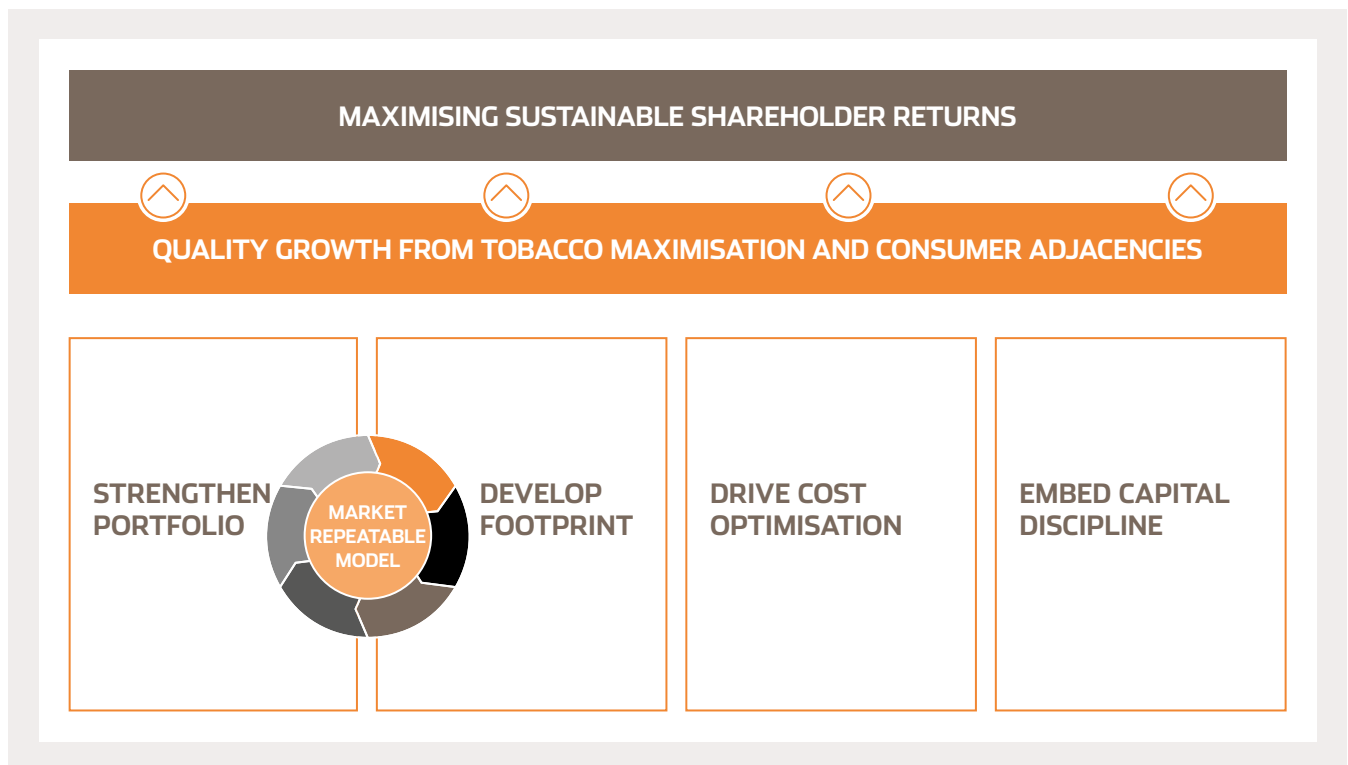


OUR STRATEGY AND BUSINESS MODEL

STRATEGY

Our strategy articulates how we create value for shareholders and is focused on driving performance in four key areas. We are strengthening our portfolio and developing our footprint by deploying our Market Repeatable Model, a structured 'go to market' framework for generating quality growth. Cost optimisation is about being more efficient and effective, and in focusing on cash generation and working capital management, we continue to embed capital discipline in the business. Aligning resource behind these strategic pillars enables us to make the most of growth opportunities in tobacco and consumer adjacencies, while ensuring we remain in a strong position to continue delivering sustainable returns to shareholders.



HOW WE SUPPORT GROWTH

STRONG GOVERNANCE

High standards of governance are critical to our success.

> [Turn to page 33](#)
for more information

ACTING RESPONSIBLY

Operating responsibly is integral to the way we do business.

> [Turn to page 29](#)
for more information

MANAGING RISK

We actively identify, manage and mitigate the risks facing our business.

> [Turn to page 42](#)
for more information

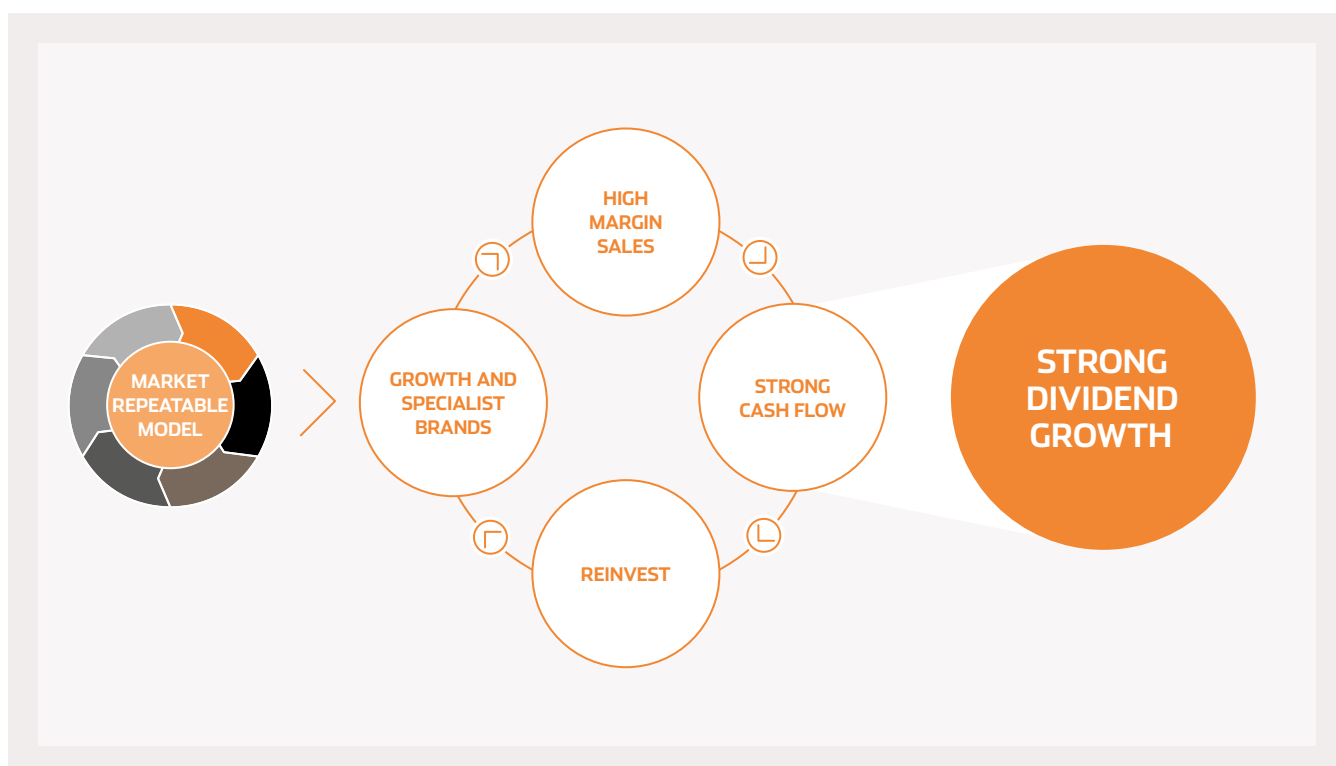
REWARDING SUCCESS

Our people are rewarded fairly and incentivised to deliver our strategy.

> [Turn to page 52](#)
for more information

BUSINESS MODEL

Our business model illustrates how we create value for shareholders. Consistently applying our Market Repeatable Model to our portfolio drives the performance of our Growth and Specialist Brands. This, combined with effective cost management, delivers quality sales with high operating margins and generates the strong cash flows that are a hallmark of our business. We use this cash to reinvest to support growth, pay down debt or return to shareholders through dividends, which we are committed to growing by at least 10 per cent a year over the medium term.



MARKET REPEATABLE MODEL

As part of the review of our strategy last year we affirmed the capabilities required for delivering long-term quality growth based on our experiences, successes and learnings in key markets. These capabilities were codified into our Market Repeatable Model (MRM) to create a simple, effective and consistent operating framework, building on the Sales Growth Drivers we had been using in the business for many years. All six elements of the MRM are applied together in markets to deliver quality growth across our brand and product portfolio, both in tobacco and related consumer adjacencies such as e-vapour. Find out more over the page.

MARKET REPEATABLE MODEL

Our Market Repeatable Model has become an integral component of our strategy, strengthening our ability to maximise the performance of our brands and markets. All six elements of the model are holistically applied to deliver quality market share growth.



SIMPLE MARKET FOCUSED PORTFOLIO



Our Market Repeatable Model starts with a simple market focused portfolio that is built around an optimal number of brands and stock keeping units that are aligned with consumer needs. Our strongest assets are our Growth and Specialist Brands and we focus on driving their performance to generate quality market share growth.

SUSTAINABLE BRAND INVESTMENTS



Our simple portfolios drive a sharper focus on investments, as the lack of complexity makes it easier to prioritise investment behind our Growth and Specialist Brands. We build brand equity through a regular drumbeat of targeted initiatives, including above-the-line and point of sale advertising and consumer activations to create brand awareness.

HONEST ACCURATE LEARNING



The final step of the model is about continuous improvement through honest and accurate learning. Markets measure their performance against agreed metrics and learnings are shared with the wider business. This includes being honest, both when things go well and when things do not turn out as planned, ensuring we build capabilities, improve together and continually optimise the model.

ALWAYS ON PRICE STRATEGY



The third element of this dynamic growth model is about the pricing of our brands. We make sure that all markets across our geographic footprint develop and implement a consistent pricing strategy for their portfolios and continually monitor our operating environment to ensure that the pricing of our brands remains competitive.

TAILOR CUSTOMER SOLUTIONS



In a continually evolving regulatory environment, retailers are an increasingly important part of the shopper brand purchasing experience. We focus on developing strong retail partnerships, creating tailored customer solutions that provide retailers with real commercial benefits and encourage them to become advocates for our brands.

CORE RANGE EVERYWHERE, ALL THE TIME



Ensuring the core range of our brands is always available is crucial for building consumer loyalty. We make sure that the right brands are available in the right outlets at all times. This targeting is enabled by the simplicity of our portfolios, which are welcomed by retailers as they have less complexity to deal with and enjoy lower working capital.