

Gender Pay Report

2020



A Message From Jack Bowles, Chief Executive

“At the centre of our strategy is our bold, new purpose to reduce the health impact of our business.”

BAT is on a transformation journey with an evolved Group strategy to build A Better Tomorrow™ that delivers value for both shareholders and stakeholders alike. At the centre of our strategy is our bold, new purpose to reduce the health impact of our business by:

- Committing to providing adult consumers with a wide range of enjoyable and less risky products¹;
- Continuing to be clear that combustible cigarettes pose serious health risks, and the only way to avoid these risks is not to start or to quit;
- Encouraging those who otherwise continue to smoke to switch completely to scientifically substantiated, reduced-risk alternatives; and
- Tracking and sharing progress of our transformation.

As our ethos shows, diversity has long been one of the core values that form the foundation of our culture. Today, diversity is more critical than ever to our success.

Attracting and retaining an increasingly diverse workforce, and providing a welcoming, inclusive working environment, are key drivers in BAT's transformation journey to build A Better Tomorrow™.

We need fresh, diverse skills, perspectives and mindsets to challenge the status quo and drive innovation. That means striving for gender balance, as well as a mix of nationalities, ethnicities and cross-industry experience.

“As our ethos shows, diversity has long been one of the core values that form the foundation of our culture.”

“We need fresh, diverse skills, perspectives and mindsets to challenge the status quo and drive innovation.”

“This accelerated focus on diversity will be crucial in creating a dynamic and inspiring workplace that will propel BAT into the future.”



“Attracting and retaining an increasingly diverse workforce, and providing a welcoming, inclusive working environment, are key drivers in BAT's transformation journey.”

To accelerate progress, we have set bold, new ambitions for 2025 to:

- Increase the proportion of women in senior leadership teams to 40%;
- Increase the proportion of women in management roles to 45%; and
- Achieve at least a 50% spread of distinct nationalities within all key leadership teams.

This accelerated focus on diversity will be crucial in creating a dynamic and inspiring workplace that will propel BAT into the future and create A Better Tomorrow™ for all our stakeholders.

Jack Bowles
Chief Executive, March 2021

1. 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 Food and Drug Administration (FDA) regulation and no reduced-risk claims will be made as to these products without FDA clearance.

A Message From Hae In Kim, Director, Talent, Culture and Inclusion

“We have made significant progress since first launching our diversity and inclusion (D&I) strategy in 2012, including more than doubling female representation in senior roles.”

“Our D&I strategy is truly global. I am incredibly proud of the many awards and recognition our businesses around the world have received for their diversity efforts and achievements.”

“I am confident our new 2025 ambitions will push us further to becoming an even more diverse, inclusive and dynamic organisation.”

We have long said our employees are our greatest asset and, during what has been an unprecedented year, this has proven to be truer than ever. Our people have demonstrated exceptional resilience and we have really seen our ethos in action around the world.

Our ongoing commitment to fostering a diverse and inclusive culture at BAT is underpinned by our ethos, which encourages our employees to be Bold, Fast, Empowered, Responsible and Diverse.

“Our ongoing commitment to fostering a diverse and inclusive culture at BAT is underpinned by our ethos, which encourages our employees to be Bold, Fast, Empowered, Responsible and Diverse.”



We have made significant progress since first launching our diversity and inclusion (D&I) strategy in 2012, including more than doubling female representation in senior roles. Today, women make up 33% of our Board of Directors and 15% of our Management Board. The latter was previously all male up to 2019. We also have 27% female representation on our senior leadership teams across the Group.

We have a range of initiatives to drive progress, including women’s training, development and mentoring programmes, flexible working and

support for new parents, unconscious bias training and career break reintegration.

We have also received notable external recognition, including being named as a Diversity Leader by the *Financial Times* for the last two years, ranking us in the top 10% of companies for achieving a diverse and inclusive workforce. With more than 55,000 employees worldwide, our D&I strategy is truly global. I am incredibly proud of the many awards and recognitions our businesses around the world have received for their diversity efforts and achievements.

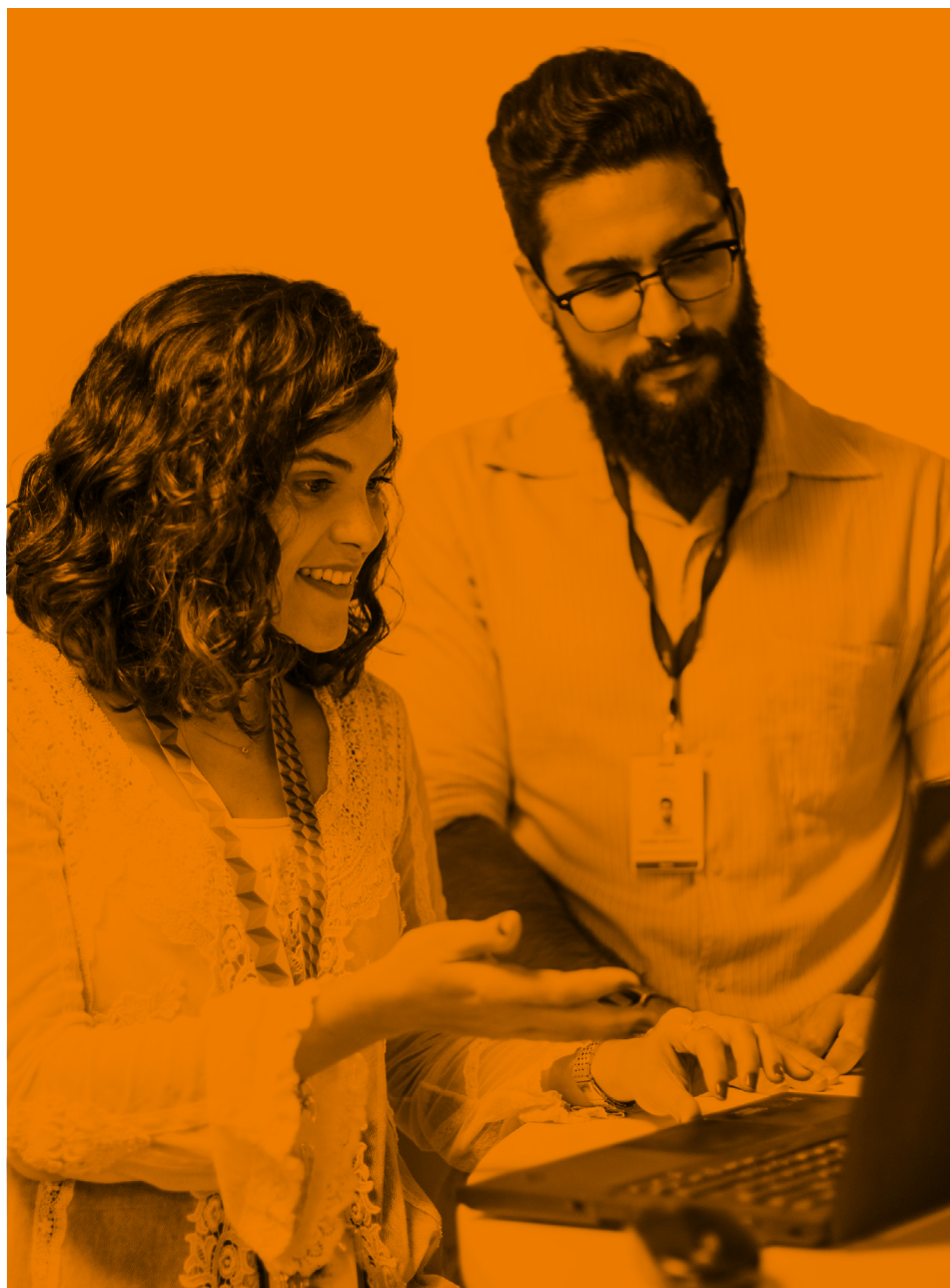
D&I recognition around the Group

- Global *Financial Times* Diversity Leader for two consecutive years;
- Global Top Employer accreditation for four consecutive years;
- International Women’s Day Best Practice Award for two consecutive years;
- Excellence in Female Leadership Minerva Award in Italy;
- Top 20 Gender Equality Company in Kenya;
- Women in IT Employer of the Year Award in Malaysia;
- Global Diversity & Inclusion Benchmark Award in Pakistan;
- Excellence in Diversity & Inclusion Gold Award in Singapore;
- Top Gender Empowered Company Award in South Africa;
- Disability Confident Committed Certified in the UK; and
- Best Place to Work for LGBTQ Equality in the US and Mexico.

I am confident our new 2025 ambitions will push us further to becoming an even more diverse, inclusive and dynamic organisation. I have no doubt this will be reflected in a meaningful reduction in our gender pay gap.

Hae In Kim
Director, Talent, Culture and Inclusion,
March 2021

Our Diversity and Inclusion Strategy



Our diversity and inclusion (D&I) strategy is embedded across the Group worldwide and focuses on driving ownership and accountability, building diverse talent pipelines and creating enablers – all underpinned by an inclusive culture.

Driving Ownership and Accountability

Ensuring ownership of, and accountability for, our D&I strategy across all business areas and leadership teams is key to driving progress and achieving our 2025 ambitions.

Setting the ‘tone from the top’ is crucial to this and so our Board Diversity Policy outlines the Board’s commitment to considering all aspects of diversity when reviewing the composition of, and succession planning for, the Board and Management Board.

In 2020, we realigned our D&I governance structure to ensure clear accountability for our business leaders and leadership teams for achieving our 2025 ambitions. This included developing a new D&I dashboard and introducing quarterly reviews by our Management Board to ensure close monitoring of progress and plans. Diversity also remains fully embedded in our talent-review processes and meetings across all levels of the Group.

33%

female representation on our Board and **15%** on our Management Board in 2020

Our ‘Diversity Champions’ continue to remain key in driving D&I action plans and initiatives throughout the organisation. In 2020, we launched a new D&I e-learning module to help further empower our people and increase their awareness and understanding of key diversity and inclusion topics.



FINANCIAL TIMES DIVERSITY LEADER

BAT has been ranked in the top 10% of companies for two consecutive years for achieving a diverse and inclusive workforce



GLOBAL TOP EMPLOYER

BAT has been accredited as a Global Top Employer for the last four consecutive years, with special recognition in 34 countries across five regions

Building Diverse Talent Pipelines

We focus on building diverse talent pipelines at all levels of the organisation through recruiting, developing and retaining the best diverse talent. As a result, we have made great strides in increasing female representation across all management levels since 2012, including more than doubling representation in senior roles. In 2020, we achieved 27% female representation on our senior leadership teams across the Group. We are committed to increasing this to 40% by 2025.

From the beginning of an employee's journey with BAT, our commitment to fairness and inclusivity is embedded throughout the recruitment process, helping to ensure equal access to opportunities at BAT. We require all recruitment agencies we work with to provide gender-balanced longlists of candidates. In the UK, the executive search firms we partner with are accredited under the UK Government's Enhanced Code of Conduct for Executive Search Firms, which acknowledges those firms with a strong track record in, and promotion of, gender diversity in the FTSE.

27%

female representation on senior leadership teams and **38%** in management roles globally in 2020

58%

female representation on our new graduate intake in 2020

In 2020, 43% of our external management-level recruits were women, including 30% into senior leadership roles, helping to bring new skills and capabilities to drive the transformation of our business. Women also comprised 58% of our new graduate intake in 2020, helping to build a sustainable pipeline of future female leaders.

Over the last seven years, we have supported the development of over 560 female employees through our Women in Leadership training and the INSEAD business school's programme. In 2020, we launched Leadermeter, our new leadership capability assessment focused on identifying employees' strengths and development areas. We plan to use the insights from the Leadermeter assessments to identify further candidates for our Women in Leadership programme, significantly increasing the number of women who can benefit from the learning and development opportunities it provides.



NATIONAL EQUALITY STANDARD

We underwent the NES pre-certification assessment in 2020. We are committed to acting on these insights in 2021

Our Women in Science video won a platinum award in the long-form video category in the 2020 dotCOMM Awards. Watch our video [here](#).



CASE STUDY

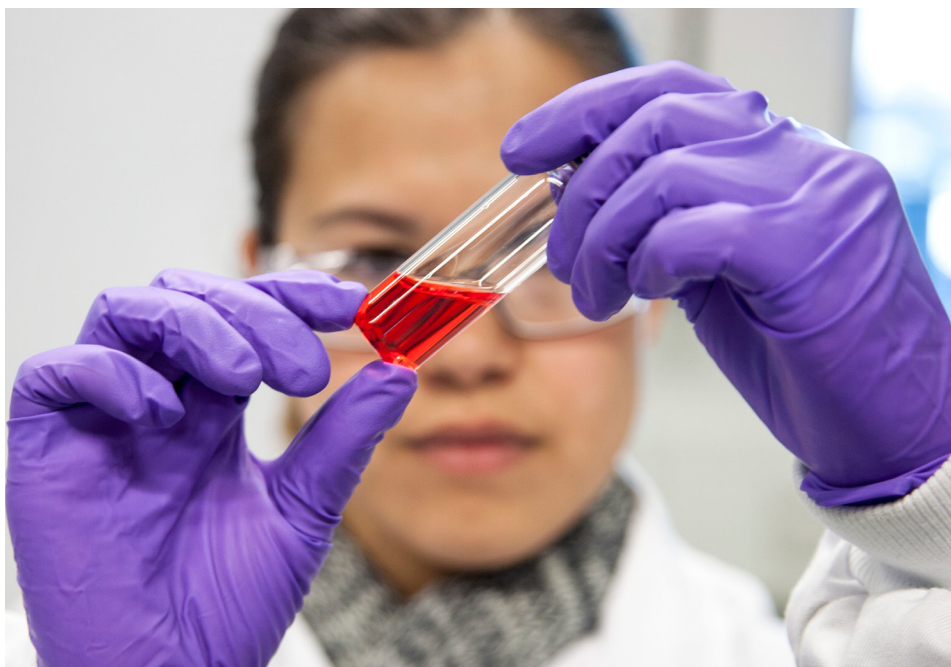
Empowering Women in STEM

We are transforming BAT to create A Better Tomorrow™ and reduce the health impact of our business. To do that, we need fresh, diverse thinking in science and innovation. That is why, in 2019, we launched our Women in STEM (science, technology, engineering and maths) initiative.

We are working with external partners, as well as developing our own internal learning, to attract, develop and retain more women in our Research & Development (R&D), Operations

and Information & Digital Technology functions. In the UK, we became members of the multi-stakeholder group WISE in 2019. In 2020, we became official signatories of its 10-step framework, which provides evidence-based action, knowledge and tools for achieving gender balance in the STEM workforce.

We marked International Day of Women and Girls in Science 2020 by celebrating the achievements of our female scientists and shining a spotlight on their world-class research. Our pioneering women were also showcased in a national [Women in STEM campaign](#) in 2020.



CASE STUDY

Igniting Careers After a Break

In 2020, we implemented *IGNITE*, our new programme for experienced professionals returning to the workplace after a career break. While *IGNITE* is open to men and women, the reality is that more women take extended breaks due to caring responsibilities, so the programme is playing an important role in reigniting their careers and supporting our diversity ambitions.

The programme identifies, recruits and supports returners, helping them reintegrate into the workplace and build back their confidence. This includes flexible working, training and coaching opportunities for the returners, as well as training for line managers on how to best support them.

So far, we have successfully supported women into roles in our R&D centre and UK business who had taken breaks ranging from 18 months to 4 years.

“I came across the returner programme at BAT and jumped at the chance. The prospect of a supportive line manager, a small network of returners, and key internal and external support was an appealing prospect.”

Samantha Higgins
IGNITE beneficiary, R&D

We also provide a range of mentoring, coaching and sponsorship programmes to support women’s development. This has included, for the last six years, cross-company mentoring through the 30% Club in the UK. In addition, we have reverse mentoring schemes in our Information & Digital Technology function and key markets, where junior managers mentor senior leaders to bring fresh perspectives and ways of working.

These women’s development, training and mentoring programmes have helped lead to a higher number of promotions among our female employees for the last two years. In 2020, 18% of our management-level female employees were promoted, compared to 16% of male management-level employees.

Creating Enablers

To realise our diversity ambitions, we know we must have enablers in place that provide a supportive environment for people to thrive and realise their full potential.

One of the ways we do this is by providing women and diverse groups with an opportunity to connect, engage and share experiences. Currently, we have 19 employee networks across all levels of the Group, including our Women in BAT UK and our B-United LGBT+ communities. These networks have adapted to the challenges of COVID-19, such as with virtual Pride celebrations and an online global networking session as part of our ‘inclusion week’. At a time of heightened focus on mental wellbeing, these networks and events had an even more important role to play in keeping our people connected and supporting one another.



**DISABILITY CONFIDENT
 COMMITTED CERTIFIED**

We achieved certification in 2020 as a Disability Confident Committed employer under the UK Government’s accreditation scheme

For example, we marked the Global Day of Parents 2020 with a virtual panel discussion with our senior leaders. They discussed the challenges of being a parent during the COVID-19 pandemic, how it has affected them and their families, and shared top tips for coping during lockdowns.

Our *Parents@BAT* programme, launched at the end of 2018, continues to provide a range of benefits to support new parents working in all BAT businesses worldwide. This offers minimum requirements for fully paid leave for new mothers and adoptive parents and a return-to-work guarantee, exceeding legal requirements in many countries. It also includes flexible working opportunities and an online advice service offering coaching support for all parents whenever they need it.

**BEST PLACE TO WORK
 FOR LGBTQ EQUALITY**

Our businesses in Mexico and the US have both been ranked on the Human Rights Campaign Foundation’s 2021 Corporate Equality Index as Best Places to Work for LGBTQ Equality

Inclusive Culture

We can only harness the benefits of a diverse workforce if we have an inclusive culture where all our employees can flourish, regardless of their gender, ethnicity, culture or other differences.

We work to continually raise awareness of diversity issues through campaigns and events that showcase best practice and provide platforms for role models to amplify their profiles across the Group. Each year, we celebrate International Women’s Day (IWD) and our businesses hold events around the world, including talks from inspiring female business leaders – from both within BAT and the wider business community. This global approach has been recognised as best practice by the IWD Association for two consecutive years.

Ensuring we have open engagement, where we can listen and learn from our employees, is crucial to an inclusive culture. We have a wide range of employee engagement channels around the Group, including our global ‘Your Voice’ survey, which we run every two years.

In addition, we hold regular employee town hall and listening sessions. A powerful example of this is in the US where, following the Black Lives Matter protests in the summer of 2020, we conducted a listening session with our African-American Employee

Resource Group. We also held town hall sessions where employees shared their views and experiences of racial injustice in America. In response, our US business pledged US\$3 million over the next three years to organisations that combat racism and inequality in the pursuit of social justice – the selection of which will be informed by our employee resource groups.

Our ‘Strength from Diversity’ training workshops have long helped our management-level employees understand unconscious, conscious and organisational bias. For 2021, we have relaunched this training as ‘Mastering Inclusion’, in a new learning format, and opened it up to all our other non-management employees too. This training will help to enhance awareness and understanding of key D&I topics, provide practical ways to foster inclusive working environments and further empower our people. It will be compulsory for all new hires and new managers from 2021.

In 2020, we participated in a number of independent reviews, including the pre-accreditation assessment for the UK National Equality Standard. These provide a means to measure our approach against external benchmarks and deliver valuable insights into best practice and areas for improvement. We are committed to acting on these insights in 2021.



**INTERNATIONAL WOMEN'S DAY
BEST PRACTICE**

Our global campaigns have been recognised as best practice by the IWD Association for two consecutive years



**SIGNATORIES TO THE RACE
AT WORK CHARTER**

We became signatories to the UK Race at Work Charter in 2020 for supporting racial equality in the workplace

EMPLOYEE VIEWPOINT

Jane Liang, Group Head of Procurement



Jane, second from the left, at our International Women's Day event in 2020

“My career over the last 25 years has spanned a number of different industries – from automotive to consumer goods – and geographies, including China, Singapore and the US. I moved to the UK nearly three years ago when I joined BAT.

Having greatly benefitted from senior role models and mentors through my professional journey, I understand the importance of my role as a woman in a leadership position. I am passionate about helping to nurture and inspire the next generation of diverse leaders. So I felt very privileged to share my experiences for International Women’s Day in 2020. I was also proud to be named on the Procurement Power List 2020, recognising leaders in the profession.

I have learned there’s no secret formula to success. While it is great to have career plans and goals, being

flexible and able to adapt is also key. Sometimes compromises are necessary too but, for me, they have often led to unexpected opportunities and helped me get to where I am today.

Diversity is not just about ticking boxes. It is a powerful tool that ultimately makes us a better company that reflects the world we live in and creates A Better Tomorrow™ for us all.”

“I am passionate about helping to nurture and inspire the next generation of diverse leaders. So I felt very privileged to share my experiences for International Women’s Day in 2020.”

Next Steps

While we are encouraged by our steady progress, we continue to push ourselves further to increase diverse representation at all levels and, in turn, drive meaningful change in closing our gender pay gap.

In 2021, we will continue to build upon the success of our existing D&I programmes and initiatives, as well as identifying new areas of opportunity.

Our new D&I dashboard will enable our business functions, regions and markets to have better visibility of their performance against our 2025 ambitions and to use the insights to develop action plans tailored to

specific circumstances. The dashboard can then be used to track progress and measure the impact and effectiveness of our D&I action plans and programmes at all levels of the Group.

We will continue to accelerate our recruitment of the best female talent, including identifying senior roles that can be targeted towards attracting more women to BAT. In addition, we will expand our *IGNITE* programme, with the aim of doubling the number of female returners in 2021.

To further develop and nurture a sustainable talent pipeline of future female leaders, we will use the insights from Leadermeter, our

new leadership capability assessment, to identify further candidates for our Women in Leadership programme, significantly increasing the number of women who can benefit from the learning and development opportunities it provides. Our new D&I e-learning will help to further empower our people to foster an inclusive culture, and is compulsory for all new hires and new managers from 2021.

We are also committed to acting on the insights from the UK National Equality Standard assessment, as well as continuing to measure our approach against further external benchmarks, certifications and best practice.

By 2025, we aim to

- increase the proportion of **women in senior leadership** teams to **40%**
- increase the proportion of **women in management** roles to **45%**
- achieve at least a **50%** spread of **distinct nationalities** within all key leadership teams

In 2021, we aim to

- double the number of women recruited through our *IGNITE* returner programme
- significantly increase the number of women benefitting from our **Women in Leadership** programme
- act on the insights from the **UK National Equality Standard** assessment



Hae In Kim, Director of Talent, Culture and Inclusion, at our International Women's Day event in 2020

Our UK-Wide Data

As part of our commitment to transparency, we have consolidated our gender pay data for all our UK employees, rather than just for our four UK businesses that fall into the scope of the regulations. We feel this better represents the intent of the regulations, particularly as to not do so would mean excluding some of the highest-paid men in the company.

In total, we have 11 different businesses in the UK employing over 2,700 people², including our Chief Executive, Management Board Directors and leadership teams for our global business functions, which attract the highest levels of remuneration and bonus opportunities.

Women account for 43% of all our UK employees, and we have a relatively even proportion of men and women in the lower to upper-middle pay quartiles. The number of women in senior roles has been steadily improving year-on-year and, as a result, the proportion of women in the upper pay quartile increased from 27% to 29% in 2020. This also contributed towards an improvement of six percentage points in our mean pay gap, from 38% in 2019 down to 32% in 2020.

On the other hand, the combination of a higher number of men recruited into senior roles and more women recruited into junior roles during the statutory reporting period (April 2019 to April 2020) has led to our median pay gap widening slightly from 33% to 35%. We are confident that this is only a short-term development and, as we develop and nurture our female talent into more senior, higher-paid roles, we expect to see an improvement over the longer term.

Clearly, we still have some way to go and know that it will take time for the impact of our D&I strategy (as outlined on the previous pages) to be seen in our data. We are confident, though, that we are on the right track and, as we continue to increase the number of women in senior positions and their time in role grows, this will lead to more demonstrable progress in closing both our pay and bonus gaps.

Equal Pay for Equal Work

A gender pay gap, as defined by the UK regulations, does not mean unequal pay for men and women in equivalent jobs.

In line with good equal pay practice, we have long had in place a transparent and clearly defined global grading and compensation structure that uses standardised, objective instruments to determine the level and subsequent salary positions and pay ranges for all roles across the Group worldwide. This ensures pay, bonuses and benefits are consistently applied for each job grade and are not impacted by gender in any way.

Consolidated data for BAT in the UK

Pay gap (mean)

32%

2019: 38%

Pay gap (median)

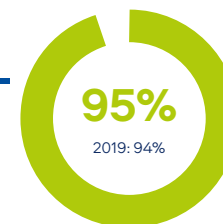
35%

2019: 33%

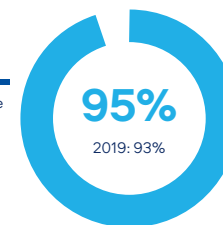
Employees receiving bonuses



Male



Female



Bonus gap (mean)

50%

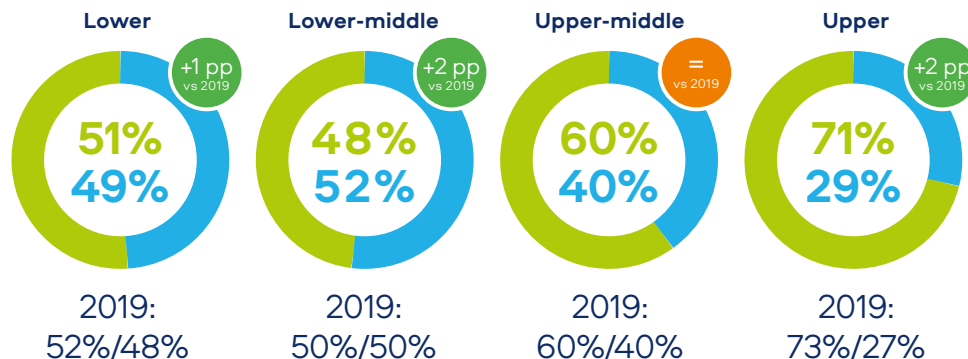
2019: 50%

Bonus gap (median)

57%

2019: 54%

Gender split per quartile pay band



² As a global business that prides itself on offering international career paths, we have a number of employees with UK contracts who are currently based overseas. For the purposes of our disclosures, we have included all employees with a UK contract on either a short- or long-term assignment outside of the UK, as well as long-term assignees into the UK.

Bonuses at BAT

All our UK employees are entitled to participate in a bonus scheme, the majority of which is calculated by reference to company performance. We are confident that there is no discrimination in terms of bonus allocation.

In line with market practice, the level and type of bonus depends on the seniority of the role, the business unit and, to a lesser extent, the location of the role.

In 2020, 95% of all male and female employees received a bonus. The overall shortfall from 100% is explained by employee turnover.

Like many other large organisations, the higher proportion of men in senior positions is the primary driver of our gender bonus gaps of 50% (mean) and 57% (median). This is because we pay bonuses as a percentage of salary, so the more senior a role, the higher the bonus opportunity.

Our bonus data is also influenced by the fact that, in common with other large companies, we have long-term incentive plans in place for senior management in addition to cash bonus payments. These include deferred share awards that cannot be accessed for a three-year period. The UK regulations, however, do not allow for shares held in deferred schemes to be included in the data. Consequently, bonus data for senior newly promoted and newly hired women appears lower than for their male colleagues despite them receiving the same total award, since they cannot access the deferred elements in the initial three-year period.

From 2021, we will be asking all our UK employees to voluntarily self-declare their ethnicity

The data is also impacted by employees' personal choices regarding when they decide to exercise their share options after the deferred period. This can be seen in the three-point increase in our median bonus gap in 2020 – from 54% to 57% – which was primarily due to more senior male managers choosing to exercise their deferred share awards compared to 2019. For these reasons, our bonus gap data is likely to fluctuate each year.

95%

of all male and female UK employees received a bonus in 2020

Ethnicity Reporting

As well as striving for gender balance, our D&I strategy focuses on diversity of nationalities and ethnicities across our organisation. Our target is to achieve at least a 50% spread of distinct nationalities in all our regional and functional leadership teams to better mirror our consumer base. We have 139 different nationalities, from a wide range of ethnic backgrounds, in management roles across the Group.

We welcome proposed UK regulations on ethnicity pay gap reporting. While we await guidelines from the UK Government on this important issue, we are preparing to collate the necessary data for reporting purposes. From 2021, we will be asking all our UK employees to voluntarily self-declare their ethnicity.



Our Statutory Data

The regulations apply specifically to UK companies with 250 or more employees and, for BAT, this includes four of our UK businesses: BAT Holdings Ltd, BAT Investments Ltd, Nicoventures Retail (UK) Ltd and BAT UK Ltd.

The adjacent charts reflect the statutory data for each of our four in-scope UK businesses that has been published on the government's online gender pay gap reporting service.

We have over 900 employees of BAT Holdings Ltd, who mainly work in our London headquarters, as well as over 900 employees of BAT Investments Ltd, based mainly in Southampton in operational or R&D roles. In both these businesses, the higher proportion of men in senior roles is the primary reason for the gender pay and bonus gaps, as outlined on page 8.

Nicoventures Retail (UK) Ltd and BAT UK Ltd are our UK retail and commercial businesses. They employ over 350 people and 250 people respectively, the majority

of which are in non-management sales and administrative roles. There is a more balanced gender distribution across the majority of levels in these businesses, as well as fewer high-level management structures. As a result, both have negligible pay gaps.

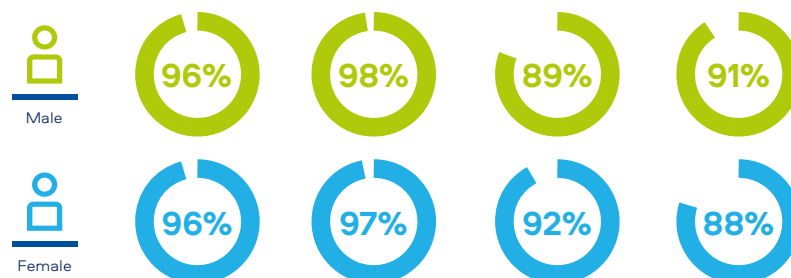
The bonus gaps in Nicoventures and BAT UK are primarily driven by having a much higher proportion of men in sales roles, for which the bonus opportunity is higher and calculated according to an individual's performance, so can vary significantly each year. Women, on the other hand, mainly work in non-sales roles, for which bonuses are calculated by reference to company performance.

43%

of all our UK employees are women

| | BAT Holdings Ltd | BAT Investments Ltd | Nicoventures Retail (UK) Ltd | BAT UK Ltd |
|--------------------|------------------|---------------------|------------------------------|------------|
| Pay gap (mean) | 37% | 25% | 2% | -3% |
| Pay gap (median) | 41% | 30% | -1% | -5% |
| Bonus gap (mean) | 51% | 43% | 7% | 5% |
| Bonus gap (median) | 59% | 35% | 19% | 12% |

Employees receiving bonuses



Gender split per quartile pay band

| Quartile | BAT Holdings Ltd | BAT Investments Ltd | Nicoventures Retail (UK) Ltd | BAT UK Ltd |
|--------------|-----------------------|-----------------------|------------------------------|-----------------------|
| Lower | 37% Male / 63% Female | 51% Male / 49% Female | 52% Male / 48% Female | 68% Male / 32% Female |
| Lower-middle | 56% Male / 44% Female | 52% Male / 48% Female | 51% Male / 49% Female | 53% Male / 47% Female |
| Upper-middle | 66% Male / 34% Female | 62% Male / 38% Female | 44% Male / 56% Female | 50% Male / 50% Female |
| Upper | 75% Male / 25% Female | 75% Male / 25% Female | 54% Male / 46% Female | 55% Male / 45% Female |

Further Information

About This Report

This is our fourth Gender Pay Report, in accordance with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This requires UK companies with 250 or more employees to publish mean and median pay and bonus gender gaps, as well as the proportion of male and female employees receiving a bonus and the proportion of men and women in four equal pay quartiles. For BAT, the in-scope UK businesses for 2020 are: British-American Tobacco (Holdings) Limited (BAT Holdings Ltd), British American Tobacco (Investments) Limited (BAT Investments Ltd), Nicoventures Retail (UK) Ltd and British American Tobacco UK Limited (BAT UK Ltd). The data is taken at the snapshot date of 5 April 2020, as required by the regulations, while other global diversity data in this report is taken at year-end 2020. We can confirm that the information and data in this report is accurate and has been produced in accordance with the guidance on managing gender pay reporting developed by the Advisory, Conciliation and Arbitration Service (Acas).

References in this report to 'British American Tobacco', 'BAT', 'we', 'us' and 'our' when denoting opinion refer to British American Tobacco p.l.c. and when denoting tobacco business activity refer to British American Tobacco Group operating companies, collectively or individually as the case may be.

The material in this report is not provided for product advertising, promotional or marketing purposes. This material does not constitute and should not be construed as constituting an offer to sell, or a solicitation of an offer to buy, any of our products. Our products are sold only in compliance with the laws of the particular jurisdictions in which they are sold.

Forward-looking Statements

This report contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the US Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions. These include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Company operates, including the projected future financial and operating impacts of the COVID-19 pandemic.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this report are reasonable 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 adverse domestic or international legislation and regulation, the inability to develop, commercialise and deliver the Group's New Categories strategy, the impact of significant increases or structural changes in tobacco, nicotine and New Categories-related taxes, changes or differences in domestic or international economic or political conditions, the impact of serious injury, illness or death in the workplace, and adverse decisions by domestic or international regulatory bodies.

The forward-looking statements reflect knowledge and information available at the date of preparation of these materials, and the Company 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. Additional information concerning these and other factors can be found in BAT's filings with the US 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>.

Our Suite of Corporate Publications

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



Annual Report

Our Annual Report 2020 provides details of our evolved Group strategy, with sustainability at its heart. This includes our clear corporate purpose to build A Better Tomorrow™ by reducing the health impact of our business through offering a greater choice of enjoyable and less risky products.

↓ bat.com/annualreport



ESG Report

Our ESG Report outlines how we are delivering against our purpose and putting sustainability at front and centre of our business. It provides detailed information about our policies, management approach, performance and targets for all our environmental, social and governance (ESG) priorities.

↓ bat.com/sustainabilityreport



Human Rights Report

Our Human Rights report covers how we are raising the bar to address human rights impacts across our global business and supply chain, aligned to UN Guiding Principles Reporting Framework.

↓ bat.com/sustainabilityfocus



Modern Slavery Statement

We publish our Modern Slavery Statement each year, in accordance with the UK Modern Slavery Act, detailing the steps taken by BAT p.l.c. and subsidiary Group companies to prevent modern slavery and human trafficking in our business and supply chains.

↓ bat.com/MSA



Science and Technology Report

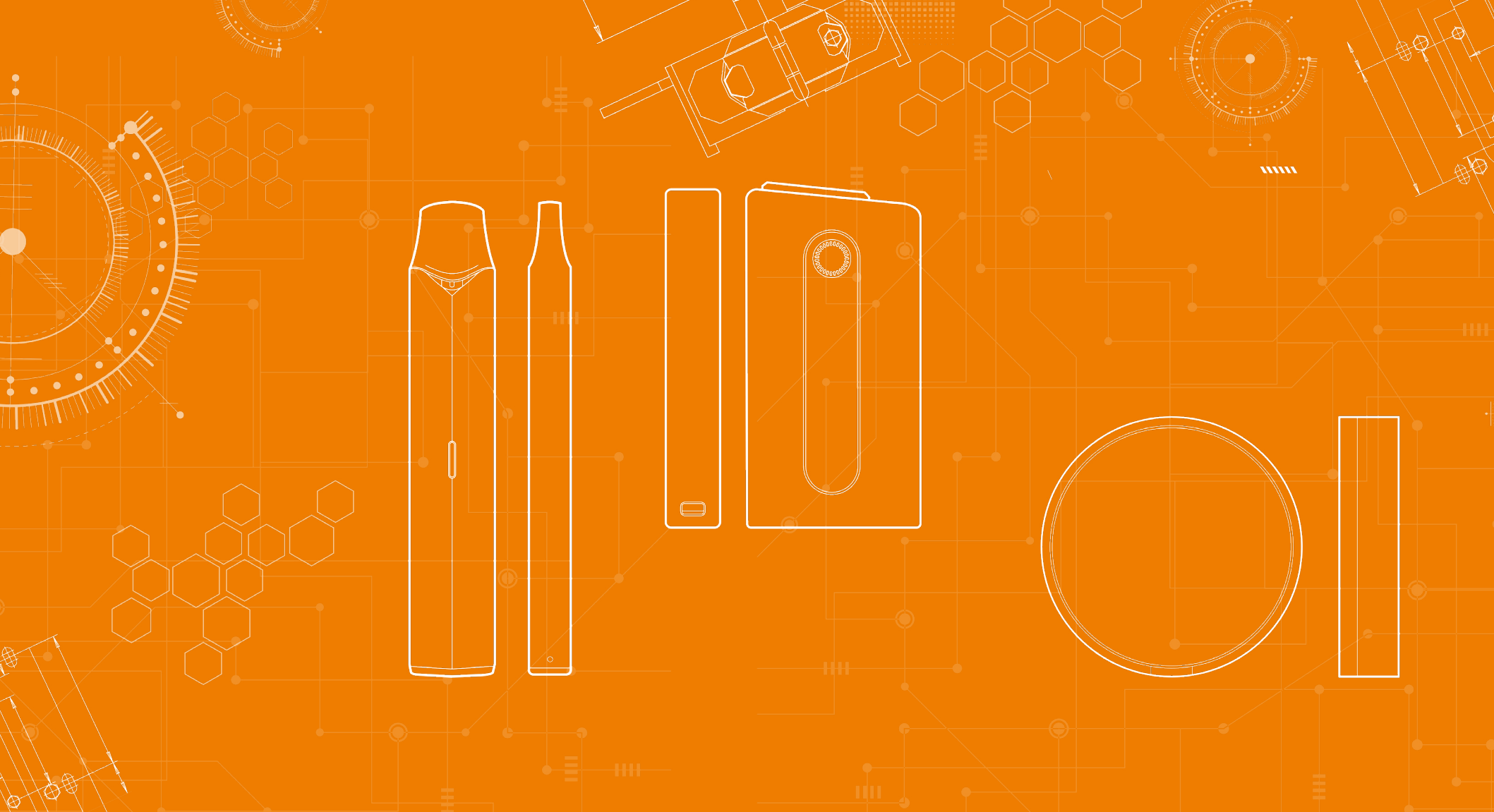
Our Science and Technology Report covers our research into New Category products, as well as exploring our open and transparent approach to science engagement.

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The majority of photography in this report was taken prior to the COVID-19 pandemic and so social distancing may not have been observed.



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