

RAI Standards of Business Conduct



BRITISH AMERICAN
TOBACCO

Find everything you need to know

In this document:

'Group' means British American Tobacco p.l.c. (BAT) and all of its subsidiaries, including RAI and its subsidiaries

'Group company' means any company in the Group
'Standards' and 'SoBC' mean the Standards set out in this document as adopted by RAI and its subsidiaries

'RAI Group' means Reynolds American Inc. (RAI) and its subsidiaries

'employees' includes, where the context admits, directors, officers, employees, secondees, interns and temporary staff of RAI Group companies

references to 'laws' includes all applicable local, state, national and supra-national laws and regulations

'RAI LEX' means RAI's Legal and External Affairs Group

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Introduction

Message from Jack Bowles



The diversity of our people is a strength that has contributed to our success for over one hundred years. Our varied perspectives and different approaches to business challenges are a source of the innovative ideas fuelling our transformative journey.

However, even in a diverse organisation such as ours, it is essential to our continued success that all of us are working to a consistent set of rules and standards of behaviour. We articulate these in our Standards of Business Conduct (SoBC).

What BAT expects from you

We have the right strategy, foundations and vision to transform tobacco. How we each execute this strategy is of equal importance to what we deliver. Our SoBC is mandatory and it is critical that each and every one of us complies, in letter and spirit, no matter where we work in the BAT world.

Our SoBC policies cover key areas including personal and business integrity, respect in the workplace, human rights, and financial integrity. In addition, given our expertise, I firmly believe that BAT has a legitimate and essential contribution to make to the regulatory debate. Our Principles of Engagement complement our SoBC and articulate how we contribute to this debate: with transparency, openness and integrity.

Every situation is different, and our SoBC cannot provide the answers to every dilemma or challenge. If you can't find the answers you are looking for in our SoBC, or if you are not clear how to apply our SoBC to a particular situation, I encourage you to discuss it with your colleagues, and seek help and advice from your manager, your LEX Counsel or an appropriate senior manager.

What you can expect from BAT

BAT will always support you to Deliver with Integrity when you face an ethical dilemma. If you suspect wrongdoing in our business, please report it to your manager, your LEX Counsel, a Designated Officer, or use our confidential Speak Up hotline.

BAT takes allegations of breach of our SoBC very seriously, and I offer my personal assurance that all concerns raised will be treated in strict confidence. No one will face reprisals for speaking up in good faith.

I am committed to leading a company that prioritises Delivery with Integrity in everything we do, so that we can all take pride as we continue to deliver great results on our journey to transform tobacco.

Please make sure you read our SoBC.

**Jack Bowles,
Chief Executive**

Introduction

Message from RAI's Chief Executive

Employees of RAI and its subsidiaries have long been committed to behaving ethically and doing the right thing. At its core, that is what the Standards of Business Conduct (SoBC) requires us to do. Each of us has an obligation to always act in an ethical, lawful and responsible manner. Our reputation is built on what we do and how we do it every day.

Compliance with these Standards is required of every employee. The SoBC provides guidance on many key issues and situations you may face and who to talk to regarding questions on a specific standard. Breaches of the SoBC are taken seriously.

We must live up to both the letter and spirit of these Standards in all that we do. I thank you for your personal commitment to our high ethical standards and for your contributions to the responsible growth of our businesses.

Ricardo Oberlander



Introduction

Introduction

Our Standards of Business Conduct are a set of global policies, expressing the high standards of integrity we are committed to upholding

Local versions of the SoBC

Each company in the Group must adopt the SoBC, or its own standards reflecting them.

If the SoBC conflicts with local law, the law takes precedence. Standards adopted by a Group company may vary from the Group SoBC in order to comply with local law.

Our Standards have been localized for the U.S. market and adopted by RAI.

No contractual rights to employment

The SoBC and the policies described in it are not an employment contract and do not create any express or implied contractual rights to employment. RAI reserves the right to modify this SoBC and the policies in it at any time.

Commitment to integrity

We must comply with the laws and regulations that apply to Group companies, our businesses, and to ourselves, and always act with high standards of integrity.

Our actions must always be lawful. Having integrity goes further. It means that our actions, behavior, and how we do business must be responsible, honest, sincere, and trustworthy.

We are all expected to know, understand and follow the SoBC.

The SoBC applies to all directors, officers, employees, secondees, interns and temporary staff.

If you are a contractor, agent or consultant working with us, we ask that you act consistently with the SoBC and apply similar standards within your own organization.

A legacy of leaders

Creating a legacy of leaders is one of the 'Must Dos' in our strategy. When we manage others we must lead by example, showing by our own behavior what it means to act with integrity and in line with behaviors expected under the SoBC.

Managers must know, understand and follow the SoBC consistently, and satisfy themselves that everyone in their team also does so.

They should listen to and support team members who raise concerns about wrongdoing or need guidance on the right thing to do or way to behave.

Our own ethical judgment

The SoBC cannot cover every situation we may encounter at work, but it can help to guide us in our conduct. Above all, we must choose what we truly believe to be the right course of action.

Our common sense and judgment will help us follow the SoBC in spirit as well as to the letter. If the right course of action is unclear, ask yourself:

am I aware of our internal rules and guidance that may apply to the situation?

am I comfortable doing what's proposed?

would I be comfortable explaining my conduct to the company board, my family and friends, or the media?

who does my conduct affect and would they consider it fair to them?

If you are still unsure, discuss the issue with colleagues and seek guidance from your supervisor, senior management, Human Resources or the Office of Ethics and Compliance.

No exception or compromise

No manager has authority to order or approve any action contrary to the SoBC, or against the law. In no circumstances will we allow our standards to be compromised for the sake of results.

If a manager orders you to do something in breach of the SoBC or the law, raise this with senior management, Human Resources, or the Head of Ethics and Compliance.

Duty to report a breach

We have a duty to report any suspected wrongdoing in breach of the SoBC or the law. We should also report any such conduct by third parties working with the Group.

The SoBC prohibits any retaliation against employees raising concerns or reporting breaches of the SoBC or unlawful conduct.

Consequences for breach

Disciplinary action will be taken for conduct that breaches the SoBC or is illegal, including termination of employment for particularly serious breaches.

Breaches of the SoBC or the law can have severe consequences for the Group and those involved. If conduct may have been criminal, this will be referred to the authorities for investigation and could result in prosecution.

Annual confirmation

Every year, all of our people and business entities must formally confirm that they have complied with the SoBC.

As individuals, we do so in our annual SoBC sign-off, in which we re-affirm our commitment and adherence to the SoBC and re-declare any personal conflicts of interest for the sake of transparency.

Our business entities do so within Control Navigator, in which they confirm that their area of the business, or market, has adequate procedures in place to support SoBC compliance.

Whistleblowing

Whistleblowing

It can take courage to raise concerns about wrongdoing. Our whistleblowing policy is there to support you in doing so, and give you trust and confidence in how we will treat your concerns

Local whistleblowing policies

Our companies throughout the world have local whistleblowing policies in place to supplement this policy and the Group Whistleblowing Procedure.

Local whistleblowing policies identify locally or regionally based Designated Officers and enable staff to raise concerns in a language they are comfortable with.

RAI's Whistleblower Policy has designated the Head of Ethics and Compliance as its Designated Officer. A copy of this policy can be found on The Hub and at www.reynoldsamerican.com

We encourage you to speak up

Anyone working for or with the Group who is concerned about actual or suspected wrongdoing at work (whether in the past, occurring, or likely to happen) is encouraged to raise their concerns.

Examples of wrongdoing include:

- criminal acts, including theft, fraud, bribery and corruption

- endangering the health or safety of an individual or damaging the environment

- bullying and harassment in the workplace, or other human rights abuses

- accounting malpractice or falsifying documents

- other breaches of the SoBC or other global policies, principles or standards of the Group

- failing to comply with any legal obligation, by act or omission

- a miscarriage of justice

- concealing any wrongdoing.

Wrongdoing does not include situations where you are unhappy with your personal employment position or career progress. Workplace practices procedures are available in those cases, and details about such procedures can be found on the Thrive portal.

Who you can speak to

We offer several avenues for reporting any known or suspected breach of the SoBC, other policies, principles or standards of the Group, or the law. Use the reporting method that is most comfortable for you.

In many cases, your supervisor, Human Resources or the Office of Ethics and Compliance can help resolve the matter quickly, but the following resources are always available to you:

Office of Ethics and Compliance

The Office of Ethics and Compliance ensures that RAI and its subsidiaries have effective policies and procedures regarding corporate governance, compliance with the law and enforcement of the SoBC. The office is available to take reports and answer questions at 1-800-887-1802

Speak Up Hotline and Portal

The Speak Up Hotline is staffed by an independent third-party company. It is available 24 hours a day, 7 days a week, for employees who wish to report any known or suspected breaches of the SoBC, company policies or the law. Information may be reported anonymously to the Speak Up Hotline. Contact the Speak Up Hotline at 1-800-825-7213; or log on at www.bat.com/speakup; or via text message to 1-228-900-9652

Employment Practices Hotline

The Employment Practices Hotline is a resource that is available to handle employment-related questions and concerns. Use this line for things such as possible breaches of Human Resources policies and practices and potential discrimination or harassment concerns. Contact this resource at 1-877-723-2241

RAI Board of Directors

Complaints or concerns about financial reporting, accounting or auditing matters and controls can be reported directly to the RAI Board of Directors. Send correspondence to the Chair of the Board of Directors, Reynolds American Inc., P.O. Box 2990, Winston-Salem, NC 27102-2990.

In addition, four senior BAT Group executives act as our Group Designated Officers. Anyone can raise a concern with them directly. They are:

- the Group Head of Business Conduct and Compliance

- the Company Secretary of BAT

- the Group Head of Internal Audit

- the Head of Group Security.

You can contact them by email, phone (+44 (0)207 845 1000), or by writing to them at British American Tobacco p.l.c., Globe House, 4 Temple Place, London WC2R 2PG.

Confidentiality

Your identity will be kept confidential to the extent possible, and information will only be disclosed on a need-to-know basis. Your concerns will be investigated objectively and fully. You will also receive feedback on the outcome.

You can read more about how we will escalate and investigate your concerns in RAI's Whistleblower Policy on The Hub.

No reprisals

You will not suffer any form of reprisal for raising a concern about actual or suspected wrongdoing, even if you are mistaken.

We do not tolerate the harassment or victimization of anyone raising concerns. Such conduct is itself a breach of the SoBC, and will be treated as a serious disciplinary matter. Intentionally reporting false information, however, may result in disciplinary action against you.

Personal and business integrity

Personal and business integrity

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Personal and business integrity

Conflicts of interest

We must avoid conflicts of interests in our business dealings and be transparent if we have personal circumstances where a conflict might arise. Where there is a conflict, or a potential for one to arise, it must be managed effectively

Acting in our company's best interests

We must avoid situations where our personal interests may, or may appear to, conflict with the interests of the Group or any Group company.

Many situations or relationships may create a conflict of interest, or the appearance of one. The most common ones are set out on the next page.

Generally speaking, a conflict of interest is a situation where our position or responsibilities within the Group presents an opportunity for us or someone close to us to obtain personal gain or benefit (apart from the normal rewards of employment), or where there is scope for us to prefer our personal interests, or of those close to us, above our duties and responsibilities to the Group.

A situation will appear to be a conflict of interest if it provides an opportunity for personal gain or benefit, whether or not that gain or benefit is obtained.

A potential conflict of interest will arise if we are in a situation which could develop into an actual conflict of interest, for example if we were to change roles.

Disclosing conflicts of interest

As soon as it arises, we must inform our supervisor of any situation that is, or may be seen as, an actual or potential conflict of interest and seek their authorization.

Sometimes it will be possible to manage a particular conflict by making changes to your role or reporting line or changing your account responsibilities. It is important that you inform your supervisor so that steps can be taken to remove the conflict, reduce it to acceptable levels, or to ensure a potential conflict does not turn into an actual one.

If a supervisor is unsure whether the situation is acceptable (or manageable), they should seek advice from senior management, Human Resources or the Head of Ethics and Compliance.

Directors of Group companies must disclose conflicts to, and seek formal approval from, the board of the company at its next meeting.

Every year, we must also re-confirm any actual or potential conflicts of interest we may have in our annual SoBC sign-off declaration.

While we may have already informed, and sought authorization from, our supervisor, we should re-disclose conflicts and potential conflicts in our annual SoBC sign-off. This is an important part of the Group's internal controls.

Recording conflicts of interest

Managers should ensure that any actual or potential conflicts of interest disclosed to them in the course of the year are notified to Human Resources or the Office of Ethics and Compliance.

A potential conflict must be notified, even though it may seem remote, so that higher management can be made aware of the situation if necessary.

Group companies must maintain a conflict register recording details of all actual or potential conflicts of interest disclosed to the company and how they are being managed.

Conflict registers should be maintained by a Group company's Company Secretary. They help the Group demonstrate that it manages conflicts of interest transparently and effectively.



Who to talk to

Your supervisor

Human Resources

Head of Ethics and Compliance

Personal and business integrity

Conflicts of interest

continued

Family or personal relationships

We must disclose if we have any close relatives:

working in the Group

working or performing services for, or having a material financial interest in, any competitor, supplier, customer or other business with which the Group has significant dealings.

'Close relative' means spouses, partners, children, parents, siblings, nephews, nieces, aunts, uncles, grandparents and grandchildren (including where arising by marriage).

Intimate relationships between employees in a direct or indirect reporting line can also lead to a conflict of interest, or the appearance of one. If you are in such a situation, you should discuss the matter with senior management.

In the course of our work, we should not have:

the ability to hire, supervise, affect terms and conditions of employment, or influence the management of close relatives

any business involvement with close relatives (or with any business in which our relatives work or hold a material financial interest).

Where there is a direct or indirect reporting line between two close relatives in the same Group company or business unit, management must ensure neither has managerial influence over the other.

Where there is no reporting relationship, management should keep the situation under review to prevent any unfairness or undue influence arising.

Where an employee has direct or indirect business involvement with a close relative at a customer or supplier, management may need to make changes to their role or account responsibilities.

These principles apply equally to conflicts of interests involving intimate relationships between employees.

Financial interests

We must disclose material financial interests in a competitor, supplier, customer or other business with which a Group company has significant dealings.

'Material financial interest' means any financial interest that may, or may appear to, influence our judgment. It does not include publicly traded mutual funds, index funds and similar pooled investments, where we have no say in what investments are included. If in any doubt, seek further guidance from the Office of Ethics and Compliance.

We must not hold material financial interests in:

a supplier, customer or other external business if we have any involvement in the Group's dealings with that business or supervise anyone who does

a direct competitor of the Group, or any business conducting activities against the Group's interests.

We may be permitted to retain a financial interest in a competitor, provided that we acquired it before joining the Group, disclosed it in writing to our employing company prior to our employment, and our employing company has not objected.

Prior ownership of any such interest by a director of a Group company must be reported to its board and minuted at the next board meeting.

Outside employment

We must not work for or on behalf of a third party if the activity negatively impacts our performance or puts our interests at odds with the interests of the Group.

Some situations are never permissible, for example if they involve:

a competitor of any Group company

a customer or supplier we deal with in the course of our work.

'Working for or on behalf of a third party' means taking on a second job, serving as a director or consultant, or otherwise performing services for any organization outside the Group (including charitable or not-for-profit organizations).

It does not include unpaid voluntary work we carry out in our own time, as long as this does not interfere with our duties and responsibilities to the Group.

Corporate opportunity

We must not use information gained from our employment, or take advantage of a corporate opportunity, for our personal gain or benefit (or for those close to us), without first disclosing our intention to do so, and obtaining written approval from supervisor.

'Corporate opportunity' means any business opportunity which properly belongs to the Group or any Group company.

Particular care must be taken if we have access to 'inside information' relevant to the price of securities in any public company. See 'Insider dealing and market abuse' for further details.



Bribery and corruption

It is wholly unacceptable for Group companies, employees, or our business partners to be involved or implicated in any way in corrupt practices

We should never engage in:

- offering or making an unauthorized payment, or authorizing an improper payment (cash or otherwise) to a public official, or any related person
- inducing a public official to do something illegal
- 'turning a blind eye' or failing to report any improper payment or other inducement
- offering or receiving any gift, payment or other benefit in relation to gaining business or awarding contracts
- setting up an unrecorded fund, such as a secret cash account, for any purpose
- inducing, facilitating, or overlooking someone else's breach of this standard
- permitting an agent or representative of any Group company to engage in improper conduct.

No bribery

We must never:

offer, promise or give any gift, payment or other benefit to any person (directly or indirectly), to induce or reward improper conduct or influence, or intend to influence, any decision by any person to our improper advantage, or
 solicit, accept, agree to accept or receive any gift, payment or other advantage from any person (directly or indirectly) as a reward or inducement for improper conduct or which influences, or gives the impression that it is intended to influence, decisions of the Group, contrary to applicable law.

A bribe is any gift, payment or other benefit (such as hospitality, kickbacks or investment opportunities) offered in order to secure an improper advantage (whether personal or business-related). A bribe need not have been paid; it is enough that it is asked for or offered.

'Improper conduct' means performing (or not performing) a business activity or public function in breach of an expectation that it will be performed in good faith, impartially or in line with a duty of trust.

'Improper advantage' means something to which the Group company concerned was clearly not entitled, for example, an operating permit for a factory that fails to meet the relevant legal requirements.

Bribing a public official is a crime in almost every country. In many, it is also a crime to bribe employees or agents engaged in private business (such as our suppliers).

Anti-bribery laws in many countries have extra-territorial effect, so it will be a crime in those countries for their nationals to pay bribes abroad.

No facilitation payments

We must not make facilitation payments (directly or indirectly), other than where necessary to protect the health, safety or liberty of any employee.

Facilitation payments are small payments made to smooth or speed up performance by a low-level official of a routine action to which the payer is already entitled. They are illegal in most countries. In some, such as the UK, it is a crime for their nationals to make facilitation payments abroad.

In those exceptional circumstances where there is no safe alternative to payment, we should involve our local LEX Counsel (if possible, before any payment is made). The payment must also be fully documented in the Group company's books.

Maintaining adequate procedures

Group companies are expected to maintain controls to ensure that improper payments are not offered, made, solicited or received, by third parties performing services for or on their behalf. Controls should include:

'know your supplier' and 'know your customer' procedures which are proportionate to the risk involved

anti-corruption provisions in contracts with third parties where appropriate

anti-corruption training and support for staff who manage supplier relationships

prompt and accurate reporting of the true nature and extent of transactions and expenses.

Group companies can be held liable for corrupt acts of third parties engaged on their behalf.

Controls should be designed to give sufficient comfort that service providers are reputable and do not engage in corrupt acts.

Contractual anti-corruption provisions should be appropriate for the services provided and the risks involved, and include termination rights for breach.

Books, records and internal controls

Group business records must accurately reflect the true nature and extent of transactions and expenditures.

We must maintain internal controls to ensure that financial records and accounts are accurate in accordance with applicable anti-corruption laws and best practices.



Who to talk to

Your supervisor

Head of RAI LEX

Head of Ethics and Compliance

Personal and business integrity

Entertainment and gifts

Offering and accepting business entertainment or gifts is generally acceptable when what is given is lawful, modest, appropriate, and consistent with reasonable business practice

When offering or accepting, consider:

Intent: is the intent only to build or maintain a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a specific business decision?

Materiality: is it modest and infrequent?

Legality: is it legal in your country and in the country of the other party?

Transparency: would you be embarrassed if your manager, colleagues, or anyone outside the Group knew about the entertainment or gift?

Acceptable without prior approval

We may offer or accept business entertainment and gifts without prior approval, provided they:

are lawful

are modest and appropriate

are consistent with reasonable business practice

do not involve any public official (except as noted below)

Occasional drinks and meals, attendance at sports, theatre or cultural events, and modest gifts are usually acceptable.

We consider gifts valued up to \$300 (per a single source in any one calendar year) to be modest for the private sector.

There are no restrictions on employees accepting entertainment or gifts from a Group company.

Where prior approval is needed

We must seek prior written approval from our supervisor, and notify the Head of Ethics and Compliance or RAI's Corporate Secretary, where:

any gift given to or received within the private sector is valued at more than \$300 (per a single source in any one calendar year)

any entertainment given to or received within the private sector involves overseas travel and/or more than two nights' accommodation

any gift or entertainment involves any public official (regardless of nature or value, unless purely nominal).

Supervisors, in consultation with the Head of Ethics and Compliance or RAI's Corporate Secretary, will determine what is to be done with any gift exceeding the applicable limit.

Generally, such gifts should be refused or returned. If this would be inappropriate or cause offense, the gift may be accepted on the basis that it becomes the property of the relevant Group company. In such cases, employees may be given the option to purchase the gift from the company for its fair market value, less the amount of the local gift limit.

If we are offering any entertainment or gift requiring prior approval, we should never avoid our obligation to seek such approval by paying for it personally.

Keeping a formal record

Group companies are expected to maintain a register of all notified entertainment and gifts.

What is never acceptable

Entertainment and gifts are never acceptable if they:

are illegal or prohibited by the other party's organization

may have, or may be seen as having, a material effect on a transaction, tender or competitive bidding process involving any Group company

are a gift of cash or cash equivalent (gift certificates, loans, or securities)

are actively solicited or demanded

are offered for something in return

are inappropriate (disrespectful, indecent, sexually explicit or might otherwise reflect on us poorly, having regard to local culture).

Public officials

It is prohibited to directly or indirectly seek to influence a public official by providing any entertainment or gift (or other personal advantage) to them or any person, such as a public official's family member, friend or associate. Gifts to public officials of more than nominal value will rarely be appropriate.

Engagement with public officials is part of our business. Many U.S. government jurisdictions and other countries do not allow their officials to accept entertainment and gifts and anti-bribery laws are often stricter when dealing with them. Individuals who engage public officials as part of their job responsibilities may provide entertainment and gifts if they are lawful and in compliance with RAI's (and applicable Group) policies and procedures.



Who to talk to

Your supervisor

Head of RAI LEX

Head of Ethics and Compliance

Workplace and human rights

Respect in the workplace

Human rights and our operations

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Respect in the workplace

We must treat all of our colleagues and business partners inclusively, with dignity, and with respect

Promoting equality and diversity

We are dedicated to providing equal opportunities to all our employees and to creating an inclusive workforce by promoting employment equality. We harness diversity to strengthen our business. We respect and celebrate each other's differences and value what makes each of us unique.

We must treat colleagues as we expect to be treated, and respect their characteristics and opinions.

We must not allow race, color, gender, age, disability, sexual orientation, class, religion, politics, smoking habits, or any other characteristic protected by law to influence our judgment when it comes to the recruitment, development, advancement or retirement of any employee.

Preventing harassment and bullying

All aspects of harassment and bullying are completely unacceptable. We are committed to removing any such actions or attitudes from the workplace.

Harassment and bullying include, but are not limited to, any form of sexual, verbal, non-verbal and physical behavior which is abusive, humiliating or intimidating.

If we witness or experience such behavior, or behavior that is unacceptable in any other way, we should report it to our supervisor.

We seek to provide a climate of confidence where employees can raise issues and aim for a swift resolution to the satisfaction of all concerned.

To this end, we encourage employees to familiarize themselves with their workplace practices procedures.

Safeguarding employee well-being

We place a high value on the well-being of our employees and are committed to providing a safe working environment to prevent accidents and injury, and to minimize workplace health risks.

Group companies must:

adopt health and safety policies and procedures consistent with BAT's Global EHS Policy or federal, state and local law (whichever is the higher)

work together with their employees to ensure that health and safety is maintained and improved

strive to support employees' work/life balance.

We will work continuously to maximize the physical security of our employees worldwide, ensuring that our policies and standards are understood and that training is provided so everyone is aware of the health, safety and security issues and requirements relevant to their work.

We encourage Group companies to explore and adopt family friendly policies according to local practice.



Who to talk to

Your supervisor

Human Resources

Office of Ethics and Compliance



Workplace and human rights

Human rights and our operations

We must always conduct our operations in a way that respects the human rights of our employees, the people we work with, and the communities in which we operate

What we believe

We believe that fundamental human rights, as affirmed by the Universal Declaration of Human Rights, should be respected.

We support the UN Guiding Principles on Business and Human Rights which outline the duties and responsibilities of industry to address business-related human rights issues through the creation of the 'Protect, Respect and Remedy' framework.

Managing human rights risks

We are committed to promoting human rights in our sphere of influence, including our supply chain. As far as possible, we will undertake due diligence in order to identify and allow us to minimize and account for human rights risks.

To ensure good behavioral standards throughout the supply chain, we must encourage our suppliers to act consistently with the SoBC and our commitment to human rights, and contractually require them to do so wherever feasible.

Human rights considerations are built into our main supplier programs, with a focus on our internal and external suppliers of tobacco leaf and other direct raw materials. These programs help us assess whether our suppliers are meeting our sustainability criteria, including human rights, and over time help achieve measurable improvements.

If we identify human rights breaches in relation to a supplier, but there is no clear commitment to corrective action, persistent inaction, or a lack of improvement, then our work with that supplier should cease.

No child labor

We do not condone or employ child labor, and seek to ensure that the welfare, health and safety of children are paramount at all times. We recognize that the development of children, their communities and their countries is best served through education. As such:

no one under 18 will be directly employed by any Group company in any work assessed as hazardous to their health, safety and well-being

no one under 15 (or, if higher, the age for finishing compulsory schooling in the country concerned) will be directly employed by any Group company.

We expect our suppliers to align with our minimum age requirements. However, in an industry reliant on agriculture, the reality of rural agricultural life is that work may play a formative, cultural or social role for children. Children learn agricultural techniques and skills, as well as values, as a normal part of growing up on a farm. Where local law permits, we consider it acceptable for children between 13 and 15 to work on their family's farm provided it is light work, does not hinder their education or vocational training, or include any activity which could be harmful to their health or development, for example, handling mechanical equipment or agro-chemicals. We also recognize training or work experience programs approved by a competent authority as an exception.

No exploitation of labor

We do not condone forced, bonded or involuntary labor, or the exploitation or unlawful use of immigrant labor.

Workers should never be required to surrender identity papers or pay deposits as a condition of employment. Where national law or employment procedures require use of identity papers, we will use them strictly in accordance with the law.

Freedom of association

We respect freedom of association.

Our workers have the right to be represented by trade unions or other bona fide representatives of their choosing that have been duly elected and recognized by the local company. Workers, representatives, and the company should be able to carry out their activity within the framework of law, regulation, prevailing labor relations and practices, and local company policies and procedures.

Local communities

We seek to identify and understand the unique social, economic and environmental interests of the communities we operate in.

We operate around the globe, including in countries suffering from conflicts or where democracy, the rule of law, or economic development are fragile, and human rights are under threat.

We must identify specific human rights risks that may be relevant for, or impacted by, our operations. In doing so, we will seek the views of our stakeholders, including employees and their representatives.

We will take appropriate steps to ensure that our operations do not contribute to human rights abuses and to remedy any adverse human rights impacts directly caused by our actions.

We encourage our employees to play an active role both in their local and business communities. Group companies should seek to create opportunities for skills development for employees and within communities, and aim to work in harmony with the development objectives and initiatives of host governments.



Who to talk to

Head of RAI LEX

Public contributions

Political contributions

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Charitable contributions

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Public contributions

Political contributions

Political contributions must only be made in strict accordance with the law and RAI's (and applicable Group) policies and procedures

Contributing for the right reasons

Where legal, RAI Group companies may make contributions to political parties and organizations, to the campaigns for candidates for elective office (corporate contributions to candidates for federal office in the United States are strictly prohibited), to other entities that may legally participate in political-related activity, or to support political issues, provided that such payments are not contrary to applicable law and are not:

made to achieve any improper business or other advantage, or to influence any decision by a public official to the improper advantage of any Group company, or

intended personally to benefit the recipient or his or her family, friends, associates or acquaintances.

It is not permissible for an RAI Group company to make a political contribution if the contribution itself is intended to influence a public official to act or vote in a particular way or otherwise assisting to secure a decision by the public official to the improper advantage of the RAI Group company or the Group.

When approving political contributions, the board of the RAI Group company (or person(s) authorized by the board) should consider whether they comply with these requirements.

Strict authorization requirements

All political contributions must be:

lawful

authorized in advance by the board of the RAI Group company (or by person(s) authorized by the board) in compliance with the approval policies and procedures of the RAI Group company

fully recorded in the company's books

if required, placed on public record.

Strict procedures must be followed when there is a proposal to make a contribution to any organization within the European Union or the United States engaged in political activity (especially if originating from a Group company located outside the jurisdiction). This is due to laws having extra-territorial effect and a very broad definition of 'political organization'. The foreign contribution ban in the United States is particularly strict and must be adhered to carefully.

Political committees supported by RAI Group companies

Where legal, and in compliance with the SoBC, an RAI Group company may support political issue committees connected with the RAI Group and conduct activities as permitted by the laws and regulations governing such political committees. All laws and reporting requirements must be strictly followed.

In the United States, federal law and certain state laws permit corporate funds to be used in the formation and the administration of Political Action Committees, or PACs, which can receive voluntary political contributions from eligible employees and their families. All such voluntary contributions received must be accounted for in separate, segregated funds, strictly apart from those of the RAI Group company. Employees may administer, contribute and participate in the activities of a PAC connected to the RAI Group company.

Foreign Nationals

U.S. law prohibits foreign nationals not lawfully admitted for permanent residence ("green card" holders) from participating in U.S. election activities.

Foreign nationals are prohibited from directing, dictating, controlling or directly or indirectly participating in the decision-making process of any election-related activities on behalf of the company or any related political committee. Such activities include the making or directing of contributions, donations, expenditures or disbursements in connection with any federal or nonfederal elections in the United States or decisions concerning the administration or management of any political committee.

Personal political activity

As individuals, we have a right to participate in the political process. As employees, if we undertake any personal political activities we must:

do so in our own time, using our own resources

minimize the possibility of our own views and actions being misconstrued as those of any Group company

take care that our activities do not conflict with our duties and responsibilities to the Group.

If we plan to seek or accept public office, we should notify our supervisor in advance, discuss with them whether our official duties may affect our work, and cooperate to minimize any such impact.

Personal political contributions to candidates or other political organizations in the United States may only be made by U.S. citizens or permanent residents (green card holders) in accordance with law and using their own funds. It is not permissible to seek reimbursement from an RAI Group company for any personal political contributions.



Who to talk to

Head of RAI LEX

Public contributions

Charitable contributions

We recognize the role of business as a corporate citizen and Group companies are encouraged to support local community and charitable projects

Giving for the right reasons

Group companies may make charitable contributions and similar types of social investments, provided that these are lawful and not made to secure any improper business or other advantage.

Group companies should always consider any proposal to make a charitable contribution or similar social investment in the context of their overall strategy for corporate social investment, having regard to the Group Strategic Framework for Corporate Social Investment.

Verifying reputation and status

Group companies should not make any charitable contribution without verifying the recipient's reputation and status.

Before making any contribution, Group companies are expected to satisfy themselves that the recipient is acting in good faith and with charitable objectives, such that the contribution will not be used for any improper purposes.

In countries where charities are required to register, Group companies should verify their registered status before making a contribution.

Fully recording what we give

Any charitable contribution or other corporate social investment by a Group company must be fully recorded in the company's books and, if required, placed on public record either by the company or the recipient.

Group companies should ensure that contributions they report through LEX for social reporting purposes are consistent with those they report through Finance for financial and statutory reporting purposes.

Public officials

We must not contribute to a public official's charity or any charity at their request or with their agreement or acquiescence in exchange for official action, as a result of official action, or as a way to influence the public official to the improper advantage of any Group company.

Contributions to a charity of a public official, or a third party's charity, such as a charity of a public official's family member, friend, or associate, in exchange for official action or as a result of official action or as a way to influence the public official to the improper advantage of any Group company are prohibited.



Who to talk to

Director of Community Engagement Programs



Corporate assets and financial integrity

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Accurate accounting and record-keeping

Honest, accurate and objective recording and reporting of financial and non-financial information is essential to the Group's reputation, its ability to meet its legal, tax, audit and regulatory obligations, and for supporting business decisions and actions by Group companies

Accurate information and data

All data that we create, whether financial or non-financial, must accurately reflect the transactions and events covered.

We must follow applicable laws, external accounting requirements and Group procedures for reporting financial and other business information.

This applies whether the data is in paper or electronic form, or any other medium.

Failing to keep accurate records is contrary to Group policy and may also be illegal.

There is never any justification for falsifying records or misrepresenting facts. Such conduct may amount to fraud and result in civil or criminal liability.

Records management

Group companies must adopt records management policies and procedures reflecting the Group Records Management Policy.

We must manage all of our critical business records in line with those policies and procedures, and never alter or destroy company records unless permitted.

Document retention guidelines also are designed and issued to ensure that the Group companies are able to meet any legal obligations to preserve and produce documents in connection with litigation requirements.

We should be familiar with the records management policy and procedures that apply to us.

Following accounting standards

Financial data (e.g. books, records and accounts) must conform both to generally accepted accounting principles and to the Group's accounting and reporting policies and procedures.

Group companies' financial data must be maintained in line with the generally accepted accounting principles applying in their country of domicile.

For Group reporting, data must be in line with the Group's accounting policies (IFRS) and procedures.

Cooperating with external auditors

We must cooperate fully with the Group's external and internal auditors and ensure that all information held by them which is relevant to the audit of any Group company (relevant audit information) is made available to that company's external auditors.

Our obligation to cooperate fully with external auditors is subject to legal constraints, for example in the case of legally privileged documents.

Otherwise, we should respond promptly to any request by external auditors and allow them full and unrestricted access to relevant staff and documents.

Under no circumstances should we provide information to external or internal auditors which we know (or ought reasonably to know) is misleading, incomplete or inaccurate.

Documenting transactions

All transactions and contracts must be properly authorized at all levels and accurately and completely recorded.

All contracts entered into by Group companies, whether with another Group company or a third party, must be evidenced in writing.

If we are responsible for preparing, negotiating or approving any contract on behalf of a Group company, we must make sure that it is approved, signed and recorded in accordance with the relevant contracts approval policy and procedures.

All documents prepared by a Group company in connection with sales of its products, whether for domestic or export, must be accurate, complete and give a proper view of the transaction.

All documentation must be retained (together with relevant correspondence) where required for possible inspection by tax, customs or other authorities.

Taxation

We must comply with all applicable tax laws and regulations in the countries where we operate and be open and transparent with the tax authorities.

Under no circumstances should we engage in deliberate illegal tax evasion or facilitate such evasion on behalf of others.



Who to talk to

Your supervisor

Your Departmental Records Manager

Controller

Protection of corporate assets

We are all responsible for safeguarding and making appropriate use of Group assets with which we are entrusted

Acting in our company's best interests

We must ensure Group assets are not damaged, misused, misappropriated or wasted and must report their abuse or misappropriation by others.

Group assets include physical and intellectual property, funds, time, proprietary information, corporate opportunity, equipment and facilities.

Guarding against theft and misuse of funds

We must protect Group funds and safeguard them against misuse, fraud and theft. Our claims for expenses, vouchers, bills and invoices must be accurate and submitted in a timely manner.

'Group funds' means cash or cash equivalent belonging to a Group company, including money advanced to us and company credit cards we hold.

Fraud or theft by employees could result in their dismissal and prosecution.

Devoting sufficient time to our work

We are all expected to devote sufficient time to our work to fulfil our responsibilities.

While at work, we are expected to be fully engaged and not to undertake personal activities beyond a modest level that does not interfere with our job.

Protecting our brands and innovations

We must protect all intellectual property owned within the Group.

Intellectual property includes patents, copyrights, trademarks, design rights and other proprietary information.

Securing access to our assets

We must protect information that may be used to provide access to Group assets.

Always maintain the security of any information used to access company property and networks, including building access cards, ID, passwords and codes.

Respecting the assets of third parties

We must never knowingly:

damage, misuse or misappropriate the physical assets of third parties

infringe valid patents, trademarks, copyrights or other intellectual property in violation of third parties' rights

perform unauthorized activities which adversely impact the performance of third parties' systems or resources.

We should show the same respect to the physical and intellectual property of third parties that we expect them to show towards the Group's assets.

Using company equipment

We must not use company equipment or facilities for personal activities, other than as set out below and in line with company policy.

Limited, occasional or incidental personal use of company equipment and systems issued or made available to us is permitted, provided that it:

is reasonable and does not interfere with the proper performance of our job

does not have an adverse impact on the performance of our systems

is not for any illegal or improper purpose.

Reasonable and brief personal phone, email and internet use is permitted. Improper uses include:

communication which is derogatory, defamatory, sexist, racist, obscene, vulgar or otherwise offensive

improperly disseminating copyrighted, licensed, or other proprietary materials

transmitting chain letters, advertisements or solicitations (unless authorized)

visiting inappropriate internet sites.



Who to talk to

Your supervisor

Office of Ethics and Compliance

Corporate assets and financial integrity

Confidentiality and information security

We must maintain the confidentiality of all commercially sensitive information, trade secrets and other confidential information relating to the Group and its businesses

Our confidential information is any information or knowledge which may prejudice the Group's interests if disclosed to third parties, such as:

- sales, marketing and other corporate databases
- pricing and marketing strategies and plans
- confidential product information and trade secrets
- research and technical data
- new product development material
- business ideas, processes, proposals or strategies
- unpublished financial data and results
- company plans
- personnel data and matters affecting employees
- software licensed to or developed by a Group company.

Disclosing confidential information

We must not disclose confidential information relating to a Group company or its businesses outside the Group without authorization from senior management and only:

- to agents or representatives of a Group company owing it a duty of confidentiality and requiring the information to carry out work on its behalf

- under the terms of a written confidentiality agreement or undertaking

- under the terms of an order of a competent judicial, governmental, regulatory or supervisory body, having notified and received prior approval from local LEX Counsel.

If confidential information is to be transmitted electronically, then technical and procedural standards should be agreed with the other party.

We should be mindful of the risk of unintentional disclosure of confidential information through discussions or use of documents in public places.

Access to and storage of confidential information

Access to confidential information relating to a Group company or its businesses should only be provided to employees requiring it in order to carry out their work.

We must not take home any confidential information relating to a Group company or its businesses without making adequate arrangements to secure that information.

For further guidance, please see the Group's Security Policy Statement on The Hub.



Who to talk to

Your supervisor

Information Technology

Information Security

Use of confidential information

We must not use confidential information relating to a Group company or its businesses for our own financial advantage or for that of a friend or relative (see 'Conflicts of interest').

Particular care must be taken if we have access to 'inside information', which is confidential information relevant to the price of shares and securities in public companies. For further details, see 'Insider dealing and market abuse'.

Personal data

Group companies and employees must ensure that they comply at all times with data protection laws.

Access to personal data must be limited to authorized employees who have a clear business need to access that data.

Data protection laws govern the handling and processing of personal data and the extent to which it may be transferred between companies or countries. These laws usually apply to personal data relating to employees or customers.

Third party information

We must not solicit or wilfully obtain from any person confidential information belonging to another party.

If we inadvertently receive information which we suspect may be confidential information belonging to another party, we should immediately notify our supervisor and local LEX Counsel.



Corporate assets and financial integrity

Insider dealing and market abuse

We are committed to supporting fair and open securities markets throughout the world. Employees must not deal on the basis of inside information or engage in any form of market abuse

'Inside information' is information of a precise nature which:

is not generally available;
relates directly or indirectly to a publicly quoted company or to its shares or other securities; and would, if generally available, be likely to have a significant effect on the price of that company's shares or other securities, or related investments.

Market abuse

We must not commit any form of market abuse, including:

- improper disclosure of inside information
- dealing in securities on the basis of inside information
- misuse of inside information
- engage in market manipulation.

'Market abuse' means conduct which harms the integrity of financial markets and public confidence in securities and derivatives. Market abuse and insider dealing (committing it or encouraging it in others) is illegal in most countries.

For more information about behavior that may constitute market abuse or insider dealing in the U.S., see our Code for Share Dealing on The Hub.

Handling inside information

If we have or receive information that may be inside information relating to any publicly traded Group company, we must disclose it immediately to the Head of RAI LEX, the Head of Ethics and Compliance, or (if the information relates to a specific project) to the project leader. Otherwise, we must not disclose this information without specific authorization, and then only to:

employees who require it to carry out their work
agents or representatives of a Group company who owe it a duty of confidentiality and require such information in order to carry out work on its behalf.

Care is needed when handling inside information, as its misuse could result in civil or criminal penalties for Group companies and the individuals concerned.

If you are uncertain whether you possess inside information, contact the Company Secretary of BAT or of the company concerned.

Responsible share dealing

We must not deal in the securities of any publicly traded company (whether Group or non-Group), or encourage others to do so, while having inside information relating to that company.

If you intend on dealing in the securities of any publicly traded Group company, and from time to time have access to inside information relating to that company, then you must comply with local insider trading laws and, if it applies to you, any share dealing code issued by that company.

'Securities' includes shares (including American Depository Shares), options, futures and any other type of derivative contract, debts, units in collective investment undertakings (e.g. funds), financial contracts for difference, bonds, notes or any other investments whose value is determined by the price of such securities.

'Dealing' is widely defined and includes any sale, purchase or transfer (including by way of gift) as well as spread bets, contracts for difference, or other derivatives involving securities, directly or indirectly, whether on your own or someone else's behalf.

Our Code for Share Dealing sets out the rules applying to 'insiders' of BAT, for whom there are additional restrictions on dealing in the securities of BAT. We are legally required to keep a list of all insiders, who will be individually notified of their status.



Who to talk to

Your supervisor

Corporate Secretary

Head of Ethics and Compliance

National and international trade

National and international trade

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Competition and antitrust

We believe in free competition. Group companies must compete fairly and ethically, in line with competition (or 'antitrust') laws

How competition law affects our business

Competition law impacts on almost all aspects of our activities, including sales and display, our relationships with suppliers, distributors, customers and competitors, our negotiation and drafting of contracts, and when we are deciding pricing strategy and trading conditions.

The law is linked to market conditions, which will affect how a competition issue is approached, such as:

market concentration;

product homogeneity and brand differentiation; or regulation, including advertising restrictions, display bans and public smoking bans.



Who to talk to

RAI LEX Antitrust Counsel

Commitment to fair competition

We are committed to vigorous competition and to complying with competition laws in each country and economic area in which we operate.

Many countries have laws against anti-competitive behavior. They are complex and vary from one country or economic area to another, but failing to comply with them can have serious consequences.

Parallel behavior

Parallel behavior with our competitors is not anti-competitive by default, but we must not collude with our competitors to:

- fix prices or any element or aspect of pricing (including rebates, discounts, surcharges, pricing methods, payment terms, or the timing, level or percentage of price changes)

- fix other terms and conditions

- divide up or allocate markets, customers or territories

- limit production or capacity

- influence the outcome of a competitive bid process

- agree a collective refusal to deal with certain parties.

'Agreement' in this sense includes a written or oral agreement, understanding or practice, a non-binding agreement or action taken with a common understanding, or an indirect agreement brokered by a third party, such as a trade association, customer or supplier.

It also includes situations where competitors share (directly or indirectly) information with a view to reducing competition. For example, competitors might inform each other of future price increases so they can coordinate their pricing policies (known as a 'concerted practice').

Meeting competitors

Any meeting or direct talk with our competitors should be treated with extreme caution. We must keep careful records of them, and break off if they are, or they may be seen as, anti-competitive.

Not all arrangements with competitors are problematic. Legitimate contact can be in the context of trade associations, certain limited information exchange, and joint initiatives on regulatory engagement or public advocacy.

Competitor information

We may only gather information about our competitors by legitimate legal means, and in compliance with competition law.

Obtaining competitor information directly from competitors is never justifiable, save for very limited and exceptional circumstances.

Gathering competitor information from third parties (including customers, consultants, analysts and trade associations) often raises complex local legal issues and should only be undertaken with proper advice.

Dominant position

Where a Group company has 'market power', it will typically have a special duty to protect competition and not to abuse its position.

The concepts of 'dominance', 'market power' and 'abuse' vary widely from country to country.

Where a Group company is considered to be dominant in its local market, it will generally be limited in its ability to engage in practices such as exclusivity arrangements, loyalty rebates, discriminating between equivalent customers, charging excessively high or low (below cost) prices, or tying or bundling together different products.

Resale price maintenance

Certain restrictions between parties in different levels of the supply chain, such as resale price maintenance provisions between a supplier and a distributor or reseller, may be unlawful.

Restrictions on our customers' ability to resell into territories or to certain customer groups may be a serious competition issue in certain countries.

Resale price maintenance is where a supplier seeks to, or does in fact, control or influence (including indirectly, through threats and/or incentives) the prices at which its customers resell its products.

Rules on resale price maintenance and resale restrictions vary across the world. If relevant to your role, you need to be familiar with the rules applicable in the countries for which you are responsible.

Mergers and acquisitions

Where Group companies are involved in mergers and acquisitions, mandatory filings may have to be made in one or more countries.

Filing obligations vary from country to country, but should always be checked in the context of mergers, acquisitions (of assets or shares) and joint ventures.

Seeking specialist advice

If we are involved in business activities where competition laws may be relevant, we must follow regional, area or market guidelines that give effect to Group policy and the law in this area, and consult with RAI LEX Antitrust Counsel.

We should not assume that competition law will not apply simply because there are none in effect locally. Many countries, such as the United States and within the European Union apply their competition laws extra-territorially (where conduct occurs, and where it has effect).

Money laundering

Money laundering is concealing illegal funds or making them look legal. It includes possessing or dealing with the proceeds of crime. We must play no part in it

We must be alert to situations which ought to raise our suspicions, including:

- payments in non-invoice currencies
- substantial payments in cash or cash equivalents
- payments from multiple sources to satisfy a single invoice, or other unusual payment methods
- payments to or from an account that is not the normal business relationship account
- requests for overpayments or for refunds following an overpayment
- payments by, through or to (or requests to supply our products to) unrelated third parties or shell/shelf companies
- payments or shipments by, through or to 'high risk' countries, companies or people
- requests to deliver our products to an unusual location or to adopt an unusual shipping route
- repeated importing and exporting of the same products
- false reporting (such as misrepresenting prices) or notable document discrepancies (such as between shipping and invoice documents)
- trade partners you suspect of being criminals, terrorists or having more money than appears legitimate from their trade business.

No involvement in dealing with the proceeds of crime

We must not:

engage in any transaction which we know or suspect involves the proceeds of crime, or otherwise be knowingly involved directly or indirectly in money laundering activity.

We must also ensure that our activities do not inadvertently contravene money laundering laws.

In most jurisdictions it is a crime for any person or company to engage in transactions involving assets which they know, suspect or have reason to suspect are derived from crime.

Breaching anti-money laundering law can attach both to companies and individuals.

Refusing to accept large cash sums

We must refuse to accept – or report – the following cash sums.

Group companies in the EU must not accept cash payments over €10,000 (or equivalent) in any single transaction or series of linked transactions.

Group companies in the U.S. (or outside the U.S. when engaged in a transaction related to the U.S.) must not accept cash payments over \$10,000 (or equivalent) in any single transaction or series of linked transactions.

Group companies outside the EU should also avoid accepting substantial cash payments.

Minimizing the risk of involvement and reporting suspicious activity

We must have effective procedures for:

minimizing the risk of inadvertent participation in transactions involving the proceeds of crime, including monitoring for illicit money flows and other money laundering/terror financing flags

detecting and preventing money laundering by employees, officers, directors, agents, customers and suppliers

supporting employees in identifying situations which ought to give rise to a suspicion of money laundering

filing required reports relating to money laundering obligations with the appropriate authorities.

Group companies must ensure that their customer and supplier approval (or 'know your customer' and 'know your supplier') procedures are adequate, risk-based, and ensure as far as possible, that customers and suppliers are not involved in any criminal activity.

We should promptly refer suspicious transaction or activity by any customer or other third party to the Office of Ethics and Compliance.

Awareness and compliance with relevant anti-terrorism measures

We must ensure that we do not knowingly assist in financing or otherwise supporting terrorist activity, and that our activities do not inadvertently breach any relevant anti-terrorist financing measures.

Group companies' internal controls should include checks to ensure that they do not deal with any entity, organization or individual proscribed by a government or international body due to its known or suspected terrorist links.

Terrorist groups may try to use legitimate businesses, from retail outlets to distribution or financial service companies, to finance their networks or otherwise move illicit funds. We risk inadvertently breaching anti-terrorist financing measures if we deal with such businesses, organizations or individuals.



Who to talk to

Your supervisor

Office of Ethics and Compliance

National and international trade

Illicit trade

Illicit trade in our products harms our businesses. We must do our part to stop it

No involvement in or support for illicit trade in our products

We must ensure that:

we do not knowingly engage in unlawful trade in our products

our business practices support legitimate trade in our products

we collaborate with authorities in any investigation of illicit trade.

The illicit tobacco trade has a negative impact on society. It deprives governments of revenue, encourages crime, misleads consumers into buying poor quality products, undermines the regulation of legitimate trade, and makes it more difficult to prevent underage sales.

It also harms our businesses, devalues our brands, and our investment in local operations and distribution.

High excise taxes, differential tax rates, weak border controls, and poor enforcement all contribute to illicit trade. However, we fully support governments and regulators in seeking to eliminate it in all its forms.

Maintaining controls to deter illicit trade in our products

We must maintain controls designed to deter our products from being sold unlawfully by our customers or diverted into other countries.

Our 'know your customer' and 'know your supplier' evaluation and approval procedures are important in helping us monitor that our products are sold to reputable customers, made using reputable suppliers and in quantities reflecting legitimate U.S. demand.

Our procedures for investigating, suspending and terminating dealings with customers or suppliers involved in illicit trade are an important mechanism to deter illicit trade in our products. We should make our position on compliance with laws clear to our customers and suppliers. We should seek contractual rights to take appropriate action if they are involved in unlawful trade in our products.

If you suspect our products have entered illicit trade channels, notify the Head of RAI LEX immediately.

Monitoring and assessing the U.S. market

RAI Group companies should monitor the U.S. market and assess the extent to which our products are sold unlawfully or diverted into other countries since such illicit activity weakens the legitimate distribution channel and undermines the integrity of our products.



Who to talk to

Your supervisor

Head of RAI LEX



Sanctions

We are committed to ensuring that our businesses are conducted in compliance with all lawful sanctions regimes, and that we do not engage with any sanctioned parties

Sanctions include prohibitions or restrictions on:

- exports or re-exports to a sanctioned country
- imports from, or dealings in property originating from, a sanctioned country
- travel to or from a sanctioned country
- investments and other dealings in a sanctioned country, or with designated parties
- making funds or resources available to designated parties
- transfer of restricted software, technical data or technology by email, download or visiting a sanctioned country
- supporting boycott activity.

Awareness and compliance with sanctions

We must be aware of, and fully comply with, all lawful sanctions regimes affecting our businesses. We must ensure that we never:

supply our products, or allow our products to be supplied, to any person

purchase goods from any person, or

otherwise deal with any person or property

in contravention of any applicable sanction, trade embargo, export control or other trade restriction.

Sanctions may be imposed by individual countries or supra-national bodies, such as the UN and EU.

Some sanctions regimes apply both to U.S. persons (wherever located), to the use of U.S. currency for payments and to exports/re-exports of U.S.-origin products and products with U.S.-origin content (whether or not the entity handling them is a U.S. person).

Breaching sanctions carries serious penalties, including fines, loss of export licenses and imprisonment.

Minimizing the risk of breach

Group companies' internal controls must minimize the risk of breaching sanctions, and provide training and support to ensure that employees understand them and implement them effectively, particularly where their work involves international financial transfers or cross-border supply or purchase of products, technologies or services.

Sanctions no longer just target whole countries with economic, trade or diplomatic restrictions. Increasingly, they are also aimed at designated individuals or groups, and the companies or organizations associated with them.

The list of prohibited countries and designated persons changes frequently. If our work involves the sale or shipment of products, technologies or services across international borders, we must keep up-to-date with the rules.

We must also notify our local LEX Counsel immediately if we receive any sanctions-related communications or requests from official bodies or our business partners. For more information, see the Sanctions Compliance Procedure on The Hub.



Who to talk to

Your supervisor

RAI LEX Sanctions Counsel

For more information

Please contact:

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