

U.S. Adult Vapor Consumers Prefer Innovative Brands Committed To Sustainability And To Reducing Their Environmental Footprint

Recent poll: Three out of four adult vapor consumers consider a brand's environmental impact important

Vuse vapor brand leading the way: Vuse's carbon neutrality was certified by BAT's sustainability partner, Vertis, in May 2021 as a world-first global vape brand achievement

Illustrates how BAT is working towards building A Better Tomorrow™



WINSTON-SALEM, N.C., July 22, 2021 /PRNewswire/ -- A new poll conducted by Reynolds indicates adult (age 21+) vapor consumers prefer brands committed to sustainability and reducing their environmental footprint.

The research¹, conducted on behalf of BAT Group's independent U.S. subsidiary, R.J. Reynolds Vapor Company (Reynolds) found that nearly half (46%) of consumers said they would prefer using a vapor product from a company that was successful in becoming carbon neutral. A brand's environmental priorities and impact are increasingly important to consumers in considering their purchasing choices, with nearly a third of consumers broadly viewing a

brand more favourably based on their environmental initiatives.

Vuse, a leading alternative product to combustible cigarettes, was the first global vapor brand recently validated as carbon neutral by Vertis, which based its validation on product Life Cycle Assessment data provided by an independent third party. This world-first achievement for a global vapor brand is a significant contribution to BAT's ambitious climate targets, which include carbon neutrality across its own operations by 2030.

Vuse's carbon neutrality status and ambition to increase sea freight is part of a bigger ambition to become an environmentally sustainable vape brand with initiatives including:

- An **ambition to transport the majority of international shipments by sea** by the end of 2022 and 100% of its consumable pods by end of 2023.
- A **global device and pod collection scheme** - through the Drop the Pod campaign, approximately 200k pods were collected since the start of the pilot in 2020
- **Cutting single use plastics from packaging** - *Cut the Wrap* has saved 100 tonnes of plastic or the equivalent of four million plastic bottles in 2020²

BAT's sustainability efforts and commitment have received notable independent recognition. These include inclusion in the Dow Jones Sustainability Indices for 19 consecutive years (the only tobacco company to be listed in the prestigious World Index in 2020), a MSCI rating of BBB and CDP A List status for climate change.

Notes for Editors

On May 18, 2021, BAT announced it had been named a 2021 Climate Leader by the Financial Times in an inaugural European ranking. FT Europe Climate Leaders 2021 recognizes the top 300 of more than 4,000 companies assessed across Europe that have achieved the highest reduction in core greenhouse gas emissions in relation to revenues for the period between 2014 and 2019.

Vuse's carbon neutrality has been achieved by carbon offsets through reforestation projects. This includes a project in Uruguay to plant trees across 21,298 hectares, where intensive cattle grazing has eroded soil and degraded land. As well as removing carbon dioxide and delivering better soil quality and biodiversity, the project will also result in increased availability and quality of employment opportunities.

Globally, BAT's efforts were recently recognized by the Financial Times in May 2021m which named the company a 2021 Climate Leader in the inaugural European ranking. FT Europe Climate Leaders 2021 recognizes the top 300 of more than 4,000 companies assessed across Europe that have achieved the highest reduction in core greenhouse gas emissions in relation to revenues for the period between 2014 and 2019.

BAT is committed to its purpose of building A Better Tomorrow™ by reducing the health impact of its business through providing a range of enjoyable and potentially less risky products.

About Vuse and R.J. Reynolds Vapor Company:

The Vuse brand combines tobacco expertise with innovative technology to provide adult vapor consumers with alternatives to traditional tobacco products. Vuse products are marketed in the United States by R.J. Reynolds Vapor Company (RJRVC), an operating company of Reynolds American Inc., a member of the British American Tobacco Group. RJRVC remains committed to responsibly marketing Vuse products. To learn more about R.J. Reynolds Vapor Company, visit www.rjrvapor.com. To learn more about Vuse products, visit vusevapor.com.

¹ Reynolds American. (2021). Reynolds Sustainability Polling Presentation. Morning Consult.

² Plastic saving per annum was calculated from 2020 global sales volumes and the plastic bottles comparison was based on a 22.9g bottle weight, representative weight of 500ml commercially available soft drink bottles (May 2020). Results have been verified by an independent body.

<https://rjvapor.thecampaignroom.com/news-releases?item=122406>