

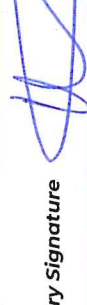


CORPORATE GOVERNANCE REPORTING TEMPLATE FOR ISSUERS OF SECURITIES TO THE PUBLIC
 TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR ISSUERS OF SECURITIES TO THE PUBLIC, 2015

Company Name (in full) 2.51
 British American Tobacco Kenya plc 100,000,000
Reviewer's Name 407.5
 Company market to book ratio at end of financial year
 No of outstanding shares at end of financial year
Stock Code: KE0000000075 Ksh 25,557,551,000
Sector: Manufacturing Ksh 5,568,017,000
Year: 2023 Ksh 22,755,000
Date of Financial Year End: 31 DECEMBER 2023 Ksh 16,249,760,000

Company Details to be Provided:

Company market to book ratio at end of financial year 2.51
 No of outstanding shares at end of financial year 100,000,000
 Closing price of stock at end of financial year 407.5
 Net sales as per Income Statement at end of financial year Ksh 25,557,551,000
 Net profit as per Income Statement at end of financial year Ksh 5,568,017,000
 Total debt (short and long term) as per Balance Sheet at end of financial year Ksh 22,755,000
 Total equity as per Balance Sheet at end of financial year Ksh 16,249,760,000
 Total no. of Board members at end of financial year 11
 No. of independent directors at end of financial year 7
 No. of non-executive directors at end of financial year 9

Chairman Signature 
CEO Signature 
Company Secretary Signature 

Mandatory or Part No. Question or 'apply or explain'

Application or Explanation - Note 3 & 4

Source of Information

Mandatory or Part No. Question or 'apply or explain'	Application or Explanation - Note 3 & 4	Source of Information
A	INTRODUCTION	
M A.1	Has the company developed and published a Board Charter which is periodically reviewed and which sets out the Board responsibility for internal control?	Board Charter has been published on website - www.batkenya.com .
M A.2	Do the Board Charter or company documents distinguish the responsibilities of the board from management in line with Code requirements?	Board Charter pg. 5-6. 2023 Annual Report Corporate Governance report pg. 60-61

2023

A or E	A.3	Is there a statement indicating the responsibility of Board members for the application of corporate governance policies and procedures of the company?	1.1.6	FA	FA	<p>Yes - Under the Corporate Governance Statement in the 2023 Annual Report, on the Company's website, the Company has committed to embed high standards of corporate governance at all levels in the Company including internal rules of engagement. Board and Management decisions are made in accordance with prudent corporate governance practices. The Nominations & Governance Committee is specifically charged with the responsibility of monitoring compliance with the CMA Code and governance aspects. Additionally, internal guidelines are constituted in the Standards of Business Conduct to which every employee, Director and the Supplier Code of Conduct for which all Supplier attests their adherence.</p> <p>The Board and Management receive an update on the requirements of the Code and their specific responsibilities.</p> <p>The Code's requirements were also set out and discussed in great detail in the 2022 Independent Legal and Compliance Audit.</p> <p>Additionally, the requirements of the Code are reviewed by the Board and each Committee to ensure compliance with aspects relating to the Committees/Board.</p> <p>Yes - The Board Charter and Corporate Governance Statement in the Annual Report provides that the Board is responsible for approving the Company's business strategy and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.</p> <p>The Board participates in the annual Strategy session held in September each year, to review and approve the Company's strategy. The 2024 Strategy was approved by the Board on 21 September 2023.</p> <p>Yes - The Company's strategy has embedded sustainability as part of the BAT Strategic Navigator. This is disclosed in the Strategic Navigator, the disclosures on various aspects of sustainability and the Corporate Governance section of the 2023 Annual Report. The Annual Report further states that the Board is collectively responsible for the Company's vision and strategic direction.</p> <p>Further, the Company unveiled its inaugural 2022 Sustainability Report on 27 October 2023. The report among other things focuses on the reduction of the health impact of the Company's business, environmental management, delivering a positive social impact and robust corporate governance practices across the Business.</p> <p>Yes - The Board has constituted 3 Committees (ie Nominations & Governance Committee, Audit & Risk Committee and the Remuneration Committee) as set out in the Board Charter. All Committees have Terms of Reference which are reviewed and regularly updated as appropriate.</p> <p>A description of how the Committees operate is also disclosed in the Corporate Governance Report section of the 2023 Annual Report.</p>	<p>2023 Annual Report pg. 60-61</p> <p>Articles of Association of the Company, Standards of Business Conduct and Supplier Code of Conduct are available on www.batkenya.com under Corporate Governance</p> <p>2023 Annual Report pg. 60-61</p> <p>Board Charter on Company website & 2023 Annual Report Corporate Governance report pg. 61, 66-67.</p> <p>2023 Annual Report BAT Strategic Navigator, sustainability disclosures and Corporate Governance report pg. 25-28, 41-47 & 67.</p> <p>The Board Charter also references sustainability initiatives of the Company.</p> <p>All documents are accessible at www.batkenya.com</p> <p>Terms of Reference of all Committees disclosed on website www.batkenya.com. The Board Charter contains the Committee terms of reference.</p> <p>Corporate Governance Report section of 2023 Annual Report pg.67-72.</p> <p>Corporate Governance Report section of 2023 Annual Report pg.67-69.</p> <p>Terms of Reference of Nominations & Governance Committee are disclosed in Board Charter on the website www.batkenya.com</p> <p>2023 Annual Report in the Corporate Governance Report pg. 67.</p> <p>Policy on Appointments to the Board published on www.batkenya.com</p> <p>2023 Annual Report Corporate Governance Report section pg. 52-55.</p>
M	A.4	How has the Board ensured all directors, CEOs and management are fully aware of the requirements of this Code?	1.1.6	FA	FA		
M	A.5	Do company documents indicate the role of the Board in developing and monitoring the company strategy?	Part II - Overview, 2.3	FA	FA		
A or E	A.6	Does the company strategy promote sustainability of the company?	2.3.6	FA	FA		
M	A.7	Are all board committees governed by a written charter/terms of reference, disclosing its mandate, authority, duties, composition, leadership and working processes?	2.2.2	FA	FA		
	B	BOARD OPERATIONS AND CONTROL					
M	B.1	Has the Board established a Nomination Committee comprised mainly of independent and non-executive Board members?	2.1.2, 2.2.2	FA	FA		
M	B.2	Is the chairperson of the Nomination Committee an independent director?	2.2.3	FA	FA		
M	B.3	Has the board adopted and published procedures for nomination and appointment of new Board members?	2.1.1, 2.1.7	FA	FA		
M	B.4	Is the Board size adequate for the exercise of the company business?	2.1.4	FA	FA		

A or E	B.5	Has the board adopted a policy to ensure the achievement of diversity including age, race and gender) in its composition?	2.1.2, 2.1.3, 2.1.5, 2.5.1	FA	FA	Yes - In February 2023, the Board approved and adopted a Diversity Policy which is disclosed on the Company's website, through the Board Charter and in the 2023 Annual Report.	Diversity Policy published on www.batkenya.com , 2023 Annual Report in the Corporate Governance Report section pg. 64
M	B.6	Do the Board members represent a mix of skills, experience, business knowledge and independence to enable them discharge of their duties?	2.2.1	FA	FA	Yes- The skills, experience, business knowledge and other qualifications of each Director are disclosed in the profiles of each Director set out in the 2023 Annual Report Corporate Governance Report. The Board profiles are also disclosed on the Company's website.	2023 Annual Report Corporate Governance Report Board profiles on pg. 52-55 and on the website on www.batkenya.com
M	B.7	Has the board adopted and applied a policy limiting the number of board positions each Board member may hold at any one time?	2.1.6	FA	FA	Yes- This is captured within the Board Charter and the Directors' Letters of Appointment. The Board Charter advocates that Non-Executive Directors should not hold more than 3 directorships of listed companies at any one time while Executive Directors shall not hold a directorship in more than 2 public listed companies. The Chairperson cannot chair the boards of more than 2 public listed companies. All Directors must promptly disclose outside directorships and inform the Chairperson of any changes to these directorships.	Board Charter published on website www.batkenya.com
M	B.8	Have any Alternate Board members been appointed? If so have the Alternate Director/s been appointed according to regulation and Code requirements?	2.1.6, 2.1.7	NA	FA	Yes - The Board appointed Mr. Sidney Wafula as an Alternate Director to Mr. Andre Joubert with effect from 25 June 2020. This was done in line with the Articles of Association, CMA Code and communicated to the public.	Announcement of the appointment was made to the public on 29 May 2020.
M	B.9	Are independent directors at least one-third of the total number of Board members?	1.1.2, 2.4.1, 2.1.3	FA	FA	Yes - Out of 11 Directors, 7 are independent Non-Executive Directors (64%) while 2 are Non-Executive Directors.	2023 Annual Report Corporate Governance Report (Board profiles) on pg. 52-55. See Board profiles on www.batkenya.com
A or E	B.10	Does the Board have policies and procedures to annually assess the independence of independent Board members?	2.4.1	FA	FA	Yes - Independence of Board members is assessed annually by the Nominations & Governance Committee applying the criteria set in the CMA Code under 2.4.1. As per the 2023 Annual Report, the Nominations & Governance Committee's key mandate is that of evaluating and reporting to the Board on an annual basis, the effectiveness of the Board and the independence of the Directors in the discharge of their responsibilities including ensuring that the Board has an appropriate balance of skills, expertise and knowledge, in line with the Board Diversity Policy.	Nominations Committee Terms of Reference published on website - www.batkenya.com and 2023 Annual Report Corporate Governance Report pg. 67-69 on key activities of the Nominations & Governance Committee.
M	B.11	Do all independent Board members have a tenure of less than 9 years?	2.4.2	FA	FA	All Directors categorised as independent Non-Executive Directors have a tenure of less than 9 years. Of the 2 Non-Executive Directors, one has reached the 9 year term limit and is re-categorised as non-independent in all Company documents. The Board has adopted a policy that all non-executive directors with a tenure >9 years will be considered for retirement.	2023 Annual Report Corporate Governance Report - Board profiles pg. 52-55. Website reference www.batkenya.com
M	B.12	Is the Board comprised of a majority of non-executive board members?	2.1.3	FA	FA	Yes - As at the date of this report, 9 out of the 11 Directors are Non-Executive Directors (82%).	2023 Annual Report Corporate Governance Report - Board profiles pg. 52-55. See Board profiles on www.batkenya.com
M	B.13	How does the Board ensure a smooth transition of Board members?	2.1.8	FA	FA	Succession Planning is conducted by the Nominations & Governance Committee on behalf of the Board and reported to the Board. The Nominations & Governance Committee annually reviews current board skills and experience, Company needs, diversity and independence considerations. Premised on its findings, the Committee will facilitate filling of vacancies and creation of a succession pipeline to meet these requirements on an annual basis. This has been disclosed in the 2023 Annual Report and Board Charter under the mandate of the Nominations & Governance Committee. The Company's Articles of Association also provide for rotation of one-third of the directors in any given year and hence ensure succession planning.	2023 Annual Report Corporate Governance Report pg.67-69 and the Nominations & Governance Committee terms of reference in the Board Charter (pg.30) on www.batkenya.com
M	B.14	Has the Board established an effective Audit Committee according to Code requirements?	2.2.4, 2.1.7, 6.5.1	FA	FA	Yes - The Board has constituted an effective Audit & Risk Committee comprised of 4 Members who are all independent Non-Executive Directors. The mandate and role of the Audit & Risk Committee and its activities in 2023 are disclosed in the Corporate Governance Report section of the 2023 Annual Report. The Committee's Terms of Reference are also set out in the Board Charter on the Company's website.	The terms of reference of the Audit & Risk Committee are provided on the BAT website www.batkenya.com . See also Board Charter and 2023 Annual Report Corporate Governance Report pg. 70-72
M	B.15	Are the functions of the Chairperson and the Chief Executive Officer exercised by different individuals?	2.3.3	FA	FA	Yes - The functions of the Chairperson and Managing Director are exercised by different individuals. The division of responsibilities between the Chairperson and the Managing Director is disclosed in the Board Charter and the 2023 Annual Report Corporate Governance Report section.	Board Charter and the 2023 Annual Report Corporate Governance Report pg. 61-62.

M	B.16	Is the Chairman of the Board a non-executive board member?	2.3.4	FA	FA	Yes - the Chairman of the Board is a Non-Executive Director and is also independent.	2023 Annual Report Corporate Governance Report pg. 52. See also Board profiles on www.batkenya.com
A or E	B.17	Has the Board established procedures to allow its members access to accurate and complete information and professional advice?	2.3.5	FA	FA	Yes - The Board has established procedures to allow its members access to accurate and complete information and professional advice at the Company's expense. On access to information, the Chairperson and the Managing Director invite members of Management to make presentations at Board meetings to provide insights into certain aspects of the Company's business or operations. The Board Charter and all Board Committee Terms of Reference provide that Directors can request information and obtain external professional advice at the expense of the Company.	See Board Charter and Terms of Reference of all Committees on website www.batkenya.com and 2023 Annual Report Corporate Governance Report pg. 66
M	B.18	Has the Board adopted a policy on managing conflict of interest?	2.3.8	FA	FA	Yes - Conflicts of Interest are captured and managed as provided by the Company's Standards of Business Conduct (SOBC) which applies to Board Members, all employees and third parties dealing with the Company. The Board has the authority to guide on the resolution or management of any declared conflicts. Any director who declares a conflict on an issue under discussion is exempted from voting on the issue. All newly appointed directors must declare any conflicts of interest.	Standards of Business Conduct (SOBC) published on website www.batkenya.com . See disclosure in Corporate Governance Section of 2023 Annual Report and Board Charter pg. 65-66, 72
M	B.19	Has the Board adopted a policy on related party transactions to protect the interests of the company and all its shareholders and which meets the requirements of the Code?	2.3.7	FA	FA	Yes - A Related Party Transactions Policy aligned to provisions of the CMA Code was approved by the Board on 12 April 2019 for immediate implementation. In compliance with the policy and accounting standards, various disclosures of related party transactions are captured regularly in the Finance Director's reports to the Board and also disclosed in the 2023 Financial Statements.	Copy of Related Party Transactions Policy is available on the website www.batkenya.com . See disclosures on Annual Report Financial Statements pg. 141-142.
M	B.20	Has the company appointed a qualified and competent company secretary who is a member in good standing of ICPSK?	2.3.9	FA	FA	Yes - Ms. Waeni Ngea is the Company Secretary and she is in good standing with ICPSK.	See disclosure in Corporate Governance Report of 2023 Annual Report pg. 55 See Company Secretary's profile on www.batkenya.com
A or E	B.21	Has the Board adopted policies and processes to ensure oversight of sustainability, environmental and social risks and issues?	2.3.2, 2.3.6	FA	FA	Yes - Sustainability is one of the Company's strategic pillars alongside Growth, Productivity and Winning Organization. The BAT Strategic Navigator captures the renewed focus on key ESG metrics. The Board places considerable emphasis on the need for the business to be sustainable for the long term, to meet the expectations of stakeholders and inform the Company's commitments to society. The Company has ensured that sustainability is embedded in all its operations as was set out in the 2022 Sustainability Report. The Board also has in place a Corporate Social Investment Strategy which underpins the Company's commitment to sustainability. This strategy is available on the Company's website. Further, the Board has through the Nominations & Governance Committee made sustainability a consistent agenda item from which the Board gets updates as part of the Committee report	2023 Annual Report - Chairman's Statement - pg. 8-12; 2023 Annual Report Strategic Report pg. 8-30 Corporate Governance Report section of 2023 Annual Report pg. 67 2022 Sustainability Report Board Charter CS/CSR Strategy at www.batkenya.com
A or E	B.22	Has the Board developed an annual work-plan to guide its activities?	2.6.3	FA	FA	Yes - The Board Annual Work Plan for FY 2024 was approved in the Board meeting of 7 December 2023. Areas of focus stated in 2.6.3 are all captured within the Board Work Plan. The Board Charter details the requirement for the work-plan and planned activities. Board programme and activities during 2023 are disclosed in the Corporate Governance Report section of the 2023 Annual Report.	Corporate Governance Report section of the 2023 Annual Report pg. 62-63 Board Charter - Company website
M	B.23	Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, the Board Committees, the CEO and the Company Secretary?	2.6.4, 2.8	FA	FA	Yes - The Board agreed on the evaluation process which included a review of the performance of the Board, Committees, Chairperson, Managing Director and Company Secretary. The Board continues to work on and implement the outputs and concerns coming out of such evaluations.	2023 Annual Report pg. 65 See Board Charter on www.batkenya.com
A or E	B.24	Has the Board established and applied a formal induction program for incoming members?	2.7.1	FA	FA	Yes - A formal induction programme is approved by the Board and implemented for all incoming Directors. It encompasses virtual presentations on various aspects of the business and visits to the factory/market to appreciate product manufacture and sale in the market. Disclosure of the same is made within the Corporate Governance Report section of the 2023 Annual Report. In 2023, the Board appointed 2 new directors who have since been inducted in line with the approved programme.	Corporate Governance Report section of 2023 Annual Report pg. 64 Board Charter - Company website

A or E	B.25	Do Board members participate in on-going corporate governance training to the extent of 12 hours per year?	2.7.3	FA	FA	FA	Yes - Board Directors participate in on-going Corporate Governance training provided by the Company and externally by independent persons in compliance with the CMA Code. In 2023 each Director received the 12 hours of requisite Corporate Governance training from BAT Kenya and other credible sources.	Corporate Governance Report section of 2023 Annual Report pg. 64-65 Board Charter on www.batkenya.com
A or E	B.26	Has the Board set up an independent Remuneration Committee or assigned to another Board committee the responsibility for determination of remuneration of directors?	2.9.2	FA	FA	FA	Yes - There is a Remuneration Committee which determines remuneration of employees and directors for approval by the Board and subsequently Shareholders at the AGM. The mandate and role of the Remuneration Committee is disclosed in the Corporate Governance section of the 2023 Annual Report and Board Charter.	Corporate Governance Report section of 2023 Annual Report pg. 69 on key activities of the Remuneration Committee Remunerations Committee Terms of Reference are published on the website www.batkenya.com
M	B.27	Has the Board established and approved formal and transparent remuneration policies and procedures that attract and retain Board members?	2.9.1	FA	FA	FA	Yes - The Directors Remuneration Report in the Annual Report captures the Remuneration policy as it relates to Executive and Non-Executive Directors on the Board and makes full disclosure of remuneration of Directors received during the year. The Directors Remuneration Report was approved by the Board on 25 April 2024 and has been recommended for shareholder approval at the next AGM in June 2024.	Directors Remuneration Report in the Financial Statements section of the 2023 Annual Report pg. 80-84
M	B.28	How does the Board ensure compliance with all applicable laws, regulations and standards, including the Constitution and internal policies?	2.10, 2.10.1, 2.10.2	FA	FA	FA	BAT Kenya has established internal procedures and monitoring systems to monitor and promote compliance with applicable laws, regulations and standards. The Legal and Compliance Function has 5 qualified in-house advocates who participate in all business decision forums and provide legal counsel and advise to ensure compliance is achieved and maintained. Management also does an annual self assessment into the internal controls environment via a platform known as Control Navigator and reports its findings to the Board. In addition to the internal control environment, the Company undertakes a Legal and Compliance audit by an external third party. The last audit findings were shared with the Board on 18 February 2023 in line with the Code, an internal Legal and Compliance audit is ongoing to identify areas of risk/non-compliance and formulate mitigations accordingly. The report of the internal Legal and Compliance Auditor is tabled to the Board Audit and Risk Committee for review and approval. The Head of Legal/Company Secretary attends Board and Audit & Risk Committee meetings to address matters compliance. The Audit & Risk Committee together with the internal Audit function further provide assurance to the Board on compliance. Actions from the audit are tabled for discussion to the Audit & Risk Committee.	Corporate Governance Section of 2023 Annual Report pg. 71-72
M	B.29	In the past year, has the Board organized a legal and compliance audit to be carried out on a periodic basis?	2.10.3	FA	FA	FA	Yes - Pursuant to 2.10.3 of the Code, the Board authorised and the Company undertook an external Legal and Compliance audit in 2023. The Company continues to implement the recommendations of the external auditor. Further, an internal Legal and Compliance audit is ongoing and the findings thereof shall be presented to the Board through the Board Audit & Risk Committee.	Corporate Governance Section of 2023 Annual Report pg. 65
A or E	B.30	Has the Board subjected the company to an annual governance audit?	2.11	FA	FA	FA	The Board has commissioned the services of Azali LLP to conduct a governance audit for the year 2023 which is ongoing. The recommendations from the previous governance audit were implemented in full in 2023. Governance audits are now held once every 2 years.	Corporate Governance Section of 2023 Annual Report pg. 65
	C	RIGHTS OF SHAREHOLDERS						
M	C.1	Does the governance framework recognize the need to equitably treat all shareholders, including the minority and foreign shareholders?	3.0 Overview, 3.2.1	FA	FA	FA	Yes - The Company's procedures in the Articles of Association and Board Charter provide for equitable treatment of all shareholders. All shareholders receive public notifications from the Company at the same time and are given opportunities to participate in Company events e.g. AGM. In addition, the Board has an Investor Relations Policy, Dividends Policy and Dispute Resolution Policy which support equitable treatment of shareholders.	Corporate Governance Section of 2023 Annual Report pg. 74-75 Board Charter on www.batkenya.com Policies available on www.batkenya.com
M	C.2	Other than at the AGM, how does the Board facilitate the effective exercise of shareholders' rights?	3.1.1	FA	FA	FA	Shareholders have access to the Company, the Board and its Share Registrar. The Share Registrar has a call center through which shareholders present any complaints either via telephone, emails or physically. The Company has an open door policy and will meet shareholders upon request. It may also organise Open Days for Shareholders. Investor and media briefings are also organised following declaration of end year and half year results to give shareholders an opportunity to have the performance explained. Relevant announcements are made in the local dailies and the website to inform shareholders of key events. Shareholders are also given an opportunity to ask their questions at the AGM. Shareholder engagement disclosed under the Corporate Governance Report section of the 2023 Annual Report.	2023 Annual Report pg. 74-75; Board Charter and Investor Relations Policy on www.batkenya.com

M	C.3	How does the Board facilitate shareholders participation at the AGM?	3.1.1	FA	FA	<p>The AGM Notice is published in a timely manner through daily newspapers, email, website and distribution of physical Annual Reports to shareholders. Sufficient time is accorded to Shareholders at the AGM to enable them to ask questions, seek clarifications on the Company's performance and to air their concerns, if any. Shareholders unable to attend AGM's are permitted to appoint Proxies and to that end Proxy Forms are provided.</p> <p>In line with Article 62 (b) of the Company's Articles of Association, the 2023 AGM was held virtually. Shareholders were given a chance to engage the Directors by sending their questions in advance as well as to make live calls to the Chairperson during the AGM.</p>	<p>The 2023 Annual Report and Proxy Form will be published on the website and emailed to shareholders with updated addresses.</p>
A or E	C.4	Are minority and foreign shareholders holding the same class of shares treated equitably?	3.2.1	FA	FA	<p>Yes - Minority and foreign shareholders are treated equitably. They all receive information on the Company's performance through distribution of FY results announcement, annual reports and accounts and half yearly results announcement. They all receive Notice to the AGM's and accorded opportunity to attend either in person or via proxy. Dividends are paid out to both minority and foreign shareholders at the same time per the Dividend Policy. The Board Diversity Policy (available for desktop review) and Nominations & Governance Committee ToRs (available on the Company's website) provide opportunities for minority and foreign shareholders to nominate board members. The Company also respects legal provisions in the Companies Act 2015 permitting minority and foreign shareholders to make such nominations. Minority shareholders also have opportunity to raise concerns/issues to the Board through the Corporate Affairs and Investor Relations team.</p>	<p>Shareholders rights are provided in the Company's Articles of Association and the Board Charter. The Board Diversity Policy, Dividend Policy and Investor Relations Policy are available on the Company's website www.batkenya.com</p>
A or E	C.5	Is there evidence that the Board proactively provides information to shareholders and the media, (and in a timely basis) on corporate affairs and corporate governance?	3.1.1, 3.4.1	FA	FA	<p>Yes - Investor and Analysts briefings are conducted a day after declaration of full year results in February and half year results in July each year. In 2023, stakeholders were given a chance to send their questions to the Directors which were responded to accordingly. Shareholders get alerts on the AGM up to the resolutions passed and voting results. Other public announcements are availed on the Company's website and via publication in the local dailies for the material announcements.</p>	<p>Virtual investor briefing on 17 February 2023 and 19 July 2023. Questions responded to at the AGM and See www.batkenya.com for public announcements.</p>
	D	STAKEHOLDER RELATIONS					
A or E	D.1	Does the Board have a stakeholder-inclusive approach in its practice of corporate governance and which identifies its various stakeholders?	4.1.1	FA	FA	<p>Yes - The Company has identified the Board and Company's key stakeholders and mapped out areas of interaction with such stakeholders. Engagements and interactions are conducted in line with the principles and guidelines set out in the Standards of Business Conduct (SOBC) and Principles of Engagement. This exercise was undertaken and is updated by the well resourced Legal and Corporate & Regulatory Affairs teams.</p>	<p>Standards of Business Conduct & Principles of Engagement are available on the Company website. Annual Report pg. 46-47</p>
A or E	D.2	Has the Board developed policies, procedures and strategies to manage relations with different/key stakeholder groups?	4.1.2, 4.1.3, 4.1.5, 4.2.1	FA	FA	<p>Yes - In addition to identifying key stakeholders, strategies and suitable policies are employed to manage relations with different stakeholders. Engagement is constructive, deliberate and planned. Typical issues of concern to the Board and which required strategic engagement are Excise, illicit trade, tobacco control regulations and issues affecting tobacco farmers. Engagements and interactions are conducted in line with the principles and guidelines set out in the Standards of Business Conduct (SOBC) and Principles of Engagement.</p> <p>Various engagements with stakeholders conducted during 2023 are disclosed in the Strategic Report section of the 2023 Annual Report.</p> <p>The Board also approved the Investor Relations Policy in 2019. The company also has in place a Media Engagement Protocol as well as a strategy on Corporate Social Investment.</p>	<p>Strategic Report section of 2023 Annual Report pg. 8 - 30 Investor Relations Policy, Media Engagement Protocol & Corporate Social Investment Strategy on www.batkenya.com</p>
A or E	D.3	How does the Board take into account the interests of key stakeholder groups prior to making decisions?	4.1.4	FA	FA	<p>In exercising its fiduciary duty, the Board strives to achieve an appropriate balance between the interests of its various stakeholders in order to achieve the long-term objectives of the Company. The annual report outlines the considerations and engagements had with various stakeholders in the company's decisions and operations. These stakeholders include farmers, customers, consumers, employees, communities, shareholders and government.</p>	<p>Strategic Report section of 2023 Annual Report pg. 8-30</p>

M	D.4	How does the Board ensure effective communications with stakeholders?	4.2, 4.21	FA	FA	<p>Relevant information is proactively relayed to stakeholders having regard to the best interests of the Company in determining what information is shared. Investor and Media briefings are conducted in a timely manner. The Annual Report, media and Company website provide avenues for dissemination of information about the Company in addition to financial performance. As per 4.2.1 a whistle blowing policy is in place. The Company has also displayed its telephone contacts, email and physical addresses on its website and disclosed the name and contacts of the dedicated communications person. The Investor Relations Policy approved by the Board also provides for effective communication guide with stakeholders. The Company makes requisite public announcements as required by the CMA Code and also shares information via the Company website. Stakeholders are free to reach out to the Company's Management at any time.</p> <p>Yes - The Board approved a Dispute Resolution Policy in 2020, updated regularly, to guide the resolution of disputes. The Policy is available on the Company's website. The Company has established processes and procedures for resolution of both internal and external disputes captured in the Board Charter.</p>	<p>2023 Annual Report pg. 8-30; Investor Relations Policy and information about communicating with the company is available at the website www.batkenya.com.</p>
M	D.5	Has the Board established a formal dispute resolution process to address internal and external disputes?	4.31	FA	FA	<p>Yes - The Board approved a Dispute Resolution Policy in 2020, updated regularly, to guide the resolution of disputes. The Policy is available on the Company's website. The Company has established processes and procedures for resolution of both internal and external disputes captured in the Board Charter.</p>	<p>The Dispute Resolution Policy is available on the Company website. Dispute Resolution Procedure is also captured in the Board Charter available at www.batkenya.com.</p>
A or E	E	ETHICS AND SOCIAL RESPONSIBILITY					
A or E	E.1	Does the Board ensure that all deliberations, decisions and actions are founded on the core values (responsibility, accountability, fairness and transparency) underpinning good governance and sustainability?	5.11	FA	FA	<p>Yes - Deliberations, decisions and actions are founded on the core values underpinning good governance and sustainability. These are discharged through the Company's guiding principles and in line with the Standards of Business Conduct (SoBC). These principles have entrenched the core values captured in the CMA Code. Additionally, part of the values of the Company is 'Do the Right Thing' which captures the need for ethical conduct, accountability and responsibility within the organisation.</p>	<p>Strategic Report in 2023 Annual Report pg. 8-30 See Standards of Business Conduct on www.batkenya.com</p>
M	E.2	Has the Board developed a Code of Ethics and Conduct (which includes sustainability) and has it worked to ensure its application by all directors, management and employees?	2.61, 5.2.2, 5.2.3, 5.2.4	FA	FA	<p>Yes - The Company has its Standards of Business Conduct that all Directors, third parties dealing with the Company and employees of the Company adhere to annually. Additionally, third parties are required to adhere to the Supplier Code of Conduct.</p>	<p>Standards of Business Conduct and Board Charter on www.batkenya.com and Corporate Governance Report section of 2023 Annual Report pg. 72</p>
A or E	E.3	How does the Board ensure that compliance with the Ethics Code and Conduct is integrated into company operations?	5.23	FA	FA	<p>The Company runs an annual sign-off process where all Directors and employees are required to refresh their adherence to the Standards of Business Conduct and advise on conflicts of interest. Training on compliance with the SoBC is also provided on relevant topics. The Board ensures that the Company's strategies and operations are executed in line with the Standards of Business Conduct (SoBC). All third party contractual arrangements are underpinned by the SoBC and the Supplier Code of Conduct. The Board Audit & Risk Committee receives a regular report on compliance with the SoBC.</p>	<p>Standards of Business Conduct www.batkenya.com 2023 Annual Report - pg 72</p>
A or E	E.4	Does the Board incorporate ethical and sustainability risks and opportunities in the risk management process?	5.21	FA	FA	<p>Yes - See disclosure on risk management within the Corporate Governance Report section of the 2023 Annual Report. The Company maintains risk registers on various identified risks e.g. risk of non-compliance with laws, risk of non-compliance with anti-trust laws, risk of bribery & corruption, etc; and ensures appropriate actions are taken to mitigate or eliminate certain risks.</p>	<p>Corporate Governance Report section of 2023 Annual Report pg. 66-67 Board Charter</p>
A or E	E.5	How is the company performance on ethics assessed, monitored and disclosed to internal and external stakeholders?	5.2.4, 5.2.5	FA	FA	<p>Ethics are assessed on an ongoing basis by the Legal & Compliance function, which ensures that actions of the Company and its employees are always in line with the risk management and highlights that no significant company's Statement of Business Principles, Standards of Business Conduct (SoBC), Supplier Code of Conduct, Employment Principles, Health and Safety Policy, Responsible Marketing Principles and Principles of Engagement.</p> <p>These principles, policies and standards are disclosed to employees on the local intranet site, and to external stakeholders in engagements and contracts and on the company's website.</p> <p>The Legal function monitors compliance with the above principles, policies and standards and advises the Board, employees and the Leadership Team on the above, as the need arises. The Audit & Risk Committee receives a report regularly on breaches of the SoBC with recommendations on closing any identified gaps.</p> <p>The Board, with advice from the Audit & Risk Committee, has completed its annual review of the effectiveness of the system of risk management and internal control for the period since 1 January 2023. No significant failings or weaknesses were identified, and the Board is satisfied that, where specific areas for improvement have been identified, processes are in place to ensure that the necessary remedial action is taken and that progress is monitored. Cases on ethical conduct are also reported to the Board at every meeting and to</p>	<p>2023 Annual Report pg. 71-72 covers performance in risk management and highlights that no significant failings/weaknesses were noted from the risks tracked.</p> <p>2022 Sustainability Report published on 27 October 2023</p>

A or E	E6	Has the company established and implemented a whistleblowing policy?	5.25	FA	FA	Yes - The Company has a whistleblowing policy and a Speak Up Portal within the Standards of Business Conduct which enables staff, third parties, etc. in confidence, to raise concerns about possible improprieties in financial and other matters, and to do so without fear of reprisal.	Standards of Business Conduct www.batkenya.com , 2023 Annual Report Corporate Governance Section pg. 73 Speak Up reporting portal on www.batkenya.com
A or E	E7	Has the Board/ or management developed policies on corporate citizenship and sustainability and strategies for company use?	5.31, 5.4	FA	FA	Yes - See disclosures in 2023 Annual Report and 2022 Sustainability Report. Also see SoBC, Whistleblowing policy, Supplier Code of Conduct, Statement of business principles Principles of engagement, International Marketing Principles, BAT Kenya Quality Policy Statement, Human and Safety Policy Statement.	2023 Annual Report pg. 72-74, 2022 Sustainability Report Policies on www.batkenya.com
M	E8	Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?	5.32, 5.33	FA	FA	The Company considers the impact of its operations on society and environment hence its strategy to build A Better Tomorrow TM. The ESG report in the Annual Report demonstrates aspects in which the Company is working to reduce the impact of the business on the environment and society. Examples of this may be seen in the Company's recycling activities, waste management, energy management and afforestation activities.	2023 Annual Report Business Review report pg. 31-50 Company website & 2022 Sustainability Report published on 27 October 2023
A or E	E9	Does the Board monitor and report activities leading to good corporate citizenship and sustainability to demonstrate they are well coordinated?	5.41	FA	FA	Yes - the Board monitors and reports activities leading to good corporate citizenship and sustainability. See disclosures in 2023 Annual Report and the 2022 Sustainability Report.	2023 Annual Report, Strategic Report pg. 8-30
	F	ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL					
M	F1	Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for truthful and factual presentation?	6.1, 6.11a	FA	FA	Yes - The Board has constituted an effective Audit & Risk Committee which independently reviews, verifies and safeguards the integrity of financial statements and makes recommendations to the Board.	Corporate Governance section of 2023 Annual Reports pg. 70-72 Board Charter on www.batkenya.com
M	F2	Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about his/her reporting responsibilities?	6.12	FA	FA	Yes - the Annual Report contains a statement of the directors' responsibilities for preparing the accounts. There is also a statement by the external auditor about their reporting responsibilities and audit opinion.	Statement of Directors' Responsibilities section of 2023 Annual Report pg. 85 Statement of Independent External Auditor
A or E	F3	Does the board or audit committee have a process in place to ensure the independence and competence of the Company's external auditors?	6.11b	FA	FA	Yes - the Audit & Risk Committee has a process in place to ensure the independence and competence of the Company's external auditors. The BAT group has a policy on auditor independence which sets out activities which cannot be undertaken by the Company's external auditor to ensure independence. Additionally, the Audit & Risk Committee will meet the external auditor in the absence of Management to discuss any matters arising from the audit.	Corporate Governance section of 2023 Annual Report pg. 70-72; Auditor Independence Policy; Policy attached to Audit & Risk Committee terms of reference in Board Charter and can be viewed on www.batkenya.com
M	F4	Do the shareholders formally appoint the external auditor at the AGM through a formal and transparent process?	6.13	FA	FA	The auditors also confirm their independence to the Committee in their reports. Yes - Notice of appointment or re-appointment of External Auditors is a standard AGM agenda. Appointment or re-appointment is put to the Shareholders to vote and results published thereafter.	2020, 2021, 2022 and 2023 AGM notice and agenda are available for viewing on the Company website.
A or E	F5	Is the Company working towards the introduction of integrated reporting (incorporating financial and non-financial information) or is the company's Annual Report prepared on an integrated basis using a framework available from the Integrated Reporting Council, The Global Reporting Initiative, G4 Sustainability Guidelines and/or Sustainability Accounting Standards Board standards?	6.15	FA	FA	Yes - The Company adopted integrated reporting in line with global best standards and strives towards improving the same year on year.	2023 Annual Report which evidences integrated reporting.
A or E	F6	Has the Board established an effective risk management framework which is inclusive of key risks as well as foreseeable risks, environmental and social risks and issues?	6.21	FA	FA	Yes - The Company has an effective risk management framework in place. The Company has an extensive risk management and internal control process which comprises of the lines of defence model to give assurance on the management of company risks. The 1st line of defence is under senior management on identifying, assessing, and managing the risk. The 2nd line of defence covers monitoring through internal controls and periodic testing while the 3rd line of defence is the Board which reviews the risks assessed and confirms that the risk management and internal controls framework is adequate. To strengthen the process, external audit and the Regulator provide additional assurance through regular audits and review of company disclosures. The above activities are all done on a day-to-day basis. The audit committee reviews the risk footprint and mitigation plans at every meeting and reports to the board.	2023 Annual Report pg. 70-72 Board Charter

M	F.7	Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems (including for compliance with all applicable laws, regulations, rules and guidelines)?	6.3.1, 6.3.2, 6.3.3	FA	FA	FA	Yes - review of the adequacy of the internal controls of the Company is part of the mandate of the Audit & Risk Committee. The Audit & Risk Committee meets 3 times a year and reports findings from its meeting to the Board. The Company also has a well resourced Internal Audit Function and a Compliance team which provide regular reports to the Committee. The Board also approves and monitors the Audit and Compliance Plans annually. See also disclosures in External Auditors Report in 2023 Annual Report.	2023 Annual Report Corporate Governance Section pg. 70-72
M	F.8	Does the Board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to shareholders?	6.4.1	FA	FA	FA	Yes - The reports on the company's risk management practices and internal controls systems are discussed by the Audit & Risk Committee and reported to the Board.	2023 Annual Report Corporate Governance Section pg. 71-72
M	F.9	Has the Board established an effective internal audit function according to Code requirements and which reports directly to the Audit Committee?	6.5.2	FA	FA	FA	Yes - The Company has a well resourced Internal Audit Function which reports directly to the Board Audit & Risk Committee. Internal Audit is also free to meet with the Chair of the Audit & Risk Committee and discuss matters of interest. In 2023, the Board reviewed the performance of the Internal Audit Function and determined that the same was performing effectively and as desired.	2023 Annual Report Corporate Governance Section pg. 70-72
A or E	F.10	Does the Board disclose details of Audit Committee activities?	6.5.2	FA	FA	FA	Yes - The Board discloses the activities of the Audit & Risk Committee in the Corporate Governance Section of the Annual Report.	2023 Annual Report Corporate Governance Section pg. 71
	G	TRANSPARENCY and DISCLOSURE						
M	G.1	Does the company have policies and processes to ensure timely and balanced disclosure of all material information as required by all laws, regulations and standards and this Code?	7.0 Overview, 7.1.1	FA	FA	FA	Yes - Key areas requiring disclosure as listed in 7.1.1 are disclosed in the 2023 Annual Report and / or on the Company's website www.batkenya.com .	2023 Annual Report and website - www.batkenya.com
A or E	G.2	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's governance, the Board and the Audit Committee?	7.1.1	FA	FA	FA	Yes - Key areas requiring disclosure as listed in 7.1.1 have been disclosed in the 2023 Annual Report and / or on the Company's website www.batkenya.com .	Corporate Governance Report section of 2023 Annual Report pg. 70-72 and website - www.batkenya.com
A or E	G.3	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's mission, vision and strategic objectives?	7.1.1	FA	FA	FA	Yes - The Company's Vision, Mission and strategic framework disclosed in the Strategic Report section of the 2023 Annual Report and also on the website. Purpose - A Better Tomorrow TM; Vision - Building a Smokeless World and Mission - Switch to Better	2023 Annual Report, Strategic Report pg. 25
A or E	G.4	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to remuneration and whistleblowing?	7.1.1	FA	FA	FA	Yes - The Company has disclosed remuneration through the Directors Remuneration Report and the notes in the Financial Statements within the 2023 Annual Report. The existence of a whistleblowing policy and reporting on reported cases is also disclosed in the Annual Report and within the Standards of Business Conduct	Whistleblowing disclosure - pg 73, 2023 Annual Report; 2023 Annual Report (Directors Remuneration) pg 80.
A or E	G.5	As a minimum, does the company website disclose current information on all areas prescribed in 7.1.1 (Board Charter, Whistleblowing Policy, Code of Ethics and information on resignation of directors)?	7.1.1	FA	FA	FA	Yes - The areas for disclosure have been disclosed on the Company website. Populating the website with information is an ongoing process as information changes.	Website - www.batkenya.com under Policies, Principles & Standards
A or E	G.6	Does the Board disclose the management discussion and analysis as required in 7.1.1?	7.1.1	FA	FA	FA	Yes - Disclosures are made as appropriate and in the interests of the Company and its shareholders.	2023 Annual Report
A or E	G.7	Has the Board provided disclosures as required in 7.1.1 on compliance with laws, regulations and standards; ethical leadership, conflict of interest, corporate social responsibility and citizenship?	7.1.1	FA	FA	FA	Yes - Disclosures captured in the 2023 Annual Report	2023 Annual Report Corporate Governance Section pg. 72-74
A or E	G.8	Has the Board made all required disclosures, including confirming requirements of 7.1.1 which include that a governance audit was carried out and that there are no known insider dealings?	7.1.1	FA	FA	FA	Yes - All disclosures have been made by the Company to the best of its ability. Previous Governance Audits did not report any adverse findings neither was any insider dealing noted in 2023.	2023 Annual Report Corporate Governance Section pg. 65
A or E	G.9	Has the Board disclosed the company's risk management policy, company procurement policy, policy on information technology as per 7.1.1?	7.1.1	FA	FA	FA	Yes - The Company's risk management policy, procurement policy and policy on information technology disclosed in the Corporate Governance section of the 2023 Annual Report.	2023 Annual Report Corporate Governance Section pg. 72-74 Board Charter on www.batkenya.com
M	G.10	Has the Board disclosed information on shareholdings including the key shareholders, including shareholding by directors and senior management and the extent of their shareholdings as required in 7.1.1 and on stakeholder who influence company performance and sustainability?	7.1.1	FA	FA	FA	Yes - Disclosures have been made in the 2023 Annual Report of the top 10 shareholders.	Principle Shareholders and Share Distribution section of 2023 Annual Report pg. 143

M	G.11	Has the Board disclosed all related-party transactions?	7.11t	FA	FA	Yes - Related party transactions are disclosed in the 2023 Annual Report, under the Financial Statements section of 2023 Annual Report pg. 141-142
M	G.12	Does the Board include in its Annual Report a statement of policy on good governance and the status of the application of this Code?	11.3, 7.11r	FA	FA	Yes - Board includes in its Annual Report a statement of policy on good governance and 2023 Annual Report Corporate Governance Section pg. 60

Note 1 The Reporting Template shall be used by companies to report on their application of the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code). The completion of the Reporting Template and its filing with the Capital Markets Authority (CMA) will fulfill the reporting requirements of the Code at 11.3 paragraph 2. All elements marked in green are mandatory and MUST be complied with. Failure to fully apply will result in regulatory sanctions. When completing column 'F' for MANDATORY ITEMS, 'FA' will mean 'Fully Complied With', 'PA' will mean 'Partially Complied With' and 'NA' will mean 'Not Complied With'.

Note 2 Column 'F' should be marked as follows: 'FA' - Full Application, PA - Partially Applied or 'NA' - Not Applied. Full application of this Code is required by the Code. Therefore anything less than 'full application' is considered 'non-compliance or non-application' of the Code. A response of PA or NA is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance. See also Note 4.

Note 3 An explanation of how the Code provision is applied is required in column 'G' and shall be supported by evidence of how application has been achieved. If the provision is NOT applied, an explanation for why it is not applied or only partially applied is required in column 'G'. For each question, column 'G' must be completed.

Note 4 If an explanation is required because of non-application of any element of the Code, the explanation must be satisfactory, must be provided to relevant stakeholders including the Capital Markets Authority and shall include:
a: reasons for non-application
b: time frame required to meet each application requirement
c: the strategies to be put in place to progress to full application.