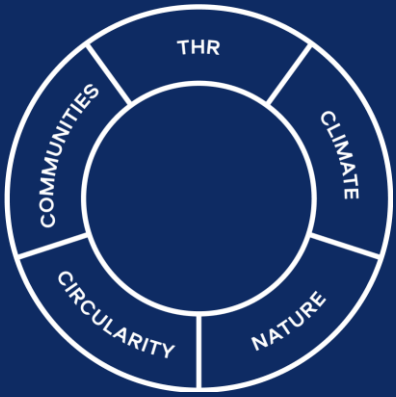


An overview of BAT's Sustainability Strategy



**SUSTAINABILITY
SUMMIT 2025**

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.



Jonathan Upward
Chief Sustainability Officer

We have refined our Group sustainability strategy

To better address our material sustainability topics[^] and continue delivering value to our stakeholders, we have refined our Group sustainability strategy.

Beyond Tobacco Harm Reduction, through engagement with a broad range of stakeholders, we identified four sustainability impact areas, as outlined to the right.

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.



Note:

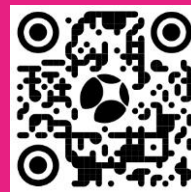
[^] Although financial materiality has been considered in the development of our Double Materiality Assessment (DMA), our DMA and any conclusions in this document as to the materiality or significance of sustainability matters do not imply that all topics discussed therein are financially material to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

TOBACCO HARM REDUCTION

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

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 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

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

Transitioning to a portfolio of Smokeless products presents challenges. 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.



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.



Double Materiality Assessment[^]

We have assessed our impact and financial materiality in line with the evolution of sustainability reporting.

How we report

In 2024 we further enhanced our Double Materiality Assessment[^] (DMA) with reference to the latest available European Sustainability Reporting Standards (ESRS) at the time.

As we prepare for EU Corporate Sustainability Reporting Directive (CSRD) reporting we have continued to report with reference to other relevant frameworks, such as:

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standard Board (SASB)
- Sustainable Finance Disclosure Regulation (SFDR)
- Principal Adverse Impacts (PAI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)

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 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.

Double Materiality Assessment[^]

Overview

Our Double Materiality Assessment (DMA)[^] approach is articulated by three dimensions of impact:

- 1 Outward impact:**
Our impact on environment, society and governance-related topics
- 2 Inward impact:**
The impact of these topics on the Group
- 3 Financial materiality:**
The understanding of risks and opportunities posed by these topics on the Group's financial position

2024 Double Materiality Assessment

In 2024, we updated and enhanced our DMA. As part of the process, we mapped our value chain components, including:

- **Own operations**
- **Upstream** (Leaf and procurement of goods and services)
- **Downstream** (Warehousing and Trade Marketing & Distribution)

These are the basis for identifying and assessing the business impacts, risks and opportunities (IROs) connected with our products, services and business relationships.

A scoring framework was applied to determine the IROs' materiality. These were validated with internal and external stakeholders.

Our material IROs are the basis of the information we intend to report on in our next reporting cycle.

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Double Materiality Assessment[^]



DMA Materiality Dimensions



Our Material Topics

- Harm Reduction & Marketing
- Climate change
- Circular Economy
- Water
- Biodiversity & Ecosystems
- Employee, Diversity and culture
- Human rights in the value chain
- Community engagement

Note:
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Execution Rigour - ESG Ratings



Top eight companies globally receiving a **Triple A – Climate, Water and Forests**



Upper quartile performance in our sector



2025 continued improvement, reduced to “Medium Risk”



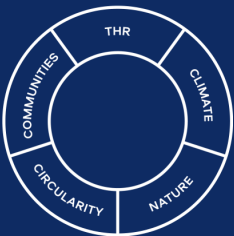
Top decile sector performance



23 years of inclusion in S&P Sustainability Indices



Top **5%** of companies assessed





CLIMATE



OUR CLIMATE AMBITION

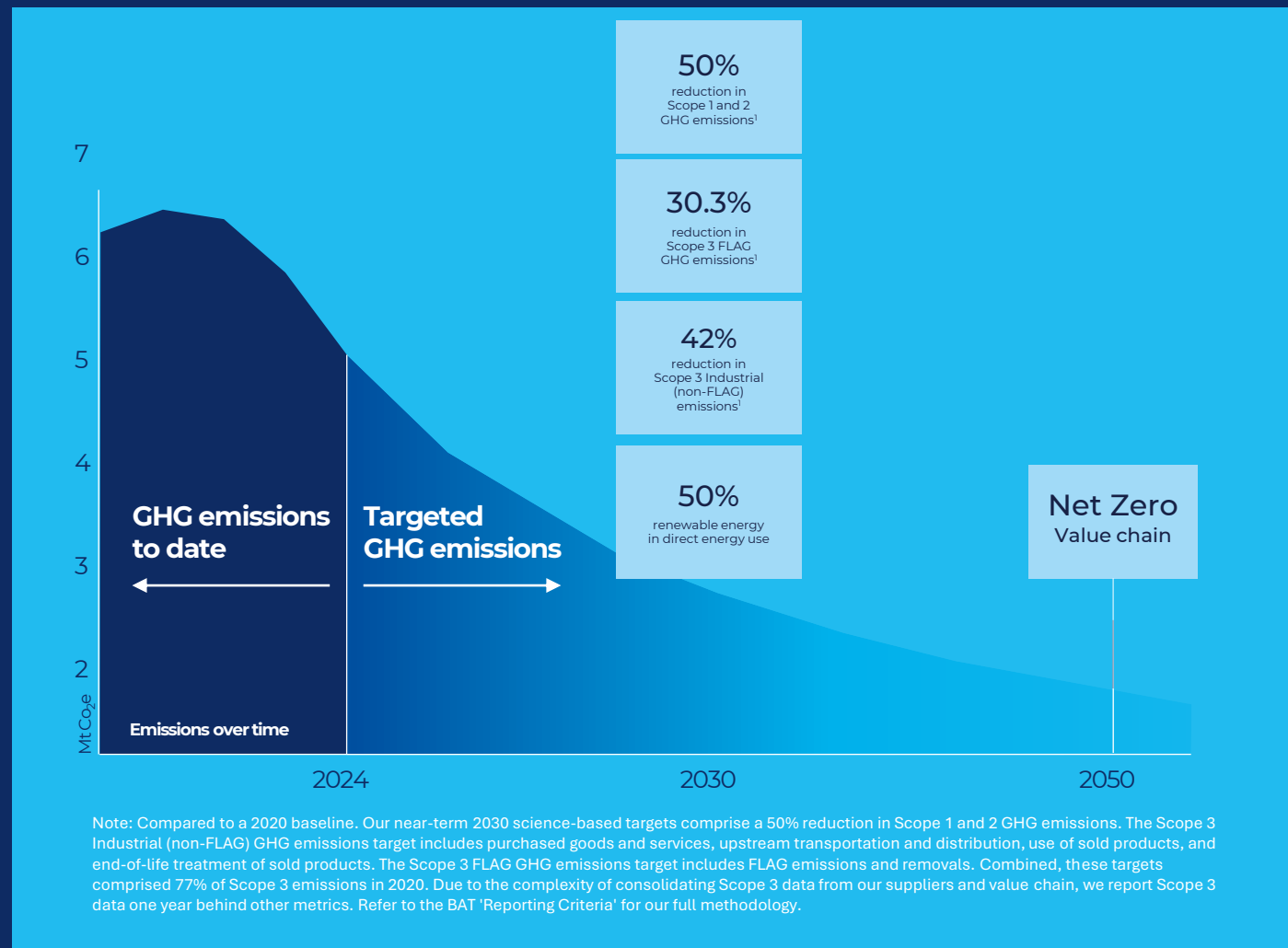
**Transitioning towards a
low carbon economy.**



SUSTAINABILITY
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Investing in sustainable technologies and fostering partnerships are essential to delivering a low-carbon economy.

Our near-term 2030 science-based targets are in line with a 1.5°C warming pathway and supported by a range of commitments across energy, waste, water and biodiversity.



Our approach to Climate

Our climate strategy is guided by our low carbon transition plan and Environment Policy and focuses on decarbonising our own operation, effective nature-based solutions whilst enhancing supplier engagement programmes. This includes:

- Site-specific decarbonisation roadmaps and investment in energy-efficiency projects
- Renewable energy sourcing
- Increasing use of less carbon intensive materials



SUSTAINABILITY
SUMMIT 2025

“SCALING UP
*renewable energy
across own
operations*

PHASING DOWN
*fossil fuels
to advance our
zero-loss mindset ”*

NATURE



OUR NATURE AMBITION

**Contributing to a
Nature Positive* future.**

Note:

* According to the Nature Positive initiative, 'Nature Positive' is a goal which refers to measurable outcomes that contribute to halting and reversing nature loss with significant benefits to society (www.naturepositive.org/about/the-initiative).



SUSTAINABILITY
SUMMIT 2025

Our Group Environment Policy and Biodiversity Statement outline our approach for mitigating our environmental impacts.

We manage the impacts of our activities and sites by implementing internal standards.

These include:

- Our Water Security Standard provides water conservation guidance for operational sites
- Our Biodiversity Operational Standard for Tobacco Farming provides guidance relating to forest and biodiversity management
- Our Soil and Groundwater Protection provides guidance for preventing and managing contamination issues



SUSTAINABILITY
SUMMIT 2025

“MITIGATING
Nature loss

COMMITTED
*to preserve, protect
and restore
Nature „*

Our approach to Nature

Our Nature strategy is anchored on the mitigation hierarchy in line with the Science Based Targets Network (SBTN) AR3T framework. This includes:

- Assessing and managing water-risks across our operations and value chain
- Managing deforestation risks through on-site audits and use of technology
- Aiming to only source from suppliers across paper and pulp supply chains who demonstrate low risk of deforestation



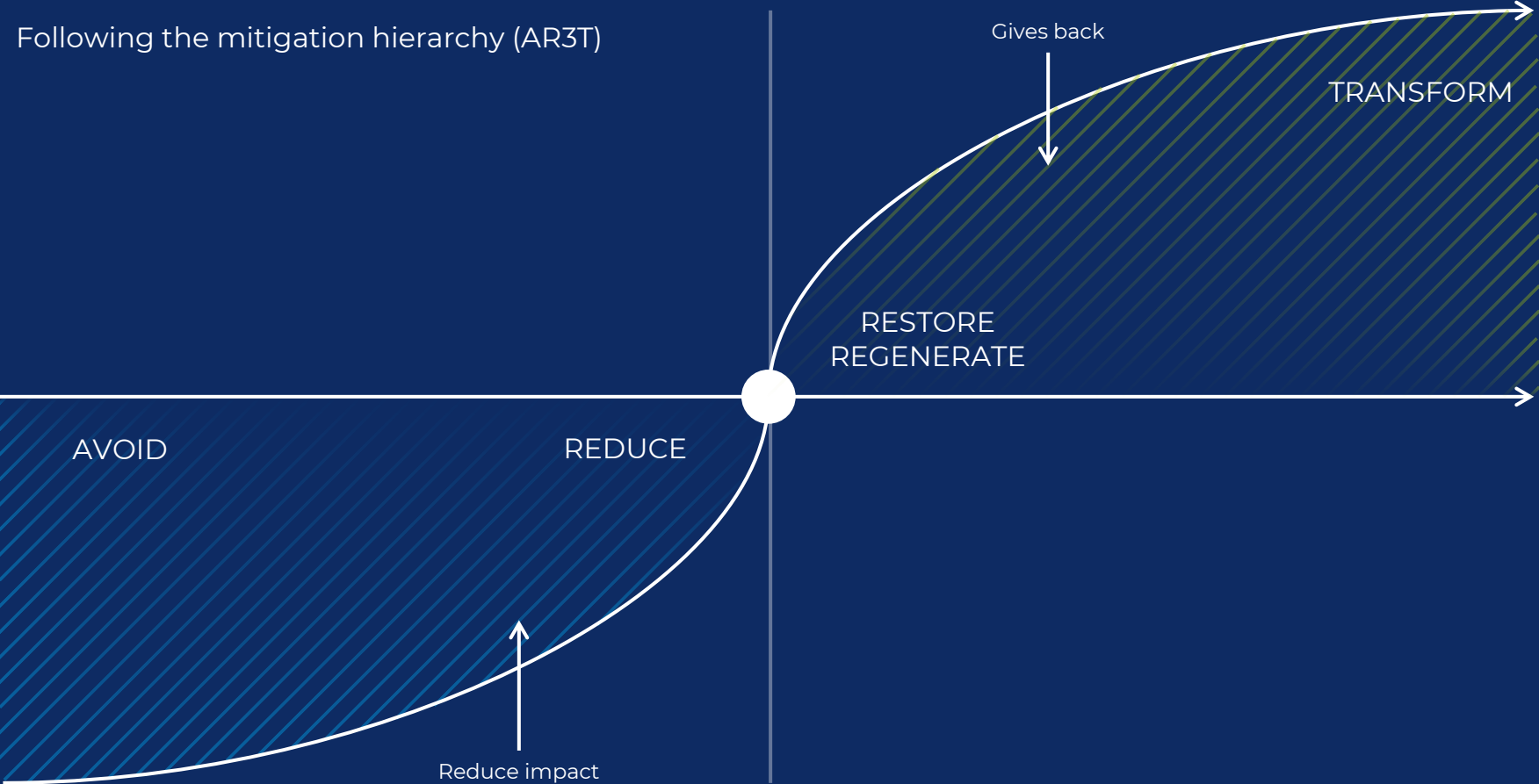
SUSTAINABILITY
SUMMIT 2025



Our approach is in line with the SBTN's AR3T framework



Following the mitigation hierarchy (AR3T)



1. AVOID

- Deforestation and conversion in our tobacco supply chain.
- Deforestation in our pulp and paper supply chain.
- The use of highly hazardous pesticides (HHPs).

2. REDUCE

- Use of agrochemicals where possible.
- Water use across our direct operations and tobacco supply chain.
- Water risks in our tobacco supply chain through active stewardship.

3. RESTORE AND REGENERATE

- Our ambition is to implement regenerative agriculture practices and restore nature through the Forest Positive target.

4. TRANSFORM

- Embed nature policies, target plans and activities across our operations and supply chain.





CIRCULARITY



OUR CIRCULARITY AMBITION

**Reducing the use of
virgin raw materials.**



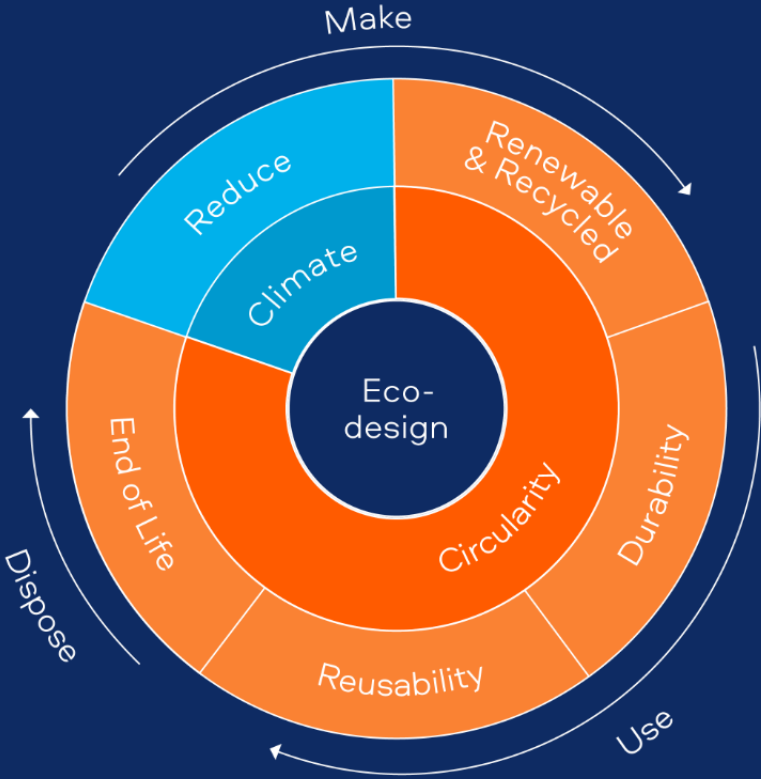
SUSTAINABILITY
SUMMIT 2025

Addressing circularity across product life cycles.

As we aim to reduce our use of virgin raw materials, steps have been taken to deepen our understanding of the full extent of our material footprint.

We introduced and began testing an initial set of eco-design principles, which will provide insights to support the reduction of our environmental impacts across the product life cycle – spanning the 'make,' 'use,' and 'dispose' phases.

Make	Reduce	Design for: Use of less carbon intensive and virgin raw material Use of more secondary and alternative materials
Use	Rethink	Design for: Consumer upgradability and repairability
	Reuse	Design for: Extended lifespan
Dispose	Recover	Design for: Disassembly and material recovery
	Recycle	Design for: Use of more widely technically recyclable materials



Our approach to Circularity

Reducing our use of materials is key to lowering our Scope 3 emissions and supporting a circular economy. To achieve this, we aim to:

- Decrease our total material footprint
- Implement Eco-Design Principles for our Smokeless products
- Educate our consumers to encourage responsible disposal of our products



SUSTAINABILITY
SUMMIT 2025



COMMUNITIES



OUR COMMUNITIES AMBITION

**Supporting
the livelihoods
and resilience
of our communities.**



SUSTAINABILITY
SUMMIT 2025

Our approach to communities



Our approach to Communities

We manage our impact through our due diligence programmes, underpinned by a number of policies, including those outlined in our Standards of Business Conduct (SoBC) and Supplier Code of Conduct (SCoC).

We support the resilience of the communities where we operate across our supply chains and remain committed to maintain high standards of employee engagement.



SUSTAINABILITY
SUMMIT 2025

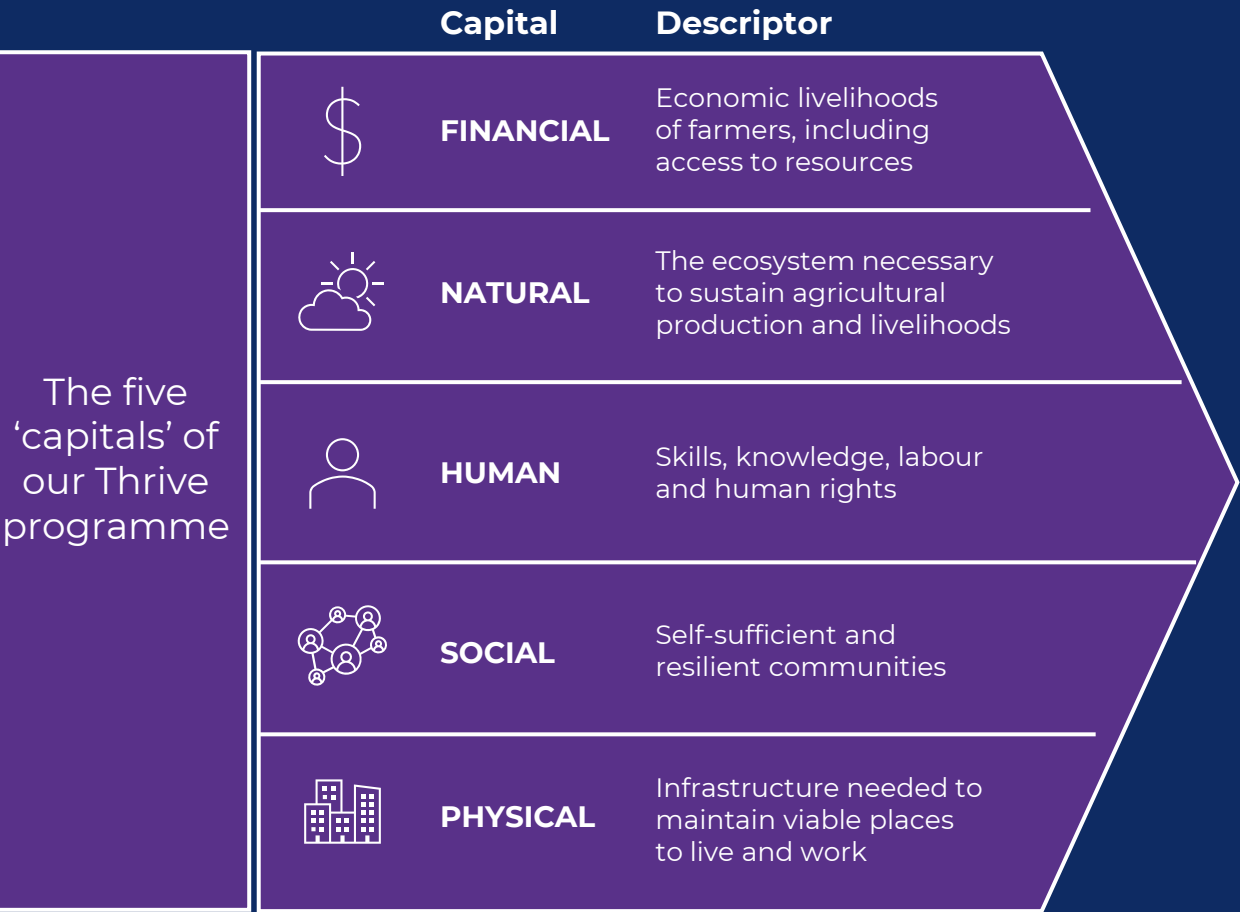
“SUPPORTING
the resilience of
our communities

RESPECTING
the human rights
of all workers in
our value chain”

Farming Communities

Our Thrive programme sets out to address challenges in farming communities. Our initiatives include:

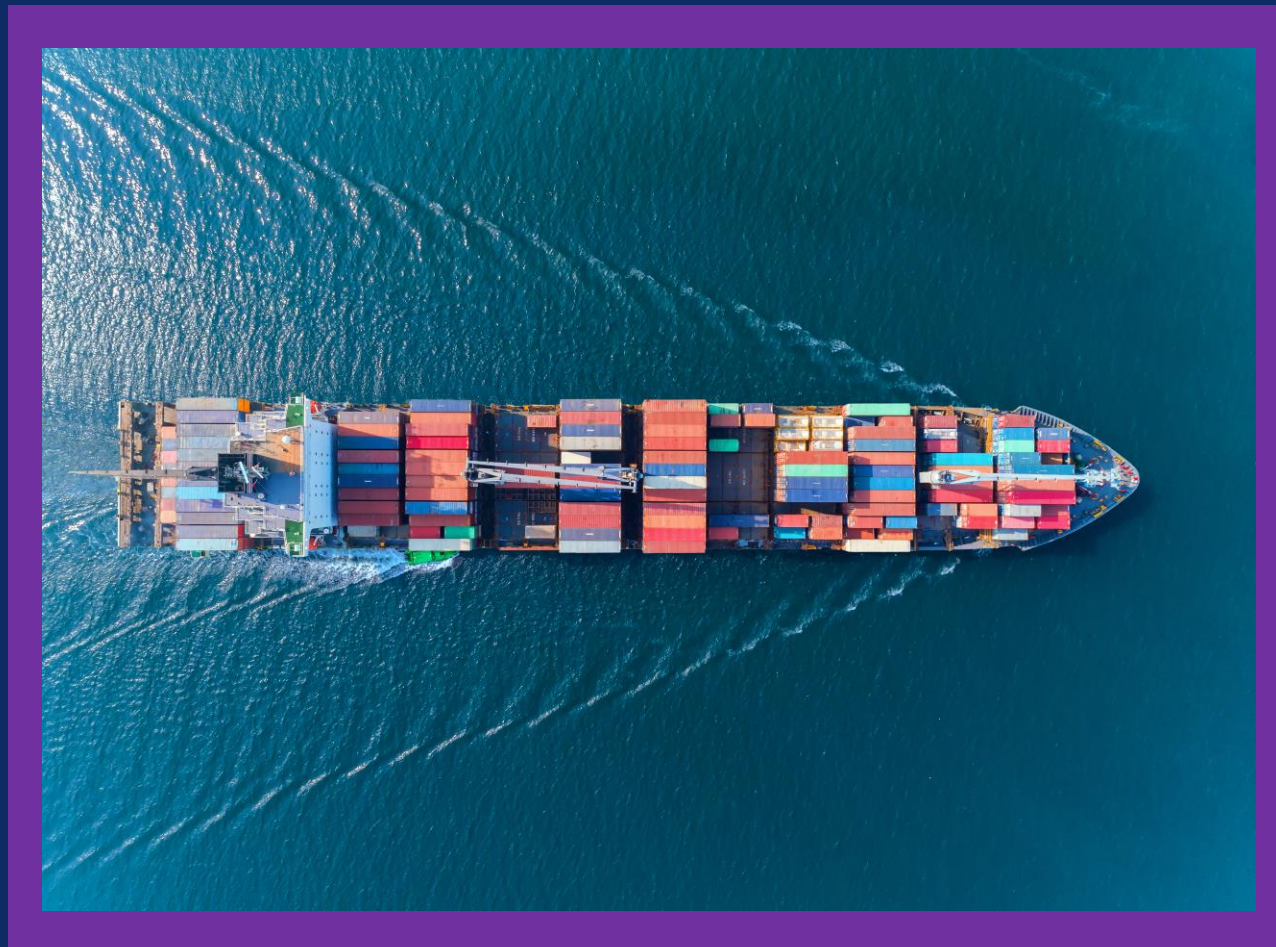
- Participating in the Sustainable Tobacco Programme to promote responsible tobacco growing
- Focusing on living income action plans, diversification and training
- Seeking to identify long-term solutions that address root causes of child and forced labour



Wider Supplier Communities

We source a wide range of product materials beyond tobacco leaf such as paper and filters for cigarettes, electronic components in our New Category supply chain and liquids for our Vapour consumables. Our initiatives include:

- A risk-based approach to supplier social due diligence
- Advancing our efforts to manage human rights risks
- Engaging with suppliers to improve transparency of our supply chain



Employee Communities

We recognise that our people are critical to our success. Fostering an exciting, winning organisation is core to the Dynamic Business Pillar of our strategy. Our initiatives include:

- Seeking feedback through our employee listening framework
- Empowering line managers to drive actions in response to feedback
- Leveraging technology to improve skills development



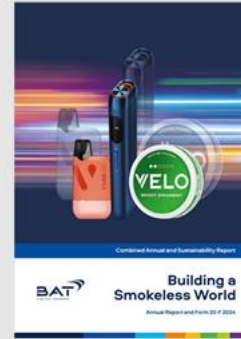
Our reporting suite



Sustainability Performance Data Book 2024

Including our metrics, reporting standards and frameworks

Download: [2024 ESG Data Performance Book](#)



Combined Annual and Sustainability Report 2024

Including our sustainability strategy and delivery, and TCFD and TNFD reporting

Download: [2024 ARA](#)



Learn more on our corporate website

Including our approach to sustainability strategy and governance

Visit: [British American Tobacco - Sustainability Reporting](#)

Refer to 'BAT 'Sustainability Performance Data Book 2024' on our corporate website for a full description of key terms and definitions ([Mapping our ESG disclosures](#))



FORWARD-LOOKING STATEMENTS AND OTHER MATTERS

This resource contains certain forward-looking statements, including “forward-looking” statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

In particular, these forward-looking statements include, among other statements, statements regarding the British American Tobacco Group’s (the “Group”) intentions, beliefs or current expectations concerning, amongst other things, our future performance, business objectives and targets including with respect to sustainability (for example, emissions, human rights, community investments, circularity and nature), tobacco harm reduction, smokeless revenue and smokeless consumers and pathways to achieving these and other environmental, social and governance matters.

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”, “being confident” and similar expressions.

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 report are reasonable at the time they were made, but they may be affected by a wide range of variables that could cause actual results and performance to differ materially from those currently anticipated.

Among the key factors that could cause actual results and performance 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, external investigations 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; direct and indirect adverse impacts associated with Climate Change; direct and indirect adverse impacts associated with Circularity; and Cyber Security caused by the heightened cyber-threat landscape, the increased digital interactions with consumers and changes to regulation.

A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the headings “Cautionary statement”, “Group Principal Risks” and “Group Risk Factors” in the 2024 Annual Report and Form 20-F of British American Tobacco p.l.c. (“BAT”). Additional information concerning these and other factors can be found in BAT’s filings with the U.S. Securities and Exchange Commission (“SEC”), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC’s website, <http://www.sec.gov> and BAT’s Annual Reports, which may be obtained free of charge from the BAT website www.bat.com.

No statement in this report is intended to be a profit forecast and no statement in this communication should be interpreted to mean that earnings per share of BAT for the current or future financial years would necessarily match or exceed the historical published earnings per share of BAT. 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 report and BAT 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.

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This resource 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 to ‘British American Tobacco’, ‘BAT’, ‘we’, ‘us’ and ‘our’ refer to operating companies of British American Tobacco p.l.c. and its subsidiaries (the ‘Group’), collectively or individually as the case may be. All subsidiaries operate and conduct separate, distinct businesses

Additional Information

The Materials contain certain statements referring to Smokeless Products being less risky than conventional cigarettes. These statements may or may not be accompanied by images of BAT’s or other manufacturers’ Smokeless Products. These statements are often, but not always, made through the use of phrases such as “reduced risk”, “lower risk”, “less risky”, “lower profile of risk”, “lower risk profile”, “reduced risk potential”, “reduced harm potential, “better alternatives” and similar expressions. These statements are made 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. All individuals appearing in the Materials that are using tobacco or nicotine products are over the age of 25.