

CORPORATE CITIZENSHIP'S STATEMENT



The nature of the assurance. This is a report by Corporate Citizenship for the management of BAT. Corporate Citizenship has undertaken a **limited** assurance of selected environmental and sustainability performance data as described below:

Environment

KPI	DATA POINT	UNIT	QUANTITY
Carbon dioxide equivalent (CO₂e) emissions	Scope 1 CO ₂ e emissions	tCO ₂ e	396,398
	Scope 2 CO ₂ e emissions, location-based	tCO ₂ e	452,844
	Scope 2 CO ₂ e emissions, market-based	tCO ₂ e	385,996
	Scope 3 CO ₂ e emissions ¹	tCO ₂ e	7,546,683
Energy use/consumption	Direct energy consumption	GJ	10,346,514
Renewable energy	Renewable energy consumption	GJ	1,117,186
	Renewable energy as a % of total direct energy use		10.80%
Water withdrawn	Total water withdrawn	m ³	4,513,022
Water recycled	Water recycled	m ³	718,720
	% of total water recycled		13.7%
Waste	Waste generated	tonnes	152,468
	Waste to landfill	tonnes	13,954
Zero waste to landfill	% of sites reporting zero waste to landfill		28%
Recycling	% of waste recycled		90.5%

¹ Scope 3 emissions are reported 1 year in arrears due to data availability constraints.

Health and safety

KPI	DATA POINT	UNIT	QUANTITY
Fatalities	Number of fatalities to employees	#	0
	Number of fatalities to contractors	#	1
	Number of fatalities to members of the public involving BAT vehicles	#	8
Serious injuries	Number of serious injuries to employees	#	26
	Number of serious injuries to contractors	#	11
Lost workday cases	Lost workday cases	#	186
	Lost workday case incident rate (LWCIR)		0.27

Marketing practices

KPI	DATA POINT	UNIT	QUANTITY
YAP compliance	% of markets aligned with YAP Guidelines where cigarette brands are sold		100.0%
	% of markets aligned with YAP Guidelines where PRRPs are sold		100.0%
	% sales volume represented by markets granted a YAP exemption in 2019		less than 5%

Corporate social investment (CSI)

KPI	DATA POINT	UNIT	QUANTITY
CSI spend	Investment (£) in CSI projects	£	13,034,554

Sustainable wood sources

KPI	DATA POINT	UNIT	QUANTITY
Sustainable wood sources used by farmers for tobacco curing fuels	% of farmers' wood fuel from sustainable sources		99.6%

Employee diversity

KPI	DATA POINT	UNIT	QUANTITY
Gender – % of women	All employees Group-wide		27.8%
	All non-management employees		24.8%
	All management employees		36.8%
	Senior management (G38+)		23.1%
	Main Board		27.3%
Focus nationalities	% of focus nationalities in senior management		22.4%

The assurance covers the period from 01/01/2019 to 31/12/2019. Environmental data is reported for the period 01/12/2018 to 30/11/2019.

BAT is entirely and solely responsible for the production and publication of the data assured, and Corporate Citizenship for its assurance.

The data relates to BAT's owned and leased facilities under its operational control across all geographies.

GHG quantification is subject to inherent uncertainty due to factors such as incomplete scientific knowledge about the global warming potential of different GHGs and uncertainty around the models and parameters used in estimating GHG emissions.

This engagement was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the relevant subject-matter specific ISAE for GHG data (ISAE 3410, Assurance Engagements on Greenhouse Gas Statements).

The carbon emissions data has been prepared using the WRI/WBCSD Greenhouse Gas Protocol, 2015 revised edition, and the appropriate GHG conversion factors for company reporting as published by UK Department for Business, Energy and Industrial Strategy (BEIS) and the International Energy Agency (IEA), or other appropriate sources.

Other data has been reported in accordance with GRI reporting standards, or other internationally recognised standards for data points where GRI does not include guidance (e.g. CDP guidance for water recycling rate).

Corporate Citizenship has complied with the requirements for independence, professional ethics and quality control as stipulated by ISAE 3000.

Assurance work performed

The assurance work was undertaken from October 2019 to February 2020. Detailed records were kept of meetings and correspondence relating to the assurance. A team of three, led by a Senior Consultant, undertook the assurance and commentary process. A Director acted as adviser to the project.

Corporate Citizenship's work has involved, but not been limited to, the following elements:

1. In-depth management interviews with key persons at BAT in order to understand BAT's processes for management, reporting and performance improvement in each of the assured areas;
2. Management interviews with site and regional owners of specific data points;
3. A review of the activity data for energy (process, building and company vehicles), travel, water and waste;
4. A review of the tools, methodologies and estimation techniques behind the calculation of the Scope 3 footprint,

including alignment to the GHG Protocol Scope 3 guidance;

5. A review of year-on-year performance trends to identify any significant changes in operational eco-efficiency and investigate the reasons behind these trends;
6. A review of GHG calculations for accuracy and consistency with best practice guidelines;
7. A review of the calculation methodologies behind BAT's market-based Scope 2 emissions, including evidence of renewable electricity purchases;
8. A review of the data collation tools for Health and Safety, Diversity, Marketing Practices, Corporate Social Investment and Sustainable Wood Sourcing;
9. A review of underlying data sources and substantiating evidence to support this year's reporting and to assess the robustness of monitoring and reporting systems;
10. A review of year-on-year performance trends to identify any significant changes and investigate the reasons behind these trends; and
11. A review of group-wide data consolidation and reporting to check for errors or omissions in data analysis, consistency with underlying data sets and reasonableness of reporting.

Our experience and independence

Corporate Citizenship is a specialist management consultancy, advising corporations that seek to improve their economic, social and environmental performance around the world and is a leading assessor of corporate responsibility and sustainability reports.

This is the first year Corporate Citizenship has assured BAT's sustainability data and we have done no other work with BAT in the last five years.

Conclusion

Based on the scope of work and assurance procedures performed, nothing has come to our attention that causes us to believe that BAT's sustainability data described above is not prepared, in all material respects, in accordance with the Environmental Reporting Guidelines, the GHG Protocol Corporate Accounting and Reporting Standard and relevant sections of the GRI Principles.

Corporate Citizenship Limited
London
17th March 2020