

BRITISH AMERICAN TOBACCO UK PENSION FUND

Statement on the UK Stewardship Code

British American Tobacco UK Pension Fund Trustee Limited, the Trustee of the British American Tobacco UK Pension Fund (the Fund) believes that good stewardship can enhance long-term portfolio performance, and is therefore in the best interests of the Fund's beneficiaries and aligned with fiduciary duty. Therefore, the Trustee supports the principles of the UK Stewardship Code.

The Trustee believes that Environmental, Social and Corporate Governance ("ESG") issues can affect the performance of investment portfolios and are therefore considered as part of the Fund's investment process.

Principle 1 – Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

The Trustee has given its managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations relating to the Fund's investments. This policy is outlined in the Fund's Statement of Investment Principles which is made available to the Fund's members upon request and is reviewed periodically.

The Trustee supports, and encourages the Fund's investment managers to comply with the UK Stewardship Code, including public disclosure of compliance via an external website.

The Trustee encourages the Fund's investment managers to exercise voting rights and undertake engagement (collaborative or other) in accordance with their own corporate governance policies including escalation procedures to protect investment value. The Trustee expects each investment manager to ensure that the Trustee has an up to date copy of its relevant policy in this regard.

Reporting on voting and engagement activities should be provided to the Trustee on a regular basis.

The Trustee monitors the Fund's investment managers in this regard.

Principle 2 – Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

The Trustee encourages the Fund's investment managers to adopt effective policies addressing potential conflicts of interest. The Trustee will monitor the Fund's investment managers in this regard.

Principle 3 – Institutional investors should monitor their investee companies.

The Trustee has delegated responsibility of the management of its equity holdings to investment managers and monitoring investee companies is part of this responsibility. The Trustee monitors the Fund's investment managers in this regard as appropriate.

Principle 4 – Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

Responsibility for stewardship activities is delegated to the Fund's investment managers, and the Trustee encourages them to monitor companies, intervene where necessary and report back regularly on activity undertaken.

The Trustee monitors the Fund's investment managers in this regard.

Principle 5 – Institutional investors should be willing to act collectively with other investors where appropriate.

The Trustee is willing to work collaboratively with other investors, where appropriate, to enhance the influence that it has on individual companies but would only expect this to occur in exceptional circumstances.

Principle 6 – Institutional investors should have a clear policy on voting and disclosure of voting activity.

The Trustee encourages the Fund's investment managers to exercise voting rights and undertake engagement (collaborative or other) in accordance with their own corporate governance policy including escalation procedures to protect investment value. The Trustee expects each investment manager to ensure that the Trustee has an up to date copy of its relevant policy in this regard.

Reporting on voting and engagement activities should be provided to the Trustee on a regular basis. The Trustee monitors the Fund's investment managers in this regard.

Principle 7 – Institutional investors should report periodically on their stewardship and voting activities.

The Trustee expects the Fund's investment managers to report regularly on their stewardship and voting activities. In addition, the Trustee encourages the Fund's investment managers to consider and report the impact of any engagement.