

Timber products	Disclosing	Manufacturing	<Not Applicable>
Palm oil	Not disclosing	Manufacturing	BAT sources approximately 2,100 tons of glycerin derived ultimately from palm oil. This is less than 0.1% of global palm oil production. As a result of the deforestation risk assessment undertaken by BAT palm oil does not represent a material risk of deforestation. This is due to the very low amount of palm oil that is utilised in BAT products.
Cattle products	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Soy	Not disclosing	Manufacturing	BAT sources approximately 4,600 tons of glycerin derived ultimately from soy. This is less than 0.002% of global soy production. As a result of the deforestation risk assessment undertaken by BAT soy does not represent a material risk of deforestation. This is due to the very low amount of soy that is utilised in BAT products.
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	Not disclosing	Manufacturing	BAT sources approximately 1,000 tons of cocoa used in production of products. This is less than 0.1% of global cocoa volume. As a result of the deforestation risk assessment undertaken by BAT cocoa does not represent a material risk of deforestation. This is due to the very low amount of cocoa that is utilised in BAT products.
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

F0.5

No

F0.6

Using as input into manufacturing process for power generation
 Using as input into product manufacturing
 Distributing/packaging

Hardwood logs
 Paper
 Boards, plywood, engineered wood
 Primary packaging
 Secondary packaging
 Tertiary packaging
 Cellulose-based textile fiber
 Wood-based bioenergy

Smallholders
 Multiple contracted producers
 Contracted suppliers (processors)

Argentina
 Austria
 Bangladesh
 Brazil
 Bulgaria
 China
 Croatia
 Czechia
 Finland
 Germany
 India
 Indonesia
 Italy
 Japan
 Kenya
 Malaysia
 Mexico
 Mozambique
 Pakistan
 Philippines
 Poland
 Republic of Korea
 South Africa
 Sweden
 United States of America
 Viet Nam
 Zimbabwe

11-20%

The main categories of wood based materials used in our products are board and paper for packaging, specialty papers and acetate tow. Firewood and biomass that is used by the farmers from whom we buy tobacco, to cure Flue Cured and Dark Fire Cured tobaccos and in some instances for barn construction (less than 1.7% of the total volume of wood used by the farmers). The percentage is calculated against total spend including tobacco and direct materials, indirect services, New Categories and R&D.

F1.2

Timber products	100%	At BAT 100% of our cigarettes, tobacco heated products and some other nicotine/tobacco products utilise timber derivative products. In addition the majority of BAT products utilise pulp and paper based materials (e.g. packaging).
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

Timber products

Kenya

Specify state/equivalent jurisdiction

Timber products

Resilience

Supply chain

Improved climate change adaptation

BAT is dependent on the availability of sustainable wood for the farmers to cure Flue Cured Virginia and Dark Fire cured, that represent more than 70% of total tobacco purchases. As we are increasing the use of renewable fuels (predominantly wood and biomass) in the curing process the demand for wood in the future is likely to increase. At the same time, the amount of wood used has a direct impact on the total scope 3 emissions. BAT have committed to Science Based Targets and have also developed an internal ambition to reduce leaf emissions by 50% by 2030. Building on many years of experience, our Global Leaf Agronomy Development centre, focused on driving our Environmental and Social goals across tobacco production and the communities where we operate, has launched a programme called Curing 2.0 to address the opportunity of reduced fuel consumption through curing efficiency and alternative fuels to reduce Green House Gas emissions. This programme explores the potential to deliver significant efficiencies in the amount of wood used, either by different barn designs or by different format of the fuel, and it is tailored to specific market conditions. In 2021 we started pilots in Pakistan, Brazil, Croatia & Sri Lanka and have plans to expand in Bangladesh and Zimbabwe. Based on the first results we could achieve up to a 24% reduction on required firewood in Pakistan and up to 30% in Brazil by migrating into a more energy efficient barn design. The timescales for implementation are in the 5 year horizon and we explore those as part of the operational guidelines we have with our in house and strategic suppliers, representing 80% of total purchased volumes. In addition, this opportunity, the ultimate gain is better positioning in terms of addressing and combating climate change alongside reduced wood consumption and operating costs to the farmer.

Likely

Yes, an estimated range

<Not Applicable>

400000

600000

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Row 1	Scheduled - some meetings	<p>Monitoring implementation and performance</p> <p>Overseeing acquisitions and divestiture</p> <p>Overseeing major capital expenditures</p> <p>Providing employee incentives</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Setting performance objectives</p>	<p>The Board reviews the Group's environment strategy, targets and performance twice per year and reviews the Group risk register, which takes account of forest-related matters, annually. The Board reviews the Group budget annually, which takes into account capital allocation to deliver the Group's ESG agenda and targets (including in relation to biodiversity and forest-related matters). The Board reviews and approves the Annual Report and Form 20-F, and ESG Report, on an annual basis, both of which report on the Group's progress on forest-related matters. In 2021, the Board also received a deep-dive ESG briefing. The Audit Committee reviews the Group risk register twice per year and reviews the Group's progress against its ESG metrics, including targets such as net zero deforestation of managed forests in our supply chain by 2025, net positive impact on forests in our tobacco leaf supply chain by 2025, and progress towards our target of 100% of wood used by our contracted farmers for curing fuels to be from sustainable sources.</p>



Timber products	Yes	Company-wide	<p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to best management practices for soils and peat</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>As outlined in section 0.4, there are only few forest-derived commodities which are significant to our organisation from a spend/ consumption and therefore at this stage the commodity specific policy coincides with the company wide policy. Our Group Standards of Business Conduct (SOBC) describes the sets of rules and standards of behaviour that BAT Group works by. Within the SOBC, there is a focus on the environment and references to our Group Environmental Policy where forestry stewardship is a key element. Our Environment Policy is supported by our Biodiversity Statement. This sets out the principles we follow to manage our biodiversity footprint across our operations. The statement is based on a mitigation hierarchy, which describes the steps to avoid, minimise, restore or offset biodiversity loss, wherever we operate. For our suppliers, our Supplier Code of Conduct defines the minimum standards we expect, including specific criteria for environmental sustainability. In addition, the industry's Sustainable Tobacco Programme includes biodiversity and afforestation criteria that our leaf operations and third-party suppliers are expected to adhere to. We conduct a detailed review of our SOBC and Supplier Code of Conduct every two years to ensure they remain at the forefront of best practice, with the most recent review taking place in 2021. We review the Environment Policy on an annual basis. The Director, Operations recommends updates to the policy to the Board for endorsement before any changes are implemented.</p>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

Yes

F4.6a

Other, please specify (Business For Nature)

F4.6b

2025

<Not Applicable>

<Not Applicable>

100

57

Since 2016 we have launched Thrive, the tobacco sustainability programme which keeps track of all the elements around sustainable tobacco production. Therefore, we select 2016 as being the start year while in many countries the engagement started much earlier. Thrive covers 80% of our volume base and Sustainable Tobacco Programme 100% which allows us to have great level of understanding on how our suppliers and farmers respond to our priorities, including forest issues. The target of no gross deforestation is ongoing and we will continue to develop more tools, like operating standards in Biodiversity for issues such as biodiversity, conduct risk assessments based on farmers geo-spatial and farm level data to map their risk profile, deliver trainings and work with local partners to support us in verifying the on the ground methods and commit to restore any area found to be deforested. Field technicians monitor the wood produced by the tobacco farmers, back to the plantation area and in 2021 57% of the wood used was traceable back to the place where produced. We have glidepaths in place and assigned budget to increase this to 100% aligned with our net zero deforestation by 2025. In 2021 we achieved 99.9% of wood sourced deforestation free; there has been only one incident recorded throughout our directly contracted and strategic third-party supplier base. This gives us confidence our field technicians conduct the right due diligence and provide visibility of such cases for us to be able to act, educate and eventually collaborate to restore that area. Furthermore, we have strengthened our operational design with dedicated resources to work with our suppliers to deliver their glidepaths on those targets.

Target 2

Timber products

Engagement with direct suppliers

Our business depends on biodiversity and natural resources, including firewood and biomass which are necessary for the farmers to dry Flue Cured and Dark Fire Cured tobacco which represent more than 70% of our total tobacco purchases. To achieve our forest targets we need to engage with our contracted farmers and communities to prevent deforestation and ensure that our wood supply chain is sustainable and resilient, coming at no risk to cause deforestation either on-farm or off-farm. In the journey to ensure sustainable supply and operating responsibly we continuously connect and engage with our suppliers to ensure alignment of targets and the implementation of requirements and standards. We have as a result developed a set of operating standards and encourage accurate reporting as our suppliers play a critical role for us to achieve our targets on no gross deforestation on primary forest and net zero deforestation in managed forests.

Zero net/gross deforestation

<Not Applicable>

<Not Applicable>

2016

2021 100% of wood sourced deforestation free

<Not Applicable>

fine papers and acetate tow materials so these have been our priority focus. We track and monitor our suppliers' independent third party certifications that ensure they are supporting BAT's deforestation commitments and supporting the best possible management of the extended supply chain. Currently our focus has been on FSC and PEFC certifications. In this case we have PEFC only. As appropriate we review our supplier's certification status and the associated volumes. Due to regulation BAT are unable to publish any sustainability logos on our products which is why we take this robust approach with our suppliers. To date 89% of pulp and paper based materials have been certified sustainably sourced, and we are taking some of the key learnings from this into our engagement and work with suppliers to achieve 100% by 2025.

Timber products

FSC (any type)

<Not Applicable>

8.2

Primary packaging

Other, please specify (Fine Paper)

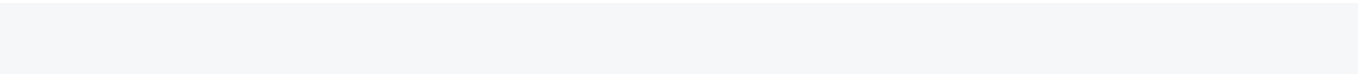
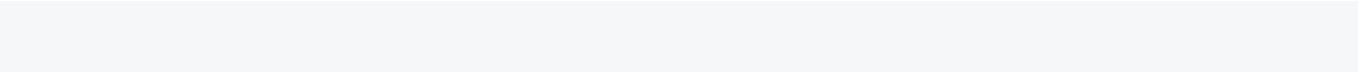
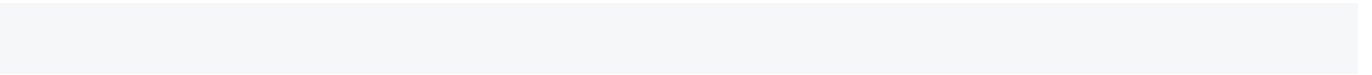
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Other, please specify (Fine Paper / Point of Sale Material (POSM))

13195

Metric tons

Don't know

B



Timber products

Direct operations
Supply chain

Investment in monitoring tools and traceability systems

Under our Biodiversity Framework for our tobacco supply chain, we are working with an external, expert consultancy to develop operating standards for Biodiversity in tobacco. One of the main requirements is to ask tobacco suppliers to have 100% of the off-farm wood sourced with traceability back to the site of production. When the wood is sourced from off-farm locations, suppliers will be required to implement verifiable and traceable evidence that the wood is coming from sustainable sources, not involved in deforestation for both harvesting the wood and / or planting the production forest. It's expected that the leaf Suppliers must be able to demonstrate to BAT or to any appointed party completing an audit, through reporting and / or documentation, where the off-farm wood suppliers are located, as well their production forests, complete with geospatial information, including coordinates, an inset map, approved standards well their products themselves and / or if possible, information on the wood source back to the
