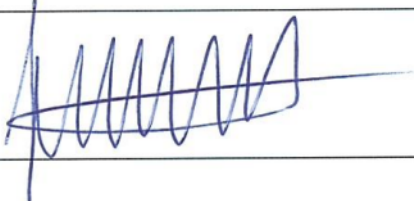


## British American Tobacco Chile Operaciones S.A. – Leaf San Fernando

Declaration of Carbon Neutrality in accordance with PAS 2060: 2014

### "Qualifying Explanatory Statement"

*"Carbon neutrality<sup>1</sup> for the industrial activities of Leaf San Fernando, San Fernando, Libertador Bernardo O'Higgins Region, Chile, obtained by British American Tobacco Chile Operaciones S.A. Group in accordance with PAS 2060:2014 on March 18, 2024, considering the period between December 1<sup>st</sup>, 2022 and November 30<sup>th</sup>, 2023, certified by Instituto Totum".*

Senior representative name	Senior representative signature
Roberto Zuñiga – Head of Leaf	
March 18, 2024	

Organization: British American Tobacco Chile Operaciones S.A., Leaf San Fernando.

Issue date: March 18, 2024.

Security Authority: Totum Institute.

Verification Report: IT – 33 – 2024.

Neutrality Period: 01/12/2022 to 30/11/2023 .

*Note: The term "carbon" used throughout this document represents an abbreviation for the aggregate of greenhouse gases (GHG), reported as CO<sub>2</sub>eq (carbon dioxide equivalent).*

## INTRODUCTION

This document is the declaration of carbon neutrality to demonstrate that British American Tobacco Chile Operaciones S.A. achieved carbon neutrality for its operations in Leaf Chile San Fernando, San Fernando, Libertador Bernardo O’Higgins Region, Chile, under the guidelines of the PAS 2060: 2014 standard, *considering the period between* from December 1<sup>st</sup>, 2022, and November 30<sup>th</sup>, 2023.

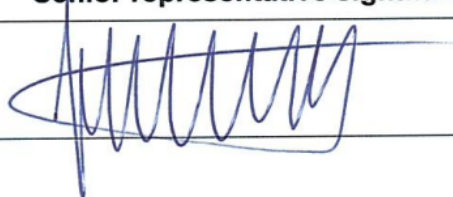
<b>PAS 2060 Requirement</b>	<b>Explanation</b>
Entity responsible for the declaration	British American Tobacco Chile Operaciones S.A.
Object of the declaration	Industrial activities at Leaf Chile San Fernando, Libertador General Bernardo O’Higgins Region, Chile.
Description of the object	British American Tobacco Chile Operaciones S.A. - Leaf San Fernando, is responsible for the industrialization of tobacco, starting with the reception of the tobacco from farmers, generating a classification and storage of it, then passing it through the process line to package tobacco lamina according to the specifications of the customers. Its installed production capacity is 8,500 Kg/hr.
Object limits	The scope includes all greenhouse gas emissions aggregated into Scopes 1 and 2 as per the 2014 WRI GHG Protocol – Corporate Accounting Standard and BAT standards (if applicable).
Type of Warranty	Third party certification to achieve carbon neutrality.
Period for Obtaining Carbon Neutrality	December 1 <sup>st</sup> , 2022, to November 30 <sup>th</sup> , 2023.

This declaration of carbon neutrality in accordance with PAS 2060:2014 contains information related to the object for which neutrality is claimed. All information contained is the expression of the truth and is assumed to be correct at the time of publication. If any information comes to the knowledge of the organization that affects the validity of this declaration, this document will be updated accordingly to accurately reflect the current situation of the carbon neutrality process related to the object.

## DECLARATION OF CARBON NEUTRALITY

PAS 2060 Requirement	Explanation
Specify the period in which the organization demonstrated carbon neutrality regarding the object	December 1st, 2022 to November 30th, 2023.
Total emissions (based on location) from the object in the period from December 1, 2022, to November 30, 2023.	Total of 1,665.18 tCO <sub>2</sub> eq (Base Credit360, Location Based Emissions). Scope 1 & 2 (Market-based): 1,173.07 tCO <sub>2</sub> . Scope 2 (Location based): 487.36 tCO <sub>2</sub> . Fugitive and Process Emissions: 4.75 tCO <sub>2</sub> .
Total emissions (based on purchase choice) of the object in the period from December 1, 2022, to November 30, 2023.	Total of 1.177,82 tCO <sub>2</sub> eq (Base Credit360, Market Based + Fugitive Emissions). Market Based: 1,173.07 tCO <sub>2</sub> . Fugitive Emissions: 4.75 tCO <sub>2</sub> .
Type of statement regarding carbon neutrality.	I3P-2: Achieving carbon neutrality through independent third-party certification.
Inventory of greenhouse gas emissions that provide the basis for the declaration.	Annex A
Description of greenhouse gas emission reductions that provide the basis for the Claim.	Annex B
Description of instruments for reducing the carbon footprint and offsetting residual emissions	Annex C
Independent third-party verification report.	Annex D
Retirement and Carbon Offsetting Statements.	Annex E

*"Carbon neutrality for the industrial activities at LEAF San Fernando, San Fernando, Bernardo O'Higgins Region, Chile, obtained by the British American Tobacco Chile Operaciones S.A. Group, in accordance with PAS 2060:2014 on March 18<sup>th</sup>, 2024, for the period from December 1<sup>st</sup>, 2022 to 30<sup>th</sup> of November 2023, certified by Instituto Totum".*

Senior representative name	Senior representative signature
Roberto Zuñiga – Head of Leaf	
March 18, 2024	

*This statement is available on the company's website at [www.batchile.com](http://www.batchile.com) and the custody and availability of the documents and reports that support the statement are the responsibility of the Sustainability department.*

## **ANNEX A - GREENHOUSE GAS EMISSIONS INVENTORY THAT PROVIDES BASIS FOR THE DECLARATION**

### A.1. Object Description:

The subject for carbon neutrality is Leaf San Fernando of the British American Tobacco Chile Operaciones S.A. Group, located at Ruta 5 Panamericana Sur Km 133, San Fernando, Bernardo O'Higgins Region, Chile. Leaf San Fernando is located on a property of approximately 36.256,34 m<sup>2</sup>, with a constructed area of 49.100,2 m<sup>2</sup>. The plant operates on a seasonal basis, which extends from 6 to 7 months a year, in a shift from Monday to Friday with a staff of 92 people. During the periods when the company is not operating, maintenance activities are carried out, with approximately 35 people on site.

During the reference period (December 2022 to November 2023), as in the previous period, emissions from effluents treated in the liquid and fugitive waste plant, part of Scope 1, were considered, in addition to those reported through the Cr360 platform.

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 (CR 360 BAT system registration) and fugitive emissions mentioned above. It does not include Scope 3 emissions.

Tobacco processing is an important step in the tobacco industry and basically consists of sorting and separating the stem from the rest of the leaf. In the process, international processing and quality standards are followed, complying with customer specifications. Leaf San Fernando has technology to guarantee the high level of quality of its products. GLT – SCS has a maximum production capacity of 8,500 Kg/hr.

The production process, which separates the stem of the blade from the tobacco leaf, is carried out through the following steps:

- Feeding: controlled input of specific classes for the composition of the desired mixtures.
- Conditioning: the leaves are moistened with steam to increase their malleability.
- Threshing: mechanical separation between the blade and the stem of tobacco leaves.
- Drying: removal of excess and final adjustment of product moisture.
- Packaging: Packaging.

## A.2 Carbon Footprint summary

Greenhouse gas emissions from Leaf San Fernando, during the reported period, add up to 1,665.18 tons of CO<sub>2</sub>eq, considering the Scope 2 location approach, based on the Global Warming Potential (GWP) data from the Fourth IPCC Assessment Report (AR4).

Considering the market choice approach in Scope 1&2 (Market Based + fugitives), the total emissions add up to 1,177.82 tons of CO<sub>2</sub>eq.

Total emissions (based on location) from the object in the period from December 1, 2022 to November 30, 2023.	Total of 1,665.18 tCO <sub>2</sub> eq (Base Credit360, Location Based Emissions) Scope 1 &2 (Market-based): 1,173.07 tCO <sub>2</sub> Scope 2 (Location based): 487.36 tCO <sub>2</sub> Fugitive and Process Emissions: 4.75 tCO <sub>2</sub>
Total emissions (based on purchase choice) of the object in the period from December 1, 2022 to November 30, 2023.	Total of 1,177.82 tCO <sub>2</sub> eq Scope 1&2 – 1,173.07 tCO <sub>2</sub> eq (Base Credit360, Market Based) Fugitive and Effluent Emissions – 4.75 tCO <sub>2</sub> eq

### SUMMARY

Scope 1 & 2 CO <sub>2</sub> e (Market-based) - Calculations	Dic-22	Jan-23	Feb-23	Mar-23	Abr-23	May-23	Jun-23	Jul-23	Ago-23	Sept-23	Oct-23	Nov-23	TOTAL	
Scope 1 & 2 CO <sub>2</sub> e (Market-based)	tCO <sub>2</sub> e	61	8	8	10	60	97	168	260	334	129	33	6	1,173.07
Fleet Vehicles - fuel	tCO <sub>2</sub> e	8	7	6	9	6	5	4	5	5	4	5	6	68.27
Sites and Offices - Fuel	tCO <sub>2</sub> e	53	1	2	1	54	91	164	255	329	125	28	0	1,104.80
Scope 2 CO <sub>2</sub> e Emissions (Location based)	tCO <sub>2</sub> e	23	16	14	17	21	28	64	88	131	46	23	16	487.36
Purchased Electrical Energy - Renewable - LB	tCO <sub>2</sub> e	23	16	14	17	21	28	64	88	131	46	23	16	487.36
<b>Fugitive and Process Emissions</b>														
Fugitive and Process Emissions - CO <sub>2</sub> e	tCO <sub>2</sub> e	1	1	1	1	1	1	0	0	0	0	0	0	4.75
Refrigerants and Fire Suppressants - PFC, HFC and CO <sub>2</sub>	tCO <sub>2</sub> e	1	1	1	1	1	1	0	0	0	0	0	0	4.58
Waste composting emissions - CH <sub>4</sub> and N <sub>2</sub> O	tCO <sub>2</sub> e	0	0	0	0	0	0	0	0	0	0	0	0	0.17

In relation to the Scopes, the details are as follows (approach by location):

Scope 1 (own emissions): 1,177.82 tons of CO<sub>2</sub>eq.

Scope 2 (energy purchasing emissions): 487.36 tons of CO<sub>2</sub>eq.

Regarding the Scope, the details are as follows (approach by market choice):

Scope 1 (own emissions): 1,177.82 tons of CO<sub>2</sub>eq.

Scope 2 (energy purchasing emissions): zero tons of CO<sub>2</sub> eq.

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

## A.3. Standards and Methodologies Used:

The greenhouse gas inventory reports are based on the GHG Protocol standards and guidelines and the GRI standards. The internal management of precursor data is carried out by the EHS teams, and the data are entered into the reporting platform (CR360), and with the GHG Protocol worksheet (provided by the BAT Group), which allows the calculation of CO<sub>2</sub> emissions based on

global warming potential data (GWP - Global Warming Potential) from the IPCC Fourth Assessment Report (AR4).

Input data related to Scope 1 and 2 CO<sub>2</sub>e emissions are purchased electricity, refrigeration gases, plant effluent treatment data and fuel (stationary internal combustion and mobile combustion), Credit360 input data is converted to measures of energy (GJ) and then converted into GHG emissions terms, using local factors for electricity and DEFRA factors for all emissions factors (updated annually). The data originating from the GHG Protocol are generated through the GHG worksheet, according to the Equations below.

Equation A - Fugitives
The calculation uses the equation: $E = (VE + T - MC) * GWP$
GWP = Global Warming Potential this is an international conversion factor. VE = Change in Stock (kg of gas): difference between the amount of gas in stock at the beginning and end of the period (includes only gas stored on site, eg cylinders, not gases inside equipment). T = Quantity Transferred (kg of gas): gas purchased minus gas sold/dispensed during the period. MC = Capacity Change (kg of gas): capacity of all units at the beginning of the period minus the capacity at the end of the period.

Equation B - Effluents
The calculation uses the equation: $E = \text{Emission N}_2\text{O} * GWP + \text{Emission CH}_4 * GWP$
The emission value of N <sub>2</sub> O and CH <sub>4</sub> is generated through the Amount of Effluents Generated, COD and the methane conversion factor (According to the type of treatment used in the ETE)

Equation C – Non-Kyoto GHG
The calculation uses the equation: $E = (EUN + EUE + EUD) * GWP$
GWP = Global Warming Potential this is an international conversion factor. EUN = emissions from installing new units: gas used to charge new equipment minus equipment capacity (the difference corresponds to losses to the atmosphere); EUE = gas added to existing units as maintenance by the organization or supplier (does not include pre-charges made by the manufacturer); EUD = emissions from disposal of old units: capacity of the unit dispensed minus the amount of gas recovered (the difference corresponds to losses to the atmosphere).

The San Fernando Unit reports its monthly environmental KPIs on Credit360. Data is reviewed by the regional EHS team and checked by the Group EHS team for consistency. On an annual basis, Leaf San Fernando data is aggregated with BAT Group data to produce Group reports, including ESG Report, CDP submission and other platforms. Prior to publication, on an annual

basis, the data are subject to external verification by an independent audit organization, whose report for the period is set out in Annex D.

#### A.4. Information Assurance Level

The level of assurance of the greenhouse gas inventory at the San Fernando Unit, carried out by the independent organization KPMG and Instituto Totum, was limited, covering Scope 1 and 2 (according to the GHG Protocol) and other KPI reported in the ESG panels. The Totum Institute limited itself to verifying the fugitive emissions and effluent emissions, belonging to Scope 1. Independent Assurance Report (according to Annex D) was prepared in accordance with the ISAE 3000 standard, with an inventory materiality level of 1%.

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

## ANNEX B - DESCRIPTION OF THE GREENHOUSE GAS EMISSION REDUCTIONS THAT PROVIDE THE BASIS FOR THE DECLARATION

### B.1. History of Greenhouse Gas Emissions (GHG)

Scope 1 and 2 emissions (market-based and location-based) are tracked and compared monthly. Annual targets (projections for the next year) are defined, calculated and compared. Projected emission reductions from energy saving activities are calculated by site engineering teams using the same emission factors.

As of 2019, BAT also started to adopt the internal carbon price (shadow price) to encourage carbon reduction projects.

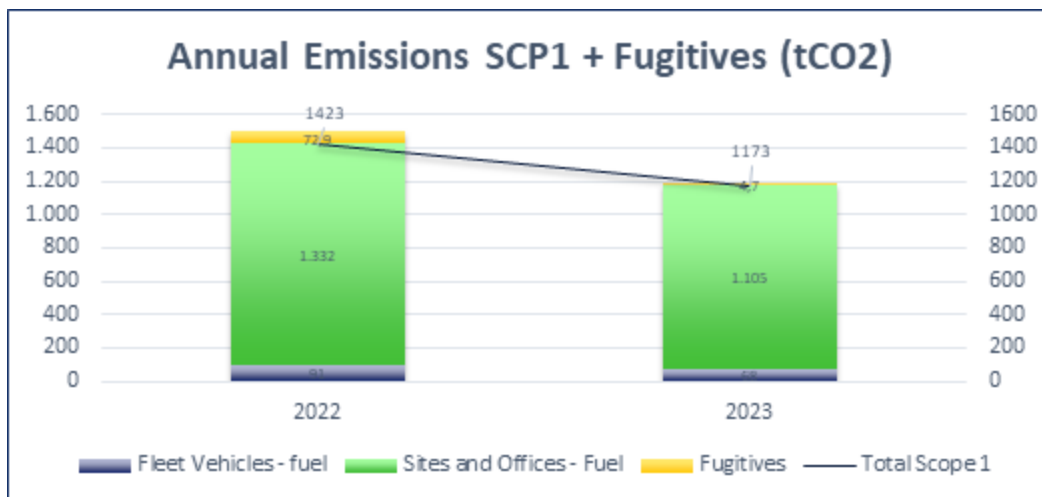
The declaration intended by Leaf San Fernando is neutrality for 2023 of a certain period (December 1<sup>st</sup>, 2022, to November 30<sup>th</sup>, 2023), without inferences regarding past or future commitments.

### B.2. Description of GHG Emission Reductions in the reference year

This is the first year of certification of BAT San Fernando, so don't have the list of the reduction history since the unit's first PAS 2060 verification. What has been done so far and what will be done in the future will be reported. Therefore, the year 2022 will be the base year of comparison for the next PAS2060 verifications.

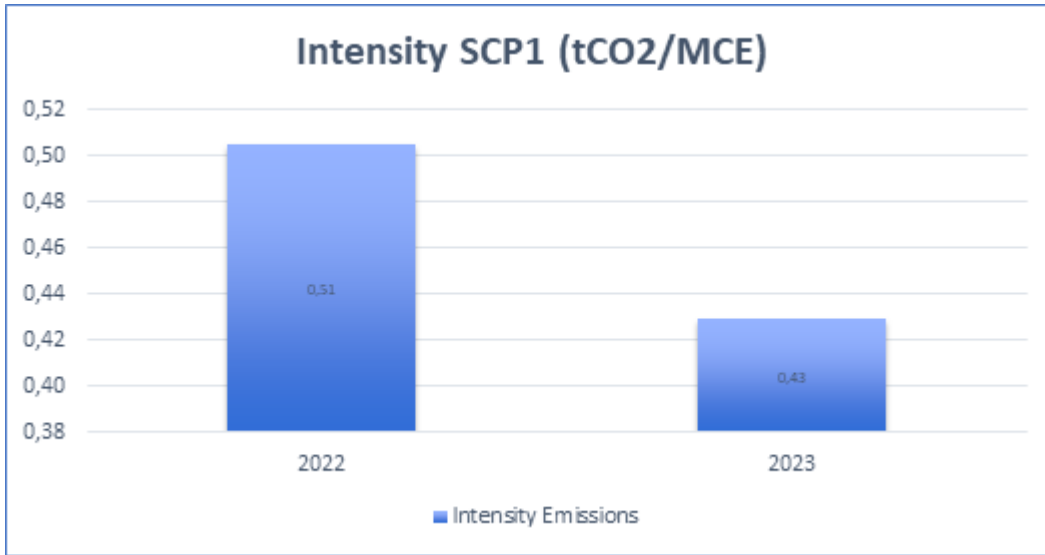
For Scope 1 & 2 CO<sub>2</sub>e (Market-based) were considered "Fleet Vehicles - fuel" and "Sites and Offices - Fuel" + "Fugitive and Process Emissions - CO<sub>2</sub>e". IREC Certificates were acquired to account for Scope 2 CO<sub>2</sub>e Emissions (Location based).

### **2.1 Means by which the reductions were achieved and any applicable assumptions or justifications in Scope 1 Category.**

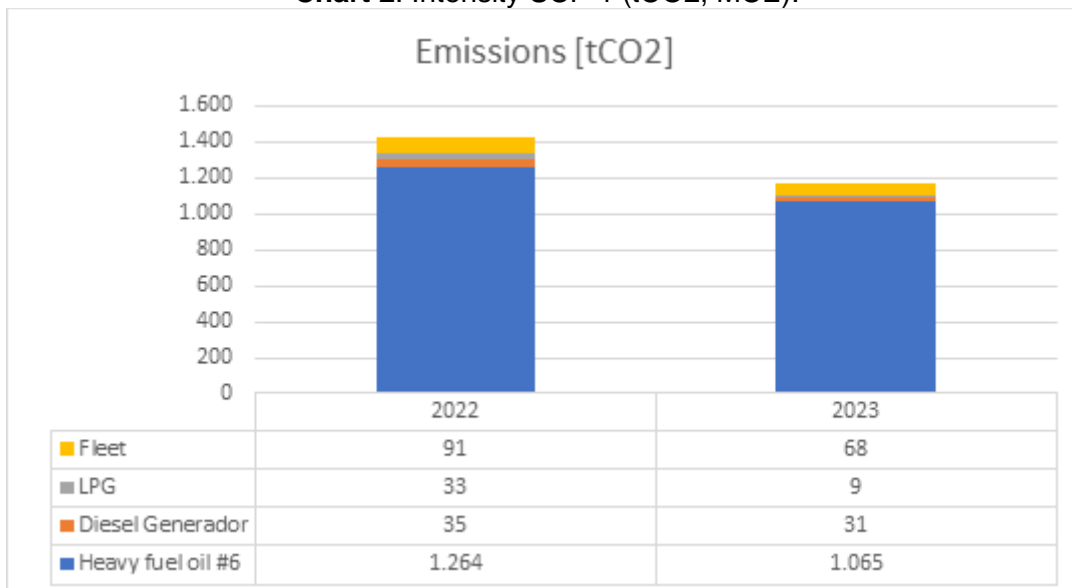


**Chart 1:** Annual Emissions SCP1 + Fugitives (tCO<sub>2</sub>).

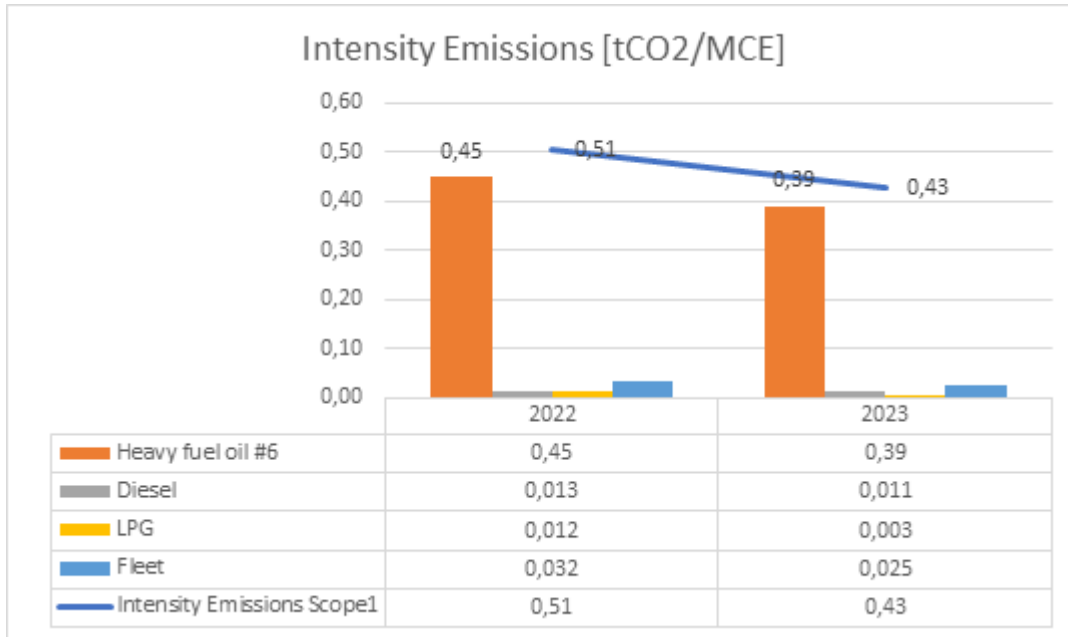




**Chart 2:** Intensity SCP 1 (tCO<sub>2</sub>, MCE).



**Chart 3:** Emissions (tCO<sub>2</sub>).



**Chart 4:** Intensity Emissions (tCO2/MCE).

**Fleet Vehicles - Fuel:** The site has fuel consumption reduction due to a decrease of Mn Kg of tobacco produced from the field, this has resulted in less BAT vehicle being used in the organization by Field Technicians to visit farmers.

Fleet vehicles - Fuel			
Item	Unit	2022	2023
Green tobacco purchased by Leaf San Fernando	Kg	2,683,284	2,628,306
Farmers	N°	221	166
Total number of hectares	Ha	1,037.4	818.7
Field Technicians	N°	5	3
Vehicles (Pickup truck)	N°	5	3
Emissions	tCO2e	91.69	68.27

**Sites and Offices – Fuel:** From 2022 to 2023, there was a decrease of tobacco production, showing a reduction from 2,816 MCE to 2,731 MCE. There was a decrease of heavy fuel usage resulting in reductions of tCO2 emissions. The intensity was higher due to a greater tobacco rejection detected by Quality Control department in 2023, where the packed tobacco had to be reprocessed using more heavy fuel.

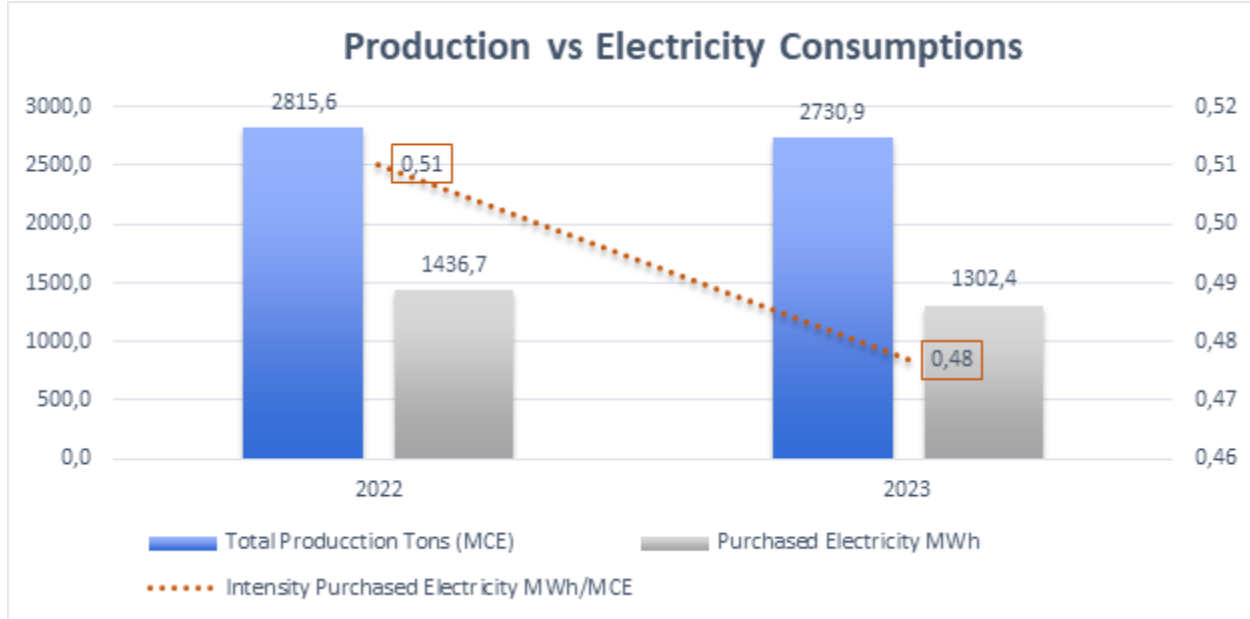
LPG was reduced in absolute number and intensity due to the fuel switch from LPG to electricity of most of the forklift fleet.

Diesel consumption was reduced due to a new way to operate the wastewater treatment plant during SWS process using less blowers in 2023.

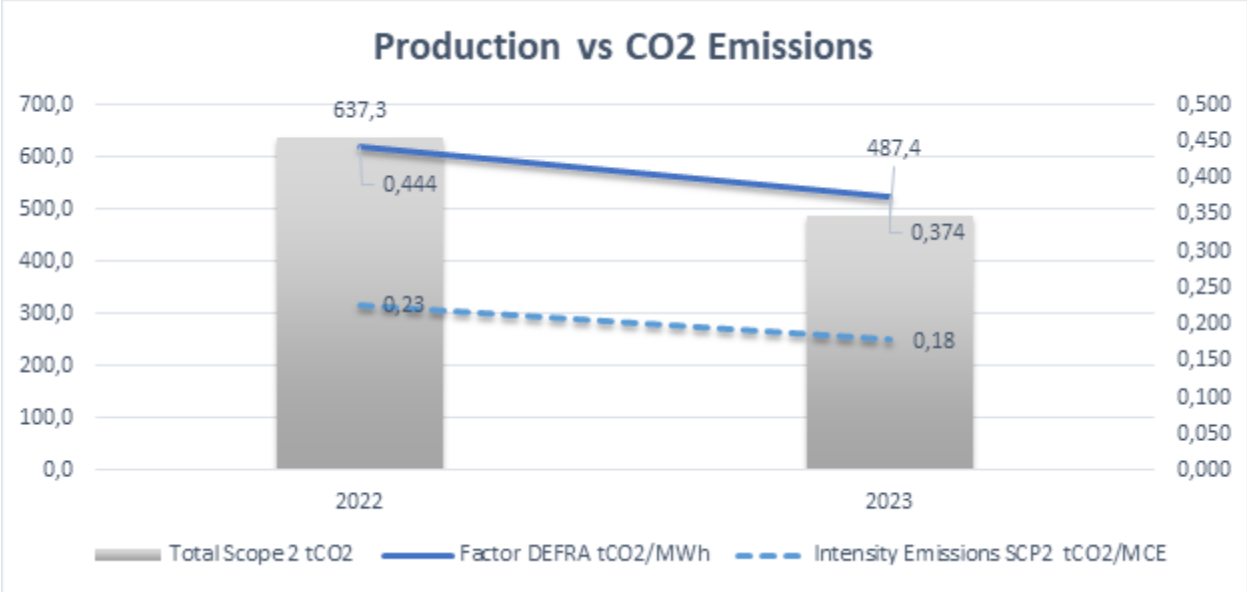
In the case of fugitive emissions, the method used to calculate emissions was the mass balance approach, where the gas cannot be accounted for is then assumed to be lost to the atmosphere. This method represents 33 tCO<sub>2</sub> in 2022. In addition to that, the purchase of a new air conditioner produced 36 tCO<sub>2</sub> was made. During 2023, the method used to calculate emissions was the screening method (H1) and lifecycle stage approach (Q3 and Q4) resulting in 4.7 tCO<sub>2</sub>.

## 2.2 Means by which the reductions were achieved and any applicable assumptions or justifications in Scope 2 Category.

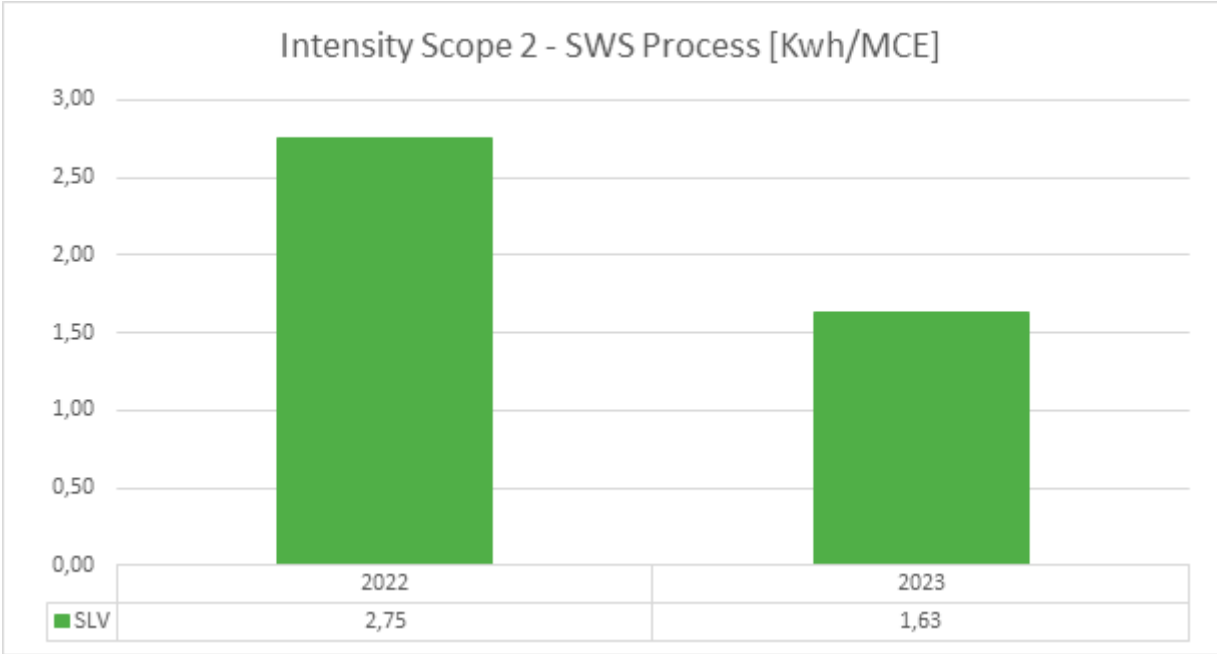
Chile - GLT Chile	Measure	2022	2023
<b>Total Production</b>	Tons (MCE)	2815.6	2730.9
<b>Purchased Electricity</b>	MWh	1436.7	1302.4
<b>Intensity Purchased Electricity</b>	MWh/MCE	0.51	0.48
<b>Factor DEFRA</b>	tCO <sub>2</sub> /MWh	0.444	0.374
<b>Total Scope 2</b>	tCO <sub>2</sub>	637.3	487.4
<b>Intensity Emissions SCP2</b>	tCO <sub>2</sub> /MCE	0.23	0.18



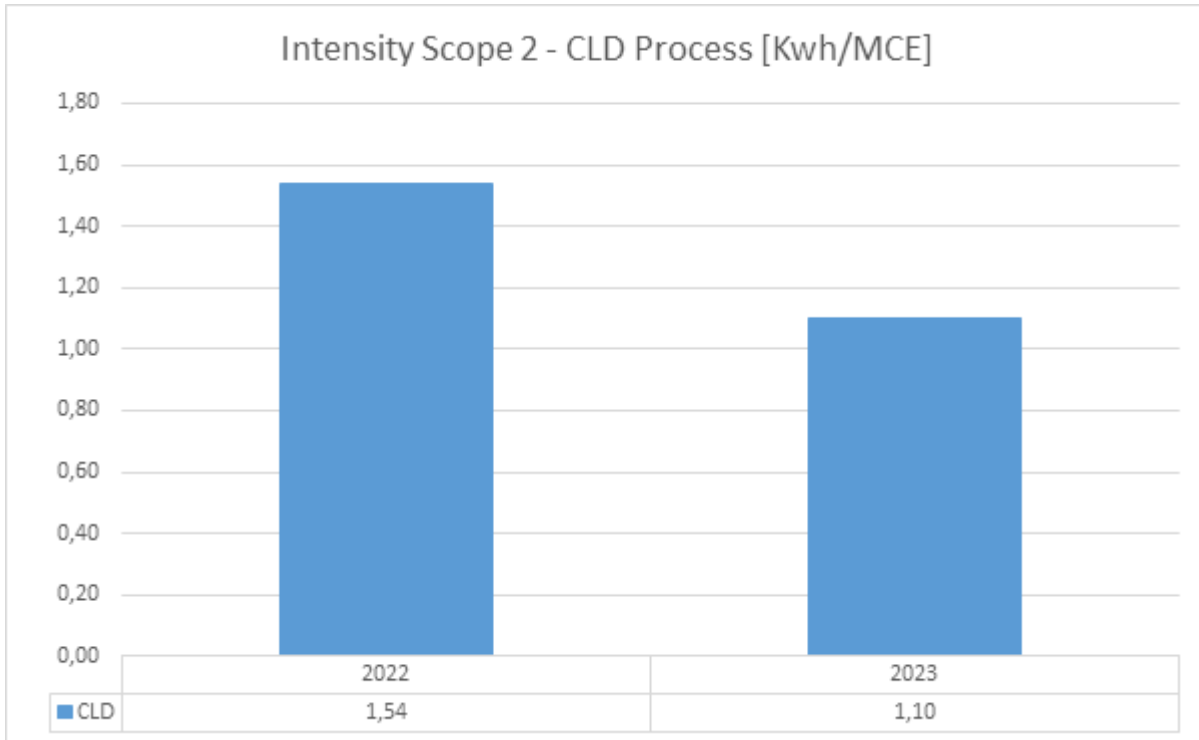
**Chart 5:** Production vs Electricity Consumptions. Total production (MCE), Purchased Electricity (MWh), Intensity (MWh/MCE)



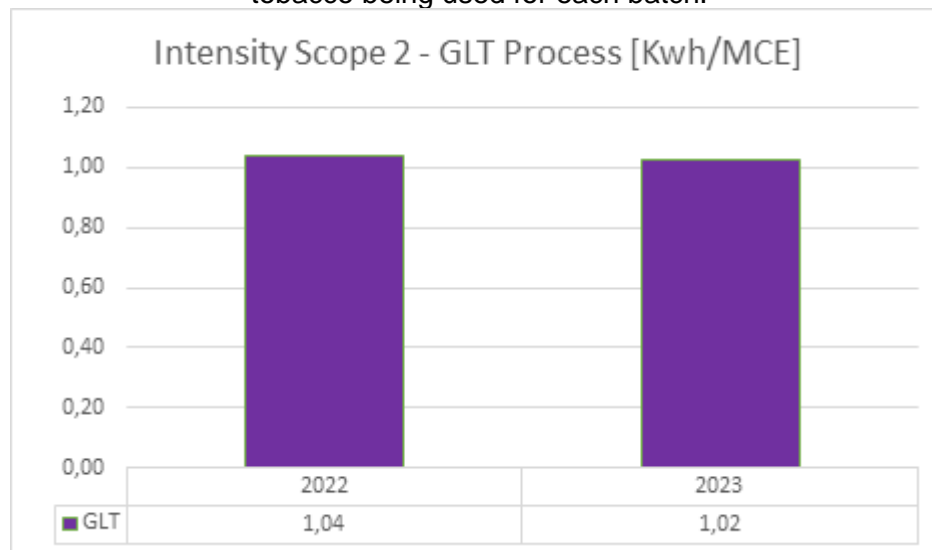
**Chart 6: Production vs CO2 Emissions**



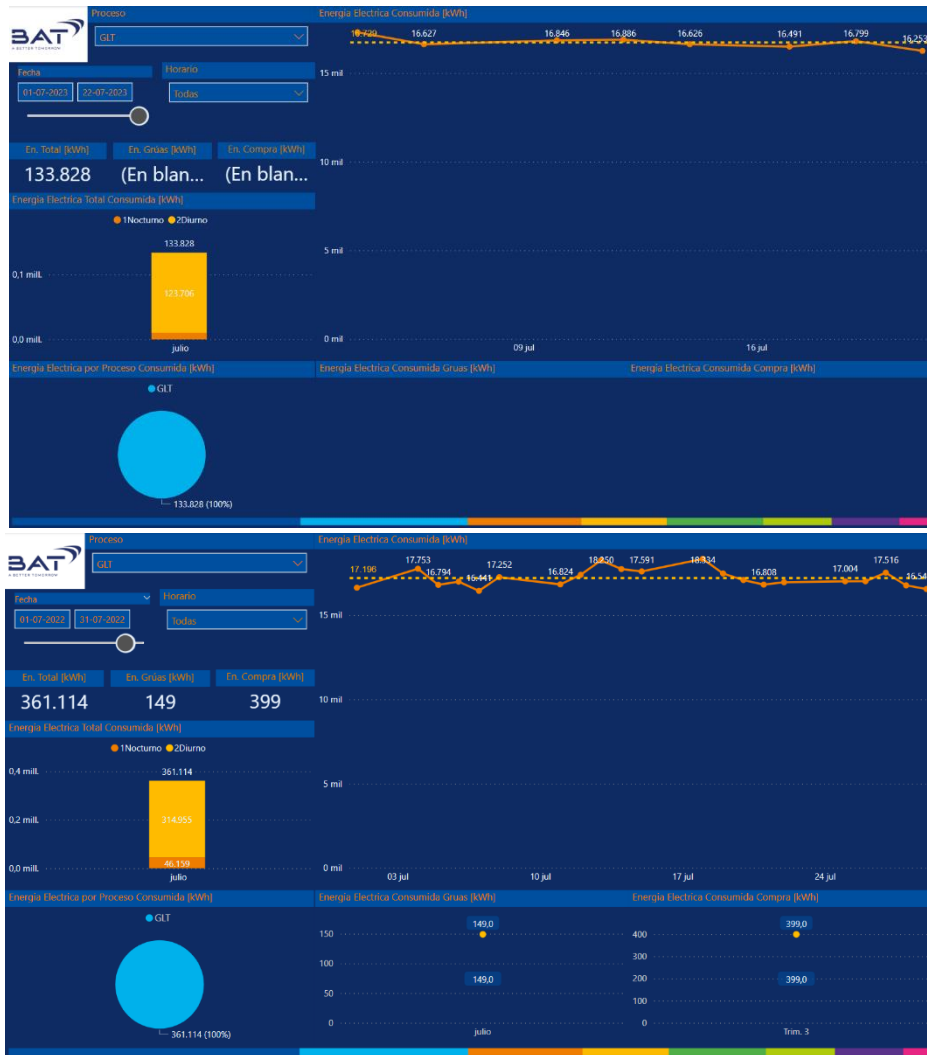
**Chart 7: Intensity Scope 2 (Kwh/MCE)**



**Chart 8:** Intensity Scope 2 (Kwh/MCE). CLD and SWS processes were reduced due to more tobacco being used for each batch.



**Chart 9:** Intensity Scope 2 – GLT Process (Kwh/MCE)



**Image 1: Electricity consumption (kWh)**

Despite a greater number of reprocesses during the GLT 2023 process (233517 kg) vs 2022 (204343 kg), a minimal reduction of 1.4% in the electricity intensity of the GLT 2023 vs 2022 process was evident. This reduction is appreciated in the daily electricity consumption graphs 2023 shown above (Graphic chart 2023 and 2022). There was daily average in 2023 of 16,729 [kWh] and 2022 with 17,196 [kWh]. The intensity improvement was achieved by equipment changes on the GLT production line, where equipment and electric motors were changed eliminating pneumatic conveyors by conveyor belts, reducing power by approximately 100 [kW].

The DEFRA factor was reduced from one year to another helping somehow with a part of the decrease of tCO2 emissions.

The only Scope 2 on the site is electricity.

## 2.5 Circumstances in which a GHG reduction in terms of intensity was not achievable, justifying the reasons and outlining detailed plans for the next reporting period.

There is no current basis for comparison as this is the first year of certification, but plans are in place to reduce emissions in the future. So far, compared to 2022, a reduction in intensity has been demonstrated.

Future initiatives BAT San Fernando:

- Closure of Stem Wash System Process: Impact Scope 1&2: Impact on production.

Stem Wash System will not be part of the operations from 2024 and onwards. The ending of this process would result in a reduction of approximately 439.98 tCO<sub>2</sub> annually in heavy fuel.

There is an estimation of a reduction of 522.02 tCO<sub>2</sub>e.

<b>tCO<sub>2</sub> of Heavy Fuel for SWS</b>			
	<b>2022</b>	<b>2023</b>	<b>Average</b>
<b>tCO<sub>2</sub></b>	552.18	327.78	439.98
<b>tCO<sub>2</sub> of Electricity for SWS</b>			
	<b>2022</b>	<b>2023</b>	<b>Average</b>
<b>tCO<sub>2</sub></b>	119.24	44.98	82.11

- Moving to carbo less emission mobility by including hybrid vehicles to the field fleet (to be used by Field Technicians): Impact on scope 1 "Fleet Vehicles – Fuel" (emission reductions at this point are estimated at 20-25% app)
- Installation of water, steam and compressed air flowmeters.
- Installation of energy meters.

### B.3. Description of Renewable Energy Traceability Instruments

According to the independently verified emissions quantification, the total consumption of electricity was 1,302.41 MWh, resulting in a total emission (based on the location-based method) of 487.36 tCO<sub>2</sub> eq.

Leaf Chile San Fernando 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, CGE.

The energy origin guarantee is a zero-emission source procured for energy production in 2023, with the total I-REC procured amounting to 11,302.41 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 FOR REDUCING THE CARBON FOOTPRINT AND FOR OFFSETTING RESIDUAL EMISSIONS**

### C.1. Description of the Renewable Energy Traceability Instruments (I-REC)

The renewable energy traceability instruments for calculating Scope 2 emissions using the market choice approach were detailed in item B.3 of this declaration.

### C.2. Description of Offset Instruments – Carbon Credits

Carbon credits were acquired according to the residual emissions contained in the emissions inventory audited by KPMG and Instituto Totum.

To this end, 1,178 Verified Carbon Standard credits were acquired from Project VCS2087 (CHUDU AFFORESTATION PROJECT), Proof of operation can be found in the link below:

<https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237636>

### C.3. Use of of Instruments for Carbon Neutrality

Residual Scope 1 emissions, according to the inventory audited by KPMG and Instituto Totum, add up to 1,177.82 tons of CO<sub>2</sub>eq. Residual Scope 2 emissions, according to the inventory audited by KPMG and due to the market choice approach using the I-RECs (according to item B.3), was considered zero.

In this sense, the function of the 1,178 carbon credits acquired is to offset the emissions of 1,177.82 tons of CO<sub>2</sub>eq related to Scope 1, thus making Leaf San Fernando carbon neutral.

### C.4. Quality Criteria for Offset Instruments - Carbon Credits

The carbon credits acquired, as mentioned in C.2, meet all the quality criteria set forth in Norm PAS 2060:2014, namely:

- Acquired credits represent an emission reduction considered additional (CHUDU AFFORESTATION project)

- Project from which carbon credits originate meet the criteria of additionality, permanence and do not have the risk of double counting (CHUDU AFFORESTATION project).

<https://registry.verra.org/app/projectDetail/VCS/2087>

<https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237636>

- Carbon credits were verified by an independent third party (CTI Certification Co., Ltd.) with the monitoring report available at

<https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237636>.



- Carbon Credits were retired within a period of 12 months from the date of declaration of neutrality (March 07, 2023).

- The Project from which the Carbon Credits were acquired has all documentation and registration on the Verra public platform, which is an international standard and a platform that has Quality Assurance Principles including additionality, permanence, leakage and avoided double counting ). <https://registry.verra.org/app/projectDetail/VCS/2087>

<https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237636>

# @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.@



THE INTERNATIONAL  
REC STANDARD

This Redemption Statement has been produced for

**BRITISH AMERICAN TOBACCO CHILE**

by

**GR POWER CHILE SPA**

confirming the Redemption of

**1 302.410000**

I-REC Certificates, representing 1 302.410000 MWh of  
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**Ruta 5 Sur kilómetro 133 San Fernando  
Chile**

in respect of the reporting period

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

The stated Redemption Purpose is

**Energy consumption**



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

1 7 9 2 5 2 6 8

[https://api-internal.evident.app/public/certificates/en/dzrZP4VyHTo4kWOaXUISZFk%2BHooAVbu4t0K  
WnjFab5v7wLMpet8eG6xGTRw13S0j](https://api-internal.evident.app/public/certificates/en/dzrZP4VyHTo4kWOaXUISZFk%2BHooAVbu4t0KWnjFab5v7wLMpet8eG6xGTRw13S0j)

Redeemed Certificates

Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO <sub>2</sub> / MWh)
PFV QUILLAGUA	Chile	Solar	PV Ground mounted	No	2020-12-07	0.000000

Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0002-8961-7682.790000	0000-0002-8961-8985.199999	1 302.410000	Incl	2021-08-16 - 2021-12-31	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.



## Independent Limited Assurance Declaration

**British American Tobacco Chile Operaciones S.A – Leaf San Fernando** Verification Period: **February 15th 2024 to April 15th 2024**

**Process Code for PAS 2060:2014 Certification Process: IT-33-2024**

**Verification Team:** Claudio Silva (Lead Auditor) and Roberta Bertoni (Reviewer) – Instituto Totum

**British American Tobacco Chile Operaciones S.A – Leaf San Fernando**, contracted Instituto Totum to conduct a limited assurance assessment regarding the Carbon Neutrality Declaration (“Qualifying Explanatory Statement” document) for the Unit – Chile – San Fernando, for the period from *December 1<sup>st</sup> 2022 to November 30<sup>th</sup> 2023*.

**Conclusion:** Based on the procedures Instituto Totum has performed and the evidence obtained, nothing has come to verification team attention that causes it to believe that the Carbon Neutrality Declaration (“Qualifying Explanatory Statement”, dated 18<sup>th</sup> March 2024) is not fairly stated and has not been prepared, in all material respects, in accordance with the Reference Standard. This conclusion relates only to the referenced Carbon Neutrality Declaration (“Qualifying Explanatory Statement”), and should be read in the context of this Independent Limited Assurance Report, particularly with regard to the details listed below.

### Scope of Limited Assurance Work

The scope and limits of this work are restricted to the verification of the Carbon Neutrality Declaration referenced in this Report, in accordance with Standard PAS 2060:2014 - “Specification for the demonstration of carbon neutrality” (reference standard). The object for which compliance to the reference standard is claimed is the Chile – San Fernando Unit, which belongs to British American Tobacco, Instituto Totum did not carry out any activity and did not express any conclusions that could be published outside the defined scope, for the period of compliance with the established reference standard. Annex to this Independent Limited Assurance Declaration is the checklist PAS 2060:2014 extracted from Totum Indicators Verification System – STVI.

### Factual Basis of Conclusion

Instituto Totum planned and executed a limited assurance verification work, with the objective of minimizing the risks of not detecting material errors in relation to the reference standard, including, but not limited to:

- Allocation of qualified verification team with respect to the scope of work and reference standard;
- Conducting interviews with key personnel of the organization to obtain knowledge about the applied processes, systems and controls;
- Verification of data, information and documented records of the organization itself, preferably audited by an independent third party;
- Verification of documents from sources outside the company, traced back to their origin through consultation with public or private sources;
- Critical analysis of the evidence verified within the context of compliance with the reference standard;
- List of requested clarifications, observations and corrective actions that are attached to this statement.

### Independence

Instituto Totum has internal policies and guidelines to ensure that the certifier itself, its verification team and internal team are independent in relation to the client's activities. Instituto Totum does not have other contracts with the client that may signify a conflict of interest.

Instituto Totum is accredited by the General Accreditation Coordination of INMETRO Brazil (CGCRE) by the ABNT NBR ISO 14.065:2012 Standard.

### Inherent Limitations

The verification process was based on sampling of existing data and information, not including the generation of additional data to those that were already available. The assurance of Instituto Totum is made on the premise that the data and information were provided by the client organization in good faith. There are inherent limitations to the limited verification process. The detection of contingencies, liabilities and data consolidation errors, when they exist, are subject to limitations imposed by their evidence and materiality, always subject to sampling. The process of generating information contained in the greenhouse gas inventory of the client organization was not part of the scope of this verification, and the Audit Report issued by a third party (other than the Instituto Totum) was considered as sufficient evidence of the reliability of greenhouse gas inventory data at a reasonable level. The list of observations and notes made in the verification process is not intended to be the complete list of discrepancies in relation to the reference standard in the audited scope. Eventual items considered “compliant” due to the sampling are not necessarily exempt from real or potential problems.

The work performed on a verification with a limited confidence level varies in nature, timing and is less extensive and in-depth than work performed on a verification with a reasonable level of confidence. Instituto Totum planned and executed the work to obtain evidence considered sufficient to support his opinion, and the risk linked to this conclusion is reduced, but not reduced to the point of being very low. The report attests only to what was found within the analyzed sample. Instituto Totum expressly disclaims any responsibility for any decision by any person or organization based on this Independent Limited Assurance Report.