



# Sustainability Summary

2024





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Reynolds American Inc. (RAI) is a wholly owned U.S. subsidiary of the global BAT Group and the U.S. parent company of, among others, R. J. Reynolds Tobacco Company; Santa Fe Natural Tobacco Company, Inc.; American Snuff Company, LLC; R. J. Reynolds Vapor Company; Modoral Brands Inc.; RAI Services Company; and Reynolds Marketing Services Company. References to "Reynolds," "Reynolds American," "we," "us," "our," and "organization" are for convenience and collectively refer to RAI and/or RAI's independent operating subsidiary companies.

# Sustainability at Reynolds American

## CEO LETTER

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The Reynolds American organization is transforming. We have a clear purpose to create A Better Tomorrow™ by Building a Smokeless World. As a business, we are continuously working to improve our impact on people and the planet, driven by our commitment to being a responsible organization.



**David Waterfield**  
President and CEO of Reynolds American Inc.



A Better Tomorrow™ means Building a Smokeless World.



A Smokeless World built on Smokeless products where, ultimately, cigarettes have become a thing of the past.



A world where Tobacco Harm Reduction is both understood and accepted.





Beyond metrics, we prioritize people—employees, communities, and stakeholders. In this summary, you’ll see how we’re generating valued impact for our communities and inspiring our people to drive change.”

**Kara Calderon**  
Head of Sustainability & Community Engagement within the Reynolds American organization

## OUR SUSTAINABILITY STORY

The Reynolds American organization is transforming, and sustainability is a key pillar of our business transformation. Aligned to the BAT Group, we seek to take a leading role in tackling some of the biggest global sustainability challenges.

This transformation impacts all parts of our businesses. As we transition from cigarettes to Smokeless products, we are continuing to work toward a low carbon economy, reducing our impact on nature, prioritizing circularity, and supporting our suppliers, employees, and communities to thrive.

# Our U.S. footprint

The BAT Group has a clear purpose to create A Better Tomorrow™ by Building a Smokeless World. The Group's strategic aim is to migrate adult smokers from cigarettes to Smokeless alternatives and become a predominantly Smokeless business by 2035.

# 149

years of operation in 2024

# 18.9%

net revenue from non-combustible products

# 5

operating companies

- R.J. Reynolds Tobacco Company
- Modoral Brands Inc.
- American Snuff Company
- Santa Fe Natural Tobacco Company
- R.J. Reynolds Vapor Company

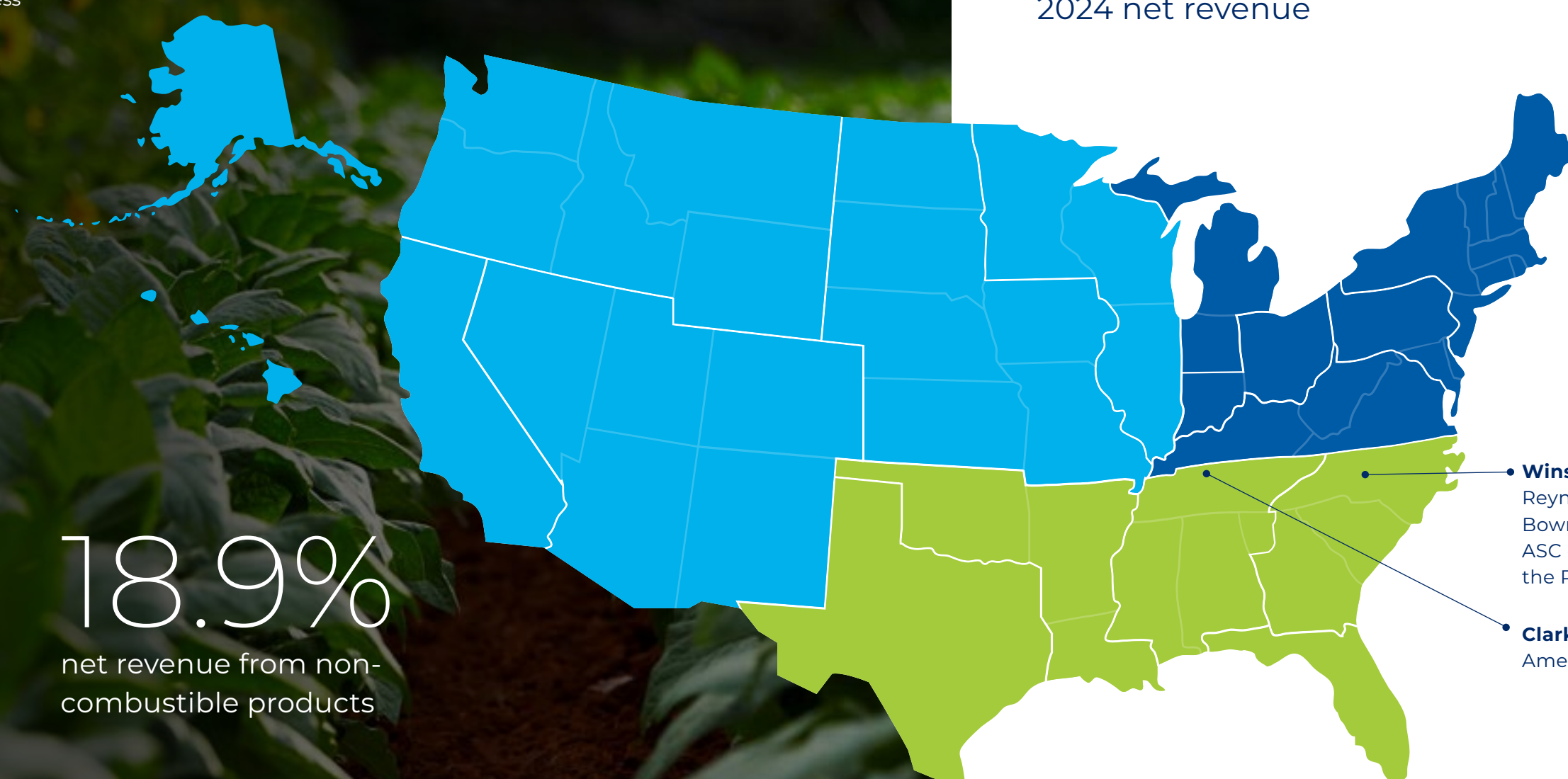
\$14.4 billion+  
2024 net revenue

# 4

major product categories

# 4,000+

employees in corporate, operations, and innovative adult consumer products



- Winston-Salem, NC**  
Reynolds Operations Center, Bowman Gray Technical Center, ASC - Taylor Brothers, and the Plaza Headquarters
- Clarksville, TN**  
American Snuff Co.

## TRADE REGIONS

### WESTERN

- Chicago Region
- Kansas City Region
- Los Angeles Region
- Phoenix Region
- Seattle Region

### EASTERN

- Columbus Region
- Detroit Region
- Northeast Region
- Philadelphia Region
- Richmond Region

### SOUTHERN

- Houston Region
- Miami Region
- Nashville Region
- New Orleans Region
- Southeast Region

# Reynolds American's sustainability ambitions

[CLICK HERE](#) Learn more about the BAT Group's sustainability targets and ambitions in the BAT Group's Sustainability Performance Data Book 2024

## HARM REDUCTION & UNDERAGE ACCESS PREVENTION

Increase

awareness and educate adult consumers on Tobacco Harm Reduction

Increase

number of U.S. adult smokers transitioning to Smokeless products

Full

compliance with marketing regulations (aligned to BAT Group target)

## PRODUCT & CIRCULARITY

BY 2025

100%

recycle-ready packaging

25%

reduction in waste generated in own operations vs 2017 baseline (aligned to BAT Group target)

<1%

of waste to landfill by 2025 (aligned to BAT Group target)

## NATURE & CLIMATE

BY 2025

35%

reduction in water withdrawn vs 2017 baseline (aligned to BAT Group target)

30%

water recycling (aligned to BAT Group target)

Deforestation and conversion

Free

in our supply chain (aligned to BAT Group target)

BY 2030

Increase the amount of renewable energy we use to

50%

(aligned to BAT Group target)

50%

absolute reduction in Scope 1 and Scope 2 GHG emissions vs 2020 baseline (aligned to BAT Group target)

50%

reduction in Scope 3 GHG emissions by 2030 vs 2020 baseline (aligned to BAT Group target)

## PEOPLE & COMMUNITIES

BY 2025

Zero

incidents of child labor in our tobacco supply chain (aligned to BAT Group target)

100%

of contracted farmers growing diverse crops

Engage

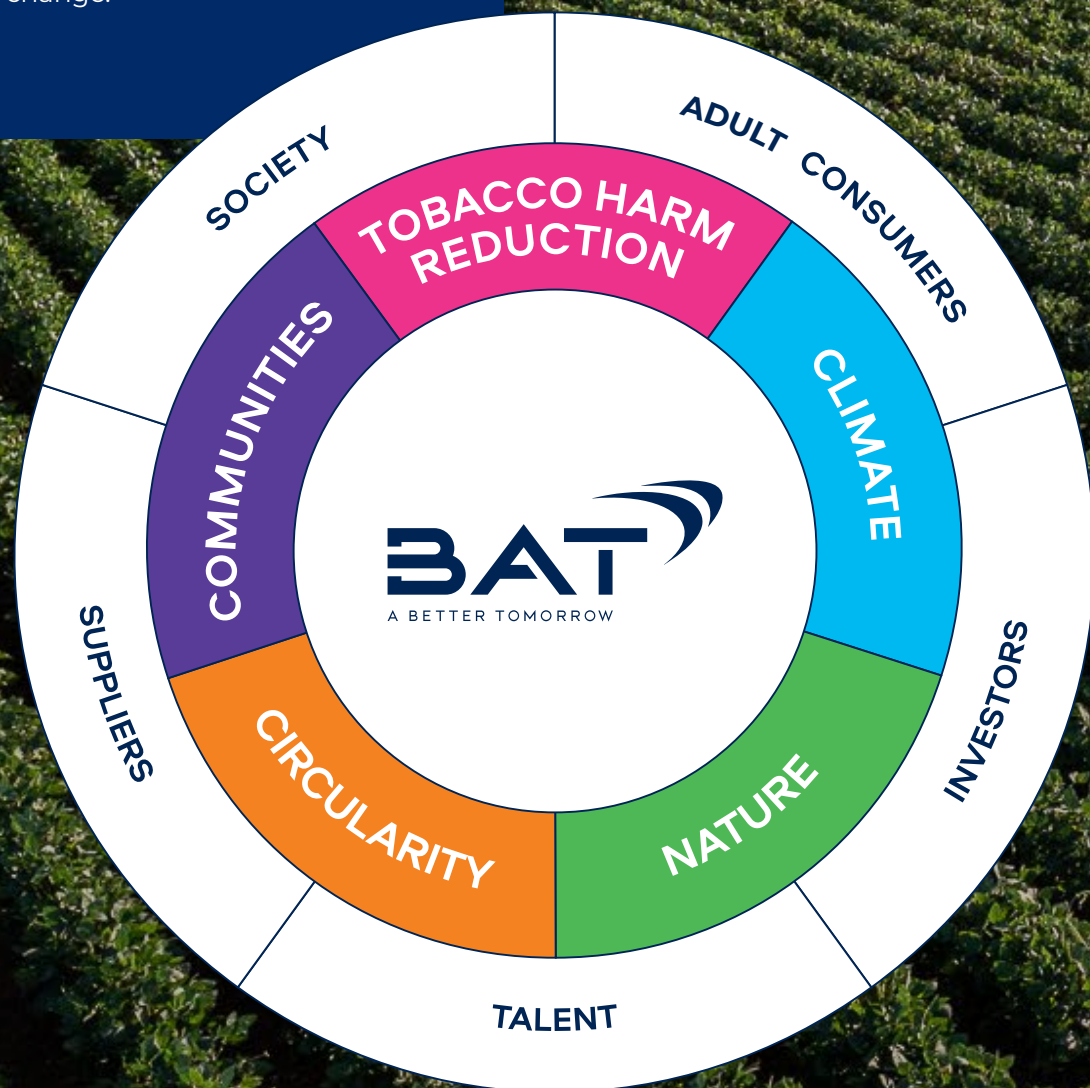
suppliers to support how they manage environmental and social initiatives

## BAT GROUP'S SUSTAINABILITY STRATEGY

Our strategic sustainability priorities are aligned with those of the global BAT Group. By engaging with a cross-section of stakeholder groups, the global BAT Group gained a better understanding of our challenges and opportunities, resulting in the identification of the five strategic impact areas. The Group aims to responsibly Build a Smokeless World, reducing its use of natural resources and delivering its climate goals as it transitions to A Better Tomorrow™. We strive to create a meaningful impact in the communities where we operate and inspire all our people to drive change.

BAT Group  
Combined 2024  
Annual and  
Sustainability  
Report

[CLICK HERE](#)



## BAT GROUP'S AMBITIONS



**MIGRATING ADULT SMOKERS FROM CIGARETTES TO SMOKELESS PRODUCTS.**



**TRANSITIONING TOWARDS A LOW CARBON ECONOMY.**



**CONTRIBUTING TO A NATURE POSITIVE FUTURE.**



**REDUCING THE USE OF VIRGIN RAW MATERIALS.**



**SUPPORTING THE LIVELIHOODS AND RESILIENCE OF OUR COMMUNITIES.**

# Harm reduction & underage access prevention



## HIGHLIGHTS

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At the Reynolds American organization, we have the opportunity to reduce the health impact of our businesses by educating adult smokers on alternative, non-combustible products.

In 2024, we accelerated the growth of our non-combustible products, offering more choices to adult nicotine consumers, including SENSEA, our first new Vapor product in over a decade and the first zero nicotine product in our portfolio. This product offers innovative sustainability features such as a rechargeable, removable and recyclable battery and a device lock to prevent underage access.

## OPPORTUNITIES

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The success of potentially reduced-risk products depends on increased action from the U.S. Food and Drug Administration (FDA) to eliminate the market of illicit Vapor products, which are intentionally and systematically marketed to youth.

We believe a more effective and transparent regulatory process is necessary to promote public health. Collaboration between industry and the FDA is key to a well-regulated marketplace grounded in science, innovation, and accurate information to educate the public and healthcare providers about the relative risks of potentially reduced-risk alternative products.



## BUILDING A SMOKELESS WORLD

### WHAT IS TOBACCO HARM REDUCTION?

The concept of THR aims to mitigate the adverse health effects associated with continued smoking by encouraging adult smokers who will not otherwise quit to switch completely to reduced-risk alternatives.<sup>1</sup> For adult smokers who would otherwise continue to smoke, we offer potentially reduced-risk products<sup>2</sup>, backed by scientific evidence.

Learn more about Tobacco Harm Reduction:

[CLICK HERE](#)

### A MARKER OF OUR PROGRESS

To continue Building a Smokeless World, we offer the largest Vapor portfolio in the U.S. with Vuse Alto, Vuse Vibe, Vuse Ciro, Vuse Solo, and Sensa. In July of 2024, the Reynolds American organization received FDA authorization for the Vuse Alto Vapor device, with two flavors, following a series of robust scientific studies.

<sup>1</sup> E-cigarettes and harm reduction: An evidence review, Royal College of Physicians, 2024. <https://www.rcp.ac.uk/policy-and-campaigns/policy-documents/e-cigarettes-and-harm-reduction-an-evidence-review>

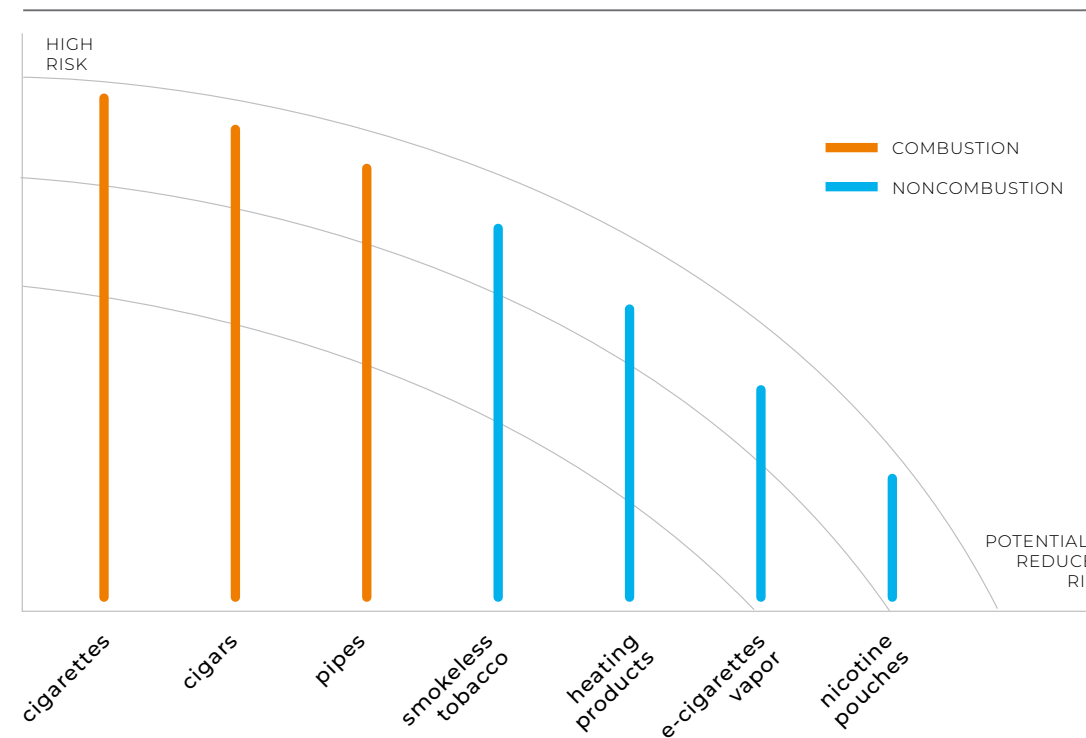
<sup>2</sup> Based on the weight of evidence and assuming a complete transition from cigarette smoking. These products are not risk free and are addictive. Our Vapor product Vuse (including Alto, Solo, Ciro and Vibe) and certain products including Velo, Grizzly, Kodiak, and Camel Snus, are subject to U.S. Food and Drug Administration regulation, and no reduced-risk claims will be made as to these products without agency clearance.



## THE TOBACCO RISK CONTINUUM

Non-combustible tobacco producers, including nicotine pouches and Vapor products, offer an alternative to combustible tobacco products and present potentially lower levels of risk. Adult smokers who would otherwise continue to smoke may instead opt to consume potentially reduced-risk products<sup>2</sup> like these.

The Risk Continuum



### OUR RESPONSIBILITY

To achieve our purpose of creating A Better Tomorrow™ by Building a Smokeless World, the FDA's Center for Tobacco Products must run efficiently, fairly, and transparently.

Without policies that provide access to alternative, non-combustible products, smoking rates will likely remain too high. We continue to work toward improved regulation, educating stakeholders about THR and advocating for enforcement against illicit disposable products.

Learn more about our responsibility:

[CLICK HERE](#)

14

U.S. states enacted legislation to combat the availability of illicit disposable vapor products



## NON-COMBUSTIBLE PRODUCTS

### WHAT ARE NON-COMBUSTIBLE PRODUCT ALTERNATIVES?

Adult smokers who would otherwise continue to smoke have the choice to use potentially reduced-risk product categories instead, including Smokeless tobacco, nicotine pouches, and e-cigarettes.

Per the FDA, “while there are no safe tobacco products, the available scientific evidence indicates that tobacco products exist on a continuum of risk.”<sup>3</sup>

<sup>3</sup> CTP Director Discusses Opportunities and Considerations for Addressing Misperceptions About the Relative Risks of Tobacco Products Among Adults Who Smoke.” U.S. Food and Drug Administration.



#### SMOKELESS TOBACCO

Traditional oral products, also called Smokeless tobacco products, contain tobacco leaf and portioned snus, loose moist, and portioned moist oral tobacco products. Different from modern oral nicotine pouches, these pouches contain tobacco leaf.



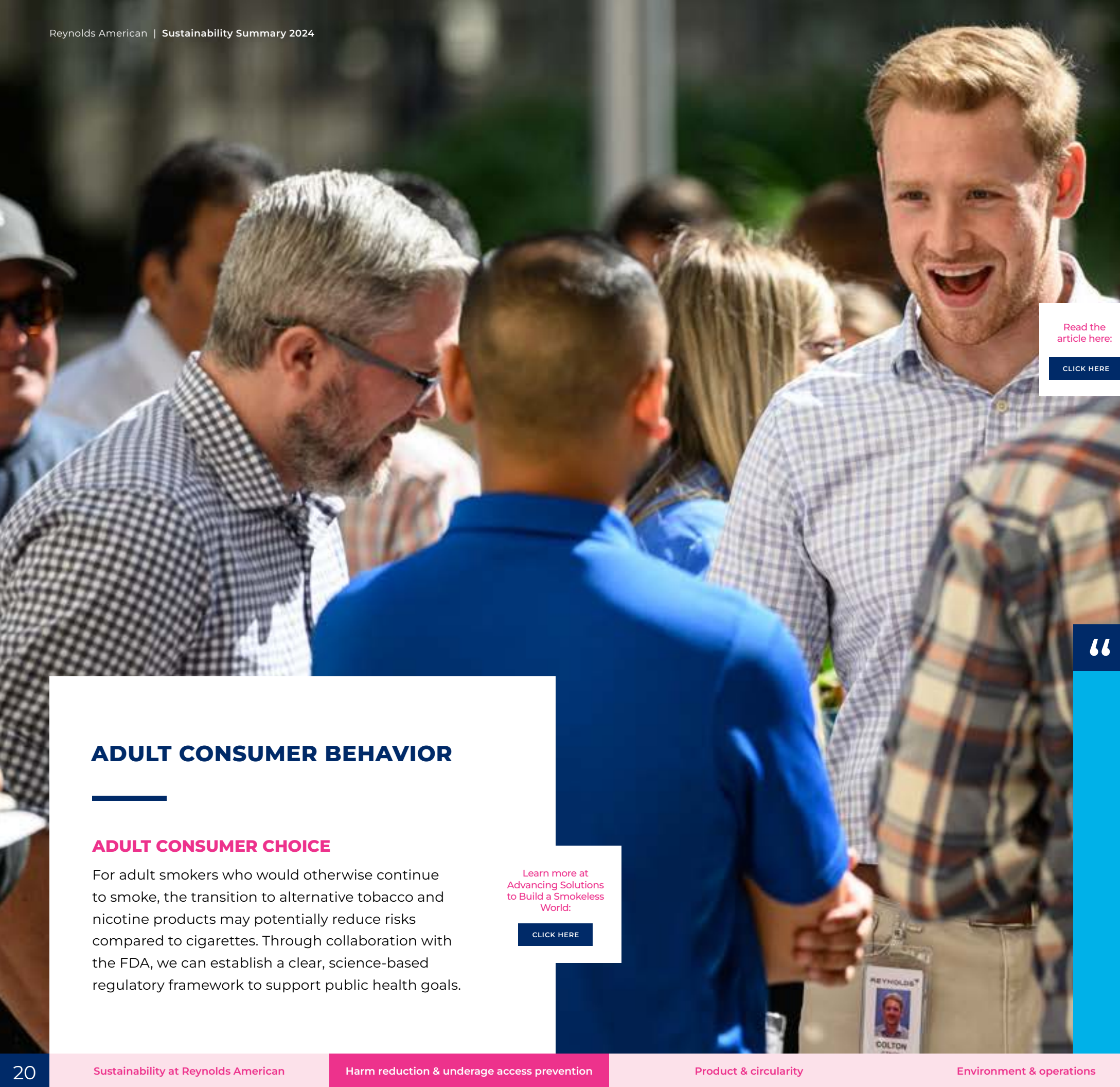
#### E-CIGARETTES

E-cigarettes, commonly known as Vapor products, are battery-powered devices that heat nicotine containing e-liquids to produce an inhalable aerosol. E-liquids may be zero nicotine, or contain nicotine derived from tobacco or synthetic nicotine.



#### NICOTINE POUCHES

Modern Oral nicotine pouches are Smokeless, oral, tobacco leaf-free pouches that are placed between the adult consumer’s gum and lip to provide and release nicotine and flavors that are absorbed through the oral mucosa. Pouches may contain nicotine derived from tobacco or synthetic nicotine.



### INCREASING AWARENESS OF ALTERNATIVES

We are committed to educating adult consumers and retailers on the benefits of THR. In 2024, we refined our approach to increase awareness, partnering with media organizations such as The Washington Post to address key issues.

Read the article here:  
[CLICK HERE](#)



In 2024:  
**32m+**  
impressions made through digital Tobacco Harm Reduction awareness campaigns

## ADULT CONSUMER BEHAVIOR

### ADULT CONSUMER CHOICE

For adult smokers who would otherwise continue to smoke, the transition to alternative tobacco and nicotine products may potentially reduce risks compared to cigarettes. Through collaboration with the FDA, we can establish a clear, science-based regulatory framework to support public health goals.

Learn more at [Advancing Solutions to Build a Smokeless World:](#)

[CLICK HERE](#)

“ I support sensible regulation in the tobacco industry; regulation that is based on sound science and high quality standards allows for responsible innovation and prioritizes access to alternatives for adult smokers.”

**Wade Huckabee**  
SVP of Strategy & Transformation within the Reynolds American organization



## UNDERAGE ACCESS PREVENTION

### RIGHT DECISIONS RIGHT NOW

Since we launched it in 1991, thousands of students have gone through our Right Decisions Right Now underage tobacco and nicotine prevention program to learn about the dangers of tobacco and nicotine, including Vapor products and nicotine pouches.

We believe that educating youth about the dangers of tobacco and nicotine product use is the right thing to do. And it's important to our organization's long-term strategic goal of transforming the tobacco and nicotine industry.

Learn more about our commitment to underage access prevention:

[CLICK HERE](#)

120+

employees completed Right Decisions Right Now training

\$550k

given in 2024 toward preventing age-restricted product sales to minors

75+

Right Decisions Right Now presentations to youth groups in 2024

### MANDATORY UNDERAGE ACCESS PREVENTION TRAINING

In September 2024, Trade employees were deployed nationwide with a focus on underage access prevention to our products. This project was supported by training and marketing practices that restrict product access to adult nicotine users only.

Learn more about retailer compliance:

[CLICK HERE](#)

100%

of required Trade employees completed underage access prevention training in 2024

### VERATAD THIRD-PARTY AGE VERIFICATION

Our brand websites use Veratad, a third-party age verification platform, to prevent unauthorized access to age-restricted marketing content across all brand websites.

750k+

adult consumers were age verified when accessing our owned brand websites in 2024

## ETHICS & INTEGRITY

### STANDARDS OF BUSINESS CONDUCT

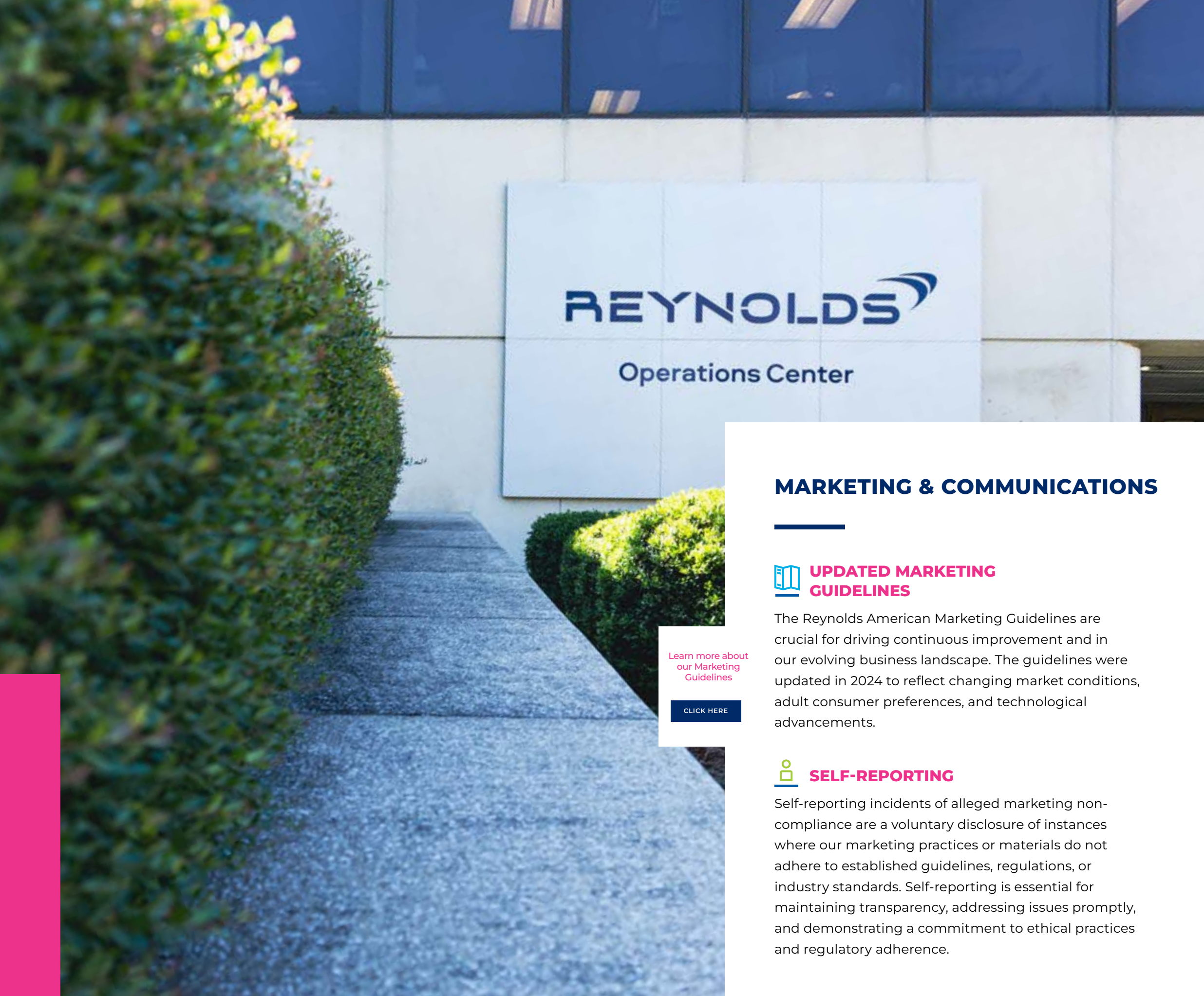
We encourage employees, business partners, and suppliers to speak up if they have a concern about a wrongdoing, and we commit to treating all cases seriously. This is made clear in the global BAT Group's Standards of Business Conduct (SoBC), which covers subjects such as anti-bribery and anticorruption, political contributions and anti-illicit trade, and our Supplier Code of Conduct, which defines the minimum standards expected of our suppliers.

100% of in-scope Reynolds American organization employees completed the annual SoBC e-learning and sign-off in 2024

100% of new joiners automatically enrolled in the SoBC e-learning and sign-off

### SUSTAINABILITY EMPLOYEE ENGAGEMENT CAMPAIGN

Over eight months in 2024, Reynolds American piloted an employee engagement campaign titled Today Tomorrow Together. This sustainability campaign inspired, informed, and actively involved all employees in our sustainability agenda. The series of monthly challenges fostered a culture of environmental stewardship and social responsibility by educating employees about sustainability goals and practices, thereby aligning their personal values with the organization's mission.



## MARKETING & COMMUNICATIONS

### UPDATED MARKETING GUIDELINES

The Reynolds American Marketing Guidelines are crucial for driving continuous improvement and in our evolving business landscape. The guidelines were updated in 2024 to reflect changing market conditions, adult consumer preferences, and technological advancements.

Learn more about our Marketing Guidelines

CLICK HERE

### SELF-REPORTING

Self-reporting incidents of alleged marketing non-compliance are a voluntary disclosure of instances where our marketing practices or materials do not adhere to established guidelines, regulations, or industry standards. Self-reporting is essential for maintaining transparency, addressing issues promptly, and demonstrating a commitment to ethical practices and regulatory adherence.

## WEBSITE DESIGN

Throughout 2024, substantial updates were made to the Tobacco Harm Reduction, Product Stewardship, and Sustainability sections of ReynoldsAmerican.com. Additionally, a complete website redesign was launched for our underage access prevention training website, rightdecisionsrightnow.com.

These projects provided updated, detailed information to our stakeholders, supporting our clear and transparent communications.



# 99%+

no violation rate of underage product sales in our contracted outlets

### WE CARD SPONSORSHIP

Since 1995, the Reynolds American organization has supported the We Card program, a national nonprofit organization helping retailers prevent the underage sale of tobacco and nicotine products through educational and training services. All retailers contracted with the Reynolds American organization are required to participate in the program.

### TRUAGE PARTNERSHIP

TruAge™ is our selected, secure, and reliable digital solution for verifying consumers' ages to prevent underage access to tobacco and nicotine products.

Learn more at The Latest Facts - Reynolds American.

[CLICK HERE](#)

“Our website redesign highlights Reynolds American’s deep commitment to responsible product management, sustainability, and preventing underage access. We’re using technology to make important information clear, accessible, and make relevant information clear for everyone.”

**Precious Harris**  
Senior Manager of Digital Business Services within the Reynolds American organization

# Product & circularity

## HIGHLIGHTS

Through our product design and development, we support an innovative circular economy that uses fewer resources, creates less waste, and incorporates recycled products to create a self-sustaining ecosystem of materials.

We deliver educational programs that inform adult consumers on responsible disposal and take back products at the end of their use cycle.

In addition to advancing our product packaging to improve recyclability, we continually monitor extended producer responsibility regulation to prepare for packaging compliance requirements. We have revamped our product packaging to increase recyclability and reduce reliance on virgin materials, resulting in over 90% of our packaging being recycle-ready.

## OPPORTUNITIES

As we transition to non-combustible product categories, we must continuously improve our products' design and circularity to create less waste. We plan to incorporate post-consumer recycled content into our plastic packaging, pending availability in the global supply chain.

Takeback programs—a key component of our plan to reduce waste—depend on public education and participation in device, battery, and pod recycling. We continue to partner with Call2Recycle and Terracycle to collect and upcycle product materials.



New category products that support our vision to create A Better Tomorrow by Building a Smokeless World rely on different resources, presenting unique challenges materials sourcing, production, and responsible disposal. Our operating companies are consistently working to improve circularity and to create less overall waste.”

**Wesley Jones**  
Senior Director of Packaging & Materials within the Reynolds American organization



## PRODUCT DESIGN

### SCIENTIFIC RESEARCH & DEVELOPMENT

Our dedicated Scientific Research & Development team supports our Tobacco Harm Reduction efforts by focusing on the science of potentially reduced-risk products.

Learn more about our world class science and technology:

[CLICK HERE](#)

Nearly  
**80,000**  
pages of scientific data provided to the FDA for review as part of the submission, including  
**97**  
scientific studies



### INNOVATION IN TECHNOLOGY

In 2024, we filed a pre-market tobacco product application submission with the FDA for the Vuse Pro age-gated device. The device may only be unlocked once it has been connected to a mobile application that verifies the adult consumer's age through a third-party provider; it also enables features such as auto-lock and proximity lock to further secure device access.

Learn more about our Vuse Pro PMTA Submission:

[CLICK HERE](#)

### ADULT CONSUMER MIGRATION USING FLAVOR

The research is clear on the role and impact that appropriate flavors play in migrating adult smokers from combustible cigarettes to tobacco products lower on the risk continuum. With the availability of appropriate flavors, we believe adult smokers are more likely to successfully replace cigarettes with innovative new products.

Learn more about our zero nicotine options for adult tobacco and vapor consumers:

[CLICK HERE](#)



## PRODUCT CIRCULARITY

### GLOBAL BAT GROUP'S CIRCULAR ECONOMY POSITION

As part of the global BAT Group, our ambition is to reduce the use of virgin raw materials. We seek to reduce our material footprint across our value chain and to understand and minimize the environmental impact of virgin raw material use.

- In the 'make' phase, we aim to use more sustainable materials and increase resource efficiency.
- In the 'use' phase, we encourage responsible consumption and disposal.
- In the 'dispose' phase, we collaborate with waste management organizations to enhance material recovery.

### PRODUCT CIRCULARITY

We invest in the research and development of lower environmental impact products, evolving how they are designed, made, packaged, transported, and dismantled at end-of-use.

Learn more about our circularity: [CLICK HERE](#)



Learn more about our responsible disposal programs:

[CLICK HERE](#)



### RECLAIMING AND RECYCLING BATTERIES

Since our Vapor products contain batteries, we include clear and simple adult consumer guidance on recycling batteries and how to manage damaged, or corroded ones. To do this, we partner with Call2Recycle®, the country's largest battery recycling program. Consumers can drop-off old batteries for free at thousands of accessible locations.



### VAPOR POD RECYCLING

We encourage the responsible disposal of our products and packaging. Where available, our voluntary Vuse take back program in the U.S. accepts Vuse Vapor pods, Vuse Vapor tanks, and Vuse Vapor cartridges at no cost to the consumer through our partnership with g2Revolution, a specialty recycling solutions organization.



### TACKLING BUTT LITTER

Adult consumer education campaigns are some of the most successful measures to promote responsible cigarette butt disposal. We work with organizations like Keep America Beautiful's Cigarette Litter Prevention Program and TerraCycle's recycling program to execute on our commitment.

In the U.S., the Reynolds American organization has invested

# \$15 million

in cigarette butt litter initiatives with TerraCycle and Keep America Beautiful over the past 15 years.





## WORKING TOWARDS RECYCLABLE PACKAGING

### FOIL TO PAPER TRANSITION

By innovating and thinking outside—or in this case, inside—the box, we increased the recyclability of our cigarette packaging and reduced our CO<sub>2</sub>e emissions by transitioning foil inner liners to paper material in most of our brands. This switch resulted in a reduction of GHG emissions, and the entire pack is now recyclable, once the poly wrap is removed.

### ANTI-LITTERING MESSAGING

We have taken comprehensive steps across our business to address cigarette litter prevention, including:

-  Cigarette litter prevention footers on all relevant brand websites and emails
-  'Please do not litter' messaging in the footer of our posted mail
-  Updated FAQs emphasizing responsible disposal of cigarette butts
-  97% of cigarette packaging features anti-littering or recyclability messaging

### PRATT INDUSTRIES ENVIRONMENTAL IMPACT AWARD RECIPIENT

In 2024, our ASC Clarksville facility was awarded the Environmental Impact award from Pratt Industries. The use of packaging made from Pratt Industries' 100% recycled paper resulted in an estimated impact of:

5,551k  
gallons of water saved

793  
tons of CO<sub>2</sub>e prevented

3,172k  
kilowatt hours of power saved

2,617  
cubic yards diverted from landfill

### SUSTAINABLE PAPER AND PULP

We use paper and pulp in our product packaging as well as in our marketing materials such as stands, promotional displays, coupons, and mailers. We work with our suppliers to source paper and pulp that adheres to low-risk deforestation practices and carry one of the following certifications where practical.

### CERTIFICATIONS



#### Programme for the Endorsement of Forest Certification

Programme for the Endorsement of Forest Certification [PEFC] is a voluntary certification system that promotes sustainable forest management. PEFC-certified suppliers adhere to responsible logging practices, protection of biodiversity, and respect for indigenous rights.



#### Forest Stewardship Council

Forest Stewardship Council (FSC) certified products are sourced from responsibly managed forests and meet stringent criteria for sustainability, including zero deforestation, fair wages for workers, safe working conditions, and community engagement.

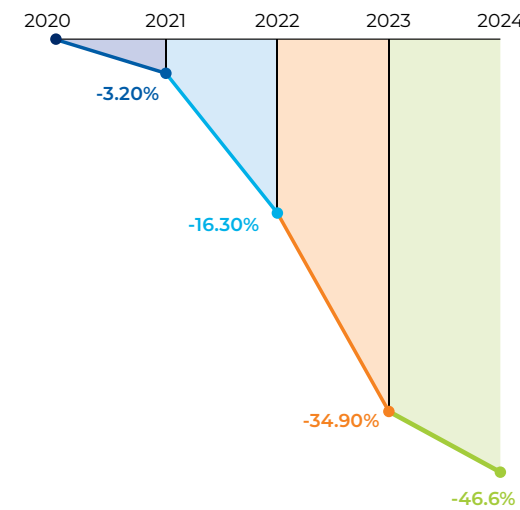


#### Sustainable Forestry Initiative

The Sustainable Forestry Initiative (SFI) offers certification for forest management practices. SFI-certified suppliers follow guidelines that promote sustainable harvesting, reforestation, and wildlife habitat protection.

# Environment & operations

**% SCOPE 1 & 2 CO<sub>2</sub>e EMISSIONS REDUCTION VS 2020 BASELINE**






## HIGHLIGHTS

The newly-built WaterHub, an advanced water recycling facility at the Reynolds Operations Center, is expected to reclaim over 60 million gallons of water annually, equivalent to the yearly supply for approximately 550 average U.S. households.

Over 95% of our vehicles used on site at factories will be electric by 2025, contributing to a targeted 50% reduction in fleet carbon emissions. By the end of 2024, over 90% of our Trade fleet vehicles had transitioned from combustion engines to hybrid.

## OPPORTUNITIES

Our Operations team works to consistently identify innovative solutions to aid in reaching our environmental goals; however, these solutions come with challenges. For example:

-  **Biomass—a renewable alternative to fossil fuels in our operational boilers**—can be prohibitively expensive due to equipment and infrastructure requirements.
-  **Solar farms on our Tennessee and North Carolina sites** are up against land availability, grid connectivity, and increased maintenance costs.
-  **Achieving zero waste to landfill at our Reynolds American Operations sites requires meticulous vendor management**, as even a single item going to landfill can hinder progress.



## SUSTAINABILITY IN FARMING

We endeavor to manage our impacts on nature, and to improve our resilience to environmental degradation. Our business operations, including conventional agricultural practices, rely on the use of natural resources, such as timber, soil and water.

### KENTUCKY TREE PLANTING

In March 2024, we partnered with the Appalachian Regional Reforestation Initiative to plant 77,000 trees over 110 acres of land. The trees were planted on a reclaimed mine site at the Kentucky National Guard Wendell H. Ford Region Training Center in Greenville, Kentucky.



By planting 13 different tree species on this reclaimed mine site, we're effectively improving the habitat and food foraging for wildlife, providing sustainable natural resources throughout our training areas."

**Dave Jackson**  
Environmental Protection Specialist,  
Kentucky Army National Guard

### ORGANIC FARMING

Certified farming practices reduce the use of synthetic pesticides and fertilizers, reducing water and soil pollution and supporting biodiversity. Santa Fe Natural Tobacco Company (SFNTC), a subsidiary of Reynolds American, has sourced organically grown tobacco since before the national organic certification standards were established by the USDA in 2002. Our contracted growers are inspected and recertified annually and rotate crops with other organic produce to support business year over year.



### THRIVE ASSESSMENTS

Annual Thrive assessments were launched in 2016 by the global BAT Group and are an integral part of our sustainable agriculture and farmer livelihoods program. The Thrive program uses a framework to collect data on the financial, natural, human, physical, and social capitals of farmers in our tobacco supply chain.

### TURNING VANE FOR CURING EFFICIENCY

The implementation of turning vanes in flue-cured tobacco production has shown promising results. These vanes optimize air circulation within curing barns, improving the curing process and reducing production emissions associated with tobacco drying. By enhancing curing efficiency, we enhance product quality while reducing environmental impact.



Growing organic is less harmful to my land since it doesn't require the use of pesticides or herbicides and is more profitable for me and my family. I've also seen an increase in the honeybee population, which is beneficial for the environment. We continue to plant sunflowers to attract insects such as ladybugs, which help control aphids on the tobacco leaves."

**David McKinney**  
Organic Tobacco Grower for SFNTC,  
Rockingham County NC

### CONSERVATION TILLAGE

We actively promote and incentivize conservation tillage practices in tobacco farming in partnership with our growers. By reducing soil disturbance, conservation tillage reduces erosion and run-off, preserving soil health and preventing sediment from entering waterways.

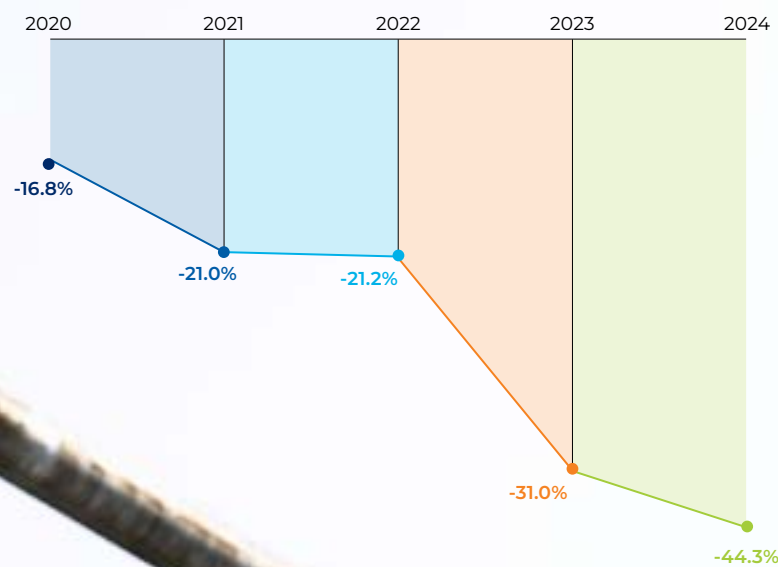
### GROWER FUEL USAGE REDUCTION

As part of our commitment to resource efficiency, we prioritize reducing fuel usage among growers. By maximizing curing efficiencies during tobacco production, we reduce the energy required for flue-curing processes and lower operational costs for growers. We actively share best practices and technological advancements to help growers achieve these fuel-saving objectives.

## SUSTAINABILITY AT THE REYNOLDS OPERATIONS CENTER

The Reynolds Operations Center (ROC) is a beacon of Reynolds American's sustainable transformation. The ROC is the global BAT Group's largest manufacturing facility, spanning 249 hectares, located in Tobaccolville, NC. Built in 1986, the facility's capacity is rapidly expanding to include multiple Reynolds American subsidiaries.

**Reynolds American Organization's Total % Reduction in Water Withdrawn vs 2017 Baseline**



Our innovative solutions like the WaterHub help businesses like Reynolds American meet sustainability targets and improve operational resilience while conserving water. It is a true example of water positivity.”

**Casey Allen**  
Vice President & Managing Director of H2O Innovation

### WATERHUB

The WaterHub at the ROC, which was built in 2024, is a state-of-the-art on-site water recycling facility aimed at saving 60 million gallons of water annually. One of the few projects of its size in the U.S. using advanced water reclamation technologies, the WaterHub allows our operating facilities to reduce dependence on potable water for factory utility operations.



We received the 2024 SEAL Business Sustainability Awards in the Environmental Initiative Award category for the WaterHub, in recognition of our strong water stewardship.



Collectively, when we are better stewards of natural resources like water, it benefits the environment and our communities. Our U.S. manufacturing facilities are on track to meet our 2025 water consumption and water recycling goals, demonstrating our commitment to efficient and responsible water use.”

**Bernd Meyer**  
EVP Operations within the Reynolds American organization

### ALLIANCE FOR WATER STEWARDSHIP

In 2024, the ROC maintained its Alliance for Water Stewardship certification, a globally applicable framework for sustainable water management to better understand water use and impacts.

### ROC BIODIVERSITY ACTION PLAN

In 2024, a two-year Biodiversity Action Plan was deployed to implement practical initiatives that promote and support the conservation of species, habitats, and ecosystems on the 249-hectare property of the global BAT Group's largest manufacturing facility.

One initiative came to life on April 22, Earth Day, when a group of employee volunteers planted 54 species and 519 native seedlings in an on-site pollinator garden designed by an employed ecologist to attract native pollinators, insects, and birds.

### HEAT RECOVERY SYSTEM INSTALLATION

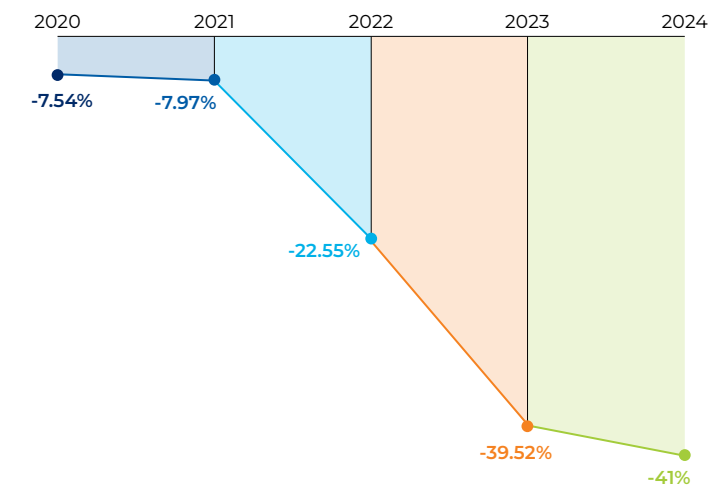
We installed a heat recovery system at the ROC for improved energy efficiency by exchanging heat between outdoor and indoor air streams, lowering energy requirements to maintain indoor temperatures.



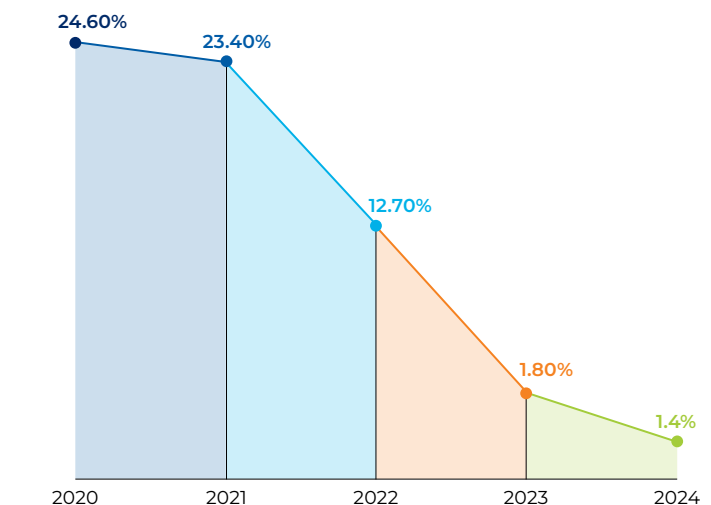
### WASTE MANAGEMENT

We are continuously looking for new ways to effectively segregate and responsibly dispose of waste at the ROC. From construction waste to manufacturing waste, our Operations team are optimizing the recycling of materials and reducing waste to landfill.

**Reynolds American Organization's Total % Reduction In Waste Generated**



**Reynolds American Organization's Total % Waste Sent to Landfill from Direct Operations**



## SUSTAINABILITY AT ASC - TAYLOR BROTHERS CLARKSVILLE

### TENNESSEE GREEN STAR CERTIFICATION

Subsidiary American Snuff Co. holds the Tennessee Department of Environment and Conservation's highest award for sustainable business practices: the Tennessee Green Star Partnership Three-Star Certification. American Snuff Co. is the 14th facility in the state to hold the honor.

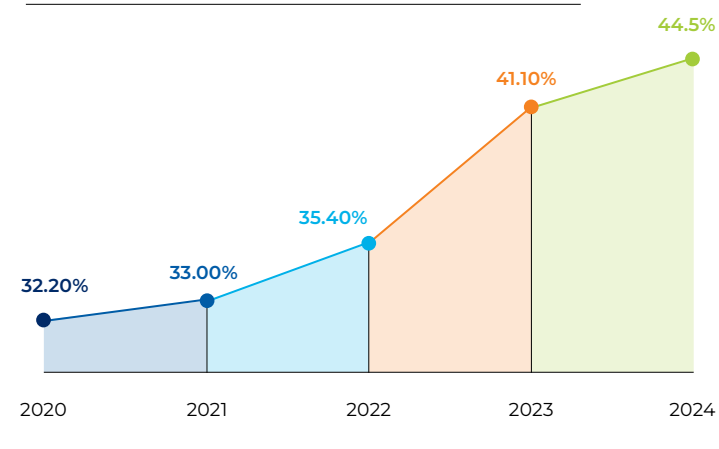
Learn more about our Tennessee Green Star Certification:

[CLICK HERE](#)

“ American Snuff’s commitment to sustainability is reflected in their continued participation in the Tennessee Green Star Partnership and their work with the State of Tennessee to host a pollution prevention-focused workshop at their Clarksville facility, sharing sustainability best practices and providing a learning space for other industry in Tennessee.”

Crystal Warren  
Tennessee Department of Environment & Conservation,  
Office of Sustainable Practices

### Reynolds American Organization’s Total Renewable Energy Use



### ELIMINATION OF SEMI-FINISHED PRODUCT TRANSPORT

The expansion of manufacturing capabilities in ASC Clarksville has brought processing and finished goods production under one roof.

The elimination of transport between the ASC Clarksville and Memphis manufacturing sites has greatly reduced the transport of semi-finished products, in turn reducing our carbon emissions attributed to trucking.

### TRANSITION TO ELECTRIC

Electric trucks have replaced the use of propane-fueled forklifts on site. The last of the fossil-fuel powered vehicles were transitioned out in 2024.



### WATER MEASURES

We successfully implemented a water condensation capture mechanism and are taking the next step to introduce condensation water recycling metering. This involves measuring both the intake water and the heat-to-steam conversion within our closed-loop system for increased recycling rates.



## SUSTAINABILITY AT THE PLAZA HEADQUARTERS

The Reynolds American Plaza, our Winston-Salem headquarters, takes a holistic approach to sustainability. From waste reduction and recycling initiatives to energy efficiency efforts and more, our teammates come together each day to build a sustainable future for our workplace and our community.

### TERRACYCLE FABRIC DRIVE

A collection drive across all Winston-Salem sites brought in hundreds of old, branded, and damaged clothing and textiles. The collected items were sent to TerraCycle Material Recovery Facilities, where they were sorted, cleaned, and sent to third-party partners to process the materials into usable forms.

17.25ft<sup>3</sup>

of fabric recycled by employees

Learn more about Terracycle's fabric recycling process:

[CLICK HERE](#)

Learn more about the Lights Out program:

[CLICK HERE](#)

### WASTE SEGREGATION

In addition to traditional paper, plastic, and metal recycling, receptacles are available for cardboard recycling, coffee pods, electronic waste, and e-cigarette device collection. Waste bins have been removed from desks and offices to reduce the number of bin liners and centralize waste disposal.



### LIGHTS OUT PROGRAM

The Reynolds American Plaza building is a proud member of the Lights Out program, helping to darken night skies for migrating birds. More than 150 species of birds pass through Winston-Salem in spring and fall as they migrate north and south. The Plaza dims and turns off lights where safe to do so to reduce the number of bird collisions with the building.



“

Reynolds American's participation in Lights Out Forsyth County, NC has been immensely helpful. Not only has it helped reduce the number of migratory birds that were unintentionally killed during the past decade, but it has also set an example for the rest of the business community, giving affirmation that this cause is worthwhile.”

**Chris Marsh**  
President of Forsyth Audubon

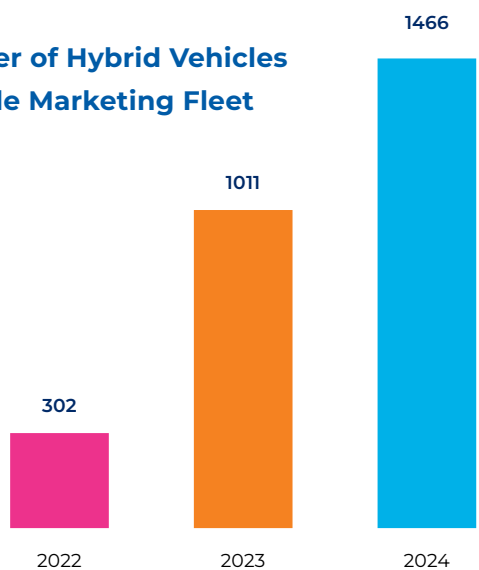


## SUSTAINABILITY IN FIELD TRADE MARKETING

### HYBRID VEHICLES

By the end of 2025, we aim to replace all conventional gasoline-powered vehicles in our fleet with hybrids. These vehicles combine an internal combustion engine with an electric motor, resulting in reduced fuel consumption and lower emissions across the fleet.

Number of Hybrid Vehicles in Trade Marketing Fleet



### FLEET CAR TELEMATICS

Fleet car telematics involves monitoring the driving behavior of Field Trade Marketing employees. By collecting data on factors such as speed, braking, and adherence to traffic rules, we can assess risk levels. One of the standout achievements of the Telematics 2.0 program is the level of compliance and discipline displayed by drivers: more than 97% of drivers scored above 95% in safety compliance—demonstrating a widespread commitment to safer driving practices.



### INTERMODAL DISTRIBUTION TRANSPORT

We use intermodal shipping, employing various transportation such as trains, trucks, ships, and planes to move goods as efficiently as possible from one point to another. Our Logistics team is continuously working to reduce the carbon intensity of our product transport, reducing the use of trucks and increasing the use of trains. In 2024, this intermodal strategy expanded, increasing the total number of our national warehouses serviced by train to four.

In 2024, **38%** of stock distributed to national warehouses was transported via train instead of trucks

## SUSTAINABILITY IN OUR SUPPLY CHAIN

### SUPPLIER SUSTAINABILITY SUMMIT

The Reynolds American organization hosted a working session with key strategic suppliers to share information about our sustainability goals and progress, encouraging them to do the same. Our Procurement team welcomed senior leaders and sustainability professionals from our top suppliers to the Reynolds Operations Center in Tobaccoville, NC for the inaugural Supplier Sustainability Summit.

Throughout the thought-provoking and interactive event, suppliers gained valuable insight into the latest trends, best practices, and opportunities in sustainability to stay ahead of the curve. Attendees learned about specific Reynolds American initiatives and our ambitions for the future.

The Summit culminated with a ceremonial tree planting on the ROC campus, symbolizing unity between Reynolds American and our key suppliers and reinforcing the need for collaboration to achieve our sustainability goals.



### SEGMENTATION OF SUPPLIERS BY PRIORITY

Suppliers to Reynolds American companies have been segmented by priority, allowing us to focus our resources and efforts on the most impactful areas of our supply chain, especially to reach goals such as a reduction in Scope 3 emissions. By categorizing suppliers based on factors such as environmental performance, ethical practices, or strategic importance, we seek to identify and address the most significant risks and opportunities.

### SUPPLIER RELATIONSHIP MANAGEMENT AND ENGAGEMENT TOOL

In 2024, our Procurement team launched a Supplier Relationship Management and engagement tool, improving communication, collaboration, and efficiency with suppliers. By providing data-driven insights and fostering stronger relationships, the tool supports informed decision-making, drives continuous improvement, and contributes to a more resilient and efficient supply chain.



Reynolds American was really successful in bringing multiple suppliers from different areas together and the discussions were really fruitful. We all have things that we can learn from Reynolds American and hopefully collaborate towards achieving fantastic results in the future for the planet and for all of us."

**Diogo de Almeida**  
Regional Sales Director  
at Amcor, Inc.

# People & communities



## HIGHLIGHTS

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At the Reynolds American organization, our people are the foundation of our success. We strive year-round to support, uplift, and empower all employees to be their best selves within our walls and beyond. To deliver on this commitment, we prioritize a holistic approach to wellbeing and belonging, including:



**Employee Resource Groups (ERGs)** helping to celebrate our differences while promoting equity and inclusion in the workplace.



**Giving and volunteerism** in our local communities, continuing our legacy with organizations like United Way of Forsyth County.



Prioritizing **employee safety** in all our operations.



Upholding **human rights** for agricultural workers.

## OPPORTUNITIES

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As our businesses transform and work toward Building a Smokeless World, we are forming creative community partnerships to support tobacco growers to transition into alternate crops during our transition from tobacco to new product categories. Internally, we are retraining and upskilling employees, equipping our workforce to work safely and adapt to evolving product manufacturing demands.

## OUR EMPLOYEE SAFETY

### PSYCHOLOGICAL SAFETY

In July 2024, we launched a program for employees to become certified Mental Health First Aiders. This training program equips participants with the skills to navigate mental health conversations and effectively support their colleagues.



### ROC SUSTAINABILITY WEEK

In addition to large scale projects to advance sustainability at the Reynolds Operations Center, employees focus on continuous improvement through grassroots initiatives. In 2024, the Reynolds Operations Center hosted a Sustainability Week, welcoming external vendors to host a fun and educational fair focused on sustainability in Operations.



“ The organization prioritizes mental health at every level, from the CEO to line managers. The leadership’s responsiveness and willingness to help creates a magnificent work environment that reduces the stress of the everyday grind.”

**Eric Scott**  
Senior Scientist of Vapor Submissions within the Reynolds American organization

### FIRST RESPONDERS

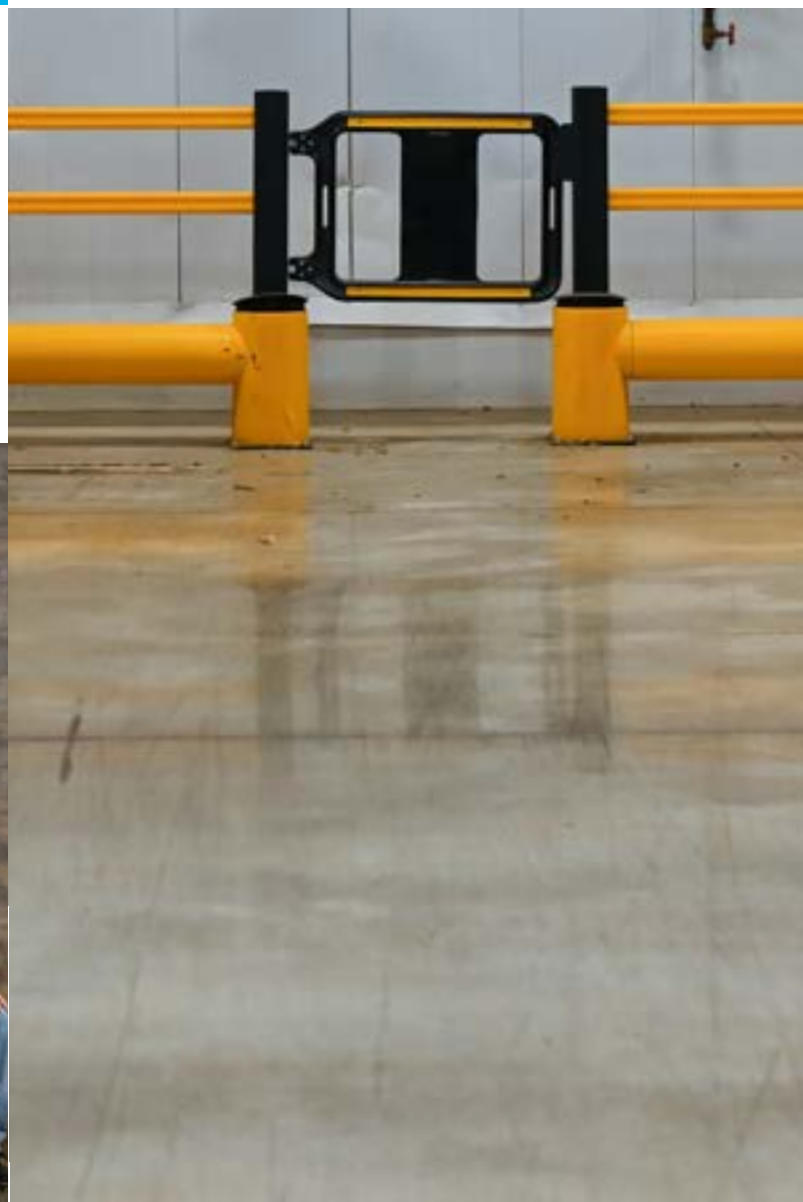
We pride ourselves on fostering a culture of workplace safety, community, and support. Our on-site volunteer first responders represent various group of employees from various departments and functions across all locations and operational facilities.

### OPERATOR TRAINING AT ASC CLARKSVILLE

ASC Clarksville teammates have improved training processes and documentation to provide valuable upskilling opportunities for employees, including task list creation to accompany new equipment and processes on site, comprehensive training manuals development, and cross-training for multi-skilled operators.




In February 2024, ASC Clarksville reached

999 days without a lost-time incident



### CONTINUOUS SAFETY IMPROVEMENT IN OUR FACTORIES

We always aim to eliminate accidents at work across all of our sites. Here are some of the ways we execute on that:

-  We installed safety rails between pedestrian walkways and vehicles in our factories in 2024 to prevent accidental collisions and enhance safety for workers and equipment operators.
-  We are actively improving our dust extraction processes, which play a crucial role in maintaining industrial hygiene and good air quality.
-  We installed rooftop guarding for HVAC units, trailer guide rails to prevent collisions during backing maneuvers, and modified rollup doors for pedestrian safety during trailer unhooking. Employees are required to wear either hi-vis hats or belts, as well as vests, hard hats, gloves, earplugs, or goggles where necessary.

## OUR EMPLOYEE CULTURE

### EMPLOYEE WELL-BEING

We invest in our employees' well-being to create a workplace environment where all can thrive. This commitment includes building updates to our headquarters to add quiet rooms and focus rooms for our employees, upgrading workspaces with standing desks, and incorporating walking desks throughout office buildings.



Learn more about the benefits Reynolds American offers.

[CLICK HERE](#)

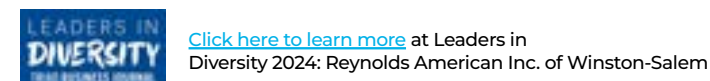
At Reynolds American, our inclusive culture is woven into the fabric of our organization. We see the positive impact every day, from our commitment to leadership and development opportunities, to our investments in creating a welcoming and supportive workplace.”

**Borgia Walker**  
SVP Human Resources & Inclusion within the Reynolds American organization

### RECOGNITIONS AND AWARDS

Reynolds American was a recipient of the 2024 Handshake Early Talent Award, which recognizes a shortlist of the best employers for people launching their careers and celebrates top-tier talent engagement. Other accolades in 2024 include:

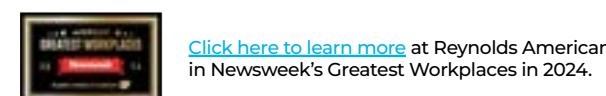
#### TRIAD BUSINESS JOURNAL'S LEADER IN DIVERSITY WITHIN OUR LOCAL COMMUNITY.



#### NEWSWEEK'S AMERICA'S GREATEST WORKPLACES FOR DIVERSITY.



#### NEWSWEEK AND PLANT-A INSIGHTS GROUP GREATEST WORKPLACES.



#### CERTIFIED AS A TOP EMPLOYER IN THE U.S. BY THE TOP EMPLOYER INSTITUTE FOR THE SECOND CONSECUTIVE YEAR.



### LEARNING INITIATIVES

2024 saw the launch of our new Talent & Organization Effectiveness site, a central hub designed to enhance collaboration, communication, and productivity across our organization. This hub provides the tools, resources, and information employees need in one easily accessible place to support development, engagement, and continuous growth in our Talent, People, and Culture spaces.

# Employee Resource Groups


No matter gender, race, sexual orientation, background, or beliefs, all people are welcomed at Reynolds American. We have a sustainable pipeline of talent from a diverse range of backgrounds. We encourage all employees to join our Employee Resource Groups (ERGs) to empower and connect us all to one another.




“The organization’s commitment to ERG events goes beyond just words. I see a genuine commitment to fostering a culture where everybody’s perspectives are not only welcomed but celebrated. It’s empowering to work for an organization where every voice matters.”

**Ahmad Khater**  
 Scientist Traditional Oral Deploy and co-lead of the Asian American ERG within the Reynolds American organization




 **Able & Disabled Advocates Partnering Together (ADAPT)** aims to serve individuals, and caretakers of individuals, with atypical neurological, mental, and physical functional needs. Establishing a space for this community allows employees to interact and freely converse to relieve stigmas often associated with developmental, physical, or mental disabilities.


 Our **Asian American ERG** supports and promotes the empowerment and development of employees of Asiatic and Pacific Island (AAPI) descent, fosters connections, promotes education, and raises awareness about the histories and current conditions of AAPI communities.

 **Black Employee Yielding Outreach & Unity (B.E.Y.O.U.)** is for Black employees and allies who are passionate about making a positive impact in our organization and communities by investing their talents and time to matters that are relevant to Black employees and the broader Black communities across the globe.

 **BUnited** focuses on promoting and raising awareness of the importance of allyship, fosters an inclusive work environment for all LGBTQIA+ employees and allies, and strives for all community members and allies to be comfortable bringing their authentic selves to work every day.

 **Hispanic Origin and Latin American (HOLA)** provides employees the opportunity to foster a learning experience about Hispanic and Latin culture, sharing experiences toward diversity and inclusion, encouraging different perspectives.

 **Lean Into Networking (LINK)** aims to build a network that fosters company-wide engagement and connection beyond the barriers of function or level.

 Our **Veterans ERG** was formed with the intent of fostering a community based on the esprit de corps and camaraderie understood from having served.

 Our **Women's ERG** aims to build an inclusive community that supports and encourages the empowerment and personal growth of women to reach their unique potential.

## OUR LOCAL COMMUNITY

### PHILANTHROPIC STRATEGY



#### Our vision

To create positive societal impact to deliver a thriving community.



#### Our mission

Deliver meaningful change through focused community giving and engagement connecting People, Planet, and Prosperity.



#### Our legacy

Connecting with and contributing to our communities is a tradition and point of pride at Reynolds American, dating back to the 1800s. Generously devoting time, talent, and resources, our companies and employees are on a mission to improve lives and shape the communities where we live and work.



### EMPLOYEE VOLUNTEERISM

We value causes and initiatives that are important to our employees, offering various ways for them to increase their personal commitments to organizations they are passionate about:



#### Volunteerism

Each year, employees may use up to two days to volunteer at a nonprofit of their choice.



#### Board Membership

Employees are encouraged to hold nonprofit board positions, especially as representatives of the Reynolds American organization.



#### Matching Gifts

Reynolds American Foundation matches employee gifts to nonprofits and colleges, up to \$7,000 per person, annually.



#### Scholarships

Scholarships are available to the children of employees, including National Merit and Vocational scholarships.



### CORPORATE AND FOUNDATION GIVING

Reynolds American makes monetary and in-kind donations to support nonprofits and our communities.

Focus areas include:

- **Strategic partnerships**
- **Immediate needs**
- **Disaster relief**



The Reynolds American Foundation invests resources in Forsyth County, NC and surrounding communities, where our employees live and work. To advance its goals, the Foundation focuses on:

- **Community campaigns**
- **Legacy scholarships**
- **Health & education**
- **Employee matching**



The Santa Fe Natural Tobacco Company Foundation (SFNTC) grants financial assistance to organizations that support the preservation, promotion, and advancement of American Indian self-sufficiency and culture in the U.S.

Program areas include:

- **Basic needs**
- **Education**
- **Community building**
- **Arts & culture**



The American Snuff Co. Charitable Trust provides contributions to charitable causes in Clarksville, TN and Winston-Salem, NC, and surrounding areas.

- **Local community campaigns**
- **Prevention of cruelty to children**
- **Education**
- **Scientific research**



## OUR CONTRACTED GROWERS

### FARMER HOUSING

Southeast Non-Profit Housing completed 144 home repair projects throughout the southeast between July 2023 and July 2024. This was made possible by partnerships such as those with the Reynolds American organization and U.S. Department of Labor, providing funding for repairs and upgrades for farmworkers.

### GAP CONNECTIONS

The GAP Connections farmer certification program focuses on enhancing agricultural practices by offering training, self-assessment, and third-party audits. It safeguards farm laborers' safety and rights while promoting high-quality agricultural standards, emphasizing crop diversification, reducing of greenhouse gas emissions, reducing pesticide use, supporting ecosystem and wildlife diversity, and preventing sediment pollution.

100%

farmer participation in the GAP Connections certification program

99.8%

of workers would return to the same farm

100%

of farmers grow diverse crop

“

The partnership between R.J. Reynolds Tobacco and our farm is a valuable part of our future viability. The ability to market our crop to a first tier end-user gives us some financial certainty in an uncertain industry. GAP certification provides a metric to convey to both Reynolds and to customers of Reynolds that we, as farmers, are producing the highest quality, most sustainable, most compliant tobacco in the world, and can prove it. Pride in tobacco is more than a slogan. For our farm, it's the way of doing business.”

**Brandon Batten**  
Flue-cured tobacco (RJRT) farmer, Four Oaks, NC



### HAPPY DIRT

Reynolds American Inc. donated \$100,000 to Second Harvest Food Bank of Northwest North Carolina, which was matched with another \$100,000 by the Reynolds American Foundation, to engage with Happy Dirt to collect, distribute, and market organic produce raised by NC farmers. This partnership allows current and former tobacco farmers to diversify and expand production, buffer and extend their growing season and significantly improve the sustainability of their farms, both economically and environmentally. The produce supports Second Harvest's distribution of fresh produce throughout Winston-Salem and the surrounding area to food pantries, other nonprofits and needy families.





## OUR SUPPLY CHAIN

### HUMAN RIGHTS

Labor practices, community relations, and human rights can pose significant risks in our supply chain, and our stakeholders are increasingly aware that managing these risks is crucial. In response to social concerns, we continue to implement community-focused initiatives that support environmental and socio-economic development.

100%

monitoring of farms for child labor

Zero

incidents of child labor in our U.S. tobacco supply chain



Learn more about the global BAT Group's Conflict Minerals reporting:

[CLICK HERE](#)

### FORCED LABOR PREVENTION

In response to the Uyghur Forced Labor Prevention Act, we have updated our import procedures to maintain compliance and ethical sourcing. All shipments originating from China are now subject to heightened customs inspections and scrutiny to keep our supply chain free from modern slavery practices.

### ECOVADIS SURVEY ASSESSMENTS

EcoVadis survey assessments enhance our sustainable supply chain management by evaluating suppliers across key areas such as environmental impact, labor practices, and ethics. It provides a detailed scorecard and benchmarks suppliers' performance, helping us to identify risks and opportunities for improvement.

### INTERTEK WORKING CONDITIONS ASSESSMENT

We conduct Intertek Working Conditions Assessment audits to uphold the highest standards of labor rights and ethical practices in our supply chain. These audits are essential for verifying compliance with legal and company-specific labor standards, focusing on key areas such as workplace safety, fair wages, and the prohibition of forced or child labor.

### RESPONSIBLE SOURCING OF MATERIALS

Electronic components of our Vapor products may contain tantalum, tin, and tungsten – materials that have been identified as potential 'Conflict Minerals' as defined by the U.S. Securities and Exchange Commission. The global BAT Group undertakes reasonable country-of-origin inquiries to determine whether any of these materials originated in the Democratic Republic of the Congo or an adjoining country or are from recycled or scrap sources.

“Reynolds American companies hold their suppliers to high ethical standards. Our auditing process, commitment to human rights, and focus on continuous improvement gives suppliers confidence that they are working with a partner who shares their values.”

**Andrew Knox**  
Senior Manager of ESG in Product Procurement within the Reynolds American organization



# Definitions

## CHILD LABOR<sup>7</sup>

Child labor is work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

## CIRCULAR ECONOMY

The circular economy is an economic model that is regenerative by design. The aim of this model is to retain the value of the circulating resources, products, parts and materials by creating a system with innovative business models that allow for renewability, long life, optimal (re)use, refurbishment, remanufacturing, recycling and biodegradation.

## CONVERSION

Change of natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.

## DECARBONIZATION

The process by which CO<sub>2</sub>e emissions associated with electricity, industry, and transport are reduced or eliminated.

## DEFORESTATION

Loss of natural forest as a result of i) conversion to agricultural or other non-forest land use; ii) conversion to a tree plantation; or iii) severe or sustained degradation.

## FOREST POSITIVE<sup>8</sup>

The conservation / reforestation program is considered Forest Positive when the area is at least 0.5 ha; selection of species is mainly aimed at maximizing biodiversity with native species; where applicable to the ecosystem selected, the trees planted should be able to reach 5m height and the canopy should be bigger than 10% of the planted area; and the planted area must be monitored at least one year after the planting date to verify survival rate of the site and the number of trees that survived since planting.

## GREENHOUSE GASES (GHG)<sup>8</sup>

Greenhouse gases are gases in the atmosphere such as water vapor, carbon dioxide, methane, and nitrous oxide that can absorb infrared radiation, trapping heat in the atmosphere. This greenhouse effect means that emissions of greenhouse gases due to human activity cause global warming.

## MANAGEMENT ROLES<sup>8</sup>

Management level employees include all employees at job grade 34 or above (excluding the Management Board), as well as any global graduates.

## MINORITIES<sup>8</sup>

Ethnic minorities include employees who share a race, color or national origin of American Indian or Alaskan Native, Asian or Pacific Islander, Black or African American, Hispanic, or two or more races.

## NATURE POSITIVE

According to The Nature Positive Initiative, 'Nature Positive' is a goal which refers to measurable outcomes that contribute to halting and reversing nature loss with significant benefits to society.

## RECYCLE-READY

Packaging that is intentionally designed and produced to enable recycling where infrastructure exists based on material choices and global guidance.

## RESPONSIBLE DISPOSAL

Disposal only when necessary, and then in a manner designed to minimise environmental impacts.

## RENEWABLE ENERGY<sup>8</sup>

Energy that is produced from sources that naturally replenish and do not run out, like the sun and wind. Adversely, nonrenewable energy is produced from finite sources that could get used up, such as fossil fuel-derived oil and coal.

## SCOPE 1 EMISSIONS<sup>8</sup>

All direct emissions within the operational control of an organisation.

## SCOPE 2 EMISSIONS<sup>8</sup>

Indirect emissions generated from purchased electricity, heat, steam or cooling.

## SCOPE 3 REPORTABLE (NON-BIOGENIC) EMISSIONS<sup>8</sup>

All other indirect emissions from sources such as business travel, waste management and the value chain.

## SMOKELESS

Smokeless products include Heated Products, Vapour Products, Modern Oral and Traditional Oral products. New Category brands include Heated Products, Vapour and Modern Oral products.

<sup>7</sup> [What is child labour | International Labour Organization](#)

<sup>8</sup> Indicates Reynolds American definition.

## FORWARD-LOOKING STATEMENTS

This summary contains certain forward-looking statements, including “forward-looking” statements made within the meaning of the U.S. 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 Sustainability targets.

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 summary 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. A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under

the headings “Cautionary Statement” and “Group Principal Risks” in the 2024 Annual Report and Form 20-F of British American Tobacco p.l.c. (BAT).

Additional information concerning these and other factors can be found in BAT’s filings with the U.S. Securities and Exchange Commission (SEC), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC’s website, <http://www.sec.gov> and BAT’s Annual Reports, which may be obtained free of charge from the BAT website [www.bat.com](http://www.bat.com).

Past performance is no guide to future performance. The forward-looking statements reflect knowledge and information available at the date of preparation of this report and BAT undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.





[www.ReynoldsAmerican.com](http://www.ReynoldsAmerican.com)

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