

# 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 2022 ESG performance data.

## New ESG definitions in 2022

In our 2022 Reporting Criteria, we have included a new set of definitions which relate to a new set of metrics. These are:

- Consumers of non-combustible products (number of, in millions)
- Energy consumption intensity ratio (GWh per million £/EUR revenue)
- Non-renewable energy consumption
- Waste recycled
- Hazardous waste and radioactive waste generated
- Water recycled
- Emissions to water
- Number of operations sites in areas of high-water stress with and without water management policies
- % of paper and pulp volumes that is certified as sustainably sourced
- UK Unadjusted Pay Gap
- Incidents of non-compliance with regulations resulting in fine or penalty (Responsible Marketing)
- Incidents of non-compliance with regulations resulting in warning (Responsible Marketing)

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Harm Reduction	
Metric	Scope and definition
 <p><b>Harm Reduction</b></p>	<p><b>Consumers of Non-Combustible Products (number of, in millions).</b></p> <p><b>KPI definition</b>                      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 &amp; Traditional Oral products.</p> <p><b>Methodology</b>                      The number is derived using population estimated from the World Bank, incidence and corporate consumer share from consumer surveys (Incidence Study and New Category Track).                      New Categories Track is a tool which collects consumer data via primary research. It consists of those consumer panels who 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 triangulated with volume and the output is discussed with the end markets for alignment before they are finalised.</p> <p><b>Data collection</b>                      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 - such as like Consumer Disposition Funnel (CDF), Source of Business, Average Usage among others—) among those who currently use or intend to use</p> <p><b>New Nicotine Categories in the future</b>                      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 Product Reduced-Risk potential (PRRP) User Pool consists of any Nicotine User of legal age who uses BAT's PRRP 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 are 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)</p> <p><b>Estimates and Assumptions</b>                      The approach garners a user number which is then validated by triangulating with BAT shipment volume to check whether the implied average consumption is in line with the claimed average consumption.                      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 calculation is done by a third party, Kantar.</p>

## Data Scope and Definitions

### Continued

#### Environment

##### Reporting Methodology

Scope 1 and 2 CO<sub>2</sub>e 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, 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 Global reporting system, which is a service provided by an independent third-party.

Data collection and reporting are based on operational control approach and covers our subsidiaries, including facilities and activities where we have full authority to implement operational policies and control over day-to-day operations.

Each unit reports on a monthly basis. In 2022, we strengthened our reporting approach by increasing frequency checks, shifting from quarterly reporting in the first quarter of the year, to monthly reporting from March onwards.

Data submission at the reporting unit level is performed by local Sustainability or EHS teams. The Environmental performance summary (main KPIs) is downloaded from the Group and subject to approval by a Top Team member responsible 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 and report 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 Bill of Materials 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 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 1 December 2021 to 30 November 2022:

- Scope 1 and 2 CO<sub>2</sub>e emissions
- Energy use consumption, incl. renewable energy and non-renewable energy consumption
- Waste generated, incl. 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		
Metric		Scope and definition
 <p>Climate change</p>	<b>CO<sub>2</sub>e emissions</b>	<p>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<sub>2</sub>e) emissions. In addition, we use supporting standards including:</p> <ul style="list-style-type: none"> <li>– GHG Protocol Scope 2 Guidance, 2015</li> <li>– GHG Protocol Corporate Value Chain (Scope 3) Standard, 2011</li> </ul> <p>We report emissions where we have Operational Control and include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O within our CO<sub>2</sub>e emission reporting. We do not include data on other GHG emissions (HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>) as they are estimated to be insignificant. While we account for the contribution CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O make to our CO<sub>2</sub>e emissions, we do not disclose the breakdown CO<sub>2</sub>e data on an individual GHG basis.</p> <p>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 change of baseline year from 2017 to 2020.</p> <p>Currently, we use a 2020 baseline year for emissions reporting, which has a total of 6,154,756 tCO<sub>2</sub>e split as follows:</p> <ul style="list-style-type: none"> <li>– Scope 1: 342,034 tCO<sub>2</sub>e</li> <li>– Scope 2: 198,830 tCO<sub>2</sub>e market-based (Scope 2: 417,572 tCO<sub>2</sub>e location-based)</li> <li>– Scope 3: 5,613,892 tCO<sub>2</sub>e</li> </ul> <p><b>Data Collection, Validation and Exclusions</b></p> <p>Emissions data for Scope 1 and 2 is collected within the 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.</p> <p>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.</p>
	<b>Scope 1 and Scope 2 emissions</b>	<p>Scope 1 includes direct emissions from sources owned or controlled by BAT. These are emissions associated with use of fuel at facilities under our operational control and by our vehicle fleet as well as CO<sub>2</sub> 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, telematics, fuel cards, meter readings and other documentation and logged within the EHS Reporting Tool. DEFRA Greenhouse Gas Reporting: Conversion Factors 2021 are used to convert to CO<sub>2</sub>e.</p> <p>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 2020 baseline for Scope 2 emissions are as follows:</p> <ul style="list-style-type: none"> <li>– Market Based: 198, 830 tCO<sub>2</sub>e</li> <li>– Location Based: 415,117 tCO<sub>2</sub>e</li> </ul> <p><b>Renewable Energy Validation</b></p> <p>Scope 2 Market-based CO<sub>2</sub>e emissions are calculated from supplier-specific emissions factors. To ensure reported Market-based CO<sub>2</sub>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 Power Purchase Agreement). Whenever market-based factors are not available, market-based Scope 2 CO<sub>2</sub>e emissions are calculated using International Energy Agency 2021 country specific emission factors.</p>

## Data Scope and Definitions

### Continued

Environment continued	
Metric	Scope and definition
 <p><b>Climate change</b> continued</p>	<p><b>Scope 3 emissions</b> See Simplified Scope 3 Methodology document on <a href="http://www.bat.com/sustainabilityreport">www.bat.com/sustainabilityreport</a></p>
	<p><b>Energy consumption</b> 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:</p> <ul style="list-style-type: none"> <li>– 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</li> <li>– purchased electricity, steam and hot water by BAT for use at our facilities and fleet vehicles</li> </ul> <p>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<sub>2</sub>e emissions.</p> <p>Reported data of fuel use are reported in different units of measurement (e.g. tonnes, litres, m<sup>3</sup>, etc.) and are converted into an appropriate metric for conversion using the DEFRA 2021 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 as per definition of the units (1 Watt = 1 Joule per second).</p> <p>Energy consumption (GJ) = Non-Renewable Energy (GJ) + Renewable Energy (GJ)</p>
	<p><b>Emission intensity ratio</b> Scope 1 and 2 intensity ratio: Scope 1 and 2 emissions intensity ratio (tCO<sub>2</sub>e per million GBP) is calculated as sum of Scope 1 and Scope 2 (Market Based) CO<sub>2</sub>e emissions divided by Revenue in million GBP and million Euros. Notes: Revenue is net of duty, excise and other taxes.</p>
	<p><b>Energy consumption intensity ratio (GWh per million £/EUR)</b> Energy intensity ratio GWh per million. GBP is calculated as Energy consumption in GWh divided by Revenue in million GBP and million Euros.</p>
	<p><b>Renewable energy</b> Renewable energy includes:</p> <ul style="list-style-type: none"> <li>– 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)</li> <li>– purchased renewable electricity, hot water and steam</li> <li>– renewable energy generated on site using non-fuel technology (e.g. with photovoltaic installations or solar water heaters)</li> </ul> <p>Renewable energy generated from fuels is calculated from data inputs in different units of measurement (e.g. tonnes, litres) via 2021 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 do not require conversions.</p> <p>% of Renewables in Energy Consumption is calculated as Renewable Energy (GJ)/Direct Energy (GJ).</p>
	<p><b>Non-renewable energy consumption (GWh)</b> Non-renewable energy includes:</p> <ul style="list-style-type: none"> <li>– 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)</li> <li>– purchased standard grid electricity, hot water and steam</li> </ul> <p>Non-renewable energy generated from fuels is calculated from data inputs in different units of measurement (e.g. tonnes, litres) via 2021 UK DEFRA/BEIS emission factors. Purchased standard grid electricity, hot water and steam in energy unit (GJ), therefore do not require conversions.</p>

## Data Scope and Definitions

### Continued

Environment continued	
Metric	Scope and definition
 <b>Circular economy</b>	<p><b>Circular economy</b> 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.</p>
	<p><b>% packaging recyclable, reusable or compostable</b> This KPI measures the share of primary and secondary packaging that is either technically reusable or recyclable or compostable across sold products in each reference reporting year.</p> <p><b>Reusable packaging</b> Packaging which has been designed to accomplish or proves its ability to accomplish a number of trips or rotations in a system for reuse</p> <p><b>Recyclable packaging</b> Material recycling reprocessing, by means of a manufacturing process, of a used packaging material into a product, a component incorporated into a product, or a secondary (recycled) raw material, excluding energy recovery and the use of the product as a fuel.</p> <p>A packaging or packaging component is recyclable if its successful post-consumer collection, sorting, and recycling is proven to work in practice and at scale.</p> <p><b>Composting</b> 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.</p> <p>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 technical potential for reuse, recycling or composting of our packaging.</p> <p>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.</p> <p>In order to calculate the share (in %), we totalise the volume (in tonnes) of technically reusable, recyclable or compostable packaging materials and divide it by the overall volume (in tonnes) of all packaging materials used in sold products.</p>
	<p><b>Waste generated</b> 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.</p> <p>Data for waste from our direct operations is collected via the Cr360 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.</p> <p>As well as data from BAT sites, this also includes construction waste generated in BAT premises from on-site constructions, building modifications or extensions.</p> <p>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 up until its final destinations and receive records on waste management route (e.g. recycling, landfill) from suppliers.</p> <p>Data is provided in tonnes where possible, and if not, it is converted into tonnes. Data, reported by 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.</p> <p>Our 2017 baseline figure is 160,124 tonnes. Baseline is not adjusted in case of closure or acquisition of new sites.</p>

## Data Scope and Definitions

### Continued

Environment continued	
Metric	Scope and definition
 <p><b>Circular economy</b> Continued</p>	<p><b>Hazardous waste and radioactive waste generated</b></p> <p>We follow the GRI 306: Waste 2020 Standard for defining and calculating waste data, including hazardous waste. Hazardous wastes are waste that pose a physical hazard, health hazard, or environmental hazard. Detailed classification of waste for hazardous and non-hazardous is done by reporting units as per local legal requirements.</p>
	<p><b>Waste recycled</b></p> <p>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.</p> <p>Recycling is 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.</p>
	<p><b>% of waste recycled</b></p> <p>Recycling rate is calculated as Waste Recycled (tonnes) divided by Waste Generated (tonnes).</p>
 <p><b>Water</b></p>	<p><b>Water withdrawn</b></p> <p>We use the GRI 303: Water and Effluents 2018 Standard to guide our water withdrawn definition and methodology.</p> <p>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.</p> <p>Water withdrawn data is collected via the 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.</p> <p>Our 2017 baseline figure for water withdrawn is 5.20 million cubic metres.</p>
	<p><b>Water recycled</b></p> <p>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.</p> <p>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 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.</p> <p>Water recycled does not include harvested rainwater.</p> <p>Water recycled data is collected via the 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). Where measurements are not yet in place, water recycled can be estimated based on equipment specification and standard operating parameters.</p>
	<p><b>% water recycled</b></p> <p>Water recycling rate (%) is calculated as Water recycled (m<sup>3</sup>) divided by total water demand, which is Water recycled (m<sup>3</sup>) plus Water Withdrawn (m<sup>3</sup>).</p>
	<p><b>Water discharge</b></p> <p>We use the GRI 303: Water and Effluents 2018 Standard to guide our water discharge definition.</p> <p>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.</p> <p>The data of water discharge with breakdown by destination (third party, fresh water, brackish water, groundwater) are collected via the 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.</p>

## Data Scope and Definitions

### Continued

Environment continued	
Metric	Scope and definition
 <p><b>Water</b> continued</p>	<p><b>Emissions to water</b></p> <p>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).</p> <p>‘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.</p> <p>In 2022, we started building our reporting capabilities on emissions to water of priority substances and other nitrates, phosphates and pesticides, for our direct operations (subsidiaries, including facilities and activities where we have full authority to implement operational policies and control over day-to-day operations), and performed a qualitative assessment across our operations sites in October 2022.</p> <p>According to the assessment, 100% of operational sites reported no process use of priority substances, and 38% reported not using them in any on-site ancillary/support processes. For the assessment, all operation sites completed a questionnaire listing all priority substances. They were also required to confirm whether each substance is used or stored on site, 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 and subsequently at the Group. On-site ancillary/support processes refer to processes other than the main process on manufacturing finished or semi-finished goods or tobacco leaf processing. Examples include use in quality laboratories, research and development centres as well as maintenance workshops.</p> <p>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 – including for ancillary/support processes.</p> <p>In 2023, we will continue to enhance our capabilities to enable a more detailed quantification of priority substances and other nitrates, phosphates and pesticides storage and usage across our direct operations and assess potential emissions thereof to water.</p>
<p><b>Number of operations sites in areas of high-water stress with and without water management policies</b></p>	<p>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.</p> <p>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.</p> <p>During the first quarter of each year, we use the Aqueduct Water Risk Atlas baseline setting to identify if our sites are located in areas of high-water stress. 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%)’, baseline water stress, default scheme.</p> <p>In 2022, 16 of our operations sites in 11 countries were identified as being in water stress areas.</p> <p>100% of our operations sites located in water stress areas have water management policies in place.</p> <p>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 Group 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.</p> <p>The Water Roadmap is an internal tool allowing to assess key aspects of water management, such as water withdrawal, water efficiency in production, utilities and social uses, and water discharge.</p> <p>Self-assessments by operations sites at water stress areas were consolidated at Group level for reporting purposes in October 2022.</p>

## Data Scope and Definitions

### Continued

Environment continued		
Metric		Scope and definition
 <p><b>Water</b> continued</p>	<p><b>% of tobacco hectares reported to have appropriate best practice soil and water management plans implemented</b></p>	<p>Reported via our Thrive assessments covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers representing 80% of total tobacco grown or purchased by BAT in 2022. 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. Some examples of these practices are the use of green manuring/cover crop, use of minimum/zero tillage, lant over wide base high ridges, use of drainage channels to avoid water-logging, 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 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.</p>
 <p><b>Biodiversity and ecosystems</b></p>	<p><b>% of contracted farmers' wood fuels that are from sustainable sources</b></p>	<p>Data collected from a sample of over 80,000+ contracted farmers monitored in BAT leaf operations. Of our 80,000+ directly contracted farmers, around 34,000 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 and not cause gross deforestation of primary native forest nor conversion of natural forests. This may include wood sourced from identified invasive exotic species that have not been planted; and wood sourced from existing legal plantations. The field technician is responsible for the data collection from the farmer. They should verify the information 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.</p>
	<p><b>% of all paper and pulp volumes that is certified as sustainably sourced</b></p>	<p>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 years' data are not available.</p>

## Data Scope and Definitions

### Continued

Social		
Metric	Scope and definition	
 <p><b>Farmer livelihoods</b></p>	<p><b>% of tobacco farmers reported to grow other crops for food or as additional source of income</b></p>	<p>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 2022. 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, vegetables, as well as wheat, maize, bean, sorghum and soy.</p> <p>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.</p> <p>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.</p> <p>Our strategic third-party suppliers collected data for Thrive via their own FTs, in their own farm monitoring systems.</p>
 <p><b>Human rights</b></p>	<p><b>% of farms monitored for child labour</b></p> <p><b>% of farms with incidents of child labour identified</b></p> <p><b>Number of child labour incidents identified</b></p> <p><b>% of child labour incidents reported as resolved by end of the growing season</b></p>	<p>Reported via our Thrive annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers, representing more than 80% of of total tobacco grown or purchased by BAT in 2022. 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.</p> <p>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 this to be closed, it is followed by an unannounced visit within 14 days to observe whether this is repeated and an agreed remediation plan agreed with the farmer. The remediation plan varies from case to case, considering the individual circumstances.</p> <p>Our strategic third-party suppliers collect data for Thrive via their own FTs, in their own farm monitoring systems.</p> <p>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.</p> <p>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.</p>
	<p><b>Number of independent labour audits conducted of product materials and high-risk indirect service suppliers</b></p>	<p>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.</p> <p>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.</p> <p>The reports are sent to the BAT Strategy and Sustainability team and the supplier. The supplier is then responsible, within the recommended time frame, for making any necessary changes to address the issues identified. The BAT Strategy and Sustainability team 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. When the remediation actions have not been implemented in due course (supplier refuses revisit or their corrective actions were not sufficient), escalation is made to the Supply Chain Due Diligence Committee, which is a senior, cross-functional forum.</p>

## Data Scope and Definitions

### Continued

Social continued		
Metric	Scope and definition	
 <p><b>Human rights continued</b></p>	<p><b>% of farms monitored for grievance mechanisms</b></p>	<p>Reported via our Thrive annual reports covering all BAT-contracted farmers and farmers supplying our strategic third-party suppliers. 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 FTs, in their own farm monitoring systems.</p>
	<p><b>% suppliers to have undergone at least one independent labour audit within a three-year cycle</b></p>	<p>See Reporting Criteria for Number of independent labour audits conducted of product materials and high-risk indirect service suppliers.</p>
	<p><b>Reports of alleged SoBC breaches relating to Respect in the Workplace and Human Rights and established breaches</b></p>	<p>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.</p> <p>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.</p>
 <p><b>Health and safety</b></p>	<p><b>Preamble</b></p>	<p>Health &amp; Safety data covers all BAT sites and off-site work-related activities, including business travel and Trade Marketing &amp; Distribution and is reported from December 2021 to November 2022. 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. 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.</p>
	<p><b>Work-related accidents resulting in injury to employees and to contractors</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>- 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</li> <li>- 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</li> <li>- A fatality is a loss of life</li> <li>- 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</li> </ul> <p>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 &amp; Safety preamble for full description of data collection and verification process.</p>

## Data Scope and Definitions

### Continued

Social continued	
Metric	Scope and definition
 <p><b>Health and safety</b> continued</p>	<p><b>Lost workday cases</b></p> <p>Work-related accidents (including assaults) resulting in injury, causing absence of one shift or more.</p> <p>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.</p> <p>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 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, will have the LTI recorded against the site where the injury occurred. See Health &amp; Safety preamble for full description of data collection and verification process.</p>
	<p><b>Lost workday case incident rate (LTIR)</b></p> <p>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 &amp; Safety preamble for full description of data collection and verification process.</p>
	<p><b>Fatalities and serious injuries to employees and contractors</b></p> <p>A serious injury is defined as any work-related injury, which results in any of the following:</p> <ol style="list-style-type: none"> <li>Hospitalisation for more than 36 hours;</li> <li>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;</li> <li>Fracture of any bone but not the fingers, thumbs and toes;</li> <li>Loss of vision, temporary or permanent;</li> <li>Dislocation of any joint except the joints of the fingers, thumbs and toes; and</li> <li>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.</li> </ol> <p>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 &amp; Safety preamble on for full description of data collection and verification process.</p>
	<p><b>Fatalities to members of public involving BAT vehicles</b></p> <p>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.</p> <p>On-site 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 &amp; Safety preamble for full description of data collection and verification process.</p>
	<p><b>Proportion of farms reported to have sufficient PPE for agrochemical use and for tobacco harvesting</b></p> <p>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.</p>

## Data Scope and Definitions

### Continued

Social continued		
Metric		Scope and definition
 <p><b>People, Diversity and Culture</b></p>	<b>% of women in management roles</b>	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.
	<b>% of women on senior leadership teams</b>	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. 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).  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.
	<b>UK Unadjusted Gender Pay Gap</b>	The unadjusted gender pay gap is the percentage difference in average gross hourly earnings between women and men. This is calculated and reported for UK-based employees only.
	<b>% of key leadership teams with at least a 50% spread of distinct nationalities</b>	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.
	<b>% employee engagement score in our global 'Your Voice' survey</b>	Employee Engagement Index focuses on the intensity of 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).
	<b>% High Performance Index score in our global 'Your Voice' survey</b>	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.
	<b>Ethnically diverse group</b>	For the purposes of D&I Reporting the following definitions are used:  Ethnically diverse groups includes global ethnic groups Hispanic/Latin American, Black, Asian, Indigenous, Mixed, Other (Arabs/Middle Eastern & Turkish).  In 2022, we expanded the scope of our confidential voluntary ethnicity identity collection and reporting beyond the UK to six additional markets (Australia, Brazil, Canada, Malaysia, South Africa and the U.S.).

## Data Scope and Definitions

### Continued

Governance		
Metric		Scope and definition
 <p><b>Ethics and integrity</b></p>	<b>Number of alleged SoBC breaches</b>	<p>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.</p> <p>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.</p> <p>A breakdown of reports of alleged SoBC breaches will be available in our 2022 Combined Annual and ESG Report, which will be published on 2 March 2023.</p>
	<b>Number of disciplinary actions taken as a result of SoBC allegations that resulted in people leaving BAT</b>	<p>Following investigations of alleged breaches of the SoBC, disciplinary sanctions are determined. These vary from warning letters, additional training to employment termination.</p>
	<b>Number of alleged SoBC breaches that are established as breaches</b>	<p>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.</p>
	<b>Integrity Network</b>	<p>The Integrity Network was formed in 2021 and has over 100 members, comprising Legal &amp; External Affairs employees responsible for implementing the compliance programme for markets and central functions.</p>
	<b>Business Integrity Panel</b>	<p>The Group BIP is comprised of the Group Designated Officers (GDOs) and invited guests (as required). Four senior Group executives act as GDOs:</p> <ul style="list-style-type: none"> <li>– the AGC Business Conduct and Compliance</li> <li>– the Company Secretary of British American Tobacco plc</li> <li>– the Group Head of Internal Audit</li> <li>– the Group Head of Reward</li> </ul>
 <p><b>Responsible marketing and transparent communications</b></p>	<b>Incidents on non-compliance with regulations resulting in regulatory warning</b>	<p>Incidents of non-compliance with regulations in warning or in fine or penalty are dealt at end market level.</p>
	<b>Incidents of non-compliance with regulations resulting in fine or penalty</b>	<p>First, these metrics are collected from our annual Sustainability Survey which is cascaded via an independent online system. To collect the 'Incidents of non-compliance with regulations resulting in warning/fine or penalty' compliance data, the local teams are asked to report any such instances.</p> <p>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.</p> <p>Data is collected from January to November. A reconciliation happens, where necessary, in January.</p>