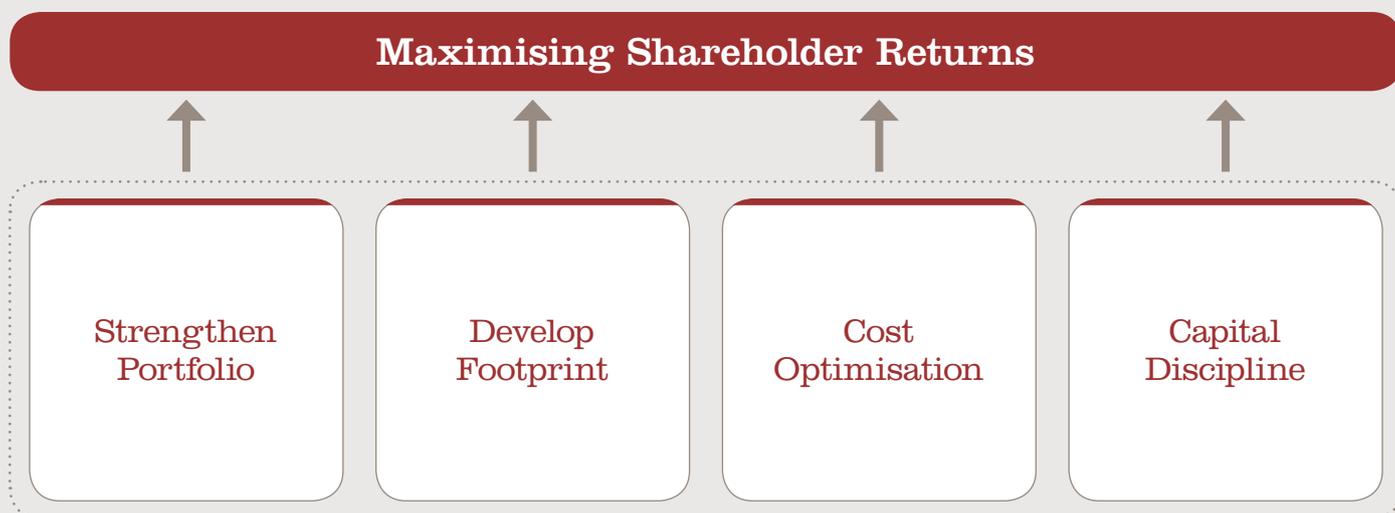


Our Strategy and Business Model

Strategy

Our strategy aims to maximise sales, cost and cash opportunities to deliver sustainable returns to shareholders. We are strengthening our portfolio by building the contribution of our Growth and Specialist Brands, supported by new launches from Fontem Ventures, and a strategic focus on share and profit performance is central to the development of our geographic footprint. Our cost optimisation programme is improving efficiencies and by embedding stronger capital discipline we are more effectively managing working capital and achieving high cash conversion.



How we Support Growth

Strong Governance

High standards of governance are critical to our sustainability.

[Find out more on page 31](#)

Acting Responsibly

Operating responsibly is integral to the way we do business.

[Find out more on page 21](#)

Managing Risk

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

[Find out more on page 25](#)

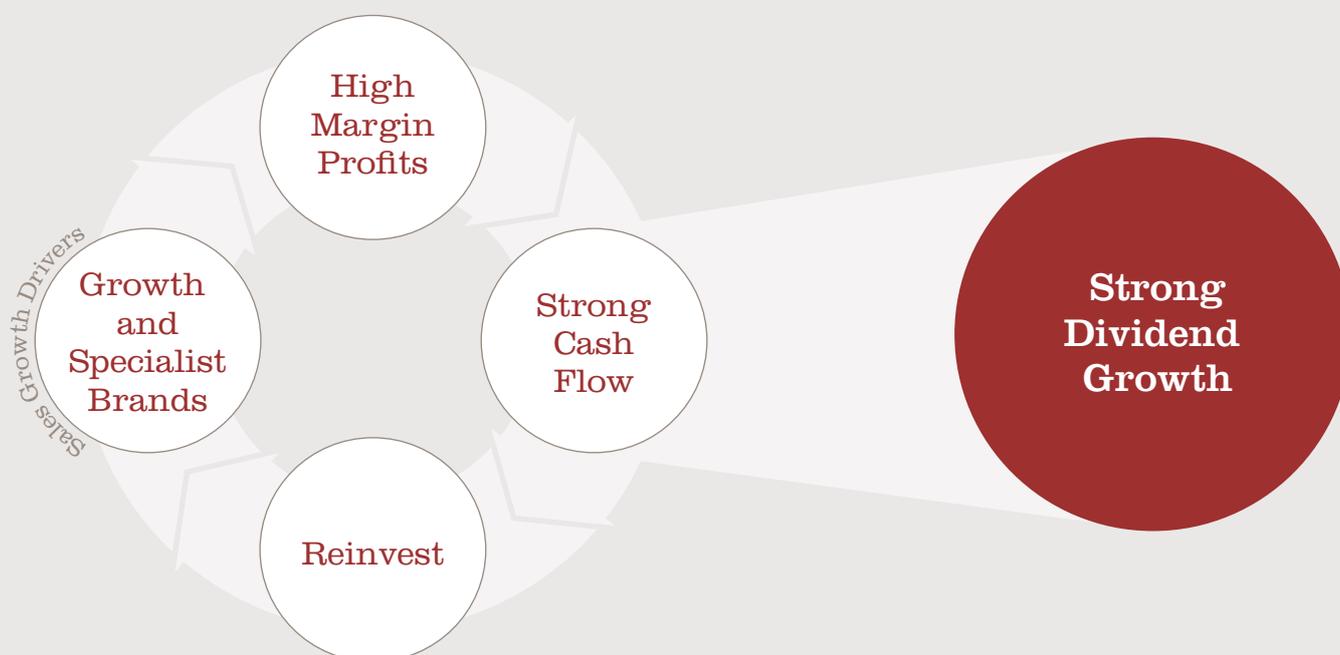
Rewarding Success

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

[Find out more on page 49](#)

Business Model

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



Sales Growth Drivers

Portfolio management, innovation, customer engagement and pricing are the four sales growth drivers we have selected to drive the performance of our Growth and Specialist Brands.

Through portfolio management we focus on connecting our brands with consumers to enhance brand equity and build sales.

Our approach to innovation is to create a drumbeat of initiatives: small, frequent innovations that keep our brands relevant to consumers.

Excellence in customer engagement requires strong retailer partnerships. We work with retailers to support their business and maximise the availability and advocacy of our brands at the point of sale.

We evaluate pricing opportunities by brand, pack size and sales channel. We take excise structures into account when making pricing decisions and focus on maximising revenue growth while continuing to give consumers value for money.