

350 Fifth Avenue, 34th Floor
New York, NY 10118-3299
Tel: +1-212-290-4700
Fax: +1-212-736-1300; 917-591-3452

Kenneth Roth, *Executive Director*

DEPUTY EXECUTIVE DIRECTORS

Michele Alexander, *Development and Global Initiatives*
Nicholas Dawes, *Media*
Iain Levine, *Program*
Chuck Lustig, *Operations*
Bruno Stagno Ugarte, *Advocacy*

Emma Daly, *Communications Director*
Dinah PoKempner, *General Counsel*
James Ross, *Legal and Policy Director*

DIVISION AND PROGRAM DIRECTORS

Brad Adams, *Asia*
Daniel Bekale, *Africa*
Maria McFarland Sánchez-Moreno, *United States*
Allison Parker, *United States*
José Miguel Vivanco, *Americas*
Sarah Leah Whitson, *Middle East and North Africa*
Hugh Williamson, *Europe and Central Asia*

Shantha Rau Barriga, *Disability Rights*
Peter Bouckaert, *Emergencies*
Zama Neff, *Children's Rights*
Richard Dicker, *International Justice*
Bill Frelick, *Refugees' Rights*
Arvind Ganesan, *Business and Human Rights*
Liesl Gemholtz, *Women's Rights*
Steve Goose, *Arms*
Diederik Lohman, *acting, Health and Human Rights*
Marcos Orellana, *Environment and Human Rights*
Graeme Reid, *Lesbian, Gay, Bisexual, and Transgender Rights*

ADVOCACY DIRECTORS

Maria Laura Canineu, *Brazil*
Louis Charbonneau, *United Nations, New York*
Kanae Doi, *Japan*
John Fisher, *United Nations, Geneva*
Meenakshi Ganguly, *South Asia*
Bénédicte Jeannerod, *France*
Lotte Leicht, *European Union*
Sarah Margon, *Washington, DC*
David Mepham, *United Kingdom*
Wenzel Michaelid, *Germany*
Elaine Pearson, *Australia*

BOARD OF DIRECTORS

Hassan Elmasry, *Co-Chair*
Robert Kissane, *Co-Chair*
Michael Fisch, *Vice-Chair*
Oki Matsumoto, *Vice-Chair*
Amy Rao, *Vice-Chair*
Amy Towers, *Vice-Chair*
Catherine Zennström, *Vice-Chair*
Michael Fisch, *Treasurer*
Bruce Rabb, *Secretary*
Karen Herskovitz Ackman
Akwasi Aidoo
Jorge Castañeda
Michael E. Gellert
Leslie Gilbert-Lurie
Paul Gray
Betsy Karel
David Lakhdhir
Kimberly Marteau Emerson
Alicia Miliana
Joan R. Platt
Neil Rimer
Shelley Frost Rubin
Ambassador Robin Sanders
Jean-Louis Servan-Schreiber
Sidney Shelnberg
Bruce Simpson
Joseph Skrzynski
Donna Slaight
Siri Stolt-Nielsen
Darlan W. Swig
Makoto Takano
Marie Warburg

August 16, 2017

Nicandro Durante
Chief Executive
British American Tobacco p.l.c.
Globe House
4 Temple Place
London WC2R 2PG
United Kingdom

Re: Human Rights Watch research on tobacco farms in Zimbabwe

Dear Mr. Durante,

We are grateful for the sustained dialogue we have had with British American Tobacco (BAT) regarding child labor and other labor concerns in tobacco farming in several countries. We are writing to share preliminary findings from research that Human Rights Watch has carried out regarding human rights abuses on tobacco farms in Zimbabwe.

We would welcome your response to the questions below, including information concerning the Sustainable Tobacco Programme (STP) requirements and monitoring. We would be grateful for a response by September 18, 2017.

Human Rights Watch conducted research between December 2016 and April 2017 in five provinces in Zimbabwe: Harare, Mashonaland West, Mashonaland Central, Mashonaland East, and Manicaland.

We interviewed more than 60 small-scale tobacco farmers, including some who said they produced tobacco leaf independently and sold it on auction floors, and some who produced and sold tobacco leaf through contracts with international leaf suppliers or other tobacco companies. Families reported children working on these farms.

We also interviewed more than 60 hired workers on tobacco farms of various sizes, including some child workers, and some young adults who started working on tobacco farms as children. Some of the child workers we interviewed also worked on small farms operated by members of their families, in addition to their work as hired laborers.

We documented hazardous child labor, as well as serious health and safety risks, labor rights abuses, failure to provide copies of contracts to contracted farmers, and other human rights problems.



HRW.org

Preliminary Findings

Hazardous Child Labor

Many interviewees stated that children perform hazardous work on tobacco farms in Zimbabwe.

More than half of the small-scale farmers we interviewed in Zimbabwe said that children under 18 worked on their tobacco farms. This most frequently included their own children or extended family members. A few small-scale farmers said that they hired children from outside of their families to work on their farms.

Some said that their own children working on their farms performed only a few tasks on tobacco farms, while others said that children worked throughout the growing season and performed tasks including planting, weeding, topping, reaping, carrying harvested tobacco leaves, sorting leaves, passing leaves to adults for tying, tying (i.e. stringing), hanging tobacco in barns, grading, closing bales.

Human Rights Watch also interviewed more than a dozen children who worked for hire on tobacco farms of various sizes, as well as several young adults who started working in tobacco farming as children. Children working for hire often performed a range of tasks involved in tobacco cultivation.

All of the child workers reported that they had experienced at least one symptom consistent with acute nicotine poisoning, including nausea, vomiting, loss of appetite, headaches, or dizziness while handling tobacco.

Some child workers also mixed or applied pesticides to tobacco plants, or described working in fields while someone else applied pesticides nearby. Many of these children experienced immediate illness after working near the chemicals.

About half of the adult hired workers interviewed said children under 18 worked with them, either also as hired workers, or informally assisting their parents, who were hired workers. Children who informally assisted their parents did not receive employment contracts or wages.

Other workers stated that children did not work with them on the farms, either because they understood or believed that the law or their employers prohibited it.

Impacts on Education

Many interviewees described how children's work in tobacco farming interfered with their education. Nearly all interviewees, both adults and children, told Human Rights Watch that school fees posed a barrier to children's education, and that they struggled to pay school fees consistently.

Some children and small-scale farmers said children sometimes skipped school to work for hire on tobacco farms to raise money for their school fees or to help their own families with tobacco farming tasks.

Teachers in tobacco growing regions told Human Rights Watch that their students often missed classes during the tobacco growing season, particularly during the harvest, making it difficult for them to keep up with their school work.

Wage and Hour Abuses on Large Farms

Many of the hired workers interviewed by Human Rights Watch, including some children, said employers pressured them to work past the working hours specified in their contracts without additional compensation. Some workers said they feared reprisals for refusing to work overtime, citing examples of fellow employees who had been dismissed from work for several days, or permanently, after declining to work overtime.

Many workers reported that employers paid them with delays, from a few days up to weeks or months. On some farms, when employers delayed wage payments, they offered employees to buy basic foodstuffs and household goods in shops they owned at inflated prices. The money spent in these shops was then deducted from their wages.

Some workers said they were paid less than they were owed or promised, without explanation.

Most workers said their employers permitted them to take one or two breaks during the workday, but some said employers pressured them to work without breaks during busy times of the growing season.

Some workers said their employers or supervisors shouted at them or threatened to dismiss them for not working quickly enough or completing tasks effectively, or for missing days of work due to sickness or other factors.

Health and Safety

Small-scale farmers and hired farmworkers faced serious health and safety hazards while working in tobacco farming.

Pesticide Exposure

Nearly all small-scale farmers, and many hired farmworkers, including some children, said they handled toxic chemicals while working on tobacco farms. Many interviewees handled chemicals without any protective equipment, or with improper or incomplete protection. Some interviewees described practices or behaviors that likely exposed their children, family members, or other members of their community to dangerous pesticide residues – such as improper disposal of empty pesticide containers or returning home wearing clothing contaminated with pesticide residues and continuing to wear them at home before washing them. Some interviewees also described working in fields while another person applied pesticides nearby.

Many interviewees reported illness after coming into contact with toxic chemicals, including nausea, vomiting, loss of appetite, stomach pain, headaches, dizziness, skin irritation, chest pain, blurred vision, eye irritation, respiratory irritation, and other symptoms.

Nicotine Exposure

All interviewees, including adults and children, regularly handled tobacco without protective equipment. Most farmers and farmworkers we interviewed had experienced at least one symptom consistent with acute nicotine poisoning, also known as Green Tobacco Sickness (GTS) including nausea, vomiting, loss of appetite, headaches, and dizziness. Interviewees reported these symptoms while harvesting tobacco, performing tasks involved in the curing process, and sorting dried tobacco leaves.

Training and Information

Human Rights Watch found very low awareness among small-scale farmers or hired farmworkers about the risks of nicotine exposure and GTS. Very few interviewees had ever heard that nicotine in tobacco leaves can cause illness, even though the majority of interviewees had experienced symptoms consistent with nicotine poisoning.

Some interviewees had received information or training about pesticide safety, but very few interviewees had been given comprehensive information about how to protect themselves, their families, and other workers from the risks of pesticide exposure.

Farm Monitoring and Inspection

Nearly all small-scale farmers who were producing and selling tobacco under contracts with tobacco companies reported that company representatives regularly visited their farms to share information and advice. Some farmers reported that the company representatives shared information about health and safety; others said that company representatives largely, or exclusively, shared information related to successful tobacco cultivation.

The small-scale farmers who produced tobacco independently and sold it on the auction floors said they had no contact with the individuals or companies that purchased their tobacco until the day of sale.

Some small-scale farmers said a government agronomist or extension worker had visited their farm to share information.

Some farmers said that company representatives or government workers had told them children under 18 were prohibited from working in tobacco farming. Others had never received information about child labor or the minimum age for children to work in tobacco farming. Most farmers, even those who were aware of a rule regarding children's participation in tobacco farming, said they were not aware of any penalties associated with child labor violations.

Some hired farmworkers interviewed by Human Rights Watch said company representatives visited the farms where they worked. Most workers said the company representatives spoke only with farm management, and did not speak to workers.

Problems with Contracts

Among the small-scale contract farmers we interviewed, very few reported receiving copies of the contracts they signed. Many farmers said there were provisions of the contract that they did not understand or that were not explained to them. Some farmers said they felt rushed during the

contract-signing process and did not have sufficient time to understand fully their contractual requirements.

Request for Information

We plan to publish a report on human rights violations on tobacco farms in Zimbabwe this year. We are committed to accuracy in our reporting, and hope to reflect relevant information about BAT's purchasing of tobacco in Zimbabwe and BAT's implementation of human rights due diligence. We are interested to learn more about BAT's purchasing of tobacco in Zimbabwe. We would also welcome more information regarding the current implementation of the STP program. In particular, we would be grateful for responses to the following questions:

Tobacco Leaf Purchasing

1. Does BAT purchase tobacco from Zimbabwe, either directly or through affiliates or suppliers? If so, we would be grateful to receive brief data on BAT's total tobacco purchases in each province of Zimbabwe in 2015, 2016, and 2017.
2. How does the volume of BAT's tobacco purchasing in Zimbabwe compare to the volume of tobacco purchased from other countries?
3. What is BAT's market share in Zimbabwe?
4. Does BAT or any of its affiliates or suppliers contract directly with tobacco farmers or groups of farmers in Zimbabwe?
 - a. If so, how many farmers were contracted with BAT, its affiliates or suppliers in 2015, 2016, and 2017, and in which provinces?
 - b. What proportion of the total tobacco purchased by BAT in 2015, 2016, and 2017 was purchased from growers contracted with BAT affiliates or suppliers?
 - c. Could BAT share a copy of a sample contract used by affiliates or suppliers?
5. What proportion of the total tobacco purchased BAT in 2015, 2016, and 2017 was purchased at auction through affiliates or suppliers?

Child Labor and Labor Rights

6. We are aware that BAT previously used the Social Responsibility in Tobacco Production (SRTP) program to specify requirements for child labor and labor rights. We understand that in 2016 BAT replaced the SRTP and now "conduct[s] due diligence on our tobacco leaf supply chain through the Sustainable Tobacco Programme (STP), which assesses and monitors suppliers' performance in meeting industry-wide standards."
 - a. We would welcome detailed information about the key changes under the STP program concerning child labor, including: the definition of hazardous work, the minimum age for work; requirements for handling and storage of pesticides, as well as other human rights and labor rights concerns.
 - b. We would also welcome information about the current requirements under the STP for working hours, wages, and overtime; provision of contracts to workers and growers; information on and protection from nicotine poisoning or Green Tobacco Sickness; and provision of personal protective equipment (PPE) to growers and workers.
 - c. We would also welcome detailed information about the current implementation of this program globally.
 - d. How has BAT's human rights due diligence changed with the revisions to the STP program?

7. We would also welcome more information regarding the implementation of the STP program in Zimbabwe specifically:
- What are the specific results of SRTP/STP suppliers' self-assessments in 2015, 2016, and 2017 with respect to child labor and labor rights?
 - When was the last independent on-site SRTP/STP review (AB Sustain audit) for Zimbabwe, and what were its results? When will the next STP review take place?
 - Aside from any AB Sustain audits in Zimbabwe, has BAT taken any other measures to monitor implementation of STP requirements in Zimbabwe?
 - Through the SRTP/STP program or by other means has BAT identified or received any reports of child labor on tobacco farms supplying tobacco to BAT in Zimbabwe in 2015, 2016, or 2017? If so, what actions has BAT taken?
 - What actions does BAT take, through the STP program or by other means, to verify that the sellers on auction floors meet the requirements under the company's human rights policies?
8. We understand from our 2016 correspondence that BAT disclosed the scores of SRTP self-assessments, but did not disclose any further detail on the content of self-assessments and also did not publish the results of AB Sustain's independent audits, and had "no current plans to extend this reporting." Have there been any changes to BAT's policy regarding public reporting on supply chain monitoring? What steps will BAT take to publicize in comprehensive and verifiable forms the findings of the STP reviews of Zimbabwe and other countries, as well as other information regarding BAT's human rights due diligence procedures, in order to ensure transparency, an essential component of meaningful human rights due diligence, as specified under the UN Guiding Principles on Business and Human Rights?

We would welcome any additional information BAT would like to provide to Human Rights Watch regarding its policies and practices toward eliminating child labor and ensuring other labor rights protections in tobacco farming in Zimbabwe. We would welcome a written response to this letter by September 18, 2017.

In addition, we would welcome the opportunity to meet again with representatives of BAT to discuss our research findings and recommendations. Please contact Jane Buchanan at buchanj@hrw.org or +1 212-216-1857 with your response to these requests.

Sincerely,



Jane Buchanan
Associate Director
Children's Rights Division



Dewa Mavhinga
Southern Africa Director
Africa Division

Cc: Jennie Galbraith, Head of Sustainability & Reputation Management, British American Tobacco
Simon Cleverly, Group Head of Corporate Affairs, British American Tobacco
Ben Guest, Project Manager, British American Tobacco

14 September 2017

Ms Jane Buchanan and Mr Dewa Mavhinga
Children's Rights Division
Human Rights Watch
350 Fifth Avenue
34th floor
New York
NY 10118-3299
USA

Dear Ms Buchanan and Mr Mavhinga,

Thank you for your letter dated 16 August 2017, addressed to our Chief Executive regarding issues pertaining to human rights abuses in Zimbabwe. I am responding in my capacity as Head of Sustainability for British American Tobacco (BAT).

I note with concern the preliminary findings from your research into labour practices in tobacco farming in Zimbabwe.

As we have previously communicated to Human Rights Watch (HRW), any alleged incidences of child labour or any other labour rights abuses are clearly concerning. We understand there may be issues around confidentiality but if you are able to identify any specific farms that are likely to supply BAT and where alleged incidences have taken place we will immediately investigate and where needed, take remedial action.

In the interim, I can provide you with the detail you requested on our leaf supply chain in Zimbabwe as well as on our approach to child labour and labour rights via the industry-wide Sustainable Tobacco Programme (STP) and detail of BAT-specific initiatives.

BAT leaf purchases in Zimbabwe

In 2017, BAT purchased more than 27m kgs of tobacco from Zimbabwe; principally from Northern Tobacco with smaller volume coming from the two global leaf dealers Universal Leaf Tobacco & Alliance One.

Table 1: Volume Leaf Purchased (kgs)

Vendor Name	2015	2016	2017
Northern Tobacco (Private) Limited	23,692,800	23,405,580	21,742,760
Alliance One			1,156,800
Universal Leaf Tobacco		2,559,120	4,276,440

100% of the leaf purchased by BAT is sourced from directly contracted farmers and none is purchased at auction. In 2017 this represented 6% of all leaf purchased by the BAT Group. I am unable to disclose our market share in Zimbabwe for commercial reasons.

Table 2 (below) outlines the information Northern Tobacco has provided on the number of farmers with whom they contract directly, broken down by region. As the contracting relationship lies solely between Northern Tobacco and the Farmers I would ask that you revert to Northern Tobacco to obtain copies of the contracts.

Table 2: Number of farmers

	2015	2016	2017
Harare	1	2	3
Mash West	1113	765	805
Mash Central	317	97	116
Mash East	387	128	191

Sustainable Tobacco Programme - a global approach

Recognising the inherent challenges presented by child labour within an agricultural supply chain, BAT has had a Social Responsibility in Tobacco Production (SRTP) programme in place since 2000. Over time this was shared and utilized by most of the tobacco industry. In the interests of continual improvement and in recognition of evolving standards and expectations, AB Sustain facilitated a pan-industry committee – of which were an active participant –to revise the SRTP methodology scope, content and measurement. As a result of the work of this committee, a revised and updated industry-wide version of SRTP, known as Sustainable Tobacco Production (STP), was introduced during 2016.

The focus of STP has evolved to be more evidence and risk based with a revised scoring methodology; improved governance requirements; enhanced guidance and tools; and identification of prompt action issues. The on-site review process has also shortened to a three-year cycle. It also requires that the Suppliers consider their entire farmer base when looking at monitoring rather than just a sample and requests data to support the scores provided in the self-assessment (whereas SRTP allowed for sampling methodology to be used).

The most significant changes in STP compared to SRTP are in the sections relating to Labour Rights and Child Labour prevention practices and all the new content continues to reflect the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and other relevant ILO conventions. Numerous other (non-labour related) sections have also been updated, including CPA record keeping and disposal. The STP Agronomy Guide now operates under 35 guiding principles, and the areas you mention are generally covered in the People Pillar, which encompasses

- Child labour
- Forced labour
- Safe working environment
- Fair treatment
- Freedom of association
- Income, work hours and benefits
- Compliance

The precise requirements of STP for the areas you outline in your letter are lengthy so I have included them in an appendix to this letter. We would be happy to talk through them in detail when we meet in person.

STP application and monitoring in the Zimbabwean leaf supply chain

Northern Tobacco last underwent an on-site review by AB Sustain under the SRTP programme in 2015, achieving an overall Agronomy score of 51% and a score of 50% in the People Pillar under which child labour and other labour issues are reviewed. Many of the findings were around the need to improve documentation and data for the Agronomy and Social Development Sections. As with all on-site and self-assessments, an action plan was generated and the company responded to the findings.

In 2016 Northern Tobacco completed the annual self-assessment for the new STP, achieving an overall Agronomy score of 62%, with a score of 89% for the People Pillar. The current Zimbabwe Action Plan from the 2016 self-assessment includes areas of procedural change including a recommendation to undertake further unannounced audits; farmer training, monitoring and spot-checks.

The 2017 STP Northern Tobacco self-assessment is currently underway.

Northern Tobacco are scheduled for an on-site AB Sustain review in April 2018. However, given the seriousness of the outcomes of your research we are examining whether a separate assessment is necessary.

We have not received any reports from Northern Tobacco or otherwise, of child labour on tobacco farms supplying BAT in Zimbabwe.

The self-assessment and onsite audit review process for STP is the overall industry wide monitoring framework for tobacco growing practices, however all leaf suppliers also conduct ongoing due-diligence and other activities to ensure the principles and standards of STP are embedded across their operations. Northern Tobacco is no exception to this and we understand they conduct a number of activities including but not limited to:

- Distribution of a Best Practices and Agricultural Labour Practices booklet to all commercial growers. The booklet reflects all the criteria of the STP and all relevant local legal requirements;
- Training the Northern Tobacco Agronomists and Field Technicians on the requirements of STP, who in turn train contracted farmers. Additional training on Health and Safety and Wealth management has been developed and is scheduled for delivery by the end of 2017;
- Ongoing monitoring of farming practices throughout the growing season via documented questionnaires; and
- Records management procedures that farmers are required to complete regarding chemical and fertilizer application and personal protective equipment issue.

Disclosure of STP results.

We do not currently disclose any further detail than the scores we publish as part of our annual sustainability report and on bat.com and have no current plans to extend this reporting. Many of our suppliers are independent businesses and to publicly disclose scores associated with their performance, either positive or negative, is not appropriate, particularly as public disclosure of company-specific scores is not part of the agreement under which we operate the STP programme.

We operate on the principle of continuous improvement and believe that our current approach – one of working in close partnership with suppliers and farmers to ensure the highest social, environmental and agronomy standards - is one that delivers the best results for all parties involved.

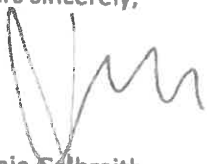
Whilst we are unable to disclose further breakdown in scores without the full agreement of the rest of the industry that participate in the programme, increased transparency around STP outcomes is something we will encourage as part of our participation in the industry working group.

We appreciate that transparency around our approach to sustainable agriculture and more specifically, around the work we do to mitigate the inherent human rights risks inherent in any agricultural supply chain, is key to reassuring our stakeholders that we operate to internationally recognised standards. We are currently drafting a report, scheduled to be published in November 2017, that will further outline our approach to sustainable agriculture including:

- Details of a revised operational standard around our approach to preventing child labour in the tobacco supply chain;
- Details on our Sustainable Agriculture & Farmer Livelihoods (SAFL) programme including top-line data from our initial baseline assessments; and
- Our plans for enhanced and increased farm monitoring and the inclusion of real time data to support spot-checks and ongoing monitoring of human rights issues.

I hope the above information responds adequately to the questions posed in your letter. We would be more than happy to meet with you in person to discuss further the STP methodology and the findings of your research.

Yours sincerely,



Jennie Galbraith
Head of Sustainability

350 Fifth Avenue, 34th Floor
New York, NY 10118-3299, USA
Tel: +1-212-290-4700
Fax: +1-212-736-1300; +1-917-591-3452

CHILDREN'S RIGHTS DIVISION

Zama Neff, *Executive Director*
Jo Becker, *Advocacy Director*
Bede Sheppard, *Deputy Director*
Jane Buchanan, *Associate Director*
Juliane Kippenberg, *Associate Director*
Michael Bochenek, *Senior Counsel*
Elizabeth Calvin, *Senior Advocate*
Bill Van Esveld, *Senior Researcher*
Elin Martinez, *Researcher*
Margaret Wurth, *Researcher*
Helen Griffiths, *Coordinator*
Susan Raqib, *Senior Associate*

Leslie Estrada, *Associate*

Lols Whitman,
Senior Advisor, *Founder, Director (1994-2012)*

ADVISORY COMMITTEE

Robert G. Schwartz, *Chair*
Bernardine Dohm, *Vice-Chair*
Goldie Alfasi-Siffert
Ishmael Beah
Mark Allen Belsey
Rachel Brett
Pam Bruns
Dana Burde
Gilles Concorde
Marie Concorde
Joanne Csete
Loubna Freih
Judy Gaynor
Michael Gibbons
Leslie Gilbert-Lurie
Alice H. Henkin
Janet Kagan
Rhoda Karpatkin
Miriam Lyons
Sarah Martin
Wendy Smith Meyer
Joy Moser
Elena Nightingale
Bruce Rabb
Dalia Said
Dina Said Dwyer
Elizabeth Scott
Javier Stauring
Anne Studzinski
Ramona Sunderwirth
Tony Tate
Veronica Yates

Roland Algramt, *Vice-Chair (1998-2008)*

HUMAN RIGHTS WATCH

Kenneth Roth, *Executive Director*

DEPUTY EXECUTIVE DIRECTORS

Michele Alexander, *Development and Global Initiatives*
Nicholas Dawes, *Media*
Iain Levine, *Program*
Chuck Lustig, *Operations*
Bruno Stagno Ugarte, *Advocacy*

Emma Daly, *Communications Director*
Dinah PoKempner, *General Counsel*
James Ross, *Legal and Policy Director*

December 8, 2017

Nicandro Durante
Chief Executive
British American Tobacco p.l.c.
Globe House
4 Temple Place
London WC2R 2PG
United Kingdom



HRW.org

Re: Human Rights Watch research on tobacco farms in Zimbabwe

Dear Mr. Durante,

We are writing to follow up on our communications with you regarding Human Rights Watch's research on child labor and human rights abuses on tobacco farms in Zimbabwe. Thank you for your letter of September 14, 2017. We appreciate the constructive dialogue with British American Tobacco (BAT) and the opportunity to learn more about your policies and practices with respect to human rights due diligence.

We are writing now to update you on our next steps and share with you some initial recommendations that will be included in our report.

Over the last few months, we have written to 15 tobacco companies regarding human rights due diligence policies and practices in the tobacco industry in Zimbabwe. We have received responses from 13 companies. We have had constructive discussions with some company executives about their approaches to human rights in the supply chain. We also wrote to several government offices.

Human Rights Watch has been following the political situation in Zimbabwe in recent weeks. Due to the change in administration, we plan to publish our report in the first half of 2018, rather than publishing the report this year.

With the change in timeframe for our report, we wanted to give BAT the opportunity to share with us any updated information regarding its operations in Zimbabwe, or any updates regarding the company's policies and practices for addressing child labor and other human rights risks in the supply chain. To be reflected in our report, we would need to receive information on any actions taken or planned by January 5, 2018.

Below we share some preliminary recommendations to companies purchasing tobacco from Zimbabwe. We hope BAT will carefully consider these recommendations.

AMSTERDAM • BEIRUT • BERLIN • BRUSSELS • CHICAGO • GENEVA • GOMA • JOHANNESBURG • KIEV • KINSHASA • LONDON • LOS ANGELES • MOSCOW • NAIROBI
• NEW YORK • PARIS • SAN FRANCISCO • SÃO PAULO • SILICON VALLEY • STOCKHOLM • SYDNEY • TOKYO • TORONTO • WASHINGTON • ZÜRICH

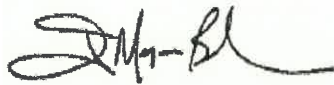
Preliminary Recommendations To All Companies Purchasing Tobacco from Zimbabwe

- Adopt or revise a global human rights policy prohibiting the use of child labor anywhere in the supply chain, if the company has not yet done so. The policy should specify that hazardous work for children under 18 is prohibited, including **any work in which children have direct contact with tobacco in any form**. The policy should also include specific provisions regarding labor rights and occupational safety and health, consistent with international standards.
- Conduct regular and rigorous monitoring, including regular field level monitoring, in the supply chain for child labor and other human rights risks, and engage entities with expertise in human rights and child labor to conduct regular third-party monitoring in the supply chain.
- Regularly publish detailed information about internal and external monitoring, including issues of non-compliance, remediation and results, in a form and frequency consistent with the guidelines on transparency and accountability in the United Nations Guiding Principles on Business and Human Rights.

We welcome any additional information you would like to share with us, in particular information on steps you are taking or planning to take within a defined time frame to address our recommendations above.

We appreciate our engagement with you on these issues, and look forward to discussing them with you further.

Sincerely,



Jane Buchanan
Associate Director
Children's Rights Division



Dewa Mavhinga
Southern Africa Director
Africa Division

Cc: Jennie Galbraith, Head of Sustainability & Reputation Management, British American Tobacco
Simon Cleverly, Group Head of Corporate Affairs, British American Tobacco
Ben Guest, Project Manager, British American Tobacco

**BRITISH AMERICAN
TOBACCO**

Globe House
4 Temple Place
London WC2R 2PG
United Kingdom

Tel +44 (0)20 7845 1000
Fax +44 (0)20 7240 0555
www.bat.com

18 December 2017

Ms Jane Buchanan and Mr Dewa Mavhinga
Children's Rights Division
Human Rights Watch
350 Fifth Avenue
34th floor
New York
NY 10118-3299
USA

Dear Ms Buchanan and Mr Mavhinga,

Thank you for your follow-up letter dated 8 December 2017, addressed to our Chief Executive regarding the next steps and initial recommendations from your human rights research on tobacco farms in Zimbabwe. I am responding in my capacity as Head of Sustainability for British American Tobacco (BAT).

As we have previously communicated to Human Rights Watch (HRW), any alleged incidences of child labour or any other labour rights abuses are of great concern to BAT. We appreciate the opportunity to provide updated information, given the change in timeframe for publication.

As you are aware, 100% of the leaf purchased by BAT in Zimbabwe is sourced from directly contracted farmers and none is purchased at auction. This is principally purchased from Northern Tobacco, whom we have ongoing liaison with on human rights and other issues. Further to the details within our previous letter, dated 14 September 2017, we can provide the following update:

Policies and Standards on Child Labour

In October 2017, BAT developed a new Operational Standard on Child Labour Prevention, with input from the Eliminating Child Labour in Tobacco Foundation (ECLT) and the ILO. It is applicable to all leaf suppliers globally. This complements our long-standing Child Labour Policy and other existing policies followed by our leaf operations and suppliers, such as the Supplier Code and Conduct and the Leaf Supplier Manual. This includes details of our standards, guidance and associated processes and will continue to be implemented in 2018. Please find this new Operational Standard enclosed as a CONFIDENTIAL document. We welcome any feedback that HRW may have on the standard?

In line with the ILO position on child labour, our child labour policy continues to prohibit anyone under 18 undertaking any work that is considered to be hazardous and we continue to support the ECLT-ILO PPP project that is underway to establish a definitive list of hazardous working as it related to tobacco growing. In the interim we continue to apply our own definition of hazardous labour as it relates to tobacco growing and that has been provided to you in previous correspondence.

Internal and External Monitoring

In our previous letter, we stated the Northern Tobacco will undergo an external on-site STP review by ABSustain in April 2018. Because of the political situation, this has now been postponed until November 2018. We have confidence in the ability of Northern Tobacco to effectively apply BAT policies and requirements and in our discussions with them, nothing has been brought to our attention that causes concern. However, we do recognise the serious nature of the allegations raised by Human Rights Watch and as a result, BAT has decided to undertake an interim review on human rights via unannounced farm visits by BAT to Zimbabwe Farmers, planned for early 2018.

In addition, the 2017 STP Northern Tobacco self-assessment scores are now available and show improvement, achieving a People Pillar Score of 94 (Vs 89 in 2016); and overall Agronomy score of 66 (Vs 62 in 2016). The incremental improvement in Northern Tobacco's self-assessment scores from 2016 to 2017 is due to improved training on human rights.

As you are aware, the self-assessment and on-site review process for STP is the overall industry wide monitoring framework, however, all leaf suppliers also conduct ongoing due-diligence and other activities to implement human rights standards across their organisation. We understand that Northern Tobacco will provide you with an update of the activities they have undertaken since our previous correspondence, which include, but are not limited to:

- Specific training (in the local language) on child labour and the issues raised by HRW. This was conducted in October and November 2017 to include all Field Technicians. This has also been cascaded to Growers.
- Updated training and monitoring records. The results are now collated monthly.
- Updated guidance documents on child labour
- Unannounced farm visits.

Publication of human rights related information

- In November 2017, BAT published its Sustainable Agriculture and Farmer Livelihood (SAFL) Focus Report. This details our overall approach and activities in areas such as human rights and child labour, including case studies of countries such as Bangladesh and Indonesia. This also includes our SAFL programme (updated as THRIVE), which is based on the 'Five Capitals' Framework, including human and social capitals which incorporate child labour and farmer monitoring. THRIVE covers nearly 80% of our leaf purchased. The 2017 data is currently being reviewed. We will use these results to inform a more holistic and collaborative approach to community projects and ways of working, to begin to address the complex root causes of such issues. http://bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DO9DCL3P
- May I also draw your attention to our Modern-Day Slavery Act Statement which will be updated on 13th March and contains details of how we manage forced and child labour and any incidents that have been identified as part of our Group-wide due-diligence. http://bat.com/group/sites/UK__9D9KCY.nsf/vwPagesWebLive/DOAK8P7C
- In addition, our 2018 Sustainability Report and our Sustainability Performance data will be also be published on 13th March 2018 and will include aggregated STP results.

- Otherwise, as previously stated we are continuing to work with the wider industry around increased transparency on STP outcomes as part of our participation in the industry working group. We understand that increased transparency is an important issue to our stakeholders and we will be actively encouraging the industry to improve its approach in this area.

As before, we understand there may be issues around confidentiality but if you are able to identify any specific farms that are likely to supply BAT and where alleged incidences have taken place we will immediately investigate and where needed, take remedial action.

I hope the above information helps to demonstrate how seriously we regard the topics raised by your research and helps to illustrate our continued activities in this area. We would be more than happy to meet with you in person to discuss this further.

Yours sincerely,



 Jennie Galbraith
Head of Sustainability

