

BAT's commitment to responsible vaping products

October 2024

Introduction

At BAT, we have set ourselves the aim to Build a Smokeless World by actively migrating smokers from cigarettes to smokeless products.

Under our flagship global Vuse brand, our vapour products are playing a major role in providing smokers, who would otherwise continue smoking, with a reduced risk*† alternative to cigarettes. But as the popularity of vapour products as a reduced-risk alternative has grown, stakeholders have raised a number of concerns, ranging from underage access and appeal to product safety and environmental impact. These concerns have been fuelled by the market being saturated with illicit products that evade regulation and are often marketed to minors.

In some cases, regulators have reacted to these concerns by applying extreme regulation to the entire vapour category, restricting or preventing adult smokers and nicotine users from accessing responsible manufacturers' legal products.

We don't believe progress can be made on Tobacco Harm Reduction unless responsible manufacturers address stakeholder concerns. We want to do this while also being responsive to the needs of our consumer.

New industry-leading ambitions

To demonstrate our resolve on these issues, we have taken the lead by setting out a series of new, cutting-edge ambitions for our vapour devices which are intended to address some of the most pressing societal concerns. These involve evidence-based solutions that are intended to address legitimate concerns about vapour products while ensuring that our reduced-risk products continue to be available, accessible and enjoyable for adult consumers.

In setting these ambitions, we are striving to:

- **Prevent underage access, appeal and accidental use**, by adopting age-gating technologies and accidental use restriction features, and ensuring device features, e-liquid flavours, packaging and marketing are designed for adults.
- **Enhance product safety** through assessment of ingredients, materials and emissions.
- **Improve the circularity of our devices**, by incorporating removeable batteries.
- **Support an effectively regulated marketplace**, by advocating for enforcement of regulation and strong penalties for non-compliance.

At BAT, we continue to take our responsibilities seriously. We will consider further ambitions, taking account of the impact of our existing targets, the latest scientific evidence and technological advancements that might be incorporated into our product offerings.

* 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, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance

Scope:

This document covers BAT's **nicotine-containing vapour products** and aims to address societal concerns grouped under the following areas:

Underage access prevention 	Restricting underage appeal 	Product Stewardship 	Environment 	Enforcement 
<ul style="list-style-type: none"> • Age Verification Technologies • Accidental Access Prevention 	<ul style="list-style-type: none"> • Flavours • Flavour Naming Conventions • Design, Packaging and Labelling • Responsible Marketing • Responsible Use of Technology 	<ul style="list-style-type: none"> • E-liquid Ingredients • Materials • Toxicant Emissions • Volume & Nicotine Limits 	<ul style="list-style-type: none"> • Batteries 	<ul style="list-style-type: none"> • Penalties and Sanctions



Underage access prevention

Age Verification Technologies

GOAL:

Minimise underage use of BAT vapour products through the adoption of on-device age verification technologies, whilst maintaining appeal and convenient access for adult consumers.

Our target is to phase in age verification technologies over the next five years, subject to local constraints (e.g., technology and infrastructure availability, regulatory authorisation, etc.).

- As of Q2 2024, we have commenced in-market assessments of age verification technologies in several major vapour markets.
- By the end of 2026, our target is to offer at least one vapour system with age verification technology in markets that collectively make up at least 80% of our global net turnover for vapour products.

Where age verification technologies involve collection of consumer product usage data that data will be processed in accordance with applicable data protection laws, regulations and relevant BAT policies and procedures.

Accidental Access Prevention

GOAL:

Minimise accidental underage access or use of BAT vapour devices.

Our target is to incorporate accidental access prevention features to help prevent unintended activation by underaged individuals on every new vapour device launched from Q1 2025, subject to local regulatory requirements and market constraints.



Restricting underage appeal

Flavours

GOAL:

Ensure a focused portfolio of flavours that do not predominantly appeal to the underaged, and are developed to appeal to adult smokers and nicotine users.

We do not sell dessert, candy, energy drink, soft drink, and alcohol-like flavoured e-liquids that predominantly appeal to the underaged.

At the same time, we believe that the availability of a range of adult-relevant flavours plays an important role in supporting smokers, who would otherwise continue to smoke cigarettes, to switch to vapour products.

Responsible Marketing

GOAL:

Ensure that our marketing is responsible, accurate and targeted to adult consumers.

We market our vapour products in accordance with local laws and BAT's Responsible Marketing Principles and Responsible Marketing Code.

Flavour Naming Conventions

GOAL:

Ensure product names and descriptors are developed for adult smokers and nicotine consumers and appropriately describe the product flavour.

We shall exclusively manufacture vapour products with factual-style descriptors, unless local laws and regulations require otherwise. This process of transitioning the design and manufacturing of updated descriptors for our vapour portfolio shall commence immediately and will be complete by the end of Q2 2025.

Responsible use of Technology

GOAL:

Ensure our use of new technologies does not facilitate underage access, make products predominantly appealing to the underaged or create safety concerns.

We review emerging technologies prior to adoption to ensure their potential use meets our quality and standards and does not promote underage access or appeal. Our review includes evaluating the suitability of emerging technologies for:

- Restricting underage access and use;
- Restricting accidental use;
- Reducing environmental impact;
- Furthering tobacco harm reduction (THR);
- Improving consumer experience; and
- Ensuring compliance with applicable data protection laws, regulations and relevant BAT policies and procedures.

Design, Packaging and Labelling

GOAL:

Ensure product appearance and packaging are designed for adult consumers and do not predominantly appeal to the underaged.

We design our vapour products to ensure:

- Hardware, software, consumables and packaging conform with local regulations, safety standards, BAT ESG standards, and do not predominantly appeal to the underaged; and
- The use of colours in our product design and packaging is adult oriented.



Product Stewardship

Volume and Nicotine Limits

GOAL:

Ensure our vapour products meet the preferences of adult smokers and provide a viable alternative to cigarettes while maintaining appropriate nicotine and fill limits.

In the absence of local laws, or regulatory authorisations, we will ensure our vapour products maintain appropriate nicotine and fill level limits that are relevant to adult consumers and encourage switching and responsible consumption.

- We limit the tank and cartridges volume of our vapour products to 15ml;
- We limit the refill bottles volume to 10ml; and
- We limit e-liquid nicotine concentration to a maximum of 60mg/ml.

E-liquid Ingredients

GOAL:

Ensure the use of quality ingredients that meet or exceed consumer safety requirements.

All e-liquid ingredients (excluding nicotine) undergo toxicological risk assessment using state-of-the-art scientific methodology. Specific ingredients are excluded based on assessment of associated toxicological hazards, regulatory acceptability, and compliance with country-specific regulatory requirements such as ingredient exclusion lists.

Our trained toxicologists and compliance specialists assess the suitability of ingredients by ensuring that:

- All proposed ingredients are assessed for their suitability for use in our vapour products;
- The ingredients selected for our products, at the levels included in e-liquids, are not expected to cause acute or chronic risk to consumers;
- Only high-quality ingredient, such as food or pharmacopeial grade are used in e-liquids;
- We comply with country-specific regulatory requirements and, where applicable, abiding by authoritative external ingredient exclusion lists;
- Our e-liquids are manufactured following recognized quality standards (e.g., ISO 9001); and
- Our final products are tested in appropriately accredited laboratories against rigorous standards.

Materials

GOAL:

Reduce potential toxicological risks that may be posed to consumers by critical component materials.

We assess critical component materials used in electronic devices, particularly those in direct contact with consumers, for their potential to form compounds of toxicological concern in aerosols inhaled by consumers. We currently exclude no less than 100 such materials and will proactively encourage similar approaches, as a minimum, in the marketplace by other operators.

Our trained toxicologists assess the suitability of critical component materials by:

- Evaluating materials proposed to be used, to assess toxicity;
- Ensuring compliance with country-specific regulatory requirements;
- Where relevant, abiding by authoritative external material exclusion lists; and
- Ensuring our products are tested in appropriately accredited laboratories against our rigorous standards.

Toxicant Emissions

GOAL:

Reduce the potential toxicological risk that may be posed to consumers by product emissions.

We aim to **limit consumer exposure to toxicant emissions**, including heavy metals and carbonyls, by:

- Analysing and assessing vapour product emissions;
- Adopting evidence-based exposure limits, consistent with applicable country-specific regulations;
- Ensuring our products are tested in appropriately accredited laboratories; and
- Ensuring overall numbers and quantities of cigarette smoke toxicants in vapour aerosol are significantly lower.

Our toxicant emissions assessment includes testing of the aerosol produced when vapourising a representative flavoured e-liquid at all nicotine levels available, using the maximum power of our device portfolio. Testing in this way reduces the likelihood that other e-liquid variants and device combinations will produce emissions of higher toxicological concern.



Environment

Batteries

GOAL:

Improve environmental sustainability by enhancing the circularity of our vapour device lifecycle.

Our target is to phase in removable batteries across our vapour product portfolio over the next five years, subject to local regulatory requirements and market constraints.

Rechargeable Closed System (RCS)

- From Q4 2024, our target is for all new RCS devices launched to have removable batteries; and
- By the end of Q1 2026, our target is for all RCS devices manufactured by BAT to have removable batteries.

Disposable devices

- By Q4 2024, at least one disposable line in every applicable market will include a removable battery;
- By the end of 2026, our target is for 100% of disposable devices placed on the EU market to include removable batteries – ahead of the timescale required by the EU;
- By the end of 2027, our target is for 75% of our disposable volume across the BAT Group to include removable batteries; and
- By the end of 2029, our target is for 100% of our disposable volume across the BAT Group to include removable batteries.

In markets where incorporation of removable batteries is not possible due to local constraints (e.g., regulatory authorisation), our target is for all RCS and disposable vapour products to be subject to battery recycling or take back programmes by the end of 2029.



Enforcement

Penalties and Sanctions

GOAL:

Effective penalty and sanctions regimes accompanied by effective enforcement to ensure only legally compliant products are placed on the market and to help address societal concerns on safety and underage access and use.

We will support and campaign for strict penalties and sanctions for those involved in the sale and supply of vapour products to the underage; those that do not comply with consumer safety requirements; and/or those that have not paid applicable customs and duties.



Important Information

References in this publication to 'British American Tobacco', 'BAT', 'Group', 'we', 'us' and 'our' when denoting opinion refer to British American Tobacco p.l.c. and when denoting business activity refer to British American Tobacco p.l.c. and its subsidiaries, collectively or individually as the case may be, as well as in some circumstances those who work for them. When denoting business activity these collective expressions are used for ease of reference only and do not imply any other relationship between British American Tobacco p.l.c. and its subsidiaries. The companies in which British American Tobacco p.l.c. directly and indirectly has an interest are separate and distinct legal entities.

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The information in this publication contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In particular, these forward-looking statements include, among other statements, statements regarding the Group's goals and targets relating to (i) underage access prevention, (ii) restricting underage appeal, (iii) product stewardship, (iv) environment and (v) enforcement.

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 the information 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", "Group Principal Risks" and "Group Risk Factors" in the 2023 Annual Report and Accounts and Form 20-F of BAT (2023 20-F). 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 2023 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 the British American Tobacco website, <http://www.bat.com>.