

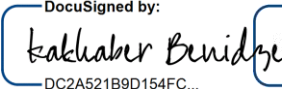



BAT – Switzerland

Declaration of Carbon Neutrality in accordance with PAS 2060: 2014

“Qualifying Explanatory Statement”

*“Carbon<sup>1</sup> neutrality for the business activity of Lausanne BAT Switzerland office obtained by the BAT Group –in accordance with PAS 2060:2014 in February 2024, for the period from December 1, 2022 until November 30, 2023, certified by Instituto Totum.”*

Senior Representative Name	Senior Representative Signature
Kakhaber Benidze	<div>DocuSigned by:  DC2A521B9D154FC...</div>
Paulina Sadowska	<div>DocuSigned by:  8C5A41DF788A496...</div>

Process Code for PAS 2060:2014 Certification Process: IT-28-2024

Organization:	BAT Switzerland SA
Issue Date:	20 th of February 2024
Assurance Authority:	Instituto Totum
Verification Report:	
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 BAT Switzerland SA achieved carbon neutrality for its activities under the guidelines of the PAS 2060: 2014 standard, in the period from December 1st, 2022 to November 30 th, 2023.


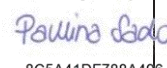
PAS 2060 Requirement	Explanation
Entity responsible for the declaration	<p>British American Tobacco Switzerland SA (BAT) BAT Switzerland SA part of BAT Group.</p> <p>The Swiss entity is a commercial business unit in Lausanne, Switzerland.</p> <p>The purpose of BAT company is the purchase, treatment, production, distribution and sales of tobacco and nicotine or related products.</p>
Object of declaration	Trade & administration activities, BAT Switzerland, Lausanne office.
Object Description	Lausanne is the commercial unit of BAT Switzerland. It manages the sales and marketing of tobacco and nicotine product for the Swiss market. It also holds most of the administration for the Swiss entity, such as Finance, Legal, External Communication and HR. The site consists of leased office surfaces.
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 Assurance	Third Party Certification for achieving carbon neutrality.
Period for Obtaining Carbon Neutrality	December 1, 2022, to November 30, 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.

## CARBON NEUTRALITY ACHIEVEMENT DECLARATION

PAS 2060 requirement	Explanation
Specify the period in which the organization demonstrated carbon neutrality regarding the object	December 1, 2022 to November 30, 2023
Total emissions (based on location) from the object in the period from December 1, 2022 to November 30, 2023.	Total of 316 tCO <sub>2</sub> (Base Credit360, Location Based Emissions)
Total emissions (based on purchase choice) of the object in the period from December 1, 2022 to November 30, 2023.	Total of 320 tCO <sub>2</sub> (Base Credit360, Market Based + Fugitive Emissions)
Type of statement regarding carbon neutrality	I3P-2: Achieving carbon neutrality through independent third-party certification
Inventory of greenhouse gas emissions that provides 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<sup>1</sup> neutrality for the business activity of Lausanne BAT Switzerland office obtained by the BAT Group –in accordance with PAS 2060:2014 in February 2024, for the period from December 1, 2022 until November 30, 2023, certified by Instituto Totum.”*

Senior Representative Name	Senior Representative Signature
Kakhaber Benidze	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>DocuSigned by:</p>  <p>DC2A521B9D154FC...</p> </div> <div style="text-align: center;"> <p>DocuSigned by:</p>  <p>8C5A41DF788A496...</p> </div> </div>
Paulina Sadowska	

*This statement is available on the company's website at [www.bat.ch](http://www.bat.ch) and the custody and availability of 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 target object of carbon neutrality is the Lausanne office BAT unit located at Avenue de Rhodanie 48, Lausanne, Switzerland; with no change regarding the first certification. In 2023 (December 2022 to November 2023) emissions reported on Credit360 were considered.

All greenhouse gas emissions were considered, within the respective Scopes 1 and 2 according to the methodology of the GHG Protocol and GHG Form, including fugitive and effluent emissions. No Scope 3 emissions were reported for this object.

The neutrality process encompasses all Scope 1 and 2 emissions and does not include Scope 3 emissions.

Climate change has long been part of our wider approach to environmental management, and we have now elevated it to a standalone priority in recognition of the growing climate emergency and we aim to minimize our climate impact.

GHG monitoring and reduction is fully part of our environmental agenda, which also covers other aspects such as supply chain (tobacco is a farmed product), water and waste impact, etc. Numerous actions have been undertaken on the global level by BAT Group, however, each end market is responsible to add its own brick in the wall in terms of CO2 reduction as well as CO2 compensation.

## A.2. Carbon Footprint Summary

Greenhouse gas emissions at the BAT Lausanne office, in the reference period is 315,72 tons of CO<sub>2</sub>.

Sources	Fuel Type	Scope	Consumption	Unit	Factor conversion	tCO <sub>2</sub> e
Diesel oil	Sites & Offices	Scope 1	0	tonne	3,2039	0,00
Diesel oil - biodiesel (renewable)	Sites & Offices	Scope 1	0	tonne	0,1882	0,00
Petroleum/gasoline	Sites & Offices	Scope 1	0	tonne	2,8067	0,00
Kerosene	Sites & Offices	Scope 1	0	tonne	n/a	0,00
Ethanol (renewable)	Sites & Offices	Scope 1	0	tonne	0,0114	0,00
Methane	Sites & Offices	Scope 1	0	tonne	n/a	0,00
Heavy fuel oil (fuel oil #4, 5 and 6)	Sites & Offices	Scope 1	0	tonne	3,2289	0,00
Light fuel oil	Sites & Offices	Scope 1	0	tonne	3,1650	0,00
Natural gas	Sites & Offices	Scope 1	17,46	m³	0,0020	35,57
LPG	Sites & Offices	Scope 1	0	tonne	2,9394	0,00
Bio-LPG (renewable)	Sites & Offices	Scope 1	0	tonne	0,0052	0,00
CNG	Sites & Offices	Scope 1	0	kg	0,0026	0,00
Coal	Sites & Offices	Scope 1	0	tonne	2,3965	0,00
Woodfuel - chips (renewable)	Sites & Offices	Scope 1	0	tonne	0,0406	0,00
Woodfuel - logs (renewable)	Sites & Offices	Scope 1	0	tonne	0,0439	0,00
Woodfuel - pellets (renewable)	Sites & Offices	Scope 1	0	tonne	0,0516	0,00
Production waste to boiler house	Sites & Offices	Scope 1	0	tonne	0,4150	0,00
Other biomass fuels (renewable)	Sites & Offices	Scope 1	0	tonne	0,0576	0,00
Steam by external provider	Sites & Offices	Scope 1	0	tonne	0,0246	0,00
Hot water by external provider	Sites & Offices	Scope 1	0	tonne	n/a	0,00
Fleet vehicles - Diesel	Fleet Vehicles	Scope 1	73 890,6	litre	0,0027	195,17
Fleet vehicles - Bio Diesel (renewable)	Fleet Vehicles	Scope 1	0	litre	0,0002	0,00
Fleet vehicles - Petrol/Gasoline	Fleet Vehicles	Scope 1	0	litre	0,0023	0,00
Fleet vehicles - Bio Petrol (renewable)	Fleet Vehicles	Scope 1	0	litre	0,0000	0,00
Fleet Vehicles - LPG	Fleet Vehicles	Scope 1	0	litre	0,0016	0,00
Fleet vehicles - CNG	Fleet Vehicles	Scope 1	0	kg	0,0026	0,00
Refrigerants and Fire Suppressants	Fugitives	Scope 1	-	-	-	83
Water treatment emissions	Fugitives	Scope 1	-	-	-	0,00
Waste composting emissions	Fugitives	Scope 1	-	-	-	0,00
Electricity energy	Electricity	Scope 2	79 568	kwh	0.000025	1,98

315,72

Source Credit360 Audited by KPMG

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

- **Scope 1** (own emissions): 313,74 tons of CO<sub>2</sub>
- **Scope 2** (energy purchase emissions): 1,98 tons of CO<sub>2</sub>

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. The internal management of precursor data is carried out by the EHS teams and the data are entered into the reporting platform (CR360), which allows the calculation of CO2 emissions based on global warming potential data (GWP - Global Warming Potential)

Credit 360 \* tool was used to calculate the carbon footprint. Primary data was taken from energy bills. Renewable electricity is procured, and evidence provided by the supplier.

\*Credit 360 software published by UL LLC

The methodologies are selected at the Group level as these are the internationally recognized methodologies and emissions factors sets, within the recommended lists for the type of disclosures we make (incl. inter alia CDP reporting). YoY changes (i.e. emissions reduction) are calculated using the unified reporting approach. Discrepancies may occur between reported emissions and effective emissions, as some emissions are based on averaged numbers and/or meter readings, as evidence from providers (such as energy invoices) might come with some delay after reporting period is closed. Those discrepancies should be however flattened over the time, as they are reported in the next reporting period.

BAT Switzerland Lausanne office unit 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, Lausanne office 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.

### **A.4 Uncertainty and variability statement**

The Carbon footprint is based on 95 % of likely greenhouse gas emissions, primary sources are subject to variation over time; the carbon footprint is the best estimate based on reasonable costs of evaluation.

#### **A.4. Information Assurance Level**

The level of assurance of the greenhouse gas inventory at BAT Lausanne office Switzerland is 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.

The object (Lausanne office Unit) has independent verification by a third party (Totum Institute) for the carbon neutrality process, based on the guidelines of PAS Standard 2060:2014.

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

**B1. History of Greenhouse Gas Emissions (GHG)**

The carbon emissions for the period 1<sup>st</sup> of December 2016 to 30<sup>th</sup> November 2017 was 262 tCO<sub>2</sub>. This is used as the purpose for historical reductions on an absolute emissions basis.

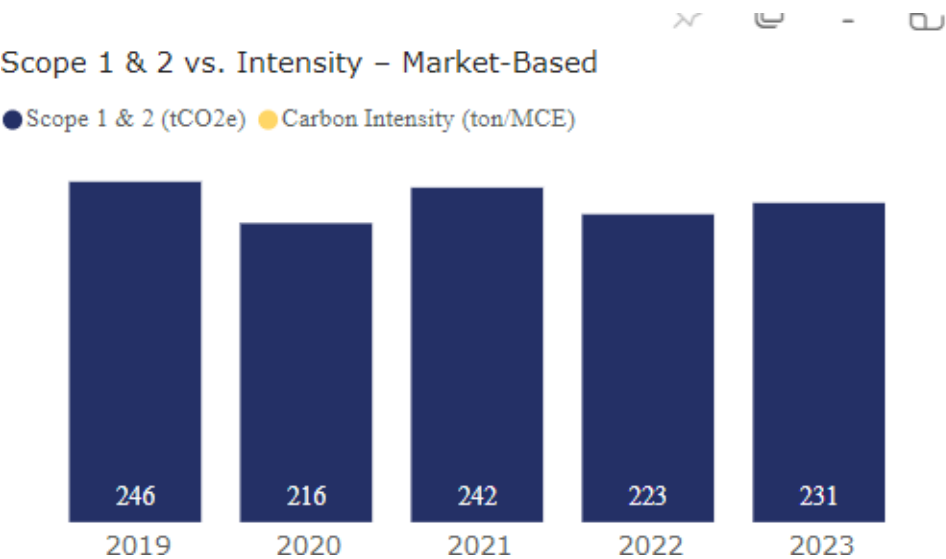
It's confirmed that the definition of the subject has not changed over the periods of assessment. Calculations for the historic period are to the same method throughout.

**B2. Description of GHG Emission Reductions in the reference year**

During 2023 there was an absolute increase of 4% in GHG emissions compared to the previous reporting year mainly due to an increase of natural gas consumption. (Information based on Credit360).

\*Calculations based on information from Credit360, excluding fugitive emissions wich began to be measured in Q3 2023.

Based on five years length from 2019 to 2023, there was an absolute reduction of 6% in GHG emissions, as shown below (information based on Credit360). \*Calculations based on information from Credit360, excluding fugitiveemissions which began to be measured in Q3 2023.





Aiming at improving GHG accounting and based on the GHG Protocol, in 2023 BAT Lausanne office began accounting for fugitive emissions using the spreadsheet provided by the GHG Protocol.

On the other hand, following BAT agenda and targets settled aiming at reducing carbon footprint upcoming years, main action ongoing process applicable to Lausanne office is:

-Turned 20% of our actual full combustible car fleet toward full Electric vehicles. Result estimation calculated is an overall annual decrease of 15 % tco2 emissions.

**CO2 emissions calculator – CAR FLEET CH (TMD)**



**B3. Description of Renewable Energy Traceability Instruments**

According to the verified inventory of emissions, the total consumption of electricity was 79 568 KWH converted to 2 tons of CO2 using the factor related to green electricity conversion (referring to the use of CR360 factors)

The BAT Lausanne office acquired Renewable Energy Certificates to guarantee the renewable origin of energy and reduce total Scope 2 emissions.

Energy consumption (scope 2) in the period was tracked by Renewable Energy Certificates issued once a year. According to the guidelines of the GHG Protocol, the recommendation is that this energy traceability instruments is highly recognized evidence of source of renewal energy with low emission.

Therefore, in reporting the emissions inventory for Scope 2, according to the methodology of the choice approach, it can be stated that the total Scope 2 emissions is 2 tco2 for the period.

## **ANNEX C - DESCRIPTION OF INSTRUMENTS FOR REDUCING THE CARBON FOOTPRINT AND FOR OFFSETTING RESIDUAL EMISSIONS**

### **C.1. 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, 320 Verified Carbon Standard credits were acquired from the Verified Carbon Standard [VCS2087 Carbon Offset China \(coupahost.com\)](https://coupahost.com/VCS2087) , for BAT Lausanne office , with 320 credits officially retired in MARCH 2024 . Proof of operation can be found in **annex E**.

[C036385-British American Tobacco Switzerland SA. Invoice pdf](#)

### **C.2. Use of Instruments for Carbon Neutrality**

Residual Scope 1 emissions, according to the inventory audited by KPMG and Instituto Totum, add up to 315,72 tons of CO<sub>2</sub>. Residual Scope 2 emissions, according to the inventory audited by KPMG and due to the market choice approach was considered 2 tons of CO<sub>2</sub>.

In this sense, the function of the 320 carbon credits acquired is to offset the emissions of 315,72 tons of CO<sub>2</sub> related to Scope 1 & 2 emissions, making the BAT Lausanne office Unit carbon neutral.

### C.3. Quality Criteria for Offset Instruments - Carbon Credits

The carbon credits acquired, as mentioned in C.1, meet all the quality criteria set forth in Norm PAS 2060:2014, namely:

- Acquired credits represent an emission reduction considered China Afforestation/ Reforestation Project – VER / T54756\_P113900
- Carbon credits were verified by an independent third party , Inc and China Quality Certification Center (CQC) and Rainforest Alliance, They were only issued after the reduction was confirmed (STX does not issue ex-ante credits).
- Carbon Credits were retired within a period of 12 months from the date of declaration of neutrality.
- The Project from which the Carbon Credits were acquired has all documentation and registration on the STX public platform, which is an international standard and a platform that has Quality Assurance Principles including additionality, permanence, leakage and avoided double counting. Link: [Carbon Credits | Strive by STX \(stxgroup.com\)](https://stxgroup.com/carbon-credits)

## ANNEX D - INDEPENDENT THIRD-PARTY VERIFICATION REPORT

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.

<sup>^</sup> 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) <sup>^</sup> - 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 <sup>^</sup>	99.99
% of tobacco hectares reported to have appropriate best practice soil and water management plans implemented <sup>^</sup>	81
% of tobacco farmers reported to grow other crops for food or as additional sources of income <sup>^</sup>	93.3
% of farms monitored for child labour <sup>^</sup>	100
% of farms with incidents of child labour identified <sup>^</sup>	0.15
Number of child labour incidents identified <sup>^</sup>	359
% of child labour incidents reported as resolved by end of the growing season <sup>^</sup>	100
% of farms monitored for grievance mechanisms <sup>^</sup>	100.0
% of farms reported to have sufficient PPE for agrochemical use <sup>^</sup>	99.99
% of farms reported to have sufficient PPE for tobacco harvesting <sup>^</sup>	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 - RETIREMENT STATEMENTS AND CARBON OFFSETTING**

Document 54754

**Quantity of Retired VCU:** 260  
**Serial Numbers:** 9892-156668452-156668711-VCS-VCU-1310-VER-CN-14-2087-01012018-31122018-1  
**Date of Retirement:** 07/03/2024 09:09:13 AM  
**Beneficial Owner:** BAT SWITZERLAND SA  
**Retirement Reason Details:** Credits were retired on behalf of BAT SWITZERLAND SA for their environmental sustainability strategy in 2023.  
**Public URL:** <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237609>



**Certificate of Verified Carbon Unit (VCU) Retirement**

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 07 Mar 2024, 260 Verified Carbon Units (VCUs) were retired on behalf of:

BAT SWITZERLAND SA

**Project Name**  
Chudu Afforestation Project


**VCU Serial Number**  
9892-156668452-156668711-VCS-VCU-1310-VER-CN-14-2087-01012018-31122018-1

**Additional Certifications**  
CCB-No Distinction

Powered by  PX

Document 56818

**Quantity of Retired VCU:** 60  
**Serial Numbers:** 9894-156819821-156819880-VCS-VCU-1310-VER-CN-14-2087-01012019-31122019-1  
**Date of Retirement:** 07/03/2024 03:44:22 PM  
**Beneficial Owner:** BAT SWITZERLAND SA  
**Retirement Reason Details:** Credits were retired on behalf of BAT SWITZERLAND SA for their environmental sustainability strategy in 2023.  
**Public URL:** <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237673>





### Certificate of Verified Carbon Unit (VCU) Retirement


Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 07 Mar 2024, 60 Verified Carbon Units (VCUs) were retired on behalf of:

BAT SWITZERLAND SA

**Project Name**  
Chudu Afforestation Project

**VCU Serial Number**  
9894-156819821-156819880-VCS-VCU-1310-VER-CN-14-2087-01012019-31122019-1

**Additional Certifications**  
CCB-No Distinction

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## Independent Limited Assurance Declaration

**BAT - Switzerland SA**

**Verification Period: February 12th 2024 to April 24th 2024**

**Process Code for PAS 2060:2014 Certification Process: IT-28-2024**

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

**BAT Switzerland SA**, contracted Instituto Totum to conduct a limited assurance assessment regarding the Carbon Neutrality Declaration ("Qualifying Explanatory Statement" document) for the Unit – Switzerland, 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 20<sup>th</sup> February 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 Switzerland 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.