

ESG Performance Data Book

Principal Adverse Impacts (PAIs) Index

For the year ended 31 December 2022



Principal Adverse Impacts (PAIs)

The following index has been prepared by BAT in line with EU Regulatory Technical Standards (RTS), as reflected in the Sustainable Finance Disclosure Regulation (SFDR), which covers investors operating on the EU market. We are providing this information in order to disclose transparently to our investors information covering our adverse sustainability impacts with standardised, comparable, and internationally recognised sustainability indicators. 2022 represents our first year of presenting information on Principal Adverse Impacts (PAIs).



2022 Combined Annual and ESG Report:
bat.com/annualreport



2022 ESG Data Performance Book
bat.com/sustainabilityreporting



2022 Diversity and Inclusion Report
bat.com/sustainabilityreporting

PAIs				
Disclosure	PAI indicator	Description	Disclosure location	Direct answers, notes and omissions
1	GHG emissions	Scope 1 GHG emissions (thousand tonnes CO ₂ e)	Combined Annual and ESG Report 2022 > TCFD > p.80 ESG Performance Data Book > Environment > p.4	Scope 1 emissions (thousand tonnes CO ₂ e): 308
		Scope 2 GHG emissions (thousand tonnes CO ₂ e)	As above	Scope 2 emissions (thousand tonnes CO ₂ e) Market-based: 113 Scope 2 emissions (thousand tonnes CO ₂ e) Location-based: 356
		Scope 3 GHG emissions (thousand tonnes CO ₂ e)	As above	Scope 3 emissions (thousand tonnes CO ₂ e)- Latest available data 2021: 5,243
		Total GHG emissions	As above	Total CO ₂ e emissions (Scope 1, 2 and 3) Latest available data 2021: 5.74 million tonnes CO ₂ e
2	Carbon Footprint	Carbon footprint	Combined Annual and ESG Report 2022 > TCFD > p. 80	Total GHG emissions to be used in calculation: 5.74 million tonnes CO ₂ e
3	GHG intensity	GHG intensity of investee companies	Combined Annual and ESG Report 2022 > TCFD > p. 80 ESG Performance Data Book > Environment > p. 4	Scope 1 and 2 CO ₂ e emissions intensity ratio (tonnes per £m revenue): 15.20 Scope 1 and 2 CO ₂ e emissions intensity ratio (tonnes per EUR m revenue): 13.00
4	Exposure to Fossil Fuel sector	Share of investments in companies active in the fossil fuel sector	N/A	Qualitative disclosure: BAT is not in the Fossil fuel sector
5	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee sources compared to renewable energy sources, expressed as a percentage of total energy sources	Combined Annual and ESG Report 2022 > Climate Change > p. 53 ESG Performance Data Book > Environment > p. 5	1. Energy use in direct operations (Direct energy): 2,344 GWh 2. Renewable energy use: 771 GWh 3. Non-renewable energy use: 1,574 GWh 4. Renewable energy as % of direct energy use: 32.9%
6	Energy Consumption intensity per high impact climate sector	Energy consumption in GWh per million of EUR of revenue of investee companies, per high impact climate sector	Combined Annual and ESG Report 2022 > TCFD > p. 81 ESG Performance Data Book > Environment > p. 5	See disclosure 4 and 5 Energy consumption in GWh per million of EUR of revenue: 0.085
7	Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	Combined Annual and ESG Report 2022 > Biodiversity > 56-57 Global Leaf Biodiversity Risk Assessment	Qualitative Disclosure: We currently do not report this metric in the format prescribed. BAT's direct operations are not in-scope for our Biodiversity Risk Assessment. However, 98% of BAT's directly-contracted farms are classified as low biodiversity risk. High and medium risk areas represented less than 1% of the total farm area assessed.

Principal Adverse Impacts (PAIs)

Continued

PAIs continued				
Disclosure	PAI indicator	Description	Disclosure location	Direct answers, notes and omissions
8	Emissions to water	Tons of emissions to water generated by investee companies in million EUR invested, expressed as a weighted average	Combined Annual and ESG Report 2022 > Water > p. 59	Qualitative Disclosure: We currently do not report against this metric in the format prescribed by this Index. However, in 2022, we performed a screening for priority substances and pesticides, phosphates and nitrates. 100% of our operational sites reported no process use of these substances, and 38% reported not using them in any on-site ancillary or support services.
9	Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR	Combined Annual and ESG Report 2022 > Circular Economy > 54-55 ESG Performance Data Book > Environment > p. 5	1. Hazardous waste generated: 1.75 tonnes 2. BAT does not have radioactive waste.
10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles and OECD guidelines	Standards of Business Conduct: www.bat.com/SOBC/Online	Qualitative Disclosure: BAT's policy on people and human rights practices is based on local and international labour laws, recommended practices and guidelines. and includes the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises..
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with UNGC principles and OECD guidelines or grievance/complaints handling mechanisms to address violations of UNGC principles and OECD guidelines	Standards of Business Conduct: www.bat.com/SOBC/Online	Qualitative Disclosure: BAT's policy on people and human rights practices is based on local and international labour laws, recommended practices and guidelines and includes the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
12	Average unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Combined Annual and ESG Report 2022 > ESG 2022 Assured Metrics > p.94	We currently do not report against this metric in the format prescribed by this Index. However, we report the unadjusted gender pay gap number for our UK workforce: average 24%
13	Board Gender Diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Combined Annual and ESG Report 2022 > p.87 ESG Performance Data Book > Governance > p. 13	Group Board - 36.4%
14	Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	N/A	Qualitative Disclosure: BAT is not involved in the manufacture or selling of controversial weapons.
E4.	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emissions reduction initiatives aimed at aligning with the Paris Agreement	Combined Annual and ESG Report 2022 > Climate Change > p. 52-53 / TCFD > p. 73 ESG Performance Data Book > Environment p. 4-5 Low Carbon Transition Plan: www.bat.com/LCTP	Qualitative Disclosure: BAT has a low carbon transition strategy, details of which are outlined at pages 73-74 of the Combined Report and in our LCTP available on bat.com/LCTP

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PAIs continued				
Disclosure	PAI indicator	Description	Disclosure location	Direct answers, notes and omissions
E5.	Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	ESG Performance Data Book > Environment > p.5	We currently do not report against this metric in the format prescribed by this Index. However, we report the Total Non-renewable energy consumption for 2022: 1,574 GWh
E6.	Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic metres) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies	Combined Annual and ESG Report 2022 > Water > p.58-59 ESG Performance Data Book > Environment > p. 6	We currently do not report against this metric in the format prescribed by this Index. However, we report the following metrics: 1. Water consumption: 1.84 2. Water recycled and reused 1.02 mn m ³ - 22.6%
E7.	Investments in companies without water management policies	Share of investments in investee companies without water management policies	Combined Annual and ESG Report 2022 > Water > p.58-59 Environment Policy	Zero: 0 Qualitative Disclosure: BAT has a comprehensive Water Security Standard
E8.	Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high-water stress without a water management policy	Combined Annual and ESG Report 2022 > Water > p.58-59 ESG Performance Data Book > Environment > p.6.	Zero: 0 Qualitative Disclosure: BAT has 16 operations sites located in water stress areas and 100% have water management policies in place
E9.	Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	N/A	Zero: 0 Qualitative Disclosure: This is not applicable to BAT
E11.	Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies	N/A	Qualitative Disclosure: BAT applies sustainable land and agriculture practices in accordance with GAPC Tobacco Certification in the U.S. and with the Brazilian Ministry of Agriculture in Brazil
E13.	Non-recycled waste ratio	Tons of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	Combined Annual and ESG Report 2022 > Circular Economy > p. 54-55 ESG Performance Data Book > Environment > p. 5	1. Total Waste generated 126.00 thousand tonnes 2. Waste recycled 106.00 thousand tonnes 3. Waste disposal 19.69 thousand tonnes Breakdown by disposal method thousand tonnes: (Waste to energy 11.74, Incineration 1.73, Landfill 6.22, Other 0)
E15.	Deforestation	Share of investments in investee companies without a policy to address deforestation	Combined Annual and ESG Report 2022 > Biodiversity > p. 56-57 Environment Policy	Qualitative Disclosure: BAT has policies which address deforestation and goals of: – Net Zero deforestation of managed natural forests in our paper, pulp and Tobacco Supply Chain – Zero gross deforestation of primary native forests in our paper, pulp and Tobacco Supply Chain

Principal Adverse Impacts (PAIs)

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PAIs continued				
Disclosure	PAI indicator	Description	Disclosure location	Direct answers, notes and omissions
S1.	Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	Combined Annual and ESG Report 2022 > Health & Safety > p. 92-93 Standards of Business Conduct: www.bat.com/SOBC/Online Health and Safety Policy	Qualitative Disclosure: BAT has policies which address workplace accident prevention
S2.	Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	Combined Annual and ESG Report 2022 > Health & Safety > p. 92-93 ESG Performance Data Book > People, Diversity and Culture > p. 11	Total number of work related accidents to employees and contractors 116
S3.	Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	Combined Annual and ESG Report 2022 > Health & Safety > p. 92-93 ESG Performance Data Book > People, Diversity and Culture > p. 11	We currently do not report against this metric in the format prescribed by this Index. However, we report Lost Time Incident Rate (LTIR) 0.19
S4.	Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	Combined Annual and ESG Report 2022 > Ethics & Integrity > p. 66-67 Supplier Code of Conduct: www.bat.com/SOBC/Online	Our Supplier Code of Conduct complements our Group Standards of Business Conduct by defining the minimum standards we expect our suppliers to adhere to in order to supply goods or services to BAT and any BAT Group company.
S5.	Lack of grievance/ complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/ complaints handling mechanism related to employee matters	Combined Annual and ESG Report 2022 > Ethics & Integrity > p.67 Speak Up: www.bat.com/speakup Standards of Business Conduct: www.bat.com/SOBC/Online	Staff can raise concerns with their line manager, HR or one of the Group's Designated Officers. Alternatively, they can use our confidential, independently managed external Speak Up channels via telephone or online. Our Speak Up channels are available 24 hours a day in local languages and are highlighted in our internal trainings and communications.
S7.	Incidents of discrimination	Number of incidents of discrimination reported in investee companies expressed as a weighted average Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	Combined Annual and ESG Report 2022 > Ethics & Integrity > p.67 Speak Up: www.bat.com/speakup	We do not report against this metric in the format prescribed by this Index. However, all concerns about actual or suspected wrongdoing at work can be raised via our 'Speak Up' portal, which is part of our SoBC.
S8.	Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	Combined Annual and ESG Report 2022 > Chief Executive pay Ratio Disclosure > p.171	We currently do not report against this metric. in the format prescribed by this Index. However, our CEO Pay Ratio Disclosure provides an analysis against our UK workforce.

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PAIs continued				
S9.	Lack of a human rights policy	Share of investments in entities without a human rights policy	Standards of Business Conduct: www.bat.com/SOBC/Online	Our Standards of Business Conduct (SoBC) sets out the high standards we are committed to upholding. It comprises our core global policies, including our Workplace and Human Rights Policy detailing our support for the UNGPs and the ILO's Declaration on Fundamental Principles and Rights at Work
S10.	Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	Combined Annual and ESG Report 2022 > Human Rights > p.60-61	Qualitative Disclosure: Our due diligence process is covered in the Human Rights section of our Combined Report. More details will be available in our Modern Slavery Statement, which will be published in Q2
S11	Lack of process and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	Standards of Business Conduct: www.bat.com/SOBC/Online	Qualitative Disclosure: SoBC sets out to ensure our operations are free from slavery, servitude and forced, compulsory, bonded, involuntary, trafficked or unlawful migrant labour
S12.	Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation	Combined Annual and ESG Report 2022 > Human Rights > p. 61	Qualitative disclosure: BAT has an annual risk assessment process for countries with Group companies present, using Verisk Maplecroft's human rights indices, including its Modern Slavery Index.
S13.	Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or type of operation	As above	As above
S14.	Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	Combined Annual and ESG Report 2022 > Human Rights > p. 60-61 ESG Data Book > Social > p. 9	We currently do not report against this metric in the format prescribed by this Index. However, we report against Human Rights in our Combined Annual-ESG Report.

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