



British American Tobacco p.l.c.

Report on compliance with the
UK Corporate Governance Code 2024

11 February 2026

Report on compliance with the UK Corporate Governance Code

British American Tobacco p.l.c. (the **Company**)

Introduction

The principal governance rules applying to UK companies listed in the Equity shares (commercial companies) category on the London Stock Exchange for the financial years beginning on or after 1 January 2025 (including the Company's financial year ended 31 December 2025) are contained in the 2024 edition of the UK Corporate Governance Code (the **Code**).

The Corporate Governance Statement in the Company's 2025 Annual Report (the **Corporate Governance Statement**) explains how the Code has been applied by the Company and confirms the Board's assessment that the Company has complied with the Provisions of the Code throughout 2025. Provision 29 of the Code does not currently apply to the Company as it applies for financial years beginning on or after 1 January 2026. Instead, the Company has complied with Provision 29 of the 2018 edition of the UK Corporate Governance Code.

In the interests of further transparency, the Company has voluntarily prepared this Report which summarises its approach by reference to each Principle and relevant Provision of the Code. All page references contained in this Report are to pages of the Company's 2025 Annual Report (**2025 ARA**) unless otherwise stated.

UK Listing Rules disclosure requirements

	In the case of a listed company incorporated in the United Kingdom, the following additional items must be included in its annual financial report:	
UKLR 6.6.6 (3)	<p>Statements by the directors on:</p> <p>(a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in Provision 30 of the Code); and</p> <p>(b) their assessment of the prospects of the company (containing the information set out in Provision 31 of the Code).</p>	
	<p>Disclosures:</p> <p>(a) This statement is disclosed in the 'Assessment as a Going Concern' section of the Strategic Report on p. 59.</p> <p>(b) This statement is disclosed in the 'Viability Statement' section of the Strategic Report on p. 176.</p>	Location of disclosure pp. 59, 176
UKLR 6.6.6 (5)	A statement of how the listed company has applied the Principles set out in the Code, in a manner that would enable shareholders to evaluate how the principles have been applied.	
	<p>Disclosures:</p> <p>This statement is disclosed on p. 177.</p>	Location of disclosure p. 177
UKLR 6.6.6 (6)	<p>A statement as to whether the listed company has:</p> <p>a) Complied throughout the accounting period with all relevant provisions set out in the Code; or</p> <p>b) Not complied throughout the accounting period with all relevant provisions set out in the Code and if so, setting out:</p> <ul style="list-style-type: none"> ▪ those provisions, if any it has not complied with, ▪ in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions, and ▪ the company's reasons for non-compliance. 	
Overlap DTR 7.2.2 and 7.2.3	<p>Disclosures:</p> <p>The Company complied throughout the accounting period with all relevant provisions set out in the Code. This is disclosed on p. 177.</p>	Location of disclosure p. 177

Additional DTR disclosure requirements

DTR 7.2.5R	<p>The corporate governance statement must contain a description of the main features of the issuer's internal control and risk management systems in relation to the financial reporting process.</p> <p><i>(NB While this requirement differs from the requirement in the Code, it is envisaged that both could be met by a single internal control statement.)</i></p>	
	<p>Disclosures:</p> <p>This description is disclosed in the 'Risk Management and Internal Control Framework' section on pp. 209-211.</p>	Location of disclosure pp. 209-211
DTR 7.2.6R	The corporate governance statement must contain the information required by paragraph 13(2)(c), (d), (f), (h) and (i) of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (information about share capital required under Directive 2004/25/EC (the Takeover Directive)) where the issuer is subject to the requirements of that paragraph.	
	<p>Disclosures:</p> <p>13(2)(c) – major shareholders are disclosed on p. 393. The name, percentage holding and type of shares held are stated;</p> <p>13(2)(d) – there are no persons holding securities with special rights with regard to control of the Company;</p>	Location of disclosure pp. 393, 396

Additional DTR disclosure requirements

	<p>13(2)(f) – there are no restrictions on voting rights;</p> <p>13(2)(h)(i) – rules on appointment and replacement of the Company’s Directors are disclosed in the 'Articles of Association' section on p. 396;</p> <p>13(2)(h)(ii) – rules on amendment of the Company’s Articles of Association are disclosed in the 'Articles of Association' section on p. 396;</p> <p>13(2)(i) – the powers of the Company’s Directors are disclosed on p. 393 in relation to the issuing and buying back by the Company of its shares and in the 'Articles of Association' section on p. 396.</p>	
DTR 7.2.10R	<p>An issuer which is required to prepare a group directors' report within the meaning of section 415(2) of the Companies Act 2006 must include in that report a description of the main features of the group's internal control and risk management systems in relation to the process for preparing consolidated accounts. In the event that the issuer presents its own annual report and its consolidated annual report as a single report, this information must be included in the corporate governance statement required by DTR 7.2.1R.</p>	
	<p>Disclosures:</p> <p>This description is disclosed in the 'Financial Reporting Controls' section on p. 210.</p>	<p>Location of disclosure</p> <p>p. 210</p>

1. Board Leadership and Company Purpose

Ref 1.A	<p>Principle A: A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.</p>
	<p>Disclosures:</p> <p>The Board’s leadership role, governance arrangements and effectiveness are discussed in the 'Board Leadership', 'Board Activities in 2025' and 'Board Effectiveness' sections on pp. 185, 188-189, and 199-200. The 'Chair's Introduction on Governance' on pp. 177-178 and 'Principal Decisions Made by the Board' section on p. 196 further detail the Board’s purpose and role in the Company’s governance, and the Board’s engagement with the Company’s stakeholders is set out in the 'Board Engagement with Stakeholders' section on pp. 190-195 and in the Section 172(1) Statement on p. 17. The Company’s contributions to wider society are discussed in the 'Circularity' and 'Communities' sections of the Strategic Report starting on pp. 104 and 112 respectively.</p> <p>The role of the Board in resource allocation and policy and practice implementation, to meet objectives and to measure performance is disclosed in the 'Board Leadership', 'Board Activities in 2025' and 'Principal Decisions Made by the Board' sections on pp. 185, 188-189 and 196.</p>
Ref 1.B	<p>Principle B: The board should establish the company’s purpose, values and strategy, and satisfy itself that these and its culture are all aligned. All directors must act with integrity, lead by example and promote the desired culture.</p>
	<p>Disclosures:</p> <p>The Company’s strategy is discussed on pp. 10-15 and the Board’s role in driving strategy is discussed on p. 185. The Company’s purpose is set out on p. 10.</p> <p>The Group’s values and culture and the Board’s assessment of the Group’s culture are discussed in the 'Values and Culture' section of the Governance Report on pp. 186-187.</p>
Ref 1.C	<p>Principle C: Governance reporting should focus on board decisions and their outcomes in the context of the company’s strategy and objectives. Where the board reports on departures from the Code’s provisions, it should provide a clear explanation.</p>
	<p>Disclosures:</p> <p>The Company has employed outcomes-focusing reporting throughout the 2025 ARA, including through disclosures such as the Section 172(1) Statement on p. 17 and the 'Principal Decisions Made by the Board' and 'Examples of key themes arising from employee listening initiatives and how we respond' sections on pp. 195 and 196.</p> <p>The Company was compliant with the applicable provisions of the Code during 2025 as discussed in the 'Chair's Introduction on Governance' on p. 177.</p>

1. Board Leadership and Company Purpose

Ref 1.D	<p>Principle D: In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.</p> <p>Disclosures:</p> <p>The Board is committed to open and transparent dialogue with shareholders and other investors to ensure their views are understood and taken into account. A global engagement programme is conducted annually with shareholders, other investors, potential investors and analysts, led by the Chair and the Chief Executive, supported by the investor relations team. The Chair, the Chief Executive, Chief Financial Officer and Remuneration Committee Chair regularly update the Board on their dialogue with shareholders and other investors. See further disclosure on pp. 190-191.</p> <p>Board consideration of the interests of other key stakeholders, and its role in reviewing the effectiveness of those stakeholder engagement mechanisms, are discussed in the 'Engaging with Our Stakeholders' section of the Strategic Report on pp. 16-17 and the 'Board Activities in 2025' and 'Board Engagement with Stakeholders' sections of the Governance Report on pp. 188-195.</p>
Ref 1.E	<p>Principle E: The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.</p> <p>Disclosures:</p> <p>The Group's workforce policies and practices are summarised in the 'Employee Communities' section of the Strategic Report on pp. 116-120, 'Sustainability Policies, Procedures and Standards' section on pp. 128-129 and 'Board Activities in 2025' section of the Governance Report on pp. 188-189. The Board's assessment of those policies and practices is set out on pp. 186-187. The Group's Speak Up procedures are described on pp. 194 and 214.</p>
Ref 1.1	<p>Provision 1: The board should assess the basis on which the company generates and preserves value over the long-term. It should describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy.</p> <p>Disclosures:</p> <p>How the Group generates and preserves value over the long-term is discussed on pp. 4-7 and 18-21, together with the opportunities the Group faces and how these are leveraged, and the Group's Business Model is set out on pp. 12-15. Control and management of Group risks are discussed in the 'Group Principal Risks' section on pp. 168-175. The Chair explains how Group governance contributes to the delivery of its strategy on p. 177 and this is further discussed on p. 185.</p>
Ref 1.2	<p>Provision 2: The board should assess and monitor culture and how the desired culture has been embedded. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the company's purpose, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken. In addition, it should include an explanation of the company's approach to investing in and rewarding its workforce.</p> <p>Disclosures:</p> <p>The Board's assessment and monitoring of culture and how culture is embedded are discussed on pp. 186-187. An overview of how the Group invests in and rewards its workforce is provided in the 'Rewarding Our Employees' section of the Strategic Report on p. 118 and the Directors' Remuneration Report.</p>
Ref 1.3	<p>Provision 3: In addition to formal general meetings, the chair should seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy. Committee chairs should seek engagement with shareholders on significant matters related to their areas of responsibility. The chair should ensure that the board has a clear understanding of the views of shareholders.</p> <p>Disclosures:</p> <p>The Chair, the Senior Independent Director and the Committee Chairs engage with major shareholders periodically in order to understand their views on the Company and to ensure that their views are communicated to the Board. An overview of shareholder engagement undertaken is set out in the 'Engaging with Our Stakeholders' section of the Strategic Report on p. 16 and in the 'Board Engagement with Stakeholders' section of the Governance Report on pp. 190-191.</p>
Ref 1.4	<p>Provision 4: When 20 per cent or more of votes have been cast against the board recommendation for a resolution, the company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken</p>

1. Board Leadership and Company Purpose

should be published no later than six months after the shareholder meeting. The board should then provide a final summary in the annual report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the board has taken and any actions or resolutions now proposed.

Disclosures:

[No significant votes against any resolutions were received at the AGM in 2025.](#)

Ref 1.5 Provision 5: The board should understand the views of the company's other key stakeholders and describe in the annual report how these and the matters set out in section 172(1) of the Companies Act 2006 have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective. For engagement with the workforce, one or a combination of the following methods should be used: a director appointed from the workforce; a formal workforce advisory panel; or a designated non-executive director. If the board has not chosen one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective.

Disclosures:

[Board consideration of the interests of other key stakeholders and the matters set out in section 172\(1\) of the Companies Act 2006 in Board discussions and decision-making are discussed in the 'Engaging with Our Stakeholders' section of the Strategic Report on pp. 16-17 and are set out in the Governance Report on pp. 192-195. The Board's review of the effectiveness of those stakeholder engagement mechanisms is set out in the 'Board Engagement with Stakeholders' section of the Governance Report on pp. 192-195.](#)

[The Group's workforce engagement mechanisms and the Board's review of the effectiveness of those mechanisms is set out in the 'Employee Communities' section of the Strategic Report on p. 118 and in the 'Board Engagement with Stakeholders' section of the Governance Report on pp. 194-195.](#)

Ref 1.6 Provision 6: There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously. The board should routinely review these arrangements and the reports arising from their operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.

Disclosures:

[The Group's Speak Up policy and procedures enable staff, in confidence, to raise concerns about possible improprieties in financial and other matters and to do so anonymously where they wish, and without fear of reprisal.](#)

[Board review of these arrangements and the reports arising from the operation of the Speak Up policy and procedures are set out on pp. 194 and 214.](#)

Ref 1.7 Provision 7: The board should take action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgement.

Disclosures:

[The Company's approach to managing conflicts of interests is set out on p. 198.](#)

Ref 1.8 Provision 8: Where directors have concerns about the operation of the board or the management of the company that cannot be resolved, their concerns should be recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chair, for circulation to the board, if they have any such concerns.

Disclosures:

[If any Director has concerns about the running of the Company or a proposed action which cannot be resolved, such concerns will be recorded in the Board minutes. No such concerns arose in 2025. This is confirmed on p. 197.](#)

2. Division of responsibilities

Ref 2.F Principle F: The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

Disclosures:

[The Chair's role is described in the 'Our Approach to Division of Responsibilities' section on p. 197. The Chair also discusses his responsibilities on p. 177.](#)

2. Division of responsibilities

Ref 2.G	<p>Principle G: The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.</p> <p>Disclosures:</p> <p>The Board is comprised of an appropriate combination of Executive and Non-Executive (including independent Non-Executive) Directors. The composition of the Board is disclosed at pp. 179-181. The role of the independent Non-Executive Directors is disclosed in the 'Our Approach to Division of Responsibilities' section on p. 197.</p> <p>The roles of Chair and Chief Executive are separate, with both having distinct and clearly defined responsibilities. This is also disclosed on p. 197.</p>
Ref 2.H	<p>Principle H: Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.</p> <p>Disclosures:</p> <p>The role of the Non-Executive Directors is disclosed in the 'Our Approach to Division of Responsibilities' section on p. 197. The Board's assessment of Directors' time commitments and other significant appointments, where applicable, is set out in the 'Directors' Commitment and Board Support' section on p. 198.</p>
Ref 2.I	<p>Principle I: The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.</p> <p>Disclosures:</p> <p>The Board and its Committees receive high quality, up-to-date information in good time ahead of each meeting, and the Company Secretary, under the direction of the Chair, ensures good information flows within the Board and its Committees and between the Non-Executive Directors and senior management. The Company Secretary is also responsible for advising the Board, through the Chair, on all governance matters. This is disclosed on p. 198.</p>
Ref 2.9	<p>Provision 9: The chair should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of chair and chief executive should not be exercised by the same individual. A chief executive should not become chair of the same company. If, exceptionally, this is proposed by the board, major shareholders should be consulted ahead of appointment. The board should set out its reasons to all shareholders at the time of the appointment and also publish these on the company website.</p> <p>Disclosures:</p> <p>The Chair was not previously Chief Executive of the Company. The Chair met the independence criteria on appointment as specified by the UK Corporate Governance Code in effect at the time of his appointment. This is disclosed on p. 197.</p>
Ref 2.10	<p>Provision 10: The board should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director: is or has been an employee of the company or group within the last five years; has, or has had within the last three years, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company; has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme; has close family ties with any of the company's advisers, directors or senior employees; holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; represents a significant shareholder; or has served on the board for more than nine years from the date of their first appointment.</p> <p>Where any of these or other relevant circumstances apply, and the board nonetheless considers that the non-executive director is independent, a clear explanation should be provided.</p> <p>Disclosures:</p> <p>The Board considers that all of the Non-Executive Directors are independent, in that they are free from any business or other relationships which could materially interfere with or appear to affect the exercise of their judgement. This is confirmed on p. 197.</p>
Ref 2.11	<p>Provision 11: At least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent.</p> <p>Disclosures:</p> <p>At the date of the 2025 ARA, the Board comprises the Chair, one Executive Director (the Chief Executive) and eight independent Non-Executive Directors. Further information on each Director is disclosed on pp. 178-181.</p>

2. Division of responsibilities

- Ref 2.12 Provision 12: The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director, the non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary.
- Disclosures:
- The role of Senior Independent Director (SID) was held held by Holly Keller Koepfel during the financial year, as disclosed on p. 180. The principal responsibilities of this role are disclosed on p. 197.
- This year, the Senior Independent Director received feedback from the external reviewer, Dr Long, on the Chair's performance and effectiveness, and led a discussion on this feedback with the other Directors (other than the Chair). The Senior Independent Director then gave feedback to the Chair. This is disclosed on p. 199. As noted on p. 197, the Non-Executive Directors meet annually, led by the SID and without the Chair present, in order to discuss the Chair's performance.
- The Non-Executive Directors, led by the SID and without the Chair present, also meet on other occasions as necessary.
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- Ref 2.13 Provision 13: Non-executive directors have a prime role in appointing and removing executive directors. Non-executive directors should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present.
- Disclosures:
- The role of the Non-Executive Directors is disclosed in the 'Our Approach to Division of Responsibilities' section on p. 197. As required throughout the year, the Non-Executive Directors, led by the Chair, meet (usually following scheduled meetings of the Board) without the Executive Directors present. This is also disclosed on p. 197.
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- Ref 2.14 Provision 14: The responsibilities of the chair, chief executive, senior independent director, board and committees should be clear, set out in writing, agreed by the board and made publicly available. The annual report should set out the number of meetings of the board and its committees, and the individual attendance by directors.
- DTR overlap 7.1.5R and 7.2.7R* Disclosures:
- The roles and responsibilities of the Board, the Chair, the Chief Executive and the Senior Independent Director are disclosed in the 'Our Approach to Division of Responsibilities' section on p. 197 and are available on bat.com/governance. The role and responsibilities of each of the Board's three principal Committees are disclosed in the individual Committee reports starting at pp. 201, 206 and 215. An overview of each of the Board's three principal Committees and their terms of reference is also available at www.bat.com/governance.
- The number of Board meetings and individual attendance by Directors is set out on p. 179. The Chairs and members of the Board Committees, number of meetings during the year and Director attendance are disclosed in the individual Committee reports in the Governance Report at pp. 203, 207 and 235.
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- Ref 2.15 Provision 15: When making new appointments, the board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the board, with the reasons for permitting significant appointments explained in the annual report. Full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.
- Disclosures:
- The Nominations Committee has responsibility for assessing the time needed to fulfil the roles of Chair, Senior Independent Director and Non-Executive Directors, and ensuring that Non-Executive Directors have sufficient time to fulfil their duties prior to annual appointment.
- The Board's assessment of Directors' time commitments and other significant appointments, where applicable, is set out in the 'Directors' Commitment and Board Support' section on p. 198. Executive Directors are limited to one external appointment. Currently, the Chief Executive does not have any external appointments, as noted on p. 179.
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- Ref 2.16 Provision 16: All directors should have access to the advice of the company secretary, who is responsible for advising the board on all governance matters. Both the appointment and removal of the company secretary should be a matter for the whole board.
- Disclosures:
- All Directors have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary is a matter for the Board. These matters are disclosed in the 'Directors' Commitment and Board Support' section on p. 198.
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3. Composition, Succession and Evaluation

Ref 3.J	<p>Principle J: Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan for the board and senior management should be maintained. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity.</p> <p>Disclosures:</p> <p>The Nominations Committee is responsible for regularly reviewing the composition of the Board, its Committees and the Management Board to ensure that these have an appropriate balance of skills, experience and knowledge, and for ensuring that the procedure for appointments to the Board, its Committees, the Management Board and the role of the Company Secretary is rigorous, made on merit against objective criteria and has due regard for the promotion of diversity, inclusion and equal opportunity, taking into account the Board Inclusion & Diversity Policy. It is also responsible for overseeing plans and processes for orderly succession for appointments to the Board, its Committees, the Management Board and the role of the Company Secretary. This information is disclosed in the Nominations Committee Report on pp. 201-205.</p>
Ref 3.K	<p>Principle K: The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.</p> <p>Disclosures:</p> <p>Biographical and related information about the Directors, including details of relevant skills and experience, is given in the 'Board of Directors' section on pp. 179-181.</p> <p>The Nominations Committee is responsible for succession planning for the Board. The Board's approach to succession planning is set out in the Nominations Committee Report on pp. 203-204. Board retirements during 2025 are set out on p. 203 and the length of tenure of the Non-Executive Directors is set out in a chart on p. 178.</p>
Ref 3.L	<p>Principle L: Annual evaluation of the board should consider its performance, composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.</p> <p>Disclosures:</p> <p>The Board conducts a rigorous review of its effectiveness and performance and that of its Committees and individual Directors on an annual basis. In 2025, the annual review process was externally-facilitated.</p> <p>As part of the review, the dynamics, culture and strategy discussions of the Board as well as its relationship with executive management were considered.</p> <p>This is discussed in the 'Board Effectiveness' section of the Governance Report on pp. 199-200.</p>
Ref 3.17	<p>Provision 17: The board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession. A majority of members of the committee should be independent non-executive directors. The chair of the board should not chair the committee when it is dealing with the appointment of their successor.</p> <p>Disclosures:</p> <p>The Nominations Committee is responsible for succession planning for the Board of Directors, the Management Board and the Company Secretary (comprising the Company's 'senior management' for the purposes of the Code), and for making recommendations on suitable candidates for appointment to the Board of Directors and the Management Board and to the role of Company Secretary.</p> <p>The Board's approach to succession planning and appointments is set out in the Nominations Committee Report on pp. 203-204. The Nominations Committee is also responsible for overseeing the development of a diverse pipeline for succession, discussed in the Nominations Committee Report on p. 204.</p> <p>The membership of the Nominations Committee comprises the Chair of the Board and all the Non-Executive Directors. The Nominations Committee is chaired by the Chair of the Board (except when dealing with the appointment of his successor). This information is disclosed in the Nominations Committee Report on p. 201. The Senior Independent Director chaired the Nominations Committee when it considered the extension of Luc Jobin's tenure as Chair as discussed on p. 202.</p>
Ref. 3.18	<p>Provision 18: All directors should be subject to annual re-election. The board should set out in the papers accompanying the resolutions to elect each director the specific reasons why their contribution is, and continues to be, important to the company's long-term sustainable success.</p> <p>Disclosures:</p> <p>All Directors are subject to annual re-election. This is disclosed in the Nominations Committee Report on p. 203. The Chair's letter accompanying the Notice for this year's Annual General Meeting confirms that the Directors being proposed for re-election or election for the first time (as applicable) continue to be effective and that Directors continue to demonstrate commitment to their roles. Specific reasons why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success are set out in the Governance Report on pp. 179-181.</p>

3. Composition, Succession and Evaluation

Ref 3.19:	<p>Provision 19: The chair should not remain in post beyond nine years from the date of their first appointment to the board. To facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time, particularly in those cases where the chair was an existing non-executive director on appointment. A clear explanation should be provided.</p> <p>Disclosures:</p> <p>Luc Jobin was appointed as Chair in April 2021, having originally been appointed to the Board as a Non-Executive Director in July 2017. This is disclosed on p. 179.</p>
Ref 3.20	<p>Provision 20: Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors. If an external search consultancy is engaged it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.</p> <p>Disclosures:</p> <p>External executive search consultancies are generally used to support Chair and Non-Executive Director appointments and, where appropriate, Executive Director appointments. This information is disclosed in the Nominations Committee Report on p. 203. The consultants used in 2025 have no other connections to the Company or individual Directors.</p>
Ref 3.21	<p>Provision 21: There should be a formal and rigorous annual review of the performance of the board, its committees, the chair and individual directors. The chair should commission a regular externally facilitated board performance review. In FTSE 350 companies this should happen at least every three years. The external reviewer should be identified in the annual report and a statement made about any other connection it has with the company or individual directors.</p> <p>Disclosures:</p> <p>The Board conducts a rigorous review of its effectiveness and performance and that of its Committees and individual Directors on an annual basis. An externally-facilitated review is conducted every three years. Internal reviews, led by the Chair and conducted by the Company Secretary, are conducted for other years.</p> <p>In 2025, the annual review process was externally-facilitated. The review process and outcomes are disclosed in the Governance Report on pp. 199-200. The external reviewer has no other connection with the Company, its Directors or the Company Secretary.</p>
Ref 3.22	<p>Provision 22: The chair should act on the results of the board performance review by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified.</p> <p>Disclosures:</p> <p>This year, the Chair received feedback from the external reviewer, Dr Long, on the performance and effectiveness of the Chief Executive and the Non-Executive Directors (other than himself). The Senior Independent Director received feedback from Dr Long on the Chair's performance and effectiveness. The review process, outcomes and actions are disclosed in the Governance Report on pp. 199-200.</p>
Ref 3.23 <i>DTR overlap 7.2.7R and 7.2.8A</i>	<p>Provision 23: The annual report should describe the work of the nomination committee, including: the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline; how the board performance review has been conducted, the nature and extent of an external reviewer's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence future board composition; the policy and any initiatives on diversity and inclusion, their objectives and link to company strategy, how they have been implemented and progress on achieving the objectives; and the gender balance of those in the senior management and their direct reports.</p> <p>Disclosures:</p> <p>The work of the Nominations Committee and its key activities in 2025 are disclosed in the Nominations Committee Report on pp. 201-205. The process for appointments, the Board's approach to succession planning and how both support developing a diverse pipeline are set out in the Nominations Committee Report on pp. 203-204. The Board performance review process and outcomes are disclosed in the Governance Report on pp. 199-200.</p> <p>The Board's policy and initiatives on diversity and inclusion, their objectives and linkage to company strategy, how they have been implemented and progress on achieving the objectives are set out in the Nominations Committee Report on pp. 204-205, along with the gender balance of those in the senior management and their direct reports.</p>

4. Audit, Risk and Internal Control

Ref 4.M	<p>Principle M: The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.</p> <p>Disclosures:</p> <p>The Board's obligation to establish formal and transparent arrangements for considering how it should apply the corporate reporting and risk management and internal control principles, and for maintaining an appropriate relationship with the Company's external auditors, KPMG LLP, is carried out through the Audit Committee. This is disclosed in the Audit Committee Report on pp. 206-214.</p>
Ref 4.N	<p>Principle N: The board should present a fair, balanced and understandable assessment of the company's position and prospects.</p> <p>Disclosures:</p> <p>The Board is satisfied that it meets its obligations to present a fair, balanced and understandable assessment of the Company's position and prospects. This is confirmed on p. 177.</p>
Ref 4.O	<p>Principle O: The board should establish and maintain an effective risk management and internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.</p> <p>Disclosures:</p> <p>The Company maintains its risk management and internal control framework with a view to safeguarding shareholders' investment and the Company's assets. The Audit Committee Report on pp. 209-211 identifies the main features of the risk management and internal control framework operated within the Group. These do not cover the Group's associate undertakings.</p>
Ref 4.24 <i>DTR overlap 7.1.1R</i>	<p>Provision 24: The board should establish an audit committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies, two. The chair of the board should not be a member. The board should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole shall have competence relevant to the sector in which the company operates.</p> <p>Disclosures:</p> <p>At the date of the 2025 ARA, the Audit Committee comprised three independent Non-Executive Directors, as disclosed in the Audit Committee Report on p. 206. Each member of the Committee has recent and relevant financial experience in accordance with the Code, as disclosed on p. 207 (at footnote 2). The Audit Committee as a whole has competence relevant to the sector in which the Group operates, as disclosed on p. 207 (at footnote 2).</p>
Ref 4.25 <i>DTR overlap 7.1.3R - 7.1.2A</i>	<p>Provision 25: The main roles and responsibilities of the audit committee should include: monitoring the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance, and reviewing significant financial reporting judgements contained in them; providing advice (where requested by the board) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy; following the Audit Committees and the External Audit: Minimum Standard; reviewing the company's risk management and internal control framework, unless expressly addressed by a separate board risk committee composed of independent non-executive directors, or by the board itself; monitoring and reviewing the effectiveness of the company's internal audit function, or where there is not one, considering annually whether there is a need for one and making a recommendation to the board; and reporting to the board on how it has discharged its responsibilities.</p> <p>Disclosures:</p> <p>The Audit Committee's roles and responsibilities include all of the above requirements. The Audit Committee's terms of reference are summarised in the Audit Committee Report on p. 206 and are available in full at www.bat.com/governance.</p>
Ref 4. 26 <i>DTR overlap 7.1.5R and 7.2.7R</i>	<p>Provision 26: The annual report should describe the work of the audit committee, including: the matters set out in the Audit Committees and the External Audit: Minimum Standard; and where there is no internal audit function, an explanation for the absence, how internal assurance is achieved, and how this affects the work of external audit.</p> <p>Disclosures:</p> <p>The work of the Audit Committee is described in the Audit Committee Report on pp. 206-214, including the matters set out in the Minimum Standard as disclosed in the call-out box on p. 212.</p> <p>The Group's internal audit function is described on p. 211.</p>

4. Audit, Risk and Internal Control

Ref 4.27	<p>Provision 27: The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.</p> <p>Disclosures:</p> <p>A summary of the Directors' responsibilities in respect of the annual report and financial statements and their statement concerning relevant audit information is disclosed on p. 238. The report of the independent auditors, which states their reporting responsibilities, is disclosed in the Financial Statements.</p>
Ref 4.28 <i>(Partial DTR overlap 7.2.5R)</i>	<p>Provision 28: The board should carry out a robust assessment of the company's emerging and principal risks. The board should confirm in the annual report that it has completed this assessment, including a description of its principal risks, and an explanation of how these are being managed or mitigated. The board should explain what procedures are in place to identify and manage emerging risks.</p> <p>Disclosures:</p> <p>The Directors have carried out a robust assessment of the principal risks and uncertainties and emerging risks facing the Group, including those that could impact reputation or delivery of its strategic objectives, business model, future performance, solvency or liquidity. This is confirmed on p. 167. The Group Principal Risks and the activities being undertaken to mitigate them are set out in the Strategic Report on pp. 168-175. The procedures in place to identify and manage emerging risks are discussed in the 'Our approach to risk' section on pp. 166-167.</p>
Ref 4.29	<p>Provision 29 (<i>As set out in the 2018 edition of the UK Corporate Governance Code</i>): The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.</p> <p>Disclosures:</p> <p>The Group's risk management processes and system of internal control, as disclosed in the Audit Committee Report on pp. 209-211, and the reports that these give rise to, enable the Board and the Audit Committee to monitor the risk management and internal control framework throughout the year and to review its effectiveness at year end.</p> <p>The Board, with the support of the Audit Committee, has completed its annual review of the effectiveness of the Group's risk management and internal control systems for the period from 1 January 2025. The Board is satisfied that the risk management and internal control systems accord with the Code. This information is disclosed in the Audit Committee Report on p. 211.</p>
Ref 4.30 <i>Overlap UKLR 6.6.6(3)(a)</i>	<p>Provision 30: In annual and interim financial statements, the board should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.</p> <p>Disclosures:</p> <p>The Directors' statement that it is appropriate to continue to adopt the going concern basis of accounting in preparing the 2025 ARA is disclosed in the Strategic Report on p. 59.</p>
Ref 4.31 <i>Overlap UKLR 6.6.6(3)(b)</i>	<p>Provision 31: Taking account of the company's current position and principal risks, the board should explain in the annual report how it has assessed the prospects of the company, over what period it has done so and why it considers that period to be appropriate. The board should state whether it has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.</p> <p>Disclosures:</p> <p>The Board has assessed the viability of the Group taking into account the current position and principal risks, in accordance with provision 31 of the Code, as disclosed in the Viability Statement in the Strategic Report on p. 176. The Viability Statement includes an explanation of how the Board has assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate.</p>

5. Remuneration

Principle P: Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.

Disclosures:

The Directors' Remuneration Report included in the 2025 ARA is prepared in accordance with the relevant provisions of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), and the relevant requirements of the Listing Rules of the Financial Conduct Authority.

The Company's current Directors' Remuneration Policy (approved by shareholders at the 2025 AGM) is designed to support the Group's strategy and to promote long-term sustainable success. Remuneration for the Executive Director is aligned to the Group's purpose and values and is linked to successful delivery of the Group's long-term strategy.

This is explained in the Annual Statement on Remuneration and the Summary of the Current Remuneration Policy in the Directors' Remuneration Report on pp. 215 and 219, respectively.

Principle Q: A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

Disclosures:

The Remuneration Committee is responsible for agreeing, proposing and applying the Directors' Remuneration Policy (covering salary, benefits, performance-based variable rewards and pensions).

The Remuneration Committee has responsibility for determining, within the terms of the approved Directors' Remuneration Policy, the specific remuneration packages for the Chair, the Executive Director, the members of the Management Board and the Company Secretary, on appointment, on review and if appropriate, any compensation payment due on termination of appointment.

None of the Chair, the Executive Director, or member of senior management play any part in determining their own remuneration. The Chief Executive, the Chair, the Chief People Officer, the Group Head of Reward and other senior management, including the Company Secretary, may be consulted and invited to attend meetings of the Remuneration Committee (or parts thereof), except when their own remuneration is under consideration. Representatives from the Committee's remuneration consultants during the year, Deloitte LLP and Meridian Compensation Partners, also attended scheduled meetings of the Remuneration Committee. Further information is disclosed in the Directors' Remuneration Report on p. 235.

Principle R: Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

Disclosures:

The Remuneration Committee members exercise independent judgement and discretion when authorising remuneration outcomes. The Directors' Remuneration Policy, and remuneration schemes in which the Executive Director and Management Board participate, enable the use of discretion to override formulaic outcomes. This is explained in Annual Statement on Remuneration on p. 217 and on pp. 221-222 and 230-231 of the Directors' Remuneration Report. Wherever the Remuneration Committee exercises its discretion in relation to an Executive Director, it will disclose the rationale for doing so in the Directors' Remuneration Report.

The Committee exercised its discretion in 2025 pursuant to the Remuneration Policy and the applicable STI and LTI plan rules when (i) determining Soraya Benchikh's termination arrangements; and (ii) adjusting incentive outcomes for the Canadian, Russian and Belarusian businesses as disclosed on pp. 229 and 216 respectively in the Directors' Remuneration Report.

Provision 32: The board should establish a remuneration committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies, two. In addition, the chair of the board can only be a member if they were independent on appointment and cannot chair the committee. Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months.

Disclosures:

The Remuneration Committee consists of Non-Executive Directors only. The Chair of the Board is not a member of the Remuneration Committee. At the date of the 2025 ARA, the Remuneration Committee comprises four independent Non-Executive Directors, as disclosed in the Directors' Remuneration Report on p. 235.

The current Remuneration Committee Chair was appointed as such in April 2024. The Remuneration Committee's terms of reference require that, before appointment as chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months. The Remuneration Committee's terms of reference are available in full at www.bat.com/governance.

5. Remuneration

Provision 33: The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management. It should review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.

Disclosures:

The Remuneration Committee's roles and responsibilities include all of the above requirements (see overview at p. 215), and further information in relation to the process for setting remuneration and workforce engagement is set out on pp. 217 and 224-226. The Remuneration Committee's terms of reference are available in full at www.bat.com/governance.

Provision 34: The remuneration of non-executive directors should be determined in accordance with the Articles of Association or, alternatively, by the board. Levels of remuneration for the chair and all non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for all non-executive directors should not include share options or other performance-related elements.

Disclosures:

The remuneration of Non-Executive Directors is determined by the Board and is subject to the Company's Articles of Association as referred to in the Directors' Remuneration Policy on p. 225 of the 2024 ARA & 20-F (which is referred to in the 2025 ARA).

The remuneration of the Non-Executive Directors and the Chair, and the key elements of that remuneration, are disclosed in the table 'Chair and Non-Executive Directors' Remuneration for the Year Ended 31 December 2025 – Audited' on p. 229. Non-Executive Directors do not participate in the Group's variable remuneration arrangements.

Provision 35: Where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee. The consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. Independent judgement should be exercised when evaluating the advice of external third parties and when receiving views from executive and senior management.

Disclosures:

Appointment of remuneration consultants is the responsibility of the Remuneration Committee. Independent judgement is exercised by the Remuneration Committee when evaluating the advice of external consultants and when receiving views from the Executive Director and senior management.

Applicable disclosures in relation to the remuneration consultants engaged by the Remuneration Committee in 2025 are set out on p. 235.

Provision 36: Remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests. In normal circumstances, share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The remuneration committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.

Disclosures:

The Executive Director's remuneration package comprises core fixed elements (base salary, pension and other benefits) designed to recognise skills and experience and to ensure current and future market competitiveness in attracting talent.

Two performance-based variable elements (a single annual bonus plan (IEIS) comprising a cash incentive and deferred share element delivered under the Deferred Share Bonus Scheme (DSBS), and a long term Performance Share Plan (PSP) are designed to motivate and reward the delivery of growth to shareholders on a long-term sustainable basis. Awards are granted on an annual basis with a fixed vesting period. Vesting and holding periods applicable to share awards granted to Executive Directors comply with Provision 36. The performance-based elements of the Executive Director's remuneration packages form an approximate range of 80-90% of the total potential remuneration package.

Detailed information on the current Executive Director's remuneration package, including vesting and holding periods applicable to share awards, is set out in the Summary of the Current Remuneration Policy on p. 219.

The Remuneration Committee maintains a formal policy for Executive Directors' post-employment shareholding requirements encompassing both unvested and vested shares. This policy and compliance with its requirements are disclosed on pp. 219, 223 and 229. The Company operates an internal shareholding requirement policy for Non-Executive Directors, which is not currently disclosed in the Directors' Remuneration Report. The Directors' Remuneration Report refers to an expectation that Non-Executive Directors will purchase shares in the Company on the open market to build up a shareholding in the Company during the term of their appointment.

5. Remuneration

Provision 37: Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. Directors' contracts and/or other agreements or documents which cover director remuneration should include malus and clawback provisions that would enable the company to recover and/or withhold sums or share awards, and specify the circumstances in which it would be appropriate to do so.

Disclosures:

The Directors' Remuneration Policy and remuneration schemes in which the Executive Directors and Management Board participate enable the use of discretion to override formulaic outcomes. This is referred to in the Chair of the Remuneration Committee's statement on p. 216 and in the Directors' Remuneration Report on pp. 221-223 and 231. Wherever the Remuneration Committee exercises its discretion in relation to an Executive Director, it will disclose the rationale for doing so in the Directors' Remuneration Report.

The variable remuneration schemes (the IEIS, DSBS, PSP and legacy LTIP) are subject to malus and clawback provisions. The Summary of the Current Remuneration Policy on p. 219 specifies circumstances in which malus and clawback may be applied.

Provision 38: The annual report on remuneration should include a description of its malus and clawback provisions, including: the circumstances in which malus and clawback provisions could be used; a description of the period for malus and clawback and why the selected period is best suited to the organisation; and whether the provisions were used in the last reporting period. If so, a clear explanation of the reason should be provided in the annual report.

Disclosures:

The applicable durations and circumstances in which malus and clawback may be applied are detailed in the Summary of the Current Remuneration Policy on p. 219 of the Directors' Remuneration Report, with more detail in the current Directors' Remuneration Policy, as set out in the 2024 ARA and 20-F. The Remuneration Committee has confirmed that no malus or clawback provisions were applied during the reporting year on pp. 219-220.

Provision 39: Only basic salary should be pensionable. The pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for directors close to retirement, should be carefully considered when compared with workforce arrangements.

Disclosures:

Executive Directors' pension arrangements comply with these requirements, as disclosed on pp. 219-220. Details of workforce pension arrangements are set out on p. 224.

Provision 40: Notice or contract periods should be one year or less. If it is necessary to offer longer periods to new directors recruited from outside the company, such periods should reduce to one year or less after the initial period. The remuneration committee should ensure compensation commitments in directors' terms of appointment do not reward poor performance. They should be robust in reducing compensation to reflect departing directors' obligations to mitigate loss.

Disclosures:

The Executive Directors have rolling one-year contracts. The Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment for one year, as set out on p. 203 of the Nominations Committee Report. Details of the Directors' terms of appointment to the Board and the Company's policy on payments for loss of office are contained in the current Directors' Remuneration Policy on pp. 223-224 of the 2024 ARA & 20-F.

Detailed information on the components of Executive Directors' performance-related remuneration is set out in the Remuneration Policy in the 2024 ARA and 20-F.

5. Remuneration

Provision 41: There should be a description of the work of the remuneration committee in the annual report, including: an explanation of the strategic rationale for executive directors' remuneration policies, structures and any performance metrics; reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps; whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary; what engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes; what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy; and to what extent discretion has been applied to remuneration outcomes and the reasons why.

The Directors' Remuneration Report sets out the work programme of the Remuneration Committee on p. 236. The rationale and process for setting Executive Directors' remuneration is detailed on pp. 219 and 224 of the Directors' Remuneration Report. The Annual Statement on Remuneration provides detail on shareholder engagement and the impact this had on the Directors' Remuneration Policy on p. 215. An International Pay Comparator Group has been used by the Remuneration Committee when benchmarking the Executive Directors' salaries and the Chief Executive Pay Ratio Disclosure is set out on p. 228 of the Directors' Remuneration Report. Pp. 230-232 set out details of implementation of the Directors' Remuneration Policy for 2026. Details of workforce engagement and the alignment of executive remuneration with remuneration of the wider workforce are set out on pp. 224-226.

The Committee exercised its discretion in 2025 pursuant to the Remuneration Policy and the applicable STI and LTI plan rules when (i) determining Soraya Benchikh's termination arrangements; and (ii) adjusting incentive outcomes for the Canadian, Russian and Belarusian businesses as disclosed on pp. 229 and 216 and 221-223 respectively in the Directors' Remuneration Report.
