



Good Water Governance Report

British American Tobacco Kenya
Green Leaf Threshing Plant

Background

British American Tobacco Kenya (BAT Kenya) is part of the BAT Group, a leading multi-category consumer goods business. BAT's purpose is to create A Better Tomorrow™ by building A Smokeless World. BAT has a long history and rich heritage in Kenya, having commenced operations in Kenya in 1907. BAT Kenya was listed on the Nairobi Securities Exchange in 1969 and has approximately 5900 local shareholders. We are a strong, forward-looking company with a proven strategy to deliver sustained value for our stakeholders. Our business contributes to Kenya's socio-economic development in various ways, including supporting the livelihoods of over 80,000 trade and business partners and about 1,800 contracted tobacco farmers.

At BAT, sustainability is front and center of all that we do, underpinned by a sustainability strategy that is anchored on five strategic impact areas, namely; *Tobacco Harm Reduction, Climate, Nature, Circularity and Communities*. As part of this strategy, BAT Kenya implements Good Water Governance (GWG) initiatives at our Green Leaf Threshing Plant (GLTP) located in Thika, Kiambu County. These initiatives aim to promote sustainable water balance, ensure the availability of quality water, and enhance access to safe water, sanitation, and hygiene for all. Reflective of these efforts, the GLTP is certified under the Alliance for Water Stewardship (AWS) Standard.

The GLTP has been in operation since 1977. It's processing capacity is 30 million Kilograms (Kgs) of flue cured Virginia tobacco per year, which is currently sourced from contracted farmers predominantly in Western, and the Nyanza region of Kenya.

In line with the BAT Group's strategy, BAT Kenya's Green Leaf Threshing plant (GLTP) in Thika implements Good Water Governance (GWG) initiatives. GWG involves driving sustainable water balance practices, ensuring availability of quality water, as well as access to safe water, sanitation, and hygiene for all.

The GLTP has a sustained track record in GWG and is certified under the Alliance for Water Stewardship (AWS). The GLTP is part of the Tana basin catchment area primarily Thika River basin. It has two primary sources of water on site i.e., municipal water that is supplied by Thika Water and Sewerage Company (THIWASCO), and borehole water which draws its underground water from Aberdare Volcanic South (AVS).

For many years, the GLTP has been at the fore front of environmental conservation and more specifically, responsible water use. It is an active and committed member of the Thika Mid Water Resource Users Association (WRUA) which is the water user's association body for the Thika sub-catchment area. WRUA addresses all water related issues in the catchment as mandated by the Water Resource Authority and enhances collaboration with key stakeholders in our catchment area.



BAT Kenya's Water Stewardship Policy

Our vision

To achieve the highest practicable levels of water conservation across our direct value 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 Goal 6 of the Sustainable Development Goals on Clean Water and Sanitation as well as attaining and retaining Alliance for Water Stewardship (AWS) certification in line with our Sustainability Strategy.

Click the link below to view our Water Stewardship Plan: [BAT Kenya Water Stewardship Policy Statement](#)

Governance

The GLTP Facility has a team in place, comprising of a multi-disciplinary team which is accountable for various aspects of the Water Stewardship Plan. These are as listed in the table below:

Role	Responsibility
Head of Leaf	<ul style="list-style-type: none">• Is part of the BAT Kenya leadership team and represents Kenya Leaf during area strategic meetings.• Responsible for allocating the Leaf budget and resources.• Sponsor of water related projects.
Human Resource Business Partner (Operations)	<ul style="list-style-type: none">• Allocation of resources to ensure sustainable water stewardship is part of the BAT Kenya Operations Leadership team.
Finance Manager	<ul style="list-style-type: none">• Budget allocation for sustainability projects related to water.• Capital Expenditures (CAPEX) evaluation of investments related to water.
Sustainability Executive	<ul style="list-style-type: none">• Coordinates all the activities of the Water Committee.• Compliance with legal requirements.• Environment, Health and Safety (EHS) pillar lead (drives the Energy management).• Site member of the Water Committee.• Monitoring of the Key Performance Indicators (KPIs).• Training needs assessment and planning for trainings.• Document management as per the plan.
Sustainability Manager	<ul style="list-style-type: none">• Stakeholder Engagement planning• Identification and implementation of WASH and sustainability projects within the catchment
GLT Plant Manager	<ul style="list-style-type: none">• Implementation of improvement actions to drive for efficient processes leading to reduction, reuse, and recycling of water.• Site member of the Water Committee.• Is part of the BAT Kenya Operations Leadership team.
Engineering Manager	<ul style="list-style-type: none">• Chairperson of the Water Committee.

Role	Responsibility
	<ul style="list-style-type: none"> Responsible for preventive and corrective maintenance plans Management of the investments plan to be made in the plant CAPEX and operational expenditure (OPEX). Is part of the BAT Kenya Operations Leadership team.
Technical Executive	<ul style="list-style-type: none"> Participate in implementation of water related projects and coordinate collection and analysis of data. Carry out and validate post implementation reviews on completed projects. Members of the Water Committee.
Legal Counsel	<ul style="list-style-type: none"> Facilitates compliance with regulatory and/or statutory requirements. Is part of the BAT Kenya Operations Leadership team.
Business Communication and Sustainability Manager	<ul style="list-style-type: none"> Provides guidance on governance related to sustainability and review of communication materials, as well as relevant project documents on GWC and execution / publication as required.

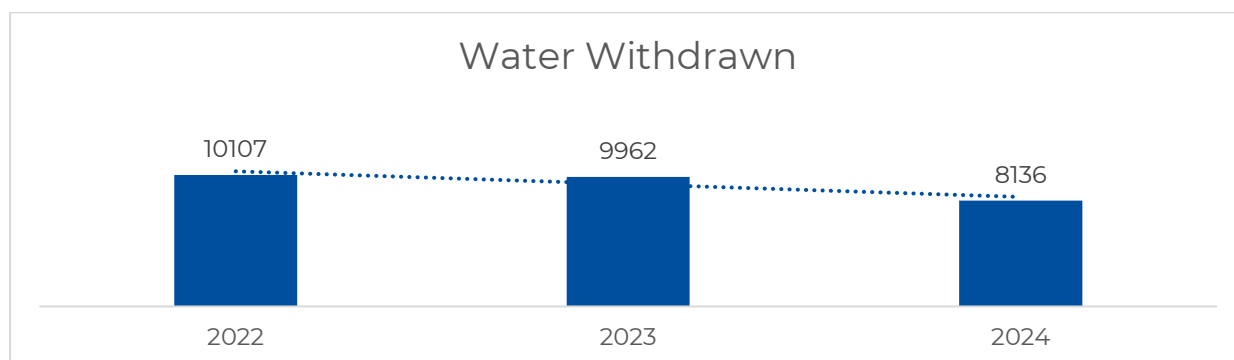


Performance: Water Withdrawal & Water Recycling

In line with the BAT Group's target of attaining a 35% reduction in water withdrawn by 2025 vs 2017 baseline and increasing water recycling by 30% in 2025, the GLTP has recorded the following progress:

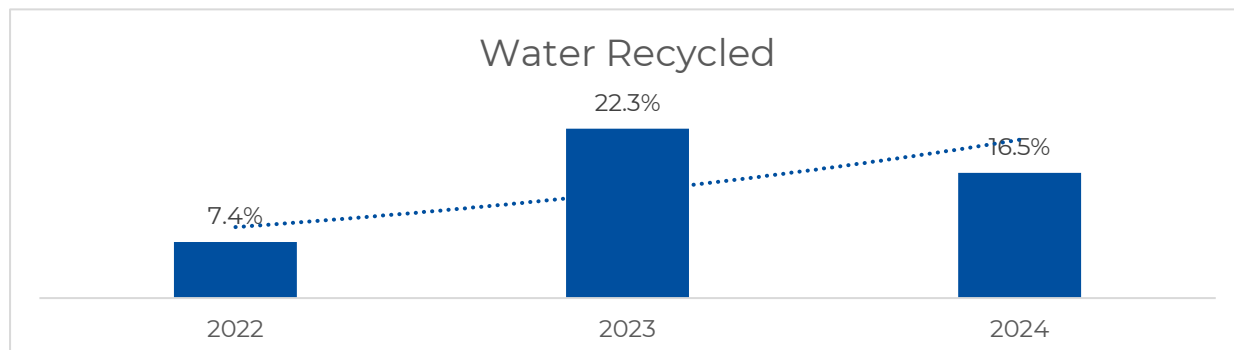
GRAPH 1: WATER WITHDRAWN

- 2023 to date-there has been a 24% reduction in water withdrawn.



GRAPH 2: WATER RECYCLED

- There has been an increase in water recycling compared to 2022 with a slight dip in 2024 due to mechanical failure of a unit in the process which has since been rectified.



Water performance opportunities

Water reduction and recycling opportunities have been identified and implemented per the highlights below:

- Implementation of water metering to level 3.
- Optimisation of water use for production.
- Implementation of a leak detection program.
- Enhancement of the water maintenance system coupled with inspection and prompt repairs.
- Training and awareness on efficient water use.
- Ongoing water quality analysis.
- Steam condensate recovery: recycling the water thus reducing the energy and water used for the boiler operation.

Shared water challenges

We joined other stakeholders in identification of water related initiatives geared towards a sustainable environment and collaboration in improving shared water challenges.

Catchment surface water challenges and prioritisation

The below are the water challenges picked by the stakeholders in relation to the catchment. (High=1, Medium=2 and Low=3)

Water Challenge	Priority Issues
Water pollution: Run off from farms (fertilizers and pesticides) affect the water quality and discharge of untreated effluent polluting the primary source of water in Thika (i.e. Chania and Thika River).	1
Enforcement of existing laws: stakeholders feel that existing laws and regulations related to water are not being adequately enforced.	1
Encroachment: Due to increase in population the riparian areas are being encroached.	2
Degradation: Degradation of wetlands.	3
Urbanisation and land change use- Many people are moving to the urban areas, and this is leading to land clearing and changing of agricultural land /Forest reserves to towns as well as water scarcity as existing capacity cannot cater for all.	1
Low awareness and education: many stakeholders believe that low levels of awareness and education on water issues amongst the general public affects how people manage water matters.	1
Climate change: Human activities are impacting negatively on the environment leading to a drastic change in the climate. The rain patterns have changed significantly.	1
Sedimentation of rivers: The stakeholders feel that deforestation and poor agricultural practices contributes greatly to this.	3
Inadequate infrastructure: Tis has affected the water supply network leading to rationing since the available infrastructure cannot cater for the growing population.	3
Deforestation: Cutting down of trees to make room for the growing population and for economic reasons was mentioned as one of the contributing factors to climate change thus affecting water levels.	2
Afforestation: Planting of the wrong tree species that reduce the water levels e.g. blue-gum.	2

*Reference: Bring Njururi back Base Camp – Stakeholder Engagement

Ground water challenges and prioritisation

Water Challenge	Priority Issues
Enforcement of existing laws: many stakeholders feel that existing laws and regulations related to water are not being adequately enforced.	2
Illegal water abstraction: Due to rationing supply there are private companies that are supplying water. They are illegally drawing this water and not willing to pay for it	1
Quarry activities: The various quarry activities are affecting the quality of ground water and smothering of the riverbeds.	2
Over abstraction of groundwater: stakeholders expressed concern that water users may be abstracting water from the aquifer beyond sustainable limits.	1
Climate change: Human activities are impacting negatively on the environment leading to a drastic change in the climate. The rain patterns have changed significantly.	1
Lowering water table: there is concern that the water table is lowering, which is related to the abstraction of groundwater.	1
Low awareness and education: many stakeholders believe that low levels of awareness and education on water issues amongst the general public affects how people manage water matters.	1
Deforestation: Cutting down of trees to make room for the growing population and for economic reasons was mentioned as one of the contributing factors to climate change thus affecting water levels.	3
Pollution: The aquifer suite is vulnerable to industrial, agricultural, and domestic contamination. Pollution from human activities can seep into the aquifer and affect the quality of the water, making it unsafe for consumption and irrigation.	1
Drilling of boreholes: A lot of people are drilling boreholes without proper planning and this is affecting the ground water levels.	3

*Reference: Bring Njururi back Base Camp – Stakeholder Engagement



Stakeholder engagements in 2022-2024

Below is a list of initiatives implemented by the plant to address some of the key water challenges identified in the catchment.

Challenge	Project
Climate change	On site generated electricity (550KwP).
Deforestation	Adopt a Forest Initiative. Tree planting at Ndakaini Dam and Thika river.
Low awareness and education	Stakeholder engagement.
Sedimentation of rivers and water pollution	Desludging interceptors. Construction of sedimentation tank.
Water, Sanitation and Hygiene (WASH)	Drilling of borehole at Kimaeti dispensary.
Over abstraction	Recycling Initiatives. Monitoring of water usage.

Indirect water use and important water related areas

BAT Kenya's GLTP relies on the Company's contracted tobacco farmers for supply of high-quality leaf. Given our vertically integrated operation, we understand the need to extend our good water practices and governance to our value chain, including our leaf growing partners, for a wholistic sustainability approach.

BAT Kenya has an afforestation programme – Kijani – through which we have been planting trees with various stakeholders since 1978. Annually, we aim to plant at least 2 million trees. In 2024 we planted approximately 1.5 million trees in collaboration with various stakeholders. We also carried out awareness trainings to ensure implementation of good water governance with our farmers.

The site also has a field (Wazito Park) that is opened to the community for sporting activities. The site has strived to ensure that this park is maintained by planting trees on an annual basis to drive sustainability and serve future generations.

WASH on site

The site has provided adequate WASH facilities as per public health requirements and conducts quarterly water quality analysis for monitoring our water to enable continuous improvement.

Everyone on site has access to clean water and sanitation facility at a ratio of 1:16 for males and 1:3 for females. There is a mother's room available for new and expectant mothers in line with the Parents@BAT Policy.

Additionally, the site has provided fresh water outside the plant stored in a tank for handwashing by the community.

Conclusion

The GLTP strives to comply with all Alliance for Water Stewardship (AWS) requirements and to maintain the AWS Certification for our site through sustained good water management practices.

The site has a robust Incident Response Plan that includes a root cause analysis and corrective action plan. BAT Kenya also has a robust governance programme to drive legal and statutory compliance. Looking ahead, GLTP remains committed to sustainable water management and continuous improvement of our water stewardship practices.

For more information on BAT Kenya's sustainability achievements please refer to the Combined Annual and Sustainability Report 2024 by following the link below:

[BAT Kenya Combined Annual and Sustainability Report 2024](#)

This report was created to comply with AWS indicators 5.1.1, 5.2.1, 5.3.1, 5.4.1, 5.4.2, 5.5.1, 5.5.2, 5.5.3.