


**British American Tobacco Chile Operaciones S.A. – Casablanca Factory**

**Carbon Neutrality Statement according to PAS 2060: 2014**

**"Qualifying Explanatory Statement"**

*"Carbon Neutrality<sup>1</sup> for the industrial activities at the Casablanca Factory, Casablanca, Valparaíso Region, Chile, obtained by British American Tobacco Chile Operaciones S.A. Group in accordance with PAS 2060 standard: 2014, on March 19, 2024, for the period of December 1, 2022 to November 30, 2023, certified by the Instituto Totum."*

Senior Representative Name	Senior Representative Signature
Jorge Villalon-Factory manager	
March 19, 2024	

Organization: British American Tobacco Chile Operaciones S.A., Casablanca Factory

Issue date: March 19, 2024

Assurance authority: Instituto Totum

Verification report: IT-24-2024

Neutrality period: 12/01/2022 to 11/30/2023

<sup>1</sup> Note: the term "carbon" used in this document represents an abbreviation for the greenhouse gas (GHG) pool, reported as Co2-eq (carbon dioxide equivalent).

## Introduction

This document is the statement of carbon neutrality which demonstrates that British American Tobacco Chile Operaciones S.A. achieved carbon neutrality for its operations in the Casablanca Factory, Casablanca, Valparaíso Region, Chile in line with PAS 2060: 2014, from December 1, 2022, to November 30, 2023.

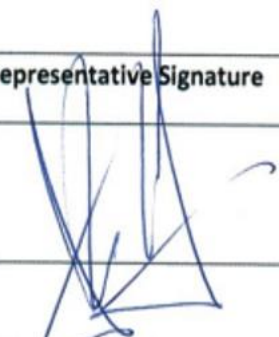
PAS 2060 Requirement	Explanation
Entity making the declaration	British American Tobacco Chile Operaciones S.A.
Subject of the declaration	Industrial activities at the Casablanca Factory, Valparaíso Region, Chile.
Subject description	The BAT Chile factory in Casablanca is dedicated to the manufacturing of cigarettes, from the reception, humidification, cutting, and drying of the tobacco and filter assembly, to the final packaging of the product for the different related brands. Its installed production capacity is 10,9 billion cigarettes/year.
Subject Boundaries	The scope includes all greenhouse gas emissions aggregates into Scopes 1 and 2 according to 2014 WRI GHG Protocol - Corporate Accounting Standards and BAT guidelines. In addition, fugitive emissions from cooling liquids, fire suppressors and the treatment of liquid waste from the plant are also included.
Type of guarantee	Third-party certification for carbon neutrality
Period of carbon neutrality	From December 1, 2022 to November 30, 2023.

This statement of carbon neutrality according to PAS 2060: 2014 contains information related to carbon neutrality for the given subject. All information contained herein is an expression of the truth and is believed to be correct at the time of publication. Should any information come to the attention of the organization that affects the validity of this statement, this document will be updated appropriately to accurately reflect the current status of the related carbon neutrality process.

## DECLARATION OF CARBON NEUTRALITY

PAS 2060 Requirement	Explanation
Specify the period in which the organization demonstrated carbon neutrality for the subject.	December 1, 2022 to November 30, 2023
Total emissions (location-based) of the object in the period from December 1, 2022 to November 30, 2023.	Total of 5699 tCO <sub>2</sub> eq for scope 1&2 Total of 1838 tCO <sub>2</sub> eq for scope 1 and fugitives Total of 3861 tCO <sub>2</sub> eq for scope 2
Total emissions (based on purchasing choice) of the subject in the period from December 1, 2022 to November 30, 2023.	Total of 1838 tCO <sub>2</sub> eq for scope 1 and fugitives
Type of statement regarding carbon neutrality.	I3P-2: Achieve carbon neutrality through independent third-party certification
Quantification of greenhouse gas emissions that serves as the basis for the declaration.	Annex A
Description of the greenhouse gas emission reductions that form the basis for the declaration.	Annex B
Description of instruments to reduce carbon footprint and offset residual emissions.	Annex C
Verification report by an independent third-party of the inventory of GHG emissions.	Annex D
Withdrawal statements for energy source assurance instruments (I-RECs) and carbon credits.	Annex E
Statement by BAT Management	Annex F

“Carbon Neutrality<sup>1</sup> for the industrial activities at the Casablanca Factory, Casablanca, Valparaíso Region, Chile, obtained by the British American Tobacco Chile Operaciones S.A. Group in accordance with the PAS 2060 guidelines: 2014, on March 19, 2023, for the period of December 1, 2022 to November 30, 2023, certified by the Instituto Totum.”

Senior Representative Name	Senior Representative Signature
Jorge Villalon-Factory manager	
March 19, 2024	

*This statement is available on the company's website [www.batchile.com](http://www.batchile.com) and the custody and availability of the documents and reports supporting the declaration are the responsibility of the EHS (Environment, Health and Safety) department.*

## ANNEX- QUANTIFICATION OF GREENHOUSE EMISSIONS PROVIDING A BASIS FOR THE STATEMENT

### A.1. Subject description

The subject for carbon neutrality is the Casablanca Factory of the British American Tobacco Chile Operaciones S.A. Group, located at Ruta 68 Fundo La Rotunda SN, Casablanca, Valparaíso Region, Chile, with no change regarding the 2022 certification. During the 2023 period (December 2022 to November 2023), were considered emissions reported on Credit360. In 2022, 2454 and 5038 tCO<sub>2</sub>e of Scope 1 and 2, respectively, were neutralized, thus obtaining PAS 2060 certification for that period.

British American Tobacco Chile Operations has a cigarette factory in Casablanca, located 80 km west of the city of Santiago. The factory in Casablanca was inaugurated in 1986, after its previous location (in Valparaíso) was completely destroyed by the earthquake that struck the country in 1985. Successive investments in infrastructure and processes have allowed for the implementation of high-quality standards and technology for processes and management, enabling this plant to become a model within the British American Tobacco Group. Today, the factory in Casablanca provides products for the domestic market as well as 8 other markets in America.

All greenhouse gas emissions of the subject were considered within the respective Scopes 1 and 2 according to the GHG Protocol methodology; In addition, fugitive emissions from refrigerant liquids, fire suppressors and emissions from the treatment of liquid waste from the plant are also included. No Scope 3 emissions were reported for this subject.

The neutrality process includes all Scope 1, Scope 2 and fugitive emissions mentioned above. It does not include Scope 3 emissions.

The Casablanca Factory of British American Tobacco Chile Operaciones S.A. has the technology to guarantee the highlevel quality of its products. Practically all of the production is automated: from the moment the tobacco is opened at the factory and placed into production, there is no more human manipulation.

The production process is made up of the Primary Process and the Secondary Process. During the Primary Process, the tobacco is moistened by steam and then cut. Different types of tobacco are mixed to create the final blend for each brand. In Secondary, the cigarretts themselves are assembled and packaged for distribtution. During this stage, the tobacco enters the cigarette production line: it is rolled in paper, which is then cut and attached to a filter. The assembeld units are grouped together and placed into its cardboard pouches, then sealed and packed. The factory has an installed production capacity of 10,9 billion ciggarettes/year.




## A.2. Carbon Footprint Summary

Greenhouse gas emissions from the Casablanca Factory, during the reported period, total 5699 tons of CO<sub>2</sub>eq, considering the estimated fugitive emissions and the focus on Scope 1 and 2 (by location). The GHG quantification is based on global warming potential (GWP) data from the Fourth Assessment Report issued by the IPCC (AR4).

Taking into consideration the focus on market choice of Scope 2, emissions totaled 1838 tons of CO<sub>2</sub>eq.

Total emissions (location-based) of the subject during the period of December 2022 to November 2023.	Total of 5699 tCO <sub>2</sub> eq Scope 1 and 2 – 5,699 tCO <sub>2</sub> eq
Total emissions (market choice- based) of the subject during the period of December 2022 to November 2023.	Total of 1838 tCO <sub>2</sub> eq Scope 1 and 2 – 1838 tCO <sub>2</sub> eq

Scope 1 CO <sub>2</sub> e Emissions	Und	Total 2022
GLP	tCO <sub>2</sub> e	1728,77
Petrol/Gasoline	tCO <sub>2</sub> e	9,04
Diesel	tCO <sub>2</sub> e	9,99
RAC and Extinguishers	tCO <sub>2</sub> e	57,18
Fugitive gas from effluent treatment	tCO <sub>2</sub> e	33,21
<b>TOTAL</b>	<b>tCO<sub>2</sub>e</b>	<b>1.838</b>

 Source Cr360 audited by KPMG

In regard to the scopes, the following is detailed (by location):

- Scope 1 (own emissions): 1838 tons of CO<sub>2</sub>eq.
- Scope 2 (energy purchasing emissions): 3861 tons of CO<sub>2</sub>eq.

In regard to the scopes, the following is detailed (market choice approach):

- Scope 1 (own emissions): 1838 tons of CO<sub>2</sub>eq.
- Scope 2 (energy purchasing emissions): zero (0) tons of CO<sub>2</sub> eq.

At the BAT Group level, the calculation of GHG emissions uses internationally recognized methodologies and emission factors, and the company presents its results on platforms such as the CDP Report.

### A.3. Patterns and Methodologies

The Casablanca Unit report is based on the standards and guidelines of the GHG Protocol and the GRI standards. Data is collected through the reporting platform (Cr360) and with the GHG Protocol worksheet (provided by the BAT Group), which allows for the calculation of CO<sub>2</sub>e emissions from the data input by the respective EHS teams and in the Global Warming Potential (GWP) data from the Fourth Assessment Report issued by the IPCC (AR4).

Data input related to emissions from Scopes 1 and 2 refer to the Co<sub>2</sub>eq emissions product of the natural gas consumption from stationery combustion and mobile combustion fuel; purchased electricity; refrigerant gases and data from the effluent treatment plants.

Cr360 input data that have different units of measurement (e.g., kWh, tons, liters) are converted into energy units (GJ) and emission units (tCO<sub>2</sub>e) using the set of emission factors:

- IEA factors for electricity (unless location-specific and market-based factors are entered)
- DEFRA factors for all other emission factors are updated annually (available upon request).

Data originated from the GHG Protocol mentioned above are generated through the GHG worksheet, according to the following equations:

$Fugitive_{Emissions} = (ENU + EMU - EDU) * GWP$
<p>Where:</p> <ul style="list-style-type: none"> <li>➤ <i>ENU Emissions from New Units installed: gas used to charge a new equipment minus equipment capacity (the difference corresponds to losses, hence releases to the atmosphere);</i></li> <li>➤ <i>EMU Emissions from Maintenance Units: gas used in maintenance by the organization or supplier (does not include pre – charges made by the manufacturer)</i></li> <li>➤ <i>EDU Emissions from Disposal old Units: capacity of the old equipment minus the amount of gas recovered (the difference corresponds to losses, hence releases to the atmosphere).</i></li> </ul>

$Effluents_{Emissions} = Emisión N_2O * GWP + Emisión CH_4 * GWP$
<p>Where the value of N<sub>2</sub>O and CH<sub>4</sub> emission is generated through the amount of treated effluent, the COD of the effluent and the corresponding conversion factor. This calculation takes into consideration the type of treatment applied, which in this case consists of a single anaerobic stage (UASB reactor).</p>

The calculation of GHG emissions by RAC equipment originating from the GHG Protocol are estimated according to the capacities of each piece of equipment and are based on IPCC defect-loss values.

Since February 2022 the Casablanca Factory has been conducting monthly reports on its environmental KPIs where previously it was done quarterly. The regional EHS team reviews the information and the Group’s EHS team verifies its consistency. Once a year the Casablanca data is annexed to the data from BAT Group to generate Group reports, including ESG.

Prior to publication, once a year the data is subject to undergo an external revision by an independent auditing organization whose report for the set period is found in Annex D.

#### **A.4. Information assurance level**

The assurance level of the reported quantification of greenhouse effect in the Casablanca Factory, carried out by “KPMG”, an independent organization and by the “Totum Institute” was limited, covering Scopes 1 and 2 (according to the GHG Protocol) and other KPIs reported on ESG panels. The Totum Institute limited itself to verifying fugitive and effluent emissions, pertaining to Scope 1. The Independent Assurance Report (according to Annex D) was prepared in accordance with the ISAE 3000 standard, with a materiality level of 1% of the inventory.

The subject (Casablanca Factory-Chile) has independent verification by a third party (Totum Institute) for the carbon neutrality process, based on the guidelines of the PAS 2060 Standard: 2014, with a limited confidence level and 5% materiality for the neutrality process.

## ANNEX B - DESCRIPTION OF REDUCTIONS OF GREENHOUSE GAS EMISSIONS THAT PROVIDE THE BASIS FOR THE STATEMENT

### B1. History of greenhouse gas emissions (GHG)

Scope 1 and 2 emissions (according to market and localization) are monitored and tracked on a monthly basis. Annual goals (projections for the coming year) are defined, calculated, and compared. The engineering team calculates the projected emission reductions from energy saving activities using the same emission factors.

Starting in 2020, BAT also implemented the internal carbon price to encourage carbon reduction projects.

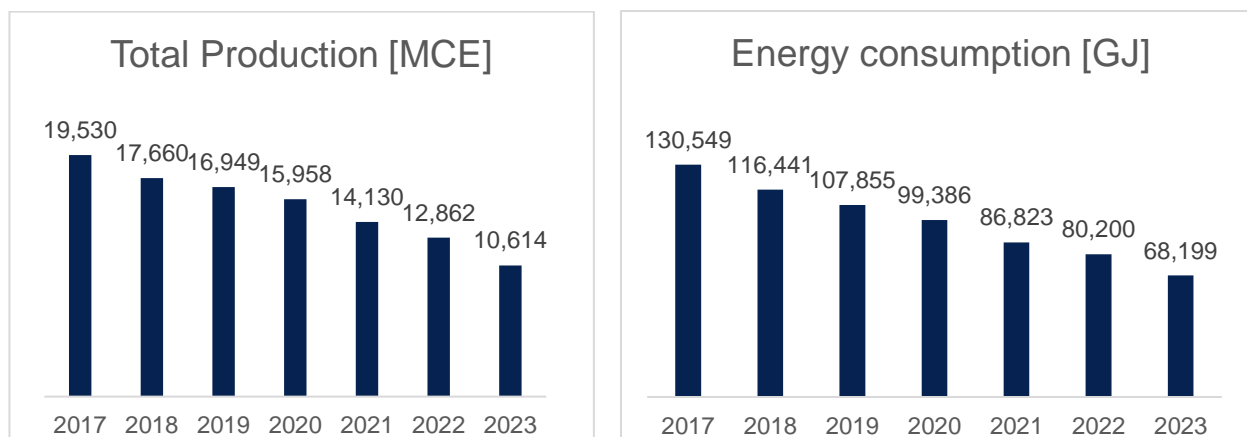
The intention of the statement made by the Casablanca Factory of British American Tobacco Chile Operaciones S.A. is neutrality for a determined period of time (December 1, 2022 to November 30, 2023), without inferences about past or future commitments.

### B2. Description of reductions of greenhouse gas emissions (GHG) during the reference year

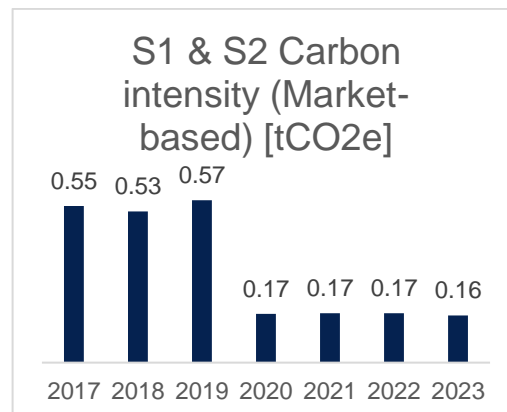
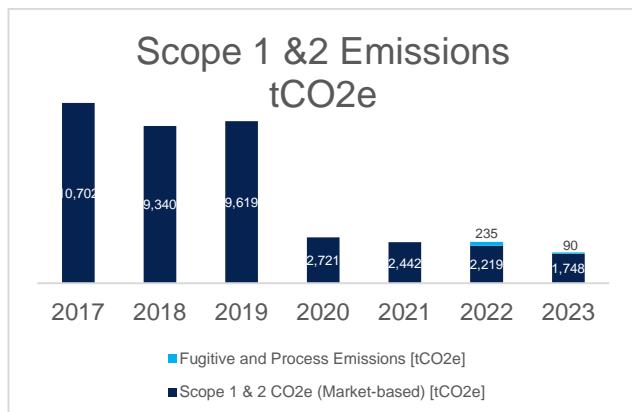
In the period 2023, the volume produced at the Casablanca Unit was reduced by 17% compared to 2022. There was a 15% reduction in the absolute value of energy consumption, the emissions of 1&2 (market-based) absolute value were reduced by 21%, the Carbon Intensity S1 and S2 (market-based) analysis (Production, tCO<sub>2</sub>e / MCE) 2023 decreased by 5% compared to 2022. In terms of absolute Scope 1&2, the 2023 period was reduced by 21% compared to the previous period, reduced by 84% compared to 2017 and reduced by 36% compared to 2020 (baseline). The Carbon Intensity S1 & S2 and fugitive analysis (Production, tCO<sub>2</sub>e / MCE) decreased by 9% compared to 2022.

These reductions were contributed by various projects that have been carried out during the 2023 period, such as the implementation of lighting control in the finished product warehouse, achieving a 12% reduction compared to 2022, equivalent to 22,000 kWh per year. Lighting control was also incorporated in the PMD sectors, saving 45,000 kWh per year, reducing consumption by 29% compared to 2022. To reduce Scope 1 emissions, a heat pump was installed in the PMD, which allowed natural gas consumption to be reduced by 12.6% during 2023.

The following figures demonstrate the above statements:







### B3. Description of the renewable energy traceability tools

According to the independently verified emissions quantification, the total consumption of electricity was 10345 MWh, resulting in a total emission (based on the location-based method) of 3861 tCO<sub>2</sub> eq.

The Casablanca - Chile unit acquired Certificates of Renewable Energy (I-RECs) to guarantee the origins of the renewable energy and reduce total Scope 2 emissions. The purchase of renewable energy is evidenced by an I-REC issued by the energy supplier, Enel.

The verification process by Totum Institute confirmed the exclusive use of the I-RECs for the Casablanca Unit, in APPENDIX F.

The energy origin guarantee is a zero-emission source procured for energy production in 2023, with the total I-REC procured amounting to 10345 MWh.

Thus, energy consumption in the period was monitored through Renewable Energy Certificates and by a supplier that generates I-REC certificates (supported by the attached IREC), therefore, in the Scope 2 emissions quantification report, according to the market methodology, it can be said that the Total Scope 2 emissions are zero.

## ANNEX C - DESCRIPTION OF INSTRUMENTS TO REDUCE CARBON FOOTPRINT AND OFFSET RESIDUAL EMISSIONS

### C.1. Description of the renewable energy traceability tools (I-REC)

The renewable energy traceability tools for calculating Scope 2 emissions using the the market-choice methodology are described in section B.3 of this statement.

### C.2. Description of compensation tools: carbon credits

Carbon credits were acquired according to the residual content of the emissions quantification audited by KPMG.

For this purpose, 2439 Verified Carbon Standard credits were purchased this year from VCS 2087 Chudu Afforestation Project. Of which 1839 credits were withdrawn offsetting the total tCO<sub>2</sub>e. Proof of the operation can be found in the following link:

<https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237674>

The I-RECs and Carbon Offset were acquired in accordance with the emissions results of BAT's Credit360 report, audited by KPMG. For offsetting purposes, the Verra Verified Carbon Standard, Voluntary Carbon Units, was used in accordance with:

Item	Proyecto VCS 2087
Link	<a href="https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&amp;h=237674">https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&amp;h=237674</a>
VCS Project Type	Agriculture Forestry and Other Land Use
VCS Methodology	AR-ACM0003
Acres / Hectares	36500 Hectares
VCS Project Validator	CTI Certification Co., Ltd.

The certificate of carbon offsets retired is attached as Annex F.

### C.3. Use of carbon neutrality tools

The Scope 1 residual emissions, according to the quantifications in the KPMG audit, total 1748 tons of CO<sub>2</sub>eq and the fugitive and effluent treatment emissions total 90 tCO<sub>2</sub>eq. Scope 2 residual emissions, based on the quantifications in the KPMG audit and the market choice methodology using I-RECs (as per item B.3), were considered zero.

Therefore, the acquired carbon credits are intended to offset the 1838 tCO<sub>2</sub>eq emissions related to the Scope 1 and fugitive emissions, making the Casablanca Unit carbon neutral.

### C.4. Quality criteria for offsetting instruments: carbon credits

The acquired carbon credits, as mentioned in section C.2, comply with all quality criteria established in PAS 2060: 2014, namely:

- The credits purchased represent a deemed additional emission reduction VCS 2087 Chudu Afforestation Project

- Projects originating from carbon credits meet the criteria of additionality, permanence and have no risk of double counting VCS 2087 Chudu Afforestation Project

- The carbon credits were verified by an independent third party CTI Certification Co., Ltd. The monitoring report is available on the link [Verra Search Page](#), and were only issued after the reduction was verified.

Carbon credits withdrawn 03/15/2024

- The Project from which the Carbon Credits were purchased has all documentation and registration on the public Verra platform, which is an international standard and a platform that has Quality Principles (Verra Quality Assurance Principles including additionality, permanence, leakage and avoided double counting). <https://verra.org/project/vcs-quality-assurance-principles/> and on the public platform (Verra registry):

[Verra Search Page](#)

## ANNEX D - VERIFICATION REPORT, BY INDEPENDENT THIRD PARTY, OF THE QUANTIFICATION OF GHG EMISSIONS.

BAT Annual Report and Form 20-F 2023

Strategic Report

Governance Report

Financial Statements

Other Information

### ESG 2023 Assured Metrics

KPMG have conducted independent, limited assurance in accordance with ISAE 3000 over the 2023 ESG 'Selected Information' listed below, as contained in this Annual Report. KPMG's Independent Limited Assurance Report is provided on page 120.

^ Refer to KPMG Independent Limited Assurance Report on page 2 for details on selected information.

Underlying Selected Information	Selected Information
Consumers of non-combustible products (number of, in millions)	23.9
Scope 1 CO <sub>2</sub> e emissions (thousand tonnes)	267
Scope 1 CO <sub>2</sub> e emissions including fugitive emissions (thousand tonnes)	299
Scope 2 CO <sub>2</sub> e emissions (market based) (thousand tonnes)	95
Scope 2 CO <sub>2</sub> e emissions (location based) (thousand tonnes)	342
Scope 1 and Scope 2 CO <sub>2</sub> e emissions intensity ratio (tonnes per £m revenue)	13.3
Scope 1 and Scope 2 CO <sub>2</sub> e emissions intensity ratio (tonnes per EUR m revenue)	11.5
Total Scope 3 CO <sub>2</sub> e emissions (thousand tonnes) ^ - for 2022, Scope 3 GHG emissions are reported one year later	6,045
Total energy consumption (GWh)	2,182
Energy consumption intensity (GWh per million £ revenue)	0.08
Energy consumption intensity (GWh per million EUR revenue)	0.07
Renewable energy consumption (GWh)	832
Non-Renewable energy consumption (GWh)	1,350
Total waste generated (thousand tonnes)	114.94
Hazardous waste and radioactive waste generated (thousand tonnes)	1.59
Total waste recycled (thousand tonnes)	100.7
Total water withdrawn (million m <sup>3</sup> )	3.16
Total water recycled (million m <sup>3</sup> )	1.02
Total water discharged (million m <sup>3</sup> )	1.53
Emissions to water:	
- 60% of the facilities reported not using priority substances, and 74% reported not having them in storage	
- out of 48 priority substances, 44% are reported as not used, 44% are reported as not stored	
Number of operations sites in areas of high-water stress with and without water management policies	24/0
% of sources of wood used by our contracted farmers for curing fuels that are from sustainable sources ^	99.99
% of tobacco hectares reported to have appropriate best practice soil and water management plans implemented ^	81
% of tobacco farmers reported to grow other crops for food or as additional sources of income ^	93.3
% of farms monitored for child labour ^	100
% of farms with incidents of child labour identified ^	0.15
Number of child labour incidents identified ^	359
% of child labour incidents reported as resolved by end of the growing season ^	100
% of farms monitored for grievance mechanisms ^	100.0
% of farms reported to have sufficient PPE for agrochemical use ^	99.99
% of farms reported to have sufficient PPE for tobacco harvesting ^	99.7
H&S - Lost Time Incident Rate (LTIR)	0.17
H&S - Number of serious injuries (employees)	12
H&S - Number of serious injuries (contractors)	9
H&S - Number of fatalities (employees)	2
H&S - Number of fatalities (contractors)	2
H&S - Number of fatalities to members of public involving BAT vehicles	3
% female representation in Management roles	42
% female representation on Senior Leadership teams	33
% of key leadership teams with at least a 50% spread of distinct nationalities	100
Global unadjusted gender pay gap (average %)	14
Incidents of non-compliance with regulations resulting in fine or penalty	3
Incidents of non-compliance with regulations resulting in a regulatory warning	0
Number of established SoBC breaches	123
Number of disciplinary actions taken as a result of established SoBC breaches that resulted in people leaving BAT	79
Number of established SoBC breaches - relating to workplace and human rights	69
% of product materials and high-risk indirect service suppliers that have undergone at least one independent labour audit within a three-year cycle@	58.8

Sustainable Future

# @ESG Limited Assurance Report

## Independent Limited Assurance Report to British American Tobacco p.l.c.

KPMG LLP ('KPMG' or 'we') were engaged by British American Tobacco p.l.c. ('BAT') to provide limited assurance over the Selected Information described below for the year ended 31 December 2023.

### Our Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

### Selected Information

The scope of our work includes only the information included within BAT's Combined Annual and Sustainability Report ('the Report') for the year ended 31 December 2023 on pages 11 and 115 marked with a # and listed as "Assured" on page 119 ('the Selected Information'). The Selected Information is for the year ended 31 December 2023 except for Total Scope 3 CO<sub>2</sub>e emissions which is for the year ended 31 December 2022.

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed on BAT's website for the current year or for previous periods unless otherwise indicated.

### Reporting Criteria

The Reporting Criteria we used to form our judgements are British American Tobacco's Reporting Guidelines 2023 as set out at [www.bat.com/esgreport](http://www.bat.com/esgreport) ('the Reporting Criteria'). The Selected Information needs to be read together with the Reporting Criteria.

### Inherent Limitations

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria has been developed to assist BAT in reporting ESG information selected by BAT as key KPIs to measure the success of its sustainability strategy. As a result, the Selected Information may not be suitable for another purpose.

### Directors' Responsibilities

The Board of Directors of BAT are responsible for:

- The designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- The selection and/or development of objective Reporting Criteria;
- The measurement and reporting of the Selected Information in accordance with the Reporting Criteria; and
- The contents and statements contained within the Report and the Reporting Criteria.

### Our Responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria and to report to BAT in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

### Assurance Standards Applied

We conducted our work in accordance with International Standard on Assurance Engagements (UK) 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE (UK) 3000') issued by the Financial Reporting Council and, in respect of the greenhouse gas emissions information included within the Selected Information, in accordance with International Standard on Assurance Engagements 3410 – 'Assurance Engagements on Greenhouse Gas Statements' ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we obtain sufficient, appropriate evidence on which to base our conclusion.

### Independence, Professional Standards and Quality Management

We comply with the Institute of Chartered Accountants in England and Wales ('ICAEW') Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics. The firm applies International Standard on Quality Management 1 (UK) Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Summary of Work Performed

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to obtain a meaningful level of assurance over the Selected Information as a basis for our limited assurance conclusion. Planning the engagement involves assessing whether the Reporting Criteria are suitable for the purposes of our limited assurance engagement. The procedures selected depend on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- Conducting interviews with BAT management to obtain an understanding of the key processes, systems and controls in place over the preparation of the Selected Information;
- Performing risk assessment procedures over the aggregated Selected Information, including a comparison to the prior period's amounts having due regard to changes in business volume and the business portfolio
- Selected limited substantive testing, including agreeing a selection of the Selected Information to the corresponding supporting information;
- Considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- Reperforming a selection of the carbon conversion factor calculations and other unit conversion factor calculations; and
- Reading the narrative accompanying the Selected Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

For the Selected Information marked with a # symbol on page 119, our procedures did not include physical visits to the farms which provided the source data for the Leaf Data and Human Rights Selected Information and testing the accuracy of the sales volumes in BAT's Procurement IT system which were used in calculating Scope 3 CO<sub>2</sub>e emissions (thousand tonnes) including the Scope 3 supply chain CO<sub>2</sub>e emissions (thousand tonnes) from purchased goods and services. Additionally, our procedures did not include physical visits to the operational sites which provided the source data for the Emissions to Water Selected Information.

### This Report's Intended Use

Our report has been prepared for BAT solely in accordance with the terms of our engagement. We have consented to the publication of our report on BAT's website for the purpose of BAT showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of BAT determined by BAT's needs at the time. Our report should therefore not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than BAT for any purpose or in any context. Any party other than BAT who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

### George Richards

for and on behalf of KPMG LLP  
Chartered Accountants  
15 Canada Square  
London E14 5GL  
07 February 2024

The maintenance and integrity of BAT's website is the responsibility of the Directors of BAT; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on BAT's website since the date of our report. @

**ANNEX E - DECLARATIONS OF WITHDRAWAL OF GUARANTEE OF ORIGIN OF ENERGY TOOLS.**

**(I-RECS) AND CARBON CREDITS**



This Redemption Statement has been produced for  
**BRITISH AMERICAN TOBACCO CHILE OPERACIONES S.A.**

by

**ENEL GENERACION CHILE SA**

confirming the Redemption of

**10 345.000000**

I-REC Certificates, representing 10 345.000000 MWh of  
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**Fundo La Rotunda S/N, Ruta 68, KM 72, Casablanca  
Chile**

in respect of the reporting period

**2022-12-01 to 2023-11-30**

The stated Redemption Purpose is

**La energía del periodo proviene de fuentes 100% renovables**



**QR Code Verification**

Verify the status of this Redemption Statement by scanning the QR code on the left and entering in the Verification Key below

**Verification Key**

**2 5 0 1 6 5 1 4**

<https://api-internal.evident.app/public/certificates/en/fLbJyhLPqVd58ZowzjzmaqU3pJDCtUHN%2FF7Nxaj4rjxfAgJ6w3TjsHQJJXbVs5Y>



## Redeemed Certificates

## Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO <sub>2</sub> / MWh)
PE Canela 2	Chile	Wind	Onshore	No	2009-12-11	0.000000

## Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0217-1142-5659.000000	0000-0217-1142-6586.999999	928.000000	Incl	2022-01-01 - 2022-12-31	SCX Santiago Climate Exchange

## Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO <sub>2</sub> / MWh)
El Toro	Chile	Hydro-electric	Dam	No	1973-01-01	0.000000

## Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0219-0712-5114.000000	0000-0219-0713-4530.999999	9 417.000000	Incl	2023-01-01 - 2023-12-31	SCX Santiago Climate Exchange

## Auditor Notes

This statement is proof of the secure and unique redemption of the I-RECs stated above for the named beneficiary to be reported against consumption in the country during the reporting year stated. I-RECs are assigned to a beneficiary at redemption and cannot be further assigned to a third party. No other use of these I-RECs is valid under the I-REC Standard.

Where offset attributes are 'inc' the device registrant, who exclusively holds the environmental attribute rights, has undertaken never to release carbon offsets in association with these MWh; 'excl' means carbon offsets relating to these MWh may be traded independently at some point in the future.

For labelling scheme information please refer to the scheme's website. Labelling scheme listing may not be exhaustive.

Thermal plant emit carbon as part of the combustion process. Whilst this is not zero carbon, it is generally recognised as carbon neutral where the source is recent biomass.



## Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 08 Mar 2024, 1,839 Verified Carbon Units (VCUs) were retired on behalf of:

BRITISH AMERICAN TOBACCO CHILE OPERACIONES S.A.

**Project Name**

Chudu Afforestation Project

**VCU Serial Number**

9892-156679365-156681203-VCS-VCU-1310-VER-CN-14-2087-01012018-31122018-1

**Additional Certifications**

CCB-No Distinction

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