



# Modern Slavery Statement 2024

# Modern Slavery Statement 2024

## Introduction

### In accordance with the UK Modern Slavery Act 2015 (the Act) covering British American Tobacco p.l.c. and companies in the British American Tobacco Group.

#### Approval Process

This Statement has been approved by the Board of British American Tobacco p.l.c. on 15 April 2025. It was signed by the Chief Executive on behalf of the Board on 15 April 2025.

The Statement has been approved by the Board of Directors, and dated and signed by a designated director of each BAT Group subsidiary company set out below.

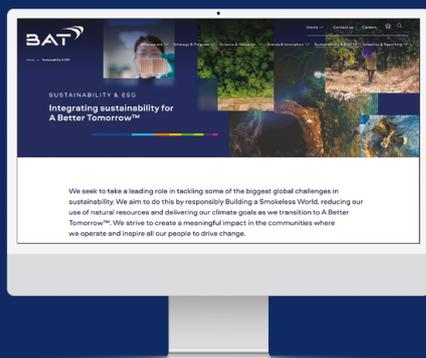
#### Entities in Scope

The BAT Group subsidiary companies that are subject to the requirements under the Act are set out below.

- BATLaw Limited
- British American Shared Services (GSD) Limited
- British American Tobacco (GLP) Limited
- British American Tobacco (Investments) Limited
- British American Tobacco Exports Limited
- B.A.T Services Limited
- British American Tobacco Taiwan Logistics Limited
- British American Tobacco UK Limited
- British-American Tobacco (Holdings) Limited
- Dunhill Tobacco of London Limited
- Nicoventures Retail (UK) Limited
- Nicoventures Trading Limited

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# Welcome from our Chief Executive

**Our long-standing commitment has always been to respect the human rights of our employees, the people we work with and the communities in which we operate.**



## **Our Modern Slavery Statement**

Our statement sets out the steps we have taken to prevent modern slavery risks across our business during the year ended 31 December 2024.

With a global footprint, we acknowledge the potential risk of exposure to modern slavery within our operations or in our extended supply chain.

In 2024, we refined our Group sustainability strategy in order to better address our material sustainability topics, such as human rights, and continue delivering value to our stakeholders.

One of the five impact areas of our sustainability strategy is 'Communities', which encompasses our employees, farmers and suppliers.

We support our farmers to help them enhance their livelihoods and build resilience, while keeping in mind our ambition to transition to a Smokeless World.

Our work goes beyond our agricultural supply chain and we seek to embed responsible sourcing practices across our supply chains, taking a risk-based approach.

Highlights include:

- Providing human rights training to more than 417,000 farmers and community members;
- 91% of our product materials and higher-risk indirect suppliers have undergone at least one independent labour audit within a three-year cycle. We remain on track to reach our target of 100% by 2025.
- Continuing to work with the Responsible Business Alliance (RBA), leveraging their insights and resources.

As we create A Better Tomorrow™ by Building a Smokeless World, we continue to improve how we manage human rights across our own operations and supply chains.

**Tadeu Marroco**  
Chief Executive

A handwritten signature in black ink, appearing to read 'Tadeu Marroco', written over a light blue background.

# Our Business and Supply Chain

## Our purpose is to create A Better Tomorrow™ by Building a Smokeless World.

### Commitment to human rights

We recognise our role to respect the human rights of all workers and farmers in our value chain, as well as members of the local communities in which we operate.

In 2024, we continued to build upon and strengthen our approach to managing human rights risks.

**+** Find out more about our **sustainability agenda** in our **2024 Combined Annual and Sustainability Report**

### Our business structure

With Group headquarters located in the UK, we have subsidiary operations around the world, employing more than 48,000 people.

Our employees work in a range of roles and environments, including office-based management, manufacturing and operations, trade marketing and distribution, as well as research and development.

The Board of British American Tobacco p.l.c. is collectively responsible to our shareholders for the long-term success of the Group and for the Group's strategic direction, purpose, values and governance. It provides the leadership necessary for the Group to meet its business objectives within a robust framework of internal controls.

The Board is supported by the Audit Committee, which monitors risks and adherence to our standards, including for human rights across our Group in 147 markets.

The Audit Committee is underpinned by the Group's Regional Audit Committees and Corporate Audit Committee with committees for each of the two Group regions, for the U.S. business, and for locally listed Group entities and specific markets, where appropriate.

Our Management Board, chaired by our Chief Executive, is responsible for overseeing the implementation of Group strategy and policies set by the Board, and for creating the framework for Group subsidiaries' day-to-day operations.

**48,000+**  
Group employees worldwide  
in 147 markets

### Managing human rights impacts

Our Double Materiality Assessment provides insights on our material sustainability risks, including topics such as child labour.

Management of material sustainability topics, including human rights, are also discussed in Committees and forums, such as the:

- Group Sustainability Leadership Team;
- Operations Sustainability Forum;
- Leaf Sustainability Forum; and
- Supply Chain Due Diligence Committee.

Issues considered in these forums are raised, where appropriate, at the Management Board level or with the Audit Committee.

The Chief Corporate Officer has overall responsibility for the strategic delivery of the Group sustainability agenda, supported by the Sustainability team, including our Chief Sustainability Officer, and subject-matter specialists across the Group.

Our governance framework allows for the appropriate information, monitoring and oversight of key issues, including those relating to human rights and modern slavery across our business from local business units to Board level.

**+** Find out more about our **Group strategy, business model, structure and governance** in our **2024 Combined Annual and Sustainability Report**

## Our Business and Supply Chain Continued

# Our supply chain

Our portfolio of products includes combustible and Smokeless products. These Smokeless products include Vapour products, Heated Products and Modern Oral nicotine pouches, as well as Traditional Oral products, such as snus and moist snuff.

Our supply chain intersects several industries that are exposed to human rights risks, including agriculture, manufacturing and electronics.

We assess suppliers' inherent risk exposure against Verisk Maplecroft human rights indices. We then manage the suppliers according to their associated levels of risk and, in doing so, we utilise a combination of tools, including independent audits.

**25,000+**  
Suppliers

### Other materials, goods and services

We have a relationship with approximately 700 direct and 25,000 indirect product materials suppliers.

Through our Smokeless products, our supply chains in areas such as consumer electronics and e-liquids continue to grow.

We have a number of suppliers of indirect goods and services which are not product related, such as IT services and facilities management.

As valued business partners, it is crucial that we listen to and engage with our suppliers to build trust and drive progress. Through our supplier engagement, we strive to be a positive influence on how our suppliers manage sustainability risks, including those relating to modern slavery.



Tobacco



BAT operations



Other materials, goods and services

### Tobacco supply chain

Our Group's own Leaf Operations source approximately 73% of our tobacco by contracting directly with c.91,000 farmers.

The remainder is sourced from third-party suppliers who contract with c.157,000 farmers.

In India, although tobacco is purchased from farmers at auction, our third-party suppliers provide traceability and monitoring of their farmer base, in line with our requirements.

Our sourcing model provides our directly contracted farmers and those contracted to our third-party suppliers with a reliable and secure relationship which, in turn, facilitates a more efficient and reliable supply chain for the Group.

### Total tobacco sourced

**73%** **27%**  
**BAT Group's own Leaf Operations** **Third-party sourcing**

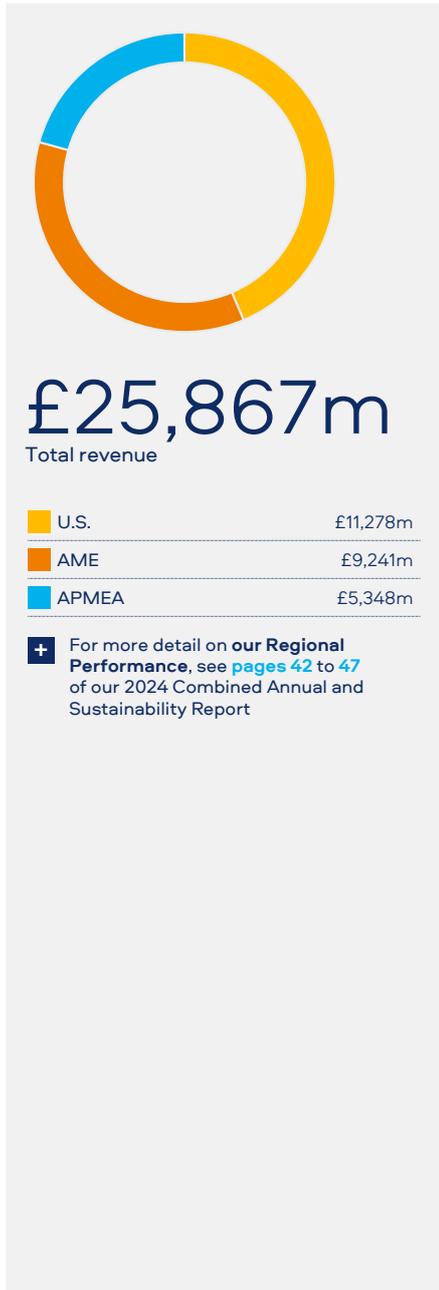
## Our Business and Supply Chain

Continued

### Our business is divided into three complementary regions, maximising opportunities for quality growth in our sector.

Our in-depth marketplace analysis delivers insights on consumer trends and segmentation, which facilitates our geographic brand prioritisation across our regions and markets. As consumer preferences and technology evolve rapidly, we are also leveraging our global digital hubs and innovation centres.

#### Revenue by region



#### Our supply chain and operations



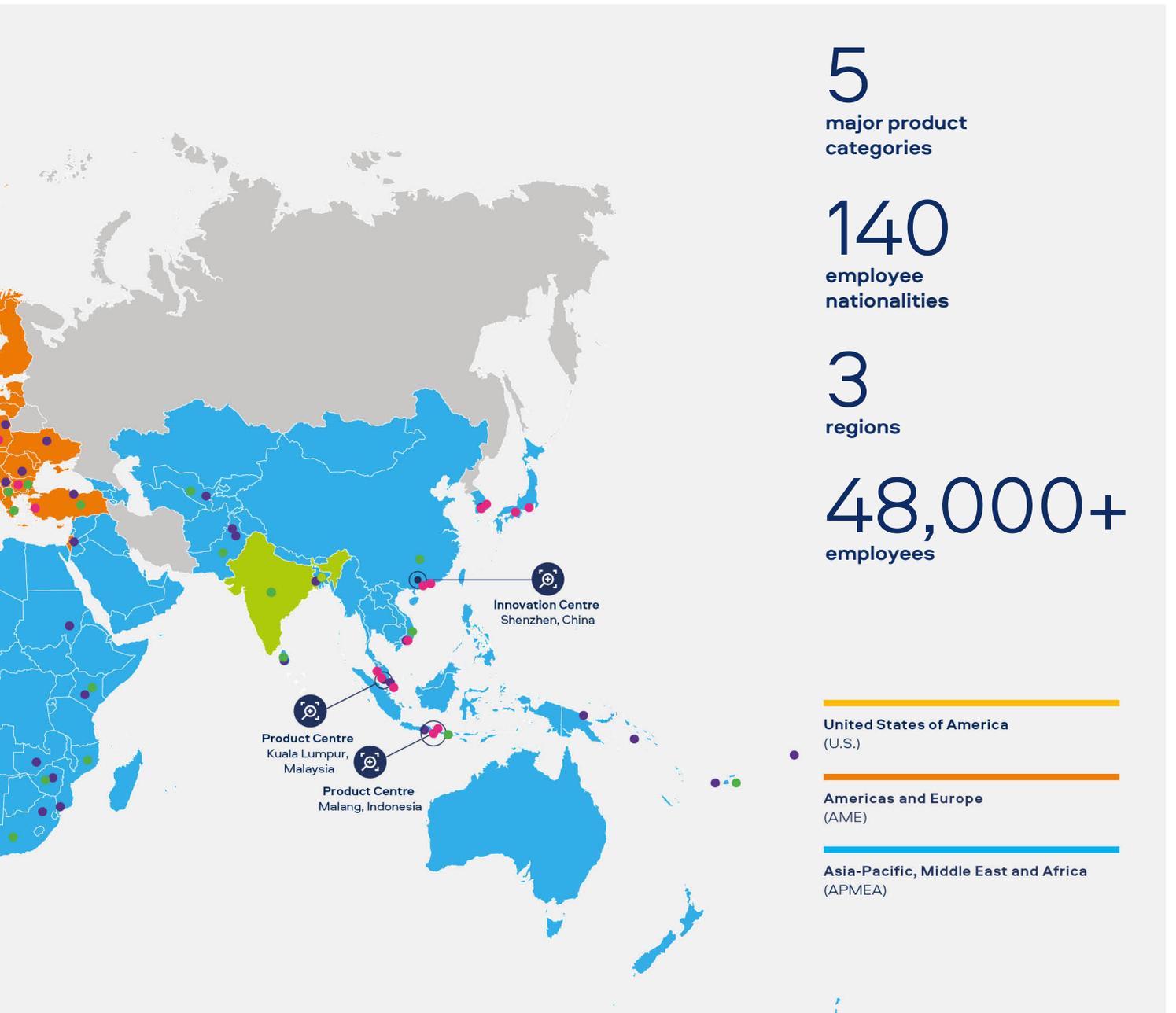
## Our Business and Supply Chain

### Continued

BAT-owned manufacturing facilities <sup>1</sup>				
	United States	AME	APMEA	Total
Fully integrated manufacturing	1	13	23	37
Other processing sites (including leaf threshing and OTP <sup>2</sup> )	—	8	9	17
Sites manufacturing other products (including Snus, Modern Oral and Liquids)	2	4	—	6
Research and development facilities	2	2	3	7
<b>Total</b>	<b>5</b>	<b>27</b>	<b>35</b>	<b>67</b>

**Notes:**

1. As of 31 December 2024.
2. Other Tobacco Products include but are not limited to roll-your-own, make-your-own and cigars.



**5**  
major product categories

**140**  
employee nationalities

**3**  
regions

**48,000+**  
employees

United States of America (U.S.)

Americas and Europe (AME)

Asia-Pacific, Middle East and Africa (APMEA)

# Policy Commitments

## We have policies, principles and standards to manage human rights and modern slavery risks across our supply chains.

### Commitments, Policies, Standards and Controls

We remain committed to respecting fundamental human rights as affirmed by the Universal Declaration of Human Rights.

This includes respecting the rights of:

- our employees;
- the people we work with; and
- the communities in which we operate.

Our approach is aligned with the UN Guiding Principles on Human Rights (UNGPs).

Our policies and principles for human rights and modern slavery issues, including our Standards of Business Conduct (SoBC) and our Supplier Code of Conduct (SCoC) (indicated by \* in the table below) are reviewed and endorsed by the Board, for local adoption and implementation by relevant Group companies.

Updated in 2024, the SoBC and SCoC are reviewed regularly to ensure alignment with best practice.

# 100%

of our Group employees completed annual SoBC training and sign-off

Policies and Procedures	Key Stakeholder Groups
<b>Standards of Business Conduct (SoBC)*</b> Available at <a href="http://www.bat.com/principles">www.bat.com/principles</a>	Our People Governments and wider society
<b>Supplier Code of Conduct (SCoC)*</b> Available at <a href="http://www.bat.com/principles">www.bat.com/principles</a>	Customers Suppliers Governments and wider society
<b>Group SoBC Assurance Procedure</b>	Our People
<b>Leaf Supplier Manual</b>	Suppliers Governments and wider society
<b>Group Code of Human Rights in Tobacco Farming</b>	Our people Governments and wider society

### Standards of Business Conduct

The high standards of integrity we are committed to upholding are enshrined in our SoBC. These include our Respect in the Workplace chapter and Human Rights chapter, which align with the UNGPs and the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work.

We aim to ensure our operations are free from slavery, servitude and forced, compulsory, bonded, involuntary, trafficked or exploited migrant labour.

Our SoBC mandates that Group companies and employees, employment agencies, labour brokers or third parties they retain to act on our behalf will not:

- require workers to pay recruitment fees, take out loans or pay unreasonable service charges or deposits as a condition of employment; or
- withhold or require workers to surrender identity papers, passports or permits as a condition of employment.

Where national law or employment procedures require use of identity papers, they must be used strictly in accordance with the law.

If identity papers are retained or stored for reasons of security or safekeeping, this will only be done with the informed and written consent of the worker, which should be genuine, and with unlimited access for the worker to retrieve them, at all times, without any constraints.

+ Further information about our SoBC can be found on [bat.com/sobc](http://bat.com/sobc)

### Supplier Code of Conduct

The SCoC complements our SoBC by defining the minimum standards expected of our suppliers, including for human rights. The SCoC applies to all our suppliers.

All Group suppliers are required to ensure their operations are free from child labour and from forced, bonded, involuntary, trafficked or unlawful migrant labour.

Our suppliers are expected to promote adherence to the SCoC and to carry out the appropriate due diligence within their own supply chain.

Available in multiple languages, the SCoC is shared as part of our onboarding process.

+ Further information about our SCoC can be found on [bat.com/principles](http://bat.com/principles)

### Standards and controls

To support the effective implementation of our policy commitments, we have a number of standards, procedures and controls in place, including:

- **SoBC Assurance Procedure** defines how all reports of alleged SoBC breaches should be investigated and remediated fairly and objectively. This includes a four-step process, involving an initial assessment, in line with data privacy and employment laws, followed by an investigation plan, implementation, reporting of findings and closure.
- **Leaf Suppliers Manual** sets out the detailed standards we expect our suppliers to adhere to. These include a range of criteria relating to standards in agricultural practices, such as agrochemicals compliance and the prevention of child labour.
- **Group Code of Human Rights in Tobacco Farming** applies to the Group’s own Leaf Operations. Aligned to the UNGPs and other international standards, it consolidates existing standards as well as strengthens procedural requirements and additional guidance on topics, such as responsible contracting and management of environmental impacts. All BAT Leaf employees in scope and directly contracted farmers receive training on this Code.

# Assessing and Managing Risk

## Understanding the risks.

### Tobacco supply chain

The agricultural sector as a whole (of which tobacco growing is a part) is a focus area for human rights-related risks given the large numbers of temporary workers, use of family labour in small-scale farming and high levels of rural poverty.

The ILO estimates that the agricultural sector accounts for 12.3%<sup>1</sup> of all incidents of forced labour and 70%<sup>2</sup> of all child labour globally.

Debt bondage can also be a particular concern if farmers take out loans to invest in harvesting crops, but do not have a guaranteed buyer or price – leaving them vulnerable to debt risk.

### Other product materials, goods and services

As a whole, the manufacturing sector (of which our product materials and goods suppliers are a part) is estimated by the ILO to account for 18.7%<sup>1</sup> of forced labour and 10.3%<sup>2</sup> of child labour globally, with the majority of cases documented in lower-income countries.

Key forced labour risks identified in the manufacturing sector as a whole relate to excessive working hours and production targets, payment of high recruitment fees, illegal retention of passports and, in some cases, illegal imprisonment and physical punishment of workers.<sup>1</sup>

Human rights risks for indirect goods and services depend on the sector and country of operation. According to the ILO, 10%<sup>1</sup> of forced labour and 15.2%<sup>2</sup> of child labour are estimated to be in low-skilled service sectors.

**+** Further details of our due diligence procedure can be found on pages 12 to 15

### BAT Operations

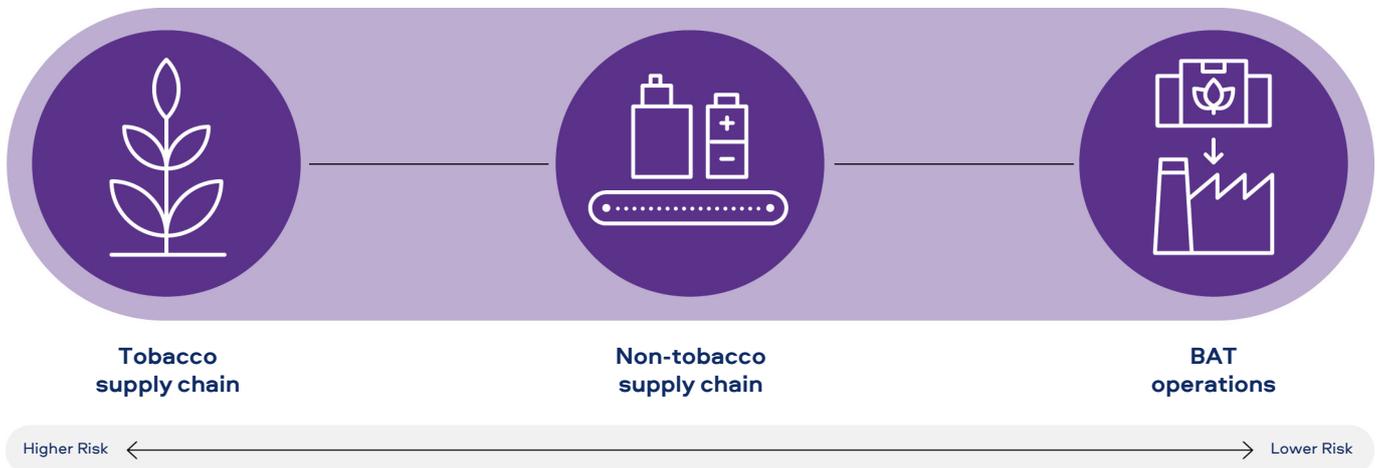
We recognise that certain countries and circumstances present higher risks for human rights issues, such as where regulation or enforcement is weak or where levels of corruption, criminality or unrest are high.

In addition to Group-wide procedures and controls, we have a process in place to identify and monitor BAT operations in those higher-risk countries.

We take allegations relating to human rights extremely seriously and seek to openly engage with the relevant stakeholders, responding appropriately to the issues raised.

If we receive reports of inappropriate behaviour, we take steps to investigate, address any issues identified, and report on the progress and outcomes, as appropriate.

## Comparative risk levels across our business and operations based on current trends



**Notes:**

1. ILO (2022). Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, ILO, Geneva, 2017.  
 2. International Labour Office and United Nations Children’s Fund, Child Labour: Global estimates 2020, trends and the road forward, ILO and UNICEF, New York, 2021. License: CC BY 4.0.

# Assessing and Managing Risk

## Continued

### Managing the risks.

#### Enhancing farmer livelihoods

Enhancing farmer livelihoods is key to promoting a positive social impact across our tobacco supply chain.

Rural poverty is one of the primary root causes of human rights issues in agriculture.

We work with our directly contracted farmers to help them improve their economic stability and access to resources.

Farmers having a sustainable living income makes farming more attractive to the next generation, reduces the risks of exploitation, child and forced labour and encourages improved adherence to safety and environmental standards.

#### Helping farmers to Thrive

Our Thrive programme covers over 93% of total tobacco leaf purchased in 2024 by volume and provides data on a number of topics, including human rights.

Based on a framework covering the five 'capitals' outlined below, Thrive seeks to address challenges in farming communities.

All those in our Thrive Supply Chain<sup>1</sup> are required to conduct annual evaluations based on these metrics, providing insights that inform our strategy and guide the development of our action plans.

In 2024, we continued to improve our Thrive digital platform, focusing on improving data coverage and quality.

Our Field Technicians are pivotal in improving human rights management across our directly contracted farmer base.

As a conduit between farmers and BAT, these Field Technicians build trusted relationships and work with farmers to develop their skills, as well as promoting enhanced yields and resilience.

Our suppliers provide similar support services for their contracted farmers.

#### Maintaining standards through grievance mechanisms

We track access to grievance mechanisms in our Thrive Supply Chain<sup>1</sup> as part of our Thrive assessments, which in 2024 showed:

- 97.96% of farmers and farm labourers, reported having access to at least one type of grievance mechanism;
- Of the 307 grievances raised in 2024, 100% were reported as resolved by the end of the growing season; and
- Regular meetings with farmers and workers or their representatives were reported as the most widely available grievance mechanism. Other mechanisms used included meetings with unions, local NGOs, government-led mechanisms and third-party owned telephone hotlines.

In addition, farmers and workers can access BAT's 'Speak Up' channel that has a hotline, email address and online portal.

Recognising the importance of grievance mechanisms in understanding and addressing the concerns of rightsholders, we continue to improve the accessibility and variety of these mechanisms based on their feedback.

We seek to promote a culture of openness among our contracted farmers and labourers, encouraging them to raise issues related to human rights without retribution.

#### Supporting living income

Based on the Anker Methodology,<sup>2</sup> we have been conducting an annual living income analysis since 2022.

In 2024, the methodology was adapted to better represent the living costs of tobacco farmers in rural areas. Our analysis has been applied to 97% of farmers in our Thrive Supply Chain.

The results support the creation of action plans to target key income drivers, such as reducing production costs, increasing yield and diversifying crops.

Farmers' feedback is provided to our Leaf suppliers, who manage the action plans.

**+** Find out more about our **Farmer Living Income Analysis** in our 2024 **Combined Annual and Sustainability Report**

### The five 'capitals' of our Thrive programme

Capital	Descriptor
 <b>Financial</b>	Economic livelihoods of farmers, including access to resources
 <b>Natural</b>	The ecosystem necessary to sustain agricultural production and livelihoods
 <b>Human</b>	Skills, knowledge, labour and human rights
 <b>Social</b>	Self-sufficient and resilient communities
 <b>Physical</b>	Infrastructure needed to maintain viable places to live and work

#### Notes:

1. Our metrics derive data from our annual Thrive assessment, which includes our directly contracted farmers and those of our third-party suppliers, which represented over 93% of the tobacco we purchased by volume in 2024 ('Thrive Supply Chain'). Our ambitions cover all tobacco we purchase for our products ('tobacco supply chain').

2 <https://www.ankerresearchinstitute.org/anker-methodology>

## Assessing and Managing Risk Continued

### Promoting income diversification

We support crop diversification programmes which are adapted to local environmental and socio-economic realities.

In 2024, 94% of farmers in our Thrive Supply Chain were reported to have diversified crops.

To date, more than 138,000 farmers, farm labourers and local community members have been trained on crop diversification.

In addition, several small-scale initiatives are underway to identify potential crops for additional income.

**138,000+**  
people in our farming communities received **training on crop diversification techniques** in 2024.

**+** Find out more about **enhancing farmer livelihoods** in our 2024 **Combined Annual and Sustainability Report**

### Building resilient communities

We have developed a range of community initiatives on women's empowerment, rural development, as well as access to healthcare, clean water and sanitation.

BAT Bangladesh's Probaho, now in its fifteenth year, provides safe and clean drinking water to rural communities where supplies have previously been scarce or contaminated.

To date, the programme has installed 126 filtration units and provided more than 620,000 litres of water a day to over 310,000 people across 25 districts in Bangladesh.

In 2023, BAT Kenya introduced a women's development programme, aligned with the UN's Women's Empowerment Principles.<sup>1</sup> Both directly contracted female farmers and women in the farming community participated in the programme.

Through the two phases of the programme, training was provided to more than 600 participants on women's rights, financial literacy, entrepreneurship and agriculture.

In 2024, BAT Kenya also participated in two further initiatives for income diversification of directly contracted female farmers.

**+** Read about our **women empowerment programmes** in our 2024 **Combined Annual and Sustainability Report**

### Case study



### Empowering women in Vietnam

We have developed programmes to increase women's agricultural and business knowledge, and build their entrepreneurial skills.

For instance, BAT Vietnam partnered with a local Women's Union to establish the Women's Empowerment Programme in 2022.

The programme aims to address financial instability and job insecurity in the Duc Hue and Tan Thanh districts.

It provides interest-free loans for underprivileged women to establish small businesses and support animal husbandry. Repayments of the loans are reinvested back into loans for others.

The interest-free financial support model is simple, practical, and sustainable. It enables beneficiaries to gradually grow their businesses, increase their incomes and improve their livelihoods.

The benefits are also felt by beneficiaries' families and their communities, as more money is generated and opportunities are created.

In addition, women receive training on running a business and agricultural methods.

Since its inception, more than 130 women across local communities in Duc Hue and Tan Thanh districts have benefited from the programme.

**Note:**

1. [unglobalcompact.org/take-action/action/womens-principles/](https://www.unglobalcompact.org/take-action/action/womens-principles/)

## Assessing and Managing Risk

### Continued

#### Ethical recruitment for our employees

Our commitment to fairness and inclusivity is embedded throughout the recruitment process, helping to promote equal access to opportunities and mitigate human rights risks for our employees worldwide.

The hiring process is managed by our Talent and Global Business Services teams, which work to implement Group standards, bearing in mind local regulatory requirements and contexts.

Prospective employees undergo rigorous pre-employment checks in accordance with local standards.

The standards apply to all permanent, fixed-term, part-time and full-time employees.

Where recruitment agencies are involved, these undergo checks and only recruitment through vetted vendors is permitted.

#### Providing safe spaces to 'Speak Up'

Our SoBC make it clear that our employees, business partners and suppliers should speak up if they have a concern about actual or suspected wrongdoing.

We do not tolerate harassment, victimisation or reprisals of any kind against anyone raising a concern and such conduct is itself a breach of our SoBC.

Anyone can raise concerns (anonymously, if preferred) through our confidential, independently managed online and telephone 'Speak Up' channels, available 24 hours a day in local languages.

Employees can also speak to Human Resources, their line manager or a Designated Officer.

#### Investigating and remediating workplace breaches

Our SoBC set out how allegations of wrongdoing or SoBC breaches should be investigated and dealt with fairly and objectively.

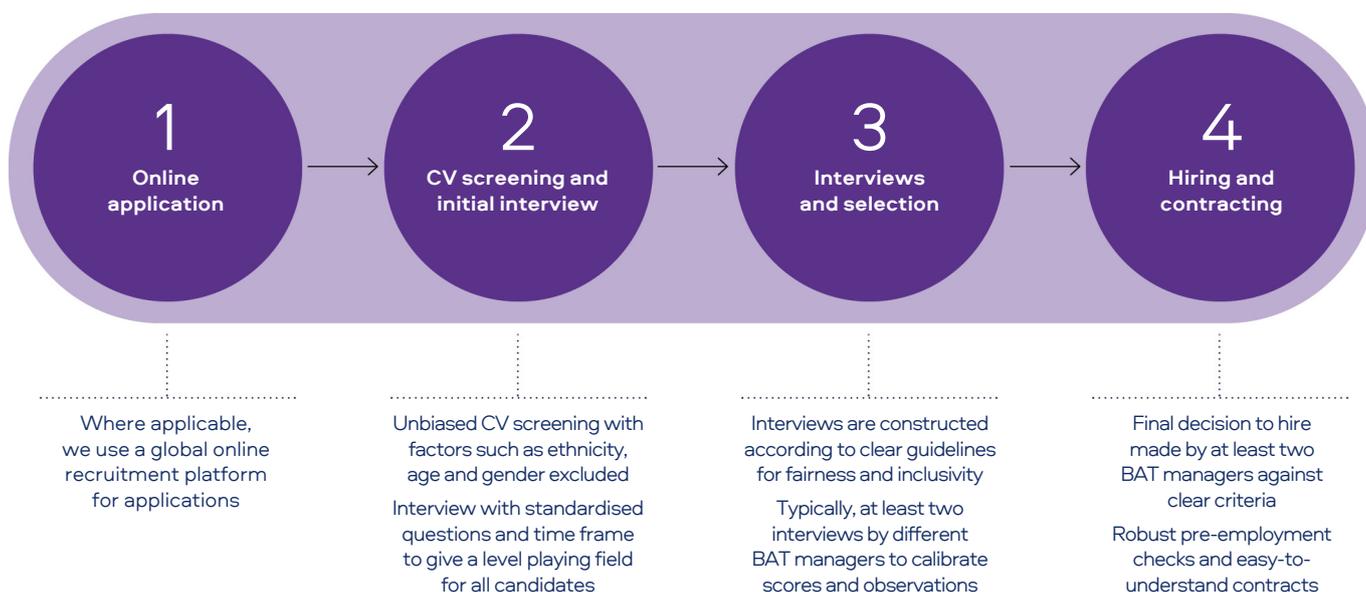
In 2024, we received 230 reports of alleged SoBC breaches relating to its Respect in the Workplace and Human Rights chapters.

Upon investigation, actual breaches were found to have occurred in 71 cases related to Respect in the Workplace issues.

Actions were taken in response, including disciplinary actions that resulted in 42 people leaving the organisation.

In 91 cases, no evidence of wrongdoing was found. The remaining cases were still under investigation at the end of the year.

#### How we manage risks in our recruitment process



# Due Diligence

## Assessing and responding to human rights risks.

### Respecting human rights in our tobacco supply chain

Tobacco is vulnerable to human rights and modern slavery-related risks. Issues on the ground can be complex and nuanced. Effective remediation requires cooperation and dialogue, rather than confrontation.

Our approach, therefore, emphasises working with families and communities to find longer-term solutions, while respecting the local context and the challenges of operating small, family-run farms.

The majority of our tobacco (73% by volume) is sourced by BAT Group’s own Leaf Operations through contracts with c.91,000 farmers, who receive on-the-ground support from our Field Technicians through all crop stages. Our direct relationship with such farmers help us create positive relationships.

Our Field Technicians visit our directly contracted farmers approximately once a month during the growing season. They conduct interviews with farmers and workers, as well as checking the conditions and practices on the farms against our standards.

### Farmer Sustainability Management platform

Our digital platform, Farmer Sustainability Management (FSM), is used by our Field Technicians to record data during farm visits of our directly contracted farmers. Over 30% of the FSM criteria are related to human rights.

Field Technicians also conduct unannounced visits, interviewing farmers and farm workers to check for, amongst other things, child and forced labour incidents. They also track remediation actions identified.

The system includes ‘red flags’ for serious issues, such as child and forced labour.

All data is centrally tracked and analysed to provide appropriate oversight and to implement management action when needed.

Our third-party suppliers are expected to monitor their contracted farmers and to report their findings in our Thrive system.

# 100%

of farms in our Thrive Supply Chain monitored for child labour

### Maintaining standards through assessments

We conduct Human Rights Impact Assessments (HRIA) and In-depth Assessments (IDAs) using a risk-based approach. These assessments are carried out in line with the UNGPs and conducted by independent human rights experts.

Since the first HRIA was conducted in 2019, we have completed 10 HRIAs, engaging with over 5,239 rightsholders. The evaluation included themes, such as the potential risk of child labour, health and safety, workers’ rights and farmer livelihoods.

IDAs have a wider scope and cover other social and environmental topics. By the end of 2024, 16 suppliers in 12 countries underwent IDAs since it started in 2022.

We continue to take steps to address issues identified in HRIAs and IDAs, and track remediation actions, as appropriate.

### Sustainable Tobacco Programme

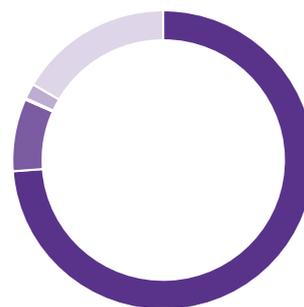
Participation in the Sustainable Tobacco Programme (STP) is a contractual requirement for all our Leaf suppliers.

The STP mandates an annual self-assessment covering key themes such as human rights.

All Leaf suppliers are expected to comply with local laws and regulations, as well as the STP’s requirements.

If a non-compliance is identified, we take appropriate actions, including the suspension or termination of the supply agreement, taking into consideration responsible disengagement and relevant OECD Guidance.

### Thrive-reported Prompt Actions<sup>2</sup> in 2024



Categories	% breakdown
Handling, use and storage of agrochemicals	73.81
Not following PPE guidance for harvesting	7.81
Controls to ensure use of sustainable wood	0.16
Controls for preventing child labour	1.66
Others	16.56

**Notes:**

1. See page nine for the definition of ‘Thrive Supply Chain’.

2. Prompt Action: A prompt action refers to an issue that’s been identified by a Field Technician which is deemed to require an immediate response due to its nature.

## Due Diligence Continued

### Reporting and resolving incidents of child and forced labour

We recognise child and forced labour is a complex issue and incidents can be hidden or underreported. This is why, in addition to due diligence, we work on addressing root causes.

Procedures for due diligence, remediation and ongoing monitoring are set out in our Group Code of Human Rights in Tobacco Farming.

In 2024, a total of 117 incidents of child labour were reported on 0.05% of farms in our Thrive Supply Chain.<sup>1</sup>

The majority of incidents were related to stitching and/or stringing tobacco green leaves.

100% of incidents were reported as resolved during the growing season.

In cases of recurring incidents, a farmer's contract is not renewed for the next season. No recurring incident was identified in 2024.

In addition, no forced labour-related non-compliances were reported in our Thrive Supply Chain<sup>1</sup> in 2024.

We acknowledge the challenges in monitoring child and forced labour on farms and understand that incidents may not always be detected or reported. We remain committed to addressing these complex issues.

Tracking recurring non-compliance is essential to addressing causes. That is why we monitor the recurrence of child labour cases and often involve local communities in our remediation plans.

Partnerships and community-based programmes are essential in our approach to respecting human rights.

By bringing together key stakeholders, we can co-develop solutions to help bring about lasting change. We support a range of long-term programmes to prevent child labour and enhance livelihoods across our tobacco-growing regions.

**+** Find out more about our **Group strategy, business model, structure and governance** in our 2024 **Combined Annual and Sustainability Report**

### Case study



### Day schools in Mexico

Poverty, inadequate social protection and lack of education are some of the root causes of child labour globally.<sup>2</sup>

In response, BAT Mexico initiated the Florece programme (meaning 'Blossom' or 'Flourish' in English) in 2001.

Located in Nayarit, the programme established day schools designed to provide a supportive environment for the children of tobacco field day labourers.

These schools operate throughout the tobacco growing season and include:

- **Education:** from 1.5 to 14 years old, with a curriculum and qualifications aligned with those of the Mexican education system;
- **Health:** medical and dental care;
- **Nutrition:** healthy breakfasts and lunches; and
- **Recreation:** sports and team activities.

Initially starting with two centres, the programme has now expanded to include four. In 2024, more than 700 children attended its centres.

Since Florece's inception, over 21,800 children have benefited.

BAT Mexico is now looking to broaden the scope of the programme by offering scholarships to indigenous youth aged 14 and above.

The scholarships, which cover tuition, school supplies, accommodation and extracurricular courses, aim to facilitate the social inclusion of indigenous youth through a university study experience in the city of Monterrey.

### Monitoring and remediating child labour in our Thrive Supply Chain<sup>1</sup> during 2024

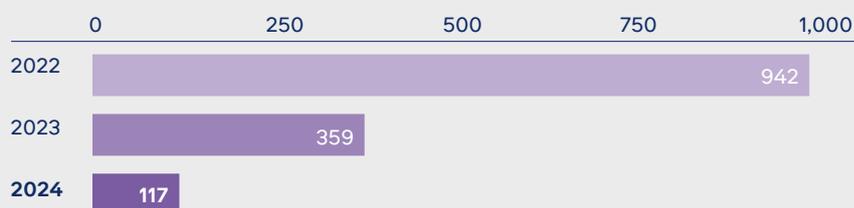
100%

of farms **monitored for child labour**

100%

incidents of child labour **identified reported as resolved** by the end of the growing season

Number of child labour incidents identified



**Notes:**

1. See page nine for the definition of 'Thrive Supply Chain'.  
2. [https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed\\_emp/%40emp\\_ent/%40multi/documents/publication/wcms\\_844331.pdf](https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/%40emp_ent/%40multi/documents/publication/wcms_844331.pdf)

## Due Diligence Continued

### Social due diligence in our product materials supply chain

Our SCoC applies to all our suppliers and sets the standards for responsible business conduct.

In addition, we take a risk-based approach to social due diligence in our product materials supply chain.

#### Scope of social due diligence

All product materials and higher risk indirect suppliers are in-scope for our labour audits.

Product materials suppliers are those who supply non-leaf materials used in our products, such as filters, paper, adhesives, liquids, devices and batteries. Higher-risk indirect suppliers include those who supply machinery and point of sale materials.

Our aim is for all such suppliers to have undergone at least one independent labour

audit within a three-year cycle by the end of 2025.

By the end of 2024, this was achieved for 91% of in-scope suppliers.

#### Triage process

All in-scope suppliers are evaluated through an independent risk assessment platform, covering topics that are identified as relevant for the Group, such as working conditions and forced labour. The outcome of the risk assessment determines the type of the audit assigned, which can be either a third-party on-site audit or a third-party verified self-assessment.

#### Breakdown of audits

Since 2022, 540 in-scope suppliers in 59 countries have undergone at least one labour audit:

- Tier 1 Suppliers for product materials: 388;

- Lower-Tier Suppliers for product materials: 48; and

- Indirect suppliers: 104.

In 2024, 321 independent labour audits were carried out. 156 were first time audits and 165 were re-audits triggered by previous audit performance.

#### Managing audit findings

If an in-scope supplier is identified to have fallen below our minimum standards, we support the supplier to develop an action plan and monitor its progress. If a supplier does not show necessary improvements, we terminate the contract, as appropriate, taking into consideration responsible disengagement and relevant OECD Guidance. Through this process, 23 suppliers made sufficient improvements to meet our standards and 10 were removed from our supply chain in 2024.

### Due diligence process for product materials and higher-risk indirect suppliers

#### New suppliers



#### Existing suppliers



### Screening process for product materials and higher-risk indirect suppliers



**Note:**

1. Examples includes environment, business ethics and living wages.

## Due Diligence Continued

### Responsible mineral sourcing

Our electronics supply chain includes multiple layers of suppliers, which create additional challenges for managing human rights risks.

Our SCoC applies to all our suppliers and outlines the actions we expect them to take in relation to responsible mineral sourcing.

In line with the OECD guidelines, we work with our mineral suppliers for them to exercise the appropriate due diligence required over their supply chains.

Being supporter members of the RBA provides access to their resources and cross-industry initiatives, such as the Responsible Minerals Initiative, through which we receive information about smelters' conformance and their audits.

Findings are reported annually in our Conflict Minerals Report.

Such data helps us build upon the traceability of our minerals supply chain to identify and manage areas of risk.

**+** Find out more about **our approach to responsible minerals sourcing** in our [2024 Conflict Minerals Report](#)

### Group companies due diligence

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

Individuals must complete the annual SoBC sign-off, in which they confirm their commitment and adherence to the SoBC and declare or update any personal conflicts of interest.

Our business entities complete an annual assessment against our key audit controls in which they confirm that their area of business or market has adequate procedures in place to support SoBC compliance.

The audit controls also require human rights risk assessments and risk mitigation action plans in higher-risk countries where we operate and for processes to be in place to demonstrate that human rights are managed effectively in the workplace and supply chains.

## Monitoring human rights in our direct operations



We use Verisk Maplecroft's human rights indices, including its Modern Slavery Index, to assess the risk level across our direct operations. The assessment criteria includes:

- labour rights and protection;
- safety and security; and
- equality, diversity and discrimination.

Assessment outcomes and resulting action plans for higher-risk direct operations are considered by our Board Committees.

In 2024, 22 countries where we have direct operations were identified as higher-risk.

Our direct operations in these countries underwent additional assessments to evaluate their compliance with the relevant Group policies and standards.

We set out our approach to investigating and remediating workplace breaches relating to the SoBC's Respect in the Workplace and Human Rights chapters on page 11.

# Training and Capacity Building

## Human rights training for farmers and their communities

Our Group's own Leaf Operations and third-party suppliers in our Thrive Supply Chain<sup>1</sup> provide human rights training for farmers and community members, with a focus on child labour and workers' rights.

In 2024, more than 417,000 attendees received this training.

Child labour training, developed in line with the UNGPs, is also available to everyone with access to our internal training platform.

## Supplier engagement and training

We have a relationship with approximately 700 direct and 25,000 indirect product materials suppliers, some of whom are small businesses operating in developing countries where standards for human rights and health and safety are still evolving.

We value our partnerships with these suppliers and support them in improving their practices. If issues arise during our audits, we support our suppliers to find solutions and implement corrective actions, resorting to disqualification as a last option.

In 2024, procurement relationship managers across all regions were trained on how to monitor supplier performance based on the findings of labour audits.

In addition, over the course of the year, we shared best practices and agreed common commitments with our suppliers at the suppliers' summit in China, South Africa and the U.S. These summits strengthened collaboration and capabilities to embed sustainable practices across our supply chains.

Our in-scope suppliers also received a step-by-step guide on our audit processes and standards.

## Training our employees

Our SoBC app provides easy access to policies, procedures and guidance.

It also provides access to our global 'Speak Up' channels, available in 14 languages.

Annually, all our employees undergo SoBC training as part of the Group compliance sign-off procedure.

Employees without computer access complete their training offline, which includes scenarios covering issues of discrimination and modern slavery in work situations.

In 2024, 100% of Group company employees completed the SoBC training and sign-off.

**+** For more **social performance metrics and operational data** [see page 17](#)

Number of attendants engaged in human rights training, with emphasis on forced labour and child labour

417,000+



Number of Group company employees who completed the SoBC training and sign-off

100%



**Note:**

1. See page nine for the definition of 'Thrive Supply Chain'.

# Measuring Effectiveness and Next Steps

## Committed to tackling modern slavery and measuring progress.

### Measuring progress

Progress is assessed against the Key Performance Indicators (KPIs) outlined in the table below. KPIs, alongside monitoring of strategic plans and emerging risks and best practice, are regularly reviewed at senior level through our governance framework and committees, including:

- Board Audit Committee, comprising independent Non-Executive Directors;
- Corporate Audit Committee and Regional Audit Committees;
- Operations Sustainability Forum, chaired by the Director, Operations; and
- Supply Chain Due Diligence Committee, chaired by the Group Head of Procurement.

We continue to improve and strengthen our approach to tackling modern slavery, and adapt to evolving circumstances.

### Next steps

We will continue to focus on the following:

- Supporting our farmers to enhance livelihoods and build resilience, focusing on living income action plans and training;
- Implementing long-term solutions and addressing root causes in the communities in which we operate;
- Supporting suppliers to manage their supply chain impacts through their engagement with their suppliers and improving the traceability of their supply chain; and
- Preparing for emerging regulatory requirements related to supply chain due diligence.

### 2024 performance highlights

KPIs	2024 performance	2023 performance	More information
% of employees that completed annual SoBC sign-off	100	100	<a href="#">Page 16</a>
% of direct operations assessed for human rights risks against Verisk Maplecroft indices, including its Modern Slavery Index	100	100	<a href="#">Page 15</a>
Number of independent supplier labour audits conducted since 2022 <sup>1</sup>	540	384	<a href="#">Page 14</a>
% of farms in our Thrive Supply Chain <sup>2</sup> monitored for child labour	100	100	<a href="#">Page 12</a>
Attendances at human rights training delivered by BAT Group's own Leaf Operations and third-party suppliers	417,628	418,584	<a href="#">Page 16</a>

**Notes:**

1. We restated prior year performance following a data cleansing process, which included the removal of suppliers with whom we no longer have commercial relationships with.  
 2. See page nine for the definition of 'Thrive Supply Chain'.

# Approval by BAT Group Subsidiaries

This statement has been approved by the Board of Directors, and signed-off by a designated director, of each relevant BAT Group subsidiary company.

## Approval by BAT Group Subsidiaries

Company	Date of Board Approval	Designated Director
BATLaw Limited	4 April 2025	David Booth
British American Shared Services (GSD) Limited	7 April 2025	Jean-Pierre Cussac
British American Tobacco (GLP) Limited	4 April 2025	Marcos Salvadego
British American Tobacco (Investments) Limited	8 April 2025	Zafar Khan
British American Tobacco Exports Limited	7 April 2025	Luciano Kirst
B.A.T Services Limited	4 April 2025	David Booth
British American Tobacco Taiwan Logistics Limited	4 April 2025	David Booth
British American Tobacco UK Limited	14 April 2025	Denisa Ghergu
British-American Tobacco (Holdings) Limited	8 April 2025	Zafar Khan
Dunhill Tobacco of London Limited	4 April 2025	David Booth
Nicoventures Retail (UK) Limited	14 April 2025	Denisa Ghergu
Nicoventures Trading Limited	14 April 2025	Dr James Murphy

# Further Information

## About this statement

This is our ninth statement in accordance with the UK Modern Slavery Act 2015.

It sets out the steps taken by British American Tobacco (BAT) p.l.c. and Group companies, during the year ending 31 December 2024, to prevent modern slavery and human trafficking in our business and supply chain.

References in this statement to 'British American Tobacco', 'BAT', 'we', 'us' and 'our' refer to British American Tobacco Group operating companies, collectively or individually as the case may be.

The material in this statement is not provided for product advertising, promotional or marketing purposes. This material does not constitute and should not be construed as constituting an offer to sell, or a solicitation of an offer to buy, any of our products. Our products are sold only in compliance with the laws of the particular jurisdictions in which they are sold.

## Forward-looking statements

This statement contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the US Private Securities Litigation Reform Act of 1995. 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, among 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 Company operates.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this report 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. 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; the inability to develop, commercialise and deliver the Group's New Categories strategy; the impact of supply chain disruptions; adverse litigation and dispute outcomes and the effect of such outcomes on the Group's financial condition; the impact of significant increases or structural changes in tobacco, nicotine and New Categories-related taxes; changes or

differences in domestic or international economic or political conditions; the impact of serious injury, illness or death in the workplace; adverse decisions by domestic or international regulatory bodies; changes in the market position, businesses, financial condition, results of operations or prospects of the Group; direct and indirect adverse impacts associated with Climate Change and the move towards a Circular Economy; and Cyber Security risks caused by the heightened cyber-threat landscape and increased digital interaction with consumers, and changes to regulation.

The forward-looking statements reflect knowledge and information available at the date of preparation of these materials, and the Group 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. Additional information concerning these and other factors can be found in BAT's filings with the US Securities and Exchange Commission (SEC), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC's website, <http://www.sec.gov>

Definitions relevant to this report

The following definitions provide more information on the terms used throughout this report.

**Child Labour:** The definition of child labour used to identify child labour incidents in this report is aligned to the International Labour Organization's definition of child labour.

**Tier 1 Suppliers:** Directly contracted suppliers of final products or product materials.

**Lower-Tier Suppliers:** Suppliers, with whom we have a commercial relationship, who supply materials or products to our Tier 1 Suppliers.

**The Sustainable Tobacco Programme (STP):** An industry-wide initiative developed in collaboration with other manufacturers to bring together best practice from across the industry and drive continuous improvement. It is also aligned to important external standards, such as those of the International Labour Organization, and includes strengthened processes and more frequent on-site reviews, and acts as a due diligence platform set up to evolve and support the sector to continuously improve its impacts towards sustainable supply chains. All of our leaf suppliers are expected to participate in the STP, which requires an annual self-assessment against priority themes, including human rights.

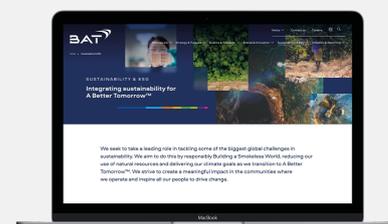
**Thrive Supply Chain:** Includes our directly contracted farmers and those of our third-party suppliers who participate in our

Thrive programme, representing over 93% of the tobacco we purchased by volume in 2024.

**Prompt Action:** A prompt action refers to an issue that's been identified by a Field Technician which is deemed to require an immediate response due to its nature.

## Our suite of corporate publications

This report forms part of our wider suite of corporate publications, including:



+ For downloads and access to our entire reporting suite, for this and prior years, visit [www.bat.com/reporting](http://www.bat.com/reporting)

+ Our '2024 Combined Annual and Sustainability Report' contains full details on our Sustainability and ESG reporting, performance and highlights for the year.

+ See our '2024 Reporting Criteria', for more detail on all key definitions and terms used in this report, and our wider Sustainability and ESG performance for the year.

**Explore the story of our year.**

Go online and find downloadable versions of this report, along with our performance summary and other content – all accessible on desktop, tablet and mobile:

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

 [youtube.com/welcometobat](https://youtube.com/welcometobat)

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