increased by 1.7% to 381.9p, building on the 4.0% growth in 2023.

We remain highly cash generative. This allows us to balance investment in the future while rewarding shareholders with a further increase in dividends (up 2.0% to 240.24p), while targeting our narrowed leverage range of 2.0-2.5x adjusted net debt to adjusted EBITDA - reaching 2.44x in 2024. However, excluding the provision recognised in respect of cash and cash equivalents and investments held at fair value, and adjusted EBITDA earned, in Canada, this would have been 2.75x.

Delivering our financial algorithm

Quality revenue growth

We aim to maximise the value from combustibles while driving growth in our New Categories through innovation and premiumisation.

Excluding the impact of currency:

- Combustibles pricing remained a driver of value, with Group price/mix of 5.3% in 2024 (compared to 7.5% in 2023). However, our combustibles revenue was down 1.6% (2023: down 0.8%), driven by lower combustibles volume (down 9.0% in 2024) largely due to the difficult trading in the U.S. where volume was 10.1% lower. Both years were also impacted by the timing of the sale of our businesses in Russia and Belarus, excluding which would have seen a marginal growth of 0.1% in 2024 and growth of 0.6% in 2023.
- New Categories revenue was up 6.1% in 2024 and 17.8% in 2023, with growth (excluding the impact of Russia and Belarus) driven by all three regions as the increases in Modern Oral and HP more than offset a decline in Vapour.

Increase our adjusted gross profit

We aim to continually increase our adjusted gross profit*, as defined on page 399 of the Annual Report and Form 20-F 2024. Adjusted gross profit is a new measure, introduced in 2024, with comparative movements to 2023 only.

Total adjusted gross profit*, on a constant currency basis, grew by £396 million, an increase of 2.2% in 2024.

Adjusted gross profit from our combustibles portfolio, through pricing and efficiencies, has remained resilient, up 0.3% in 2024.

The main driver of growth has been New Categories, which has improved in each of the last four years. This continued in 2024 with an increase of 19.8% in adjusted gross profit, driven by volume growth, revenue growth management programmes and cost optimisation.

Accelerate New Category contribution

We will continue to invest in our transformation. We will focus on the right opportunities in the key growth areas - evaluating opportunities to maximise returns, freeing up resources for growth and incremental profit.

In 2023, this resulted in our New Categories being profitable (on a contribution basis), two years ahead of our original plan.

In 2024, we have further increased New Category contribution by £251 million (at constant rates), with New Category contribution margin at 7.1% up from 0.0% in 2023 (excluding the impact of the businesses sold in Russia and Belarus).

Notes:

* Excluding the sale of Russia and Belarus.

** A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating.

Sustainable growth in Adjusted Profit from Operations

Adjusted profit from operations*, on a constant currency basis, was up 1.4% in 2024, having grown 3.1% in 2023.

This is supported by our strict management of overhead expenses. We are committed to disciplined cost management and to continue to explore opportunities to optimise our footprint.

In 2024, our cost optimisation programmes delivered savings of £402 million. This largely offset the impact of inflation of 6.5% (or £387 million), mainly due to higher leaf prices (impacted by adverse weather conditions) and manufacturing costs (labour and utilities) and which we expect to continue into 2025 due to the timing and utilisation of leaf inventory. We have committed to deliver cost savings of over £1.2 billion in the three years to 2025 (with over 70% delivered to date) and an additional £2 billion from 2026 to 2030.

Deliver in excess of £50 billion of free[®] cash flow[®] (2024-2030)

Our operating cash conversion, as defined on page 409 of the Annual Report and Form 20-F 2024, has been ahead of our 90% target for a number of years. In 2024, we again delivered ahead of expectations at 101%.

The Group remains highly cash generative. Excluding material payments in areas such as the Canadian litigation settlement, repayments in respect of FII GLO (refer to page 289 of the Annual Report and Form 20F 2024), we expect to generate over £8 billion of average annual free cash flow before dividends, growing at least in line with adjusted profit from operations.

In 2024, the Group generated £10.1 billion (2023: £10.7 billion) of net cash generated from operating activities. This translates to £7.9 billion (2023: £8.4 billion) of free cash flow before dividends.

Since 2020, we have returned £27.5 billion to shareholders, including a £700 million share buy-back programme in 2024, with a further £900 million committed for 2025.

Yet our leverage ratio (being adjusted net debt to adjusted EBITDA) has continued to improve towards our narrowed target range, decreasing from 2.57 times to 2.44 times.

Our liquidity profile remains strong, with average debt maturity close to 9.5 years and maximum debt maturities in any one calendar year of around £4 billion. We continue to target a solid investment-grade credit rating of Baa1, BBB+ and BBB+, with a current rating of Baa1 (stable outlook), BBB+ (stable outlook), BBB+ (stable outlook) from Moody's, S&P and Fitch**, respectively.

Facing the Future with Increasing Confidence

We believe our business is well placed for the future.

Our track record of delivering robust financial performance and consistent cash generation demonstrates how we navigate the near-term macro-economic uncertainties and challenges, underpinned by geographic diversity and a portfolio of international brands.

Our Markets and Megatrends

As a global business, operating at scale within a rapidly evolving landscape, our markets are shaped by long-term consumer, economic, cultural and social trends. We continue to respond to this changing environment by developing and advancing our strategy and long-term priorities.

Megatrends:



TECHNOLOGY AND INNOVATION

Data-Driven Consumers

Technology and data are transforming consumer behaviours in profound ways. Wearable devices like fitness trackers and smartwatches deliver real-time insights into physical activity, heart rate, sleep and more. This feedback empowers consumers to make more informed, better choices.

By analysing patterns in daily habits, companies can also refine their products and services, placing consumers firmly at the centre of product design. This consumer-focused, data-driven approach is impacting sectors across the board.

The nicotine industry

In the nicotine industry, for example, data and connectivity are enabling innovations such as age-restriction locks and other restrictions on devices and ensuring products meet safety standards and are compliant with regulations. Additionally, new nicotine products are emerging that allow users to track their consumption patterns, while advanced technology can deliver consistent dosages and customisable features allow consumption to be tailored to individual preferences.



CLIMATE CHANGE AND CIRCULAR ECONOMY

Climate Change

Consumers are increasingly urging companies to commit to the principles of Net Zero emissions and circular economy. Studies indicate that two thirds of consumers want brands to reduce their environmental impact, with this expectation increasingly influencing purchasing decisions. Businesses that fail to meet these expectations risk reputational damage and loss of market share.

Adapting to the realities

Simultaneously, the tangible effects of climate change are becoming more apparent. Extreme weather events are now more frequent, disrupting communities and causing displacement. Adaptation to climate change is becoming as essential as taking preventive measures.

With the political will to address climate change fluctuating across regions, businesses must also anticipate and adapt to climate-related disruptions within their supply chains. This involves building resilience through strategies such as sourcing diversification, adopting climate-resilient infrastructure, and strengthening logistics flexibility.



GEOPOLITICS AND TRADE

New Leadership

2024 was a record year for electoral activity, with over 50 jurisdictions, including the United States and various countries across the European Union, holding major elections involving more than 2 billion voters overall.

Among the notable developments, in the UK, the Labour Party achieved its first victory in 14 years, campaigning on a platform for change. In the United States, both the executive and legislative branches pivoted to new leadership.

Trade policy

In 2025, businesses are likely to face both opportunities and challenges in navigating these new political landscapes. Many sectors are watching closely for policy signals from newly elected governments, particularly around trade, which may be subject to new strategic priorities or even potential frictions under new leadership. Further elections are also due to take place in Australia, Canada and Germany.

Meanwhile, persistent global conflicts, including the war in Ukraine and tensions in the Middle East, add layers of complexity to the geopolitical environment. Some of the broader global impacts of the unrest, such as high inflation, appear to be reducing, having negatively impacted our results by £387 million in 2024 as discussed on page 50 of the Annual Report and Form 20-F 2024. However, these ongoing challenges will continue to influence political and economic stability, underscoring the importance of adaptive strategies for businesses and governments alike in the year ahead.

Overview

The global nicotine market continues to evolve rapidly, with heated tobacco and oral nicotine products gaining traction. It is also increasingly complex with new and Reduced-Risk Products[†] (RRPs) being developed and brought to new markets each year.

Global Market for Combustibles and Smokeless

The most recent sales data for the legal global tobacco and nicotine market indicated that it was worth approximately US\$927 billion (incl. China).

Combustible cigarettes remained the largest product category within the market, with a global value of US\$763 billion, representing 82% of the total value of tobacco and nicotine product sales worldwide. Around 2.8 trillion cigarettes were sold globally, based on the most recently available data. The value of the global Smokeless products market continues to grow, standing at US\$76 billion.

Despite combustibles being one of the most highly regulated products in the world, roughly 17% of the world's adult population (incl. China) continue to choose to smoke. This sizeable group is likely to continue to smoke unless they are offered suitable smokeless alternatives.

The illicit market

The illicit tobacco market has continued to increase since the COVID-19 pandemic, reaching just above 14% of total global volume in 2024. Exacerbated by the increased cost-of-living in many countries, overall illicit volumes are expected to approach an unprecedented level of sales by 2027.

Illicit trade exists in all world regions, but its growth is forecast to worsen in the Middle East and Africa, Australasia and Asia Pacific.

Global combustible regulation

Combustible tobacco products are among the most regulated consumer goods globally. Some of the more established measures in different countries include restrictions on flavour additives, standardised (or plain) packaging, bans on smoking in public areas, and prohibitions on displaying tobacco products at points of sale. These policies aim to curb tobacco use by reducing its appeal and accessibility.

More recently, and driven in part by World Health Organization (WHO) initiatives, countries are setting 'smoke-free' targets, aiming to reduce tobacco use prevalence to below 5% by specified dates.

Some countries have also begun examining new types of restrictions on products to meet these targets. Canada, for example, has recently passed legislation to require health warnings be placed on cigarette sticks, a policy which Australia is also looking at. A small number of countries are considering prohibitionist approaches to stop smoking among younger generations. The UK, under a new government, has re-initiated examination of a bill which would ban sales of cigarettes to anyone born after 2008.

The Turkish Government is reported to be drafting a bill with similar provisions, while both the Australian and Norwegian Governments have indicated they are evaluating comparable policies. Additionally, some individual lawmakers in various countries and in some regional legislatures have attempted to introduce bills aiming to ban sales of tobacco to future generations. New Zealand and Malaysia were among the first countries to move to implement this idea. However, in 2023, both countries reversed legislative efforts to introduce a generational sales ban amid concerns about the constitutionality, practicality and enforcement of such measures.

Lastly, environmental concerns have led to a rise in policy initiatives targeting combustible materials. The EU's Single-Use Plastics (SUP) legislation mandates that Member States implement extended producer responsibility programmes for items including cigarette filters. A review of the SUP Directive is planned for 2027 to evaluate its impact and guide potential updates. A small number of other countries have also looked at banning the use of filters in cigarettes. Additionally, the United Nations is still considering a pioneering global Plastics Treaty, with some stakeholders pushing for specific targets that would require Member States to eliminate waste from cigarettes, as well as from single-use vapour product consumption.

Continued transition to new products

The continued adoption of new and less-harmful^{*} alternative nicotine products is revolutionising the market. The range of these alternatives is expanding rapidly, now including tobacco heating products (THPs) and reduced-risk[†], tobacco-free options such as vapour products, nicotine pouches, and, more recently, herbal products designed for heating. These alternatives are gaining popularity among smokers who wish to continue consuming nicotine but not via cigarettes.

By 2028, it is estimated that the number of adult smokers will have declined by 20 million. Alongside societal changes in attitudes to smoking, this decrease is driven by consumer preferences shifting to RRP[†], which are forecast to make up an increasing percentage of revenue for the nicotine market.

The most recent external forecast estimates the value of the Vapour product market at US\$21 billion, with THPs valued at US\$34 billion. Closed-system vapour products have become rapidly popular among consumers, owing to their ease of use. Nicotine pouches, which are one of the newer innovations in RRP[†], currently have a global value of US\$7.4 billion in 2022 (led by the U.S.), which is projected to grow to just under US\$16 billion by 2027.

New Categories Regulations

While alternative nicotine products are gaining traction in markets worldwide, there is considerable variation among countries in how RRP[†] are regulated. The potential benefits of RRP[†] in reducing smoking-related harm have been embraced by regulators in the UK and New Zealand who have actively communicated that RRP[†] are a better alternative to smoking. These countries have implemented regulatory frameworks that reflect this view while remaining vigilant about preventing youth access.

In contrast, certain markets such as Brazil and India remain sceptical about the potential public health benefits of RRP[†], opting instead to restrict or ban access to these products. While other countries have opted to ban specific categories or flavours thereby limiting choices for consumers. For instance, in Belgium the sale of nicotine pouches is now prohibited and in Kazakhstan vapour products are banned.

It is increasingly pressing that this debate be better understood and guided by data so that millions of smokers are not deterred from switching to these less-harmful alternatives. In the U.S., for example, where RRP[†] are becoming widely established, youth use of tobacco products is falling.

Beyond Nicotine

The Wellbeing and Stimulation category covers products that consumers are seeking to better manage their daily wellbeing. It is expected to grow to £495 billion by 2030, from around £296 billion by most recent estimates.

The adult-use cannabis market has also grown with global legal sales estimated to have reached US\$49 billion. Though this growth is predominantly concentrated in the U.S., the global cannabis market is anticipated to expand as more countries reassess their prohibitionist approaches.

In Europe, Germany has become the first major EU Member State to legalise the personal cultivation and possession of cannabis for recreational use. Luxembourg and Malta have already taken similar steps, and the Czech Republic is actively considering comparable measures.

This regulatory shift may reflect a broader trend across countries as policymakers explore the potential health, social, and economic benefits of legalisation.

Notes:

All data sources on this page are from Euromonitor International research published in 2024 and based on 2023 data (the latest full year available), unless otherwise stated. All figures exclude China unless otherwise stated.

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Quality Growth Highlights

Quality Growth

Delivering Quality Growth emphasises the transition to a more balanced focus on top-line and bottom-line delivery, centred around our brands and innovation, and continuing to seek long-term opportunities Beyond Nicotine.

The key building blocks of the Quality Growth pillar are:

Inspiring New Category Innovations & Brands

Managed Combustibles Transition

Beyond Nicotine Foundations

Our commitments under Quality Growth:

Progressing toward quality, margin-accretive growth in Smokeless

FMC volume decline but expecting continued value delivery

Sensibly investing for the future Beyond Nicotine



Inspiring New Category Innovations and Brands

Since the launch of our first Vapour product in 2013, we have been on a transformation journey to become a truly multi-category consumer products business. We are creating new Smokeless products that encourage adult smokers, who would otherwise continue to smoke, to switch to scientifically-substantiated, reduced-risk^{††} alternatives.

In 2024, our Quality Growth imperative delivered better returns on more targeted investments across all three of our New Categories. We have built a fast-growing portfolio of New Category products in a short period of time with New Categories annual revenue now exceeding £3.4 billion.

We further increased New Category contribution by £251 million (on a constant currency basis), with New Category contribution margin reaching 7.1%. Our focus on driving revenue growth and margin expansion will continue, leveraging our deep cross-category consumer insights. We aim to enhance our innovation pipeline by further investing in our capabilities, our intellectual property, our people and our science, driving an innovation-focused culture.

Our centres of excellence in Southampton, Trieste and Shenzhen continue to provide access to wider internal and external strategic partnerships focused on developing consumer-relevant premium propositions.

Three New Category product types underpin our efforts to Build a Smokeless World:

Vapour

Our global Vapour brand, Vuse, is the #1 brand in the category (in tracked channels). It plays a major role in providing smokers with the opportunity to Switch to Better.

Vapour revenue was down 5.1% to £1,721 million in 2024, largely driven by a lack of enforcement of illegal flavoured single-use vapour products in the U.S. and a flavour ban in the province of Québec in Canada where a lack of enforcement has also led to an increase in the use of illicit products.

Vapour was the largest contributor to New Categories usage reaching 11.9 million adult consumers, adding 0.1 million in 2024.

Heated Products

Our flagship Heated Product brand, glo, provides an alternative to smoking that doesn't involve burning and, following scientific studies, producing lower levels of certain toxicants than cigarettes.

Revenue for the category was down by 7.6%, due to the sale of our Russian and Belarusian businesses last year. The momentum for growth in Heated Products has been impacted by competitor innovation and intensified activity in the below-weighted average price segment.

However, while glo's performance has not met expectations, our newly released innovations like Hyper Pro and veo, our non-tobacco heated platform consumables, have strengthened our pipeline and competitive position.

Hyper Pro is now present across 29 markets. The Group was the first to introduce a distinct EasyView screen with HeatBoost technology for better performance. Due to this improvement and coupled with the revamp of our consumables portfolio, glo is now in a stronger position to compete in the premium segment and contribute to accelerating growth. glo continued to show early signs of category volume share momentum vs 2023 in the top markets, with volume share in the top HP markets declining 40 bps to 16.7% vs 110 bps decline in 2023.

Modern Oral

Unlike inhalable products like Vapour or Heated Products, Modern Oral products are different. Modern Oral products come in the form of tobacco-free nicotine pouches that are placed under the lip so that nicotine can be absorbed effectively.

In 2024, Modern Oral was the fastest growing New Category, driven by consumer acquisition – up 54.2%, reaching 7.4 million adult consumers.¹

Our refreshed Velo brand expression and the launch of Grizzly Modern Oral boosted volume and revenue growth in the U.S.

The opportunities for these products in markets with established oral nicotine consumption and beyond, are plentiful – including in emerging markets.

Accelerating our progress

Our innovation ecosystem is designed to deliver products that meet consumer demands and bring value to our business. In designing our products, we seek to assess their environmental impact and ensure they are compliant, ready for global market rollout. Most importantly, they must align with our A Better Tomorrow™ vision through Building a Smokeless World and reducing the health impact of our business.

To drive quality growth and transform faster, we will focus our resources on combining powerful innovations and world-leading brands. To deliver an ‘innovation step change’, we will continue to use powerful consumer foresights and their application to drive innovations that appeal to adult consumers. We will further strengthen and differentiate our New Categories brands to profitably accelerate our New Categories business and achieve significant scale in order to realise our vision.

Managed Combustibles Transition

We are committed to becoming a predominantly smokeless business, with an ambition to reach 50% of our revenue from Smokeless products by 2035.

The best choice any adult smoker can make will always be quitting combustible tobacco products completely. Yet many do not. With only 10% of the world's one billion smokers currently using New Category products, the long-term opportunity for growth as we deliver on our transformation is vast.

The continued performance of our combustibles business is key to delivering Quality Growth and generating the funds necessary to invest in New Categories and Build a Smokeless World.

Our aim is for the combustibles business to deliver sustainable revenue, adjusted gross margin and category contribution growth. Sustainable pricing, digital integration and Revenue Growth Management play a key role in delivering revenue growth.

A product transformation programme is underway to enable a simpler and rationalised product portfolio to enable adjusted gross margin growth.

As part of this, we continue to refine the number of tobacco leaf grades, blends, cigarette formats and stock keeping units (SKUs) in our portfolio.

To deliver category contribution growth, we will focus on marketing spend optimisation and on simplifying our combustibles portfolio to enable the delivery of a managed combustibles transition.

Beyond Nicotine Foundations Wellbeing and Stimulation

Consumers are increasingly seeking healthier lifestyles and ‘better-for-you’ products that help them manage their daily wellbeing. We call this category Wellbeing and Stimulation (W&S) and expect the category to grow to £495 billion by 2030, from around £296 billion, according to most recent estimates.¹

Many of these products historically are in common formats like pressed tablet supplements and sugar-based sports and energy drinks. Recently, however, there has been a consumer shift towards products that are less artificial, more enjoyable, have greater functional efficacy, are easier to use and understand, and that provide for a wider range of functional benefits.

After over a century in nicotine, BAT has significant expertise in providing stimulation through enjoyable solutions supported by our science and regulatory capability, alongside robust route-to-market infrastructure.

As a result, we are well positioned to explore the development of a W&S business by leveraging existing capabilities and external partners.

Over the last two years, we have been piloting, growing and developing a functional wellbeing shots brand called Ryde in Australia and Canada. In the second half of 2024, a commercial test was also initiated in the U.S. online via Amazon and in Texas retail.

In addition to Ryde wellbeing shots, we are building a W&S pipeline of products to ensure sustained competitiveness to win in this exciting category. This includes internal scientific development of new products and also working with Btomorrow Ventures (BTV) to guide and support our investments or potentially larger scale M&A in the future.

Cannabis

As a growing and exciting category for the future, cannabis has significant potential for BAT's development and progression of Beyond Nicotine. The global legal recreational cannabis market has grown, from around £5 billion (2019) to £12.1 billion (2023).² It is predicted to continue growing by 16%³ each year, with non-combustible formats driving this category growth.

We believe this is signalling a shift away from traditional smokable combustible cannabis formats into other, potentially less harmful, more progressive consumption methods.

The regulatory environment and consumer sentiment towards recreational cannabis are also evolving. From the legalisation of cannabis in Germany, to the U.S. Department of Health and Human Services' recommendation to the Drug Enforcement Administration to reschedule cannabis, we are seeing progress across the globe. Such developments are essential to further exploration of the category and we will continue to monitor the changes in the regulatory environment as it evolves.

As part of our strategic investment in 2021 into the Canadian cannabis company Organigram, BAT established a joint-Product Development Collaboration (PDC) Agreement and Centre of Excellence. The PDC was set up to leverage the expertise of both organisations, to develop the next generation of non-combustible cannabis products. In 2024, the PDC team made progress in this space with Organigram bringing new innovations to market through the launch of Edison Sonics gummies. The gummies feature new nano-emulsion technology which enables quicker and more efficient absorption during consumption, addressing a key consumer pain point in edible technology.

BAT strengthened its partnership with Organigram in 2023 by signing an agreement for a further investment to a value of CAD\$125 million (£74 million) payable in three tranches between January 2024 and February 2025. In 2024, the Group paid two of the three tranches. As part of this investment, Organigram have established Jupiter, a strategic investment pool, intended to be applied for emerging opportunities within the cannabis space. Two investments have been made by Organigram via Jupiter in 2024, including one in Sanity Group, a leading German medical cannabis company in which the Group also has a direct equity interest.

Notes:

1. IRI/Circana Consulting
2. Euromonitor 2023 Market Sizing Data | Global.
3. Euromonitor 2023 Market Sizing Data | Global.
4. Euromonitor 2023 Market Sizing Data | Global.

Dynamic Business Highlights

Dynamic Business

The Dynamic Business pillar envisages a future-fit, data-driven organisation; ensuring we are efficient and effective in all of our operations.

This will ensure that we deliver financial flexibility to invest in our business, people and products to win in a fast-changing environment and deliver superior returns to our investors.

The key building blocks of the Dynamic Business pillar are:

Exciting, Winning Company

Operational Excellence

Capital Effectiveness

Our commitments under Dynamic Business:

Creating a diverse, inclusive and people-oriented place to work

Being data-driven and delivering operational excellence/cost management

Focused on investors' returns

Dynamic
Business

An Exciting and Winning Company

A Better Tomorrow™

At BAT, our people are the heart of our business and they are key to driving our purpose. This is why our focus on culture transformation is so important.

Our 2024 people strategy is centred around three ambitions for 2030:

- enabling tomorrow's success for our business and colleagues;
- creating an amazing people experience; and
- making BAT the place to be for current and prospective talent.

This is complemented by our six corporate Values, which act as a compass to ensure our people have a clear understanding of what is expected of them to help us Build a Smokeless World™. The Values are:

- Truly inclusive
- Empowered through trust
- Stronger together
- Love our consumer
- Passion to win
- Do the right thing.

We purposefully designed our people strategy to ensure we can be ready for future changes and respond to consumer needs at pace. Our strategy is anchored around five bold intentions which we expect to be owned and driven by every people leader at BAT.

People Strategy



Shaping a performance-driven & dynamic organisation

As a responsible employer, we are focusing on the link between accountability, performance and reward to ensure we meet the needs of our business and our people. We also regularly assess the design of our organisation to make sure it is adaptable, enabling us to access and develop the capabilities we need to help deliver our purpose.

Our efforts to create a great experience for our people have been recognised externally, and we are proud that we have won awards for being an employer of choice – including recognition in 2024 as a Global Top Employer for the seventh consecutive year.

Nurturing relevant capabilities

From global graduates to senior hires, we are committed to attracting, developing and retaining talent to drive our transformation agenda - whether through in-house development, assignments, or hiring new skills. We have invested significantly in our learning and development programmes to ensure they are impactful and deliver the capabilities we require.

In 2024, we launched three new global programmes focused on developing capabilities in areas such as Supply Chain for multi-category markets, Brand Management, Science, Innovation and Leadership.

Accelerating simplification & digitalisation

Our focus over the next two years will be on driving simplification in our people processes, further leveraging digitalisation, and ensuring our line managers are equipped with the data, insights and foresights they require.

Creating a purposeful & energising environment

We pride ourselves on being a diverse, global, people-centric organisation that respects and fosters conscious inclusion. Being truly inclusive is one of our core Values and it is integral to our identity at BAT.

Alongside our six corporate Values and the Diversity and Inclusion enablers we have in place, we are transforming our approach to employee listening and wellbeing to ensure everyone feels supported and included.

In 2024, we launched our Truly Inclusive Leaders Programme which aims to help our leaders to develop inclusive mindsets and behaviours, fostering a psychologically safe and inclusive work environment. This programme encourages self-reflection and aims to spark cultural transformation at BAT through critical questioning, awareness and open conversations for ongoing improvement.

To deliver on our commitment to wellbeing, we introduced our Global Benefits & Wellbeing guidelines and the LiveWell framework across all markets. The LiveWell framework reflects a holistic view of wellbeing, focusing on emotional, physical, financial, and social pillars. Informed by employee needs and feedback, the framework drives greater consistency across our offerings, ensuring we prioritise wellbeing and create an empowering environment where our people can thrive both personally and professionally.

Evolving into a future-ready HR function

While our people strategy is ultimately owned by the Human Resources (HR) function, every leader at BAT is a co-owner and responsible for ensuring its effective deployment across the business. To achieve this, we will continue to work with our HR teams around the world to equip them with the skills needed to help BAT and its leaders to achieve our strategic ambitions.

Operational Excellence

Focus areas

Delivering on our refined corporate strategy and Building a Smokeless World will require greater focus on our global execution. This includes getting the U.S. back to growth, where and how we allocate resources at a regional and market level, and driving greater productivity while reducing complexity.

Getting the U.S. back to growth

In 2024, we made investments to further bolster our portfolio, following a deep and thorough review in 2023. We reinvigorated our Modern Oral offering with the launch of a new Velo mix, and the introduction of Grizzly Modern Oral.

Recognising the importance of our U.S. business to our future growth, we will continue to invest and focus on sharpening our portfolio management, strengthening our route-to-market, and further leveraging our broad, digitally enabled, revenue growth management capabilities.

We are confident this should drive quality growth over the longer-term and ensure greater resilience through economic cycles.

Driving productivity and growth

Through our digital transformation, we are increasing our use of data to become a data-led organisation. Our focus is on the effective and efficient delivery of our market-leading products and innovations to satisfy consumers, drive growth and create value and Build a Smokeless World.

In order to meet and respond to the challenges of an ever-changing external environment, we continue to invest in technology to be a more efficient and effective business, with AI-enabled, data-driven systems and ways of working to match.

Under the Operational Excellence pillar of our refined corporate strategy, three focus areas will be key to driving progress: optimising our manufacturing operations; reducing complexity in our ways of working and processes, including using AI and data-enabled technology; and our Global Business Services (GBS) Centres of Excellence.

At-scale operations

We have a global manufacturing footprint designed to ensure an efficient supply chain across both combustible and Smokeless products.

Manufacturing tobacco and nicotine products is a large-scale operation and we have state-of-the-art manufacturing facilities all over the world.

In 2024, the Group manufactured cigarettes in 37 factories in 35 countries. Our factory outputs and facilities vary significantly in size and production capacity. We also have manufacturing sites for our range of Smokeless products.

In line with our corporate commitment to fight climate change, our factories have in place decarbonisation, water usage and waste optimisation programmes.

We work to ensure that our costs are globally competitive and that we use our resources as effectively as possible. Our production facilities are designed to meet the needs of an agile and flexible supply chain.

We also use third-party manufacturers to manufacture the components required, including the devices, related to our Smokeless New Category products. Such third-party manufacturers supplement our own production facilities in the U.S., Poland and Indonesia to produce the liquids used in Vapour products.

By continuing to improve our productivity in all areas of our supply chain, we can increase our profitability and continue to deliver sustainable returns to our shareholders.

However, it is not just about today, it also underpins our future. The more efficient and effective we become, the more we are able to generate funds to invest in the things that will fuel future growth: our products, our innovations and our people.

Working with farmers

While we do not own tobacco farms or directly employ farmers, we source tobacco leaf directly from c.91,000 contracted farmers and through third-party suppliers mainly in emerging markets.

With our contracted farmers, we continually strive to improve sustainability and viability. We focus on improved quality, cascading more resistant hybrid seeds, tailored mechanisation to reduce costs of production, and increased yield.

We review our contracts on an annual basis considering Group requirements over the medium-term to promote the stability of demand and supply on production volume.

We have similar expectations of our third-party suppliers in relation to their farmer contracts.

As with any other global agricultural commodity, international tobacco prices vary from year to year. This is driven by changes in the cost of production, like labour costs and agricultural inputs, local inflationary pressures and economic, political and market conditions, as well as climatic conditions that impact supply, demand and quality of the tobacco grown.

Dynamic Business Highlights

Continued

Capital Effectiveness

Capital Effectiveness is a key focus of delivering a Dynamic Business to Build a Smokeless World.

The key objective is to unlock shareholder value by optimising access, utilisation and return of capital resources. The key initiatives include:

- maximise our cash generation;
- invest in the right opportunities;
- optimise the return on our investments;
- reduce our debts; and
- generate sustainable returns.

Our active capital allocation framework considers the continued investment in our transformation, the macro-environment, potential future litigation and regulatory outcomes.

Our Board continues to review our capital allocation priorities including both internal and external opportunities and stakeholders while considering the uncertain macro-environment, foreign exchange fluctuations and higher interest rates.

Capital Allocation Framework



~£50bn

Cumulative Free Cash Flow between 2024 and 2030

Cash generation

Maximising cash generation is an essential component in our capital allocation decisions.

Driven by rigorous working capital management, the Group generated an operating cash conversion in each of the last five years of at least 100%.

While the Group remains highly cash generative, cash is a critical resource to ensure that we can invest in the right opportunities in Building a Smokeless World.

Recent macro-economic trends including geopolitical instability, conflicts, inflation and interest rate volatility have meant that cash is a costly resource. As such, internally generated cash and working capital are much more valuable and they must be mobilised effectively and optimised efficiently.

This will be done by continuing to focus on a high cash conversion rate as well as rigorous focus on working capital.

Our commitment:

To generate over £50 billion of free cash flow before dividends between 2024 and 2030 (inclusive).

Our record:

The Group has generated around £8 billion of free cash flow (before dividends) in each year since 2020.

This is despite the significant investment in New Categories and while incurring external payments made in respect of litigation and settlements.

This demonstrates the resilience of the Group to continue to generate exceptional cash flow, while delivering the Group's transformation ambitions.

Maximising our investments

As we continue to build A Better Tomorrow™, the Group seeks to optimise the return on our investments and seeks to invest in the right opportunities.

In 2025, the Group expects to invest around £650 million of gross capital expenditure to enhance our growth opportunities and deliver operational efficiencies. This includes purchases of property, plant and equipment and certain intangibles, and the investment in the Group's global operational infrastructure (including, but not limited to, the manufacturing network, trade marketing software and IT systems and the expansion of our New Categories portfolio).

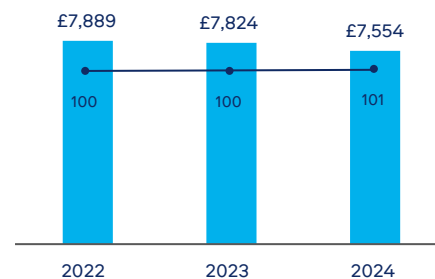
We will continue to proactively assess the performance of our assets to ensure value is maximised through operational returns or through disposal.

In addition, as part of our transformation we invest in the Wellbeing and Stimulation space and through our venturing unit, Btomorrow Ventures, and in the cannabis space, including in Organigram.

Our commitment:

To continue to actively assess investments, be it for acquisition or disposal, to maximise our delivery and provide the right infrastructure for the BAT of tomorrow.

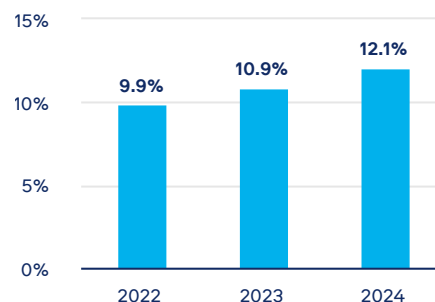
Strong operating cash conversion driven by continued focus on cash delivery



Adjusted cash generated from operations (£m)

Operating cash conversion (%)

Adjusted Return on Capital Employed



Adjusted return on capital employed (%)

Our record:

The acquisition of Reynolds American Inc. impacted our capital base.

We have improved our adjusted return on capital employed consistently from 8.3% in 2018 to 10.9% in 2023, with a further improvement to 12.1% in 2024, partly due to the impairment recognised and discussed on page 293 of the Annual Report and Form 20-F 2024.

Reducing debt

Total borrowings (which includes lease liabilities) decreased to £36,950 million in 2024 (2023: £39,730 million).

Total borrowings include £670 million (31 December 2023: £700 million) in respect of purchase price adjustments related to the acquisition of Reynolds American Inc.

As discussed on page 55 of the Annual Report and Form 20-F 2024, the Group remains confident about its ability to access the debt capital markets successfully and reviews its options on a continuing basis.

We have a debt rating of Baa1 (stable outlook), BBB+ (stable outlook), BBB+ (stable outlook) by Moody's, S&P and Fitch.

Our leverage target range is 2.0-2.5x adjusted net debt to adjusted EBITDA.

Given current geopolitical and economic challenges, the Group aims to:

- de-lever our gross debt levels (from £37.0 billion in 2024); and
- moderate the annual Net Financing Cost levels to support the overall strategy of the Group.

This is expected to deliver a resilient balance sheet, able to withstand future uncertainties, while providing increased flexibility for the Group to be able to invest in future growth opportunities and sustainably return excess cash to shareholders.

This is expected to de-risk the future solvency and liquidity risk as referred to on page 160 of the Annual Report and Form 20-F 2024, whereby the Group's ability to refinance debt as it matures will be enhanced.

Our commitment:

To retire debt in a sustainable manner, reducing our risk of refinancing and net finance cost exposures, while continuing to target a solid investment-grade credit rating of Baa1, BBB+ and BBB+ by Moody's/S&P/Fitch.

Our record:

Since the acquisition of Reynolds American Inc. in 2017, we have consistently reduced our borrowings from £49.1 billion to £37.0 billion at 31 December 2024.

Our leverage (as measured by the ratio of adjusted net debt to adjusted EBITDA) has also improved year on year. From a high of 5.3x in 2017, in 2024, this was 2.44x, representing a decrease from 2.57x at the end of 2023. However, excluding the provision recognised in respect of cash and cash equivalents and investments held at

fair value, and adjusted EBITDA earned, in Canada, this would have been 2.75x.

Generate sustainable returns

Generating shareholder value, via sustainable returns, is an integral part of our strategic ambition.

Over the past 25 years we have consistently grown the dividend per ordinary share on absolute terms.

On 13 February 2025, the Company announced that the Board had declared an interim dividend of 240.24p per ordinary share, payable in four equal quarterly instalments of 60.06p per ordinary share in May 2025, August 2025, November 2025 and February 2026.

This represents an increase of 2.0% on 2023 (2023: 235.52p per share, up 2.0%).

The Board is committed to strengthening the balance sheet to provide greater business reliance during an uncertain macro-economic environment, whilst aiming to reduce leverage towards the middle of our narrowed 2.0-2.5x adjusted net debt to adjusted EBITDA corridor.

We strongly believe that share buy-backs have an important role to play within our capital allocation framework.

Accordingly, the Group undertook a £700 million share buy-back programme in 2024, with a further £900 million to be executed in 2025.

Our commitment:

Progressive dividend – in sterling terms, by reference to the Group's dividend policy which is to pay dividends of 65% of long-term sustainable earnings. Please refer to the dividend policy on page 449 of the Annual Report and Form 20-F 2024.

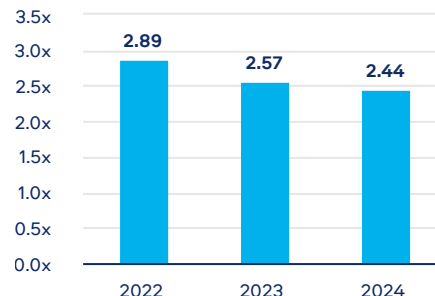
To buy back shares in a sustainable programme, with reference to our narrowed target leverage range of 2.0-2.5x adjusted net debt to adjusted EBITDA.

Our record:

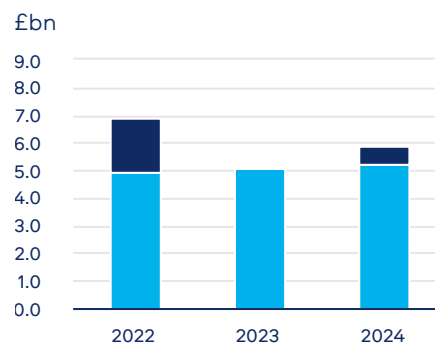
In 2024, 2023 and 2022, we have returned:

- £5.2 billion (2023: £5.1 billion; 2022: £4.9 billion) via dividends; and
- £0.7 billion via share buy-backs in 2024.
- £2.0 billion via share buy-backs in 2022.

Since 2020, we have returned a total of £27.5 billion to shareholders.

Adjusted Net Debt to Adjusted EBITDA

Adjusted Net Debt to Adjusted EBITDA (times)

Allocating free cash flow to shareholders

Dividend (£m)

Share buy-back (£m)

Sustainable Future Highlights

Sustainable Future

Building a Sustainable Future is about seeking to actively encourage adult consumers away from cigarettes and to smokeless alternatives sustainably, responsibly and with integrity.

Science will be a primary driver of our efforts, supported by more active external engagement and regulatory focus, while embedding sustainability across our organisation.

The key building blocks of the Sustainable Future pillar are:

Tobacco Harm Reduction Acceptance
Shaping the Landscape
Leading in Sustainability and Integrity

Our commitments under Sustainable Future:

Building a Smokeless World
Investing in the products, science and engagement to make A Better Tomorrow™ a reality
Conducting our business responsibly and with integrity



Sustainable Future

Tobacco Harm Reduction Acceptance

A Better Tomorrow™ through THR

Our ambition is to reduce the health impact of our business, and this is front and centre of our corporate vision to create A Better Tomorrow™ by Building a Smokeless World. This approach is underpinned by Tobacco Harm Reduction (THR), which we believe is one of the greatest public health opportunities for global society today.

This is why, for several years now, we have been transforming. Through the development of our portfolio of Smokeless products, we have invested significant resources into THR. This has resulted in Smokeless products becoming more acceptable to adult consumers who would otherwise continue to smoke, and commercially sustainable. Our engagement with regulators and policy makers on THR is underpinned by our open and transparent regulatory positions.

Ultimately, we believe that our THR ambition will be quantified by a significant reduction in projected population level smoking-related morbidity and mortality.

Why THR is important

We know combustible cigarettes pose serious health risks, and that the only way to avoid those risks is not to start smoking or to quit. The World Health Organization estimates that smoking-related diseases cause over eight million deaths globally each year¹.

THR is a well-recognised public health strategy that aims to minimise the harm caused by smoking. This is done by encouraging adult smokers who would otherwise continue to smoke to switch completely to reduced-risk[†], Smokeless alternatives.

Our aim is to provide such consumers with a range of products that deliver comparable satisfaction in nicotine delivery, use, and sensorial aspects. For example, while we are clear that our Smokeless products are not cessation products and are not marketed as such, some independent studies suggest that Vapour products are more successful than nicotine replacement therapy in helping people stop smoking² by providing a satisfactory alternative to cigarettes.

Over the past decade, significant progress has been made to accelerate the global THR journey. Today, there are four global categories of reduced-risk[†] products: Heated Products, Vapour Products, Oral Tobacco Products and Oral Nicotine Pouches.

The global adoption of these Smokeless product categories over the last 10 years is sizeable. It is estimated that there are now more than 115 million consumers of Smokeless products³. The latest estimate of the global number of vapers alone is 82 million.⁴

We know that stakeholders increasingly expect us to demonstrate that we are a purpose-driven enterprise. We are working towards a future where, ultimately, we move away from combustible cigarettes.

World-class science

Demonstrating the reduced-risk[†] status, compared to smoking, of Smokeless products can only be achieved through robust science. This is why we invest significantly each year to find innovative ways to contribute to THR.

We use various analytical and pre-clinical techniques, specialised laboratory technology and expertise to test our products, and aim to ensure they meet high quality standards.

This is complemented by collaborations with global external researchers, and clinical research organisations, who bring independent and specialist expertise that enhances our internal capabilities.

We are always innovating, experimenting, and delivering new Tobacco Harm Reduction solutions. This is why our Science and Product Innovation are so important to the business, accelerating pioneering approaches to our Smokeless products portfolio.

THR substantiation: Our nine-step risk assessment framework

As most Smokeless alternatives are relatively new to the market, they lack the long-term epidemiological data, observed over many years, that could show their overall impact on public health. That is why it is necessary to take a 'weight of evidence' approach, using the best available data to draw conclusions.

Drawing on work by the U.S. Institute of Medicine, we use our nine-step risk assessment framework. This evaluates the emissions, exposure and risk profile of our New Category products and compares them to smoking cigarettes or other comparators, such as nicotine replacement therapy.

In terms of THR scientific substantiation, our Heated Products, Vapour, and Modern Oral products have been reported in peer-reviewed pre-clinical, clinical, and population level research publications and journals, summarising significant reductions in emissions, exposure and risk levels versus smoking.

We aim to follow best practice and adhere to high standards of governance and ethics in all our scientific research. Regardless of the results, we are committed to sharing the outcomes. Our scientists have published more than 270 scientific papers to date about our New Category products.

Shaping the Landscape

THR and nicotine

For adult smokers who would otherwise continue to smoke, a choice of alternative Smokeless products to completely switch to is important.

Societal sentiment towards nicotine is also crucial in THR. Particularly as a common misconception is that nicotine, as a substance, is the cause of smoking-related diseases. However, the primary cause of such diseases is not exposure to nicotine, but the toxicants released by the burning of tobacco.

This fact is recognised by several regulators (including the U.S. FDA) and public health stakeholders (including the UK Royal College of Physicians).

However, currently more than 60% of adults and 80% of doctors believe that nicotine causes cancer.^{5,7}

With this level of misperception, and nicotine being a highly politicised topic, society's understanding of nicotine is one of several key challenges that still needs to be overcome to enable further THR progress.

Through our global science engagement programme, we seek to progress our science with external scientists via peer review publications and conferences.

As well as publishing our own research, our scientists also monitor and review external publications to gain a holistic view of the evidence base.

We work hard to make our science accessible and understandable to a wider audience. We have a dedicated website www.bat-science.com. Most recently, we launched Omni™, an evidence-based manifesto for change, which captures BAT's commitment and progress towards Building a Smokeless World to create A Better Tomorrow™. Backed by over a decade of evidence and experience, Omni™ offers insights into our scientific and real-world evidence of Tobacco Harm Reduction (THR) in action.

Product innovation and choice

Adult consumer choice is an important component of THR success. We recognise that smokers are most likely to switch to Smokeless alternatives when they find a product that delivers convenience and comparable satisfaction in the sensorial experience.

That is why we offer a multi-category portfolio of Smokeless alternatives tailored to meet the varied preferences of different adult smoker consumer segments. Importantly, our products are supported by world-class science and robust product safety and quality standards.

Our New Categories product innovation pipeline is based on data-driven foresights to anticipate category and consumer trends. Using consumer insights we deliver new product propositions that are consumer-centric in their design and performance, to meet the most important consumer preferences and opportunities.

Our approach to regulation

We recognise and support the objective of governments to reduce smoking rates and associated health impacts.

We have always been clear that we support regulation which is based on robust evidence, tailored to local circumstances, and delivers on the intended policy aims, while preventing unintended consequences such as the growth in illicit markets.

Although not risk-free, recent technological and scientific advancements in Smokeless products offer consumers the opportunity to enjoy nicotine products, without the need to burn tobacco.

Our experience shows that where risk-proportionate regulation encourages smokers to choose these Smokeless alternatives instead of cigarettes, smoking rates can be more effectively reduced compared to relying on coercive policies which are either not based on evidence or which seek to prohibit products or behaviours.⁷

The success of THR will depend as much on progressive regulation as it will on changes in consumer behaviour. We believe both are essential if countries around the world are to achieve the accepted 'smoke-free' threshold of less than 5% smoking incidence in the population.

Countries like Sweden have already started to demonstrate the art of the possible with THR. With the lowest smoking rates in Europe - 5.3% relative to the EU average of 23% in 2023, Sweden is on the verge of achieving its 'no smoking target' years ahead of the 2040 EU target. This is due to the widespread awareness, availability and usage of snus and other smokeless alternatives.



+ Read more about our **sustainability strategy and progress** on [pages 36 to 39](#)

Notes:

- * Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.
- † Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.
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- 3. Tobacco Intelligence, Regulatory & Market Intelligence for Alternative Tobacco & Nicotine Products, Nicotine Pouch Market Database, Quarter 1 Report. 2024.
- 4. Jerzyński, T. and Stimson, G.V. (2023), "Estimation of the global number of vapers: 82 million worldwide in 2021", *Drugs, Habits and Social Policy*, Vol. 24 No. 2, pp. 91-103. Available at: www.doi.org/10.1108/DHS-07-2022-0028
- 5. World, F. for a S.-F. (n.d.). Nearly 80% of Doctors Worldwide Mistakenly Believe Nicotine Causes Lung Cancer, Thwarting Efforts to Help One Billion Smokers Quit. [Online] www.prnewswire.com. Available at: www.prnewswire.com/news-releases/nearly-80-of-doctors-worldwide-mistakenly-believe-nicotine-causes-lung-cancer-thwarting-efforts-to-help-one-billion-smokers-quit-301881655.html.
- 6. Fagerström, K. (2022). Can alternative nicotine products put the final nail in the smoking coffin? *Harm Reduction Journal*, 19(1). doi:doi.org/10.1186/s12954-022-00722-5.
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Sustainable Future Highlights

Continued

Our views on regulation of Smokeless tobacco and nicotine products

We believe regulation should recognise that Smokeless tobacco and nicotine products are less risky than cigarettes and support their use as an alternative for those adult smokers who would otherwise continue smoking combustible products.

There are four guiding principles that we believe should be applied to the development of any regulation of Smokeless products:

- **Based on science and evidence:** Regulation should be based on the best available science and evidence for each product category and be proportionate to the risk of the product versus combustible tobacco.
- **Ensure product quality and consumer relevance:** Regulation should mandate robust product quality and safety standards to protect consumers and allow access to products with satisfying nicotine levels and adult-targeted flavours.

– **Allow adult-only access:** Regulation should enable adults to access and gain information about the availability of reduced-risk* products, while preventing use by the underage.

– **Enable effective enforcement:** Regulation should include an effective regime for penalties, sanctions and enforcement to drive compliance.

Regulation of New Category products continues to evolve. Globally, there are some regulators passing progressive laws that encourage adult smokers who would otherwise continue to smoke to switch to New Category products, but there are other regulators who view them more cautiously.

As the science and evidence to substantiate these products grows, we hope to see more countries passing progressive regulations, further accelerating New Category growth and accelerating a reduction in smoking rates.

We believe a stakeholder-inclusive, whole-of-society, open and honest dialogue is essential. That dialogue should include regulators, policy-makers, public health, consumers, and the industry.

It is key to align all stakeholders on the positive public health potential and develop effective policies and consumer behaviour that can accelerate Tobacco Harm Reduction as quickly as possible. Regulation around New Category products should be founded on evidence and science, not opinion.

Our views on a general regulatory framework, to maximise Smokeless products' harm reduction potential, are outlined on page 63 of the Annual Report and Form 20-F 2024.



Note:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

Maximising the harm reduction potential of Smokeless products:

A regulatory framework

In all countries, whether such a framework is in place or not, we are guided by our Product Stewardship approach – for quality and safety standards, and our Responsible Marketing Principles and Responsible Marketing Code to ensure that we market our products responsibly.



ACCESS TO CONSUMER RELEVANT PRODUCTS

- Regulations in all countries where cigarettes are sold should also allow a wide range of Smokeless alternatives to smoking to ensure that consumers can access these alternatives and make informed choices.
- Nicotine levels should be established to ensure Smokeless products are a satisfying alternative for adult smokers.
- A variety of adult-targeted flavours should be available, as evidence shows that certain flavours help smokers transition to reduced-risk[†] alternatives. Flavours, packaging designs and descriptors that are particularly appealing to the underage should be prohibited.
- Regulation should keep pace and be adaptable to new product innovation. This would allow scientific and technological advancements to deliver consumer-relevant new product propositions and solutions, so that smokers can access even better options to switch away from combustible cigarettes.



ADULT-ONLY CONSUMERS

- The use and sale of smokeless tobacco and nicotine products by and to the underage should be prohibited by law.
- Age-verification mechanisms should be mandated at point of purchase and, where feasible, regulation should aim to encourage the integration of underage access prevention technologies.
- Communication is necessary to provide adult consumers with accurate information about reduced-risk products[†]. Communication with adults should be permitted in adult-targeted touchpoints and display responsible content.
- Any communication with consumers should have a clear and visible health warning and inform that nicotine-containing products are for adults only.



PRODUCT QUALITY AND SAFETY

- Robust and properly enforced product quality and safety standards should be at the heart of any regulation, to protect consumers.
- Products should be used as intended by consumers and manufacturers should be required to ensure that all products are tamper-evident to secure product integrity.



ROBUST ENFORCEMENT

- Regulation should provide enforcement authorities with the necessary powers to apply penalties and sanctions to those who fail to comply with regulations, particularly those who supply non-compliant products and provide products to those underage.

Notes:

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our products as sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Our Sustainability Strategy

We seek to take a leading role in tackling some of the biggest global sustainability challenges.

We aim to do this by responsibly Building a Smokeless World, reducing our use of natural resources and delivering our climate goals as we transition to A Better Tomorrow™. We strive to create a meaningful impact in the communities where we operate and inspire all our people to drive change.

Discussing the Group's sustainability strategy with Donato Del Vecchio, Chief Sustainability Officer.

We have refined our Group sustainability strategy

In order to better address our material sustainability topics^{^^} and continue delivering value to our stakeholders, we have refined our Group sustainability strategy.

By engaging with a cross-section of stakeholder groups, we have gained a better understanding of our challenges and opportunities, resulting in the identification of the five strategic impact areas, outlined below.

These areas are supported by external reporting, stakeholder engagement and responsible business practices, guiding our future sustainability targets and ambitions.

Our strategy reflects what's important to our employees, consumers, communities, investors, suppliers, and business partners.

In my career at BAT, one constant truth has emerged: our markets serve as the backbone of our business.

It is their collective effort that drives the Group's achievements, and that is why this year's sustainability report highlights the global challenges businesses like ours face, and the actions we are taking to address them.

The following section evidences the local actions shared by practitioners across our markets, and provides an overview of our ambitions, impact, and performance at the Group level.

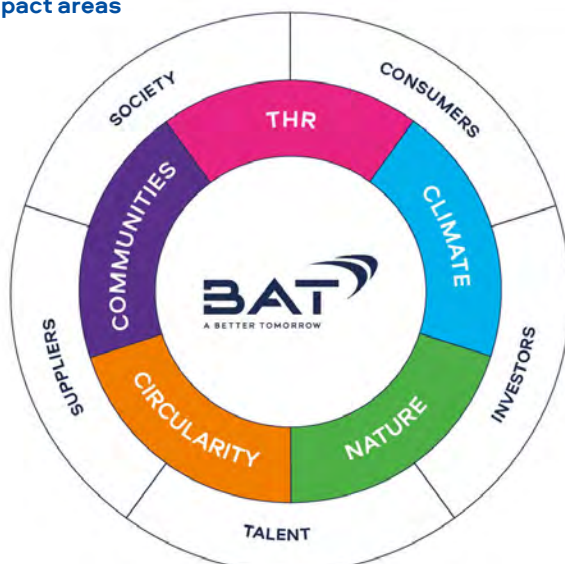
We hope this overview demonstrates the Group's efforts towards making a meaningful impact.



Our sustainability strategy is a testament to our dedication to creating A Better Tomorrow™.



Five strategic impact areas



Note:

^{^^} 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 matters do not imply that all topics discussed there in 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.

+ Find out more:
Refer to the BAT 'Reporting Criteria' for an overview of our sustainability performance data at bat.com/reporting



THR

Over the past decade, we have transformed our business and made significant progress on our goals. However, Building a Smokeless World is not without its roadblocks.

We believe that progressive, evidence-based regulation – supported by meaningful enforcement – is the key to reducing smoking rates.

We seek to engage with public health authorities and regulators, to support the development of policies and strategies that balance Tobacco Harm Reduction objectives with key concerns, such as underage access, environmental impacts and product safety.



Omni™ is an evidence-based manifesto for change, which captures BAT's commitment and progress towards Building a Smokeless World to create A Better Tomorrow.

www.asmokelessworld.com



CLIMATE

We continue to transition towards a low carbon economy by reducing our Scope 1 and 2 GHG emissions through improving energy efficiencies and increasing renewable energy use where available.

We also continue to engage suppliers through our supplier enablement programme to tackle Scope 3 GHG emissions.

In line with our climate transition efforts, we continue to focus on responsible sourcing practices and innovative product design to reduce our carbon footprint.



NATURE

For many years, our Global Leaf Agronomy Development (GLAD) centre has worked with our directly contracted farmers and Leaf suppliers to promote improved agricultural technologies and practices.

Adoption of technology in agriculture is a core part of our nature strategy.

We are investing in AI-driven tools to accelerate the analysis of agricultural data, to help farmers increase yields, reduce costs and minimise their environmental impact.



CIRCULARITY

Transitioning to a portfolio of Smokeless products presents challenges, particularly in relation to plastic waste.

Our focus is on prioritising the use of materials that are sustainably produced and have a lower carbon footprint.

Our corporate venturing arm, Btomorrow Ventures (BTV), actively scouts for and collaborates with startups to identify sustainable materials as well as solutions for waste reduction and resource recovery.

We intend to design our product portfolio with circularity in mind and educate our consumers on its value.



COMMUNITIES

Our global footprint covers multiple supply chains, from agriculture to electronics and manufacturing.

We support our farmers to enhance their livelihoods and build resilience, while keeping in mind our ambition to transition to a Smokeless World.

We seek to responsibly source materials and respect the rights of our communities.

Our direct employees are an integral part of our communities. We continue to build on our culture so that everyone feels welcome and valued for their unique contribution at work.

2024 Sustainability Highlights



THR



Launched Omni™, our evidence-based manifesto for change, which captures our commitment and progress towards creating A Better Tomorrow™ by Building a Smokeless World.



Updated our Responsible Marketing Principles (RMP) to reflect regulatory developments, our product portfolio and stakeholder expectations.



Underlined our position on underage access, product safety and regulatory enforcement through the publication of our 'Commitment to Responsible Vaping Products'¹.



CLIMATE



Progressed towards our Scope 1 and 2 emission reduction targets. Energy reduction initiatives and increasing the use of renewable fuels resulted in a 42.6% reduction in these emissions versus our 2020 baseline.



Reduced our total Scope 3 GHG emissions by 11% year-on-year. 23.5% of our suppliers of purchased goods and services by spend have now set Science Based Targets, an 8.5 percentage points increase versus 2023.



Submitted our Net Zero Greenhouse Gas (GHG) emissions targets for validation to the Science Based Targets initiative (SBTi), in line with our climate transition efforts.



NATURE



Introduced a satellite monitoring system in Brazil to detect potential deforestation or conversion cases by tracking forest cover changes over time.



Developed a regenerative agriculture framework which will be piloted in 2025. The framework includes a methodology for assessing and prioritising local risks and the monitoring of progress on the regeneration of the farmland ecosystem.



Achieved our 2025 target for reduction in water withdrawn in 2023, two years ahead of schedule. We continue to work on maintaining this target, achieving a 47.4% reduction in 2024 (versus our 2017 baseline).



CIRCULARITY



Introduced and began testing a set of ecodesign principles, which will provide insights to support the reduction of our environmental impacts across the product life cycle.



Launched in France, Ireland, Denmark, Sweden and the UK, two variants of Velo cans that were certified by the International Sustainability and Carbon Certification (ISCC), for using bio-plastic or Post-Consumer Resin (PCR) plastic through a mass-balance approach².



Partnered with a waste management company to pilot a collection and recycling programme in Nottinghamshire in the UK for used vapour products.



COMMUNITIES



Revised our living income methodology to better represent living costs in rural areas and are in the process of co-creating action plans with suppliers to target key income drivers for farmers.



In response to our growing electronics supply chain, we continue to work with the Responsible Business Alliance (RBA) as a Supporter Member. This gives us access to the Responsible Mineral Initiative and RBA-approved auditors who conduct on-site labour audits of our suppliers.



Maintained our year-on-year consistency in compensating men and women within 1% of one another, as well as Ethnically Diverse³ and Non-ethnically Diverse³ groups within 1% of one another for performing the same work or work of equal value.

Notes:

1. bat.com/commitment-to-responsible-vaping-products
2. 'Mass-balance' is a principle that matches inputs (such as plastic waste) with outputs from a recycling or production process, to determine the recycled content (source: zerowasteeurope.eu/wp-content/uploads/2021/05/rpa_2021_mass_balance_booklet-2.pdf).
3. See note 3 on p.111 of the Annual Report and Form 20-F 2024 for the definitions of Ethnically Diverse and Non-ethnically Diverse for the purposes of our International Pay Equity Analysis.

Tracking Progress

+ Find out more: Refer to the BAT 'Reporting Criteria' for an overview of our sustainability performance data at bat.com/reporting

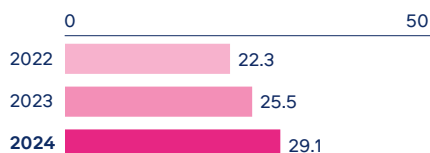
50% of our revenue from Smokeless products by 2035

% of revenue from Smokeless products



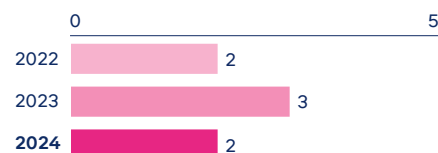
50 million Smokeless product consumers by 2030¹

Number of consumers[†] (millions) excluding Russia and Belarus



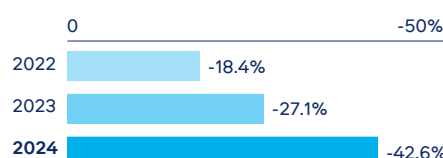
Full compliance with marketing regulations

Number of incidents of non-compliance with marketing regulations resulting in a fine or penalty



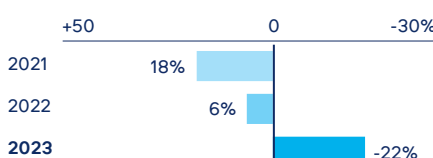
50% absolute reduction in Scope 1 and 2 GHG emissions by 2030 versus 2020 baseline²

% change in emissions relative to baseline



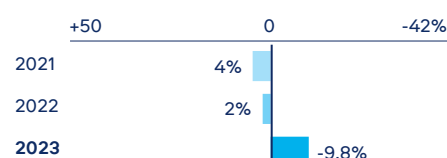
30.3% absolute reduction in Scope 3 Forest, Land and Agriculture (FLAG) GHG emissions by 2030 versus 2020 baseline²

% change in emissions relative to baseline



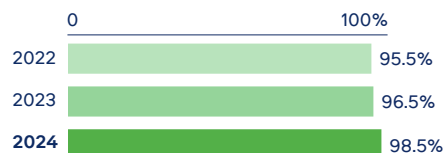
42% absolute reduction in Scope 3 Industrial (non-FLAG) GHG emissions by 2030 versus 2020 baseline²

% change in emissions relative to baseline



Deforestation and Conversion Free tobacco supply chain by 2025

% wood used in our Thrive Supply Chain³ with Deforestation and Conversion Free (DCF) Status



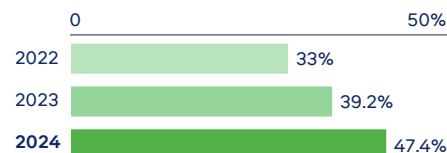
Deforestation Free pulp and paper supply chain by 2025

% of pulp and paper materials sourced with low risk of deforestation



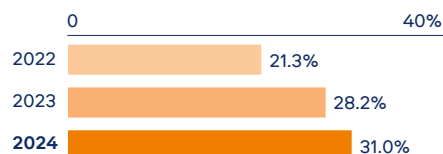
35% reduction in water withdrawn by 2025 versus 2017 baseline

% reduction in water withdrawal relative to base year



25% reduction in waste generated in own operations by 2025 versus 2017 baseline

% reduction in operational waste generated



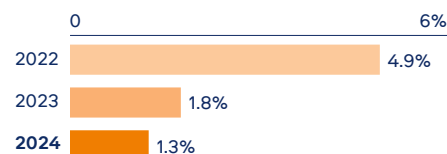
100% packaging to be reusable, recyclable or compostable where facilities exist by 2025

% of packaging reusable, recyclable or compostable



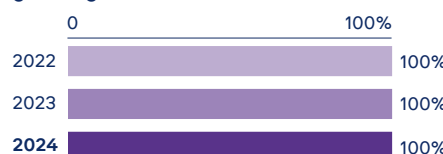
Less than 1% of our operational waste going to landfill by 2025

% of operational waste going to landfill



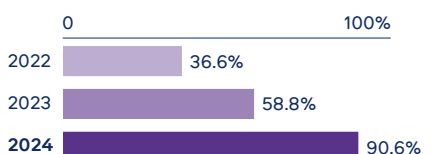
Aiming for zero child labour incidents in our tobacco supply chain by 2025

% of incidents of child labour identified and reported as resolved by end of the growing season



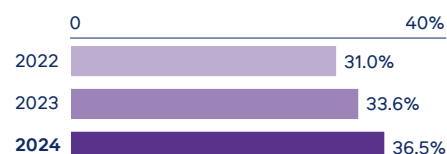
100% of product materials and higher-risk indirect suppliers having an independent labour audit within a three-year cycle by 2025

% suppliers undergoing labour audits during the last three years



Increase the proportion of women on Senior Leadership teams[†] to 40% by 2025

% female representation on Senior Leadership teams



Notes: 1. In 2024, we enhanced our reporting methodology by increasing the use of data obtained from consumer panels compared to estimations. In the prior year (2023) we reported 23.9 million consumers. The restated value is 25.5 million consumers. Refer to the BAT 'Reporting Criteria' for our full methodology: bat.com/reporting. 2. Compared to a 2020 baseline. Our near-term 2030 science-based targets comprise a 50% reduction in Scope 1 and 2 GHG emissions. The Scope 3 Industrial (non-FLAG) GHG emissions target includes purchased goods and services, upstream transportation and distribution, use of sold products, and end-of-life treatment of sold products. The Scope 3 FLAG GHG emissions target includes FLAG emissions and removals. Combined, these targets comprised 77% of Scope 3 emissions in 2020. Due to the complexity of consolidating Scope 3 data from our suppliers and value chain, we report Scope 3 data one year behind other metrics. Refer to the BAT 'Reporting Criteria' for our full methodology: bat.com/reporting. 3. Our ambitions cover all tobacco we purchase for our products (tobacco supply chain); which is used in our combustibles, Traditional Oral and Heated Products. Our metrics, however, derive data from our annual Thrive assessment, which includes our directly contracted farmers and those of our third-party suppliers, which represented over 93% of the tobacco we purchased by volume in 2024 ('Thrive Supply Chain').

Dividends

American Depositary Shares – Dividends

The following table shows the dividends paid by British American Tobacco p.l.c. in the years ended 31 December 2024 to 31 December 2022 inclusive.

Announcement Year	Payment	Dividend Period	Dividend Per BAT Ordinary Share GBP	Dividend Per BAT ADS ADS ratio 1:1 US\$ ¹
2024	May	Quarterly Interim 2024	0.5888	0.734851
	August	Quarterly Interim 2024	0.5888	0.753752
	November	Quarterly Interim 2024	0.5888	0.762702
	February 2025	Quarterly Interim 2024	0.5888	0.730435
Total			2.3552	2.981740
2023	May	Quarterly Interim 2023	0.5772	0.723866
	August	Quarterly Interim 2023	0.5772	0.734400
	November	Quarterly Interim 2023	0.5772	0.713880
	February 2024	Quarterly Interim 2023	0.5772	0.7318030
Total			2.3088	2.903949
2022	May	Quarterly Interim 2022	0.5445	0.680434
	August	Quarterly Interim 2022	0.5445	0.655523
	November	Quarterly Interim 2022	0.5445	0.635540
	February 2023	Quarterly Interim 2022	0.5445	0.669190
Total			2.1780	2.640687

Note:

1. Holders of BAT ADSs: dividends are receivable in US\$ based on the £/US\$ exchange rate on the applicable ADS payment date, being three business days after the payment date for the BAT ordinary shares.

Quarterly Dividends for the Year Ended 31 December 2024

The Group pays quarterly dividends. The Board has declared an interim dividend of 240.24p per ordinary share of 25p which is payable in four equal quarterly instalments of 60.06p per ordinary share in May 2025, August 2025, November 2025 and February 2026. This represents an increase of 2.0% on 2023 (2023: 235.52p per share), and a payout ratio, on 2024 adjusted diluted earnings per share, of 66.3%.

The quarterly dividends will be paid to shareholders registered on either the UK main register or the South Africa branch register and to ADS holders, each on the applicable record dates set out under the heading 'Key dates' below.

Key dates

In compliance with the requirements of the LSE, the NYSE and Strate, the electronic settlement and custody system used by the JSE, the following are the salient dates for the quarterly dividend payments. All dates are 2025 unless otherwise stated.

Event	Payment No. 1	Payment No. 2	Payment No. 3	Payment No. 4
Preliminary announcement (includes declaration data required for LSE and JSE purposes)		13 February		
Publication of finalisation information (JSE)	17 March	17 June	22 September	15 December
No removal requests permitted (in either direction) between the UK main register and the South Africa branch register	17 March–28 March	17 June–27 June	22 September–3 October	15 December–30 December
Last Day to Trade (LDT) cum-dividend (JSE)	25 March	24 June	30 September	23 December
Shares commence trading ex-dividend (JSE)	26 March	25 June	1 October	24 December
No transfers permitted between the UK main register and the South Africa branch register	26 March–28 March	25 June–27 June	1 October–3 October	24 December–30 December
No shares may be dematerialised or rematerialised on the South Africa branch register	26 March–28 March	25 June–27 June	1 October–3 October	24 December–30 December
Shares commence trading ex-dividend (LSE)	27 March	26 June	2 October	29 December
Shares commence trading ex-dividend (NYSE)	28 March	27 June	3 October	30 December
Record date (JSE, LSE and NYSE)	28 March	27 June	3 October	30 December
Last date for receipt of Dividend Reinvestment Plan (DRIP) elections (LSE)	11 April	11 July	17 October	14 January 2026
Payment date (LSE and JSE)	7 May	1 August	7 November	4 February 2026
ADS payment date (NYSE)	12 May	6 August	13 November	9 February 2026

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The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

tel: 0800 408 0094 (UK only) or +44 370 889 3159 (Overseas)
online: www.investorcentre.co.uk/contactus

South African Registrar

Computershare Investor Services Proprietary Limited
Private Bag X9000, Saxonwold, 2132, South Africa
tel: 0861 100 634; +27 11 870 8216
email: web.queries@computershare.co.za

American Depositary Shares Enquiries

All enquiries regarding ADS holder accounts and payment of dividends should be addressed to:

Citibank Shareholder Services

PO Box 43077, Providence, Rhode Island 02940-3077, USA
tel: +1 888 985 2055 (toll-free) or +1 781 575 4555
email: citibank@shareholders-online.com
website: www.citi.com/dr

References in this publication to 'British American Tobacco', 'BAT', 'we', 'us', and 'our' when denoting opinion refer to British American Tobacco p.l.c. (the Company) (No. 3407696) and when denoting tobacco business activity refer to British American Tobacco Group operating companies, collectively or individually as the case may be.

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