

SASB INDEX

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 ESG Report: [bat.com/sustainabilityreport](https://www.bat.com/sustainabilityreport)

 Sustainability Strategy Report: [bat.com/sustainabilityreport](https://www.bat.com/sustainabilityreport)

Our sustainability reporting suite in 2019 marks the first time BAT has reported to the Sustainable Accounting Standards Board (SASB) framework against both the Tobacco and Agricultural Production Standards.

SASB Standard – Tobacco

TOPIC	CODE	ACCOUNTING METRIC	DATA/INFORMATION SOURCE
Public Health	FB-TB-260a.1	(1) Gross revenue and (2) revenue net of excise taxes from (a) non-tobacco nicotine products and (b) heated tobacco products	Annual Report > p35 ESG Report > Harm reduction > p24
	FB-TB-260a.2	Discussion of the process to assess risks and opportunities associated with 'tobacco harm reduction' products	Principal Group risks, including those relating to new category products can be found on Annual Report > p58–62. Sustainability Strategy Report > p6–7, 11 ESG Report > Harm reduction > p18–24
Marketing Practices	FB-TB-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing, labelling, and/or advertising practices ¹	Liabilities and legal proceedings section on p192–211 of the Annual Report, where relevant. ESG Report > Responsible marketing > p53
	FB-TB-270a.2	Description of the company's marketing policy and relevant positions on Articles 11 and 13 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)	Sustainability Strategy Report > p15 ESG Report > Responsible marketing > p52–53 <u>The Framework Convention on Tobacco Control</u> Regarding how we think new category products should be regulated and the need for responsible marketing to adults only, please see ESG Report > Harm reduction > p20

Notes (as outlined in the SASB index):

1 Note to FB-TB-270a.1 – The entity shall briefly describe the nature, context and any corrective actions taken as a result of the monetary losses.

ACTIVITY METRIC	CODE	DATA/INFORMATION SOURCE
Combustible tobacco product sales volume: (1) cigarette, (2) cigar, and (3) other smoked tobacco products ²	FB-TB-000.A	Annual Report > p35 ESG Report > Harm reduction > p24
Non-combustible product sales volume: (1) traditional smokeless tobacco, (2) non-tobacco nicotine products, (3) heated tobacco products, and (4) nicotine replacement therapy products ³	FB-TB-000.B	Annual Report > p35 ESG Report > Harm reduction > p24

Notes (as outlined in the SASB index):

2 Note to FB-TB-000.A – Cigar sales volume includes product sales of cigars, cigarillos, and little cigars. Other smoked tobacco includes products sold by the entity such as pipe tobacco, loose leaf tobacco, bidis, and kreteks or clove cigarettes. Unit of measure shall be by number of sticks in millions, except for pipe tobacco and loose leaf tobacco, which shall be by weight in metric tons.

3 Note to FB-TB-000.B – Traditional smokeless tobacco sales volume includes product sales of chewing tobacco, snuff, and dissolvable products, and shall be disclosed by number of cans or packs in millions. Non-tobacco nicotine products include e-vapour and e-cigarette devices and associated refill products and pharmaceutical nicotine-replacement therapy products (e.g. gums, lozenges and patches). Heated tobacco products include devices and associated refill products. Nicotine-replacement therapy products shall be disclosed in number of packs in millions and e-cigarette, e-vapour, and heated tobacco products shall be disclosed in number of devices sold and the number of refill products sold in millions.

SASB Standard – Agricultural produce

TOPIC	CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	DATA/INFORMATION SOURCE	ADDITIONAL COMMENTS
Greenhouse Gas Emissions	FB-AG-110a.1	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO ₂ e	2019 Annual Report > p28 ESG Report > Climate change > p7	
	FB-AG-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	ESG Report > Climate change > p6–7 ESG Report > KPI tables > p67	
	FB-AG-110a.3	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	ESG Report > Climate change > p6	We report on our Scope 1 emissions and key initiatives to reduce our Scope 1 emissions, including optimising our logistics and fleet on p6 of our ESG Report. We do not currently report on percentage of renewable fuel.
Energy Management	FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	ESG Report > Climate change > p6–7 ESG Report > KPI tables > p67	
Water Management	FB-AG-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	ESG Report > Water and waste > p9	
	FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	ESG Report > Water and waste > p8–9 ESG Report > Sustainable agriculture > p11	We report on our operational water management approach at: ESG Report > Water and waste > p8–9 We report on our agricultural water management approach, and how we support our contracted farmers at: ESG Report > Sustainable agriculture > p11
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	ESG Report > Water and waste > Other updates in 2019 > p9	
Workforce Health & Safety	FB-AG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees	Quantitative	Rate	ESG Report > Health and safety > p39 ESG Report > KPI tables > p71–72 ESG Report > Health and safety > p40	For metrics relating to safety across our business, please see: ESG Report > Health and safety > p39 ESG Report > KPI tables > p71–72 For metrics relating to safety in tobacco growing, please see: ESG Report > Health and safety > p40

TOPIC	CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	DATA/INFORMATION SOURCE	ADDITIONAL COMMENTS
Environmental & Social Impacts of Ingredient Supply Chain	FB-AG-430a.1	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard	Quantitative	Percentage (%) by cost	ESG Report > Human rights p32 ESG Report > Farmer livelihoods > p35	For our tobacco leaf suppliers, we reported 100% of our leaf operations and suppliers were assessed by AB Sustain as part of the Sustainable Tobacco Programme (STP) over a three-year period ending in 2018. In 2019, suppliers have continued to complete the annual STP self-assessment, but there have been no on-site reviews, as STP is currently under review. STP covers both environmental and social criteria.
	FB-AG-430a.2	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	ESG Report > Human rights p29, 32 ESG Report > Farmer livelihoods > p35–36	We currently report on our approach to managing environmental and social issues in our supply chain: <ul style="list-style-type: none"> - the independent on-site reviews over a three-year period ending in 2018 and annual self-assessments through STP, bespoke human rights impact assessments we commissioned in certain markets, our <i>Thrive</i> assessments for our contracted farmers and strategic third-party suppliers, and respective key metrics for our tobacco leaf supply chain - number of supplier audits conducted by third-party auditors for suppliers of product materials (other than tobacco leaf), goods and services covered by our human rights supply chain due diligence programme. Other metrics we report include number of issues categorised as 'major'; and % of corrective actions that had been fully completed.
	FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	n/a	ESG Report > Sustainable agriculture p10–13 Annual Report > Delivering Our Strategy > p28–31	
Ingredient Sourcing	FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	n/a	2019 Annual Report > p28–29 ESG Report > Climate change > p6–7	
	FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	ESG Report > Sustainable agriculture > p11, 13	We currently only report on our approach to supporting our contracted farmers in sustainable farming practices, including water management. We also report on key initiatives, including drip irrigation technology introduced.

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE
Production by principal crop¹	Quantitative	Metric tons (t)
Number of processing facilities²	Quantitative	Number
Total land area under active production	Quantitative	Hectares
Cost of agricultural products sourced externally³	Quantitative	Reporting currency

Notes:

1 Note to FB-AG-000.A – Principal crops are those crops that accounted for 10 percent or more of consolidated revenue in any of the last three fiscal years.

2 Note to FB-AG-000.B – Processing facilities include those facilities that are involved in the manufacturing, processing, packing or holding of agricultural products and exclude administrative offices.

3 Note to FB-AG-000.C – Agricultural products are defined as food, feed and biofuel ingredients that are sourced for use in the entity's operations. The scope of agricultural products sourced externally excludes agricultural products grown on land that is owned or operated by the entity.