Integrated
Annual Report 2025

British American Tobacco Bangladesh Company Limited

BUILDING
A BETTER TOMORROW



top EMPLOYER বাংলাদেশ BANGLADESH 2026
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

BAT BANGLADESH



BUILDING
A BETTER TOMORROW

Building on a proud legacy of over 115 years in Bangladesh, BAT Bangladesh continued to demonstrate its enduring presence and commitment to the nation. In 2025, the business faced a challenging environment, which impacted on overall financial performance. While the results did not meet expectations, the Company remained a significant contributor to the national exchequer and the broader economy, reflecting its continued resilience and long-term commitment to the country.

The operating environment shifted sharply at the start of 2025. An exceptional increase in excise duty in January materially reshaped the industry landscape, placing immediate pressure on margins and significantly impacting profitability. The scale and timing of this change marked one of the most challenging periods in the Company's recent history.

Alongside these external pressures, the Company underwent a major organizational transition. Following the non-renewal of the lease on its long-established corporate office after more than six decades, the Company was required to vacate the premises. This transition led to the relocation of manufacturing operations to the Company's existing Savar facility and the relocation of the Head Office to a temporary workplace. Executing this shift—one of the most complex organizational undertakings in the Company's history—required careful coordination to ensure business continuity, compliance, and operational stability.

These changes were made possible by the extraordinary commitment of employees across the organization. The successful operation of Savar as the Company's sole manufacturing facility strengthened the operational foundation of the business during a period of significant disruption.

While fiscal pressures continued to weigh on performance in 2025, management remained focused on stabilizing the business, improving efficiency, and adapting to a materially changed operating environment. The Company's response has been guided by experience, discipline, and a clear focus on long-term value.

Progress is not always linear. Some years test resilience more than growth. Yet strengthened by transformation and driven by its people, the Company moves forward with determination, committed to restoring performance and building a more resilient future.

Because true strength is defined not by ease, but by the ability to rise through change.


SAVAR
FACTORY
BAT
BANGLADESH



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WELCOME NOTE

On behalf of the Board of Directors, the Company presents its Annual Report for the year ended 31st December 2025 to our valued shareholders and stakeholders. This report provides a transparent and comprehensive overview of the Company's performance, strategic priorities, governance framework, and approach to long-term value creation.

Prepared in accordance with applicable statutory requirements and the International Integrated Reporting Framework overseen by the IFRS Foundation, the report reflects the Company's commitment to achieving sustainable success while upholding the rights and interests of our shareholders. Guided by the core values of BAT, the Company continues to strengthen governance practices and operational excellence, supporting responsible business conduct and the consistent delivery of value to stakeholders.

ABOUT THIS REPORT

As we mark our 115 years of uninterrupted operations in Bangladesh, we recognize that long-term value creation remains an ongoing process. While we continue to advance our sustainability agenda, we remain focused on reviewing and refining our strategy and priority areas to maintain alignment with evolving operating conditions, national development goals, and the Government's vision for a transformed Bangladesh.

This Annual Report outlines our progress in executing sustainable business strategy supported by global best practices in corporate governance, human capital development, farmers' livelihood enhancement, social responsibility, and climate action. We continue to prioritize the development of a skilled and resilient workforce through award-winning workforce transformation programmes, including initiatives that have received recognition within Bangladesh's corporate landscape.

The Report also highlights our continued focus on climate leadership, including our commitment to achieving future carbon neutrality in Scope 1 and Scope 2 greenhouse gas emissions, manufacturing footprint, logistics, and distribution network.

Guided by our stated purpose of building **"A Better Tomorrow,"** we continue to support Bangladesh's economic development through responsible business operations, seeking to deliver sustainable returns to shareholders while appropriately considering the interests of other stakeholders.

REPORT PROFILE

The primary objective of this Annual Report is to provide a balanced, coherent, and accurate account of our strategy, operations, governance framework, ESG performance, financial stewardship, regulatory compliance, and forward-looking considerations. While the Report is principally designed to meet the information needs of shareholders and investors reflecting our unwavering respect for shareholder rights, it also aims to provide valuable insights to a broader group of stakeholders.

The Report covers the operations of British American Tobacco Bangladesh for the financial year from **1st January 2025 to 31st December 2025.**

INTEGRATED THINKING AND REPORTING CYCLE

The adoption of the International Integrated Reporting Framework and integrated thinking principles informs our approach to strategic planning, operational execution, and performance reporting. By embedding sustainability considerations within our evolving strategy, integrated reporting has enabled a more connected, disciplined, and forward-looking assessment of value creation, aligned with long-term business objectives.

This approach enables us to identify and manage the factors that have the most significant influence on long-term value creation, while strengthening accountability across the six capitals. By providing a clear and consistent view of value creation over the short, medium, and long term, this framework supports informed decision-making and effective risk management.

Oversight of the integrated reporting process rests with the Board Audit Committee, supported by robust internal control systems and internal and external audit mechanisms. These processes ensure the integrity, accuracy, and reliability of disclosures. Additional external assurance is obtained, where appropriate, from regulators, government authorities, and professional bodies.

Our corporate governance framework—overseen by the Board and Leadership team—provides the foundation of this Report. It reflects our continued focus on governance effectiveness, ethical conduct, and performance with integrity, aligned with the values of BAT Bangladesh.

CAUTIONARY STATEMENT

The objective of the information in this Annual Report is to provide information about BAT Bangladesh to shareholders and is not for purposes for advertising or promoting or marketing out tobacco products. Our products are sold in compliance with the laws of Bangladesh therefore this information does not constitute and should not be interpreted as an offer to sell, or solicitation of an offer to buy any of our tobacco products.

BATB or BATBC only represents the British American Tobacco Bangladesh and information presented does not have any alliance or presentation of the BAT Group.

INTEGRATED ASSURANCE

We apply a blended assurance model designed to support the integrity, reliability, and transparency of information disclosed to shareholders, regulators, and other stakeholders:

- ***Management***, led by the Managing Director and Leadership team, designs and implements robust internal control systems to identify, assess, and manage risks and safeguard operations in accordance with Board-approved policies and procedures.
- The ***Internal Audit*** function delivers continuous, risk-based assurance on the effectiveness of internal control, while the External Audit function conducts an independent assessment of the accuracy of financial reporting and the adequacy of related internal controls.
- ***M/s A. Qasem & CO, Chartered Accountants,*** serves as the Company's Independent Auditors and provide assurance on the financial statements.
- ***Mohammad Sanaullah and Associates, Chartered Secretaries,*** acts as the Compliance Auditors, reviewing governance and compliance with applicable legal and regulatory requirements.

Other than those arising in a professional capacity, the Board and Leadership team maintain no relationships with external assurance providers, preserving independence and objectivity.

INFORMATION ASSURANCE

Our approach to reporting is guided by 6 fundamental "Cs": Cogency, Completeness, Comparability, Consistency, Clarity and Credibility. These principles ensure that this Report serves as a comprehensive, reliable and forward-looking representation of our performance and priorities.

COGENCY

A disciplined approach to analyzing, synthesizing, and presenting material information clearly and logically.

COMPARABILITY

A structured assessment of performance across current and prior reporting periods, enabling stakeholders to evaluate progress, challenges, and our approach to sustainable value creation.

CLARITY

Use of concise, accessible language supported by appropriately designed visual elements to enhance readability and understanding.



COMPLETENESS

Inclusion of significant impacts, external influences, and comprehensive sustainability initiatives relevant to our operations.

CONSISTENCY

Alignment of disclosed information with internal controls to ensure reliability and verifiability.

CREDIBILITY

Disclosure of financial and governance information validated by independent, professionally accredited external assurance providers.

MATERIALITY

The content of our Integrated Report is determined through a structured materiality assessment process. It evaluates key risks, opportunities, and emerging trends relevant to our management of the six capitals. By applying this disciplined approach, we seek to support long-term value creation and preservation, enhance governance and operational effectiveness, and manage potential sources of value erosion. The process is designed to provide shareholders and other stakeholders with transparent, decision-useful information, while maintaining alignment with applicable regulatory requirements.

CAUTIONARY STATEMENT

The purpose of the information contained in this Annual Report is to provide factual disclosures regarding BAT Bangladesh for the information of shareholders. The content is not intended, and should not be construed, as advertising, promotion, or marketing of tobacco products. Our products are sold in accordance with applicable laws and regulations in Bangladesh. Accordingly, nothing in this Report constitutes, or should be interpreted as, an offer to sell, or a solicitation of an offer to buy any of our tobacco products. BATB or BATBC only represents British American Tobacco Bangladesh, and information presented in this Report does not imply an alliance, partnership, or representation on behalf of the BAT Group beyond this scope.

ABOUT US

British American Tobacco Bangladesh Company Limited, being one of the country's most prestigious and esteemed corporate entities, has a proud legacy spanning over 115 years. As the largest contributor to the national exchequer and a key driver of the rural agricultural economy, the Company continues to play a vital role in Bangladesh's socio-economic development, creating impact that is both far-reaching and enduring.

A LEGACY OF VALUE CREATION

Established in 1910 as Imperial Tobacco, the Company has undergone several transitions reflecting changes in the national and global operating environment. Renamed Bangladesh Tobacco Company in 1972, and later British American Tobacco Bangladesh in 1998, the Company aligned its governance and operational standards with those of the British American Tobacco Group. Throughout its journey, BAT Bangladesh has focused on maintaining operational resilience, compliance, and long-term value creation.

A LEGACY OF VALUE SUSTENANCE

BAT Bangladesh's strategy integrates sustainability considerations across its value chain through meaningful citizenship initiatives and sustainable business practices. These considerations lie at the heart of the Company's operating philosophy and support a consistent approach to stakeholder engagement and long-term business priorities.

The Company's performance is supported by robust business fundamentals, a skilled and diverse workforce, a well-balanced product portfolio, an extensive distribution network, and long-standing commercial partnerships with registered farmers. Together, these factors support the Company's strategic execution and mitigate operational and supply-chain risks.

OUR PEOPLE, PARTNERS, AND PURPOSE

Our operating approach emphasizes an inclusive corporate identity that respects workforce diversity, upholds the rights and expectations of our shareholders, and recognizes the innovation and resilience of our farmer partners. We conduct our activities in a manner consistent with national priorities and regulatory expectations. Within this framework, sustainable growth is addressed as a function of long-term business viability, operational discipline, and effective stakeholder engagement, extending beyond short-term financial performance.

OUR BELIEFS

BAT Bangladesh is a domestically incorporated, publicly listed company operating within a comprehensive legal and regulatory framework. Our activities are governed by established policies, internal control systems, and governance structures designed to support responsible business conduct, accountability, and operational oversight. Compliance with ethical standards, regulatory obligations, and disclosure requirements guides transparent engagement with our shareholders and stakeholders.

With more than a century of operating experience, we are embarking on a transformative journey guided by our values and a clear sense of purpose—to create lasting positive impact and a better future for all.

OUR EVOLVED STRATEGY

In response to an increasingly dynamic operating environment, BAT has updated its strategic direction to reinforce long-term resilience and sustainable value creation. The BAT Group's renewed vision and purpose, including changes to its corporate identity and brand design, reflect an ongoing strategic review focused on innovation, governance discipline, and responsible business practices.

Inspired by this transformation and aligned with Group-level strategic direction, BAT Bangladesh has embraced a refreshed vision and commitment, reinforcing its ambition to lead a meaningful and inclusive transformation for all stakeholders while upholding the core values that define the Company.

SECURING A BETTER TOMORROW FOR OUR STAKEHOLDERS

Our long-term objective is to contribute to societal progress by enabling sustainable transformation across our operating ecosystem. We take immense pride in our legacy and remain resolute in executing our growth-

oriented manifesto, anchored in best-in-class practices, governance standards, and operational controls.

Sustainability forms an integral component of our strategic planning and operational decision-making processes. Guided by well-established Environmental, Social, and Governance (ESG) practices, these efforts are directed toward safeguarding shareholder interests, supporting stakeholder engagement, and contributing to national development priorities.

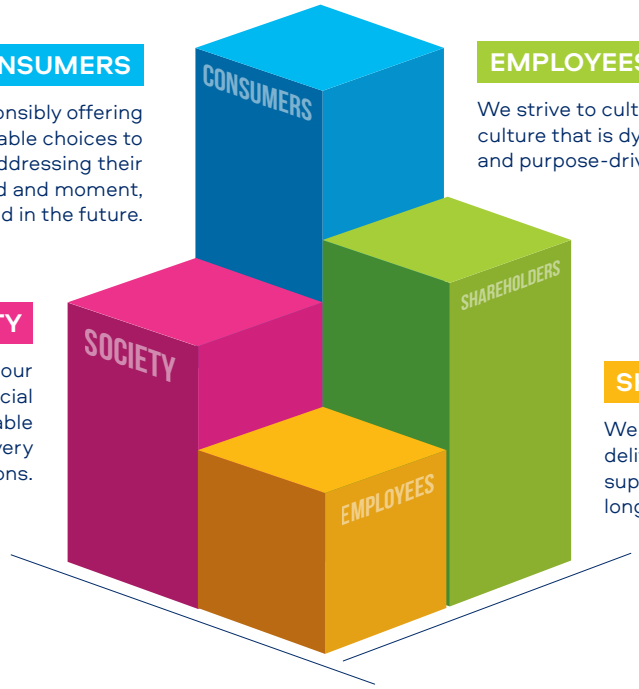
STAKEHOLDER IMPACT

CONSUMERS

We are committed to responsibly offering a diverse array of enjoyable choices to our adult consumers, addressing their needs across every mood and moment, both now and in the future.

SOCIETY

Our mission is to amplify our positive environmental and social impacts by embedding sustainable and responsible practices at every level of our operations.



EMPLOYEES

We strive to cultivate a workplace culture that is dynamic, inspiring, and purpose-driven.

SHAREHOLDERS

We are dedicated to delivering sustainable and superior returns, ensuring long-term value creation.

BAT BANGLADESH'S SAPLING DISTRIBUTION INITIATIVE

45 YEARS OF BONAYAN

Launched in 1980, BAT Bangladesh's sapling distribution initiative is one of the country's largest private sector-driven programs aimed at combating the effects of climate change and driving environmental stewardship. Over the past 45 years, the program has distributed more than 130 million saplings free of cost nationwide to help restore ecological balance, empower farmers with sustainable fuelwood sources and advance the country's sustainable development goals.

Supported by 19 nurseries nationwide, the initiative cultivates a diverse array of timber, fruit, and medicinal plants. Its beneficiaries span farmers, local community leaders, and a wide range of public and private institutions. The program also champions the creation of community medicinal gardens, enriching local biodiversity; to date, approximately 119 such gardens have been established throughout Bangladesh.

As a flagship community endeavor for BAT Bangladesh, the initiative has delivered transformative projects in key locations, including plantations at the Rohingya refugee camp in Ukhiya, along the Kushtia-Jashore highway, the Rajshahi City bypass road, Jamuna Bridge approach road, and the Shah Amanat International Airport premises in Chattogram, among others.

This acclaimed program has earned widespread recognition, receiving five Prime Minister's National Awards for Afforestation 5 times, the Chief Advisor's Award, and the prestigious SDG Award-testament to its enduring impact and commitment to a greener future.



Project Nursery at Chattogram



Project site at Bandarban



Sapling distribution at Jhenaidah



Farmer planting a sapling



Medicinal garden at Kushtia



Project site at Lama

To learn more, kindly visit: www.batbangladesh.com/investors-and-reporting/sustainability-reporting

Our Journey...

1910
Journey started as Imperial Tobacco

1947
New identity as Pakistan Tobacco Company (PTC)

1949
First factory of BATB in Fauzderhat, Chittagong



1972
New identity as Bangladesh Tobacco Company (BTC)



1977
Enlisted in Dhaka Stock Exchange



1996
Enlisted in Chittagong Stock Exchange

1998
Revamped identity aligned with BAT group

BRITISH AMERICAN TOBACCO BANGLADESH

100 years
A Legacy of Excellence

2010
Celebrated centenary

115 YEARS OF BAT BANGLADESH

1965
Established Dhaka Factory in Mohakhali DOHS

1985
First leaf export

1995
Established GLTP in Kushtia

2018
First Finished Goods export

2020
Started journey with an evolved identity

2021
Established new factory in Savar

2023
Became lead market of APMEA* Central

2026
Transition to new Head Office

*Asia Pacific Middle East Africa Region

OUR BRANDS

Our business ethos is grounded in responsibility and respect for individual choice, with a focus on meeting the preferences of informed adult consumers, rather than encouraging new or increased consumption. This philosophy underscores our commitment to delivering superior quality products, reinforced by our global reputation.

Our established portfolio includes Benson & Hedges, John Player Gold Leaf, John Player Series, Capstan, Lucky Strike, Star, Royals, Derby, Pilot, and Hollywood. Strategically positioned across four distinct segments of the Bangladesh cigarette market, these brands reflect a disciplined and comprehensive approach to market presence and adult consumer engagement.

BENSON & HEDGES

Benson & Hedges has been the preeminent premium tobacco brand in the country since its debut in 1997 with the launch of B&H Special Filter. Over the years, the brand has led the premium tobacco segment, steadily expanding its product portfolio with a diverse range of offerings. From launching the market's first-ever capsule product, B&H Switch, in 2012, to introducing the first tube-filter product in the premium segment, B&H Platinum, in 2018, the brand has consistently delivered differentiated solutions.

In 2022, the launch of Alchemy Series-- featuring two new SKUs: Alchemy 7mg and Alchemy Mix1-- marked another milestone with the introduction of the first double-capsule product and round-corner packs. This further exemplifies Benson & Hedges' position as a pioneer in the premium tobacco market. Through these strategic innovations, Benson & Hedges continues to set the benchmark for quality, sophistication, and leadership in the premium segment.



BENSON & HEDGES

JOHN PLAYER GOLD LEAF, JOHN PLAYER SERIES AND CAPSTAN

John Player Gold Leaf, John Player Series, and Capstan are strategically positioned within the Aspirational Premium segment. Introduced in 1980 as the first international tobacco brand in Bangladesh, John Player Gold Leaf has consistently maintained its leadership position in this segment, supported by its enduring brand appeal.

In 2020, the innovative legacy of John Player, the founder of Gold Leaf cigarettes, was further strengthened with the introduction of John Player Series, marked by the launch of two forward-looking variants: John Player Switch and John Player Special. These offerings reflect the brand's ongoing commitment to responding to evolving adult consumer preferences and reinforcing its position within the premium segment. Through these strategic initiatives, John Player Gold Leaf, John Player Series, and Capstan continue to contribute to the development of the Aspirational Premium segment while upholding established standards of quality and brand equity.



JOHN PLAYER GOLD LEAF John Player CAPSTAN

LUCKY STRIKE

Lucky Strike, one of the most iconic international brands within the BAT group, has been associated with significant moments in history and popular culture since its inception in 1871, during the height of the California Gold Rush. Over time, the brand has become a symbol of passion among discerning adult consumers in more than 80 countries, including Germany, Indonesia, Spain, Japan, and Argentina. In 2021, Lucky Strike was introduced to the Bangladesh market and is currently available in four distinct variants.

Building on its rich heritage and global appeal, Lucky Strike continues to captivate adult consumers with its unique offerings and a strong, enduring brand identity.

STAR

Star, strategically positioned within the Value for Money (VFM) segment, has been a trusted brand since its launch in 1964, with a long-standing heritage of meeting consumer needs at an affordable price point. The launch of STAR Switch in late 2022 marked a pivotal step in the brand's evolution, introducing a broader range of offerings tailored to evolving consumer preferences.

This strategic expansion underscores Star's commitment to delivering quality and value, reinforcing its position as a preferred choice among discerning consumers.



ROYALS

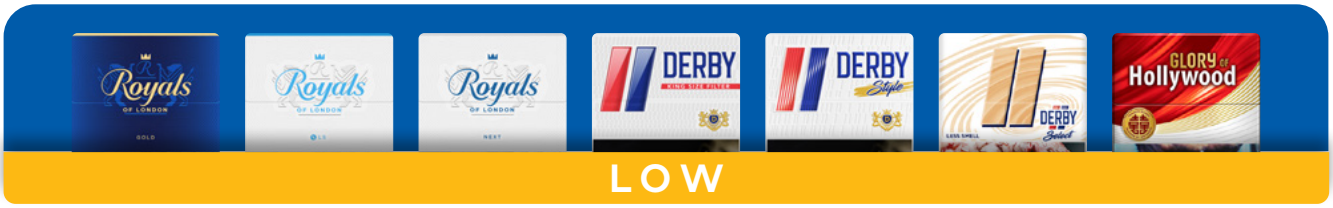
Royals was introduced in July 2019 with three variants: Royals Gold, Royals NEXT, and Royals LS. In 2023, the brand expanded its portfolio with the launch of Royals London, further strengthening its value proposition through enhanced product quality and consumer appeal.

Through disciplined portfolio expansion and consistent value delivery, Royals has established itself as a competitive value-for-money brand and achieved leadership within its segment in just one year of launch. The brand continues to be recognised by consumers for its balance of quality and affordability.

DERBY, PILOT & HOLLYWOOD

Derby, launched in 2013, has established a strong position in the low segment, supported by a distinctive taste profile offered through its two variants. Pilot and Hollywood, introduced in 2009 and 2011 respectively, are positioned to serve distinct market segments by offering products aligned with established consumer preferences.

These brands have developed their respective market positions through consistent product quality and disciplined brand management. Through strategic positioning and a continued focus on meeting consumer expectations, Derby, Pilot, and Hollywood maintain their presence across their respective segments.



British American Tobacco Bangladesh Company Limited
Dehora, Dhamsona, Balibhadra Bazar, Ashulia, Dhaka-1349

NOTICE OF THE 53RD ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting (AGM) of British American Tobacco Bangladesh Company Limited will be held on Thursday, 30th April 2026 at 10:30 am via a digital platform to transact the following business:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Directors and Auditor's Report and the Audited Financial Statements of the Company for the year ended 31st December 2025.
2. To declare Dividend for the year ended 31st December 2025.
3. To elect or re-elect Directors of the Company.
4. To appoint Statutory Auditors and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors and to fix their remuneration.

Special Business:

6. To change the name of the Company to "British American Tobacco Bangladesh PLC." from "British American Tobacco Bangladesh Company Limited"

   To adopt the change of registered name of the Company to "British American Tobacco Bangladesh PLC." from "British American Tobacco Bangladesh Company Limited" as per provision of the Companies Act. 1994 (2nd Amendment 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the Company by adopting the following special resolution:

   "RESOLVED THAT the proposal of changing of registered name of the Company to 'British American Tobacco Bangladesh PLC.' from 'British American Tobacco Bangladesh Company Limited' in accordance with the Companies Act 1994 (2nd amendment 2020) and to amendment in the relevant clauses of the Memorandum and Articles of Associations of the company be and is hereby approved subject to approval of regulatory authorities.

   FURTHER RESOLVED THAT the old name of the Company will be replaced by the new name in all the statutory/ title documents, licenses and other relevant documents."

By order of the Board
Sd/-
Syed Afzal Hossain
Company Secretary

9th April 2026

NOTES:

- The members whose names appear in the Members' Register and/or Depository Register on the Record Date, i.e. Wednesday, 1st April 2026 shall be eligible to attend the 53rd AGM (virtual meeting) of the Company and shall be entitled to receive the Dividend to be approved at the 53rd AGM;
- The link for the AGM for joining and voting online is www.batbagm.com and detailed procedures to attend and vote in the meeting will be communicated to the shareholders' email ID and/ or cell number in due course, and it will be available on the website of the Company: www.batbangladesh.com
- A member may appoint a proxy to attend and vote in his/her place by filling out a proxy form. The proxy form, duly completed and stamped, must be deposited at the office not later than 72 hours before i.e. 27th April at 10:30 am. the time scheduled for holding the meeting, as per Articles 70 and 71 of the Articles of Association of the Company;
- Pursuant to Articles 70 and 71 of the Articles of Association, a corporate member of the Company, by resolution of the Board of Directors or other governing body of such body corporate, may authorise such person as it thinks fit, to act as its representative at any meeting of the Company;
- As per the BSEC notification No. BSEC/CMRRCD/2009- 193/169, dated 14th May 2015, we would request all stock brokerage houses to provide us with the list of margin shareholders' names, shareholdings, e-Tin, telephone, fax numbers, and e-mail addresses as on our "Record Date". We would further request them to provide us with the beneficiary's name (DP), bank name, bank account number, and routing number by 9th April 2026 positively to get the credit of the dividend;
- As per the BSEC notification No. BSEC/CMRRCD/2006 158/208/Admin/81, dated 20th June 2018, soft copies of the Annual Report along with the Attendance Slip, Proxy Form, and Notice will be forwarded to all the shareholders on their respective email addresses available with us as per CDBL record. Shareholders may also collect the Proxy Form from the registered office of the Company. The Proxy Form will also be available on the website of the Company;
- The soft copy of the Annual Report 2025 is also available on the Investor Relations Section of the Company's website: www.batbangladesh.com

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

দেহরা, ধামসোনা, বলিভাদ্রা বাজার, আশুলিয়া, ঢাকা-১৩৪৯

৫৩তম বার্ষিক সাধারণ সভা (এজিএম) বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেডের ৫৩ তম বার্ষিক সাধারণ সভা (এজিএম) ৩০ এপ্রিল ২০২৬, বৃহস্পতিবার সকাল ১০:৩০ মিনিটে অনলাইন পোর্টাল এর মাধ্যমে নিম্নলিখিত আলোচ্যসূচি সম্পাদনকল্পে এজিএম পরিচালিত হবে:

আলোচ্যসূচি

সাধারণ আলোচ্যসূচি

১. ২০২৫ সালের ৩১ ডিসেম্বর সমাপ্ত বছরের জন্য কোম্পানির আর্থিক বিবরণী এবং তার উপর পরিচালক এবং অডিটরের প্রতিবেদনগুলি গ্রহণ, বিবেচনা এবং অনুমোদন করার জন্য।

২. ২০২৫ সালের ৩১ ডিসেম্বর সমাপ্ত বছরের লভ্যাংশ অনুমোদনের জন্য।

৩. কোম্পানির পরিচালকদের নির্বাচন বা পুনঃনির্বাচন করতে।

৪. নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণের জন্য।

৫. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণের জন্য।

বিশেষ আলোচ্যসূচি

৬. কোম্পানির নাম "ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড" হতে পরিবর্তন করে "ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ পিএলসি." করার প্রস্তাব।

কোম্পানির নিবন্ধিত নাম "ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড" হতে পরিবর্তন করে "ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ পিএলসি." গ্রহণ করার লক্ষ্যে, কোম্পানিজ অ্যাক্ট, ১৯৯৪ (২য় সংশোধনী ২০২০) এর বিধান অনুযায়ী এবং কোম্পানির মেমোরেন্ডাম ও আর্টিকেলস অব অ্যাসোসিয়েশনের সংশ্লিষ্ট ধারা সংশোধনের জন্য নিম্নোক্ত বিশেষ প্রস্তাব গৃহীত হোক:

"সিদ্ধান্ত গৃহীত হইল যে, কোম্পানির নিবন্ধিত নাম 'ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড' হতে পরিবর্তন করে 'ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ পিএলসি.' করার প্রস্তাব, কোম্পানিজ অ্যাক্ট, ১৯৯৪ (২য় সংশোধনী ২০২০) অনুযায়ী এবং কোম্পানির মেমোরেন্ডাম ও আর্টিকেলস অব অ্যাসোসিয়েশনের সংশ্লিষ্ট ধারাসমূহ সংশোধনসহ, নিয়ন্ত্রক কর্তৃপক্ষের অনুমোদন সাপেক্ষে, এতদ্বারা অনুমোদিত হলো।

অধিকন্তু সিদ্ধান্ত গৃহীত হইল যে, কোম্পানির পুরাতন নামের স্থলে নতুন নামটি সকল আইনগত/শিরোনাম সংক্রান্ত দলিল, লাইসেন্স এবং অন্যান্য প্রাসঙ্গিক নথিপত্রে প্রতিস্থাপিত হবে।"

বোর্ডের আদেশক্রমে
এসডি/-
সৈয়দ আফজাল হোসেন
কোম্পানি সচিব

৯ এপ্রিল ২০২৬

মন্তব্য:

- যে সকল শেয়ারহোল্ডারদের নাম রেকর্ডের তারিখে অর্থাৎ ১ এপ্রিল ২০২৬, সদস্য রেজিস্ট্রেশন / অথবা ডিপোজিটরি রেজিস্টারে প্রদর্শিত হবে, কোম্পানির ৫৩তম এজিএম (ভার্চুয়াল মিটিং) এ তাহারা যোগ দিতে পারবেন এবং অনুমোদিত হিসাবে লভ্যাংশ পাওয়ার অধিকারী হবেন;
- অনলাইনে যোগদান ও ভোট প্রদানের জন্য এজিএমের লিংক হচ্ছে www.batbagm.com এবং এজিএমে যোগদানের জন্য বিস্তারিত পদ্ধতি শেয়ারহোল্ডারদের ইমেল আইডি এবং / অথবা মোবাইল নম্বরে যথাযথভাবে জানানো হবে এবং এটি কোম্পানি ওয়েবসাইটে পাওয়া যাবে: www.batbangladesh.com
- একজন শেয়ারহোল্ডার একটি প্রক্সি ফর্ম পূরণ করে তার জায়গায় উপস্থিত থাকার এবং ভোট দেওয়ার জন্য একজন প্রক্সি নিয়োগ করতে পারবেন। কোম্পানির আর্টিকেল অফ অ্যাসোসিয়েশনের অনুচ্ছেদ নং ৭০ এবং ৭১ অনুসারে, প্রক্সি ফর্মটি যথাযথভাবে পূরণ করে এবং স্ট্যাম্প করে, অবশ্যই সাধারণ সভার জন্য নির্ধারিত সময়ের ৭২ ঘন্টা পূর্বে অর্থাৎ ২৭ এপ্রিল সকাল ১০:৩০ মিনিটের মধ্যে কোম্পানি অফিসে জমা দিতে হবে;
- আর্টিকলেস অফ এসোসিয়েশন এর অনুচ্ছেদ নং ৭০ এবং ৭১ অনুসারে, কোম্পানির একজন কর্পোরেট সদস্য, পরিচালনা পর্ষদ বা এই ধরনের কর্পোরেট সংস্থার অন্যান্য গভর্নিং বডির রেজোলিউশনের মাধ্যমে, এই ধরনের ব্যক্তিকে উপযুক্ত হিসাবে বিবেচনা করতে পারে এবং তার প্রতিনিধি হিসাবে কোম্পানির যে কোনো সভায় কাজ করার জন্য অনুমতি দিতে পারে;
- বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ১৪ মে ২০১৫ তারিখের সার্কুলার নং-এসইসি/সিএমআরআরসিডি/ ২০০৯-১৯৩/১৬৯ মোতাবেক সকল স্টক ব্রোকারেজ হাউজকে জানানো যাচ্ছে যে, তাদের মার্জিন হোল্ডারদের নাম, শেয়ার হোল্ডিংস, ই-টিন, টেলিফোন, ফ্যাক্স নম্বর এবং ই-মেইল ঠিকানা আমাদের "রেকর্ডের তারিখ" অনুযায়ী সরবরাহ করতে হবে। নগদ লভ্যাংশ প্রাপ্তির জন্য তাদের আরও জানানো যাচ্ছে যে, কোম্পানির নিকট ৯ এপ্রিল ২০২৬ এর মধ্যে তাদের সুবিধাভোগীর নাম (DP), ব্যাংক এর নাম, ব্যাংক অ্যাকাউন্ট নম্বর এবং রাউটিং নম্বর অবশ্যই জমা দিতে হবে;
- বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের সার্কুলার নং-বিএসইসি/সিএমআরআরসিডি/ ২০০৬ -১৫৮/২০৮/ অ্যাডমিন/৮১ , তারিখ ২০ জুন ২০১৮ অনুযায়ী, উপস্থিতি স্লিপ, প্রক্সি ফর্ম এবং নোটিশ সহ বার্ষিক প্রতিবেদনের সফট কপি সকল শেয়ারহোল্ডারদের সিডিবিএল রেকর্ড অনুযায়ী তাদের নিজ নিজ ই- মেইল ঠিকানায় প্রেরণ করা হবে। শেয়ারহোল্ডারগণ কোম্পানির নিবন্ধিত অফিস থেকে প্রক্সি ফর্ম সংগ্রহ করতে পারেন। প্রক্সি ফর্ম কোম্পানির ওয়েবসাইটেও পাওয়া যাবে;
- বার্ষিক প্রতিবেদন ২০২৫ -এর সফট কপি কোম্পানির ওয়েবসাইটের বিনিয়োগকারী সম্পর্ক বিভাগেও পাওয়া যাবে: www.batbangladesh.com

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Wael Sabra	Chairman
Ms. Monisha Abraham	Managing Director
Mr. Masud Khan	Independent Director
Professor Dr. Melita Mehjabeen	Independent Director
Ms. Rupali Haque Chowdhury	Independent Director
Mr. Md. Obaidur Rahman	Non-Executive Director
Dr. Ziaul Abedin	Non-Executive Director
Mr. Niranjan Chandra Debnath	Non-Executive Director
Mr. Gary Tarrant	Non-Executive Director
Mr. Stuart Kidd	Non-Executive Director
Mr. Francisco Toso Canepa	Non-Executive Director
Ms. Nirala Singh	Finance Director
MR. Numayer Alam	Commercial Director
Mr. Syed Afzal Hossain	Company secretary

BOARD COMMITTEES

BOARD AUDIT COMMITTEE	
Mr. Masud Khan	Chairman
Professor Dr. Melita Mehjabeen	Member
Mr. Md. Obaidur Rahman	Member
Mr. Syed Afzal Hossain	Secretary

BOARD NOMINATION AND REMUNERATION COMMITTEE (NRC)	
Mr. Masud Khan	Chairman
Ms. Rupali H. Chowdhury	Member
Mr. Niranjan Chandra Debnath	Member
Syed Afzal Hossain	Secretary

BOARD CSR COMMITTEE	
Professor Dr. Melita Mehjabeen	Chairman
Ms. Nirala Singh	Member
Mr. Numayer Alam	Member
Mr. Syed Afzal Hossain	Secretary

COMPANY SECRETARY & SENIOR LEGAL COUNSEL

Mr. Syed Afzal Hossain

LEADERSHIP TEAM

Ms. Monisha Abraham	Managing Director
Ms. Nirala Singh	Finance Director
Mr. Numayer Alam	Head of Commercial
Mr. Syed Mahbub Ali	Head of Marketing
Mr. Jorge Macedo Pavon	Head of Operations
Mr. Sudesh Peter	Head of Legal
Mr. Rabih Masrouha	Head of Talent, Culture & Inclusion
Mr. Sarzil Sarwar	Head of IDT

INTERNAL AUDIT & COMPLIANCE

Mr. Tamzeed Ahmed

STATUTORY AUDITORS

Qasem & Co., Chartered Accountants

GOVERNANCE COMPLIANCE AUDITOR

Mohammad Sanaullah & Associates

BANKS

Standard Chartered Bank

Dhaka Bank PLC.

Sonali Bank PLC.

Hong Kong and Shanghai Banking Corporation

Pubali Bank PLC.

Citibank N.A.

Eastern Bank PLC.

Commercial Bank of Ceylon PLC.

BRAC Bank PLC.

REGISTERED OFFICE

British American Tobacco Bangladesh Company Limited
Dehora, Dhamsona, Balibhadra Bazar, Ashulia, Dhaka-1349
Telephone: (+880) 96108822-82
Email: bangladesh@bat.com
www.batbangladesh.com

BAT GROUP'S STRATEGY

To achieve our ambitions and accelerate our transformation, we're committed to Building a Smokeless World by deploying our global multicategory portfolio.

A BETTER TOMORROW™
Building a Smokeless World



Our **Purpose, Vision, Mission**

...influence our **strategic pillars & building blocks**

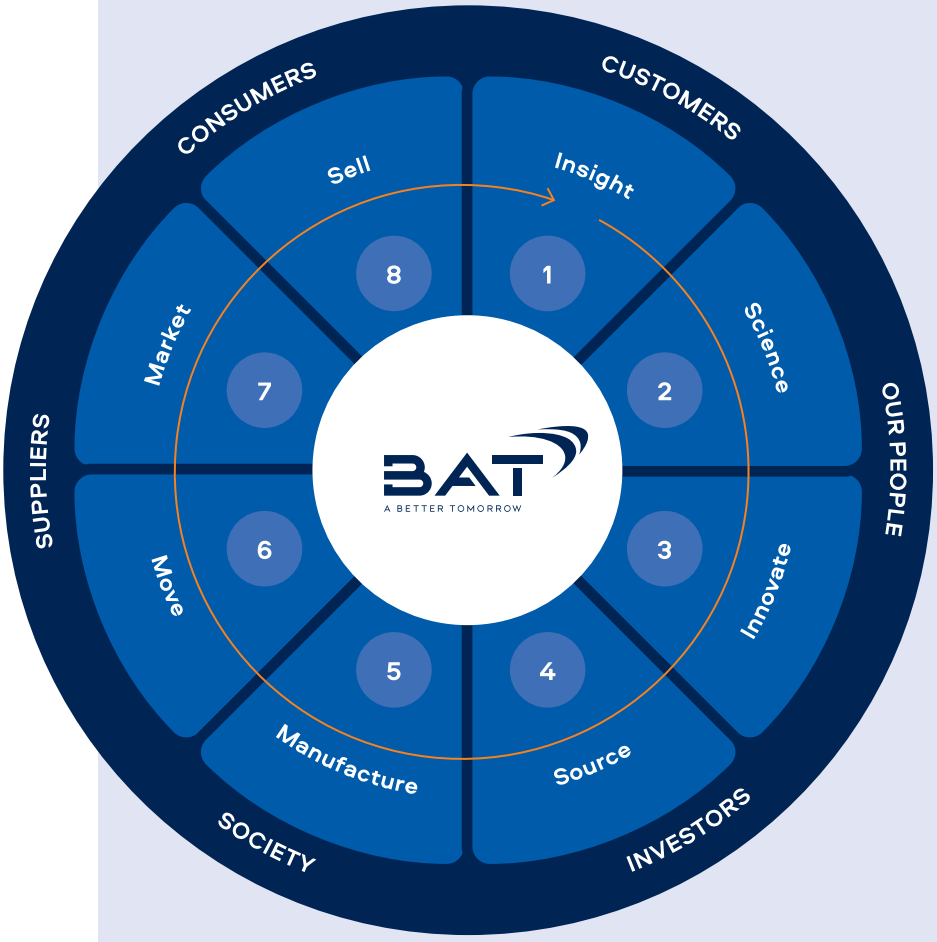
...which are underpinned by **our values**

...enabling us to deliver for **our stakeholders**

OUR BUSINESS MODEL

Our business model begins and ends with the consumer.

The insights we gather from adult consumers, backed by robust science, unlock value by ensuring we offer the right product choices to meet their preferences. Our product portfolio is constantly enhanced through innovations designed to better serve adult consumers and build A Better Tomorrow™. We use our international footprint to manufacture at speed and scale, and our global distribution capabilities to ensure our products are where they need to be, when needed, based on our market archetype model. Through our responsible marketing practices and powerful portfolio, we market and sell our products which, in turn, generate further insights.



Our business model is intrinsically connected to our value chain.

Principal Risks

01 Competition from illicit trade
02 Geopolitical tensions
03 Tobacco, New Categories and other regulation interrupts growth strategy
04 Supply chain disruption
05 Litigation and external investigations
06 Significant increases or structural changes in tobacco, nicotine and New Categories related taxes
07 Inability to develop, commercialise and deliver the New Categories strategy
08 Disputed taxes, interest and penalties
09 Injury, illness or death in the workplace
10 Solvency and liquidity
11 Foreign exchange rates exposures
12 Climate change
13 Circularity
14 Digital & Cyber

OUR BUSINESS FRAMEWORK

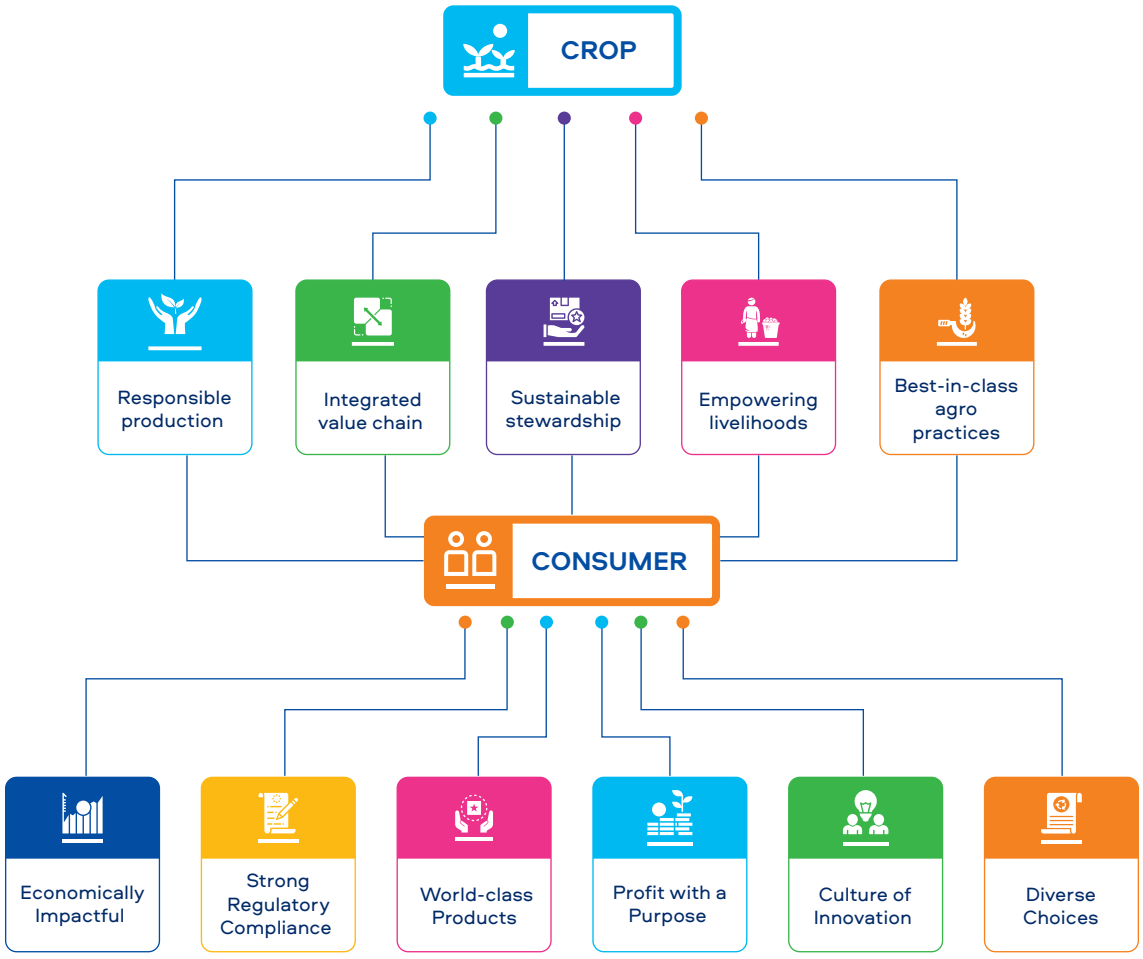
At BATB, our business approach is structured to support sustainable performance in the near term while allocating capital toward strategic investments required to achieve our long-term transformation agenda. While combustible tobacco products are anticipated to remain a significant component of the portfolio in the near term, we recognize that long-term value creation is increasingly dependent on our ability to respond to evolving adult consumer preferences through the measured expansion of lower-risk, future-ready alternatives.

BAT Bangladesh manufactures world-class, regulatory-compliant tobacco products that serve the diverse preferences of adult consumers. Our integrated crop-to-consumer value chain ensures consistent product quality, operational efficiency, and responsible value generation across all stages of the business, with oversight mechanisms in place to reinforce governance, compliance, and long-term shareholder value.

Our operating model is supported by a defined set of strategic pillars, which provide a structured framework for performance management, responsible business conduct, and governance oversight:

- **Our Focus on Climate Action and EHS Excellence:** We integrate environmental stewardship and robust Environmental, Health, and Safety standards into our operational planning and execution, supported by control measures and performance monitoring mechanisms to manage environmental and workplace risks.
- **Our Commitment to Social Impact and Shared Value:** Through targeted social initiatives, we seek to enhance livelihoods, support communities, and contribute to broader societal development.
- **Our Institutional Stewardship, Governance, and Accountability:** Strong governance frameworks and institutional oversight guide our operations, supporting ethical business conduct, transparency, regulatory compliance, and the protection of shareholder interests.

Together, these strategic priorities support our crop-to-consumer ecosystem and contribute to operational resilience, responsible business conduct, and long-term sustainable value creation.



OUR VALUES AND CODE OF CONDUCT



Values and Culture Supporting Long-Term Performance

In a dynamic and increasingly complex business environment, the effective execution of our business strategy is supported by a workforce equipped with the capabilities required to adapt to change and manage evolving business requirements. BAT Bangladesh recognizes its people as a key enabler of strategic delivery and long-term value creation for shareholders.

Our values, developed collaboratively with meaningful input from employees, form the basis of our organizational culture and provide a consistent framework linking strategy and purpose, and expected standards of behaviour across the BAT Group. These values reinforce a culture that promotes inclusion, accountability, and readiness for future requirements. As our business continues to evolve, we remain focused on embedding these six values across all levels of the organization to support disciplined execution, ethical conduct, and sustainable performance.

Strong governance and operational excellence are reinforced through strict adherence to our Standards of Business Conduct (SoBC), which establish defined expectations for lawful, responsible, and accountable conduct. These requirements are complemented by the Supplier Code of Conduct (SCoC), which sets out the ethical standards expected of our suppliers, including compliance with sanctions regimes, anti-tax evasion requirements, and measures to prevent illicit trade.

The systematic implementation of the Standards of Business Conduct and Supplier Code of Conduct, together with adherence to the values of BAT Bangladesh, underpins a controlled operating environment focused on transparency, integrity, and accountability. This disciplined approach supports shareholder interests, strengthens stakeholder confidence, and extends responsible practices across employees, business partners, and the wider stakeholder ecosystem.

OUR SIX VALUES

TRULY INCLUSIVE

- We embrace diversity and celebrate our differences
- We are curious and safeguard the right to say what you think
- We debate constructively yet progress together

PASSION TO WIN

- We equally value "How" and "What", and go the extra mile for success
- We prioritise effectively and act like owners of the business
- We own our purpose with determination and resilience

DO THE RIGHT THING

- We act with integrity to achieve results
- We care about our impact on society and our planet
- We are thoughtful in our decision making

EMPOWERED THROUGH TRUST

- We start with trust and believe in each other
- We ensure decisions are made at the right level
- We understand that empowerment comes with accountability

LOVE OUR CONSUMER

- We understand the consumer better than anyone
- We are obsessed with innovation and our brands
- We have the courage to test, fail fast, and learn to improve

STRONGER TOGETHER

- We pull together as one team, through good and bad
- We collaborate beyond borders and functions
- We help each other grow and succeed

OVERALL STRATEGIC OBJECTIVES

At BAT Bangladesh, our purpose provides a structured basis for aligning strategic priorities with a transformative vision for long-term value creation. The strategy is focused on strengthening our core business foundations, enhancing organizational resilience, and integrating sustainability considerations into decision-making, with the aim of supporting consistent performance and balanced value delivery across stakeholder groups.

OUR STRATEGIC OBJECTIVES:

Proven Performance and Shareholder Value: Our consistent record of delivering strong returns reflects a disciplined approach to value creation and capital stewardship. Supported by a resilient financial structure and robust governance framework, we continue to pursue sustainable growth while protecting and advancing the rights and interests of our shareholders.

People Excellence and Leadership Capability: As one of Bangladesh's most preferred employers, we are committed to developing a high-performing, future-ready workforce. Through innovative learning and development programs, leadership capacity building, and talent management initiatives, we continue to strengthen our employee value proposition, supporting talent attraction, retention, and performance aligned with long-term strategic requirements.

Strong and Resilient Business Fundamentals: Our operational resilience is underpinned by a combination of strategic strengths, including a diversified multi-category portfolio tailored to adult consumer preferences, an extensive nationwide distribution network, and long-standing partnerships with registered tobacco farmers. These structural strengths support our ability to navigate evolving market dynamics while delivering value through robust governance and operational discipline.

Strength of International Parentage: BAT Bangladesh benefits from the scale, expertise, and operational capabilities of the BAT Group, which operates across more than 180 countries. This international network provides access to established best practices, innovation, and market intelligence, strengthening our capacity to manage external challenges and support long-term strategic objectives. In parallel, we actively contribute to the Group through talent mobility, knowledge exchange, and the sharing of locally developed practices, reinforcing a two-way flow of expertise within the Group.

Commitment to Sustainable Value Creation: Our comprehensive sustainability strategy establishes defined and measurable actions to reduce environmental impact while supporting long-term value creation for shareholders and wider stakeholders. Sustainability considerations are embedded across operations through structured citizenship initiatives, environmental management practices, livelihood support programs, and community engagement activities. These initiatives are governed by established governance frameworks and ethical standards. In line with our stated ambition to achieve net-zero carbon emissions by 2050, we continue to assess risks, allocate resources, and strengthen capabilities to support business resilience and long-term sustainability.

In essence, our overarching strategic objectives—demonstrated operational performance, structured human resource policies, robust business fundamentals, access to global expertise, and sustainability integration— collectively reinforce our position as a leading corporate entity in Bangladesh, supporting value creation and contributing to broader stakeholder outcomes.

INDUSTRY OVERVIEW

The tobacco sector in Bangladesh continues to operate within a complex regulatory and enforcement environment, including the ongoing presence of illicit tobacco products, which erode government revenue collection, distort market integrity, and undermine public health objectives. As Bangladesh's largest incorporated tobacco company, BAT Bangladesh remains committed to supporting government-led monitoring and enforcement initiatives, engaging with relevant authorities in line with regulatory expectations, and contributing to industry accountability.

Within this complex and evolving operating landscape, our long-term strategy is structured around responsible business conduct, consumer accountability, and harm reduction, supported by product innovation and disciplined operational execution. BAT Bangladesh promotes responsible consumption while ensuring full compliance with all regulatory requirements, including product labelling, Graphical Health Warnings (GHW), marketing, advertising, and sponsorship regulations. This approach reflects our commitment to upholding its stated values, protecting shareholder interests, and maintaining trust through effective governance and operational oversight.

OPERATING CONDITIONS

The rapid expansion of the unregulated and untaxed illicit tobacco market represents a material structural risk to Bangladesh's legal tobacco industry. Frequent excise-driven price increases have widened the price gap between legal and illicit products, disrupting market equilibrium and presenting challenges to the realization of intended public health and fiscal policy outcomes. Addressing these issues requires enhanced market surveillance, product identification mechanisms, and consistent enforcement of existing laws and regulations. Progress in these areas is dependent on coordinated collaboration between industry stakeholders and regulatory authorities to support market integrity and protect legitimate businesses.

ECONOMIC ENVIRONMENT

Bangladesh's economic environment during the period continued to be influenced by global disruptions, including the post-COVID-19 adjustment phase and ongoing geopolitical tensions. In 2025, the tobacco sector operated under subdued macroeconomic conditions, alongside pre-budget price increase, supply chain constraints, and sustained pressure on consumer disposable income. In response, BAT Bangladesh focused on proactive planning, operational agility, and disciplined financial and cost management. These actions supported effective navigation of the operating challenges, demonstrating resilience, sustained performance, and continued value creation for shareholders and stakeholders.

EXPORT OPPORTUNITIES AND GLOBAL INDUSTRY PERSPECTIVE

The global cigarette industry continues to operate within an environment characterized by evolving regulatory requirements, shifting consumer preferences, and an increasing emphasis on responsible practices. Notwithstanding these conditions, international trade remains a relevant avenue for growth for competitive and compliant producers.

Bangladesh's tobacco sector has established a presence in global markets, exporting cigarettes to destinations such as China and the Maldives, while supplying premium-quality tobacco green leaf to more than 20 countries across Europe, the Middle East, the Americas, Asia, and Africa. These include Belgium, Spain, the Netherlands, Germany, the United Kingdom, the United States, the United Arab Emirates, and South Africa, among others. The expanding global market presents meaningful opportunities to further develop cigarette exports, supporting the progression of a more integrated, competitive, and export-oriented tobacco industry in Bangladesh.

REGULATORY LANDSCAPE

The tobacco industry in Bangladesh operates within a highly comprehensive and stringent regulatory framework, including detailed requirements on product labelling—particularly graphical health warnings—as well as extensive controls over marketing, distribution, advertising, and sponsorship activities. BAT Bangladesh remains compliant with all applicable regulations and incorporates regulatory discipline into its governance framework and operational practices to support ethical conduct, transparency, and long-term sustainability.

PESTEL **Framework**

POLITICAL LANDSCAPE

The tobacco industry in Bangladesh operates within a stringent regulatory regime governing product labelling, pricing, taxation, and distribution, and remains a significant contributor to public revenue. In the context of heightened geopolitical uncertainty and evolving public policy priorities, the regulatory environment has become increasingly complex, requiring greater diligence, adaptability, and robust governance.

Our response

In recognition of public health considerations, we conduct our business operations responsibly by offering adult consumers informed choices and advocating for balanced, pragmatic, and evidence-based regulation. We consistently highlight the adverse public health and fiscal implications of illicit trade, which undermines regulatory effectiveness and deprives the national exchequer of significant revenue. Through constructive stakeholder engagement, we support effective enforcement and the development of sustainable regulatory outcomes, with the objective of safeguarding market integrity and protecting shareholder interests.



ENVIRONMENTAL LANDSCAPE

Climate change continues to represent a material global challenge, with Bangladesh facing heightened exposure due to its geographic and ecological characteristics. The urgency of environmental action has been further compounded by global disruptions and geopolitical instability, underscoring the need for adaptive, resilient, and forward-looking strategies.

Our response

BAT Bangladesh's environmental strategy is aligned with the Government's Sustainable Development Goals (SDGs) 2030 agenda and is embedded within operational planning, capital allocation, and performance measurement frameworks. Our climate action initiatives have resulted in tangible outcomes, including approximately 98% waste recycling, expanded use of renewable solar energy, and targeted efforts to achieve 50% water recycling by 2025. In line with BAT Group commitments, we continue to advance initiatives to reduce Scope 1 and Scope 2 emissions, reinforcing our long-term ambition to achieve net-zero carbon emissions.

SOCIAL LANDSCAPE

Globally, the cigarette industry continues to evolve amid changing social attitudes, increasing consumer awareness, and heightened regulatory scrutiny. In Bangladesh, tobacco consumption remains subject to public discussion, with social perceptions showing gradual change over time.

Our response

We remain committed to providing adult consumers with legally compliant, regulatory-aligned products. By expanding our portfolio and prioritizing reduced-risk alternatives in line with global industry trends, we align our business practices with societal expectations while upholding the operating principles of BAT Bangladesh.

The PESTEL framework—covering Political, Economic, Social, Technological, Environmental, and Legal dimensions— is applied to systematically assess external factors influencing our operating environment and to inform strategic planning, risk management, and corporate oversight. Ongoing international and domestic uncertainties, including geopolitical conflicts and macroeconomic volatility, continue to affect our business landscape. In response, we regularly reassess our value drivers within this framework to ensure operational resilience, sustainability considerations, and long-term shareholder value.



TECHNOLOGICAL LANDSCAPE

The cigarette industry operates within mature manufacturing and processing capabilities, which limit exposure to technological obsolescence. Nonetheless, technology remains an important enabler of innovation, quality assurance, and operational efficiency.

Our response

To sustain leadership, we continue to invest in research and development aligned with evolving adult consumer preferences and regulatory requirements. Our deep consumer insights enable the compliant introduction of new products and incremental enhancements to existing offerings. In parallel, targeted investments in advanced manufacturing technologies at our Savar Factory are focused on strengthening production capability and reinforcing our commitment to operational excellence, product quality, and long-term competitiveness.

ECONOMIC LANDSCAPE

The global cigarette industry continues to operate under sustained macroeconomic pressures driven by geopolitical tensions, alongside a broader global economic slowdown. These factors have contributed to inflationary pressures, higher commodity prices, supply chain disruptions, and weakened consumer purchasing power. In Bangladesh, economic volatility has been further intensified by reduced rural consumption, and domestic geopolitical unrest.

Our response

Building on our strong business fundamentals, we have proactively adjusted our strategic priorities to navigate this challenging operating environment. Leveraging a diversified and well-segmented portfolio, we continue to serve adult consumers across multiple price segments, while maintaining operational and financial discipline. Through innovation, adaptive planning, and prudent financial oversight, we remain focused on supporting sustainable returns to shareholders amid ongoing uncertainty.

LEGAL LANDSCAPE

The tobacco sector in Bangladesh is governed by one of the most comprehensive legal and regulatory frameworks, encompassing taxation, product standards, marketing restrictions, and extensive compliance obligations.

Our response

Our operating model is anchored in strong governance, guided by the core Values of BAT Bangladesh, our Standards of Business Conduct (SoBC), and a robust system of policies, processes, and internal controls designed to ensure full legal and regulatory compliance. As a responsible corporate citizen and the country's largest corporate taxpayer, we contributed approximately BDT 39,144 crore in 2025.

Through ongoing, constructive engagement with regulators and taxation authorities, we foster transparent relationships that support effective compliance and responsible policy outcomes. This disciplined approach to governance and operational excellence safeguards shareholder interests, reinforces ethical conduct, and strengthens trust across the value chain.

MATERIALITY AND MATERIAL MATTERS

MATERIALITY ASSESSMENT AT BAT BANGLADESH

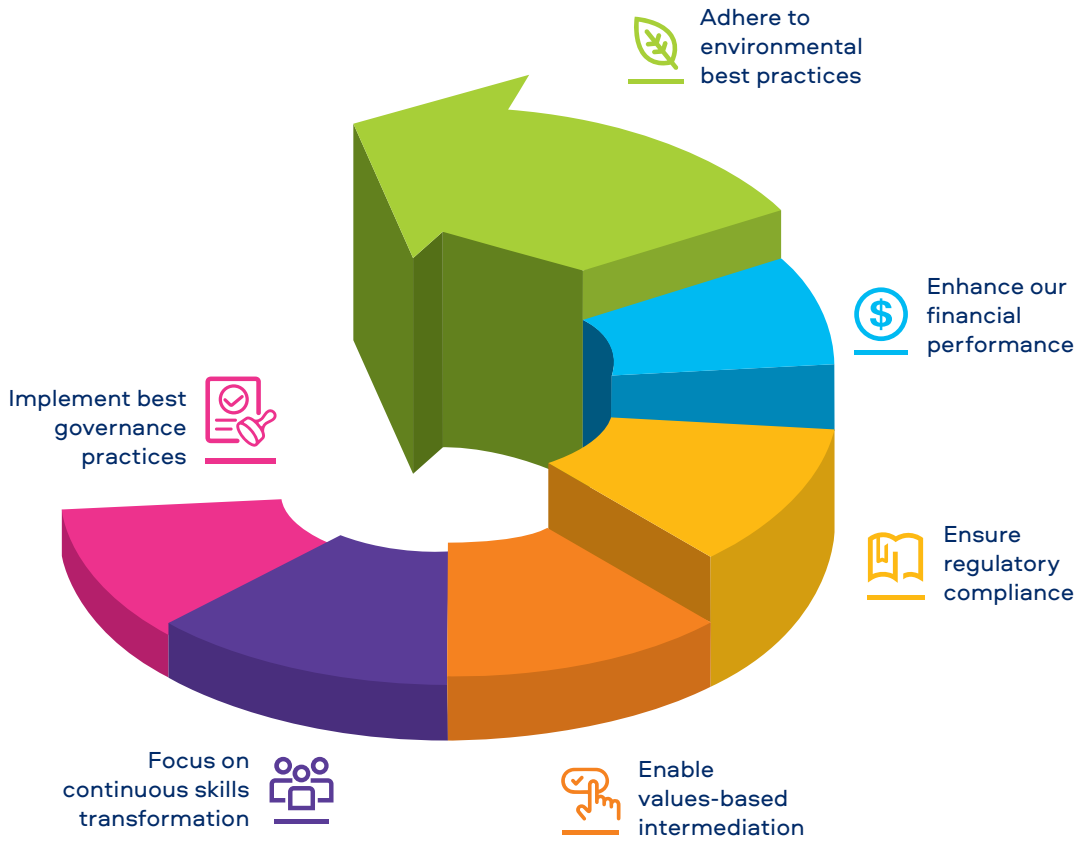
Our materiality assessment is a core component of BAT Bangladesh's governance framework. The process is designed to identify, understand, prioritise, and proactively manage issues that could influence our ability to create sustainable value in the short, medium, and long term. These material concerns span financial performance alongside Environmental, Social, and Governance (ESG) priorities, reflecting their growing significance within the evolving global cigarette industry.

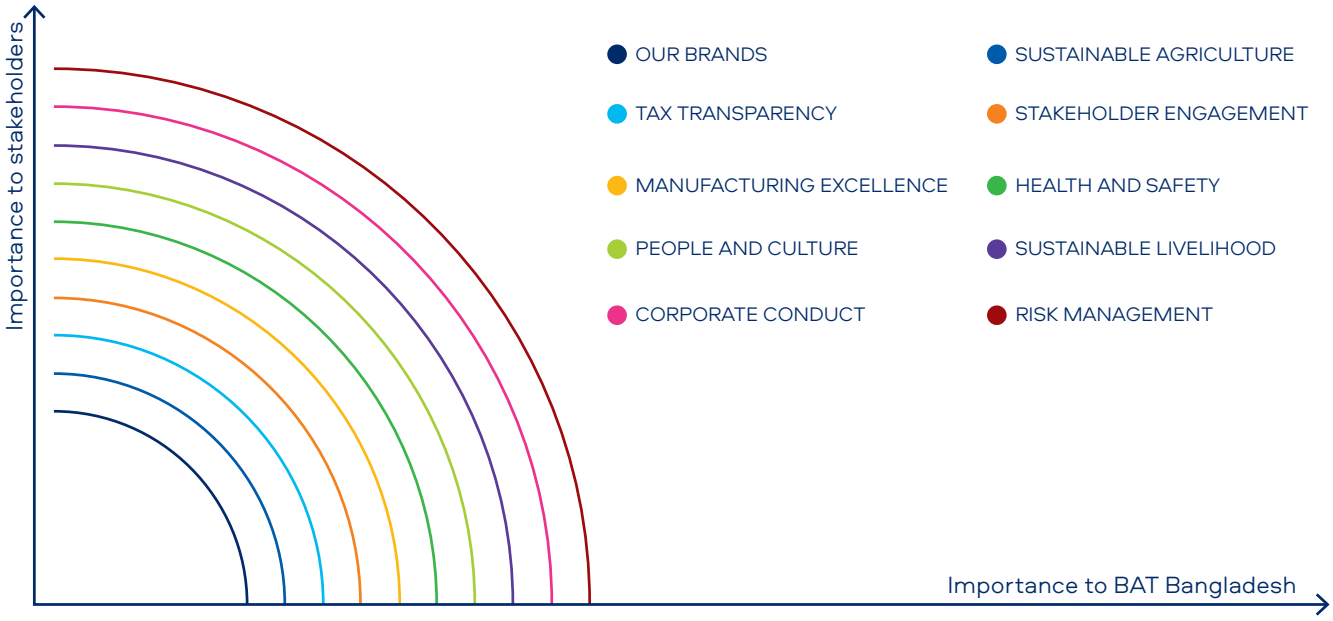
By systematically mapping stakeholder concerns to key business drivers, we ensure continued alignment between our strategy, risk appetite, and governance framework. Emerging issues are monitored and assessed on an ongoing basis and reported in a transparent manner, supporting compliance, strengthening accountability, and sustaining trust with shareholders and the wider stakeholder community.

MATERIALITY IN PRACTICE AT BAT BANGLADESH

Sustainability is embedded within our business model and strategic framework and underpins our approach to long-term value creation for shareholders, employees, communities, and wider society. Our strategic planning is guided by a comprehensive materiality matrix aligned with the Sustainable Development Goals (SDGs), which identifies and prioritises the most significant issues across our value chain in line with stakeholder expectations.

This materiality-driven approach is reinforced through ongoing and meaningful engagement with stakeholders, including oversight and input from the Board, executive management, and key committees. When combined with a disciplined risk management process, it supports informed decision-making and operational agility in a dynamic and complex operating environment. In executing this approach, BAT Bangladesh remains focused on upholding its corporate values, protecting shareholder rights, and exemplifying governance and operational excellence.





OTHER MATERIAL MATTERS

Our Brands
Our brands are focused on consumers' needs, which are the fundamentals of our business.

Agriculture Best Practices
We are ensuring the sustainability of our farm community by introducing sustainable farming culture and initiatives.

Tax Transparency
As the highest taxpayer (paid 39,144 core in 2025), transparency is one of the core of our governance, which makes us a well-reputed business in the country.

Stakeholder engagement
Stakeholders' consultation and views are considered always to operate our business.

Manufacturing excellence
Our world-class factory & technology is a state-of-the-art which makes our manufacturing excellence

Health & safety
Health & safety are the priority for our business, which safeguards us always, especially the events like the COVID-19 pandemic.

People & culture
People & culture are one of the core assets of the Company, which makes us difference.

Sustainable livelihood
Our ESG initiatives facilitate sustainable livelihoods for our farmers & our communities.

Corporate conduct
Our Standard of Business Conduct leads our business, applying best governance & practices.

Risk management
Risk management addresses the operational risks that ensure internal control & governance.

2025

CONTRIBUTION TO NATIONAL EXCHEQUER

BDT

39,144

CRORE

PROUDLY SUPPORTING 8 SUSTAINABLE DEVELOPMENT GOALS

TOP EMPLOYER

6 TIMES

SHAREHOLDERS

65,020

AS ON 31ST DECEMBER 2025

EMPLOYEES & ASSOCIATES

FARMERS

50,000

APPROX.

EMPLOYEES

1,685

RETAILERS

1.6 MN

APPROX.

LEAF EXPORT

BDT **929.52** CRORE

WASTE

69.05%

COMPOSTED



HIGHLIGHTS

ALLIANCE FOR WATER STEWARDSHIP



100%
AWS-CERTIFIED MANUFACTURING SITES

Corporate Social Responsibility

WASTE RECYCLED
99.53%



PROBAHO®

BONAYAN
3.3 MN SAPLINGS
Distributed

WATER RECYCLED
33.18%



PROBAHO
120 PLANTS
capable of providing 600,000 liters of safe drinking water daily

COMPOSITION OF THE BOARD



FROM LEFT TO RIGHT

- **Mr. Wael Sabra** Chairman
- **Ms. Monisha Abraham** Managing Director
- **Mr. Masud Khan** Independent Director
- **Professor Dr. Melita Mehjabeen** Independent Director
- **Mr. Md. Obaidur Rahman** Non-Executive Director
- **Ms. Rupali Haque Chowdhury** Independent Director
- **Dr. Ziaul Abedin** Non-Executive Director



STANDING FROM LEFT

- **Mr. Niranjan Chandra Debnath** Non-Executive Director
- **Mr. Gary Tarrant** Non-Executive Director
- **Mr. Stuart Kidd** Non-Executive Director
- **Mr. Francisco Toso Canepa** Non-Executive Director
- **Ms. Nirala Singh** Finance Director
- **Mr. Numayer Alam** Commercial Director
- **Mr. Syed Afzal Hossain** Company Secretary



MR. WAEL SABRA

CHAIRMAN

NATIONALITY

Lebanese

DATE OF APPOINTMENT TO BATB BOARD

March 2023

EDUCATIONAL BACKGROUND

- Bachelor's in business administration from American University of Beirut
- Master's in finance from University of Florida
- Certified Management Accountant (CMA)
- Certified Prince 2 project manager

MEMBERSHIP

- Chairman, BATB Board
- Member, PTC Board
- APMEA Regional Leadership Team

Mr. Wael Sabra joined British American Tobacco in 2003 and has built a distinguished career spanning more than two decades, underpinned by progressive leadership roles across finance, strategy, and general management. Over 23 years, he has accumulated extensive experience across the Middle East, Africa, and South Asia, contributing significantly to the Group's financial discipline, operational resilience, and long-term value creation.

Mr. Sabra brings deep expertise in financial leadership, capital stewardship, and governance within complex and diverse operating environments. His ability to provide clear strategic direction, exercise sound judgement during periods of volatility, and align financial priorities with long-term business objectives has been central to his leadership approach.

In 2024, Mr. Sabra was appointed Chairman of BAT Bangladesh, reflecting the Board's confidence in his experience, leadership capability, and understanding of emerging and growth markets. His career demonstrates a consistent ability to lead through change, support organizational stability, and guide businesses through periods of geopolitical, economic, and regulatory uncertainty. His leadership continues to support BAT's strategic objectives and commitment to sustainable growth.

Career Highlights

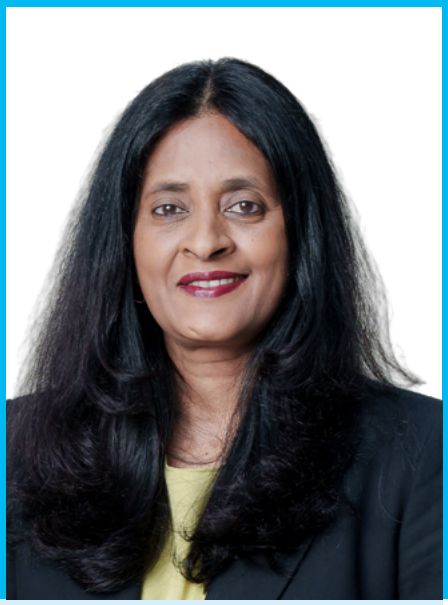
Mr. Sabra began his career with British American Tobacco in 2003 as a Marketing Finance Executive in Lebanon. Over the following years, he progressed through a series of roles of increasing responsibility, gaining broad exposure to commercial operations.

In 2010, he was appointed Finance Director for the Democratic Republic of Congo, where he strengthened financial governance and operational performance. He subsequently served as Finance Director for Southern African Markets from 2012, before relocating to Cairo in 2014 to assume the role of North Africa Area Finance Director. In these positions, Mr. Sabra played a key role in enhancing regional financial strategy, governance standards, and decision-making frameworks.

In 2016, Mr. Sabra transitioned to Pakistan as Finance Director for the South Asia cluster. He later expanded his remit in Dubai as Finance Director for the Middle East, South Asia, and North Africa, where he provided strategic financial oversight across multiple markets and supported the execution of regional growth and transformation initiatives.

Mr. Sabra currently serves as Area Director overseeing the Middle East, South Asia, North Africa, the Caucasus, and Central Asia. In this role, he is responsible for strategic leadership, performance oversight, and the delivery of long-term regional objectives. In parallel, he currently serves as Chairman of British American Tobacco Bangladesh (BATB), a member of Pakistan Tobacco Company (PTC) board of directors and a member of the Asia Pacific Middle East & Africa Regional Leadership Team at British American Tobacco.

In his capacity as Chairman BATB, Mr. Sabra has brought continuity and a strong governance focus to the role, supporting effective Board oversight and the company's strategic direction in one of BAT's most significant markets.



MS. MONISHA ABRAHAM

MANAGING DIRECTOR

NATIONALITY

Indian

DATE OF APPOINTMENT TO BATB BOARD

March 2023

EDUCATIONAL BACKGROUND

- MBA in Marketing and Finance Birla Institute of Technology, India
- Bachelor of Commerce (B. Com) Jyoti Nivas College, India

TRAININGS & PROFESSIONAL EDUCATION

- Harvard Business School- Heineken Leadership Campus
- IMD- Strategic Leadership
- INSEAD- HIMAC Heineken

MEMBERSHIP

- BAT Bangladesh Board
- BAT Bangladesh Leadership Team
- APMEA Regional Leadership Team

In 2026, Ms. Monisha Abraham continues to lead BAT Bangladesh with distinction, building on her appointment in 2024 and her impactful contributions through 2025. With nearly three decades of experience in general management and marketing across the FMCG and tobacco industries, she has firmly established herself as a strategic leader, admired for her ability to inspire high-performing teams, nurture individual talent, and strengthen organizational resilience. Widely recognized as one of Bangladesh's leading sustainability champions, she has advanced BAT's "A Better Tomorrow" agenda while making history as the first female Managing Director of BAT Bangladesh.

Career Highlights

Ms. Monisha Abraham began her career in 1995 in Abu Dhabi's FMCG sector, developing strong expertise in consumer markets and regulatory frameworks. She joined Heineken in 2005 as Trade Marketing Manager and quickly rose to Marketing Manager for the Gulf region.

In 2009, she relocated to the Netherlands as Regional Marketing Director for Africa & Middle East, later becoming Managing Director of Heineken Lebanon where she delivered record-breaking results. From 2017 to 2019, she led Heineken Hanoi, successfully integrating northern and southern operations, before taking charge of Ibecor in Brussels in 2019, expanding logistics reach to the Caribbean and Asia Pacific.

In 2021, she transitioned to BAT Group as Managing Director & CEO of Ceylon Tobacco Company, steering the business through COVID-19 and economic turbulence, and delivering a 37% revenue growth through Phase 1 of Integrated Work Systems. Appointed Managing Director of BAT Bangladesh in 2024, she has since focused on resilience, talent development, and stakeholder value. In 2025, the company contributed nearly 8% of government internal revenue, supporting 1.6 million livelihoods.

By 2026, she continues to reinforce BAT Bangladesh's position as a resilient, forward-looking organization, embedding sustainability, advancing digital transformation, strengthening stakeholder engagement, and nurturing a diverse leadership pipeline. She is known for cultivating high-performing teams, building leadership pipelines, and championing diversity and inclusion, while strengthening relationships with regulators, government, and external stakeholders to ensure compliance, trust, and continuity. Under her leadership, BAT Bangladesh has introduced modernization in supply chain, operations, and marketing through digital tools and analytics, further enhancing organizational resilience and stakeholder confidence.



MR. MASUD KHAN

INDEPENDENT DIRECTOR

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

October 2024

EDUCATIONAL BACKGROUND

- Bachelor of Commerce with Honours in Accounting from St Xaviers College, University of Kolkata, India

PROFESSIONAL QUALIFICATIONS

- Chartered Accountant, Fellow Member (FCA), Institute of Chartered Accountants of India
- Cost Accountant, Fellow Member (FICWA), Institute of Cost and Works Accountants of India
- Certified Management Accountant, Fellow Member, Australia and New Zealand

PROFESSIONAL COURSES

- System Design and RPG II Programming
- Management Development & Managerial Grid
- HAY System of Job Evaluation
- Assessment Centre
- Finance Development Program
- Leader for Tomorrow
- Senior Management Development

MEMBERSHIP

- Chairman, Nomination & Remuneration Committee (NRC)
- Chairman, Audit Committee

Mr. Masud Khan is a distinguished corporate leader with 45 years of professional experience across both multinational and local enterprises. Over the course of his career, he has dedicated 25 years as a senior director at the board level, where he has played a pivotal role in shaping governance frameworks and guiding organizations through complex strategic transformations. His career reflects a deep expertise in corporate governance, strategic leadership, and operational excellence, making him a respected figure in the business community. Beyond his extensive corporate journey, Mr. Khan has actively contributed to industry forums and governance committees, offering thought leadership on transparency and sustainable growth. He has mentored emerging leaders, fostering a culture of accountability and innovation, and his insights are frequently sought in professional circles. As of 2026, his enduring leadership continues to inspire confidence among stakeholders, reinforcing his reputation as a seasoned professional whose vision and contributions remain invaluable to the evolving corporate landscape.

Career Highlights

- Group Chief Executive Officer / Chief Adviser to the Board, MI Cement Factory Limited (Crown Cement) — (2017–Present)
- Chairman, Audit Committee, Marico Bangladesh — (Present)
- Chief Financial Officer, Lafarge Holcim Bangladesh Limited — (1999–2017)
- MRPII Program Manager, BAT Bangladesh — (1997–1999)
- Audit Manager, BAT Bangladesh — (1990–1997)
- Chief Accountant, BAT Bangladesh — (1984–1990)
- Head of Finance, Monrovia Tobacco Corporation, Liberia (subsidiary of British American Tobacco) — (1983–1984)
- Plant Controller, BAT Bangladesh — (1982–1983)
- Management Accountant, BAT Bangladesh — (1979–1982)
- Tea Accountant, James Finlay Bangladesh — (July–September 1979)
- Audit Associate, Price Waterhouse, Kolkata, India — (1975–1978)

Other Responsibilities

- Chairman – Unilever Consumer Care Ltd. (formerly GlaxoSmithKline Bangladesh)
- Chief Adviser to the Board – MI Cement Factory Limited (Crown Cement)
- Independent Director – Marico Bangladesh, , Singer Bangladesh,
- Chairman of Audit Committees –, Singer Bangladesh
- Independent Director & Chairman of Nomination and Remuneration Committee – BAT Bangladesh
- Shareholder Director – Edge Research and Consulting
- Advisor – Edge Asset Management Company



PROFESSOR DR. MELITA MEHJABEEN

INDEPENDENT DIRECTOR

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

November 2024

EDUCATIONAL BACKGROUND

- PhD Accounting and Finance, Alliance Manchester Business School, University of Manchester, UK
- Masters in Development Studies, University of Colombo, Sri Lanka
- Masters in Business Administration (MBA), Institute of Business Administration (IBA), University of Dhaka
- Bachelors in Business Administration (BBA), Institute of Business Administration (IBA), University of Dhaka

TRAININGS AND WORKSHOPS

- Asia Regional Training of Trainers-Inclusive Leadership for Company Sustainability, Jakarta by IFC Indonesia
- Case Writing Workshop at Harvard Business School, Executive Education
- Global Colloquium in Participant Centered Learning
- XI Colloquium in Qualitative Research Methods, Nord University, Norway.
- Certificate Diploma in "Leading with Finance" with Harvard Business School Online
- Faculty Exchange Programme at the Oulu University of Applied Sciences, Finland
- Training on Regulatory Impact Assessment by Jacobs, Cordovas and Associates sponsored by the International Finance Corporation (IFC)
- Workshop on Corporate Governance organized by IFC
- Attended "Designing a Mixed Methods Research" conducted by the University of Michigan, USA
- Building the Consultant Hub: Program on GRI Standards conducted by the Global Reporting Initiative (GRI) and PWC

Professor Dr. Melita Mehjabeen is a distinguished academic and governance professional with over two decades of demonstrated success in teaching, research, consulting, and advisory roles. She has consistently fostered a dynamic and engaging learning environment, inspiring students to pursue excellence in business and finance. Her research interests span sustainability and governance, the informal sector, and SME development, areas in which she has made significant contributions through extensive research and multiple publications.

Dr. Mehjabeen's strong academic foundation, combined with her deep understanding of private sector services, equips her with a unique blend of expertise that bridges academia and industry. This diverse background has enabled her to thrive in complex, multifaceted environments, where she brings both scholarly rigor and practical insight. She continues to enrich board deliberations with her strategic perspective, reinforcing her reputation as a thought leader in governance and sustainable development.

Career Highlights

- Professor, Institute of Business Administration (IBA), University of Dhaka —2022–Present
- Associate Professor, IBA, University of Dhaka — 2018–2022
- Assistant Professor, IBA, University of Dhaka — 2013–2018
- Lecturer, IBA, University of Dhaka — 2009–2013
- Manager, Product Sales, Global Transaction Services, Citibank N.A — 2008–2009
- Assistant Manager, Product Sales, Global Transaction Services, Citibank N.A — 2006–2007

Grants

- Research Grant from the Danish Ministry of Foreign Affairs on Climate Change and Plastic Recycling in the RMG Industry in Bangladesh
- Research Grant from Bangladesh Institute of Capital Markets (BICM) and Bangladesh Securities and Exchange Commission (BSEC) on ESG Disclosure Practices in Publicly Listed Companies of Bangladesh
- Research Grant from the Danish Ministry of Foreign Affairs for the project Circular Economy in Bangladesh's Apparel Industry (CREATE), jointly conducted with Aalborg University Business School, Copenhagen Business School, University of Essex, University of London, BGMEA, Dhaka University, and Ahsanullah University
- Commonwealth Scholarship for PhD from the UK Government

Other Responsibilities

- Independent Director and Chair, Audit Committee – Grameenphone Ltd.
- Independent Director and Chair, Audit Committee – Unilever Consumer Care Ltd.
- Independent Director – National Bank Ltd and Member, Audit Committee and Risk Committee
- Independent Director – BAT Bangladesh (appointed November 2024) and member, Audit Committee
- Director, SME Foundation
- Member, National Coordination Committee, Formalization of enterprises and Employment, MInistry of Industries, USA

Conference Presentations

- CSR Research in the Hotel Industry: How it Relates to Promoting the SDGs – Social Responsibility Network Conference, Mauritius
- When CSR Reporting Meets National Politics: Dispatches from a Traditional Setting – APIRA Conference, New Zealand
- The Politics of CSR Reporting Practices: A Traditional Economy Perspective – AAEE Conference, Essex, UK
- The Politics of Corporate Social Reporting Practices: Case Study of Developing Economy – 29th International Congress on Social and Environmental Accounting Research (CSEAR), University of St. Andrews, UK



MS. RUPALI HAQUE CHOWDHURY

INDEPENDENT DIRECTOR

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

July 2025

EDUCATIONAL BACKGROUND

- Masters in Business Administration (MBA), Institute of Business Administration (IBA), University of Dhaka
- Bachelor of Science (B.Sc.) in Chemistry, University of Chittagong

TRAININGS AND PROFESSIONAL ENGAGEMENTS

- Leadership programs, Berger Paints Bangladesh Limited and FICCI
- Industry forums and conferences, Bangladesh Business Summit, FICCI, global governance dialogues
- Board orientation and audit committee sessions, BAT Bangladesh, LafargeHolcim Bangladesh PLC, other listed companies
- ESG and sustainability workshops, manufacturing and infrastructure sectors

Ms. Rupali Haque Chowdhury is a distinguished corporate leader with over 40 years of experience across multinational and local enterprises. She has held senior leadership and board-level roles that shaped governance and organizational transformation, earning her wide respect in Bangladesh's business community. Since 2008, she has served as Managing Director of Berger Paints Bangladesh Limited, driving innovation, operational excellence, and sustainability. Beyond Berger, she has contributed as Independent Director on the boards of British American Tobacco Bangladesh, LafargeHolcim Bangladesh PLC, Linde Bangladesh Ltd., Marico Bangladesh Limited and Bata Shoe Company (Bangladesh) Ltd. She has also led key industry associations, including as President of the Foreign Investors' Chamber of Commerce & Industry and the Bangladesh Paint Manufacturers' Association, while promoting inclusive practices through the Bangladesh Business & Disability Network and the Bangladesh Economic Zone Investors Association.

Career Highlights

- Managing Director, Berger Paints Bangladesh Limited — 2008–Present
- Independent Director, Bata Shoe Company (Bangladesh) Ltd. — 2018–Present
- Independent Director, LafargeHolcim Bangladesh PLC — Present
- Director, Berger Becker Bangladesh Ltd., Berger Tech Consulting Ltd., Jenson & Nicholson (Bangladesh) Ltd. & Berger Fosroc Ltd. — Present
- Director, Bangladesh Business & Disability Network — Present
- Former President, Bangladesh Association of Publicly Listed Companies — 2024-25
- Sr. Vice President, Bangladesh Economic Zone Investors Association — Present
- Former Independent Director, Linde Bangladesh Ltd. — 2018 - 2024
- Former Independent Non-Executive Director, Marico Bangladesh Ltd. — 2013–2014
- Director, SMC Enterprise Ltd. — 2013–2017, 2024 - present
- President, Foreign Investors Chamber of Commerce & Industry —2013 – 2017, 2019–2021, 2026- present
- Former President, Bangladesh Paint Manufacturers' Association — 2013 , 2019
- Planning Manager, Berger Paints Bangladesh Ltd. — 1990 (entry role at Berger)
- Brand Manager, Ciba Geigy (Bangladesh) Ltd. — 1984–1990
- Chairperson, Prothom Alo Trust
- Former Independent Director, Evercare Group



MR. MD. OBAIDUR RAHMAN

NON-EXECUTIVE DIRECTOR

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

April 2025

EDUCATIONAL BACKGROUND

- Post Graduate (MBA), University of Dhaka

MEMBERSHIPS

- Board Member, British American Tobacco Bangladesh
- Member, Bangladesh Civil Service (Administration Cadre, 15th Batch)
- Alumni Member, University of Dhaka
- Alumni Member, Bangladesh Institute of Management (BIM)

Mr. Md. Obaidur Rahman is a seasoned governance professional with over three decades in the Bangladesh Civil Service (Administration Cadre, 15th Batch). He has held senior leadership roles across ministries, contributing to policy reform, institutional development, and administrative excellence. His expertise in governance, compliance, and strategic oversight makes him a trusted figure in both public and corporate domains. In 2025, he joined the Board of British American Tobacco Bangladesh, where he provides guidance on regulatory affairs, governance, and stakeholder engagement. He remains active in professional and alumni networks, reflecting his commitment to continuous learning and institutional growth. By 2026, his leadership and integrity continue to inspire confidence, reinforcing his reputation as a respected professional whose vision and contributions remain integral to Bangladesh's evolving governance and corporate landscape.

Career Highlights

- Secretary, Ministry of Industries (2025 – Present)
- Chairperson, SME Foundation (January 2026 – Present, concurrent with Ministry of Industries role)
- Additional Secretary, Ministry of Public Administration (Aug 2024 – Feb 2025)
- Joint Secretary, Ministry of Public Administration (Aug 18 – Aug 21, 2024)
- Secretary, Non Government Teacher Registration & Certification Authority (2021 – 2024)
- Deputy Registrar, Department of Patents & Design (2015 – 2021)
- Deputy Secretary, Ministry of Public Administration (2017)
- Assistant Registrar Officer, Department of Patents & Design (2013 – 2015)
- Additional Deputy Commissioner, Bagerhat (2011 – 2013)
- Upazila Nirbahi Officer, multiple locations (2002 – 2011)
- Assistant Commissioner (Land), various districts (1998 – 2001)
- Assistant Commissioner, various districts

Professional Trainings

- Intellectual Property Office Administration & Management – World Intellectual Property Academy, Sweden
- Good Governance & Public Administration – Administrative Staff College of India
- Professional Development Program – Macquarie University, Australia
- Intellectual Property System for Economic Development – JICA, Japan
- Intellectual Property Rights in Global Economy – WIPO, Sweden
- Advanced Intellectual Property Management – WIPO, Sweden
- Commercialization of IP Assets – China
- Effective Intellectual Property Implementation – Singapore
- Foundation Training Course (FTC) – BPATC, Bangladesh
- BCS Officers' Orientation Course – BMA
- Law & Administration Training – Bangladesh Civil Service Administration Academy



DR. ZIAUL ABEDIN

NON-EXECUTIVE DIRECTOR

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

October 2025

EDUCATIONAL BACKGROUND

- Ph.D. in Economics, Shiga University, Japan — completed under the Monbukagakusho (MEXT) Scholarship (2007)
- Master's Degree in Economics, University of Dhaka, Bangladesh (1996)
- Bachelor's Degree in Economics, Aligarh Muslim University, India (1995)

MEMBERSHIPS

- Bangladesh Civil Service (BCS) – Member, 18th Batch
- Bangladesh Economic Association (BEA) – Life Member (LM 1567)
- British American Tobacco Bangladesh (BATB) – Non Executive Director, Board of Directors
- Member, Bangladesh Civil Service Administration Association
- Member, Governing Council, Institute of Public Finance Bangladesh (IPF)

Dr. Ziaul Abedin began his career as an Assistant Commissioner and Magistrate, gaining early experience in field administration and policy implementation. Over the past 27 years in the Bangladesh Civil Service (Administration Cadre, 18th Batch), he has built a distinguished career marked by leadership in macroeconomic policy, debt management, and public financial reform. He has served as Director at the Ministry of Foreign Affairs, Diplomatic Representative in Tokyo, and held senior roles in the Ministry of Finance, where he helped develop the Medium Term Debt Management Strategy (MTDS) and contributed to key financial reform reports. In 2025, Dr. Abedin became Director General of the Institute of Public Finance Bangladesh (IPF) and joined the Board of British American Tobacco Bangladesh as a Non Executive Director. He currently serves as Additional Secretary, Finance Division, leading the Budget-1 Wing and advising on national economic strategies including fiscal policy of the Government.

Career Highlights

- Additional Secretary, Finance Division – Leading the Budget-1 Wing (Present)
- Additional Secretary, Finane Division – Led the Macroeconomics Wing
- Director General, Institute of Public Finance Bangladesh (IPF)
- Economic Relations Division (ERD) – Strengthened ties with development partners in Asia and Oceania
- Finance Division, Ministry of Finance – Leadership in debt management, MTDS development, and public financial reform
- Diplomatic Representative, Embassy of Bangladesh in Tokyo – Expanded bilateral economic cooperation
- Director, Ministry of Foreign Affairs – Oversight of international policy initiatives
- Field Administration Roles – Early career postings as Assistant Commissioner and Upazila Nirbahi Officer, gaining practical insights into policy implementation

Professional Contributions

- Co author of diagnostic reports on government financial systems, including debt sustainability and contingent liabilities
- Contributor to Government Financial Management Reform Reports
- Key architect of the Medium Term Debt Management Strategy (MTDS)



MR. NIRANJAN CHANDRA DEBNATH

NON-EXECUTIVE DIRECTOR

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

April 2025

EDUCATIONAL BACKGROUND

- Master of Commerce (M.Com) in Accounting, University of Chittagong (First Class, First Position)
- Fellow of the Institute of Cost and Management Accountants of Bangladesh (FCMA)
- Certified Management Accountant (CMA), Chartered Institute of Management Accountants (CIMA), UK
- Diplomaed Associate (DAIBB) of the Institute of Bankers, Bangladesh

Mr. Niranjan Chandra Debnath is a seasoned banking and finance professional with over 25 years of comprehensive experience in financial management, strategic planning, corporate governance, risk management and capital markets. He has contributed consistently to Bangladesh's financial sector, holding senior management and board-level positions that advanced compliance, efficiency, risk management and strategic growth. Currently Mr. Debnath holds the office of directorship in the following companies:

- Unilever Consumer Care Limited (UCL)
- Heidelberg Materials Bangladesh PLC
- United Power Generation & Distribution Company Limited
- ACME Laboratories Limited
- National Tea Company Limited
- Central Depository Bangladesh Limited (CDBL)
- Apex Tannery Limited
- Apex Footwear Limited
- Credit Rating Information and Services Limited
- The Peninsula Chittagong PLC

Career Highlights

- Managing Director, Investment Corporation of Bangladesh (ICB) — 2025–Present
- Ex-Managing Director, Rajshahi Krishi Unnayan Bank (RAKUB)
- Ex-Deputy Managing Director & Chief Anti-Money Laundering Compliance Officer (CAMLCO), Sonali Bank PLC
- Ex-Deputy Managing Director & Chief Financial Officer (CFO), BASIC Bank Ltd.
- Started career as Assistant Manager, BASIC Bank Limited in 1997

Trainings

- Obtained diversified training at home and abroad.
- Conducted training and delivered sessions on AML compliance, Corporate governance, Risk management, Project financing, Financial governance and Reporting.
- Promoted continuous professional development in modern banking practices and sustainability.



MR. GARY TARRANT

NON-EXECUTIVE DIRECTOR

NATIONALITY

British

DATE OF APPOINTMENT TO BATB BOARD

March 2023

EDUCATIONAL BACKGROUND

- Bachelor of Science (BSc) in Mathematics with Economics, University of Sussex, UK
- Post Graduate Diploma in Law (PGDL), Nottingham Trent University, UK

MEMBERSHIPS

- Member, BATB Board
- Solicitor of England & Wales

Mr. Gary Tarrant's professional journey began in 1993 when he joined Unilever's London headquarters as a registered trademark attorney. After six years of service, he transitioned to private practice, establishing a trademark division at a London law firm. In 2004, he entered the BAT Group at Globe House, initially working as a senior trademark manager before expanding his responsibilities to provide legal counsel to the group's marketing function. He qualified as a Solicitor of England & Wales in 2006. Following seven years at Globe House, he undertook his first international assignment as GCC Legal Counsel in Dubai. Over the course of his career, he has held a series of senior roles within BAT's Legal & External Affairs (LEX) function, including Head of LEX for the Middle East, South Asia and North Africa, Head of LEX for Korea & Taiwan, Head of Commercial Legal in the UK, and Head of Legal for the West Africa Area.

Prior to his current appointment, Mr. Tarrant served as Regional General Counsel and Head of Legal & CORA for the Asia Pacific, Middle East and Africa Region, where he was a member of the APMEA Regional Leadership Team. In this role, he drove strategic agendas for CORA and Legal, spearheaded the LEX transformation, and built high-performing teams across diverse geographies. In January 2025, he was elevated to Group Head of Regulation and returned to BAT Headquarters in London, where he continues to serve on the Group CORA Leadership Team.

As of 2026, he remains deeply engaged in shaping BAT's global regulatory strategy while also contributing to governance as a Non-Executive Director on the Boards of BAT Bangladesh and Ceylon Tobacco Company PLC. With more than three decades of international legal and regulatory leadership spanning Europe, Asia, Africa, and the Middle East, Mr. Tarrant brings extensive expertise to his roles. He holds a Bachelor of Science in Mathematics with Economics from the University of Sussex and a Post Graduate Diploma in Law from Nottingham Trent University.

In addition, he is a Solicitor of England & Wales and continues to apply his knowledge to strengthen corporate governance and regulatory affairs at the highest level.



MR. STUART KIDD

NON-EXECUTIVE DIRECTOR

NATIONALITY

New Zealand

DATE OF APPOINTMENT TO BATB BOARD

January 2023

EDUCATIONAL BACKGROUND

- Bachelor Of Commerce Auckland University
- Chartered Accountant (Chartered Accountants Australia & New Zealand)

MEMBERSHIPS

- Member, BATB Board
- BAT Global Finance Leadership Team
- BAT APMEA Leadership Team

Mr. Stuart Kidd began his career as a senior external auditor with EY in Australia before joining BAT Australia as an Internal Auditor in 2001. Two years later, he moved to BAT New Zealand as a strategic project manager and was promoted to Commercial Finance Manager in 2004.

In 2008, he briefly served as Finance Controller for BAT Vietnam before transferring to the group headquarters in the UK to work in the mergers and acquisitions division. He subsequently became Finance Director at BAT International in Zug, Switzerland.

In 2012, Mr. Kidd relocated to Hong Kong as Regional Business Development Manager, overseeing mergers and acquisitions for the Asia Pacific Region. Three years later, he was appointed Finance Director for the North Asia Area based in Tokyo, and in 2020 he returned to the regional office as Regional Head of Finance.

As of 2026, Mr. Kidd continues to serve as Regional Head of Finance for BAT's Asia Pacific, Middle East and Africa (APMEA) operations, where he plays a pivotal role in financial planning, restructuring, and governance across diverse markets. He also sits on the Boards of BAT Bangladesh (appointed January 2023), Ceylon Tobacco Company PLC (Sri Lanka, appointed February 2021), and the Vinataba/BAT PMD joint venture in Vietnam, contributing his expertise in financial oversight and corporate governance. With more than two decades of experience in financial accounting, internal control, and business restructuring, Mr. Kidd brings extensive international exposure and leadership to BAT's global finance agenda. He holds a Bachelor of Commerce degree from Auckland University and is a Chartered Accountant with the Chartered Accountants Australia & New Zealand.



MR. FRANCISCO TOSO CANEPA

NON-EXECUTIVE DIRECTOR

NATIONALITY

Chilean and Italian

DATE OF APPOINTMENT TO BATB BOARD

March 2023

EDUCATIONAL BACKGROUND

- Industrial Engineering
- Pontificia Universidad Catolica de Valparaiso, Chile
- Dottore in Ingegneria Gestionale Politecnico Di Torino University, Italy.

MEMBERSHIPS

- BATB Board
- BAT Singapore Board
- APMEA Regional Leadership Team
- BAT Global Operations Leadership Team

Mr. Francisco Toso Canepa began his career with British American Tobacco Chile in 2002 and has since built a distinguished track record across multiple geographies in operations and supply chain management. In 2005, he moved to the UK as a supply chain project manager, where he was tasked with designing BAT's future end-to-end supply chain planning hub. Two years later, he was promoted to Supply Chain Manager for Mexico and Canada, overseeing optimisation initiatives across both markets. In 2010, he returned to Chile as Factory Manager, before being appointed Operations Director for West Africa in 2013, based in Nigeria, where he managed several plants and the end-market supply chain across the region. He subsequently became Area Operations Director for Southern and Eastern Europe, headquartered in Romania, with oversight of markets including Romania, Italy, Greece, Malta, and Cyprus.

In July 2022, Mr. Toso Canepa was appointed Regional Operations Director for Asia Pacific and Middle East, joining the BAT Global Operations Leadership Team. In April 2023, his remit expanded to cover the newly established Asia Pacific, Middle East and Africa (APMEA) region, giving him responsibility for operations across a vast and diverse geography. In this role, he has focused on supporting business growth, building capabilities to transform BAT into a multi-category sourcing organisation, and driving step-change improvements in diversity, ESG, service, quality, and cost performance.

As of 2026, Mr. Toso Canepa continues to serve as Regional Operations Director, APMEA, based in Singapore, where he leads BAT's global operations agenda across Asia, the Middle East, and Africa. He also sits on the Board of BAT Bangladesh as a Non-Executive Director (appointed March 2023), contributing his expertise in governance and operational excellence. His academic background includes a degree in Industrial Engineering from Pontificia Universidad Católica de Valparaíso, Chile, and a doctorate in Engineering Management from Politecnico di Torino, Italy. With over two decades of international leadership experience, Mr. Toso Canepa remains a key figure in BAT's global operations, shaping supply chain transformation and sustainability across multiple regions.



MS. NIRALA SINGH

FINANCE DIRECTOR

NATIONALITY

Trinidadian

DATE OF APPOINTMENT TO BAT BOARD

May 2023

EDUCATIONAL BACKGROUND

- Master's in business administration, Andrews University, Michigan, USA
- Fellow Chartered Certified Accountant (FCCA)

MEMBERSHIPS

- BATB BOARD
- BAT Bangladesh Leadership Team
- APMEA Central Leadership Team
- APMEA Regional Finance Leadership Team

Ms. Nirala Singh has been serving as the Finance Director of BAT Bangladesh since May'23, bringing with her over 25 years of experience in financial leadership across multiple geographies. She has consistently demonstrated her ability to drive commercial success within a prestigious international corporation, combining strong financial acumen with a passion for people management. Throughout her career, she has built high-performing teams and championed diversity, particularly female professional development, using her leadership to spearhead initiatives that strengthen inclusivity across the business.

As of 2026, she remains a key member of BAT Bangladesh's leadership, actively shaping financial strategy, governance, and organizational growth. Ms. Singh holds a Bachelor of Commerce degree, is a Chartered Accountant with ACCA and has earned her MBA from Andrews University.

Career Experience

Ms. Singh commenced her career with British American Tobacco in 2001 as an Internal Auditor for the Caribbean Area. In 2003, she was promoted to Planning Analyst, expanding her responsibilities to cover both the Caribbean and Central America. By 2006, she joined The West Indian Tobacco Company Limited, a BAT subsidiary, as Financial Accountant and was elevated to Finance Controller in 2008. In 2011, she became Head of Marketing Finance for BAT's Central America and Caribbean Area, strengthening her expertise in financial leadership.

In 2013, she returned to The West Indian Tobacco Company Limited in Trinidad as Finance Director, where she also served on the local Board of Directors. Later that year, she transferred to BAT Vietnam as Finance Controller, ensuring transparency and accountability in marketing investments while contributing to both the Finance and Marketing Leadership teams. In 2015, she moved to Costa Rica as Finance Controller for BAT Central America & the Caribbean, where she managed financial results for the business unit and successfully led the implementation of SAP across 22 entities.

In 2017, Ms. Singh assumed the role of Head of Record to Report at BAT Shared Services Europe in Romania, overseeing a global shared services team of 250 professionals. From 2020 to 2023, she was Head of Commercial Finance for BAT Latin America and the Caribbean, based in Mexico, where she spearheaded commercial strategy across more than 30 markets. Since 2023, she has been serving as Finance Director for BAT Bangladesh, where she continues to drive commercial success, strengthen governance, and champion diversity initiatives.



MR. NUMAYER ALAM

COMMERCIAL DIRECTOR

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

September 2024

EDUCATIONAL BACKGROUND

- Bachelor of Business Administration (BBA), Institute of Business Administration (IBA), University of Dhaka

MEMBERSHIPS

- BATB Board
- BAT Bangladesh Leadership Team
- APMEA Central Leadership Team

ACCOLADES

- Awarded 'Sales Director of the Year' at the Bangladesh C-Suite Awards 2023

Mr. Numayer Alam brings over two decades of experience with British American Tobacco, during which he has held diverse roles across Bangladesh and the East Asia Area, specifically Vietnam and Cambodia. Over approximately seven years in leadership positions within Marketing and Sales, he has built extensive expertise in Sales and Trade Marketing, Commercial and Strategic Planning, Portfolio and Brand Management, Project Management, Talent Development, and Large Team Management. His career reflects a consistent track record of driving growth, shaping strategy, and developing talent, making him a key contributor to BAT's commercial success both locally and internationally.

Career Experience

Mr. Alam began his career with BAT Bangladesh in 2004 as a Territory Officer and was promoted to Area Manager in 2006. In 2007, he became Channel Development Executive, further strengthening his expertise in trade and sales. By 2010, he transitioned to a cross-functional role as Enterprise Programme Manager, and in 2012 he advanced to a global project deployment assignment as Project Manager for Bangladesh, where he successfully oversaw the TAO (Target Operating Model and OneSAP) programme.

Between 2014 and 2016, he held three senior positions in rapid succession. He returned to Marketing in 2014 as Regional Manager for Dhaka, leading BAT's largest business unit nationally. In 2015, he became Strategy, Planning & Insights Manager, and in 2016, he was promoted to Head of Strategy, Planning & Insights, where he played a pivotal role in developing long-term business simulations and strategic initiatives.

In 2017, Mr. Alam was appointed Head of Trade Marketing at BAT East Asia Area (Vietnam & Cambodia), later also serving as Head of Brands. Under his leadership, the Vietnam business achieved significant growth in volume, market share, and turnover, driven by route-to-market optimization, impactful trade activations, portfolio enhancement, and robust talent development programmes.

Returning to Bangladesh in 2022, Mr. Alam joined the BAT Bangladesh Leadership Team as Commercial Director. Since then, he has led one of the largest sales operation networks in the country, shaping strategies that enabled the Commercial function to deliver record-breaking sales and revenue in a highly competitive market. Amidst the geopolitical unrest in Bangladesh in 2024, he played a critical role in ensuring the safety and wellbeing of employees while maintaining strong commercial results.

As of 2026, Mr. Alam continues to serve as Commercial Director, BAT Bangladesh, where he has further strengthened commercial governance and market resilience. His leadership has doubled female talent inclusion and progression in the Marketing and Commercial functions over the past two years, reinforcing BAT's Diversity & Inclusion agenda. His appointment to the BAT Bangladesh Board in 2024 further solidified his role as a key leader shaping the organisation's future growth.



MR. SYED AFZAL HOSSAIN

COMPANY SECRETARY

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BATB BOARD

April 2024

EDUCATIONAL BACKGROUND

- Bar Vocational Course, Inns of Court School of Law, London, United Kingdom
- Postgraduate Diploma in Professional and Legal Skills, City University, London, United Kingdom
- Bachelor of Laws in Law, University of Leicester, Leicester, United Kingdom

PROFESSIONAL QUALIFICATIONS

- Accredited Mediator, CEDR (UK)
- Advocate, Supreme Court of Bangladesh
- Advocate, Dhaka District Court
- Barrister-at-Law (England and Wales)

MEMBERSHIP IN PROFESSIONAL SOCIETIES:

- Bar of England & Wales
- Honourable Society of Lincoln's Inn
- Supreme Court Bar Association, Bangladesh
- Dhaka Bar Association, Bangladesh
- Bangladesh Bar Council

ADVOCACY BEFORE

- High Court Division of the Supreme Court of Bangladesh
- District Courts of Dhaka and Chittagong
- Labour Court of Dhaka
- Trademark Tribunal of Bangladesh

Mr. Syed Afzal Hossain is a distinguished Barrister with over a decade of litigation practice and nine years of corporate sector experience. His expertise covers admiralty law, power and energy, banking and finance, telecommunications, commercial and corporate law, VAT and taxation, as well as labor and employment law. He has also developed extensive proficiency in both domestic and international commercial arbitrations, establishing himself as a versatile legal strategist. Since 2024, he has been serving as Company Secretary and Senior Legal Counsel of BAT Bangladesh, where he continues to uphold the highest standards of compliance, reinforce governance frameworks, and provide strategic legal stewardship that supports the company's long-term sustainability.

Career Experience

Mr. Syed Afzal Hossain began his career in 2004 with the Central Bank Strengthening Project of Bangladesh Bank, gaining early exposure to regulatory frameworks and financial governance. From 2004 to 2014, he practiced at A Hossain and Associates under Mr. Ajmalul Hossain KC, developing expertise in corporate law, taxation, and arbitration, before continuing at Law House (2014–2016) to further strengthen his litigation practice.

He joined BAT Bangladesh in 2017 as Litigation and Commercial Counsel. An Advocate of the Supreme Court of Bangladesh and Barrister-at-Law, he played a pivotal role in securing a favorable outcome in a GBP 158 million VAT and SD claim, earning the BATB Tier 3 Award. Over his tenure, he has also received two Stellar Awards and multiple Honor Clubs (Tier 2) for interdisciplinary contributions.

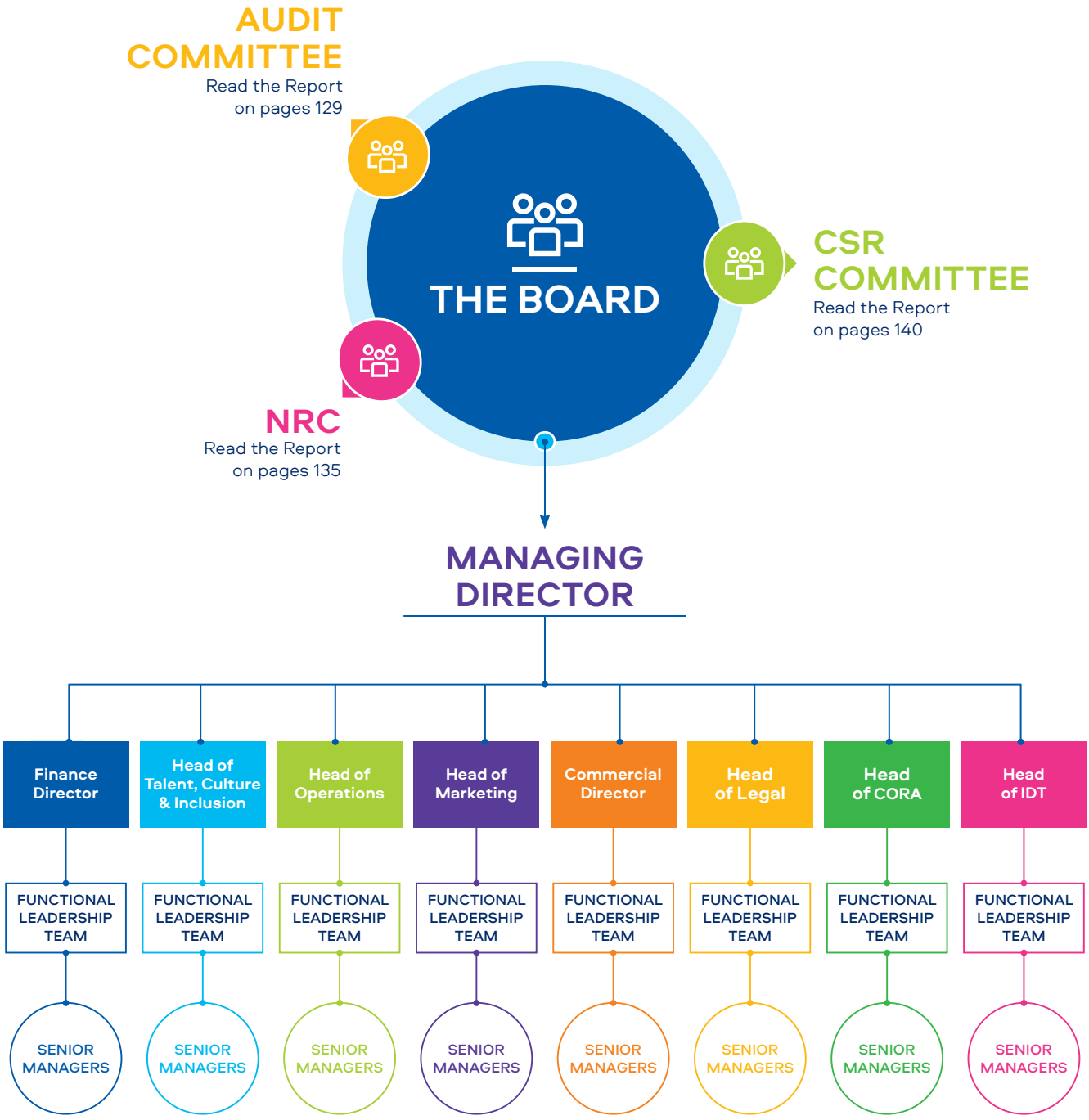
In 2024, Mr. Hossain was promoted to Company Secretary and Senior Legal Counsel of BAT Bangladesh. In this role, he has ensured compliance with complex regulatory frameworks, strengthened governance standards, and provided strategic support during the geopolitical unrest of 2024, safeguarding both people and business continuity.

As of 2025–2026, he continues to serve in this capacity, enhancing governance resilience and regulatory risk management. His leadership has guided the company through evolving reforms in taxation, corporate governance, and employment law, while expanding his role in Board-level governance. His focus on team development and collaboration has positioned BAT Bangladesh's legal and compliance functions as industry benchmarks.

Training And Workshops:

- Training of Master Trainers on Mediation organised by Bangladesh International Arbitration Centre and CEDR
- ADR Workshop on Investing Across Borders organised by Bangladesh International Arbitration Centre
- Workshop on Case Management organised by UNDP and Bangladesh Bar Council
- Workshop on Energy Regulatory Law and Policy organised by USAID and Bangladesh Bar Council

ORGANIZATIONAL STRUCTURE



LEADERSHIP TEAM



STANDING FROM LEFT

Mr. Jorge Macedo
Head of Operations

Mr. Rabih Masrouha
Head of Talent, Culture & Inclusion

Mr. Sudesh Peter
Head of Legal

Mr. Syed Mahbub Ali
Head of Marketing

Mr. Sarzil Sarwar
Head of IDT

SITTING FROM LEFT

Mr. Numayer Alam
Commercial Director

Ms. Monisha Abraham
Managing Director

Ms. Nirala Singh
Finance Director



MS. MONISHA ABRAHAM

Managing Director

NATIONALITY

Indian

DATE OF APPOINTMENT TO BAT BANGLADESH

2023

EDUCATIONAL BACKGROUND

- MBA in Marketing and Finance, Birla Institute of Technology, India
- Bachelor of Commerce (B. Com), Jyoti Nivas College, India

TRAININGS & PROFESSIONAL EDUCATION

- Harvard Business School-Heineken Leadership Campus
- IMD- Strategic Leadership
- INSEAD- HIMAC Heineken

MEMBERSHIP

- BAT Bangladesh Board
- BAT Bangladesh Leadership Team
- APMEA Regional Leadership Team

In 2026, Ms. Monisha Abraham continues to lead BAT Bangladesh with distinction, building on her appointment in 2024 and her impactful contributions through 2025. With nearly three decades of experience in general management and marketing across the FMCG and tobacco industries, she has firmly established herself as a strategic leader, admired for her ability to inspire high-performing teams, nurture individual talent, and strengthen organizational resilience. Widely recognized as one of Bangladesh's leading sustainability champions, she has advanced BAT's "A Better Tomorrow" agenda while making history as the first female Managing Director of BAT Bangladesh.

Career Highlights

Ms. Monisha Abraham began her career in 1995 in Abu Dhabi's FMCG sector, developing strong expertise in consumer markets and regulatory frameworks. She joined Heineken in 2005 as Trade Marketing Manager and quickly rose to Marketing Manager for the Gulf region.

In 2009, she relocated to the Netherlands as Regional Marketing Director for Africa & Middle East, later becoming Managing Director of Heineken Lebanon where she delivered record-breaking results. From 2017 to 2019, she led Heineken Hanoi, successfully integrating northern and southern operations, before taking charge of Ibecor in Brussels in 2019, expanding logistics reach to the Caribbean and Asia Pacific.

In 2021, she transitioned to BAT Group as Managing Director & CEO of Ceylon Tobacco Company, steering the business through COVID-19 and economic turbulence, and delivering a 37% revenue growth through Phase 1 of Integrated Work Systems. Appointed Managing Director of BAT Bangladesh in 2024, she has since focused on resilience, talent development, and stakeholder value. In 2025, the company contributed nearly 8% of government internal revenue, supporting 1.6 million livelihoods.

By 2026, she continues to reinforce BAT Bangladesh's position as a resilient, forward-looking organization, embedding sustainability, advancing digital transformation, strengthening stakeholder engagement, and nurturing a diverse leadership pipeline. She is known for cultivating high-performing teams, building leadership pipelines, and championing diversity and inclusion, while strengthening relationships with regulators, government, and external stakeholders to ensure compliance, trust, and continuity. Under her leadership, BAT Bangladesh has introduced modernization in supply chain, operations, and marketing through digital tools and analytics, further enhancing organizational resilience and stakeholder confidence.



MS. NIRALA SINGH

Finance Director

NATIONALITY

Trinidadian

DATE OF APPOINTMENT TO BAT BANGLADESH

2023

EDUCATIONAL BACKGROUND

- Master's in business administration, Andrews University, Michigan, USA
- Fellow Chartered Certified Accountant (FCCA)

MEMBERSHIP

- BATB Board
- BAT Bangladesh Leadership Team
- APMEA Central Leadership Team
- APMEA Regional Finance Leadership Team

Ms. Nirala Singh has been serving as the Finance Director of BAT Bangladesh since May'23, bringing with her over 25 years of experience in financial leadership across multiple geographies. She has consistently demonstrated her ability to drive commercial success within a prestigious international corporation, combining strong financial acumen with a passion for people management. Throughout her career, she has built high-performing teams and championed diversity, particularly female professional development, using her leadership to spearhead initiatives that strengthen inclusivity across the business.

As of 2026, she remains a key member of BAT Bangladesh's leadership, actively shaping financial strategy, governance, and organizational growth. Ms. Singh holds a Bachelor of Commerce degree, is a Chartered Accountant with ACCA and has earned her MBA from Andrews University.

Career Experience

Ms. Singh commenced her career with British American Tobacco in 2001 as an Internal Auditor for the Caribbean Area. In 2003, she was promoted to Planning Analyst, expanding her responsibilities to cover both the Caribbean and Central America. By 2006, she joined The West Indian Tobacco Company Limited, a BAT subsidiary, as Financial Accountant and was elevated to Finance Controller in 2008. In 2011, she became Head of Marketing Finance for BAT's Central America and Caribbean Area, strengthening her expertise in financial leadership.

In 2013, she returned to The West Indian Tobacco Company Limited in Trinidad as Finance Director, where she also served on the local Board of Directors. Later that year, she transferred to BAT Vietnam as Finance Controller, ensuring transparency and accountability in marketing investments while contributing to both the Finance and Marketing Leadership teams. In 2015, she moved to Costa Rica as Finance Controller for BAT Central America & the Caribbean, where she managed financial results for the business unit and successfully led the implementation of SAP across 22 entities.

In 2017, Ms. Singh assumed the role of Head of Record to Report at BAT Shared Services Europe in Romania, overseeing a global shared services team of 250 professionals. From 2020 to 2023, she was Head of Commercial Finance for BAT Latin America and the Caribbean, based in Mexico, where she spearheaded commercial strategy across more than 30 markets. Since 2023, she has been serving as Finance Director for BAT Bangladesh, where she continues to drive commercial success, strengthen governance, and champion diversity initiatives.



MR. NUMAYER ALAM

Commercial Director

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BAT BANGLADESH

2004

EDUCATIONAL BACKGROUND

- Bachelor of Business Administration (BBA), Institute of Business Administration (IBA), University of Dhaka

MEMBERSHIP

- BATB Board
- BAT Bangladesh Leadership Team
- APMEA Central Leadership Team

ACCOLADES

- Awarded 'Sales Director of the Year' at the Bangladesh C-Suite Awards 2023

Mr. Numayer Alam brings over two decades of experience with British American Tobacco, during which he has held diverse roles across Bangladesh and the East Asia Area, specifically Vietnam and Cambodia. Over approximately seven years in leadership positions within Marketing and Sales, he has built extensive expertise in Sales and Trade Marketing, Commercial and Strategic Planning, Portfolio and Brand Management, Project Management, Talent Development, and Large Team Management. His career reflects a consistent track record of driving growth, shaping strategy, and developing talent, making him a key contributor to BAT's commercial success both locally and internationally.

Career Experience

Mr. Alam began his career with BAT Bangladesh in 2004 as a Territory Officer and was promoted to Area Manager in 2006. In 2007, he became Channel Development Executive, further strengthening his expertise in trade and sales. By 2010, he transitioned to a cross-functional role as Enterprise Programme Manager, and in 2012 he advanced to a global project deployment assignment as Project Manager for Bangladesh, where he successfully oversaw the TAO (Target Operating Model and OneSAP) programme.

Between 2014 and 2016, he held three senior positions in rapid succession. He returned to Marketing in 2014 as Regional Manager for Dhaka, leading BAT's largest business unit nationally. In 2015, he became Strategy, Planning & Insights Manager, and in 2016, he was promoted to Head of Strategy, Planning & Insights, where he played a pivotal role in developing long-term business simulations and strategic initiatives.

In 2017, Mr. Alam was appointed Head of Trade Marketing at BAT East Asia Area (Vietnam & Cambodia), later also serving as Head of Brands. Under his leadership, the Vietnam business achieved significant growth in volume, market share, and turnover, driven by route-to-market optimization, impactful trade activations, portfolio enhancement, and robust talent development programmes.

Returning to Bangladesh in 2022, Mr. Alam joined the BAT Bangladesh Leadership Team as Commercial Director. Since then, he has led one of the largest sales operation networks in the country, shaping strategies that enabled the Commercial function to deliver record-breaking sales and revenue in a highly competitive market. Amidst the geopolitical unrest in Bangladesh in 2024, he played a critical role in ensuring the safety and wellbeing of employees while maintaining strong commercial results.

As of 2026, Mr. Alam continues to serve as Commercial Director, BAT Bangladesh, where he has further strengthened commercial governance and market resilience. His leadership has doubled female talent inclusion and progression in the Marketing and Commercial functions over the past two years, reinforcing BAT's Diversity & Inclusion agenda. His appointment to the BAT Bangladesh Board in 2024 further solidified his role as a key leader shaping the organisation's future growth.



MR. JORGE MACEDO

Head of Operations

NATIONALITY

Mexican

DATE OF APPOINTMENT TO BAT BANGLADESH

2023

EDUCATIONAL BACKGROUND

- Master's in leadership for Manufacturing (MDM), EGADE – ITESM, Monterrey, México
- Bachelor's in industrial and Systems Engineering, Instituto Tecnológico de Estudios Superiors de Monterrey, Monterrey, México
- International Program Exchange, Colorado State University (CSU), Fort Collins, USA

MEMBERSHIP

- BAT Bangladesh Leadership Team
- BAT APMEA Central Leadership Team
- APMEA Regional Operations Leadership Team

Mr. Jorge Luis Macedo, a Mexican national with over twenty-three years of experience at BAT, took on the role of Head of Operations at BAT Bangladesh in 2023 and has since been driving operational excellence and transformation. His career reflects deep expertise in manufacturing, supply chain, and operational leadership, consistently marked by efficiency gains, sustainability initiatives, and talent development across diverse markets.

Career Experience

Mr. Macedo began his career with BAT Mexico in 2003 as a Management Trainee, quickly rising to Manufacturing Supervisor and later Transformation Manager. In this role, he drove BAT Mexico's Strategic Leadership Agenda, earning recognition as one of the best workplaces in the country (GPTW 2007) and embedding a culture of engagement and excellence.

Between 2007 and 2010, he held key roles in production, quality assurance, and logistics, strengthening supply chain resilience. In 2010, he became Planning Manager, and by 2012 was promoted to TaO AMR Lead, where he implemented the Target Operating Model, One SAP, and led the establishment of the SNO Costa Rica Planning Hub.

His international career expanded further with senior supply chain leadership roles: Regional Planning Manager in Costa Rica (2016), Head of Supply Chain at Imperial Tobacco Canada (2017), and SNO Regional Head of Plan for Europe and North Africa at BAT UK (2019).

In 2023, Mr. Macedo was appointed Head of Operations at BAT Bangladesh. Under his leadership, the company achieved IWS Phase 2 certification, record leaf production, and export milestones, while fostering collaboration with Philip Morris International and exporting talent to other BAT markets.

In 2024, he oversaw capacity expansion, advanced automation and digitalization, and strengthened sustainability programs in line with BAT's ESG roadmap. In 2025, he delivered record export growth, secured IWS Phase 2 certification, and launched talent mobility programs. His leadership was recognized with the Chairman & Chief Executive's A Better Tomorrow Award 2025 for "Project/Team of the Year" (Dhaka Site Closure), underscoring his ability to lead complex transitions with resilience and operational excellence.



MR. SUDESH PETER

Head of Legal

NATIONALITY

Sri Lankan

DATE OF APPOINTMENT TO BAT BANGLADESH

2023

EDUCATIONAL BACKGROUND

- Attorney-at-Law of the Supreme Court of Sri Lanka & Member of the Bar Association of Sri Lanka
- Master of Laws (LL.M.) in International Business with Information Technology & Intellectual Property, Cardiff Metropolitan University, UK
- Bachelor of Information Technology, University of Colombo, Sri Lanka

MEMBERSHIP

- BAT Bangladesh Leadership Team
- BAT APMEA Central Leadership Team
- BAT APMEA Regional Legal Leadership Team

Mr. Sudesh Peter is a seasoned senior executive with a distinguished legal and regulatory background. Over the course of more than 14 years in the tobacco sector, he has demonstrated exceptional leadership in governance, compliance, litigation, and external affairs. His career reflects a steady progression from counsel roles in Sri Lanka to executive leadership across South Asia, marked by strategic foresight and resilience in navigating complex regulatory landscapes.

Career Experience

Mr. Sudesh Peter began his legal career in Sri Lanka as Junior Counsel at the chambers of K. Kanag-Isvaran P.C., before moving to F. J. & G. de Saram Attorneys-at-Law, one of the country's premier commercial law firms, where he managed complex litigation and arbitration across commercial, banking, intellectual property, and labour law, notably representing Citibank in the Singapore Oil Hedging Arbitration against the Sri Lankan government.

In 2011, he joined Ceylon Tobacco Company (CTC) PLC as Corporate and Commercial Counsel, quickly earning promotion to Litigation Counsel in 2012, where he successfully challenged stringent graphic health warning regulations. His expertise in regulatory and fiscal affairs led to his appointment as Regulatory Affairs Counsel in 2015, a role he held until 2019, during which time he received the prestigious Chairman's Award in 2017 for excellence in pricing and excise engagement.

In 2019, Mr. Peter advanced to Director of Legal & External Affairs and Company Secretary at CTC, overseeing Board and shareholder relations alongside Legal, Regulatory, Corporate Affairs, Sustainability, Compliance, Anti-Illicit Trade, and Security functions. Following a successful 12-year tenure at CTC, he transferred to BAT Bangladesh in 2023 as Head of Legal & External Affairs (LEX), where he spearheaded the demerger of LEX into separate Legal and Corporate Regulatory Affairs functions and was subsequently appointed Head of Legal. He gave leadership to several compliance and awareness initiatives, including Legal on Wheels, Legal Policy Week, and Legal Clinic, strengthening the governance & compliance frameworks across BAT Bangladesh. More recently, amid geopolitical challenges, he provided leadership to ensure business continuity management across BAT Bangladesh's facilities & operations.



MR. SARZIL SARWAR

Head of IDT

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BAT BANGLADESH

2021

EDUCATIONAL BACKGROUND

- Executive MBA, Quantic School of Business and Technology
- Bachelor of Science in Management, Information Systems (MIS) from University of Texas
- INSEAD Digital Leadership program
- IMD Transition Leadership program

MEMBERSHIP

- BAT Bangladesh Leadership Team
- BAT APMEA IDT Leadership team
- BAT IDT Diversity and Inclusion (D&I) Leadership team

CURRENT EXTERNAL APPOINTMENTS

- He serves on the Judging Committee of Global PMO Awards and is an active member in the local startup community with Bangladesh Angels, Robi r-Venture & American Alumni Association.

ACCOLADES

- Chief Digital Officer (CDO)/ Digital Director of The Year' by Bangladesh C-Suite Awards 2024

Mr. Sarzil Sarwar is a seasoned ICT professional with over two decades of international experience in digital transformation, IT strategy, and business operations. Since 2021, he has been serving as Area Head of Information & Digital Technology (IDT) at BAT Bangladesh, where he leads the company's digital and technology agenda. His career reflects a strong track record of driving innovation, embedding operational excellence, and shaping strategic transformation across Asia, the Middle East, and Africa.

Carrer Experience

Mr. Sarwar began his career in Bangladesh's telecom sector, first with Banglalink as a Systems Engineer in 2005 and later with Airtel Bangladesh as IT Manager. He then moved to Uganda, where he held senior technology roles at Airtel, including Head of IT Services and Head of Infrastructure, contributing to the rapid expansion of mobile connectivity in emerging markets.

In 2010, he joined Viom Networks in India as Vice President, Projects, before moving to AsiaCell in Iraq as Head of Strategy & PMO. His career advanced further at Robi Axiata in Bangladesh, where he served as VP Transformation Office, VP Enterprise PMO, and EVP Customer Experience. He also contributed at Group level as Head of Strategic PMO at Axiata Group Berhad and later as Group Head of Technology Program & Performance Management. During his tenure at Robi, he oversaw major transformation programs, including outsourcing non core functions, launching 3G and 4G networks, leading the Airtel merger integration, and spearheading the Mobile Number Portability (MNP) program. He also served as Chairman of the Business Operations Committee for two years, driving operational efficiency and customer centric strategies.

Beyond Axiata, Mr. Sarwar has worked with leading telecom giants such as Ooredoo, Airtel, and Veon, specializing in IT, B2B, and strategic functions across the Middle East, Africa, and South Asia. He was also part of the launch teams of Banglalink and Warid Telecom in Bangladesh and Uganda, contributing to the growth of mobile services in frontier markets.

Since 2021, Mr. Sarwar has been leading BAT Bangladesh's digital and technology transformation as Head of IDT. Under his leadership, BAT has advanced its digital roadmap, strengthened IT governance, and embedded innovation into core operations. In 2024, he was honored as Chief Digital Officer of the Year at the Bangladesh C Suite Awards.

In 2025, he further enhanced BAT Bangladesh's digital resilience by advancing cybersecurity and data governance frameworks, driving AI enabled analytics adoption, expanding cloud migration and automation initiatives, and launching digital talent development programs. These achievements positioned Bangladesh as a hub for BAT's regional digital expertise and reinforced his reputation as a forward thinking technology leader.



MR. SYED MAHBUB ALI

Head of Marketing

NATIONALITY

Bangladeshi

DATE OF APPOINTMENT TO BAT BANGLADESH

October 2000

EDUCATIONAL BACKGROUND

- • Bachelor of Business Administration Institute of Business Administration, University of Khulna with distinction & was awarded University Gold Medal
- The London School of Economics (LSE) Leadership program: Competitive strategy and Innovation

MEMBERSHIP

- BAT Bangladesh Leadership Team
- APMEA (Asia Pacific, Middle East, & Africa) Central Leadership Team
- APMEA Regional Marketing Leadership Team

With more than 25 years of distinguished service at BAT, both domestically and internationally, Mr. Syed Mahbub Ali brings extensive expertise in business and brand strategy, marketing planning, consumer experience, route-to-market optimization, total customer investment, P&T, and project management. Renowned for his commercial acumen, leadership, and ability to inspire teams, he consistently drives transformational change and delivers exceptional results.

Career Experience

Mr. Mahbub Ali, is serving as the Head of Marketing of BAT Bangladesh since April 2023. Before taking over this role, he served as Commercial and Business Transformation Director at BAT Japan, one of the largest new category markets in the BAT APMEA region.

Mr. Syed Mahbub Ali began his illustrious career with BAT Bangladesh as a Territory Officer. Over the years, he has ascended through the ranks, holding numerous key positions in various facets of marketing, showcasing his versatility and leadership

In 2009, serving as the Brand Manager, he orchestrated a landmark achievement by spearheading the first-ever successful entry into the sub-value segment. This strategic move was instrumental in reclaiming BAT Bangladesh's market leadership, setting a precedent for future market innovations.

In 2013, following years of consistent and exemplary performance in various roles within BAT Bangladesh, he was transferred to BAT Vietnam as the RTM Project Manager.

In mid-2014, he returned to BAT Bangladesh as Group Brand Manager, significantly boosting low segment volume and fortifying leadership in progressive product space. Through adept communication, he fostered knowledge, acceptance, and compliance, ensuring a smooth transition to the first-ever implementation of a 50% graphic health warning in Bangladesh. Moreover, his dedication to promoting gender diversity shone brightly as he chaired the BAT Bangladesh gender diversity platform "Symmetry" for two years.

In mid-2016, He took on the role of Head of Trade, leading the largest trade team in the BAT group. By January 2020, he advanced to Head of Trade and Planning and joined the BAT Bangladesh Leadership Team. In this capacity, he played a crucial role in creating the new SLA and establishing clear organizational priorities during the COVID-19 pandemic. He championed innovative trade solutions, such as microcredit for retail and the B2B2C model, advancing trade loyalty systems. Throughout the pandemic, he managed a large workforce with compassion, ensuring essential business deliveries that were vital to the Company's growth.

Mr. Mahbub Ali's illustrious career is a testament to his strategic acumen, visionary leadership, and unwavering dedication to driving business success and fostering a culture of diversity and innovation.



MR. RABIH MASROUHA

Head of Talent, Culture & Inclusion

NATIONALITY

Lebanese

DATE OF APPOINTMENT TO BAT BANGLADESH

2025

EDUCATIONAL BACKGROUND

- Master of Sciences in Administration (M.Sc.) – International Management, HEC Montréal - Montreal, Canada
- Bachelor of Business Administration (B.B.A.) - Finance – International Management (Double Major), HEC Montréal - Montreal, Canada
- Certificate (Minor program) – Economics, Université de Montréal - Montreal, Canada

MEMBERSHIP

- BAT Bangladesh Leadership Team
- BAT APMEA Leadership Team

Mr. Rabih Masrouha is a seasoned HR leader with over 13 years of service at BAT and five years of diverse international experience across the Middle East, Africa, and South Asia. His career reflects a consistent commitment to fostering inclusive workplace cultures, driving organizational transformation, and enabling talent development. His appointment as Head of Talent, Culture & Inclusion at BAT Bangladesh in 2025 underscores his pivotal role in shaping the company's people agenda, embedding diversity, equity, and inclusion (DEI) at the core of BATB's strategy.

Career Experience

Mr. Masrouha commenced his BAT journey in 2012 as HR Executive for Levant & Yemen, where he steered performance management and succession planning across cluster markets. In 2013, he advanced to HR Business Partner in Iraq, focusing on talent management, competency assessment, and field force development. After two successful years, he returned to Levant & Yemen as HR Business Partner, further strengthening regional HR practices.

In 2016, he was appointed Head of HR for BAT Sudan, where he stabilized the organization following a business acquisition, established the HR function, and introduced a new compensation and benefits scheme. His dynamic leadership led to his elevation in 2017 as Head of HR Shared Services for BAT UAE, overseeing payroll, headcount, and functional budgeting across the Middle East Area with 100% accuracy.

By 2018, he became Area Senior HRBP for UAE, spearheading organizational transformation and talent acquisition initiatives. In 2022, he was appointed Head of Talent, Culture & Inclusion for the Middle East Cluster, based in KSA, where he championed workplace inclusion, employee wellbeing, and reinforced BAT's reputation as an employer of choice.

In 2025, Mr. Masrouha transitioned to BAT Bangladesh as Head of Talent, Culture & Inclusion, bringing his international expertise to South Asia. His leadership was instrumental in launching and scaling DEI initiatives, most notably "Supernova", a flagship program designed to groom female talent in STEM fields through structured mentorship and leadership development. This initiative earned BAT Bangladesh recognition at the FICCI Sustainability & Innovation Awards 2025, where the company was named Runners-Up in Excellence in DEI Initiatives.



IN A DYNAMIC AND INCREASINGLY COMPLEX OPERATING ENVIRONMENT, BAT BANGLADESH FOCUSES ON LONG-TERM VALUE CREATION THAT WE BELIEVE CAN BE ACHIEVED THROUGH OUR RESILIENCE, RESPONSIBLE LEADERSHIP, AND THE DISCIPLINED INTEGRATION OF COMPLIANCE & SUSTAINABLE BUSINESS STRATEGY INTO THE BUSINESS OPERATION.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

In 2025, British American Tobacco Bangladesh Company Limited (BAT Bangladesh) continued to demonstrate the resilience of its business model and the strength of its governance, navigating a complex operating environment while remaining focused on long-term value creation. Amid persistent macroeconomic pressures, regulatory developments, and evolving stakeholder expectations, the Company delivered a disciplined performance anchored in responsible growth, cash generation, and sustainability-led decision-making.

BAT Bangladesh's ability to perform in challenging circumstances is underpinned by its deep-rooted presence in Bangladesh and its alignment with the BAT Group's purpose of building A Better Tomorrow™. Over decades, the Company has built a robust end-to-end value chain, strong institutional credibility and a culture of integrity and performance. In 2025, these foundations enabled us to respond decisively to external volatility while continuing to invest in the future of the business and the society in which we operate.

MANAGING A CHALLENGING OPERATING ENVIRONMENT

The business environment remained complex and dynamic, characterized by persistent inflationary pressures, volatility in foreign exchange markets, increased excise taxation and the continued growth of illicit trade. These factors exerted pressure on cost structures, consumer affordability and overall industry dynamics.

In response, the Company demonstrated resilience through disciplined pricing strategies, enhanced portfolio management, stringent cost control and an unwavering focus on operational efficiency. We further strengthened our risk management and compliance frameworks, ensuring that strategic decisions were guided by robust governance, data-driven insights and long-term sustainability considerations. Our disciplined cash management and strong balance sheet enabled us to protect shareholder returns while preserving the flexibility to invest in priority areas aligned with our ESG commitments.

Alongside these external pressures, the Company underwent one of the most complex organizational transitions in its history. Following the non-renewal of the lease on our long-established Dhaka Factory after more than six decades, we shifted from the premises and executed a seamless relocation strategy. Manufacturing operations were consolidated at our Savar facility, reinforcing its role as a strategic production hub.

Despite the complexities of the year, our people demonstrated exceptional adaptability and commitment. The successful execution of this transition, alongside disciplined management of external headwinds, underscores the resilience of our organization and our continued focus on delivering sustainable value to shareholders, employees, business partners and the communities in which we operate.

FINANCIAL PERFORMANCE AND VALUE DELIVERY

Despite the external headwinds, BAT Bangladesh delivered an acceptable financial performance in 2025, driven by a clear focus on financial management, productivity improvements and value-led growth. Though the Earnings per share (EPS) decreased from same period last year due to sales volume decline, higher excise and additional cost were incurred due to the Dhaka factory site closure.

Our contribution to the national exchequer of BDT. 39,144 crores remained significant, reaffirming BAT Bangladesh's role as one of the country's largest and most reliable corporate contributors.

EMBEDDING SUSTAINABILITY AT THE CORE

Sustainability is central to our strategy and a critical enabler of long-term value creation. In 2025, BAT Bangladesh further embedded Environmental, Social and Governance (ESG) priorities across its operations, aligned with the BAT Group's sustainability agenda. We continued to focus on responsible sourcing, environmental stewardship, workplace safety and inclusive growth across our value chain.

Our commitment to achieving zero harm for employees, reducing environmental impact (carbon footprint) and supporting community development reflects our belief that strong ESG performance strengthens business resilience and stakeholder trust. BAT Bangladesh remains actively aligned with selected UN Sustainable Development Goals and continues to integrate sustainability considerations into capital allocation, risk assessment and performance management.

GOVERNANCE, ETHICS AND OVERSIGHT

Strong governance remains a cornerstone of BAT Bangladesh's success. The Board continued to provide effective oversight, ensuring ethical leadership, robust internal controls and transparent reporting. We maintained full compliance with the Corporate

Governance Code and upheld the highest standards through our Standards of Business Conduct and Supplier Code of Conduct.

The Board and its Committees played a critical role in overseeing risk management, financial integrity and sustainability performance, reinforcing trust and legitimacy among stakeholders. Our continued recognition for corporate governance and reporting excellence reflects the maturity of our governance framework and our commitment to continuous improvement.

LOOKING AHEAD

While the external landscape is expected to remain dynamic, we enter the coming year with confidence and clarity of purpose. Anchored in disciplined execution, financial performance, and uncompromising governance and compliance, we are prepared to convert today's challenges into tomorrow's growth. Compliance, transparency and ethical conduct are not only obligations, but they are also fundamental to protecting our license to operate and sustaining long-term shareholder value.

In parallel, we recognize the importance of a well-regulated and fairly enforced market environment. Continued collaboration with authorities to address illicit and duty-evaded cigarette trade will be important in ensuring a level playing field, protecting legitimate industry participants, and safeguarding government revenues

We will continue to strengthen our portfolio resilience, enhance operational agility and further embed ESG and compliance considerations into decision-making across the value chain. Upholding the highest standards of regulatory adherence, ethical conduct and internal control remains fundamental to how we operate. Our focus on cash generation, cost discipline and capital allocation efficiency ensures we sustain attractive shareholder returns while investing responsibly in future capabilities.

A sustainable operating environment also depends on effective enforcement of existing regulations. Strengthening measures that curb illicit trade and duty evasion supports market integrity, public policy objectives, and the long-term sustainability of both government revenues and compliant industry participants.

As a responsible corporate citizen, we remain committed to transparent reporting, sound risk management and strict compliance with all applicable laws and industry regulations. We will continue to support constructive dialogue with regulators and policymakers to advance effective enforcement frameworks that promote compliance, transparency and fair competition. We believe that long-term value creation is inseparable from strong governance, accountability and responsible business practices.

On behalf of the Board of Directors, I thank our employees for their commitment and professionalism, our business partners & stakeholders for their continued collaboration, and our shareholders for their trust and support. Last year has been difficult from multiple angles.

Thank you to all stakeholders for their perseverance.



Wael Sabra
Chairman

March 2026

FINANCIAL HIGHLIGHTS

BDT Crore (Unless otherwise stated)

Particulars	2025	2024	2023	2022	2021
Gross Turnover	46,284	43,232	40,379	36,145	33,934
Gross Profit	3,369	4,422	4,450	4,423	4,006
Profit Before Tax	1,363	3,381	3,527	3,499	2,990
Profit After Tax	584	1,751	1,788	1,787	1,497
Paid up Capital	540	540	540	540	540
Contribution to Exchequer	39,144	34,173	32,802	29,530	29,078
VAT+SD+HSDC (in BDT Cr)	37,941	31,893	30,702	27,527	27,361
Incometax (in BDT Cr)	779	1,802	1,689	1,693	1,432
Custom Duty (in BDT Cr)	424	478	411	309	284
Number of Ordinary Shares Outstanding	54	54	54	54	54
Total equity attributable to owners of the Company	5,535	5,772	5,364	4,118	3,679
Market Value Per Share at year end (Tk)	248.60	367.60	518.70	518.70	635.60
Earning Per Share (Tk)	10.81	32.42	33.11	33.10	27.72
Dividend Per Share (%)	30%	300%	100%	200%	275%
Dividend Yeild	1%	8%	2%	4%	4%
Net Asset Value	5,535	5,772	5,364	4,118	3,679
Net Asset Value Per Share	102.50	106.88	99.33	76.27	68.13
Net Operating cash flow Per share (NOCFPS)	6.12	32.07	18.90	50.04	14.72
Price Earnings Ratio	22.99	11.34	15.67	15.65	22.93
Return on Asset(%)	5.23	17.24	17.21	21.42	19.30
Debt Equity Ratio (%)	17.62	9.13	6.97	-	15.00
Gross profit ratio	7.28%	10.23%	11.02%	12.24%	11.80%
Net profit ratio	7.00%	17.61%	19.50%	21.22%	20.00%
Return on capital employed	8%	26%	28%	35%	33%
Current ratio	1.74	1.81	1.58	1.37	1.35
Shareholder Funds	5,535	5,772	5,364	4,118	3,679
Return on Equity	10.55%	30.33%	33.33%	43.40%	40.69%
Earning before interest and Tax	14.29%	33.23%	38.04%	40.94%	39.51%
Number of Ordinary Shareholders	65,020	71,062	86,130	84,971	65,945
Number of Employees	1,684	1,745	1,669	1,526	1,643

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

The Board of Directors of BAT Bangladesh is pleased to present the Directors' Report, the Audited Financial Statements, and the Independent Auditor's Report for the year ended 31st December 2025 in Compliance with the requirement of section 184 of Companies Act and BSEC Code 2018. This report reflects our continued commitment to transparent and accurate investor communication and provides our esteemed shareholders and stakeholders with a comprehensive overview of our 2025 business operations, performance, and strategic outlook.

STRATEGIC PILLARS OF THE BUSINESS

BAT Bangladesh remains steadfast in its commitment to creating "A Better Tomorrow" by delivering value to consumers, stakeholders, and society at large. Guided by our mission and vision, we continue to prioritize sustainability and operational excellence. In 2025, our business operations were firmly anchored in these strategic pillars, enabling us to navigate complex challenges and deliver resilient results.

The year 2025 was challenging for BAT Bangladesh and the tobacco industry as a whole. It began with the country's first-ever Interim Budget in January 2025, triggering significant price increases across all segments. Since June 2024, weighted average prices (WAP) increased by 43% within seven months. These changes materially altered industry dynamics, leading to a 4% contraction in the total tobacco industry. As the market leader, BAT Bangladesh was disproportionately impacted, with volumes declining by 27% compared to 2024. Price-sensitive consumers shifted to illicit brands, resulting in a 70% increase in illicit volumes during the year.

Amid these external pressures, BAT Bangladesh successfully executed a major internal transformation, transitioning from a two-factory operation to a single-factory footprint within 45 days. This operational agility was critical in overcoming supply chain and production disruptions while ensuring seamless distribution. Our efficient execution and unwavering commitment were globally recognized at the "A Better Tomorrow Awards," where we received the prestigious Chairman and Chief Executive Award.

COMPANY PERFORMANCE

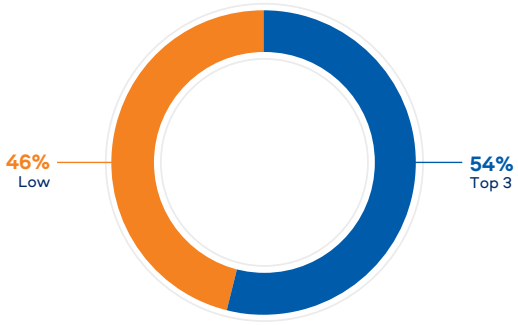
The year 2025 was marked by a challenging socio-economic and geopolitical landscape characterized by inflationary pressures, currency devaluation, and constrained consumer purchasing power. The global economic slowdown and rising raw material costs added further complexity to the operating environment.

The top two segments recorded a volume decline of approximately 10% in 2025 following a 20% weighted average price increase under the January 2025 interim budget. Despite these challenges, BAT Bangladesh leveraged its portfolio strength to achieve 47% growth across the top three segments, driven primarily by Star.

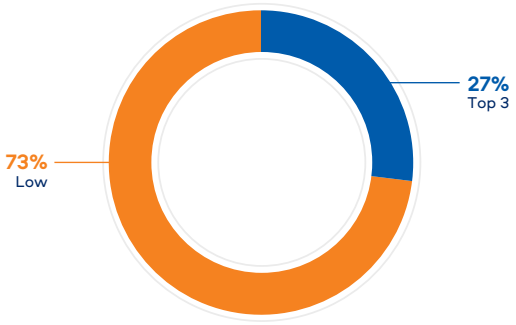
BAT BANGLADESH'S SEGMENT-WISE VOLUME CONTRIBUTION IN 2025

In 2025, despite shifts in segment performance resulting from evolving consumer preferences and market dynamics, the combined performance of the top three segments surpassed that of the previous year. This reflects the Company's ability to adapt and implement targeted portfolio interventions effectively.

2025 *[Jan-Dec Volume Contribution]*



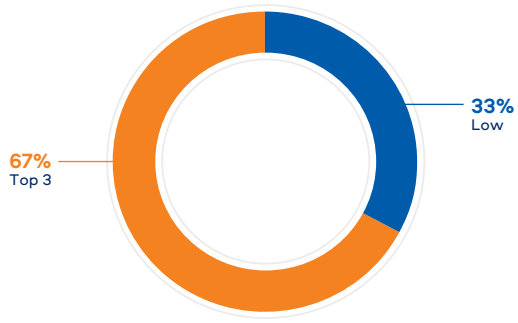
2024 *[Jan-Dec Volume Contribution]*



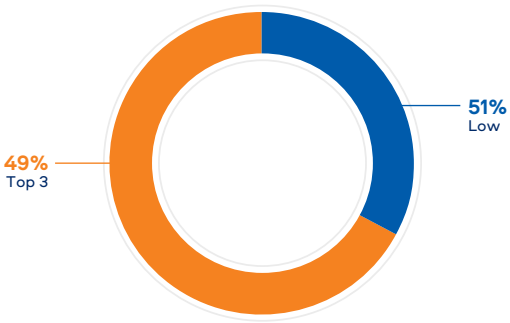
BAT BANGLADESH'S SEGMENT-WISE REVENUE CONTRIBUTIONS IN 2025

Bangladesh's government revenue contribution increased by 19% in 2025 compared to 2024, continuing to account for approximately 80% of total tobacco industry revenue. Revenue collections from the top three segments exceeded those from the Low segment in 2025 compared to 2024.

2025 Jan-Dec Govt Revenue Contribution



2024 Jan-Dec Govt Revenue Contribution



BAT Bangladesh's Segment-Wise Performance Overview:

- ***Premium:*** This segment witnessed a 15% decline in 2025 vs 2024, primarily due to downtrading and a contraction in consumption resulting from consecutive price increases.
- ***High:*** The segment experienced a 20% decline in 2025, largely due to the impact of the price increase and downtrading to the lower segments.
- ***Medium:*** This segment had a phenomenal journey in 2025 amounting to 89% volume growth vs 2024. The growth journey was fueled by up-trading from Low brands & also catching volume from Premium segment.
- ***Low:*** This segment faced severe challenges in 2025 due to pricing. This segment had a 54% decline in 2025 vs 2024.

COST OF GOODS SOLD & PROFIT MARGINS

The overall cost of goods sold decreased during the year, primarily due to lower volumes. Despite higher import costs arising from currency devaluation and inflation, we mitigated the impact through efficiency measures and cost-saving initiatives across operations.

Bangladesh made encouraging progress in rebuilding foreign exchange reserves, reaching USD 33.18 billion by December 2025 and USD 34.53 billion by mid-February 2026. IMF support continued, with USD 1.3 billion in additional disbursements approved during 2025 as reforms advanced. Inflation moderated to the high single digits and is expected to decline further, while the taka stabilized under a market-driven exchange regime.

These macroeconomic improvements supported smoother LC processes, improved liquidity, stronger supply chain stability, and enhanced cost management, enabling BAT Bangladesh to strengthen operational resilience and competitiveness.

BAT BANGLADESH'S CONTRIBUTION TO THE GOVT. NATIONAL EXCHEQUER

In 2025, the Company contributed BDT 39,144 crore to the government exchequer through various tax channels, including Value Added Tax (VAT), Supplementary Duty (SD), Health Development Surcharge (HDSC), Corporate Tax, and Customs Duty. This represents an increase of BDT 2,971 crore compared to the previous year.

The Company remains committed to supporting the government's initiatives to establish a sustainable tax framework that ensures balanced industry growth while fostering a level playing field among market participants. We have consistently collaborated with the National Board of Revenue (NBR) to secure sustainable revenue from the cigarette industry.

Ongoing discussions regarding tax reforms aim to align tax rates with public health objectives while maximizing revenue generation. As a mature industry, it is essential to consider market dynamics, price elasticity, and industry adaptability to prevent the proliferation of illicit and smuggled cigarettes and discourage excessive downtrading.

While listed companies across sectors benefit from preferential corporate tax rates, cigarette manufacturers are subject to a higher corporate tax burden. This disparity may discourage industry participants from entering the capital market. The Company remains optimistic that the government will address this imbalance in the upcoming National Budget by rationalizing corporate tax rates. Given the substantial taxation already imposed through Supplementary Duty, VAT, and Corporate Tax, a reduction in corporate tax would promote a more equitable business environment.

BAT Bangladesh continues to engage constructively with the National Board of Revenue to advocate for a balanced taxation policy that supports revenue growth while sustaining industry viability. Our approach seeks to reduce tax distortions while implementing gradual price adjustments that do not adversely affect consumer engagement.

MANUFACTURING FOOTPRINT OPTIMISATION

In mid-2025, BAT Bangladesh closed its Dhaka factory and consolidated capacity at the Savar factory, prioritizing uninterrupted market supply. This transition required significant engineering interventions to protect assets and rapidly scale up capabilities to meet business requirements.

We remain committed to developing a future-ready manufacturing site at Savar with state-of-the-art facilities upon completion of ongoing strategic projects.

In collaboration with the Rural Electrification Board and DESCO, we strengthened resilience against power disruptions. Our environmental commitment remained strong, with over 33% water recycling achieved in 2025. The Savar factory was equipped with rooftop solar panels equivalent to 2.2 MW capacity, contributing to renewable energy integration. Key suppliers also joined our renewable energy journey by installing solar panels.

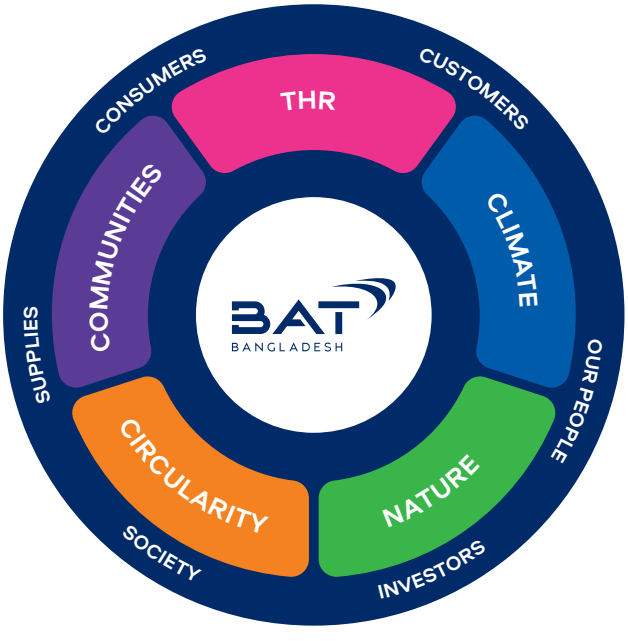
SUSTAINABILITY

At BAT Bangladesh, sustainability remains a core corporate value and an integral part of our long-term strategy. Our sustainability agenda aligns with BAT Group strategy, national development priorities, and the UN Sustainable Development Goals.

Our focus areas include Climate, Nature, Circularity, and Communities, supported by measurable targets and strong governance frameworks. We remain committed to reducing emissions, enhancing renewable energy use, promoting responsible sourcing, advancing water stewardship, strengthening circular resource use, and empowering communities through long-standing initiatives such as Bonayan and Probaho, alongside agricultural sustainability and community development programmes.

Sustainability Targets and Strategic Priorities

In line with the Group's ambition and science-based pathways, BAT Bangladesh continues to advance progress across key strategic impact areas—Climate, Nature, Circularity, and Communities. The principal sustainability targets guiding our roadmap are as follows:



Flagship Sustainability Initiatives

BAT Bangladesh's sustainability journey spans over four decades, marked by pioneering initiatives that have delivered long-term environmental and social value. Among these, Bonayan and Probaho remain the Company's flagship programs.

The afforestation initiative Bonayan, launched in the 1980s in collaboration with the Forest Department of the Government of Bangladesh, continues to be one of the largest private sector-driven tree plantation platforms in the country. Over the years, the program has distributed more than 130 million saplings across 24 districts, with approximately 5 million saplings distributed annually in recent years. By promoting plantation of forest, fruit, and medicinal species, Bonayan contributes to enhancing green cover, supporting biodiversity, and aligning with national afforestation goals.

The Company's safe drinking water initiative, Probaho, addresses the challenges of arsenic contamination and salinity in vulnerable regions. Currently spanning approximately 25 districts, the initiative operates 120 water filtration plants capable of supplying nearly 600,000 litres of safe drinking water daily to around 300,000 beneficiaries. In 2025, 2 additional plants were inaugurated, further strengthening the program's reach. A self-sustaining operational model introduced in Satkhira is enhancing community ownership and ensuring long-term viability while addressing acute salinity challenges in coastal areas.

Agricultural Sustainability and Farmer Engagement

BAT Bangladesh maintains a strong commitment to sustainable agriculture through its extensive engagement with approximately 35,000 contracted farmers across rural areas. The Company's Leaf function continues to promote best-in-class agricultural practices aligned with national and global standards, thereby improving farmer livelihoods while ensuring responsible sourcing.

Key interventions include green manuring with Sesbania, Integrated Pest Management (IPM), Alternate Furrow Irrigation (AFI), riverine buffer protection, and affordable farm mechanization. Collaboration with the Department of Agricultural Extension under the Integrated Farm Management Components (IFMC) project further strengthens knowledge transfer and adoption of sustainable farming techniques. These initiatives collectively enhance productivity, reduce environmental impact, and support resilient rural livelihoods.

Community and Livelihood Development Initiatives

In addition to flagship programs, the Company implemented several focused community initiatives during the year to promote child protection, women's empowerment, skills development, and diversified farmer livelihoods.

The "Seeds of Hope" programme provides structured after-school engagement in selected farming communities to support children vulnerable to child labour. The initiative promotes learning and creativity, sports and life-skills development, and community awareness on rights and wellbeing, while also creating employment opportunities for local women as caregivers.

The "SHELAI – Sustainable Household Enterprise for Livelihood & Accelerated Income" initiative focuses on strengthening financial independence of rural women through sewing and tailoring skill development and entrepreneurship training, enabling participants to establish home-based income-generating activities and enhance household resilience.

The "Grow Your Own" initiative supports farmers in diversifying income and improving household nutrition through homestead and cluster-based vegetable cultivation. By distributing quality seeds and promoting efficient land use, the programme enhances food security while creating supplementary income opportunities from surplus produce.

During the year, the Company also advanced "Shikor", a holistic community empowerment initiative aimed at strengthening the socio-economic foundations of rural families. Led by the Leaf ESG team since July 2024, the programme delivers structured training modules covering adult literacy, crop husbandry, financial literacy, youth leadership, women's empowerment and community awareness. By equipping participants with essential life skills, livelihood knowledge and leadership capabilities, Shikor supports individuals in achieving self-reliance, improving household stability and contributing positively to their communities.

Collectively, these initiatives reinforce the Company's commitment to building resilient and prosperous rural communities, aligned with our long-term ambition of enabling sustainable livelihoods across the agricultural value chain.

Looking Ahead

Guided by our purpose to build A Better Tomorrow, BAT Bangladesh remains committed to embedding sustainability across operations, supply chains, and community investments. By advancing climate action, strengthening water and nature stewardship, promoting circular resource use, and empowering communities, the Company continues to contribute meaningfully to Bangladesh's sustainable development aspirations while creating long-term value for all stakeholders.

GREAT PLACE TO BELONG

In 2025, BAT Bangladesh continued to invest in creating a workplace where people feel supported, connected, and proud to belong. Throughout a challenging year, the organisation strengthened its people agenda with a clear focus on wellbeing, engagement, inclusion, and development, recognising that a healthy, supported workforce is fundamental to sustained business performance.

BAT Bangladesh's Employee Value Proposition, "Tomorrow Can't Wait," provides the overarching framework for how the organisation attracts and supports talent. Built on the pillars of Care, Growth, and Transformation, it shapes the employee experience and informs the company's investments in wellbeing, capability building, and career development. This philosophy is brought to life internally through ABetterYou, the organisation's talent development brand, which supports employees in understanding their development opportunities, building skills, navigating career pathways, and taking ownership of their professional growth.

Employee wellbeing in 2025 was anchored through LiveWell, BAT Bangladesh's holistic wellbeing platform. LiveWell is designed to support employees across physical, emotional, social, and financial wellbeing, providing a structured and consistent approach to wellbeing rather than a collection of standalone scattered initiatives.

Under LiveWell, the organisation expanded its focus on wellbeing policies and practices to better support employees through different life stages and personal circumstances. This included for example the introduction of the Birthday Leave, allowing employees to take one day off during their birthday month, as well as the Compassionate Leave, providing up to five days of paid leave to support employees during significant family or personal situations. These policy enhancements reflect the organisation's intent to offer flexibility, empathy, and practical support when it matters most.

LiveWell also placed emphasis on building individual and team-level resilience through targeted capability-building initiatives. During the year, workshops were delivered on stress management, burnout prevention, and fostering psychological safety, equipping employees and Line Managers with practical tools to manage workload pressures, support wellbeing within teams, and encourage healthy dialogue at work.

In 2025, BAT Bangladesh continued to strengthen open dialogue and trust through "WeConnect" sessions, held twice during the year. WeConnect brings together groups of employees with members of the Leadership Team for open conversations designed to foster transparency and psychological safety. These sessions allow employees to share perspectives, ask questions, and discuss topics directly with senior leaders in a candid environment. WeConnect has become an important mechanism for reinforcing leadership accessibility, to understand the pulse of the organization and take action accordingly, as well as to internalize employee ideas and proposed innovations.

Alongside wellbeing initiatives, BAT Bangladesh continued to invest in social and cultural engagement. Under the LiveWell umbrella, large-scale events such as Family Day and the Kids Carnival created opportunities for employees and their families to come together and engage with the organisation beyond the workplace.

Cultural and social celebrations also remained an important part of the employee experience. These included observances such as International Women's Day, International Men's Day, World Mental Health Day, and key cultural occasions including Durga Puja and Buddha Purnima, reflecting the diversity of the workforce and reinforcing an inclusive workplace culture.

Engagement extended across all employee groups, with dedicated initiatives for the Shopfloor workforce, including the annual Iftar dinner and Boro Khana celebration, ensuring that social recognition and inclusion were experienced consistently across the organisation.

Employee connection was further strengthened through structured sports and team-based activities. The BAT Bangladesh Olympiad, delivered under the umbrella of LiveWell, brought employees together through a series of organised athletic activities, including the intra-BAT football competition, The Changemakers' League, a cricket tournament, and an intra-gender basketball tournament, BAT Ballers. These initiatives encouraged healthy competition and cross-functional interaction.

In addition, Employee Resource Groups (ERGs) continued to play an active role in fostering community and inclusion. ERGs are voluntary, employee-led networks, referred to internally as LiveWell Ambassadors, who organised activities around shared interests, including sports such as cricket, basketball, and padel, as well as arts and crafts initiatives supporting creativity and mindfulness. These groups provided employees with additional ways to engage, connect, and contribute beyond their day-to-day roles.

BAT Bangladesh also maintained a strong focus on developing internal talent and strengthening leadership capability. Structured development programmes and career frameworks under ABetterYou supported employees in building skills, progressing their careers, and preparing for future roles, reinforcing the organisation's long-term talent sustainability.

ENVIRONMENT, HEALTH AND SAFETY

BAT Bangladesh remains a pioneer in driving sustainability and responsible operations in the country, with Environment, Health and Safety (EHS) embedded as a core foundation of business performance. We are committed to maintaining a safe working environment, promoting safe behaviours, and strengthening environmental stewardship across our operations and value chain. Fully committed to the safety of everyone involved in our activities, we also focus on minimising environmental impacts on air, water, waste, soil, and natural resources to support sustainable business practices and long-term resilience.

Protecting people through strong governance, culture and capability

In 2025, BAT Bangladesh continued to strengthen its EHS governance and compliance systems to ensure workplace safety and regulatory alignment remained embedded in daily operations. A formal Safety Committee was established in line with regulatory requirements, supported by an Accident Register and a PPE Register to enhance transparency, monitoring, and corrective action discipline. These controls reinforce structured engagement between workers and management and support proactive risk prevention across operational areas.

To strengthen leadership ownership of safety, BAT Bangladesh implemented a management-centric safety capability-building campaign designed to embed proactive tools and role-modelling behaviours. The campaign directly engaged 42 managers and indirectly reached 662 shopfloor employees. A total of 678 hazards were identified, and 108 hazards were resolved during the campaign period, reinforcing disciplined application of proactive risk management and strengthening the prevention culture.

Leaf operations also advanced safety and wellbeing outcomes through targeted infrastructure and process improvements. People–vehicle segregation was implemented across regions, forklift safety measures were enhanced, and all diesel forklifts were replaced with electric forklifts, improving both safety and emissions performance. Clamp trucks were introduced for safer prize bale handling, and 100% EH&S training coverage for third-party workers was achieved, reinforcing consistent standards across the extended workforce. At the Green Leaf Threshing Plant, construction of a new canteen is underway, reflecting continued focus on improved working conditions and employee wellbeing.

Commercial operations strengthened road safety maturity by extending Defensive Driving Training to field-travelling managers, establishing leadership-level road safety ownership and supporting wider regional rollout. This initiative enhances safe driving capability and reinforces a culture where safety is treated as a shared responsibility across operational roles.

Beyond internal operations, BAT Bangladesh continued to build EHS capability across suppliers through the Supplier Sustainability College, a structured programme addressing operational and social sustainability risks across supplier categories. The programme engaged 15 strategic and preferred suppliers, delivered 560 training man-hours, and secured commitments for the implementation of more than 100 improvement initiatives, reinforcing accountability and strengthening EHS maturity across the supply base.

Driving environmental stewardship through data led performance and investment

BAT Bangladesh continued to reduce its environmental footprint through decarbonisation, water stewardship, and circularity programmes aligned with long-term sustainability ambitions. In 2025, total Scope 1 and Scope 2 market-based emissions, including fugitive emissions, reduced to 43,022.99 tCO_2e, compared to 50,042.04 tCO_2e in 2024.

Renewable and cleaner electricity sourcing strengthened further in 2025, supported by purchased renewable electricity, renewable instruments, and onsite generation. Reported data for 2025 includes 15,232,855.55 kWh of purchased renewable electricity, 13,950,031.85 kWh of unbundled renewable certificates, and 1,282,823.7 kWh of onsite solar generation under a Power Purchase Agreement (PPA). These initiatives were complemented by resource efficiency interventions within our operational

sustainability journey, supporting lower emissions and more resilient energy performance across the footprint.

Water stewardship and responsible water management

Clean water and sanitation remain key priorities for BAT Bangladesh, strengthened through governance frameworks and alignment with the Alliance for Water Stewardship (AWS). All manufacturing sites remained AWS certified, and Leaf operations extended stewardship outcomes with AWS certification at the Manikganj Regional Depot, reinforcing responsible water governance and transparent practices.

In 2025, reported water withdrawal stood at 175,010.32 m^3 compared to 171,107.60 m^3 in 2024, while the water recycling rate stood at 33.18% in 2025 compared to 39.13% in 2024. These outcomes were supported by treatment technologies and reuse systems across sites, including Reverse Osmosis and wastewater treatment infrastructure integrated into our operational sustainability approach.

Circularity and Waste Management

BAT Bangladesh continued to advance progress toward circular resource use by strengthening segregation, recovery, and responsible disposal systems. In 2025, the total waste recycling rate improved to 99.53% compared to 97.90% in 2024. Total waste generated was reported at 12,045.13 tonnes in 2025, supported by strong composting performance of 8,316.62 tonnes and additional non-hazardous recycling of 3,652.67 tonnes.

These outcomes reinforce BAT Bangladesh's focus on responsible waste management and circularity, aligned with the broader ambition to minimise waste to landfill and strengthen sustainable disposal practices across operational sites.

Embedding Compliance, Awareness, and Accountability

BAT Bangladesh continues to cultivate a strong EHS culture through regular communications, awareness programmes, and training for managers, employees, and contractors. A robust legal register is maintained to monitor compliance with applicable laws and regulations, supporting disciplined adherence to Environment, Health, and Safety requirements across operational activities.

Alignment with Sustainability and the Sustainable Development Goals

In its pursuit of building A Better Tomorrow, BAT Bangladesh continues to align EHS and environmental stewardship with global ESG priorities and the Sustainable Development Goals (SDGs). Climate Action is supported through emissions reduction programmes, renewable energy sourcing, and efficiency improvements. Life on Land is supported through responsible resource use and environmental initiatives within the broader sustainability agenda, reinforcing the Company's continued focus on climate, water stewardship, and circularity.

THE BOARD OF DIRECTORS

The Board of Directors of BAT Bangladesh comprises fourteen professionals, including Seven Non-Executive Directors, three Independent Directors, and three Executive Directors. This diverse group brings valuable experience from senior government and corporate leadership backgrounds, guiding the Company's strategic direction and safeguarding stakeholder interests.

Mr. Syed Afzal Hossain, Company Secretary, serves as Secretary to the Board and oversees the functioning of three key sub-committees: the Audit Committee, the Nomination and Remuneration Committee (NRC), and the Corporate Social Responsibility (CSR) Committee. This governance structure aligns with industry best practices and regulatory standards.

We believe that the Board comprises individuals with core competencies relevant to BAT Bangladesh. All Directors have complied with regulatory requirements, confirming their eligibility for Board membership.

- **Mr. Wael Sabra**
  Chairman of the Board
  (Nominated by Raleigh Investments Co. Ltd.)
- **Ms. Monisha Abraham**
  Managing Director
  (Nominated by Raleigh Investments Co. Ltd.)
- **Mr. Masud Khan**
  Independent Director
- **Professor Dr. Melita Mehjabeen**
  Independent Director
- **Ms. Rupali Chowdhury**
  Independent Director
  (Appointed in July 2025)
- **Mr. M. Saifullah Panna**
  Non-Executive Director
  (Representing Government's shareholding)
  (Appointed in March 2025)
  (Resigned on 26th February 2026)
- **Mr. Obaidur Rahman**
  Non-Executive Director
  (Representing Government's shareholding)
  (Appointed in March 2025)
- **Dr. Ziaul Abedin**
  Non-Executive Director
  (Representing Government's shareholding)
  (Appointed in October 2025)
- **Mr. Niranjan Chandra Debnath**
  Non-Executive Director
  (Representing Investment Corporation of Bangladesh)

- **Mr. Gary Tarrant**
  Non-Executive Director
  (Nominated by Raleigh Investments Co. Ltd.)
- **Mr. Stuart Kidd**
  Non-Executive Director
  (Nominated by Raleigh Investments Co. Ltd.)
- **Mr. Francisco Javier Toso Canepa**
  Non-Executive Director
  (Nominated by Raleigh Investments Co. Ltd.)
- **Ms. Nirala Singh**
  Finance Director
  (Nominated by Raleigh Investments Co. Ltd.)
- **Mr. Numayer Alam**
  Commercial Director
  (Nominated by Raleigh Investments Co. Ltd.)
- **Syed Afzal Hossain**
  Company Secretary

DIRECTORS' DECLARATION ON THE FINANCIAL STATEMENTS

The Directors are responsible for the governance of the Company and for the preparation and presentation of the Financial Statements of British American Tobacco Bangladesh Company Limited for the year ended 31st December 2025.

The Directors confirm, to the best of their knowledge and belief, that:

- The Financial Statements, prepared by Management and duly scrutinised by the external auditors, present fairly the Company's state of affairs, results of operations, cash flows, and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied, and accounting estimates are based on reasonable and prudent judgments.
- International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as adopted and applicable in Bangladesh, have been followed, and any departures have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.

There is no doubt whatsoever regarding the Company's ability to continue as a going concern.

As required under the BSEC Corporate Governance Code, the Directors further confirm that:

- The Managing Director (CEO) and Finance Director (CFO) have certified to the Board that they have reviewed the Financial Statements and that these statements do not contain any materially untrue statement, omit any material fact, or contain statements that may be misleading.
- The CEO and CFO have certified that the Financial Statements present a true and fair view of the Company's affairs and comply with applicable accounting standards and laws.
- The CEO and CFO have further certified that, to the best of their knowledge and belief, no transactions were entered into during the year that were fraudulent, illegal, or in violation of the Company's Code of Conduct.

PROTECTION OF SHAREHOLDERS' INTEREST

The Company is committed to upholding the principles of trust, fairness, and accountability in all engagements with its shareholders. The Board safeguards shareholder interest through investor relations, while the Company Secretary ensures transparent and effective communication between management, shareholders, potential investors and the Board. Routine dissemination of material business updates reinforce the Company's dedication to maintaining high standards of corporate governance.

DIRECTORS' REMUNERATION

No remuneration was paid to the Directors of the Company other than the attendance fees for participating in Board and Board Sub-Committee meetings. During the year 2025, the total attendance fees paid for Board and Board Sub-Committee meetings amounted to BDT 5,775,000 mentioned in the note no. 44 of Financial Statement.

INDEPENDENT DIRECTOR

Ms. Rupali Chowdhury was appointed as an Independent Director on 24th July 2025 whose appointment would be confirmed at the 53rd AGM.

DIRECTORS PROPOSED FOR RE-ELECTION

Mr. M. Saifullah Panna, Mr. Obaidur Rahman, Dr. Ziaul Abedin and Mr. Niranjan Chandra Debnath who were appointed to the Board as Non-Executive Director after the last Annual General Meeting will retire at the upcoming AGM. Mr. M. Saifullah Panna and Mr. Obaidur Rahman has already tendered his resignation to the Board and the same will be placed before the Board for consideration in due course. Dr. Ziaul Abedin and Mr. Niranjan Chandra Debnath, being eligible, offer themselves for re-election at the 53rd AGM.

Mr. Wael Sabra, Non-Executive Director, Mr. Gary Tarrant, Non-Executive Director and Mr. Francisco Javier Toso Canepa, Non-Executive Director will retire by rotation at the ensuing AGM. All the retiring Directors, being eligible, offer themselves for re-election at the 53rd AGM. The Board recommends their re-appointment.

BOARD COMMITTEES

There are currently three Sub-Committees to the Board, namely: Board Audit Committee; Board Nomination & Remuneration Committee; and Board CSR Committee; the details of which are as follows:

BOARD AUDIT COMMITTEE

The Company has established an Audit Committee as per code 5.1(a) of the corporate governance code of BSEC. As required, the Report of the Audit Committee is included in this Annual Report. In 2025, the Committee comprised of Mr. Masud Khan, (Chairman of the Committee), Professor Dr. Melita Mehjabeen and Mr. Obaidur Rahman. The committee comprises of two Independent Directors and one Non-Executive Directors including the Chairman of the Committee. The Audit Committee met four times during the year 2025. Mr. Syed Afzal Hossain, Company Secretary, served as the Secretary to the Audit Committee. The Finance Director (CFO) and Senior Manager Internal Audit (Head of Internal Audit and Compliance) Mr. Tamzeed Ahmed attended the meetings by invitation.

The key activities and performance of the Audit Committee have been shown in the Audit Committee Report on page 129 of this annual report.

BOARD NOMINATION & REMUNERATION COMMITTEE

The Committee was chaired by Mr. Masud Khan, with Ms. Rupali H. Chowdhury and Mr. Niranjan Chandra Debnath serving as members. It comprised two Independent Directors and one Non-Executive Director. The Committee met five times in 2025. Mr. Syed Afzal Hossain acted as Secretary in accordance with the BSEC Corporate Governance Code.

BOARD CSR COMMITTEE

The Board CSR Committee comprises three Directors, including one Independent Director as Chair. The members are Professor Dr. Melita Mehjabeen, Ms. Nirala Singh, and Mr. Numayer Alam. The CSR initiatives form part of the Company's broader sustainability agenda. The Committee ensures long-term sustainability of the Company's aspirations and effective management of CSR activities. It met once in 2025. The initiatives are aligned with the SDGs and support the Government's commitments.

DIVIDEND

The company at its meeting on 2nd March 2026, the Board reviewed the Company's financial performance and cash position. In considering the proposed dividend, the Board evaluated cash availability, potential local currency devaluation, higher borrowing costs, and ESRM guidelines issued by Bangladesh Bank.

Based on business performance and liquidity position, the Board has recommended a final cash dividend of 30% (BDT 3 per share, total BDT 162 crore) for 2025, subject to approval at the 53rd AGM.

DIVIDEND DISTRIBUTION POLICY

The Dividend Policy outlines the principles governing the distribution of cash and stock dividends. Cash dividends are distributed annually from the Company's net profit after tax. The policy is guided by two key considerations: first, whether dividends should be distributed to shareholders, and second, whether profits should be retained to support reinvestment and future growth.

The overarching principle of the policy is that the Board of Directors proposes a cash payout considering cash availability, potential local currency devaluation, higher borrowing costs and other factors. The declaration of any stock dividend takes into account business requirements and share capital considerations. Dividends are recommended and approved in accordance with applicable laws and regulatory directives issued from time to time by the Bangladesh Securities and Exchange Commission (BSEC). The Dividend Policy is reviewed periodically by the Board and is available on the Company's website.

ENTITLEMENT TO DIVIDEND

Shareholders whose names appear in the Members' Register of the Company or in the Depository Register of CDBL on the Record Date of the respective AGM shall be entitled to receive the approved dividend.

PROCESS OF DISTRIBUTION OF CASH DIVIDEND

Cash dividends shall be paid directly to shareholders' bank accounts within 15 (fifteen) days, and no later than 30 (thirty) days, from the date of approval by the shareholders at the AGM, or from the date of Board approval in the case of an interim dividend. All payments are made in compliance with circulars and directives issued from time to time by BSEC, Bangladesh Bank, or other relevant regulatory authorities.

PROCESS FOR STOCK DIVIDEND DISTRIBUTION

Stock dividends shall be credited to shareholders' respective accounts within 30 (thirty) days of approval, subject to obtaining the necessary regulatory clearances.

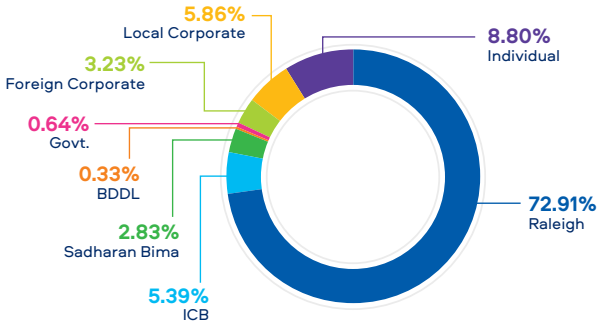
PROCESS FOR SETTLING UNPAID DIVIDENDS

Unpaid or unclaimed cash dividends for a period of less than three years from the declaration date shall be paid to shareholders upon application and disbursed within the stipulated timeframe. In respect of cash or stock dividends declared for more than three years, settlement shall be made in accordance with the directives of the Bangladesh Securities and Exchange Commission, the Capital Market Stabilization Fund, or any other applicable regulatory authority.

TAX ON DIVIDEND

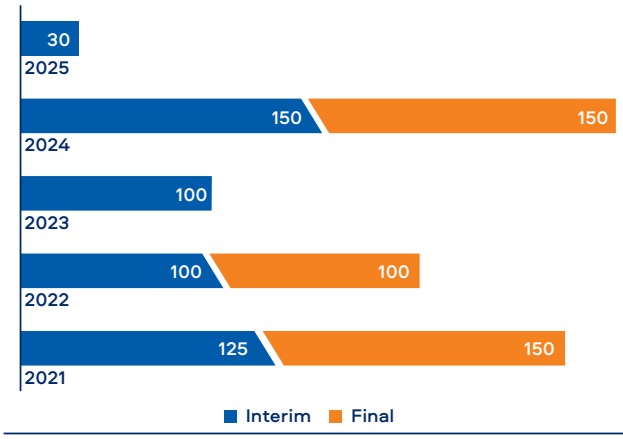
Tax on dividend income shall be deducted at source in accordance with applicable tax laws and regulations.

Share Holding Position 31st Dec 2025



Dividend History

Data in Percentage



PRINCIPLES OF MATERIAL INFORMATION (MI) AND PRICE SENSITIVE INFORMATION (PSI)

In accordance with Section 3(2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022, and the Listing Regulations, the Board has formulated and approved a policy for the determination and disclosure of Material Information (MI) and Price Sensitive Information (PSI). The policy has been uploaded to the Company's website and is implemented to ensure timely and transparent disclosure in compliance with regulatory requirements.

EXCELLENCE IN GOVERNANCE FOR SHAREHOLDERS' RIGHTS

Effective corporate governance requires transparent communication and constructive collaboration among all stakeholders, particularly shareholders. It also requires a clear distinction between ownership and control.

Shareholders own the Company, the Board of Directors provides oversight and strategic direction, and management is responsible for day-to-day operations.

The Board of Directors of BAT Bangladesh, supported by a strong institutional legacy, remains confident in the Company's capabilities, expertise, and resources. This confidence enables BAT Bangladesh to move forward with strategic clarity while upholding the highest standards of corporate governance and value creation.

The Company is committed to maintaining open communication with investors and safeguarding the rights of all shareholders, including minority shareholders. We remain transparent and accessible, ensuring that both positive and constructive feedback from shareholders is appropriately conveyed to the Board.

GRIEVANCE REDRESSAL MECHANISM FOR SHAREHOLDERS

BAT Bangladesh is committed to ensuring fair treatment for all shareholders. We prioritize the timely resolution of complaints and have established a structured grievance redressal mechanism to address shareholder concerns efficiently.

The Investor Relations Division is responsible for handling queries and complaints in accordance with the following timelines:

i. All queries received via email will be responded to within the same working day, while those received by post will be addressed within two working days.

ii. The objective of the Investor Relations Division is to resolve complaints within ten (10) days, subject to the shareholder fulfilling the necessary prerequisites for raising the concern.

iii. If a complaint cannot be resolved within the stipulated timeframe, an extension may be granted with appropriate notification. If resolution is not possible, the matter will be referred to the appropriate regulatory or competent authority.

iv. Responses will be communicated through the same channel used for the original inquiry, unless otherwise agreed. With the support of the Registrars, the Investor Relations Division aims to resolve all complaints satisfactorily.

GOING CONCERN

The Directors are of the opinion that the Company is a going concern. This assessment is based on appropriate inquiries and analysis, which confirm that the Company has adequate resources to continue its operations and that sufficient business opportunities exist to justify its continued existence.

Accordingly, the Financial Statements have been prepared on a going concern basis, and the Directors have no doubt regarding the Company's ability to continue its operations for the foreseeable future.

BUSINESS RISKS AND SYSTEM OF INTERNAL CONTROL

Like other industry participants, BAT Bangladesh faces various internal and external risks. Recognizing that uncertainty is inherent in business operations, the Board assures shareholders that the Company maintains a robust risk management framework. This framework ensures that internal controls are appropriately designed, effectively implemented, and continuously monitored.

The Company actively identifies and evaluates key financial and operational risks that could impact business performance. These risks are reviewed regularly in response to evolving internal and external conditions to ensure that control mechanisms remain effective in safeguarding operations, financial stability, and long-term sustainability.

Given ongoing economic uncertainties, BAT Bangladesh may adjust its business strategies to remain aligned with global and domestic developments. Further details on the internal control framework are provided in the Statement of Internal Control (page 144).

RELATED PARTY TRANSACTIONS

Transactions with related parties are conducted on a commercial basis, in the ordinary course of business, and on an arm's length basis. Details of related parties and related party transactions are disclosed in Note 44 of the Financial Statements on page 266 of this Annual Report, in accordance with the relevant International Financial Reporting Standards (IFRS).

REGULATORY DISCLOSURE

Pursuant to the BSEC Notification on 'Corporate Governance Statement' dated 3rd June 2018, the Directors of BAT Bangladesh also report that:

- The Company is aware of its various risks and concerns. The financial risk management has been disclosed under note 43 of the financial statements;
- All transactions with related parties have been made on a commercial basis and the details of the related party and transactions have been disclosed under note 38 of the financial statements;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been followed in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- The financial statements are prepared in accordance with IAS/IFRS and any departure therefrom has been adequately disclosed;
- Following its Initial Public Offering (IPO), the Company has made no further public offerings, rights issues, or other instruments.
- The Company's IPO was made during inception. No further issue of any instrument was made during the year;
- From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company;
- Extraordinary gain or loss has been recognized in the financial statements of the Company in page 233 of the Annual Report;
- No significant variations have occurred between quarterly and final financial results of the Company during 2025;
- During the year, the Company has paid a total amount of BDT 0.78 crore as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note 43 of the Financial Statements;
- All significant deviations from the previous year in the operating results of the Company have been highlighted and reasons thereof have been explained;
- The key operating and financial data for the last five years have been disclosed in the Directors' Report;
- The Company has proposed cash dividend for the year 2025;
- During 2025, a total of 10 (ten) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in the page 114 of this report;
- Rights and interests of the minority shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company;
- No bonus or stock dividend has been declared as interim dividend during the year;
- A statement of 'Management Discussion and Analysis' has been presented on page 76 of this Report;
- Shareholding pattern of the Company as on 31st December 2025 are shown in Annexure-1 to this report; and
- Directors' profiles have been included in the Annual Report (page 36) as per BSEC Guidelines.
- Declaration or Certification by the CEO and the CFO as required BSEC Code (condition No. 3(3) & Annexure-A) disclosed under 'Certificate of Due Diligence' on page 84 in the Annual Report.
- The report as well as certificate regarding compliance conditions of the BSEC Code as required (condition No.9, Annexure-B & C) disclosed on page 85 in the annual report.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

As a publicly listed company, BAT Bangladesh places strong emphasis on governance excellence. The Board and Management are committed to maintaining the highest standards of accountability, transparency, ethical conduct, and compliance.

The Company confirms full compliance with BSEC Corporate Governance Notification dated 3rd June 2018. A Certificate of Compliance issued by Mohammad Sanaullah

& Associates, Chartered Secretaries, is included in this Annual Report.

A detailed Corporate Governance Compliance Statement for the Company can be found on page 98 of this annual report.

FINANCIAL STATEMENTS

The Financial Statements for the year ended 31st December 2025 have been prepared in compliance with the Companies Act 1994, IAS/IFRS as adopted in Bangladesh, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, and the Listing Regulations of the stock exchanges. The Board believes that the Financial Statements present fairly the Company's financial position and results of operations.

STATUTORY AUDITOR

A Qasem & Co., Chartered Accountants, will retire at the 53rd AGM and have expressed willingness to be reappointed for 2026. Based on the Audit Committee's recommendation, the Board proposes their re-appointment at a fee of Tk. 15,50,000 plus VAT.

COMPLIANCE AUDITOR

Mohammad Sanaullah & Associates, Chartered Secretaries, served as Compliance Auditor for 2025. The Board recommends their re-appointment for 2026.

BUSINESS COMMITMENTS FOR SUSTAINABLE GROWTH

With a legacy spanning over 115 years, BAT Bangladesh continues to stand as a responsible corporate citizen and a significant business entity contributing to the national economy. Our contribution extends beyond commercial performance anchored in disciplined governance, unwavering compliance, and a deep commitment to Bangladesh's long-term socio-economic progress. The strength of our institutional relationships with the Government, shareholders, and stakeholders reflects the trust built through transparency, accountability, and ethical conduct.

In 2025, the Company contributed BDT 39,144 crore to the national exchequer as income tax, customs duties, VAT, and other levies reinforcing our position as one of the country's largest taxpayers. This contribution underscores not only financial scale but also our strong compliance culture and commitment to operating responsibly within the regulatory framework. Our resilient financial performance and prudent risk management continue to safeguard our shareholders value while preparing the business to respond effectively to regulatory and market shifts.

Our ability to navigate a dynamic operating landscape is rooted in strong fundamentals: a skilled and empowered workforce, a diversified product portfolio, an extensive distribution network, and enduring partnerships with contracted farmers. These strengths, supported by internal controls, compliance and oversight governance, enable disciplined execution of our strategy while ensuring long-term sustainability.

BAT Bangladesh continued to lower its environmental footprint through focused decarbonization, water stewardship and circularity initiatives aligned with its long-term sustainability ambition. In 2025, total Scope 1 and Scope 2 (market-based) emissions, including fugitives, reduced to 43,022.99 tCO_2e. Renewable and cleaner electricity sourcing strengthened further, supported by 15.23 million kWh of purchased renewable electricity, 13.95 million kWh of unbundled renewable certificates, and 1.28 million kWh of onsite solar (PPA) generation. These actions, complemented by operational efficiency interventions, enhanced energy resilience and reduced carbon intensity across the footprint.

Water stewardship remained a priority. In 2025, total water withdrawal was 175,010.32 m^3, with a recycling rate of 33.18%, supported by Reverse Osmosis and wastewater treatment infrastructure embedded within site operations.

Progress toward circular resource use accelerated during the year. The total waste recycling rate improved to 99.53%, out of 12,045.13 tonnes of waste generated. Recycling performance was driven by 8,316.62 tonnes of composting and 3,652.67 tonnes of additional non-hazardous recovery.

Collectively, these outcomes reflect disciplined execution of our ESG priorities and reinforce our forward trajectory toward lower-carbon, resource-efficient and more resilient operations.

Looking ahead, the Company's confidence is grounded in its governance maturity, compliance rigor, and strategic clarity. With strong oversight from the Board and a culture rooted in integrity, BAT Bangladesh remains focused on creating enduring value balancing economic contribution, environmental responsibility, and stakeholder trust as we advance towards A Better Tomorrow™.

MANAGEMENT DISCLAIMER FOR IT SECURITY

BAT Bangladesh relies on robust application systems for daily operations. These systems undergo continuous monitoring by the Cyber Security team and the Information and Digital Technology team. Best practices, including vulnerability assessments, threat modelling, and incident response planning, are applied to safeguard data integrity and confidentiality.

CREDIT RATING STATUS

IIn accordance with BSEC rules, the Company's 2025 credit rating was considered Price Sensitive Information. CRISL assigned the following ratings:

Long Term	Short Term	Outlook
AAA	ST-1	Stable

AWARDS & RECOGNITION

Our commitment to responsible corporate stewardship, value creation, and governance excellence has garnered recognition from leading institutions. These accolades reflect the collective efforts of our team in driving sustainable growth, fostering stakeholder trust, and upholding the highest standards of governance and compliance. In 2025, the Company received the following honors:

- Best Corporate award from Cost and Management Accountants of Bangladesh
- e-Return champion from National Board of Revenue (NBR)

Additionally, BAT Bangladesh was ranked 6th in the prestigious list of Bloomberg's among Bangladesh's corporate sector in securing places on Environmental, Social, and Governance (ESG).

INDUSTRY OUTLOOK & FUTURE PROSPECTS

The tobacco industry in Bangladesh has a vital role in the nation's economic landscape, serving as a substantial source of employment, particularly in rural areas, encompassing tobacco cultivation, production, trade, and distribution. Annually, the government adjusts the tobacco prices and taxes through the national budget, thereby augmenting its economic significance. Notwithstanding a general decline in tobacco consumption due to health warnings, there is a discernible shift among smokers towards alternative products, as a proactive measure to mitigate health risks.

Furthermore, Bangladesh is strategically positioned to harness significant export opportunities in the industry of tobacco, including leaf, cut rag and cigarettes capitalising on its inherent cost competitiveness and commitment to high product quality. Following the success of the ready-made garments industry, the tobacco sector holds substantial potential to carve out a formidable position in the global export market, contributing significantly to the nation's foreign currency earnings. This combination of cost-effectiveness and quality positions the country favourably to meet international demand, thereby diversifying its export portfolio and fortifying economic growth in line with the government initiatives through the worldwide trade of tobacco-related products.

In Bangladesh, a new niche market is emerging as more people show interest in innovative tobacco alternatives. This trend mirrors evolving consumer preferences and presents fertile ground for innovation within the tobacco industry. Additionally, the prospect of tobacco factories expanding underscores the escalating export opportunities for cigarettes. This emphasis on export oriented development aligns seamlessly with the evolving dynamics of the global tobacco market, positioning Bangladesh to effectively leverage its inherent strengths in meeting the rising international demand for a diverse range of tobacco related products.

EXPECTATIONS IN 2026 AND BEYOND

As we look to the future, BAT Bangladesh remains committed to sustaining its growth momentum and advancing its sustainability agenda. The economic outlook for 2026 suggests continued challenges, including potential shifts in consumer preferences, rising inflation and regulatory changes. However, we are well-positioned to navigate these uncertainties through our robust strategies and operational resilience.

Market expansion and innovation will continue to drive our growth strategy. We are committed to introducing consumer-relevant products that align with evolving preferences and regulatory frameworks. Expanding our market reach through digital transformation and enhanced consumer engagement remains a priority.

We continue to encourage the Government to intensify its effort in curbing the expansion of the illicit cigarette market to enhance future Government revenue. As one of Bangladesh's most esteemed publicly listed companies, we remain committed to upholding global best practices in governance, sustainability, corporate responsibility, and value generation.

Our focus is on delivering value to stakeholders, fostering innovation, and upholding our legacy as a leader in the tobacco industry. As we move forward, we extend our gratitude to our employees, partners, and consumers for their continued trust and support, which have been instrumental in our success.

ACKNOWLEDGEMENTS

The Company's 2025 year-end performance reflects resilience and sustained value creation amid a challenging environment. This progress is a testament to the commitment and disciplined leadership of the Board, Management and employees.

Beyond the endorsement of our consumers, we sincerely acknowledge the dedication of our business partners, contracted farmers and wider stakeholders whose collaboration underpins our operational excellence.

We take pride in these collective achievements and extend our appreciation to all contributors, as we continue to strengthen BAT Bangladesh's position as one of the country's leading corporates in the industry.

On behalf of the Board of Directors
2nd March 2026



Wael Sabra
Chairman



Monisha Abraham
Managing Director



Syed Afzal Hossain
Company Secretary

2nd March 2026

MANAGEMENT DISCUSSION & ANALYSIS 2025

(a) Accounting policies and estimation for preparation of financial statements:

The financial statements have been prepared in accordance with the (International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities and Exchange Rules, 2020, and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules, 2020.

The financial statements have been prepared on a historical cost basis, except for debt and equity financial assets and contingent consideration that have been measured at fair value. The financial statements provide comparative information in respect of the previous period.

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward.

The detail of the significant accounting policies is available in Note 6 of the financial statement.

(b) Changes in accounting policies and estimation

In 2025, there was no major change in accounting policies and estimations except for some amendments and interpretations applied. However, this do not have any material impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

(c) Comparative analysis of financial performance and operational performance

Financial results (BDT crore)	2025	2024	2023	2022	2021	2020
Gross Turnover	46,284	43,232	40,379	36,145	33,934	28,108
Supplementary duty, VAT, HDSC	(37,941)	(33,287)	(31,212)	(27,722)	(26,451)	(22,079)
Net Turnover	8,342	9,945	9,167	8,423	7,483	6,029
Cost of Goods Sold	(4,974)	(5,523)	(4,717)	(3,999)	(3,477)	(3,079)
Gross Profit	3,369	4,422	4,450	4,423	4,006	2,950
Operating Expense	(1,768)*	(795)	(947)	(868)	(835)	(727)
Operating Profit	1,601	3,627	3,503	3,555	3,170	2,222
Profit before Tax	1,363	3,381	3,527	3,499	2,990	2,109
Tax	(779)	(1,631)	(1,739)	(1,712)	(1,493)	(1,020)
Profit after Tax	584	1,751	1,788	1,787	1,497	1,089
EPS in BDT	10.81	32.42	33.11	33.10	27.72	20.16

*Including one-off Restructuring & relocation cost

Operational results	2025	2024	2023	2022	2021	2020
Share Capital (BDT cr.)	540	540	540	540	540	180
No. of Employees	1,684	1,745	1,669	1,526	1643	1,445
Total Contribution to the National Exchequer (BDT cr.)	39,144	35,395	32,802	29,530	29,078	24,250

There has been an interim budget at the beginning of this year, in January, which led to higher excise and pricing across all segments. This resulted in a volume drop of 27% for FY'25 vs SPLY followed by a 16% decline in Net Revenue.

Furthermore, the Dhaka Factory site closure and relocation added additional expenses in current period, resulting in a 67% decline in PAT vs FY 2024.

Cashflow movement

Cashflow (BDT crore)	2025	2024	2023	2022	2021	2020
Cash generated from operating activities	1,902	3,583	2,513	4,076	2,009	2,276
Income Tax paid	(1,443)	(1,802)	(1,489)	(1,352)	(1,200)	(784)
Net Interest (paid)/received	(129)	(49)	(4)	(21)	(14)	10
Net cash flows from operating activities	331	1,732	1,021	2,702	795	1,502
Net cash flows used in investing activities	(632)	(470)	(610)	(606)	(530)	(139)
Net cash flows used in financing activities	320	(1,315)	34	(1,765)	(713)	(1,314)
Net Increase in cash and cash equivalents	18	(53)	444	331	(448)	48
Cash and cash equivalents at 01 January	897	944	491	141	587	539
Cash and cash equivalents at 31 December	919	897	944	491	141	587

Overall cash position in 2025 is almost at par with last year due to taking higher short term loan, partially offset by lower collections from sales proceeds and increased payments for VAT, duties, taxes to the government exchequer, and payments to suppliers for materials and expenses.

Dividend

The Board of Directors has recommended 30% (BDT 3 per share) final cash dividend for the year ended 31 December 2025, to be approved at the ensuing 53rd Annual General Meeting.

Operational results	2025	2024	2023	2022	2021	2020
Profit after tax (BDT Cr)	584	1,751	1,788	1,787	1,497	1,089
Earnings per share (BDT)	10.81	32.42	33.11	33.10	27.72	20.16
Interim & final cash dividend (BDT Cr)	-	1,350	540	1,080	1,485	1,080
Stock dividend ratio	-	-	-	-	-	1:2
Number of shares	540,000,000	540,000,000	540,000,000	540,000,000	540,000,000	180,000,000
Cash dividend per share	3	30	10	20	27.50	60
P/E Ratio (as of record date)***	22.99	11.34	15.67	15.65	23	58.57
Dividend Yield (as of record date)***	1%	8%	2%	4%	4%	5%
Cash and cash equivalents at 31 December	919	897	944	491	141	587

(d) Comparison of financial performance with the peer industry scenario

BATB is the only listed tobacco company in Bangladesh. Also, the nature of the tobacco business is different from the other industries and hence it is not possible to compare the financial position and cash flow with peer companies.

(e) Financial and economic scenario of the country and the globe Global Economy

Global Economy

The global economy in 2025 is navigating a challenging environment of subdued growth and gradually easing inflation that continues to test the resilience of national economies and policy frameworks. Global GDP growth is projected in a narrow band around 2.3–3.0%, with the World Bank warning that growth of about 2.3% would mark the weakest pace since 2008 outside of global recessions, while the IMF's updated World Economic Outlook points to a modestly higher 3.0% expansion in 2025. Inflation is expected to continue its downward trajectory, with the IMF forecasting global headline inflation to decline from 5.8% in 2024 to about 4.2% in 2025 and further towards the mid 3% range in 2026, reflecting the lagged impact of earlier monetary tightening and easing commodity prices, even though inflation remains above target in some major advanced economies. Advanced economies, where growth is projected at roughly 1.8%, are experiencing the drag from past interest rate hikes and aging demographics, while many emerging markets and low income countries are projected to grow faster—around 4.1% for emerging markets and near 5.8% for low income economies—but still face significant headwinds from elevated debt, tighter financing conditions, and weaker global trade.

Geopolitical tensions and trade policy frictions continue to play a pivotal role in shaping the economic landscape in 2025. Conflicts in the Middle East and other regions are cited by the OECD and IMF as key risks that could disrupt energy markets, erode confidence, and weigh on growth, while lingering repercussions from earlier conflicts in Europe contribute to persistent uncertainty around energy security and investment. Rising and more volatile tariffs—

especially higher U.S. tariffs and broader trade tensions—are identified by the IMF as a significant drag on the medium term outlook, even though some near term growth support has come from front loaded purchases ahead of tariff hikes and a subsequent partial easing of effective global tariff rates. Global trade volumes are expected to grow more slowly than before the pandemic, with the IMF projecting trade growth of around 2.6% in 2025 and warning that fragmentation and protectionist measures could further dampen cross border flows. Business and policy analyses from institutions such as the World Bank and OECD underscore that corporate leaders and governments now view geopolitical risk, trade uncertainty, and high public debt as threats to economic stability on par with residual inflation and tighter financial conditions, reinforcing calls for more international coordination to manage these systemic challenges.

Looking ahead through 2025 and into 2026, the global economic outlook is cautiously optimistic but clearly constrained, with limited upside and notable downside risks. The IMF's mid 2025 and late 2025 updates project global growth of about 3.0% in 2025 and 3.1% in 2026, a slight upward revision from earlier in the year but still below the historical pre pandemic average of around 3.7%, while global inflation is expected to fall further to roughly 3.6–3.7% in 2026 as disinflation progresses unevenly across regions. The World Bank expects global growth to hover around 2.7% in both 2025 and 2026 in its baseline, stressing that many developing economies are losing momentum, with per capita income growth falling short of pre pandemic trends and complicating efforts to reduce poverty and achieve convergence. OECD projections describe global growth as "resilient but modest," with inflation in OECD economies projected to ease from about 5.4% in 2024 to 3.8% in 2025 and 3.0% in 2026, while warning that renewed commodity price shocks, re escalation of conflicts, or financial market corrections could derail the disinflation process. As major central banks cautiously begin to reduce policy rates in 2025 while keeping a relatively restrictive stance, multilateral institutions emphasize that immediate stabilization must be complemented by structural reforms focused on boosting productivity, strengthening fiscal resilience, and expanding labor force participation, alongside scaled up investment in renewable energy, climate adaptation, and resilient infrastructure to support more sustainable and inclusive growth in an increasingly fragmented global economy.

Bangladesh Economy

In 2025, Bangladesh's economy grappled with subdued growth, persistently high inflation, and deepening financial sector vulnerabilities amid political transition and external pressures. The IMF forecasted real GDP growth at 3.8% for calendar year 2025, with actual fiscal year (FY26 starting July 2025) Q2 data showing 3.97% annual expansion, reflecting weak private consumption, investment, and government spending alongside gradual recovery signs in Q1 FY26 at 4.50% point-to-point growth. Inflation remained elevated, averaging around 10% for the year per IMF estimates, with monthly figures peaking near 9% early in the year before easing to 8.36% in September and 8.49% in December, driven by food prices, currency pressures, and supply constraints despite monetary tightening.

These strains were intensified by the ongoing political transition from the interim government led by Muhammad Yunus, formed after the 2024 uprising, which managed stability through 2025 but faced mounting macro-financial challenges including weak tax revenue and financial instability. In February 2026, Yunus stepped down following general elections won decisively by the Bangladesh Nationalist Party (BNP) under Tarique Rahman, who became prime minister amid voter approval of the "July Charter" reforms for democratic strengthening, judicial independence, and institutional rebuilding. The interim administration advanced IMF-supported reforms, securing $884 million from the combined third and fourth reviews under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) in June 2025, plus $453 million under the Resilience and Sustainability Facility (RSF), alongside further disbursements totaling about $1.3 billion to bolster reserves and climate resilience. Foreign exchange reserves hovered around $20–31 billion through the year, dipping to $20.57 billion in May but rebounding above $31 billion by November after Asian Clearing Union payments, sufficient for roughly four months of imports.

In 2025, Bangladesh's banking sector faced acute instability, with non-performing loans (NPLs) surging to record highs of Tk420,000 crore (about $36 billion) by March (24.13% of total loans) and reaching a 36% ratio by September, fueled by governance lapses, liquidity shortages, and economic slowdown eroding borrower repayment capacity. The central bank (Bangladesh Bank) responded with a roadmap targeting NPL reduction below 8% overall (10% for state-owned, 5% for private banks) by June 2026, shortening write-off periods to two years, establishing recovery units, enhancing legal divisions, special allowances for recovery staff, and forming an Asset Management Company for written-off assets. A Bank Resolution Ordinance in May 2025 empowered swift interventions, alongside task forces for supervision independence and asset recovery, though critics note persistent legal delays with over 222,000 cases pending involving Tk407,435 crore as of June.

The IMF's November 2025 mission acknowledged progress in macroeconomic stabilization and reforms under difficult conditions but urged sustained monetary tightening, fiscal consolidation via non-priority spending cuts, and accelerated financial sector cleanup amid downside risks from NPLs, remittances, and private investment weakness. Despite infrastructure gains like the Padma Bridge boosting connectivity, the outlook stayed challenging due to structural issues including high production costs and trade vulnerabilities, with IMF projecting recovery to 4.9–6.5% growth and inflation to 5.2% in FY26 (2025–26). The global community, including IMF and World Bank partners, stressed deeper governance reforms, judicial efficiencies, and international support to restore confidence, attract investment, and pave the way for inclusive, resilient growth under the new BNP-led government.

(f) Risks and concerns issues related to the financial statements

The Company has a series of policies, practices and controls in place in relation to the financial reporting and consolidation process, which are designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards. The Finance Director is required to confirm annually that all information relevant to the Company audit has been provided to the Board of Directors through the Audit Committee and that reasonable steps have been taken to ensure full disclosure in response to requests for information from the external auditor.

In addition, it is standard practice for the Finance Director to fully review account reconciliations on a bi-annual basis. The effectiveness of the Company's financial reporting controls is assessed through self-certification as part of the Control Navigator exercise described earlier. The integrity of the Company's public financial reporting is further supported by several processes and steps to provide assurance over the completeness and accuracy of the content including review and recommendation by the Audit Committee and review and approval by the Board. BATB also integrated Sarbanes-Oxley Act (SOX) controls into its business operations.

(g) Future plan or projection or forecasts

As we look to the future, BATB remains committed to sustaining its growth momentum and advancing its sustainability agenda. The economic outlook for 2025 indicates ongoing challenges, such as potential changes in consumer preferences, increasing inflation, and regulatory shifts. Nevertheless, we are well-prepared to manage these uncertainties thanks to our strong strategies and operational resilience. Our steadfast belief in our ability to deliver results in difficult situations has been validated by the remarkable operational and financial success achieved in 2024.

BAT Bangladesh remains will be steadfast in its commitment to delivering high-quality products while creating economic value for its shareholders as the company looks ahead to 2025 and beyond, the initiatives will focus on generating significant economic impacts aligned with the Sustainable Development Goals. These initiatives will prioritize poverty alleviation through empowerment programs, furthering gender equality, and enhancing human development and well-being. The company will also deepen partnerships to promote sustainable agricultural practices, address arsenic contamination, and protect forest ecosystems. Additionally, BAT Bangladesh is dedicated to broadening access to sustainable modern energy in off-grid regions, solidifying its leadership role in fostering a more sustainable and inclusive future for the nation's economy and society.

(h) Related party transactions

The details of the related party transactions along with the nature of the transactions is provided in Note 44 (Related party disclosures) of the financial statements.



Monisha Abraham
Managing Director
BAT Bangladesh

2nd March 2026

PATTERN OF SHAREHOLDING

Annexure-1

Names of the shareholders as on record date

Name of Shareholder	Shares Held	% of Holding
i) Parent/subsidiary/associate/related parties:		
Raleigh Investment Co. Ltd.	393,708,222	72.91%
ii) Directors/CEO/CS/CFO/Audit Head and their spouses and minor children	nil	nil
iii) Executives (HOD)	nil	nil
iv) Shareholders, who holding 10% or more:		
v) Other Shareholders, who holding less than 10%		
• Investment Corporation of Bangladesh	29,126,127	5.39%
• Sadharan Bima Corporation	15,285,423	2.83%
• Bangladesh Development Bank Limited	1,851,302	0.34%
• President People's Republic of Bangladesh	3,481,416	0.64%
• Others	96,547,510	17.89%
Total	540,000,000	100%
Shareholders holding 10% or more voting interest in The Company	nil	nil

Share distribution schedule

A distribution schedule of the shares at the reporting date is given below following the requirement of listing regulations:

Shareholder's range	As at 31 December 2025			As at 31 December 2024		
	Number of shareholders	Number of shares	Percentage of holding	Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	50,707	5,852,945	1.08%	57,657	6,244,041	1.16%
501 to 5,000 shares	12,310	18,925,052	3.50%	11,687	17,748,747	3.29%
5,001 to 10,000 shares	1,060	7,536,347	1.40%	899	6,420,805	1.19%
10,001 to 20,000 shares	458	6,503,679	1.20%	394	5,598,806	1.04%
20,001 to 30,000 shares	159	3,855,829	0.71%	133	3,237,262	0.60%
30,001 to 40,000 shares	66	2,285,093	0.42%	54	1,873,115	0.35%
40,001 to 50,000 shares	47	2,159,374	0.40%	36	1,647,200	0.31%
50,001 to 100,000 shares	96	6,902,177	1.28%	92	6,514,426	1.21%
100,001 to 1,000,000 shares	97	24,150,740	4.47%	96	23,280,088	4.31%
Over 1,000,000 shares	20	461,828,764	85.52%	19	467,435,510	86.56%
	65,020	**540,000,000**	**100%**	**71,062**	**540,000,000**	**100%**

CERTIFICATE OF COMPLIANCE

Annexure-2

Mohammad Sanaullah & Associates
Chartered Secretaries & Management Consultants

Report to the Shareholders of

British American Tobacco Company Bangladesh Limited

on

Compliance of Corporate Governance Code

Certificate as per condition No. 1(5)(xxvii) of the BSEC Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **British American Tobacco Company Bangladesh Limited** for the year ended on December 31,2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as Stipulated in the above-mentioned Corporate Governance Code issued by the Commission subject to the remarks as reported in the Status of Compliance Statement;

(b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the Securities laws and other relevant laws; and

(d) The governance of the company is satisfactory.

For: **Mohammad Sanaullah & Associates** **March 2, 2026**

Mohammad Sanaullah FCS
CEO & Lead Consultant

MOHAMMAD SANAULLAH & ASSOCIATES

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Annexure-3

BSEC CORPORATE GOVERNANCE COMPLIANCE CHECK LIST

Status of compliance with the conditions set out by the BSEC Notification on Corporate Governance

(Report under Condition No. 9.3)

Condition No	Title	Status	Remarks
1.1	Board Size: The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	Complied	The BATB Board is comprised of 14 Directors.
1.2	Independent Directors:		
1.2 (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s) Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company	Complied	There are Three Independent Directors in the BATB Board. Professor Dr. Melita Mehjabeen and Ms. Rupali Haque Chowdhury were appointed in the Board on 12th November 2024 and 24th July 2025 respectivly.
1.2 (b) (i)	Without contravention of any provision of any other laws, for the purpose of this clause,an "independent director" means a director- who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	Complied	The Independent Directors have declared their compliances (.Signature will be required)
1.2 (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-inlaw and daughter-in-law shall be considered as family members;	Complied	DO
1.2 (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	Complied	DO
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	Complied	DO
1.2 (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	Complied	DO
1.2 (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	Complied	DO
1.2 (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	Complied	DO
1.2 (b) (viii)	who is not independent director in more than 5 (five) listed companies.	Complied	DO
1.2 (b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and	Complied	DO
1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	Complied	DO
1.2 (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM). Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company.	Complied	Newly appointed one independent directors to be approved in the upcoming AGM.

Condition No	Title	Status	Remarks
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	Complied	In practice.
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	Complied	The Independent Directors (IDs) are in their first term of office.
1.3	Qualification of Independent Director:-		
1.3 (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	Complied	The qualification and background of IDs justify their abilities as such.
1.3. (b)	Independent director shall have following qualifications:		
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association;	Complied	Ms. Rupali Haque Chowdhury is the Managing Director of Berger Paints Bangladesh Limited and the President of the Bangladesh Association of Publicly Listed Companies (BAPLC). In recognition of her exceptional contributions to the industrial sector, she has been honored as a Commercially Important Person (CIP) by the Government of Bangladesh.
1.3 (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	Complied	Mr. Masud Khan is Group Chief Executive Officer of MI Cement Factory Limited (Crown Cement). He has 44 years' work experience in leading multinationals and local company of which 24 years are as a senior director at board level. Well known in business, professional circles and highest level of government and regulators.
1.3 (b) (iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service;	Not Applicable	
1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	Complied	Professor Melita Mehjabben joined the BAT Bangladesh Board in November 2024. Her qualifications and background justify her abilities in this role.
1.3 (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	Not Applicable	
1.3 (C)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	Complied	Existing Independent Directors are Business Leader, Corporate Leader and University Teacher with more than 13 years of experience.
1.3 (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	Not Applicable	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-		
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	Complied	Chairman of the Board and Managing Director are different individuals.
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	Complied	Compliance declared.
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Complied	Do
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	Complied	The roles and responsibilities of the Chairperson and Managing Director are clearly defined.
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Complied	In practice.

Condition No	Title	Status	Remarks
1.5	The Directors' Report to Shareholders on:		
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	Do
1.5 (ii)	Segment-wise or product-wise performance	Complied	Do
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	Complied	Discussed at 'System of Internal Control' and 'Regulatory Disclosures'.
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	Complied	The Directors' report complies with the guideline
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	Complied	Do
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	Complied	Mentioned at 'Regulatory Disclosures'. A statement of all related party transactions are disclosed under Notes to the Financial Statements no. 44
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	Complied	Mentioned at Regulatory Disclosures'.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc	Not applicable	Mentioned at Regulatory Disclosures'.
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	Complied	Discussed at 'Financial Performance' and Regulatory Disclosures'.
1.5 (x)	A statement of remuneration paid to the directors including independent directors	Complied	Mentioned at Regulatory Disclosures'.
1.5 (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	Stated under section "Directors' Declaration as to the Financial Statements" in the Directors Report.
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained	Complied	- DO -
1.5 (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	- DO -
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	Complied	- DO -
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	Complied	Stated under section 'The System of Internal Control ' in the Directors Report.
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	Complied	Stated under section 'Going Concern' in the Directors Report.
1.5 (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	Complied	Discussed in the Directors Report under section "Growth Pillar".
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	Complied	The Directors' Report complies with the guideline.
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	Complied	The summary is provided in the Management Report, which is part of the Directors' Report and complies with the guideline.
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	Not Applicable	
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	Complied	Stated in the Directors' Report
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director	Complied	The Board of Directors meet 10 times during the year.
1.5 (xxiii)	Patterns of shareholdings		
1.5 (xxiii) (a)	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	Not Applicable	

Condition No	Title	Status	Remarks
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	Complied	The Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children do not hold any shares of the Company, This should be mentioned in the Director's Report.
	(c) Executives	Complied	The Executives (Leadership Team) of the Company do not hold any shares
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	Complied	Stated in Annexure -1 of the Directors' report which comply with the guideline
1.5 (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:	-	-
1.5 (xxiv) (a)	a brief resume of the director	Complied	Stated in the profile of Directors in the Annual Report
	(b) nature of his or her expertise in specific functional areas	Complied	Stated in the profile of Directors in the Annual Report
	(c) names of companies in which the person also holds the directorship and the membership of committees of the Board	Complied	Stated in the profile of Directors in the Annual Report
1.5 (xxv) (a)	(a) accounting policies and estimation for preparation of financial statements	Complied	the Directors Report complies with the guideline
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	Complied	the Directors Report complies with the guideline
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	Complied	the Directors Report complies with the guideline
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	Complied	the Directors Report complies with the guideline
	(e) briefly explain the financial and economic scenario of the country and the globe	Complied	the Directors Report complies with the guideline
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	Complied	the Directors Report complies with the guideline
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	Complied	the Directors Report complies with the guideline
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	Complied	Stated in Annexure -1 of the Directors' report which comply with the guideline .
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	Complied	the certificate regarding compliance of the conidtions is disclosed at page no 81 of the annual report
1.5 (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality	Complied	
1.6	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	Complied	Company Maintain a book for Board Meeting Minutes as per the provision of Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer		
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Complied	A code of conduct set based on the recommendation of the Nomination and Remuneration Committee (NRC).
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	Complied	Do

Condition No	Title	Status	Remarks
2	Governance of Board of Directors of Subsidiary Company.		
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	There is no subsidiary company of BAT Bangladesh
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable	
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Not Applicable	
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable	
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)		
3. 1 (a)	Appointment The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	Complied	The Company has appointed MD, CFO, CS and Head of Internal Audit.
3. 1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	Complied	They are different individuals.
3. 1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately	Complied	In Practice
3. 1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	The roles, responsibilities and duties of MD, CFO, CS and HIAC are clearly defined as per requirement of BSEC Code.
3. 1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Complied	in Practice
3. 2	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	Complied	In Practice
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)		
3.3 (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:		
3.3.(a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	Complied	
3.3.(a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	Complied	In Practice
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	Disclosed in the Annual Report.
4..	Board of Directors' Committee:- For ensuring good governance in the company, the Board shall have at least following subcommittees:		

Condition No	Title	Status	Remarks
4.(i)	Audit Committee; and	Complied	Already in place.
4 (ii)	Nomination and Remuneration Committee	Complied	Already in place.
5..	Audit Committee:-		
5.(1)	Responsibility to the Board of Directors:		
5.1 (a)	The company shall have an Audit Committee as a sub-committee of the Board;	Complied	Already in place.
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	Complied	In practice
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	Complied	In practice. The duties are clearly set forth in writing in the TOR of the Audit Committee.
5.(2)	Constitution of the Audit Committee:		
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	Complied	The Audit Committee is comprised of 3 (three) members.
5.2 (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	Complied	The AC is constituted as per the BSEC Code 2018.
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	Complied	All the existing members of the Audit Committee are 'financially literate'.
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (Sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	Complied	In Practice
5.2 (e)	The company secretary shall act as the secretary of the Committee;	Complied	In Practice
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied	In practice.
5.(3)	Chairperson of the Audit Committee:		
5.3 (a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director	Complied	Mr. Masud Khan FCA has been appointed as Chairman of Audit Committee who ia an Independent Director.
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	Not Applicable	No such case during the reporting year.
5.3 (c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	Complied	In practice.
5.(4)	Meeting of the Audit Committee:-		
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	Complied	The AC conducted 4 (four) meetings during the year.
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	Complied	In practice.
5.5	Role of Audit Committee The Audit Committee shall:-		
5.5 (a)	Oversee the financial reporting process	Complied	In practice.
5.5 (b)	monitor choice of accounting policies and principles;	Complied	In practice.
5.5 (C)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Complied	In practice.
5.5 (d)	oversee hiring and performance of external auditors	Complied	In practice.
5.5 (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	Complied	In practice.

Condition No	Title	Status	Remarks
5.5 (f)	review along with the management, the annual financial statements before submission to the Board for approval;	Complied	In practice.
5.5 (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	Complied	In practice.
5.5 (h)	review the adequacy of internal audit function	Complied	In practice.
5.5 (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	In practice.
5.5 (j)	review statement of all related party transactions submitted by the management;	Complied	In practice.
5.5 (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	Complied	In practice.
5.5 (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	Complied	In practice.
5.5 (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Not Applicable	There was no IPO/RPO/Rights Issue in 2025 or in recent past. Stated in the Directors' Report under Regulatory Disclosures.
5.(6)	Reporting of the Audit Committee		
5.6.(a)	Reporting to the Board of Directors		
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board.	Complied	In practice.
5.6.(a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-		
5.6 (a) (ii) (a)	report on conflicts of interests;	Complied	In practice.
5.6 (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	Complied	In practice.
5.6 (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and		Not Applicable.
5.6 (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;		Not Applicable.
5.6 (b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.		Not Applicable.
5.7	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	Complied.	The activities of the AC are duly reported in the Annual Report.
6	Nomination and Remuneration Committee (NRC):-		
6.1	Responsibility to the Board of Directors		
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	Complied	Already in place.
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	In practice
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	Complied	In practice. The Terms of Reference is clearly set forth in writing covering all relevant areas as stated in the CG Code 2018.
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	Complied	The Committee is comprised of 4 (Four) members including an Independent Director.
6.2 (b)	At least 02 (two) members of the Committee shall be non-executive directors	Complied	In practice

Condition No	Title	Status	Remarks
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board	Complied	The NRC members are appionted by the Board
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee	Complied	In practice
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Complied	In practice
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	Not Applicable	No such case during the year
6.2 (g)	The company secretary shall act as the secretary of the Committee;	Complied	In practice
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Complied	In practice
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Complied	In practice
6.3	Chairperson of the NRC		
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Complied	The Chairman of NRC is selected by the Board who is an Independent Director
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Not Applicable	No such case during the year.
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	Complied	In practice
6.4	Meeting of the NRC		
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	Complied	The NRC conducted 5 (five) meetings during the year.
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not Applicable	No such case during the year.
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	Complied	In practice
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Complied	In practice
6.5	Role of the NRC		
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	In practice
6.5.(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		
6.5.(b).(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following		
6.5 (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Complied	In practice
6.5 (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	Complied	In practice
6.5 (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	Complied	In practice
6.5 (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	In practice
6.5 (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	Complied	In practice
6.5 (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	In practice

Condition No	Title	Status	Remarks
6.5 (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	Complied	In practice
6.5 (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	Complied	In practice
6.5 (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Complied	The criteria, policy and activities of NRC are disclosed in the Annual Report
7	External or Statutory Auditors:-		
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	Complied	As declared by the auditor
7.1 (i)	appraisal or valuation services or fairness opinions;	Complied	In practice
7.1 (ii)	financial information systems design and implementation;	Complied	In practice
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements;	Complied	In practice
7.1 (iv)	broker-dealer services	Complied	In practice
7.1 (v)	actuarial services	Complied	In practice
7.1 (vi)	internal audit services or special audit services;	Complied	In practice
7.1 (vii)	any service that the Audit Committee determines;	Complied	In practice
7.1 (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	Complied	In practice
7.1 (ix)	any other service that creates conflict of interest	Complied	In practice
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	Complied	In practice
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	Complied	In practice
8	Maintaining a website by the Company:-		
8.1	The company shall have an official website linked with the website of the stock exchange.	Complied	In practice
8.2	The company shall keep the website functional from the date of listing	Complied	In practice
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	Complied	In practice
9	Reporting and Compliance of Corporate Governance:		
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	Complied	The Certificate of Compliance obtained from Mohammad Sanaullah & Associates is duly shown in the Annual Report (Page 81)
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	Complied	The compliance auditor Mohammad Sanaullah & Associates is duly appointed by the shareholders at AGM.
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	Complied	Detailed status given at Annexure - C and published in the Report.

CERTIFICATE OF DUE DILIGENCE BY CEO & CFO

Annexure-4

BRITISH AMERICAN TOBACCO BANGLADESH COMPANY LIMITED
DECLARATION BY CEO AND CFO

2nd March 2026

The Board of Directors

British American Tobacco Bangladesh Company Limited

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. 10th June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of British American Tobacco Bangladesh Company Limited for the year ended on 31st December 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure the above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on 31st December 2025 and to the best of our knowledge and belief:

  (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

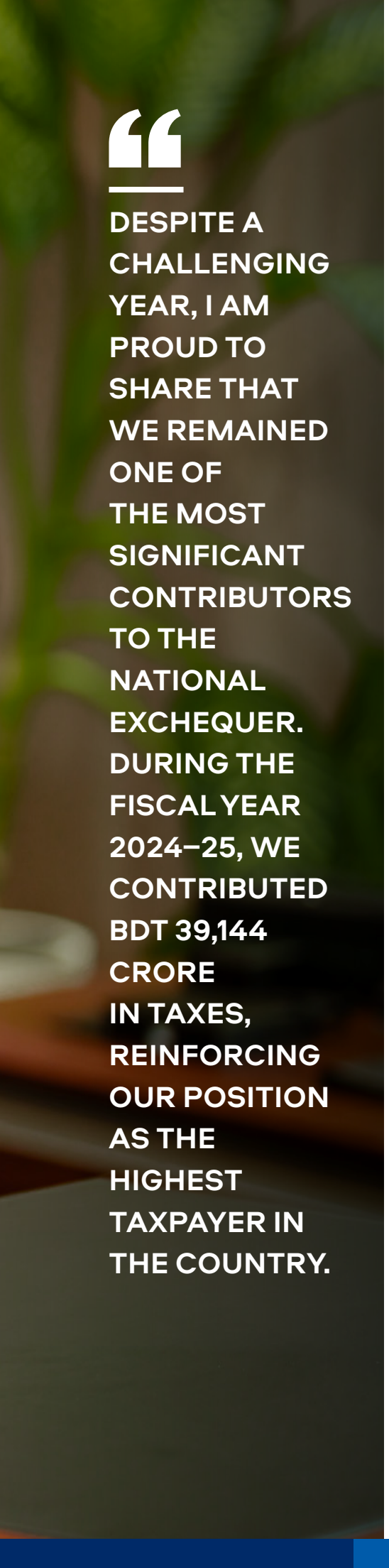
  (b) these statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Ms. Monisha Abraham
Managing Director (CEO)

Nirala Singh
Finance Director (CFO)





> DESPITE A CHALLENGING YEAR, I AM PROUD TO SHARE THAT WE REMAINED ONE OF THE MOST SIGNIFICANT CONTRIBUTORS TO THE NATIONAL EXCHEQUER. DURING THE FISCAL YEAR 2024–25, WE CONTRIBUTED BDT 39,144 CRORE IN TAXES, REINFORCING OUR POSITION AS THE HIGHEST TAXPAYER IN THE COUNTRY.

MANAGING DIRECTOR'S REPORT

Dear Valued Shareholders,

The year 2025 was marked by significant uncertainty, as Bangladesh navigated a complex and evolving environment. The country experienced a period of heightened challenges across the political, economic, and social landscape, creating a demanding context for institutions and businesses alike. Market conditions were volatile, investor sentiment remained measured, and organizations across sectors were required to reassess their strategies, adapt to changing circumstances, and respond with resilience and agility.

Yet, amid this uncertainty, it was the indomitable spirit of the people of Bangladesh that prevailed. Time and again, this nation has demonstrated resilience in the face of adversity. It is this very resilience that has defined our journey at BAT Bangladesh for over 115 years. Through wars, economic cycles, policy transitions, and social change, we have stood firm—adapting, transforming, and contributing meaningfully to nation-building.

Despite a challenging year, I am proud to share that we remained one of the most significant contributors to the National Exchequer. During the fiscal year 2024–25, we contributed BDT 39,144 crore in taxes, reinforcing our position as the highest taxpayer in the country. This contribution underscores our enduring commitment to compliance, operational excellence, and responsible business conduct. It reflects the scale of our operations, the strength of our governance, and our unwavering dedication to supporting Bangladesh's economic journey.

A "COMPLIANCE FIRST" APPROACH LEADING OUR GOVERNANCE JOURNEY

At BAT Bangladesh, governance is not a procedural obligation—it is a foundational principle. As a responsible organisation, we have consistently pursued benchmark governance initiatives, guided by a deeply embedded "Compliance First" mentality. This approach is not merely about adhering to regulations and controls; it is about cultivating a culture where doing the right thing is instinctive.

Last year marked a significant step-change in our compliance maturity. We undertook a comprehensive cultural transformation, simplifying policies, strengthening governance frameworks, and enhancing controls assurance across our operations. Through our Responsible Decision Making and Responsible Engagement frameworks, we reinforced governance awareness protocols and expanded the capabilities of our managers.

One of our key achievements was the simplification and centralisation of policies, ensuring they are accessible, practical, and easy to apply across the business. By reducing complexity and enhancing clarity, we have empowered our teams to act decisively while remaining aligned with regulatory and ethical standards. Our results in recent Global BAT audits and external ones underscore the strides we have made in this space.

Compliance, however, is not a destination. It is a continuous journey. Regulatory landscapes evolve, stakeholder expectations grow, and operational risks shift. Our commitment is to stay ahead of these changes—building a stronger, more resilient organisation that operates with integrity at every level. Together, we will continue to raise the bar, strengthening trust with regulators, partners, shareholders, and the communities we serve.

OUR BENCHMARK SUSTAINABILITY INITIATIVES CONTINUE TO SHINE

The year 2025 also showcased remarkable progress in our sustainability journey. Our benchmark initiatives continued to drive efficiency and responsible operations, reinforcing our commitment to creating shared value.

Sustainability at BAT Bangladesh is not an isolated agenda—it is integrated into our decision-making and daily operations. We strive to balance economic performance with environmental stewardship, recognising that long-term success depends on responsible resource management and stakeholder trust.

We remain fully committed to ensuring the safety of everyone involved in our operations. Simultaneously, we continue to minimise environmental impacts across air, water, waste, soil, and natural resources.

I am pleased to report that we have reduced our total Scope 1 and Scope 2 emissions by 14.03% compared to 2024. This achievement was driven by renewable energy sourcing and sustained efficiency improvements across our manufacturing processes. We expanded renewable energy usage through onsite solar installations and redeemed renewable energy certificates, supporting a 14% renewable energy contribution to our overall energy mix.

Water stewardship remains a priority. We maintained Alliance for Water Stewardship certification across all manufacturing sites and extended stewardship practices to our Leaf operations. Our water recycling rate reached an impressive 33.18%—reflecting disciplined water management and innovative recycling systems.

Our waste circularity performance improved to 99.53% through rigorous segregation, recovery, and composting initiatives. This near-total circularity demonstrates our commitment to reducing landfill dependency and maximising resource efficiency.

In agriculture and supply chain operations, we strengthened sustainable farming practices and supplier capability through digitalisation, automation, and structured sustainability programmes. By equipping farmers with knowledge, technology, and responsible agricultural practices, we are contributing to livelihood enhancement while protecting natural ecosystems.

In our quest to build A Better Tomorrow, we continue aligning our Environment, Health, and Safety (EHS) standards with global ESG priorities and the Sustainable Development Goals. Our climate action initiatives are supported by emissions reduction programmes, renewable energy sourcing, and operational efficiency. Our environmental programmes reinforce responsible resource use, water stewardship, and circularity—ensuring sustainability for generations to come.

OUR PEOPLE REMAIN OUR STRENGTH

In a year defined by uncertainty, it was our people who stood at the forefront—demonstrating resilience, agility, and unwavering commitment.

I am immensely proud to share that BAT Bangladesh has once again been certified as a Top Employer in 2025 by the Top Employers Institute, marking our seventh consecutive year of this prestigious recognition. This distinction validates our robust people strategy, inclusive culture, and best-in-class HR practices.

In 2025, we continued to place strong emphasis on the wellbeing of our people through LiveWell, BAT Bangladesh's holistic wellbeing platform. Designed to support our employees across physical, emotional, social, and financial dimensions, LiveWell enables a structured and integrated approach to wellbeing rather than a series of standalone initiatives. Through this platform, we remain committed to fostering a healthier, more resilient workforce, empowering our colleagues to thrive both personally and professionally.

We also continue to set the benchmark in talent development. Today, over 30 Bangladeshi managers are serving in business-critical roles across multiple markets within the global BAT Group. This international representation is not only a testament to the calibre of our talent but also a reflection of Bangladesh's growing contribution to global leadership.

Our ambition is clear: to foster the right culture and the right people experience. We are committed to fostering diversity, inclusion, continuous learning, and leadership development—ensuring our workforce remains future-fit.

OUR LEGITIMATE CONCERNS

While we recognise and support the government's imperative to increase internal revenue, we must also candidly address policy developments that have significant long-term implications for the industry, the economy, and the livelihoods of millions.

In January 2025, the interim government increased Supplementary Duty on over 100 products, including a significant excise hike on our industry, without prior stakeholder consultation. Currently, our sector operates under an effective tax burden of approximately 83% of the maximum retail price—combining supplementary duty, VAT, and the Health Development Surcharge. This leaves only 17% of the price to cover all operational costs, after which any remaining profit is subject to an additional 47.5% corporate tax.

An effective tax burden of 84.8% is not merely high it is structurally destabilising. Sustaining compliant operations under such constraints becomes increasingly difficult, particularly in a market where enforcement capacity remains limited.

The fiscal consequences are already evident. Despite repeated tax increases, revenue growth from the sector expanded by only around 5% last fiscal year—far below the historical double-digit norms. This slowdown reflects a shift from the formal market to illicit channels operating outside the tax net.

Later in the year, proposed amendments to the Tobacco Control Act were introduced, again without formal stakeholder dialogue. When the Act was originally drafted in 2005, the process was inclusive and consultative, resulting in balanced and effective regulation.

While we fully support the government's commitment to public health, certain measures in the recent Tobacco Control Act Amendment are not evidence-based and seemingly contrary to credible tobacco control policies in developed nations. Furthermore, such measures risk fuelling illicit trade, jeopardising livelihoods, and are likely to discourage foreign investment.

The prohibition on Tobacco Heated Products, Vapes and Electronic Nicotine Delivery Systems will remove these legitimate alternatives for adult consumers seeking reduced-risk profiles compared to combustible cigarettes. Experience in markets such as India and Australia demonstrates that outright bans often stimulate illicit markets, where products operate without quality standards or regulatory oversight – prohibition never works.

Additionally, the Land Use Control and Agricultural Land Protection Ordinance, also enacted without any formal stakeholder dialogue, seeks to curb tobacco cultivation over time, despite the sector's substantial revenue contribution and export earnings.

Further compounding challenges, the Environmental & Social Risk Management Guideline issued by Bangladesh Bank in 2022 restricts access to finance for tobacco manufacturers—placing a legal, revenue-generating industry alongside illegal activities in risk categorisation frameworks. Such discriminating positioning creates reputational and operational constraints for compliant businesses like ours.

This year also marked an emotional transition for our organisation. After 61 years, we bid farewell to our historic Dhaka Factory site following the non-renewal of our lease. Within just 45 days, we relocated the entirety of our operations—an extraordinary feat achieved with minimal market disruption. While the move bore significant financial and operational costs, it was the resilience and unity of our people that made the impossible possible.

Taken together, abrupt policy changes and denying stakeholder consultation creates instability and leads to negative consequences – as reflected in our performance. It impacts domestic and international investor confidence, unfortunately, at a time when Bangladesh seeks to attract greater foreign direct investment.

OUR HUMBLE ASK

Policy enacted without holistic, stakeholder-inclusive consultation risks unintended consequences for the economy, public health objectives, and millions of livelihoods across the value chain—from farmers and suppliers to retailers and distributors.

We urge the new government to engage in structured, evidence-based dialogue with all impacted stakeholders. Collaboration is not concession; it is a pathway to balanced, effective, and sustainable policymaking.

We must work together to create a level playing field where all operators are held accountable and compliance is enforced uniformly. Such conditions attract investment, generate employment, facilitate skills transfer, and encourage responsible organisations to expand operations in Bangladesh.

At BAT Bangladesh, we remain fully committed to constructive engagement with policymakers and stakeholders. Our objective is clear: to find balanced, comprehensive solutions that protect public health, secure government revenue, and safeguard livelihoods.

OUR GRATITUDE AND THE ROAD AHEAD

On behalf of BAT Bangladesh, I extend my sincerest gratitude to our valued shareholders for your continued confidence and trust in us.

I also thank our business partners for their invaluable contribution in delivering this year's performance. My appreciation goes to our Board of Directors for their wisdom and guidance during a year of extraordinary complexity.

Finally, I congratulate our entire BAT Bangladesh team. Your dedication, integrity, and commitment to our core values ensured commendable results despite external challenges beyond our control.

As we step into 2026, we remain steadfast in our commitment to enriching our legacy as a significant contributor to nation-building in Bangladesh. Guided by compliance, strengthened by sustainability, empowered by our people, and anchored in resilience, we look ahead with optimism and renewed determination.

Thank you for being on this journey with us.



Monisha Abraham
Managing Director
BAT Bangladesh



THE YEAR WAS MARKED BY EXCEPTIONAL EXTERNAL AND OPERATIONAL CHALLENGES. AN UNEXPECTED FISCAL INTERVENTION IN JANUARY-OUTSIDE THE TRADITIONAL JUNE BUDGET CYCLE-INTRODUCED A SIGNIFICANT EXCISE INCREASE THAT MATERIALLY ALTERED INDUSTRY DYNAMICS.

FINANCE DIRECTOR'S REVIEW

Dear Shareholders,

I am pleased to present the financial results for 2025 of British American Tobacco Bangladesh Company Limited. The year has been extremely financially challenging, primarily driven by significant excise increases — from 76% to 83% in the Low segment and 81.5% to 83% across the remaining segments. This has created significant downtrading in the market, to price points where it became increasingly difficult for BATB to compete sustainably. This context underscores the need for a deeper review of the tobacco Supplementary Duty (SD) structure in Bangladesh to ensure both long-term government revenue sustainability and the viability of manufacturers. In addition, the forced and sudden exit of the DF site placed additional cash pressure during the year. Despite these challenges, the resilience and commitment of our people, supported by a clear business strategy, enabled us to continue delivering value for our shareholders. Going forward, there is a dire need for an open and constructive dialogue among all stakeholders to drive towards a sustainable industry and be able to generate shareholder value.

EXTERNAL HEADWINDS IMPACTING BUSINESS

The year was marked by exceptional external and operational challenges. An unexpected fiscal intervention in January—outside the traditional June budget cycle—introduced a significant excise increase that materially altered industry dynamics. The resulting affordability pressure, combined with subsequent tax adjustments and necessary price revisions, accelerated down-trading across segments and contributed to a contraction in industry volumes.

Additionally, increased competitive intensity at lower price points and the growth of illicit trade further impacted legal industry sales volumes. Against this backdrop, our domestic volumes declined compared to 2024, which, together with margin pressure from higher tax incidence and one-off Dhaka Factory site exit costs, resulted in lower profit for the year.

In June, we completed the exit of our Dhaka Factory site. While this transition incurred one-off costs, temporary inventory build-up and higher working capital requirements—alongside ramp-up costs at our Savar facility - positions the Company for improved operational efficiency and a stronger manufacturing footprint going forward.

THE DELIVERY

Despite the headwinds, we demonstrated resilience and disciplined financial management. We remained agile in our portfolio in response to evolving consumer needs and strengthened execution across our route-to-market network. Encouragingly, we delivered higher leaf exports year-on-year, supporting foreign currency earnings and partially offsetting domestic pressures.

Our contribution to the national exchequer continued to be significant, and we are proud to have paid a staggering BDT 39,144 crore during 2025 as Value Added Tax (VAT), Supplementary Duty (SD), Health Development Surcharge (HDSC), Income Tax and Customs Duties. This was a demonstration of our commitment to continue to be a reliable, responsible and compliant business within Bangladesh.

Throughout the year, we maintained prudent treasury management amid a still-sensitive liquidity environment and elevated financing costs. Careful cash flow planning and disciplined capital allocation ensured business continuity and preserved balance sheet strength during a period of volatility.

While profitability was impacted by extraordinary fiscal and transitional factors, the fundamentals of our business remain strong—our brands, distribution reach, operational capability and talented people continue to provide a solid foundation for sustainable long-term value creation.

LOOKING AHEAD

As we look ahead to 2026, the operating environment continues to evolve and will require a more adaptive and collaborative approach across the industry. Greater fiscal predictability, strengthened enforcement against illicit trade, and continued portfolio agility will be critical to restoring stability in the market. At the same time, the challenges ahead call for productive engagement among stakeholders to ensure a sustainable framework that supports both government revenue objectives and the long-term viability of the sector. With a more efficient supply chain footprint and a clear strategic focus, we remain committed to adapting to these dynamics, rebuilding momentum, and continuing our progress toward our ambition of building “A Better Tomorrow.”

Thank you for your continued trust and support.



Nirala Singh
Finance Director
BAT Bangladesh

STATEMENT OF CORPORATE GOVERNANCE

British American Tobacco Bangladesh Company Limited remains firmly committed to strong corporate governance and the highest standards of ethical business conduct. Guided by its core values, the Company fosters trust, transparency, and fairness across all stakeholder interactions. Integrity, accountability, and openness underpin the Company's operations, reinforcing a culture of ethical excellence.

British American Tobacco Bangladesh Company Limited (BAT Bangladesh) remains committed to strong corporate governance and the highest ethical standards. Guided by its core values and principles of integrity, equality, transparency, fairness, accountability, and open disclosure, the Company fosters trust with shareholders, employees, customers, suppliers, and the wider stakeholder community.

The governance framework promotes effective collaboration between the Board, management, and employees, providing strategic guidance, supporting sustainable growth, and enabling the creation of long-term value. In 2025, the Company further strengthened its governance practices by advancing gender diversity, promoting inclusive Board representation, and reinforcing compliance across its operations.

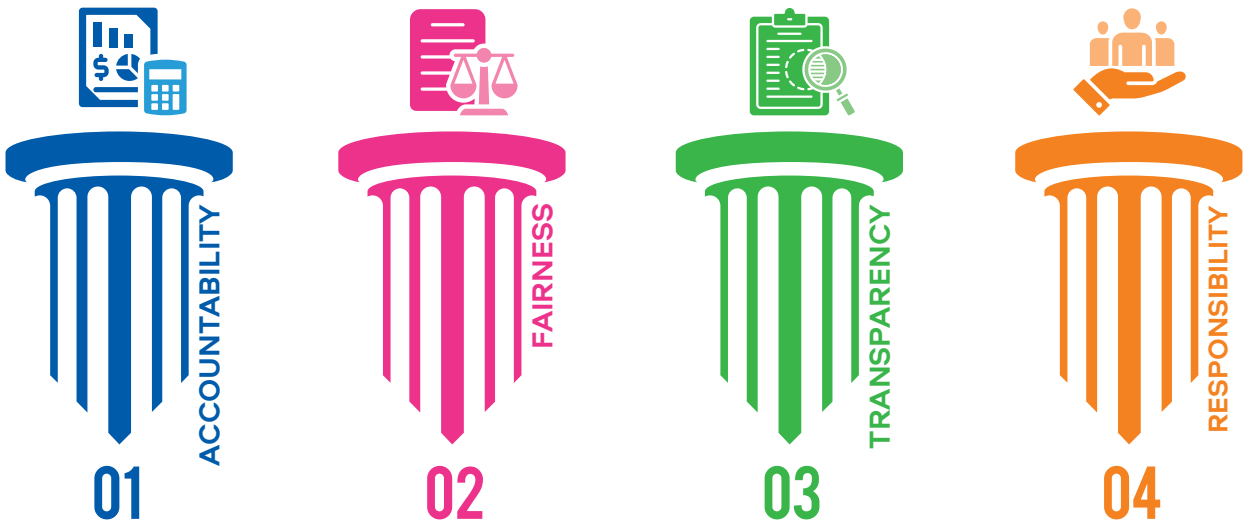
BAT Bangladesh aligns regulatory requirements with business objectives while embedding sustainable practices and integrating ESG considerations throughout its operations. These efforts support long-term value creation, contribute to climate ambitions, and strengthen enterprise-wide risk management. Stakeholder engagement remains central to this approach, fostering transparency, personal accountability, and ethical excellence.

Operational practices, including IWS principles, optimize efficiency and sustainability. Human capital governance remains a priority, enabling the Company to attract, develop, and retain talent within a safe and inclusive working environment. The Board of Directors is pleased to present this Corporate Governance Statement for 2025, reaffirming the Company's continued commitment to the BSEC Corporate Governance Code 2018 and the principles of governance excellence, regulatory compliance, and responsible business conduct.

PHILOSOPHY OF GOVERNANCE

At BAT Bangladesh, corporate governance forms the foundation of sustainable business performance. The Company cultivates a culture of ethical leadership, personal accountability, and operational integrity at every level of the organization.

The Four Pillars of Excellence in Corporate Governance



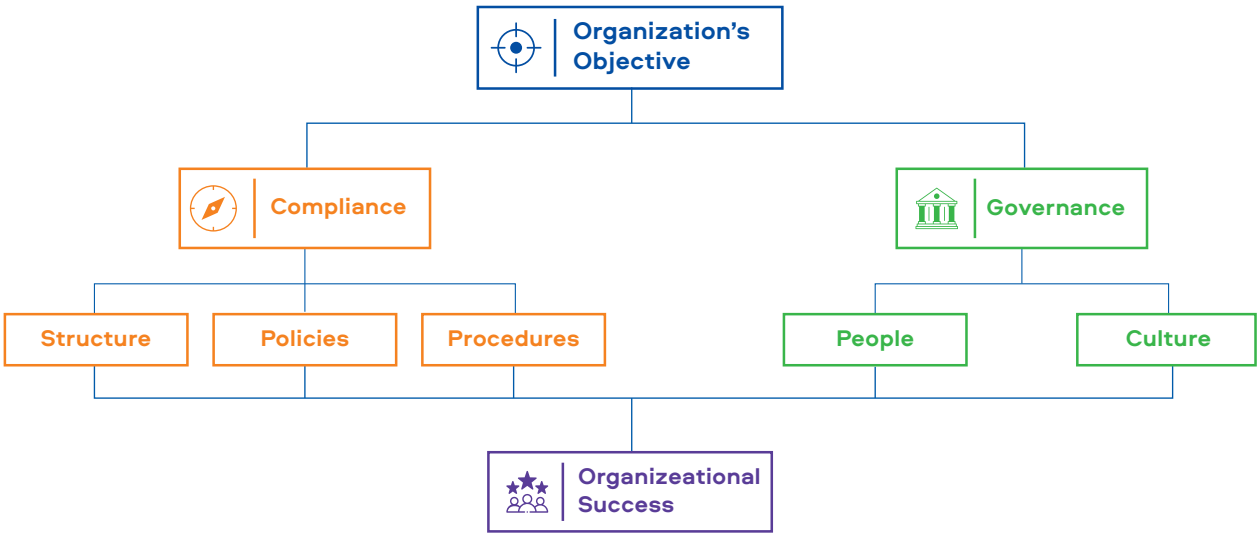
BAT Bangladesh embeds **accountability** across its operations and decision-making processes. By ensuring responsibility and answerability at every level, the Company strengthens internal controls, enhances oversight, and reinforces ethical leadership while maintaining the trust of its stakeholders.

Fairness underpins all business interactions and stakeholder engagements. The Company is committed to the equitable treatment of shareholders, employees, customers, suppliers, and the wider community, ensuring that decisions are taken with consistency and integrity, and due consideration for stakeholder interests.

Transparency remains central to governance at BAT Bangladesh. The Company promotes open communication, clear and timely disclosures, and accessible information, supporting confidence, trust, and credibility among stakeholders.

Responsibility drives the Company's ethical and sustainable approach to business. Through the integration of global best practices, continuous improvement, and proactive risk management, BAT Bangladesh ensures that governance serves as a strategic enabler for long-term growth, competitive advantage, and enduring stakeholder confidence.

CORPORATE GEVERNANCE DRIVERS



- AT BAT Bangladesh, the governance model is aligned with the Company's vision, mission, values, and strategic objectives.
- The Board of Directors sets the Company's strategic priorities, provides leadership, oversees management performance, and ensures transparent engagements with shareholders.
- The Board remains committed to the highest standards of corporate governance, promoting a culture of efficiency and effectiveness while delivering long-term shareholder value within clearly defined risk-tolerance parameters.
- Corporate governance is embedded as a continuous and integral practice, fostering a culture of openness, accountability, and transparency across the organization.
- The Governance framework is supported by a clearly defined organizational structure, well-established ownership accountability, and comprehensive policies & procedures embedded throughout operations.
- Governance principles are founded on competent leadership, a robust risk-management culture, effective internal controls, prudent financial stewardship, and accountability to shareholders.
- Best governance practices are integrated across all functional areas, including quality management, marketing, sales, human resources, customer service, and stakeholder engagement.
- The governance framework is further strengthened through independent oversight of the Board, clear segregation of responsibilities between the Chairman and the Managing Director (CEO), and the oversight roles of the Head of Internal Audit & Compliance and the Board Committees.

Governance Compliance Requirements

BAT Bangladesh, as a publicly listed company, upholds the highest standards of corporate governance through full compliance with the Corporate Governance Code (CGC) mandated by the Bangladesh Securities and Exchange Commission (BSEC), pursuant to notifications dated June 3 and June 20, 2018. A formal statement of compliance is included in the Annual Report, underscoring the Company's commitment to transparency and accountability, and stakeholder trust.

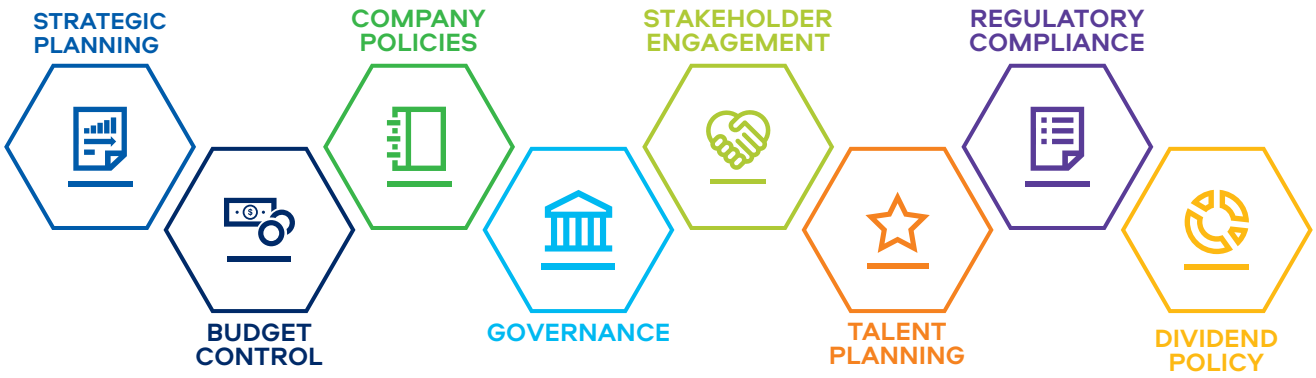
Governance practices are structured around the principles of the BSEC framework, with the Board of Directors providing strategic direction, approving business plans, evaluating performance, ensuring ethical conduct, overseeing talent and succession, monitoring risk exposure, maintaining compliance, and fostering effective shareholder communication. Governance is reinforced through a clear separation of responsibilities between the Chairman and the Managing Director (CEO), supported by

defined roles for the Company Secretary, Chief Financial Officer, and Head of Internal Audit & Compliance.

Independent oversight is delivered through specialized Board Committees, including the Audit Committee, Nomination & Remuneration Committee, and CSR Committee. Compliance with governance standards is independently verified by a practicing Professional Chartered Secretary, with adherence detailed in Annexure-III and Annexure-IV of the Directors' Report and certified through an official compliance statement.

Beyond mandatory requirements, BAT Bangladesh proactively aligns with local and global best practices, including guidance from the Institute of Chartered Accountants, the Institute of Chartered Secretaries, and the Institute of Cost and Management Accountants of Bangladesh, while integrating internationally recognized frameworks such as the Global Reporting Initiative (GRI) Standards. This integrated approach reflects the Company's commitment to ethical governance, transparency, accountability, and sustainable corporate responsibility.

KEY AREAS OF CORPORATE GOVERNANCE



CORPORATE GOVERNANCE OUTLINE

Governance at BAT

At BAT Bangladesh, corporate governance is the cornerstone of responsible, effective, and forward-thinking management, ensuring long-term business sustainability and value creation.

We are committed to upholding best-in-class corporate governance practices that set new benchmarks for excellence within Bangladesh's corporate landscape.

Regulatory & Structural Framework

- The Companies Act, 1994 (including the amendments dated 26 November 2020) and other relevant corporate regulations in Bangladesh
- Memorandum and Articles of Association of the Company
- Listing regulations of the Dhaka and Chittagong Stock Exchanges
- Applicable national laws and regulatory requirements

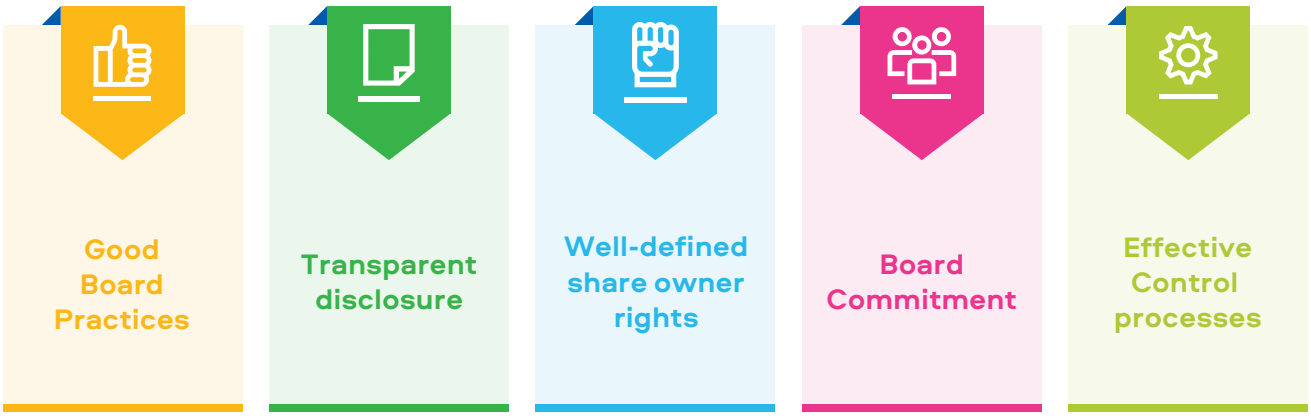
Governance Principles & Standards

- Aligned with globally recognized best practices
- Guided by the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code 2018
- Strengthened by the Company's Standards of Business Conduct (SoBC), internal policies, and ethical guidelines
- Promotes the fundamental principles of:
  - Transparency
  - Fairness
  - Accountability
  - Responsibility

Control, Risk & Oversight Framework

- Integrated risk management framework
- Robust internal control systems and Delegation of Authorities (DoA)
- Continuous monitoring and alignment with international governance directives
- Ensures responsible management, sustainability, and long-term value creation

KEY ELEMENTS OF EXCELLENCE IN CORPORATE GOVERNANCE AT BAT BANGLADESH



1. GOOD BOARD PRACTICES

- **Effective Board Management:** Ensuring robust oversight and strategic direction.
- **Well-Defined Board Sub-Committees:** Clear roles and responsibilities for efficient governance.
- **Standards of Business Conduct:** Upholding ethical principles across all operations.
- **Board Commitment:** Continuous review and enhancement of the governance framework by the Board.

2. TRANSPARENT DISCLOSURE

- **On time MI & PSI:** Facilitating efficient communication and decision-making.
- **Internal Control Systems:** Maintaining robust and effective controls.
- **Risk Management:** Systematically identifying, mitigating, and addressing potential risks.
- **Regulatory Compliance:** Adhering to applicable legal and regulatory frameworks.
- **Policy Reviews:** Periodically updating the Company policies to ensure relevance.

3. WELL-DEFINED SHAREHOLDER RIGHTS

- Clearly defined shareholder rights and roles in decision-making.
- Transparent and timely communication with all stakeholders.
- Stakeholder Engagement: Building trust through consultation and collaboration.

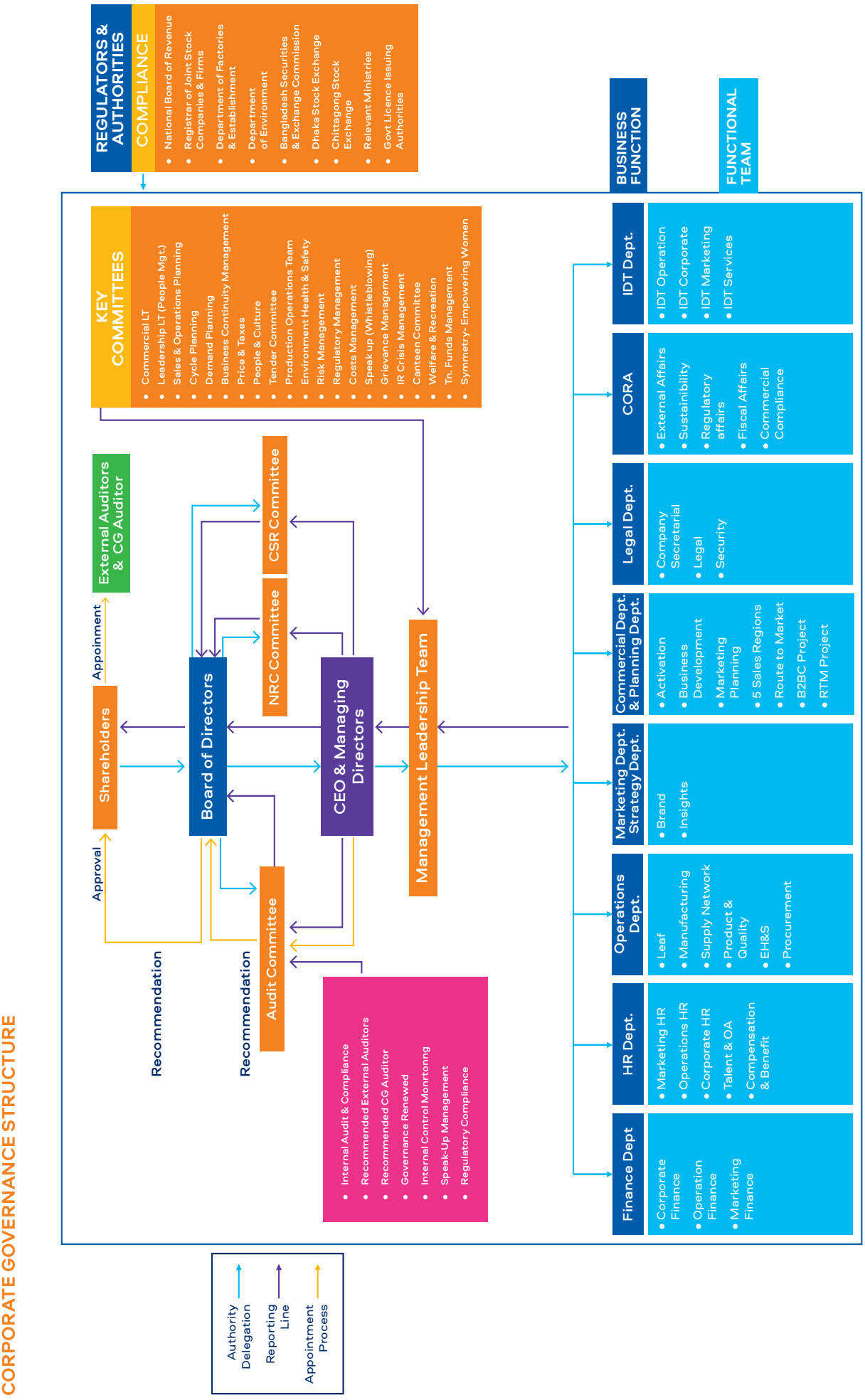
4. BOARD COMMITMENT

- Active involvement of the Board in strategic planning and governance oversight.
- Ensuring governance practices are aligned with long-term business objectives.
- Promoting accountability and ethical leadership across the organization.

5. EFFECTIVE CONTROL PROCESSES

- **Delegation of Authority:** Streamlining operational decision-making.
- **Budgetary Controls:** Ensuring financial discipline and accountability.
- **Talent Planning:** Focusing on the development and retention of key personnel.
- Continuous enhancement of internal controls, risk management, and compliance framework.

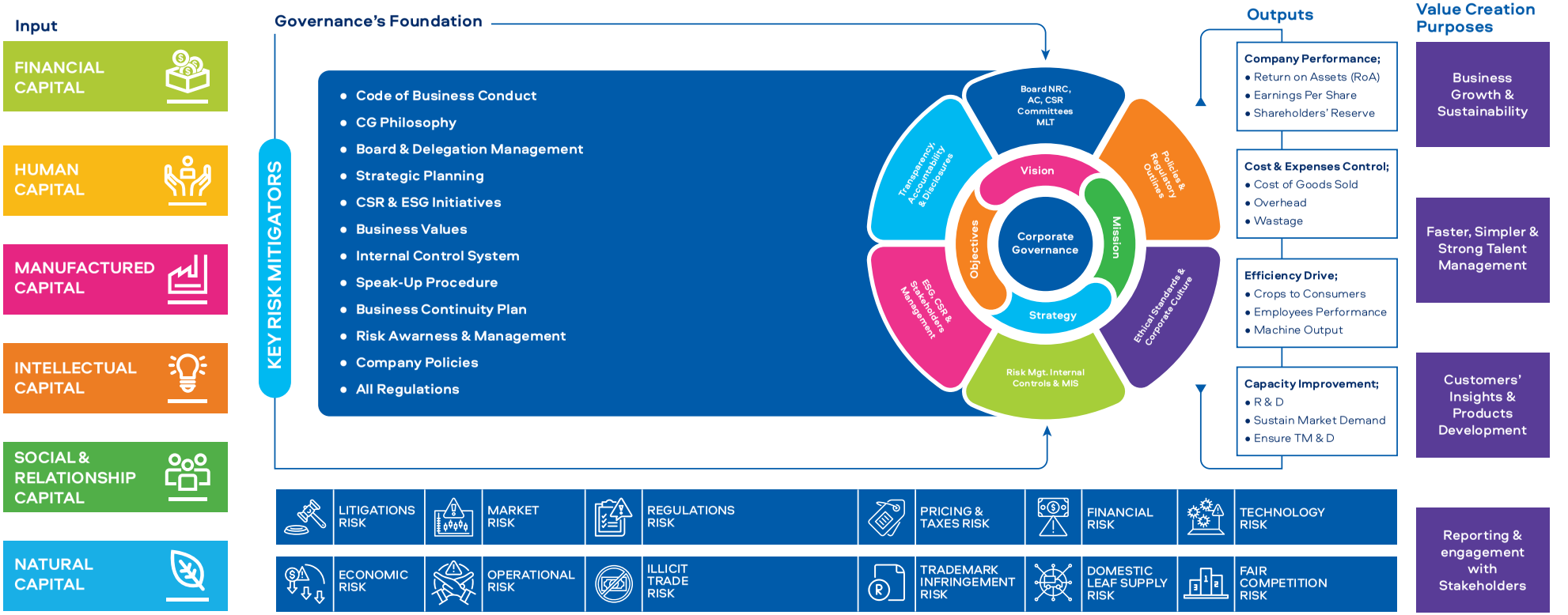
CORPORATE GOVERNANCE STRUCTURE



CORPORATE COMPLIANCE

BAT Bangladesh maintains full compliance with all applicable laws, regulations, and governance standards, reinforcing trust and confidence across its stakeholders. The Board promotes a culture of integrity, transparency, and accountability, with its stewardship reaffirmed annually through shareholder engagement and endorsement at the Annual General Meeting (AGM). The Company ensures timely, accurate disclosures, reflecting its commitment to ethical governance, regulatory compliance, and responsible corporate conduct.

VALUE CREATION UNDER CORPORATE GOVERNANCE FRAMEWORK



BAT Bangladesh ensures full legal and regulatory compliance while reinforcing stakeholder confidence through regular financial disclosures to relevant authorities, which include:

- Bangladesh Securities and Exchange Commission (BSEC)
- Dhaka & Chittagong Stock Exchange
- Capital Market Stabilization Fund
- Registrar of Joint Stock Companies & Firms (RJSC)

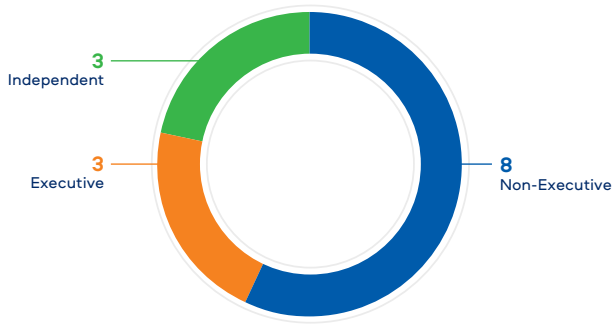
Beyond regulatory compliance, BAT Bangladesh actively promotes a strong governance culture through awareness initiatives and training on current and emerging legal and regulatory requirements. By embedding compliance within its core values and operational practices, the Company reinforces ethical conduct and strengthens stakeholder trust.

BOARD OF DIRECTORS

The Board of Directors at BAT Bangladesh provides strong leadership and strategic oversight, ensuring highest standards of governance across the organization. Drawing on diverse expertise in finance, innovation, strategy, and sustainability, developed through leadership roles across multiple industries, the Board plays a central role in shaping the Company's long-term vision and guiding critical business decisions.

In an increasingly dynamic business landscape, the Board continues to support operational stability, drive sustainable growth, and enhance the Company's resilience.

Membership diversity of the Board



BAT Bangladesh's Board comprises 14 directors and is structured to ensure balanced oversight and effective governance. The composed of the Board is as follows:

- 8 Non-Executive Directors
- 3 Independent Directors
- 3 Executive Directors (Managing Director, Finance Director, and Commercial Director)

KEY FACETS OF OUR BOARD OF DIRECTORS

- The positions of Chairman and CEO are held by separate individuals
- Key Board Committees are chaired by Independent Directors
- The roles of Chairman, Directors, and CEO are clearly defined
- The Board provides strategic oversight, while the Management is responsible for day-to-day operational execution
- The Board's structure is aligned with the BSEC Corporate Governance Code

Strategic Oversight by Our Board Members

- Approves strategic priorities, annual budgets, and major investment plans
- Monitors financial performance and oversees prudent capital allocation
- Sets dividend policy and oversees the integrity and timeliness of key disclosures
- Ensures a strong accountability framework while supporting the delivery of long-term value for shareholders and stakeholders.

COMPOSITION OF THE BOARD

Name	Board	Audit Committee	NRC Committee	CSR Committee
Mr. Wael Sabra Chairman to the Board, (Nominated by Raleigh Investments Co. Ltd.)	Chairman			
Ms. Monisha Abraham Managing Director (Nominated by Raleigh Investments Co. Ltd.)	Member	Member	Member	Member
Mr. Masud Khan Independent Director, Chairman to the Audit & NRC	Member	Chairman	Chairman	
Professor Dr. Melita Mehjabeen Independent Director	Member	Member		
Ms. Rupali Haque Chowdhury Independent Director	Member		Member	
Mr. Md. Saifullah Panna Non-Executive Director (Representing Government's shareholding)	Member			
Mr. Md. Obaidur Rahman Non-Executive Director (Representing Government's shareholding)	Member	Member		
Dr. Ziaul Abedin Non-Executive Director (Representing Government's shareholding)	Member			

Name	Board	Audit Committee	NRC Committee	CSR Committee
Mr. Niranjan Chandra Debnath Non-Executive Director (Representing Investment Corporation of Bangladesh)	Member		Member	
Mr. Gary Tarrant Non-Executive Director, (Nominated by Raleigh Investments Co. Ltd.)	Member			
Mr. Stuart Kidd Non-Executive Director (Nominated by Raleigh Investments Co. Ltd.)	Member			
Mr. Francisco Javier Toso Canepa Non-Executive Director (Nominated by Raleigh Investments Co. Ltd.)	Member			
Ms. Nirala Singh Finance Directors (Nominated by Raleigh Investments Co. Ltd.)	Member	Member		
Mr. Numayer Alam Commercial Director (Nominated by Raleigh Investments Co. Ltd.)	Member			
Syed Afzal Hossain Company Secretary	Secretary	Secretary	Secretary	Secretary

CORPORATE GOVERNANCE AND DISCLOSURE

- Assessed the effectiveness of the Board, its subcommittees, and the company's overall governance framework.
- Oversaw key aspects of the company's operations, including the effectiveness of internal control mechanisms and accountability systems.
- Endorsed the appointment of directors to Board-established committees and regularly reviewed their performance.

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS

The Board of Directors of British American Tobacco Bangladesh operates under a comprehensive Code of Conduct that upholds the highest standards of integrity, transparency, and accountability. The Code serves as a guiding framework for ethical leadership and responsible governance, ensuring that all Board activities are conducted in full compliance with applicable laws and regulations.

INDUCTION OF DIRECTORS

As part of the onboarding process, newly appointed directors are introduced to the following areas:

- An overview of the Company's business model, operating environment, and strategic priorities.
- An introduction by the Chairman to the Board's governance structure, procedures, and functions.
- Briefings by the Managing Director and relevant Department Heads on key operational areas.
- Guidance from the Company Secretary on legal documentation, compliance obligations, and regulatory requirements.
- The programme supports a smooth and well-informed transition into the responsibilities of Board membership.

BOARD'S INDEPENDENCE AND CONFLICTS

BAT Bangladesh maintains robust measures to safeguard board independence and effectively manage conflicts of interest. The Company ensures the following:

- The independence of Non-Executive Directors is maintained in accordance with the Company's governance framework.
- The Board conducts an annual assessment of the independence of Non-executive directors and their associates, based on BAT Bangladesh's governance standards and global best practices.
- Strict procedures are implemented to identify, disclose, and mitigate actual or potential conflicts of interest.
- Directors are required to promptly report any conflict or potential conflict to the Chairman and fellow Board members, together with all relevant information.
- Directors with a conflict of interest must abstain from participating in related discussions and decision-making processes.
- BAT Bangladesh considers its conflict management procedures effective in maintaining governance integrity and protecting stakeholder interests.

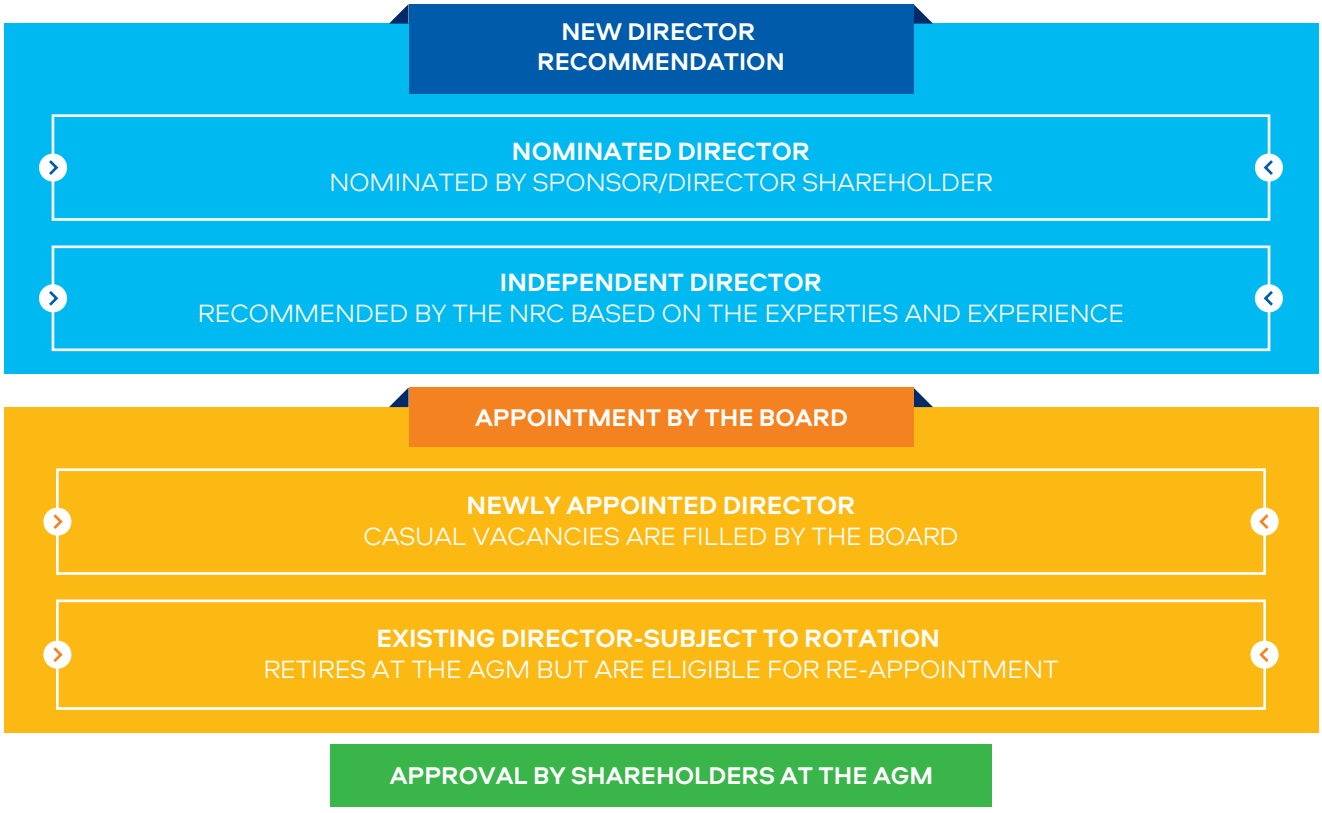
BOARD PRACTICES

BAT Bangladesh upholds high ethical standards and full regulatory compliance as the foundation of its governance approach. This commitment is supported by a structured framework, underpinned by a clear Code of Conduct, a responsive internal control system, and well-

defined roles and responsibilities across the organization. Ethical principles are embedded throughout day-to-day operations, while the independent internal audit function, reporting directly to the Audit Committee, provides objective assurance over governance, risk management, and control processes. An experienced audit team supports this function, strengthening oversight and reinforcing transparency and accountability across the Company.

POLICY ON APPOINTMENT OF THE BOARD OF DIRECTORS

The Board of Directors of BAT Bangladesh comprises a balanced combination of skills, experience, and professional expertise. This diversity enables Directors, both individually and collectively, to effectively discharge their responsibilities with diligence, integrity, and sound judgment.



Appointment process

- Nominated Non-Executive Directors: Senior government officials are nominated by the respective ministries to represent the government's shareholding. In parallel, senior management personnel are nominated by the Sponsor shareholder, Raleigh Investment Company Limited.
- Independent Non-Executive Directors: The Nomination and Recommendation Committee (NRC) recommends highly qualified and experienced professionals for appointment as Independent Directors, in strict compliance with the criteria set out in the BSEC Corporate Governance Code.
- Shareholder Representatives: The Managing Director of the Investment Corporation of Bangladesh (ICB) serves on the Board as a Non-Executive Director, representing ICB's shareholding. Similarly, Raleigh Investment Company Limited nominates its representative to the Board.

Appointments and Tenure

- Independent Directors are appointed on the recommendation of the Nomination and Remuneration Committee in line with BSEC guidelines. Acting on these recommendations, the Board appointed a Finance Director and Non-Executive Directors to fill casual vacancies. In line with governance practice, these appointments will retire at the next Annual General Meeting (AGM), with eligibility for re-election by shareholders.
- Independent Directors serve three-year terms and may be reappointed for up to two consecutive terms, in accordance with BSEC regulations.
- Non-Executive Directors are nominated through Corporate or Government channels and then approved by shareholders at AGM.
- The Managing Director is appointed by the Board for a fixed term of up to five years, based on NRC's recommendations. Reappointment for an additional five-year term requires approval by a simple majority vote at the general meeting.

Governance Commitment

The Board operates in full compliance with the Companies Act, the BSEC Corporate Governance Code, and the Company's Articles of Association. This adherence underpins the Board's commitment to independent oversight, robust governance practices, and the creation of sustainable, long-term value for all stakeholders.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Mr. M. Saifullah Panna, Mr. Obaidur Rahman, Dr. Ziaul Abedin and Mr. Niranjan Chandra Debnath who were appointed to the Board as Non-Executive Director after the last Annual General Meeting will retire at the upcoming AGM. Mr. M. Saifullah Panna and Mr. Obaidur Rahman has already tendered his resignation to the Board and the same will be placed before the Board for consideration in due course. Dr. Ziaul Abedin and Mr. Niranjan Chandra Debnath, being eligible, offer themselves for re-election at the 53rd AGM.

Mr. Wael Sabra, Non-Executive Director, Mr. Gary Tarrant, Non-Executive Director and Mr. Francisco Javier Toso Canepa, Non-Executive Director will retire by rotation at the ensuing AGM. All the retiring Directors, being eligible, offer themselves for re-election at the 53rd AGM. The Board recommends their re-appointment.

Mr. Wael Sabra, Non-Executive Director, Mr. Gary Tarrant, Non-Executive Director and Mr. Francisco Javier Toso Canepa, Non-Executive Director will retire by rotation at the ensuing AGM. All the retiring Directors, being eligible, offer themselves for re-election at the 53rd AGM. The Board recommends their re-appointment.

The functions of the board segregated into four categories as specified below:

STRUCTURAL

- Board composition and diversity
- Board competencies and skills
- Policies and goal setting
- Director recruitment and induction
- Board evaluation
- Board succession matrix
- Director tenure tracking

STRATEGIC

- Formulation & implementation of strategy
- Leadership pool development
- MD & CEO selection & compensation
- Succession planning
- Stakeholder engagement strategy
- Sustainability and ESG integration

GOVERNANCE

- Company's performance
- Risk and crisis management
- Compliance
- Governance
- Internal audit oversight

PROCESS FOR BOARD FUNCTIONING

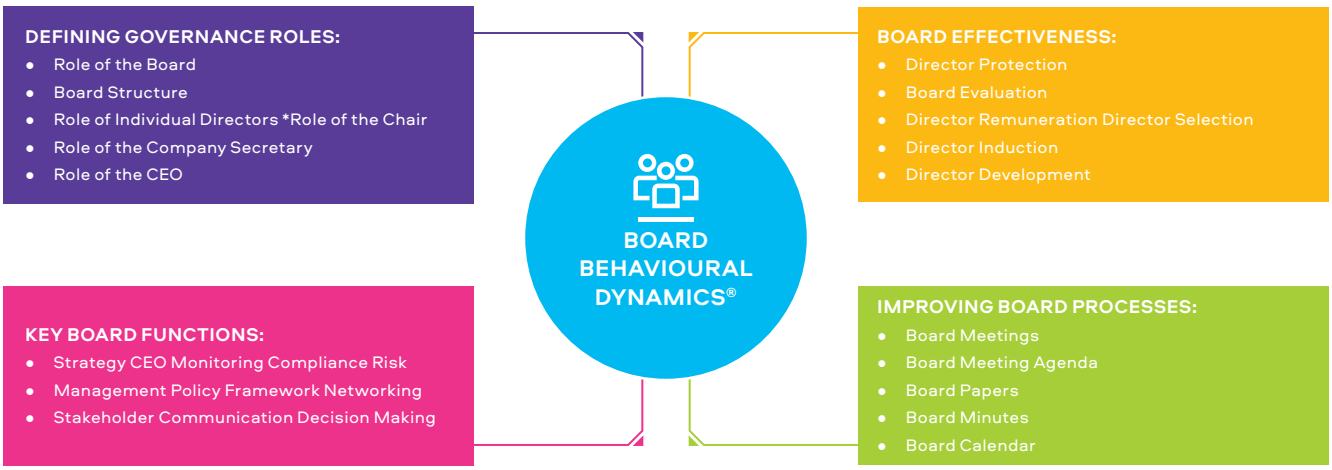
- Board meetings & preparation
- Managing the quality of conversation
- Interaction with the management

TERMS OF REFERENCE OF THE BOARD

In line with its commitment to exemplary governance, the Board conducts periodic reviews of the Code of Conduct, guided by recommendations from the Nomination and Remuneration Committee (NRC). This ensures continued alignment with BSEC guidelines and responsiveness to evolving business and regulatory imperatives. The Code applies to the Chairperson, Board members, and the Chief Executive Officer, establishing the key principles that govern ethical conduct, confidentiality, conflict of interest management, regulatory compliance, insider trading restrictions, and responsible engagement with all stakeholders, including employees, customers, suppliers, and the wider community.

Core Responsibilities of the Board

- **Strategic Oversight:** Approves long-term strategies, sets clear objectives, and defines the direction to drive sustainable growth.
- **Policy Governance:** Endorses Company-wide policies that guide employee conduct and operational decision-making within a structured governance framework.
- **Risk Management:** Oversees the identification, assessment, mitigation of potential risks through effective risk management strategies and processes.
- **Delegation of Authority:** Delegates operational responsibilities to management while retaining oversight through robust internal controls, ensuring accountability and safeguarding business objectives.



BOARD'S AFFAIRS IN COMPANY BUSINESS

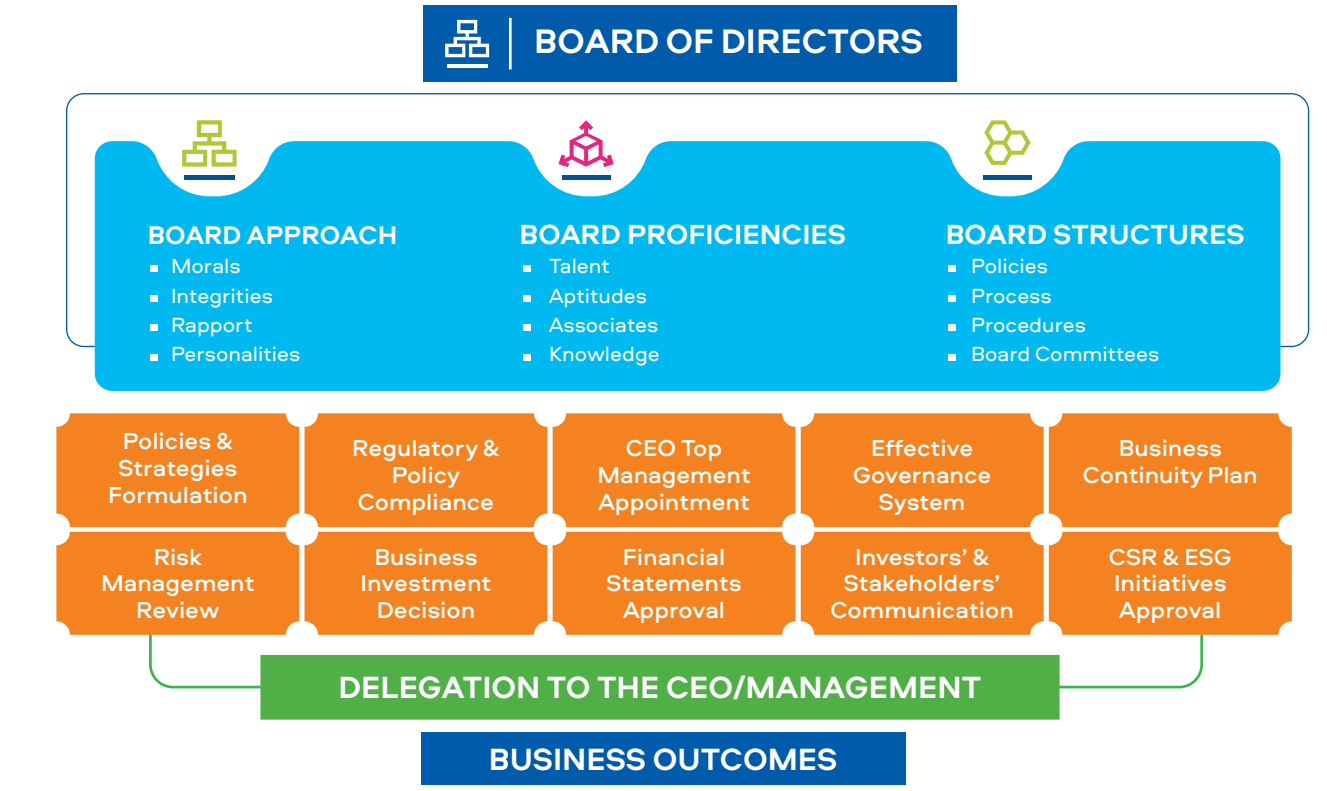
In 2025, BAT Bangladesh's Board remained steadfast in its commitment to strategic oversight, governance, and regulatory compliance, while operational execution remained under the purview of Management. Throughout the year, the Board engaged in focused deliberations and endorsed several high-impact decisions across the business, including:

- Corporate Governance and operational reviews
- Performance evaluation and Policy approvals
- Review and approval of financial statements
- Dividend Declaration
- Oversight of internal audit & compliance functions
- Risk Management and mitigation strategies
- Strategic Capital Investment to support future growth
- Approval of Business Proposals
- Guidance to Management & delegation of authority.
- Safeguarding the interests of shareholders

PRINCIPAL RESPONSIBILITIES OF THE BOARD

The Board plays a pivotal role in steering the Company through strategic oversight and principled leadership. Its core responsibilities encompass:

- Supervising management to ensure operational alignment with corporate objectives
- Providing strategic guidance to shape the Company's long-term direction
- Defining and promoting ethical standards and organizational values
- Upholding compliance frameworks to safeguard financial and regulatory integrity
- Representing the Company in external and stakeholder engagements



THE ROLE AND RESPONSIBILITIES OF THE BOARD ARE CATEGORISED AS FOLLOWS:

STRATEGIC

- Policy & Strategy formulation
- Top management appointment
- Talent development
- Succession planning

FRAMEWORK

- Directors
- Appointment
- Induction & Knowledge Sharing
- Diversity of knowledge
- Effectiveness survey

GOVERNANCE

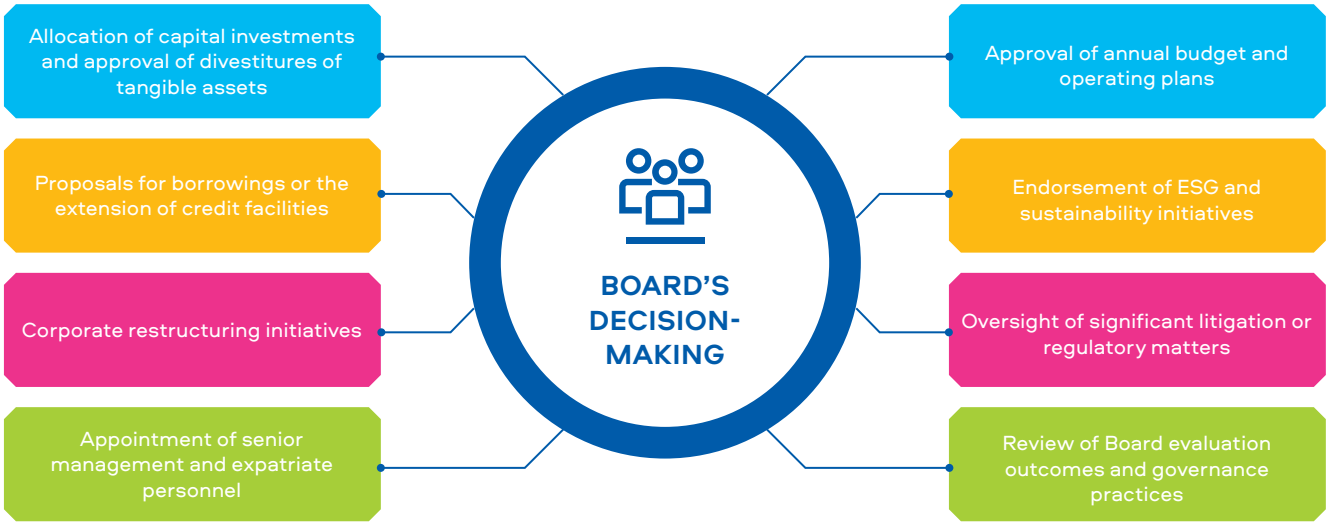
- Ensure stakeholders' interest
- Integrity, transparency & accountability
- Responsible business conduct
- Risk management & Internal control

BOARD FUNCTION

- Notice, date, time & preparation
- Directors' participation & quality discussion
- Interaction with management
- Minutes recording
- Decision implemention

BOARD'S DECISION-MAKING

The Board's decision-making framework ensures robust oversight and strategic alignment across the business. Key areas under the Board's review and approval include:



DUTIES ALLOCATION

DIRECTORS

The Board of Directors provides strategic oversight, governance, and leadership across the organization. Key responsibilities include:

- Evaluating the composition of the Board and the organizational framework.
- Selecting and appointing members to the Board.
- Reviewing the effectiveness and performance of the Board.
- Approving strategic business plans and policy frameworks.
- Authorizing business initiatives and capital investment proposals.
- Defining and managing the capital structure of the Company.
- Overseeing financial reporting and monitoring mechanisms.
- Ensuring effective risk management, internal controls, and compliance protocols.
- Recommending statutory and governance auditors, defining engagement terms, and approving compensation.
- Approving financial statements.
- Endorsing human resource strategies and talent development initiatives.
- Approving and supervising Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) activities.
- Reviewing and strengthening internal control measures and governance standards.
- Guiding succession planning for the Managing Director (CEO), executive leadership, and senior management.

SHAREHOLDERS

Shareholders play a key role in approving and endorsing governance and financial decisions:

- Approving the Company's financial statements along with the Directors' and Auditors' reports.
- Declaring and confirming the dividend.
- Electing or re-electing Directors to the Board.
- Appointing Statutory Auditors for the financial year and approving their compensation.
- Designating a Compliance Auditor in accordance with the BSEC Corporate Governance Code 2018.

MANAGEMENT

Management is responsible for operational execution within the delegated authority framework:

- Operating the business in line with Board-approved authority.
- Developing strategic business plans and annual budgets.
- Designing and implementing internal control, risk mitigation, and governance systems.
- Creating stakeholder value through performance benchmarking and continuous improvement.
- Leading effective human resource management and talent development initiatives.
- Fostering corporate culture and upholding organizational values.

CONSUMERS

The Company remains committed to consumer trust and responsible practices:

- Promoting a resilient and ethically grounded organization built on sustainability and trust.
- Ensuring product safety, quality, and responsible marketing practices.

KEY ACTIVITIES OF THE BOARD IN 2025

During 2025, the Board continued to demonstrate strong oversight and commitment to sound regulatory compliance, conducting its meetings in compliance with the Companies Act 1994, the Corporate Governance Code 2018, and applicable securities regulations. Through these meetings, the Board took strategic, long-term decisions aligned with corporate goals and stakeholder interests. Key decisions included:

QUARTER

Q1 of 2025

- Approved the Financial Statements and Directors' Report for the year ended 31st December 2024.
- Recommended the dividend for the year ended 31 December 2024.
- Approved compliance disclosures in accordance with the BSEC Corporate Governance Code and the Annual Report 2024.
- Recommended the appointments of the Statutory Auditors and Governance Compliance Auditor for 2025.
- Approved the date, time, and venue of the 52nd Annual General Meeting (AGM) and the AGM Notice.
- Approved Capital Investment proposals.
- Approved Corporate Bonus 2025 & Salary Revision 2025.

Q2 of 2025

- Approved 1st Quarter unaudited Financial Statements as of 31st March 2025.
- Approved the Capex Budget.
- Noted the change of the company's registered address.
- Noted the closure of the Dhaka Factory.
- Noted the bonus payout ranges for 2024.
- Ratified the Minutes of the Board Audit Committee, NRC, and CSR Committee meetings.

Q3 of 2025

- Reviewed an update on current business performance.
- Approved the Half Yearly unaudited Financial Statements as of 30 June 2025.
- Confirmed the transfer of ownership of shares held by deceased shareholders.
- Ratified the reconstitution of the Board Audit Committee and the Board NRC.
- Approved the amended Capex Budget for the procurement of Tool of Trade (ToT) Vehicles.
- Authorized an investment Proposal to enhance machine capability for Pack Gluing standardization.
- Approved an investment Proposal for the reapplication of automated buying stations (POC) to improve operational efficiency and safety standards.
- Validated an investment Proposal for the standardization of warehouse infrastructure and building structure in owned Leaf Warehouses to meet structural safety standards.
- Endorsed the amended Capex Budget for enhancing the Dust Recovery filter capability of the Green Leaf Threshing Plant (GLTP).

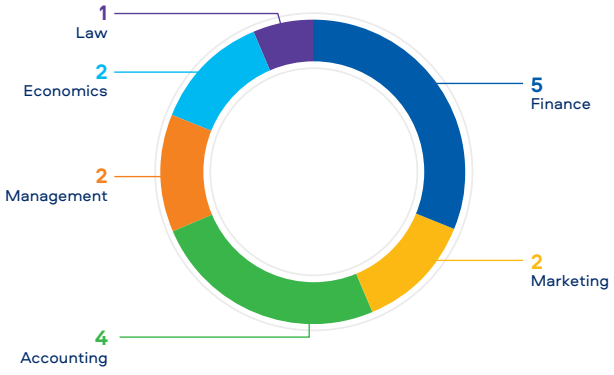
Q4 of 2025

- Approved the 3rd Quarter unaudited Financial Statements as of 30th September 2025.
- Appointed a Non-Executive Director to the Board.
- Noted the CSR Committee disclaimer

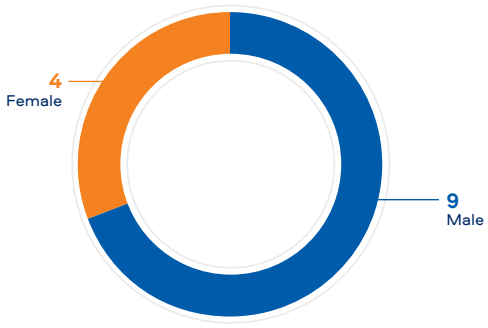
FINANCIAL KNOWLEDGE AND EXPERTISE OF DIRECTORS

The Board of Directors comprises experienced professionals with diverse expertise in management, accounting, finance, law, and industrial economics. Their collective capabilities support effective strategic oversight and ensures compliance with evolving regulatory requirements. The presence of long-serving Directors further strengthens the Board through deep institutional knowledge and continuity of leadership. Together, they guide the Company toward sustainable growth and long-term value creation.

Specialized Area



Gender Diversity of the Board of Members



CHAIRMAN OF THE BOARD

The Chairman is appointed by the Board of Directors each year following the AGM, ensuring that leadership roles remain distinct and in compliance with BSEC guidelines.

ROLES & RESPONSIBILITIES OF THE CHAIRMAN

- Chairs and leads the Board to ensure it functions effectively both collectively and through the contribution of individual Directors, with timely attention to all critical issues.
- Cultivates open communication and strong working relationships, fostering a Boardroom environment that encourages constructive debate and engagement between Non-Executive Directors and management.
- Guides the Board in shaping the Company's strategies and policies, ensuring that decisions are grounded in consensus and aligned with the Company's best interests.
- Performs duties in accordance with the BSEC's Corporate Governance Code (CGC) as adopted by the Board.
- Acts in compliance with the Company's Memorandum and Articles of Association, as well as all applicable laws and regulations.
- Chairs Board meetings and General Meetings (AGM/EGM), promoting sound corporate governance principles and practices.
- Represents the Company in stakeholder consultations, together with the Board and Managing Director, reinforcing its role as a responsible corporate entity.
- Undertakes such additional responsibilities as may be delegated by the Board, consistent with applicable laws, regulations, and governance frameworks.
- Upholds and promotes high standards of corporate governance, integrity, and probity, particularly within the Board and across the wider organization.

INDEPENDENT DIRECTORS

In accordance with the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code 2018 (CGC), the Board of BAT Bangladesh includes three Independent Directors—each a distinguished professional with extensive expertise and a strong reputation in their respective fields. Among them are a former government secretary and a serving Director at Bangladesh Bank, reflecting the Company's commitment to diverse perspectives and high-caliber leadership.

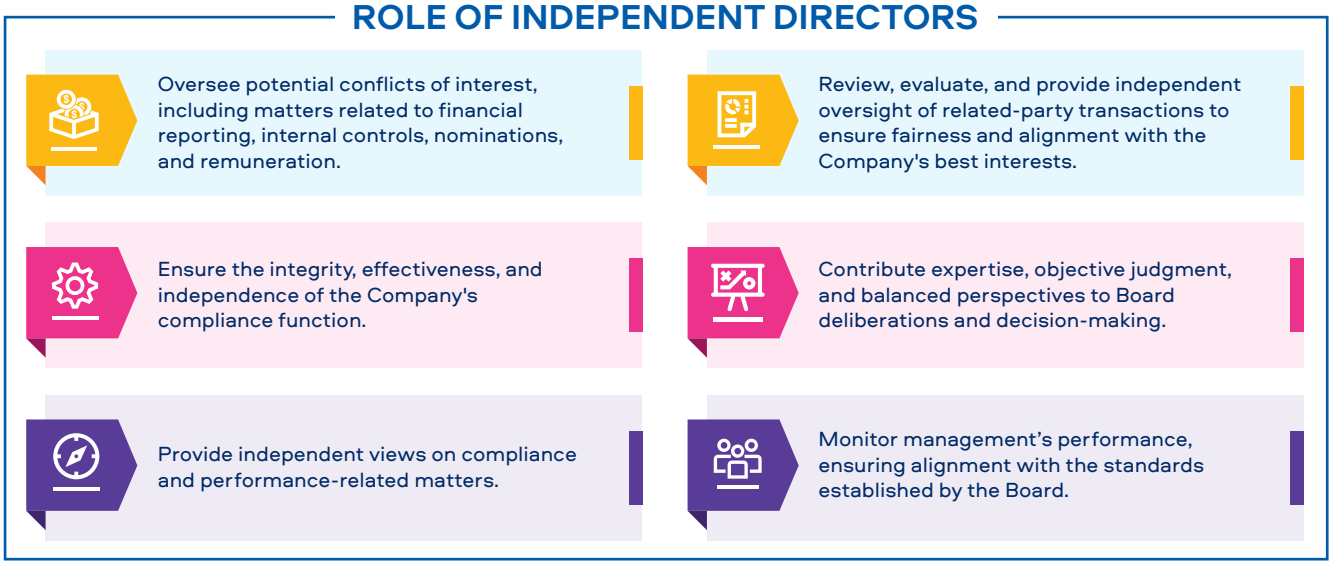
Independent Directors are appointed by the Board based on recommendations from the Nomination & Remuneration Committee (NRC), in accordance with BSEC guidelines, and are subject to approval by shareholders at the Annual General Meeting (AGM). As per CGC provisions, each Independent Director serves an initial term of three years, with eligibility for reappointment for one additional term of the same duration.

To strengthen governance integrity, both the Audit Committee and the NRC are chaired by Independent Directors, ensuring robust oversight and full compliance with the structural and functional requirements of the CGC.

ROLE OF INDEPENDENT DIRECTORS:

Independent Directors contribute objective judgment and strategic insight to the Board's deliberations, strengthening the integrity and transparency, and balance of its decision-making processes. In addition to their statutory responsibilities, they also undertake key roles that enhance governance and oversight functions across the organization.

ROLE OF INDEPENDENT DIRECTORS



REQUIRED NUMBER OF INDEPENDENT DIRECTORS ON THE BOARD AND THEIR INDEPENDENCE:

In accordance with the Corporate Governance Code 2018 (CGC) issued by the Bangladesh Securities and Exchange Commission (BSEC), listed companies are required to ensure that at least one-fifth of their Board members are Independent Directors. BAT Bangladesh fully complies with this requirement, with three Independent Directors serving on its 14-member Board. These Directors maintain complete independence, holding no ownership or financial interest in the Company, enabling them to provide impartial oversight and objective judgment. Their independence is

rigorously assessed during the nomination process and continuously upheld throughout their tenure.

MANAGING DIRECTOR

Ms. Monisha Abraham was appointed Managing Director in 2024, becoming the first female to hold this position in the Company's history. She continues to lead the Company in 2025, bringing over 30 years of experience in general management and marketing within the FMCG and tobacco sectors. Ms. Abraham holds a B.Com. from Jyoti Nivas College and an MBA in Marketing and Finance from the Birla Institute of Technology, India.

Ms. Abraham began her career in Abu Dhabi in 1995 and has held senior roles across multiple geographies. She started with Heineken in Dubai as Trade Marketing Manager and later Marketing Manager for the Gulf region. She subsequently moved to the Netherlands as Regional Marketing Director for Africa and the Middle East, followed by Managing Director roles in Almaza, Lebanon, and Heineken Hanoi, Vietnam. In 2019, she led Ibecor in Belgium, a Heineken-owned company specializing in inbound logistics and transportation for Africa and the Middle East. She joined the Ceylon Tobacco Company as Managing Director in 2021 before assuming her current role at BAT Bangladesh.

Throughout 2025, Ms. Abraham's strategic focus on networking, aligning business priorities, and fostering cross-functional collaboration has strengthened the Company's performance, embedding a culture of innovation, resilience, and sustainable growth across the organization.

ROLES AND RESPONSIBILITIES OF THE MANAGING DIRECTOR (CEO)

The Managing Director is responsible for the implementation of Board policies and overseeing Company operations under delegated authority, ensuring that strategic and operational objectives are achieved while aligning short- and long-term priorities.

Key responsibilities of the Managing Director (MD) include:

- Execute business and administrative functions delegated by the Board, ensuring strategic objectives are met through effective planning and optimal resource allocation.
- Assure the Board by certifying annual financial statements and confirming the absence of fraudulent or unlawful activity.
- Shape and drive long-term strategic initiatives to enhance shareholder value and promote sustainable business growth.
- Oversee daily operations and decision-making to ensure alignment with immediate priorities and long-term objectives.
- Facilitate seamless communication between the Board and Management, representing Management in all Board-related matters.
- Lead a high-performing executive team and remain accountable to the Board for overall operational performance.
- Act as the Company's external representative in engagements with employees, regulators, shareholders, and the public, with coordination support from the Company Secretary.
- Preside over the Leadership Team, guiding its strategic direction and operational execution.

ANNUAL EVALUATION OF THE MANAGING DIRECTOR (CEO) BY THE BOARD

To ensure strategic alignment, operational excellence, and sustained organizational performance, the Board undertakes structured quarterly and annual evaluations of the Managing Director. These assessments cover financial, non-financial, and strategic dimensions of leadership, reinforcing accountability and governance oversight.

Quarterly Focus

- Achievements of business objectives and budgetary targets
- Year-on-year performance improvement and operational efficiency

Year-End Review

- Evaluation of progress against established goals
- Analysis of performance variances and implementation of corrective actions

Strategic Contributions

- Leadership in ESG and sustainability initiatives
- Engagement with stakeholders and regulatory authorities
- Advancement of digital transformation and innovation agendas
- Oversight of talent development and succession planning
- Influence on corporate culture and governance practices

This rigorous evaluation framework ensures that the MD's leadership remains fully aligned with BAT Bangladesh's evolving priorities, driving sustainable growth, operational resilience, and long-term stakeholder value.

NOMINEE DIRECTOR'S INDEPENDENCE

At BAT Bangladesh, the highest standards of corporate governance are maintained through the institutional nomination of Non-Executive Directors, excluding Independent Directors, who operate with full autonomy. Their active participation in Board, Audit, NRC, and CSR Committee meetings strengthens strategic decision-making and reinforces transparency across the organization. All Directors, including Independent Directors, bring independent judgment, sector expertise, and strategic insight to the Board, playing a vital role in shaping the Company's long-term vision. While not involved in day-to-day operations, they provide essential guidance and oversight that underpin sustainable growth and enduring stakeholder value. To uphold governance excellence and global best practices, the NRC conducts periodic reviews of its independence and performance.

BOARD PERFORMANCE EVALUATION

To reinforce governance excellence and stakeholder confidence, the Board of Directors follows a structured evaluation process covering performance, composition, and strategic contribution. This process includes:

- The Annual General Meeting (AGM) serves as a key platform for shareholder review and feedback.
- Shareholder insights are considered and, where appropriate, integrated into strategic planning.
- The Board comprises senior government officials, professionals, and business leaders with deep domain expertise.
- A structured self-assessment approach promotes continuous learning and strengthens governance effectiveness.
- Director performance is periodically reviewed by the Board, NRC, and the Chairman in accordance with the BSEC Corporate Governance Code.
- Stakeholders may evaluate Board members based on:
  - Financial performance
  - Asset growth
  - Corporate reputation
  - ESG contributions
- Annual evaluations are conducted for the Managing Director, Finance Director, and Commercial Director.
- The Board conducts a comprehensive review of overall business performance on a quarterly basis.



BOARD MEETINGS, 2025

To ensure effective governance and strategic oversight, the Board follows a structured meeting protocol supported by secure digital platforms and key governance personnel.

- The Board meets regularly, typically on a bi-monthly basis, with additional meetings convened as required to address urgent matters.
- In 2025, the Board held 10 meetings, reflecting a proactive approach to oversight and strategic direction.
- Attendance is meticulously recorded in accordance with the Company's code of conduct, reinforcing accountability and transparency.
- Meetings are chaired by the Chairman and structured to facilitate meaningful discussion and informed decision-making.
- The Company Secretary, Chief Financial Officer/ Finance Director, and Head of Internal Control and Compliance attend all Board meetings to ensure governance continuity and compliance.
- Meetings are conducted via Microsoft Teams, providing secure communication channels and alignment with regulatory and global governance best practices.

PROCESS OF HOLDING BOARD MEETINGS

The Company Secretary, in consultation with the Chairman and Managing Director, prepares the Board agenda and circulates all relevant materials at least seven days in advance. Additional items may be proposed under "Any Other Business" subject to the Chairman's approval. The Company Secretary, Finance Director, and Head of Internal Audit attend all Board meetings to provide governance and operational oversight.

As the custodian of governance, the Company Secretary ensures strict compliance with regulatory requirements and the Bangladesh Secretarial Standards (BSS), maintains accurate and complete records of all proceedings, and circulates draft minutes for Board approval. Approved extracts are shared with management to support strategic execution.

FLOW CHART OF HOLDING BOARD MEETING



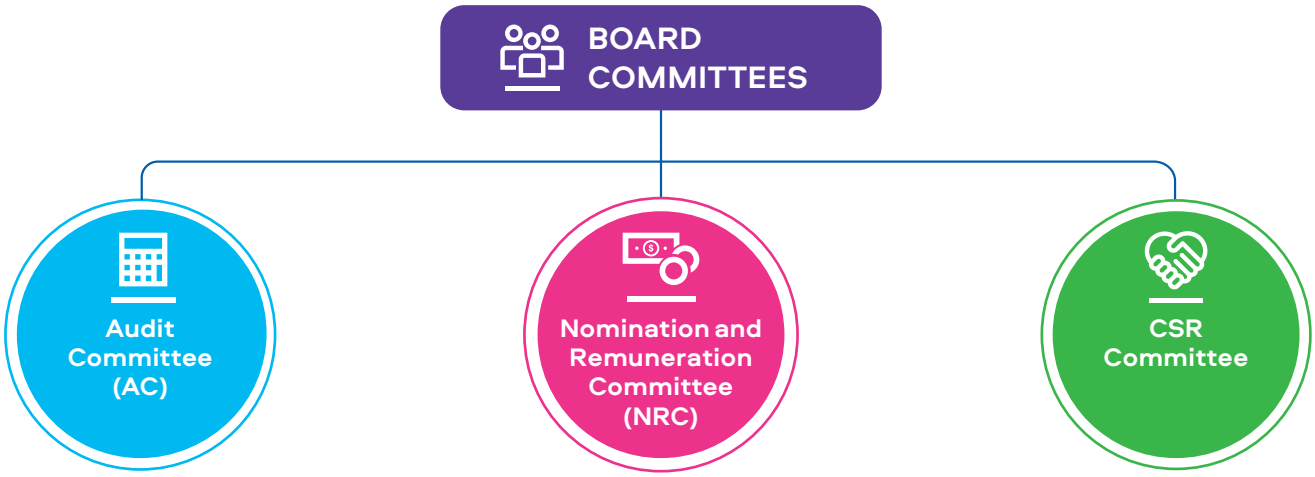
THE BOARD AND BOARD COMMITTEE MEMBERS' ATTENDANCE FOR THE YEAR 2025 IS AS FOLLOWS:

Name	Board	Audit Committee	NRC Committee	CSR Committee
Mr. Wael Sabra Chairman to the Board, Representing sponsor shareholder (Raleigh Investments Co. Ltd.)	9/10	N/A	N/A	1/1
Ms. Monisha Abraham Managing Director (Raleigh Investments Co. Ltd.)	10/10	3/4	4/5	1/1
Mr. Masud Khan Independent Director, Chairman to the Audit Committee & NRC	10/10	4/4	5/5	1/1
Professor Dr. Melita Mehjabeen Independent Director	8/10	3/3	N/A	1/1
Ms. Rupali Haque Chowdhury Independent Director (Appointed on 25th July 2025)	3/3	N/A	1/1	N/A
Mr. A.K.M. Aftab Ul Islam FCA Independent Director, Chairman of Audit Committee (Resigned on 10th March 2025)	2/2	1/1	3/3	N/A
Mr. Md. Saifullah Panna Non-Executive Director (Appointed on 29th April 2025) (Resigned on 26th February)	7/7	N/A	N/A	N/A
Ms. Zakia Sultana Non-Executive Director Representing Government's shareholding (Resigned on 29th April 2025)	1/2	1/1	N/A	N/A
Mr. Shirajun Noor Chowdhury Non-Executive Director Representing Government's shareholding (Resigned on 30th October 2025)	7/9	N/A	4/4	1/1
Mr. Md. Obaidur Rahman Non-Executive Director (Representing Goverment's shareholding) (Appointed on 29th March 2025)	7/7	1/1	N/A	N/A
Mr. Md. Abul Hossain Non-Executive Director, Representing ICB (Resigned on 29th April 2025)	1/2	N/A	N/A	N/A
Dr. Ziaul Abedin Non-Executive Director (Appointed on 30th October 2025)	1/1	N/A	N/A	N/A
Mr. Niranjan Chandra Debnath Non-Executive Director (Appointed on 29th April 2025)	7/7	N/A	1/1	N/A
Mr. Gary Tarrant Non-Executive Director, Representing sponsor shareholder (Raleigh Investments Co. Ltd.)	3/10	N/A	N/A	1/1
Mr. Stuart Kidd Non-Executive Director Representing sponsor shareholder (Raleigh Investments Co. Ltd.)	6/10	N/A	N/A	1/1
Mr. Francisco Javier Toso Canepa Non-Executive Director Representing sponsor shareholder (Raleigh Investments Co. Ltd.)	4/10	N/A	N/A	1/1

Name	Board	Audit Committee	NRC Committee	CSR Committee
Ms. Nirala Singh Finance Directors Representing sponsor shareholder (Raleigh Investments Co. Ltd.)	9/10	4/4	N/A	1/1
Mr. Numayer Alam Commercial Director Representing sponsor shareholder (Raleigh Investments Co. Ltd.)	8/10	N/A	N/A	1/1
Syed Afzal Hossain Company Secretary	10/10	4/4	4/4	1/1

BOARD COMMITTEES

To strengthen corporate governance, enhance oversight, and ensure full compliance with the BSEC Corporate Governance Code 2018 (CGC), the Board has constituted three dedicated sub-committees.



Each sub-committee operates in strict alignment with the BSEC Corporate Governance Code 2018 and under clearly defined Terms of Reference (ToR), providing structured review, evaluation, and recommendations to the Board. In 2025, the ToRs were comprehensively reviewed and refined to reflect evolving regulatory requirements and best governance practices.

Committee members, including Chairpersons, are appointed in line with BSEC provisions. Detailed information on the scope and activities of the Audit Committee, NRC, and CSR Committee is available in the Annual Report on pages 139, 145, and 151, respectively.

AUDIT COMMITTEE & ITS COMPOSITION

In line with the BSEC Corporate Governance Code (CGC), the Board of BAT Bangladesh has constituted a dedicated Audit Committee to support its governance responsibilities. As of 2025, the Committee comprises two Independent Directors, one Non-Executive Director, the Managing Director, and the Finance Director, with an Independent Director serving as Chairman, in accordance with the Code.

The Committee convened four times during the year, leveraging a secure virtual platform. A quorum requires the presence of at least one Independent Director. The Company Secretary serves as the Committee Secretary, ensuring seamless coordination and accurate record-keeping, and compliance with regulatory standards.

RELEVANT EXPERTISE OF THE COMMITTEE

The Audit Committee of BAT Bangladesh comprises highly experienced professionals with deep expertise in accountancy, finance, industry, and audit. Member profiles and qualifications are summarized on page 36 of this Annual Report. To reinforce transparency and accountability, the Internal Audit function, led by the Internal Audit Manager, operates independently and reports directly to the Committee.

- The Audit Committee was chaired by Mr. Masud Khan.
- Members included Dr. Melita Mehjabeen and Mr. Md. Obaidur Rahman.
- Played a pivotal role in ensuring rigorous oversight across all audit and compliance functions.
- Approved the 2025 annual audit plan at the beginning of the year.
- Regularly reviewed and monitored the execution of the audit plan.
- The Audit Committee Report and the Statement of Risk Management & Internal Control are provided on pages 129 and 144 of this Annual Report, respectively.

The following tables provide an overview of meeting attendance and the key activities undertaken by the Committee in 2025:

Composition of the Audit committee	Audit Committee	%
Mr. Masud Khan Independent Director, Chairman of Audit Committee	4/4	100
Dr. Melita Mehjabeen Non-Executive Director (Appointed on 29th April 2025)	3/3	100
Mr. Md. Obaidur Rahman Non-Executive Director (Appointed on 29th April 2025)	1/1	100
Ms. Monisha Abraham	3/4	75
Ms. Nirala Singh	4/4	100
Mr. A.K.M Aftab Ul Islam (Resigned on 10th March 2025)	1/1	100
Mr. Shirajun Noor Chowdhury (Resigned on 30th October 2025)	3/3	100
Ms. Zakia Sultana (Resigned on 29th April 2025)	1/1	100
Syed Afzal Hossain Company Secretary (Appointed on April,2024)	4/4	100

ROLE OF THE AUDIT COMMITTEE:

In accordance with the Corporate Governance Code 2018, the Audit Committee of BAT Bangladesh is mandated to uphold the highest standards of financial integrity, transparency, and governance. Its key responsibilities include:

- Safeguarding the integrity, accuracy, and transparency of the Company's financial reporting process.
- Overseeing the selection and consistent application of accounting policies and principles.
- Supervising Internal Audit and Compliance functions, including resource planning, approval of audit programs, and review of audit findings.
- Managing the appointment, independence, and performance evaluation of external auditors.
- Engaging with external/statutory auditors to review and validate annual financial statements before presentation to the Board.
- Reviewing audited financial statements in collaboration with management before presentation to the Board.
- Assessing quarterly and half-yearly financial statements alongside management ahead of Board approval.
- Evaluating the adequacy, independence, and effectiveness of the internal audit function.
- Reviewing the Management Discussion and Analysis section for inclusion in the Annual Report.
- Examining disclosures of related-party transactions submitted by management.
- Reviewing Management Letters and internal control reports issued by statutory auditors.
- Reporting significant matters to the Board on a timely basis, including:
  - Potential or actual conflicts of interest.
  - Suspected or confirmed incidents of fraud, irregularities, or material weaknesses in internal controls.

NOMINATION AND REMUNERATION COMMITTEE

BAT Bangladesh has constituted a Nomination & Remuneration Committee (NRC) to strengthen governance and ensure effective oversight of matters relating to Board composition, leadership succession, and remuneration. The Committee is chaired by an Independent Director and serves as a strategic advisory body to the Board on issues concerning nominations, performance evaluation, and compensation frameworks.

In the year 2025, the NRC held five meetings, reflecting its active engagement and commitment to fulfilling its mandate. The composition of the Committee is outlined below:

Composition of the NRC committee	No. of meeting	%
Mr. Masud Khan Independent Director, Chairman of NRC Committee	5/5	100
Ms. Rupali H. Chowdhury Independent Director (Appointed on 25th July 2025)	1/1	100
Mr. Niranjan Chandra Debnath Member (Appointed on 29th April 2025)	1/1	100
Ms. Monisha Abraham	4/5	75
Mr. Shirajun Noor Chowdhury (Resigned on 30th October 2025)	4/4	100
Mr. A.K.M Aftab Ul Islam (Resigned on 10th March 2025)	3/3	100
Md. Abul Hossain (Resigned on 29th April 2025)	2/2	100
Syed Afzal Hossain Company Secretary	5/5	100

FUNCTIONS:

Key functions include:

- Aligning workforce strategies with business objectives in collaboration with HR function.
- Ensuring the consistent application of policies, procedures, and governance standards across the organization.
- Promoting fairness and transparency in recruitment, performance evaluation, and benefits administration.
- Providing oversight and guidance on leadership succession planning to support business continuity and organizational resilience.
- Recommending performance-linked remuneration structures aligned with market benchmarks, regulatory expectations, and the Company's strategic objectives.

Notable activities of 2025:

During 2025, the NRC undertook several initiatives to strengthen the Company's remuneration governance, including:

- Reviewed and endorsed the remuneration framework for Company Management.
- Evaluated bonus payout structures to ensure alignment with performance outcomes and policy guidelines.
- Approved key HR policies, including the Employment Probation & Confirmation Policy and the Recruitment & Selection Policy.
- Oversaw the appointment of international assignees and expatriate personnel.

NRC meetings were attended by the Managing Director, Finance Director, and Head of Human Resources as invitees, with the Company Secretary serving as Committee Secretary and facilitating the proceedings. BAT Bangladesh remains committed to a performance-driven remuneration strategy designed to attract, motivate, and retain highly skilled professionals while supporting sustainable business performance.

REMUNERATION GOVERNANCE:

Key elements of the governance framework include:

- Ensuring remuneration policies remain aligned with applicable legislation and recognized industry best practices.
- Continuously monitoring remuneration trends, with a strong commitment to the principle of "equal pay for equal work."
- Incorporating global standards to promote transparency, fairness, and constructive shareholder engagement.
- Maintaining remuneration governance as a standing agenda item at Board meetings.
- Providing regular updates to the Board through the Committee Chairman to reinforce accountability and oversight.
- Submitting reports that provide insights into:
  - The overall remuneration strategy
  - Progress against established policy objectives
  - Implementation status across the annual remuneration cycle

FAIR AND RESPONSIBLE REMUNERATION

BAT Bangladesh is committed to maintaining a fair, transparent, and responsible approach to reward management. The Company ensures that high-performing individuals who demonstrate strong alignment with its values are recognized equitably through structured and consistent remuneration practices. Robust performance management systems support the consistent application of rewards, while a comprehensive benefits framework reflects a strong commitment to employee well-being. Throughout the reporting period, remuneration structures continued to be aligned with job responsibilities, tenure, experience, and individual performance, ensuring fair recognition of every employee's contribution.

KEY POLICIES REGARDING REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BAT Bangladesh adopts a transparent, equitable, and performance-driven approach to human capital management. The Nomination & Remuneration Committee (NRC) ensures that recruitment, compensation, and career progression are based strictly on merit, qualifications, and demonstrated competence. The Committee also oversees training, development, performance evaluation, and promotion processes to ensure that individual performance is effectively aligned with the Company's strategic priorities.

In addition, the Committee ensures that benefits and remuneration policies remain competitive, market-aligned, and reflective of Company's performance and long-term objectives.

Policy Highlights:

- Directors are compensated solely for their participation in Board and sub-committee meetings.
- The remuneration structure for the Managing Director and senior leadership is reviewed and recommended by the NRC.
- Employee compensation structures are regularly benchmarked against competitive industry standards.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

BAT Bangladesh is committed to conducting its business responsibly and advancing meaningful CSR initiatives in alignment with BSEC regulations. The Company focuses on high-impact programs that address pressing societal needs while supporting sustainable economic growth, environmental stewardship, and social progress.

Established on 11th April 2012 as a sub-committee of the Board, the CSR Committee comprises three directors and provides strategic oversight of the Company's sustainability and community initiatives. The Committee plays a key role in guiding the Company's CSR agenda, strengthening its corporate reputation, and ensuring that social investments deliver measurable and lasting impact. In addition to appointed members, BAT Bangladesh extends meeting invitations to relevant Directors, consultants, managers, and stakeholders to ensure inclusive engagement and a broader perspective.

The composition of the committee is as follows:

Composition of the CSR Committee
Professor Dr. Melita Mehjabeen Chairman
Ms. Nirala Singh Member
Mr. Numayer Alam Member
Syed Afzal Hossain Company Secretary

SUCCESSION PLAN

To ensure leadership continuity, BAT Bangladesh regularly reviews the composition of its Board in alignment with the Company's long-term strategic priorities. Through a structured succession planning framework, the Company seeks to maintain a Board equipped with the appropriate mix of expertise, industry insight, and diverse capabilities required to navigate an evolving business and regulatory landscape.



Succession policy

In full alignment with the BSEC Code, the NRC plays a central role in shaping leadership and governance framework. The Committee oversees Board and senior management appointments, succession planning, remuneration and bonus reviews, and the evaluation of key HR policies. Working in close collaboration with the Board, the NRC ensures orderly leadership transitions and maintains an appropriate balance of experience, expertise, and fresh perspectives within the Company's leadership structure. Annual evaluations of the Board and its committees further reinforce this structured and governance-driven approach.

DIRECTORSHIP COMMITMENTS

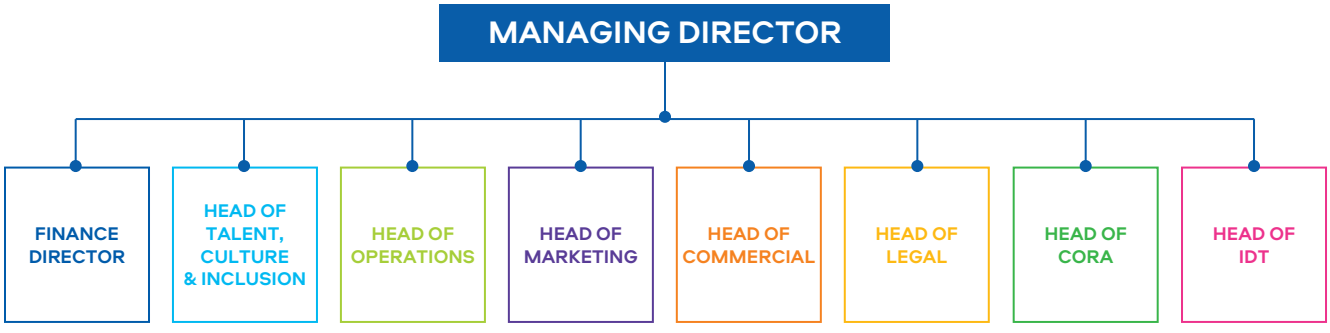
All Directors of BAT Bangladesh disclose their external commitments to ensure they can devote sufficient time and attention to the Company's affairs. Executive Directors do not hold directorships in other public companies, enabling focused and undivided leadership.

As the largest private-sector taxpayer in Bangladesh and a listed entity on both the Dhaka and Chittagong Stock Exchanges, BAT Bangladesh continues to play a significant role in national economic development, contributing BDT 39,144 crore to the national exchequer in 2025.

The Board remains committed to maintaining constructive relationships with the Government of Bangladesh, shareholders, and other key stakeholders, while upholding the highest standards of corporate governance, transparency, and accountability.

LEADERSHIP TEAM

The Leadership Team at BAT Bangladesh, led by the Managing Director and composing the head of key business functions, is responsible for translating the Company's strategic vision into effective operational execution. The Team convenes on a monthly basis to review progress against corporate objectives, assess business performance, and ensure alignment across functions. Members of the Leadership Team also engage with the Board, as required, providing insights, expertise, and operational perspectives on matters requiring their input. Brief profiles of the Leadership Team are provided on pages 51 - 59 of this Annual Report.



THE CHAIRMAN OF THE BOARD AND THE CEO & MANAGING DIRECTOR OF THE COMPANY ARE DIFFERENT INDIVIDUALS

At BAT, the roles of the Chairman and the Managing Director are held by separate individuals, ensuring a clear distinction between governance and executive management. The Chairman provides leadership to the Board and ensures its effective functioning, while the Managing Director is responsible for executing the business strategy and overseeing day-to-day operations. This separation of responsibilities strengthens governance, enhances independent oversight, and reinforces accountability across the organization.

ROLES AND BACKGROUND OF COMPANY SECRETARY (CS), CHIEF FINANCIAL OFFICER (CFO) AND HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC)

COMPANY SECRETARY (CS)

In accordance with the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), listed companies are required to

appoint a Company Secretary. BAT Bangladesh has duly appointed a Company Secretary, whose role is central to ensuring regulatory compliance, effective governance, and seamless communication across all levels of the organization.

The Company Secretary serves as a key governance advisor to the Board and facilitates the efficient functioning of the Board and its committees. In this capacity, the role supports the Board and management in executing their duties while upholding high standards of transparency, accountability, and corporate governance.

The key responsibilities encompass the following areas:

1. **Regulatory Compliance:**

- Ensures strict adherence to all applicable laws, rules, and regulatory procedures, with particular focus on Director appointments.
- Provides expert guidance to the Board, flagging matters that require immediate attention.

2. **Board and Committee Facilitation:**

- Assists in forming Board sub-committees and resolving disputes in line with legal frameworks.
- Oversees the implementation of Board decisions, ensuring timely execution.

3. **Policy Updates:**

- Keeps the Board and management informed of regulatory directives, circulars, and notifications issued by regulatory authorities.

4. **Meeting Coordination:**

- Manages the scheduling, notices, and logistical arrangements for Board and Shareholders' meetings.
- Supports the Chairman and committees to ensure proceedings are conducted efficiently.

5. **Stakeholder Liaison:**

- Maintains transparent and proactive communication with government agencies, regulators, and other key stakeholders.
- Acts as a bridge between the Board, management, and the external shareholders.

6. **Compliance Awareness:**

- Champions awareness of compliance policies across the organization.
- Coordinates with external regulators, auditors, and legal advisors to ensure robust adherence to regulatory and corporate standards.

7. **Capital Market Responsibilities:**

- Ensures compliance with BSEC, Stock Exchange, and CMSF directives.
- Oversees disclosures of PSI and addresses matters related to capital market regulations.

8. **Documentation and Reporting:**

- Supervises the preparation of the Annual Report and maintains comprehensive records of Board proceedings.
- Monitors regulatory changes and ensures timely response.

9. **Statutory Filings:**

- Ensures accurate and timely submission of statutory filings to RJSC, Bangladesh Bank, BSEC, Stock Exchanges, and the Central Depository System.

10. **Public Affairs and Stakeholder Engagement:**

- Engages proactively with stakeholders on matters of public interest affecting the Company's operations and reputation.

11. **Governance Advisory:**

- Provides expert counsel to the Board on procedural matters in accordance with Bangladesh Secretarial Standards (BSS), ICSB guidelines, and corporate governance best practices.

12. **Share Management Administration:**

- Oversees the issuance, transfer, and transmission of shares.
- Maintains the shareholder registry, manages dividend distribution, and ensures coordination with depositories and stock exchanges.

Through these responsibilities, the Company Secretary ensures that BAT Bangladesh continues to set a benchmark in governance, regulatory compliance, and organizational effectiveness, underpinning transparency, accountability, and sustainable stakeholder value.

Finance Director (FD) or Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) serves as a key strategic leader at BAT Bangladesh, driving financial discipline and strategic direction. As the principal guardian of the Company's financial integrity, the CFO ensures that resources are aligned with strategic priorities, regulatory obligations are met, and the organization remains well-positioned for sustainable growth.

Key Responsibilities:

Financial Oversight and Management:

- Manages the full spectrum of financial operations, including budgeting, fund flow, accounting, and internal controls.
- Ensures accuracy, integrity, and timeliness in financial reporting, in full compliance with applicable accounting standards and regulatory frameworks.

Tax and Compliance:

- Oversees taxation and compliance functions, ensuring adherence to local and international accounting standards, including IAS and BAS.
- Monitors and responds proactively to evolving financial and regulatory requirements.

Strategic Financial Planning:

- Provides strategic guidance on business strategy, long-term financial planning, and policy development.

- Aligns capital deployment with corporate goals, supporting sustainable business growth and long-term shareholder value.

Audit Coordination and Reporting:

- Liaises with external auditors and supervises audit procedures to ensure transparency.
- Prepares and distributes statutory financial statements and the Annual Report in accordance with regulatory timelines.

Operational Efficiency and Improvement:

- Leads initiatives to optimize costs, enhance procurement efficiency, and implement robust pricing frameworks.
- Drives business improvement through financial innovation and performance benchmarking.

Asset Protection and Risk Management:

- Safeguards the Company's assets and maintains accurate and transparent financial records.
- Provides the Board and investors with actionable insights on financial and operational risks.

Strategic Leadership:

- Delivers financial guidance to enable long-term value creation, sustainable growth, and corporate success.

Head of Internal Audit & Compliance (HIAC)

The Internal Audit and Compliance function at BAT Bangladesh is a cornerstone of corporate governance, risk management, and operational excellence. Operating as an independent assurance mechanism, it provides the Board and senior management with objective insights to enhance transparency, accountability, and regulatory compliance across the organization.

Key Responsibilities:

- Audit Planning and Execution: Develops and implements risk-based annual audit plans, aligned with business objectives and internal control frameworks.
- Internal Control Environment: Designs, maintains, and monitors robust internal controls to ensure operational efficiency and compliance across all business functions.
- Regulatory Compliance: Evaluates adherence to internal policies and external regulations, mitigating financial and operational risks.
- Risk Assessment: Identifies vulnerabilities across business functions, analyzes risk exposure, and recommends mitigation strategies.
- Reporting and Feedback: Prepares audit reports, conducts exit discussions with management, and presents findings to the Board, Audit Committee, and external auditors.
- Fraud Investigation: Leads special audits into suspected fraud or forgery, irregularities, delivering insights and preventive recommendations.
- Assurance Integration: Aligns internal audit activities with broader assurance frameworks to enhance governance and oversight.
- Audit Committee Support: Prepares and presents the annual internal audit plan for review and approval by the Audit Committee.
- Advisory Role: Provides expert guidance on special audits, identifies control gaps, and recommends cost-saving and risk-reduction measures.
- Documentation and Monitoring: Maintains detailed records of audit plans, work papers, findings, and follow-up actions to support continuous improvement.
- Policy Enhancement: Advises on updates to policies and procedures to strengthen internal controls and optimize operational effectiveness.

Through these responsibilities, the Internal Audit and Compliance function ensures that BAT Bangladesh maintains the highest standards of governance, operational disciplines, and ethical conduct, supporting sustainable growth and reinforcing stakeholder trust.

FINANCIAL REPORTING

BAT Bangladesh maintains an unwavering commitment to financial integrity, transparency, and accountability. The Company's financial reporting framework is fully aligned with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchange Rules, 1987, and other applicable regulatory requirements. This rigorous compliance ensures the Company delivers timely, accurate, and reliable disclosures in full accordance with BSEC guidelines.

Financial data is systematically captured through the Enterprise Resource Planning (ERP) system, enabling precise and efficient preparation of financial statements. Each reporting cycle undergoes a rigorous multi-tiered review process— beginning with the CFO, CEO, and Audit Committee, and subsequently by Group Accounting and Group Finance—to ensure completeness, accuracy, and adherence to both regulatory and corporate standards.

Independent assessment by External Auditors further reinforces the integrity of the financial reporting, providing an additional layer of assurance regarding compliance with regulatory and corporate policies. Following comprehensive internal and external reviews, the financial reports are formally submitted to the Board for final approval.

GUIDELINES AND KEY POLICIES

BAT Bangladesh operates within a comprehensive corporate governance framework, underpinned by a suite of policies, procedures, and codes of conduct. These instruments serve as the foundation for ethical conduct, operational excellence, and regulatory compliance across all levels of the organization.

Core Policy Areas:

1. Ethics and Business Conduct
   - o Standards of Business Conduct
   - o Competition Compliance Guidelines
   - o Guidelines for Employee–Law Enforcement Interactions
2. Financial Governance
   - o Finance Policy and Guidelines
   - o Treasury, Budgeting, Payments, and Foreign Currency Management
   - o Dividend Distribution, Asset Management, and Insurance Oversight
   - o Billing Guidelines
   - o Credit Management for Trade Debtors and Inter-Company Balances
3. Procurement and Supply Chain
   - o Procurement Policy and Guidelines
   - o Ensures value-driven sourcing, quality assurance, and timely delivery of goods and services.
4. Marketing and Trade Practices
   - o International Marketing Standards
   - o Distributor and Trade Guidelines, Credit Policies, and Responsible Marketing aligned with global principles.
5. Information and Technology Governance
   - o IDT Security Policy
   - o Data Protection Policy
   - o Records Management Policy
   - o Records & Information Procedure and Central Records Depository System
   - o Business Information Guidelines
6. Risk, Security, and Continuity
   - o Business Security Policies
   - o Security, Risk Management, and Business Continuity Procedures
7. Human Resources and Employment
   - o Employment Policy and Principles
   - o Covers standards on working hours, remuneration, travel, discipline, employee relations, equal opportunity, grievance handling, industrial relations, education assistance, medical benefits, retirement, and early separation schemes.
8. Sustainability and Agricultural Responsibility
   - o Tobacco Leaf Policies
   - o Addresses social responsibility in production, farmer registration, export pricing, crop input management, seed production, field trials, and climate adaptation measures for tobacco cultivation and green leaf threshing.
9. Contractual and Committee Governance
   - o Agreement Policy and Guidance
   - o Codes of Conduct for the Audit Committee, Nomination & Remuneration Committee, and CSR Committee

By embedding these policies in the Company's Management Staff Manual, BAT Bangladesh ensures that all employees and Directors operate with integrity, accountability, and a shared commitment to sustainable business practices.

RISK MANAGEMENT AND CONTROL ENVIRONMENT

BAT Bangladesh has established a comprehensive internal control framework, aligned with the BSEC Corporate Governance Code and global best practices, designed to safeguard assets, ensure accuracy and reliability in financial reporting, and maintain full regulatory compliance. This framework is complemented by a proactive risk management system, structured to identify, assess, and mitigate potential threats to the Company's strategic and operational objectives.

Risk management at BAT Bangladesh is fully integrated across all functions, ensuring a systematic approach to evaluating uncertainties and enabling timely interventions and informed decision-making. Continuous monitoring and cross-functional collaboration strengthen organizational resilience and support sustainable long-term growth.

Risk Categories

- Strategic Risks: Organization-wide risks that may impact long-term strategic objectives.
- Operational Risks: Risks affecting specific business units, directorates, or critical processes.
- Specific Risks: Risks associated with particular operational activities or functional areas.

Governance Structure

The Risk Management Committee (RMC), chaired by the Finance Director and comprising senior managers and the Head of Internal Auditor, provides oversight of the Company's risk management framework. The RMC convenes at least twice annually to review the effectiveness of mitigation strategies and alignment with corporate priorities. Departmental risk controllers conduct continuous assessments, while key risks and mitigation measures are reviewed by the Leadership Team and formally ratified by the Audit Committee.

The RMC holds ultimate accountability for overseeing the Company's risk management framework, ensuring that BAT Bangladesh remains resilient, compliant, and strategically focused.

Functions

BAT Bangladesh maintains a comprehensive and integrated risk management framework designed to proactively identify, assess, and mitigate potential risks to the achievement of strategic, operational, and financial objectives. This framework ensures that risk management is embedded across all levels of the organization, reinforcing resilience and sustainable value creation in a dynamic operating environment.

Key Components:

1. **Risk Assessment:** The Board and senior management foster a strong risk-aware culture, ensuring a consistent

understanding of acceptable risk levels across the Company.

2. **Policies and Procedures:** Robust risk management policies and procedures provide clear guidance for the identification, evaluation, and mitigation of risks across all functions.
3. **Appetite Monitoring:** Risk exposures are regularly monitored to ensure they remain within the Company's defined appetite, enabling timely corrective actions where necessary.
4. **Measurement and Modelling:** Structured assessment models quantify and track risks, supporting informed decision-making and prioritization.
5. **Stress Testing:** Stress testing frameworks simulate extreme but plausible scenarios, evaluating potential operational, financial, and strategic impacts, and guiding mitigation stretegies.
6. **External Threat Assessment:** Market trends and external threats are continuously monitored, with proactive recommendations issued to address evolving risks.
7. **Centralized Risk Register:** A centralized risk register maintains a detailed record of identified risks, mitigation plans, and follow-up actions, ensuring accountability, traceability, and continuous improvement.

INTEGRATED RISK MANAGEMENT FRAMEWORK

To further strengthen its existing risk management framework, BAT Bangladesh has established a set of strategic initiatives that are actively monitored and implemented throughout the year.



BAT Bangladesh adopts a structured and dynamic risk management process that is continuously refined to ensure alignment with business objectives and regulatory expectations. The process comprises the following strategic steps:

1. **Planning and Strategy Development:** Defines the scope, objectives, and methodology of risk management. Establishes acceptable risk thresholds for stakeholders and assigns clear roles and responsibilities.
2. **Risk Identification:** Systematically identifies and documents potential risks, analyzes root causes, and evaluates their potential impact on operations and strategic objectives.
3. **Risk Assessment and Analysis:** Prioritizes risks based on likelihood and potential severity, identifies areas of high-risk exposure, and applies analytical models to assess cumulative implications.
4. **Mitigation and Response Planning:** Designs and implements practical and cost-effective mitigation strategies aligned with business priorities, while assigning clear ownership for execution and follow-through.
5. **Monitoring and Reporting:** Tracks the progress of mitigation efforts, evaluates their effectiveness, and provides timely, data-driven insights to relevant stakeholders.
6. **Review and Enhancement:** Conducts periodic evaluations of identified risks and mitigation outcomes, identifies emerging threats, and continuously enhances the overall risk management framework.

INTEGRATED RISK MANAGEMENT STRATEGY

At BAT Bangladesh, risk management is not a standalone function—it is embedded within our vision, mission, and operational execution. Our integrated approach ensures that risks and opportunities are addressed holistically across both strategic and operational levels, enabling the organization to remain agile, resilient, and forward-looking.

Key Pillars of the Strategy:

1. **Strategic Alignment:** Ensures that project execution is closely aligned with the Company's overarching goals and vision, effectively bridging the gap between strategic intent and operational delivery.
2. **Outcome-Oriented Focus:** Prioritizes the realization of project benefits rather than merely completing deliverables, ensuring that initiatives contribute measurable value.
3. **Proactive Strategic Risk Management:** Identifies and addresses high-impact risks at an early stage in the planning cycle, particularly those with the potential to affect long-term organizational performance.
4. **Opportunity Integration:** Embeds opportunity management into both strategic and tactical processes, enabling the Company to respond swiftly and capitalize on potential growth opportunities.
5. **Informed Decision Support:** Equips leadership with timely, reliable, and data-driven insights, particularly in uncertain or evolving environments, to facilitate sound, well-informed decision-making.
6. **Preparedness for Uncertainty:** Anticipates known risks and develops mitigation plans in advance, strengthening operational efficiency, reducing disruptions, and minimizing resource waste.

7. Value Maximization Maintains a balance between minimizing threats and leveraging opportunities, increasing the likelihood of achieving both strategic and operational objectives.
8. Calculated Risk-Taking Encourages responsible and informed risk-taking by promoting a clear understanding of uncertainty and its potential rewards, thereby supporting innovation, adaptability, and sustainable growth.
9. Risk-Aware Culture Fosters a culture of shared accountability where risk awareness is embedded at every level of the organization and actively contributes to stronger performance, governance, and compliance.

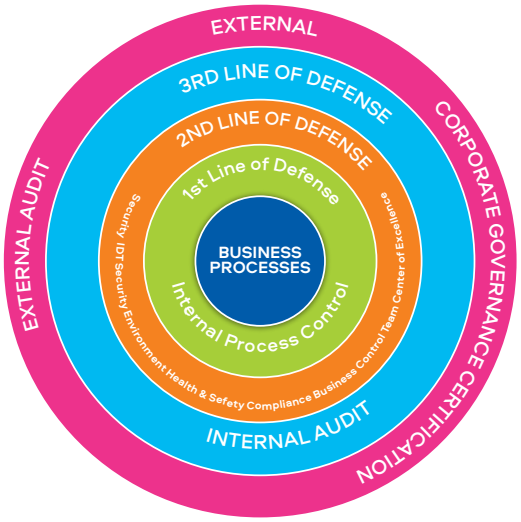
Through this integrated and forward-looking framework, BAT Bangladesh ensures that risk management remains a strategic enabler of business performance. By systematically managing uncertainty with foresight and discipline, the Company strengthens its capacity to deliver sustainable outcomes, support value creation, and maintain stakeholder confidence.

SYSTEM OF INTERNAL CONTROL

BAT Bangladesh maintains a robust and resilient internal control environment, supported by a well-defined governance structure. The Board of Directors provides overall oversight of this framework and delegates specific responsibilities to its designated committees and senior leadership, ensuring that control mechanisms remain aligned with corporate governance standards and operational excellence.

This control framework is further reinforced by an integrated Risk Management system and a robust Management Information System (MIS), which collectively enhance transparency, reinforce accountability, and support timely, informed decision-making across all levels of the organization.

To ensure a disciplined and comprehensive approach to risk oversight and assurance, the Company adopts the internationally recognized Three Lines of Defense model, as outlined below:



INTERNAL CONTROL ASSURANCE FARMEWORK

1st Line of Defense		
Teams	**Control operating system**	
All Business Units	Delegation of Authority	Record Management & Data protection Policy
	Sales & Distribution Guideline	Treasury Policy
	Credit Management Policy	Recruitment Policy
	Procurement Policy	Performance Management Policy
	Stock Management & Inventory Policy	Leave & Attendance Policy
	Quality Control Protocol	IT General Control
	Distributor Manual	EHS Policy
	Leaf Supply Manual	Agreement Policy
	Fixed Asset Policy	Office Security Policy

2nd Line of Defense		
Teams	**Assessment tools**	**Frequency**
• **Center of Excellence** • **Business Control Team** • **Compliance** • **Env. Health & Safety** • **IDT Security** • **Security**	Control Navigator (CN)	Annually
	Sarbanes Oxley Act (SOx)	Phases
	Risk Management Committee (RMC)	Biannually
	Compliance	AC Approved
	Std. of Bus. Conduct (SoBC)	Annually
	Security	Ad-hoc
	Speak Up	Ad-hoc
	Business Partner Reviews	Per plan

Internal Audit

3rd Line of Defense		
Teams	**Assessment tools**	**Frequency**
International Audit	International Audit	Per Global Audit Plan & AC Approval
	Local Audit	AC Approved

STANDARDS OF BUSINESS CONDUCT

In alignment with the Corporate Governance Code, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), BAT Bangladesh has established and implemented a comprehensive Standards of Business Conduct (SoBC) framework applicable to the Chairman, members of the Board, the Managing Director (CEO), and senior management. The SoBC is publicly accessible through the Company's website and is periodically reviewed by the Board to ensure continued alignment with evolving regulatory expectations and international governance best practices.

The SoBC is mandatory for all employees and Directors, fostering a culture of transparency, accountability, and ethical compliance throughout the organization. It encompasses key policies, including:

- The Speak Up process
- Conflict of interest declarations
- Anti-bribery and human rights commitments
- Guidelines on gifts, recordkeeping, and asset protection
- Policies on confidentiality, information security, and insider trading
- Compliance with competition laws, anti-money laundering, anti-terrorism measures, and sanctions requirements

Through the consistent application of these standards, BAT Bangladesh strengthens its commitment to responsible business practices and ethical leadership across all levels of the organization.

CERTIFICATE OF COMPLIANCE WITH THE ETHICS AND BUSINESS CODE OF CONDUCT

The Board of Directors reaffirms BAT Bangladesh's unwavering commitment to the highest standards of ethical conduct and full compliance with the Company's established Ethics and Business Code of Conduct, in accordance with the BSEC Corporate Governance Code and other applicable regulatory requirements. The Board has formally certified that the Company operates in compliance with all relevant laws, regulations, internal policies, and recognized industry standards.

This certification process reinforces the Company's culture of transparency, trust, and accountability, and serves as a cornerstone of its corporate governance framework.

Key Components of the Certification Process:

1. **Code of Conduct Development and Review:** Regular formulation and periodic updates to ensure continued alignment with evolving governance expectations.
2. **Training and Awareness:** Company-wide programs to promote understanding of, and adherence to, the Company's ethical standards and compliance obligations.
3. **Compliance Declarations:** Formal affirmations by employees and Directors confirming their commitment to comply with the Code of Conduct.
4. **Monitoring and Enforcement:** Ongoing oversight mechanisms to ensure consistent application of the Code and appropriate action in the event of any breaches.
5. **Reporting and Whistleblower Protection:** Secure and confidential channels for reporting concerns, supported by safeguards to protect whistleblowers from retaliation.
6. **Continuous Improvement:** Periodic evaluations undertaken to strengthen and enhance the effectiveness of the Company's ethics and compliance framework.
7. **Directors' Declaration:** A formal affirmation by the Board regarding the integrity of the financial statements (refer to Page 73).

OUR VALUES

For over 115 years, BAT Bangladesh has stood at the forefront of sustainable development, governance excellence, and transformative leadership. Guided by a future-focused mindset, we continually innovate, creating lasting value for our stakeholders while shaping a better tomorrow.

Our Values:

- Truly Inclusive
- Passion to Win
- Do the Right Thing
- Empowered Through Trust
- Love Our Consumer
- Stronger Together

HUMAN CAPITAL

At BAT Bangladesh, our people are our greatest strength—passionate, skilled, and empowered to drive progress. We foster a high-performing, inclusive, and collaborative workplace where talent is nurtured, achievements are celebrated, and innovation thrives.

This commitment to excellence has earned us the prestigious "Top Employers" certification from the Top Employer Institute, recognizing our dedication to world-class HR practices.

To secure long-term success, we invest strategically in our workforce through merit-based recruitment, competitive compensation, structured development programs, and transparent career progression pathways. Our high-performance culture is reinforced through succession planning, a supportive work environment, and open communication channels for dialogue and feedback.

Recruitment and Selection

Talent development remains a strategic priority for BAT Bangladesh. Our flagship initiative, Battle of Minds (BoM), now in its 21st year, continues to be a cornerstone of our employer branding. Since its global expansion in 2019, BoM has evolved into a premier talent platform for identifying and nurturing exceptional talent, adapting to changing workforce needs while maintaining its relevance and impact. The 2025 edition builds on this legacy, introducing enhanced features and broader engagement to attract top-tier talent across diverse disciplines.

Our recruitment process is designed to identify individuals with exceptional potential through interactive assessments and structured evaluations. The Global Graduate Program remains a key pipeline for nurturing future leadership, offering high-potential graduates a fast-tracked development journey through immersive learning, cross-functional exposure, and leadership mentoring.

Learning & Development

At BAT Bangladesh, we are committed to cultivating a high-performing, future-ready workforce through continuous learning and professional development. Our tailored training programs are designed to strengthen both personal and professional career growth, while promoting work-life balance. Our advanced Technical Training Center delivers specialized, in-depth learning to enhance workforce capabilities and drive sustainable long-term success.

Compensation & Benefits

BAT Bangladesh offers a competitive, performance-driven remuneration structure designed to attract, retain, and inspire top talent. Our compensation strategy is rigorously benchmarked against industry standards and tailored to reflect individual experience, qualifications, responsibilities, and performance. This ensures employees are consistently recognized for their contributions, feel valued, and are inspired to achieve their fullest potential.

Performance Management

BAT Bangladesh's performance management system empowers employees to align their achievements with strategic business goals while identifying development opportunities. High-performing employees are formally recognized and rewarded, while all team members are encouraged to continuously enhance their skills and capabilities to contribute meaningfully to the Company's success.

Rewards and Recognition

At BAT Bangladesh, recognition is embedded in our organizational ethos. Our comprehensive rewards and recognition framework celebrates consistent performance, exemplary conduct, and impactful contributions that drive business success. Designed to reinforce both short-term performance and long-term development, the program integrates monetary and non-monetary incentives, ensuring employees feel appreciated and inspired.

Grievance Resolution and Employee Support

BAT Bangladesh is committed to fostering a work environment where every employee feels respected, heard, and valued. Our grievance resolution mechanisms provide a transparent and accessible channel for raising concerns, while dedicated counselling initiatives enable employees to address challenges effectively.

Promoting A Respectful and Inclusive Workplace

BAT Bangladesh actively cultivates a positive, inclusive, and merit-based work environment. We enforce a strict zero-tolerance policy against discrimination and proactively promote equal opportunities for all, irrespective of gender or background. By valuing talent, dedication, and collaboration, we create a culture that drives innovation, performance, and sustainable success.

ASSETS & RECORDS MANAGEMENT

The Board of Directors of BAT Bangladesh serves as the custodian of shareholder assets, overseeing investments and resources that drive operational excellence. From acquisition to disposal, the Board ensures transparency and accountability, and strict alignment with shareholder interests.

Corporate resources are protected through systematic audits, robust safety protocols, and comprehensive insurance coverage. Efficient record management is maintained through secure archiving practices, with the Company Secretary ensuring timely and controlled access to all essential documents.

STATUTORY AUDITORS

Following the Audit Committee's recommendation, the Board appoints the Statutory Auditor, subject to shareholder endorsement at the Annual General Meeting, where remuneration is also determined. The appointment process is fully compliant with the Companies Act, 1994, the Securities & Exchange Rules, 1987, and the BSEC Corporate Governance Code 2018.

In line with BSEC regulations, a Statutory Auditor is eligible to serve for a maximum of three consecutive years. To ensure full compliance and transparency, BAT Bangladesh obtains a formal Compliance Certificate from a licensed professional firm, confirming adherence to the Corporate Governance Code. This certificate is shared with shareholders and included in the Annual Report.

INDEPENDENT SCRUTINIZER TO THE 53RD AGM

In compliance with Condition No. 9 of Directive No. BSEC/CMRRCD/2009-193/08 dated 10 March 2021, issued by the Bangladesh Securities and Exchange Commission (BSEC), BAT Bangladesh is required to appoint an Independent Scrutinizer for its Annual General Meeting (AGM). At the Board of Directors' meeting held on date, name was appointed as the Independent Scrutinizer for the 53rd Annual General Meeting (AGM) of the Company, scheduled to be held virtually on 30th April 2026.

The Independent Scrutinizer plays a critical role in safeguarding the integrity and transparency of the voting process, overseeing all procedures and validating the results. A duly authenticated report summarizing the outcome of the voting will be submitted to the BSEC within 48 hours of the conclusion of the AGM.

TRANSPARENT DISCLOSURE

BAT Bangladesh prepares its financial statements in full compliance with applicable laws and regulations, including:

- Bangladesh Accounting Standards (BAS)
- International/Bangladesh Financial Reporting Standards (IFRS/BFRS)
- Companies Act, 1994
- Securities and Exchange Rules, 1987
- BSEC directives
- Corporate Governance Code, 2018

The Board is responsible for establishing and maintaining a robust system of internal controls to ensure the accuracy, completeness, and fair presentation of financial statements, free from material misstatements, whether due to fraud or error. Through vigilant oversight, sound accounting judgment, and adherence to established policies, financial reports are prepared with precision and are subject to regular review by relevant authorities to uphold transparency, compliance, and corporate accountability.



Ensuring financial accuracy and transparency remains a top priority for BAT Bangladesh. In line with this commitment, the Company's quarterly financial statements are prepared in accordance with BFRS and internal policies, and are rigorously reviewed by the external auditor in collaboration with the Audit Committee. These statements are subsequently assessed and approved by the Board each quarter.

To reinforce transparency, the Company publishes its quarterly financial results, along with detailed notes, in two leading national newspapers and makes them available on the Company's website. Half-yearly and annual financial statements are also promptly disseminated to shareholders.

The Directors' Report, forming an integral component of the Annual Report, provides a comprehensive overview of the Company's financial performance, encompassing growth, productivity, and governance responsibilities, in full compliance with BSEC regulations. BAT Bangladesh also ensures strict adherence to all requirements related to Price Sensitive Information (PSI).

ANNUAL GENERAL MEETING (AGM) & COMMUNICATION

BAT Bangladesh maintains a proactive and transparent approach to shareholder engagement. A notice of at least 21 days is issued before the Annual General Meeting (AGM), accompanied by all relevant documents to enable informed participation.

Quarterly and half-yearly financial updates are published on the Company's website and shared with stakeholders to reinforce transparency and accountability. The AGM serves as a vital forum for shareholders to ask questions, vote on resolutions, and engage directly with the Company. The Annual Report is circulated in advance, supporting meaningful dialogue and informed decision-making.

SUMMARY OF AGM/EGM

Particulars	2025	2024	2023	2022	2021
Date of the AGM	30th April	28th March	29th March	30th March	28th March
EGM Date/ Agenda (MoA Clause-5 & AoA 80a amendment)	-	-	-	-	-
Ordinary Business Agenda	5	5	5	5	5
Special Business Agenda	-	-	-	-	1

Ensuring shareholder participation at the AGM

BAT Bangladesh remains steadfast in its commitment to fostering meaningful and transparent shareholder engagement. To ensure maximum participation, the Annual Report and all relevant meeting materials are disseminated at least 21 days before the AGM through both physical and digital channels. Key details, including the date, time, venue, and agenda, are communicated well in advance to facilitate informed decision-making.

In strict compliance with BSEC Directive No. BSEC/CMRRCD/2009-193/08, the AGM is hosted on a secure online platform, enabling seamless and convenient access for all shareholders. An Independent Scrutinizer oversees the entire voting process, safeguarding transparency, fairness, and adherence to regulatory standards.

Communication with shareholders

Clear, timely, and accessible communication forms the cornerstone of BAT Bangladesh's shareholder engagement strategy. The Company provides comprehensive updates through its website (www.batbangladesh.com), promoting transparency and reinforcing investor confidence.

Shareholders are encouraged to engage with the Board during the AGM and remain informed throughout the year through:

- Monthly disclosures on shareholding patterns
- Compliance reports submitted to DSE and CSE
- Timely announcement of quarterly results and Price Sensitive Information (PSI)
- Circulation of Annual Report
- Continuous updates on material information through appropriate communication channels

Communication through the website

BAT Bangladesh leverages its website (www.batbangladesh.com) as a central platform for timely and comprehensive financial and corporate disclosures. This includes Annual Reports, quarterly and half-yearly results, and updates on Price Sensitive Information (PSI). In full compliance with the regulations of BSEC, DSE, and CSE, the Company ensures that all critical information is disseminated promptly and consistently across print and digital channels, reinforcing our commitment to transparency and investor confidence.

SHAREHOLDERS' RIGHTS

The Board of BAT Bangladesh is fully committed to upholding the rights of shareholders and fostering trust, fairness, and accountability in all interactions. The Investor Relations

Department, supported by the Company Secretary, ensures seamless communication between management, shareholders, and the Board. Regular updates on significant business developments reflect the Company's dedication to responsible corporate governance.

SHAREHOLDERS' COMPLAINT MANAGEMENT

BAT Bangladesh maintains a structured Complaint Management Policy to ensure fair, transparent, and timely resolution of shareholder inquiries. The approach emphasizes:

- Easy access to shareholder information
- Efficient handling of inquiries and complaints
- Timely access to material disclosures

The Investor Relations department, in coordination with the Registrars, follows a defined process:

- **Acknowledgement:**
  - Email inquiries are acknowledged within 24 hours
  - Postal complaints receive a response within two working days
- **Resolution Timeline:**
  - Complaints are generally resolved within 10 working days, subject to the completion of necessary conditions
  - If resolution requires additional time, the complainant is notified in advance
- **Escalation:**
  - Matters that remain unresolved may be referred to the appropriate authority for further action
- **Communication:**
  - Responses are provided through the same channel as the original inquiry, unless otherwise agreed

The Company is committed to addressing all shareholder complaints amicably while keeping shareholders informed throughout the process, thereby reinforcing transparency, accountability, and trust.

Ways to raise any complaints

i. **Company Secretary**
Syed Afzal Hossain
Company Secretary
Email: syed_afzal_hossain@bat.com

ii. **Investor Relations Department (Share Office)**
Md. Atiqur Rahman
Assistant Company Secretary
Email: Atiqur_Rahman@bat.com
batbshareoffice@bat.com
Mobile: +8801313701925, +8801755532753
Address: British American Tobacco Bangladesh Company Limited, Dehora, Dhamsona, Balibhadra Bazar, Ashulia, Dhaka-1349

SPEAK UP POLICY (WHISTLE-BLOWER POLICY)

At BAT Bangladesh, integrity, accountability, and ethical conduct form the foundation of our corporate culture. The Speak Up Policy provides a trusted, confidential channel for employees, suppliers, and stakeholders to report any actual or potential misconduct, unethical practices, or violations of Company policy. Reports may be submitted through multiple secure avenues, including email, written correspondence, phone, or anonymously through the Speak Up Portal (convercent.com).

Designated officers for direct reporting include:

- Managing Director (CEO)
- Finance Director (CFO)
- Head of Legal
- Company Secretary

All reports are promptly investigated, with appropriate actions taken to prevent recurrence. Individuals raising concerns in good faith are fully protected from retaliation. The Board Audit Committee receives regular reports on all incidents, ensuring oversight, transparency, and accountability.

BOARD COMMITMENTS AND CONTRIBUTION TO THE NATIONAL EXCHEQUER

BAT Bangladesh remains a proud contributor to national development, consistently recognized as the leading corporate taxpayer in the private sector. In 2025, the Company contributed BDT 39,144 crore in taxes.

Listed on both the Dhaka and Chittagong Stock Exchanges, BAT Bangladesh upholds the highest standards of ethics and governance. The Board is steadfast in maintaining strong relationships with the Government, shareholders, and all stakeholders, reinforcing trust, transparency, and long-term value creation.

SUMMARY

BAT Bangladesh remains unwavering in its commitment to exemplary corporate governance, guided by the BSEC Corporate Governance Code. Our strategic roadmap harmonizes financial performance with environmental stewardship and social sustainability, supported by a forward-looking three-year action plan.

Amidst macroeconomic and climate-related challenges, the Company has demonstrated resilience, operational excellance and sustained growth. The Board continues to champion transparency, ethical conduct, and regulatory compliance, ensuring enduring value for shareholders, employees, and broader stakeholder communities.

Through disciplined governance, proactive stakeholder engagement, and a climate-resilient business model, BAT Bangladesh advances its purpose-driven journey toward "A Better Tomorrow."

DISCLAIMER

BAT Bangladesh wishes to clarify its position regarding the non-pursuance of ISO certification for its production processes. Following a thorough evaluation of the operational landscape, the Board has determined that ISO certification does not currently align with prevailing industry practices.



AUDIT COMMITTEE

FROM LEFT TO RIGHT

Mr. Masud Khan, Independent director

Dr. Melita Mehjabeen, Independent director

Mr. Md. Obaidur Rahman, Non-Executive Director

Mr. Syed Afzal Hossain, Secretary

REPORT OF THE AUDIT COMMITTEE

The Audit Committee, a sub-committee of the Board of Directors, plays a pivotal role in safeguarding the Company's financial integrity, strengthening risk management practices, and ensuring adherence to regulatory compliance. Established in accordance with the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), the Committee ensures accuracy, transparency, and fairness in the Company's financial reporting, while overseeing the implementation of robust internal controls and governance practices.

The Committee is empowered under its Terms of Reference (ToR) to investigate any matter within its scope of responsibilities. In fulfilling its mandate, the Committee has unrestricted access to Company records and may request information from any Director, member of management, or employee. The committee is also authorized to seek independent professional advice, where necessary, and may engage external experts, including legal advisors, tax consultants, and statutory auditors, thereby enabling informed and independent decision-making.

While the Committee does not assume an executive role, it performs an important oversight role by reviewing, challenging, and providing guidance on matters within its remit. Transparency and accountability remain central to the Committee's approach. Accordingly, the activities and key deliberations of the Committee are communicated to shareholders and stakeholders through this report. The Chairman of the Committee also attends General Meetings of the company and addresses shareholder queries relating to the Committee's oversight responsibilities.

In fulfilling its mandate, the Committee assists the Board in ensuring that the financial statements present a true and fair view of the Company's financial position. It further oversees the establishment of effective monitoring mechanisms and financial oversight systems across the organization.

PURPOSE AND SCOPE

The Committee's oversight responsibilities extend across several key areas of governance and financial stewardship, including:

- Ensuring the accuracy, integrity, and reliability of financial statements
- Overseeing the management of business risks and continuity planning
- Assessing the effectiveness of internal controls
- Monitoring the regulatory compliance and whistleblowing mechanisms
- Reviewing the audit process and assurance framework

RESPONSIBILITIES

During the year under review, the Committee discharged its responsibilities through a structured programme of oversight activities, including:

- Promoting and reinforcing best practices in financial reporting and risk management
- Overseeing the implementation of effective internal control systems and ensuring compliance with applicable laws and regulations
- Verifying that financial statements were prepared, presented, and submitted in accordance with relevant laws, standards, and regulations
- Executing all other responsibilities assigned to the committee under its Terms of Reference

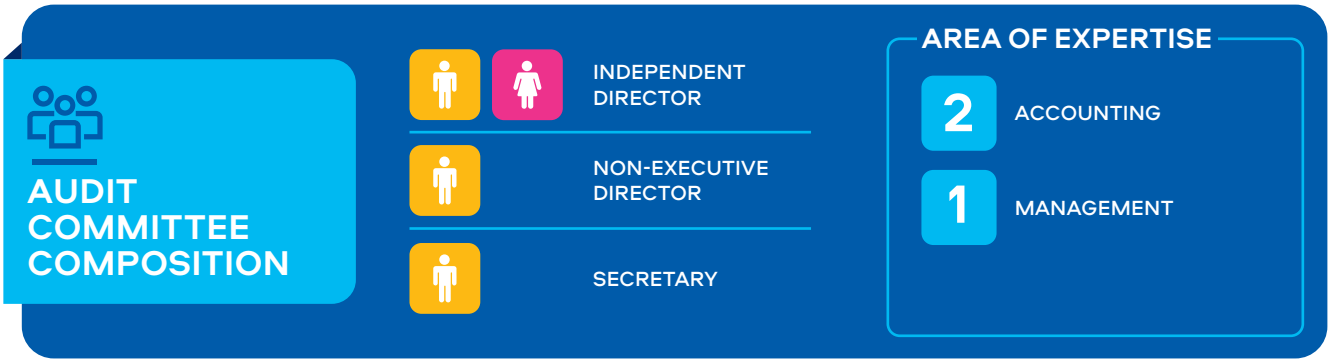
COMPOSITION OF THE COMMITTEE

In compliance with Condition 5 of the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors has established the Audit Committee with clearly defined roles and responsibilities set out in its Terms of Reference (ToR).

The Committee is comprised of the following members of the Board:

Names	Status with the Board	Status with the Audit committee
Mr. Masud Khan	Independent director	Chairman
Dr. Melita Mehjabeen	Independent director	Member
Mr. Md. Obaidur Rahman	Non-Executive Director	Member
Mr. Syed Afzal Hossain	Secretary	Secretary

All members of the Committee must possess financial literacy, including the capability to review and interpret financial statements and related disclosures. This ensures that members are well-equipped to discharge their responsibilities effectively.



QUALIFICATION OF THE CHAIRMAN OF THE AUDIT COMMITTEE

The Audit Committee is chaired by Mr. Masud Khan, an Independent Director with extensive experience in financial oversight and corporate governance. His professional background and qualifications are outlined in his profile on page 38 of this Annual Report. In line with the Corporate Governance Code 2018, the Chairman and all members of the Committee possess the necessary financial literacy and professional competence to review financial statements and evaluate reporting processes.

If the Chairman is unable to attend a meeting, the remaining members may appoint one of themselves to act as Chairperson for that meeting. This practice ensures adherence to quorum requirements under condition No. 5(4)(b), which stipulates the presence of an independent director. Any absence of the Chairman, together with the reason for such absence, is formally recorded in the minutes of the meeting.

PRESENCE OF THE CHAIRMAN OF THE AUDIT COMMITTEE IN THE AGM

If the Chairman is unable to attend the AGM, another member of the Committee will represent the Committee at the meeting. The reason for the Chairman's absence will be properly documented in the minutes of the AGM.

TERMS OF REFERENCE

The Terms of Reference (ToR) of the Audit Committee set out its specific roles and responsibilities. These are periodically reviewed and updated, with the approval of the Board of Directors, to ensure alignment with evolving business needs and regulatory developments. In addition, the Committee also operates in accordance with the provisions of the Corporate Governance Code (CGC) issued by the BSEC.

ROLES AND RESPONSIBILITIES

The primary roles and responsibilities of the Audit Committee are set out below. While these responsibilities provide the guiding framework, the Committee may also assume additional duties as required in response to evolving business circumstances, legislative and regulatory developments, legal obligations, or specific assignments delegated by the Board of Directors.

The Committee is entrusted with the authority to monitor, review, and evaluate the following areas:

- The Company's overall financial affairs and reporting practices.
- The effectiveness and adequacy of internal control mechanisms and risk management processes.
- The appropriateness and compliance of accounting policies with statutory and regulatory standards.
- The Annual Report, Accounts, and Interim Financial Statements prepared for public disclosure, prior to their submission to the Board for review and approval.
- The establishment of a robust financial reporting system that ensures timely and accurate information for the Board, regulators, management, and other stakeholders.
- The maintenance of strong corporate governance standards, ethical conduct, and responsible operational practices that safeguard the interests of all stakeholders.

MEETINGS

During the reporting year, the Committee held four (04) meetings, with the attendance of individual members presented in the accompanying table. The Head of Internal Audit & Compliance (HIAC) serves as a standing invitee and reports directly to the Committee and was present at all meetings held during the year. Key members of management, including the Finance Director (CFO), the Managing Director (CEO), and other senior executives, also participated in the meetings, as required, to provide their input or expertise. In addition, the Engagement Partner from the Company's external auditors, A. Qasem & Co. Chartered Accountants (AQC), Chartered Accountants, attended all meetings throughout the year at the invitation of the Committee.

The Board Audit Committee convened its meetings during 2025 as follows:

No	Meeting	Date Meeting
1	154th Board Audit Committee Meeting	29 October 2025
2	153rd Board Audit Committee Meeting	23 July 2025
3	152nd Board Audit Committee Meeting	7 May 2025
4	151st Board Audit Committee Meeting	4 February 2025

The Board Committee Members and their attendance for the year 2025 are as follows:

No	Name of the Directors	Designation in the committee	Presence of the Directors in the meeting during their tenure			
			No. of Meeting	Present	Absent	% of attendance
1	**Mr. Masud Khan**	Chairman	4	4	-	100
2	**Professor Dr. Melita Mehjabeen**	Member	3	3	-	100
3	**Mr. Md. Obaidur Rahman**	Member	1	1	-	100
4	**Ms. Monisha Abraham**	Managing Director	4	3	1	75
5	**Ms. Nirala Singh**	Finance Director	4	4	-	100
6	**Mr. Syed Afzal Hossain**	Secretary	4	4	-	100

ACTIVITIES

The Committee undertook the following activities throughout 2025:

(i) Reviewing Financial Reporting

The Committee examined the Company's quarterly financial statements for the periods ending 5 February 2025, 8 May 2025, and 24 July 2025.

The review process included careful consideration of the following matters:

- Significant modifications to accounting policies.
- Key audit-driven adjustments to the financial statements.
- Compliance with applicable financial reporting standards and statutory/regulatory obligations.
- Evaluation of the Company's ability to continue operating as a going concern.

(ii) Reviewing Related Party Transactions

The Committee reviewed all related party transactions and confirmed that none gave rise to conflicts of interest with the Company or its stakeholders. The examination also extended to any transactions, procedures, and actions that could potentially raise concerns regarding management integrity and governance practices.

(iii) Preparation of Audit Committee Reports

The Audit Committee's Report, prepared in accordance with the BSEC Code, was reviewed and submitted to the Board for inclusion in this Annual Report. The report outlines the composition of the Committee, Terms of Reference (ToR), meeting frequency and attendance, a summary of the key activities undertaken, and an evaluation of the effectiveness of the internal audit function.

(iv) Review and Ensure Internal Control

During the year, the Committee:

- Reviewed and assessed the Company's Risk Management and Corporate Governance framework, confirming its satisfaction with the methodologies used to identify, analyze, assess, monitor, and communicate risks across the organization on a timely basis.
- Evaluated the level of compliance with internal policies, standards, guidelines, and established operating procedures.
- Obtained assurance from both internal and external auditors that appropriate control mechanisms were designed and implemented before the introduction of any significant changes within the Company.

(v) Monitoring of Internal Audit

At BAT Bangladesh, the Internal Audit function ensures compliance with local legal and regulatory requirements and aligns with the Corporate Governance Code 2018 through a structured compliance and assurance framework. Adopting a risk-based approach, audits primarily focus on commercial operations, supply chain, Information Technology systems, and transformation initiatives, while additional reviews may be conducted at the request of the Committee or Management. Using robust methodologies and tools, Internal Audit provides independent assurance on the effectiveness of internal controls, thereby strengthening the Company's risk management framework and supporting the achievement of its strategic objectives.

The annual audit plan is developed with reference to the Company's risk register and incorporates inputs from the Audit Committee, with formal approval granted each year. The Committee also reviews the implementation of the audit plan on a quarterly basis, endorsing adjustments where necessary to reflect evolving business needs. The scope of Internal Audit & Compliance extends across all units and operations, ensuring comprehensive audit coverage and alignment with organizational priorities.

The Committee performed the following activities in relation to the Internal Audit in 2025:

- Strengthened the Internal Audit team by ensuring that it possessed the required professional qualifications, relevant expertise, and adequate resources to effectively execute the approved audit plans. Internal

Audit was granted full access to all Company activities, records, and assets to enable the independent and comprehensive performance of its duties.

- Reviewed and approved the annual internal audit plan, audit methodology, and resource allocation after confirming their adequacy.
- Monitored the implementation of audit recommendations to ensure that corrective measures were undertaken in a timely and effective manner, thereby reinforcing the Company's internal control environment.
- Provided guidance on audit findings and, where appropriate, recommended additional reviews to address emerging risks.

During the year under review, the Committee also monitored the progress and outcomes of several Internal Audit engagements. These included:

- Review of Recruitment and Talent Management Processes
- Evaluation of Procurement and Vendor Management Practices
- Assessment of Brand and Marketing Management Processes
- End-to-end Audit of Leaf Operations
- Review of Third-Party Contractor and Outsourcing Arrangements
- Audit of IT Systems and Digital Transformation Initiatives

Furthermore, the Committee reviewed the quarterly Internal Audit & Compliance Reports, which provided updates on the implementation status of action plans and progress against agreed action plans, and broader developments relating to internal controls and compliance across the Company.

RESPONSIBILITY RELATED TO EXTERNAL AUDIT

During 2025, in fulfilling its responsibilities, the Audit Committee undertook the following key responsibilities to safeguard the external audit process and ensure compliance with governance standards:

- Ensured the integrity, independence, and transparency of the external audit process.
- Ensured that the external auditors did not provide non-audit services that could create potential conflicts of interest (e.g., valuation services, financial system design, bookkeeping, actuarial services, broker-dealer services, or internal audit services).
- Evaluated the external auditors' professional expertise, technical capabilities, independence, objectivity, and overall effectiveness.
- Reviewed and approved the audit plan, audit report, internal control evaluations, and coordination with auditors.
- Held meetings with the external auditors to discuss audited financial statements, key findings, and recommendations before submission of the financial statements to the Board.
- Examined the management letters and ensured that appropriate follow-up actions were taken.
- Reviewed the auditors' evaluation of the Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- Considered matters relating to the appointment, reappointment, audit fees, and independence of the auditors.
- Assessed factors affecting auditor independence and monitored compliance with the BSEC Corporate Governance Code.
- Addressed additional matters as directed by the Board, ensuring that such actions remained consistent with applicable regulatory requirements.

REPORTING OF THE AUDIT COMMITTEE

i) Reporting to the Board of Directors

In accordance with the BSEC Corporate Governance Code 2018, the Audit Committee's primary responsibility during 2025 was to provide robust oversight and timely reporting to the Board of Directors, in consultation with Management, in line with its Terms of Reference (ToR). The Committee promptly escalated concerns to the Board where circumstances involved conflicts of interest, suspected fraud or irregularities, material defects in internal audit and compliance processes, violations of laws and regulations, or any other issues requiring immediate attention.

In compliance with condition no. 5 of the Corporate Governance Code (BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018), the Committee ensured that the Managing Director (CEO) and Finance Director (CFO) provided formal certification to the Board, affirming their review, validation, and endorsement of the Company's financial statements for the year ended 31st December 2025.

Following a comprehensive review, the Audit Committee confirmed that the financial statements:

- Contained no materially false statements, significant omissions, or misleading information.
- Presented a true and fair view of the Company's financial position, in full compliance with applicable accounting standards, regulatory requirements, and corporate governance guidelines.
- Reflected a financial year free from fraudulent, illegal, or non-compliant transactions, consistent with the Board of Directors' code of conduct.

ii) Reporting to the Authorities

To safeguard financial integrity and compliance with applicable regulations, the Committee maintained direct

communication with the Board of Directors, ensuring that significant financial or operational concerns were promptly identified, reviewed and addressed. In instances where issues remained unresolved, the Committee escalated the matter to the BSEC after three formal reports to the Board or within six months of the initial report, whichever occurred first, in accordance with regulatory expectations.

iii) Reporting to the Shareholders and General Investors

The Committee's key decisions, actions, oversight activities, and reports were systematically documented and signed by the Chairman of the Audit Committee. These reports were incorporated into the Company's Annual Report 2025, providing shareholders and investors with a transparent account of the Committee's work and governance oversight. This disclosure ensures compliance with condition no. 5(6)(a)(i) of the BSEC Corporate Governance Code 2018.

SUMMARY OF ACTIVITIES DURING THE YEAR 2025

In alignment with its Terms of Reference, the Audit Committee diligently executed its responsibilities and undertook the following activities in 2025:

Reviewing Financial Reporting

The Committee conducted a comprehensive review of the Company's quarterly financial statements. Following detailed analysis, the Committee provided recommendations to the Board of Directors for approval, ensuring that the financial statements presented a true and fair view of the Company's performance and position.

Monitoring Internal Control

The Committee actively monitored the Company's Risk Management framework, analyzing key functional risks and the effectiveness of mitigation strategies. It also reviewed the progress against action plans arising from prior risk assessments, including updates on policy violations, whistle-blowing cases, and other compliance-related matters.

Monitoring Internal Audit Process

In 2025, the Committee provided strategic oversight of the Internal Audit function by reviewing and approving the annual Internal Audit Plan. Audit findings were rigorously evaluated, and implementation of recommendations was monitored to confirm timely and effective corrective measures. Regular reporting to both the Committee and the Management Leadership Team strengthened internal controls and governance practices across the organization.

REVIEWING EXTERNAL AUDIT REPORT 2025

The Committee reviewed the external auditor's audit plan, including its scope, key findings, and evaluation of internal controls, ensuring effective collaboration and coordination between internal and external auditors. Following a comprehensive assessment, the Committee recommended the Company's quarterly and annual financial statements for Board approval.

Appointment of Auditors

The Committee evaluated and recommended to the Board regarding the appointment and remuneration of the statutory auditor.

Reviewing Related Party Transactions

The Committee reviewed all relevant Corporate Governance disclosures, including the Audit Committee Report, and the Statement on Risk Management and Internal Control, for the financial year ending 31st December 2025. These disclosures were assessed for accuracy, completeness, and compliance before submission to the Board for approval and inclusion in the Annual Report, ensuring transparency to shareholders and other stakeholders.

Evaluation of the Committee

An independent Board-led evaluation reaffirmed that the Audit Committee continues to function effectively, providing robust oversight of financial reporting, internal controls and compliance processes. The Committee concluded that the Company's governance framework remains well-structured, effective, and fit for purpose, ensuring accurate and reliable financial reporting and effective safeguarding of assets against business and operational risks. This enabled the Committee to identify key risk areas across the organization, guide management in strengthening internal controls, and facilitate the provision of timely and relevant information to the Board of Directors, regulators, and shareholders.

Syed Afzal Hossain
Company Secretary

Masud Khan
Chairman



NOMINATION AND REMUNERATION COMMITTEE REPORT

FROM LEFT TO RIGHT

Mr. Masud Khan Independent Director

Ms. Rupali H. Chowdhury Independent Director

Mr. Niranjan Chandra Debnath Non-Executive Director

Mr. Syed Afzal Hossain Secretary

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee (NRC) is a sub-committee of the Board of Directors. Operating under its charter, the NRC ensures alignment with the requirements of the BSEC's Corporate Governance guidelines while incorporating globally recognized best practices.

OUR REMUNERATION PRINCIPLES

- Aligned with shareholder value creation
- Market competitive for vigorous talent acquisition
- Reward Sustainable Outperformance
- Recognize the role of nonfinancial driver in long time value creation
- Simple and Transparent
- Reflection on the Group Strategies and Values

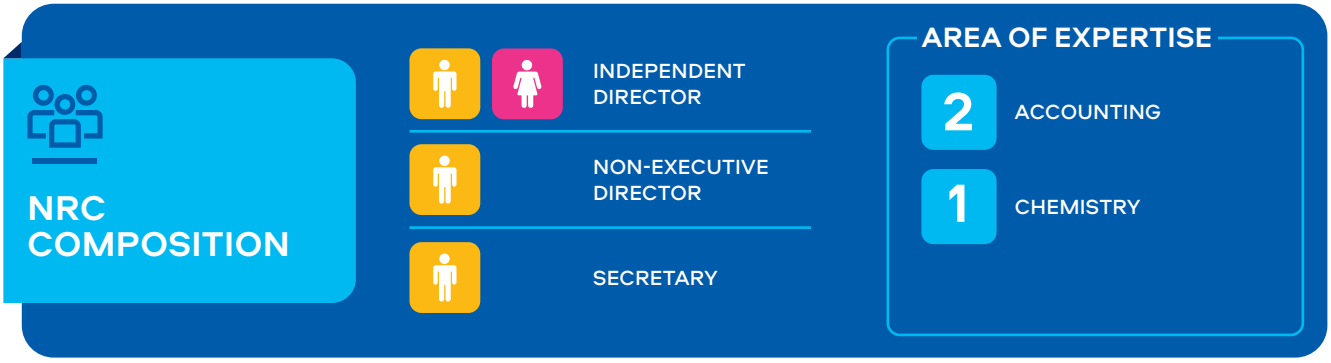
At BAT Bangladesh, human capital is regarded as the cornerstone of organizational growth and long-term value creation. The Company invests significantly in talent development and fosters a disciplined, innovative, and dynamic workforce capable of delivering sustainable progress within defined risk parameters. Through the continuous refinement of HR policies and practices, BAT Bangladesh maintains a performance-oriented culture that empowers employees to contribute meaningfully to the Company's strategic objectives. The skills, creativity, and commitment of its people remain central to sustaining competitive advantage and delivering long-term, sustainable success.

THE COMPOSITION OF THE COMMITTEE

The Board of Directors of BAT Bangladesh has constituted the Nomination and Remuneration Committee (NRC) in accordance with the BSEC Corporate Governance Code 2018. Functioning as an independent sub-committee, the NRC plays a crucial role in safeguarding the Company's human capital interests and supports the Board in establishing nomination standards for Directors and senior executives. This includes the evaluation of candidates based on their qualifications, leadership attributes, professional experience, and independence. The Committee also oversees the formal process for determining the remuneration of Directors and top-level management. The Committee comprises the following members of the Board:

The Committee is comprised of the following members of the Board:

Name	Status in the Board	Position in NRC
Mr. Masud Khan	Independent director	Chairman
Ms. Rupali H. Chowdhury	Independent director	Member
Mr. Niranjan Chandra Debnath	Non-Executive Director	Member
Syed Afzal Hossain	Secretary	Secretary



PURPOSE AND AUTHORITY OF THE COMMITTEE

The Nomination and Remuneration Committee (NRC), a key advisory sub-committee, supports the Board by establishing and overseeing a structured policy framework for determining the remuneration and honoraria of Directors and senior executives. In addition, the Committee provides guidance to management on evaluating staffing needs, setting standards for recruitment, transfers, succession, and promotion. In line with the Corporate Governance Code 2018 of BSEC, this Report outlines the NRC's nomination and remuneration policies, evaluation criteria, and key activities, ensuring that BAT Bangladesh maintains a transparent, merit-based, and forward-looking approach to talent management, leadership development, and succession planning.

TERMS OF REFERENCE

The NRC has diligently fulfilled the responsibilities entrusted by the Board of Directors, operating in accordance with its Charter. Anchored in the Corporate Governance guidelines of BSEC and informed by globally recognized best practices, the Charter provides a robust framework that enables the Committee to ensure transparency, fairness, and consistency across all nomination and remuneration activities.

ROLES AND RESPONSIBILITIES

Operating under clearly articulated terms of reference, the NRC ensures that the Company maintains a nomination and remuneration framework aligned with recognized market standards. This framework is designed not only to address the organization's immediate priorities while anticipating and supporting its evolving strategic and operational needs. In carrying out its responsibilities, the Committee adheres to the following criteria:

Nomination Criteria

- Ensuring full compliance with Company policies, internal guidelines, and all applicable national laws and regulatory requirements.
- Upholding a transparent and accountable selection process at every stage.
- Aligning recruitment practices with internationally recognized governance standards while incorporating relevant local best practices.
- Identifying and evaluating the core competencies required across diverse management and employee roles.
- Fostering diversity and inclusion by encouraging balanced representation across age, experience, qualifications, expertise, and gender.

1. Recruitment and Selection Guidelines

The NRC Charter establishes a strategic framework for assessing the Company's staffing requirements and the appointment of top-level executives, as determined by management. Recruitment and selection processes for Directors, senior executives, and employees are conducted in line with the following principles:

- Executive Directors: Candidates are nominated by the majority shareholders. The NRC reviews these nominations and provides recommendations to the Board of Directors, which holds the authority for formal appointment.
- Non-Executive Directors: Nominations are received from the majority, government, and general shareholders. The NRC evaluates the proposed candidates based on established criteria and submits its recommendation to the Board, which makes the final appointment.
- Independent Directors: Candidates must demonstrate integrity, a strong professional reputation, and sector-specific expertise, while ensuring compliance with applicable financial, regulatory, and corporate laws. Appointments are made by the Board following nomination by the NRC, subject to clearance from the Securities & Exchange Commission and approval by shareholders at the Annual General Meeting.
- Top-level Executives: The NRC plays a central role in identifying and recommending candidates for senior executive positions through a rigorous evaluation process led by management. This process assesses candidates' professional qualifications, experience, technical expertise, leadership capabilities, and alignment with the Company's established selection framework, ensuring that appointments are based on merit and organizational requirements.
- Explanation: Within the Company, the term "top-level executives" refers to the Managing Director (CEO), Finance Director (CFO), Head of Talent, Culture & Inclusion, Head of Legal, and Head of CORA, together with all members of the Executive Committee responsible for leading key functional areas. The definition also includes the Company Secretary, the Head of Internal Audit & Compliance, and any other officials holding equivalent rank, status, or remuneration within the organizational structure.
- Other Employees: The NRC establishes clear guidelines for assessing staffing needs across various levels of the organization and delegates responsibility to HR management for recruitment, transfers, replacements, and promotions in accordance with the Company's policies and internal governance framework.

2. Remuneration Criteria

- The overall structure and composition of remuneration and honoraria are designed to remain fair, competitive, and consistent with industry benchmarks, enabling the Company to attract, retain, and motivate qualified Directors, senior executives, and employees.

Compensation packages, including monthly, annual, and long-term benefits, are aligned with performance standards to ensure accountability.

- A balanced combination of fixed remuneration and performance-linked incentives is maintained for Executive Directors and senior management, ensuring that compensation structures support both short-term business priorities and the Company's long-term organizational objectives.
- The NRC is responsible for determining remuneration structures, including bonuses, benefits, and other forms of compensation, for Directors, top-level executives, and employees. These recommendations are made in accordance with the Company policies and are subject to Board ratification where required.
- Adjustments to the remuneration of Executive Directors, including salary revisions and other compensation-related changes, are reviewed and determined by the NRC in accordance with established policies and are submitted for Board approval where applicable.
- The NRC also recommends fees for Board meeting attendance, honoraria, and allowances for incidental expenses, ensuring that such payments remain transparent and consistent.
- Members of the NRC do not receive any remuneration for providing advisory or consultancy services, other than the Directors' fees or honoraria payable in their capacity as members of the Board.

3. Evaluation Criteria

a. Executive Directors

The performance of Executive Directors is evaluated annually under a structured framework based on clearly defined role profiles and responsibilities. At the beginning of each calendar year, performance criteria are established through the Company's appraisal system by the relevant line authority. Executive Directors are required to submit mid-year and year-end performance reports, which provide the basis for evaluating their performance against these agreed criteria.

b. Independent & Non-Executive Directors

The Board of Directors conducts an annual evaluation of the performance and effectiveness of Independent and Non-Executive Directors. The assessment focuses on several key factors, including:

- Consistent attendance at Board and committee meetings
- Active and constructive engagement in Board deliberations
- Meaningful contributions toward strengthening the Company's corporate governance framework

c. Disqualification of Directors under the Companies Act -1994

In line with Section 94 of the Companies Act, 1994, certain conditions render an individual ineligible for appointment as a Director of the Company. A person shall not be eligible for appointment if:

- They have been declared to be of unsound mind by a competent court, and the ruling remains in force.
- They are an undischarged insolvent.
- They have applied to be declared insolvent, and the application remains pending.
- They have failed to pay any call on shares held in the Company, whether individually or jointly, and a period of six months has elapsed since the due date for payment.
- They are below the legal age of majority.
- Disqualification under the Corporate Governance Code 2028

d. Top Level Executives & Other Employees

The Company's top-level executives and employees operate under a structured performance management system that is closely aligned with its strategic objectives. At the beginning of each calendar year, performance criteria are defined through the formal appraisal process, tailored to the specific roles and responsibilities of each individual. Executives and employees are required to submit mid year and year-end performance reports, which are subsequently reviewed by the relevant line authorities to assess performance against the predefined benchmarks.

NRC MEETINGS

During the reporting year, the Committee convened five (05) meetings. Detailed attendance records for each committee member are presented in the table below. Senior management representatives were invited to attend Committee meetings whenever their expertise or input was required, thereby facilitating informed discussions and effective decision-making. The proceedings of all NRC meetings were formally reported to the Board of Directors. Additionally, at the invitation of the Committee, the Managing Director (CEO) and the Head of Talent, Culture & Inclusion attended every meeting held during the year.

No	Meeting	Date Meeting
1	1st NRC Meeting of 2025	28th January 2025
2	2nd NRC Meeting of 2025	4th February 2025
3	3rd NRC Meeting of 2025	26th February 2025
4	4th NRC Meeting of 2025	28th April 2025
5	5th NRC Meeting of 2025	29th October 2025

NRC Meeting and Attendance:

No	Name of the Directors	Designation in the committee	Presence of the Directors in the meeting during their tenure			
			No. of Meeting	Present	Absent	% of attendance
1	Mr. Masud Khan	Chairman	5	5	-	100
2	Ms. Rupali H. Chowdhury	Member	1	1	-	100
3	Mr. Niranjan Chandra Debnath	Member	1	1	-	100
4	Mr. Syed Afzal Hossain	Secretary	5	5	-	100

ACTIVITY SUMMARY OF THE NOMINATION AND REMUNERATION COMMITTEE

- The NRC conducted periodic evaluations of the backgrounds, qualifications, and independence of Independent Directors, and reviewed the performance attributes of Non-Executive Directors.
- The Committee reviewed the Board's overall structure and composition, including its committees, to ensure continued effectiveness and alignment with government standards.
- In line with its mandate, the Committee reviewed and approved the Management team's 2025 remuneration framework, including an assessment of bonus payout ranges.
- The NRC endorsed the appointment of a local specialist to a senior management position within the Company.
- The Committee recommended to the Board several key leadership appointments, including Chairman of the Board, Managing Director (CEO), Executive Director, two Independent Directors, and Company Secretary.
- In addition, the Committee proposed the appointment of a new Head of HR and approved five short-term international assignments across various functions within the Company.

STANDARDS OF BUSINESS CONDUCT (SoBC)

At BAT Bangladesh, the Standards of Business Conduct (SoBC) serve as a comprehensive framework that integrates the Company's global policies and local regulatory requirements, ensuring that the Company consistently operates with the highest ethical and professional standards. Adherence to the SoBC is fundamental to maintaining the integrity of our operations and reflects our commitment to responsible and sustainable business practices.

The SoBC applies across the entire organization, from the Board of Directors to every employee, and requires strict compliance with applicable laws and regulations. Grounded in the principles of responsibility, transparency, and trust, the SoBC is a cornerstone of our Corporate Governance framework, reinforcing our commitment to ethical conduct in all aspects of business operations.

Core Principles of the SoBC include

- Ensuring that all decisions and actions are lawful, transparent, and ethically responsible.
- Providing employees with clear guidance and practical direction when navigating complex or challenging situations.
- Promoting a corporate culture that prioritises accountability, integrity, and responsible business practices.
- Strengthening stakeholder confidence and trust through consistent adherence to the Company's ethical standards.

Scope of the SoBC

The Standards of Business Conduct cover a comprehensive range of critical areas, including:

- Whistleblowing and reporting malpractice or wrongdoing
- Management of conflicts of interest
- Prevention of bribery and corruption
- Policies governing entertainment and gifts
- Promotion of a respectful and inclusive workplace
- Upholding human rights across all operations
- Ethical oversight of charitable contributions
- Accurate accounting and record keeping
- Protection and Safeguarding of Company Assets
- Confidentiality and information security
- Prevention of insider trading and market abuse
- Compliance with competition and antitrust laws
- Measures to combat money laundering
- Prevention of illicit trade
- Adherence to applicable sanctions policies

ETHICS AND COMPLIANCE

Maintaining the highest standards of ethics, integrity, and compliance remains a fundamental priority for the Company. To reinforce this commitment, all members of management and the Board of Directors are required to annually reaffirm their adherence to the Standards of

Business Conduct (SoBC), including the formal disclosure of any potential conflicts of interest. These disclosures are fundamental to ensuring transparency and reinforcing a culture of compliance. A conflict of interest may arise when an employee, or a member of their immediate family—defined to include parents, spouses, children, siblings, and step or adoptive relations— holds any interest in, or maintains an association with, the Company's operations or business activities.

Oversight of compliance with the SoBC rests with the Board of Directors and the Audit Committee, supported by monitoring and reporting mechanisms. The Legal & CORA Department, together with the Company Secretary, submits annual reports to the Board detailing adherence to these Standards. Employees are expected to remain vigilant and are encouraged to proactively identify and report any suspected wrongdoing or instances of non-compliance to ensure timely investigation and resolution.

The Company remains firmly committed to fostering a safe, respectful, and inclusive workplace. In this regard, it enforces a strict zero-tolerance policy against bullying, as outlined in the Human Rights and Operations section of this report. The Company also strictly prohibits the use of child labour across its operations and supply chain. To strengthen awareness and reinforce the principles of the SoBC, the Head of Legal, the Head of CORA, and the Company Secretary regularly conduct awareness and training sessions across regional locations and at the Head Office. The SoBC is readily accessible to all employees and Board members through the Company's internal web portal.

Syed Afzal Hossain
Company Secretary

Masud Khan
Chairman



REPORT OF THE CSR COMMITTEE

FROM LEFT TO RIGHT

Professor Dr. Melita Mehjabeen Independent Director

Ms. Nirala Singh Finance Director

Mr. Numayer Alam Commercial Director

Mr. Syed Afzal Hossain Secretary

REPORT OF THE CSR COMMITTEE

The CSR Committee steers the company's initiatives to meet social, environmental, and community priorities. Operating under the CSR Charter, it ensures that all programmes are implemented in alignment with BSEC corporate governance guidelines while reflecting global standards of sustainability, ethical conduct, and responsible business practices.

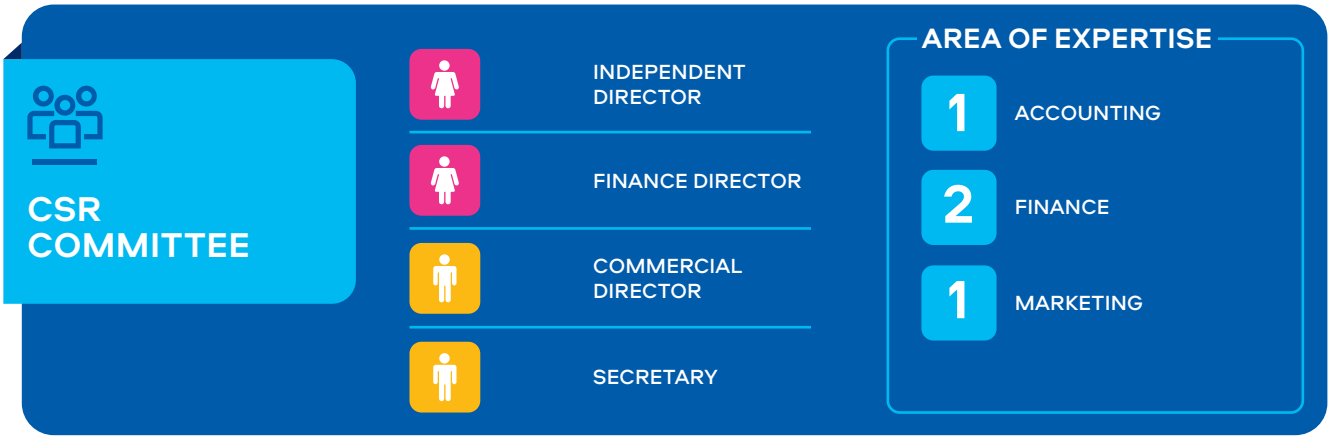
At British American Tobacco Bangladesh Company Limited (BATB), Corporate Social Responsibility (CSR) is embedded in our corporate ethos and reflects our pledge to create meaningful, lasting impact across society. It demonstrates our unwavering commitment to serving the interests of customers, communities, shareholders, and the government— both in periods of growth and in times of challenge— while contributing to a more inclusive and sustainable future. Through two flagship projects designed to address fundamental societal needs, our CSR strategy positions us as a responsible steward of both business resilience and stakeholder value, ensuring that our contributions deliver enduring benefits for the communities we serve.

THE COMPOSITION OF THE COMMITTEE

The Board of Directors established a specialized CSR Committee on 11 April 2012 to further institutionalize the Company's commitment to corporate social responsibility. This sub-committee, comprising three directors, was formed to enhance the oversight and governance of the Company's CSR programmes. The Committee's mandate is to ensure that these initiatives support long-term business sustainability while contributing positively to the Company's reputation and its broader impact on society.

The Committee is currently comprised of the following members of the Board:

NAME OF THE DIRECTORS	Status in the Board	Designation to the committee
Professor Dr. Melita Mehjabeen	Independent director	Chairman
Ms. Nirala Singh	Finance Director	Member
Mr. Numayer Alam	Commercial Director	Member
Syed Afzal Hossain	Secretary	Secretary



AUTHORITY

The CSR Committee, acting under the authority delegated by the Board of Directors, provides strategic oversight and direction in shaping, monitoring, and evaluating the Company's CSR agenda to ensure the delivery of meaningful and sustainable societal impact. The Committee operates within a clearly defined governance framework, and any amendments to its Terms of Reference are subject to prior approval by the Board, thereby reinforcing accountability, transparency, and oversight. In pursuit of long-term business sustainability and strengthening the Company's reputation among stakeholders and the wider community, the Committee guides the development and implementation of CSR initiatives that are closely aligned with both corporate objectives and broader societal priorities.

ACTIVITIES SUMMARY

At BAT Bangladesh, we recognize that our operations have a far-reaching impact on employees, communities, the environment, and the broader economic landscape of the regions in which we operate. Guided by this understanding, our CSR agenda is closely aligned with the Government's development priorities and the United Nations Sustainable Development Goals (SDGs), reinforcing our role as a responsible corporate citizen. Through two flagship programs— Bonayan and Probaho— we strive to deliver impactful initiatives that address fundamental community needs while creating enduring social and environmental value for the communities we serve.

Bonayan: The Afforestation Initiative- Paving The Way Towards A Greener Tomorrow

The Government of Bangladesh continues to advance its national sustainability agenda through initiatives such as the annual National Tree Plantation Campaign, observed on World Environment Day, which aims to promote biodiversity conservation and strengthen environmental awareness across the country. In alignment with this national vision, Bonayan, BAT Bangladesh's flagship afforestation initiative, celebrated 45 years of sustained impact in 2025, having distributed more than 130 million saplings to date, including 3.3 million in 2025 alone. By actively supporting UN Sustainable Development Goals #13 (Climate Action) and #15 (Life on Land), the Bonayan initiative continues to contribute to strengthening Bangladesh's land-to-tree ratio, while promoting long-term ecological balance and environmental resilience. A defining feature of the programme's continued success is its strong emphasis on multi-stakeholder collaboration. Through strategic partnerships with public institutions and civil society organizations, the initiative has expanded its reach and impact. In 2025, key collaborators included:

- JCI Dhaka
- Rotary Club, and
- Bangladesh Coast Guard

Since 2017, the arrival of nearly 1.1 million Rohingya refugees in Cox's Bazar has placed immense pressure on the surrounding natural environment, resulting in widespread deforestation as local forests were harvested for wood. In response to this environmental challenge, the Bangladesh Refugee Relief and Repatriation Commission (RRRC) initiated a reforestation programme in 2018 aimed at restoring the degraded landscape and supporting environmental recovery in the affected areas. BAT Bangladesh, through its flagship ESG initiative Bonayan, has played a pivotal role as the sole private sector partner and a key contributor to this effort.

Since 2019, the Bonayan programme has supported the planting of approximately 330,000 saplings in the Kutupalong Rohingya Camp area, covering 33.7 hectares of reforestation blocks and 18.7 kilometres of roadside greenery. These initiatives are designed to mitigate the environmental impact of the refugee settlement, restore ecological balance, and support the gradual rehabilitation of the surrounding landscape.

Recognizing the essential role of biodiversity in sustaining resilient ecosystems, BAT Bangladesh has also taken targeted measures to protect rare and endangered indigenous medicinal plants. As part of this effort, the programme has established 119 "medicinal corners" that serve both as conservation sites and as platforms for raising awareness about the ecological and cultural significance of these valuable plant species.

BAT Bangladesh's long-standing commitment to afforestation and environmental sustainability has been recognized nationally, with the company receiving the prestigious Prime Minister's Award on five occasions. This recognition highlights its continued dedication to environmental stewardship and sustainable practices.

Probaho: The Safe Drinking Water Initiative - Paving The Way for A Safer Future

Clean water is fundamental to human health and well-being. For more than 15 years, BAT Bangladesh has been addressing this critical need through its Probaho Safe Drinking Water Initiative, which delivers arsenic-free water to underserved communities. Closely aligned with Sustainable Development Goals (SDG) 3 (Good Health & Well-being) and SDG 10 (Reduced Inequalities), Probaho contributes directly to Bangladesh's national aspiration of achieving universal access to safe drinking water by 2030.

Launched in 2009 in response to the widespread public health crisis caused by arsenic contamination in groundwater, the Probaho initiative has evolved into one of the country's leading ESG programmes. To date, the programme has installed 120 filtration plants across 24 districts in arsenic- and salinity-affected regions of Bangladesh. Collectively, these plants have the capacity to supply approximately 600,000 liters of safe drinking water each day to local beneficiaries. By providing reliable access

to safe water, the initiative has significantly reduced the burden on families who previously had to travel long distances to find safe water sources.

Looking ahead, BAT Bangladesh has expanded Probaho to regions facing additional environmental challenges, including salinity intrusion and water scarcity. New water filtration plants, designed to address the specific hydrogeological conditions of each locality, are being installed in areas such as Satkhira and the hill tracts of Chattogram. These locally tailored solutions aim to strengthen water security while supporting the long-term resilience and sustainability of the communities they serve.

The impact and effectiveness of the Probaho initiative have been widely recognized over the years. Among its notable accolades are the Asia Responsible Entrepreneurship Award 2018 and the Centenary Award 2014 conferred by the Metropolitan Chamber of Commerce and Industry. These recognitions highlight BAT Bangladesh's steadfast commitment to advancing sustainable development and improving the well-being of communities across the country.

The CSR Committee of BAT Bangladesh continues to oversee the programme with a strong focus on sustainability and governance. Meeting quarterly, the committee reviews programme progress, ensures compliance, and provides strategic guidance to support the company's broader sustainability objectives.



Syed Afzal Hossain
Company Secretary

Professor Dr. Melita Mehjabeen
Chairman

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

AWARENESS

The Board of Directors of British American Tobacco Bangladesh (BATB) recognizes its fundamental responsibility to safeguard shareholder interests and protect the Company's assets. In fulfilling this duty, the Board has established a comprehensive internal control framework, designed to support sound corporate governance and effective risk management. This framework is subject to regular review to ensure its continued adequacy, integrity, and effectiveness in addressing financial, operational, and compliance risks.

In overseeing strategic risks associated with the achievement of the Company's business objectives, the Board ensures that risk management and internal control considerations are embedded within the decision-making process. Given the competitive and evolving nature of the tobacco industry, the Board adopts a structured and proactive approach to balancing risk and reward, maintaining risk exposures within levels considered manageable and controllable. Through ongoing engagement with management, the Board provides strategic direction in identifying, assessing, and mitigating key risks, recognizing that while risks cannot be eliminated entirely, they can be managed to provide reasonable assurance against significant uncertainties.

BATB maintains a continuous and dynamic risk management process that responds to changes in regulatory requirements, market conditions, and broader external environments. Oversight of this process is supported by the Audit Committee, which plays a critical role in reviewing the effectiveness of the Country's internal control environment and promoting accountability across the organization. Further details regarding the Audit Committee's roles and responsibilities are presented in the dedicated section of this Annual Report.

The Company's commitment to ethical governance is reinforced through its Standards of Business Conduct (SoBC), which constitute a core cornerstone of BATB's governance framework. The SoBC requires all employees to uphold the highest standards of integrity, comply with applicable laws and regulations, and prioritize ethical conduct over short-term business outcomes. By embedding these principles into its day-to-day operations, BATB reinforces a culture in which risk management is not only a procedural requirement but also a shared organizational value. The SoBC is available to employees and stakeholders through the Company's corporate website: www.batbangladesh.com.

RISK MANAGEMENT FRAMEWORK: THREE LINES OF DEFENSE

OPERATIONAL 1ST LINE: MARKETS/FACTORY

- Accountable for identifying, assessing, and managing risks.
- Implement and operate frontline controls in accordance with established policies, standards, and procedures.
- Integrate risk considerations into business planning.

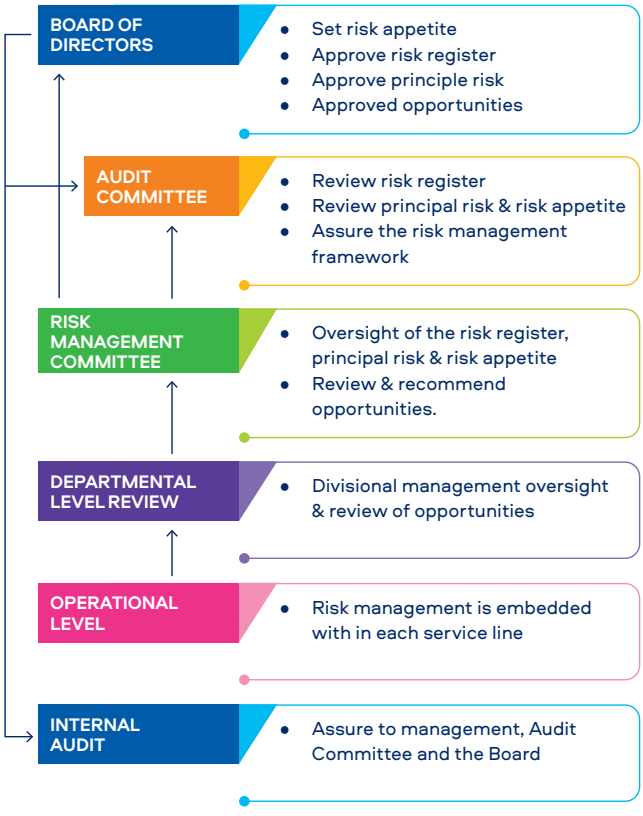
BOARD 2ND LINE: RISK MANAGEMENT COMMITTEE AND OTHERS

- Establish and maintain a comprehensive framework of policies, procedures, and controls aligned with applicable law and regulatory requirements.
- Provide guidance, advice, support, and training to management, while promoting the sharing of best practices across the organization.
- Oversee the effectiveness of the control environment and review performance outcomes.

AUDIT COMMITTEE 3RD LINE: INTERNAL

- Independently evaluate the effectiveness of the overall risk management and control framework.
- Provide objective assurance to the Audit Committee and the Board.
- Present constructive challenges and deliver actionable recommendations to support continuous improvement.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



At BAT Bangladesh, effective risk management is fundamental to long-term sustainability and the creation of shareholder value. The Company embeds risk management within its operational framework through the application of a three lines of defense model, designed to promote transparency, encourage open communication, and facilitate timely escalation of risk-related matters.

The Board of Directors provides strategic leadership by defining the Company's risk appetite and setting its overall direction. Supporting this governance structure, the Risk Management Committee oversees operational execution, ensuring accountability for identified risks and the consistent application of internal controls across the organization. Together, these governance mechanisms strengthen BATB's ability to maintain a resilient, well-controlled, and responsibly managed business.

Key risk areas include:

- Financial Risk
- Compliance Risk
- Transformation Risk
- Operational Risk
- Cybersecurity Risk
- Risk from Policy Changes

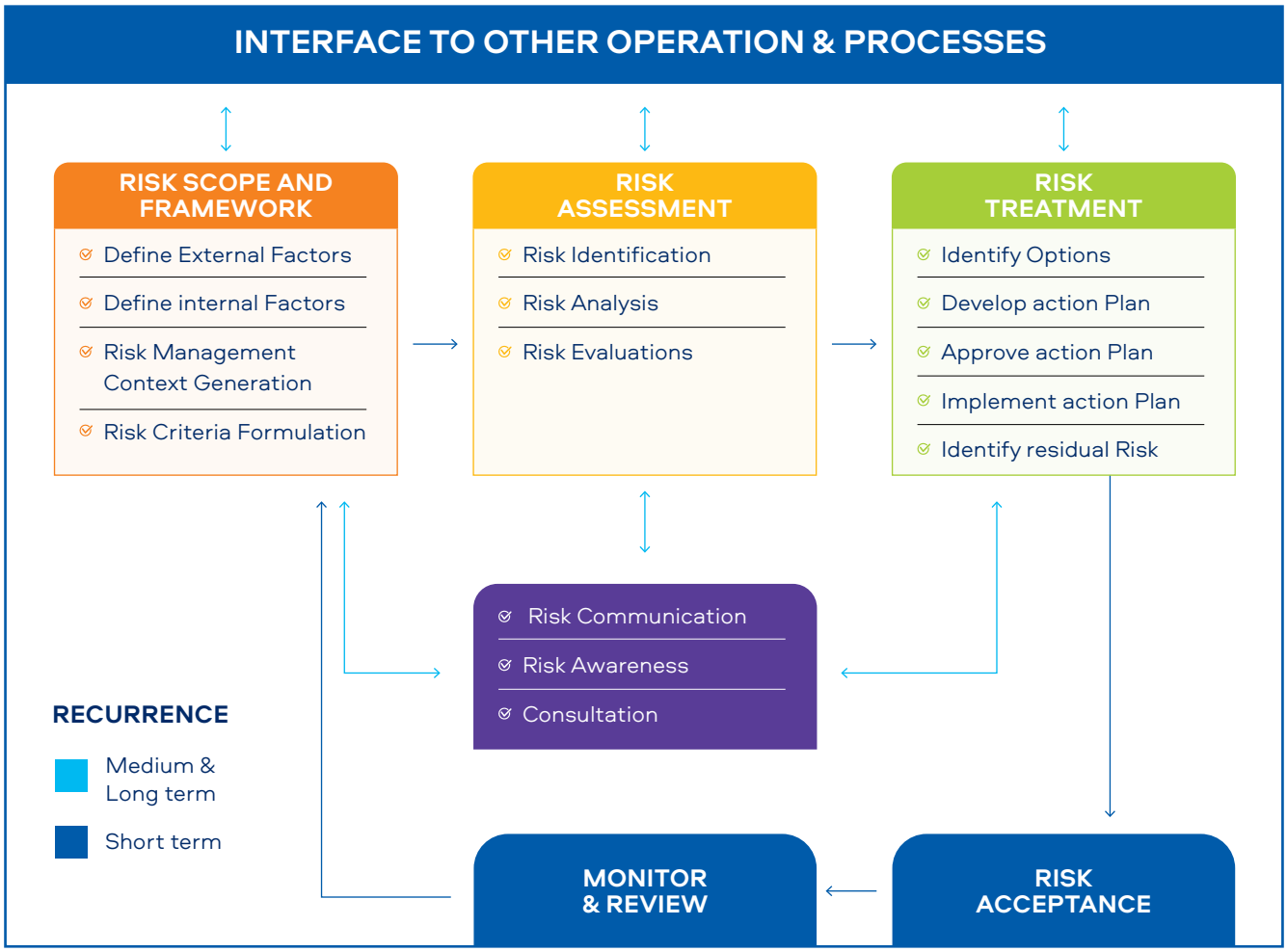
The IT function plays a critical role in aligning business plans with the Company's broader strategic objectives. Accountability for operational performance and risk management rests with individual business units and functional leadership teams, ensuring that activities are executed effectively while remaining fully aligned with the Company's policies, standards, and the Code of Conduct.

Under the guidance of the Management Committee, the Company's risk governance framework operates through a continuous cycle of identifying, evaluating, managing, and mitigating key risks. This structured approach facilitated the early identification of both existing and emerging risks, enabling timely and informed responses either to mitigate potential adverse impacts or to capitalize on opportunities that support sustainable business growth.

RISK MANAGEMENT PROCESS

The Enterprise Risk Management (ERM) framework at BAT is designed to achieve the following core objectives:

- Protect the health, safety, and security of employees.
- Ensure the uninterrupted supply of products to customers and consumers.
- Safeguard the Company assets, investments, and reputation.
- Conduct operations responsibly while minimizing potential impacts on the environment and surrounding communities.
- Uphold and protect the interests of all stakeholders.
- Foster a strong culture of risk awareness by embedding risk considerations into corporate decision-making and operational practices.



RISK MANAGEMENT TEAM AND RESPONSIBILITIES

The Company's Risk Management Team, chaired by the Finance Director (CFO), comprises senior managers from all major functions. The team meets at least twice a year formally to:

- Review and update the risk register.
- Assess and monitor the implementation and effectiveness of risk mitigation action plans.

In addition, the Enterprise Risk Manager provides an annual briefing to the Audit Committee, presenting a comprehensive overview of risk management activities and the overall program.

Core responsibilities of the Risk Management Team include:

- Overseeing the Enterprise Risk Management (ERM) framework and its execution across the organization.
- Fostering a proactive culture of risk awareness throughout all levels of the business.
- Conducting bi-annual reviews to identify emerging risks and potential threats.
- Coordinating the design, implementation, and monitoring of risk mitigation strategies.
- Establishing and maintaining business continuity plans (BCPs) for critical risks.
- Planning and supervising BCP testing exercises to ensure readiness.
- Delivering risk management training and development programs for employees.

The risk management process consists of four stages: Identification, Assessment and Evaluation, Management, and Monitoring, as shown in the diagram below:

IDENTIFY

The initial stage of the process involves identifying potential events that could negatively affect the achievement of business objectives, including missed opportunities. This stage includes determining the relevant strategy and objectives, understanding the stakeholders and their goals, and analyzing the broader environment. The risk identification phase is structured into the following five key components:

- Risk Name
- Risk Description
- Objectives related to the Risk.
- Drivers (Causes) and Impacts (Consequences) of the risk
- Time Frame for the risk

ASSESS AND EVALUATE

The second stage involves assessing and evaluating the risk to understand its potential impact on the relevant business strategy or objective and the likelihood of its occurrence. The impact is evaluated using Low, Medium, and High thresholds, while the likelihood is classified as Unlikely, Possible, or Probable. This step helps determine the significance of the identified risks, enabling stakeholders to prioritize them based on their potential impact. It also provides a clearer understanding of the business's risk exposure. To carry out this assessment, the following details should be provided:

- Risk Owner and Risk Manager
- Impact
- Likelihood (Probability)
- Total Risk Score (Rating)
- Risk Trend

MANAGE

In this stage, the existing measures to manage identified risks are assessed. This may lead to a list of additional actions needed to better manage the risks, particularly if the goal is to minimize potential downsides and maximize opportunities. The proposed activities must be approved by the Leadership Team to ensure that all critical risks have an effective response strategy. The details for this stage include:

- Activities (Responses) to manage the risk
- Evaluation of the effectiveness of proposed activities to ensure risks are adequately addressed

MONITOR

The final stage involves continuous monitoring of the risk, ensuring that the current risk management activities remain effective. It also includes reviewing whether the additional activities identified are being implemented according to the agreed timelines. The details required for this stage include:

- Overall Risk Status
- Additional Notes
- Validation of Risks

BUSINESS CONTINUITY AND CRISIS MANAGEMENT

Business continuity at BAT Bangladesh is anchored in a strategic approach that anticipates potential threats, safeguards people and assets, and ensures the uninterrupted operations during periods of disruption. The Company's Business Continuity Planning (BCP) framework integrates risk identification, impact assessment, mitigation strategies, and response mechanisms. Regular testing and periodic reviews ensure that these processes remain robust, effective, and aligned with evolving risk landscapes.

To address specific operational disruptions, including manufacturing contingency sourcing and IT disaster recovery/service continuity, the Company has established 22 BCPs. These plans are rigorously tested through desktop reviews, simulations, and live activations, following a structured testing schedule. Dedicated BCM facilitators work closely with plan-specific response teams to strengthen crisis preparedness and operational resilience across the organization.

Complementing this framework, BAT Bangladesh's Crisis Management Framework enables timely and coordinated decision-making during emergencies. The Crisis Management Team (CMT) provides strategic oversight, while the Incident Response Team (IRT) drives operational execution. Clearly defined roles and responsibilities across these teams ensure an integrated and effective approach to crisis resolution, reinforcing the Company's commitment to organizational resilience and the protection of all stakeholders.

Crisis Management Team (CMT)

The Crisis Management Team is tasked with protecting employees and safeguarding business operations during periods of crisis. By assessing risks and analyzing available information, the team makes strategic decisions aimed at minimizing disruptions, protecting the workforce, and preserving the Company's reputation.

Incident Response Team (IRT)

The on-site senior manager gathers incident details and reports them to the CMT Coordinator. Supported by local personnel, the manager assumes responsibility for handling the situation on-site until further guidance is provided by the Crisis Management Team, ensuring a coordinated and effective response.

Risk Profile

The most recent risk assessment, conducted as part of the business planning process, indicates minimal changes compared with the prior year, with the likelihood and potential impact of identified risks remaining stable. The Company recognizes that operating within the tobacco industry continues to present inherent challenges, particularly in light of an evolving regulatory environment, which may materially influence performance. In addition, competitive pressures remain a major concern, necessitating proactive measures to anticipate, mitigate, and respond effectively to these emerging risks.

RISK MANAGEMENT ACTIVITIES IN 2025

Review of the Company's Risks

In 2025, BAT Bangladesh further strengthened its structured and proactive approach to risk management. The Risk Management Team, together with senior managers, convened biannually to review and update the risk register and mitigation action plans. These sessions focused on identifying emerging risks, evaluating their potential impact, and refining mitigation strategies. Business Continuity Plans (BCPs) were tested regularly to ensure operational resilience in a dynamic and evolving business environment.

Promotion of Risk Awareness

Maintaining effective risk communication remained a priority, with employees and stakeholders provided timely access to relevant information. Feedback channels were actively leveraged to capture employee insights, supporting continuous improvement. The Risk Management Team conducted induction programs for new recruits and refresher sessions for existing staff, reinforcing a culture of risk awareness and strengthening management's ability to respond effectively to evolving challenges.

Crisis Management Activation

During the year, BAT Bangladesh demonstrated operational resilience through the activation of its Crisis Management Team to address disruptions. Swift and coordinated action minimized financial impact and safeguarded business continuity. Post recovery measures were executed according to a structured plan, ensuring the rapid and orderly restoration of normal operations.

Business Continuity Plan

BCP owners, in collaboration with Incident Response Teams, conducted desktop exercises, simulations, and live activations across all 22 active BCPs. Testing confirmed that the BCPs remain robust, fit for purpose, and aligned with current business realities, with updates implemented to address emerging risk scenarios.

System of Internal Control

The Self Assessment of Controls (SAC) process continued to underpin the Company's internal control framework. Annual assessments by responsible managers confirmed the effectiveness of key controls and highlighted areas for improvement. Findings and trend analyses were reported to the Audit Committee. In 2025, BAT Bangladesh further enhanced monitoring capabilities through expanded use

of its SAP-enabled tool, integrating automated workflows, certifications, and interactive reporting. This centralized solution improved transparency, streamlined compliance activities, and strengthened issue management across the organization.

Financial Reporting Controls

In 2025, BAT Bangladesh further strengthened its financial reporting framework through a comprehensive suite of policies, practices, and controls designed to manage reporting and consolidation risks, including those arising from business changes and evolving accounting standards. The Finance Director (CFO) continued to certify that all relevant financial information was provided to the Board through the Audit Committee, ensuring full transparency to external auditors. Account reconciliations were reviewed twice during the year, while the effectiveness of reporting controls was validated through the self-certification process under the Control Navigator initiative. Additional assurance measures—including Audit Committee reviews, recommendations, and Board approvals—further reinforced the accuracy and reliability of the Company's public financial reporting.

Internal Audit

The Internal Audit function remained fully aligned with local legal requirements and the Global Audit framework of British American Tobacco plc, ensuring independence and access to specialized expertise, particularly in IT. Annual audit planning was informed by the risk register and formally approved by the Audit Committee. Where required, the Head of Internal Audit & Compliance sought support from Global Audit for specific matters. Risk-based reviews focused on commercial processes, factory and supply chain operations, IT systems, and major transformation projects. In addition, ad hoc audits were conducted at the request of management or the Audit Committee, reinforcing oversight and governance.

External Audit

During the statutory audit of 2025, external auditors reviewed the Company's financial statements, accounting practices, and internal controls, reporting significant findings directly to the Board and Audit Committee. A comprehensive year-end report was presented to the Audit Committee and management, while quarterly meetings provided ongoing updates on relevant issues. The Audit Committee also held sessions with external auditors without management present to ensure independent dialogue (two such meetings were conducted this year). While no material issues were identified, auditors provided recommendations for further enhancement, which were shared with the Board and Audit Committee for consideration and action.

OTHER KEY ELEMENTS OF THE SYSTEM OF INTERNAL CONTROL

In addition to the controls described above, BAT Bangladesh's internal control and risk management framework incorporates several key elements that have been reviewed and approved by the Board, as detailed below:

Policies, Procedures, and Limits of Authority

- **Delegation of Responsibilities**

  In 2025, BAT Bangladesh further strengthened its governance framework by clearly defining responsibilities across Board committees and Management. Well-structured organizational hierarchies and defined authority levels ensured effective oversight, accountability, and timely decision-making, supporting robust corporate governance.

- **Internal Policies and Procedures**

  The Company maintained a comprehensive set of internal policies, standards, and procedures, regularly updated to address evolving risks and operational challenges. All policies were formally approved by the Board, while any instances of noncompliance were reported to the Board and Audit Committee on an exception basis, reinforcing transparency and accountability across the organization.

Immediately Reportable Incidents

To ensure the prompt identification and resolution of control breakdowns, the Company adhered to its established "Immediately Reportable Incidents" procedure. This mechanism facilitates swift reporting and corrective action, enhancing transparency and providing early visibility of potential issues to relevant management. By fostering timely awareness, the procedure supports informed decision-making and reinforces a control-conscious culture across the organization.

Incidents warranting immediate reporting included:

- Issues in internal controls over financial reporting.
- Weaknesses in IT General Controls supporting critical systems.
- Failures in fundamental Financial or IT controls.
- Noncompliance with IT policies.
- Significant control issues in other business processes that could materially expose the Company to substantial risk.
- Suspected or confirmed incidents of fraud.

Strategic Business Plan, Budget, and Performance Review

In 2025, BAT Bangladesh continued to strengthen oversight of its strategic plan through regular and comprehensive reporting on key financial and operational metrics.

- Quarterly Reviews: The Finance Director (CFO) presented performance indicators to the Board each quarter, addressing matters requiring corrective action.
- Annual Budgeting: A detailed annual budgeting process was conducted, complemented by monthly reviews comparing actual results with budgeted figures, ensuring timely analysis and accountability.
- Asset Protection: Comprehensive insurance coverage and robust physical security measures were maintained to safeguard major assets and mitigate potential material losses.

Written Declarations

- All members of management submitted written declarations confirming compliance with the Company's Standards of Business Conduct and disclosed any actual or potential conflicts of interest, where applicable.
- The Finance Director (CFO) and Managing Director (CEO) provided written confirmations of adherence to the Company's Standards of Internal Control.
- The CEO and CFO submitted written confirmation of due diligence in accordance with BSEC guidelines.

BOARD ASSESSMENT

The Board of Directors acknowledged risks arising from political instability, social unrest, violence, and terrorist threats, which could potentially disrupt operations. Notwithstanding these external challenges, the Board concluded that the Company's risk management and internal control systems operated effectively and efficiently throughout 2025.

This conclusion was supported by assurances from the Managing Director (CEO) and Finance Director (CFO). The Board confirmed that processes for identifying, evaluating, and managing significant risks were consistently implemented and operationally effective up to the date of approval. Furthermore, the Board expressed confidence that the Company's internal control framework is sufficiently robust to identify material losses, contingencies, or uncertainties requiring disclosure in the Annual Report.

This statement was issued in accordance with the resolution passed by the Board of Directors on 5 February 2026.

STANDARDS OF BUSINESS CONDUCT (SOBC)

BAT Bangladesh upholds rigorous ethical standards across all aspects of its corporate conduct.

Our Standards of Business Conduct (SoBC) align with both the best international and regional practices. Compliance with these standards is essential for preserving the integrity of our operations and reflects our core purpose and values as an organization.

The SoBC represents a fundamental component of our corporate governance framework. Adherence is mandatory for all Company employees and extends to third party suppliers. All stakeholders are expected to comply with applicable laws and regulations governing our business. Responsible and trustworthy behaviour remains the foundation of our SoBC.

CORE PRINCIPLES OF SOBC

The following overarching principles define our conduct and must consistently guide our actions:

TRULY INCLUSIVE
We embrace diversity and celebrate differences

PASSION TO WIN
We value both how we achieve results and what we achieve, always striving to go the extra mile

LOVE OUR CONSUMER
We have the courage to test, learn, and continuously improve

STRONGER TOGETHER
We support each other's growth and success

EMPOWERED THROUGH TRUST
We begin with trust and believe in one another

DO THE RIGHT THING
We act with integrity in pursuing results

In order to rebuild a better tomorrow, the SoBC has been improved with new clauses to meet the challenges of 2025. The revised framework consists of six chapters encompassing twenty five policies and guidelines designed to ensure that we remain ethically, strategically, and legally equipped.

Introduction
- Our Purpose and Ethos
- The Way We Work
- The Role of Line Managers
- Using Your Own Ethical Judgment

Speak Up
- Speak Up

Social and Environment
- Our People: Respect in the Workplace
- Human Rights
- Health, Safety and Welfare
- Environment

Personal and Business Integrity
- Conflicts of Interest
- Anti-Bribery and Corruption
- Gifts and Entertainment (G&E)

External Stakeholders
- Lobbying and Engagement
- Political Contributions
- Community Investments

Corporate Assets and Financial Integrity
- Accurate Books and Records
- Protection of Corporate Assets
- Cybersecurity, Confidentiality and Information Security
- Data Privacy, Ethics and Artificial Intelligence
- Insider Dealing and Market Abuse

National and International Trade
- Competition and Antitrust
- Sanctions and Export Controls
- Anti-Illicit Trade
- Anti-Tax Evasion and Anti-Money Laundering

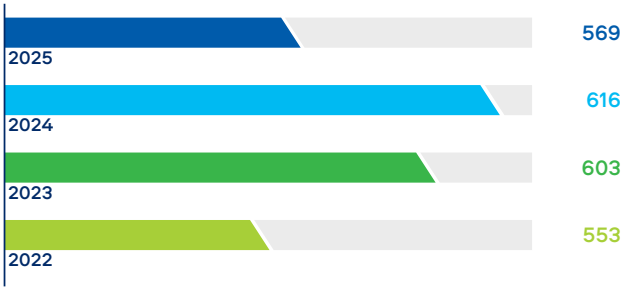
Glossary
- Defined Terms

These policies and guidelines collectively reinforce strong corporate governance. The Board of Directors and senior leadership ensure that all business activities adhere to ethical and compliant practices

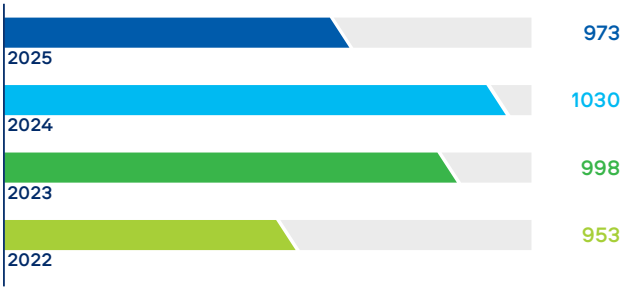
Trade Marketing regional offices | Regional Leaf Offices | Head office

THE GRAPH SHOWS THE NUMBER OF TRAININGS HELD AT SOBC AWARENESS SESSION

Management Training

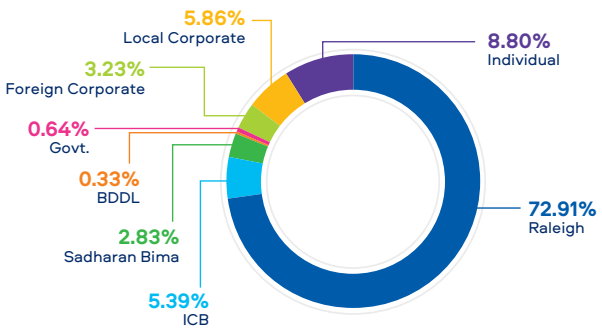


Shopfloor



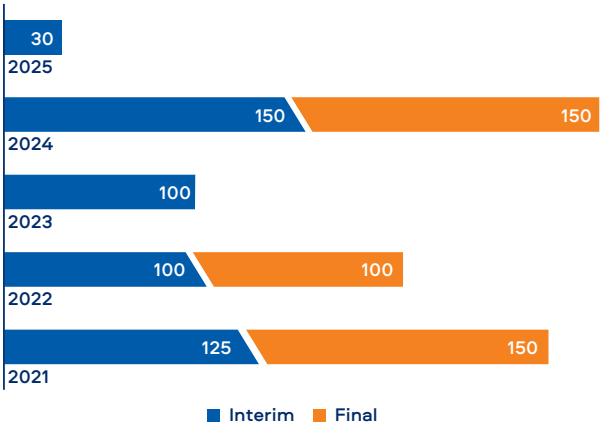
SHAREHOLDERS' INFORMATION

Share Holding Position 31st Dec 2025



Dividend History

Data in Percentage



MONTH-WISE SHAREHOLDING UPDATE 2025

Month	Sponsor	Govt	Institute	Foreign	Public	Total
January	72.91%	0.64%	13.80%	4.52%	8.13%	100.00%
February	72.91%	0.64%	14.00%	4.26%	8.19%	100.00%
March	72.91%	0.64%	14.00%	4.26%	8.19%	100.00%
April	72.91%	0.64%	14.06%	4.22%	8.17%	100.00%
May	72.91%	0.64%	14.11%	4.19%	8.15%	100.00%
June	72.91%	0.64%	14.18%	4.03%	8.24%	100.00%
July	72.91%	0.64%	14.24%	3.72%	8.49%	100.00%
August	72.91%	0.64%	14.41%	3.55%	8.49%	100.00%
September	72.91%	0.64%	14.41%	3.43%	8.61%	100.00%
October	72.91%	0.64%	14.42%	3.31%	8.72%	100.00%
November	72.91%	0.64%	14.42%	3.31%	8.72%	100.00%
December	72.91%	0.64%	14.43%	3.23%	8.79%	100.00%

DIVIDEND INFORMATION

Year	Dividend Type	Declared %	Record Date	Payment Date
2025	Final	Cash 30%	01-Apr-26	30-May-26
2024	Final	Cash 150%	26-Feb-25	24-Apr-24
	Interim	Cash 150%	19-Nov-24	15-Dec-24
2023	Final	Cash 100%	03-Mar-22	18-Apr-24
2022	Final	Cash 100%	02-Mar-22	20-Apr-24
	Interim	Cash 100%	21-Nov-22	20-Dec-22
2021	Final	Cash 150%	03-Mar-22	21-Apr-22
	Interim	Cash 125%	16-Nov-21	02-Dec-21
2020	Final	Cash 300%	03-Mar-21	18-Apr-21
		Stock 200%		
	Interim	Cash 300%	11-Nov-20	30-Nov-20
2019	Final	Cash 400%	12-Mar-20	14-May-20
2018	Final	Stock 200%	04-Apr-19	16-May-19
		Cash 500%		

DHAKA STOCK EXCHANGE

Month	High (BDT)	Low (BDT)	Close (BDT)
January	356.40	351.40	353.60
February	340.00	330.20	334.00
March	324.90	322.60	323.40
April	315.00	309.00	310.40
May	275.00	247.20	268.00
June	290.40	283.20	280.50
July	306.00	288.10	302.30
August	298.40	291.50	297.70
September	278.10	274.20	275.70
October	256.00	253.00	254.90
November	256.60	250.70	251.20
December	252.40	249.10	248.60

During 2025, the share price of BAT Bangladesh on the Dhaka Stock Exchange exhibited a mixed trend amid a volatile market environment. The year began with the Company's share trading at BDT 248.60 in January, gradually increasing to BDT 302.30 in June, reflecting positive investor sentiment during the first half of the year.

From the third quarter onwards, the share price experienced a downward adjustment, broadly reflecting prevailing market conditions. The price declined through the later months of the year, closing at BDT 233.40 in October, before rebounding to BDT 353.60 by December 2025.

Overall, the movement of BAT Bangladesh's share price during the year mirrored broader market fluctuations, while continuing to reflect the Company's position as one of the leading and widely followed stocks on the Dhaka Stock Exchange.

Share Trend Analysis 2025



AGM HELPLINE

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HORIZONTAL & VERTICAL ANALYSIS

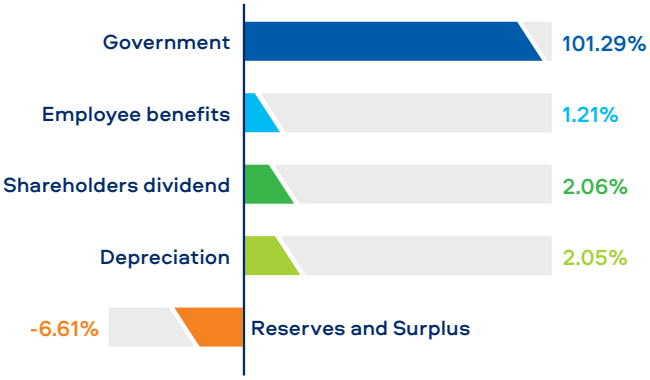
Horizontal	2025	2024	2023	2022	2021	2020
Statement of profit or loss and other comprehensive income						
Net revenue from contracts with customers	-16%	8%	9%	13%	24%	6%
Gross profit	-24%	-1%	1%	10%	36%	10%
Operating profit	-56%	4%	-1%	12%	43%	18%
Profit before tax	-60%	-4%	1%	17%	42%	21%
Profit for the year	-67%	-2%	0%	19%	38%	18%
Earnings per share	-67%	-2%	0%	19%	37%	18%
Statement of financial position						
Total non-current assets	-6%	2%	4%	15%	8%	-1%
Total current assets	21%	-5%	42%	2%	31%	20%
Total assets	10%	-2%	24%	8%	20%	9%
Share capital	0%	0%	0%	0%	200%	0%
Retained earnings	-5%	8%	35%	14%	-3%	-5%
Total equity attributable to owners of the Company	-4%	8%	30%	12%	8%	-5%
Total non-current liabilities	-14%	4%	3%	19%	22%	-1%
Total current liabilities	41%	-17%	23%	0%	35%	42%
Total liabilities	28%	-13%	19%	4%	33%	30%
Total equity and liabilities	10%	-2%	24%	8%	20%	9%

Vertical	2025	2024	2023	2022	2021	2020
Statement of profit or loss and other comprehensive income						
Net revenue from contracts with customers	100%	100%	100%	100%	100%	100%
Gross profit	40%	44%	49%	53%	54%	49%
Operating profit	19%	36%	38%	42%	42%	37%
Profit before tax	16%	34%	38%	42%	40%	35%
Profit for the year	7%	18%	20%	21%	20%	18%
Statement of financial position						
Total non-current assets	34%	40%	39%	46%	43%	48%
Total current assets	66%	60%	61%	54%	57%	52%
Total assets	100%	100%	100%	100%	100%	100%
Share capital	5%	5%	5%	6%	7%	3%
Retained earnings	45%	52%	46%	43%	40%	50%
Total equity attributable to owners of the Company	50%	57%	52%	49%	47%	53%
Total non-current liabilities	8%	10%	9%	11%	10%	10%
Total current liabilities	42%	33%	39%	39%	42%	37%
Total liabilities	50%	43%	48%	51%	53%	47%
Total equity and liabilities	100%	100%	100%	100%	100%	100%

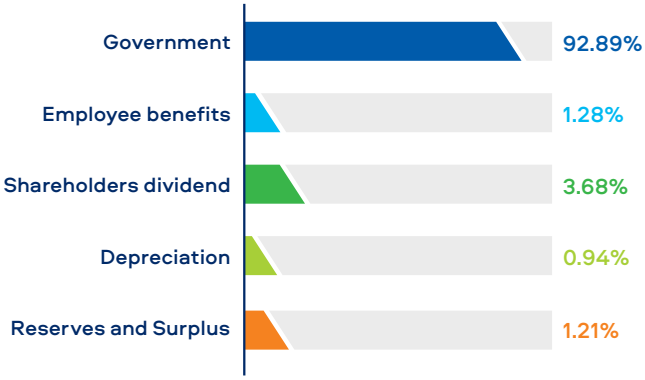
VALUE ADDED STATEMENT

Particulars	2025		2024	
	Amount	%	Amount	%
Gross Turnover	462,837,508		432,318,508	
Less Purchase of materials & service	69,794,187		65,634,645	
Value added	393,043,320	100%	366,683,863	100%
Applications				
Government	398,126,079	101.29%	340,612,093	92.89%
Employee benefits	4,749,494	1.21%	4,686,503	1.28%
Shareholders dividend	8,100,000	2.06%	13,500,000	3.68%
Depreciation	8,046,612	2.05%	2,633,175	0.94%
Reserves and Surplus	(25,978,864)	-6.61%	5,252,092	1.21%
Total	**393,043,320**	**100%**	**366,683,863**	**100%**

Value Added Statement 2025



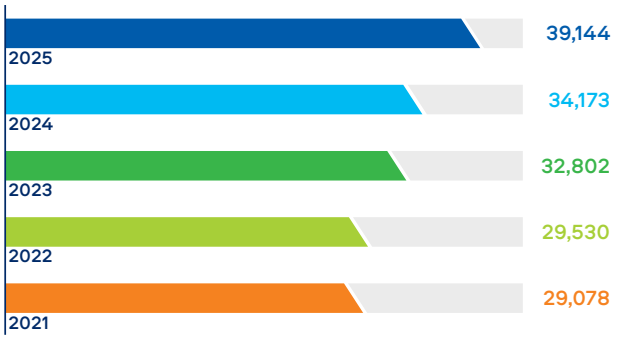
Value Added Statement 2024



KEY PERFORMANCE INDICATORS

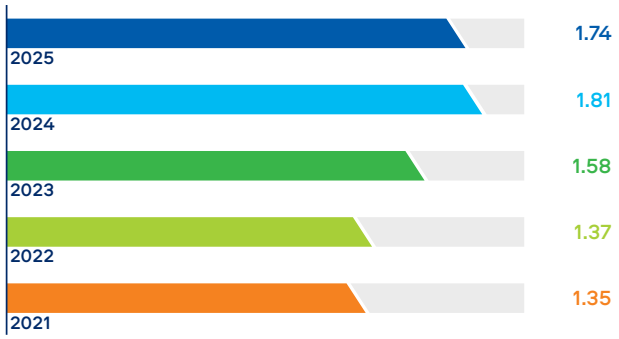
Contribution to Exchequer

in BDT Cr.



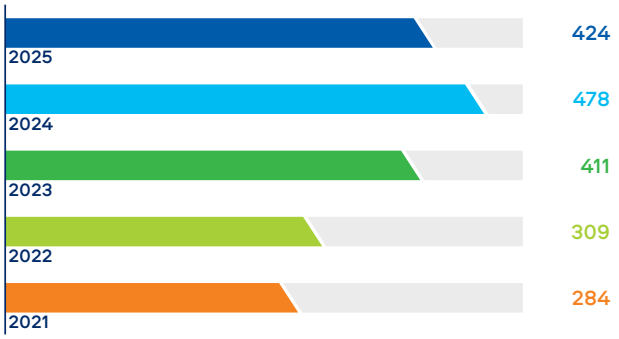
Current Ratio

in %



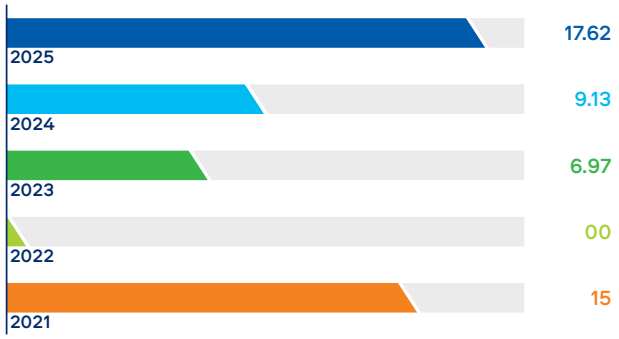
Custom Duty

in BDT Cr.



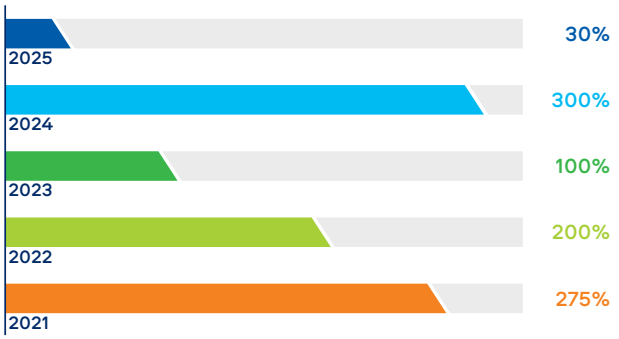
Debt Equity Ratio

in %



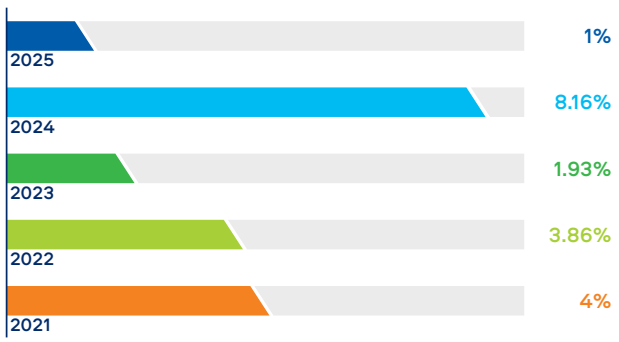
Dividend Per Share

in %



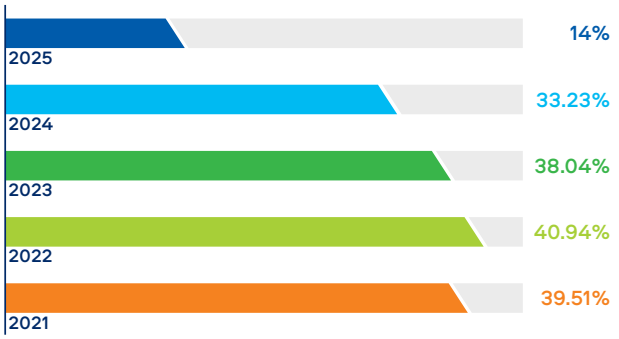
Dividend Yeild

in %



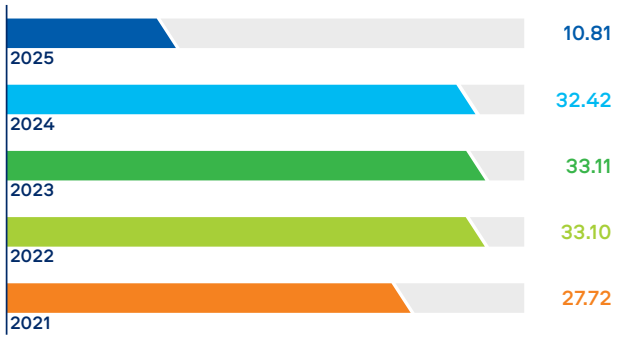
Earning Before Interest and Tax

in %



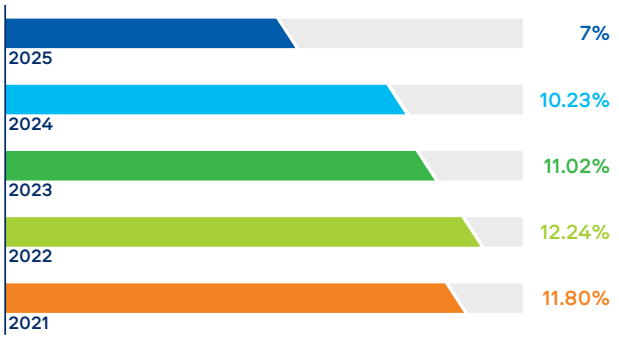
Earning Per Share

in BDT



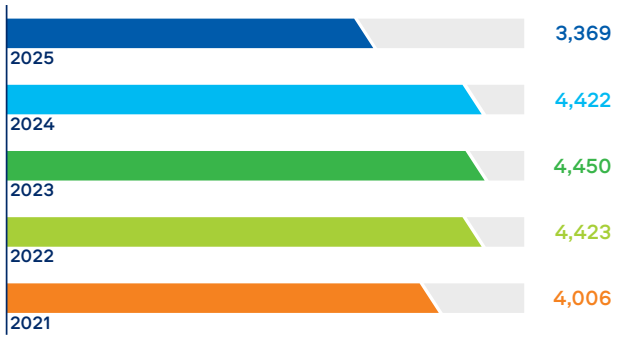
Gross profit ratio

in %



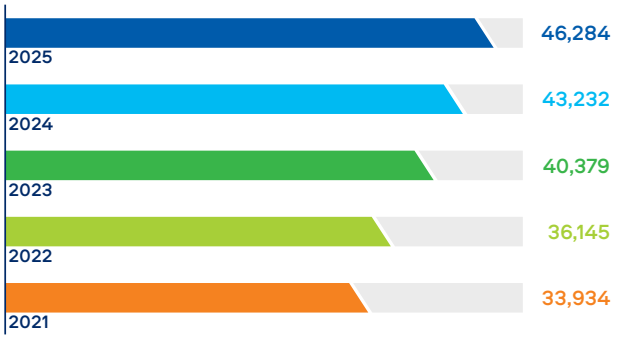
Gross Profit

in BDT Cr.



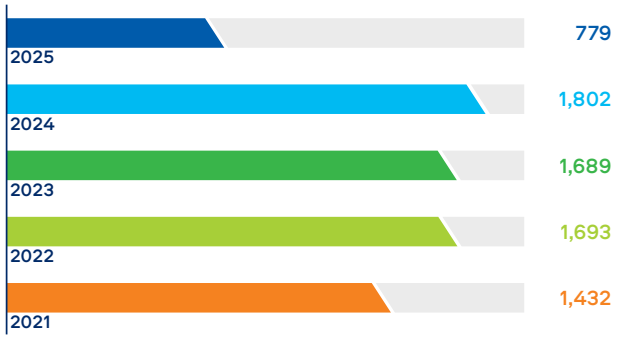
Gross Turnover

in BDT Cr.



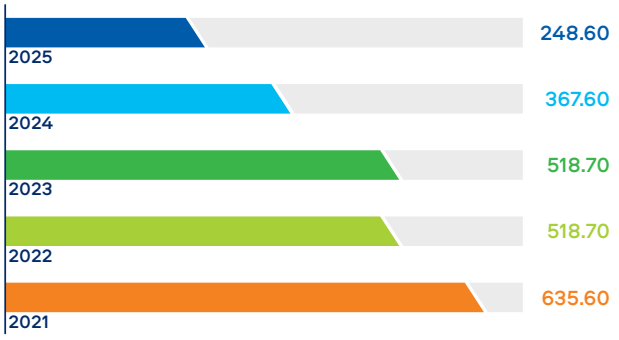
Incometax

in BDT Cr.



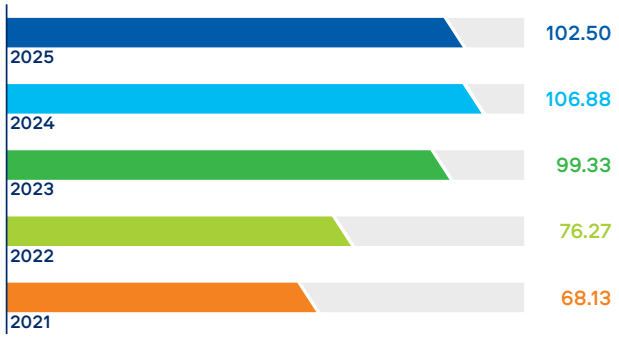
Market Value Per Share at Year End

in BDT



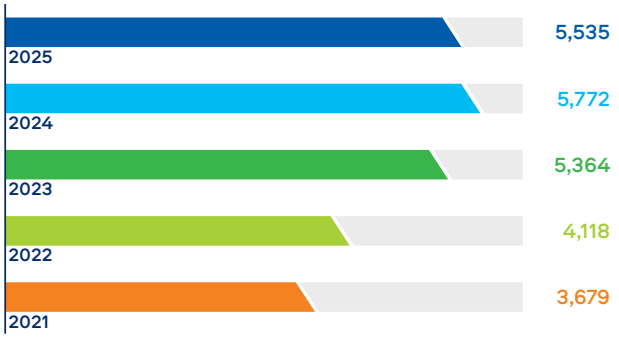
Net Asset Value Per Share

in BDT



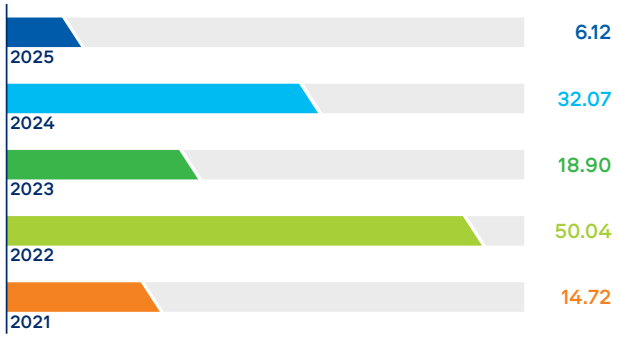
Net Asset Value

in BDT Cr.



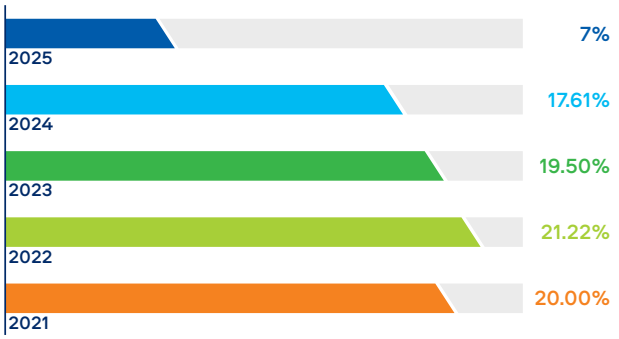
Net Operating cash flow Per share (NOCFPS)

in BDT



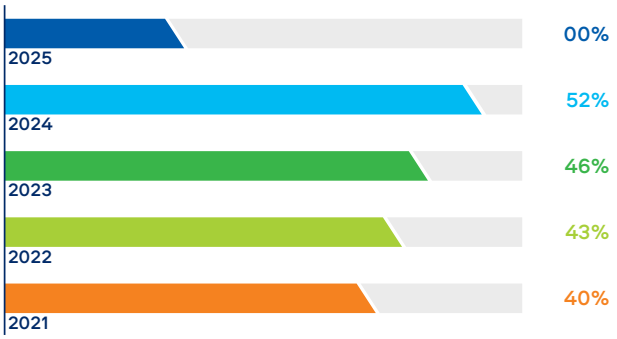
Net profit ratio

in %

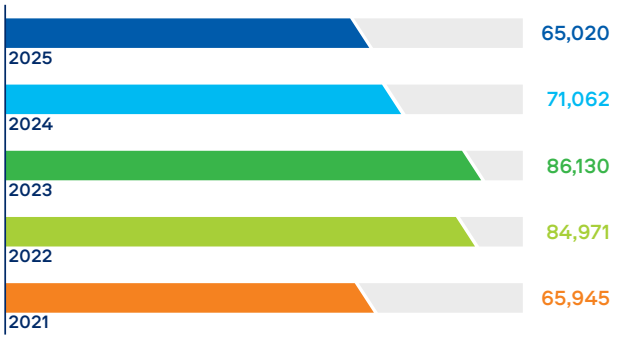


Retained Earnngs

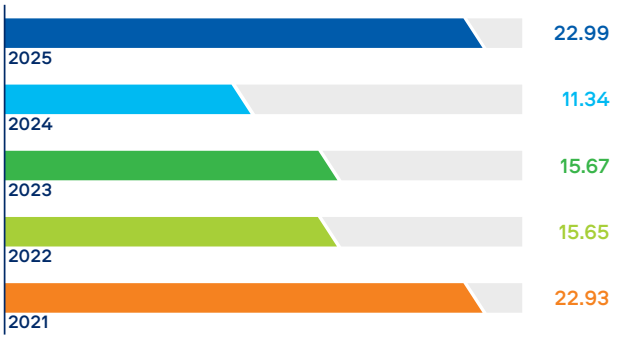
in %



Number of Ordinary Shareholders

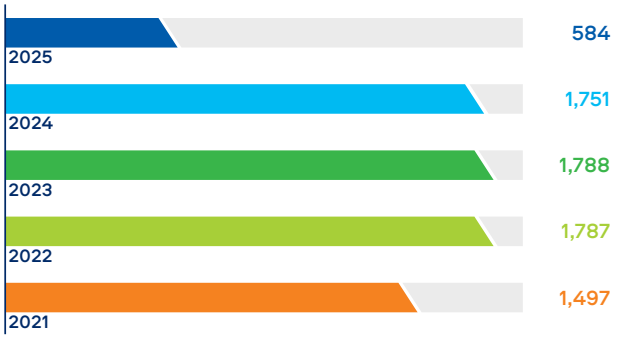


Price Earnings Ratio



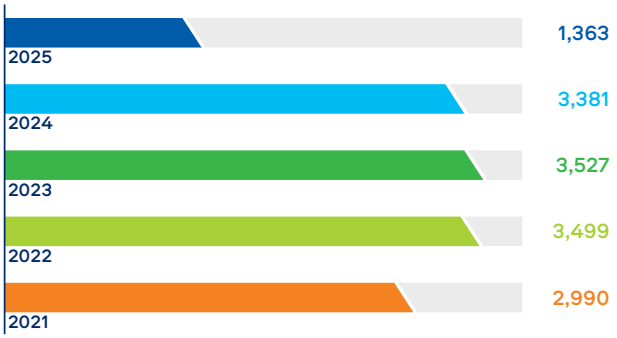
Profit After Tax

in BDT Cr.



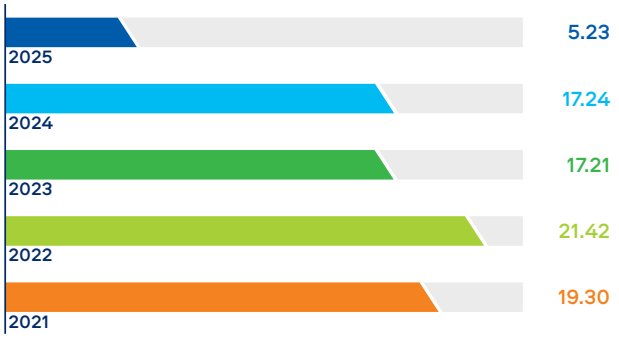
Profit Before Tax

in BDT Cr.



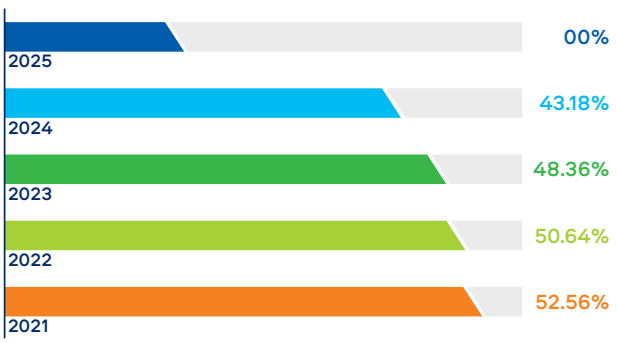
Return on Asset

in %



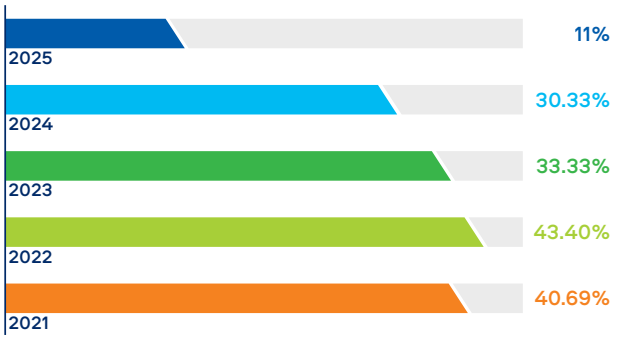
Debt Ratio

in %



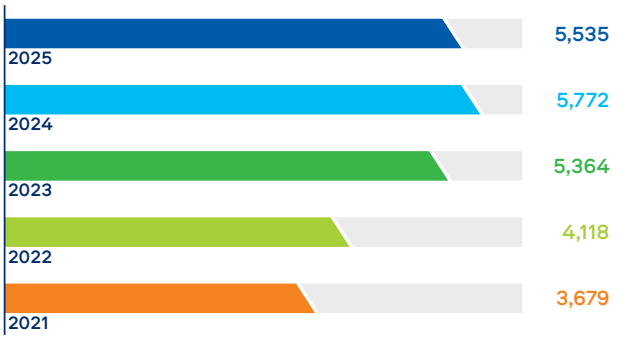
Return on Equity

in %



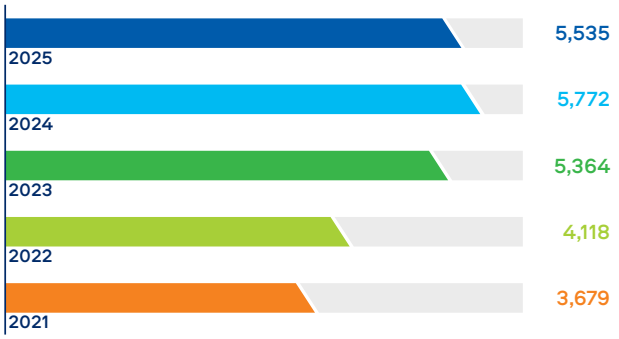
Shareholder Funds

in BDT Cr.



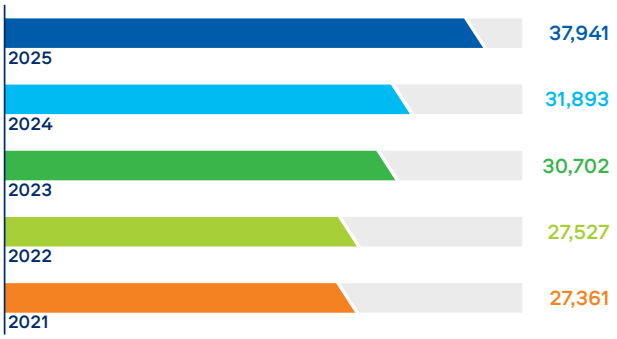
Total equity attributable to owners of the Company

in BDT Cr.



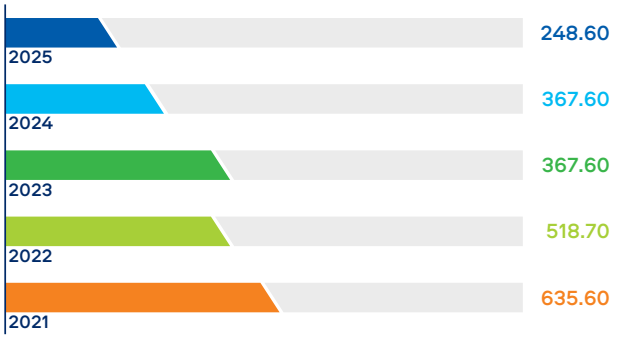
VAT+SD+HSDC

in BDT Cr.



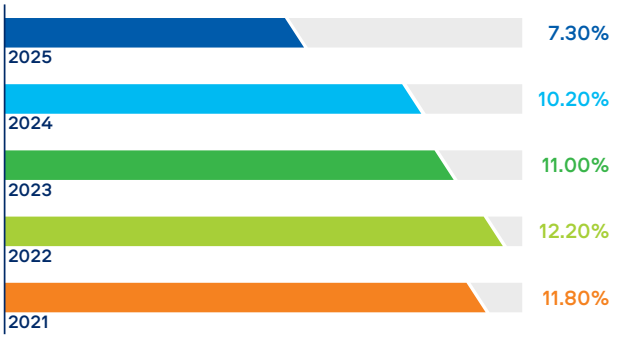
Market Value Per Share at year end

in BDT Cr.



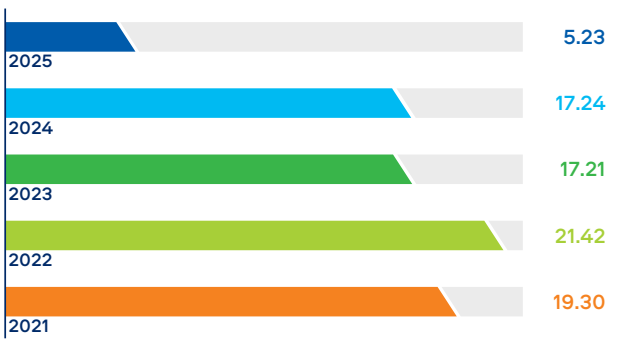
Gross Profit on Sales

in %



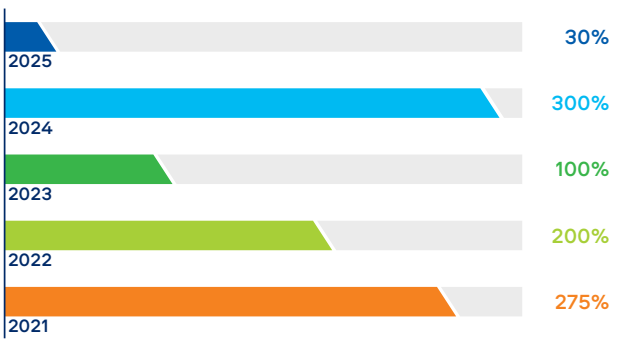
Return on Asset

in %

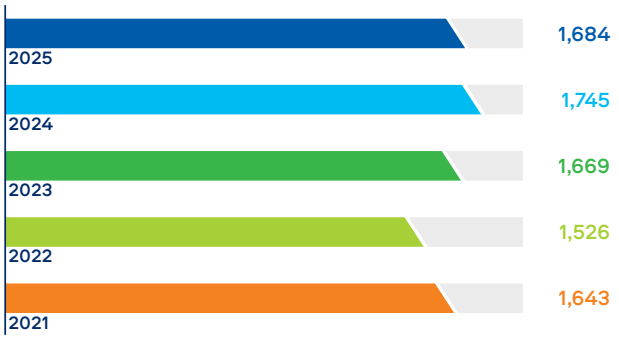


Dividend Per Share

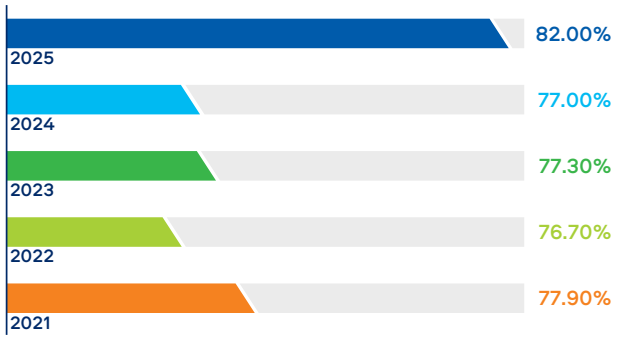
in %



Number of Employees

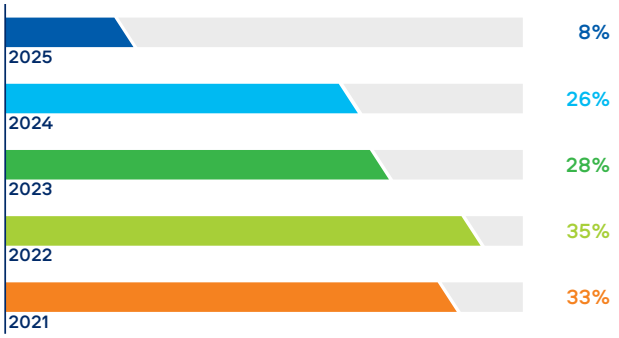


Supplimentary Duty and VAT to Sales



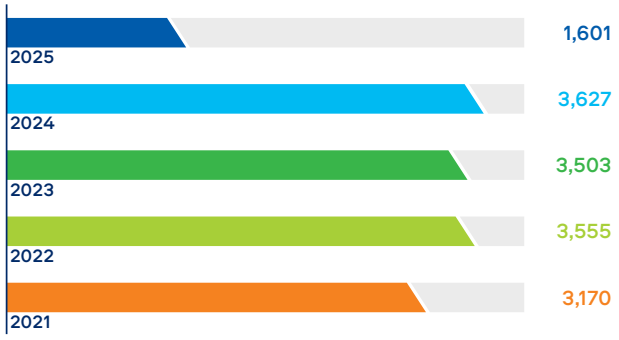
Return on Capital Employed

in %



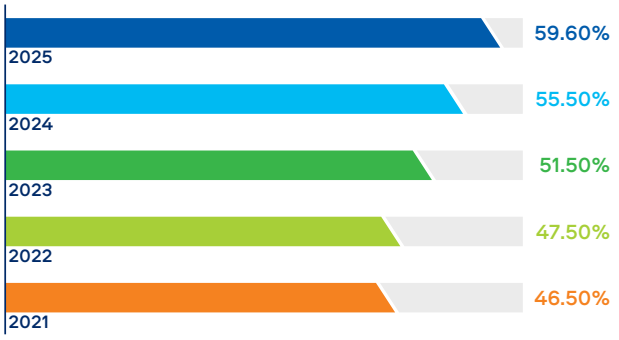
Operating Profit

in BDT Cr.

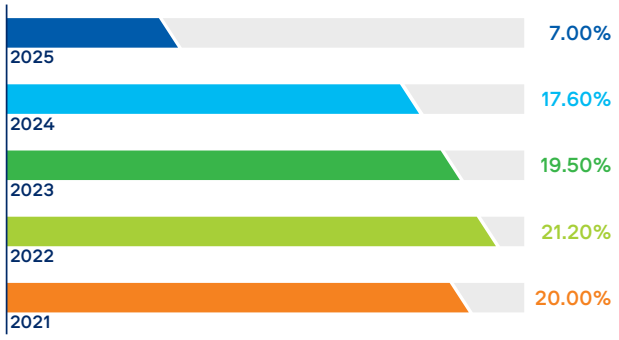


Cost of Sales to Sales

in %



Net Profit to Sales





Sustainability in Action

MESSAGE FROM THE CHAIRMAN



SUSTAINABILITY REMAINS FUNDAMENTAL TO HOW WE GUIDE STRATEGY, STRENGTHEN RESILIENCE, AND CREATE LONG-TERM VALUE.

WAEL SABRA
CHAIRMAN
BAT BANGLADESH

For more than 115 years, BAT Bangladesh has operated with a clear commitment to responsible business practices, strong governance, and long-term value creation. As expectations of businesses continue to evolve, sustainability remains fundamental to how we guide the Company's strategy, strengthen resilience, and contribute meaningfully to society.

In 2025, BAT Bangladesh continued to advance its journey of embedding sustainability into the core of its business model. We are guided by the BAT Group's sustainability strategy, which consists of four interconnected impact areas beyond Tobacco Harm Reduction: Climate, Nature, Circularity and Communities. This integrated approach enables the Company to address environmental and social priorities while supporting sustainable business performance.

BAT Bangladesh's Board plays an active role in ensuring that sustainability considerations are embedded within governance structures, risk management processes, and long-term decision-making. By reinforcing transparency, accountability, and ethical conduct, we seek to maintain the trust of our stakeholders while positioning the Company to navigate an increasingly complex operating environment. Sustainability is therefore not viewed as a standalone initiative, but as a strategic lens through which opportunities and risks are assessed.

BAT Bangladesh continues to build on its longstanding contribution to environmental stewardship and community development, supporting national priorities and fostering positive impact across its value chain. These efforts reflect our belief that responsible corporate leadership must extend beyond business performance to include meaningful contributions to the communities and ecosystems in which we operate.

As we look ahead, the Company remains committed to strengthening collaboration, innovation, and responsible growth. By aligning local ambitions with global sustainability goals and maintaining disciplined execution, BAT Bangladesh is well positioned to create enduring value for stakeholders while contributing to responsible and sustainable business practices.

On behalf of the Board, I extend my appreciation to our employees, partners, and stakeholders for their continued dedication and trust. I am confident that BAT Bangladesh will continue to lead responsibly and build on its legacy of sustainable progress in the years ahead.

MANAGING DIRECTOR'S MESSAGE ON SUSTAINABILITY



THROUGH SUSTAINABLE PRACTICES, WE MANAGE OUR ENVIRONMENTAL FOOTPRINT, SUPPORT COMMUNITIES, AND DRIVE RESPONSIBLE BUSINESS PRACTICES.

MONISHA ABRAHAM
MANAGING DIRECTOR
BAT BANGLADESH

Throughout 2025, BAT Bangladesh has demonstrated resilience and forward-thinking leadership, successfully navigating both local and global economic challenges. Our unwavering commitment to sustainability and creating shared value remains at the core of everything we do, reflecting our purpose-driven strategy and our dedication to our stakeholders.

OUR PURPOSE-DRIVEN STRATEGY

Operating within an extensive network of approximately 35,000 farmers, 1.6 million retailers, around 1,700 employees, and a diverse range of suppliers, we continue to leverage our footprint to drive positive change. We seek to reduce our impact on natural resources, empower communities, and advance initiatives that contribute to the Government's Sustainable Development Goals.

Our Community Initiatives — Bonayan, Probaho, Shelai, Seeds of Hope, Shikor, and Grow Your Own — reflect this commitment. From providing saplings for environmental conservation and safe drinking water to advancing food security, these initiatives exemplify how we create shared value across our operations.

RECOGNITION OF EXCELLENCE

Our sustainability efforts and operational excellence have been recognized both nationally and internationally. In 2025, BAT Bangladesh became the first company in Bangladesh to achieve Alliance for Water Stewardship (AWS) certification, reaffirming our leadership in responsible water management. We received the Top Employer Award for the 6th consecutive time, the 15th ICMAB Best Corporate Award (MNC Manufacturing), and the e-Return Champion Certificate from the National Board of Revenue. These accolades underscore our commitment to advancing people development, community engagement, and transparent governance.

EMBRACING SUSTAINABLE PRINCIPLES

Aligned with the BAT Group's sustainability strategy, we continue to embed these principles across all aspects of our business. Through our focus on the four interconnected impact areas beyond Tobacco Harm Reduction (THR): Climate, Nature, Circularity, and Communities, we aim to mitigate risks, strengthen resilience across our value chain, and generate positive impact where we operate.

Building on our CSR efforts with a broader sustainability focus has strengthened our perspective on environmental and social priorities, reinforcing collaboration across functions. Our robust governance frameworks help to ensure that sustainability is not a mere compliance exercise, but a core element of business decision-making and long-term strategy.

As we reflect on 2025, I am proud that BAT Bangladesh continued to lead by example - driving sustainable growth, empowering communities, and shaping a positive future for our stakeholders and the industry at large.

HEAD OF LEGAL'S
MESSAGE ON SUSTAINABILITY



SUDESH PETER
HEAD OF LEGAL
BAT BANGLADESH

BAT Bangladesh's legacy of over 115 years has been built on integrity, disciplined governance, and responsible business conduct. In 2025, as we navigated a year of operational transition and consolidation, our commitment to sustainability remained firmly anchored in compliance, transparency, and long-term value creation.

Our community-focused programmes continued to advance responsibly. In 2025, Bonayan facilitated the distribution of 3.3 million saplings, reflecting the scale and continuity of our sapling distribution programme. Probaho continued to support access to safe drinking water in arsenic- and salinity-affected regions, including climate-vulnerable coastal districts. Meanwhile, initiatives such as Seeds of Hope and Shikor aimed to strengthen preventative measures against child labour risks through education, awareness, and skills development.

Sustainability at BAT Bangladesh is not pursued in isolation; it is embedded within our regulatory engagement, responsible supply chain governance, and community investment frameworks. This year, we strengthened our Responsible Decision Making processes, reinforced governance, and expanded structured assurance mechanisms across our supplier base. Twenty-two suppliers underwent independent social audits, complemented by our Supplier Sustainability College initiative, supporting continuous improvement in labour standards and ESG integration.

As regulatory landscapes evolve and stakeholder expectations increase, our role extends beyond compliance. We remain committed to recalibrating our Sustainability strategy with greater focus, discipline, and measurable impact. Sustainability for us is not a standalone agenda — it is a responsibility woven into how we operate, engage, and lead.

HEAD OF OPERATIONS'
VIEW ON SUSTAINABILITY



JORGE MACEDO
HEAD OF OPERATIONS
BAT BANGLADESH

In 2025, sustainability remained central to our operational strategy, as we completed the consolidation of manufacturing operations in Savar. Amid significant operational transition, our systems, governance, and resilience were required to adapt — demonstrating that environmental performance and operational transformation can advance together. Water stewardship remains a defining area of progress. All three of our operational sites maintained Alliance for Water Stewardship (AWS) certification, reinforcing a systematic approach to water governance that extends beyond operational efficiency to catchment-level engagement and risk management. AWS certification requires continuous monitoring of water use, discharge quality, stakeholder engagement, and water-sensitive ecosystems. Maintaining certification during a year of major operational transition demonstrates the robustness of our water governance framework.

Despite expanded operational complexity during relocation of our Dhaka factory and ramp-up, we achieved a 14.03% reduction in Scope 1 and 2 emissions, reducing total emissions to 43,022.99 tCO_2e. Renewable electricity sourcing increased to 15.233 GWh, water recycling reached 33.18% - exceeding our 30% target while 99.53% of operational waste was recycled or recovered, with less than 1% sent to landfill. These outcomes reflect disciplined execution, structured monitoring, and strong operational accountability.

Beyond factory boundaries, we strengthened agricultural sustainability through Alternate Furrow Irrigation, Integrated Pest Management, certified PPE distribution, and structured CPA waste collection. These initiatives support water efficiency, safer farming practices, and responsible resource use across our value chain.

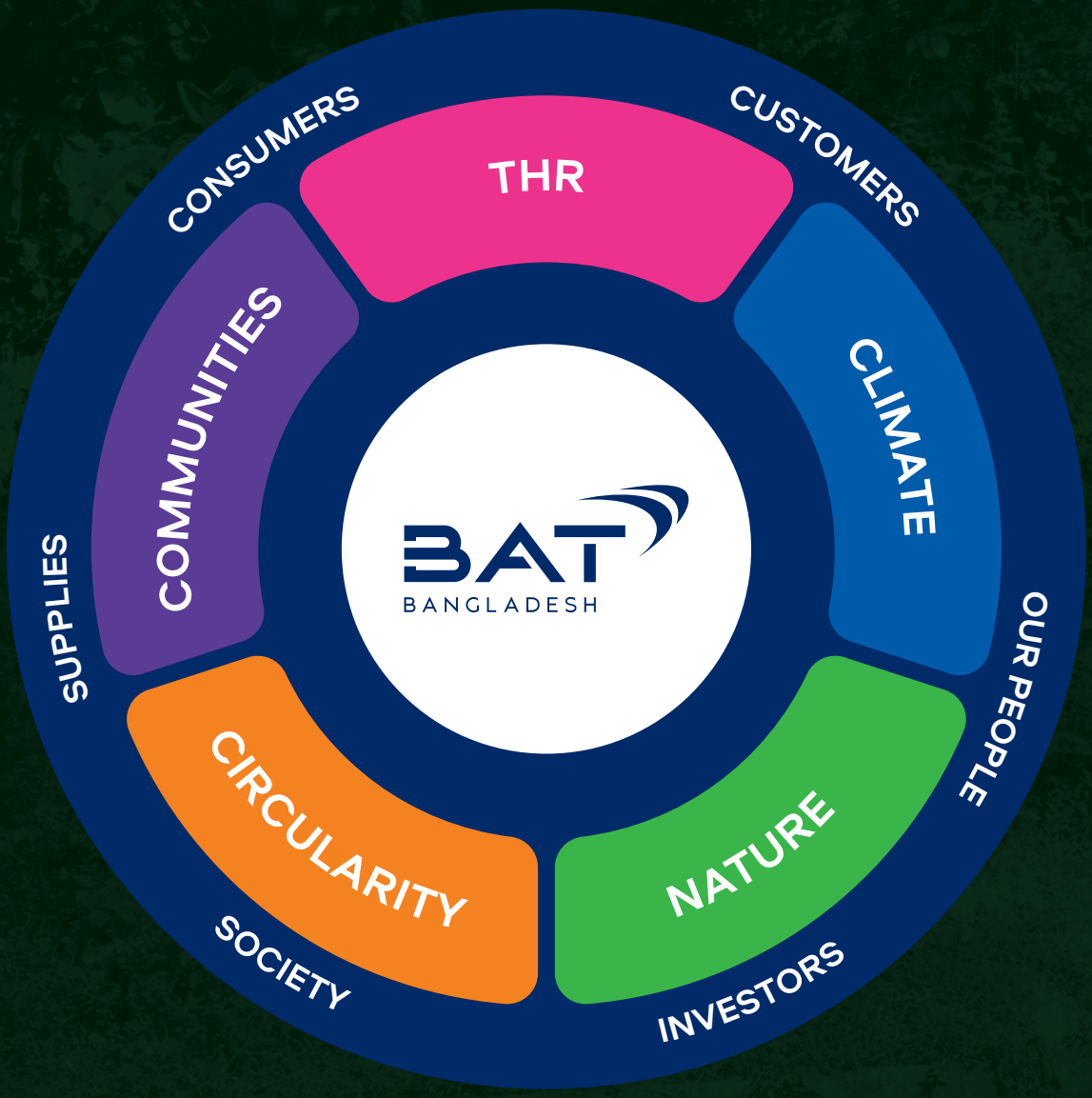
As operations stabilize in 2026, we expect further optimization opportunities to accelerate progress toward our 2030 climate and resource ambitions. At BAT Bangladesh, sustainability is not a parallel track to operations — it is embedded in how our facilities are designed, governed, and continuously improved.

OUR SUSTAINABILITY STRATEGY

BAT Bangladesh aligns its sustainability priorities with the BAT Group's four strategic impact areas beyond THR:

- CLIMATE
- NATURE
- CIRCULARITY
- COMMUNITIES

The following sections outline our 2025 performance and progress across each pillar.



BAT BANGLADESH'S 2025 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Strategic Pillars	BAT Group Targets as of 31 December 2025	BAT Bangladesh's 2025 Progress	Remarks
Climate	50% absolute reduction in Scope 1 and 2 Green House Gas (GHG) emissions by 2030 (vs 2020 baseline)	• Scope 1 & 2 emissions reduced to 43,022.99 tCO_2e in 2025. • 14.03% year-on-year (YoY) reduction vs 2024 achieved despite factory consolidation.	Energy efficiency measures, electrification initiatives and renewable electricity sourcing supported emissions reduction despite operational expansion.
	30.3% absolute reduction in Scope 3 Forest, Land and Agriculture (FLAG) GHG emissions by 2030 (vs 2020 baseline)	• Loose leaf barn curing technology trials initiated. • Crop succession has taken place across 96.13% of tobacco cultivation areas	Agricultural emission reduction initiatives such as green manuring, composting over the crop underway

	50% renewable energy use by 2030	2025 renewable electricity activity:
		• Purchased renewable electricity: 15.233 GWh
		  • Solar PPA: 1.283 GWh
		  • Energy Attribute Certificates: 13.950 GWh
		• Non-fuel renewable energy: 3.411 GWh
			Renewable electricity sourcing reached 15.233 GWh in 2025, strengthening market-based emissions performance.

Nature	Deforestation and Conversion Free tobacco supply chain by 2025	• Deforestation and conversion-free tobacco sourcing maintained. • Around 23% of curing fuel was sourced from alternatives of wood fuel, e.g., jute stick, dhaincha stick, sugarcane bagasse etc. Remaining 77% comprised of branches and by-products of wood, of which 4.1% came from farmers' own plantation and 95.9% came from purchased source such as production forests • During crop season 2025, no incidence of deforestation was reported.	Responsible agricultural sourcing controls embedded across supply chain monitoring systems.
	Forest Positive in our tobacco supply chain by 2025	Initiated forest positive program in 6 hectares of land by planting 18,000 seedlings of different native species in Lama and Naikkongchari in Bandarban district to support & conserve biodiversity in year 2025	-
	35% reduction in water withdrawn in own operations (vs 2017 baseline) by 2025	• Water withdrawn: 175,010 m^3 (2025). • Maintained stable water performance during a year of significant operational transition.	Temporary increase linked to factory transition and expansion activities; efficiency improvements expected as operations stabilize.
	30% of water recycled in own operations by 2025	• 33.18% water recycling achieved in 2025. • +19.29 percentage-point improvement vs 2020 baseline.	Investments in treatment plants and closed-loop reuse systems enabled performance exceeding target threshold
	100% operation sites Alliance for Water Stewardship certified by 2025	AWS certification achieved across all manufacturing sites: • GLT Kushtia (2022) • Savar Factory (2023) • RDP Manikganj (2025)	BAT Bangladesh became the first company in Bangladesh with AWS certification across its full manufacturing footprint.

Strategic Pillars	BAT Group Targets as of 31 December 2025	BAT Bangladesh's 2025 Progress	Remarks
Circularity	90% recycling rate of waste generated across our operations by 2025	• Total waste handled: 12,045.13 tonnes (2025). • 99.53% recycled. • +1.63 percentage-point YoY improvement.	Strong segregation systems and recovery partnerships enabled near-total material circularity.
	Less than 1% of our operational waste going to landfill by 2025	Landfill waste estimated at ~0.47%.	Operational waste diversion has helped us remain well below our waste-to-landfill target.
Communities	Aiming for zero child labour incidents in our tobacco supply chain by 2025	• 100% of tobacco farms monitored for child labour.	Responsible sourcing governance continues across leaf supply chain.
	100% of product materials and higher-risk indirect suppliers having an independent labour audit within a three-year cycle by 2025	Between 2023 and 2025, 100% of product-material suppliers and higher-risk indirect suppliers underwent independent labour audits in line with the three-year assessment cycle. In 2025 alone, 22 suppliers (6 direct and 16 indirect) were assessed under recognised third-party platforms such as SEDEX and EcoVadis, reinforcing labour governance and responsible sourcing across the supply chain.	Capability-building initiatives such as the Sustainability College helped strengthen suppliers' readiness for labour and Sustainability compliance requirements.



2025 SUSTAINABILITY PERFORMANCE SNAPSHOT

2025 marked a year of disciplined execution and operational transition for BAT Bangladesh. Despite a complex factory consolidation and expansion transition, the business delivered measurable environmental progress while strengthening governance, supply chain capability, and community impact.

KEY HIGHLIGHTS

43,022.99 TCO_2E
Scope 1 & 2 emissions

14.03% reduction compared to 2024
Reduction in scope 1 & 2 emissions despite consolidation

15.233 GWH
Renewable electricity purchased

33.18%
water recycled (+19.29pp vs 2020 baseline)

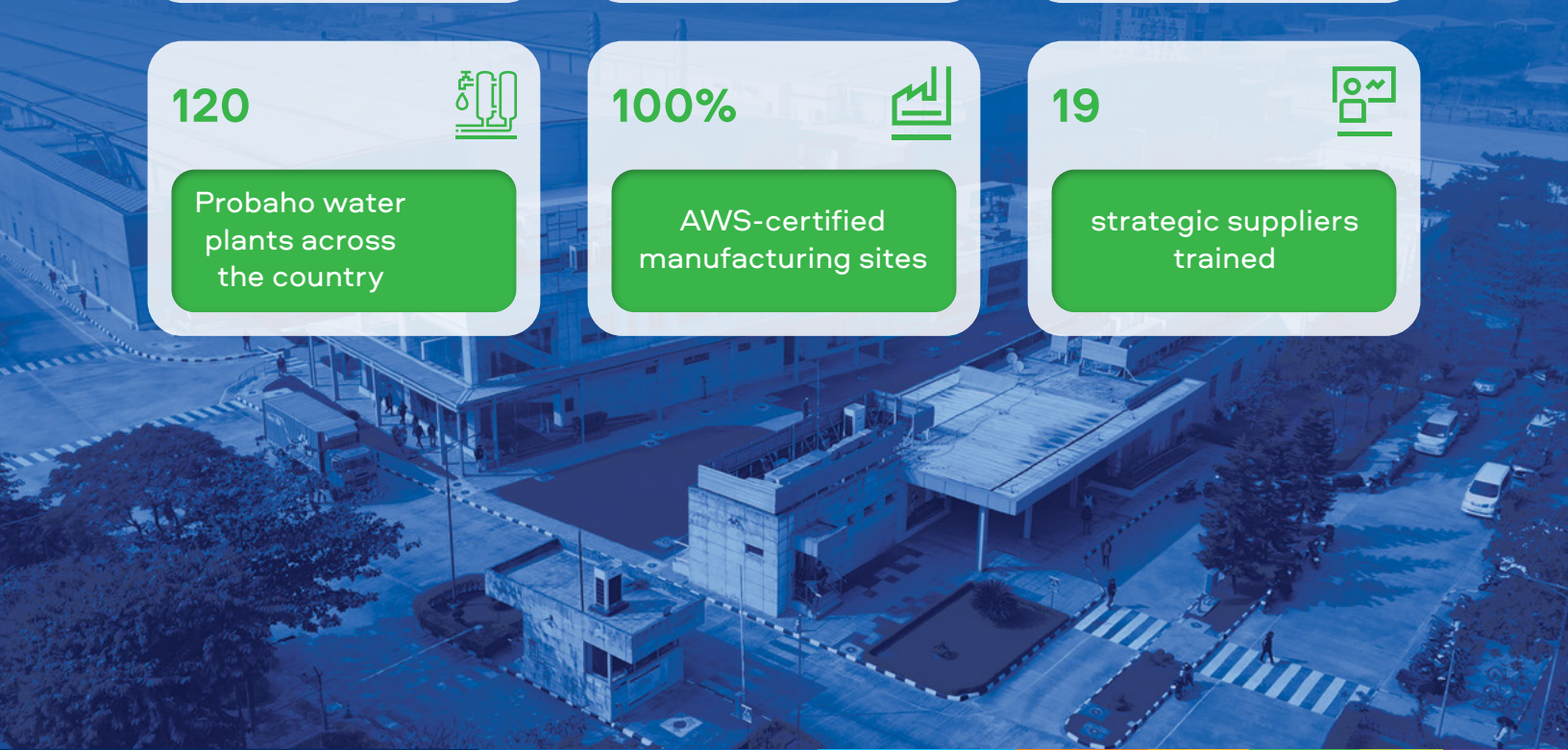
99.53%
operational waste recycled

3.3 million
saplings distributed under Bonayan

120
Probaho water plants across the country

100%
AWS-certified manufacturing sites

19
strategic suppliers trained



TOBACCO HARM REDUCTION (THR)

The BAT Group has defined a clear purpose, centered on creating *A Better Tomorrow™* by Building a Smokeless World. In line with this purpose, the Group has established a strategic aim to migrate smokers from cigarettes to smokeless alternatives and become a predominantly Smokeless business by 2035.

Tobacco Harm Reduction (THR) is central to this strategy.

Tobacco harm reduction is a well established public health approach that recognizes the important role that smokeless alternatives with lower health risks offer to smokers who may not otherwise choose to stop smoking.

That is why the BAT Group encourages those who would otherwise continue to smoke to switch completely to smokeless products. BAT Bangladesh has not commercially launched any Smokeless products in Bangladesh yet.

Read more in the Group's Omni, a summary of BAT's progress on the BAT Group's journey to *A Better Tomorrow™* at: The Omni™





CLIMATE

Climate Performance in Context

At BAT Bangladesh, climate action is integrated into operational planning and performance management. Guided by the BAT Group's targets, we focus on reducing emissions, improving energy efficiency, and increasing renewable electricity sourcing across our footprint.

In 2025, despite significant operational transition, we delivered measurable progress while maintaining alignment with Group methodology and reporting standards.

The exit from Dhaka factory, consolidation into Savar, and expansion projects temporarily increased operational complexity.

Despite higher production ramp-up and consolidation activities, we were able to reduce Scope 1 and 2 GHG emissions, scale renewable electricity sourcing, and strengthen material recovery and waste recycling. As stabilization of new assets progresses, additional efficiency gains are expected to support 2030 ambitions.

Emissions Performance

Total Scope 1 and Scope 2 emissions were 43,022.99 tCO_2e in 2025, representing a 14.03% reduction compared with 2024.

THIS REDUCTION WAS ACHIEVED THROUGH

- ENERGY EFFICIENCY OPTIMIZATION
- INCREASED RENEWABLE ELECTRICITY SOURCING
- ELECTRIFICATION OF MATERIAL HANDLING EQUIPMENT
- OPERATIONAL CONSOLIDATION BENEFITS

The reporting boundary covers all factories, leaf depots, warehouses, offices, and fleet operations within BAT Bangladesh. Scope 2 emissions are disclosed on a market-based approach consistent with Group methodology. The baseline year remains 2020.

Renewable Electricity & Electrification

Renewable electricity sourcing increased during the reporting year:

- **15.233 GWh** renewable electricity purchased
- **13.950 GWh** unbundled Energy Attribute Certificates (EACs) procured
- **1.283 GWh** solar PPA contribution added
- **3.411 GWh** non-fuel renewable energy (reported separately to avoid double counting) secured

Electrification continued across operations, including the deployment of 60 electric forklifts within leaf and warehouse operations, reducing reliance on fossil-fuel-based equipment and associated emissions. .

These measures support gradual structural decarbonization while maintaining operational resilience.





Sustainable Factory Transition: Dhaka to Savar

The relocation programme was governed through structured environmental, health and safety (EHS) oversight and logistics discipline.

Key transition metrics included

- **200+** risk assessments conducted
- 900+ contractors trained on EHS standards
- 550+ truck movements coordinated without disruption
- 160,000+ sq. ft. warehouse space activated across five locations

A strengthened safety governance framework ensured:

- Around-the-clock supervision
- Dedicated compliance oversight
- Structured contractor induction
- Certified leadership accountability under "Closing the Gap to Zero"

The transition demonstrated that operational transformation can be executed while maintaining environmental controls and safety discipline.





CLIMATE OUTLOOK

As consolidation stabilizes, focus areas for 2026 include:

- Further optimization of energy intensity
- Increased renewable electricity sourcing
- Continued electrification of operational equipment
- Monitoring and refinement of Scope 3 engagement

Progress toward 2030 targets will depend on sustained operational efficiency, supplier collaboration, and technology adoption.

Climate performance remains embedded within capital planning and operational governance.



NATURE

Nature stewardship remains central to BAT Bangladesh's long-term resilience. Our approach integrates water governance, sustainable agriculture, biodiversity considerations, and afforestation initiatives across operations and supply chains.

In 2025, focus areas included:

- Strengthening water governance through AWS-certified sites
- Improving water recycling performance
- Advancing sustainable agricultural practices
- Supporting farmer capability through ESG monitoring
- Continuing sapling distribution through Bonayan

Water Stewardship & Governance

Water remains a critical shared resource across our manufacturing and agricultural footprint. Our water management strategy is anchored in operational efficiency, catchment-level engagement, and third-party certification.

In 2025

- **175,010 m³** of water was withdrawn across operations with water use actively managed through efficiency measures and recycling initiatives.
- **33.18%** water was recycled, representing a **+19.29 percentage** point improvement versus 2020 baseline
- All manufacturing sites-maintained Alliance for Water Stewardship (AWS) certification

Water use is monitored at site level, with structured reporting aligned to Group methodology. Recycling improvements were achieved through treatment system optimization and reuse of process water within operations. Our objective is to reduce freshwater dependency while maintaining production integrity and product quality.





Alliance for Water Stewardship (AWS) certification

BAT Bangladesh has progressively advanced its water governance journey through AWS certification. It is the only Company in Bangladesh to have achieved this certification.

During the reporting year:

- Sites maintained AWS certification through surveillance audits
- Catchment-level risk assessments were reviewed
- Stakeholder engagement mechanisms were strengthened
- Water quality and quantity monitoring protocols were refined

AWS certification provides a structured framework for:

- Understanding shared water risks
- Engaging local stakeholders
- Protecting Important Water-Related Areas (IWRAs)
- Managing discharge quality responsibly

Rather than focusing solely on operational efficiency, the AWS framework encourages basin-level responsibility and transparent water governance.





Sustainable Agriculture & Leaf Supply Chain

Our agricultural sustainability efforts focus on environmental performance, farmer resilience, and compliance with deforestation- and conversion-free (DCF) commitments.

In 2025

- 100% of tobacco sourced was verified as deforestation- and conversion-free
- Farmer monitoring systems were strengthened through the transition from FSM to Agri360, enabling more tailored Sustainability data collection and improved visibility across the supply chain.
- Capability building programs continued across BAT Bangladesh.

Agri360 Monitoring Framework

We transitioned from the legacy Farmer Sustainability Management (FSM) system transitioned towards an enhanced model: Agri360.

This system supports:

- Structured farm-level data collection
- Monitoring of environmental practices
- Tracking human rights, health & safety compliance
- Continuous improvement feedback loops



The transition to Agri360 has improved traceability and enabled earlier identification of risks across the supply chain.

Certified PPE Distribution: Strengthening Farmer Safety

BAT Bangladesh continued to strengthen farmer safety through the distribution of internationally certified Personal Protective Equipment (PPE) across all leaf-growing regions, reinforcing safe agricultural practices and supporting the reduction of occupational health risks.



CPA Application Safety

To support the safe handling of Crop Protection Agents (CPA), we ensured the availability of PPE for 100% of contracted farmers, while maintaining 8,000 units as buffer stock across designated locations. The PPE sets included aprons, trousers, masks, goggles, gumboots, and nitrile gloves, all compliant with internationally recognised standards such as ISO 27065:2017 and relevant European (EN) standards. This supported safe chemical handling and operational readiness during CPA application.

Harvesting PPE Distribution

In 2025, 252,000 units of harvesting PPE were distributed to 100% of farmers across growing regions. Items included hydro-repellent clothing, long-neck gumboots, and protective gloves designed to reduce exposure to green tobacco leaves, soil contaminants, moisture, and physical injuries during leaf handling.

By equipping farmers with certified (ISO 27065:2017 and relevant EN standards) protective gear, BAT Bangladesh aims to support safer working conditions while aligning with global safety and ESG standards.

Integrated Pest Management (IPM)

Advancing Non-Chemical Crop Protection

Since 2008, BAT Bangladesh has promoted Integrated Pest Management (IPM) to reduce reliance on chemical pesticides and support more sustainable agricultural practices. The programme encourages biological solutions such as Trichoderma, biofungicide for seed and soil

treatment, and pheromone traps & bird perch to disrupt pest reproduction cycles.

In 2025

- **10.404** metric tons of Trichoderma were distributed
- **27,239** pheromone traps were deployed





These interventions support reduced agrochemical dependency and improved environmental stewardship within farming communities. Implementation is strengthened through collaboration with institutions including Bangladesh Agricultural Research Institute (BARI), and Bangladesh Agricultural University (BAU), and Ispahani Agro Limited, ensuring scientific rigor and structured farmer adoption.

Alternate Furrow Irrigation (AFI)

Promoting Efficient Water Use in Agriculture

Alternate Furrow Irrigation (AFI) is a water-efficient irrigation technique introduced to support improved water stewardship within farming communities. The method involves irrigating alternate furrows rather than flooding entire fields, allowing crops to access adequate moisture while reducing overall water consumption.

Field observations indicate that AFI can save approximately 10% of irrigation water, equivalent to around 82 cubic meters per hectare, without compromising crop yield or quality. Additional benefits include:

- Improved water use efficiency
- Reduced groundwater extraction
- Lower energy consumption for pumping
- Enhanced crop resilience under moisture stress

In Crop Year 2025

- 24,500 BAT Bangladesh contracted farmers (48.5% of total contracted farmers) adopted AFI practices
- 15,442 hectares (35.8% of total planted area) were brought under AFI coverage







Adoption is supported through field demonstrations, agronomic guidance, and farmer training sessions. By reducing water intensity while maintaining productivity, AFI contributes to sustainable agricultural practices and supports broader water stewardship objectives.

Sustainable Agriculture & Leaf Supply Chain

Leaf Modernization and Human-Centric Design

In 2025, our leaf network progressed a modernization plan focused on safer and more efficient depots and improved farmer engagement. A proof-of-concept for modernized buying facilities began under Project Progoti, standardizing buying and depot operations and reducing manual handling. Complementary upgrades included standardized farmer waiting areas and pedestrian safety infrastructure to separate people and vehicles at busy sites, improving site organisation and safety during peak intake.

Safe and Efficient Movement & Storage

We strengthened materials handling by introducing clamp trucks for prize-bale movement and deploying post pallets to improve storage integrity and product flow. Together with the transition to electric forklifts across leaf and warehouse operations, these measures reduce manual lifting, improve aisle discipline, and support more efficient day-to-day handling.

Cluster Seedbeds

Strengthening Productivity Through Collective Farming

The Cluster Seedbed initiative promotes collaborative seedling preparation to improve productivity, reduce costs, and strengthen farmer collaboration. Instead of maintaining small, individual seedbeds with variable quality, farmers prepare shared seedbeds across consolidated plots, enabling consistent management and improved efficiency.



In Crop Year 2025:

- **237.5** hectares were converted into organised cluster seedbeds
- **23,813** BAT Bangladesh contracted farmers (47.2% of total contracted farmers) directly benefited from this initiative. Through shared land preparation, seed sowing, and seedling management, farmers achieved improved uniformity in seedling quality, contributing to stronger crop establishment in main fields. Resource pooling also reduced individual input and labour costs, supporting improved income outcomes.

The Cluster Seedbed model demonstrates how collaborative farming approaches can enhance productivity while strengthening community cohesion and long-term resilience.

Grow Your Own

Supporting Livelihood Diversification & Food Security

"Grow Your Own" promotes household-level vegetable cultivation to strengthen food security and diversify income streams within farming communities. The initiative encourages farmers to utilize unused homestead land and available spaces within cluster seedbeds for vegetable production.

In Crop Year 2025:

- 16,322 BAT Bangladesh directly contracted farmers (32.3% of total contracted farmers) were covered
- 604.69 kg vegetable seeds were distributed
- 115.1 hectares were used for vegetable cultivation

By introducing vegetable crops such as amaranths, spinach, and gourds, the programme supports improved household nutrition while creating supplementary income opportunities through surplus market sales. The initiative also encouraged greater participation of women in household-level agricultural activities.





Aligned with BAT Bangladesh's broader commitment to supporting prosperous livelihoods for contracted farmers,, "Grow Your Own" help to strengthen farmer resilience by allowing them to reduce their dependence on a single income source and promoting efficient land utilization.

BONAYAN

Scaling Sapling Distribution for Environmental Stewardship

Launched in 1980, Bonayan is one of Bangladesh's largest private sector–supported sapling distribution initiatives. For over 4 decades, the programme has contributed to tree plantation efforts across rural and semi-urban communities, supporting environmental stewardship and sustainable resource use.

To date, more than 130 million saplings have been distributed free of cost nationwide to farmers, local communities, private and public institutions, etc. The programme operates through a network of 19 nurseries, cultivating timber, fruit, and medicinal species suited to local ecological conditions.

45 YEARS OF BONAYAN

Bonayan promotes a structured 70:30 species mix, combining fast-growing fuelwood varieties with native and medicinal plants. This approach supports household energy needs while contributing to biodiversity enhancement and long-term tree cover expansion.

Beneficiaries include contracted farmers, local communities, educational institutions, government agencies and civil society organisations. The initiative also supports the development of community medicinal gardens, with approximately 119 gardens established across the country to date.





Bonayan nursery in Kushtia

Over the years, Bonayan has facilitated sapling distribution across roadsides, community spaces, institutional premises, and ecologically sensitive areas. Through structured nursery support and local partnerships, the programme contributes to expanding tree cover in participating communities. Bonayan has received national recognition, including the prestigious Prime Minister's Award for Afforestation five times, reflecting its sustained contribution to environmental stewardship and climate resilience. Through continued implementation, Bonayan remains a key component of BAT Bangladesh's Nature strategy, contributing to long-term ecological resilience and community engagement.



Bonayan site in Bandarban

Bonayan in 2025

Expanding Partnerships & Community Engagement

In 2025, Bonayan distributed 3.3 million saplings across 24 districts, reinforcing its nationwide footprint. Contracted farmers remained the primary beneficiaries, alongside government institutions, NGOs, educational organizations, and local community groups.







The year also marked expanded collaboration with external partners, including Rotary Dhaka Midtown Club, Junior Chamber International (JCI), and the Bangladesh Coast Guard, supp orting sapling distribution across multiple locations. These partnerships broadened community participation and strengthened multi-stakeholder engagement in tree plantation efforts.

World Environment Day activities which included seedling distribution, plantation reviews, and awareness engagement, were conducted in Kushtia, Jhenaidah, Meherpur, Natore, Manikganj, Rangpur, Cox's Bazar, Bandarban, and the Chittagong Hill Tracts. Events brought together representatives from the Department of Agricultural Extension (DAE), Department of Environment (DoE), the Forest Department, local administrations, and other regional stakeholders.

Through sustained collaboration and structured distribution, Bonayan continues to contribute to tree cover enhancement and community-based environmental stewardship across Bangladesh.





NATURE OUTLOOK

Looking ahead, focus areas include:

- Continued optimisation of water recycling systems
- Strengthening catchment-level water risk engagement
- Expanding digital ESG monitoring coverage
- Supporting farmer resilience under changing climatic conditions
- Enhancing monitoring of tree survival rates under Bonayan

Nature stewardship remains embedded within both operational governance and agricultural partnerships.

CIRCULARITY

Resource efficiency remains integral to operational resilience. Our circularity approach prioritises waste reduction, material recovery, and minimizing landfill dependency across manufacturing and supply chain operations.

Operational Waste Performance

In 2025

- **12,045.13 tonnes** of total operational waste generated
- **99.53%** recycled or recovered
- **69.05%** composted
- Less than **1%** went to landfill

Despite increased operational complexity during factory consolidation, a waste recovery rate of 99.53% was achieved. Waste streams are segregated at source and channeled to certified recyclers or composting facilities.

This performance reflects structured waste management governance, vendor oversight, and continuous monitoring at site level.

Circularity During Operational Transition

The factory consolidation required equipment dismantling, relocation logistics, and infrastructure reconfiguration. Material recovery processes were embedded into transition planning to minimize waste generation and landfill disposal.

Waste governance during relocation included:

- Inventory tracking
- Controlled disposal procedures
- Certified vendor management
- On-site supervision

Maintaining circularity performance during structural transition demonstrates integration of environmental controls within operational planning.

Community-Based CPA Waste Collection

Strengthening Rural Waste Management

The Community-Based Programme supports responsible management of crop protection agent (CPA) waste, particularly used pesticide containers, through a structured collection framework aligned with environmental standards.

During the CY2025 preparatory phase:

- **29%** of contracted farmers participated
- **3.7** tons of CPA waste collected



Trained waste collectors were deployed across targeted regions, equipped with appropriate protective gear to ensure safe handling and transport. Farmers and communities received awareness sessions on the environmental and health risks of improper disposal, promoting behavioural change and shared responsibility.

Collected waste was securely stored in designated pits near farming areas to prevent leakage, followed by systematic aggregation, weighing, and documented tracking. Once sufficient volumes were accumulated, collected CPA waste was recycled or safely incinerated in compliance with environmental regulations. The programme establishes a structured approach to rural agricultural waste management while strengthening environmental stewardship within farming communities.

CIRCULARITY OUTLOOK

Focus areas for 2026 include:

- Further reduction of waste intensity
- Enhanced tracking of secondary materials
- Expanded farmer-level CPA waste collection
- Continuous improvement in material efficiency as production increases Circularity remains embedded within capital planning and operational governance.

COMMUNITIES

Our community initiatives focus on access to safe water, afforestation, social development, and inclusive engagement, primarily supporting farming communities, local communities, and employees. Programmes are governed under structured Community Investment (CI) frameworks, helping to ensure transparency, compliance, and impact tracking. The framework ensures alignment with the Company policies and relevant regulatory requirements while promoting transparency and accountability. Across our leaf intake points, standardized farmer waiting rooms and pedestrian-safety routes improved on-site comfort and safety for growers during buying periods.

PROBAHO

Expanding Access to Safe Drinking Water

Launched in 2009, Probaho is BAT Bangladesh's safe drinking water initiative designed to support communities affected by arsenic and salinity contamination. The programme targets rural and coastal districts where groundwater quality poses significant health risks and access to treated water remains limited.

To date, Probaho has installed 120 water filtration plants across 25 districts, primarily in arsenic- and salinity-affected regions. Collectively, these plants have the capacity to supply approximately 600,000 litres of safe drinking water daily, serving an estimated 300,000 beneficiaries.





Plants operate through structured maintenance mechanisms designed to promote operational continuity and long-term sustainability.

In 2025, as Probaho marked its 16-year journey, the initiative continued to reinforce its role in supporting community-level water resilience, particularly as climate variability increasingly affects freshwater availability in coastal regions.

Through sustained implementation and stakeholder engagement, Probaho remains a key component of BAT Bangladesh's community investment.

Probaho has received recognition at national platforms, reflecting structured programme management and stakeholder engagement.

Beneficiary Story – Shilpi Akhter



Our community used to live in fear of the water that made us sick, spending a fortune on fuel just to make it safe. Since the Probaho plant opened, that struggle is over. We now have a reliable source of clean water that is ready to drink the moment we collect it. It has truly transformed our lives.

-Shilpi Akhter, Manikganj

Probaho in Salinity-Prone Area

Satkhira is among Bangladesh's most climate-vulnerable districts, facing recurrent salinity intrusion, cyclones, flooding, and prolonged water scarcity. In upazilas such as Ashashuni, Shyamnagar, and Kaliganj, many households struggle to access safe drinking water due to saline contamination of local sources.

Probaho has prioritised these salinity-prone areas by establishing 10 water filtration plants to support affected communities. The initiative provides treated drinking water in locations where groundwater quality has been compromised by salinity and climate-related risks.

By implementing filtration systems designed to address saline contamination, Probaho contributes to reducing community reliance on unsafe water sources. The plants operate under a structured model to support long-term functionality and local ownership. Through intervention in Satkhira and similar coastal districts, Probaho supports improved water access in regions facing increasing climate-related challenges.





SEEDS OF HOPE

Supporting Education & Safeguarding Childhood

Seeds of Hope is an education-focused initiative aimed at reducing child labour risk within farming communities by strengthening access to learning and structured support.

The programme operates across 9 model schools in 8 regions, supporting 900 vulnerable children directly and 4500 children indirectly in total through structured after-school engagement.



It is delivered through four core components:

- **Learning & Creativity** – library access and student-led activities
- **Sports & Physical Development** – football and cricket training
- **Life Skills Awareness** – sessions on rights, safety, gender equity, and reproductive health
- **Women's Participation** – employment of local women as caregivers for students

To encourage sustained participation, children receive nutritious snacks, and 63 students benefit from a year-long stipend programme.

Delivered in partnership with Light of Hope and JAAGO Foundation, Seeds of Hope supports preventative measures against child labour through education and community engagement.

SHELAI

Supporting Women's Economic Participation

SHELAI – Sustainable Household Enterprise for Livelihood & Accelerated Income – supports rural women in developing income-generating skills through structured tailoring and sewing training. The initiative addresses barriers to financial independence by enabling women to build home-based enterprises. SHELAI started its journey in July 2025, after a successful piloting in 2024, which provided training to 442 women in farming communities across 8 regions, delivering 450 training sessions over three months. Participants received instruction in 15 cutting and sewing techniques, along with basic communication skills to help them engage potential clients. 3 sewing machines per batch totaling 45 sewing machines were awarded to top beneficiaries to support enterprise start-up.

SHELAI demonstrates how targeted skills development can support supplementary income opportunities, strengthen confidence, and enhance economic participation among rural women.









Story Highlight – Masuda Khatun



Among the beneficiaries of this programme is Mst. Masuda Khatun, a farmer's daughter from a remote village in Katihara under Mominpur union. Prior to joining the sewing training initiative, Masuda — a homemaker and mother of a disabled child — had limited opportunities to contribute financially to her household.

Through the programme, she gained practical tailoring skills along with basic client communication training. Using these skills, she began producing salwar kameez, pillow covers, and other household items from home. Growing demand within her community enabled her to generate an average monthly income of approximately BDT 5,000.

The training has strengthened Masuda's financial contribution to her family while enhancing her confidence and independence.

SHIKOR

Strengthening Community Foundations



Shikor is a community empowerment initiative aimed at strengthening the "roots" of rural families through life skills development, livelihood support, and social awareness. The programme delivered six structured training modules, with 235 participants having graduated in 2025.

The programme focuses on:

- **Adult Literacy:** Basic training in Bengali, English, and numeracy skills to build everyday confidence.





- **Crop Husbandry:** Practical agricultural and livestock management training to support productivity and income diversification.
- **Financial Literacy:** Household budgeting, mobile financial services, credit access, and savings awareness to improve financial stability.
- **Youth Leadership:** Communication, digital literacy, and employability skills to prepare young participants for future opportunities.
- **Women's Empowerment:** Skills training in tailoring and handicrafts to support income generation.
- **Health & Social Awareness:** Sessions on physical and mental wellbeing, enabling participants to promote awareness within their communities.

Through this integrated approach, Shikor supports capability development of the community people and contributes to more resilient households and informed communities.

Living Income Benchmark Assessment

Aligned with BAT's commitment to enabling prosperous livelihoods for contracted farmers, this study was conducted to assess income adequacy and progress towards a living income. The study had two key components:

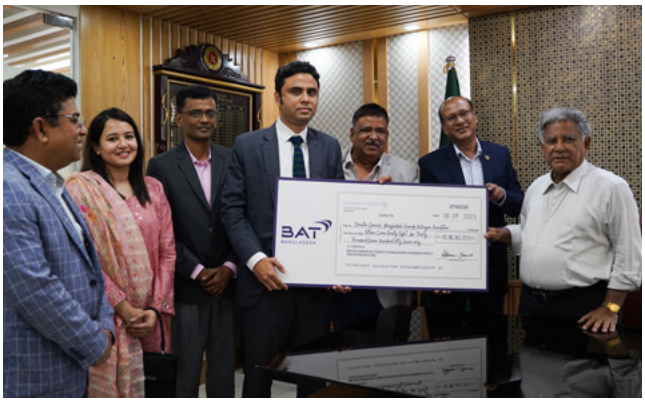
1. establishing a Living Income (LI) Benchmark for the study context, and
2. assessing the living income status of sampled tobacco and non-tobacco farming households against this benchmark.

The objective was to generate robust evidence to guide farmer livelihood strategies and track progress over time.

The assessment covered 1,392 households across 8 regions (10 districts), with equal representation of tobacco and non-tobacco farmers. It applied the Anker Methodology and was supported by qualitative and quantitative research, including 20 FGDs, 20 IDIs, and 20 KIIs. Household size, earning members, and annual household costs were key inputs to the analysis.

The living income benchmark was established at BDT 247 per person per day. Tobacco-farming households reported an average income of BDT 431 per person per day, with 64% earning above the benchmark, while non-tobacco households reported BDT 254, with 28% above the benchmark.

Worker Welfare Contributions



In 2025, BAT Bangladesh contributed BDT 15.98 crore to the Bangladesh Labour Welfare Foundation Fund under the Ministry of Labour and Employment, reinforcing national efforts to enhance workers' welfare and social protection across the country.

This contribution supports government led initiatives aimed at improving the well-being, safety and livelihood security of workers, reflecting our commitment to responsible business practices and inclusive socio-economic development.

Diversity, Equity & Inclusion (DEI)

Inclusive engagement remains integral to workplace culture.

Key initiatives in 2025 included:

- International Women's Day celebration
- International Men's Day celebration
- International Mother's Day 2025 celebration
- Family Day celebration

International Women's Day celebration

At BAT Bangladesh, empowerment means ensuring our people feel confident, secure, and supported. In line with the global theme #AccelerateAction, this year's International Women's Day featured a self-defense workshop, equipping female employees with practical safety skills.





Beyond the workplace, we partnered with Give Bangladesh to organise a toy and stationery collection drive for children of sex workers. Strong employee participation reflected a shared commitment to inclusive engagement and meaningful community support.

International Men's Day 2025

International Men's Day was celebrated at BAT Bangladesh with appreciation and gratitude. All male managers received appreciation kits accompanied by personalised messages, reinforcing a culture of mutual respect, inclusion, and recognition for contributions that strengthen our organisation every day.

International Mother's Day 2025

In 2025, on International Mother's Day, we welcomed the inspiring mothers of BAT Bangladesh for a celebration of connection and shared moments. Seeing colleagues bring their children and families into the workplace transformed familiar spaces into ones filled with laughter and pride — a reminder that behind every strong professional stands an even stronger mother.



Employee Wellbeing

In 2025, BAT Bangladesh continued to strengthen its holistic approach to employee wellbeing, recognizing that a resilient workforce supports sustainable business performance. Our wellbeing agenda promotes physical, emotional, social, and financial health through structured policies, inclusive initiatives, and supportive work practices.

LiveWell: Supporting Holistic Employee Wellbeing







LiveWell, BAT Group's global wellbeing framework, is implemented in BAT Bangladesh to support colleagues across four dimensions — Physical, Emotional, Financial and Social. The programme promotes healthier lifestyles, emotional resilience, financial awareness, and stronger social connections through structured initiatives and support systems.

By embedding wellbeing into our culture, LiveWell supports engagement, productivity, and a safe and supportive workplace.

Financial Wellbeing

In 2025, financial security remained a key focus of our wellbeing agenda. Dedicated sessions led by certified professionals covered retirement planning, investment basics, and long-term financial stability, supporting employees in making informed decisions and strengthening financial resilience.

Supernova Mentorship Programme: Empowering Women in STEM



In 2025, BAT Bangladesh's Supernova Mentorship Programme was recognised at the FICCI Awards, achieving Runner-up in the "Excellence in DEI Initiatives" category. This recognition reflects the programme's sustained efforts to strengthen gender inclusion within STEM disciplines.

Launched in 2021, Supernova supports 3rd and 4th-year female engineering students — primarily from Mechanical Engineering, Industrial Production Engineering, EEE, and Computer Science — by bridging the gap between academia and corporate careers. Each year, approximately 200 students are assessed through a structured selection process, with 20 participants selected for the year-long mentorship journey.

The programme provides early corporate exposure, leadership and communication development, and one-on-one mentorship from senior leaders. By equipping participants with practical skills and professional confidence, Supernova contributes to building greater female representation in traditionally male-dominated sectors.

Building Supplier Capability in Health & Safety, Climate Maturity and Road Safety

Bangladesh faces elevated operational and social sustainability risks, particularly in Health & Safety, road safety, and labor law compliance. To address these challenges along with increasing our suppliers' climate maturity, BAT Bangladesh launched the Supplier Sustainability College, engaging 19 strategic and Preferred suppliers across key categories through expert-led sessions, site visits, and practical exercises. The program strengthens supplier capability, enhances readiness for social audits, embeds ESG principles into supplier management, and fosters a culture of proactive sustainability. By positioning sustainability as a strategic enabler rather than a compliance requirement, the initiative helps to support the long-term resilience of suppliers.







In 2025

- **19 strategic & preferred suppliers** participated in the Supplier Sustainability College
- **560+ training hours** delivered across sustainability related modules
- **100+ improvement commitments** secured



Following the Sustainability College, a 12 week competitive Supplier Sustainability Race was launched to accelerate adoption and embed program learnings into daily operations. The initiative incentivizes suppliers to implement the introduced tools and best practices, reinforces accountability, and concludes with a season end podium to encourage peer learning, healthy competition, and sustained progress.

COMMUNITIES OUTLOOK

Looking ahead, focus areas include:

- Enhance skills development tracking
- Expand stakeholder engagement
- Ensuring governance consistency across CI programmes
- Strengthening monitoring of water plant utilization

Community initiatives remain guided by structured oversight and measured impact communication.

BETTER TOGETHER

At BAT Bangladesh, sustainability is ingrained in our business operations. With a crop-to-consumer model in Bangladesh, the scope of Environmental, Social, and Governance practices permeates various aspects of our business, spanning from farmers to consumers. The responsibility of driving the sustainability agenda does not fall solely on any individual or team; rather, it requires collective efforts from all stakeholders involved in facilitating and implementing effective community initiatives. Together, we collaborate to complement each other's efforts in transforming our business for a sustainable future.

MESSAGE FROM HEAD OF BUSINESS COMMUNICATIONS & SUSTAINABILITY

In 2025, BAT Bangladesh continued to take a structured and disciplined approach to sustainability, navigating a year of operational transition while maintaining focus on long-term priorities. Our efforts were guided by alignment with the Group's sustainability strategy, with increased emphasis on integrating sustainability into core business processes.

We continued to strengthen our flagship initiatives, including Bonayan and Probaho, ensuring sustained community engagement and support in areas such as afforestation and access to safe drinking water. Alongside programme delivery, we placed greater focus on governance, transparency, and responsible implementation to enhance the credibility and consistency of our initiatives.

Collaboration remained central to our approach. Through partnerships with communities, institutions, and relevant stakeholders, we worked to extend the reach and effectiveness of our programmes while ensuring they remain responsive to local needs.

As we move forward, our focus will remain on strengthening execution, enhancing accountability, and ensuring that our sustainability efforts deliver consistent and measurable value for both the business and the communities we serve.

Ahmed Raihan Ahsanullah
Head of Business Communications & Sustainability
BAT Bangladesh



MESSAGE FROM HEAD OF SUSTAINABILITY

At BAT Bangladesh, sustainability is embedded within our operations and how we manage performance across the value chain. In 2025, a year defined by factory consolidation and capacity expansion, our focus remained on maintaining operational discipline while delivering measurable environmental progress.

Our approach centered on improving efficiency and strengthening systems. We reduced emissions through targeted energy optimization, electrification, and increased use of renewable electricity. Water stewardship continued to advance through structured AWS-aligned practices, while high levels of material recovery were sustained through disciplined waste management and circularity initiatives. Across all operations, we reinforced safety standards and compliance through consistent EHS oversight.

We also strengthened capability across our value chain. Enhancements in Leaf operations and structured supplier engagement, including the Sustainability College, supported improved alignment with our environmental and social standards.

Looking ahead, our priority is to further embed efficiency, strengthen execution, and improve consistency across operations — ensuring that sustainability performance continues to be delivered in a structured, measurable, and accountable way.

Shayer Islam
Head of Sustainability
BAT Bangladesh



MESSAGE FROM LEAF SUSTAINABILITY & ESG MANAGER

In 2025, our focus within leaf operations remained on strengthening sustainability practices at the farm and community level through consistent field engagement. We continued to integrate environmental and social standards across our leaf supply chain, ensuring alignment with responsible sourcing requirements.

Key priorities included improving resource efficiency across operations, with progress in energy use, water management, and waste handling within our depots and processing activities. At the farm level, we reinforced good agricultural practices and continued our efforts to prevent deforestation through regular monitoring and farmer engagement.

We also strengthened farmer capability and inclusion, with continued efforts to support women's participation in farm-level decision-making and economic activities. In parallel, structured training and engagement programmes helped build greater consistency in sustainability practices across the value chain.

As we move forward, our focus remains on strengthening field-level implementation and ensuring consistent application of sustainability standards across our leaf operations.

Mohammad Serajul Haque
Leaf Sustainability & ESG Manager
BAT Bangladesh



CELEBRATING PROBAHO'S 16-YEAR JOURNEY OF PURITY AND IMPACT

As we commemorate World Water Day on 22nd March 2025, Probaho proudly reflects on its 16-year journey of providing safe drinking water to communities affected by arsenic and salinity. Access to safe drinking water has always been a fundamental necessity for maintaining good health, yet many regions in Bangladesh continue to face significant health risks due to arsenic contamination and high salinity levels in their water sources.

Probaho, a safe drinking water initiative, embarked on its journey in 2009 to support the government in addressing the scarcity of safe drinking water faced by its citizens. This work is particularly vital as climate change continues to impact the availability and quality of freshwater sources.

Since its inception, Probaho has remained steadfast in its dedication to providing communities with water that is free from arsenic and other impurities, especially in areas where water is either hazardous or scarce. Probaho is making considerable progress in providing access to safe drinking water for all individuals and plays a crucial role in improving the health and well-being of communities throughout Bangladesh.

Total Districts Coverage

- Kushtia
- Meherpur
- Chuadanga
- Jhenaidah
- Satkhira
- Lalmonirhat
- Rangpur
- Madaripur
- Manikganj
- Tangail
- Gopalganj
- Jamalpur
- Natore
- Faridpur
- Khagrachari
- Bandarban
- Gaibandha
- Khulna
- Rajshahi
- Cox's Bazar
- Barisal
- Moulvibazar
- Barguna
- Feni
- Rangamati



Covering arsenic and salinity prone zones









120 PLANTS
Established Across the Country

~300,000
Beneficiaries Served Everyday

~600,000 Litres
Safe Drinking Water Provided Everyday

*data based on plant capacity



Beneficiary Story

For years, the only way to ensure safe drinking water was to boil it for hours due to contamination concerns. However, thanks to the introduction of the Probahos water plant, this has changed entirely. We now have convenient access to pure and safe drinking water that can be consumed directly from the plant, saving us valuable time and effort. This advancement has enhanced our daily lives, promoting better health and providing peace of mind. The worry of water safety is now a thing of the past.

Rahsed Ali
Manikganj

ABOUT OUR INTEGRATED REPORT

Our Integrated Report primarily aims to communicate how BAT Bangladesh creates value for its stakeholders. It also provides a clear overview of our business in line with the Integrated Reporting Framework. Through this report, we seek to enable stakeholders to make an informed assessment of our performance, future prospects and overall impact.

OUR APPROACH TO REPORTING

In 2025, BAT Bangladesh continues to uphold the values and strategic direction of the BAT Group while embedding globally benchmarked integrated thinking across every part of our business.

Our shared purpose, unified culture, and disciplined execution remain the foundation of our value-creation model and guide the decisions we make for all stakeholders.

This Integrated Report presents our governance approach, strategic progress, and key decisions made during the reporting period. It demonstrates how we create value by analysing the risks, opportunities, trade-offs, and interdependencies across our operating environment and internal capabilities.

Aligned with the IFRS Integrated Reporting Framework, this report also highlights how external macroeconomic, regulatory, environmental, and social factors influence our ability to generate sustainable long-term value. We present an enhanced outlook section this year, giving stakeholders clearer visibility on future opportunities, challenges, and strategic direction.

OUR INTEGRATED ANNUAL REPORT

The 2025 Integrated Annual Report provides a comprehensive, transparent view of our value-creation performance. It brings together:

- AUDITED FINANCIAL STATEMENTS
- ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) DISCLOSURES
- STRATEGIC AND OPERATIONAL PERFORMANCE INSIGHTS
- GOVERNANCE AND RISK MANAGEMENT UPDATES

The ESG disclosures emphasise issues that could materially impact our business if not responsibly managed, including climate strategy, ethical conduct, human capital development, supply-chain integrity, and community investments.

Our report is intended for a broad stakeholder base—employees, consumers, suppliers, shareholders, investors, regulators, and the communities we serve. It is prepared in accordance with:

- Companies Act 1994 (including 2020 amendment)
- International Financial Reporting Standards (IFRS)
- Regulatory requirements of BSEC, DSE, CSE
- Sarbanes-Oxley Act 2002
- BSEC Corporate Governance Code 2018
- Listing requirements of Dhaka & Chittagong Stock Exchanges

- Standards issued by the Institute of Chartered Secretaries of Bangladesh

The report combines financial data with commentary on material sustainability matters to deliver a balanced and holistic view of our performance, impact, and future prospects.

REPORTING PERIOD

This report covers the period 1 January 2025 to 31 December 2025. Events occurring after year-end but before approval have been included where relevant under "Subsequent Events."

MATERIALITY

To determine what matters most for inclusion in the 2025 report, we conducted a refreshed and enhanced materiality assessment, incorporating:

- Stakeholder feedback and engagement insights
- Regulatory and policy developments
- Economic, social, and technological trends
- Internal risk assessments
- Our strategic objectives and KPIs
- The capitals we rely on (IIRC framework)
- Impacts across our value chain

We report on matters that could significantly affect our ability to create, protect, or erode value across the short, medium, and long term.

Our material topics also align with BAT Group's strategic priorities and BAT Bangladesh's risk management process. These material matters inform our strategy, shape our business model, and guide the allocation of resources.

REPORTING PRINCIPLES AND APPROACH

Our reporting approach is guided by the IFRS Integrated Reporting Framework's principles:

Strategic Focus and Future Orientation

We demonstrate how our strategy enables long-term value creation, balancing financial performance with sustainability commitments.

Connectivity of Information

Our report links financial results, risks, ESG outcomes, resources, and governance to present a coherent view of how value is created and sustained.

Materiality

Only issues with significant impact on our strategy, performance, or stakeholders are included.

Reliability and Completeness

The information presented is balanced, accurate, free from material misstatement, and subject to internal and external assurance processes.

Consistency and Comparability

We provide year-on-year performance comparisons and insights to enable informed evaluation of our progress.

THE SIX CAPITALS AND OUR VALUE-CREATION MODEL

Our value-creation framework reflects the six capitals defined by the Integrated Reporting Framework. Each capital represents a key resource that supports our strategy:

HUMAN CAPITAL

A skilled, diverse, and inclusive workforce empowered through continuous learning, leadership development, well-being, ethics, and safety.

FINANCIAL CAPITAL

Strong financial results, investor confidence, disciplined cost management, and capital allocation that support sustainable growth.

MANUFACTURED CAPITAL

Modern factories, upgraded equipment, advanced supply-chain systems, and digital infrastructure enabling efficient, responsible, and high-quality production.

SOCIAL & RELATIONSHIP CAPITAL

Trust-based relationships with stakeholders, partner networks, communities, regulators, and the wider socio-economic environment.

INTELLECTUAL CAPITAL

Proprietary knowledge, licensed technologies, quality systems, R&D capabilities, operational expertise, and data-driven insights.

NATURAL CAPITAL

Responsible stewardship of water, soil, air, energy, and natural resources, guided by our environmental footprint reduction commitments.

These capitals are integrated into our business model, which transforms inputs into outputs and outcomes through a set of interconnected business activities. Trade-offs between the capitals are carefully considered as part of our decision-making process.

DETERMINING THE REPORTING BOUNDARY

Following the principles of integrated reporting, our reporting boundary extends beyond financial consolidation.

In determining this boundary, we consider:

- Entities under BAT Bangladesh's control
- Stakeholders and partners significantly affecting value creation
- Risks, opportunities, and outcomes across our extended value chain

This ensures our reporting reflects all material impacts on our ability to create sustainable value.

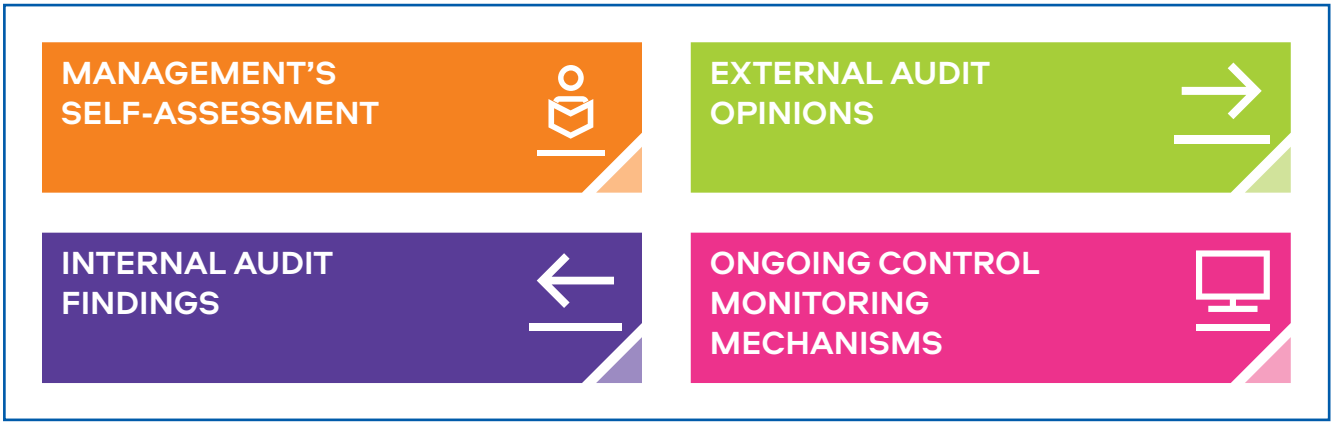
GOVERNANCE, ASSURANCE & INTERNAL CONTROLS

The Board of Directors is responsible for maintaining a robust governance system and ensuring integrity in reporting. Supported by the Audit Committee, the Board oversees:

- Internal control systems
- Combined assurance framework
- Risk management processes
- Legal, regulatory, and ethical compliance

Internal audits, external audits, and independent assurance providers collectively strengthen the reliability of our reporting.

For 2025, the Board and Audit Committee assessed the company's control systems and found them satisfactory, based on:



Sound governance is fundamental to safeguarding stakeholder interests and achieving our long-term strategic goals.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements on BAT Bangladesh's expected financial, operational, environmental, and strategic performance. These reflect management's views based on information available at the time of reporting. Actual results may differ due to emerging risks, regulatory shifts, economic conditions, or unforeseen events.

PRIMARY PURPOSE OF OUR INTEGRATED REPORT

The 2025 Integrated Report is designed to help stakeholders make well-informed assessments of BAT Bangladesh's performance, prospects, and impacts. It explains how our strategy, governance, risks, and opportunities interact to drive value creation across the short, medium, and long term—fully aligned with the Integrated Reporting Framework.

Syed Afzal Hossain
Company Secretary

Our pillars of value (below) are fundamental to how we manage all aspects of our business to achieve our purpose and strategy:

PILLARS OF VALUE

- TRULY INCLUSIVE
- DO THE RIGHT THING
- LOVE OUR CONSUMER
- PASSION TO WIN
- EMPOWERED THROUGH TRUST
- STRONGER TOGETHER

GOVERNANCE UNIVERSE



GOVERNANCE OUTCOMES

- Ethical leadership
- Good performance
- Effective control
- Trust and legitimacy

GOVERNANCE ELEMENTS OF THE BUSINESS MODEL AND VALUE-CREATION PROCESS

HOW WE CREATE VALUE

OUR VALUE-CREATION PROCESS

Through our pillars of value creation, we deliver significant value from the large resource base of BAT Bangladesh.

KEY FACTORS AFFECTING OUR ABILITY TO DELIVER SHARED VALUE:

INTERNAL FACTORS:

- Operational Excellence in Operational efficiency and improvements
- Efficient Financial Management
- Stakeholder relationships and collaboration
- Product quality and mix
- Sales contracts and customer relations
- Cost control and capital allocation

EXTERNAL FACTORS:

- Monetary policies & Exchange rate volatility
- Commodity prices
- Micro & Macro-economic impacts and political influences
- Government and Regulators
- Illicit trade
- Government's Budget

CAPITAL INPUTS

FINANCIAL

- Capital Reserve
- Working capital
- Capital Investment
- Cash flow
- Operating Expense
- Cost of Sales

MANUFACTURED

- Inventory & Raw materials
- High Performance Organization
- Production Capacity
- Capital investment production.
- Technological advancements
- Shopfloor employee number

INTELLECTUAL

- Intellectual property applied to employees.
- Training and development Cost
- Intellectual property and technological advantages in processing
- Elimination-of-fatalities taskforce to create safer work environments.
- Company culture
- Brand and reputation

HUMAN

- Workforce of 1,685 employees
- Diversity and inclusive policy
- Hiring the best talent after comprehensive screening
- Strong leadership team
- Reskilling the workforce for the modern mining environment
- Culture of care and respect
- Diverse and skilled board

SOCIAL AND RELATIONSHIP

- Respecting human rights of all stakeholders
- Extensive engagement with trade unions to ensure good labor relations.
- Engagement with government and regulators
- ESG Initiatives
- Collaborative partnerships with communities
- Increased engagement with communities to build relations.

NATURAL

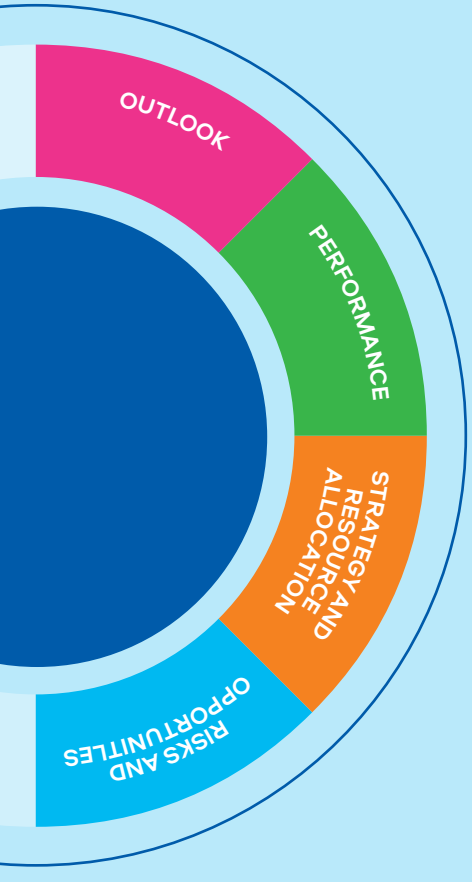
- Water Treatment
- Effective use of Energy Efficiency
- Biodiversity
- Carbon Emission
- Waste management



By reinvesting the value inherent and generated from our six capital which our business depends, we maintain our capacity to create sustainable value for all stakeholders.

KEY ENABLERS THAT HELP US DRIVE VALUE CREATION:

- Driving socio-economic growth to foster diverse and sustainable communities, while strengthening our recognition as a trusted corporate citizen in sustainability.
- Achieving safe production through the cultivation of a strong and embedded safety culture.
- Promoting a healthy and productive workforce through robust and effective risk management.
- Optimizing resource management with a clear focus on minimizing environmental impact.
- Advancing leadership, culture, and skill development to build an engaged, collaborative, and team-oriented workforce.
- Pursuing best practices, modernization, and innovation across the value chain to surpass industry benchmarks.
- Delivering exceptional performance through excellence in processes and equipment.



Governing the value-creation process through our Board that:

- Steers and sets strategic direction.
- Approves planning, policy and budget.
- Oversees and monitors.
- Commits to ethical leadership and behavior.
- Ensures accountability.
- Ensures appropriate remuneration for performance.

Strategic priorities:

- Extracting the full potential from our operations through our people and innovation.
- Investing in our core portfolio that delivers.
- industry-leading Brands and customer satisfaction.
- Facilitating development of the market to increase demand.

Our capital outputs and outcomes:

FINANCIAL

- 584 cr. in net revenue.
- 1,363 cr. in operating profit
- 5,535 crore in net asset value
- 162 cr. declared in dividends.

MANUFACTURED

- Modernization and mechanization of invested in new Production technology
- Improve component localization and value addition
- Increase resource utilization through waste circularity
- Enhance production efficiencies and optimize costs
- Reduce leaf, energy, water consumption

INTELLECTUAL

- Adoption of advanced technologies
- Fully equipped Digital Business Solutions wing
- Robotic process tools to automate routine manual processes
- Technology-driven solutions

HUMAN

- 64 New Recruits in 2025
- 11 BATB Managers newly expatriated in 2025
- 26% of management as female

SOCIAL AND RELATIONSHIP

- 39,144 cr. paid in taxes.
- Strong citizenship initiatives that help drive societal prosperity and sustainability
- Maintained an ailment free environment with an acute emphasis on promoting good health, holistic wellbeing and happiness.
- 3.3 million saplings distributed in the community through Bonayan
- 120 water filtration plants for safe drinking water through probaho
- 100% Alliance for Water Stewardship (AWS)-certified manufacturing sites

NATURAL

- 33.18% Water recycling ratio
- 99.53% waste recycled
- 14.03% reduction total Scope 1 and Scope 2 emissions
- Alliance for Water Stewardship (AWS) core certification in 2021

VALUE CREATION, PRESERVATION OR EROSION OVER TIME

MANAGING OUR APPROACH FOR LONG-TERM VALUE CREATION

BAT Bangladesh's operations are integrated – each activity/ process feeds into the next one until a final product is manufactured.

To achieve our purpose, our underlying business model focuses on effectively converting one capital stock into value across all six capitals.

For over 115 years, BAT Bangladesh has invested its financial and human resources into effective and efficient production, supply chain and value addition, to create value for our stakeholders, employees, local communities, customers, suppliers, government and regulators while minimizing our impact on the environment.

The challenge is to understand how the continued availability, quality and affordability of significant capitals affect our ability to achieve our strategic objectives and continue creating value. Managing this process to enhance value inevitably involves trade-offs – how and when value is shared between different stakeholders, and how that value is created, transformed or depleted across the capitals. Below, we summarize trade-offs across the capitals, and detail the key trade-offs in 2025:

Capital*	Pillar of value	Our Approach	Capital Impact
Financial	FINANCIAL RETURNS COST	Our future hinges on modern, mechanized, and efficient production processes. To achieve this, we must invest in technology to enhance operational efficiency and focus on reskilling our workforce. Our capital expenditure toward maintaining assets and funding growth projects, while our training and development initiatives aimed at upskilling our employees. However, we face significant challenges, including a shortage of technical and specialized skills, as well as cost pressures caused by currency depreciation.	Financial Manufactured People
Manufactured	PRODUCTION		
Human	PEOPLE SAFETY AND HEALTH	Our unwavering commitment to eliminating fatal risks has resulted in managed operations being fatality-free. We have also strengthened our proactive approach to employee well-being. The primary challenge in both safety and health lies in human behavior. To address this, we are leveraging our intellectual capital to create innovative solutions that inspire individuals to strike a balance between personal and professional life, make prompt decisions, act proactively, and become bold and self-empowered. In 2021, we established the Apprentice Academy, a unique initiative focused on building technical skills. This academy recruits graduates with technical backgrounds, primarily diploma engineers, for a rigorous two-year program. Here, they gain in-depth knowledge of industry best practices and graduate either as recruits for BATB or as qualified professionals for other factories. The academy has welcomed three batches, totaling over 450 apprentices. Of these, 180 have graduated, with 150 joining our organization. The Apprentice Academy has been recognized as a best practice by the International Labour Organization (ILO) in Bangladesh.	Intellectual Manufactured Financial People

Capital*	Pillar of value	Our Approach	Capital Impact
Social and relationship	SOCIO-ECONOMIC	As a responsible corporate entity, BAT Bangladesh has consistently prioritized the socio-economic environment by engaging with social and relationship capital. Given the increasingly negative perception of the tobacco industry in recent years, rebuilding trust based on a shared understanding of our challenges and goals has become essential. In FY25, we contributed BDT 39,144 crore contribution to the National Exchequer. Our strong, well-defined procedures and policies, along with a deeply rooted culture that respects and upholds the rights of all employees, business partners, and the wider community, ensure alignment with the Standards of Business Conduct (SoBC). Our dedication to human rights goes beyond our direct suppliers and extends across the entire value chain.	Financial Social and relationship
Natural	ENVIRONMENTAL	BAT Bangladesh has set several targets to deliver in accordance to its commitment to environmental sustainability. By 2025, the Company aims to ensure 33.18% water recycling across sites. Ensuring zero waste-to-landfill at all manufacturing sites, eliminating use of all unnecessary single-use plastic and achieving Alliance for Water Stewardship certification for all manufacturing sites are also goals set for the same year. 2025 targets further include 35% reduction in water withdrawn (2017 base year) and 50% carbon emission reduction for Scope 1 and 2 (2020 base year). In addition, by 2030, we wish to achieve carbon neutrality for Scope 1 and 2 emissions and ensure 50% renewable energy in use at our sites.	Natural Social and relationship
Intellectual	ALL PILLARS	BAT Bangladesh's emphasis on innovation and the development of new initiatives and frameworks allows it to deliver value to stakeholders and achieve sustainable growth. Furthermore, our Intellectual Capital includes deep insights into adult consumer preferences and market trends, as well as access to world-class research and development (R&D) capabilities. These are essential for meeting market demands and ensuring compliance with quality standards. Strategic planning and focused execution are key elements of our innovation strategy, which enhances our Intellectual Capital.	Financial People Intellectual

ENGAGING WITH OUR STAKEHOLDERS

We work with, take into account and respond to the views and concerns of our shareholders & stakeholders. This enables us to adapt to emerging risks and work to meet the expectations placed upon us as a multinational business.

	Consumers	Shareholders & Investors	Our People
Why this stakeholder is important to us	As preferences and consumption change in an evolving industry, understanding our consumers is essential to both successful portfolio and business growth.	It is essential that we maintain the support of our shareholders to maintain access to capital. This allows us to implement our strategy and achieve our business objectives.	The quality of our people is a major reason why the Company continues to perform well. We understand the value of listening and responding to feedback from our people to maintain a fulfilling, rewarding and responsible work environment.
Examples of how we engaged in 2024	- Consumer care helplines - Responsible marketing and transparent communication	- Annual General Meeting - Annual General Meeting - Price Sensitive Information & Material Information - Annual Report - Suite of focused ESG reports and wider disclosures - Stock exchange compliances - Shareholder information on website	- Your Voice Employee Survey 2025 - Virtual forums - Employee town halls - Global and regional webcasts - Graduate and management trainee events - Individual performance reviews - Speak Up channels - Top Employer award for the 6th time - Innovative employee learning and training programs
What matters to our stakeholders	- Health impact of our products and other social considerations - Product quality - Affordability and price - Ingredients/nicotine levels - Post-consumption product waste	- Business performance - ESG agenda - Corporate governance - Directors Report - Company Performance - Dividend - Strength of leadership - Board succession planning	- Reward - Career development - Diversity and inclusion - Corporate responsibility - Health and safety - Business ethics
How we respond	- Development of products - Product stewardship, quality and safety standards - Responsible Marketing Principles - Circular economy strategy and initiatives	- Regular communications with shareholders and investors - Robust corporate governance - Continual improvement of our Delivery with Integrity programme - On time in full communication on Price Sensitive Information and Material Information	- Extensive communications and engagement with our people - Feedback on workforce engagement - Training and development programme - Diversity & Inclusion Strategy - Your Voice Survey
Principal risk impact	- Competition from illicit trade - Significant increases or structural changes in tobacco, nicotine and New Categories related laws & taxes - Inability to develop, commercialise and deliver the New Categories strategy - Supply Chain Disruption	- Political & Geopolitical tensions - Tobacco regulation that interrupts growth strategy - Litigation - Significant increases or structural changes in tobacco related laws & taxes - Disputed taxes, interest and penalties - Foreign exchange rate exposures	- Injury, illness or death in the workplace

Listening to our stakeholders helps us better understand their views and concerns, and enables us to respond to them appropriately. It gives us valuable inputs to, and feedback on, our strategic approach, as well as our policies, procedures and ways of working.

	Suppliers	Customers	Government & Wider Society
	Effective relationships with farmers and suppliers of tobacco leaf, product materials and indirect services are essential to an efficient, productive and secure supply chain.	Our customers include distributors, global & local key accounts that are essential for driving growth and embedding responsible marketing practices.	We seek to be part of the debate that shapes the regulatory environment in which we operate, and to work collaboratively to develop joint solutions to common challenges.
	- Extension Services farmer support - Ongoing dialogue and relationship management - Strategic partnerships	- Sales calls and visits by trade representatives - Ongoing dialogue and account management - Suppliers Code of Conduct (SCoC)	- Meetings and engagement dialogues - Multi-stakeholder engagement - Community partnering programmes
	- Productivity/quality/cost - Sustainable agriculture - Farmer livelihoods - Human rights - Health and safety - Climate change impacts	- Route-to-market planning - Contingency planning - Cost, price and quality - Stock availability - Consumer buying behaviour - Youth access prevention	- Product regulation - Tax/excise/illicit trade - Responsible marketing - Public health impacts - Human rights - Laws & Taxs - Climate change impacts
	- Supplier Code of Conduct - Thrive sustainable agriculture and farmer livelihoods programme - Leaf operational standards for PPE and child labour prevention - Farmer Extension Services support and training	- Responsible Marketing Principles	- Standards of Business Conduct (SoBC) - Delivery with Integrity programme - Carbon neutrality target for 2030 and Net Zero target for 2050 - Human rights and climate impact assessments - Community investment and CSR programmes
	- Government regulations - Political Tension - Supply Chain Disruption - Injury, illness or death in the workplace - Availability of Stock - Circular Economy	- Competition from illicit trade - Significant increases or structural changes in tobacco related laws & taxes - Inability to develop, commercialise and deliver the New Categories strategy - Climate and circularity	- Competition from illicit trade - Geopolitical tensions - Tobacco related regulation interrupts growth strategy - Significant increases or structural changes in tobacco related laws taxes

HUMAN CAPITAL



Ms. Syeda Adiba Arif
Head of Talent, OE & Inclusion – APMEA Central
BAT Bangladesh

Rooted in our values, we remain committed to providing a safe, dynamic, and fulfilling work environment for every employee. Our greatest strength lies in our diverse, experienced, and highly capable workforce - empowering us to shape our business, respond swiftly to global changes, and operate effectively in an increasingly complex and interconnected world.

HUMAN CAPITAL

Our employees form the backbone of our human capital. Their expertise, skills, and dedication are fundamental to value creation, operational excellence, and sustained success. We continuously invest in their development to ensure we attract and retain top-tier talent who uphold our standards of integrity and performance.

Our People Strategy

- Shaping a performance-driven and agile organization
- Nurturing relevant capabilities
- Accelerating simplification and digitalisation
- Creating an engaging and purpose-led environment
- Transforming HR into a future-ready function

Accomplishing Excellence in People Management

- Hiring the best talent after comprehensive screening.
- Evolve our talent through projects, responsibilities and empowerment.
- Nurture a workplace culture that thrives on collaboration and teamwork.
- Ensure a diverse and inclusive workplace environment through adopting best-in-class DEI principles.

OUR PEOPLE STRATEGY



HIGHLIGHTS OF 2025

Total employees
1,685

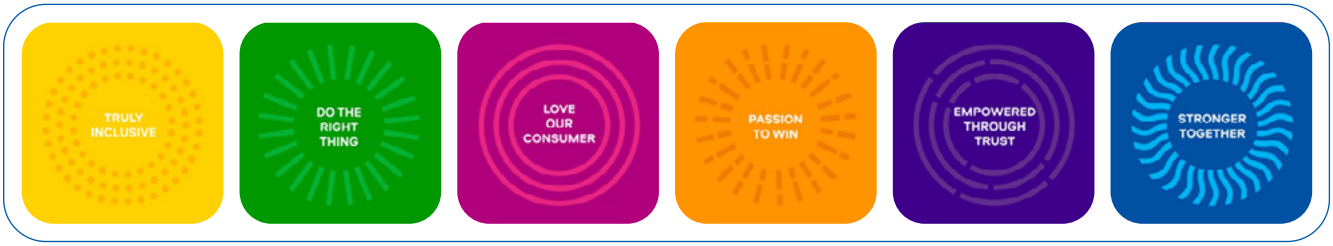
Total female employees
265

STATEMENT BY OUR AREA HEAD OF TALENT, CULTURE & INCLUSION

Our people are the foundation of our success. Through resilience, adaptability, and shared pride, they have enabled us to respond to changing needs and new challenges. Together, we are building a stronger, more agile, and future-ready organization powered by the collective strength of our people.

PROGRESS ACHIEVED IN 2025

- Recognized as a Top Employer for the 7th consecutive year by the Top Employer Institute
- Female representation in management reached 26%
- Continued expansion of innovative employee development initiatives



OVERVIEW

BAT Bangladesh remains committed to achieving sustainable growth while positively contributing to society. Recognizing the unique nature of our business, we consider our diverse and adaptable workforce as a vital driver of value creation, and we continue to invest strategically in their development.

We emphasize merit-based recruitment as a core competitive advantage, ensuring long-term organizational success through talent excellence. For the seventh year, the Top Employer Institute honored BAT Bangladesh as the leading employer in the country, reaffirming our commitment to world-class people practices.

We cultivate a supportive, engaging, and collaborative culture that encourages innovation, growth, and career advancement - enabling individuals to thrive while propelling the company forward.

Our ability to attract top talent is reinforced by our industry-leading approach to people development and retention.

We place great emphasis on cultivating a collaborative and supportive culture, understanding that human capital is vital to our growth strategy. We nurture this culture by offering a multidisciplinary environment and programs that present both challenges and rewards. These initiatives equip individuals with the competencies and experiences necessary to advance their careers and elevate the company to new heights.

Our employees are the driving force behind our success, and we are fully committed to fostering a culture that is supportive and engaging, empowering them to pursue excellence in their roles.

In 2025, we provided several trainings for our co-workers in a variety of different areas, including process and technical knowledge, soft skills development, and leadership training. Training and development are an essential component of our employee value package.

Our leadership capabilities work together with our Values to describe what great leadership looks like at BAT. They also create focus on the skills needed to achieve our corporate strategy. Embedding the leadership capabilities into development plans, feedback, and learning helps us talk the same leadership language. This makes it easier for us to own our development, embrace new challenges and lead for impact.

FIT-FOR-PURPOSE ORGANIZATION DESIGN

With a future-fit organization structure in 2025, BATB experienced several adjustments to its methods of operation. Despite all the changes, we remained committed to maintaining a flexible and resilient workforce.

Thus, notwithstanding the changes, we maintained a lean and future-proof framework in our organizational architecture. Our human capital is distributed across roles and grades as per the following:

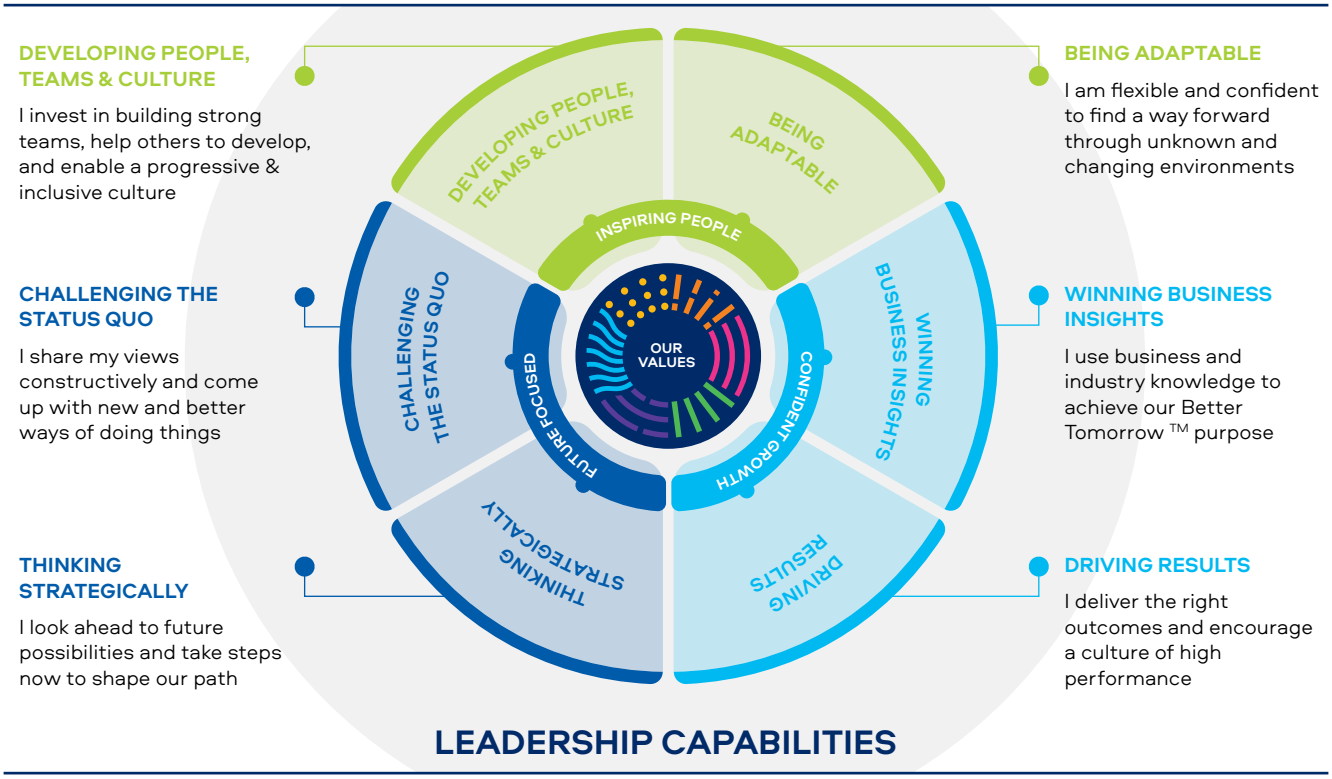
Category	Number of employees	%	Male	Female
Top Management	9	1%	7	2
Senior Employees	70	4%	57	13
Mid-level Employees	236	14%	72	164
Junior Employees	366	22%	280	86
Shopfloor Employees	1,004	60%	959	45
Total	**1,685**	**100%**	**1,269**	**265**

TALENT MANAGEMENT THAT LEVERAGES INDIVIDUALITY

We embrace diversity in talent, perspectives, and working styles while ensuring employees feel valued and empowered. Our approach encourages career ownership, capability enhancement, and leadership readiness to build the next generation of BATB leaders.

Our objective is to develop the most capable leaders for the future, equipped to effectively lead the company both now and in the years to come. To achieve this, we focus on offering career opportunities to individuals with the necessary skills, ambition, passion, and drive to succeed.

At BATB, we believe every employee has the right to be informed about their performance, potential, and career progress. Our career development approach aims to provide clear, practical, and actionable guidance for advancing within the company, while aligning with our overall personnel management strategy. The global principles form the foundation of our career planning at BATB and are applicable across all departments and levels of management.



TALENT WITH WINNING CAPABILITIES

64
New Recruits in 2025

11
BATB Managers newly expatriated in 2025

GROWTH DIALOGUES

With the goal of increasing the effectiveness of employees' autonomous growth, we conduct annual reviews focusing on employee skill development and career building and provide opportunities for dialogue with supervisors.

FEEDBACK SUPPORTING GROWTH

Prior to growth dialogues, employees who lead certain organizations undergo a 360-degree management review from their superiors, subordinates, and colleagues, while other employees receive team feedback from their subordinates and colleagues. This provides opportunities for growth support leading to increased awareness and improvement of behavior.

TALENT REVIEW PROGRAM

BAT Bangladesh has established a mechanism to encourage the development of employees' skills and career through observation and assessment from multiple perspectives by sharing skill growth and career aspirations of employees confirmed through growth dialogues with a wider population.

CAMPUS-TO-CORPORATE INITIATIVES

Xceed Campus Ambassador Program

The Xceed Campus Ambassador Program, which was launched in 2019, is a platform promoting campus engagement and sustaining partnership with universities

that serve as a vibrant talent hub for BATB. These predominantly second- and third-year individuals, who serve as talent "ambassadors" within their respective colleges, also participate in many coaching sessions that help in advancing skill development. Our diversified group of Xceeds in 2025 was made up of participants from Bangladesh's top 15 institutions.

Impact Internship

Our five-month long Xcelerate internship program is a platform created to welcome bright soon-to-be graduate participants into the company and expose them to the experience of working in a dynamic multinational company. BATB makes sure that interns work on engaging projects that refine their skill sets while providing adequate learning opportunities.

CROSS-INDUSTRY CAPABILITIES

At BAT Bangladesh, we believe that attracting the smartest and brightest people of the nation is the key source of our competitive advantage. We require seasoned individuals with special expertise as we build the company on many fronts to reach new milestones. Throughout the year, we made use of our lucrative talent brand and superior employee value propositions to bring a wide range of cross-industry competencies to the company.

OUR TALENT IN THE GLOBAL ARENA

Free knowledge exchange and sharing of best practices across BAT Group companies worldwide are seen as a fundamental aspect of our culture and a sign of the caliber of our resources. This highlights our evolution from primarily learning from global partners to now contributing best practices across the Group.

We deployed 11 of our talents to several end markets in various roles as a company determined to make progress every day with a relentless emphasis on attaining business excellence through international benchmarking. Although some of them are young, talented individuals who are raising the Bangladesh flag high in various parts of the globe, others are members of the leadership teams and heads of departments who oversee large teams.

DIVERSITY, EQUITY, INCLUSION

We are promoting and strengthening initiatives to ensure that each of our diverse and versatile employees can thrive and flourish.

The concept of diversity, equity, and inclusion (DEI) continues to be an important focus in the corporate world and is one of the most significant aspects of the HR agenda at BATB. As a result of the effectiveness of our recruitment and development initiatives, the percentage of women working in management grades at the company has grown over time. Meanwhile, ongoing efforts in women's empowerment continue to empower our female colleagues across the organization by providing them with meaningful opportunities for involvement and networking.

In this context, "empowerment" refers to the process of giving women more control over their lives and choices. In addition to this, we made significant strides toward improving the social wellness of our workforce.

Throughout the course of the year 2025, several wellness projects were initiated with the goal of enhancing work-life integration and the overall wellbeing of our employees. These projects included the implementation of engagement activities that encouraged employees to interact with one another and participate in the activities. This also contributed to strengthening the bonds between teams.

Thus, the constant goal in our talent strategy framework is DEI. Over time, we have made sound progress in ensuring better gender diversity within the organization through our ground-breaking campus project, Supernova, which won a FICCI Awards 2025 – Runners-up position in the "Excellence in DEI initiatives" category.

Supporting Women's Careers

We are expanding measures to support work-life balance beyond the level required by law to empower employees to autonomously develop their careers and to further maximize their abilities, even after life events, such as childbirth and child-rearing. Additionally, to increase the number of women in managerial positions and to accelerate their appointment to key positions, we are promoting career support tailored to women such as mentorship programs.

Encouraging the Appointment of a Diverse Talent Pool

We are working to maintain and increase diversity by appointing employees based on their abilities and performance, ensuring to assign the right person in the right position, regardless of age, gender or nationality or any other irrelevant factors.

- 34% of total new recruits are female.
- 1 out of 5 Front-line managers are female.
- 22% of our Leadership Team is female.

EMPLOYEE WELLBEING IN THE SPOTLIGHT

Employee wellbeing in 2025 was anchored through LiveWell, BAT Bangladesh's holistic wellbeing platform. LiveWell supports employees across physical, social, emotional, social, and financial wellbeing, providing a structured and consistent approach rather than standalone scattered initiatives.

The platform also strengthened policies designed to support employees through different life stages, including Birthday Leave – offering a day off during an employee's birthday month – and compassionate leave, providing up to five days of paid leave during significant family or personal circumstances. LiveWell further enabled capability-building across the organization through workshops focused on stress management, burnout prevention, and fostering psychological safety, equipping both employees and line managers with practical tools to support resilience and wellbeing at work.

All our employee work locations – Dhaka, Savar and Kushtia – are equipped with 24-hour clinics to support the shift operations of our factories. All our workers have free access to these dispensaries, staffed with trained physicians and pharmacists.

In addition, we deployed the BAT Olympiad, which consists of several athletic activities, such as our intra-BAT football competition, The Changemakers' League, and a cricket tournament. We also established an intra-gender basketball tournament, BAT Ballers, as a demonstration of BAT Bangladesh's commitment to an open and equal workplace. Complementing these activities, LiveWell also expanded social and cultural engagement initiatives through initiatives such as Family Day, the Kids Carnival, and celebration of key cultural events – including International Women's Day, International Men's Day, World Mental Health Day, Durga Puja, and Buddha Purnima - all of which reinforced an inclusive environment.

At BATB, we also took conscious steps to alleviate the financial constraints that our employees faced due to inflation. These actions were taken in response to the economic volatility and inflation experienced in the country. As part of strengthening financial resilience, we also ran dedicated financial wellbeing sessions led by certified professionals, covering topics such as retirement planning, personal investments, and long-term financial security.

With its wellness efforts, BATB fosters an inclusive atmosphere among its shopfloor and management personnel. In a variety of corporate projects, shopfloor personnel frequently collaborate with other co-workers. This has enabled greater upward mobility from shopfloor into management roles – fostering equity, optimism, and cohesion.

FUTURE ROADMAP

A year to remember on many counts – that was 2025. We envision doing more in the current year and anticipate more opportunities to promote sustainable development as we move forward. By the end of 2026, we intend to:

- Become the most diverse, inclusive and ethical organization in the nation.
- Continue to cultivate our talent at a faster pace to keep up with the company's expanding needs and hasten the export of talent.
- Concentrate on attracting and fostering more women in STEM fields and attracting recent graduates in agriculture, so that we may become the leading platform for their professional development.
- Collaborating with universities to integrate the necessary contemporary skills into business through highly qualified graduates, which has an impact across all industries as Bangladesh's economy continues to expand at a healthy pace.

The country needs to fast-track the rate at which it produces talent during this crucial period. In a highly competitive global economy, the nation requires high caliber personnel to cater to its economic ascension. To address this challenge, academics and businesses must work together strategically to build the nation's human capital. We as a company are delighted to lead the HR practice and people empowerment from the front, and in the future years we will step up our efforts to accelerate towards A Better Tomorrow.

MANUFACTURING CAPITAL



Mr. Swad Us Sami
Production Manager
BAT Bangladesh

Our manufacturing operations sit at the core of our integrated value chain, enabling consistent delivery of high-quality products that meet customer expectations. We remain focused on world-class standards and operational efficiency, ensuring a cost-competitive and reliable production base.

MANUFACTURING CAPITAL

Our Manufacturing Capital stands on a strong operational foundation focused on improving efficiency, elevating quality, optimizing costs, and ensuring full regulatory adherence.

Preserving our Natural Resources

BATB's Manufacturing Capital includes essential production assets—machinery, equipment, and facilities—that are central to meeting our operational goals. This also encompasses buildings, infrastructure, communication systems, and waste management facilities.

Effective management of these assets is crucial to sustaining operational reliability and achieving manufacturing excellence.

We continue to embrace innovative and cutting-edge practices to enhance efficiency and strengthen production management. These initiatives drive continuous improvements across the supply chain, on-site operations, cost controls, and workforce capability development. Through advanced manufacturing methods and strong governance, BATB consistently upholds superior standards of quality and productivity.

Accomplishing Distinction in Ecological Stewardship through our Goals

- Strengthen local sourcing strategies to enhance supply chain value creation.
- Promote sustainability by repurposing waste, improving efficiency, and minimizing environmental impact.
- Strategically refine core manufacturing processes to improve productivity and cost competitiveness.
- Optimize the use of leaf, energy, and water through sustainable and innovative practices.
- Ensure rigorous oversight and compliance in inventory management to meet performance goals consistently.

SDG GOALS SERVED



At BAT Bangladesh, we continue to invest in innovative and advanced methodologies to strengthen efficiency and integrated production control. This approach fuels continuous improvement across the supply chain, reinforces manufacturing excellence, enhances cost effectiveness, and supports the ongoing development of our workforce.

KEY INITIATIVES

- Continuous improvement across the end-to-end value chain to maintain a cost-competitive manufacturing base.
- Close monitoring of manufacturing quality standards and full compliance with GMP and relevant regulatory requirements.
- Investments in manufacturing capability, technology, and capacity expansion.
- Vertical integration across strategic manufacturing sites, creating synergistic competitive advantages.

COST CONTAINMENT AND INCREASED EFFICIENCIES:

We are committed to continuous improvement and long-term savings initiatives designed to enhance production efficiency and achieve economies of scale. Our multi-year savings programs, covering all aspects of the operation, are progressing as planned.

Regular performance monitoring ensures steady advancement toward these goals. By directly managing our critical manufacturing assets, we maintain rigorous control over quality, operational efficiency, and cost competitiveness. This proactive approach enables us to respond quickly to supply chain challenges and broader macroeconomic dynamics, safeguarding our margins.

MANUFACTURING FOOTPRINT OPTIMIZATION FOR SUSTAINIBILITY

At BAT Bangladesh, sustainability remains at the forefront of our agenda. Throughout 2025, we made significant progress toward our ambition.

Our dedication extends beyond operational upgrades. Collaborating with the Rural Electrification Board (REB) and DESCO, we've fortified our resilience against power disruptions.. In 2025, BATB Savar Factory site has equipped with 2.2 MW equivalent rooftop solar panels which is effectively contributing to integration of renewable energy to the site. We are not only committed to upgrade our own infrastructure to support the ultimate ESG agendas, even our major key suppliers have also joined us in this journey of clean and renewable energy by installing solar panels.

These innovations reduce dependency on fossil fuels and accelerate our transition to cleaner energy. Enhanced digital capabilities also help us predict and prevent equipment failures, increasing overall operational resilience and efficiency.

OUR MANUFACTURED CAPITAL WITH THE SDGS

Driving Sustainability and Excellence at BAT Bangladesh

Aligned with the Sustainable Development Goals (SDGs), we embed ESG principles at the heart of our operations. Our manufacturing teams continue to lead initiatives supporting our goal.

Beyond process improvements, we strengthened our infrastructure by collaborating with REB and DESCO to enhance energy resilience. Water conservation remains a priority, with over 40% water recycling achieved. All key manufacturing sites are AWS Certified, demonstrating industry-leading water stewardship.

Low energy and water usage indexes at our Manufacturing site highlight our strong environmental performance and commitment to a greener future. BAT Bangladesh remains dedicated to creating long-term value for stakeholders and the planet.

Operational Milestones and Environmental Impact

In 2025, we successfully consolidated our two manufacturing facilities, further establishing the Savar Factory as a growing facility within the BAT Group.

We are reducing wastage levels and delivering better Overall Equipment Efficiency (OEE) and product quality. These accomplishments mark a significant step forward in embedding sustainability into our operational core.

Enhanced Safety and Security Measures

Recognizing the priority of people and asset safety, we modernized our factory and warehouse systems with advanced DF security technologies. We also upgraded fire suppression systems, especially in high-risk zones such as transformer facilities, ensuring greater emergency preparedness.

Empowering Our Workforce

Our investment in people continues to be a central pillar of our success. Through technical and leadership training, we are strengthening digital, compliance, and operational capabilities across the workforce.

Our signature initiative—the Apprentice Academy—provides hands-on training in process management, IWS, H&S, and digitalization. This two-year apprenticeship program builds foundational technical expertise and cross-functional understanding, supporting future career opportunities and contributing to the national skilled workforce.

A Future-Focused Commitment

By embedding sustainability throughout our operations and nurturing a secure, resilient workplace, BAT Bangladesh remains committed to driving the SDGs. Our ongoing achievements in workforce development and operational excellence reinforce the foundation for a sustainable and prosperous future.

FUTURE ROADMAP

Transforming organizational culture is a long-term journey requiring consistent and intentional action. In 2022, we initiated a program to embed High Performance Organization (HPO) principles across our operations, and we continue reinforcing them among our people.

Mid 2025 we closed our Dhaka factory and started consolidating capacity in our Savar Factory with the priority being uninterrupted supply in the market. This meant we had to undertake big engineering challenges to protect our assets and scale up capability at an unprecedented rate to meet business requirements. BAT Bangladesh is committed to deliver a fit for future manufacturing site with state of the art facilities upon the completion of ongoing strategic projects at Savar site.

We believe a strong workplace culture is built on mutual respect and trust. Guided by this belief, we launched a cultural transformation focused on leadership development, diversity and inclusion, and promoting work-life balance.

Recognizing that empowered individuals and a high-performance culture are catalysts for success, we have made notable progress. Our efforts are shaping an environment that promotes excellence, supports well-being, and upholds the values essential for long-term growth and organizational strength.

NATURAL CAPITAL



Mr. Shayer Islam
Area Head of Sustainability
BAT Bangladesh

Stewarding our Natural Capital, we aim to substantially minimise the environmental footprint of our operations. This includes the efficient and responsible use of natural resources to ensure long term sustainability. We remain committed to managing waste, water and emissions through innovative and environment friendly solutions that support business resilience and community wellbeing.

Our approach to Natural Capital goes beyond regulatory compliance. It is embedded within our core business strategy and operating model. By integrating sustainability into decision making and daily operations, we seek to balance economic performance with environmental responsibility, creating shared value for our stakeholders across Bangladesh.

NATURAL CAPITAL

Just as social capital is fundamental to maintaining public trust and ensuring business continuity, environmental responsibility is equally vital. We regard the planet as our most important stakeholder.

Preserving our Natural Resources

As a frontrunner in Environmental, Social and Governance practices, BAT Bangladesh has consistently embedded sustainable principles since inception. The Sustainability function, formerly Environment, Health and Safety, acts as a key driver of environmental excellence, fostering a workplace culture rooted in responsibility and continuous improvement.

The Sustainability team promotes sustainable practices across BAT Bangladesh's full value chain, from seed to smoke. Structured into Factory Sustainability, Leaf and PSC Sustainability, and Commercial Sustainability, the team prioritises innovation with a focus on zero accidents, resource efficient operations and reduction of Scope 1 and Scope 2 emissions.

Accomplishing Distinction in Ecological Stewardship through our Goals

- Environmental Protection: Deploy advanced technologies to reduce pollutants, prevent hazards and minimise environmental impact.
- Workforce Involvement: Engage employees and partners across all sites in environmental and sustainability initiatives.
- Safety and Environmental Culture: Embed health, safety and environmental values into organisational culture and operating systems.
- Innovative Risk Reduction: Reduce risks and environmental impacts through elimination, substitution, reduction, recycling, reuse and recovery.
- Compliance: Maintain strict adherence to applicable environmental, health and safety regulations.

HIGHLIGHTS OF 2025

Water recycling rate
33.18%

Waste Recycling Rate
99.53%

Reduced total Scope 1 and Scope 2 emissions
14.03%

Renewable energy contribution
14%

PROGRESS ACHIEVED, 2025

- Reduced total Scope 1 and Scope 2 emissions by 14.03 percent compared to 2024 through renewable energy sourcing and efficiency improvements.
- Expanded renewable energy through onsite solar installations and retirement of renewable energy certificates, supporting 14 percent renewable energy contribution.
- Maintained Alliance for Water Stewardship certification across all manufacturing sites and extended stewardship to Leaf operations.
- Improved waste circularity performance to 99.53 percent through segregation, recovery and composting initiatives.
- Strengthened sustainable agriculture and supplier capability through digitalisation, automation and structured sustainability programmes.

Trade Offs, 2025

Sustained investment in infrastructure upgrades, technology deployment, and capability building across operations, suppliers and farming communities was required to embed long term environmental performance improvements.

FOR US, A BETTER TOMORROW IS GREEN

BAT Bangladesh has continued to advance its Natural Capital journey by embedding environmental stewardship into operational excellence. In 2025, progress was driven by decarbonisation initiatives, responsible water governance, circular waste management and sustainable agriculture practices, aligned with our broader ESG priorities.

PAVING THE WAY TOWARDS CARBON REDUCTION AND ENERGY RESILIENCE

BAT Bangladesh strengthened its low carbon transition through a combination of onsite renewable generation, renewable energy certificates and energy efficiency interventions. In 2025, Scope 1 and Scope 2 market based emissions including fugitives stood at 43,023 tCO2e, reduced from 50,042 tCO2e in 2024.

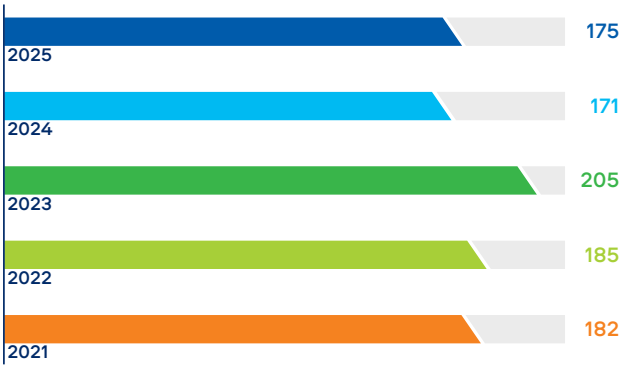
Renewable energy sourcing included onsite solar generation of 1,282,824 kWh and retirement of 13,950,032 kWh of unbundled renewable energy certificates, contributing to 14 percent of total electricity consumption. These actions were supported by efficiency improvements across factory and Leaf operations, including modernisation of utilities and electrification of material handling equipment.

ENSURING WATER CONSUMPTION EFFICIENCY

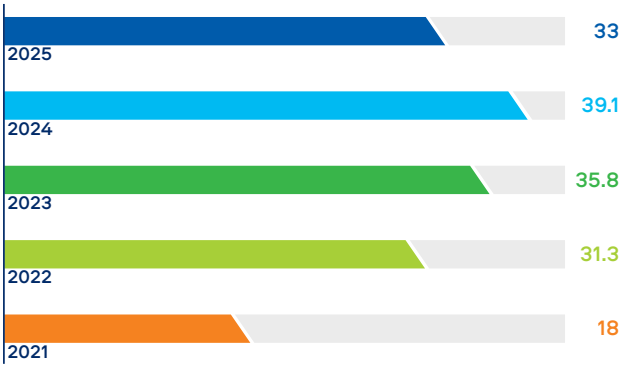
BAT Bangladesh remained committed to responsible water management within operations and surrounding communities. In 2025, water withdrawn stood at 175,010 m3, while the water recycling rate reached 33.18%.

All manufacturing sites remained certified under the Alliance for Water Stewardship standard, supported by Reverse Osmosis plants, condensate recovery systems and wastewater treatment infrastructure. Leaf operations further strengthened water stewardship with AWS certification at the Manikganj Regional Depot. These initiatives reinforce good water governance and long term water security.

Water withdrawn ('000m3)



Water Recycling

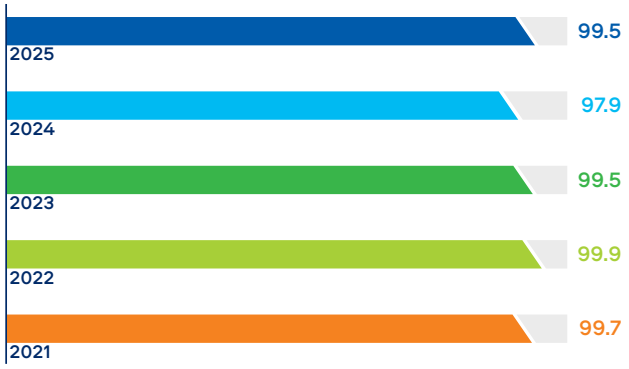


BATB WASTE MANAGEMENT JOURNEY

BAT Bangladesh maintained strong circularity performance across its operations. Total waste recycling reached 99.53% in 2025, improving from 97.90% in 2024.

Organic waste generation reduced significantly, supported by improved controls and the procurement of a 1,500 kilogram composting unit at Savar. Waste segregation at source, reuse initiatives and partnerships with authorised recyclers ensured responsible handling of metallic waste, plastics, paper, wood and organic waste streams, supporting the company's ambition of minimal waste to landfill.

Waste Recycling



NATURE, AGRICULTURE AND COMMUNITIES

Leaf operations continued to strengthen responsible agriculture and community wellbeing. A total of 35,345 farmers were onboarded onto the Agri360 ESG digital platform, enhancing transparency and data driven sustainability management.

BAT Bangladesh maintained full Deforestation and Conversion Free tobacco sourcing and upheld child labour free production through monitoring and intervention. Over 4,500 BAT Bangladesh employees and contracted workers received PPE support, reinforced by contractor agreements mandating PPE provision. Automation under Project Progoti reduced manual handling, improved safety and enhanced operational efficiency at Leaf depots.

RESPONSIBLE SOURCING AND SUPPLIER SUSTAINABILITY

Supplier performance remained a significant pillar of Natural Capital.

- Ten critical business suppliers participated in the Supplier Sustainability College, receiving classroom and practical training on environmental stewardship, safety leadership, and compliance frameworks.
- The program delivered measurable improvement commitments that strengthen long term supplier capability and alignment with BAT Bangladesh standards.

OUR ALIGNMENT WITH SUSTAINABILITY

BAT Bangladesh remains aligned with Group ESG priorities and the Sustainable Development Goals that relate to climate action, water stewardship, biodiversity, and responsible consumption.

Our ongoing commitments include:

- Continued expansion of renewable energy
- Investments in water reuse and conservation
- Strengthening circularity and responsible resource use
- Enhancing low carbon manufacturing and agricultural practices
- Building supplier and community capability for long term resilience

PAVING THE WAY FORWARD

Looking ahead, BAT Bangladesh will continue to:

- Commission composting assets across Savar to strengthen waste circularity
- Expand onsite solar beyond Leaf and factory footprints
- Deepen AWS outcomes through catchment level water projects
- Scale Agri360 usage across farming communities
- Strengthen supplier sustainability through outcome based execution

INTELLECTUAL CAPITAL



Mr. Saif Zahur Al Islam
Senior Manager - IDT Services
BAT Bangladesh

In recent years, BAT Bangladesh has undergone an extensive digital transformation across all major business areas, elevating operational excellence and strengthening business agility. Through the use of data-driven insights, we have unlocked new opportunities for value creation, enabling smarter decisions and enhanced efficiency. Simultaneously, we are preparing the organization to fully leverage emerging technologies-particularly Artificial Intelligence (AI) and Generative AI-ensuring we remain at the forefront of innovation within a rapidly evolving digital environment.

MANUFACTURING CAPITAL

Our Intellectual Capital comprises the operational and technological competencies that power our transformation journey and enable a seamless shift to digital systems. It includes advanced IT capabilities, data analytics, automation tools, and process optimization frameworks that collectively strengthen efficiency and resilience.

OUR INNOVATION STRATEGY

BAT Bangladesh's approach to innovation embeds a strong Data DNA across the organization, enabling informed decision-making and supporting long-term, sustainable growth. Our Intellectual Capital extends beyond consumer understanding—it accelerates operational excellence, digital automation, AI-driven insights, and continuous improvements across the value chain.

By integrating world-class R&D and emerging technologies, we elevate consumer experiences, strengthen operational efficiency, and empower farmers—building a future-ready organisation driven by continuous innovation.

Accomplishing Distinction in Ecological Stewardship through our Goals

- Strengthen local sourcing strategies to enhance supply chain value creation.
- Promote sustainability by repurposing waste, improving efficiency, and minimizing environmental impact.
- Strategically refine core manufacturing processes to improve productivity and cost competitiveness.
- Optimize the use of leaf, energy, and water through sustainable and innovative practices.
- Ensure rigorous oversight and compliance in inventory management to meet performance goals consistently.

SDG GOALS SERVED



HIGHLIGHTS OF 2025

Our Information and Digital Transformation (IDT) team has made significant strides in fostering a digital mindset and enhancing capabilities to drive business transformation. Extensive training and upskilling initiatives have equipped our workforce with automation skills, empowering teams to rethink and optimize work methodologies through digital solutions.

Beyond capability building, we have also created tangible business value by consolidating and optimizing digital platforms, reducing complexity and improving efficiency. At the same time, we have focused on simplifying and automating processes, enhancing speed, accuracy, and productivity across functions. Leveraging data-driven insights, we continue to unlock new opportunities, enabling informed decision-making and driving sustainable growth. Our ultimate goal is to embed a culture of digital adoption, ensuring that technology is not just a tool but a driver of operational excellence and strategic advantage, enabling a seamless transition to the future.

Progress Achieved, 2025

In the pursuit of fostering Intellectual Capital, our business has made significant strides, resulting in a transformative impact on various facets of our organization. For that we have ensured:

- Creation of a specialized and fully equipped Information and Digital Tranformation wing
- Deployment of digital solutions to automate and simplify routine manual processes
- Provision of comprehensive and state-of-the-art digital tools to empower our workforce, fostering innovation within the workplace
- Developing technology-driven solutions to create business value for all business functions
- Focus on compliance and cybersecurity, to ensure protection and appropriate usage of sensitive data
- Upscaled the processes through the implementation of Artificial Intelligence
- By embedding digital at the core of our enterprise, we have harnessed the power of Artificial Intelligence (AI) to derive deep, data-driven consumer insights, enabling us to anticipate and respond to evolving preferences with precision

Trade Offs, 2025

As we continue our digital transformation journey, navigating a fast-evolving technological landscape remains a key challenge. The rapid emergence of new digital tools, AI advancements, and automation solutions demands continuous adaptation and upskilling to remain competitive. At the same time, external uncertainties, including shifting regulatory frameworks and geopolitical complexities, add layers of complexity to our operations, requiring agility and resilience in our strategic approach. Additionally, consumer preferences continue to evolve at an unprecedented pace, pushing us to enhance our data-driven insights and digital capabilities to anticipate market needs effectively. Despite these challenges, our commitment to innovation, operational excellence, and future readiness ensures that we remain well-positioned to navigate this dynamic landscape.

INTELLECTUAL CAPITAL: FUELING INNOVATION AND SUSTAINING COMPETITIVE ADVANTAGE

Innovation is fundamental to our ambition of becoming a fully digital enterprise. Our focus on simplification, self-service tools, advanced analytics, AI-driven automation, and low-code technologies has strengthened productivity and cost efficiency. These advancements reinforce our position as a digital leader and ensure we remain competitive in a dynamic environment.

CATALYST FOR INNOVATION AND COMPETITIVE EDGE:

At BAT Bangladesh, Intellectual Capital emerges as a strategic cornerstone, driving innovation, fostering resilience, and shaping the company's competitive edge. This intangible wealth is delineated into three integral facets: Human Capital, Structural Capital, and Relational Capital.

1. HUMAN CAPITAL: CULTIVATING EXPERTISE FOR INNOVATION

Human Capital at BAT Bangladesh encapsulates the collective skills, knowledge, and creativity embedded within the workforce. Bat Bangladesh believes investing in the development and well-being of employees enhances human capital thus throughout the year, the Company has arranged training programs, continuous learning initiatives, and a positive work culture for nurturing the human capital. The collective skills of the workforce contribute to innovation, problem-solving, and the overall adaptability of the organization.

OUR INITIATIVES

- **Rigorous Training Programs:** Investment in continuous employee development and skill enhancement.
- **Positive Work Culture:** Cultivating an environment that encourages innovation and collaboration.
- **Talent Acquisition and Retention:** Attracting and retaining top-tier talent to bolster intellectual capabilities.



2. INTELLECTUAL CAPITAL: ARCHITECTING THE FOUNDATION OF KNOWLEDGE

AT BAT Bangladesh, Intellectual Capital encompasses internal infrastructure supporting knowledge creation, organization, and application. The organization's internal infrastructure supports the creation, organization, and utilization of knowledge. This includes intellectual property, processes, systems, databases, and other intangible assets. Bat Bangladesh's well-designed information systems, effective knowledge management practices, and streamlined processes contribute to the accumulation and utilization of intellectual capital for protecting and leveraging intellectual property, such as patents and trademarks, is crucial for maintaining a competitive edge.

Our Elements:

- **Intellectual Property Management:** Safeguarding patents, trademarks, and proprietary information.
- **Knowledge Management Systems:** Implementing sophisticated information systems for efficient knowledge sharing.
- **Best Practices and Processes:** Institutionalizing efficient operational processes to enhance productivity.

3. SOCIAL & RELATIONSHIP CAPITAL: BUILDING NETWORKS OF TRUST AND VALUE

Social & relationship Capital at BAT Bangladesh extends to external relationships with stakeholders. BAT Bangladesh focuses on the external relationships with customers, suppliers, partners, and the community where the company is operating. BAT Bangladesh always pursues for a positive brand image, customer loyalty, and strong partnerships to contribute to the relational capital of an organization. Transparent communication, ethical practices, and social responsibility initiatives enhance the company's reputation and foster trust among stakeholders.

Our Building Blocks:

- **Customer Engagement:** Nurturing customer loyalty through transparent communication and quality products.
- **Supplier Partnerships:** Establishing robust partnerships with suppliers for a seamless supply chain.
- **Corporate Social Responsibility:** Engaging in initiatives that contribute positively to the community, enhancing brand reputation.

STRATEGIC PRIORITIES FOR BAT BANGLADESH FOR THE INTELLECTUAL CAPITAL

1. Innovation and Creativity:

- **Strategic Focus:** Foster a culture of continuous learning and cross-functional collaboration.
- **Outcome:** Position BAT Bangladesh as an industry innovator, adapting to evolving market demands.

2. Market Differentiation:

- **Strategic Approach:** Leverage Intellectual Capital to create unique value propositions.
- **Outcome:** Differentiate BAT Bangladesh products in the market, solidifying brand identity.

3. Risk Management:

- **Strategic Measures:** Vigilantly protect intellectual assets, including trademarks and proprietary information.
- **Outcome:** Mitigate risks associated with market volatility and technological advancements.

4. Long-term Value Creation:

- **Strategic Investments:** Allocate resources to employee development, innovation, and sustainable practices.
- **Outcome:** Ensure BAT Bangladesh's resilience and sustained value creation over the long term.

ACHIEVEMENTS IN OUR DIGITAL TRANSFORMATION

Through the establishment of our Information and Digital Transformation (IDT) team, we have achieved significant milestones in embedding a digital-first mindset across the organization. This initiative has been instrumental in enhancing digital capabilities, increasing automation, and fostering business transformation across key functions. Recognizing the importance of upskilling and retooling,

we have prioritized continuous learning and capability building, ensuring our workforce is future-fit and equipped to maximize the potential of emerging technologies such as AI, Generative AI, and Data Analytics.

Beyond capability development, we have delivered tangible business value by consolidating and optimizing digital platforms, reducing complexity, and improving efficiency across operations. Our focus on process simplification and automation has led to significant time savings, enhanced accuracy, and improved productivity. By leveraging data-driven insights, we continue to unlock new opportunities, empowering teams with actionable intelligence to drive smarter decision-making and sustainable growth.

The impact of our digital strategies extends beyond efficiency gains. Our commitment to technology-driven transformation has resulted in higher employee satisfaction, reduced error margins, shortened lead times, and improved output quality, positioning us to navigate future challenges with agility. With digital embedded at the core of our operations, we are ensuring that technology is not just a tool, but a strategic enabler of operational excellence, commercial success, and long-term competitive advantage.

ENABLING DIGITAL INCLUSION AND EMPOWERING INDIVIDUALS

Our digital transformation places strong emphasis on inclusivity, ensuring that all employees—from factory workers to field teams—benefit from digital tools, RPA, analytics, and automated reporting systems.

Employees now have access to real-time insights, AI-driven recommendations, and simplified workflows, enabling higher productivity and faster decision-making.

We continue to strengthen market presence through rigorous analytics, advanced forecasting, and impact measurement of emerging technologies.

ACCOMPLISHMENT

BAT Bangladesh has undergone a comprehensive digital transformation, embedding technology at the core of our operations to drive efficiency, innovation, and business value. Through process transformation and digital ways of work, we have significantly enhanced productivity, operational excellence, and data-driven decision-making.

Our Information and Digital Transformation (IDT) wing has played a crucial role in enabling this transformation, fostering a digital-first mindset across the organization. By deploying digital solutions to automate and simplify routine manual processes, we have optimized workflows, improved accuracy, and unlocked new efficiencies. Additionally, the provision of state-of-the-art digital tools has empowered employees at all levels, from shop floor workers to commercial teams, fostering an environment of continuous learning and innovation.

We continue to develop technology-driven solutions that generate business value across all functions, from streamlined trade operations and marketing excellence to supply chain efficiency and financial process automation. By harnessing the power of Artificial Intelligence (AI), we are extracting deeper consumer insights, enhancing predictive analytics, and enabling a more data-driven approach to decision-making.

Furthermore, our commitment to cybersecurity and compliance ensures that sensitive data is protected and responsibly utilized, reinforcing trust and resilience in an increasingly digital landscape. We have also upscaled critical business processes by implementing AI-driven automation, simplifying complex operations while maintaining agility in a rapidly evolving market. Additionally, we are leveraging AI to enhance workplace compliance, ensuring adherence to regulatory and operational standards in our factories and leaf buying areas, further strengthening governance and accountability.

As part of our continuous improvement efforts, our upscaled payroll processes, employee medical benefits digitalization, and share management system have further streamlined internal efficiencies, benefiting employees and stakeholders alike.

Through these accomplishments, BAT Bangladesh reaffirms its commitment to innovation, digital inclusion, and sustainable business transformation, ensuring we remain future-ready and positioned for long-term success.

GOING ABOVE AND BEYOND

BAT Bangladesh continues to advance its digital frontier through innovative platforms, agile methodologies, and data-driven strategies. Our IDT team plays a central role in embedding automation and simplification, strengthening business agility, and future-proofing operations.

As the business environment evolves, we remain committed to leveraging technology as a strategic enabler—reinforcing resilience, long-term growth, and enterprise sustainability.

SOCIAL CAPITAL



Mr. Arafat Jaigirdar
Head of External Engagement
BAT Bangladesh

At BAT Bangladesh, we believe strong societies are built through trust, partnership and shared responsibility. By working collaboratively with our stakeholders, we aim to deliver meaningful socio-economic progress while creating long-term sustainable value for Bangladesh.

SOCIAL CAPITAL

At BAT Bangladesh, Social & Relationship Capital reflects the quality, depth and integrity of our relationships with stakeholders across our value chain. Through transparent engagement and responsible business conduct, we seek to balance commercial performance with positive societal outcomes.

OUR INNOVATION STRATEGY

Our multi-stakeholder approach enables us to understand evolving expectations, manage shared risks and deliver inclusive growth. Guided by our ESG priorities and aligned with the United Nations Sustainable Development Goals (SDGs), we continue to invest in initiatives that strengthen trust, resilience and long-term value creation for communities, partners and institutions.We remain steadfast in our commitment towards corporate responsibility and sustainability initiatives, driving initiatives actions that enhance community well-being and build trust-based relationships with our stakeholders. BAT Bangladesh actively engages with stakeholders, dedicating resources to social impact projects aligned with the United Nations' Sustainable Development Goals (SDGs). Our focus is on creating sustainable value that fulfills stakeholders' needs, expectations, and aspirations. At the heart of our Social & Relationship Capital lies a thoughtfully designed Corporate Social Responsibility strategy.

Accomplishing Distinction in Ecological Stewardship through our Goals

As a corporate citizen, we recognise our responsibility to contribute meaningfully to national development—acting as a catalyst for shared prosperity and social well-being.

Our approach is underpinned by:

- Systematic identification and engagement of key stakeholder groups
- Long-term decision-making focused on sustainable value creation
- Continuous, meaningful dialogue to inform responsible growth
- Inclusive engagement to ensure no stakeholder group is left behind
- Optimize the use of leaf, energy, and water through sustainable and innovative practices.
- Ensure rigorous oversight and compliance in inventory management to meet performance goals consistently.

SDG GOALS SERVED



Progress Achieved, 2025

With over 115 years of uninterrupted operations, Social & Relationship Capital remains integral to BAT Bangladesh's identity and licence to operate. In 2025, we continued to strengthen relationships across government bodies, communities, suppliers, employees and business partners—supporting national priorities and contributing to socio-economic resilience.

Our programmes are designed to deliver measurable impact, foster mutual trust, and embed responsible business practices across our ecosystem. We remain fully compliant with the laws of Bangladesh and steadfast in our commitment to human rights, ethical conduct and transparent governance.

Trade Offs, 2025

- Supporting community well-being around our operations
- Building partnerships that enable inclusive socio-economic development
- Ensuring a fair and responsible transition across all activities
- Embedding stakeholder collaboration at programme design and delivery
- Pursuing zero harm through operational excellence
- Promoting a safe, healthy and positive work environment

OVERVIEW

BAT Bangladesh continues to play an active role in driving socio-economic progress, particularly within rural and grassroots communities. Through targeted interventions, we empower farmers with agricultural expertise, income-generation opportunities and access to infrastructure—strengthening livelihoods and community resilience.

Contracted farmers remain a critical stakeholder group. Our Leaf operations focus on income stability, capacity building and sustainable agricultural practices. Through close collaboration, provision of quality inputs and technical guidance, we support long-term productivity and climate resilience.

Our approach is guided by:

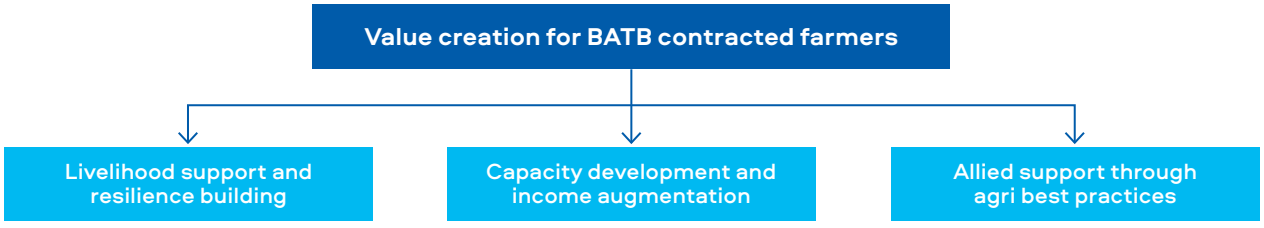
- **Impact:** Delivering measurable and lasting socio-economic outcomes
- **Relevance:** Responding effectively to stakeholder needs and expectations
- **Shared Value:** Creating mutual benefits through partnership and engagement

To further strengthen farmer resilience, our guaranteed buy-back system ensures transparency and ethical sourcing. Income diversification initiatives—including allied cultivation, waste reuse and recycling—help reduce costs, improve resource efficiency and promote sustainable practices.

UPHOLDING HUMAN RIGHTS

Respect for human rights remains fundamental to how we operate. BAT Bangladesh applies BAT Group's zero-tolerance approach to human rights violations, guided by the Standards of Business Conduct (SoBC), aligned with the UN Guiding Principles on Business and Human Rights and ILO conventions.

Our Supplier Code of Conduct reinforces expectations across the value chain, covering child labour, forced labour, fair working conditions and ethical conduct.



In Leaf operations, compliance with the Sustainable Tobacco Programme (STP) ensures adherence to robust standards on human rights, environmental protection and occupational health and safety. Identified risks are addressed promptly through corrective action plans, reinforcing accountability and continuous improvement.

Our commitment extends across the entire value chain. In Leaf operations, compliance with the Sustainable Tobacco Programme (STP) ensures adherence to best practices in human rights, environmental protection and occupational health and safety. Any identified risks are promptly reported and addressed through corrective action, reinforcing our ethical standards.

SAFETY – PURSUING A ZERO-HARM STRATEGY

Protecting life is a core value at BAT Bangladesh. Our zero-harm ambition reflects our commitment to ensuring that every employee and service provider returns home safely each day.

Key achievements include:

- Strong EHS systems focused on risk assessment, lifesaving rules and critical controls
- Leadership-driven safety awareness and accountability
- Continuous improvement of logistics safety controls

Ongoing initiatives include:

- Strengthening assurance and verification processes
- Encouraging incident reporting and shared learning
- Embedding safety as a leadership responsibility
- Continuous monitoring and improvement of safety performance

Safety remains a leadership imperative, driving a culture of care and continuous improvement.

EMPLOYEES AND ORGANISED LABOUR WELFARE

We continue to foster a safe, inclusive and healthy workplace through preventive risk assessments, health protocols and responsive systems. Technology-enabled monitoring and rapid response mechanisms support employee well-being.

Beyond safety, we promote holistic well-being through volunteering, sports, social engagement and continuous learning. Our Values guide ethical leadership, integrity and future-ready capability development—strengthening engagement, belonging and performance.

COMMUNITIES AND SOCIETIES

Our long-term sustainability is closely linked to the well-being of the communities around us. Guided by our Care philosophy, we focus on targeted investments that address real needs, build resilience and create lasting impact.

Recognising socio-economic disparities in certain regions, particularly rural areas, BAT Bangladesh remains committed to supporting vulnerable communities through structured, partnership-driven interventions—reinforcing our role as a responsible corporate citizen.

OUR APPROACH TO ESG

Environmental, Social and Governance (ESG) considerations remain central to Board and management oversight. Our mission, "Creating A Better Tomorrow," continues to guide strategic decision-making, supported by clear ESG benchmarks and performance tracking.

Key focus areas include:

- Structured stakeholder engagement and commitment tracking
- Reputation and risk management
- Targeted social investment programmes
- Responsible customer and supplier relationship management

Our integrated ESG approach reinforces transparency, accountability and long-term value creation. This approach reinforces our commitment to responsible business practices, transparency, and continuous efforts to create a positive impact on environmental, social, and governance aspects of our operations.

DEI, SKILLS AND SOCIAL DEVELOPMENT

Managing both direct and indirect consequences is a core principle of our strategy to minimize the risks our operations may pose to society. We accomplish this by implementing a comprehensive stakeholder engagement approach that is responsive to the needs of the community. This includes fostering local vendor development, promoting the purchase of local products and services, and delivering tangible benefits through community development initiatives. This approach demonstrates our commitment to addressing the broader societal impacts of our operations and actively contributing to the well-being of the communities where we operate.

CREATING AN IMPACT

Our CSR approach recognises education, awareness and access as powerful enablers of social progress. Through collaboration with government, civil society and development partners—using Public-Private Partnership (PPP) models—we scale impact and sustainability.

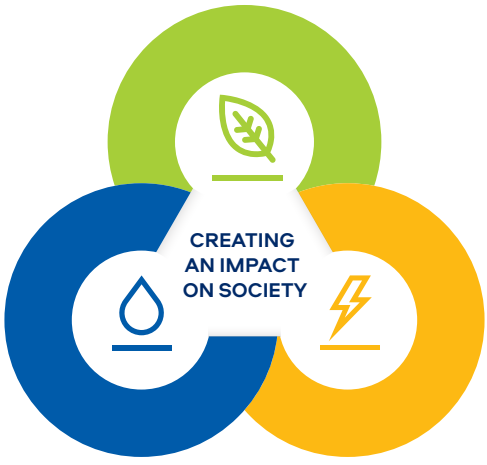
At BAT Bangladesh, our approach to community development is comprehensive, aiming to reach as many people as possible through our social and societal initiatives. We have three major community development programs: Bonayan, Deepto, and Probaho.

1. **Bonayan:** This flagship CSR initiative focuses on sustainable agroforestry and other programs that benefit individuals and households. Operating in over 22 districts, Bonayan has contributed significantly to expanding green cover in Bangladesh. Notable projects include afforestation efforts at significant locations such as Lalon Shah Bridge, Hazrat Shah Amanat International Airport, and the Rohingya Camp in Cox's Bazar.
2. **Probaho:** This initiative provides clean drinking water to families by installing 117 water filtration plants across 22 districts. Probaho addresses challenges related to waterborne diseases, ensuring easy access to safe drinking water and contributing to better health and safety, especially for women.
3. **Deepto:** This sustainable solar electrification initiative has impacted 25 villages in Bandarban, Khagrachhari, and Rangamati districts. By installing 2,591 solar-powered home systems at no cost, Deepto has improved household health by eliminating the use of hazardous fuels and provided round-the-clock lighting, offering communities clean, reliable, and safe energy.

In line with our goal of creating a sustainable impact, BAT Bangladesh aims to institutionalize best practices throughout its ecosystem. The company is actively involved in activities that promote environmental protection and the conservation of valuable resources, such as energy, paper, and water. This commitment reflects an integrated approach to ecological sensitivity and fosters awareness among stakeholders, retailers, farmers, and farming communities.

ECO-FRIENDLY LOGISTICS

BAT Bangladesh continues to advance green logistics through route optimisation, fuel efficiency and emissions reduction. Complementary initiatives—rainwater harvesting, bio-pest management and daylight optimisation—demonstrate our holistic approach to environmental stewardship.



Together, these initiatives reflect our commitment to acting responsibly today while contributing to a more resilient, inclusive and sustainable Bangladesh.

FINANCIAL CAPITAL



Ms. Nashva Hamid
Area Head of Corporate Finance
BAT Bangladesh

Maintaining strong credit ratings and the Company's capacity to control costs and expenses both significantly enhance our sustainability agenda. However, in 2025 the company has faced challenges on many fronts with significant impact on profit, cash and operational complexities. Our effective financial management techniques support the needs of the business, and enable us to still deliver value for our shareholders. We will continue to build long-term value for our shareholders, while continuing to be one of the largest contributors of taxes and duties to the Government Exchequer.

STATEMENT

The sustenance of sound credit ratings, and the Company's ability to manage its costs and expenses, makes a significant contribution to our sustainability agenda. However, in 2025 the company has faced challenges on many fronts with significant impact on profit, cash and operational complexities. Our effective financial management techniques support the needs of the business, and enable us to still deliver value for our shareholders. We will continue to build long-term value for our shareholders, while continuing to be one of the largest contributors of taxes and duties to the Government Exchequer.

FINANCIAL CAPITAL

At BATB, our financial capital comprises our financial capabilities required to sustain and grow our operations. As an essential part of our financial capital strategies, we embrace long-term thinking and allocate capital optimally to maximize returns.

FINANCIAL PERFORMANCE:

The financial performance of the Company is measured in terms of various key financial metrics, which includes operating profit, cash flow generation, gearing and liquidity. Key operating and financial information for the year 2025, along with the preceding four years' information is presented below:

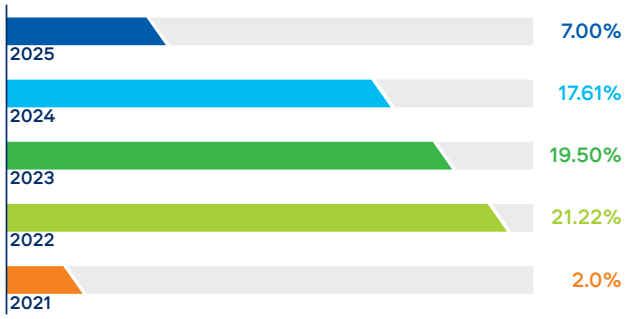
INCOME STATEMENT	2025	2024	2023	2022	2021
Gross Turnover	46,284	43,232	40,379	36,145	33,934
Supplementary Duty & Vat	37,941	33,287	31,212	27,722	26,451
Net Turnover	8,342	9,945	9,167	8,423	7,483
Gross Profit	3,369	4,422	4,450	4,423	4,006
Profit before tax	1,363	3,381	3,527	3,499	2,990
Profit after tax	584	1,751	1,788	1,787	1,497

Net turnover decreased by 16% in 2025, driven by lower sales. Along with de-growth in turnover and cost increase due to various economic factors and the one-off restructuring & relocation cost due to Dhaka Factory closure, BAT Bangladesh managed to land on 67% decrease of profit after tax compared to previous year.

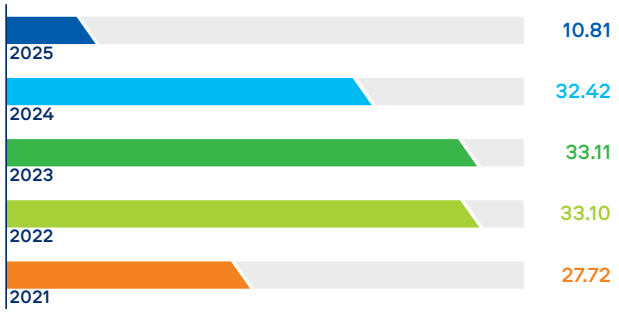
The overall cost of goods sold decreased during the year mainly due to decrease in volume and cost optimization activities, slightly offset by higher inflationary and cost impact from leaf and wrapping materials.

Year on year net finance expenses increased due to increased borrowing requirement coupled with higher interest rate.

Net Profit Ratio

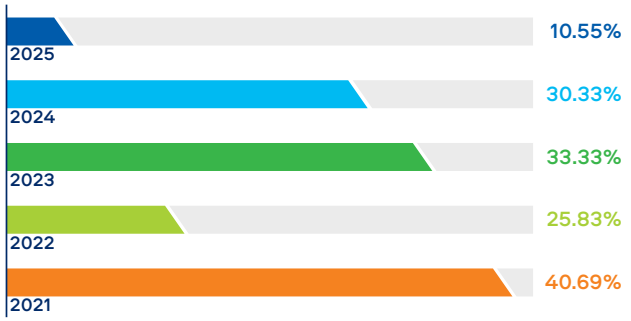


EPS

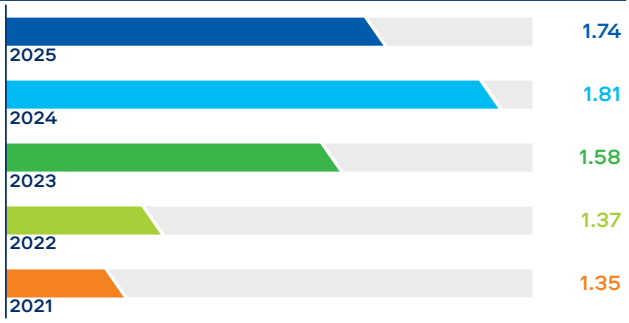


FINANCIAL POSITION	2025	2024	2023	2022	2021
Current Asset	7,342	6,076	6,375	4,485	4,409
Current Liability	4,760	3,365	4,041	3,274	3,278
Non-Current Asset	3,827	4,083	4,011	3,858	3,346
Non-Current Liability	874	1,022	982	951	798
Paid Up Capital	540	540	540	540	540

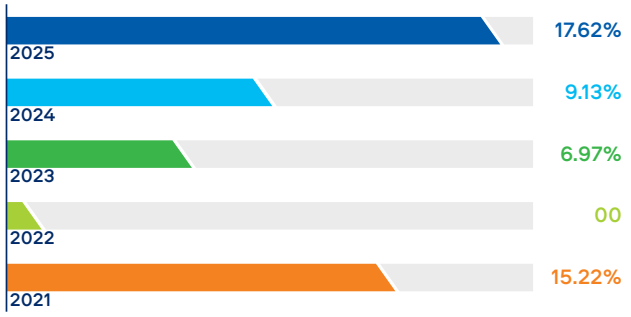
Return on Equity



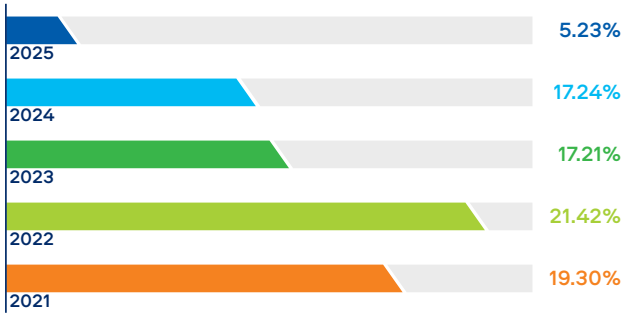
Current Ratio



Debt Equity Ratio



Return on Asset



CASH POSITION	2025	2024	2023	2022	2021
Cash flow from operating activities	331	1,732	1,021	2,702	795
Cash flow from investing activities	(632)	(470)	(610)	(606)	(530)
Cash flow from financing activities	320	(1,315)	34	(1,765)	(712)
Borrowings	975	527	374	0	560
Cash & cash equivalents	919	897	944	491	141

2025 closing cash position is 2% higher due to taking higher short-term loan necessitated by lower collections from sales proceeds and increased payments for VAT, duties, taxes to the government exchequer, and payments to suppliers for materials and expenses.

DIVIDEND

The Board of Directors has recommended a final dividend for the year ended 31 December 2025, i.e., BDT 3.00 per share as cash. The dividend is subject to final approval by shareholders at the Company's during the 53rd Annual General Meeting on 30th April 2026.

TAXATION

The current tax expense for 2025 is BDT 779cr vs BDT 1,631cr as of last year, which is a 52% decrease vs SPLY.

The effective tax rate also increased from 48.2% in 2024 to 57.2% in 2025. This is due to increase in disallowance of taxes in the form of additional costs incurred due to Dhaka factory impairment and relocation in 2025.

CELEBRATING OUR AWARDS

Our identity is defined by the way we conduct our business, not by the awards we receive. While accolades are not our measure of performance, we value such recognition as an affirmation of our approach and our steadfast commitment to advancing **A Better Tomorrow™.**

1. e-Return champion from National Board of Revenue (NBR)

2. Best Corporate award from Cost and Management Accountants of Bangladesh




জাতীয় রাজস্ব বোর্ড
ই-রিটার্ন
চ্যাম্পিয়ন
২০২৪-২০২৫
ব্রিটিশ আমেরিকান টোব্যাকো
বাংলাদেশ কোম্পানি লিমিটেড
সর্বোচ্চ সংখ্যক ই-রিটার্ন
দাখিলের জন্য সম্মাননা
15TH ICMAB BEST
CORPORATE AWARD
REIMAGINING BANGLADESH
15th ICMAB Best
Corporate Award
BRONZE AWARD
MNC Manufacturing
BAT
BANGLADESH
British American Tobacco Bangladesh
Company Limited
ICMAB

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SNAPSHOTS 2025

52nd Annual General Meeting- An occasion where reflection meets vision, unity strengthens collaboration, and achievements pave the way for a brighter future. A day dedicated to our employees and stakeholders, filled with purpose, progress, and shared success.





BAT Bangladesh Family Day 2025 begins with a spirit of togetherness, laughter, and cherished memories. A day designed to celebrate our employees and their families, filled with joy, camaraderie, and unforgettable experiences.

A Better Tomorrow Award Celebration 2025 where vision meets achievement, unity inspires progress, and success lights the path ahead.





Engagement with the Leadership Team at Savar Factory marks a meaningful occasion, an opportunity to connect, share insights, and strengthen collaboration.

Durga Puja Celebration 2025 at BAT Bangladesh brought the head office to life with devotion, joy, and cultural vibrance. Employees came together to honor this cherished tradition, strengthening bonds and celebrating the diversity that defines our organization.





Falgun 2025 Celebration at BAT Bangladesh Head Office begins with colors, music, and the spirit of spring.

BAT Bangladesh has contributed BDT 15 crore 98 lacs to the Bangladesh Labour Welfare Foundation Fund under the Ministry of Labour and Employment.





BAT Bangladesh secured Runners up position for "Supernova" at the FICCI Sustainability & Innovation Awards 2025 in Excellence in DEI Initiatives category.

Farewell 2025 at BAT Bangladesh Head Office, where gratitude meets celebration, memories inspire togetherness, and goodbyes pave the way for new beginnings.





BAT Bangladesh Football Team secured Runners-Up position at the Standard Chartered Cup 2025

Celebrating the Champion of Olympiad 2025, where talent meets triumph, dedication inspires success, and victory unites us all.





BAT Bangladesh has been awarded the prestigious "e-Return Champion Certificate" by the National Board of Revenue (NBR) under the Bangladesh Single Window (BSW) Project.

Stellar Award 2025 celebrates the outstanding performance of our employees. Their dedication and achievements have been recognized with this honor, inspiring them to reach greater heights and motivating the entire BAT Bangladesh family.





Sharks Unleashed Champion 2025. BAT Bangladesh proudly celebrates this triumph, a moment of unity, passion, and achievement that inspires us all.

We Race As One podium recognising outstanding team performance and achievements.





Recognising We Race As One winners for their contributions and performance

Boishakh Celebration 2025 at the Mohakhali Head Office begins with vibrant colors, cultural spirit, and joyous togetherness



JAN-DEC

BAT BANGLADESH

2025

MEDIA HIGHLIGHT 2025

















JAN-DEC

MEDIA HIGHLIGHT

2025

















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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of British American Tobacco Bangladesh Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of British American Tobacco Bangladesh Company Limited (the Company), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 27 of the financial statements, which describes the closure of the Company's Dhaka factory effective from 1 July 2025. As disclosed in the note, the Company has recognized total costs of BDT 7.145 Billion under Restructuring & Relocation Cost. These events and conditions are indicative of significant operational changes during the year.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 December 2025. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How the matter was addressed in the audit
Revenue recognition	
Revenue of BDT 83.4 billion (Note 24 of the financial statements) is recognized in the Statement of Profit and Loss and Other Comprehensive Income of the Company. This material item is subject to considerable inherent risk due to the impact of changing list prices and related indirect taxes, along with identifying, recording and properly accounting for variable consideration elements in the contracts with customers. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.	• We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers; • Performed walkthroughs to understand the adequacy and the design of the revenue cycle; • Tested the internal controls over financial reporting, we also assessed the existence and accuracy of the sales recorded, based among other things on inspection of sales contracts, final acceptances, and the allocation of variable consideration to the various elements in the contracts;

AQC SINCE 1953

Key audit matter	How the matter was addressed in the audit
	• We performed substantive analytical procedures to understand revenue trends over the year among other parameters and performed a detailed testing on transactions around the year-end, to test revenues were recognized in the correct accounting period. • We also tested journal entries for recognizing in revenue focusing on unusual or irregular transactions.
Tax positions	
The Company is subject to periodic review by local tax authorities on a range of tax matters during the normal course of business including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. The assessment of uncertainty and risk of one or more unfavorable outcomes involve judgement from management. This was a key audit matter because of the amounts involved and because of the estimation of the likely impact and the final outcome of these matters. The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.	We have taken into consideration the complexity of accounting and tax issues, internal control, and gained an understanding over the entity's accounting for taxes and management's process for assessing the effectiveness of internal control over the significant income tax accounts and the related financial statement disclosures. **Our procedures also included among others:** • Discussing with the management regarding tax matters, tax jurisdictions and tax communications; • Identifying and testing relevant controls over tax accounts and financial statement disclosures; • Analysis of responses in letters independently obtained from the tax consultant and external counsels of the Company on various matters; • Substantive procedures performed including vouching account reconciliations and tracing amounts to the appropriate underlying support and trial balances; • Analysis of the accounting of the pre-tax effects of transactions and the tax technical application to specific transactions.
Litigation and contingent liabilities in relation to indirect tax	
The Company has various indirect tax related claims and legal actions arising in the course of business. The potential amounts in question are significant. Determining whether there is a liability, and if so, the amount thereof, is subject to judgement, interpretation and estimation. This renders such litigation and contingent liabilities as a key audit matter.	Our audit procedures included, on all such significant claims and litigations: • Review of the Company's correspondence with the tax authorities, court verdicts obtained to date and management's assessment of the merits of each such matter. • Obtaining opinions from the Company's external legal counsel. • Assessment of adequacy of disclosures.
Impairment of property, plant and equipment following closure of Dhaka factory	
Effective from July 01, 2025, the Company permanently closed its Dhaka factory. As a result of this closure, management recognized an impairment loss of BDT 3.75 billion on property, plant and equipment and related assets (refer to Note 27 of the financial statements). The factory closure represents a significant indicator of impairment under IAS 36 Impairment of Assets. The determination of the recoverable amount of the affected assets involves significant judgement, including the identification of the relevant cash-generating units and the estimation of key assumptions used in measuring recoverable amounts.	• We assessed whether the closure of the Dhaka factory constituted an impairment trigger in accordance with IAS 36 and evaluated management's identification of the relevant cash-generating units. • We tested the mathematical accuracy of the impairment calculations and agreed key inputs to supporting documentation, including board approvals, closure plans and asset registers.

Key audit matter	How the matter was addressed in the audit
Given the materiality of the impairment loss and the significant judgement involved in estimating recoverable amounts and related disclosures, this matter was considered a key audit matter.	• We assessed the adequacy and appropriateness of the related disclosures in the financial statements in accordance with IAS 36 and IAS 1.

Other Information

Other information consists of the information included in the Company's 2025 Annual Report other than the financial statements and our auditor's report thereon. We obtained Director's Report, Management Discussion and Analysis, five years financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

(iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

The expenditure incurred was for the purposes of the Company's business.

A. Qasem & Co.
Chartered Accountants
FRC Registration Number: CAF-001-129



Akhtar Sanjida Kasem FCA
Engagement Partner
ICAB Enrolment Number: 0643

DVC Code: 2603020643AS316716

Place: Dhaka
Date: 02 March 2026

British American Tobacco Bangladesh Company Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

In thousands of BDT

PARTICULAR	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	8	33,926,137	37,273,404
Right of use (ROU) assets	9.1	4,339,730	3,551,766
Total non-current assets		**38,265,867**	**40,825,170**
Current assets			
Inventories	10	38,291,234	30,885,866
Trade and other receivables	11	18,027,577	13,385,771
Advances, deposits and prepayments	12	7,919,988	7,513,810
Net defined benefit plans	17	-	11,037
Cash and cash equivalents	13	9,186,166	8,965,135
Total current assets		**73,424,965**	**60,761,619**
Total assets		**111,690,832**	**101,586,789**
Equity and liabilities			
Equity			
Share capital	14	5,400,000	5,400,000
Capital reserve	15	64,896	64,896
Retained earnings	16	49,883,515	52,252,545
Total equity attributable to owners of the Company		**55,348,411**	**57,717,441**
Non-current liabilities			
Net defined benefit plans	17	166,861	-
Deferred tax	18	4,920,245	6,695,912
Lease liabilities	9.3	3,655,699	3,525,130
Total non-current liabilities		**8,742,805**	**10,221,042**
Current liabilities			
Borrowings under supplier financing arrangement	19	51,360	5,268,070
Short term bank loans	20	9,700,000	-
Trade and other payables	21	16,033,764	13,847,536
Unclaimed Dividend	36	5,392,856	452,928
Lease liabilities	9.3	1,484,669	671,054
Current tax liabilities	22	6,265,970	11,225,302
Provisions	23	8,670,997	2,183,416
Total current liabilities		**47,599,616**	**33,648,306**
Total liabilities		**56,342,421**	**43,869,348**
Total equity and liabilities		**111,690,832**	**101,586,789**

The notes on pages 237 to 270 are an integral part of these financial statements.

Wael Sabra
Chairman

Monisha Abraham
Managing Director

Masud Khan
Director

As per our report on the same date

A. Qasem & Co.
Chartered Accountants
FRC Registration Number: CAF-001-129

Akhtar Sanjida Kasem FCA
Engagement Partner
ICAB Enrolment Number: 0643

DVC Code: 2603020643AS316716

Place: Dhaka
Date: 02 March 2026

Nirala Nandini Singh
Finance Director

Syed Afzal Hossain
Company Secretary

British American Tobacco Bangladesh Company Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

In thousands of BDT

	Notes	2025	2024
Gross revenue		462,837,508	432,318,508
Supplementary duty and VAT		(379,412,811)	(332,869,640)
Net revenue from contracts with customers	24	**83,424,697**	**99,448,868**
Cost of sales	25	(49,738,563)	(55,225,220)
Gross profit		**33,686,134**	**44,223,648**
Operating expenses	26	(10,535,203)	(7,954,676)
Restructuring & relocation cost	27	(7,145,817)	-
Operating profit		**16,005,114**	**36,268,972**
Net finance income/(expenses)	28	(1,710,092)	(763,750)
Non-operating income/(expenses)	29	52,882	84,898
Profit before contribution to WPPF		**14,347,904**	**35,590,120**
Contribution to WPPF		(717,395)	(1,775,897)
Profit before tax		**13,630,509**	**33,814,223**
Current tax	30	(9,467,677)	(15,989,072)
Deferred tax	31	1,677,091	(316,652)
Income tax expense		**(7,790,586)**	**(16,305,724)**
Profit for the year		**5,839,923**	**17,508,499**
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement gain/(loss) on defined benefit plans	32	(207,529)	136,103
Deferred tax impact on defined benefit plans	32	98,576	(64,649)
Other comprehensive loss for the year, net of tax		**(108,953)**	**71,454**
Total comprehensive income for the year, net of tax		**5,730,970**	**17,579,953**
In BDT			
Earnings per share	33	**10.81**	**32.42**

The notes on pages 237 to 270 are an integral part of these financial statements.

Wael Sabra
Chairman

Monisha Abraham
Managing Director

Masud Khan
Director

As per our report on the same date

A. Qasem & Co.
Chartered Accountants
FRC Registration Number: CAF-001-129

Akhtar Sanjida Kasem FCA
Engagement Partner
ICAB Enrolment Number: 0643

DVC Code: 2603020643AS316716

Place: Dhaka
Date: 02 March 2026

Nirala Nandini Singh
Finance Director

Syed Afzal Hossain
Company Secretary

British American Tobacco Bangladesh Company Limited

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

In thousands of BDT

PARTICULAR	Attributable to owners of the Company			
	Share capital	Capital reserve	Retained earnings	Total equity
Balance at 1 January 2024	5,400,000	64,896	48,172,592	53,637,488
Profit for the year	-	-	17,508,499	17,508,499
Other comprehensive income for the year	-	-	71,454	71,454
Total comprehensive income for the year	**-**	**-**	**17,579,953**	**17,579,953**
Transactions with owners of the Company				
Contributions and distributions				
Final cash dividend 2023	-	-	(5,400,000)	(5,400,000)
Interim dividend 2024	-	-	(8,100,000)	(8,100,000)
Total transactions with owners of the Company	**-**	**-**	**(13,500,000)**	**(13,500,000)**
Balance at 31 December 2024	**5,400,000**	**64,896**	**52,252,545**	**57,717,441**
Balance at 1 January 2025	**5,400,000**	**64,896**	**52,252,545**	**57,717,441**
Profit for the year	-	-	5,839,923	5,839,923
Other comprehensive income for the year	-	-	(108,953)	(108,953)
Total comprehensive income for the year	**-**	**-**	**5,730,970**	**5,730,970**
Transactions with owners of the Company				
Contributions and distributions				
Final cash dividend 2024	-	-	(8,100,000)	(8,100,000)
Total transactions with owners of the Company	**-**	**-**	**(8,100,000)**	**(8,100,000)**
Balance at 31 December 2025	**5,400,000**	**64,896**	**49,883,515**	**55,348,411**

The notes on pages 237 to 270 are an integral part of these financial statements.

British American Tobacco Bangladesh Company Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December

In thousands of BDT

	2025	2024
Operating activities		
Collection from distributors, leaf export and others	458,208,631	433,745,761
Payment for costs and expenses	(53,002,365)	(72,637,822)
Supplementary duty and VAT paid	(386,182,678)	(325,278,870)
Cash generated from operating activities	**19,023,588**	**35,829,069**
Income tax paid	(14,427,009)	(18,021,675)
Interest received/(paid)	(1,291,434)	(490,999)
Net cash flows from operating activities	**3,305,145**	**17,316,395**
Investing activities		
Purchase of property, plant and equipment	(6,359,964)	(4,749,350)
Proceeds from sale of property, plant and equipment	42,222	53,888
Net cash flows used in investing activities	**(6,317,742)**	**(4,695,462)**
Financing activities		
Net proceeds from short term loan	4,534,650	1,530,465
Lease movement	1,821,609	1,191,453
Dividend paid	(3,160,073)	(15,868,030)
Net cash flows used in financing activities	**3,196,186**	**(13,146,112)**
Net Increase/(decrease) in cash and cash equivalents	**183,589**	**(525,179)**
Cash and cash equivalents at 1 January	**8,965,135**	**9,440,371**
Effect of exchange rate fluctuations on cash held	**37,442**	**49,943**
Cash and cash equivalents at 31 December	**9,186,166**	**8,965,135**

The notes on pages 237 to 270 are an integral part of these financial statements.

British American Tobacco Bangladesh Company Limited

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British American Tobacco Bangladesh Company Limited

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

1.1 Company profile

British American Tobacco Bangladesh Company Limited (the "Company" or "BATB") is a public limited company incorporated in Bangladesh and its shares are quoted on the Dhaka and Chittagong Stock Exchanges. The address of the Company's registered office is Dehora, Dhamsona, Balibhadra Bazar, Ashulia, Dhaka-1349.

The immediate parent company of BATB is Raleigh Investment Co. Ltd. and the ultimate parent company of BATB is B.A.T plc, UK.

1.2 Nature of business

The Company is primarily engaged in manufacturing tobacco products and market brands including Benson & Hedges, John Player Gold Leaf, Capstan, Star, Royals, Lucky Strike, Luckies, Derby, Pilot and Hollywood and other tobacco related activities. The Company has its head office in Dhaka and the cigarette factory in Savar, a green leaf threshing plant in Kushtia, a green leaf redrying plant in Manikganj and a number of leaf and sales offices throughout the country.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 2020.

The financial statements have been prepared on a historical cost basis, except for financial assets and contingent considerations that have been measured at fair value where applicable. The financial statements provide comparative information in respect of the previous period and have been prepared on a going concern basis.

2.2 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 2 March 2026 for publication.

2.3 Reporting period

The financial period of the Company covers one year from 1 January to 31 December and is followed consistently.

3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the Company. The amounts in these financial statements have been rounded off to the nearest thousand BDT (000) unless otherwise indicated. Because of such rounding off, in some instances the total may not match the sum of individual balances.

4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements: In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and Assumptions : Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key estimates and assumptions used in preparation of these financial statements are :

1. Applicable tax rate for Income Year 2025 will be declared by Finance Act 2026. For the purpose of these financial statements, management has assumed that the existing corporate tax rate (45%) and surcharge (2.5%) will be applicable for Income Year 2025 as well.
2. Appropriate financial and demographic assumptions have been used in consultation with a certified actuary to measure defined benefit obligations as at 31 December 2025.
3. Key measurements about the likelihood and magnitude of outflow of resources have been used to recognise and measure provisions and contingencies.

In particular, information about significant areas of estimates and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the following notes:

Note 8	Property, plant and equipment
Note 9	Lease
Note 10	Inventories
Note 11	Trade and other receivables
Note 17	Net defined benefit plans
Note 18	Deferred tax
Note 22	Current tax liabilities
Note 23	Provisions
Note 45	Commitments
Note 46	Contingencies

5 Basis of measurement

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, except for inventory, trade receivables and contingent consideration that have been measured at fair value. The financial statements provide comparative information in respect of the previous period.

6 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2025. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

A. Current versus non-current classification
B. Property, plant and equipment
C. Financial instruments
D. Share capital
E. Impairment
F. Lease
G. Inventories
H. Employee benefits
I. Provisions
J. Contingencies
K. Revenue from contracts with customers
L. Income tax expense
M. Foreign currency transactions
N. Finance income and expenses
O. Earnings per share (EPS)
P. Statement of cash flows
Q. Dividends and capital management
R. Materiality and aggregation
S. Events after the reporting period

A. Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
hs after the reporting period."

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve mont

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period;
- All other liabilities are classified as non-current;
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

B. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Buildings constructed by the Company on leasehold land are capitalised and included under the category of leasehold property.

(ii) Subsequent costs

Subsequent to initial recognition, cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair and maintenance expenses are charged in the statement of profit or loss and other comprehensive income as they are incurred.

(iii) Depreciation

All items of property, plant and equipment have been depreciated on straight line basis. Depreciation on additions are charged from the month of acquisition. On disposal of an asset, depreciation is charged up to the month prior to the disposal. No depreciation is charged for land and assets under construction. The Company is following this policy consistently from past years.

The estimated useful lives and the rates of residual value of property, plant and equipment for the current and comparative years are as follows:

Categories	Useful life in years		Residual value	
	2025	**2024**	**2025**	**2024**
Freehold building - Manufacturing	50	50	1%	1%
Freehold building - Non Manufacturing	40	40	1%	1%
Leasehold building	Maximum 40 years, depreciation rates based on a case by case basis	Maximum 40 years, depreciation rates based on a case by case basis	0%	0%
Plant and machinery	5 / 10 / 20	5 / 10 / 20	0% / 1%	0% / 1%
Laboratory equipment	10	10	0%	0%
Office equipment	5 / 10	5 / 10	0%	0%
Furniture and fixtures	3 / 5 / 10	3 / 5 / 10	0%	0%
Vehicles	5	4 / 5	1%	1%
IT equipment	3 / 5	3 / 5	0%	0%

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate. No significant adjustment in respect of items of property, plant and equipment was done in the twelve-month period ended 31 December 2025.

(iv) Assets under construction

Assets under construction represent the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use at reporting date and these are stated at cost, net of accumulated impairment losses, if any.

(v) Impairment

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss is recognised through the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment indicators comprise:

- reduced earnings compared to expected future outcome;

- material negative development trends in the sector or the economy in which the Company operates;

- damage to the asset or changed use of asset;

(vi) Retirement and disposals

An asset is derecognised on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an asset is determined as the difference of net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income/expense in the statement of profit or loss and other comprehensive income.

(vii) Leases

Leased assets are capitalised from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value less than USD 5,000 (or BDT equivalent) or short term leases (less than 12 months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the number of periods the assets can be used. The useful life of such assets are dependent on individual agreement and can vary from one agreement to another.

C. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise deposits, trade and other receivables, cash and cash equivalents, trade and other payables, intercompany payables, share capital and interest-bearing borrowings.

(i) Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise trade and other receivables, financial investment assets, deposits and cash and cash equivalents.

a) Trade and other receivables

Trade and other receivables consist of unpaid bills receivable from customers and other parties. Trade and other receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less expected credit loss at the year end, which is made at the discretion of the management as per the credit policy.

b) Investment asset

Investment in Government securities (Treasury bills):

Investment in Government securities is classified as financial asset measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss on the basis of both:

a) the entity's business model for managing the financial assets; and

b) the contractual cash flow characteristics of the financial assets.

Amortised cost: A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income: A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit and loss: A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income."

c) Deposits

Deposits are measured at payment value which are expected to be recovered after completion of a certain period or purpose.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks and fixed deposits receipt which are held and available for use by the Company without any restriction, except for the dividend account. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

e) Advances and prepayments

After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment or inventory etc.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges for the period.

(ii) Financial liabilities

The Company initially recognises financial liabilities in its statement of financial position when the Company becomes a party to the contractual provisions of the liability. The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company's financial liabilities comprise trade and other payables.

a) Trade and other payables

Trade and other payables are recognised when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method.

(iii) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

D. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

E. Impairment

i) Recognition

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

ii) Calculation of recoverable amount

The recoverable amount of asset is the greater of its net selling price or its value in use. The latter is determined by discounting the estimated future cash flows to a present value using a discount rate which reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

iii) Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

F. Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Company is not applying the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It is also not applying the recognition and measurement requirements of IFRS 16 to leases for which the underlying asset is of low value (i.e. less than USD 5,000 or BDT equivalent when new). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

G. Inventories

Raw materials and finished goods inventories are measured at the lower of cost and net realisable value. Spare parts are valued at cost.

The cost of inventories, except goods in transit, is measured based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Leaf inventory represents green leaf and processed leaf. Hence, leaf inventory cost and leaf consumption cost include price paid to farmer for the green leaf purchased and all the overhead and input services incurred in converting the green leaf into processed leaf. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received till to the date of reporting. Inventory losses and abnormal losses are recognised as expenses.

H. Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined benefits plans

a) Management Gratuity Scheme

The Company operates an funded gratuity scheme for the local management employees irrespective of date of joining the Company. Members of this scheme become eligible to receive gratuity on completion of five years of continuous services with the Company. The fund is managed by a Board of Trustees.

b) Management Pension Fund

The Company operates a funded pension scheme for the management employees who joined the Company from 1 January 1987 to 31 August 2007. Members of this fund become eligible to receive pension on completion of five years of continuous service with the Company. The fund is managed by a Board of Trustees.

Present value of defined benefit obligations and the fair value of the plan assets were determined by professional actuary for both the funds. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service costs and mutually compatible actuarial assumptions about demographic and financial variables were used. The difference between fair value of the plan assets and present value of obligation is recognised as a liability or an asset in the statement of financial position. In respect of any actuarial gains or losses arising from actuarial valuation, it is fully recognised in the other comprehensive income.

(iii) Defined contributions plan

a) Employee Gratuity Scheme

The Company operates funded gratuity scheme for the non-management employees whereby the Company contributes 16% of basic salary as contribution to the fund for the non management employees from the date of joining. The Fund is managed by a Board of Trustees. Members of this fund become eligible to receive gratuity on completion of five years of continuous services with the Company.

b) Provident Fund

The Company operates provident funds for all the Management and Non-Management employees irrespective of date of joining the Company. Members, on confirmation, in regular employment of the Company, are required by the Company to join the provident fund to which members contribute 10% of their basic salaries and the Company makes a matching contribution. The Fund is managed by a Board of Trustees. Members become eligible to receive the Company's contribution on completion of five years of continuous services with the Company.

The Company recognises the contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for those contributions. The legal and constructive obligation is limited to this amount and it agrees to the fund contribution.

(iv) Others

a) Worker's Profit Participation Fund

The Company operates fund for workers as "Workers' Profit Participation Fund" and 5% of the profit before charging such expense has been transferred to this fund as per section 234 of Bangladesh Labour Act 2006 (amended in 2013).

The Company recognises a contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for the contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

I. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

J. Contingencies

Contingent liability

Contingent liability is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

Contingent asset

Contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

K. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT), Supplementary Duty (SD) and Health Surcharge for domestic sale of cigarettes. Gross turnover comprises domestic sales of cigarettes, export of leaf and finished goods and includes SD, VAT and Health Surcharge for domestic sales paid to the Government of Bangladesh.

The Company's typical performance obligations include the following:

Performance obligation	When performance obligation is typically satisfied	When payment is typically due	How stand alone selling price is typically estimated
Domestic sales:			
Distributor	Point in time at factory/warehouse gate	At the beginning of the contract	As per regulator approved prices
Duty free	Point in time at factory gate	Within 30 days of delivery	As per regulator approved prices
Third party manufacturing	Point in time at factory gate	Within 7 days of delivery	As per agreed price
Export sales:			
Related parties and external parties	Point in time; Free on board as issued by ICC	a) At the beginning of the contract; and b) for certain transactions at the date of bill of landing	As per agreed price As per agreed price

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of domestic sales to distributors, the Company considers the effects of variable consideration payable to the customer.

The Company has variable considerations included in the contracts with customers which are netted off against the revenue to determine the transaction price. The variable considerations are pre-determined. The effect of variable considerations on revenue is only from contracts with domestic customers.

The Company estimates variable consideration using either the 'expected value' method or the 'most likely amount' method, based on whichever better predicts the amount of consideration to which the entity is entitled. The entity applies the selected method consistently throughout the contract and for similar types of contracts.

L. Income tax expense

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Company is currently 45% corporate tax and 2.5% surcharge on income.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

M. Foreign currency transactions

Transactions in foreign currencies are translated to Bangladesh Taka at the exchange rate prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of statement of financial position. Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

N. Finance income and expenses

Finance income comprises interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft, borrowings from bank and lease interest.

O. Earnings per share (EPS)

The Company presents its basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares at the reporting date.

P. Statement of cash flows

Cash flows from operating activities have been presented under direct method as per IAS 7: Statement of Cash Flows.

Q. Dividends and capital management

Final dividend distribution to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid. The Company may issue bonus share as a part of stock dividend in any financial year, subject to approval from the board and Company's shareholders at the Annual General Meeting.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

R. Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

S. Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

The Company has adequate resources to continue in operation for the foreseeable future. For this reason management continues to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business.

7 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.
The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are, as follows:

- Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI) The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Company does not anticipate that the amendments will have a material effect on the Company's financial statements.

8 Property, plant and equipment

See accounting policy in Notes 6A and 6B

In thousands of BDT	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and machinery	Vehicles	Assets under construction (AUC)	Total
Cost											
Balance as at 1 January 2024	5,864,299	1,607,656	673,049	652,883	512,814	1,170,841	1,483,050	32,915,480	1,631,262	8,290,863	54,802,197
Additions	1,344,162	233,746	361,906	147,936	34,616	2,339	176,908	5,319,074	143,044	2,746,320	10,510,051
Disposals/transfers	-	-	(3,116)	(76,976)	-	-	(10,803)	(115)	(149,075)	(7,417,773)	(7,657,858)
Balance as at 31 December 2024	**7,208,461**	**1,841,402**	**1,031,839**	**723,843**	**547,430**	**1,173,180**	**1,649,155**	**38,234,439**	**1,625,231**	**3,619,410**	**57,654,390**
Balance as at 1 January 2025	7,208,461	1,841,402	1,031,839	723,843	547,430	1,173,180	1,649,155	38,234,439	1,625,231	3,619,410	57,654,390
Additions	1,888,658	-	423,385	119,437	44,432	106,719	117,233	2,001,952	151,318	2,624,793	7,477,927
Disposals/transfers	-	-	(361,636)	(93,013)	(15,126)	(1,093,000)	(196,193)	(2,068,754)	(96,456)	(4,694,339)	(8,618,517)
Balance as at 31 December 2025	**9,097,119**	**1,841,402**	**1,093,588**	**750,267**	**576,736**	**186,899**	**1,570,195**	**38,167,637**	**1,680,094**	**1,549,864**	**56,513,800**
Accumulated depreciation											
Balance as at 1 January 2024	651,491	-	411,437	462,670	300,630	388,517	1,094,141	13,537,315	1,095,907	-	17,942,108
Depreciation for the year	146,242	-	90,863	111,968	39,106	57,636	160,787	1,894,643	176,431	-	2,677,676
Disposals/transfers	-	-	(3,116)	(76,976)	-	-	(10,791)	(110)	(147,805)	-	(238,798)
Balance as at 31 December 2024	**797,733**	**-**	**499,184**	**497,662**	**339,736**	**446,153**	**1,244,137**	**15,431,848**	**1,124,533**	**-**	**20,380,986**
Balance as at 1 January 2025	797,733	-	499,184	497,662	339,736	446,153	1,244,137	15,431,848	1,124,533	-	20,380,986
Depreciation for the year	162,003	-	286,190	116,647	53,419	715,635	188,814	4,412,504	191,101	-	6,126,313
Disposals/transfers	-	-	(361,469)	(92,992)	(15,126)	(1,093,000)	(195,900)	(2,065,658)	(95,491)	-	(3,919,636)
Balance as at 31 December 2025	**959,736**	**-**	**423,905**	**521,317**	**378,029**	**68,788**	**1,237,051**	**17,778,694**	**1,220,143**	**-**	**22,587,663**
Net book value											
As at 31 December 2024	**6,410,728**	**1,841,402**	**532,655**	**226,181**	**207,694**	**727,027**	**405,018**	**22,802,591**	**500,698**	**3,619,410**	**37,273,404**
As at 31 December 2025	**8,137,383**	**1,841,402**	**669,683**	**228,950**	**198,707**	**118,111**	**333,144**	**20,388,943**	**459,950**	**1,549,864**	**33,926,137**

8.1 Allocation of depreciation (excluding ROU assets)

In thousands of BDT

	For the year ended 31 December	
	2025	2024
Manufacturing overhead	2,800,663	1,994,594
Operating expenses	369,580	285,208
Charge to leaf	3,956,070	397,874
	7,126,313	**2,677,676**

8.2 Assets under construction

Property, plant and equipment as at 31 December 2025 included expenditure on Plant and Machinery, Office equipment, Freehold building and Leasehold Building in the course of construction.

8.3 Disposals of property, plant and equipment

See note no. 29.1 for details

9 Schedule of leases

See accounting policy in Notes 6F

The Company has leases for warehouse, forklift, office, equipments and rented apartment which have been capitalised and accounted for in accordance with IFRS 16: Leases. Information related to right-of-use asset and lease liability are depicted below:

9.1 ROU assets

In thousands of BDT	Rented apartment	Forklift	Office	Warehouse	Equipments	Total
Cost						
Balance as at 1 January 2024	46,732	380,028	212,643	4,473,342	75,936	5,188,681
Additions/modifications	60,331	18,691	173,873	814,855	-	1,067,750
Disposals	(4,822)	(56,630)	(8,688)	(474,606)	-	(544,746)
Balance as at 31 December 2024	**102,241**	**342,089**	**377,828**	**4,813,591**	**75,936**	**5,711,685**
Balance as at 1 January 2025	**102,241**	**342,089**	**377,828**	**4,813,591**	**75,936**	**5,711,685**
Additions/modifications	40,760	31,291	483,886	472,125	680,200	1,708,262
Disposals	(39,406)	(5,486)	(30,601)	-	-	(75,493)
Balance as at 31 December 2025	**103,595**	**367,894**	**831,113**	**5,285,716**	**756,136**	**7,344,454**
Accumulated depreciation						
Balance as at 1 January 2024	**12,914**	**142,649**	**93,635**	**1,681,539**	**6,101**	**1,936,838**
Depreciation for the year	48,352	53,180	42,548	610,294	13,453	767,827
Disposals/modifications	(4,822)	(56,630)	(8,688)	(474,606)	-	(544,746)
Balance as at 31 December 2024	**56,444**	**139,199**	**127,495**	**1,817,227**	**19,554**	**2,159,919**
Balance as at 1 January 2025	**56,444**	**139,199**	**127,495**	**1,817,227**	**19,554**	**2,159,919**
Depreciation for the year	42,730	64,707	98,698	676,887	37,276	920,298
Disposals/modifications	(39,406)	(5,486)	(30,601)	-	-	(75,493)
Balance as at 31 December 2025	**59,768**	**198,420**	**195,592**	**2,494,114**	**56,830**	**3,004,724**
Net book value						
As at 31 December 2024	**45,797**	**202,890**	**250,333**	**2,996,364**	**56,382**	**3,551,766**
As at 31 December 2025	**43,827**	**169,474**	**635,521**	**2,791,602**	**699,307**	**4,339,730**

9.2 Allocation of depreciation (ROU assets)

In thousands of BDT

	For the year ended 31 December	
	2025	2024
Manufacturing overhead	204,317	174,730
Operating expenses	243,379	178,643
Charge to leaf	472,602	414,454
	920,298	**767,827**

In thousands of BDT

		Note	31 December 2025	31 December 2024
9.3	**Lease liabilities**			
	Non-current			
	Lease liabilities		4,680,329	4,949,669
	Interest liabilities		(1,024,630)	(1,424,539)
			3,655,699	**3,525,130**
	Current			
	Lease liabilities		1,894,876	1,072,175
	Interest liabilities		(410,207)	(401,121)
			1,484,669	**671,054**
	Total lease liabilities		**5,140,368**	**4,196,184**
9.4	**Lease liabilities payable**			
	Lease liabilities payable			
	Within the next 12 months		1,894,876	1,072,175
	Between one and two years		1,040,686	975,193
	Between two and three years		974,959	847,936
	Between three and four years		872,822	760,648
	Between four and five years		756,270	624,255
	Beyond five years		1,035,592	1,741,637
			6,575,205	**6,021,844**
	Interest liabilities payable			
	Within the next 12 months		(410,207)	(401,121)
	Between one and two years		(332,032)	(339,625)
	Between two and three years		(262,597)	(277,351)
	Between three and four years		(191,688)	(222,962)
	Between four and five years		(124,326)	(172,232)
	Beyond five years		(113,987)	(412,369)
			(1,434,837)	**(1,825,660)**
10	**Inventories**			
	See accounting policy in Note 6G			
	Inventories in hand	10.1	37,694,593	29,387,680
	Inventories in transit	10.2	596,641	1,498,186
			38,291,234	**30,885,866**
10.1	**Inventories in hand**			
	Leaf		22,763,039	17,263,656
	Wrapping materials		2,912,474	3,852,747
	Work in process		190,981	530,639
	Finished goods		10,731,720	6,146,259
	Cost of finished goods		2,357,864	3,229,999
	VAT, Supplementary Duty and HDS* on finished goods		8,373,856	2,916,260
	Consumable stores		1,096,379	1,594,379
			37,694,593	**29,387,680**
	*Health development surcharge			
10.2	**Inventories in transit**			
	Leaf		32,107	116,622
	Wrapping materials		402,379	1,250,671
	Consumable stores		162,155	130,893
			596,641	**1,498,186**

In thousands of BDT

		Note	31 December 2025	31 December 2024
11	**Trade and other receivables**			
	See accounting policy in Note 6(C) (i) (a)			
	Trade receivables		13,428,619	12,794,416
	Expected credit loss		(13,526)	(12,794)
	Net trade receivables		13,415,093	12,781,622
	Intercompany receivables		246,194	520,855
	Sundry receivables		4,366,290	83,294
			18,027,577	**13,385,771**
12	**Advances, deposits and prepayments**			
	See accounting policy in Note 6(C) (i) (e)			
	Advances			
	Advance to suppliers		4,145,330	5,002,043
	Supplementary duty and VAT		3,595,326	2,283,055
	Advance to employees		12,671	24,582
			7,753,327	**7,309,680**
	Prepayments			
	Insurance		166,661	204,130
			166,661	204,130
			7,919,988	**7,513,810**
13	**Cash and cash equivalents**			
	See accounting policy in Note 6(C) (i) (d)			
	Cash in hand		6	6
			6	**6**
	Cash at bank			
	Dividend account	13.1	1,109,849	452,901
	Foreign currency accounts		2,105,344	2,105,917
	Current accounts		3,890,384	2,894,329
	Short term deposit (STD)		2,080,583	3,511,982
			9,186,160	**8,965,129**
			9,186,166	**8,965,135**

All the above balances are held with scheduled and nationalised banks. Interest bearing accounts under cash at bank earns interest at floating rates based on daily bank deposit rates.

13.1 Restricted cash balance

Dividend account is used only to pay dividends to the shareholders. The balance of this account moves with dividend transactions only.

13.2 Banking facility arrangements

Short term running funded facilities available with the banks amount to BDT 22,781 million. Facilities are renewable on annual basis.

In thousands of BDT

		For the year ended 31 December 2025	For the year ended 31 December 2024
13.3	**Reconciliation of net operating cash flow**		
	Profit after tax	**5,839,923**	**17,508,499**
	Adjustment for:		
	Depreciation and impairment	8,046,611	3,445,503
	(Gain)/loss of sale of assets	(36,652)	(52,602)
	Other adjustments	9,463,236	17,019,531
		2,313,118	**37,920,932**

In thousands of BDT

	For the year ended 31 December	
	2025	2024
Changes in:		
(Increase)/decrease in inventories	(7,405,368)	925,103
(Increase)/decrease in trade receivables and others	(4,641,806)	1,455,936
(Increase)/decrease in advances, deposits and prepayments		(198,437)
Increase/(decrease) in trade payables and others	2,186,227	(4,623,131)
Increase/(decrease) in net defined benefit plans	166,861	(150,302)
Increase/(decrease) in provisions	6,487,581	510,000
Income tax and interest payments	(15,718,443)	(18,512,674)
Net cash generated from operating activities	**4,388,171**	**17,327,426**

In thousands of BDT

	Note	31 December	
		2025	2024
14 Share capital			
See accounting policy in Note 6D.			
Authorised:			
60,000,000 ordinary shares of BDT 10 each		600,000,000	600,000,000
480,000,000 ordinary shares of BDT 10 each		4,800,000,000	4,800,000,000
		5,400,000,000	**5,400,000,000**
Issued, subscribed and fully paid up:			
Issued for cash:			
3 ordinary shares of BDT 10 each		30	30
Issued for consideration other than cash:			
59,999,997 ordinary shares of BDT 10 each		599,999,970	599,999,970
120,000,000 bonus shares of BDT 10 each		1,200,000,000	1,200,000,000
360,000,000 bonus shares of BDT 10 each		3,600,000,000	3,600,000,000
		5,400,000,000	**5,400,000,000**

14.1 Shareholding position

See accounting policy in Note 6D.

Name of shareholder	31 December 2025			31 December 2024		
	No. of shares	Value (BDT)	Percentage	No. of shares	Value (BDT)	Percentage
Raleigh Investment Co. Ltd., UK	393,708,222	3,937,082,220	72.91%	393,708,222	3,937,082,220	72.91%
Investment Corporation of Bangladesh	29,126,127	291,261,270	5.39%	27,808,018	278,080,180	5.15%
Sadharan Bima Corporation	15,285,423	152,854,230	2.83%	15,285,423	152,854,230	2.83%
Bangladesh Development Bank Limited	1,851,302	18,513,020	0.35%	1,806,302	18,063,020	0.34%
Government of Bangladesh	3,481,416	34,814,160	0.64%	3,481,416	34,814,160	0.64%
Others	96,547,510	965,475,100	17.88%	97,910,619	979,106,190	18.13%
	540,000,000	**5,400,000,000**	**100.00%**	**540,000,000**	**5,400,000,000**	**100.00%**

14.2 Share distribution schedule

A distribution schedule of the shares at the reporting date is given below following the requirement of listing regulations:

Shareholder's range	31 December 2025			31 December 2024		
	Number of shareholders	Total number of shares	Percentage of holding	Number of shareholders	Total number of shares	Percentage of holding
Less than 501 shares	50,707	5,852,945	1.09%	57,652	6,244,041	1.16%
501 to 5,000 shares	12,310	18,925,052	3.51%	11,687	17,748,747	3.29%
5,001 to 10,000 shares	1,060	7,536,347	1.40%	899	6,420,805	1.19%
10,001 to 20,000 shares	458	6,503,679	1.20%	394	5,598,806	1.04%
20,001 to 30,000 shares	159	3,855,829	0.71%	133	3,237,262	0.60%
30,001 to 40,000 shares	66	2,285,093	0.42%	54	1,873,115	0.35%
40,001 to 50,000 shares	47	2,159,374	0.40%	36	1,647,200	0.30%
50,001 to 100,000 shares	96	6,902,177	1.28%	92	6,514,426	1.20%
100,001 to 1,000,000 shares	97	24,150,740	4.47%	96	23,280,088	4.31%
Over 1,000,000 shares	20	461,828,764	85.52%	19	467,435,510	86.56%
	65,020	**540,000,000**	**100.00%**	**71,062**	**540,000,000**	**100.00%**

15 Capital reserve

Capital reserve represents non-remittable reserve of BDT 64.9 million which is 90% of the cumulative post tax profit on disposal of property, plant and equipment as historically defined and directed by Bangladesh Bank. The requirement to create such special reserve on profit from sale of property, plant and equipment has been withdrawn since 1993.

In thousands of BDT

	For the year ended 31 December	
	2025	2024
16 Retained earnings		
Balance as at 1 January	52,252,545	48,172,592
Total comprehensive income for the year:		
Profit after tax	5,839,923	17,508,499
Other comprehensive income	(108,953)	71,454
	57,983,515	**65,752,545**
Dividends during the year:		
Final cash dividend for 2024/2023	(8,100,000)	(5,400,000)
Interim cash dividend 2024	-	(8,100,000)
Balance as at 31 December	**49,883,515**	**52,252,545**

In thousands of BDT

	Notes	Gratuity fund	Pension fund	Total
17 Net defined benefit plans				
31 December 2025				
Defined benefit obligation	17.1	(1,644,953)	(12,084)	(1,657,037)
Fair value of plan assets	17.2	1,478,520	11,656	1,490,176
Net surplus/(deficit)		**(166,433)**	**(428)**	**(166,861)**
31 December 2024				
Defined benefit obligation	17.1	(1,342,473)	(12,155)	(1,354,628)
Fair value of plan assets	17.2	1,353,548	12,117	1,365,665
Net surplus/(deficit)		**11,075**	**(38)**	**11,037**

In thousands of BDT

		Gratuity fund	Pension fund	Total
17.1	**Movement in defined benefit obligation**			
	Defined benefit obligation at 1 January 2024	1,651,338	11,576	1,662,914
	Current service cost	151,141	-	151,141
	Interest cost	140,650	1,042	141,692
	Benefit paid by the fund	(392,977)	-	(392,977)
	Actuarial (gain)/loss	(207,679)	(463)	(208,142)
	Defined benefit obligation at 31 December 2024	**1,342,473**	**12,155**	**1,354,628**
	Defined benefit obligation at 1 January 2025	1,342,473	12,155	1,354,628
	Current service cost	137,024	-	137,024
	Interest cost	136,203	1,270	137,473
	Benefit paid by the fund	(118,407)	(508)	(118,915)
	Actuarial (gain)/loss	147,660	(833)	146,827
	Defined benefit obligation at 31 December 2025	**1,644,953**	**12,084**	**1,657,037**
17.2	**Movement in the fair value of plan assets**			
	Fair value of plan assets at 1 January 2024	1,500,529	12,083	1,512,612
	Employer's contribution	173,816	-	173,816
	Interest Income on plan assets	143,212	1,089	144,301
	Benefits paid by the plan	(392,977)	-	(392,977)
	Actuarial gain/(loss)	(71,032)	(1,055)	(72,087)
	Fair value of plan assets at 31 December 2024	**1,353,548**	**12,117**	**1,365,665**
	Fair value of plan assets at 1 January 2025	1,353,548	12,117	1,365,665
	Employer's contribution	144,885	-	144,885
	Interest Income on plan assets	158,155	1,212	159,367
	Benefits paid by the plan	(118,408)	(508)	(118,916)
	Actuarial gain/(loss)	(59,660)	(1,165)	(60,825)
	Fair value of plan assets at 31 December 2025	**1,478,520**	**11,656**	**1,490,176**
17.3	**Defined benefit plan charge to profit or loss and other comprehensive income**			
	For the year ended 31 December 2025			
	Profit or loss			
	Current service costs	137,024	-	137,024
	Interest accrued on benefit obligation	(21,952)	58	(21,894)
	Settlement cost	-	-	-
	Expected return on plan assets	-	-	-
	Net benefit expense/(income)	**(21,952)**	**58**	**(21,894)**
		115,072	**58**	**115,130**
	For the year ended 31 December 2024			
	Profit or loss			
	Current service costs	151,141	-	151,141
	Interest accrued on benefit obligation	(2,562)	(47)	(2,609)
	Settlement cost	-	-	-
	Expected return on plan assets	-	-	-
	Net benefit expense/(income)	**(2,562)**	**(47)**	**(2,609)**
		148,579	**(47)**	**148,532**

17.4 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	31 December 2025		31 December 2025	
	Gratuity fund	Pension fund	Gratuity fund	Pension fund
Discount rate	9.50%	9.50%	10.70%	10.70%
Salary escalation rate (Basic pay)	12.00%	N/A	12.00%	N/A
Withdrawal rate (In service)*				
Ages 20-35	15%	N/A	15%	N/A
Ages 36-45	10%	N/A	10%	N/A
Ages 46-58	5%	N/A	5%	N/A

*As there are no published mortality tables in Bangladesh and hence the actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table on the mortality experience of assured lives in India, which the actuary believes to give a reasonable approximation.

18 Deferred tax

See accounting policy in Note 6L(ii).

18.1 Deferred tax asset

In thousands of BDT

	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2025			
Provision for inventories	(1,157,157)	-	(1,157,157)
Provision for gratuity	(166,861)	-	(166,861)
Net temporary difference	**(1,324,018)**	**-**	**(1,324,018)**
Applicable tax rate			**47.5%**
Deferred tax asset			**(628,909)**

	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2024			
Provision for inventories	(257,392)	-	(257,392)
Provision for gratuity	11,037	-	11,037
Net temporary difference	**(246,355)**	**-**	**(246,355)**
Applicable tax rate			**47.5%**
Deferred tax Asset			**(117,019)**

18.2 Deferred tax liabilities

	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2025			
Property, plant and equipment excluding land.	30,280,095	17,797,026	12,483,069
Net, right of use assets	(800,640)		(800,640)
Net temporary difference	**29,479,455**	**17,797,026**	**11,682,429**
Applicable tax rate			**47.5%**
Deferred tax liabilities			**5,549,154**

	Carrying amount at reporting date	Tax base	Taxable/ (deductible) temporary difference
31 December 2024			
Property, plant and equipment excluding land.	31,533,974	16,546,543	14,987,431
Net, right of use assets	(644,418)	-	(644,418)
Net temporary difference	**30,889,556**	**16,546,543**	**14,343,013**
Applicable tax rate			**47.5%**
Deferred tax liabilities			**6,812,931**

In thousands of BDT

		31 December	
		2025	2024
18.3	**Deferred tax liabilities, net**		
	Deferred tax asset	(628,909)	(117,019)
	Deferred tax liabilities / (asset) (ROU Assets)	(380,304)	(306,099)
	Deferred tax liabilities (other than ROU assets)	5,929,458	7,119,030
	Net deferred tax liabilities	**4,920,245**	**6,695,912**
19	**Borrowings under supplier financing arrangement**		
	Citibank, N.A.	-	1,181,662
	Commercial Bank of Ceylon PLC	-	961,627
	Standard Chartered Bank	51,360	2,463,656
	Eastern Bank Limited	-	656,127
	The Hongkong and Shanghai Banking Corporation Limited	-	4,998
		51,360	**5,268,070**

The Company has availed supplier financing arrangement through the non-funded facilities portion of the credit limit with the mentioned banks where supplier was paid by the bank as part of the agreement. The arrangement is interest bearing with terms of repayment between 6-12 months from its inception.

20	**Short term bank loans**		
	Standard Chartered Bank	3,500,000	-
	Eastern Bank Limited	4,700,000	-
	The Hongkong and Shanghai Banking Corporation Limited	1,500,000	-
		9,700,000	**-**
21	**Trade and other payables**		
	See accounting policy in Note 6C (ii) (a)		
	Trade payables	2,580,056	6,852,087
	Intercompany payables	7,565,265	4,088,351
	Workers' Profit Participation Fund (WPPF)	47,395	825,050
	Wages and other benefits	942,412	783,677
	Accrued expenses	4,373,755	882,108
	Sundry payables	524,881	416,263
		16,033,764	**13,847,536**

Other payables contains amounts under supplier financing arrangement (UPAS)

22	**Current tax liabilities**		
	See accounting policy in Note 6L(i).		
	Balance at 1 January	11,225,302	13,257,905
	Provision made during the year	9,467,677	15,989,072
		20,692,979	**29,246,977**
	Advance payment of corporate tax	(14,427,009)	(18,021,675)
	Balance at 31 December	**6,265,970**	**11,225,302**

In thousands of BDT

		31 December	
		2025	2024
23	**Provisions**		
	See accounting policy in Note 6I.		
	Provision for expenses	8,670,997	2,183,416
		8,670,997	**2,183,416**

24 Revenue from contracts with customers

See accounting policy in Note 6K.

Set out below is the disaggregation of the Company's revenue from contracts with customers:

In thousands of BDT

	Note	For the year ended 31 December	
		2025	2024
Quantity in million sticks		**49,879**	**67,840**
Gross revenue from domestic sale		444,065,831	422,272,262
Supplementary duty and VAT		(372,702,337)	(332,869,640)
Revenue from domestic sale, net		**71,363,494**	**89,402,622**
Quantity in million sticks		**439**	**-**
Gross revenue from 3rd Party sale		7,774,469	-
Supplementary duty and VAT		(6,710,473)	-
Revenue from 3rd Party sale, net		**1,063,996**	**-**
Quantity in million sticks		**424**	**1,394**
Gross revenue from finished goods export		543,045	1,631,561
Revenue from export of finished goods, net		**543,045**	**1,631,561**
Quantity in million sticks		**1.34**	**-**
Gross revenue from semi finished goods export		1,158,927	-
Revenue from export of semi-finished goods, net		**1,158,927**	**-**
Quantity in million kgs		**19.02**	**16.08**
Gross revenue from tobacco leaf export		9,295,235	8,414,685
Revenue from leaf export, net		**9,295,235**	**8,414,685**
Total revenue from contracts with customers, net		**83,424,697**	**99,448,868**
Net revenue from domestic sale			
External customer		71,363,494	89,402,622
Related party sale		-	-
		71,363,494	**89,402,622**
Net revenue from 3rd Party sale			
External customer		1,063,996	-
Related party sale		-	-
		1,063,996	**-**
Net revenue from export of finished goods			
External customer		-	-
Related party sale		543,045	1,631,561
		543,045	**1,631,561**
Net revenue from export of semi-finished goods			
External customer		1,338	-
Related party sale		1,157,589	-
		1,158,927	**-**
Net revenue from leaf export			
External customer		5,776,617	4,418,312
Related party sale		3,518,618	3,996,373
		9,295,235	**8,414,685**
Total revenue from contracts with customers, net		**83,424,697**	**99,448,868**

In thousands of BDT

		Note	For the year ended 31 December 2025	2024
25	**Cost of sales**			
	Opening stock of raw materials		22,483,695	16,105,397
	Purchase of raw materials		38,962,400	50,028,553
	Raw materials available		**61,446,095**	**66,133,950**
	Closing stock of raw materials		(26,109,998)	(22,483,695)
	Raw materials consumption		**35,336,097**	**43,650,255**
	Opening work in process		530,639	169,319
	Closing work in process		(190,981)	(530,639)
			35,675,755	**43,288,935**
	Manufacturing overhead	25.1	12,473,055	10,510,120
	Total cost of goods manufactured		**48,148,810**	**53,799,055**
	Opening stock of finished goods		3,229,999	3,831,189
	Closing stock of finished goods		(2,357,864)	(3,229,999)
	Total cost of goods sold excluding royalty		**49,020,945**	**54,400,245**
	Royalty		717,618	824,975
	Total cost of sales		**49,738,563**	**55,225,220**
25.1	**Manufacturing overhead**			
	Salaries and wages		2,505,354	2,786,998
	Utilities		823,001	886,761
	Rent and services		1,178,336	738,383
	Repairs and maintenance		794,041	562,225
	Depreciation		3,004,980	2,169,325
	Travelling and training		111,217	94,072
	Printing and stationery		28,820	29,163
	Security and safety		485,099	275,141
	Distribution cost		1,026,118	982,136
	Insurance		182,816	149,908
	Research and development		824,703	36,902
	Spares consumption		691,983	942,982
	Other expenses		816,587	856,124
			12,473,055	**10,510,120**
26	**Operating expenses**			
	Salaries		2,244,140	1,899,506
	Utilities		59,203	75,351
	Rent and services		279,890	503,211
	Repairs and maintenance		229,236	290,571
	Depreciation		612,960	463,850
	Travelling and training		268,496	348,325
	Printing and stationery		30,535	64,497
	Security and safety		75,622	102,372
	Distribution Cost		317,167	283,263
	Insurance		34,082	22,917
	Trade support expenditure		559,618	469,702
	Social responsibility		4,554	15,039
	Legal, secretarial and professional fee		168,074	177,362
	Audit fee and audit related services*		13,194	12,433
	Information technology		1,434,159	65,107
	Technical and assistance fee		1,456,806	(2,119)
	Market research & operational expenditure		2,144,342	2,429,952
	Other expenses		603,125	733,337
			10,535,203	**7,954,676**

*Audit fee and audit related services include statutory audit fees of BDT 1,550,000 (2024:1,550,000)

In thousands of BDT

		Note	For the year ended 31 December 2025	2024
27	**Restructuring & relocation cost**			
	Fixed asset impairment		3,750,666	-
	People cost		1,192,574	-
	Factory & HO relocation related spend		524,370	-
	3rd Party arrear, wages & others		1,678,207	-
			7,145,817	**-**
28	**Net finance income/(expenses)**			
	See accounting policy in Note 6N.			
	Finance income		**97,948**	**273,695**
	Finance costs			
	Debt and borrowing		(1,389,382)	(764,694)
	Lease liabilities		(418,658)	(272,751)
			(1,710,092)	**(763,750)**
29	**Non-operating income/(expenses)**			
	Profit/(loss) on disposal of property, plant and equipment	29.1	36,652	52,602
	Other income		16,230	32,296
			52,882	**84,898**

29.1 Property, plant & equipment disposed off during the year

In thousands of BDT

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (loss)	Purchaser/ written off
For the year ended 31 December 2025						
Furniture and fixtures	(361,636)	361,469	(166)	356	189	Written off
Laboratory equipment	(15,126)	15,126	-	133	133	Written off
IT Equipment	(93,013)	92,992	(22)	454	432	Written off
Leasehold building	(1,168,493)	1,168,493	-	-	-	Written off
Office equipment	(196,193)	195,900	(293)	94	(198)	Written off
Plant and machinery	(2,068,754)	2,065,658	(3,096)	239	(2,857)	Written off
Vehicles	(96,455)	95,491	(965)	39,917	38,953	Employees of the Company
	(3,999,670)	**3,995,129**	**(4,542)**	**41,193**	**36,652**	
For the year ended 31 December 2024						
Furniture and fixtures	(3,116)	3,116	-	-	-	Written off
Laboratory equipment	-	-	-	-	-	Written off
IT Equipment	(76,976)	76,976	-	719	719	Written off
Leasehold building	(544,746)	544,746	-	-	-	Written off
Office equipment	(10,803)	10,791	(12)	13	1	Written off
Plant and machinery	(115)	110	(5)	-	(5)	Written off
Vehicles	(149,075)	147,806	(1,269)	53,156	51,887	Employees of the Company
	(784,831)	**783,545**	**(1,286)**	**53,888**	**52,602**	

30	**Income tax expenses**			
	Current income tax:			
	Current income tax charge	22	9,467,677	15,989,072
	Deferred tax:			
	Deferred tax (income)/expense relating to origination and reversal of temporary differences	31	(1,677,091)	316,652
	Income tax expense reported in the statement of profit or loss		**7,790,586**	**16,305,724**

In thousands of BDT

		For the year ended 31 December			
			2025		2024
30.1	**Reconciliation of effective tax rate**				
	Profit before tax		13,630,509		33,814,223
	Current tax expense	69.46%	9,467,677	47.28%	15,989,072
	Deferred tax expense	-12.30%	(1,677,091)	0.94%	316,652
	Total tax expense	**57.16%**	**7,790,586**	**48.22%**	**16,305,724**
	Expected income tax using applicable tax rate	47.50%	6,474,492	47.50%	16,061,756
	Prior year adjustment	0.00%	-	-0.71%	(239,406)
	Tax on non deductible expenses	21.96%	2,993,185	0.49%	166,722
	Effective current tax	**69.46%**	**9,467,677**	**47.29%**	**15,989,072**
	Effective deferred tax	**-12.30%**	**(1,677,091)**	**0.93%**	**316,652**
		57.16%	**7,790,586**	**48.22%**	**16,305,724**

In thousands of BDT

		Note	For the year ended 31 December	
			2025	2024
31	**Deferred tax (expense)/income**			
	Deferred tax liabilities at the beginning of the year	18	6,695,912	6,314,611
	Deferred tax liabilities at the end of the year	18	4,920,245	6,695,912
			1,775,667	**(381,301)**
	Deferred tax attributable to actuarial loss recognised directly in equity		(98,576)	64,649
	Deferred tax (expense)/income recognised directly in profit		**1,677,091**	**(316,652)**
32	**Other comprehensive income**			
	Actuarial gain/(loss) on defined benefit plans - Gratuity fund		(207,198)	136,648
	Actuarial gain/(loss) on defined benefit plans - Pension fund		(331)	(545)
			(207,529)	**136,103**
	Less: deferred tax on actuarial gain/(loss) on defined benefit plans @ 47.5%		98,576	(64,649)
	Net actuarial gain/(loss) on defined benefit plans charged to OCI		**(108,953)**	**71,454**

33 Earnings per share

33.1 Basic earnings per share

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standard (IAS) 33: Earnings Per Share. The composition of EPS is given below:

Total profit attributable to shareholders	5,839,923	17,508,499
Weighted average number of shares outstanding	540,000	540,000
Earning per share in BDT	**10.81**	**32.42**

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

33.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.

34 Net operating cash flows per share (NOCFPS)

Net cash flow from operating activities	3,305,145	17,316,395
Weighted average number of shares outstanding	540,000	540,000
Net operating cash flows per share in BDT	**6.12**	**32.07**

35 Net asset value (NAV) per share

Net asset value	55,348,411	57,717,441
Weighted average number of shares outstanding	540,000	540,000
NAV per share in BDT	**102.50**	**106.88**

In thousands of BDT

		Note	For the year ended 31 December 2025	2024
36	**Dividend paid**			
	Opening unclaimed dividend		452,928	2,820,957
	Dividend paid:			
	Cash dividend declared for 2024/2023		8,100,000	5,400,000
	Interim dividend paid for 2024		-	8,100,000
			8,552,928	**16,320,957**
	Closing unclaimed dividend	36.1	5,392,856	452,928
	Dividend paid		**3,160,072**	**15,868,029**

36.1 Ageing analysis of unclaimed dividend

In thousands of BDT

	Prior to 2022	2022	2023	2024	2025	Total
Unclaimed dividend at 1 January 2025	43,920	24,867	16,764	367,377	-	452,928
Paid during the year	(99)	(386)	(1,003)	(329,951)	-	(331,439)
Transfer to CMSF*	(43,821)	-	-	-	-	(43,821)
Unclaimed dividend at 31 December 2025	**-**	**24,481**	**15,761**	**37,425**	**-**	**77,668**

*Capital Market Stabilisation Fund

Amount yet to be remitted to Group

In thousands of BDT

	Note	For the year ended 31 December 2025	2024
Dividend in transit		**5,315,188**	**-**

37	**Remittances of foreign currency**		
	Technical and assistance fee (T&A)	-	33,400
	Royalty	-	3,790
	Dividend	33,239	33,391
		33,239	**70,581**

T&A Fees in 2024 consists of T&A fee for the year 2020-23. Royalty in 2024 consists of Royalty amount remitted to BAT Holdings Ltd for Benson & Hedges for 2020.

All these fees are remitted after obtaining approval from Bangladesh Investment Development Authority (BIDA). All of the above remittances represent the net amount after deduction of withholding tax as per law.

38	**Value of imports on Cost, Insurance and Freight (CIF) basis**		
	Raw and packing materials	2,374,740	9,432,107
	Spares and others	1,177,405	2,085,544
	Capital goods	221,412	429,469
		3,773,557	**11,947,120**
39	**Total export earnings**		
	Export of leaf	76,067	69,939
	Export of finished goods	4,461	-
	Export of semi-fininshed goods	9,525	11,407
		90,053	**81,346**

40 Capacity

The Company works on continuous operation basis and given the current installed machine configurations and planned expansions, there is sufficient capacity to meet forecast future demand in a variety of specification (e.g. Filter) and packaging (e.g. Hinge Lid, Shell and Slide) configurations. The Directors regularly review the production capability of the Company and are satisfied that the current and future capacities are adequate. Plans are in place to meet any anticipated future demand.

Actual production of cigarettes (in million sticks)	**49,943**	**67,969**

41 Segment reporting

"The Company is domiciled in Bangladesh. The gross revenue from domestic sale of cigarettes is BDT 444,066 million (2024: BDT 422,272 million). The Company does not have any non current assets that are located outside Bangladesh.

Gross cigarette revenue arising from transactions with a single external customer represented BDT 32,249 million (2024: BDT 24,401 million) of the Company's total revenue."

The Company is primarily engaged in the manufacturing and sale of cigarettes in Bangladesh and this forms the focus of the Company's internal reporting system. While the Company has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the chief operating decision maker. Therefore, it is not possible to segment the Company's results by brand without a high degree of estimation.

Apart from cigarette manufacturing, the Company exports leaf outside Bangladesh, which contributes less than 12% of gross and net turnover. The break up of cigarette and export sales have been provided in Note 24.

42 Consumption of imported and local raw materials

In thousands of BDT

	For the year ended 31 December			
	2025		2024	
	Wrapping material	Leaf	Wrapping material	Leaf
Imported:				
Opening	4,891,227	655,559	3,738,417	444,151
Purchases	7,456,076	903,344	12,933,353	881,552
Consumption	(9,242,699)	(654,988)	(11,780,543)	(670,144)
Closing (a)	**3,104,604**	**903,915**	**4,891,227**	**655,559**
Domestic:				
Opening	211,042	16,726,780	188,348	11,734,481
Purchases	6,461,207	24,141,773	10,648,403	25,553,384
Consumption	(6,609,848)	(11,383,099)	(10,625,709)	(13,750,356)
Export	-	(7,445,462)	-	(6,810,729)
Closing (b)	**62,401**	**22,039,992**	**211,042**	**16,726,780**
Closing stock (a+b)	**3,167,005**	**22,943,907**	**5,102,269**	**17,382,339**

43 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

In thousands of BDT

	Notes	Carrying amount								Fair value			
		Held-for-trading	Designated at fair value	Fair value hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total amount	Level 1	Level 2	Level 3	Total
31 December 2025													
Financial assets measured at fair value													
Trade and other receivables	11	-	-	-	-	18,027,577	-	-	18,027,577	-	-	-	18,027,577
		-	**-**	**-**	**-**	**18,027,577**	**-**	**-**	**18,027,577**	**-**	**-**	**-**	**18,027,577**
Financial assets not measured at fair value													
Cash at bank	13	-	-	-	-	9,186,160	-	-	9,186,160	-	-	-	9,186,160
		-	**-**	**-**	**-**	**9,186,160**	**-**	**-**	**9,186,160**	**-**	**-**	**-**	**9,186,160**
Financial liabilities not measured at fair value													
Borrowings under supplier financing arrangement	19	-	-	-	-	-	-	51,360	51,360	-	-	-	51,360
Trade and other payables	21	-	-		-	-	-	16,033,764	16,033,764	-	-	-	16,033,764
		-	**-**	**-**	**-**	**-**	**-**	**16,085,124**	**16,085,124**	**-**	**-**	**-**	**16,085,124**
31 December 2024													
Financial assets measured at fair value													
Trade and other receivables	11	**-**	**-**	**-**	**-**	13,385,771	-	-	13,385,771	-	-	-	13,385,771
		-	**-**	**-**	**-**	**13,385,771**	**-**	**-**	**13,385,771**	**-**	**-**	**-**	**13,385,771**
Financial assets not measured at fair value													
Cash at bank	13	-	-	-	-	8,965,129	-	-	8,965,129	-	-	-	8,965,129
		-	**-**	**-**	**-**	**8,965,129**	**-**	**-**	**8,965,129**	**-**	**-**	**-**	**8,965,129**
Financial liabilities not measured at fair value													
Borrowings under supplier financing arrangement	19	-	-	-	-	-	-	5,268,070	5,268,070	-	-	-	5,268,070
Trade and other payables	21	-	-	-	-	-	-	13,847,536	13,847,536	-	-	-	13,847,536
		-	**-**	**-**	**-**	**-**	**-**	**19,115,606**	**19,115,606**	**-**	**-**	**-**	**19,115,606**

B. Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

I) Credit risk

II) Liquidity risk

III) Market risk

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

I) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The letters of credit are considered as integral part of trade receivables and considered in the calculation of impairment.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

In thousands of BDT

	Trade receivables					
	Days past due					
	Current	**<30 days**	**30-90 days**	**91- 180 days**	**181 days to 365 days**	**>365 days**
31 December 2025						
Expected credit loss rate	0.10%	0.12%	0.14%	0.16%	0.18%	0.20%
Estimated total gross	13,525,560	-	-	-	-	-
Expected credit loss	**13,526**	**-**	**-**	**-**	**-**	**-**

In thousands of BDT

	Trade receivables					
	Days past due					
	Current	**<30 days**	**30-90 days**	**91- 180 days**	**181 days to 365 days**	**>365 days**
31 December 2024						
Expected credit loss rate	0.10%	0.12%	0.14%	0.16%	0.18%	0.20%
Estimated total gross	12,794,416	-	-	-	-	-
Expected credit loss	**12,794**	**-**	**-**	**-**	**-**	**-**

a) Exposure to credit risk

The carrying amount of the remaining financial assets represents the balancing credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of BDT

	Note	31 December	
		2025	**2024**
Cash at bank	13	9,186,160	8,965,129
		9,186,160	**8,965,129**

In thousands of BDT

	Note	31 December 2025	2024
b) Ageing of trade and other receivables			
At 31 December, the ageing of trade and other receivables that were not impaired were as follows:			
Past due 30 days or below		4,578,761	566,382
Past due 31-90 days		-	-
Past due 91-180 days		-	-
Past due over 180 days		33,724	37,768
		4,612,485	**604,150**

II) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/ fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

In thousands of BDT

		Contractual cash flows						
	Note	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
31 December 2025								
Trade and other payables	21	16,033,764	16,033,764	8,468,499	-	7,565,265	-	-
Borrowings under supplier financing arrangement	19	51,360	51,360	-	51,360	-	-	-
Short term bank loans	20	9,700,000	9,700,000	-	9,700,000	-	-	-
		25,785,124	**25,785,124**	**8,468,499**	**9,751,360**	**7,565,265**	**-**	**-**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

In thousands of BDT

		Contractual cash flows						
	Note	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
31 December 2024								
Trade and other payables	21	13,847,536	13,847,536	9,759,185	-	4,088,351		-
Borrowings under supplier financing arrangement	19	5,268,070	5,268,070	-	5,268,070	-	-	-
		19,115,606	**19,115,606**	**9,759,185**	**5,268,070**	**4,088,351**	**-**	**-**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

III) Market risk

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

a) Currency risk/foreign exchange rate risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro (EUR) and Great Britain Pound (GBP). Foreign exchange risk arises from future commercial transactions of recognized assets and liabilities. Management complies with the treasury policy to manage foreign exchange risk against their functional currency.

i) Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

In thousands of

	USD	GBP	EUR
31 December 2025			
Foreign currency denominated assets			
Cash at bank	17,226	-	-
Intercompany receivables	1,463	33	-
	18,689	**33**	**-**
Foreign currency denominated liabilities			
Trade payables	3,195	-	187
Intercompany payables	411	19,833	513
	3,606	**19,833**	**700**
Net exposure	**15,083**	**(19,800)**	**(700)**
31 December 2024			
Foreign currency denominated assets			
Cash at bank	17,627	-	-
Intercompany receivable	2,075	116	-
	19,702	**116**	**-**
Foreign currency denominated liabilities			
Trade payables	21,622	308	4,078
Intercompany payables	1,253	1,955	2,315
	22,875	**2,263**	**6,393**
Net exposure	**(3,173)**	**(2,147)**	**(6,393)**

The following significant exchange rates have been applied against BDT:

	Average rate		Year-end spot rate	
	2025	2024	2025	2024
USD 1	121.96	115.59	122.25	120.00
GBP 1	160.89	147.80	164.43	152.94
EUR 1	137.92	125.07	143.58	126.76

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Taka, as indicated below, against the USD, EUR and GBP at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecasted sales and purchases.

In thousands of

	Strengthening profit or (loss)	Weakening profit or (loss)
31 December 2025		
USD (5 percent movement)	(92,194)	92,194
GBP (5 percent movement)	162,788	(162,788)
EUR (5 percent movement)	5,026	(5,026)
	75,620	**(75,620)**

In thousands of

	Strengthening profit or (loss)	Weakening profit or (loss)
31 December 2024		
USD (5 percent movement)	19,036	(19,036)
GBP (5 percent movement)	16,415	(16,415)
EUR (5 percent movement)	40,521	(40,521)
	75,972	**(75,972)**

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. At present the Company has no borrowings which is subject to interest rate risk.

Interest rate used to determine amortised cost for IFRS 16: Leases:

	2025	2024
Lease liabilities	**10%**	**10%**

44 Related party disclosures

i) Transactions with key management personnel

Key management personnel compensation comprised the following:

In thousands of BDT

	For the year ended 31 December	
	2025	2024
Meeting attendance fees & expenses	5,775	7,205
Remuneration	201,075	185,110
Retirement benefit scheme	3,271	4,162
Medical and welfare	61	95
Housing	16,550	26,308
	226,732	**222,880**

ii) Other related party transactions

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS 24: Related party disclosures.

In thousands of BDT

	Relationship	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
		2025	2024	2025	2024
Income					
a. Leaf, Cigarette export and sale of goods					
BAT (GLP) Limited	BAT Group company	3,518,618	3,996,373	(97,038)	146,061
BAT (Singapore) PTE LTD	BAT Group company	-	-	11,602	-
British American Tobacco ME DMCC	BAT Group company	543,045	1,631,561	-	134,095
Algeria: B.A.T. Algeria	BAT Group company	1,158,927	-	86,265	-
		5,220,590	**5,627,934**	**829**	**280,156**
b. Other fee					
Other fee received/to be received from:					
BAT (GLP) Limited	BAT Group company	86,220	-	-	-
BAT INVESTMENTS LTD	BAT Group company	73,559	121,333	45,016	13,975
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	1,893	-	1,893	-
BAT Japan	BAT Group company	1,543	10,415	-	9,594
British American Tobacco Exports Ltd	BAT Group company	11,108	3,756	9,609	1,257
BASS GSD Ltd	BAT Group company	-	7,816	-	7,816
BAT Global Travel Retail Limited	BAT Group company	6,076	-	-	-
BAT DENMARK A/S (HOP A/S)	BAT Group company	-	-	-	1,480

In thousands of BDT

	Relationship	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
		2025	2024	2025	2024
British American Tobacco Taiwan	BAT Group company	-	-	1,599	1,599
British-American Tobacco (Singapore)	BAT Group company	1,441	13,827	-	20,279
VINA-BAT JV HCMC Branch	BAT Group company	-	3,838	3,838	3,838
BAT Co. (HK) Ltd	BAT Group company	-	-	2,266	2,266
BAT AsPac Service Centre Sdn Bhd	BAT Group company	43,086	-	-	-
British American Tobacco ME DMCC	BAT Group company	2,404	1,941	-	5,180
Nicoventures Trading Limited	BAT Group company	-	4,582	-	-
PT Bentoel Internasional Investama	BAT Group company	4,305	-	1,626	-
British American Tobacco (Malaysia)	BAT Group company	1,547	-	-	-
Fiedler&Lundgren AB	BAT Group company	7,797	-	1,926	-
Souza Cruz Ltda.	BAT Group company	2,739	-	2,739	-
British American Tobacco Kenya Ltd	BAT Group company	1,716	32,588	-	-
PAKISTAN TOBACCO CO LTD	BAT Group company	-	-	2,884	2,884
ROTHMANS FAR EAST B.V. KOREA BRANCH	BAT Group company	1,769	4,168	-	4,168
BAT Nigeria Ltd	BAT Group company	14,023	20	14,043	20
British American Tobacco South Africa	BAT Group company	-	7,124	-	7,124
BAT KOREA MANUFACTURING LTD	BAT Group company	-	15,062	-	-
Commercial Marketers & Distributors	BAT Group company	5,971	-	-	-
Ceylon Tobacco Company PLC	BAT Group company	2,724	3,810	7,134	4,410
		269,921	**230,280**	**94,573**	**85,890**
Total related party income and balance receivables		**5,490,511**	**5,858,214**	**95,402**	**366,046**
Expenses					
c. Procurement of services					
Procurement of information technology, products and other services:					
Agami Limited	Prerona Controlled Entity	48,900	463,359	-	(175)
BASS GSD Limited	BAT Group company	1,638,900	167,808	(1,382,545)	(18,270)
BRITISH AMERICAN TOBACCO AUSTRALIA	BAT Group company	-	-	(9,455)	(9,455)
BAT Holdings Limited	BAT Group company	18,749	41,007	-	-
BAT AsPac Service Centre Sdn Bhd	BAT Group company	37,514	138,979	-	106,514
BAT GSD (KL) Sdn Bhd	BAT Group company	-	-	(3,151)	(3,151)
BAT Investments LTD	BAT Group company	1,532,703	19,376	(1,236,202)	296,501
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	9,564	8,727	(29,252)	(19,688)
PAKISTAN TOBACCO CO LTD (PTCL)	BAT Group company	-	-	(415)	(415)
Prerona Foundation	Social Foundation	4,448	8,292	-	-
British American Tobacco Tutun	BAT Group company	-	-	(47,053)	(47,053)
BAT (GLP) Limited	BAT Group company	15,136	18,822	(34,060)	(18,924)
British American Tobacco Exports Ltd	BAT Group company	-	-	75,418	(7,918)
BAT KOREA MANUFACTURING LTD	BAT Group company	-	-	(10,870)	(10,870)
BAT (Singapore) PTE LTD	BAT Group company	3,159	6,589	(9,956)	(8,377)
Souza Cruz Ltda.	BAT Group company	6,112	-	63,072	(1,817)
Ceylon Tobacco Company PLC	BAT Group company	-	2,449	(2,449)	(2,449)
Nicoventures Trading Limited	BAT Group company	7,434	2,992	(10,426)	(2,992)
British American Tobacco South	BAT Group company	5,142	-	(5,142)	-
British American Tobacco Servicios	BAT Group company	20,888	-	(13,367)	-

In thousands of BDT

	Relationship	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
		2025	2024	2025	2024
BAT SAA Service (Private) Limited	BAT Group company	838	-	(797)	-
British American Tobacco Area	BAT Group company	2,167	-	(2,167)	-
RHQ BAT Middle East	BAT Group company	17,469	-	(17,469)	-
BAT Co. (HK) Ltd	BAT Group company	4,808	-	(4,808)	-
		3,373,931	**878,400**	**(2,681,094)**	**251,461**
d. Purchase of leaf & goods					
Purchase of leaf and wrapping materials from:					
BAT Singapore (Private) limited	BAT Group company	-	-	1,758	1,758
BAT (GLP) Limited	BAT Group company	296,799	211,266	32,717	59,849
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	-	-	2,619	2,619
British American Tobacco Exports Ltd	BAT Group company	16,227	144,218	(132,711)	(116,628)
British American Tobacco ME DMCC	BAT Group company	-	173,710	-	(103,359)
BAT KOREA	BAT Group company	-	-	2,286	2,286
Souza Cruz Ltda.	BAT Group company	15,110	-	(15,110)	-
		328,136	**529,194**	**(108,441)**	**(153,475)**
e. Royalty					
Royalty paid/payable to:					
BAT Holdings Limited	BAT Group company	717,618	824,976	(4,300,622)	(3,634,820)
		717,618	**824,976**	**(4,300,622)**	**(3,634,820)**
f. Technical and assisatance fee					
Payment of fees for technical and assistance support services to:					
BAT Investments Ltd	BAT Group company	-	(2,119)	(355,052)	(355,052)
		-	**(2,119)**	**(355,052)**	**(355,052)**
g. Donations					
Charitable contributions made to:					
Prerona Foundation	Social Foundation	-	140,473	-	-
		-	**140,473**	**-**	**-**
h. Purchase of equipment					
Purchase of equipment from:					
BRITISH AMERICAN TOBACCO CHILE	BAT Group company	-	-	(69)	(69)
BAT PT. Export Leaf Indonesia, Malang	BAT Group company	110,895	176,397	17,069	(64,791)
BAT Nigeria Ltd	BAT Group company	-	-	-	(516)
British American Tobacco Tutun	BAT Group company	20,605	67,295	(986)	(986)
BAT (Singapore) PTE LTD	BAT Group company	-	70,247	11,704	11,704
BAT KOREA MANUFACTURING LTD	BAT Group company	-	2,126	(2,126)	(2,126)
British American Tobacco South	BAT Group company	10,483	66,294	5,142	(29,975)
BAT SWITZERLAND SA	BAT Group company	-	30,682	-	(30,682)
		141,983	413,041	30,734	(117,441)
		4,561,667	**2,783,965**	**(7,414,476)**	**(4,009,327)**

In thousands of BDT

		2025	2024
45	**Commitments**		
45.1	**Capital expenditure**		
	Authorised but not provided for	**5,351,326**	**2,321,033**
45.2	**Letter of credit**		
	Citibank, N.A.	1,204,717	1,886,641
	Commercial Bank of Ceylon PLC	134,065	1,326,991
	The Hongkong and Shanghai Banking Corporation Limited	666,694	4,998
	Eastern Bank Ltd.	-	656,122
	Standard Chartered Bank	1,803,388	6,856,385
		3,808,864	**10,731,137**

46 Contingencies

Contingent liabilities of the Company that relate to bank guarantee to third parties as listed below:

Bank Guarantee		
Standard Chartered Bank	262,621	262,621
Eastern Bank Ltd.	29,303	29,303
Citibank, N.A.	2,000	2,000
	293,924	**293,924**

46.1 Litigation

The Company has various claims and legal actions arising in the ordinary course of business. Management believes that there is a strong defence against each of these claims and legal actions and is not expected to have a material impact on Company's financial statements. Such claims and legal actions include the following:

a In January,2019 a competitor filed a writ petition challenging the Government and NBR's failure to implement the Finance Minister's 2018 budget speech and the withdrawal of protection for local cigarette brands under the 2017 Special Order. The petition later focused on the legality of the 2018 Special Order that revoked this protection. BATB was added as a party later. On 21 September 2020, the High Court upheld the prospective part of the 2018 Order, ending the discriminatory regime, but struck down its retrospective effect, reviving the protection for the period from 01 June 2017 to 06 June 2018. The Court allowed recovery of any revenue shortfall from any manufacturer during that period. Following the judgment, LTU-VAT issued a Show Cause Notice to BATB on 24 September 2020, claiming BDT 24,371 million in unpaid VAT and SD. BATB appealed and obtained a stay from the Appellate Division. Subsequently, the High Court discharged the Rule Nisi and made the Supplementary Rule absolute in part, declaring the retrospective removal of protection under the 2018 Order unlawful. It reaffirmed that any SD shortfall under the 2017 Order from 01 June 2017 to 07 June 2018 remains recoverable from any party. BATB has challenged this decision, and the matter is currently pending before the Appellate Division.

b LTU-VAT issued show-cause notice to BATB in March 2020 claiming BDT 2054 crore as unpaid VAT & SD for allegedly producing 18 bn more cigarettes than declared, using an undisclosed purchase of local leaf based on a 2016 Annual Report and VAT – 1 discrepancy. BATB participated in the LTU-VAT hearing and claim was withdrawn post full inquiry on 19 August 2021. However, NBR started re-investigating the matter on 14 August 2023 and informed BATB to attend a hearing post the 2 year time bar. As per the law, NBR does not have the authority to examine the records of any proceedings after expiry of two years from the date of decision or order.

Instead of attending hearing, BATB filed a writ petition challenging re-investigation based on time bar. Rule was issued, which means, the HC found prime facie merit in BATB's position that NBR's decision to call BATB for re-investigation beyond time bar was illegal. Court, however, did not stay NBR proceedings but directed NBR not to call BATB for re-investigation. Thereafter, through a letter dated 21.09.2023, NBR cancelled the Order dated 19.08.2021 passed by LTU-VAT Commissioner (through which the claim was withdrawn) and directed LTU-VAT to recover BDT 2054 crore as unpaid VAT & SD. Challenging the NBR's letter dated 21.09.2023, BATB filed another writ petition. The High Court, having found prima facie merit in our case, was pleased to issue a Rule, that is, a show cause as to why the NBR's letter dated 21.09.2023 shall not be declared to have been issued without lawful authority. Thereafter, LTU made a demand of BDT 2054 crore as unpaid VAT & SD. In response, BATB filed an application before High Court to stay the demand. High Court mentioned that it will consider stay application during final hearing. The matter is currently pending before the High Court for final hearing.

c In the last reporting period, BAT Bangladesh received a show cause notice from the National Board of Revenue (NBR) alleging that the company has avoided duty payment amounting to BDT 2,109 million. The notice claimed that this duty avoidance allegedly occurred due to the supply of cigarettes in BAT Bangladesh's warehouse before budget and then selling the same after declaration of budget at higher prices. BAT Bangladesh responded to the show cause notice, asserting that it has always acted within the law and hence the basis of the allegation and claim is unfounded. Thereafter a hearing was held before NBR and the NBR subsequently issued a demand of BDT 1687 million. Challenging the demand, BAT Bangladesh filed a writ petition before High Court. After hearing the parties, the High Court rejected the writ petition. Subsequently, BATB filed appeals before the Supreme Court and Customs, Excise & VAT Appeal Tribunal, which are currently pending.

47 Other disclosures

47.1 Standard of Business Conduct (SOBC)

The Company periodically investigates allegations of misconduct, including allegations of corruption. Some of these allegations are currently being investigated and the Company cooperates with the relevant authorities where appropriate

47.2 Number of employees

The number of regular permanent employees receiving remuneration of Tk. 36,000 or above per annum at reporting date was as follows:

	31 December	
	2025	2024
Number of employees	1,684	1,745

In addition, there was a varying number of seasonal and temporary workers working throughout the year, as required.

47.3 Comparatives and rearrangement

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged and reclassified whenever considered necessary to conform to current year's presentation.

48 Significant deviations

Earnings per share (EPS) decreased from same period last year due to lower turnover, and increased operating expenses, driven by inflationary pressures and higher levels of activity in parts of the business. Furthermore, the Dhaka factory site closure, relocation and restructuring cost had a one-off impact as well. Net operating cash flow per share (NOCFPS) decreased mainly due to lower profit, higher cash outflow for excise increase offset by other items.

49 Events after reporting period

The Board of Directors of the Company recommended BDT 3 per share as final cash dividend for the year ended 31 December 2025 at the board meeting held on 2 March 2025. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company. The financial statements for the year ended 31 December 2025 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements."

Note

APPENDIX

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British American Tobacco Bangladesh Company Limited

Dehora, Dhamsona, Balibhadra Bazar, Ashulia, Dhaka-1349

PROXY FORM

I/We.....

of.....

Being a Member of British American Tobacco Bangladesh Company Limited, do hereby appoint

a) Mr./Mrs.....

of.....

b) Mr./Mrs.....

of.....

either of them may, in writing, appoint anyone to act as my proxy at the 53rd Annual General Meeting of the Company to be held on Thursday, 30th April 2026 and at any adjournment thereof

As witness my/our hand this ..... day of ..... 2026.

REVENUE STAMP TK. 100

..... (Signature of Proxy)

..... (Signature of Share Holder)

Folio / BO ID No. | | | | | | | | | – | | | | | | | | |

No. of Shares held.....

Notes:

1. A member entitled to attend and vote in the AGM may appoint a Proxy to attend and vote on his/her behalf.
2. The Proxy Form, duly filed and stamped must be deposited at the Registered Office of the Company, by 10.30 am of 27th April 2026.
3. Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.

British American Tobacco Bangladesh Company Limited

Dehora, Dhamsona, Balibhadra Bazar, Ashulia, Dhaka-1349

ATTENDANCE SLIP

I/We do hereby record my/our attendance at the 53rd Annual General Meeting (AGM) of the Company being held on Thursday, 30th April 2026 at 10.30 am at Virtual Platform.

Name of the Shares Holder(s)/Proxy:.....

Folio / BO ID No. | | | | | | | | | – | | | | | | | | |

No. of Shares held.....

..... Signature of Shares Holder(s)/Proxy

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

দেহরা, ধামসোনা, বলিভাদ্রা বাজার, আশুলিয়া, ঢাকা-১৩৪৯

প্রতিনিধিপত্র

আমি/আমরা .....

ঠিকানা .....

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড- এর সদস্য হিসেবে

ক. জনাব/বেগম .....

ঠিকানা .....

খ. জনাব/বেগম .....

ঠিকানা .....

কে বা তাদের যেকোনো একজন আমার/আমাদের প্রতিনিধি হিসেবে আমার/আমাদের অনুপস্থিতিতে বৃহস্পতিবার, ৩০শে এপ্রিল ২০২৬ তারিখ অনুষ্ঠিতব্য কোম্পানির ৫৩তম বার্ষিক সাধারণ সভায় এবং তার মূলতবি ঘোষিত সভায় উপস্থিত হওয়া ও ভোটদানের জন্য নিযুক্ত করলাম।

রেভিনিউ স্ট্যাম্প ১০০/-

..... (প্রতিনিধির স্বাক্ষর)

..... (শেয়ার হোল্ডারের স্বাক্ষর)

ফোলিও/বিও নম্বর: | | | | | | | | | – | | | | | | | | |

শেয়ার সংখ্যা .....

দ্রষ্টব্য:

১. অনিবার্যকারণবশতঃ, কোনো সদস্য তার অনুপস্থিতিতে মনোনীত প্রতিনিধিকে তার পক্ষ থেকে ভোট প্রদানের জন্য পাঠাতে পারবেন।

২. প্রতিনিধিপত্র সঠিকভাবে পূরণ ও স্ট্যাম্প সংযুক্ত করে কোম্পানির নিবন্ধিত অফিসে ২৭শে এপ্রিল ২০২৬ সকাল ১০:৩০ মিনিটের মধ্যে জমা দিতে হবে।

৩. কোম্পানির নথিভুক্ত নমুনা স্বাক্ষর ও সদস্যের স্বাক্ষর একই হতে হবে।

ব্রিটিশ আমেরিকান টোব্যাকো বাংলাদেশ কোম্পানি লিমিটেড

দেহরা, ধামসোনা, বলিভাদ্রা বাজার, আশুলিয়া, ঢাকা-১৩৪৯

উপস্থিতিপত্র

আমি/আমরা আগামী ৩০শে এপ্রিল ২০২৬, বৃহস্পতিবার সকাল ১০.৩০ টায় ভার্চুয়াল প্ল্যাটফর্মে-এ অনুষ্ঠিতব্য কোম্পানির ৫৩তম বার্ষিক সাধারণ সভায় আমার/আমাদের উপস্থিতি রেকর্ড করছি।

শেয়ার হোল্ডার/প্রতিনিধির নাম: .....

ফোলিও/বিও নম্বর: | | | | | | | | | – | | | | | | | | |

শেয়ার সংখ্যা: .....

..... (শেয়ার হোল্ডারের স্বাক্ষর)

CELEBRATING

115 YEARS

1910 – 2025

TOWARDS A BETTER TOMORROW

BAT BANGLADESH

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