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## **An Open Letter from Jack Bowles on BAT's Response to the COVID-19 Pandemic**

At BAT we have a clear purpose to create *A Better Tomorrow* for our consumers, society, our employees and our shareholders.

This purpose-led approach to business applies equally in times of uncertainty as well as prosperity.

We are committed to supporting all our stakeholders throughout the COVID-19 pandemic, whether that be our workforce, customers, partners or suppliers. For this reason, our response to the coronavirus outbreak, falls into four areas of focus:

1. Supporting employee wellbeing
2. Keeping the company running in a time of crisis
3. Direct support to fight the COVID -19 pandemic
4. Supporting suppliers and local communities

### **Supporting Employee Wellbeing**

We have long said our employees are our greatest asset and during the pandemic this is proving to be truer than ever. However, I don't underestimate the impact of living and working in such unprecedented times.

We care deeply about the wellbeing of our employees worldwide and I am pleased to be able to announce that we have not had to make any employee redundant, nor furlough any staff, due to the COVID-19 crisis.

My leadership team and I are doing all that we can to make sure that employees working from home feel connected. More importantly, we are working to ensure that the health, safety and wellbeing of employees who are unable to work from home, and those in countries where lockdown restrictions are not in place, are protected in their workplace.

For all employees, we are making sure they are aware of the extensive wellbeing support available to them, including:

- On-line medical consultations
- Counselling services and
- Mental health support while working from home.

### **Keeping the Company Running in a Time of Crisis**

Keeping our global operations up and running is a priority for all of us. We have a series of Crisis Management Teams (CMT) at global, regional and market level to ensure we are responding to the unfolding crisis in an effective and agile way.

Our global reach, agile supply chain and talented and dedicated employees mean we are well placed to manage the impacts of this crisis on our business.

More recently, our CMTs have been turning their attention to what it will mean to emerge from lockdown situations and sensibly, carefully and thoughtfully begin the return to a more normalised working environment.

### **Direct Support to Fight the COVID-19 Pandemic**

We have a strong business, built on strong capabilities including science, engineering and logistics. These capabilities will be key in the fight against COVID-19 and we are deploying our resources to do exactly that.

Our US bio-tech subsidiary, Kentucky BioProcessing (KBP), is developing a potential vaccine for COVID-19 and is now in pre-clinical testing. If testing goes well, we are hopeful that, with the right partners and support from government agencies, between 1 and 3 million doses of the vaccine could be manufactured per week, beginning in June.

Our work to develop a vaccine, based on tobacco plant technology, has several advantages over conventional vaccine production technology including being safer and faster to produce as well being able to be stored at room temperature.

We are doing this because we believe we have the capability to make a difference and it is our intention is that this work-related to the COVID-19 vaccine will be carried out on a not-for-profit basis.

As a global business we're also contributing in many other ways:

- Loaning the UK government equipment from our R&D laboratory for use in COVID-19 testing centres
- Utilising our 3D printers to make components that will be used in protective face shields
- Donating funds to one of our suppliers to secure the manufacture of 25,000 more
- In several international markets, such as Brazil and Kenya, we're using our distribution networks to ensure that medical and hygiene equipment reaches vulnerable communities
- In Bangladesh, our factory is making a first batch of 60,000 bottles of hand sanitiser

These global efforts are complemented by donations to emergency and disaster funds, supporting governments as they fight the pandemic on a national scale.

### **Supporting Suppliers and Local Communities**

Our responsibility as a good corporate citizen goes beyond our shareholders and employees. Our response to COVID-19 has been developed to incorporate the needs of wider stakeholder groups, including our smaller suppliers and those living in tobacco growing communities.

I know that some tobacco growing communities may be particularly vulnerable to both the virus and the economic implications of a global pandemic. We are taking great care that we don't increase the immediate vulnerability of these communities and are committed to supporting

them during the inevitable economic recovery that will follow.

For instance, at this time of year in Bangladesh, we buy the tobacco crop direct from farmers, so we're making sure that appropriate hygiene and distancing measures are in place at buying stations so that we can do this safely.

We're also supporting wider community efforts, such as in Kenya, where we are supporting farming communities with access to water and handwashing facilities.

In Croatia, we are donating funds to the Red Cross to provide food parcels to communities in tobacco growing areas.

Our suppliers and many other business partners have been important in our success and we want to make sure that we support them through this time. We have pledged to support our smaller suppliers across the globe who may be struggling with cashflow issues by ensuring that, where needed, they are paid earlier than existing payment terms require or by extending payment terms to those customers who have expressed concerns.

Our response to the global COVID-19 pandemic is rapidly evolving and I expect the actions we take to develop over time as the needs of our people, our customers and society as a whole change.

We will continue to update on our progress on [bat.com](http://bat.com).

By working together as a global community, looking out for each other and pooling resources and knowledge, we can successfully overcome the COVID-19 crisis. To demonstrate this commitment to collaboration we have signed up to the C-19 Business Pledge and have also joined Business in the Community's National Business Response Network to further our efforts.

We remain open to other partnerships and collaborations which can help in the fight against COVID-19 and I ask that interested parties get in touch at [COVID19CommsUpdate@bat.com](mailto:COVID19CommsUpdate@bat.com)



**Jack Bowles**  
Chief Executive