

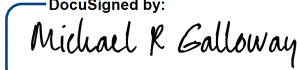


RJ Reynolds Tobacco Company, Inc.

Declaration of Carbon Neutrality in accordance with PAS 2060: 2014

“Qualifying Explanatory Statement”

“Carbon neutrality for the industrial/services/logistics activities of RJ Reynolds Tobacco Company of Bowman Gray Technical Center (BGTC), North Carolina in accordance with PAS 2060:2014 on April 23.00 , 2024, for the period from December 1, 2022 until November 30, 2023, certified by Instituto Totum.”

| Senior Representative Name | Senior Representative Signature |
|----------------------------|---|
| Michael R Galloway | <div>DocuSigned by:  3BAD175130BF44E...</div> |
| Date: 4/23/2024 | |

Organization:

RJ Reynolds Tobacco Company, Inc.

Issue Date:

April 23, 2024

Assurance Authority:

Instituto Totum

Verification Report:

IT-43-2024

Neutrality Period:

12/01/2022 to 11/30/2023

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 RJ Reynolds Tobacco Company, Inc. achieved carbon neutrality for its operations at the industrial plant in BGTC, North Carolina under the guidelines of the PAS 2060: 2014 standard, in the period from December 1, 2022 to November 30, 2023.

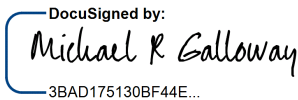
| PAS 2060 Requirement | Explanation |
|--|--|
| Entity responsible for the declaration | RJ Reynolds Tobacco Company, Inc. |
| Object of declaration | Activities carried out at the BGTC Unit in Winston-Salem, North Carolina |
| Object Description | The RJRT BGTC facility in North Carolina operates as a Research & Development site and pilot factory. Related processes include reception of raw materials and samples to be used in a laboratory environment. |
| 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 8,034 tCO ₂ eq (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 17 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 industrial/services/logistics activities of RJ Reynolds Tobacco Company of Bowman Gray Technical Center (BGTC), North Carolina in accordance with PAS 2060:2014 on April 23rd, 2024, for the period from December 1, 2022 until November 30, 2023, certified by Instituto Totum.”

| | |
|----------------------------|---|
| Senior Representative Name | Senior Representative Signature |
| Michael R Galloway |  <small>DocuSigned by: Michael R Galloway 3BAD175130BF44E...</small> |
| Date: 4/23/2024 | |

This statement is available on the company's website at [Environment - Reynolds American](#) 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 BGTC Unit of the RJ Reynolds Tobacco Company, Inc., located at 950 Reynolds Blvd, Winston-Salem, North Carolina, with no change regarding the 2022 certification. In 2023 (December 2022 to November 2023) emissions reported on Credit360 were taken into account. For the year 2023, 17 and 8,017 tCO₂ were neutralized for Scope 1 & 2 respectively.

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.

The RJRT BGTC facility in North Carolina has the technology to guarantee the high level of quality of its products. Virtually all production is automated: from the moment the tobacco from the mills is opened and inserted into production, there is no longer any human handling.

RJRT BGTC uses conversion units from DEFRA, which are updated globally, for all conversions and when using the Scope 2 report by the location approach. In the market choice approach, the use of the renewable energy source guarantee instrument (Green-e), guarantees that 100% of the energy consumed (measured in MWh) comes from renewable sources and, in the case at hand, with zero emissions of greenhouse gases. To define the total emissions to be offset with carbon credits, only Scope 1 emissions remain, given that by reporting Scope 2 using the market choice approach, Scope 2 emissions are zero.

A.2. Carbon Footprint Summary

Greenhouse gas emissions at the RJRT BGTC Unit, in the reference period, add up to 8,034 tonnes of CO₂eq, considering the Scope 2 location-based approach. Considering the market-based approach in Scope 2, the total emissions add up to 17 tonnes of CO₂eq.

| | | RJRT - BGTC PC US |
|---|-------------------------|----------------------|
| Q1 2023 | | |
| Scope 1 CO₂e Emissions | <i>tCO₂e</i> | 15 |
| Sites and Offices - Fuel | <i>tCO₂e</i> | 15 |
| Scope 1 - LPG - Total | <i>tCO₂e</i> | 15 |
| Scope 2 CO₂e Emissions (Location based) | <i>tCO₂e</i> | 1,726 |
| Purchased Electrical Energy - Renewable - LB | <i>tCO₂e</i> | 1,726 |
| Scope 2 CO₂e Emissions (Market based) | <i>tCO₂e</i> | 0 |
| Fugitive and Process Emissions - CO₂e (Kyoto) | <i>tCO₂e</i> | 0 |
| Q2 2023 | | |
| Scope 1 CO₂e Emissions | <i>tCO₂e</i> | 0 |
| Sites and Offices - Fuel | <i>tCO₂e</i> | 0 |
| Scope 1 - LPG - Total | <i>tCO₂e</i> | 0 |
| Scope 2 CO₂e Emissions (Location based) | <i>tCO₂e</i> | 1,853 |
| Purchased Electrical Energy - Renewable - LB | <i>tCO₂e</i> | 1,853 |
| Scope 2 CO₂e Emissions (Market based) | <i>tCO₂e</i> | 0 |
| Fugitive and Process Emissions - CO₂e (Kyoto) | <i>tCO₂e</i> | 0 |
| Q3 2023 | | |
| Scope 1 CO₂e Emissions | <i>tCO₂e</i> | 0 |
| Sites and Offices - Fuel | <i>tCO₂e</i> | 0 |
| Scope 1 - LPG - Total | <i>tCO₂e</i> | 0 |
| Scope 2 CO₂e Emissions (Location based) | <i>tCO₂e</i> | 2,360 |
| Purchased Electrical Energy - Renewable - LB | <i>tCO₂e</i> | 2,360 |
| Scope 2 CO₂e Emissions (Market based) | <i>tCO₂e</i> | 0 |
| Fugitive and Process Emissions - CO₂e (Kyoto) | <i>tCO₂e</i> | 0 |
| Q4 2023 | | |
| Scope 1 CO₂e Emissions | <i>tCO₂e</i> | 2 |
| Sites and Offices - Fuel | <i>tCO₂e</i> | 2 |
| Scope 1 - LPG - Total | <i>tCO₂e</i> | 2 |
| Scope 2 CO₂e Emissions (Location based) | <i>tCO₂e</i> | 2,077 |
| Purchased Electrical Energy - Renewable - LB | <i>tCO₂e</i> | 2,077 |
| Scope 2 CO₂e Emissions (Market based) | <i>tCO₂e</i> | 0 |
| Fugitive and Process Emissions - CO₂e (Kyoto) | <i>tCO₂e</i> | 0 |
| TOTAL | | |
| Scope 1 CO₂e Emissions | <i>tCO₂e</i> | 17 |
| Sites and Offices - Fuel | <i>tCO₂e</i> | 17 |
| Scope 1 - LPG - Total | <i>tCO₂e</i> | 17 |
| Scope 2 CO₂e Emissions (Location based) | <i>tCO₂e</i> | 8,017 |
| Purchased Electrical Energy - Renewable - LB | <i>tCO₂e</i> | 8,017 |
| Scope 2 CO₂e Emissions (Market based) | <i>tCO₂e</i> | 0 |
| Fugitive and Process Emissions - CO₂e (Kyoto) | <i>tCO₂e</i> | 0 |

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

A.3. Standards and Methodologies Used

The greenhouse gas inventory reports are based on the GHG Protocol standards and guidelines and the GRI standards. The internal management of precursor data is carried out by the ESG teams and the data are entered into the reporting platform (CR360). The global warming factors used in this report were based on IPCC assessment report number 4/5. Non-Kyoto gases were not considered in this inventory.

Observation - Input data related to Scope 1 and 2 CO₂e emissions are electricity, refrigeration gases, plant effluent treatment data and fuel (stationary internal combustion and mobile combustion of LPG-powered forklifts used for cargo handling). Credit360 input data is converted to measures of energy (GJ) and then converted into GHG emissions terms, using DEFRA factors for all emissions factors (updated annually).

The BGTC Unit reports its monthly environmental KPIs on Credit360. Data is reviewed by the regional sustainability team and checked at the Group level for consistency. On an annual basis, site 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 BGTC Unit, carried out by the independent organization KPMG and Instituto Totum, was limited, covering Scope 1 and 2 (according to the GHG Protocol) and other KPIs reported in the ESG panels. The Totum Institute limited itself to verifying the fugitive emissions and effluent emissions, belonging to Scope 1.

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

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.

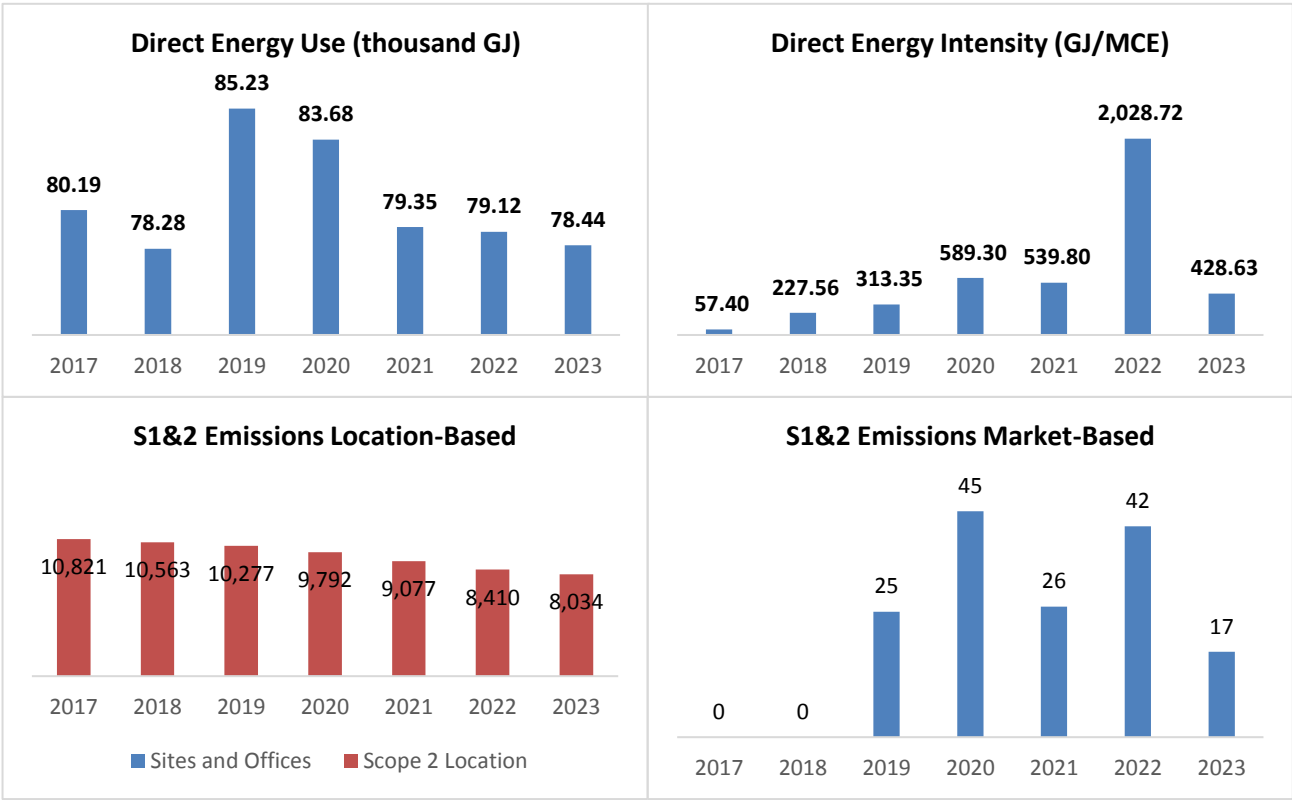
As of 2019, BAT also started to adopt the internal carbon price (shadow price) to encourage carbon reduction projects.

The declaration intended by the BGTC 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 an increase in production volume of 369% compared to 2022. There was also a decrease of 0.9% in energy consumption, which drove the decrease in energy intensity.

In the period from 2017 to 2023, there was an absolute reduction of 25.8%* in GHG emissions, as shown below (information based on location-based Credit360 data). *Calculations based on information from Credit360, as fugitive emissions and began to be measured in 2022.



Aiming at improving GHG accounting and based on the GHG Protocol, in 2022 the BGTC Unit began accounting for fugitive emissions using the spreadsheet provided by the GHG Protocol, though in 2023 there were no emissions from this category.

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

1. Buildings are controlled by Building Management System (BMS) and optimized to reduce electricity consumption from lighting, conditioning, and equipment
2. Electric leased and purchased industrial vehicles. They also include efficiency features such as regenerative braking to reduce energy consumption
3. Replacing HVAC equipment for increased energy efficiency
4. Replacing sodium halide lighting for LED lighting in the pilot plant area for increased energy efficiency

B3. Description of Renewable Energy Traceability Instruments

According to the independently verified inventory of emissions, the total consumption of electricity from the BGTC unit was 9,588,715 kWh or 9,589 MWh, resulting in a total emission (approach by location) of 8,017 tons of CO₂eq (referring to the use of CR360 factors).

The RJ Reynolds Tobacco Company, on behalf of RJRT BGTC, acquired Renewable Energy Certificates for all electricity used by US sites collectively to guarantee the renewable origin of energy and reduce total Scope 2 emissions. The total MWh consumption of the US was 228,075 between all sites in the period from December 1, 2022 to November 30, 2023.

The basic commercial terms of the Green-E RECs (see Annex E) were presented for the reporting period from 12/01/2022 to 11/30/2023, as follows:

H1 Basic Commercial Terms:

| | |
|--------------------------------------|--|
| Trade Date: | 16 June 2023 |
| Transaction Reference: | 020002233 |
| Seller: | SCB & Associates Ltd |
| Buyer: | RJ Reynolds Tobacco Company |
| Facility: | Sellers Choice |
| Eligible Renewable Resource Type: | Solar / Wind |
| Geography: | USA sited |
| Period Type [Generation, Reporting]: | Generation |
| Time Period: | BH 2022: Production between 01 July 2022 – 31 December 2022 |
| Quantity (REC): | 102,200 MWh |
| Contract Price (\$/REC): | USD 2.40 |
| Total Amount: | USD 245,280 |
| Payment Due Date: | Telegraphic payment of the Total Amount in full within 60 calendar days from the date of the relevant invoice. |

Product Specific Terms:

| | |
|--|---------|
| Applicable Standard(s): | Green-e |
| Environmental Attributes retained by Seller, if any: | None |
| Media Rights Conferred [yes, no] | No |

Delivery Terms:

| | |
|--|---|
| Retirement Date: | Seller shall retire the RECS on or before 30 November 2023. |
| Delivery Obligation [Firm, Unit Contingent, Project Contingent]: | Firm |
| Applicable Tracking System: | Seller's choice |
| Buyer Tracking Account Name: | N/A |
| Attestation Form: | Provided by Seller |
| Buyer Delivery Contact [Name, Email]: | Steven Jones, Steven K.joness25@RJRT.com |
| Seller Delivery Contact [Name, Email]: | Carbon Operations Department, Opscarbon@starcb.com |

(12/01/2022 – 05/31/2023):H2 (06/1/2023 – 11/30/2023):

Basic Commercial Terms:

| | |
|--------------------------------------|--|
| Trade Date: | 29 November 2023 |
| Transaction Reference: | 020002512 |
| Seller: | SCB & Associates Ltd |
| Buyer: | RJ Reynolds Tobacco Company |
| Facility: | Seller's Choice |
| Eligible Renewable Resource Type: | Any |
| Geography: | USA sited |
| Period Type [Generation, Reporting]: | Generation |
| Time Period: | 2023: Production between 01 January 2023 – 31 December 2023 |
| Quantity (REC): | 125,000 MWh |
| Contract Price (\$/REC): | USD 2.48 |
| Total Amount: | USD 310,000.00 |
| Payment Due Date: | Telegraphic payment of the Total Amount in full within 30 calendar days from the date of the relevant invoice. |

Product Specific Terms:

| | |
|--|------------------------------|
| Applicable Standard(s): | CRS-Listed, Green-e eligible |
| Environmental Attributes retained by Seller, if any: | None |
| Media Rights Conferred [yes, no] | No |

Delivery Terms:

| | |
|--|--|
| Retirement Date: | Seller shall retire the RECs on behalf of R.J. Reynolds Tobacco Company on or before 22 December 2023. |
| Delivery Obligation [Firm, Unit Contingent, Project Contingent]: | Firm |
| Applicable Tracking System: | Seller's choice |
| Buyer Tracking Account Name: | N/A |
| Attestation Form: | Provided by Seller |
| Buyer Delivery Contact [Name, Email]: | Coddy Adkins, adkinsj1@rjrt.com |
| Seller Delivery Contact [Name, Email]: | Carbon Operations Department, |

Final 2023 (12/01/2022 – 11/30/2023):

Basic Commercial Terms:

| | |
|--------------------------------------|--|
| Trade Date: | 30 January 2024 |
| Transaction Reference: | 020002594 |
| Seller: | SCB & Associates Ltd |
| Buyer: | RJ Reynolds Tobacco Company |
| Facility: | Seller's Choice |
| Eligible Renewable Resource Type: | Any |
| Geography: | CY23 US Sited GE CRS RECS (any tech) |
| Period Type [Generation, Reporting]: | Generation |
| Time Period: | 2023: Production between 01 January 2023 – 31 December 2023 |
| Quantity (REC): | 1,000 RECs |
| Contract Price (\$/REC): | USD 2.48 / REC |
| Total Amount: | USD 2,480.00 |
| Payment Due Date: | Telegraphic payment due of the Total Amount in full within 30 calendar days from the date of the relevant invoice. |

Product Specific Terms:

| | |
|--|------------|
| Applicable Standard(s): | CRS Listed |
| Environmental Attributes retained by Seller, if any: | None |
| Media Rights Conferred [yes, no] | No |

Delivery Terms:

| | |
|--|--|
| Retirement Date: | Seller shall retire the RECs on behalf of the Buyer on or before 12 February 2024. |
| Delivery Obligation [Firm, Unit Contingent, Project Contingent]: | Firm |
| Applicable Tracking System: | Seller's choice |
| Buyer Tracking Account Name: | N/A |
| Attestation Form: | Provided by Seller |
| Buyer Delivery Contact [Name, Email]: | Coddy Adkins, adkinsj1@rjrt.com |
| Seller Delivery Contact [Name, Email]: | Carbon Operations Department, Opscarbon@starcb.com |

All energy origin guarantees are from various zero emission sources, with a total of 228,200 RECs purchased and a total of 228,075 MWh of energy consumption for all sites in the US.

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, 6,611 and 4,861 American Carbon Registry credits were acquired from the ACR 509 Kite Hammock Project and ACR 508 Otter Creek Project in Levy County, Florida (forest conservation). Of the 11,472 total credits acquired, 17 credits were officially retired (or cancelled) on behalf of RJRT BGTC. Proof of operation can be found in the link below:

[Kite Hammock IFM](#)

[Otter Creek IFM](#)

The verified carbon units (reductions) were commenced in September 2017 and registered in January 2022. The project methodology was developed in compliance with the ACR Project Standard, Version 6.0 and follows the approved ACR Improved Forest Management Methodology Version 1.3.

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 17 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 11,472 total carbon credits acquired from the two projects to offset the emissions of 17 tons of CO₂eq related to Scope 1, thus making the BGTC Unit 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 (Kite Hammock IFM-Forest Conservation Project and Otter Creek IFM – Forest Conservation Project).
- Projects from which carbon credits originate meet the criteria of additionality, permanence and do not have the risk of double counting (Kite Hammock IFM-Forest Conservation Project and Otter Creek IFM – Forest Conservation Project).
- Carbon credits were verified by an independent third party (S&A Carbon, LLC), with the monitoring reports and other project documentation available here for [Kite Hammock](#) and here for [Otter Creek](#).
- Carbon Credits were retired within a period of 12 months from the date of declaration of neutrality (April 4, 2024).
- The Project from which the Carbon Credits were acquired has all documentation and registration on the ACR public platform, which is an international standard and a platform that has Quality Assurance Principles including additionality, permanence, leakage and avoided double counting. Details available on the public platform (ACR registry) [ACR \(apx.com\)](#)

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;
- Performing 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

RJRT BGTC Carbon Offset Retirement

| SITE | Annual Scope 1 emissions tCO2e | Retired tCO2e | Retirement link | Retirement date |
|-----------------|--------------------------------|---------------|---|-----------------|
| Clarksville | 2,977 | 2,977 | Kite Hammock Otter Creek | April 4, 2024 |
| Memphis | 2,820 | 2,820 | | |
| Taylor Brothers | 840 | 840 | | |
| BGTC | 17 | 17 | | |
| TOTAL | 6,654 | 6,654 | | |

[EXTERNAL]ACR: Notification of Credit Retirement

 ACR Administrator <acr@winrock.org>
To  callum@starcb.com;  jin@starcb.com

 Reply  Reply All  Forward  

Thu 4/4/2024 11:32 AM

ACR Retirement Notification

This email is to acknowledge that on Apr 4 2024 3:31PM, SCB Environmental Markets SA retired 6611 Credits. The Credits were issued by the ACR following a rigorous project registration process used to ensure the originating offset project contributes to real and additional emission reductions.

The issuance and ownership of these ACR Credits have been tracked on the ACR using unique serial numbers to prevent double counting and double selling. The retirement of these Credits on the ACR is permanent, and the retired Credits cannot be held, transferred or retired by any other party. Details on the retired Credits are included below.

Quantity of retired Credits: 6611
Credit serial numbers: ACR-US-509-2017-1430-6776 to 13386
Date of retirement: Apr 4 2024 3:31PM
Credit retirement reason details: On Behalf of Third Party; Retired on behalf of RJ REYNOLDS TOBACCO COMPANY

Originating carbon offset project: Kite Hammock IFM
Vintage: 2017
Project type: Forest Carbon
Project state: FL

Visit <https://acrcarbon.org> for more information about the ACR. You can view public records of retired credits by viewing either the Search Serial Numbers report or the Retired Credits report. Within each report, you will be able to access more information about the offset project, including project documentation.



[EXTERNAL]ACR: Notification of Credit Retirement



ACR Administrator <acr@winrock.org>
To callum@starcb.com; jin@starcb.com

↩ Reply

↩ Reply All

➡ Forward

⋮

Thu 4/4/2024 11:27 AM

ACR Retirement Notification

This email is to acknowledge that on Apr 4 2024 3:26PM, SCB Environmental Markets SA retired 1808 Credits. The Credits were issued by the ACR following a rigorous project registration process used to ensure the originating offset project contributes to real and additional emission reductions.

The issuance and ownership of these ACR Credits have been tracked on the ACR using unique serial numbers to prevent double counting and double selling. The retirement of these Credits on the ACR is permanent, and the retired Credits cannot be held, transferred or retired by any other party. Details on the retired Credits are included below.

Quantity of retired Credits: 1808
Credit serial numbers: ACR-US-508-2017-1424-4424 to 6231
Date of retirement: Apr 4 2024 3:26PM
Credit retirement reason details: On Behalf of Third Party; Retired on behalf of RJ REYNOLDS TOBACCO COMPANY

Originating carbon offset project: Otter Creek IFM
Vintage: 2017
Project type: Forest Carbon
Project state: FL

Visit <https://acrcarbon.org> for more information about the ACR. You can view public records of retired credits by viewing either the Search Serial Numbers report or the Retired Credits report. Within each report, you will be able to access more information about the offset project, including project documentation.

RJRT BGTC REC Retirement



North American Renewables Registry Certificate of Retirement

APX, Inc., in its capacity as operator and administrator of the North American Renewables Registry (NAR), hereby confirms that the following Renewable Energy Certificates ("RECs") have been retired in NAR on behalf of:

RJ Reynolds Tobacco Company
Total RECs Retired: 102,200

Retiring NAR Account Holder: SCB brokers LLC
Retirement Reason Details: Retired on behalf of RJ Reynolds Tobacco Company

| Vintage Year | Project Type | Retirement Date | Quantity |
|--------------|--------------|-------------------|----------|
| 2022 | Wind | November 28, 2023 | 102,200 |

The North American Renewables Registry is an online platform to issue, serialize and track REC. NAR meets RE100 best practices guidelines and CDP standards for procuring and reporting purchases of renewable energy. The Registry is developed and managed by APX, leveraging more than 15 years of experience in environmental markets. For more information: www.apx.com



North American Renewables Registry Certificate of Retirement

APX, Inc., in its capacity as operator and administrator of the North American Renewables Registry (NAR), hereby confirms that the following Renewable Energy Certificates ("RECs") have been retired in NAR on behalf of:

RJ Reynolds Tobacco Company
Total RECs Retired: 125,000

Retiring NAR Account Holder: SCB brokers LLC
Retirement Reason Details: Retired on behalf of RJ Reynolds Tobacco Company

| Vintage Year | Project Type | Retirement Date | Quantity |
|--------------|--------------|-------------------|----------|
| 2023 | BAW | December 22, 2023 | 61,008 |
| 2023 | BWW | December 22, 2023 | 63,992 |

The North American Renewables Registry is an online platform to issue, serialize and track REC. NAR meets RE100 best practices guidelines and CDP standards for procuring and reporting purchases of renewable energy. The Registry is developed and managed by APX, leveraging more than 15 years of experience in environmental markets. For more information: www.apx.com





North American Renewables Registry Certificate of Retirement

APX, Inc., in its capacity as operator and administrator of the North American Renewables Registry (NAR), hereby confirms that the following Renewable Energy Certificates ("RECs") have been retired in NAR on behalf of:

RJ Reynolds Tobacco Company

Total RECs Retired: 1,000

Retiring NAR Account Holder: SCB brokers LLC

Retirement Reason Details: Retired on behalf of RJ Reynolds Tobacco Company

| Vintage Year | Project Type | Retirement Date | Quantity |
|--------------|--------------|-------------------|----------|
| 2023 | BAW | February 19, 2024 | 1,000 |

The North American Renewables Registry is an online platform to issue, serialize and track REC. NAR meets RE100 best practices guidelines and CDP standards for procuring and reporting purchases of renewable energy. The Registry is developed and managed by APX, leveraging more than 15 years of experience in environmental markets. For more information: www.apx.com



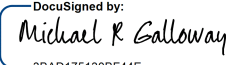
Certificate Of Completion

| | |
|---|-----------------------------|
| Envelope Id: 167390B85FC74AB690E6255C18C4644E | Status: Completed |
| Subject: Complete with DocuSign: QES_BAT_Reapplication_v1.1 - BGTC.docx | |
| Source Envelope: | |
| Document Pages: 20 | Signatures: 2 |
| Certificate Pages: 5 | Initials: 0 |
| AutoNav: Enabled | Envelope Originator: |
| Envelopeld Stamping: Disabled | Paula Mendez |
| Time Zone: (UTC-08:00) Pacific Time (US & Canada) | 401 North Main St |
| | Winston Salem, NC 27101 |
| | mendezp@rjrt.com |
| | IP Address: 201.203.117.169 |

Record Tracking

| | | |
|-----------------------|----------------------|--------------------|
| Status: Original | Holder: Paula Mendez | Location: DocuSign |
| 4/23/2024 10:30:13 AM | mendezp@rjrt.com | |

| Signer Events | Signature | Timestamp |
|---------------|-----------|-----------|
|---------------|-----------|-----------|

| | | |
|--|--|-------------------------------|
| Michael R Galloway | <div>DocuSigned by:  3BAD175130BF44E...</div> | Sent: 4/23/2024 10:37:40 AM |
| GallowM@rjrt.com | | Viewed: 4/23/2024 11:11:43 AM |
| Sr. Director - Pilot Plant | | Signed: 4/23/2024 11:13:46 AM |
| Security Level: Email, Account Authentication (None) | Signature Adoption: Pre-selected Style Using IP Address: 167.106.255.29 | |

Electronic Record and Signature Disclosure:
Accepted: 2/1/2024 7:03:32 AM
ID: b6513019-aa14-4d67-ae46-1898ba29af94

| In Person Signer Events | Signature | Timestamp |
|-------------------------|-----------|-----------|
|-------------------------|-----------|-----------|

| Editor Delivery Events | Status | Timestamp |
|------------------------|--------|-----------|
|------------------------|--------|-----------|

| Agent Delivery Events | Status | Timestamp |
|-----------------------|--------|-----------|
|-----------------------|--------|-----------|

| Intermediary Delivery Events | Status | Timestamp |
|------------------------------|--------|-----------|
|------------------------------|--------|-----------|

| Certified Delivery Events | Status | Timestamp |
|---------------------------|--------|-----------|
|---------------------------|--------|-----------|

| Carbon Copy Events | Status | Timestamp |
|--------------------|--------|-----------|
|--------------------|--------|-----------|

| | | |
|--|-------------------|-------------------------------|
| Hellen Peplowski | <div>COPIED</div> | Sent: 4/23/2024 11:13:48 AM |
| peplowh@rjrt.com | | Viewed: 4/25/2024 10:01:04 AM |
| Security Level: Email, Account Authentication (None) | | |

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

| | | |
|--|-------------------|-----------------------------|
| Cody Adkins | <div>COPIED</div> | Sent: 4/23/2024 11:13:49 AM |
| adkinsj1@rjrt.com | | |
| Senior Buyer | | |
| Security Level: Email, Account Authentication (None) | | |

Electronic Record and Signature Disclosure:
Accepted: 4/18/2024 2:31:51 PM
ID: 560d211c-0200-42e8-bd16-cc4fc897ee5f

| Carbon Copy Events | Status | Timestamp |
|--|-------------------|--|
| Paula Mendez mendezp@rjrt.com Buyer Support BAT Security Level: Email, Account Authentication (None) | <div>COPIED</div> | Sent: 4/23/2024 11:13:50 AM Resent: 4/23/2024 11:13:51 AM |
| Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |

| Witness Events | Signature | Timestamp |
|----------------|-----------|-----------|
|----------------|-----------|-----------|

| Notary Events | Signature | Timestamp |
|---------------|-----------|-----------|
|---------------|-----------|-----------|

| Envelope Summary Events | Status | Timestamps |
|-------------------------|------------------|-----------------------|
| Envelope Sent | Hashed/Encrypted | 4/23/2024 10:37:40 AM |
| Envelope Updated | Security Checked | 4/23/2024 10:40:42 AM |
| Certified Delivered | Security Checked | 4/23/2024 11:11:43 AM |
| Signing Complete | Security Checked | 4/23/2024 11:13:46 AM |
| Completed | Security Checked | 4/23/2024 11:13:50 AM |

| Payment Events | Status | Timestamps |
|----------------|--------|------------|
|----------------|--------|------------|

| Electronic Record and Signature Disclosure |
|--|
|--|

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, RJ Reynolds (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact RJ Reynolds:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: vendors@rjrt.com

To advise RJ Reynolds of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at vendors@rjrt.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from RJ Reynolds

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to vendors@rjrt.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with RJ Reynolds

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to vendors@rjrt.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify RJ Reynolds as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by RJ Reynolds during the course of your relationship with RJ Reynolds.