



Delivering Multi-Stakeholder Value through The Enterprise of the Future

Deutsche Bank Conference June 2021

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Among the key factors that could cause actual results 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 market size reduction and consumer down-trading; adverse litigation 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; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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Important information



Forward-looking Statements (continued)

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 British American Tobacco website www.bat.com.

No Profit or Earnings Per Share Forecasts

No statement in this presentation is intended to be a profit forecast and no statement in this presentation 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.

Additional information

Our vapour product Vuse (including Alto and Vibe), and certain products including Grizzly, Granit, Camel Snus, Velo and Kodiak, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Audience

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Transforming to Create Value for All Stakeholders



Kingsley Wheaton | Chief Marketing Officer

Dr David O'Reilly | Director of Scientific Research

Jennie Galbraith | Head of ESG

Building A Better Tomorrow™



Committed to transforming and reducing our health impact

1



Multi-Category – the greatest potential to reduce harm and create value

2



Building strong consumer-led global brands with purpose

3



World-Class science substantiates our reduced risk portfolio*

4



Building on strong ESG foundations to create shared value for all stakeholders

5



1

**Committed to
transforming and reducing
our health impact**

Committed to Building A Better Tomorrow™



Our Purpose

To *reduce* the *health impact* of our business



Our Commitment

To provide *adult consumers* with a wide range of enjoyable and *less risky products*

To encourage *smokers* to *switch completely* to scientifically-substantiated *reduced-risk alternatives**

Harm Reduction and ESG central to our Strategy



Creating value for all our stakeholders



50 million consumers of non-combustible* products by 2030



£5bn New Category Revenue by 2025



Carbon neutral by 2030**



Eliminate unnecessary single-use plastic & all plastic packaging recyclable^ by 2025**

Delivering Our Purpose is Transforming BAT



From

To

Cigarettes

**Multi-category CPG
Nicotine & Beyond***

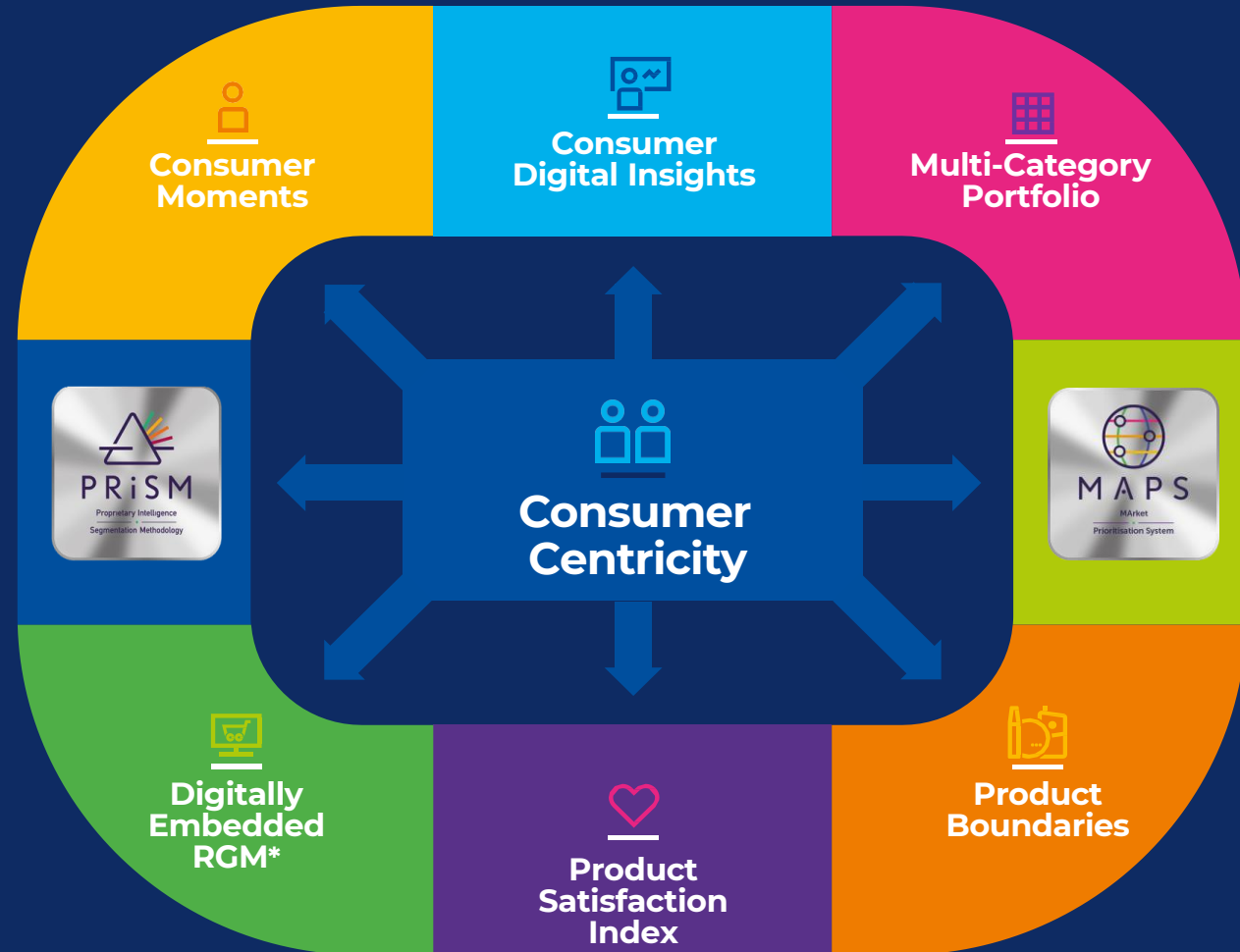
**Declining Volume
Growing Value**

**Growing Volume
& Value**



A Strategy that Starts with the Consumer

A Unique Consumer-Centric Multi-Category model



Clear Ambitions for each New Category Brand

Vapour



Global leader*
***with a clear
pathway to
profitability***

THP



Fastest growing
THP brand**
***powered by
innovation***

Modern Oral



Global leader**
***leveraging
our superior
products***

* Value share basis. ** Volume share basis.

Vuse brand represents c. 80% of FY20 vapour revenue. Continue to migrate remaining Vype brands during 2021. Velo brand represents over 50% of FY20 Modern Oral markets. Continue to migrate remaining EPOK, LYFT brands during 2021.

Confident in Delivering Shared Stakeholder & Shareholder Value



Growth and Transformation Towards A Better Tomorrow™

2

Multi-Category – the greatest potential to reduce harm and create value

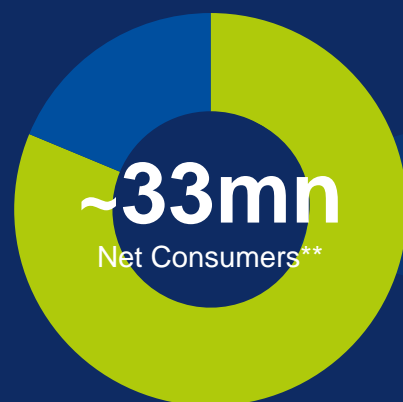
Strategic Rationale for Multi-Category Approach



Maximises Ability to Switch Smokers, Reduce Harm and Create Value

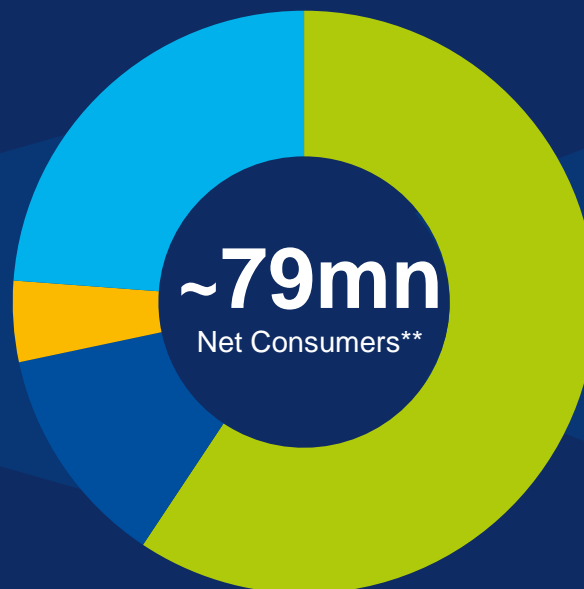
A Large, Growing Multi-Category Opportunity

2015

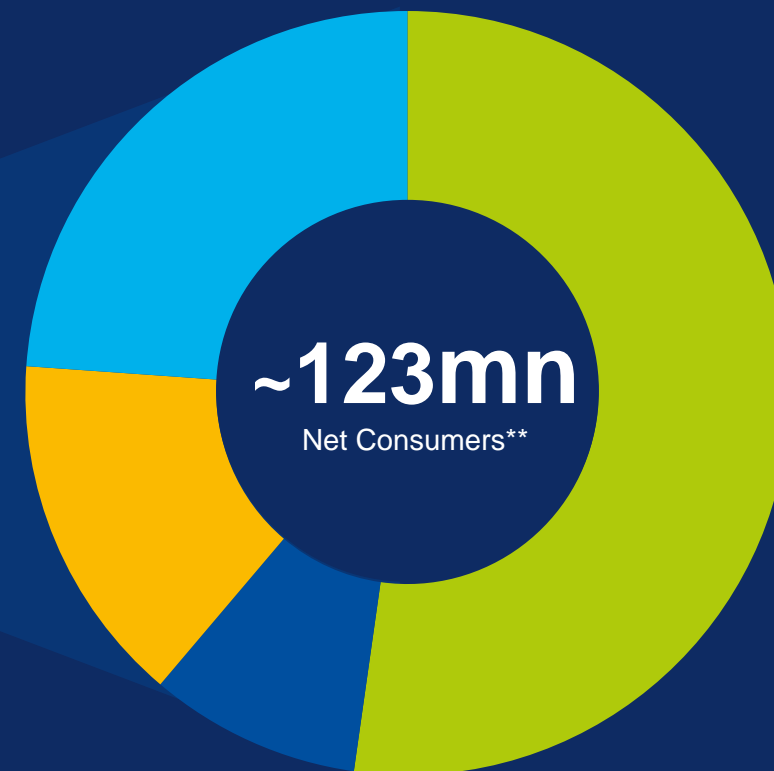


VAPOUR ■ TRAD ORAL ■ THP ■ MODERN ORAL ■

2020



2025*



~£4bn Industry revenue

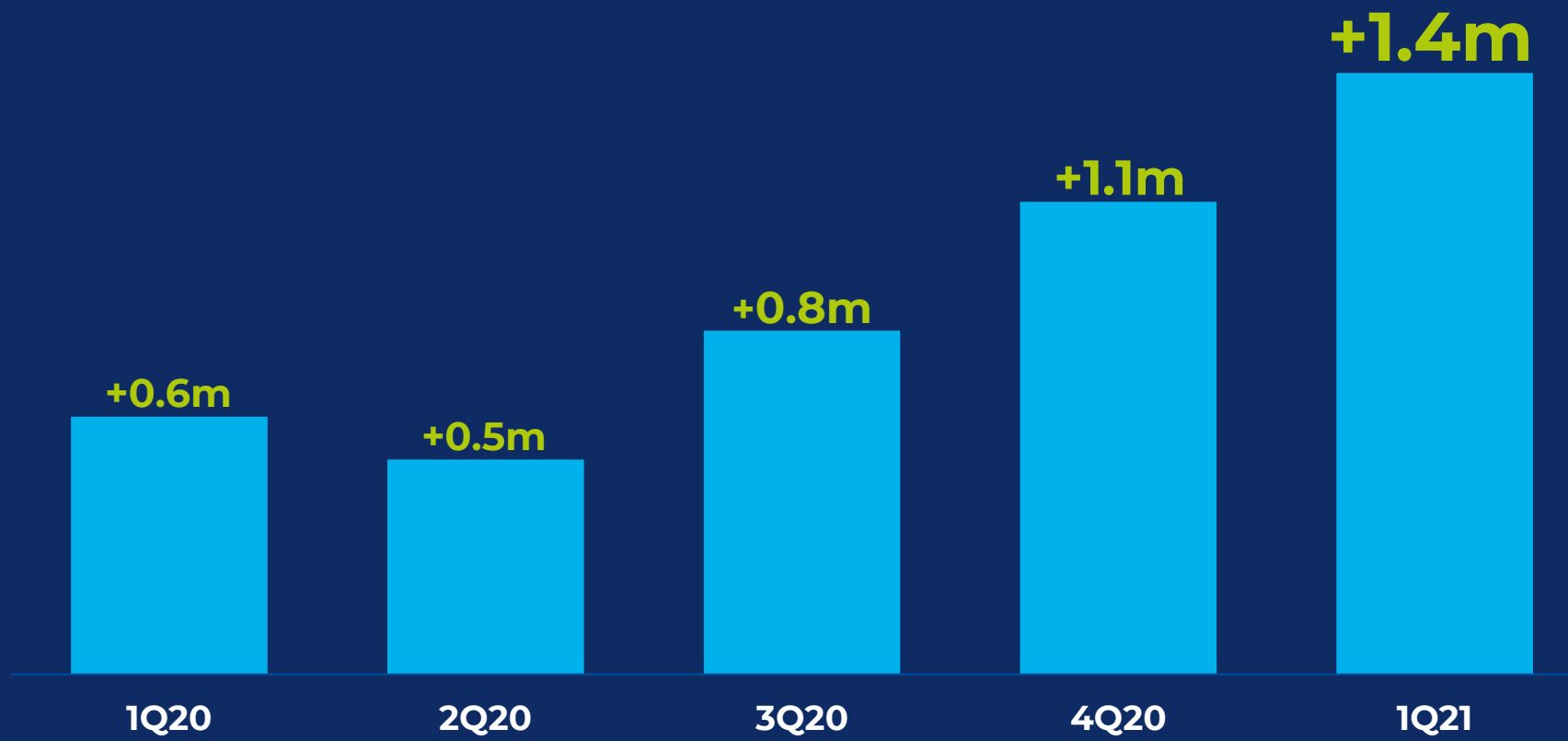
~£16bn Industry revenue

~£29bn Industry revenue

* 2025 estimate based on internal estimates. Industry Incidence Study & BAT internal estimates, excluding India and China. 2015 BAT revenue pre-RAI acquisition in 2017. **Total Non-Combustibles Net Consumers excludes-Poly users. Poly-usage across non-combustible products. *** Non-Combustible consumer definition. See Appendix A2.

Our Multi-Category Strategy is Accelerating our Tobacco Consumer Acquisition

+3.8m Non-Combustible* Consumers over last 4 Quarters



Growth in Non-Combustible* Consumers

14.9m
Consumers of
Non-Combustibles*
Q1 2021

50m
Consumers of
Non-Combustibles*
by 2030

In Pioneer New Category Markets Progress is Accelerating

c.15%
of our Developed Market* Revenue



63%



42%



28%



27%



13%

Non-Combustible products revenue %

Our Transformation is Well Underway

3

Building strong consumer-led global brands with purpose





Leveraging our Insights, Strengths & Capabilities to Encourage Smokers to Switch



**3 Key
Consumer
Motivations**
drive **75%**
of the decision
to switch from
Cigarettes

Satisfaction



Multi-Category Portfolio

Reduced Risk*



Science & R&D

Image & Identity



Global Brands



Driving Strong Share Growth across all New Categories



YTD Apr

YTD vs.
FY 20



29.8%

+4.9pp



74.7%

+28.5pp



19.1%

+4.3pp

Vype



43.2%

+11.7pp



59.0%

+9.3pp



YTD Apr

YTD vs.
FY 20



6.2%

+0.8pp



1.7%

+1.1pp



1.4%

+1.0pp



2.7%

+1.8pp



1.5%

+0.7pp



YTD Apr

YTD vs.
FY 20



16.9%

+9.3pp



6.7%

+1.8pp



79.5%

+4.1pp



54.9%

+5.1pp



17.2%

+2.0pp

Building powerful Global Brands



Indexed Brand Power Scores in Top 5 Markets



Indexed Brand Power Scores in Top 5 Markets



Indexed Brand Power Scores in Top 5 Markets



Brand Power =



PURPOSE
Makes lives better /
adds genuine value



EXPERIENCE
Brand delivers on
its product promise



INNOVATION
Leads the way –
creative & disruptive



COMMUNICATION
Great ads, cut-through
& salience



LOVE
Pride, loyalty &
advocacy



Driving Significant Vuse Growth and Brand Power



PURPOSE

Carbon Neutral



Environment



INNOVATION

Superior Products



COMMUNICATION

Engagement



EXPERIENCE

Activation



LOVE

Brand Scale



glo First to World with THP Induction Heating



Improved Device Appeal

Device Personalization
(+50 options / combinations)

Sensorial Customization
(Base & Intense Boost modes)

½ time to first puff

glo
Hyper

Our best THP product yet





Continued International Leadership and Strong US Momentum



HYPER-LOCAL MARKETING

- Miami Wall scape
- Portland Online Advertising

DELIVERY IN EVERY CONSUMER MOMENT

- 'On-Demand' Education
- Retail Transformation
- 1:1 Engagement



USA Brand Awareness at Parity with Market Leader*



New Category Growth Driven by Rapid Innovation

2013



Built in < 8 years

2021



Global Brands
Superior Products
Retail Experience & Online

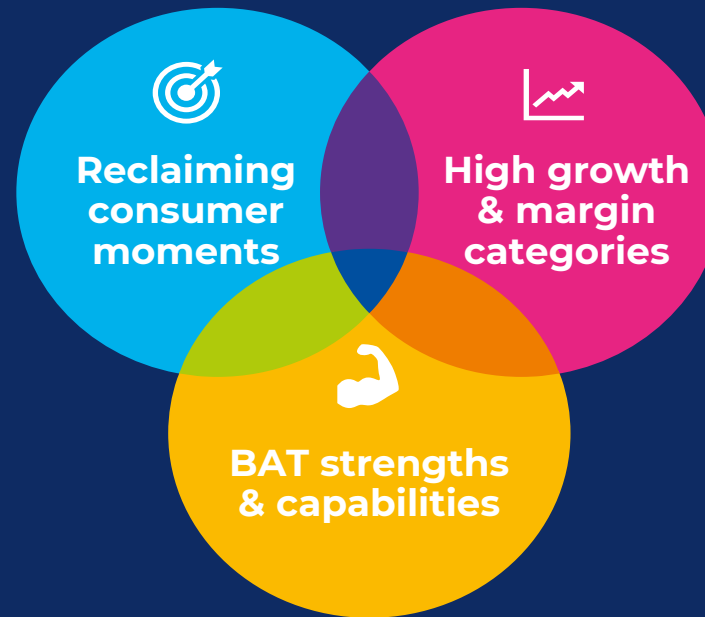
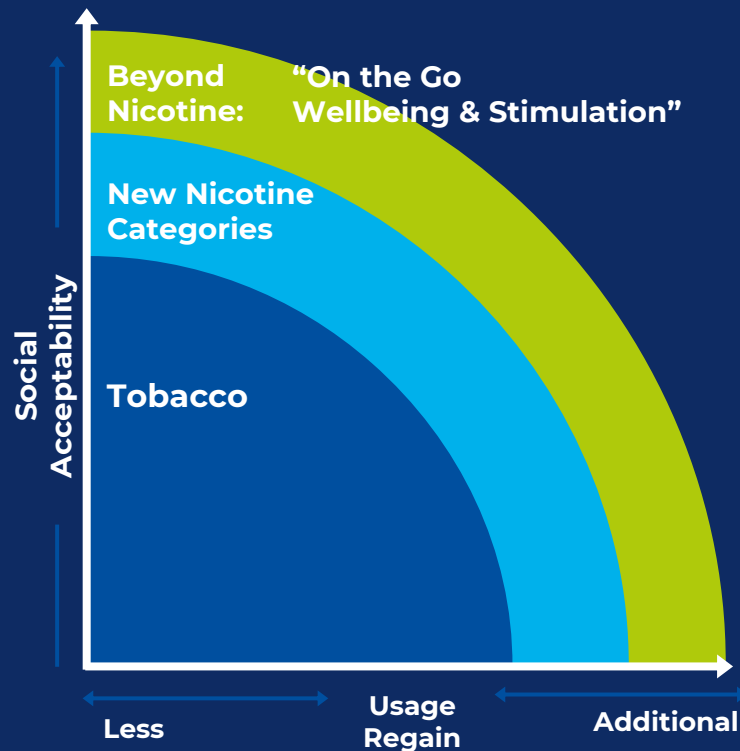
2025/30



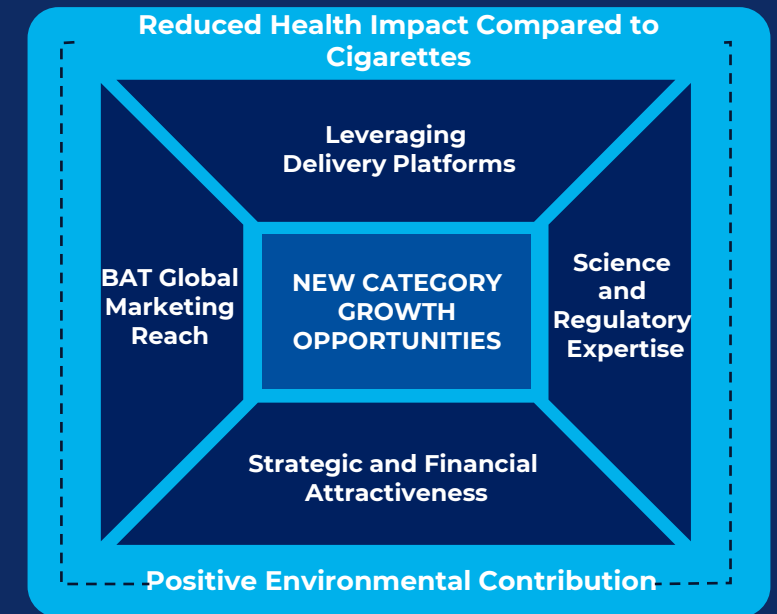
Continued innovation

New Categories Revenue **+43%** 3-year CAGR*

We are exploring Beyond Nicotine: Leveraging Strengths in “On The Go Wellbeing & Stimulation”



Clear portfolio expansion boundaries



Building an Ecosystem Beyond Nicotine



**12 investments
closed to date**

Target areas:



**Health and
Wellness**



**Functional
products – e.g.
Focus, Energize
& Relax**



Science



Sustainability



Technology



- R&D collaboration
- c. 20% associate investment



Vuse CBD Test

- UK city pilot underway
- Test and learn

Confident in Delivering Shared Stakeholder & Shareholder Value



Growth and Transformation Towards A Better Tomorrow™



4

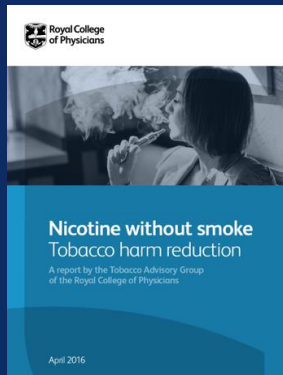
World-Class Science substantiates our reduced risk portfolio*

Most of the Harm from Tobacco is caused by Combustion Not Nicotine



“ It’s the **other chemical compounds** in tobacco, and in the smoke created by setting tobacco on fire, that directly and primarily cause the illness and death, **not the nicotine.** ”

DR. SCOTT GOTTLIEB
US FDA COMMISSIONER (JULY 2017)

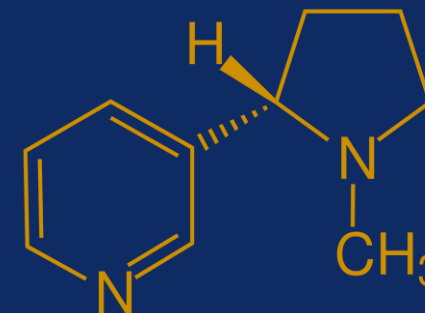


“ **Nicotine is not...a highly hazardous drug.** The main culprit is smoke and, if nicotine could be delivered effectively and acceptably...without smoke, most, if not all, of the harm of smoking could probably be avoided ”

UK ROYAL COLLEGE OF PHYSICIANS
Nicotine without smoke: Tobacco harm reduction (2016)

Understanding Nicotine⁺

- Naturally present in tobacco plants
- Extracted and purified to pharmaceutical grade
- Widely studied in clinical trials
- Scientific consensus recognises that nicotine is highly addictive but does not cause cancer^{1,2,3}



“Its effect is to make tobacco addictive rather than to cause cancer directly”

WHO¹

“Current evidence does not support that nicotine is a human carcinogen”

National Academies of Sciences, Engineering and Medicines⁴

“There is insufficient data to conclude that nicotine causes or contributes to cancer in humans”

Surgeon General⁵

Tobacco Harm Reduction recognised in Policy and Regulation in a number of countries

“The **closer** the risks and exposures from the Reduced Risk Products are **to cessation** ...the more confident a regulator can be in the chances for net **public health benefit**”*



2001 2007 2012

Science is
informing Policy
and Regulation
globally



Food and Drug
Administration



Public Health
England



National institute for
Public Health & the
Environment



& others

*From US Institute of Medicine: Scientific Standards for Studies on Modified Risk Tobacco Products 2012. Other reports highlighted: Clearing the Smoke (nih.gov) 2001 and Evidence-Based Medicine and the Changing Nature of Health Care: 2007 IOM

Evaluated Using a Multi-Disciplinary Risk Assessment Framework



Emissions

What is in the vapour/aerosol?



Exposure

What happens when exposed to these emissions?



Risk

What is the long-term health risk?

Behavioural
Sciences

Chemistry

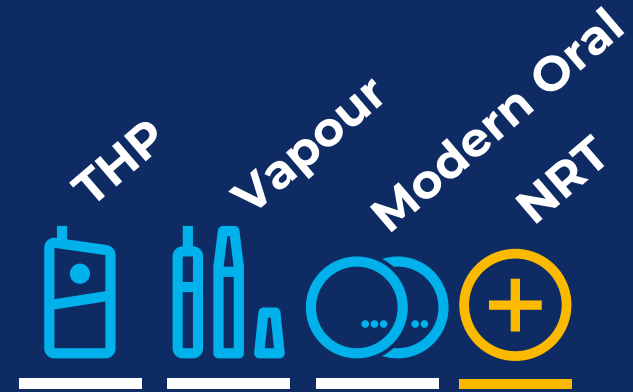
Biological
Sciences

Clinical
Studies

Population
Studies

A Portfolio of Non-Combustible solutions

Combustibles



Most of the Harm from Tobacco is caused by Combustion Not Nicotine*+

*As stated by: Dr. Scott Gottlieb, US FDA Commissioner (July 2017), and UK Royal College of Physicians, Nicotine without smoke: Tobacco harm reduction (2016)

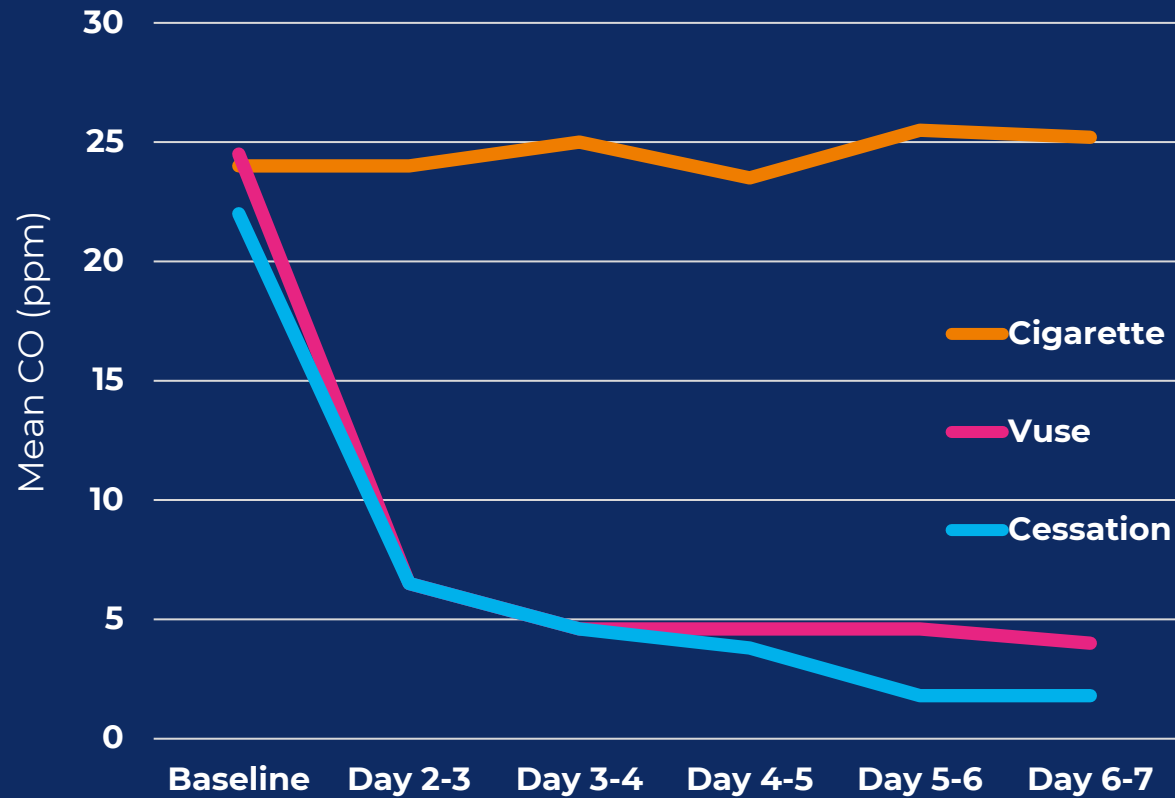
+ Nicotine is an addictive substance. We do not make health claims (express or implied) about our products in the US unless authorized by FDA to do so



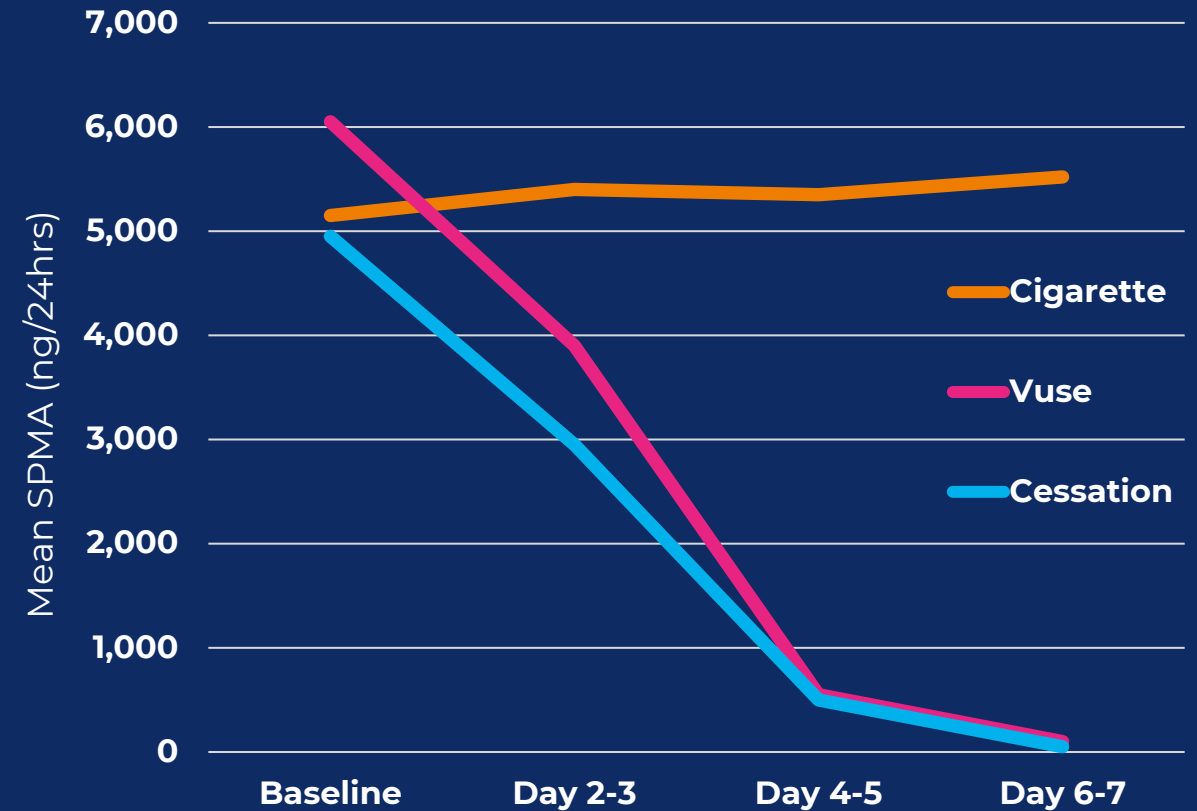
Reduction in Toxicant Exposure Similar to Cessation*



Carbon Monoxide

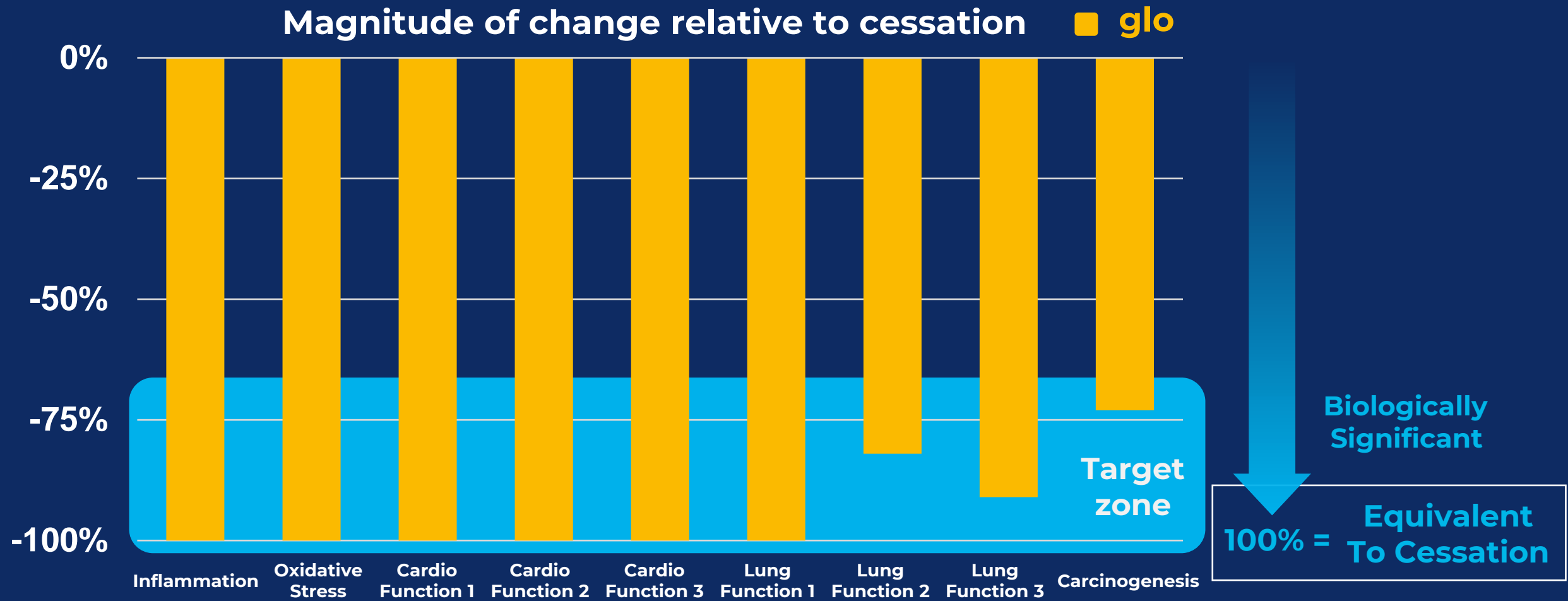


Benzene





Biomarker of Potential Harm Responses Similar to Cessation in 90 day study*





Velo* has Toxicant Levels comparable to Cessation Products (NRT) and lower than Snus



**-99%
Toxicants vs.
Cigarettes¹**

**-76%
Toxicants vs.
Snus²**

**Comparable
toxicant profile
to NRT³**

1. D.M. Burns et al.; Tob. Control, 17 (2008), pp. 132-141; 2 Approximate reduction. Comparison based on an assessment of smoke from a scientific standard reference cigarette (approximately 9mg tar) and components released during use of a commercial Snus pouch and a Velo pouch, in terms of the average of the 9 harmful components the World Health Organization recommends to reduce in cigarette smoke.

3. Cessation products refer to NRT. Azzopardi D, Liu C, Murphy J. (2021). Chemical characterization of tobacco-free "modern" oral nicotine pouches and their position on the toxicant and risk continuums. Drug and Chemical Toxicology

* VELO is not risk-free and contains nicotine, an addictive substance. Velo is not a medically licensed cessation device and is not necessarily effective in supporting smoking cessation.

Extensive Scientific Substantiation support our products as Reduced Risk*



Emissions : - 99%¹

Toxicology : - 99%¹

Our data is published in
71 peer-reviewed manuscripts



Emissions : - 90% to - 95%²

Toxicology : - 95%²

Our data is published in
65 peer-reviewed manuscripts



>30 yrs of studies shown **Snus**
is **much less risky** than smoking

**Toxicology : even less
harmful than Snus³**

We believe **Modern Oral** products
are **reduced risk** as toxicant levels
are lower than in snus*

1. ePod and ePen3 compared to a reference cigarette. 2 Compared to a reference cigarette. 3. Approximate reduction. Comparison based on an assessment of smoke from a scientific standard reference cigarette (approximately 9mg tar) and components released during use of a commercial Snus pouch and a Velo pouch, in terms of the average of the 9 harmful components the World Health Organization recommends to reduce in cigarette smoke.

*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

Key External Bodies also Support Reduced Risk* / Exposure Nature of all Three New Categories

Vapour



ASH
(Action on Smoking & Health)¹
Public health charity

“Compared to tobacco products, electronic cigarettes are significantly safer”



GOVT. OF CANADA²
“Switching from tobacco cigarettes to vaping products will reduce a person’s exposure to many toxic and cancer-causing chemicals”



**NEW ZEALAND
MINISTRY OF HEALTH**³
“Smokers switching to vaping products are highly likely to reduce their health risks and for those around them”

THP



FOOD AND DRUG⁴
ADMINISTRATION

These particular products could help addicted adult smokers transition away from combusted cigarettes and reduce their exposure to harmful chemicals



**NATIONAL INSTITUTE FOR PUBLIC
HEALTH & THE ENVIRONMENT**
The use of Heated Tobacco Products is harmful to health, but probably less harmful than smoking tobacco cigarettes



**FEDERAL INSTITUTE FOR RISK
ASSESSMENT**
The herein confirmed reductions of relevant toxicants by about 80-99% are substantial

Modern Oral



BfR GERMANY⁵

The herein confirmed reductions of relevant toxicants by about 80-99% are substantial



FOOD AND DRUG⁶
ADMINISTRATION

Using Snus instead of cigarettes puts you at a lower risk of mouth cancer, heart disease, lung cancer, stroke, emphysema, and chronic bronchitis.



US EXPERT⁷
SNUS products are much cleaner and less hazardous than cigarettes. Their use could only reduce harm to smokers if they switch entirely to these products

1. ASH Briefing Note. 2. Supporting the Sustained Transition of Smokers of Conventional Cigarettes to Vaping Products - CIHR (cihr-irsc.gc.ca) 2019. 3. Position statement on vaping | Ministry of Health NZ 2020. 4. FDA, 07 July 2020. 5. BfR Preliminary health assessment of nicotine pouches, dated 30 March 2021. 6. [FDA Authorizes Modified Risk Tobacco Products](#) | FDA Oct 2019. 7. Benowitz, N. L. (2011). ‘Smokeless Tobacco as a Nicotine Delivery Device: Harm or Harm Reduction?’ Clinical Pharmacology & Therapeutics 90, no.4: 491–93. doi:10.1038/clpt.2011.191

* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

Beyond Nicotine: Industry Leading Safety Science for CBD

✓ *In vitro*
studies



CBD Genotoxicity

**CBD considered
non-genotoxic**

✓ *In vivo*
studies



CBD Inhalation Study

**Foundational
inhalation study
completed**



CBD consumption Study

- Completed two x clinical studies of consumption
- Delivered new data and insights on consumer usage

22 MAR VALIDCARE'S CLINICAL STUDY REPORTS
PRELIMINARY RESULTS OF CBD LIVER SAFETY
Posted on March 22, 2021 in Press by Scott Hardin

Liver Damage Study

- Designed to address FDA question
- Showed no difference between oral CBD & non-CBD users in US

Creating a new, higher standard for recreational consumer products

Underpinned by World-Class Capabilities in Science and Innovation

60+
Years
of R&D

1500
R&D
specialists

2x
R&D
spend
since
2017*

114
Peer-reviewed
articles and
manuscripts
published in New
Categories

12
BTVentures
investments
adding new
capabilities

Accelerating our transformation through attracting new talent from a wide range of industries

5

Building on strong ESG foundations to create shared value for all stakeholders

Creating Shared Value through ESG



**Our
Sustainability
Agenda**

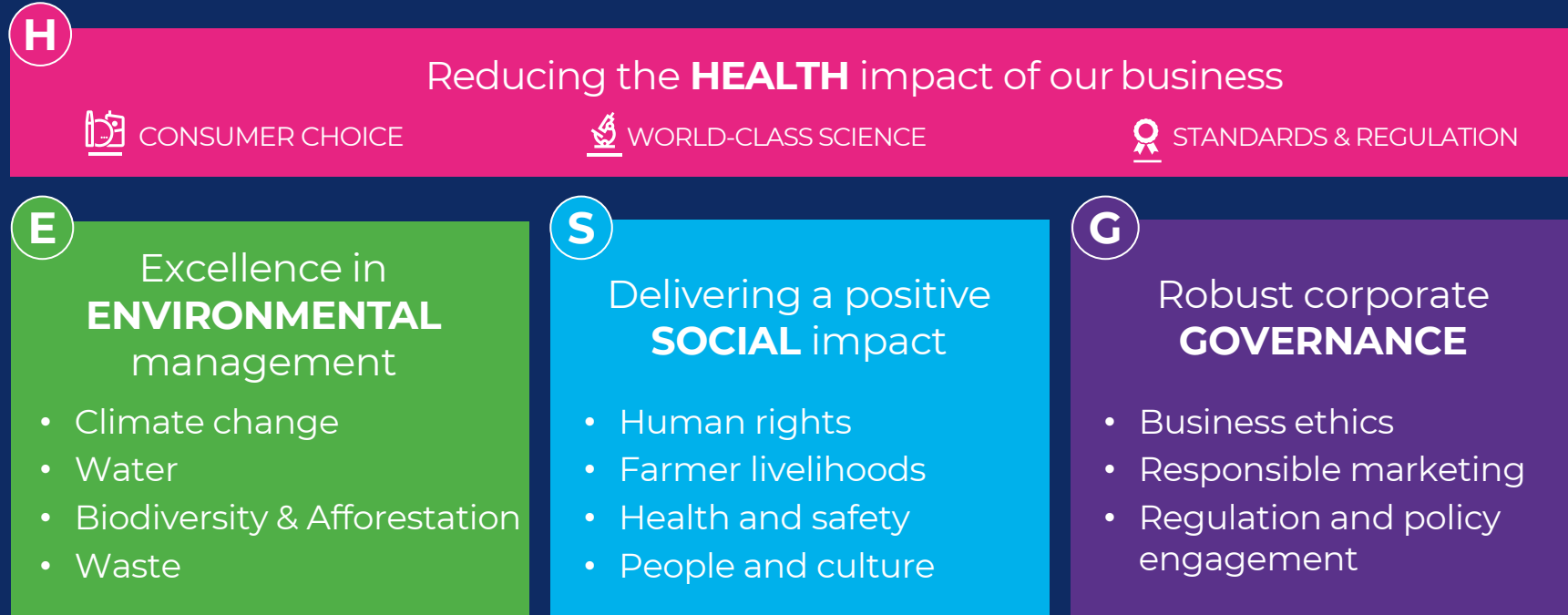


**Deep-dive
into ESG
issues**



**How we
manage
ESG**

Harm Reduction is the Cornerstone



Creating value for all our stakeholders



50 million consumers of non-combustible* products by 2030



£5bn New Category Revenue by 2025



Carbon neutral by 2030**



Eliminate unnecessary single-use plastic & all plastic packaging recyclable^ by 2025**

ESG: Strong Progress and Commitment to Transparent Reporting on our Journey

	Target	2020 Progress
E  Excellence in ENVIRONMENTAL management	<ul style="list-style-type: none"> Carbon neutral for Scope 1 & 2 by 2030 100% of plastic packaging reusable, recyclable or compostable by 2025 	<ul style="list-style-type: none"> -37% vs 2017 baseline 82% in 2020
S  Delivering a positive SOCIAL impact	<ul style="list-style-type: none"> Zero child labour and forced labour by 2025* 100% suppliers subject to human rights due diligence** 	<ul style="list-style-type: none"> 99.7% farms monitored for child labour ✓
G  Robust corporate GOVERNANCE	<ul style="list-style-type: none"> 100% Standards of Business Conduct (SoBC) adherence 100% Youth Access Prevention (YAP) Guidelines adherence 	<ul style="list-style-type: none"> 100% employees completed SoBC training 100% markets aligned with YAP Guidelines

*In our tobacco supply chain; child labour definition based on ILO definition.

** All our product materials and high-risk indirect service suppliers (non-agricultural suppliers) to have undergone at least one independent labour audit within a three-year cycle by 2025

Deep Dive into Four Key Areas

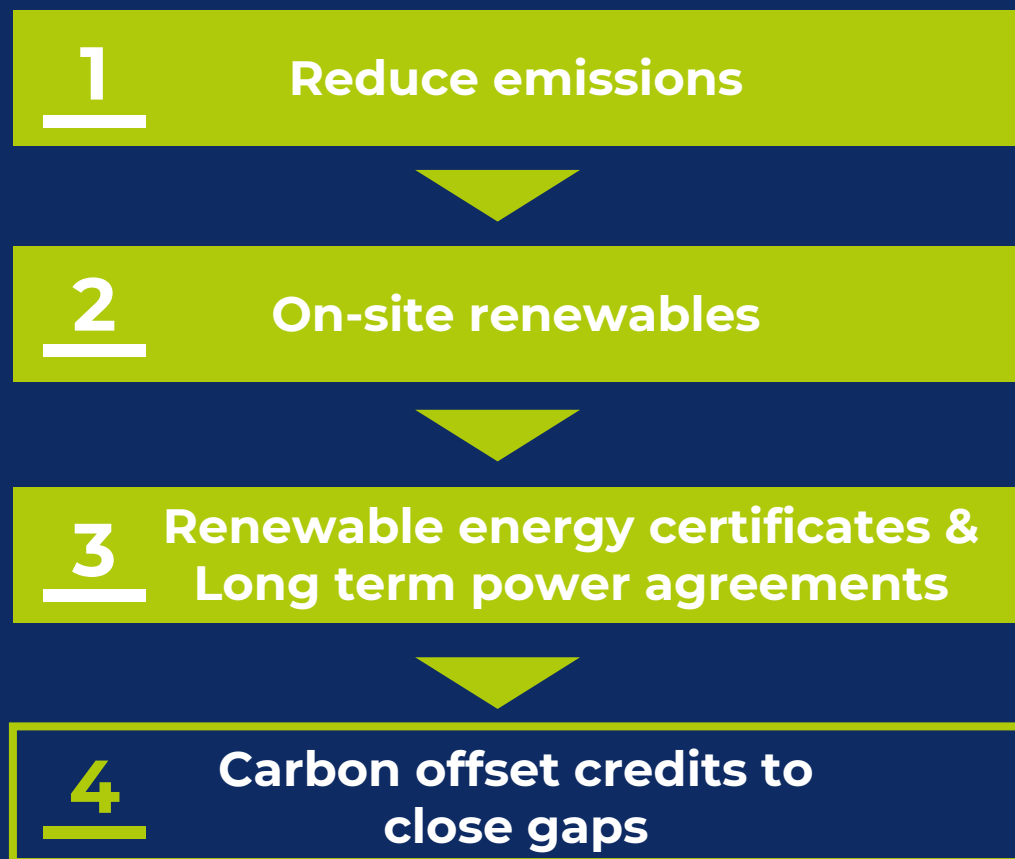
**Tackling
climate
change**

**Eliminating
child
labour**

**Robust
compliance**

**Responsible
marketing**

We are Building our Capabilities to ensure we Succeed in Reducing our **Scope 1 & 2** emissions



37% reduction in scope 1 & 2 emissions v 2017

8 countries have factories with solar energy generation*

All sites incorporate green power purchases

Carbon Neutral Scope 1 & 2 by 2030

We are Building our Capabilities to ensure we Succeed in Reducing our **Scope 3** emissions

Non-leaf Purchased
Goods & Services

Leaf
Purchased

Other Scope 3*

Top 30
suppliers engaged
with to improve
delivery against scope
3 targets, representing
over 66% of our direct
spend



>30%
reduction in fuel use
with upgraded curing
barns**

All
new product
developments include
life-cycle analysis

Carbon Neutral Scope 3 by 2050

*Other Scope 3 includes capital goods, use and disposal of sold products, end of life treatment, and other categories including transportation, business travel and commuting

**Upgrading curing barns to automated 'loose leaf' models can enable at least a 30% reduction in fuel use. These innovative curing technologies have now been introduced to our contracted farmers in five countries.

We are Building our Capabilities to ensure we Succeed in **Tackling Child Labour**

ROBUST MONITORING AND REMEDIATION PROCESS

- 1 Strong Policies**
- 2 Risk Mapping**
- 3 Farm Visits**
- 4 Identification**
- 5 Remediation**
- 6 Follow-up**

All
farmers visited
monthly¹

0.5%
incidence²

98.5%
incidents
resolved³

Our strategy is aligned to

UNITED NATIONS
GUIDING PRINCIPLES
ON **BUSINESS**
& HUMAN RIGHTS

1. Our field technicians visit our contracted farmers approximately once a month during the growing season.
2. % of farms with incidents of child labour 3. based on number of child labour incidents identified (proportion reported as resolved)

We are Building our Capabilities to ensure we Succeed in **Tackling Child Labour**

LONGER-TERM FOCUS ON ROOT CAUSES



Human rights
assessments



Training and
awareness raising



Enhancing
livelihoods



Partnerships and
communities

390,000+

attendances at human
rights farmer training

Up to **20%**

yield increase with new
seed varieties

‘Leader’

9.2/10 score vs.

Industry Average of **5.6**

The Global Child Forum’s
Overall Children’s Rights Benchmark Score¹

We have a Rigorous Approach to responding to reports of Potential **Human Rights** breaches



- Engage to understand and gather information
- Assess facts and develop action plan at highest levels of BAT
- Thorough internal audit or external review
- Review of lessons learnt and in depth evaluation of policies

3 strikes policy for farms identified with child labour

- 1** Work with and educate farmers
- 2** Formal written warning
- 3** Cease working with farmer

Outcomes include:

Six contracts ceased

with farmers in 2020 after three strikes for child labour

Independent review

of supply chain in Bangladesh

Unannounced visits

to farms in Italy and Zimbabwe

Human rights impact assessments

in India, Indonesia and Mozambique with two more planned by end 2021

Risk mitigation

enhanced farmer training & monitoring, worker interviews, community-based programmes etc.

Continuously Strengthening Our Business Conduct & Compliance

2021/22

2016

RENEWED BOARD COMMITMENT

- Policies & Procedures
- Top mgmt. focus

2017

BUSINESS CONDUCT & COMPLIANCE TEAM FORMED

- Oversight, autonomy & resources
- Whistleblowing hotline

2018

STRENGTHENED COMPLIANCE PROGRAMME

- Risk management
- Anti-Bribery & Corruption focus
- Training & Comms

2019

EMBED IN ORGANISATION

- Commitment from middle mgmt.
- 3rd Parties focus
- Global Integrity Pledge

2020

DIGITAL, AUTOMATION, 3RD PARTY RISKS

- Investigations & case mgmt.
- Incentives, discipline & enforcement
- M&A

AUDIT, ASSURANCE & HARNESSING DATA

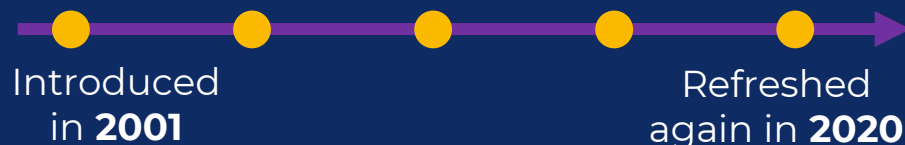
- Data analytics
- Automation & Integration
- 3rd Party life-cycle mgmt.



Delivery *with*
Integrity

Responsible Marketing to Adult Tobacco/ Nicotine Consumers

International Marketing Principles (IMP)



- ✓ Global, even when **stricter** than local laws
- ✓ **All marketing materials** subject to **review** and approval **by internal legal** or against applicable guidance

Youth Access Prevention (YAP)

- ✓ **Strengthened** YAP approach
- ✓ Mandatory provision of **point-of-sale materials***
- ✓ Monitored through **internal audit**, and overseen by **Audit Committee**
- ✓ Only partner with **3rd parties** where vast majority of **audience** is **adult**

**H1 '21 Vuse Age-
Verification Pilots**



2021: Strong ESG recognition

REFINITIV[™]  **91** /100

 **WDi** **Top 10%**
Workforce Disclosure Initiative



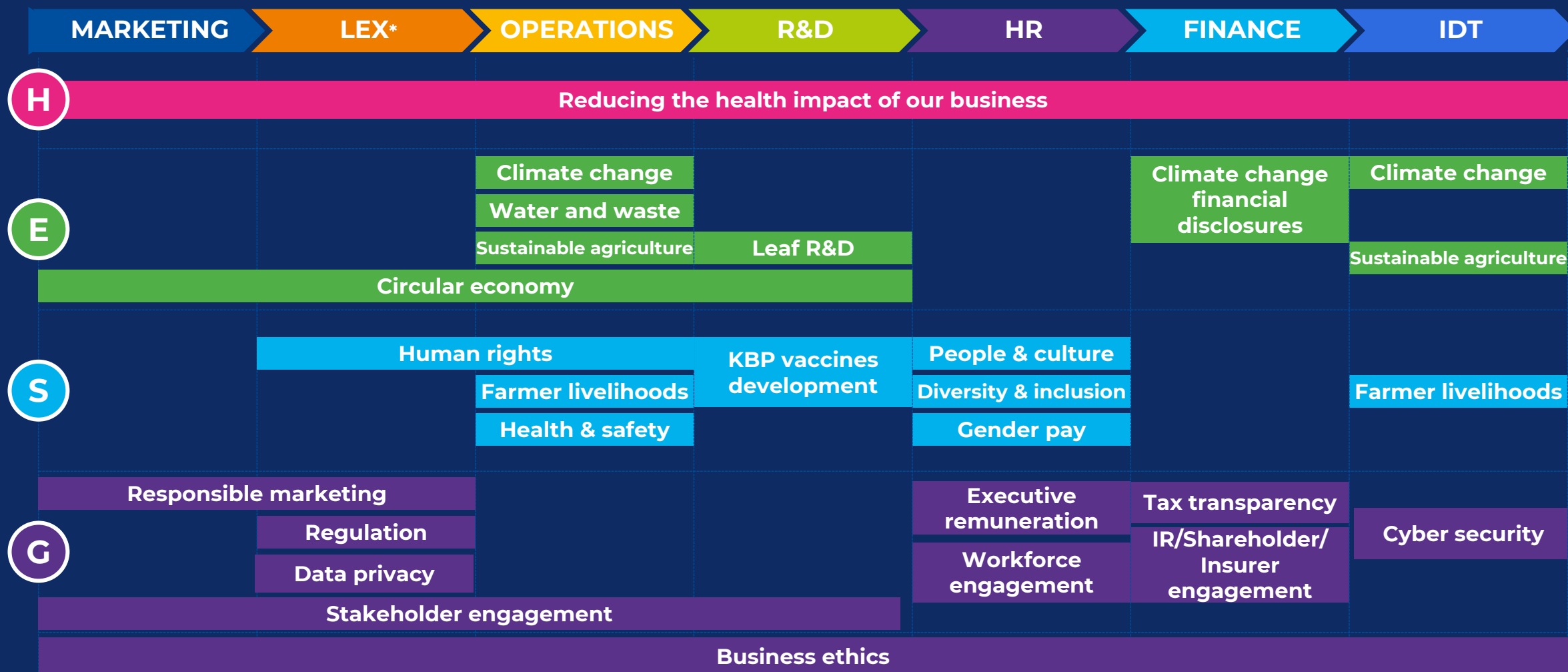
 **SOCIAL QUALITYSCORE**
HIGHEST RANKED BY ISS ESG

1

Sustainability Award
Gold Class 2021
S&P Global



ESG is Embedded across our Business



We have a fully costed glide path to meet our targets

Strong Pipeline of ESG Focused Innovation



CARBON NEUTRAL
VALIDATED BY VERTIS



**POD
RETURN**



**'NO PLASTIC'
PACKAGING**



**DEVICE
RECYCLING**



**WIDELY
RECYCLABLE CAN**



ESG is a Value Add activity

Value Add



Efficiencies and
removals will results
in savings



Brands
with
purpose



Employee
attraction and
retention

We expect to see efficiencies of scale

Costs are absorbed in existing ways of working

Costs

See our ESG Reporting Suite for more information



<https://www.bat.com/sustainability>

We have put Sustainability Front and Centre with Strong Ambitions



50 million consumers of non-combustible* products by 2030



£5bn New Category Revenue by 2025



Carbon neutral by 2030**



Eliminate unnecessary single-use plastic & all plastic packaging recyclable^ by 2025**

Appendix



A1: Environmental Targets

Targets cover: climate change, water and waste, sustainable agriculture. Full details are available from the ESG Report [https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/\\$file/BAT_ESG_Report_2020.pdf](https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOAWWEKR/$file/BAT_ESG_Report_2020.pdf).

A2: Non-Combustible consumers

The number of consumers of Non-Combustible products is defined as the estimated number of Legal Age (minimum 18 years, US: 21 years) consumers of the Group's Non-Combustible products. In markets where regular consumer tracking is in place, this estimate is obtained from adult consumer tracking studies conducted by third parties (including Kantar). In markets where regular consumer tracking is not in place, the number of consumers of Non-Combustible products is derived from volume sales of consumables and devices in such markets, using consumption patterns obtained from other similar markets with consumer tracking (utilising studies conducted by third parties including Kantar).

The number of Non-Combustible products consumers is used by management to assess the number of consumers regularly using the Group's New Category products as the increase in Non-Combustible products is a key pillar of the Group's ESG Ambition and is integral to the sustainability of our business.

The Group's management believes that this measure is useful to investors given the Group's ESG ambition and alignment to the sustainability of the business with respect to the Non-Combustibles portfolio.

A3: Constant currency

Constant currency-measures are calculated based on a re-translation, at the prior year's exchange rates, of the current year's results of the Group and, where applicable, its segments.

A4: Share metrics

Volume share: The number of units bought by consumers of a specific brand or combination of brands, as a proportion of the total units bought by consumers in the industry, category or other sub-categorisation. Sub-categories include, but are not limited to, the total nicotine category, modern oral, vapour, traditional oral or cigarette. Corporate volume share is the share held by BAT Group/Reynolds (US region).

Value share: The retail sales value of the product sold as a proportion of total retail sales value in that category.

Important information



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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 these materials are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

Among the key factors that could cause actual results 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 market size reduction and consumer down-trading; adverse litigation 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; and changes in the market position, businesses, financial condition, results of operations or prospects of the Group.

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 these materials 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.

Important information



Forward-looking Statements (continued)

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Additional information

Our vapour product Vuse (including Alto and Vibe), and certain products including Grizzly, Granit, Camel Snus, Velo and Kodiak, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Audience

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