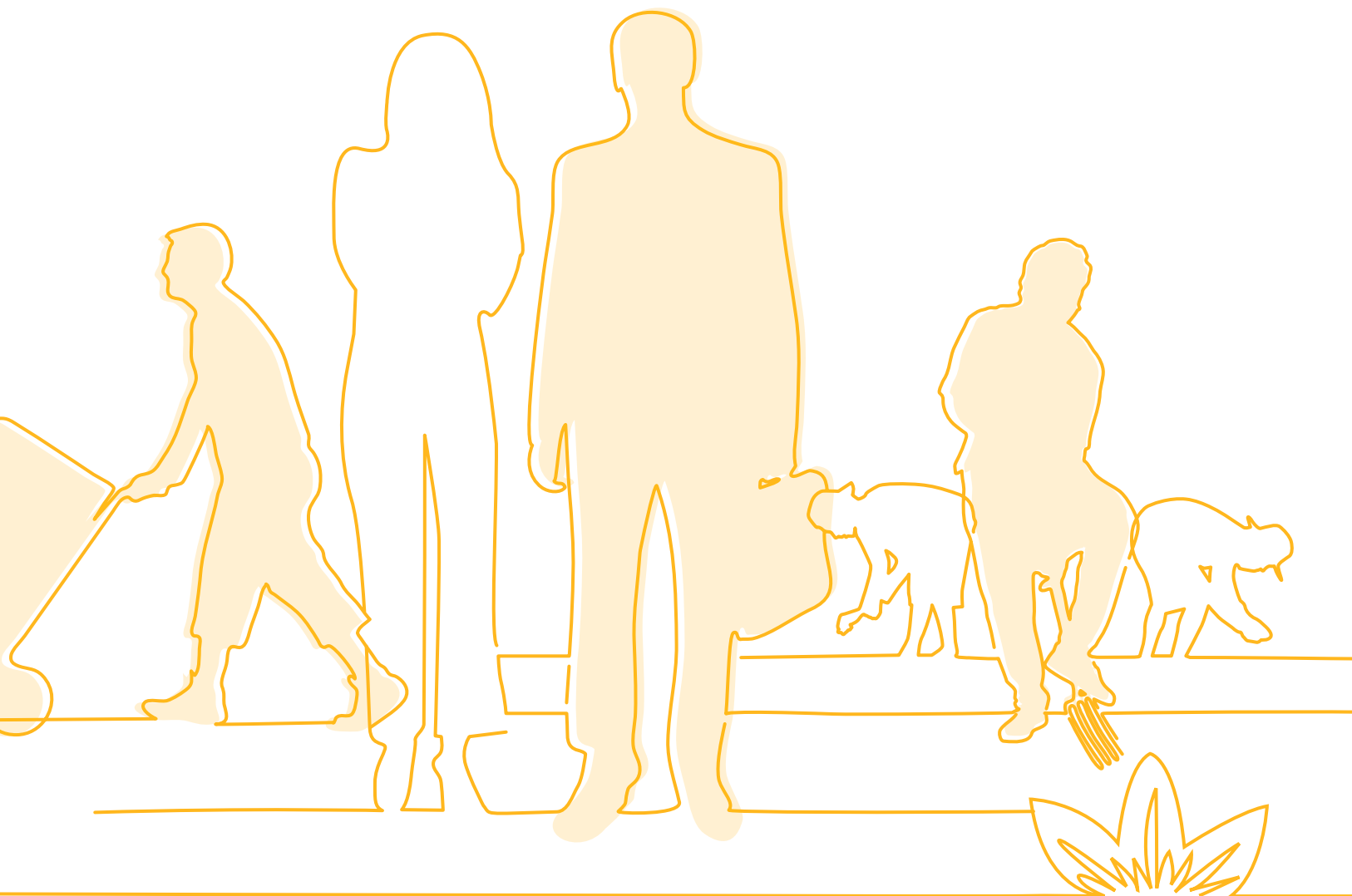


Modern Slavery Act Statement

2017



Modern Slavery Act Statement 2017

British American Tobacco (BAT) has a long-standing commitment to respect fundamental human rights, as affirmed by the Universal Declaration of Human Rights. This includes always conducting our operations in ways that respect the human rights of our employees, the people we work with and the communities in which we operate.

This statement, published in accordance with the Modern Slavery Act 2015¹, sets out the steps taken by BAT plc and subsidiary Group companies², during year ending 31 December 2017, to prevent modern slavery and human trafficking in its business and supply chains.

Introduction

The International Labour Organization (ILO) estimates 40.3 million people were victims of modern slavery in 2016 and, of these, 24.9 million people were in forced labour, with 16 million being forced to work under threat or coercion in the private economy³.

BAT recognises that, like all businesses, we run the risk of being exposed to modern slavery (encompassing slavery, servitude, forced and compulsory labour and human trafficking⁴), either within our own operations or those of our extended supply chain.

We published our first *Modern Slavery Act statement* in March 2016. This 2017 statement details how we continue to build upon and strengthen our approach within the context of our broader human rights strategy.

Details of our broader human rights strategy can be found at

 bat.com/humanrights

Our business and supply chains

BAT is one of the world's leading consumer goods companies, employing more than 55,000 people worldwide, with 45 factories in 42 countries and offices all around the world.

We have a multicategory portfolio of tobacco and nicotine products, including traditional cigarettes, potentially reduced-risk Next Generation Products (NGPs), such as vapour or tobacco heating products, and oral smokeless tobacco, such as snus and moist snuff.

In 2017, our Group revenue was over £20 billion, we sold cigarettes in more than 200 markets, our NGPs were available in 16 markets, and oral smokeless tobacco in three markets.

Our supply chain consists of two discrete elements relating to agricultural and non-agricultural suppliers.

Tobacco leaf agricultural supply chain

Tobacco leaf remains at the core of our products, so the farmers who grow it are at the heart of our supply chain.

We have traceability down to the farm level and centralised management of our tobacco leaf supply chain. This enables an agile, efficient and reliable supply of high-quality tobacco leaf to meet consumer demand, while also enhancing the sustainability of rural communities and agriculture.

In 2017, the BAT Group purchased more than 400,000 tonnes of tobacco leaf:

- 66% from 17 BAT leaf operations, which source from over 90,000 farmers; and
- 34% from 20+ third-party suppliers, which source from over 260,000 farmers.

We also purchase a small amount of tobacco leaf sourced from auction floors.

In total our agricultural supply chain covers 35 countries across North America, Latin America, Africa, Asia and Europe.

The farms in our supply chain vary in size and complexity. The majority are smallholder family farms of a hectare or less, with a smaller number of larger farms that employ hired labour to tend and harvest the tobacco leaf.



*View a detailed map of our tobacco leaf supply chain on pages 4-5 of our *Sustainable Agriculture and Farmer Livelihoods Focus Report* at*

 bat.com/sustainabilityfocus

1 The Modern Slavery Act was passed by the UK Government in March 2015.

2 This includes British American Tobacco p.l.c. and subsidiary Group companies worldwide, including all relevant BAT companies according to the requirements of the UK Modern Slavery Act: British American Tobacco (Investments) Limited, British-American Tobacco (Holdings) Limited, British American Shared Services (GSD) Limited, British American Tobacco (GLP) Limited, British American Tobacco UK Limited, British American Tobacco Western Europe Commercial Trading Limited, B.A.T. (U.K. and Export) Limited, British American Tobacco Taiwan Logistics Limited, B.A.T. China Limited, B.A.T. Services Limited, British American Tobacco Global Travel Retail Limited, and Nicoventures Trading Limited.

3 *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, International Labour Organization (ILO), Geneva, 2017.

4 UK Government Modern Slavery Strategy, November 2014, page 9.

Non-agricultural supply chain

In addition to tobacco leaf, the other direct materials we buy to make our products, such as paper and filters and the components that go into our NGPs, represent our highest-value strategic supply chain. In 2017, we had nearly 1,500 direct materials suppliers, based in 77 countries and managed by our global, regional and local Procurement teams.

In addition, we have over 30,000 indirect suppliers of other goods and services, such as machinery, IT and professional services, based in more than 150 countries worldwide. Strategic indirect suppliers are managed by our global and regional Procurement teams, and smaller suppliers are managed by the relevant business Functions at a global, regional and local level.



Policies and governance

As reported in our [2016 statement](#), we have a number of policies, principles and standards in place, relevant to human rights and modern slavery, which are all signed and endorsed at Main Board-level.

Statement of Business Principles

Our [Statement of Business Principles](#) was first developed in 2002, in consultation with experts from the Institute of Business Ethics. The statement sets out our beliefs and values as an organisation, including our commitment to respect fundamental human rights, as affirmed by the Universal Declaration of Human Rights.

Standards of Business Conduct

Our [Standards of Business Conduct \(SoBC\)](#) express the high standards of business integrity that we require from every Group company and all staff worldwide. It covers our Policy commitments for a range of issues, including whistleblowing and human rights. Our SoBC was updated in 2014 to include our Human Rights Policy, following an independently facilitated stakeholder dialogue at the end of 2013, where we invited a group of external stakeholders to help shape the updated Policy and subsequent development of our approach to human rights.

In relation to modern slavery, the Policy specifically states that we do not condone forced, bonded or involuntary labour, or the exploitation or unlawful use of immigrant labour, and that we do not condone or employ child labour, and seek to ensure that the welfare, health and safety of children are paramount at all times.

Supplier Code of Conduct

Our [Supplier Code of Conduct](#) complements the SoBC by defining the minimum standards expected of all our suppliers worldwide, including the respect of human rights.

The Code applies to all suppliers to BAT and the requirement to comply with its provisions is incorporated into our contractual arrangements with suppliers.

In relation to modern slavery, it specifically requires that all suppliers ensure their operations are free from forced, bonded, involuntary, trafficked or unlawful migrant labour.

It also expects suppliers to take steps to ensure that all their employees and contract workers understand and adhere to the requirements of the Code, and to promote adherence within their own supply chain by making it available to their own new and existing sub-suppliers (including farmers where relevant).

Find details of these, and all our other Group policies, principles and standards, at

bat.com/principles

Governance and compliance procedures

We have robust governance and compliance procedures in place to ensure our Standards are upheld, as detailed in the graphic on page 3. These are continually kept under review to ensure they remain at the forefront of best practice.

Employee training and sign-off

In 2017, we strengthened our procedure for SoBC sign-off, which is a mandatory annual exercise where all employees are required to attest to having read, understood and complied with the policies contained in the SoBC and to declare any conflicts of interest.

This included the creation of an online SoBC portal, available in multiple languages and with more detailed reporting capabilities, and mandatory e-learning and training assessment on all areas of the SoBC, including human rights. Those employees who may not have easy online access, completed a manual sign-off process and face-to-face training. This was completed by all our staff worldwide in 2017.

Speak Up channels

To increase the accessibility of, and strengthen, our long-standing Whistleblowing Policy and procedures, in early 2018, we launched a new third-party managed *Speak Up* system, including a website available in multiple languages and local language hotlines in each country where we operate.

It provides better global oversight and enables anyone who works for, or with, the Group (including suppliers, suppliers' employees, farmers, farm labourers and members of the public) to report suspected breaches of our Standards and to raise concerns or grievances, in confidence and without fear of reprisal.

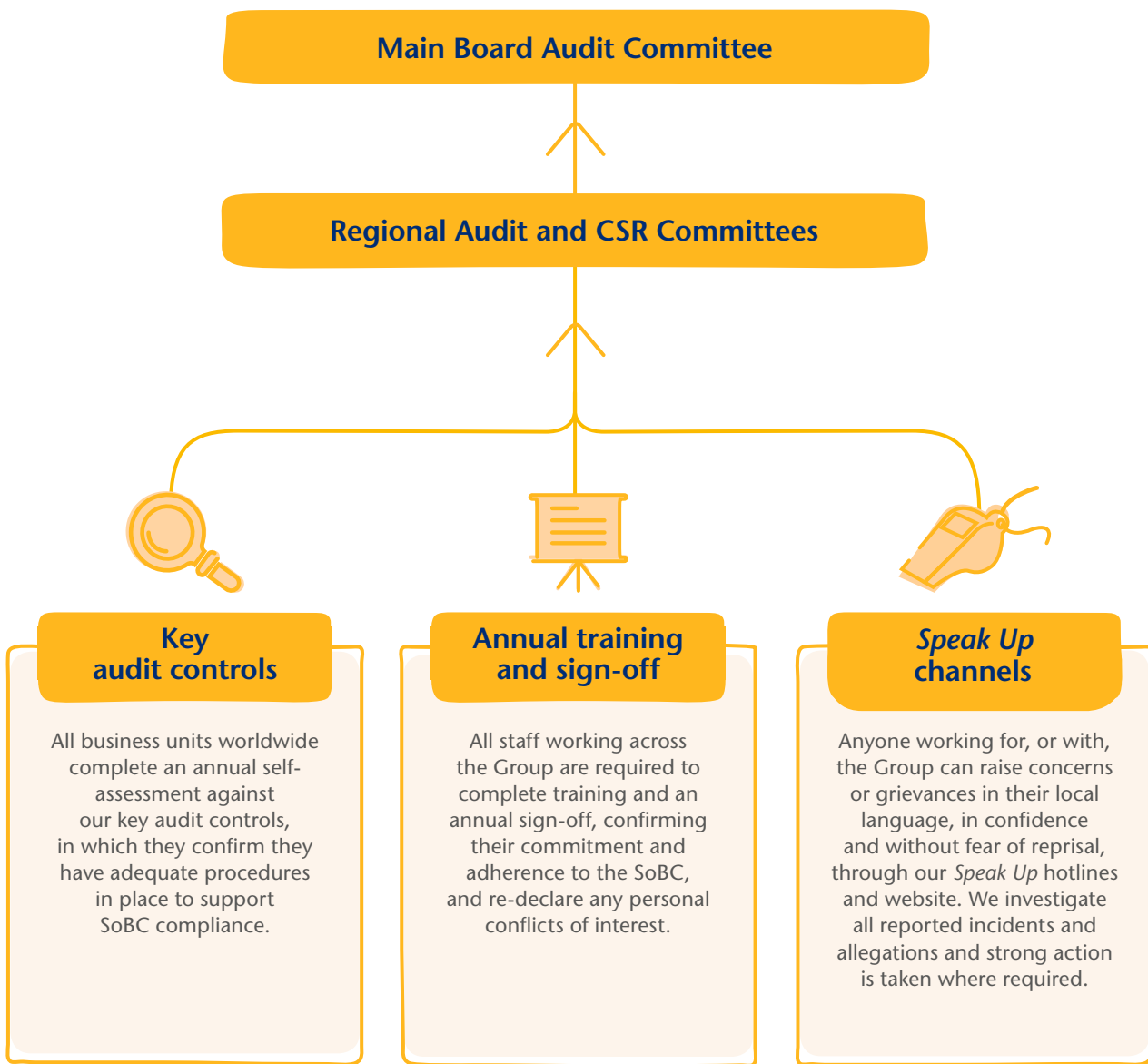
We thoroughly investigate all reported issues and allegations and strong action is taken where required. The action we take will vary from case to case but will include, depending on the circumstances, dismissal or disciplinary action of BAT employees. Where criminal activity is believed to be involved, the matter will be reported to the relevant authorities, as appropriate. Where any weakness in our internal controls is identified, measures are taken to strengthen them.

Information on compliance and reported incidents is gathered at a global level and reported through the year to our regional audit and CSR committees, and quarterly to the Main Board Audit Committee.



Our governance and compliance procedures

Every Group company and every employee worldwide is expected to understand and adhere to the Standards of Business Conduct (SoBC), and guidance on them is provided across the Group through training and awareness programmes and a dedicated mobile app.



Oversight and monitoring

Compliance and training





Due diligence

Our due diligence processes enable us to monitor the effectiveness of, and compliance with, our Policy commitments, as well as to identify, prevent and mitigate human rights risks, impacts and abuses.

Our Main Board of Directors has overall responsibility for these issues and reporting mechanisms ensure that instances of non-compliance with our Standards, and any significant external allegations, are reviewed by our Main Board Audit Committee.

To inform our approach and ensure we prioritise our efforts in the right areas, we have assessed the nature and extent of exposure to modern slavery risks in our business and supply chains. Based on careful assessment, research and the insights developed from our long history of operating in the tobacco industry around the world, we have identified that the greatest risk of modern slavery is in our tobacco leaf agricultural supply chain, as detailed in the graphic above.

Tobacco leaf agricultural supply chain

The ILO states that an estimated 1.1 billion people are engaged in agriculture and that the sector accounts for over 30% of global employment. The sheer scale and characteristics such as large numbers of casual and temporary workers, family labour in small-scale farming, and high levels of rural poverty, makes this a particularly vulnerable sector⁵. The ILO also recognises that cases of forced labour have been widely documented in the agricultural sector of wealthier, as well as poorer, countries⁶.

We conduct assessments and independent on-site reviews on 100% of our leaf operations and suppliers, in all countries, through the industry-wide Sustainable Tobacco Programme (STP). STP was introduced in June 2016, replacing our previous Social Responsibility in Tobacco Production programme, which from 2000 until 2015, set the standard for all our leaf suppliers worldwide. STP's criteria is aligned to international standards, such as those of the ILO and the UN Guiding Principles on Business and Human Rights.

All our leaf operations and suppliers complete a comprehensive annual self-assessment covering different criteria under the key pillars of: crop, environment, people and facilities. They must also show that they have good governance underpinning all four pillars and agree to assess, identify and mitigate any significant risks that arise.

In addition, there are requirements around risk assessments, farmer training, farm monitoring, and a commitment that the farmers they source from understand and meet all STP's farm-level criteria.

There are a number of specific criteria relating to forced labour, covering prevention of bond, debt and threat, freedom to leave employment, use of financial deposits, withholding of payments, retention of identity documents and valuables, and prison and compulsory labour. Additional human rights criteria cover issues such as child labour, safe working environment, fair treatment, freedom of association, and income, working hours and benefits.

AB Sustain, a supply chain management company, independently reviews the self-assessments each year and conducts independent on-site reviews every three years. These include visits to tobacco farms and in-depth analyses of suppliers' policies, processes and practices. Since STP implementation, two rounds of self-assessment have been completed by all our leaf operations and suppliers, and AB Sustain has conducted a total of 26 independent on-site reviews in 19 countries, covering 50% of our total tobacco leaf supply base. By the end of 2018, 100% of our leaf operations and suppliers will have had on-site reviews by AB Sustain.

We use the results of the self-assessments and the on-site reviews to work collaboratively with suppliers to drive corrective action and improvements. In the event of any serious and/or persistent issues, or where suppliers fail to demonstrate a willingness to improve performance, we reserve the right to terminate the business relationship.

Farm monitoring

Our leaf operations also conduct farm monitoring, announced and unannounced visits of our 90,000+ contracted farmers to ensure they are meeting our standards. In the past, different methodologies have been used in different countries, so in 2017, we piloted a new, more robust digital farm monitoring system to provide greater global oversight and enable faster and more accurate reporting.

Non-agricultural supply chain

As reported in our [2016 statement](#), we worked with experts from Verisk Maplecroft, an independent consultancy, to develop a systematic, integrated supply chain due diligence (SCDD) programme for our non-agricultural supply chain.

⁵ <http://www.ilo.org/global/industries-and-sectors/agriculture-plantations-other-rural-sectors/lang--en/index.htm> (accessed in March 2018).

⁶ *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*, International Labour Organization (ILO), Geneva, 2017.

The starting point for SCDD is to assess each supplier's exposure to human rights risk based on the type of supplier and the country where it operates, using Verisk Maplecroft's human rights indices, including the Modern Slavery Index. We then prioritise on-site audits for high-risk direct suppliers, or self-assessments for high-risk indirect suppliers, as detailed below.

The SCDD process is overseen by a cross-functional governance committee, chaired by our Group Head of Procurement, Strategy and Planning, and core members include the Group Heads of Direct and Indirect Procurement, Head of Sustainability, Head of Compliance and Senior Counsel for Operations.

Direct suppliers of product materials

ILO research has found that 15% of forced labour occurs in the manufacturing sector, and that the majority of cases have been documented mainly in lower-income countries. Concerns in this sector include excessive working hours and production targets, payment of high recruitment fees, illegal retention of passports and, in some cases, illegal imprisonment and beatings of workers⁷.

In 2017, 31 direct BAT suppliers in eight countries were identified as high risk and therefore prioritised for an on-site audit. A further 34 audits were conducted on direct suppliers in 21 countries, as part of our long-standing supplier assessment programme, which requires all new direct suppliers to undergo an audit in order to be appointed as a supplier to BAT and then to be re-audited at least once every three years. In total, suppliers audited in 2017 represent 20% of our total direct Procurement spend.

The audit is conducted by Intertek, a global auditing company, and includes criteria on labour standards – with a specific section focusing on forced labour, as well as child labour, wages and hours, health and safety, environment and management systems.

If any issues are identified in the audit, the supplier is required to develop and implement a corrective action plan with clear timescales for improvements to be made. For moderate issues, for example regarding management controls or business records, the supplier must provide evidence of completed actions, which are verified by Intertek as part of a desktop review. For major or zero tolerance issues, the supplier is re-audited by Intertek within three months.

In the event of serious and/or persistent non-compliance, or where suppliers fail to demonstrate a willingness to improve performance, we reserve the right to terminate the business relationship.

Indirect suppliers of goods or services

The risks of modern slavery in our indirect supply chain depend on the type of goods and services supplied, and the country of operation, so we focus our efforts on those identified as high-risk in the Verisk Maplecroft assessment.

In 2017, 102 high-risk indirect BAT suppliers in 16 countries were identified and required to undergo a self-assessment. This assessment is structured around the key areas of our Supplier Code of Conduct and provides us with information on the policies, procedures and practices the supplier has in place to effectively manage these risks.

Where the results of the self-assessment highlight areas for improvement, we work with the supplier to develop corrective actions. In the event of serious and/or persistent non-compliance, or where suppliers fail to demonstrate a willingness to improve performance, we reserve the right to terminate the business relationship.



BAT subsidiary operations

With the majority of our employees working in Trade Marketing and Distribution, managerial or manufacturing roles, where we have robust oversight and control, the risks of modern slavery in our own subsidiary business operations are substantially avoided. The risks that do exist are also mitigated as a result of the suite of robust policies, practices, compliance and governance procedures that we have in place across all Group companies.

However, we recognise that we need to continually work to ensure these are effectively applied and to carefully monitor the situation in countries where local circumstances mean we're exposed to greater risks, such as where regulation or enforcement is weak, or there are high levels of corruption, criminality or unrest.

It is a specific requirement of our key business controls, which apply to all Group companies, for human rights risk assessments and risk mitigation action plans to be in place in high-risk countries and for processes to be in place to demonstrate that human rights are managed effectively in the workplace and supply chain. All BAT operations are required to report compliance against the controls annually.

In 2017, we worked with a specialist sustainability consultancy to further strengthen our approach, through developing a process for more focused monitoring of high-risk operations. The first step is to assess all Group companies' risk exposure, based on the country of operation, using Verisk Maplecroft's human rights indices, including the Modern Slavery Index.

The list of high-risk countries is reviewed by our Board Audit Committee and the relevant regional audit and CSR committee (RACC). The committees can also add further countries to the list, in the event of new developments in human rights or business circumstances.

The Head of Legal and External Affairs in each high-risk country then conducts an assessment to confirm compliance with Group policies, standards and controls, and to provide details of any additional local measures in place to enhance human rights management.

The RACCs then review the compliance status for each country and, if any areas for improvement are identified, request actions to be taken, with defined timescales.

⁷ Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, International Labour Organization (ILO), Geneva, 2017.

Managing risk and remediation

Tobacco leaf agricultural supply chain

While due diligence, as part of STP, is an important part of our approach, we recognise that there are wider root causes to modern slavery in agriculture, which need a longer-term, collaborative approach to address.

Extension Services

Our global network of expert field technicians provides on-the-ground Extension Services support, technical assistance and capacity building for all 90,000+ farmers who supply all our leaf operations. These field technicians play an active and important role in rural communities, acting as a direct link between the farmers and BAT.

Debt bondage can be a very real concern for some farmers and is often the case when they borrow money to invest in growing a crop but don't have a guaranteed buyer or price. This leaves them particularly vulnerable to getting trapped in a cycle of debt. To ensure this is not the case for the farmers we work with, our field technicians agree contracts with them at the beginning of each growing season – guaranteeing to buy their tobacco crop at a fair price, as well as detailing the free support and training they'll receive from our Extension Services and options to access resources at lower costs, such as seeds, fertilisers and personal protective equipment. The contract can also be used as security for credit or loans they need from banks, enabling them to invest in their farms.

Our field technicians then continue to visit the farms at every stage of the growing cycle, building trusted relationships and gaining unique insights into the challenges our farmers face, as well as wider sustainability issues affecting the local community or landscape. These insights enable us to tailor our approach to meet real needs and circumstances on the ground. They also give our staff the opportunity to check conditions on the ground and provide a further safeguard against forced or bonded labour being used within our tobacco leaf supply chain.

Our third-party suppliers also use a similar Extension Services model to provide guidance, technical assistance and capacity building for the 260,000+ farmers they contract.



Building on our long history of working in partnerships and implementing long-term projects in farming communities, we have developed a global programme, known as *Thrive*. This takes a holistic and collaborative approach to identifying and addressing root causes and long-term risks, including those relating to modern slavery and forced labour, such as rural poverty.

Thrive is based on the internationally recognised 'five Capitals' framework, which was first developed by the Department for International Development and then adopted by the Food and Agriculture Organization of the United Nations. The premise is that to be sustainable, farming communities must be 'in credit' across five types of 'Capital': financial, natural, physical, human and social. Strength in all five creates resilience and enables farmers and rural communities to prosper.

We have defined a set of 14 indicators to measure strength in each Capital, against which assessments have been completed for approximately 250,000+ farmers who supply all our own 17 leaf operations and six strategic third-party leaf suppliers (covering nearly 80% of our total tobacco leaf purchases).

We are now using the results of these assessments to inform our approach to selecting and developing new partnerships and community-based projects, aligned with the five Capitals, that will have a demonstrably positive impact for farmers and their communities.

Find out more about Thrive in our Sustainable Agriculture and Farmer Livelihoods Focus Report at

[bat.com/sustainabilityfocus](https://www.bat.com/sustainabilityfocus)

Responding to allegations of human rights abuses in Bangladesh

As reported in our [2016 statement](#), allegations were made in 2016 by the Swedish NGO Swedwatch, regarding tobacco leaf growing in Bangladesh⁸. Among its findings, the Swedwatch report alleged that many tobacco farmers in Bangladesh risk being trapped in a cycle of over-indebtedness, and that this "raises the risk of the farmers being in a situation equivalent to that of bonded labour"⁹.

We take such allegations extremely seriously and immediately conducted our own internal review in Bangladesh, which did not raise any significant concerns and indicated that the Swedwatch report as a whole is not representative of the reality on the ground. However, we recognise the serious nature of the allegations and so, in 2017, commissioned the international sustainability and human rights consultancy DNV-GL to conduct a review of the tobacco leaf growing practices of our business in Bangladesh and against the allegations posed within the Swedwatch report.

We are pleased that the outputs were aligned with the outcomes of our own investigations and that DNV-GL found no evidence to support the allegations, including claims of child and bonded labour.

⁸ Smokescreens in the supply chain: The impacts of the tobacco industry on human rights and the environment in Bangladesh, Swedwatch, June 2016.

⁹ Ibid, page 4.

Equally, we are grateful that the review highlighted some procedural and control issues that will further help us manage human rights risks in-country. BAT Bangladesh has already implemented a number of initiatives that will strengthen our approach, particularly around preventing child labour, bonded labour and gender discrimination.

In addition, our business in Bangladesh conducted a review at the end of 2017 to assess the potential risks of forced labour and other issues relating to 250 tobacco farms situated close to the Cox's Bazar camp for Rohingya refugees fleeing Myanmar. An action plan has been developed to mitigate these risks, including additional farmer training and awareness raising, interviews with farm labourers and more frequent monitoring and spot checks.

The full report of DNV-GL's review and details of our response and actions can be found at

 bat.com/humanrights/respond

Responding to allegations of human rights abuses in the United States

There have been ongoing allegations of human rights abuses on unspecified tobacco farms in our US supply chain, including concerns raised regarding migrant workers' awareness of their rights for freedom of association and unionisation.

We have planned a supplier review, as part of STP, for 2018, which will include RJ Reynolds Tobacco Company in its capacity as a BAT leaf operation, following our acquisition in July 2017. Prior to this, in 2015, we brought forward an independent, on-site review of our US tobacco leaf suppliers. It found no evidence of any wrongdoing, but did highlight some areas for improvement, which the suppliers addressed.

We believe that the most effective and practical way of dealing with the issues is by encouraging all the parties in the US to get around the table and talk. This is why RJ Reynolds and other US suppliers have been participating with other stakeholders in the Farm Labour Practices Group, and together they are working on initiatives to improve workers' experiences and promote compliance with the laws that protect workers' rights.

Issues identified through our due diligence processes

In 2017, no issues relating to modern slavery or forced labour were brought to our attention through our due diligence processes.

Non-agricultural supply chain

In 2017, Intertek audits identified major issues relating to forced labour with two direct materials suppliers, both of which were immediately escalated to our Group Head of Direct Procurement.

The first related to a supplier in Malaysia, which was found to be storing the passports of all foreign workers. Intended for the purposes of safekeeping, the workers had all signed consent forms and could request the passports back at any time. However, there was no procedure in place to enable this. The supplier took corrective action to immediately return the passports to the workers and provide personal lockers for them to store their passports on site if they wished. Intertek revisited the supplier within three months and a 100% audit score was achieved.

In the second case, it was found that a supplier's employees in Poland were not free to decline overtime and had received an official order from managers to work on days off. The supplier amended its policy to explicitly state that overtime is strictly voluntary and communicated this to the supplier's management, for which all have signed written confirmation.

No issues relating to modern slavery or forced labour were identified in self-assessments of our indirect suppliers.

BAT subsidiary operations

No issues relating to modern slavery were identified through our enhanced due diligence for our operations in high-risk countries.

There were also no incidents of suspected improper business conduct, relating specifically to modern slavery, reported through our Standards of Business Conduct (SoBC) compliance and whistleblowing procedures.

Details of all reported instances of suspected improper business conduct, contrary to our SoBC, can be found at

 bat.com/sobc

Training and communications

In 2017, over 18,000 employees worldwide completed our SoBC e-learning, including details on our Human Rights Policy, to re-emphasise the importance of compliance at BAT and drive a consistent approach globally.

We also developed a new human rights e-learning training package, targeted at our Procurement and Legal and External Affairs functions, including specific details on modern slavery and forced labour. This was completed by over 1,000 managers worldwide.

In addition, our agricultural Extension Services delivered training and communications on human rights, child and forced labour issues, for over 67,000 farmer and rural community beneficiaries in 2017.

Measuring effectiveness

We review our policies and procedures on an ongoing basis to ensure they remain effective and identify opportunities to further enhance and strengthen our approach. This includes regular monitoring by our Board Audit Committee, as well as by the regional audit and CSR committees, Operations Sustainability Forum, chaired by our Group Operations Director, and Supply Chain Due Diligence Governance Committee.

We have made a considerable effort in 2017 to improve the robustness of our approach, including (as detailed earlier in this statement) our strengthened SoBC compliance procedures and training, launch of our *Speak Up* website and hotlines and our new human rights e-learning course.

Our key performance indicators include:

- Reported incidents and results of investigations into suspected improper conduct contrary to our Standards;
- Number, and results, of reviews and audits conducted as part of our due diligence processes for our suppliers and business operations;
- Number of employees who have completed our annual compliance sign-off for our SoBC; and
- Number of farmers who have received training and communications on human rights and forced labour issues.



Progress against commitments made in our 2016 statement



Commitment	Status	Details
Following the first full year of implementation, publish our suppliers' aggregated STP scores from 2018.	→	On track to be published later in 2018
Report on how our <i>Thrive</i> programme is contributing to improvements in farmers' incomes and, in doing so, is helping to address one of the root causes of forced and bonded labour.	✓	See our Sustainable Agriculture and Farmer Livelihoods Focus Report at bat.com/sustainabilityfocus
Publish the summary findings of the independent report on the human rights-related impacts of tobacco growing in Bangladesh.	✓	The report is published at bat.com/humanrights/respond
Strengthen and increase the accessibility of our whistleblowing procedures and grievance mechanisms, through implementing a new third-party managed <i>Speak Up</i> website and hotlines by end 2017.	✓	Launched in January 2018 and available at bat.com/speakup
Continue to publish aggregated details of all whistleblowing reports, including those relating to human rights, in our Sustainability Performance Centre.	✓	See indicator HR12 at bat.com/gri
Develop and roll out a new human rights e-learning package to colleagues working within our Procurement, and Legal and External Affairs functions.	✓	This was completed by over 1,000 managers worldwide.

Next steps

As part of our commitment to continuous improvement, we will continue to work to further strengthen and enhance our approach to tackling modern slavery.

Specifically, in 2018, we will:

- Use the results of our *Thrive* assessments to inform our approach to selecting and developing new partnerships and community-based projects, that will have a demonstrably positive impact for farmers and their communities in addressing long-term root causes of forced labour, including rural poverty;
- Continue to monitor the situation in Bangladesh and implement mitigating actions relating to tobacco farms situated close to the Cox's Bazar camp for Rohingya refugees fleeing Myanmar; and
- Extend the scope of our non-agricultural supplier audits, as part of our supply chain due diligence programme, to include tier two and three NGP material suppliers and high-risk indirect suppliers of point-of-sale marketing materials and lighters.



This statement has been approved by the Main Board of Directors of BAT p.l.c. and the Board of Directors of all relevant Group subsidiary companies listed in footnote 2 on page 1.

Nicandro Durante
Chief Executive, March 2018



bat.com/humanrights

More detailed information on our broader management of human rights.



PERFORMANCE CENTRE

Performance charts against our key metrics and our reporting against the Global Reporting Initiative (GRI) G4 indicators, including those relating to human rights.

 bat.com/sustainability/data



GET IN TOUCH

Jennie Galbraith and Verity Lawson

British American Tobacco
Globe House, 4 Temple Place
London WC2R 2PG

 sustainability@bat.com

 +44 (0)20 7845 1000



SUSTAINABILITY REPORT

Our sustainability strategy and the three key areas of Harm Reduction, Sustainable Agriculture and Farmer Livelihoods, and Corporate Behaviour.

 bat.com/sustainabilityreport



FOCUS REPORTS

More in-depth information on a specific area of our Group Sustainability Agenda.

 bat.com/sustainabilityfocus



ANNUAL REPORT

Our Group vision, strategy, business model, governance, principal risk factors and financial reporting.

 bat.com/annualreport

 @BATPress
@BAT_Sci

 youtube.com/welcometobat

 flickr.com/welcometobat

References in this statement to 'British American Tobacco', 'BAT', 'we', 'us' and 'our' when denoting opinion refer to British American Tobacco p.l.c. and when denoting tobacco business activity refer to British American Tobacco Group operating companies, collectively or individually as the case may be.

The statement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.