


BAT – Fiedler & Lundgren AB

Declaration of Carbon Neutrality in accordance with PAS 2060: 2014

“Qualifying Explanatory Statement”

“Carbon Neutrality for the operational activities of Fiedler & Lundgren AB in Malmö, Sweden, declared in accordance with standard PAS 2060: 2014 on April 22, 2024, for the period from December 1st, 2022, to November 30th, 2023, certified by the Totum Institute.”

| Senior Representative Name | Senior Representative Signature |
|--|--|
| Michaela Brendel Plant Manager Sweden CEO, Fiedler & Lundgren AB |  <small>DocuSigned by: 620DC88104B74F4...</small> |
| Date: 23/04/2024 | |

Organization: Fiedler & Lundgren AB, Malmö, Sweden

Issue Date: April 22, 2024

Assurance Authority: Totum Institute

Verification Report: IT-31-2024

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 Fiedler & Lundgren AB achieved carbon neutrality for its operations at the industrial plant in Malmö, Sweden under the guidelines of the PAS 2060: 2014 standard, in the period from December 1, 2022, to November 30, 2023.


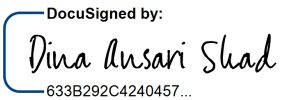
| PAS 2060 Requirement | Explanation |
|--|---|
| Entity responsible for the declaration | Fiedler & Lundgren AB |
| Object of declaration | Fiedler & Lundgren AB facilities in Malmö, Sweden. |
| Object Description | <p>Fiedler & Lundgren AB is the operational unit of BAT Group in Sweden. It operates a factory manufacturing oral nicotine products, such as tobacco and nicotine pouches.</p> <p>The tobacco pouches process includes reception of raw tobacco, milling, mixing, and preparing the tobacco for mechanized manufacturing of pouches by adding flavor, casing, and packing the pouches in cans.</p> <p>Manufactured products are then stored and dispatched.</p> <p>The nicotine pouches process includes reception of MCC, mixing and preparing the MCC for mechanized manufacturing by adding flavor, nicotine and packing the pouches into cans. Manufactured products are then stored and dispatched.</p> <p>The site consists of owned factory building, including warehouse facilities and offices for administration, such as Finance, IT and HR.</p> |
| 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 80 tCO ₂ eq (Base Credit360, Location Based + Fugitive Emissions) |
| Total emissions (based on purchase choice) of the object in the period from December 1, 2022, to November 30, 2023. | Total of 36 tCO ₂ eq (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 Neutrality for the operational activities of Fiedler & Lundgren AB in Malmö, Sweden, declared in accordance with standard PAS 2060: 2014 on April 22, 2024, for the period from December 1st, 2022, to November 30th, 2023, certified by the Totum Institute.”

| Senior Representative Name | Senior Representative Signature |
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| Michaela Brendel Plant Manager Sweden CEO, Fiedler & Lundgren AB Date: 23/04/2024 |  <small>620DC88104B74F4...</small> |
| Dina Ansari Shad Senior Legal Counsel Board member, Fiedler & Lundgren AB Date: 23/04/2024 |  <small>633B292C4240457...</small> |

This statement is available on the website batsweden.se 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

Fiedler & Lundgren AB is the operational unit of BAT Group located in Malmö, Sweden. It operates a factory manufacturing oral nicotine products, such as tobacco and nicotine pouches.

The tobacco pouches process includes reception of raw tobacco, milling, mixing, and preparing the tobacco for mechanized manufacturing of pouches by adding flavor, casing, and packing the pouches in cans. Manufactured products are then stored and dispatched.

The nicotine pouches process includes reception of MCC, mixing and preparing the MCC for mechanized manufacturing by adding flavor, nicotine and packing the pouches into cans. Manufactured products are then stored and dispatched.

The site consists of owned factory building, including warehouse facilities and offices for administration, such as Finance, IT and HR.

A.2. Carbon Footprint Summary

Greenhouse gas emissions at Fiedler & Lundgren AB, in the reference period, add up to 80 tons of CO₂eq, considering the Scope 2 location-based approach, based on the Global Warming Potential (GWP) data from the Fourth IPCC Assessment Report (AR4).

Fiedler & Lundgren AB is purchasing 100% renewable electricity (GoO). Accordingly, Scope 2 emissions on market-based approach is zero. Considering the market choice approach in Scope 2, the total emissions add up to 36 tons of CO₂eq.

Scope 1 tCO₂e

| | |
|--|---------------|
| Emissions from use of fuel | 12.879 |
| Fleet Vehicles - fuel | 12.879 |
| Management vehicles | 12.879 |
| Diesel | 5.757 |
| Petrol/gasoline | 7.090 |
| Emissions from use on site | 0.000 |
| Biodiesel | 0.000 |
| Biogas - Renewable - Certified | 0.000 |
| Fugitive and Process emissions | 23.100 |
| Air Conditioning, refrigeration, fire fighting | 23.100 |
| Wastewater treatment on site | 0.000 |

Scope 2 tCO₂e (Market based)

| | |
|---|--------------|
| Purchased energy - on site use – MB | 0.000 |
| Purchased Electricity – Renewable - MB | 0.000 |

Scope 2 tCO₂e (Location based)

| | |
|---|---------------|
| Purchased energy - on site use - LB | 43.925 |
| Purchased Electricity – Renewable - LB | 43.913 |

A.3. Standards and Methodologies Used

The reference period covered is from December 1st, 2021, to November 30th, 2022, aligned with BAT annual ESG reporting period and based on monthly reporting of environmental data into BAT’s global reporting system CR360.

This report was prepared according to the PAS 2060 standards and specification, with guidance obtained during the verification process of Greenhouse Gas emission inventory. In addition, energy reporting and calculation of the carbon footprint has been guided by the standards of Greenhouse Gas Protocol, International Energy Agency (IEA), DEFRA/BEIS, Carbon Disclosure Project (CDP) and GRI 305 and GRI 302 respectively. The BAT environmental reporting system has been designed following the same above-mentioned guidelines and principles, and all its subsidiaries shall adhere to same when conducting their environmental reporting on quarterly basis.

Scope 1 and 2 emissions. All activities considered material in scope 1 and 2 have been included. Fugitive emissions have been included.

Scope 3 emissions are excluded from this statement. Scope 3 emissions are reported at the Group level, as no breakdown for region or countries is available due to the data collection ways. Scope 3 emissions for Sweden are fully and duly reported for the market, however, management of the emissions and reduction initiative are managed at the group level.

The data inventories on GHG emission sources and standard conversion factors derived as per BAT referred international reporting standards are used in modelling the CO2 quantities emitted from each source that are considered as direct and indirect categories and attributed to scope 1 & 2 accordingly on monthly basis.

Input data related to Scope 1 and 2 CO2e emissions are biogas, electricity, refrigeration gases, plant effluent treatment data and fuel. 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 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). |
|--|

Fiedler & Lundgren AB 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, Fiedler & Lundgren AB's 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 Fiedler & Lundgren AB unit, carried out by the independent organization KPMG and Totum Institute, 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%.

Fiedler & Lundgren AB 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.

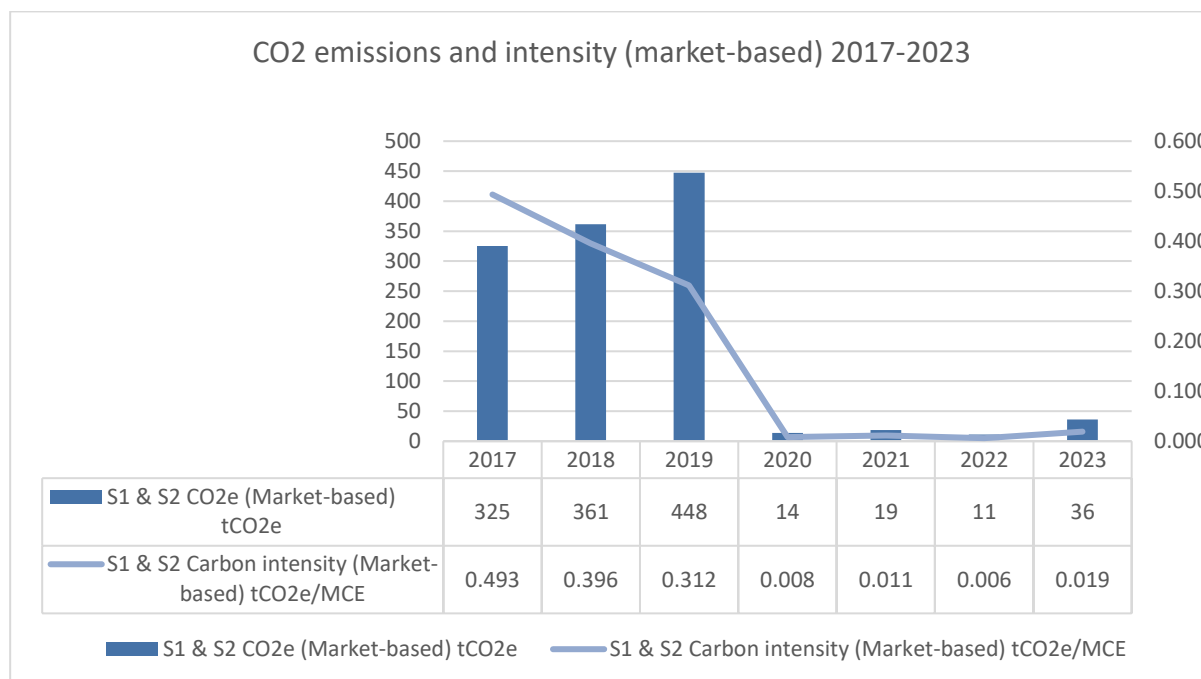
ANNEX B - DESCRIPTION OF THE GREENHOUSE GAS EMISSION REDUCTIONS THAT PROVIDE THE BASIS FOR THE DECLARATION

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 development of CO₂e and carbon intensity for the site can be found in the graph below for the period 2017-2022. Most significant reductions achieved took place in 2020 period through transition to certified biogas and renewable electricity (GoO). Fiedler & Lundgren AB's continued investment into renewable energy is a key pillar of the entity's Environmental policy statement.

The declaration intended by the Fiedler & Lundgren AB unit 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

During 2023 there was a slight increase in GHG emissions compared to the previous three years. After transition to certified biogas and renewable electricity, remaining emissions are from car fleet and fugitive emissions. A new policy for benefit cars will ensure transition to electrification of fleet at renewal period of each car. Vehicle fleet emissions during 2023 were on the same level as previous years.

The main contributor to the increased emissions is fugitive emissions, which originate from refilling refrigerant in two cooling machines during the reporting period. The fugitive emissions began to be measured in 2021, aiming at improving GHG accounting and using the spreadsheet provided by the GHG Protocol.

B2.1 Reduction through Regular Monitoring and Continuous Interventions

Whilst Fiedler & Lundgren AB is using fully certified renewable energy sources since 2020, the entity has continued to focus on driving improved insights into the entity's energy use on more granular level to improve its energy efficiency. To achieve this, Fiedler & Lundgren AB in the end of 2021 has commenced submeter installations to achieve level 2 metering by 2024, along with a technical system to consolidate and analyze the data received from submeters. The site has further started up Enercon meetings to assess the data and trigger interventions as required and to set longer-term actions and projects to increase energy efficiency. This work has continued during 2023 and resulted in active energy reduction at small cost, such as detecting and fixing compressed air leakages, as well as bigger energy efficiency projects such as ventilation upgrades and installation of heat recovery from air compressors. Energy intensity has decreased by 7 % in 2023 compared to 2022.

B2.2 Reduction from Efficiency Improvement Focus

Fiedler & Lundgren AB's continued investment into renewable energy, certified biogas and hydropower electricity (GoO), is and remains the key pillar of the entity's continued commitment to sustainability. The entity continues to focus on gradual exchange of obsolescent equipment with more energy efficient equipment on site in line with long-term capital expenditure plan. Further the site's production effectiveness has increased considerably since 2020 leading to reduced amount of production shifts and hence reduced energy consumption.

With regards to fugitive emissions, Fiedler & Lundgren AB continues to optimize the number of its cooling aggregates, aims to replace obsolescent equipment with less impactful equipment and to work on a long-term strategy to reduce potential fugitive emissions together with applicable service suppliers.

Since the majority of remaining emissions stem from management fleet vehicles, Fiedler & Lundgren AB has started work with new green mobility standard for new benefit cars for management and long-term aims at electrification of fleet (including hybrids). This shall be considered at the renewal period of each fleet car. The site's infrastructure for electrical charging units was extended to support this transition.

B3. Description of Renewable Energy Traceability Instruments

Since January 2020, Fiedler & Lundgren AB has contracted purchase of 100% hydroelectric power through its supplier Elkraft Sverige AB. For this purpose, Elkraft Sverige AB purchases guarantees of origin (GoOs) corresponding to Fiedler & Lundgren AB's annual consumption.

Further Fiedler & Lundgren AB continues to invest in using certified biogas in its operation.

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 are described in B.3.

C.2. Description of Offset Instruments – Carbon Credits

The VCU were issued in accordance to Verified Carbon Standard (VCS) protocols. The issuance and ownership of these instruments are tracked in Verra Registry using unique serial numbers to prevent double counting or double selling. Details about the instruments are listed below.

Quantity of Retired VCU: 36

Serial Numbers: 13350-492459726-492459761-VCS-VCU-394-VER-CO-14-2512-01012019-31122019-1

Date of Retirement: 07/03/2024 09:19:26 AM

Beneficial Owner: Fiedler & Lundgren AB

Retirement Reason Details: Credits were retired on behalf of Fiedler & Lundgren AB as part of its climate strategy in the 2023 reporting period.

Public URL: <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=233271>

Project: VCS VCU 2512 (Afforestation of degraded grasslands in Vichada, Colombia)

Project type: Agriculture Forestry and Other Land Use

C.3. Use of Instruments for Carbon Neutrality

Residual Scope 1 emissions, according to the inventory audited by KPMG and Totum Institute, add up to 36 tons of CO₂eq. Residual Scope 2 emissions, according to the inventory audited by KPMG and due to the market choice approach using the GoOs (according to item B.3), were considered zero.

In this sense, the function of the 36 carbon credits acquired is to offset the emissions of 36 tons of CO₂eq related to Scope 1, thus making the Fiedler & Lundgren AB entity carbon neutral.

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

Carbon offsets meet the requirements of PAS 2060: 2014 standard, including:

- a) Offsets generated or allowance credits surrendered represent genuine, additional GHG emission reductions elsewhere.
- b) Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage, and double counting.
- c) Carbon offsets are verified by an independent third-party verifier.
- d) Credits from Carbon offset projects are only issued after the emission reduction has taken place.
- e) Credits from carbon offset projects are retired within 12 months from the date of the declaration of achievement.
- f) Credits from carbon offset projects are supported by publicly available project documentation on a registry, which shall provide information about the offset project, quantification methodology, and validation and verification procedures.
- g) Credits from carbon offset projects are stored and retired in an independent and credible registry.

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 116 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
16 Canada Square
London E14 6GL
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

'Guarantee of Origin' for the supplied renewable electricity, specifically hydroelectric power, from supplier Elkraft Sweden AB to Fiedler & Lundgren AB site for contractual years 2022 and 2023.

FIEDLER & LUNDGREN AB
have chosen **2023**
100% hydroelectric power

This certifies that the delivery of electricity to your company is produced exclusively from hydroelectric power. Elkraft Sverige AB has for this purpose purchased guarantees of origin to a volume corresponding to your annual consumption.

This is guaranteed by the "Guarantee of Origin" – origin labelled Electricity – also known as GoO(s) in accordance with Article 5 of EU Directive 2009/28/EC, to promote the use of energy from renewable sources.

Micael Nilsson
 CEO Elkraft Sverige AB

FIEDLER & LUNDGREN AB
have chosen **2022**
100% hydroelectric power

This certifies that the delivery of electricity to your company is produced exclusively from hydroelectric power. Elkraft Sverige AB has for this purpose purchased guarantees of origin to a volume corresponding to your annual consumption.

This is guaranteed by the "Guarantee of Origin" – origin labelled Electricity – also known as GoO(s) in accordance with Article 5 of EU Directive 2009/28/EC, to promote the use of energy from renewable sources.

Micael Nilsson
 CEO Elkraft Sverige AB

Biogas certificates based on contracted supply of 100% biogas as renewable energy source from supplier E.ON to Fiedler & Lundgren AB site for contractual year 2022 and from supplier Axpo for contractual year 2023.



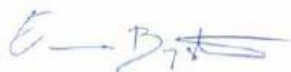
Fiedler & Lundgren AB

Köper biogas under avtalstiden. Biogas är ett förnybart bränsle som bildas när organiskt material bryts ned, och ger därför inget nettotillskott av koldioxid vid förbränning. Koldioxidutsläppen minskas med cirka 205 kg/MWh* i jämförelse med naturgas.

Vi garanterar att er årsförbrukning framställs i form av biogas.

Intyget gäller för 20220101 - 20221231

Bästa hälsningar



Emma Borgström
Head of Energy Sales B2B
E.ON Energilösningar AB

*baserat på genomsnitt för år 2016.





Axpo Sverige AB, Stortorget 29, 211 34 Malmö, Sweden

Fielder & Lundgren AB

Responsible Pär Gustavsson, Head Portfolio Management
E-mail Par.gustavsson@axpo.com
Extension T + 46 705 85 58 26
Date 13 March 2024

Confirmation of biogas 2023 and 2024

This is to confirm that all the gas that Fielder & Lundgren AB bought from Axpo Sverige AB for year 2023 was certified biogas according to one of the EU Commission's approved systems, NTA 8080, ISCC or equivalent.

For year 2024 have Axpo Sverige AB and Fielder & Lundgren AB signed an agreement that Axpo Sverige AB will supply Fielder & Lundgren AB with certified biogas according to one of the EU Commission's approved systems, NTA 8080, ISCC or equivalent.

Best regards

Pär Gustavsson
Head Portfolio Management

Axpo Sverige AB
Neptungatan 70, 211 18 Malmö, Sweden
T +46 40 10 77 70,
www.axpo.com

Full of energy

Carbon credits retired for Fiedler & Lundgren AB for verification period December 1st, 2022, to November 30th, 2023.

| |
|---|
|  |
|  |
| <h2>Certificate of Verified Carbon Unit (VCU) Retirement</h2> |
| <p>Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 07 Mar 2024, 36 Verified Carbon Units (VCUs) were retired on behalf of:</p> |
| <p>Fiedler & Lundgren AB</p> |
| <p>Project Name AFFORESTATION OF DEGRADED GRASSLANDS IN VICHADA, COLOMBIA</p> |
| <p>VCU Serial Number 13350-492459726-492459761-VCS-VCU-394-VER-CO-14-2512-01012019-31122019-1</p> |
| <p>Additional Certifications CCB-No Distinction</p> |
| <p>Powered by  APX</p> |



Independent Limited Assurance Declaration

BAT - Fiedler & Lundgren AB, Malmö - Sweden

Verification Period: February 08th 2024 to April 21th 2024

Process Code for PAS 2060:2014 Certification Process: IT-31-2024

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

Fiedler & Lundgren AB, Malmö - Sweden, contracted Instituto Totum to conduct a limited assurance assessment regarding the Carbon Neutrality Declaration (“Qualifying Explanatory Statement” document) for the Unit – Malmö - Sweden, 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 27th 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 Malmö - Sweden 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.