



At BAT, our people are the heartbeat of our transformation, living our values every day to build an inclusive, purpose-driven culture that powers A Better Tomorrow™.



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### ‡ Definitions relevant to this report

Defined terms are denoted by the double-dagger '‡' symbol in this report.



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# Message from our leadership

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Chief Executive

**Dr Cora Koppe-  
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Chief People Officer



**We are proud to present our 2025 People and Culture Report.**

**This report represents a reflection of our shared progress, our aspirations, and the opportunities ahead as we continue to shape a workplace where everyone can thrive.**

This year has been defined by clear momentum in our cultural transformation. Across the organisation, bold thinking and meaningful action have helped us to embed our People Strategy and bring our values to life. From leadership development and community building, to performance enablement, wellbeing, benefits and reward, our focus remains clear: we're creating an environment where every individual feels empowered to contribute, grow, and succeed, supported by a strong focus on their wellbeing.

Listening to our people is central to this. In 2025, our new Employee Listening Framework reached over 40,000 employees globally through two major surveys. The insights shared with our Board and our employees help us shape decisions and measure progress. Our Engagement Score and our first time Inclusion Index both reached 85%. These are both ahead of global benchmarks and a clear signal that our people feel more connected, supported, and heard.

Globally, we continue to pay all our people fairly, regardless of gender or ethnicity. We are pleased that the consolidated results of our pay equity assessments show that our men and women, and separately our Ethnically Diverse<sup>†</sup> and Non-ethnically Diverse<sup>‡</sup> groups, are paid within 1% of each other for doing the same work or work of equal value.

[Find out more about our global pay fairness journey on pages 8 to 9 and on page 118 of our 2025 Combined Annual and Sustainability Report](#)

We are proud of our teams and equally proud of the culture we're building together. This report is not just a summary of initiatives; it is a celebration of our people, and a call to continue shaping A Better Tomorrow™.

# Our People Strategy

## An exciting and winning company

**Our people are key to driving our purpose to create A Better Tomorrow™ by Building a Smokeless World.**

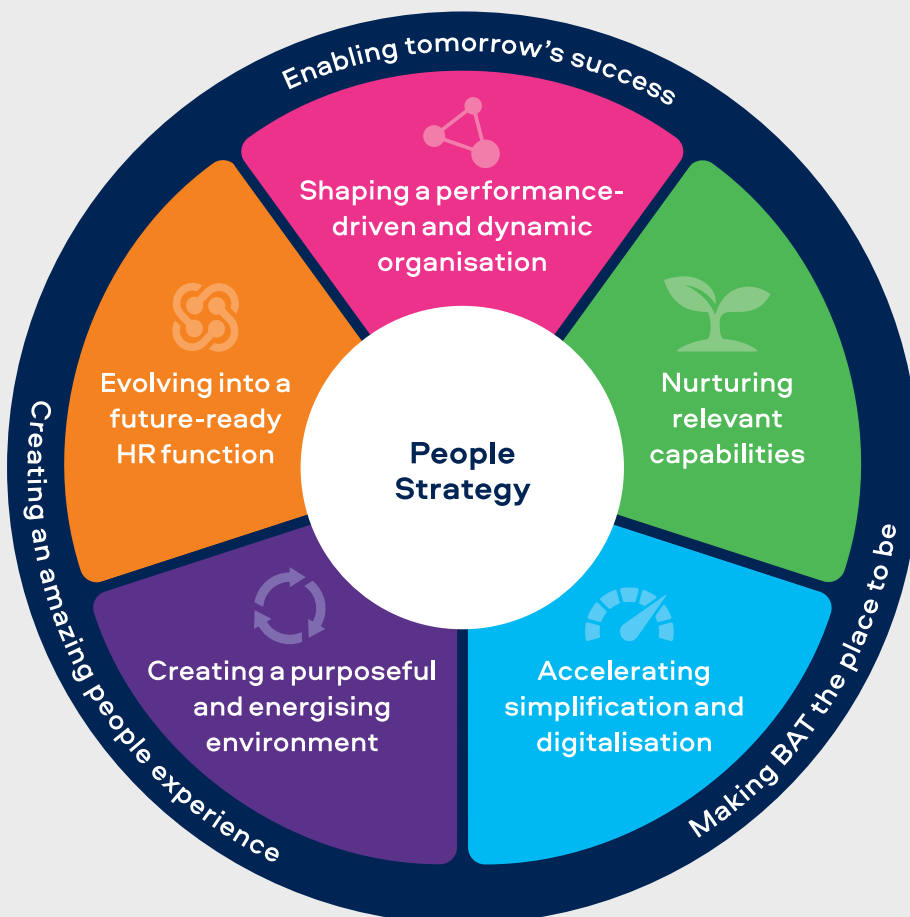
Our People Strategy, introduced in 2024, clearly articulates how the business strategy will be achieved from a people perspective. The People Strategy not only plans for required skills and capabilities; it also outlines our philosophy on building and maintaining effective relationships with our people.

**Our strategy is centred on three 2030 ambitions:**

1. Enabling tomorrow's success for our business and colleagues
2. Creating an amazing people experience
3. Making BAT the place to be for current and prospective talent

We designed our People Strategy with a clear purpose: to ensure we are ready for future changes and can respond to consumer needs at pace.

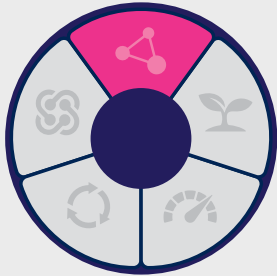
Our People Strategy is anchored in five strategic intentions, which provide a common framework for all business areas to develop their people plans using the same ambition and strategic intentions.



**This key demonstrates the strategic linkages between the content of this report and our People Strategy.**

-  Shaping a performance-driven and dynamic organisation
-  Nurturing relevant capabilities
-  Accelerating simplification and digitalisation
-  Creating a purposeful and energising environment
-  Evolving into a future-ready HR function

# Our People Strategy Continued



## Shaping a performance-driven and dynamic organisation

We are fostering a progressive, results-focused mindset, driving accountability for performance, and maximising access to talent through an adaptive, flexible workforce. We support effective change management and continuous evolution.



## Nurturing relevant capabilities

We provide personalised learning opportunities that support growth. We offer meaningful development paths that strengthen skills and retention, while seeking to ensure continuity of practice and effective knowledge transfer. Clear leadership expectations further support our ability to build the capabilities needed for the future.



## Accelerating simplification and digitalisation

We are designing tools and processes with simplicity and the people experience in mind. We simplify first, then digitalise, leveraging technology to personalise experiences and create seamless, connected, tech-enabled processes. With data, insights and foresights at our fingertips, we can make faster, smarter decisions.



## Creating a purposeful and energising environment

We are embedding our values in everything we do and championing the Inclusion agenda. Our continuous listening approach keeps us close to our people, while well-being remains a priority. We reward performance, recognise progress and celebrate results to create a purposeful and energising environment.



## Evolving into a future-ready HR function

We are developing talent across the organisation and continuously aim to stay ahead of the curve through innovation. As a pro-active HR function, we continuously evolve our functional capabilities and combine them with commercial capabilities. Working as one team, we strengthen our ability to deliver a future-ready HR function.

# Our People Strategy Continued



## The role of the People Strategy in BAT's Sustainable Future

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.

➤ Find out more about our **Strategic Navigator** on **pages 10 to 11** of our **2025 Combined Annual and Sustainability Report**

We are driving this change by listening to our people and focusing on stronger engagement across the organisation.

As part of our Sustainability Strategy, one of our key ambitions is to strengthen the resilience of our communities. Employees are a vital community group, and we aim to empower them with opportunities, skills, and knowledge that build resilience.

➤ Find out more about our **employee communities** on **pages 116 to 120** of our **2025 Combined Annual and Sustainability Report**

As we continue to transform our business, cultivating a strong, future-ready culture is essential to our ongoing business success.

## Our values

Our six corporate values act as a compass to guide the behaviours and decisions of our people as they work towards Building a Smokeless World. These values were defined through collaboration with more than 2,000 employees. The aim was to establish values that are relatable, simple to understand and reflective of both how we are perceived externally and how we experience our culture internally.

Every colleague shares the responsibility to bring these values to life through their decisions, actions, and interactions every day.

We define success by what we achieve and how we achieve it. That's why in 2025, we embedded consistent performance objectives related to our 'Truly inclusive' and 'Do the right thing' values for every employee globally. These commitments go beyond words. They shape behaviours, drive accountability, and foster integrity across the organisation.

### The six corporate values are:



Truly inclusive



Stronger together



Passion to win



Empowered through trust



Love our consumer



Do the right thing

# Our progress

## Top Employer



BAT was certified as a Global Top Employer for 2025 across 38 countries and six regions: Africa, Asia Pacific, Middle East, Latin America, North America and Europe. This is our eighth consecutive year being named a Global Top Employer by the Top Employers Institute. Top Employer certification recognises employers that provide best-in-class employment practices, policies and procedures, allowing employees to develop themselves personally and professionally, while driving business results.

The Top Employers Institute certifies organisations based on the participation and results of their HR Best Practices Survey. This survey covers six HR domains consisting of 20 topics including People Strategy, Work Environment, Talent Acquisition, Learning, Diversity & Inclusion, Wellbeing and more. Participating companies undergo an assessment which includes a review of these practices. Several validation sessions are held where evidence of these practices is provided, and an independent audit of the findings is also carried out.

BAT is one of 16 companies worldwide to receive Global Top Employer certification for 2025.

## Launching our new EVP



We unveiled our refreshed Employer Value Proposition (EVP) – Tomorrow Can't Wait, to support our transformation and attract top talent globally. Built around the three pillars of Care, Growth, and Transformation, the EVP reflects our focus on creating an inclusive environment, developing careers, and enabling innovation. Tomorrow Can't Wait has also earned recognition with one bronze award and two gold awards at the Employer Brand Management Awards.

## Building leadership and functional capability



We seek to foster a culture of growth, capability-building, and continuous development. As part of this commitment, we aim to strengthen the leadership and functional skills of our employees through a range of learning and development programmes tailored to evolving business needs.

Each year, various learning programmes take place at local, regional and global levels across the Group. In 2025, we deepened our investment through a number of initiatives:

- Uplift in junior-mid level: developing and piloting three new programmes to build people leadership skills across early career, first-time line managers, and experienced managers.
- Uplift in senior leadership: developing and piloting two new programmes for senior leaders and General Manager candidates to strengthen strategic thinking, enterprise connectivity, and inclusive leadership.

Our programmes are designed and delivered in collaboration with service providers and globally recognised organisations in leadership development and research, offering learning experiences that support our ambition to 'make BAT the place to be' for current and prospective talent.

## Building a future-ready HR digital ecosystem



We are transforming the way we work, creating simpler, smarter, and more connected digital experiences for our employees. This includes modernising our HR systems, streamlining processes, and making every interaction intuitive and secure.

In line with this, we are consolidating our HR solutions into a single, globally aligned platform powered by SAP SuccessFactors. This will support a consistent, future-ready HR ecosystem that enables the organisation to operate efficiently and adapt quickly in a fast-changing digital environment

Looking ahead, we are committed to building a HR function that not only supports but accelerates our transformation by simplifying processes, nurturing capabilities, and embedding wellbeing and purpose at the heart of our culture.

## Employee Listening



We have established a range of engagement channels to better understand our employees' perspectives. These include market visits by our Directors and Management Board members, town halls, global, functional and regional webcasts, Q&A sessions, and meetings with Works Councils and Trade Unions.

Following the launch of our new Employee Listening Framework in 2024, we deployed two global surveys, engaging approximately 40,000 employees in 2025. The results were shared with our Board and employees.

Our Inclusion Survey achieved 89% response rate and an Inclusion Index Score of 85%, exceeding the FMCG benchmark by seven percentage points. The Engagement Survey followed in September, with 90% participation and an engagement score of 85%, up one point year-on-year and ahead of our global FMCG comparator group by five points.

We also conduct targeted pulse surveys to address specific focus areas at the global and local level. Strengths highlighted through these surveys include open and transparent communication, embracing innovation and technological change, and prioritising new ways of working through continuous process improvements. Continued focus is needed on reducing business complexity and further simplifying processes.

Additionally, we piloted voluntary demographic data collection across markets, where legally permissible. This has helped us better understand representation, identify gaps, and inform targeted actions that promote accessibility and belonging.

### Upskilling in employee listening to enhance the people experience

Launched in 2025, our internal Employee Listening site is a centralised hub available to all employees. It consolidates survey results, upcoming timelines, and practical resources to support leaders in fostering continuous, meaningful dialogue within their teams. We held dedicated training sessions for line managers across the business to build capability in interpreting results, communicating insights with their teams, and facilitating open dialogues with their teams to identify and prioritise actions.

# Our progress Continued

## Upskilling employees in AI



We are committed to upskilling employees on AI technology, ensuring we can leverage it to meet new challenges and unlock opportunities. In 2025 we launched our 'think agAI' learning campaign to help colleagues build the skills and confidence to thrive in an AI powered world.

The campaign provides bite-sized e-learning on the different types of AI, ethical considerations and responsible usage, and integrating AI into daily life as well. Through 2026 the learning will be deepened through provision of advanced level modules with e-learning, panels and webinars on specific topics related to AI.

## LiveWell: Embedding wellbeing into our culture



LiveWell, our global framework for benefits and wellbeing, is designed to support employees across four pillars: physical, emotional, financial, and social. More than a benefits programme, LiveWell reflects our commitment to holistic wellbeing including mental health and inclusion. This is central to our People Strategy and our ambition to create a purposeful and energising environment.

In 2025, we expanded LiveWell to 80% of markets with full implementation on track for the end of 2026.

The framework combines global consistency with local flexibility, enabling markets to tailor initiatives to their unique needs while staying aligned with our values.

This alignment is designed to energise our workforce, builds belonging, and strengthens an Employee Value Proposition that makes BAT the place to be.

APMEA West unified policies across 11 markets, achieving improved self-service and benefit choices through a strong Change Champion network.

The UK strengthened engagement on financial wellbeing, with its education initiatives contributing to a 72% increase in bonus-related pension contributions.

It also continued to promote the wide range of mental health support available through our private medical provider, including virtual General Practitioners (GP) services and counselling, supported by our Healthy Minds Champions and our Employee Assistance Programme (EAP).

In the U.S., a refreshed open enrolment campaign improved accessibility, delivering a 17% rise in completion rates and strong interest in the new Lifestyle Spending Account. LATAM South deepened its insight-led approach by conducting a bespoke wellbeing survey to identify nuanced needs and shape a targeted, life-stage-aligned action plan.

## Inclusive culture



Our new Inclusive Culture Strategy was developed through global engagement and aligned with our People Strategy. It strengthens our ability to attract and retain talent, elevate the employee experience, and helps us live our values.

The Inclusive Culture Strategy has three core priorities: to shape an inclusive culture together; create workplaces where everyone can thrive; and build internal communities that connect employees.

It will be deployed in phases, with initiatives tailored as appropriate to the context of the individual markets in which we operate, and will enable the development of employees and wider business objectives by promoting employee engagement, inclusive culture and cross-functional collaboration.

## Supporting families and life moments

LiveWell continues to support employees through key life moments. Our Parents@BAT programme offers at least 16 weeks of fully paid parental leave for mothers and adoptive parents globally, with an average leave duration of 18 weeks. Secondary caregivers receive paternity leave averaging two weeks, with extended provisions in markets such as the U.S., Australia, Brazil, and Canada.

In 2025, 95.9% of women and 98.9% of men returned to work following parental leave, supported by flexible working options and additional resources such as coaching and online advice.

Markets also offer compassionate and carer's leave, on-site lactation facilities, and childcare vouchers, reflecting our commitment to family-friendly policies. Benefits are regularly reviewed to ensure they meet evolving needs.



# Our progress Continued

## Rewarding our employees



We seek to deliver fair, equitable and transparent total reward packages to all employees globally.

In 2025, we continued to uphold our commitment to fair pay principles by maintaining our independent accreditation from Fair Pay Workplace, for providing equal pay for work of equal value<sup>1</sup>.

We also continue to be certified as a Global Living Wage employer by the Fair Wage Network (FWN), following our two-year certification awarded in 2024. Although formal re-certification was not required in 2025, we conducted an internal review to confirm that all direct employees across BAT are paid at or above the applicable living wage<sup>2</sup>.

[Find out more about our global pay fairness journey on pages 8 to 9 and on page 118 of our 2025 Combined Annual and Sustainability Report](#)



## Disability Confident Leader

We are proud to have achieved Disability Confident Level 3 certification in the UK, the highest level of recognition within the scheme. This reflects our commitment to creating an inclusive workplace and acknowledges our efforts in attracting, developing, and supporting individuals with disabilities and long-term conditions. With renewal due in 2026, we aim to maintain this standard.

We currently have 53 UK employees who have chosen to declare a disability. We began reporting this data in 2025 after introducing confidential demographic data collection through our first global Inclusion Survey in the UK and other legally permitted markets, giving employees an additional channel to declare a disability outside of our existing HR system.



# Level 3

Disability Confident certification achieved in the UK (highest level in the scheme)

# 53

UK employees declared a disability

# 2026

Scheduled renewal year for Disability Confident Level 3 status

**Notes:**

1. Employees performing the same work or work of equal value are paid equitably and any differences in pay are for objective reasons e.g. location and not influenced by factors such as gender and/or ethnicity.
2. Our definition of a 'living wage' is aligned with the UN Global Compact definition: "living wage is the local remuneration received for a standard work week that enables workers and their families to meet their basic needs".

# Our global pay fairness journey

Going beyond compliance, we have made significant progress in embedding our pay equity agenda globally.

## Global expansion and certification

Since 2022, we have continued to expand our gender pay equity analysis. As of 2023, our review encompassed all Direct Employees<sup>‡</sup> in over 100 markets. Since 2024, our ethnicity analysis has extended to eight markets, representing around 40%<sup>2</sup> of our Direct Employees<sup>‡</sup>. Each year, we reaffirmed our commitment to pay equity with independent third-party certification.



2021

## Global pilot and certification

In 2021, we launched a global pilot, introducing gender pay and equity reporting across nine markets and UK-wide ethnicity reporting, supported by external accreditation.



2022

## All Direct Employees<sup>‡</sup>

covered in our gender pay equity analysis since 2023

2025

## We are continuing our pay equity journey

We are proud to continue upholding our commitments on pay equity with global gender pay equity reporting across more than 100 markets<sup>1</sup> and ethnicity pay equity analysis across 8 markets, covering approximately 38%<sup>2</sup> of our Direct Employees<sup>‡</sup>.

This journey reflects our dedication to transparency, inclusivity, and continuous improvement in pay equity across the organisation.

**Notes:**

1. Please see page 16 of this report for a full list of markets included in the scope of our analyses.
2. The reduction in the percentage of employees in 2025 relative to 2024 reflects headcount changes within the countries analysed.

# Our global pay fairness journey Continued

## Global unadjusted gender pay gap

We are committed to transparency in pay practices. Since 2023, we have voluntarily disclosed our global unadjusted mean gender pay gap and consistently adhered to this practice to demonstrate our commitment to the GPG agenda.

In 2025, our analysis covered over 45,000 Direct Employees<sup>†</sup> across more than 100 markets and revealed a global unadjusted mean gender pay gap of -16% in favour of women globally, a one percentage point change versus 2024. Increased female representation in Management<sup>†</sup> roles and a higher proportion of men in junior positions have influenced this outcome, highlighting how workforce dynamics shape pay gap trends.

The unadjusted mean gender pay gap refers to the overall difference in average earnings between women and men, without accounting for gender-neutral factors such as job level, experience, location, or other relevant aspects that could influence earnings. The concept of unadjusted pay gap is different from equal pay for equal work which compares pay for individuals, performing the same job or a job of equal value.

## Pay equity: Global adjusted pay gaps

We want our employees to thrive, feeling valued as individuals for their talent, experience, and skills.

We conduct pay equity analysis annually across our organisation to ensure employees performing the same work – or work of equal value – are compensated equitably. Any differences in pay must be explained through objective factors and not be influenced by gender, ethnicity, or other personal characteristics.

Since 2021, we have been externally certified by Fair Pay Workplace (FPW) for providing equal pay for equal work. FPW is an independent expert organisation that evaluates companies' pay equity based on a defined criteria.

In 2025, our gender pay equity analysis continued to cover all in-scope Direct Employees<sup>†</sup>, in more than 100 markets for gender), and approximately 16,500 Employees<sup>†</sup>, in 8 markets for ethnicity analysis (approximately 38% of our Direct Employees<sup>†</sup>).

## Our continuing efforts as reflected in the evolution of our gender pay gap figures:

| Evolution of our gender pay gap figures* |  |  |  |  |   |
|--|--|--|--|--|---|
|  | 2021   | 2022   | 2023   | 2024   | 2025  |
| <b>Global gender pay gap (mean)</b>      | n/a  | n/a  | -14%   | -15%   | <b>-16%</b>   |
| <b>Global gender pay equity gap</b>      | Within 1%                                    | Within 1%                                    | Within 1%                                    | Within 1%                                    | <b>Within 1%</b>                                    |
|  | Certification achieved for ~40% of headcount | Certification achieved for ~80% of headcount | Certification achieved for 100% of headcount | Certification achieved for 100% of headcount | <b>Certification achieved for 100% of headcount</b> |

**Note:**

\* A negative figure is a gap in favour of the female population. A positive figure is a gap in favour of the male population.

**45,000**  
Direct Employees<sup>†</sup> covered in our global unadjusted mean gender pay gap analysis

**100+**  
Markets covered by the 2025 analysis

**-16%**  
unadjusted mean pay gap in favour of women globally

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

### The consolidated results from our pay equity assessments show:

- Women and men are paid within 1% of one another for doing the same work or work of equal value; and
- Ethnically Diverse<sup>†</sup> groups and Non-ethnically Diverse<sup>†</sup> groups are paid within 1% of one another for doing the same work or work of equal value.

Ethnicity pay equity analysis is conducted in the following countries: Australia, Brazil, Canada, Malaysia, Mexico, South Africa, the UK and the U.S. In line with our commitment to fair pay, we will continue to assess and evolve our analysis as appropriate.

# Appendix 1: UK-wide Gender Pay Gap

## We present consolidated data for all our UK employees to better reflect the intent of the UK requirements.

### UK-wide gender pay gap

Across our UK businesses, we employ approximately 2,700 people<sup>†</sup>. This includes our Chief Executive, Management Board<sup>†</sup>, the Board of Directors<sup>†</sup>, and leadership teams for our global business functions. Women represent 44% of this population.

Gender pay gap outcomes depend on the demographics of an organisation, specifically the proportion of men and women in senior positions. Within our UK Senior Management<sup>†</sup> population, male representation is 60%, whereas female representation is now at 40%, increasing by four percentage points versus 2024, which contributes to our gender pay and bonus gaps.

While we are pleased to demonstrate progress in developing a talented and diverse pipeline of leaders for the future, we recognise that female representation in Senior Leadership<sup>†</sup> roles is an ongoing priority.

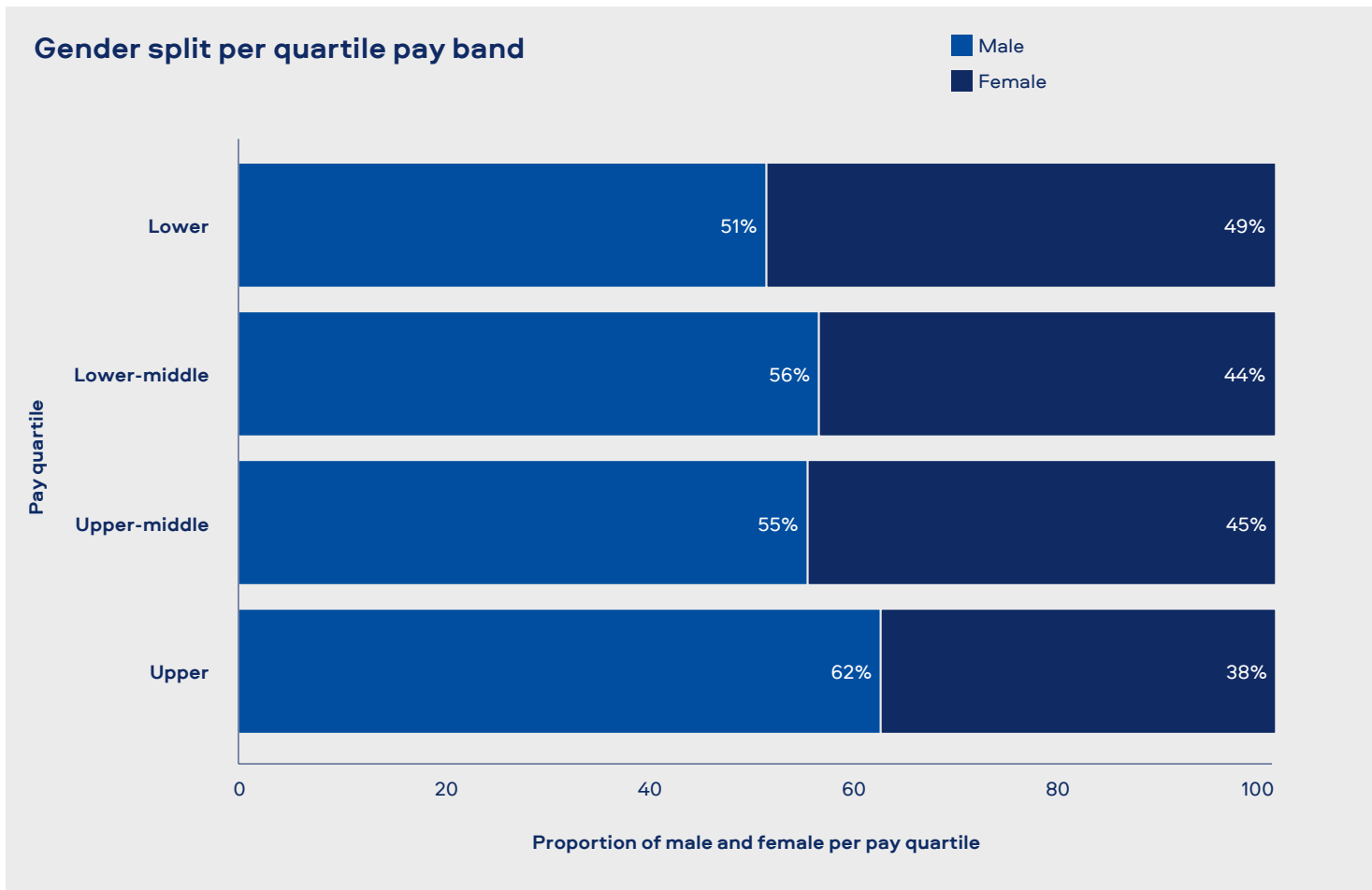
Our reporting for the four businesses included in the scope of the Statutory Regulations follows

### Accelerating our momentum

We have several Group-wide initiatives in place to seek to continue reducing the gender pay gap including the following:

- Our values promote positive and inclusive behaviours that everyone in our organisation is expected to demonstrate;
- Our Senior Leaders<sup>†</sup> are accountable for addressing barriers to progression and retention;
- Our focus on pay equity is fundamental to strengthening and sustaining our talent pipelines, while providing a fair and equitable working environment; and
- We benchmark global practices across several areas, including women's representation, outlined in more detail throughout this report.

An average salary gap is not the same as equal pay, an established legal requirement in the UK. As a certified organisation for our commitment to Pay Equity, we continue to strive for fair compensation when considering legitimate drivers of pay.



# Appendix 1 Continued



## UK employees receiving a bonus

**97%** **97%**  
 Female (2024: 96%) Male (2024: 96%)

## Consolidated UK-wide gender pay data

We continue to progress towards reducing the gender pay gap.

Our UK gender pay gap data has continued to favour the male population, with the following results:

Our mean pay gap decreased by five percentage points from 23% to

**18%**

Our mean bonus gap decreased by seven percentage points from 51% to

**44%**

Our median pay gap decreased by thirteen percentage points from 22% to

**9%**

Our median bonus gap decreased by twelve percentage points from 35% to

**23%**

Consistent with previous year's trend, the results above can be attributed in part to the increased representation of female talent within our Senior Management<sup>†</sup> population as well as the proportion of women in the upper two earnings quartiles, partly driven by the following:

**44%**

of Management<sup>†</sup> roles were held by women (up two percentage point versus 2024)

**40%**

of Senior Management<sup>†</sup> roles were held by women (up four percentage points versus 2024)

Although there has been an increase in female representation at the Senior Management<sup>†</sup> level, the bonus gap appears larger because newly hired employees, most of whom are female, either did not receive a bonus payment or received a pro-rated payout due to their recent joining date within the organisation.

# Appendix 1 Continued

## Gender salary gap (mean) for UK employees by grade<sup>1,2</sup>

This chart shows the difference between the average salaries for men and women by grade for all UK subsidiary company employees, without considering factors which contribute to pay differences between women and men, such as job type, experience, time in grade or location.

At Grade A, the 7% gap is mainly driven by the higher proportion of men in junior positions.

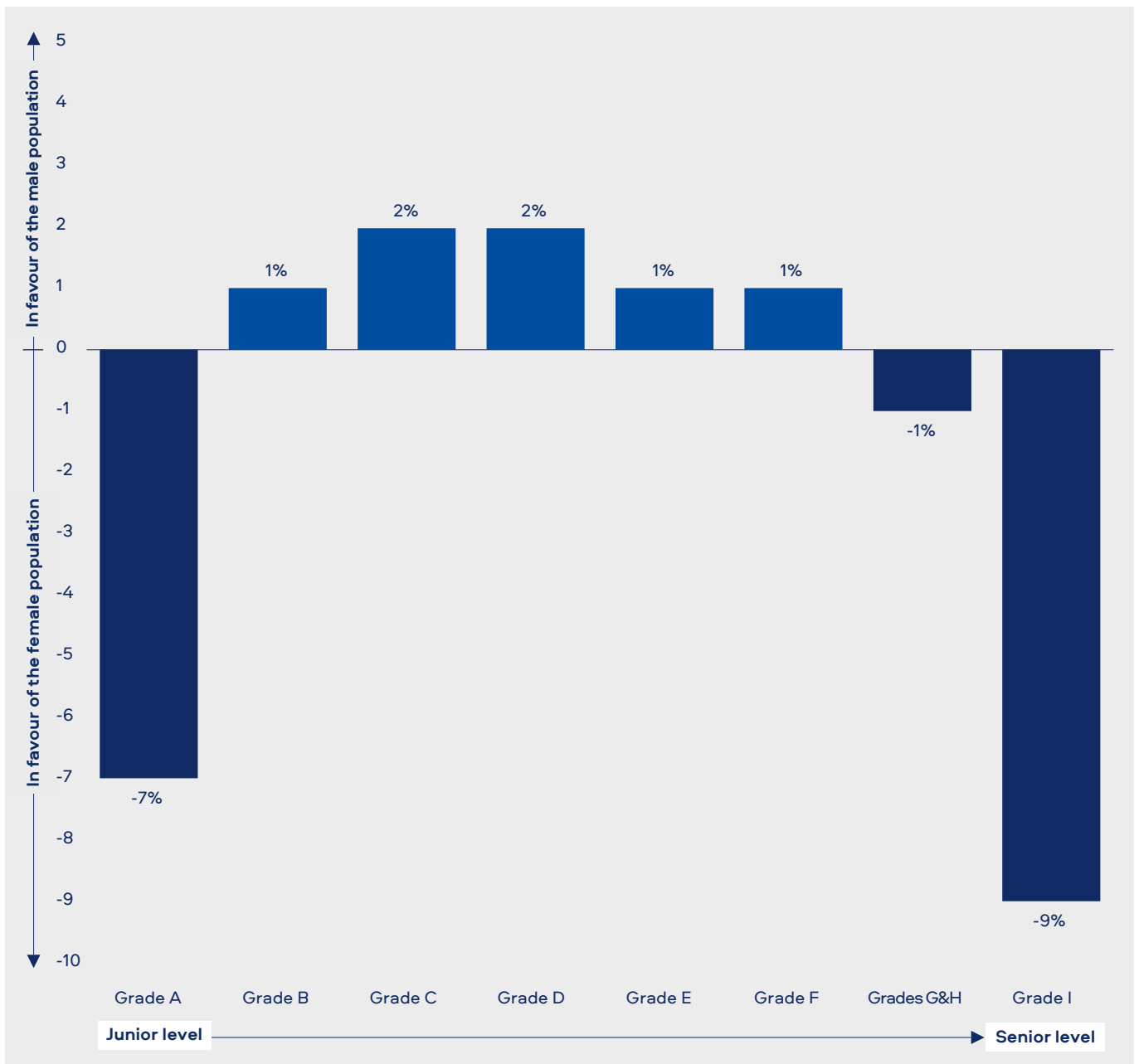
Experience levels are broadly comparable between genders throughout Grades B to F, resulting in an average pay gap of around 1-2%.

Grades G and H represent our Executive Leadership<sup>‡</sup> population. The grades have been combined to ensure

that there is sufficient female and male representation to allow for a meaningful comparison. Employees' time in the grade contributes to the gap. Men have been in role for an average of 5.2 years, compared to 2.1 years for women.

Promotion of inclusion and diversity is embedded in our approach to Management Board<sup>‡</sup> succession planning to support progress towards greater diverse representation at Management Board<sup>‡</sup> level. Emphasis is placed on developing diverse representation in our talent pipeline at all levels of the organisation through recruitment, development and retention.

The gap for Grade I is related to changes in the composition of the Management Board, which has shifted the gender distribution and influenced the pay gap for this grade.



**Notes:**

- 1. Considering basic monthly salary only.
- 2. Considering active Headcount as of April 2024.

# Appendix 2: UK Statutory Gender Pay Reporting

## UK Statutory Gender Pay

The Regulations apply specifically to UK companies with 250 or more employees. For BAT, this includes the four UK business listed below. The data is also submitted to the UK Government’s online portal.

The statutory calculations mainly measure the difference between the average pay of men and women in our organisation. This is not the same as equal pay, which means paying men and women equally for performing the same job or work of equal value.

The Regulations apply to all UK employees eligible for a Group bonus scheme, primarily based on Group performance, ensuring fair access and distribution. Bonus levels vary by role seniority, business unit and, to a lesser extent, location.

Senior Management<sup>‡</sup> also receive long term incentives, including deferred and restricted share awards with a three year vesting period. As a result, tenure affects bonus gaps, as long serving employees typically hold vested awards while newer hires or recently promoted employees will have less or no long-term incentive awards vesting in a particular year.

|                    | British-American Tobacco (Holdings) Limited (BAT Holdings Ltd) <sup>1</sup> | British American Tobacco (Investments) Limited (BAT Investments Ltd) <sup>2</sup> | British American Tobacco UK Limited (BAT UK Ltd) <sup>3</sup> | Nicoventures Trading Limited (Nicoventures Trading Ltd) <sup>4</sup> |
|--------------------|---|---|---|--|
| Pay gap (mean)     | 41%   | 16%   | -20%  | 15%  |
| Pay gap (median)   | 34%   | 8%  | -22%  | 5%   |
| Bonus gap (mean)   | 68%   | 32%   | -105%   | 36%  |
| Bonus gap (median) | 65%   | 14%   | -35%  | 18%  |

### Employee receiving a bonus

|        |     |     |     |     |
|--------|-----|-----|-----|-----|
| Female | 95% | 97% | 93% | 98% |
| Male   | 96% | 96% | 97% | 97% |

### Gender split by quartile pay band

|              |     |     |     |     |     |     |     |     |
|--------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Lower        | 35% | 65% | 47% | 53% | 71% | 29% | 56% | 44% |
| Lower-middle | 51% | 49% | 49% | 51% | 69% | 31% | 54% | 46% |
| Upper-middle | 51% | 49% | 56% | 44% | 55% | 45% | 55% | 45% |
| Upper        | 70% | 30% | 54% | 46% | 57% | 43% | 67% | 33% |

**Notes:**

1. 493 employees are employed by BAT Holdings Ltd.
2. 633 employees are employed by BAT.
3. 472 employees are employed by BAT UK Ltd.
4. 677 employees are employed by Nicoventures Trading Ltd.

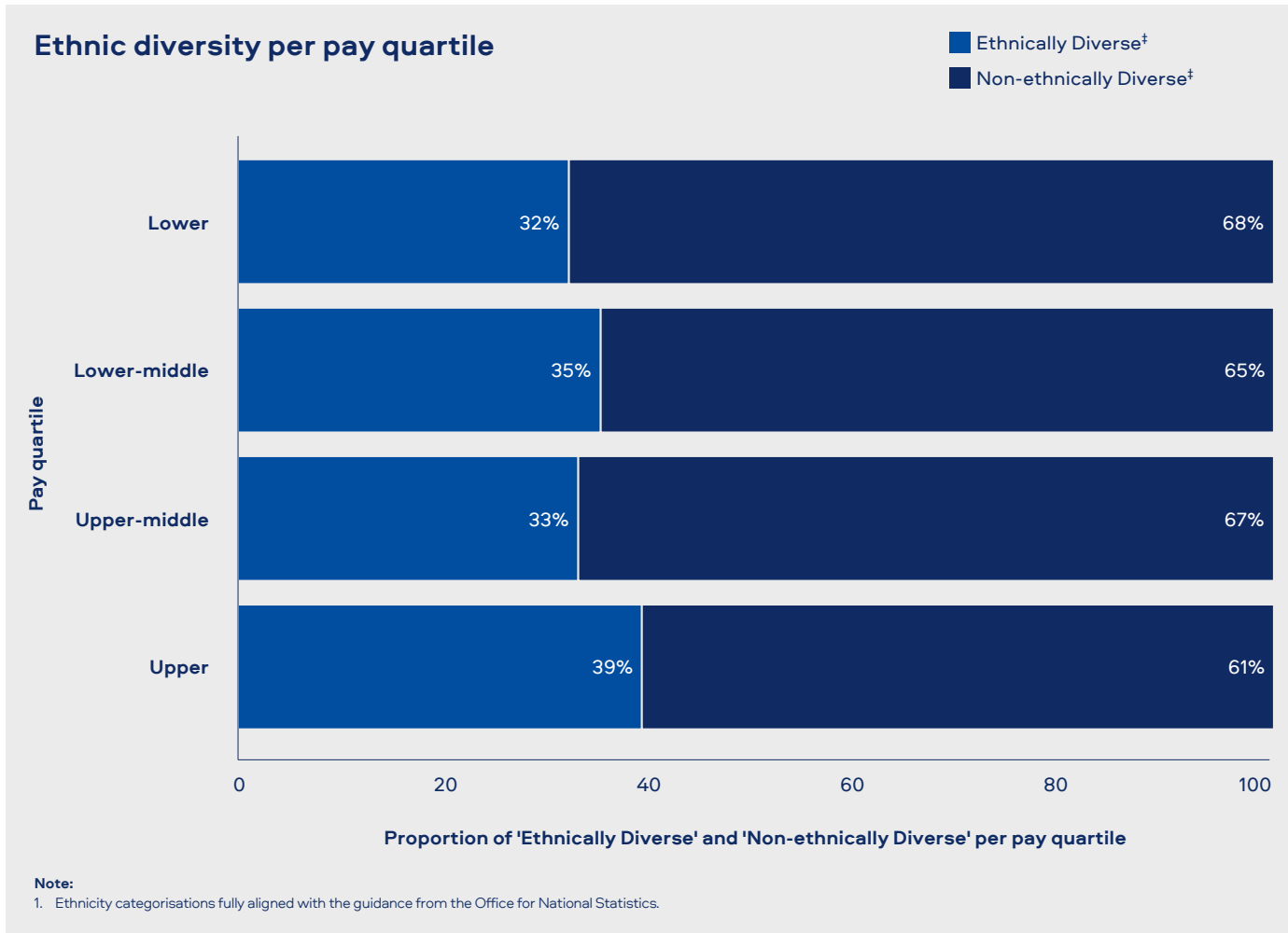
# Appendix 3: UK Ethnicity Pay Gap Reporting

## UK ethnicity pay gap reporting

As signatories of the UK Race at Work Charter, we are committed to continuing to provide equal opportunities to all our employees.

This is the fifth year in a row we have voluntarily published our ethnicity data. We continually review our reporting approach, drawing on evolving reporting methodologies used by other organisations, for example by making use of disaggregated data.

Of the 85% who have shared their ethnic background with us (two percentage points less than the previous year), 35% are from Ethnically Diverse<sup>†</sup> backgrounds and 65% are from Non-ethnically Diverse<sup>†</sup> backgrounds. When asked to share ethnicity details, 15% of our UK employees either answered 'prefer not to say' or gave no response. We have used the same method as for UK gender pay gaps (based on the data of 5th April 2025) to examine our UK ethnicity pay gap for 2025 for all our UK employees who have disclosed their ethnicity. Our consolidated ethnicity pay results are outlined below.



# Appendix 3 Continued


## Spotlight

### Understanding our results

Consistent with previous years, the overall median pay and bonus gaps are driven by the spread of the Ethnically Diverse<sup>†</sup> representation in our Senior Leaders<sup>†</sup> coming from the diverse markets in which we operate.

Our Board Inclusion & Diversity Policy sets the Board's commitment to considering all aspects of diversity when reviewing the composition of, and succession planning for, the Board and Management Board<sup>†</sup>.

Through this commitment, we will continue to seek to ensure a more balanced representation across all quartiles.

 Find out more about Board diversity on **page 178** of the **Combined Annual and Sustainability Report**

### UK employees receiving a bonus

**96%**  
Ethnically Diverse<sup>†</sup> groups  
(2024: 95%)

**96%**  
Non-ethnically Diverse<sup>†</sup> groups  
(2024: 96%)



## Consolidated UK-wide ethnicity pay reporting

While the UK-wide ethnicity pay-gap has increased in comparison to 2024, this is due to the size of the population who self-disclosed their ethnicity and the Ethnically Diverse<sup>†</sup> representation in our Senior Leaders<sup>†</sup>.

Our UK-wide ethnicity pay data has continued to favour Ethnically Diverse<sup>†</sup> groups, with the following results:

Our median pay gap increased by five percentage points from 9% to **14%**

Our median bonus gap increased by five percentage points from 7% to **12%**

Our mean pay gap increased by seven percentage points from 9% to **16%**

Our mean bonus gap increased by twenty percentage points from 0% to **20%**

## Further information

### About This Report

UK gender pay gaps are reported in accordance with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 ("the Regulations"). This requires UK companies with 250 or more employees to publish mean and median pay and bonus gender gaps, as well as the proportion of male and female employees receiving a bonus and the proportion of men and women in four equal pay quartiles.

For BAT, the in-scope UK businesses for 2025 are: British-American Tobacco (Holdings) Limited (BAT Holdings Ltd), British American Tobacco (Investments) Limited (BAT Investments Ltd), British American Tobacco UK Limited (BAT UK Ltd) and Nicoventures Trading Limited (Nicoventures Trading Ltd).

The UK gender pay data is taken at the snapshot date of 5 April 2025, as required by the Regulations. We can confirm that the information and data in this report is accurate and has been produced in accordance with the guidance on managing gender pay reporting developed by the Advisory, Conciliation and Arbitration Service (Acas).

The UK ethnicity pay data is taken at the snapshot date of 5 April 2025.

The non-UK gender pay data is taken as of 1 July 2025, while all other global diversity data in this report is taken on 31 December 2025.

The gender pay equity analysis completed for all in-scope Direct Employees<sup>†</sup> and has been independently certified by Fair Pay Workplace.

Ethnicity Pay Equity analysis completed for approximately 16,500 employees has been independently certified by Fair Pay Workplace.

#### **Countries included in 2025 for gender pay equity analysis:**

Albania, Algeria, Angola, Argentina, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Belgium, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Cambodia, Cameroon, Canada, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Czech Republic, Denmark, Egypt, Eritrea, Estonia, Fiji, Finland, France, Gabon, Germany, Ghana, Greece, Guyana, Honduras, Hong Kong, Hungary, Indonesia, Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kosovo, Kuwait, Latvia, Lebanon, Lithuania, Malawi, Malaysia, Mali, Malta, Mexico, Mozambique, Netherlands, New Zealand, Nigeria, North Macedonia, Norway, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Reunion, Romania, Samoa, Saudi Arabia, Serbia, Singapore, Slovakia, Solomon Islands, South Africa, South Korea, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Taiwan, Trinidad and Tobago, Türkiye, Uganda, Ukraine, United Kingdom, USA, United Arab Emirates, Uzbekistan, Venezuela, Vietnam, Zambia, and Zimbabwe.

Includes approximately 43,000 Direct Employees. The difference in the number of employees compared with the global unadjusted gender pay gap is due to differences in methodology.

## Further information Continued

### ‡ Definitions relevant to this report

The following definitions provide more information on the terms used throughout this Report. Defined terms are denoted by the double-dagger '‡' symbol in this report.

The gender of each employee is typically recorded at the point of hire.

- **The Board of Directors** of British American Tobacco p.l.c. is responsible for the Group's overall strategic direction and governance. It comprises our Chair, Chief Executive, and Non-Executive Directors.
- **The Management Board**, chaired by our Chief Executive, is responsible for overseeing the implementation of the Group's strategy and policies set by the Board, and for creating the framework for the day-to-day operation of the Group's operating subsidiaries.
- **Senior Leaders** referred to in the ethnicity agenda includes the Management Board and direct reports of a Management Board member (i.e. MB and MB-1).
- **Senior Leadership team(s)** is defined as employees in Management Grades 37– 41.
- **Key Leadership teams** include any employee who is a direct report of a Management Board member (i.e., MB-1).
- **Executive Leadership** includes all employees at job grade 40 and 41.
- **Senior Management** includes all employees at job grade 37 to 41.
- **Management** includes all employees at job grade 34 or above (excluding the Management Board), as well as any global graduates.
- **Non-Management** includes all employees at job grade 33 or below.
- For the purposes of our Unadjusted Global Gender Pay Gap and Pay Equity analyses, **'Direct Employees'** are permanent employees employed directly by BAT Group companies. It does not include employees on a leave of absence, employees on unpaid sick leave, interns, students, apprentices, or fixed-term contractors employed by third-party service providers. iNovine (our Retail businesses in Croatia and Bosnia and Herzegovina) are not in the scope of the analysis.
- For the purposes of our International Pay Equity Analysis, **'Ethnically Diverse'**‡ groups in the respective countries are defined as ethnic groups who, because

of their physical or cultural characteristics, are/were historically and systematically under-represented. Being a numerical minority is not a characteristic of being an **'Ethnically Diverse'**‡ group; sometimes larger groups can be considered Ethnically Diverse‡ groups. **'Non-ethnically Diverse'**‡ groups in the respective countries are defined as ethnic groups who, because of their physical or cultural characteristics, are/were historically and systematically represented.

- For the purposes of the ethnicity agenda, six global **'Ethnically Diverse'**‡ groups were determined considering BAT's global market footprint: Asian, Black, Hispanic/Latin American, Indigenous, Mixed and Other Ethnic Groups. Individuals identified as White, those that have 'Preferred not to Disclose' and individuals that have 'Not Disclosed' i.e. their ethnicity field remains blank, are not captured in the data set **'Ethnically Diverse'**‡ groups.
- **'Non-ethnically Diverse'**‡ groups are comprised of employees who declared: White British, White Irish, or White Other.
- For the purposes of our UK ethnicity pay disclosures, by applying the UK Office for National Statistics ethnicity categories: **'Ethnically Diverse'**‡ groups are comprised of employees who declared either: Asian (Bangladeshi, Chinese, Indian, Pakistani, Other Asian), Black (Black African, Black Caribbean), Mixed, or Other Ethnic Group (identified).
- **UK Headcount:** for the purposes of our UK Gender Pay disclosures, we have included all employees with a UK contract on either short- or long-term assignments outside the UK, as well as long-term assignees into the UK.

### Our Suite of Corporate Publications

This report forms part of our wider suite of corporate publications, including:

- Our [2025 Combined Annual and Sustainability Report](#)
- Our [2025 Sustainability Performance Data Book](#)
- For downloads and access to our entire reporting suite, visit [www.bat.com/reporting](http://www.bat.com/reporting)

#### Note:

References in this report to 'British American Tobacco', 'BAT', '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 companies, collectively or individually as the case may be. The material in this report 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 jurisdictions in which they are sold.

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