

OUR DISTINCTIVE APPROACH

The choices we make in running our business differentiate us from our global peers.

Consumer centricity

We put the consumer at the centre of our business with strong consumer insight guiding all our decision-making.

Local and international brands

Our differentiated brand portfolio means we offer consumers heritage brands with local provenance and international brands that have a broader geographic appeal.

Focus

We focus our investment on clear performance drivers in our five priority combustible markets and drive value from our broader market portfolio.

We are building our NGP business in markets where consumers have already expressed their preferences and where we already have established distribution.

Partnerships

Our partnership approach to innovation enables us to compete in multiple NGP categories with an agile response to changing market dynamics and fast product development.

OUR ASSETS

Our colleagues

Our colleagues are our most important asset. We have 25,000 committed and passionate employees who want to make a difference.

Our brands

Our portfolio of 160 brands provides enjoyment and pleasure for millions of adult consumers every day.

Our relationships

We have solid, trusted partnerships with stakeholders, including customers and suppliers across c.120 markets.

Our operations

We have a network of 27 manufacturing sites that source and process tobacco raw materials to provide high-quality products at lowest cost.

Our industry knowledge

Our deep knowledge of the tobacco and nicotine industry, including our consumer insights, helps us to operate responsibly in all our markets.

Our financial strength

We are able to raise prices to more than offset volume declines to deliver high margins and strong cash flows to invest and drive returns.

WHAT WE DO



ADULT CONSUMER INSIGHTS

We start with the consumer – and everything we do is based around a deep understanding of existing adult smokers and nicotine consumers. Our insights research is led by our Global Consumer Office and we unlock value by ensuring we offer our consumers the right product choices to meet their needs. These insights provide competitive advantage and inform our product offerings in both combustible tobacco and NGP.



SCIENCE & REGULATION

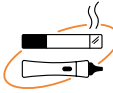
We use our know-how and smaller size to be agile in how we respond to regulatory changes. This is supported by our science and corporate affairs teams, who understand the regulatory environment in all our markets and ensure we operate responsibly and provide high-quality products compliant with local standards. We work to scientifically substantiate the harm reduction potential of all our NGP relative to cigarettes.



MARKETING & INNOVATION

Our marketing and innovation teams add value by using consumer insights to develop a portfolio of combustible tobacco and potentially reduced-harm products to engage and excite adult consumers. We use sales and marketing communications and innovation to differentiate our brands and meet evolving consumer needs, while at the same time ensuring our products are not marketed to youth.

STAKEHOLDER VALUE



Consumers

Millions of adults worldwide choose to enjoy our tobacco and next generation products. Meeting their expectations of quality and understanding their evolving requirements are vital for the long-term sustainable growth of our business.



Governments and regulators

Approaches to legislation vary significantly across geographies. We support reasonable regulation of tobacco and nicotine products and look to have constructive engagement with policymakers and regulators.



Colleagues

It is essential we create a supportive, safe and rewarding work environment to enable them to deliver our goals and develop their careers.



Investors

Our investors provide capital to the business and monitor management's allocation of that capital within the business.



Customers

We work closely with distributors, wholesalers and retailers to ensure our products are available to adult consumers in a diverse range of outlets worldwide. They play a crucial role in our business model.



Suppliers

We maintain strong relationships with our tobacco, non-tobacco materials (NTM) and NGP suppliers to help ensure sustainable supply and business continuity, underpinned by fair contract and payment terms.



For more information see pages 54-57.



SUSTAINABLE SOURCING

Our leaf purchasing teams work with a diverse and complex supply chain from smallholder farmers to multinational companies to procure high-quality leaf and nicotine for our products. Our procurement teams add value by responsibly meeting all our sourcing needs including leaf, nicotine and non-tobacco materials such as papers, filters and packaging, as well as the power and water we use to run our factories. Their decisions are guided by our ESG commitments.



EFFICIENT MANUFACTURING

Our manufacturing teams employ the latest production methods, working to the highest quality and product manufacturing standards. Our scale and knowledge are competitive strengths, enabling us to supply quality products at lowest cost. Where appropriate, for example with NGP devices, we use third-party manufacturers with the technical expertise to deliver high-quality products. We also use third-party logistics companies to distribute our products.



STRONG RETAIL PARTNERSHIPS

We sell our products to our customers. Our sales and marketing teams have built strong partnerships with them through sales force coverage, retailer incentivisation and point-of-sale advertising, where appropriate. We understand their needs and help them to navigate the changing regulatory environment. Our goal is to deliver mutually attractive commercial arrangements that support growth and value creation for our retailer, wholesaler and distributor customers.