



## IMPLEMENTATION OF ALLIANCE FOR WATER STEWARDSHIP (AWS) STANDARD 2.0 AT BAT ZIMBABWE SITE

BAT Zimbabwe is a leading manufacturer with a long history and heritage spanning over 80 years. We have an evolved strategy and purpose to build A Better Tomorrow™.

Over the years, BAT Zimbabwe has recorded several sustainability achievements and as part of our purpose, sustainability is front and center in all that we do. Underpinning this is a robust Environmental, Social and Governance (ESG) agenda, through which we are pursuing various initiatives including Good Water Governance (GWG). Part of this involves implementing the Alliance for Water Stewardship (AWS) Standard within our operations, whose main objective is to drive water stewardship and promote the use of water in a manner that is socially and culturally equitable, environmentally sustainable, and economically beneficial. This involves driving sustainable water balance practices, ensuring availability of, and access to quality and safe water, as well as sanitation, and hygiene for all. This can only be achieved through stakeholder inclusive processes that involves site and catchment-based action.

BAT Zimbabwe's manufacturing factory is located in the Upper Manyame sub-catchment area. It has two primary sources of water on site i.e., municipal water supplied by the Harare City Water and borehole water supply.

### Good Water Governance

#### *Our vision*

To achieve the highest practicable levels of water conservation across our value chain and supply chain.

#### *Our mission*

To be responsible water stewards by leading and engaging with our stakeholders in understanding our collective water challenges, risks, and opportunities, which contribute to achieving the Sustainable Development Goals on Clean Water and Sanitation.

### Governance

BAT Zimbabwe site has a water management system and Water Committee in place. The Committee comprises of a multi-disciplinary team, which is accountable for delivering various aspects of the water stewardship plan. The members include: the Managing Director, Head of Operations, Engineering and Sustainability Manager, Sustainability Coordinator, Engineering and Site Services Team Leader and the Legal Counsel. Committee members responsibilities are detailed below:

Role	Responsibility
Managing Director	<ul style="list-style-type: none"><li>• Is part of the BAT Zimbabwe Leadership Team</li><li>• Overall responsibility for the site budget and resources and is the sponsor of water related projects.</li></ul>
Head of Operations	<ul style="list-style-type: none"><li>• Head of the Operations Leadership Team, representing the Manufacturing function during strategic meetings.</li><li>• Responsible for developing and managing the Operations and Sustainability budget and resources.</li><li>• Oversees improvement actions to drive efficient processes leading to reduction, reuse, and recycling of water.</li></ul>



Role	Responsibility
Engineering and Sustainability Manager	<ul style="list-style-type: none"> <li>Member of the Operations Leadership Team.</li> <li>Pillar lead of the EHS priorities.</li> <li>Management of the factory's investment strategy (CAPEX and OPEX).</li> <li>Implementation of improvement actions to drive efficiency, leading to:               <ul style="list-style-type: none"> <li>Reduction, reuse, and recycling of water</li> <li>Preventive and corrective maintenance plans</li> </ul> </li> <li>Energy conservation DMS (Daily Management System) owner.</li> <li>Implementation of water legal and statutory requirements.</li> <li>Communication with water-related regulatory authorities.</li> <li>Ensuring that environmental and water related licenses and permits are up to date.</li> </ul>
Sustainability Coordinator	<ul style="list-style-type: none"> <li>Member of the Operations Leadership Team.</li> <li>Co-pillar lead for the EHS priorities.</li> </ul>
Engineering and Site Services Team Leader	<ul style="list-style-type: none"> <li>Member of the Operations Leadership Team.</li> <li>Participate in implementation of water related projects and coordinate collection and analysis of data.</li> <li>Carry out and validate post implementation reviews on completed projects.</li> <li>Drive efficiency in all utilities.</li> </ul>
Legal Counsel	<ul style="list-style-type: none"> <li>Drive compliance with applicable legal and statutory requirements.</li> <li>Keep apprised to new legal requirements.</li> <li>Check compliance with all relevant legal requirements.</li> </ul>

### Site Water Stewardship Plan Performance

The BAT Group has made a commitment to reduce water withdrawn at all its sites by 35% by 2025 (Baseline: 2019). Notably, the BAT Zimbabwe site has reduced water withdrawn by 31% and 37% in 2022 and 2023 respectively.

Performance vs baseline	2020	2021	2022	2023
Water withdrawn	-0.4%	-15%	-31%	-37%

Water reduction opportunities were identified in the following areas:

- Re-routing underground water pipes to the surface to enable easy identification of leakages from the water reticulation pipes.
- Installation of level two submetering and check meters, helping us to understand our site's water usage and water balance.
- Reusing water generated during manufacturing process for gardening activities.
- Training and awareness on efficient water use.
- Robust maintenance of our water supply network, coupled with inspection and prompt repairs.

To maintain good water quality, quarterly water analysis of the municipal and borehole water is carried out per the World Health Organisation and Environmental Management Agency Regulations SI No. 6 of 2007, and as part of the site's best practices. In 2023, BAT Zimbabwe achieved Zero Waste to Landfill, minimising the level of waste sent to landfill.

These and other initiatives have contributed to sustainable water balance in the catchment area and demonstrate BAT Zimbabwe's commitment to Good Water Governance.

### Stakeholder engagement

BAT Zimbabwe have collaborated with various stakeholders in water related initiatives, in order to drive excellence in environmental management.

In July this year, we engaged with key selected stakeholders from the private and public sectors on water related matters in our catchment area, including discussions on our shared water challenges and opportunities.



*Stakeholder engagement on shared water challenges*

The Site has made the following efforts to address shared water challenges;

1. We implemented initiatives to reduce water use, including re-routing underground water pipes to the surface for easier leak detection, implementing level two submetering and check meters to monitor water usage, reusing process water for gardening, and maintaining a robust system for inspection and prompt repairs to address water scarcity in the catchment.
2. We distributed water purification tablets to employees and submitted water quality monitoring results to the Regulator to address challenges related to poor water quality.
3. We organised a multi-stakeholder meeting to facilitate dialogue on shared water challenges.
4. We conducted clean-up campaigns in the catchment area to address challenges associated with inadequate waste management.

BAT Zimbabwe will continue to leverage various opportunities to drive our Environmental, Social and Governance (ESG) agenda.



### Indirect water use

- We plan to extend our good water practices and governance to our suppliers for the sustainability of our supply chain.
- We actively engage and collaborate with our high priority primary input suppliers regarding our AWS journey to enhance sensitisation and awareness to drive sustainable water management.
- A robust incident response plan is in place. It includes a root cause analysis and corrective action plan, as well as a water regulations review framework.

BAT Zimbabwe operates a robust governance programme across the business to ensure compliance to relevant legal and statutory requirements.

The Company has not had any water-related non-compliances.

*This report was created to comply with AWS standard indicators 5.1.1, 5.2.1, 5.3.1, 5.4.1, 5.5.1, 5.5.2, 5.5.3.*