Data scope and definitions

Environment

The data of Scopes 1 and 2 CO_2e emissions 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transportation and distribution), direct energy, including renewable energy and purchased renewable electricity, water withdrawn with breakdown by source, water discharge with breakdown by destination, waste generation from direct operations with breakdown by destination (e.g. recycling, landfill), is collected from over 180 Group reporting units in 91 countries via Cr360 reporting system, which is a service provided by an independent third-party.

Reporting by each unit is done in line with the following cycles: units contributing to around 98% of Scopes 1 and 2 CO_2e emissions, including all manufacturing facilities and green leaf threshing plants, report on the quarterly basis, those contributing to around 2% – semi-annually, annual reporting is done by units reporting less than 0.3% of emissions.

In Cr360, data submission at the reporting unit level is done by local EHS team. Environmental performance summary (main KPIs) downloaded from Cr360 is subject to approval by Top Team member responsible for EHS of the respective reporting unit. Submissions of the reporting units are reviewed and approved by Regional Sustainability teams and are further reviewed by Group Operations Sustainability team.

Data consolidated for appropriate geography (Group, Region, cluster of countries) is reviewed and reported quarterly to appropriate internal stakeholders.

Other KPIs such as the ones that relate to Product Plastic Packaging are derived from Bill of Materials and Sales data stored in SAP TaO for all end markets. Once generated, they undergo revision by the global packaging managers from each category, get signed both by the respective heads of R&D and by the Group Head of Operations Development and Sustainability, subject to having the figures assured. It is worth noting that the reporting period of the following KPIs span from Dec 1st 2020 to Nov 30th 2021:

– Scope 1 and 2 CO_2e emissions

– Direct energy use

– % of Renewable energy in direct energy use

– % of electricity sourced for operations sites that is renewable

– Waste generated

– Waste sent to landfill

– % of operations sites at zero waste to landfill

– % of waste recycled

– Water withdrawn

– % water recycled

– Water discharge

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition
Climate change	CO_2e 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_2e) emissions. In addition, we utilise supporting standards including:
		– GHG Protocol Scope 2 Guidance, 2015
		– GHG Protocol Corporate Value Chain (Scope 3) Standard, 2011
		We report emissions where we have Operational Control and include CO_2, CH4 and N2O within our CO_2e emission reporting. We do not include data on other GHG emissions (HFCs, PFCs, SF6 and NF3) as they are estimated to be insignificant. While we account for the contribution CO_2, CH4 and N2O make to our CO_2e emissions, we do not disclose the breakdown CO_2e data on an individual GHG basis.
		Baseline
		BAT currently use a 2017 baseline year for emissions reporting which has a total of 7,816,716 tCO_2e split as follows:
		– Scope 1: 426,607 tCO_2e
		– Scope 2: 437,597 tCO_2e market-based
		– (For reference – Scope 2: 502,582 location-based)
		– Scope 3: 6,951,522 tCO_2e
		Data Collection, Validation and Exclusions
		Emissions data for Scope 1 and 2 is collected within C360 reporting system, it includes 180 reporting units located across 91 countries. The largest contributors to emissions (i.e., Manufacturing Facilities and Green Leaf Threshing Plants) report on the quarterly basis, those with a lower proportion of emissions report on either a biannual or annual basis. Scope 3 data collection and calculation is detailed below.
		Data reported by units is reviewed by the Regional and Group Operations Sustainability Team through variance analysis and benchmarking between sites with a similar footprint. Data excluded from the Cr360 Reporting system excludes facilities where BAT do not maintain Operational Control and new sites at commissioning phase.
	Scope 1 and Scope 2 emissions	Scope 1 includes direct emissions from sources owned or controlled by BAT. It includes emissions associated with our managed locations including coal, natural gas, wood fuel, diesel, LPG etc, fuel utilised by our vehicle fleet and CO_2 used for the production of Dry Ice Expanded Tobacco (DIET). Data is collected from invoices, telematics, fuel cards, meter readings and other documentation and logged within the EHS Reporting Tool. DEFRA Greenhouse Gas Reporting: Conversion Factors 2020 are used to convert to CO_2e.
		Scope 2 includes indirect emissions associated with the purchase of electricity, hot water and steam which is consumed at our locations. Data is collected from invoices, internal metering and in some instances via the Building Management System (BMS). Our 2017 baseline for Scope 2 emissions are as follows:
		– Market Based: 437,597tCO_2e
		– Location Based: 502, 582 tCO_2e
		Renewable Energy Validation
		Scope 2 Market-based CO_2e emissions are calculated from supplier-specific emissions factors. To ensure reported Market-based CO_2e 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 renewable, 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 Power Purchase Agreement). Whenever Market-based factors are not available, Market-based Scope 2 CO_2e emissions are calculated using International Energy Agency 2020 country specific emission factors.
	Scope 3 emissions	See Simplified Scope 3 Methodology document on bat.com: bat.com/esgreport

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition

CO₂

Climate change continued

	Direct energy use	Direct energy is reported in line with GRI 302, Energy, 2016, Disclosure 302-1, Energy consumption within the organization. Direct energy 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

– purchased electricity, steam and hot water by BAT for use at our facilities and fleet vehicles.

Direct energy 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, m^3, etc.) and are converted into an appropriate metric for conversion utilising the DEFRA 2020 emission factors. Despite specifications of fuels used at different sites, and thus calorific values, may vary, for unification the same emission factor is 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 done as per definition of the units (1 Watt = 1 Joule per second).

Renewable energy

Renewable energy includes:

– energy generated from renewable fuels at our sites (e.g. wood fuel, bio mass fuels) and in fleet vehicles, owned or leased (e.g. biodiesel)

– purchased renewable electricity, hot water and steam

– 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 2020 UK DEFRA/ BEIS 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), therefore don't require conversions.

Conversion between Joules and Watt is done as per definition of the units (1 Watt = 1 Joule per second) and % of Renewables in Direct Energy is calculated as Renewable Energy (GJ) / Direct Energy (GJ).

% of electricity sourced for operations sites that is renewable

Refers to share of purchased renewable electricity within total purchased electricity. Operations sites refers to all BAT-owned cigarette manufacturing factories, sites manufacturing other tobacco products, snus, modern oral and liquids and green leaf threshing (GLT) tobacco processing sites. We set this target in 2021, so previous year's data is not available.

% of high-risk suppliers of product materials that have undergone at least one independent environmental audit within a three-year cycle

Includes all suppliers of materials used in Group products (other than tobacco leaf), such as filters, paper, adhesives, e-liquids, New Category devices, batteries and electronic components. High-risk suppliers are identified in a risk assessment against the following Verisk Maplecroft's independent environmental indices: Biodiversity and Protected Areas (Terrestrial), Climate Change Vulnerability, Deforestation, Environmental Regulatory Framework, Waste Management, Water Stress. The audits comprise a desk-based assessment via a system operated by our global audit partner, Intertek. The assessments are independently verified by Intertek against evidence provided. The audit reports are sent to us and the supplier. We review the results and propose follow-up actions if needed, and the latest status is reviewed by the Supply Chain Due Diligence Committee, which is a senior, cross-functional forum that meets three times per year. Any actions will be shared with the supplier in business review meetings and shared with Intertek if there are any actions they need to progress, such as a revisit or desktop review. We selected an off the shelf designed and widely used assessment by Intertek to assess companies on sustainability metrics. We set this target in 2021, so previous year's data is not available.

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition
Waste	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 Cr360 reporting system.
		At the reporting unit level waste is split by non-hazardous and hazardous and further by end destination: recycling, incineration with and without energy recovery, landfill, other waste management.
		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 can be estimated based on area occupied or headcount. Classification of waste for hazardous and non-hazardous is done as per local legal requirements. Reporting units are required to track waste till its final destinations 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 is reported by units are reviewed by Regional and Group Operations Sustainability team's thorough variance analysis and benchmarking between sites with similar footprint. Data consolidated at appropriate geography (Group, Region, cluster of countries) is reported quarterly appropriate internal stakeholders.
		Our 2017 baseline figure is 160,124 tonnes. Baseline is not adjusted in case of closure or acquisition of new sites.
	Waste sent to landfill	This is waste generated from our direct operation that is disposed of through sending to an authorized landfill site.
		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 can be estimates based on area occupied or headcount. All reporting units are required to track waste till final destination and define the disposal route, which may be landfill.
		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 operations sites at zero waste to landfill	Operations sites refers to all BAT-owned cigarette manufacturing factories, sites manufacturing other tobacco products, snus, modern oral and liquids and green leaf threshing (GLT) tobacco processing sites. We began reporting on this metric in 2020.
		Each reporting unit reports the total amount of waste generation and its breakdown by final destination, including landfill, via Cr360 reporting system. Whenever site reports all waste as recycled or incinerated with or without energy recovery and no waste sent to landfill, it is considered being at site at zero waste to landfill.
	% of waste recycled	Recycling rate is calculated as Waste Recycled (tonnes) divided by Waste Generated (tonnes).
		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.
		In 2021, ensuring our reporting is aligned to the new GRI 306: Waste 2020 Standard, we revised our methodology to no longer include waste to energy, incl. incineration for energy recovery and converting waste into fuel, as a form of recycling. As a result, we have restated previously reported data for 2020 (originally 90.7%) and 2019 (originally 90.4%).

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition
Waste continued	Total weight of unnecessary single use plastics in our packaging	This KPI totalizes all volume (in metric tonnes) of product primary and secondary plastic packaging elements that are (at present) classifiable as unnecessary.
		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 used to be 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.
		By "unnecessary" we mean any plastic packaging element technically replaceable by non-plastic materials without compromise of product properties (i.e., quality, safety or other regulatory requirements).
		The classification of materials as unnecessary or necessary and/or as single-use-plastics are defined by our R&D teams. The unnecessary single use plastic materials' consumption, for each type of SKU in our portfolio, is sourced from our products Bill of Materials, converted into metric tonnes and multiplied by the volumes sold (with the aid of various tools including Alteryx) in the reporting period to generate final reportable volumes.
	% of 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 sales 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 used to be 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 totalize the volume (in tonnes) of the recycled content portion of all our plastic packaging materials and divide it by the overall volume (in tonnes) of plastic packaging materials used – for any given year.
		The share of recycled content is sourced from our materials' supplier's specification files. Such materials' consumption requirements, for each type of SKU in our portfolio, is sourced from our products Bill of Materials, converted into metric tonnes and multiplied by the volumes sold (with the aid of various tools including Alteryx) in the reporting period to generate final reportable volumes.
	% of reusable, recyclable or compostable packaging	This KPI measures the share of primary and secondary plastic packaging that is either technically reusable or recyclable or compostable across sold products in each reference reporting year.
		While there are no means to trace what happens with materials at their end of life due to the number of end markets in which our products are sold and variations in consumer behaviour and/or local infrastructure to process waste end of life, we have to consolidate this KPI based on technical potential for reuse, recycling or composting.
		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 used to be 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 totalize the volume (in tonnes) of all technically reusable, recyclable or compostable portion of all our plastic packaging materials and divide it by the overall volume (in tonnes) of plastic packaging materials used in sold products over their reference year.
		The classification of materials as recyclable, compostable or reusable are defined with the help of our R&D teams and third party accredited and independent suppliers that conduct materials' assessments. Such materials' consumption requirements for each type of SKU in our portfolio is sourced from our products Bill of Materials, converted into metric tonnes and multiplied by the volumes sold (with the aid of various tools including Alteryx) in the reporting period to generate final reportable volumes.

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition
Waste continued	% of New Category markets with take-back-schemes in place	This KPI measures the share (in %) of the markets in which we operate which operate take-back-schemes for THP or Vapour devices sold. Take-back schemes are defined as schemes whereby consumers can return the products at the end of life to the company, independently of the products being defective. Data includes take-back schemes that were running continuously throughout 2021, and were live by 31st December 2021. Data is monitored by local LEX, Marketing and Sustainability teams.

Such share is calculated by dividing the number of markets operating take-back-schemes (for example a market that only sells THP or only Vapour devices or both THP and Vapour devices will be considered as one market) divided by the total number of markets where THP or Vapour Devices or both THP and Vapour devices are sold. Please note, certain markets only sell one or the other product (e.g. THP or Vapour) and so these are counted as one market along with markets that sell both these products. If a market selling both THP and Vapour has a take-back-scheme covering either THP or Vapour, but not the other product, it will not be considered to have a take-back-scheme in place.

As such:

– markets not selling any type devices are out of scope (e.g., countries where THP or Vapour products are not sold); and

– in markets selling both Vapour and THP devices, our take-back schemes cover all categories.

It is worth noting that the aim of the take-back schemes proposition is to provide the consumer alternatives to avoid landfilling and/or increase materials recovery potential at products' end of life. |
| | % of contracted tobacco farmers reported to participate in agrochemical safe disposal and recycling schemes | Reported via our *Thrive* assessments covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-60 in 2021 ESG Report for details). 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 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. Robust controls are in place for data validation and data is tracked and analysed centrally to ensure senior oversight and drive management action. Our strategic third-party suppliers collected data for *Thrive* via their own farm monitoring systems. 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. |
| **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 for any use within our direct operations. Water is used in manufacturing processes, in utilities, for social and irrigation needs. Irrigation is limited to our companies' premises, such as watering lawns. It does not include irrigation in agriculture, e.g. in leaf growing.

Water withdrawn data is collected via Cr360 system. Sites collect data for water withdrawn based on invoices from suppliers and internal metering, which at major sites is done in real time via building management systems (BMS). Small offices can apply estimates based on area occupied or headcount.

Our 2017 baseline figure for water withdrawn is 5.20 million cubic meters. |

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition

Water continued

% water recycled

Water Recycled includes water and wastewater used more than once before being discharged from the organization's boundary, so that water demand is reduced. Recycled water can be used in direct operations for cleaning, irrigation or within utilities, e.g., for cooling. Irrigation is limited to our companies' premises, such as watering lawns. It does not include irrigation in agriculture, e.g. in leaf growing.

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 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 withdrawn data is collected via Cr360 system. Sites collect data for water recycled based internal metering, which at major sites is done in real time via building management systems (BMS).

In 2021 we aligned our water recycling reporting methodology with CDP Water Security guidance and excluded harvested rainwater from water recycled. Inclusion was based on previous edition of GRI/G4. Our previously reported figures of water recycling rate of 15.3% in 2020 and 13.7% in 2019 would be 15.0% and 13.7% respectively if applying new methodology excluding harvested rainwater.

Note: rainwater collected for use on site is consistently reported as source of water, part of water withdrawn. No changes in the methodology are applied.

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 organization in tanks via vehicle.

The data of water discharge with breakdown by destination (third party, fresh water, brackish water, groundwater) are collected via Cr360 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.

% of operations sites AWS certified

Relates to all operations sites that have been independently certified against the Alliance for Water Stewardship (AWS) Standard 2.0. Operations sites refers to all BAT-owned cigarette manufacturing factories, sites manufacturing other tobacco products, snus, modern oral and liquids and green leaf threshing (GLT) tobacco processing sites.

% of tobacco hectares reported to have best practice soil and water management implemented

Reported via our *Thrive* assessments covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-61 in 2021 ESG Report for details). 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 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 soil and water management 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. Robust controls are in place for data validation and data is tracked and analysed centrally to ensure senior oversight and drive management action. Our strategic third-party suppliers collected data for *Thrive* via their own farm monitoring systems. 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. Best practice soil and water management plans are specific to the local circumstances and growing conditions – examples can be found on pages 52 and 56 in 2021 ESG Report.

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition
Biodiversity and afforestation	% of contracted farmers' wood fuels that are from sustainable sources	Data collected from a sample of over 69,000 farmers that are contracted by BAT leaf operations. Of our 75,000+ directly contracted farmers, around 33,000 use wood for curing and the percentage reported represents sustainable wood used by those farmers. In some cases, where our operations have contracted a large number of farmers, farmer samples have been used. 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. This may include wood sourced from identified invasive exotic species that have not been planted; and wood sourced from existing legal plantations. This definition does not include conversion of natural forests to plantations in order to produce wood for tobacco curing. If the farmer cannot confirm the traceability of the wood back to a sustainable source, it is considered as unsustainable wood.
	Number of non-compliance incidents reported of our contracted farmers clearing new forests to grow tobacco	Data relates to 94% of our 75,000+ contracted farmers. Data is collected by BAT field technicians (FTs) who visit our contracted farmers approximately once a month during the growing season. The FTs take a record, based on physical observations, of forest coverage on the farm at any point in time during the visits. 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, including 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. Further details on FSM can be found on page 56 and 65.
	% of paper and pulp volumes for primary packaging and fine papers that is certified as sustainably sourced	Relates to the proportion of volumes (in tonnes) of primary packaging (i.e., a material that is in direct contact with the final product) and fine papers and is achieved by ensuring these materials we use are certified sustainably sourced in consideration of deforestation. Certified sustainably sourced means that the material is sourced with specific certification related to chain of custody (e.g., by the Forest Stewardship Council (FSC) or by the Programme for the Endorsement of Forest Certification (PEFC)). We set this metric in 2021, so previous year's data is not available.
	Hectarage of tobacco grown in deforested area	Data relates to 94% of our 75,000+ contracted farmers. Data is collected by BAT field technicians (FTs) who visit our contracted farmers approximately once a month during the growing season. The FTs take a record, based on physical observations, of forest coverage on the farm at any point in time during the visits. 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, including 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. Further details on FSM can be found on page 56 and 65 in 2021 ESG Report.
	Hectarage of native forest and conservation area	Reported via our *Thrive* assessments covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-61 in 2021 ESG Report for details). 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 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 the hectares of native forest and conservation area 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. Robust controls are in place for data validation and data is tracked and analysed centrally to ensure senior oversight and drive management action. Our strategic third-party suppliers collected data for *Thrive* via their own farm monitoring systems. 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.

Data scope and definitions
Continued

Environment Continued

Metric		Scope and definition
Biodiversity and afforestation continued	% of all paper and pulp volumes that is certified as sustainably sourced	Relates to proportion of volumes (in tonnes) of pulp and paper products sourced, covering board and paper for primary packaging, board and paper for secondary packaging, fine papers for cigarettes and tobacco heating products, cellulose acetate tow for filters, and marketing materials. Net zero deforestation will be achieved by ensuring all paper and pulp materials we use are certified 'sustainably sourced' in consideration of deforestation. Certified 'sustainably sourced' means that the material is sourced with specific certification related to chain of custody (e.g., FSC or PEFC). We set this metric in 2021, so previous year's data is not available.
	Hectarage of afforestation on contracted farms	Reported via our *Thrive* assessments covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-61 in 2021 ESG Report for details). 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 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 the hectares of afforestation 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. Robust controls are in place for data validation and data is tracked and analysed centrally to ensure senior oversight and drive management action. Our strategic third-party suppliers collected data for *Thrive* via their own farm monitoring systems. 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.
	Number of non-compliance incidents identified in the FSM system and % reported as remediated and resolved	Data relates to 94% of our 75,000+ contracted farmers. Data 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. Robust 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. Further details on FSM, including full breakdown of type of non-compliance incidents identified, can be found on page 56 and 65 in 2021 ESG Report.
General	Number of non-compliance incidents or fines issued in relation to environmental management practices	Non-compliance incidents or fines in relation to environmental management practices such as air emissions and waste management.
	Number of BAT sites with ISO 14001 certification	Relates to certification of operations sites covering all BAT-owned cigarette manufacturing factories, sites manufacturing other tobacco products, snus, modern oral and liquids and green leaf threshing (GLT) tobacco processing sites.
	% of total production volume covered by sites with certification	See Reporting Criteria for Number of BAT sites with ISO 14001 certification.

Data scope and definitions
Continued

Social

Metric		Scope and definition

Farmer livelihoods

% of tobacco farmers reported to grow other crops

Reported via our *Thrive* annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-61 in 2021 ESG Report for details). 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 types of fruit, vegetables, as well as wheat, maize, cotton 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 FSM digital app.

Once the data is collected in the field, the country team analyses the data and seeks any clarifications, as needed. The data is then reported in *Thrive* and is made available to the Global Leaf ESG team, for senior 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.

Number of people engaged via training

Reported via our *Thrive* annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-61 in 2021 ESG Report for details). 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 demonstrations, and training delivered remotely by digital or other channels (particularly during the COVID-19 pandemic).

Topics for training in 2021 include farm management, rural digital inclusion, invoice issuing, cost of production calculation, and personal finance. Attendance list and registration / counting of online interactions for online training provide evidence of training having taken place . Attendance lists are managed at the market-level and captured through physical paper lists or responses in FSM.

The data is reported in *Thrive* and is made available to the Global Leaf ESG team, for senior 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.

This metric was established in 2020. As such, 2019 data is not available.

Community investment contributions

Data is collected via our annual Sustainability Survey. This is completed by local Legal and External Affairs (LEX) teams and approved by the market or area Head of LEX. Completed surveys are reviewed by an independent third-party. The final data is then reported to our Audit Committee each year.

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 Health: Health; SDG 8 Decent Work and Economic Growth: Child Labour and Human Rights, Education and Training, Arts and Culture; SDG 9 Industry, Infrastructure and Innovation: Community Infrastructure; SDG 12: Responsible Consumption and Productions: 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.

Data scope and definitions
Continued

Social Continued

Metric		Scope and definition
Human rights	% of farms monitored for child labour	Reported via our *Thrive* annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-61 in 2021 ESG Report for details). 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.
	% of farms with incidents of child labour identified	Child labour 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.
	Number of child labour incidents identified	Our strategic third-party suppliers collect data for *Thrive* via their own FTs, in their own farm monitoring systems.
	% reported as resolved by end of 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. 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.
		The definition of child labour used to identify child labour incidents is hazardous child labour as defined by the ILO Convention No. 138 on Minimum Age and ILO Convention No. 182 on the Worst Forms of Child Labour.
		Further details of our monitoring and remediation procedures can be found on page 66 in 2021 ESG Report.
	% of farmers that received training/ capacity building on child labour issues	See Reporting Criteria for Number of people engaged via training.
	Number of incidents of forced labour identified	See Reporting Criteria for Child Labour. Cases of forced labour refers to, for example, debt bondage, threats to the workers, lack of freedom to leave employment, financial deposits, withholding of payments, retention of ID and valuables, imprisonment and compulsory labour. Further details of our monitoring and remediation procedures can be found on page 65 of the 2021 ESG Report.
	% reported as resolved by end of the growing season	See Reporting Criteria for Number of incidents of forced labour identified.
	Number of 'prompt action' incidents regarding farm labourers' rights	Data relates to 94% of our 75,000+ contracted farmers. Data is collected by BAT field technicians (FTs) who visit our contracted farmers approximately once a month during the growing season. The FTs conduct interviews and observe conditions and practices on the farm. Details of each visit are recorded by the FTs and acknowledged by the farmers in the Farmer Sustainability Management (FSM) digital app. The data is then made available to the Global Leaf ESG team, for senior oversight and to drive management action, if required. The data is also reviewed by an independent third-party.
	% reported as resolved by end of the growing season	Further details on FSM, including a breakdown of types of non-compliances identified and how they are resolved, can be found on pages 56 and 66 of the 2021 ESG Report.
	Number of people engaged via farmer training on human rights	See Reporting Criteria for Number of people engaged via training.

Data scope and definitions
Continued

Social Continued

Metric		Scope and definition
Human rights continued	Access to grievance mechanisms	Reported via our *Thrive* annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of our total tobacco leaf purchases in 2021 (see pages 59-61 in 2021 ESG Report for details).
		Grievance mechanisms include regular meetings with farmers/workers or their representatives (e.g., during monthly farm visits by field technicians), 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. 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 FT's, in their own farm monitoring systems.
	Human rights impact assessments (HRIAs)	HRIAs are conducted by independent human rights experts, in support of our third-party suppliers.
		To assist our third-party suppliers to manage allegations relating to human rights, the independent experts follow a defined process for identifying, assessing, and developing appropriate responses to allegations 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, their importance to our sourcing strategy and the significance of tobacco growing in the country. Further details can be found on pages 67-68 of the 2021 ESG Report.
	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 conducted by an independent third-party against their workplace conditions assessment (WCA) criteria, which is aligned to international standards, including International Labour Organisation (ILO) Conventions.
		The audit reports are sent to the relevant Group company and the supplier. The supplier is then responsible for making any necessary changes to address the issues identified. The relevant Group company would also review the results and propose follow-up actions, as needed. Relevant updates are provided to the Supply Chain Due Diligence Committee, which is a senior, cross-functional forum.
		In 2020 and 2021, there were a small number of cases where on-site audits were not possible due to COVID-19 restrictions. In these cases, BAT worked with Intertek to implement alternatives, which included self-assessment questionnaires and 'virtual audits'. Further details can be found on pages 69 and 70 of the 2021 ESG Report.
	% 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.
	% of Group companies assessed for human rights risks	An annual risk assessment is conducted of all countries where a Group company is present, against Verisk Maplecroft human rights indices (such as the Modern Slavery Index).
		The indices measure inherent risk at a country level. Group companies identified as operating in a high-risk country would complete a human rights assessment. Main findings are reviewed at the Board level.
		Further details can be found on page 70 of the 2021 ESG Report.

Data scope and definitions
Continued

Social Continued

Metric		Scope and definition
Human rights continued	% of high-risk Group companies identified that underwent enhanced human rights monitoring and Board reviews (number of countries)	See Reporting Criteria for % of Group companies assessed for human rights risks.
	Reports of alleged 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.
		Further details can be found on pages 70 and 84-85 in 2021 ESG Report.
Health and safety	Preamble	Health & Safety data covers all BAT sites and off-site work-related activities, including business travel and Trade Marketing & Distribution. 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 reported for contractors includes contractors that work under our direct supervision. Data is collected monthly (working hours for example) or ad hoc (when we have an accident) via EIR System by market EHS managers, for all BAT markets. Reynolds have their own Injury Tracking system. Data is reviewed by the market and region and approved by the Centre. Presential 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. It is worth noting that the reporting period of the Health and Safety KPIs spans from Dec 1st 2020 to Nov 30th 2021.
	Work-related accidents resulting in injury to employees and to contractors	An accident is defined as any work-related incident, which is defined as an event or exposure in the work environment either caused or contributed to the resulting condition or significantly aggravated a pre-existing injury or illness. In this context, an injury is a lost-time injury (LTI), a serious injury, or a fatality, as defined below:
		– An LTI is defined as any work-related injury which results from an employee being unable to work a full assigned shift, excluding the shift on the day of the occurrence. The definition also includes any work-related injury which an employee returns to work on the day following an injury or illness but can only perform restricted duties.
		– A 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; and (f) Major burn.
		– A fatality is a loss of life.
		– An illness is 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. It includes acute and chronic illnesses or illness 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, which occurred in more than an instant of time, including prolonged or multiple exposures. See Health & Safety preamble on p13 for full description of data collection and verification process.

Data scope and definitions
Continued

Social Continued

Metric		Scope and definition
Health and safety continued	Lost workday cases	Work-related accidents (including assaults) resulting in injury, causing absence of one shift or more.
		Lost Workday Case is equivalent to Lost Time Injury (LTI) and is defined as any work-related injury which results from an employee being unable to work a full assigned shift, excluding the shift on the day of the occurrence. The definition also includes any work-related injury which an employee returns to work on the day following an injury or illness but can only perform restricted duties.
		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. Data covers employees and contractors under the direction, supervision or control of BAT only. LTIs must be 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 business (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, will have the LTI recorded against the site where the injury occurred. See Health & Safety preamble on p13 for full description of data collection and verification process.
	Lost workday case incident rate (LWCIR)	LWCIR = Lost Time Incidence Rate (LTIR). The number of LTIs, 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 on p13 for full description of data collection and verification process.
	Occupational illness cases and rate	Defined as 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. It includes acute and chronic illnesses or illness that may be caused by inhalation, absorption, ingestion, or direct contact with irritants. All cases are reported, including cases even if there is no lost work time. This is something which occurred in more than one instant in time, including prolonged or multiple exposures. All lost time injuries and all occupational illnesses of employees and contractors under direction and control of BAT must be reported to headquarters as soon as practical. Independent contractors' and visitors' injuries and illnesses are not recorded as LTIs. The calculation for the rate is based on OSHA guidelines: the number of events multiplied by 200,000, then divided by the total number of hours worked. The number 200,000 is used because it is the total number of hours 100 employees would work in a year (100 workers x 40 hours x 50 weeks). See Health & Safety preamble on p13 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: (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; and (f) 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. Presential and remote audits are performed on an annual basis (EHS Compliance Reviews/Road Map Assessments). See Health & Safety preamble on p13 for full description of data collection and verification process.

Data scope and definitions
Continued

Social Continued

Metric		Scope and definition
Health and safety continued	Fatalities to members of public involving BAT vehicles	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, trend and all necessary assessments, such as training necessities, security upgrades, new safety guidelines. Presential and remote audits performed in a year basis (EHS Compliance Reviews/Road Map Assessments). A BAT vehicle is a company owned or rented vehicle. See Health & Safety preamble on p13 for full description of data collection and verification process.
	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 workers.
	Number of people engaged via farmer training	Reported via our *Thrive* assessments, as described above. The number of people engaged include farmers who may be reached via several trainings in the year, 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 demonstrations, and training delivered remotely by digital or other channels (particularly during the COVID-19 pandemic to maintain social distancing).
People and culture	% women on our global graduate programme	Includes all women employed as part of our Global Graduate programme.
	% women in management roles	The number of female management-grade employees, as a percentage of the total number of management-grade employees. 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.
	% women on senior leadership teams	The number of female employees on senior leadership teams, as a percentage of the total number of employees 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). Management Board members are denoted per their job grade. Reporting lines to identify MB-1 and MB-2 are determined using the line manager's position code. The gender of each employee is typically recorded at the point of hire.
	% 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 leadership teams (MB-1 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 direct reports are of distinct nationalities. The nationality of each employee is typically recorded at the point of hire. US 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.
	% employee engagement score in our global 'Your Voice' survey	We conduct our global 'Your Voice' survey every two years, with the most recent survey conducted in 2021. In 2021, the survey was completed by 93% of all Group employees globally, compared to 90% in the 2019 survey.
	% difference to FMCG comparator group	Scores are benchmarked against the global comparator group for Fast Moving Consumer Goods (FMCG) companies.

Data scope and definitions
Continued

Governance

Metric		Scope and definition
Business ethics	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.
		A breakdown of reports of alleged SoBC breaches can be found on page 85 of the 2021 ESG Report.
	Number of alleged SoBC breaches that are established as breaches	Of the alleged SoBC breaches that were investigated (see Reporting Criteria for reports of alleged SoBC breaches relating to all policies), this data relates to those that were established as substantiated breaches upon investigation.
Responsible marketing	Number of established IMP breaches	A breach refers to an incident or a group of incidents that relate to the same IMP principle, that were identified in any one market. There are five IMP principles: Accurate and not misleading; Transparent; Responsible; Targeted at adult consumers; and Compliant with applicable laws. IMP compliance data includes all markets where our products are sold and originates from both routine and non-routine sources.
		First, IMP compliance data is collected from our annual Sustainability Survey which is cascaded via an independent online system. To collect the IMP compliance data, the local teams are asked to report any instances or potential instances of IMP breach, which may include allegations of inappropriate marketing, or investigations regarding marketing non-compliance, that they are aware of in their market. The teams could be aware of such instances through their own internal monitoring, internal audits, NGO or media allegations, or allegations investigated by regulatory bodies. The survey is completed by local Legal and External Affairs (LEX) teams and the full survey response is approved by the market or area Head of LEX. This approval involves reviewing the information provided by the local teams to ensure it is accurate, and formally submitting it to the Group ESG team. Completed surveys are reviewed by the Group ESG team to determine whether a substantiated breach of the IMP has occurred.
		Secondly, ad hoc information is also collected from Group LEX and Marketing regarding any IMP compliance issues of which they are aware. Information from other internal reporting mechanisms, such as internal audit assignments and immediate reportable incidents, is also reviewed.
		All IMP compliance data from the sources outlined above are collated by the Group ESG team, to determine the total number of breaches. We report the compliance data against the principles of our IMP, as outlined above. The compliance data comprises breaches by BAT only and does not include breaches by third parties acting in their own capacity.
	% of markets aligned with our YAP Guidelines	Data includes all markets where our products are sold by third parties, including where they are distributed through third parties. Data is collected via our annual Sustainability Survey. The survey is completed by local Legal and External Affairs (LEX) teams and the full survey response is approved by the market or area Head of LEX. This approval involves reviewing the information provided by the local teams to ensure it is accurate, and formally submitting it to the Group ESG team. Completed surveys are reviewed and checked by a third-party. The final data is then reported to our Audit Committee each year.
		Alignment with our YAP Guidelines is measured based on whether our markets have reported via the Sustainability Survey that they have met requirements set out in the Guidelines to work directly with retailers to uphold the minimum-age laws established by the market's Government, and that they have evidenced the provision of point-of-sale materials to display in stores.
		Where there is a government ban on point-of-sale materials, or it is not possible to ensure YAP retailer engagement is carried out by a third-party due to practical and cultural limitations, the Guidelines allow for exemptions to be granted by regional governance committees.

Data scope and definitions
Continued

Governance Continued

Metric		Scope and definition
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 at 31 December 2021.
	% 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.
Tax transparency	Total major taxes paid	Data relates to all major taxes paid Group-wide (collected and borne).