



## **British American Tobacco p.l.c. (“BAT”) Shareholder Engagement Event 2021: Opening Remarks from Chairman, Richard Burrows**

Welcome to this pre-AGM shareholder engagement session.

The AGM, and the publication of my accompanying statement, will take place on the 28<sup>th</sup> of April, but the meeting will be convened with the minimum necessary quorum of two shareholders. This is due to the COVID-19 pandemic and the UK Government’s compulsory measures restricting public gatherings.

The Company will ensure that the necessary legal requirements for the AGM are met and that the proposed resolutions as set out in the AGM Notice are proposed and voted upon, with the exception of resolution number 9, to re-appoint Jerry Fowden as a Non-Executive Director, which has been withdrawn as announced on 1 April when Jerry stepped down from the Board.

We were sorry to see Jerry leave but we do understand that conflicts of interest can arise.

Recognising that shareholder engagement is important, we set up this shareholder engagement session in order to answer your questions about the Company, which we invited through the AGM Notice.

We will conclude this session with remarks from your incoming Chairman, Luc Jobin.

Looking back on 2020, it is clear that the global pandemic has created new, and often unforeseen, challenges for BAT.

As you would expect, our priorities have been the safety and welfare of our people, as well as providing the right kind of support to our suppliers, and to the communities in which we operate.

At the beginning of the crisis, we took swift action across the entire business to ensure we could continue to operate safely and effectively.

Today, working remotely remains the norm for many at BAT. Where this has not been possible, for example in many of our markets and factories around the world, the necessary measures have been put in place to ensure our people can work safely and securely.

We are working to support our smaller suppliers across the globe who may be struggling with cash flow issues. We are also taking great care of the farmers who grow our tobacco and remain committed to supporting these communities.

BAT’s US bio-tech subsidiary, Kentucky BioProcessing, is developing a potential vaccine for COVID-19 as well as one for seasonal flu. Both are in Phase 1 of human trials, following approval by the US Food and Drug Administration of their Investigational New Drug applications.

The effects of the pandemic have not been easy for anyone and I would like to thank our teams around the world for their ongoing commitment, energy and passion.



What has been evident during the turbulence of the last year is that BAT has the right strategy and management team in place to deliver for all its stakeholders.

Jack and his team on the Management Board have led the continued transformation of BAT toward becoming a multi-category consumer goods business, with reduced health and environmental impacts, driven by evolving consumer needs.

As you will have seen in our Full Year results and Annual Report, in 2020 we delivered good revenue, profit, and EPS growth, as well as strong cash flows, in challenging circumstances.

10 percent of our revenue now comes from our non-combustible products and we made excellent progress in all three New Categories, with consumer acquisition and volume growth both accelerating in the second half of 2020.

Our corporate purpose to build A Better Tomorrow™ is about reducing the health impact of our business by offering a greater choice of enjoyable and less risky products\*†.

We recognise, of course, that we must transform even more quickly. To that end, we will further accelerate our strategy based around the three priorities our CEO set out in 2019. We will:

- drive a step change to increase New Categories revenue;
- deliver value in combustibles; and
- build a simpler, faster organisation.

By focussing on these priorities, we will deliver a range of exciting products today, while continuing to invest and develop innovations to meet the demands of tomorrow's consumer.

There is the commitment and vision at BAT to transform and grow the business, changing not just our portfolio but our structure and our culture – which will fundamentally change the nature of our relationship with society.

I am delighted that, following a rigorous selection process, the Board has named Luc as my successor. He brings a wealth of experience to the role and I wish him well.

Luc will be saying a few words at the end of this session.

Before we move to the Q&A session, I would like to thank all the people I have worked with at BAT over the years, as well shareholders, suppliers and other stakeholders.

It has been a great privilege to be the Chairman of BAT and I look forward to seeing its future successes unfold.

And with that, we will now turn to the questions our shareholders have submitted.

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\* 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 US, 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.



## About this Document and Forward-Looking Statements

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Any reference to 'reduced-risk products' in this document is based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.



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