

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 against DEFRA Environmental Reporting Guidelines, the GHG Protocol Corporate Accounting and Reporting Standard and the GRI Principles for defining report quality, as described below.

Environment

KPI	Data point	Unit	Quantity
Carbon dioxide equivalent (CO₂e) emissions	Scope 1 CO ₂ e emissions	(000's) tCO ₂ e	342
	Scope 2 CO ₂ e emissions, location-based	(000's) tCO ₂ e	418
	Scope 2 CO ₂ e emissions, market-based	(000's) tCO ₂ e	199
	Scope 3 CO ₂ e emissions, 2019 (incl. biogenic emissions and biogenic removals)	(000's) tCO ₂ e	6,781
	Scope 3 CO ₂ e emissions, 2018 restated (incl. biogenic emissions and biogenic removals)	(000's) tCO ₂ e	6,956
	Scope 3 CO ₂ e emissions, 2017 restated (incl. biogenic emissions and biogenic removals)	(000's) tCO ₂ e	6,952
Energy use/ consumption	Direct energy consumption	GWh	2,568
Renewable energy	Renewable energy consumption	GWh	688
	Renewable energy as a % of total direct energy use		26.80%
Water withdrawn	Total water withdrawn	m ³	4,025,801
Water recycled	Water recycled	m ³	726,305
	% of total water recycled		15.3%
Waste	Waste generated	tonnes	143,639
	Waste to landfill	tonnes	12,730
Zero waste to landfill	% of sites reporting zero waste to landfill		27.0%
Recycling	% of waste recycled		90.67%

Health and safety

KPI	Data point	Unit	Quantity
Fatalities	Number of fatalities to employees	#	0
	Number of fatalities to contractors	#	3
	Number of fatalities to members of the public involving BAT vehicles	#	2
Serious injuries	Number of serious injuries to employees	#	28
	Number of serious injuries to contractors	#	8
Lost workday cases	Lost workday cases	#	131
	Lost workday case incident rate (LWCIR)		0.21
Occupational illness rate	Occupational illness cases	#	2
	Occupational illness rate		0.003

Marketing practice

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 non-combustible products are sold		100.0%
	% sales volume represented by markets granted a YAP exemption in 2020 – this applies to cigarette brands sales only		5.8%
	% sales volume represented by markets granted a YAP exemption in 2020 – this applies to non-combustible products sales		2.0%

Corporate social investment (CSI)

KPI	Data point	Unit	Quantity
CSI spend	Investment (£) in CSI projects	£	£16,643,904
	Total CSI in-kind spend	£	£5,101,736
IMP Breaches	Number of external reports and allegations	#	3

Employee diversity

KPI	Data point	Unit	Quantity
Gender – % of women	All employees Group-wide		31.4%
	Non-management employees		29.2%
	Management roles		37.9%
	Senior leadership teams		26.7%
	Main Board		33.3%
Focus nationalities	% of key leadership teams with at least 50% spread of nationalities		91.6%

Circular Economy

KPI	Data point	Unit	Quantity
Unnecessary single use plastic (SUP) packaging	Weight of unnecessary single use plastic packaging	tonnes	3,580.35
Share of Reusable, Recyclable or Compostable plastic packaging	% Share of Reusable, Recyclable or Compostable plastic packaging		82.0%
Share of Recycled content in plastic packaging	% of Recycled content in plastic packaging		2%
Devices take back schemes coverage	Number of markets with pilot take-back schemes	#	4

Leaf Data

KPI	Data point	Unit	Quantity
Sustainable wood sources	% of farmers' wood fuel from sustainable sources	tonnes	99.7%
Farmer livelihoods, and health and safety in tobacco supply chain	Tobacco hectares with best practice soil and water management plans		76.0%
	% of tobacco farmers reported to grow other crops such as fruit, vegetables, wheat, maize, cotton and soy		93.4%
	Number of farmer training sessions – GTS and harvesting health and safety	#	26,245
	Number of attendances – GTS and harvesting health and safety	#	191,245
	Number of farmer training sessions – agrochemical health and safety (PPE/CPA)	#	26,247
	Number of attendances – agrochemical health and safety (PPE/CPA)	#	191,244
	Farms reported to have sufficient PPE for agrochemical use		95.2%
	Farms reported to have sufficient PPE for harvesting		99.0%

Human Rights

KPI	Data point	Unit	Quantity
Child Labour	% of child labour incidents reported as resolved		98.5%
	% of farms monitored for child labour		99.70%
	% farms with incidents of child labour identified		0.50%
	Number of child labour incidents identified	#	1,308
	% farmers that receive training/capacity building on child labour		87.70%
	In a small number of cases, where there is persistent non-compliance, the farmer's contract is not renewed for the next growing season – this is the case for six outstanding unresolved incidents. The remaining 13 cases occurred at the very end of the growing season, and had remediation plans implemented that will be verified at the start of the next season	#	13
Training Sessions	Total human rights related training sessions	#	38,239
Training attendees	Total human rights related training attendances	#	393,038

The assurance covers the period from 01/01/2020 to 31/12/2020. The assurance period for the environmental data covers the period 01/12/2019 to 30/11/2020, except for Scope 3 emissions which covers 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 Engagement (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).

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 during December 2020 and January 2021. Detailed records were kept of meetings and correspondence relating to the assurance. A team of five, led by a Senior Environmental 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 estimations 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, to assess 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.

We have worked with BAT on its sustainability issues since 2019 and have provided assurance since the same year. During the 2020 reporting period, our work with BAT focused exclusively on assurance.

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 the GRI Principles for defining report quality.

Corporate Citizenship Limited

London
23rd February 2021