

BAT Launches tobacco industry-first Human Rights Report

- *BAT delivering on ESG priorities to build A Better Tomorrow for all stakeholders*
- *BAT is first tobacco company to publish a Human Rights report – launched on UN Human Rights Day*
- *BAT announces commitment to aim for zero child labour in its agricultural supply chain by 2025*

London – 10 December 2020: British American Tobacco p.l.c. (BAT) has today become the first tobacco company to publish a Human Rights Report. The report coincides with UN Human Rights Day and highlights the company's commitment and actions to protect human rights across its global business and supply chain. BAT has also announced a commitment to aim for zero child labour in its agricultural supply chain by 2025.

BAT's Human Rights Report is aligned with the United Nations Guiding Principles Reporting Framework. The report highlights the extensive measures BAT takes to promote, uphold and protect the human rights across its extensive supply chain, which includes 90,000 directly contracted farmers. The report also features case studies to showcase partnerships and activities aimed at improving farmer livelihoods and securing the long-term sustainability of rural communities.

The report is published on UN Human Rights Day which, this year, focuses on the global impacts of the COVID-19 pandemic on human rights. Ensuring the health and welfare of all employees around the world is central to BAT's strategy to build A Better Tomorrow for all stakeholders. The report highlights many of the initiatives the company has adopted to address the pandemic including:

- Developing a potential COVID-19 vaccine candidate
- Producing and distributing protective equipment and sanitiser
- Providing financial support to suppliers where required
- Ensuring access to COVID-secure workplaces for workers throughout our supply chain

ESG is a key driver of BAT's transformation journey to build a Better Tomorrow for all stakeholders. At the centre of our strategy is our purpose to reduce the health impact of our business through offering a range of enjoyable and potentially reduced-risk products. We continue to be clear that combustible cigarettes pose serious health risks, and the only way to avoid these risks is not to start or to quit. BAT encourages those who otherwise continue to smoke, to switch completely to scientifically-substantiated, reduced-risk alternatives

Jack Bowles, BAT CEO, said:

"ESG is front and centre in all that we do and is a key driver of our purpose to build A Better Tomorrow.

"We recognise that forced labour is a serious risk in agricultural supply chains and I am proud that we had zero reported cases of forced labour in 2019. We adopt a zero-tolerance approach to forced labour whilst having a clear commitment to aim for our tobacco supply chain to also be free of child labour by 2025."

“This journey will not be easy, but by focusing on the most difficult issues I believe we can push ourselves to create A Better Tomorrow for everyone.”

The report can be downloaded from www.bat.com/humanrightsreport

ENDS

Notes to Editors

About the report

The report is aligned with the United Nations Guiding Principles Reporting Framework, which provides comprehensive guidance for companies to report on how they respect human rights in accordance with the UN Guiding Principles for Business and Human Rights (UNGPs). Highlights of the report include:

Tobacco supply chain

- Commitment to aim for zero child labour in BAT’s tobacco supply chain by 2025
- 99.4% of farms monitored had no incidences of child labour identified
- 100% of identified child labour incidents remediated and resolved
- Human rights impact assessments, aligned with the UNGPs, completed in India, Indonesia and Mozambique, including engagement with over 900 rights-holders
- 5,000+ human rights training sessions, with over 350,000 attendees
- 298 women’s empowerment training sessions, with more than 24,000 attendees
- Extensive COVID support, including reaching some 34,000 farmers in Bangladesh with PPE and COVID communications; enhancing clean water supplies for farming communities in Kenya; and expanding mobile doctor units in Pakistan to reach more than 150,000 people

Beyond the tobacco supply chain

- 100% product materials suppliers assessed for human rights risks
- 94 suppliers independently audited for workplace conditions in 31 countries
- 71% of corrective actions fully completed and verified by year end
- Supplier COVID support, including helping those struggling with cashflow issues by ensuring that, where needed, they are paid earlier than existing payment terms require
- Upholding human rights standards by implementing alternatives for when on-site audits have not been possible during COVID restrictions

BAT’s people

- New ambition to increase the proportion of women in senior teams to 40% by 2025
- 100% employees trained on BAT’s Standards of Business Conduct
- US\$3m pledged by the Group’s US business to organisations that combat racism and inequality
- Became signatories to the UK Race at Work Charter for supporting equality and race in the workplace
- We achieved certification as a Disability Confident Committed employer under the UK government’s accreditation scheme.
- Implemented a wide range of measures to create ‘COVID-19-secure’ workplaces, and reinforced the extensive wellbeing support available to employees, including online medical consultations and mental health support.

About BAT

BAT is a leading, multi-category consumer goods business, established in 1902. Our purpose is to build *A Better Tomorrow* by reducing the health impact of our business through offering a greater choice of enjoyable and less risky products for our consumers. The company has announced a target of increasing the number of its non-combustible product consumers to 50 million by 2030; and to achieve at least £5 billion in New Categories revenues in by 2025.

Forward Looking Statements

This communication contains certain forward-looking statements, including “forward-looking” statements made within the meaning of Section 21E of the United States Securities Exchange Act of 1934. These statements are often, but not always, made through the use of words or phrases such as “believe,” “anticipate,” “could,” “may,” “would,” “should,”

“intend,” “plan,” “potential,” “predict,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy,” “outlook”, “target” and similar expressions. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the BAT Group operates.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates and the impact of an unfavourable ruling by a tax authority in a disputed area; adverse litigation and dispute outcomes and the effect of such outcomes on the BAT Group’s financial condition; changes or differences in domestic or international economic or political conditions; the impact of the COVID-19 pandemic; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings and to fund the business under the current capital structure; the inability to develop, commercialise and rollout New Categories; and changes in the market position, businesses, financial condition, results of operations or prospects of the BAT Group.

It is believed that the expectations reflected in this communication 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. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements reflect knowledge and information available at the date of preparation of this communication and BAT undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be a profit forecast and no statement in this communication should be interpreted to mean that earnings per share of BAT for the current or future financial years would necessarily match or exceed the historical published earnings per share of BAT.

Additional information concerning these and other factors can be found in BAT’s filings with the U.S. Securities and Exchange Commission (“SEC”), including the Annual Report on Form 20-F filed on 26 March 2020 and Current Reports on Form 6-K, which may be obtained free of charge at the SEC’s website, <http://www.sec.gov>, and the Company’s Annual Reports, which may be obtained free of charge from the British American Tobacco website www.bat.com.