

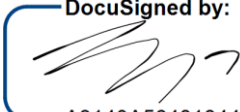


BAT – BRITISH AMERICAN TOBACCO COLOMBIA S A S

Declaration of Carbon Neutrality in accordance with PAS 2060: 2014

“Qualifying Explanatory Statement”

“Carbon¹ neutrality for the industrial/ services / logistics activities of TM&D Colombia Sites, British American Tobacco Colombia S A S, declared in accordance with PAS 2060:2014 on March 13, 2024, for the period from December 1, 2022, until November 30, 2023, certified by Instituto Totum.”

Senior Representative Name	Senior Representative Signature
Alexander Campos – Country Manager	 <p>DocuSigned by: A3140A56481844C...</p>
Date:	

Organization: British American Tobacco Colombia S.A.S.

Issue Date: March 13, 2024

Assurance Authority: Instituto Totum

Verification Report: IT-25-2024

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 CO₂eq (carbon dioxide equivalent).

INTRODUCTION

This document is the declaration of carbon neutrality to demonstrate that British American Tobacco Colombia S.A.S. Achieved carbon neutrality for its TM&D Sites located nationwide and its operation directed to sale, import, export and distribution of tobacco products and the wholesale trade of all kinds of alcoholic beverages products under the guidelines of the PAS 2060: 2014 standard, in the period from December 1, 2022, to November 30, 2023.

PAS 2060 Requirement	Explanation
Entity responsible for the declaration	British American Tobacco Colombia S. A. S
Object of declaration	<ul style="list-style-type: none"> - Products distribution such as: Tobacco cigarettes, Vapers, Alcoholic beverages. - Alcoholic Beverages and Tobacco trade.
Object Description	The BAT Colombia Sites are responsible for the distribution of cigarettes and vapers imported from other BAT markets. As well as the distribution and sale of third-party suppliers. The product is received, distributed on the different Sites, organized, and delivered to customers in their different establishments.
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 760 tCO ₂ eq for Scope 1 & 2 Total of 628 tCO ₂ eq for Scope 1 Total of 132 tCO ₂ eq for Scope 2
Total emissions (based on purchase choice) of the object in the period from December 1, 2022, to November 30, 2023.	Total of 628 tCO ₂ eq for Scope 1 Total of 0 tCO ₂ eq for Scope 2
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 neutrality for the industrial/ services / logistics / activities of TM&D Sites, British American Tobacco Colombia S.A.S., in accordance with PAS 2060:2014 on March 13, 2024, for the period from December 1, 2022, until November 30, 2023, certified by Instituto Totum.”

Senior Representative Name	Senior Representative Signature
Alexander Campos – Country Manager	
Date:	

This statement is available on the company's website at [British American Tobacco Colombia \(batcolombia.com\)](https://www.batcolombia.com) and the custody and availability of documents and reports that support the statement are the responsibility of EHS 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 BAT Colombia sites and the operation arising there from considering the GHS protocol methodology with the division of emission by Scope 1 (Fuel consumption and fugitive emission) and the Scope 2 (Energy consumption). BAT Colombia for the period from December 1, 2022, until November 30, 2023, has 12 sites nationwide located in: Cartagena Zona Franca, Cartagena Block Por, Barranquilla, Bucaramanga, Manizales, Cali, Medellin, Bogota, Madrid, Chia, Fusa Apartado. BAT Colombia is a market that receives products through import for distribution and sales projections in the different sites. In those places it stores, organizes and distributed products for delivery to the costumers through the fleet vehicles such as Cars (Electrical, Hybrid, Diesel, and Gasoline), motorcycles or for the personnel working on foot. The sites included warehouses and offices that have fire extinguishers for emergencies, air conditioner and administrative staff who connect their computers, mobile phones, printers, and other electronic items to power supply, as well as warehouses staff connecting forklift to power supply for product organization.

During the period from December 1, 2022, until November 30, 2023, BAT Colombia registered monthly 3 types of reports in the CR 360 platform to monitoring the consumption and emissions of Scope 1 and 2. The first report is "Sites and Offices" and this is filled with the total of energy consumption nationwide bases on the bills from the electricity suppliers and also the fuel consumption for power plants used as a source of energy in case of power failures in the standard grid. The second report is "Fleet Vehicles", and this is related to the fuels and energy consumption for the use of BATs own fleet. Is important to notice that during this reporting period the electrical consumption for vehicles recharging wasn't include since this charge was made in the sites of BATs, so their associated emission was already included in the "Sites and Offices" report. And finally, the third report is "Fugitive emission", and this is related to the recharge or the final disposal of refrigerant using in the fire extinguish and air conditioner in the sites.

All greenhouse gas emissions from the target plant 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.

Currently BAT Colombia is acquiring 606 IREC and 687 carbon offsets for offsetting emissions generated during the period from December 1, 2022, until November 30, 2023. The real amounts that BAT Colombia generated during this period were 628 TCO₂eq for Scope 1 and 132 TCO₂eq for scope 2.

A.2. Carbon Footprint Summary

Greenhouse gas emissions at BAT Colombia TM&D Sites, in the reference period, add up to 760 tons of CO₂eq, 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 2, the total emissions add up to 132 tons of CO₂eq.

Total emissions (based on location) from the object in the period from December 1, 2022, until November 30, 2023	Total of 760 tCO ₂ eq Scope 1 – 628 tCO ₂ eq Scope 2 – 132 tCO ₂ eq Fugitive Emissions – 0,37 tCO ₂ eq
Total emissions (based on purchase choice) of the object in the period from December 1, 2022, until November 30, 2023	Total of 628 tCO ₂ eq Scope 1 – 627,65 tCO ₂ eq Scope 2 – 0 tCO ₂ eq Fugitive Emissions – 0,37 tCO ₂ eq

CARBON OFFSETTINGS – Scope 1 BAT COLOMBIA TM&D						
Scope 1 CO2 Emissions	Und	Dec 22 – Feb 23	Mar 23 – May 23	Jun 23 – Aug 23	Sep 23 – Nov 23	Total 2023
Fleet Vehicles	TCO2	146,14	155,65	157,79	166,29	625,87
Diesel	TCO2	0,409	0,409	0,205	0,761	1,78
Fugitives Emissions	TCO2	0,052	0,0138	0,0816	0,225	0,37
TOTAL	TCO2	146,60	156,07	158,07	167,27	628

Source Credit360 Audited by KPMG

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

- Scope 1 (own emissions): 628 tons of CO₂eq.
- Scope 2 (energy purchase emissions): 132 tons of CO₂eq (referring to the use of CR360 factors)

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

- Scope 1 (own emissions): 628 tons of CO₂eq.
- Scope 2 (energy purchase emissions): zero tons of CO₂eq.

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 reference period for the declaration period is December 22 to November 2023. 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 team, and the data are entered into the reporting platform (CR360) and into the GHG Brazil Protocol Spreadsheet, which allows the calculation of CO2 emissions based on global warming potential data (GWP - Global Warming Potential) from the IPCC Fourth Assessment Report (AR4).

Observation - Input data related to Scope 1 and 2 CO2e emissions are electricity, cooling gases. Credit360 input data is converted to energy measures (GJ) and then converted to GHG emissions terms, using local factors for electricity and DEFRA factors for all emission factors (updated annually). Data from the GHG Protocol is 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: $E = \text{Emission } N_2O * GWP + \text{Emission } CH_4 * GWP$
The emission value of N2O and CH4 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 BAT Colombia TM&D 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, BAT Colombia TM&D 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 Colombia TM&D Unit, was 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 (BAT Colombia TM&D) 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

B1. History of Greenhouse Gas Emissions (GHG)

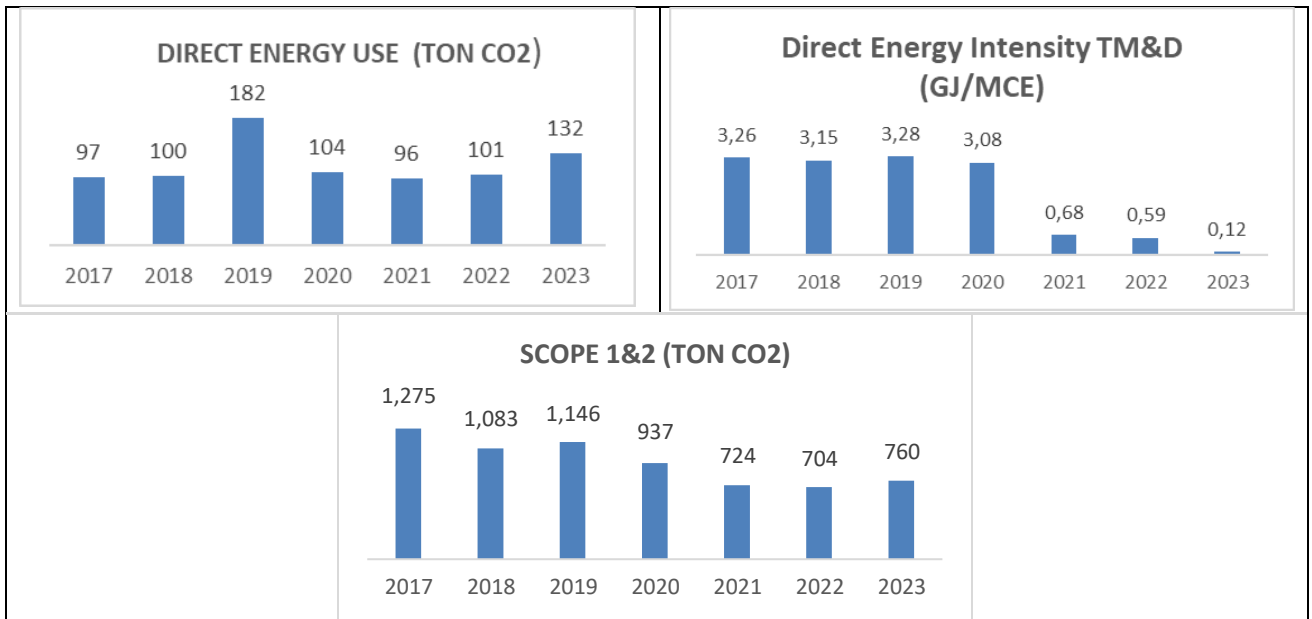
Scope 1 and 2 emissions (market-based and location-based) are tracked and compared monthly. Annual targets (projections for the next year) are defined, calculated, and compared. Projected emission reductions from energy saving activities are calculated by site engineering teams using the same emission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

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

The declaration intended by the Colombia TM&D is that of neutrality for 2023 of a certain period (December 1, 2022, to November 30, 2023), without inferences regarding past or future commitments.

B2. Description of GHG Emission Reductions in the reference year

Given that the sales portfolio in Colombia is increasing, since 2020 sales increased due to the implementation of new products in the sales catalog (products from BAT and other suppliers). Therefore, the intensity since 2020 decreased, especially for 2021 and 2023 with the sale of new products. There was a 100% reduction (market based) in the absolute value of energy consumption due to the purchase of IREC, a 31% increase (location based) and an 80% reduction in the intensity value, demonstrating an improvement in unit efficiency. In addition, there was a 40% reduction in emissions (Scope 1 and Scope 2 Location Based) of tCO₂e from 2017 to 2023, without considering fugitive and effluent.



Aiming at improving GHG accounting and based on the GHG Protocol, in 2022 BAT Colombia TM&D began accounting for fugitive emissions using the spreadsheet provided by the GHG Protocol. In the year 2023, 0,37 tons of CO₂eq were emitted.

In addition to increased production providing better efficiency, the main practical actions that resulted in reduced emissions were:

YEAR	INICIATIVE	% REDUCTION	STATUS
2020	Electric cars Implementation	-14%	DONE
2020	LED Luminaries implementation and NDR Proyecto	-43%	DONE
2021	Pegasus project: Changes in the distribution model, routes optimization, route people, type of vehicle definition in accordance with the client's volume	-25%	DONE
2021	Sites area reduction in order to reduce consumption	-8%	DONE
2022	Hybrid car implementation and Colombia bought 663 tco2 of carbon offsets in order to compensate emission during December 2021, to November 2022	-3,3%	DONE
2022	Colombia BAT bought 545 MWH in order to compensate emission generated during December 2021, to November 2022.	5%	DONE
2023	Hybrid car implementation and Colombia bought 687 tco2 of carbon offsets in order to compensate emission during December 2022, to November 2023	5,3%	DONE
2023	Colombia BAT bought 606 MWH in order to compensate emission generated during December 2021, to November 2022.	31%	DONE

B3. Description of Renewable Energy Traceability Instruments

According to the independently verified inventory of emissions, the total consumption of electricity was 576 MWh, resulting in a total emission (approach by location) of 132 TCO₂ CO₂eq

Colombia Unit acquired Renewable Energy Certificates to guarantee the renewable origin of energy and reduce total Scope 2 emissions. As Follows:

PROVIDER	TOTAL IRECS	PERIOD OF PRODUCTION	ENERGY SOURCE
STX	545	2022-12-01 to 2023-11-30	Hydro-electric
STX	61	2023-07-02 to 2023-07-02	Hydro-electric
TOTAL			606

All energy origin guarantees are from zero emission sources (hydro electrical), with a total of 606 I-RECS purchased and a total of 576 MWh of energy consumption.

Thus, all energy consumption in the period was tracked by Renewable Energy Certificates issued in the same period. According to the guidelines of the GHG Protocol, the recommendation is that the energy traceability instruments refer to the same claim period as the purchase approach. 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 zero.

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

C.1. Description of 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, BAT Colombia TM&D acquired a total of 687 credits of carbon offsets, verified were purchases carbon standard credits from VCS Project (Project type: Agriculture forestry and other land use made in China) with 629 credits officially retired. Proof of the operation can be found in the following link: <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237820> and with a leftover of carbon units 2024 with a quantity of 58 Credits were retired on behalf of British American Tobacco Colombia S.A.S for their environmental sustainability strategy in 2024. Proof of the operation can be found in the following link: <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237821>

C.3. Use of Instruments for Carbon Neutrality

Residual Scope 1 emissions, according to the inventory audited by KPMG and Instituto Totum, add up to 628 tons of CO₂eq. 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 687 carbon credits acquired is to offset the emissions of 628 tons of CO₂eq related to Scope 1, thus making the Colombia TM&D 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)
- Projects from which carbon credits originate meet the criteria of additionality, permanence and do not have the risk of double counting Chudu Afforestation Project)
- Carbon credits were verified by an independent third party (Chudu Afforestation Project), with the monitoring report available at <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237820> and <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237821>
- Carbon Credits were retired within a period of 12 months from the date of declaration of neutrality (March 8, 2024)
- 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://verra.org/project/vcs-quality-assurance-principles/> and on the public platform (Verra registry) <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237820> and <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237821>

Carbon Units for 2023 – Colombia	Leftover Carbon Units 2024- Colombia
<p>Quantity of Retired VCU: 629</p> <p>Serial Numbers: 9892-156681858-156682486-VCS-VCU-1310-VER-CN-14-2087-01012018-31122018-1</p> <p>Date of Retirement: 08/03/2024 11:24:52 AM</p> <p>Beneficial Owner: British American Tobacco Colombia S.A.S</p> <p>Retirement Reason Details: Credits were retired on behalf of British American Tobacco Colombia S.A.S for their environmental sustainability strategy in 2023.</p> <p>Public URL: https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237820</p>	<p>Quantity of Retired VCU: 58</p> <p>Serial Numbers: 9892-156682487-156682544-VCS-VCU-1310-VER-CN-14-2087-01012018-31122018-1</p> <p>Date of Retirement: 08/03/2024 11:26:15 AM</p> <p>Beneficial Owner: British American Tobacco Colombia S.A.S</p> <p>Retirement Reason Details: Credits were retired on behalf of British American Tobacco Colombia S.A.S for their environmental sustainability strategy in 2024.</p> <p>Public URL: https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=237821</p>

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.

^ 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 ₂ e emissions (thousand tonnes)	267
Scope 1 CO ₂ e emissions including fugitive emissions (thousand tonnes)	299
Scope 2 CO ₂ e emissions (market based) (thousand tonnes)	95
Scope 2 CO ₂ e emissions (location based) (thousand tonnes)	342
Scope 1 and Scope 2 CO ₂ e emissions intensity ratio (tonnes per £m revenue)	13.3
Scope 1 and Scope 2 CO ₂ e emissions intensity ratio (tonnes per EUR m revenue)	11.5
Total Scope 3 CO ₂ 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 ³)	3.16
Total water recycled (million m ³)	1.02
Total water discharged (million m ³)	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 CO₂e 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 ('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 CO₂e emissions (thousand tonnes) including the Scope 3 supply chain CO₂e 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



**THE INTERNATIONAL
REC STANDARD**

This Redemption Statement has been produced for

BRITISH AMERICAN TOBACCO COLOMBIA SAS

by

STX COMMODITIES BV

confirming the Redemption of

545.000000

I-REC Certificates, representing 545.000000 MWh of
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**Avenida Carrera 72 # 80-94 piso 9
Colombia**

in respect of the reporting period

2022-12-01 to 2023-11-30

The stated Redemption Purpose is

**Certificates were retired on behalf of British American Tobacco Colombia SAS. for electricity
consumption in the indicated period.**

Ev. STX

Redeemed Certificates

Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO ₂ / MWh)
Chivor	Colombia	Hydro-electric	Dam	No	1977-05-28	0.000000

Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0218-4177-1956.000000	0000-0218-4177-2500.999999	545.000000	Incl	2023-07-02 - 2023-07-02	Ecsim



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.



This Redemption Statement has been produced for

BRITISH AMERICAN TOBACCO COLOMBIA SAS

by

STX COMMODITIES BV

confirming the Redemption of

61.000000

I-REC Certificates, representing 61.000000 MWh of electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**Avenida Carrera 72 # 80-94 piso 9
 Colombia**


in respect of the reporting period

2023-06-01 to 2024-06-01

The stated Redemption Purpose is

Certificates were retired on behalf of British American Tobacco Colombia SAS, for electricity consumption in the indicated period.

Ev. STX



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

7 6 5 6 5 6 5 4

<https://api-internal.evident.app/public/certificates/en/FsKU9q2bBUCEd7z2RQVcOnk9O8raGpYxmWXJf%2Bdo0o576BFuSgH9zclLkftu6V%2B>

Redeemed Certificates

Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO ₂ / MWh)
Chivor	Colombia	Hydro-electric	Dam	No	1977-05-28	0.000000

Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0218-4177-6692.000000	0000-0218-4177-6752.999999	61.000000	Incl	2023-07-02 - 2023-07-02	Ecsim



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, 629 Verified Carbon Units (VCUs) were retired on behalf of:

British American Tobacco Colombia S.A.S

Project Name

Chudu Afforestation Project

VCU Serial Number

9892-156681858-156682486-VCS-VCU-1310-VER-CN-14-2087-01012018-31122018-1

Additional Certifications

CCB-No Distinction

Powered by APX



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, 58 Verified Carbon Units (VCUs) were retired on behalf of:

British American Tobacco Colombia S.A.S

Project Name

Chudu Afforestation Project

VCU Serial Number

9892-156682487-156682544-VCS-VCU-1310-VER-CN-14-2087-01012018-31122018-1

Additional Certifications

CCB-No Distinction

Powered by APX



Independent Limited Assurance Declaration

British American Tobacco Colombia S.A.S.

Verification Period: February 08th 2024 to April 15th 2024

Process Code for PAS 2060:2014 Certification Process: IT-25-2024

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

British American Tobacco Colombia S.A.S, contracted Instituto Totum to conduct a limited assurance assessment regarding the Carbon Neutrality Declaration (“Qualifying Explanatory Statement” document) for the Unit – Colombia, for the period from *December 1st 2022 to November 30th 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 13th 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 Colombia 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.