

# Message from our Chief Sustainability Officer



## Sustained Transformation

**Jonathan Upward**  
Chief Sustainability Officer

**Dear stakeholders,**

**As BAT’s Chief Sustainability Officer, I am pleased to present the sustainability section of our 2025 Combined Annual and Sustainability Report.**

Over the past 26 years at BAT, I have developed a deep understanding of our business, its legacy, its complexities, and the transformation we’re undertaking.

My background in operations has shaped a pragmatic, delivery-focused approach, which I believe is critical for translating strategy into measurable and meaningful impact.

We continue to embed sustainability across the business as a strategic lever, driving performance, enhancing resilience, and enabling long-term growth.

To achieve this, we have a sustainability strategy anchored in four interconnected impact areas beyond Tobacco Harm Reduction (THR): Climate, Nature, Circularity, and Communities.

By concentrating on our impact areas, our strategy is designed to mitigate risks, strengthen resilience across our supply chain, and seek to bring positive value where we operate.

Having worked across operations in diverse geographies, I have seen first-hand that having the right sustainability strategy is only the starting point. The real challenge lies in implementing it effectively, consistently, and in a way that makes commercial sense.

We continue to deepen our understanding of our value chain, embedding carbon considerations into decision-making, shaping our approach to protecting nature, and supporting our farming households through investments in education and livelihoods.

I am focused on harnessing key enablers to deliver across our impact areas:

- Technology that drives faster, better-informed decisions;
- Policy capabilities to anticipate and respond to evolving regulatory requirements on a wide range of sustainability topics, including supply chain due diligence, circularity and reporting; and
- Stakeholder engagement that fosters collaboration with suppliers, peers, and thought leaders to achieve better outcomes.

“As the external sustainability landscape evolves, our operating model, data, and digital capabilities will enable us to navigate and adapt with confidence.”

# Message from our Chief Sustainability Officer Continued

This section of the Combined Annual and Sustainability report is more than a strategy update. It explains why we are confident this is the right path for our business.

Its theme, **Shifting Perspectives, Through Sustained Transformation** reflects where we stand today, at a pivotal moment of change. We are moving from a legacy of combustibles to a Smokeless World, a transformation that demands bold thinking and a forward-looking approach. That same shift drives our approach to sustainability, which is grounded in data. This will help us drive decision-making, strengthen our ability to anticipate regulatory changes and foster business resilience.

Looking back at the last few years, we have made meaningful progress across all of our impact areas: reducing emissions throughout our value chain and leading in water stewardship, advancing regenerative agriculture practices, embedding eco-design principles in our Smokeless products and working with our suppliers to manage exposure to risks in our supply chain relating to labour standards and practices.

These successes have been achieved through the dedication and expertise of our teams.

I am proud of what we have accomplished together and energised for what lies ahead. Our journey is about 'doing the right thing right', for us, our stakeholders, and the environment.

As our 2025 targets reach maturity, we are setting our sights on the future with new 2030 targets, informed by our Double Materiality Assessment (DMA)<sup>^</sup> and aligned with our sustainability strategy.

Under each impact area of the strategy, four clear targets guide our efforts through 2030 and beyond, reinforcing our commitment to responsible growth and long-term value creation.

These will enable us to proactively manage broad impacts, regulatory shifts, and evolving stakeholder expectations.

Our commitment to sustainability is reflected in our oversight of the Sustainable Future pillar of the Group's strategic navigator, supported by strong cross-functional engagement. Across our global business, people are eager to contribute to sustainability and drive positive impact.

In progressing A Better Tomorrow™, we are embedding sustainability considerations into our strategic decision-making and operations: restoring and regenerating ecosystems and maintaining the trusted relationships we have built with local communities. At the same time, we remain committed to playing a leading role in THR, supporting a Smokeless future.

By doing so, we not only aim to mitigate sustainability-related risks but also to create long-term value for our stakeholders and consumers. This philosophy underpins A Better Tomorrow™, strengthening our capacity to adapt, compete and grow in a rapidly changing environment.

On the following page, and in the **What's Next?** sections of this report, you will find more details about our new targets and priorities.

We invite all stakeholders to engage with the report, ask questions and provide suggestions.

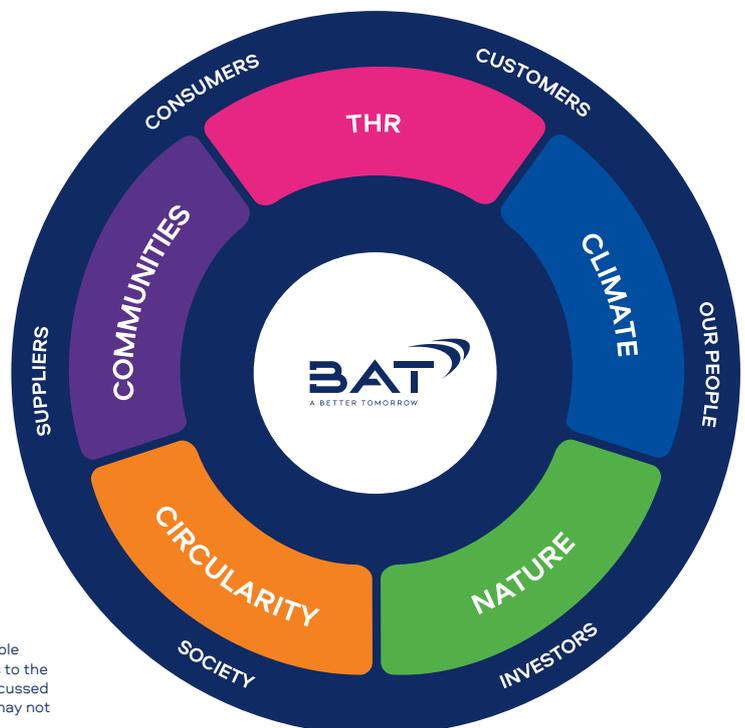
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Chief Sustainability Officer

➔ Read more about our sustainability ratings performance in our **2025 Sustainability Performance Data Book** at [bat.com/reporting](https://bat.com/reporting)

## Our sustainability strategy

In addition to THR, our sustainability strategy is anchored in four interconnected impact areas:

-  CLIMATE
-  NATURE
-  CIRCULARITY
-  COMMUNITIES



**Note:**  
<sup>^</sup> 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 therein are financially material to our business taken as a whole, and such topics may not significantly alter the total mix of information available about our securities.