

Building a Smokeless World

Our Cultural Transformation

Cora Koppe-Stahrenberg, Chief People
Officer

Capital
Markets
Day

2024



Enabling A Better Tomorrow™ through our culture transformation

Refreshed Values

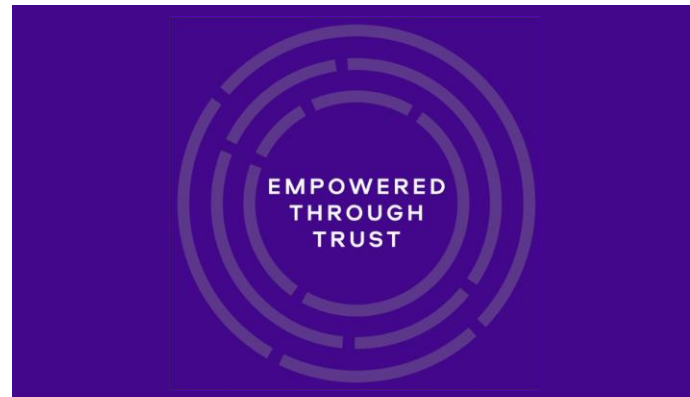
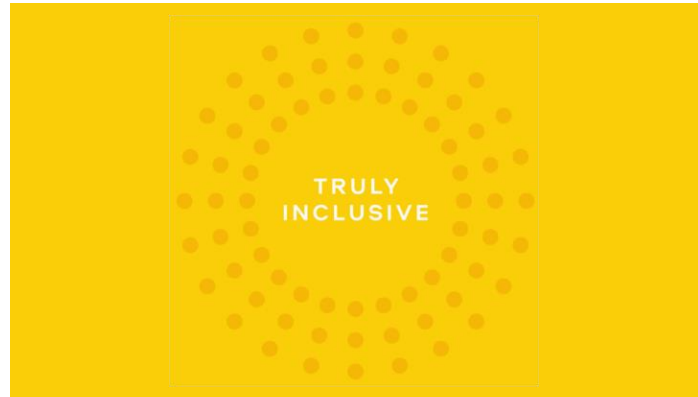


2030 People Strategy



Building a modern, agile & inclusive culture

Launched in Q1'24, our refreshed Values are our core DNA...



...and the yardstick for how we operate



“Let’s Talk”

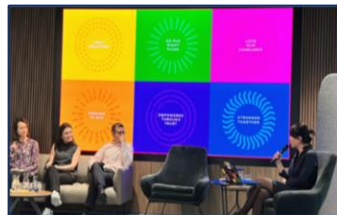
All employee Q&A sessions with Chief Executive



Reward & Recognition



New integration into performance objectives



Employee feedback from Values activation survey in Jun'24

94%

Fully support our refreshed Values (+3ppts vs. FMCG norm)

89%

Have confidence in our leadership to embed Values

87%

Believe the Values are consistently demonstrated

Biggest room for improvement: 'Empowered Through Trust'

The new 2030 People Strategy ensures we have the engaged talent we need to deliver

Our People Strategy ambition

- Enabling tomorrow's success
- Creating an amazing people experience
- Making "BAT the place to be"

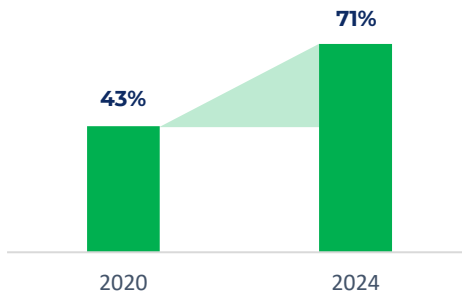


Our evolving employer appeal is attracting talent

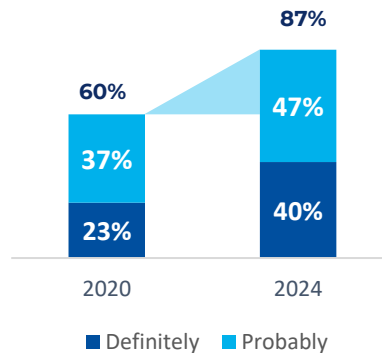
BAT in the eyes of potential candidates*



Awareness



Consideration



Social Media engagement^



6.3%
Engagement rate

+110.8%
vs. benchmark
group

1.7m
Followers

+11%
Sept'23
vs. Sept'24

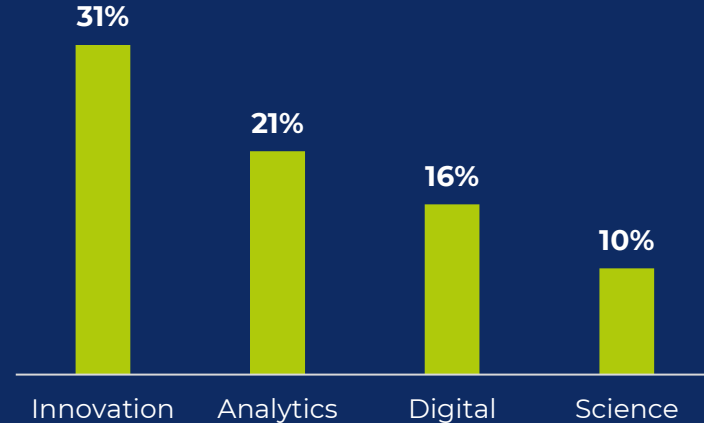
* External testing across 12+ markets with 2000+ external respondents;
^ LinkedIn analytics: benchmark group of 9 leading multinational companies

Bringing in new capabilities at all levels...

Global Graduates
c.40,000 applications &
c.250 hires annually



600+ of management level hires brought new capabilities in 2023



* 2023 full year

...and developing new skills internally through tailored learning programs

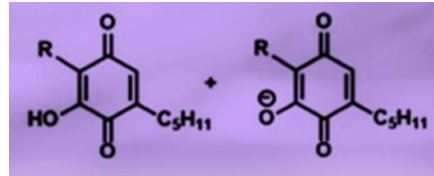
Multi-category supply chain knowledge



c.1,000 Operations Managers in 2024



Science of New Category products



c.800 Scientist participants since 2022

Future marketing capabilities



Launched in Jul'24



Enterprise Leaders for tomorrow



Senior leadership program launched in Sept'24

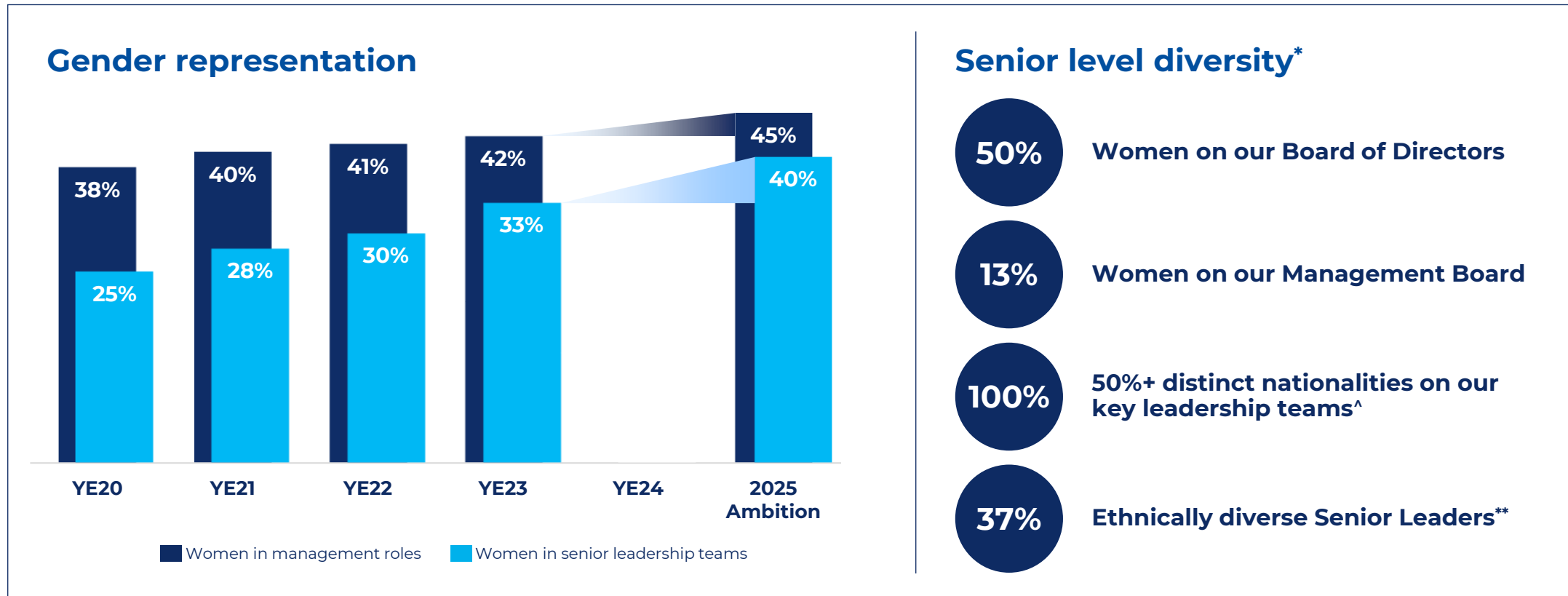


We are committed to fostering a 'Truly Inclusive' culture...

<p>Global ERGs</p>	<p>Local ERGs</p>	<p>Women's Executive Network</p>
<p>Women in Leadership program</p> <p>79% of Women Leaders*</p>	<p>Internal mentoring</p> <p>100% of women in succession for key leadership roles^</p>	<p>External mentoring</p> <p>2.4x increase in pairs vs. '23</p>
<p>New inclusion workshops</p> <p>70% of Business Unit leadership teams</p>	<p>Allyship guides</p>	<p>Inclusive benefits</p>

* Women employees at job grade G37, the first level of our Senior Management
 ^ Roles in commercial leadership teams (e.g. Regional, Functional)

...and are progressing in our Diversity journey



* As of 1 May 2024

^ Key leadership teams categorised as the group of direct reports that report to a Management Board member

** Senior leaders referred to in the ethnicity agenda includes the members of the Management Board and their direct reports

...while keeping a close eye on fair pay



Listening to our 46,000+ employees is driving culture through an ongoing dialogue

From

- Traditional biennial survey
- Long action planning

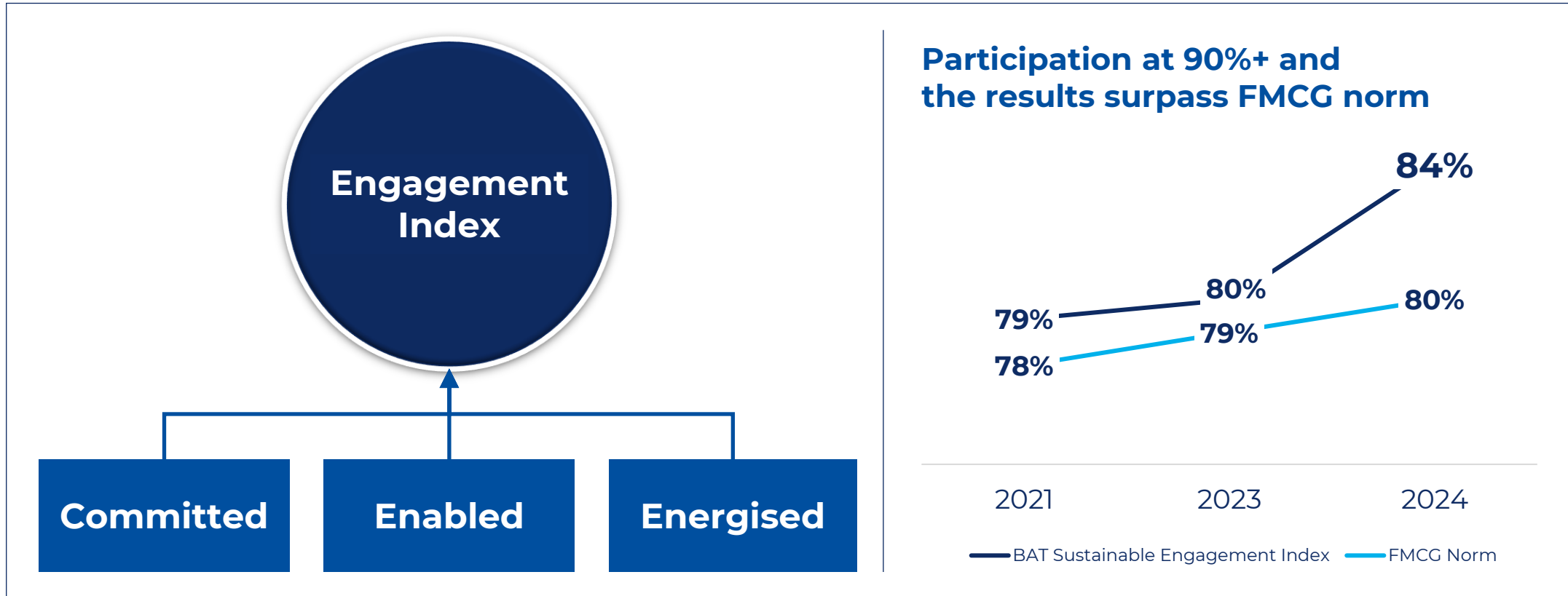


To

- Continuous and holistic listening
- Agile actions and line ownership



The Engagement Index continues to be a core metric to measure our people ambition..



...and external recognitions reflect our achievements

Employee Experience

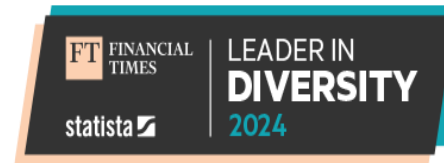


- ✓ 7 consecutive years
- ✓ 1 of 16 companies globally in 2024
- ✓ 6 regions & 36 countries
- ✓ China certified for the first time in 2024

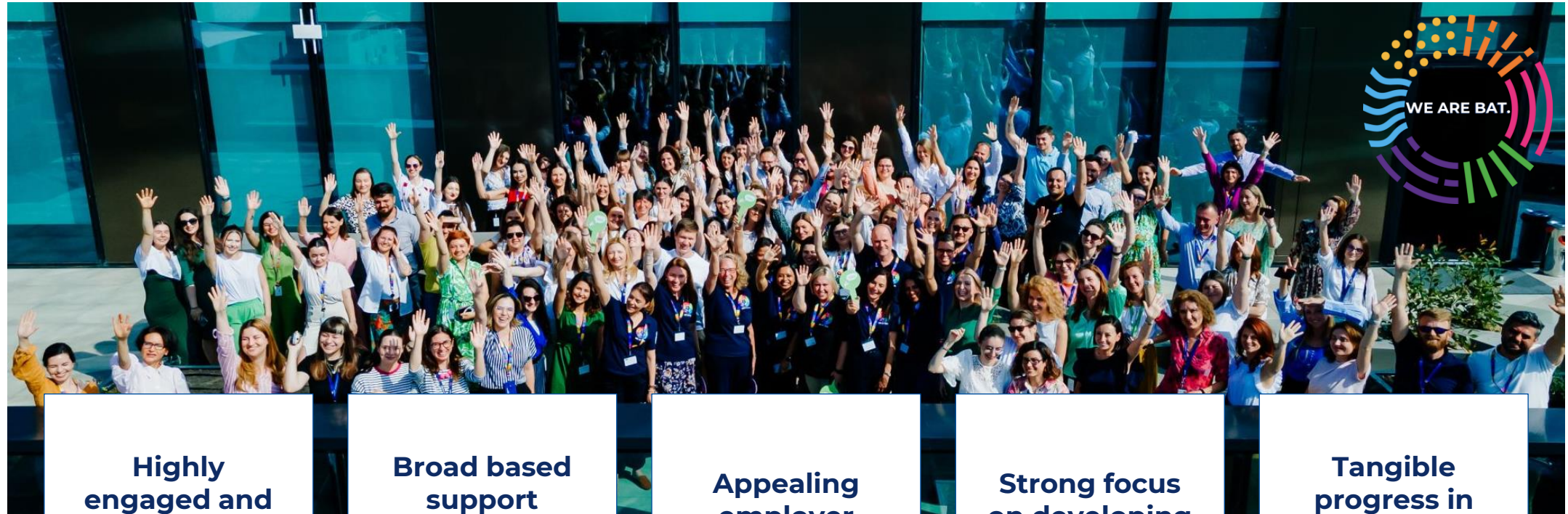


- ✓ 16 countries such as U.S, Canada, Mexico, South Korea, Saudi Arabia

Inclusion & Diversity



Our culture transformation is progressing well, enabling an exciting, winning Company



Highly engaged and committed workforce

Broad based support for refreshed Values

Appealing employer attractiveness

Strong focus on developing new capabilities

Tangible progress in inclusion & diversity

(Video - Values)

Appendix

A1: Adjusting (Adj.)

Adjusting items represent certain items which the Group considers distinctive based upon their size, nature or incidence.

A2: Constant currency

Constant currency – measures are calculated based on the prior year's exchange rate, removing the potentially distorting effect of translational foreign exchange on the Group's results. The Group does not adjust for normal transactional gains or losses in profit from operations which are generated by exchange rate movements.

A3: Share metrics

Through Aug 2024 unless otherwise stated.

Volume share: The estimated number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total estimated units bought by consumers in the industry, category or other sub-categorisation. Sub-categories include, but are not limited to, the total nicotine category, Modern Oral, Vapour, Traditional Oral or cigarettes. Corporate volume share is the share held by BAT Group. Except when referencing particular markets, volume share is based on our top markets.

Value share: The estimated retail value of units bought by consumers of a particular brand or combination of brands, as a proportion of the total estimated retail value of units bought by consumers in the industry, category or other sub-categorisation in discussion.

A4: Price/Mix

Price mix is a term used by management and investors to explain the movement in revenue between periods. Revenue is affected by the volume (how many units are sold) and the value (how much is each unit sold for). Price mix is used to explain the value component of the sales as the Group sells each unit for a value (price) but may also achieve a movement in revenue due to the relative proportions of higher value volume sold compared to lower value volume sold (mix).

A5: Free Cash Flow

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.

A6: Operating Cash Conversion

Net cash generated from operating activities before the impact of adjusting items and dividends from associates and excluding trading loans to third parties, pension short fall funding, taxes paid and net capital expenditure, as a proportion of adjusted profit from operations.

A7: Organic

To supplement the Group's results presented in accordance with International Financial Reporting Standards (IFRS), the Group's Management Board, as the chief operating decision maker, reviews certain of its results, including revenue and adjusted profit from operations, at constant rates of exchange, prior to the impact of businesses sold or held-for-sale. Although the Group does not believe that these measures are a substitute for IFRS measures, the Group does believe that such results excluding the impact of businesses sold or to be held-for-sale provide additional useful information to investors regarding the underlying performance of the business on a comparable basis and in the case of the divestment of the Group's businesses in Russia and Belarus, the impact these businesses had on revenue and profit from operations. Accordingly, the organic financial measures appearing in this document should be read in conjunction with the Group's results as reported under IFRS. The exits referred to in respect of other markets, including in Africa, are not deemed significant to the users' understanding.

A8: Poly-usage

- **Combustibles Poly-use** – refers to the use by an adult* consumer of both Combustibles products and potentially reduced risk tobacco and nicotine products which for many smokers is part of a transitional period where those consumers move towards a complete switch to potentially reduced-risk products by reducing the consumption of combustible tobacco products and replacing them with one or more potentially reduced-risk products.
- **New Categories Poly-use (“NC Poly-use”)** – refers to the consumption of two or more potentially reduced-risk tobacco or nicotine product categories by adult* consumers who do not consume any Combustibles products.
- **Total Poly-use** – total number of adult* consumers consuming two or more tobacco and/or nicotine products, which may or may not include Combustibles products. * As defined by the relevant local law but shall in no circumstance refer to any person under the age of 18; and shall in no circumstance refer to any person under the age of 21 in the U.S.

A9: Adjusted net debt to adjusted EBITDA

Net debt, excluding the impact of the revaluation of Reynolds American Inc. acquired debt arising as part of the purchase price allocation process, as a proportion of profit for the year (earnings) before net finance costs (interest), tax, depreciation, amortisation, impairment, associates and adjusting items

A10: Consumers of Smokeless Products

The number of consumers of Smokeless products is defined as the estimated number of Legal Age (minimum 18 years) consumers of the Group's Smokeless products - which does not necessarily mean these users are solus consumers of these products. In markets where regular consumer tracking is in place, this estimate is obtained from adult consumer tracking studies conducted by third parties (including Kantar). In markets where regular consumer tracking is not in place, the number of consumers of Smokeless products is derived from volume sales of consumables and devices in such markets, using consumption patterns obtained from other similar markets with adult consumer tracking (utilising studies conducted by third parties, including Kantar). The number of consumers is adjusted for those identified (as part of the consumer tracking studies undertaken) as using more than one BAT Brand – referred to as “poly users”.

The number of Smokeless products consumers is used by management to assess the number of consumers using the Group's New Categories products as the increase in Smokeless products is a key pillar of the Group's ESG ambition and is integral to the sustainability of our business.

A11: Smokeless Products

Refers to Non-Combustibles, including Vapour products, Heated Products, Modern Oral and Traditional Oral.