

STAKEHOLDER INTERESTS AND INTERACTIONS

We have identified our stakeholders as those with whom we have a financial relationship or who are either directly affected by, or have a direct interest in, our business operations. We primarily use stakeholder feedback to help us understand key priorities and how we can do things better.

RESPONSIBLE WITH PRODUCTS			
Key stakeholder	How we engage and seek to understand	Main mutual interests	Our response and investments
Consumers	<ul style="list-style-type: none"> Academic and medical expert reviews of tobacco science and next generation products Engagement with authorities Customer and consumer feedback Consumer research In-market engagement and research Stakeholder Panel 	<ul style="list-style-type: none"> Provision of products Tobacco and health Product quality Legislative control impacting consumer freedoms Littering Product development Product content regulation 	<ul style="list-style-type: none"> Science and Submissions activities with expert toxicologists Risk Assessment Panel Product development and innovation ISO 9001 quality management systems Standardised Product Quality Rating System Consumer complaints and product recall procedures Ingredients disclosure Publication of corporate positions Support of litter campaigns Regulatory engagement on legislative control
Customers	<ul style="list-style-type: none"> Customer dialogue Key account management Market research Customer surveys Regulatory engagement Submissions to consultations Trade and industry associations Stakeholder Panel 	<ul style="list-style-type: none"> Protecting legitimate markets Preventing sales to minors Combating criminals taking market share 	<ul style="list-style-type: none"> Advertising policy International Marketing Standard (IMS) IMS communication, audit and review Youth access prevention activities Product supply compliance process Know Your Customer programme Track-and-trace technology

REWARDING WORKPLACE			
Key stakeholder	How we engage and seek to understand	Main mutual interests	Our response and investments
Employees	<ul style="list-style-type: none"> Trade unions and Works Councils European Employee Works Council Local authority engagement Employee consultations Joint negotiating and collective agreements Employee surveys Regional meetings of factory OHS managers and advisers Health and Safety committees Stakeholder Panel 	<ul style="list-style-type: none"> Creating a safe and engaging work environment Reward and recognition Integrated performance management Fairness and respect Engagement and consultation Clarity for behaviour expectations Training and development Safe working environment 	<ul style="list-style-type: none"> Formal employment policies and practices Anti-discrimination and anti-harassment procedures Confidential grievance procedures Performance appraisal Training and development investment Organisational restructuring social plans Code of Conduct and training Health and safety systems, training and equipment investment Values & leadership expectations Employee benefits packages Volunteering supported

RESPECTING NATURAL RESOURCES

Key stakeholder	How we engage and seek to understand	Main mutual interests	Our response and investments
Environment	<ul style="list-style-type: none"> – Engagement with local authorities – CDP participation – CDP Supply Chain Programme participation – CDP Forests participation – CDP Water participation – Environmental complaints review – Environmental partnership projects – Regional meetings of factory personnel – Stakeholder Panel 	<ul style="list-style-type: none"> – Valuing the natural environment – Minimising environmental impacts – Determining sustainable solutions 	<ul style="list-style-type: none"> – ISO 14001 management systems – Environmental due diligence audits – Climate change and carbon management – Factory environmental initiatives – Energy efficiency projects – Packaging minimisation projects – Employee awareness and training – Renewable energy investments – Sustainable product developments – Forestry protection and reforestation – Targets for waste, energy, water and CO₂ emissions

REINVESTING IN SOCIETY

Key stakeholder	How we engage and seek to understand	Main mutual interests	Our response and investments
Investors and shareholders	<ul style="list-style-type: none"> – Dialogue with institutional investors and socially responsible investors – Participation in sector conferences – Selected surveys and indices – Investor questionnaires – Annual General Meeting – Human Rights Impact Assessment conducted in 2016 – Dialogue with key NGOs – Stakeholder Panel 	<ul style="list-style-type: none"> – Continuing returns on investment – Risk mitigation – Good governance 	<ul style="list-style-type: none"> – Corporate documentation review and realignment – Materiality assessment of responsibility issues – Enhanced Code of Conduct – Corporate governance – Risk management mechanisms – Corporate communications and investor relations activities – Internal audits – Non-financial reporting and disclosure – Participation in the RobecoSAM Dow Jones Sustainability Index – Production of GRI Sustainability Report
Governments and regulators	<ul style="list-style-type: none"> – Regulatory engagement – Submissions to consultations – Trade and industry associations – Memoranda of Understanding and cooperation agreements 	<ul style="list-style-type: none"> – Legitimate provision of products – Adherence to regulations and legislation – Collection and payment of taxes – Informed regulatory control debates – Anti-illicit trade activities and collaboration 	<ul style="list-style-type: none"> – Providing regulatory submissions and disclosing information – Meeting or exceeding regulatory requirements in our corporate standards – Anti-illicit trade activities and intelligence sharing – Provision of expert knowledge – EU agreement against contraband – Payment of excise and other taxes
Communities and NGOs	<ul style="list-style-type: none"> – Dialogue with local authorities – Relationships with communities and NGOs – Stakeholder Panel 	<ul style="list-style-type: none"> – Being a local force for good – Collaboration and partnership – Seeking mutual economic, social and environmental benefits 	<ul style="list-style-type: none"> – Leaf Partnership projects – Community projects – Partnership investments – Eliminating Child Labour in Tobacco Foundation – Address of human rights – Social-economic impact assessments – Contribution to livelihoods
Suppliers	<ul style="list-style-type: none"> – Procurement and purchasing relationships – Supplier suggestions programme – CDP Climate Change Programme – CDP Supply Chain Programme – Supplier roundtables – Stakeholder Panel 	<ul style="list-style-type: none"> – Promoting responsible sourcing – Sustainable solutions – Reducing reputational risks 	<ul style="list-style-type: none"> – Sustainable Tobacco Programme – Supplier qualification, assessment and audit – Partnership investments