BAT
A BETTER TOMORROW

Building a Smokeless World

Data Scope and Definitions

For the year ended 31 December 2023

Data Scope and Definitions

About this document

The purpose of this document is to outline the approach and scope used for data collection, which forms the basis of our 2023 ESG performance data.

Data Scope and Definitions

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Harm Reduction		
Topic	Metric	Scope and definition
Harm Reduction	**Consumers of Non-Combustible Products** (number of, in millions)	**KPI definition** Number of adult consumers using any of Non-Combustible Products at least once a week. Non-Combustible Products include Tobacco Heating Products, Vapour products, Modern Oral & Traditional Oral products.
		Methodology The number is derived using population estimates from the World Bank, incidence and corporate consumer share from consumer surveys (Incidence Study and New Category Track). New Categories (NC) Track is a tool which collects consumer data via primary research. It consists of those consumer panels which use any of the New Categories products (THP, Vapour or Modern Oral) or use FMC but willing to try New Categories products. Monthly sample size is 500 to 1,000 depending on the market. The derived numbers are then calibrated with volume and the output is discussed with the end markets for alignment before they are finalised.
		Data collection The incidence study is designed to collect data on the usage of nicotine categories in a market among the adult population. NC Track is designed to understand brand usage levels and other category KPIs - including Consumer Disposition Funnel (CDF), Source of Business, Average Usage - among those who currently use or intend to use it.
		New Nicotine Categories in the future We define adult users as those between the age 18 and 64 years, with the exception of Canada (19 to 64 years) and Japan (21 to 79 years). BAT New Category (NC) User Pool consists of any Nicotine User of legal age who uses BAT's NC brands at least once a week. The brands taken into consideration are glo, Vuse, Cirro, 10 Motives, VIP, Velo, Lyft and EPOK. Estimation of these users is based on various consumer surveys that help size the category and the brands within them. The calculation is made as below: Adult population as per World Bank estimates x Percentage of Adult population using the category at least once a week from Incidence Study x Percentage of weekly users of category using BAT brand at least once a week-from NC Track.
		Estimates and Assumptions The approach garners a user number which is then validated by calibrating with BAT shipment volume to check whether the implied average consumption is in line with the claimed average consumption, that is what each user is claiming as a consumption. A user is considered an individual who consumes a BAT category brand at least once a week. Where the validation fails, the consumer share is reviewed and adjusted to arrive at realistic levels. In markets where there are no Tracking studies, BAT shipment Volume is used (when the consumer claimed consumption levels from other similar tracked markets) to get to an estimate of users. The frequency is quarterly, and the calculation is done by a third party, Kantar.

Data Scope and Definitions
Continued

Environment
Reporting Methodology

BAT uses a Global Reporting System, provided as an independent service by a third party, to collect the following data from more than 185 Group reporting units in 90 countries: Scope 1 and 2 CO_2e emissions data and certain categories of Scope 3 emissions (e.g. business travel, transportation and distribution); direct energy including renewable energy and purchased renewable electricity; water withdrawn with breakdown by source; water discharge with breakdown by destination; and waste generation from direct operations with breakdown by destination (e.g. recycling, landfill).

Data collection and reporting are based on operational control approaches and covers our subsidiaries, including facilities and activities where we have full authority to implement operational policies and control over day-to-day operations (direct operations). Data excludes facilities where BAT does not maintain operational control and new sites at the commissioning phase.

Each reporting unit reports on a monthly basis.

Data submission at the reporting unit level is performed by local Sustainability or EHS teams. The Environmental performance summary (main KPIs) is subject to approval by a Site Leadership Team Member, with appropriate responsibility for Sustainability/EHS of the respective reporting unit. Reporting units' submissions are reviewed and approved by Regional Sustainability teams and are further reviewed by the Group Operations Sustainability team.

Data consolidated for appropriate geography (Group, Region, DRBUs from the reporting unit level) is reviewed and reported at least quarterly to appropriate internal stakeholders.

Other KPIs such as the ones that relate to Product Plastic Packaging are derived from a Materials Matrix Excel worksheet and Sales data stored in SAP TaO for all end markets. Once generated, they are reviewed by the global packaging managers from each category, then signed off both by the respective Heads of R&D and by the Head of Operations Circular Economy centre of Excellence (COE).

For some of our metrics, we track progress (reduction) against a baseline. Our baseline years are 2020 for Scope 1, 2 and 3 CO_2e emissions and 2017 for Water withdrawn and Waste generated metrics. The baselines are not adjusted in case of closure or acquisition of new sites.

It is worth noting that the reporting period of the following KPIs spans from 1 December 2022 to 30 November 2023:

– Scope 1 and 2 CO_2e emissions

– Energy consumption, including renewable energy and non-renewable energy consumption

– Waste generated, including hazardous waste generated

– Waste recycled

– Water withdrawn, water recycled and water discharge

Operations Sites

Refers to all facilities within BAT operational control that perform manufacturing activities for commercial purposes. These are cigarette manufacturing factories, sites manufacturing other tobacco products, snus, modern oral and liquids: and green leaf threshing (GLT) tobacco processing sites.

Data Scope and Definitions
Continued

Environment		
Topic	**Metric**	**Scope and definition**
Climate change	**CO$_2$e emissions**	We use the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Standard to guide our reporting of Carbon Dioxide equivalent (CO$_2$e) emissions. In addition, we use supporting standards including: – GHG Protocol Scope 2 Guidance, 2015, and – GHG Protocol Corporate Value Chain (Scope 3) Standard, 2011. We report emissions where we have operational control and include CO$_2$, CH$_4$ and N$_2$O from energy use and Dry Ice Expanded Tobacco (DIET) production process within our CO$_2$e emission reporting. While we account for the contribution CO$_2$, CH$_4$ and N$_2$O make to our CO$_2$e emissions, we do not disclose the breakdown CO$_2$e data on an individual GHG basis. In 2022, BAT had its new set of 1.5°C aligned targets approved by SBTi replacing the previous set of 2°C aligned targets. Targets revision led to a change of baseline year from 2017 to 2020. Currently, we use a 2020 baseline year for emissions reporting, which has a total of 7,447,657tCO2e split as follows: – Scope 1: 342,034 tCO$_2$e – Scope 2: 198,830 tCO$_2$e market-based (Scope 2: 417,572 tCO$_2$e location-based) – Scope 3: 6,906,793tCO$_2$e
	Scope 1 and Scope 2 emissions	Scope 1 includes direct emissions from sources owned or controlled by BAT. These are emissions associated with the use of fuel at facilities under our operational control and by our vehicle fleet as well as CO$_2$ used for the production of Dry Ice Expanded Tobacco (DIET). Fuels include both renewable, such as wood fuel, biodiesel etc., and non-renewable ones, such as natural gas, LPG, diesel, coal etc. Data is collected from invoices, internal metering, telematics, fuel cards, and other documentation that is logged within the EHS Reporting Tool. DEFRA Greenhouse Gas Reporting: Conversion Factors 2023 are used to convert to CO$_2$e. We consolidate the data on fugitive and other process-related GHG emissions, such as from refrigerants and fire suppression agents use (HFCs, PFCs, CO$_2$e), anaerobic water treatment on site (CO$_2$, CH$_4$, N$_2$O) and waste treatment, such as composting, on site (CO$_2$, CH$_4$, N$_2$O). The data are based on cooling, air conditioning and firefighting equipment refills, disposals and commissioning, data of treated water by quantity and quality of biochemical oxygen demand (BOD), chemical oxygen demand (COD) and measurements of organic content in the treated waste. The amount of other fugitive and other process GHG emissions (HFCs, PFCs, SF$_6$, NF$_3$, CO$_2$, CH$_4$, N$_2$O) normally oscillate around 4.7% of Scope 1 and 2 (market-based) emissions including fugitive and process emissions. However, in 2023, due to an incidental release of refrigerant at one of our facilities, these equated to 8.2%. The root cause of the incident has been identified and corrective actions have been deployed. Our 2020 baseline for Scope 1 emissions is: 342,034 tCO$_2$e. The baseline figure does not include fugitive and other process GHG emissions. Scope 2 includes indirect emissions associated with purchasing electricity, hot water and steam consumed at our locations. While electricity is the main source, there are a few facilities purchasing steam from third parties and rented offices using central heating at multi-tenant buildings. Data is collected from invoices, internal metering and in some instances via the Building Management System (BMS). Our 2020 baselines for Scope 2 emissions are as follows: – Market Based: 198, 830 tCO$_2$e – Location Based: 417,572 tCO$_2$e **Renewable Energy Validation** Scope 2 market-based CO$_2$e emissions are calculated from supplier-specific emissions factors. To ensure reported market-based CO$_2$e emissions meet the 'Good quality criteria' as per GHG Protocol Scope 2 Guidance, we specify market-based factors only when these are supported by contractual instruments. For renewables, electricity procurement is either unbundled energy attribute certificates (I-RECs, GoOs, RECs, etc.) or Green electricity products from an energy supplier (supported by energy attribute certificates) or supply under Power Purchase Agreements. Whenever supplier-specific market-based factors are not available, Scope 2 CO$_2$e emissions are calculated using the European Association of Issuing Bodies (AIB) residual mix factors 2022, where available, or, in the absence thereof, using International Energy Agency (IEA) 2023 country specific emissions factors. Location-based Scope 2 CO$_2$e emissions are calculated using IEA 2023 country specific emissions factors.

Data Scope and Definitions
Continued

Environment continued		
Topic	**Metric**	**Scope and definition**
Climate change continued	**Scope 3 emissions**	Scope 3 emissions are all other indirect emissions that occur in our upstream and downstream activities, such as business travel, waste management and the value chain. For more information on our reporting methodology, see Simplified Scope 3 Methodology document on **www.bat.com/sustainabilityreport**. We have further enhanced our Scope 3 calculation methodology and data precision in 2022 leading to the reporting periods 2020 and 2021 being restated accordingly.
	Biomass	Any material or fuel produced by biological processes of living organisms, including organic non-fossil material of biological origin (e.g. plant material), biofuels (e.g. liquid fuels produced from biomass feedstocks), biogenic gas (e.g. landfill gas), and biogenic waste (e.g. municipal solid waste from biogenic sources).
	Biogenic emissions	CO_2 emissions from the combustion or biodegradation of biomass.
	Scope 3 Reportable (non-biogenic) emissions	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions and excluding biogenic emissions.
	Net Zero	Reducing greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance. Setting corporate Net Zero targets aligned with meeting societal climate goals means: (a) reducing scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching Net Zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and (b) neutralising any residual emissions at the Net Zero target date – and any GHG emissions released into the atmosphere thereafter.
	Near-term science based target	GHG reduction targets in line with what the latest climate science deems necessary to limit warming to 1.5°C above pre-industrial levels and are achieved within a 5-10 year time frame from the date of submission to the SBTi.
	Long-term science based target	GHG reduction targets in line with what the latest climate science deems is necessary to reach Net Zero at the global or sector level in 1.5°C pathways before 2050.
	Carbon neutral	Carbon neutrality is the balance between emitting carbon and absorbing carbon emissions from carbon sinks. The term 'neutral' accounts for that balance; the GHG released into the atmosphere is offset by an equivalent amount being removed.
	Energy consumption	Energy consumption is reported in line with GRI 302, Energy, 2016, Disclosure 302-1, Energy consumption within the organisation. This includes energy use resulting from: – Activities for which the Group is responsible including energy from the combustion of fuel at our facilities and in fleet vehicles and energy generated at our facilities using non-fuel technology, e.g. solar: and – Purchased electricity, steam and hot water by BAT for use at our facilities and fleet vehicles. Energy consumption is calculated from raw data of fuel, electricity, hot water and steam consumption submitted by reporting units across the Group in the EHS Reporting Tool. The data used in the calculations are the same as for Scope 1 and 2 CO_2e emissions. Reported data of fuel use are reported in different units of measurement (e.g. tonnes, litres, m³, etc.) and are converted into an appropriate metric for conversion using the DEFRA 2023 factors. Despite specifications of fuels used at different sites, and thus calorific values, may vary, for unification the same DEFRA calorific values and DEFRA emission factors are applied across BAT. Purchased electricity, hot water and steam as well as energy generated on site from non-fuel technologies is reported in energy unit of measurement (kWh or GJ), therefore not requiring a specific conversion factor. Conversion between Joules and Watt is (1 Watt = 1 Joule per second) according to the official definition. Energy consumption (GJ) = Non-Renewable Energy (GJ) + Renewable Energy (GJ)
	Emission intensity ratio	Scope 1 and 2 intensity ratio: Scope 1 and 2 emissions intensity ratio (tCO_2e per million GBP) is calculated as the sum of Scope 1 and Scope 2 (market-based) CO_2e emissions divided by Revenue in million GBP and million Euros. Note: Revenue is net of duty, excise and other taxes.
	Energy consumption intensity ratio (GWh per million £/EUR)	Energy consumption intensity ratio (GWh per million GBP/ EUR) is calculated as Energy consumption in GWh divided by Revenue in million GBP and million Euros.

Data Scope and Definitions
Continued

Environment continued		
Topic	Metric	Scope and definition
Climate change continued	**Renewable energy**	Renewable energy includes: – Energy generated from renewable fuels at our sites (e.g. wood fuel, biomass fuels) and in fleet vehicles, owned or leased (e.g. biodiesel); – Purchased renewable electricity, hot water and steam; and – Renewable energy generated on site using non-fuel technology (e.g. with photovoltaic installations or solar water heaters). Renewable energy generated from fuels is calculated from data inputs in different units of measurement (e.g. tonnes, litres) via 2023 DEFRA emission factors. Purchased renewable electricity, hot water and steam as well as renewable energy generated on site from non-fuel technologies is reported in energy unit (kWh or GJ), and therefore do not require conversions. % of Renewables in Energy Consumption is calculated as Renewable Energy (GJ)/Direct Energy (GJ).
	Non-renewable energy consumption (GWh)	Non-renewable energy includes: – Energy generated from non-renewable fuels at our sites (e.g. natural gas, diesel, fuel oil) and in fleet vehicles, owned or leased (e.g. petrol, diesel); and – Purchased standard grid electricity, hot water and steam. Non-renewable energy generated from fuels is calculated from data inputs in different units of measurement (e.g. tonnes, litres) via 2023 DEFRA emission factors. Purchased standard grid electricity, hot water and steam in energy unit (GJ), and therefore do not require conversions.
Circular economy	**Circular economy**	A circular economy is one in which waste is eliminated, pollution is prohibited, and recycling and reuse are the norm, hence creating a virtuous circle.
	Reporting Methodology - Packaging and Take-Back scheme data	The reporting period for our packaging data spans from December 2022 to October 2023. The reporting period for our Take-Back schemes spans from January 2023 to November 2023.
	% packaging recyclable, reusable or compostable	This KPI measures the share of primary and secondary packaging that is either reusable, recycle ready or compostable across sold products in each reference reporting year. **Reusable packaging** Packaging which has been designed to accomplish or proves its ability to accomplish a number of trips or rotations in a system for reuse. **Recycle-Ready packaging** Packaging that is intentionally designed and produced to enable recycling based on material choices and global guidance. **Composting** Composting Aerobic process designed to produce compost. A packaging or packaging component is compostable if it is in compliance with relevant international compostability standards and if its successful post-consumer collection, sorting and composting is proven to work in practice and at scale. By packaging we mean materials used to wrap or protect our goods, examples of primary and secondary packaging are all the cigarette pack elements, film used to wrap cigarette packs or closing tapes of shipment boxes applied by BAT factories, the boxes our devices come in or the pulp trays used to secure a device in a box. Tertiary packaging items applied by logistics partners or retailers outside our control, for example plastic pallets, are out of scope. While there are no means to trace what happens with packaging materials at their end of life due to the number of end markets in which our products are sold, variations in consumer behaviour and local infrastructure to process waste at end of life, this KPI focuses on the potential for reuse, recycling or composting of our packaging. In order to calculate the share of recyclable, reusable and compostable packaging (in %), we sum the volume (in tonnes) of reusable, recyclable, recycle ready or compostable packaging materials and divide it by the overall volume (in tonnes) of all packaging materials used in sold products.

Data Scope and Definitions
Continued

Environment continued		
Topic	Metric	Scope and definition
Circular economy continued	**Waste generated**	We follow the GRI 306: Waste 2020 Standard for defining and calculating waste data.
		The parameter 'waste generated from our direct operations' is aligned with Disclosure 306-3, Waste generated.
		Data for waste from our direct operations is collected via the EHS reporting system.
		At the reporting unit level, waste is split by type of material, non-hazardous and hazardous, and further by end destination: recycling, incineration with and without energy recovery and landfill.
		As well as data from BAT sites, this also includes construction waste generated in BAT premises from on-site constructions, building modifications or extensions.
		Reporting units collect data for amounts of waste generated based on declarations from suppliers or internal measurement, e.g. at weighbridges. For small offices, waste generation is estimated based on area occupied or headcount. Classification of waste for hazardous and non-hazardous is performed as per local legal requirements. Reporting units are required to track waste up until its final destination and receive records on waste management route (e.g. recycling, landfill) from suppliers.
		Data is provided in tonnes where possible, and if not, it is converted into tonnes. Data, reported by reporting units, is reviewed by Regional and Group Operations Sustainability teams thorough variance analysis and benchmarking between sites with similar footprint. Data consolidated at appropriate geography (Group, Region, cluster of countries) is reported quarterly and approved by appropriate internal stakeholders.
		Our 2017 baseline figure is 160,124 tonnes.
	Hazardous waste and radioactive waste generated	We follow the GRI 306: Waste 2020 Standard for defining and calculating waste data, including hazardous waste. Hazardous waste is waste that poses a physical hazard, health hazard, or environmental hazard. Detailed classification of waste for hazardous and non-hazardous is performed by reporting units as per local legal requirements.
	Waste sent to landfill	Our definition of waste to landfill is aligned with GRI 306: Waste 2020 Standard.
		Waste to landfill is waste generated from our direct operations that is deposited at authorized landfill sites. This waste disposal route excludes uncontrolled waste disposal such as open burning and dumping.
		Due to difference in infrastructure maturity in different geographies, the types of waste that are sent to landfill vary from one reporting unit to another.
	% of waste to landfill	% of waste to landfill is calculated as waste to landfill (tonnes) divided by waste generated (tonnes).
		Our target is to have less than 1% of waste sent to landfill annually by 2025.
	Waste recycled	Our definition of waste generation is aligned with GRI 306: Waste 2020 Standard, while the definition of Waste Recycled covers both Waste Recycled and Waste Preparation for Reuse as per GRI 306: Waste 2020 Standard.
		Recycling is the operation applied to items or materials that have become waste to ensure they fulfil a purpose in place of new items or materials that would otherwise have been used for that purpose. This does not include energy recovery, neither via incineration, nor via conversion into fuel.
	% of waste recycled	% of waste recycled is calculated as Waste Recycled (tonnes) divided by Waste Generated (tonnes).
	Average recycled content in plastic packaging	This KPI states the share of recycled content in all our primary and secondary plastic packaging materials placed on the market (based on procurement data) in each reference reporting year. Examples of primary and secondary packaging are resealable cigarette pack elements, film used to wrap cigarette packs, closing tapes of shipment boxes applied by BAT factories, film that used to wrap starter kits or plastic trays that were used in the packaging of new categories devices. Tertiary packaging items applied by logistics partners or elements such as plastic pallets are out of scope. In order to calculate the share (in %), we totalise the volume (in tonnes) of the recycled content portion of all our plastic packaging materials that has been bought in a specific category and divide it by the overall volume (in tonnes) of plastic packaging materials used in that category – for any given year. The share of recycled content is sourced from our materials supplier's specification files.

Data Scope and Definitions
Continued

Environment continued		
Topic	Metric	Scope and definition
Water	**Water withdrawn**	We use the GRI 303: Water and Effluents 2018 Standard to guide our water withdrawn definition and methodology.
		Water withdrawn includes all water drawn from surface water, including harvested rainwater, groundwater, seawater, or a third party water for any use within our direct operations. Water is used in manufacturing processes, in utilities, for social and horticultural needs if the latter are limited to our companies' premises, such as watering lawns and nurseries in Leaf R&D. It does not include irrigation in agriculture, e.g. in leaf growing.
		Water withdrawn data is collected via the EHS reporting system. Sites collect data for water withdrawn based on invoices from suppliers and internal metering, which at major sites is performed in real time via building management systems (BMS). Small offices apply estimates based on area occupied or headcount.
		Our 2017 baseline figure for water withdrawn is 5.20 million cubic meters.
	Water recycled	For the Water recycled parameter, which is excluded from 2018 edition of the GRI 303: Water and Effluents 2018 Standard, we use the definition from CDP Water Security guidance.
		Water recycled includes water and wastewater used more than once before being discharged from the organisation's boundary, so that water demand is reduced. Recycled water can be used in direct operations for watering lawns, cleaning or within utilities, e.g. for cooling, boiler feed etc.
		Water recycled does not include harvested rainwater.
		Water recycled data is collected via the EHS reporting system. Sites collect data for water recycled based on internal metering, which at major sites is performed in real time via building management systems (BMS). Where measurements are not yet in place, water recycled is estimated based on equipment specification and standard operating parameters.
	% water recycled	Water recycling rate (%) is calculated as Water recycled (m^3) divided by total water demand, which is Water recycled (m^3) plus Water Withdrawn (m^3).
	Water discharge	We use the GRI 303: Water and Effluents 2018 Standard to guide our water discharge definition.
		Water discharge includes effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party. Water can be released into the receiving waterbody either at a defined discharge point or dispersed over land in an undefined manner or removed from the organisation in tanks via vehicle.
		The data for water discharge with breakdown by destination (third party, fresh water, brackish water, groundwater) is collected via the EHS reporting system. Sites collect data for water discharges based on internal metering or invoices from services suppliers. In the absence of metering, estimates are applied based on water withdrawn volumes and typical water consumption of equipment and processes.

Data Scope and Definitions
Continued

Environment continued		
Topic	Metric	Scope and definition
Water continued	**Emissions to water**	This disclosure is aligned to EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) and addresses Principle Adverse Sustainability Indicator 8. Emissions to water (Mandatory).
		'Emissions to water' means direct emissions of priority substances as defined in Annex I to Directive 2013/39/EU Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council.
		In 2023, we continued improving our reporting capabilities on emissions to water of priority substances and other nitrates, phosphates and pesticides, for our direct operations. In October 2023 we performed semi-quantitative assessment across 73 of our facilities*, including 63 operations sites and 10 other facilities, e.g. R&D centers.
		For the assessment, the facilities completed a questionnaire listing all priority substances. They were also required to confirm:
		– Whether each substance is used or stored on site and, in case of a positive answer, provide annual amount of usage or storage; and
		– Whether its content is measured in water discharge and, in case of a positive answer, provide commentary on the uses and results of measurement.
		The responses were collated and reviewed at the Regional level and subsequently at the Group level.
		According to the assessment:
		– 60% of the facilities reported not using priority substances, and 74% reported not having them in storage: and
		– Out of 48 priority substances, 44% are reported as not used, 44% are reported as not stored.
		BAT operates control measures globally in line with its Group procedures for hazardous substances management designed to avoid any uncontrolled emissions to water, soil or groundwater across its operations. In 2024, we will continue to enhance our capabilities to enable a more precise quantification of emissions to water of priority substances and other nitrates, phosphates and pesticides.
		Note: * Excluding one facility in Russia as BAT left the market by the time of the screening.
	% of operations sites AWS certified	AWS certification refers to independent certification against the Alliance for Water Stewardship (AWS) Standard 2.0.
		All BAT operating sites that have gone through the certification process and successfully completed each of the five steps of the AWS standard guidance:
		1. Familiarization with the AWS standard.
		2. Register in the AWS standard system.
		3. Registering with AWS.
		4. Implement the AWS standard.
		5. Work with Water Stewardship Assurance Services (WSAS) to complete the certification process, including an on-site audit.
		Sites are considered certified when the AWS Certificate is available on the Alliance for Water Stewardship website within the reporting period.
		% of AWS certified operations sites is calculated as number of operations sites that hold AWS certificate divided by total number of operations sites.

Data Scope and Definitions
Continued

Environment continued		
Topic	**Metric**	**Scope and definition**
Water continued	**Number of operations sites in areas of high-water stress with and without water management policies**	This disclosure is aligned to EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) and addresses Additional Adverse Sustainability Indicator 8. Exposure to areas of high water stress.
		Water stress is an indicator of competition for water resources and is defined informally as the ratio of demand for water by human society divided by available water.
		We use the WRI Aqueduct Water Risk Atlas baseline setting to identify if our sites are located in areas of high-water stress. The Aqueduct Water Risk Atlas defines areas of high water stress as 'regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%)' as per baseline water stress, default scheme.
		The assessment is performed in the first quarter of each year. However, in 2023 we had to review this once again, upon launch of the new version (4.0) of the WRI Aqueduct Water Risk Atlas in August 2023. The new version of the tool is based on more recent data on baseline water stress and higher spatial granularity.
		In 2023, 24 of our operations sites in 15 countries were identified as being in water stress areas (vs 16 operations sites in 11 countries in 2022). The year-on-year increase is due the application of the latest version of WRI Aqueduct Water Risk Atlas v4.0.
		100% of our operations sites located in water stress areas have water management policies in place.
		All sites in water stress areas annually conduct a compliance based self-assessment against the 'Water use and discharge management' section of our EHS Roadmap, which is the tool for self-assessment against the Group's EHS policy manual. These sections not only cover water use withdrawal and discharge compliance, but provide additional value by establishing the link to the AWS water stewardship journey and topical Water Roadmap.
		The Water Roadmap is an internal tool allowing assessment of key aspects of water management, such as water withdrawal, water efficiency in production, utilities and social uses, and water discharge.
		In addition, 23 of our 24 operations sites in water stress areas that are either AWS (Alliance for Water Stewardship) certified or getting ready to AWS certification have a formalised Water stewardship statement in place.
		Self-assessments by operations sites at water stress areas were updated at Group level for reporting purposes in October 2023.
	Farmer Sustainability Management (FSM)	Our Farmer Sustainability Management (FSM) system is a digital platform that supports the work of our Field Technicians (FTs) by enabling a consistent approach to farm monitoring and overall sustainability management.
	Leaf Reporting Methodology - Environment	As tobacco-growing seasons vary around the world, all Leaf data is based on the most recent crop cycle at the time of reporting, instead of the crop grown in the calendar year.

Data Scope and Definitions
Continued

Environment continued		
Topic	Metric	Scope and definition
Water continued	**% of tobacco hectares reported to have appropriate best practice soil and water management plans implemented**	Reported via our Thrive assessments covering all BAT-contracted farmers and farmers supplying our third-party suppliers, which represented over 94% of the tobacco purchased by volume in 2023.
		As tobacco-growing seasons vary around the world, data is based on the most recent crop cycle at the time of reporting, instead of the crop grown in the calendar year.
		Data collected for our contracted farmers is done so by BAT FTs who visit our contracted farmers approximately once a month during the growing season.
		The FTs conduct interviews with farmers and observe soil and water management practices on the farm.
		Some examples of these practices are the use of green manuring/cover crop, use of minimum/zero tillage, plant over wide base high ridges, use of drainage channels to avoid water-logging and erosion, among others.
		Details of each visit are recorded in our Farmer Sustainability Management (FSM) digital app by the FT and are formally acknowledged by the farmer. Robust controls are in place for data validation, including unannounced visits carried out by individuals who do not usually visits farms regularly, with the main purpose of checking information previously collected by the field technician. Our strategic third-party suppliers collected data for Thrive via their own farm monitoring systems.
		Data is tracked and analysed by Global Leaf ESG Team to ensure senior oversight and drive management action.
		All completed Thrive assessments are reviewed and validated by a third party and suppliers are required to declare that the information reported is complete and accurate.
		In farms where we source tobacco, farmers receive training on best practice soil management and other land management practices – this is how they are made aware of best practices.
Biodiversity and ecosystems	**Deforestation**	Loss of natural forest as a result of i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.
		This definition pertains to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests.
		Severe degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use.
		Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.
		The Accountability Framework Initiative's (AFI) definition of deforestation signifies 'gross deforestation' of natural forest where 'gross' is used in the sense of 'total; aggregate; without deduction for reforestation or other offset.' Source: AFI **https://accountability-framework.org/use-the-accountability-framework/definitions/**
	Conversion	Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.
		Deforestation is one form of conversion (conversion of natural forests).
		Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure, or function.
		Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal. Source: AFI **https://accountability-framework.org/use-the-accountability-framework/definitions/**
	Sustainable wood	Wood resources harvested legally from planted sources in such a way that it does not cause any detrimental social, environmental, or economic impact and / or is sourced from deforestation-free origins and suppliers, as well as from sustainably and legally managed natural forests. This may include wood sourced from identified invasive exotic species that have not been planted and wood sourced from existing legal plantations. In all cases it must monitored as wood not associated with clearing of native forests (deforestation), for both harvesting the wood or clearing for growing tobacco. This definition does not include conversion of natural forests to plantations in order to produce wood to be used tobacco crop.

Data Scope and Definitions
Continued

Environment continued		
Topic	**Metric**	**Scope and definition**
Biodiversity and ecosystems continued	**Forest Positive**	To be considered Forest Positive a forest should be planted for conservation. This means that: – The area should be bigger than 0.5 ha; – The saplings should be native or indigenous; – The trees planted should be able to reach 5m height and the canopy should be bigger than 10% of the planted area; and – The area must be monitored at least one year after the planting date to verify survival rate of the site and the number of trees that survived since planting. The planting of production forests for wood, fibre, bioenergy and non-timber products like fruits, herbs and honey do not fall under forests for conservation.
	% of contracted farmers' wood fuels that are from sustainable sources	The data collected is based on 100% (more than 91,000+) of the directly contracted farmers monitored in BAT Leaf Operations, of which 45% make use of wood for curing. The percentage reported represents sustainable wood used by those farmers. This data excludes farmers that our third-party suppliers source from. Sustainable wood sources are defined as: wood resources harvested legally from planted sources in such a way that does not cause any detrimental social, environmental or economic impact and not cause deforestation or conversion of natural ecosystems. This may include wood sourced from existing legal plantations and legal timber by-products, such as sawdust, branches and twigs. The FT is responsible for the data collection from the farmer on a monthly basis. The FT verify the wood species and / or evidence given by the farmer, including documents, as invoices or any other paper forms, verify the existence of afforestation area, measure the wood pile as applicable and perform a visual check. The FT visit the same farms each time. Finally, data is signed off from farmers and FTs and logged into the systems.
	% of wood used in leaf supply chain with deforestation and conversion free (DCF) status	This is an indicator reported via our Thrive assessment and is based on 99.8% of farmers in our Thrive Supply Chain monitored on the ground for wood traceability, volume, and the type of the wood, representing more than 94% of the tobacco purchased in 2023. As stated in Biodiversity Operational Standard on Tobacco Farming, we follow AFI (accountability-framework.org) definitions of deforestation and conversion as well the CDP Forest Guiding Criteria and the Proforest Guidance for Deforestation and Conversion Free (DCF) report. We combined different levels of evidence to trace DCF wood and classify as such if wood is physically certified, from on-farm or off-farm production forests with formal evidence of no deforestation and / or conversion, or off-farm wood from production forests assessed with a monitoring system at farmer level as from sustainable sources and at least traceable to a sub-national jurisdiction level.
	% of pulp and paper materials sourced with low risk of deforestation	Relates to proportion of volumes (in tonnes) of pulp and paper products sourced, covering board and paper for primary & secondary packaging, fine paper for cigarettes and tobacco heating products and cellulose acetate tow for filters. Volumes are assessed as deforestation free when the suppliers of those volumes can demonstrate that the base material is sourced with low risk of deforestation (with a cut-off date of 1 Jan '21). Low risk means the volume is either certified by a relevant certification scheme (e.g. FSC or PEFC), is traceable to low risk geographies (as defined by relevant frameworks e.g. CDP, Maplecroft), is traceable to certified forests (e.g. FSC or PEFC) located in high risk geographies, or is recovered or from recycled sources. We enhanced this metric in 2023, to align to the latest frameworks, so previous years data are not available.
General	**% of BAT manufacturing sites production volume with ISO 14001**	Relates to production volume from BAT owned manufacturing sites with ISO 14001 certification. Manufacturing sites are cigarette manufacturing factories, sites manufacturing other tobacco products, snus, modern oral and liquids. ISO 14001 is the internationally recognised standard for environmental management systems.
	% of BAT manufacturing sites production volume with ISO 9001	Relates to production volume from BAT owned manufacturing sites with ISO 9001 certification. Manufacturing sites are cigarette manufacturing factories, sites manufacturing other tobacco products, snus, modern oral and liquids. ISO 9001 is the internationally recognised standard for quality management.

Data Scope and Definitions
Continued

Social		
Topic	Metric	Scope and definition
Farmer livelihoods	**Leaf Reporting Methodology - Social**	As tobacco-growing seasons vary around the world, all leaf data is based on the most recent crop cycle at the time of reporting, instead of the crop grown in the calendar year.
	Sustainable Tobacco Programme (STP)	The Sustainable Tobacco Programme (STP) is 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 Organisation (ILO), 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.
	Thrive	Thrive is our sustainable agriculture and farmer livelihoods programme to all our BAT-owned and strategic third-party suppliers worldwide. While STP is a standards-based compliance programme for first-tier tobacco leaf suppliers, Thrive focuses on the farm and farming communities and aims to ensure that:
		– All our contracted farmers have a viable livelihood;
		– Farming is seen as a preferred profession, particularly for rural youth; and
		– Within farming, tobacco is seen as a valuable crop to grow.
	Number of non-compliance incidents identified and % reported as remediated and resolved through farmers' monitoring	Data relates to Thrive Supply Chain and is collected by BAT field technicians (FTs) who visit our contracted farmers approximately once a month during the growing season. The FTs conduct interviews with farmers and workers and observe conditions and practices on the farm. Details of each visit are recorded in our Farmer Sustainability Management (FSM) digital app by the FT and are formally acknowledged by the farmer. third party leaf suppliers make use of their own monitoring systems and adopt similar procedures and also report Prompt Actions. Controls are in place for the creation of prompt actions if any non-compliances are identified. Prompt actions are tracked and analysed centrally to ensure senior oversight and drive management action.
	% of tobacco farmers reported to grow other crops for food or as additional source of income	Reported via our Thrive annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 94% of our total tobacco leaf purchases in 2023. As tobacco-growing seasons vary around the world, data is based on the most recent crop cycle at the time of reporting, instead of the crop grown in the calendar year. Crop diversification figures may vary year-on-year, depending on the commercial outlook in the countries where the crops are grown, including the viability of other crops. Other crops include, but are not limited to, types of fruit and vegetables, as well as wheat, maize, bean, sorgum and soy.
		Data for our contracted farmers is collected by BAT field technicians (FTs) who visit our contracted farmers approximately once a month during the growing season. The FTs make observations on other crops grown on the farm. Details of each visit, including the other crops grown, date, time and GPS coordinate, are recorded by the FTs and acknowledged by the farmers in the Farmer Sustainability Management (FSM) digital app, which is used to monitor some of BAT's social metrics.
		Once the data is collected in the field, the end-market team analyses the data and seeks any clarifications, as needed. Unannounced visits are carried out by individuals who do not usually visit farms regularly, with the main purpose of checking information previously collected by the FT. The data is then reported in Thrive and is made available to the Global Leaf ESG team, for appropriate oversight and to drive management action, if required. The data is also reviewed by an independent third party.
		Our strategic third-party suppliers collected data for Thrive via their own FTs, in their own farm monitoring systems.

Data Scope and Definitions
Continued

Social continued		
Topic	**Metric**	**Scope and definition**
Farmer livelihoods continued	**Number of people engaged via training**	Reported via our annual Thrive assessment covering all BAT-contracted farmers and farmers supplying our third-party suppliers, representing more than 94% of our total tobacco purchased by volume in 2023. The number of people engaged includes farmers, as well as farm labourers and local community members. This includes training provided by field technicians during farm visits, organised group training, field days and presentations, and training delivered remotely. Please note the same individual can be trained more than one time during the year.
		Topics for training in 2023 include farm business management, crop diversification techniques, and women's empowerment. This include presential group, individual and remote training sessions. Attendance list and / or formal evidence that the people received the training is required. Attendance and / or distribution lists are managed at the market-level and captured through physical paper lists or responses in farmer monitoring systems like FSM.
		The data is reported in Thrive and is tracked and analysed centrally for senior oversight and drive management action. The data is also reviewed by an independent third party.
		Our strategic third-party suppliers collected data for Thrive via their own FTs, in their own farm monitoring systems.
	Community investment contributions	These metrics are collected via our annual Sustainability Survey which is cascaded via an independent online system, managed by a third party. The survey is completed by local Legal and Corporate and Regulatory Affairs teams and the full survey response is approved by the market or area Head of Legal. This approval involves reviewing the information provided by the local teams so that it is accurate, and is then submitted to the Group Sustainability team. Completed surveys are reviewed by the third party managing the survey as well as by the Group Sustainability team.
		Community investments are defined as voluntary activities, beyond our commercial and core business activities and our legal obligations, that contribute to the economic, social and environmental sustainability of the countries and communities in which we operate. These include cash spending and donations and estimated value for in-kind donations and support. In-kind contributions include employee volunteering in company time, use of company resources, donations of used items such as IT equipment and vehicles, and not-for-profit vaccine development.
		Community investments are aligned with selected UN Sustainable Development Goals (SDGs), covering these topics (in no particular order of prioritisation): SDG 13 Climate Action: Water, Energy, Natural Disasters; SDG 3 Goold Health and Wellbeing: Health; SDG 8 Decent Work and Economic Growth: Child Labour and Human Rights, Education and Training, Arts and Culture; SDG 9 Industry, Innovation and Infrastructure: Community Infrastructure; SDG 12: Responsible Consumption and Production: Waste and Plastics; SDG 16 Peace, Justice and Strong Institutions: Alleviating Social Injustices; SDG 10 Reduced Inequalities: Women's Empowerment, Empowering Vulnerable People, Clean Drinking Water and Sanitation; SDG 15 Life on Land: Afforestation, Biodiversity and Habitat Conservation.
Human rights	**% of farms monitored for child labour** **% of farms with incidents of child labour identified** **Number of child labour incidents identified** **% of child labour incidents identified and reported as resolved by the end of the growing season**	Our definition of child labour is aligned to how the International Labour Organization (ILO) defines the term, namely that the work deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development (**https://www.ilo.org/ipec/facts/lang--en/index.htm**).
		Reported via our Thrive annual reports covering all BAT-contracted farmers and farmers supplying our third-party suppliers, representing more than 94% of total tobacco grown or purchased by BAT in 2023. As tobacco-growing seasons vary around the world, data is based on the most recent crop cycle at the time of reporting, instead of the crop grown in the calendar year.
		Data in relation to our contracted farmers is collected by BAT field technicians (FTs) who visit our contracted farmers approximately once a month during the growing season. Details of each visit are recorded in our Farmer Sustainability Management (FSM) digital app by the FT and are formally acknowledged by the farmer. If any child labour case is identified, it is reported in the system and treated as a critical prompt action. For the case to be resolved, this is followed by an unannounced visit shortly after to observe whether this is repeated and a remediation plan agreed with the farmer. The remediation plan varies from case to case, considering the individual circumstances.
		Our third-party suppliers collect data for Thrive via their own FTs, in their own farm monitoring systems.
		Once the data is collected in the field, the country team analyse the data and approve it or reopen the questions for discussion with the farmers. After that, the data is reported in Thrive and made available to the Global Leaf ESG team. The data is also reviewed by an independent third party.

Data Scope and Definitions
Continued

Social continued		
Topic	Metric	Scope and definition
Human rights continued	**% of farmers who received training/ capacity building on child labour issues**	See Reporting Criteria for Number of people engaged via training.
	Human rights impact assessments (HRIAs)	HRIAs are conducted by independent human rights experts, in support of our leaf suppliers, following a defined process for identifying, assessing, and developing appropriate responses to impacts relating to human rights. HRIAs are aligned with the UN Guiding Principles and countries are selected based on a range of factors, including the level of human rights risk exposure and their importance to our sourcing strategy.
	% of farms monitored for grievance mechanisms	Reported via our Thrive annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 94% of our total tobacco leaf purchases in 2023. Grievance mechanisms include regular meetings with farmers/workers or their representatives (e.g. during monthly farm visits by FTs, farmer associations and unions, local NGO/government-led mechanisms and telephone hotline). The data is collated by FTs who visit our contracted farmers approximately once a month during growing season, to interview both the farmers and a sample of workers, as appropriate. Once the data is collected in the field, the country team analyses the data and seeks any clarifications, as needed. Unannounced visits are carried out by individuals who do not usually visits farms regularly with the main purpose of checking information previously collected by the FT. Data is then reported in Thrive and made available to the Global Leaf ESG team, for review, and to drive management action, if required. The data is also reviewed by an independent third party. Our strategic third-party suppliers collected data for Thrive via their own FTs, in their own farm monitoring systems.
	Reports of alleged Standards of Business Conduct (SoBC) breaches relating to Respect in the Workplace and Human Rights and established breaches	All reports of alleged SoBC breaches, made via our Speak Up channels and SoBC portal against the Respect in the Workplace or Human Rights policies. Not all contacts made via our Speak Up channels and SoBC portal involve alleged SoBC breaches; some contacts relate to questions regarding the SoBC or other matters. Therefore, this data relates to all SoBC contacts that were assessed as alleged SoBC breaches, which were subsequently established as breaches, following a detailed investigation.

Data Scope and Definitions
Continued

Social continued		
Topic	Metric	Scope and definition
Health and safety	**Healthy and Safety - Reporting Methodology**	Health & Safety data covers all BAT sites and off-site work-related activities, including Leaf, business travel and Trade Marketing & Distribution and is reported from December 2022 to November 2023. Data covers employees and contractors under the direction, supervision or control of BAT only. Data reported for employees only covers those that have an employment relationship with BAT. Data related to contractors includes contractors that work under our direct supervision. Data is collected monthly (e.g. working hours) or ad hoc (upon occurrence of an accident) via the c360 H&S System by market EHS managers, for all BAT markets. Data is reviewed by the market and region and approved by the Centre. On-site and remote audits are performed on the data on an annual basis (EHS Compliance Reviews/Road Map Assessments). The audit results are reviewed and verified by local, regional and Group senior leadership. Commuting is excluded from the reported figures.
	Work-related accidents resulting in injury to employees and to contractors	Work-related accident means an incident in the course of work, which leads to physical or mental harm. In the course of work means that the incident happened while at work (BAT location, sales, field activities etc) and while engaged in a work-related activity.
		Commuting accidents: (i.e. accidents on the way to work and while returning home after work) are considered "Non work related" and not reported. Local regulations may require it to be recorded as a worked related accident, and this is adhered to at all times.
		– Lost Time Injury (LTI): Defined as any work-related injury which prevents the injured employee for returning to work i.e. unable to return to work due to the nature of their injuries, excluding the shift on the day of the occurrence.
		– Restricted Work Case (RWC): Any work-related injury which does not result in any lost time i.e. LTI, but due to the nature of their injuries, restrictions or modifications are made to an injured persons normal working task/s. This includes any restrictions made on the day of the incident/injury and any future days, until the person is fully recovered, such as light duties or restricted duties.
		– Fatality: Any work-related incident that results in the loss of life of an employee or contractor under the direction, supervision, and control of BAT.
		– Serious Injury: Is defined as any work-related injury, which results in any of the following: (a) Hospitalisation for more than 36 hours (b) Amputation of any part of the body, and includes both a traumatic amputation injury at the time of an accident and surgical amputation as a consequence of the injuries sustained in an accident (c) Fracture of any bone but not the fingers, thumbs, and toes (d) Loss of vision temporary or permanent (e) Dislocation of any joint except the joints of the fingers, thumbs, and toes (f) Major burn.
		Occupational Illness: An abnormal condition or disorder, other than one resulting from occupational injury, caused, at least in part, by demonstrated exposure to environmental factors present in the workplace (as defined by an occupational health specialist or doctor). It includes acute and chronic illnesses or illnesses that may be caused by inhalation, absorption, ingestion, or direct contact with irritants. All cases must be reported, this includes cases even if there is no lost work time. This is something which occurred in more than an instant of time, including prolonged or multiple exposures.
		All cases are reported in BAT EIR system. This includes cases even if there is no lost work time, which occurred in more than an instant of time, including prolonged or multiple exposures. See Health & Safety preamble for full description of data collection and verification process.
	Lost Time Incident (LTI) and Restricted Work Cases (RWC)	For Lost Time Incident (LTI) and Restricted Work Case (RWC) definitions, see 'Work-related incidents resulting in injury to employees and to contractors'.
		Both LTIs and RWCs are reported for employees and contractors under the direction only, supervision or control of BAT. A Serious Injury involving a company employee or contractor under the direction, supervision and control of BAT is also considered as an LTI. Fatalities are excluded.
		LTIs and RWCs are reported via the BAT EIR system by market EHS managers, for: (i) Employees on company owned or rented premises or off-site performing work-related activities; (ii) Employees in their own, or company owned or rented vehicles engaged on company businesses; (iii) Temporary or contract employees under the direction, supervision and control of BAT engaged in company business. A BAT employee or contractor under the direction, supervision or control of BAT visiting another site, who has an injury during the visit that results in an LTI or RWC, will have the LTI or RWC recorded against the site where the injury occurred. See Health & Safety preamble for full description of data collection and verification process.

Data Scope and Definitions
Continued

Social continued		
Topic	Metric	Scope and definition
Health and safety continued	**Total Recordable Incident Rate (TRIR)**	Total Recordable Incident Rate (TRIR). The number of LTIs + RWCs, including those classed as serious injuries but excluding fatalities, related to a common exposure base of 100 full-time workers during one year. This rate is calculated as: (number of lost workday cases x 200,000, i.e. base for 100 full-time equivalent workers, working 40 hours per week, 50 weeks of the year)/total hours worked by all employees and contractors working under direct BAT supervision during the reporting period. See Health & Safety preamble for full description of data collection and verification process.
	Fatalities and serious injuries to employees and contractors	A serious injury is defined as any work-related injury, which results in any of the following:
		– Hospitalisation for more than 36 hours;
		– Amputation of any part of the body, and includes both a traumatic amputation injury at the time of an accident and surgical amputation as a consequence of the injuries sustained in an accident;
		– Fracture of any bone but not the fingers, thumbs and toes;
		– Loss of vision, temporary or permanent;
		– Dislocation of any joint except the joints of the fingers, thumbs and toes; and
		– Major burn.
		Data reported for employees also includes contractors under the direction and control of BAT on company owned or rented premises, or an off-site location, or in company owned or rented vehicles, or private vehicle being used for company business.
		Data for contractors includes independent contractors involved in or performing work in connection with a BAT business activity. All data is consolidated on a monthly basis in order to check performance, trend and all necessary assessments, such as training necessities, security upgrades, and new safety guidelines. On-site and remote audits are performed on an annual basis (EHS Compliance Reviews/Road Map Assessments). See Health & Safety preamble on for full description of data collection and verification process.
	Fatalities to members of public involving BAT vehicles	A BAT vehicle is a company owned or rented vehicle. See Health & Safety preamble for full description of data collection and verification process. Accidents involving BAT vehicles that resulted in a fatality to a member of public. A member of public is any person except BAT employees, contractors and visitors. All data is consolidated on a monthly basis in order to check performance, trends and all necessary assessments, such as training necessities, security upgrades, new safety guidelines.
		On-site and remote audits performed in a year basis (EHS Compliance Reviews/Road Map Assessments).
	Proportion of farms reported to have sufficient PPE for agrochemical use and for tobacco harvesting	Reported via our Thrive assessments, as described above. Sufficient PPE is defined as a minimum of one full set of PPE per individual and per type of activity (agrochemical use, tobacco harvesting, and handling green tobacco leaves) for all relevant farmers and farm workers.
People, Diversity and Culture	**% female representation in Management roles**	Management-grade employees include all employees at job grade 34 or above, as well as any global graduates. The gender of each employee is typically recorded at the point of hire. The number of female Management-grade employees, as a percentage of the total number of Management-grade employees.
	Non-Management	Non-Management includes all employees at job grade 33 or below.
	Senior Management	Senior Management includes all employees at job grade 37 or above.
	% female representation on Senior Leadership teams	Senior Leadership teams are defined as any employee who is either a direct report of a Management Board member or a direct report of a Management Board's direct report (i.e. MB-1 or MB-2).
		The number of female MB-1 and MB-2 Senior Leadership team employees, as a percentage of the total number of MB-1 and MB-2 Senior Leadership team employees. Some MB-1 and MB-2 employees are double-counted in this calculation to account for those who feature on one or more Senior Leadership teams, given their dual accountability.
	Senior Leaders	Senior Leaders referred to in the ethnicity agenda includes the Management Board and direct reports of a Management Board member (i.e. MB and MB-1).

Data Scope and Definitions
Continued

Social continued		
Topic	Metric	Scope and definition
People, Diversity and Culture continued	**% of Key Leadership teams with at least a 50% spread of distinct nationalities**	The number of Management Board members that have at least a 50% spread of nationalities within their Key Leadership teams (MB-1 members only), as a percentage of the total number of Management Board members. A Key Leadership team is categorised as the group of direct reports that report into a Management Board member.
		The 50% spread of distinct nationalities is satisfied if at least half of a given MB's Key Leadership team members are of distinct nationalities. The nationality of each employee is typically recorded at the point of hire. U.S. employees hired by Reynolds prior to its merger with BAT did not disclose nationality at point of hire and therefore these employees are excluded from the calculation.
		Some MB-1 Key Leadership team members are double-counted in this calculation to account for those who feature on one or more MB leadership teams, given their dual accountability.
	Regional/Functional Leadership Teams	Any employee who is a direct report of a Management Board member (i.e. MB-1).
	% employee engagement score in our global 'Your Voice' survey	Employee Engagement Index focuses on the employees' connection to their organisation, marked by committed effort to achieve goals (being engaged) in environments that support productivity (being enabled) and maintained personal wellbeing (feeling energised).
	% High Performance Index score in our global 'Your Voice' survey	The High Performance Index comprises those factors which, as a collective, differentiate high performing companies from the rest: if all these things are in place and working well, this signals an organisation as a high performing company.
		High performing companies are those with sustained financial success and superior human resources practices.
	% difference to FMCG comparator group	Scores are benchmarked against the global comparator group for Fast Moving Consumer Goods (FMCG) companies.
	Ethnically Diverse Groups	Ethnically Diverse Groups includes global ethnic groups: six global 'Ethnically Diverse Groups' were determined considering BAT's global market footprint: Asian, Black, Hispanic/Latin American, Indigenous, Mixed and Other Ethnic Groups. Individuals self-identified as White, those that have selected 'Preferred not to Disclose' and individuals that have opted 'Not Disclosed' i.e, their ethnicity field remains blank, are not captured in the data set 'Ethnically Diverse Groups'.
	Global Unadjusted Gender Pay Gap	The unadjusted salary gap refers to the overall difference in average earnings between women and men in the global workforce, without accounting for factors such as job type, experience, or other relevant factors that could influence earnings.
		Our global unadjusted pay gap analysis covers all our direct employees (~42,000 employees) in more than 100 locations, considering base salary and 'on target' variable pay opportunities as of 1 July 2023.

Data Scope and Definitions
Continued

Governance		
Topic	Metric	Scope and definition
Ethics and integrity	**Number of alleged SoBC breaches**	This includes all reports of alleged SoBC breaches. A breach refers to any issue that would be considered to compromise any of the rules and principles set out in the SoBC, including unethical behaviour.
		Not all contacts made via our Speak Up channels (i.e. SoBC Portal or independent hotline) involve alleged SoBC breaches. Some contacts relate to questions or complaints on other matters, such as product complaints or HR grievances. Therefore, this data relates to all SoBC contacts that were identified to be alleged SoBC breaches, which were subsequently investigated. For FY23 Russia and Belarus have been excluded from this data due to our divestiture. For FY23, there was only 1 substantiated breach related to either Russia or Belarus, compared to 4 in FY22.
	Number of disciplinary actions taken as a result of SoBC allegations that resulted in people leaving BAT	Following investigations of alleged breaches of the SoBC, disciplinary sanctions are determined. These vary from warning letters to additional training to employment termination.
	Number of alleged SoBC breaches that are established as breaches	Of the alleged SoBC breaches that were investigated (see above for reports of alleged SoBC breaches relating to all policies), this data relates to those that were established as substantiated breaches upon investigation.
	Integrity Network	The Integrity Network was formed in 2021 and has more than 100 members, comprising Legal and Corporate and Regulatory Affairs employees responsible for implementing the compliance programme for markets and central functions.
	Business Integrity Panel	The Group BIP is comprised of the Group Designated Officers (GDOs) and invited guests (as required). Four senior Group executives act as GDOs: – the Associate General Counsel, Business Conduct and Compliance – the Company Secretary of British American Tobacco plc – the Group Head of Internal Audit – the Group Head of Reward
Suppliers Engagement	**Number of independent labour audits conducted of product materials and high-risk indirect service suppliers**	Includes all suppliers of materials – other than tobacco leaf – used in Group products. Such materials include filters, paper, adhesives, e-liquids, New Category devices, batteries and electronic components. High-risk indirect suppliers are identified through a risk assessment using the following human rights indices independently published by Verisk Maplecroft: Corruption, Occupational Health and Safety, Modern Slavery, Migrant Workers, Freedom of Association and Collective Bargaining, Discrimination in the Workplace, Decent Working Time, Decent Wages, and Child Labour.
		Supplier labour audits include all audits and self assessments with verification conducted by an independent third party against their workplace conditions assessment criteria, which is aligned to international standards, including International Labour Organisation (ILO) Conventions.
		The reports are sent to the BAT Strategy and Sustainability Procurement team and the supplier. The BAT Strategy and Sustainability team review the results and apply BAT's ranking of the audit. The supplier is then responsible for making any necessary changes to address the issues identified within the recommended time frame. Relevant updates on the audit programmes progress are provided to the Supply Chain Due Diligence (SCDD) Committee, which is a senior cross functional forum. When a supplier does not implement the necessary changes to address the issues identified then an escalation is made to the SCDD Committee for consideration on proposed next steps (e.g. extension on time-frame or supplier removal).
	% suppliers to have undergone at least one independent labour audit within a three-year cycle	See Reporting Criteria for Number of independent labour audits conducted of product materials and high-risk indirect service suppliers.

Data Scope and Definitions
Continued

Governance continued		
Topic	Metric	Scope and definition
Marketing and Communications	**Incidents on non-compliance with regulations resulting in regulatory warning** **Incidents of non-compliance with regulations resulting in fine or penalty**	Incidents of non-compliance with regulations in warning or in fine or penalty are dealt with at market level. First, these metrics are collected from our annual Sustainability Survey which is cascaded via an independent online system, manage by a third party. To collect the 'Incidents of non-compliance with regulations resulting in warning/fine or penalty' compliance data, the markets are asked to report any such instances. The survey is completed by local Legal and Corporate and Regulatory Affairs teams and the full survey response is approved by the market or area Head of Legal. This approval involves reviewing the information provided by the local teams to ensure it is accurate, and formally submitting it to the Group Sustainability team. Completed surveys are reviewed by the third party managing the survey as well as by the Group Sustainability team. Data is collected from January to November. A reconciliation happens in January to capture any additions/changes happening between November and 31 December 2023. This allows the Group to capture 12 months data. Ongoing incidents will be included in our external reporting as an 'incident' upon final decision being granted.
Board diversity	**% women Directors on the Board of BAT plc.**	Includes all members of the Board of Directors of British American Tobacco p.l.c. as of 31 December 2023.
	% Directors on the Board of BAT plc from an ethnic minority background	Includes all members of the Board of Directors of British American Tobacco p.l.c. We apply the UK Office for National Statistics' criteria for Black, Asian and Minority Ethnic.

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