

# Qualifying Explanatory Statement

(As per PAS 2060)

Document Preparation	
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## British American Tobacco /Jordan PSC

### Carbon Neutrality Statement according to PAS 2060: 2014

#### “Qualifying Explanatory Statement”

*“Carbon Neutrality for the industrial/ services / logistics / activities of British American Tobacco /Jordan PSC, declared in accordance with standard PAS 2060: 2014 on DATE, for the period from December 1<sup>st</sup>, 2022 to November 30<sup>th</sup> 2023, certified by the Totum Institute.”*

Name of the Senior Representative	Signature of the Senior Representative
Michel Aoun, Operations Manager	
Date: 12/03/2024	

Company: British American Tobacco /Jordan PSC

Issue Date: 12<sup>th</sup> March 2024

Assurance Authority: Totum Institute

Verification Report: IT-36-2024

Neutrality Report: December 1<sup>st</sup>, 2022 to November 30<sup>th</sup>, 2023

Previous Certifications Obtained:

- December 1<sup>st</sup>, 2021 to November 30<sup>th</sup> 2022
- December 1<sup>st</sup>, 2020 to November 30<sup>th</sup>, 2021

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

## INTRODUCTION

This document is the declaration of carbon neutrality to demonstrate that British American Tobacco /Jordan PSC has achieved carbon neutrality for its manufacturing activities within the facility, including owned company vehicles and commercial offices on the same site. All managed directly by BAT, aligned to the guidelines of PAS 2060: 2014, in the period from 1<sup>st</sup> of December 2022 to the 30<sup>th</sup> of November 2023.


<b>PAS 2060 Requirement</b>	<b>Explanation</b>
Entity Responsible for the Declaration	British American Tobacco /Jordan PSC
Object of Declaration	Manufacturing activities at the BAT Jordan factory, including owned company vehicles and commercial offices on the same site.
Object Description	The PAS2060 will be targeting Jordan's factory plant including all machinery and ancillaries. As well as management offices and vehicles owned and operated by BAT.
Object Limits	The scope includes all Scopes I and II GHG emissions calculated as tCO <sub>2</sub> e (CO <sub>2</sub> , N <sub>2</sub> O and CH <sub>4</sub> ), according to the GHG protocol accounting standards. The emission quantifications have been aligned to BritishAmerican Tobacco Plc (BAT), CR360 reporting other than fugitive emissions. The fugitive emissions were accounted as per ISO 14063 – 1 2018 standards.
Type of Assurance	Emission inventory have been assured at limited level by KPMG. Third Party Certification for obtaining Carbon Neutrality is completed with Totum Institute, Brazil ( <a href="https://www.institutototum.com.br/">https://www.institutototum.com.br/</a> )
Period of obtaining Carbon Neutrality	December 1 <sup>st</sup> , 2022 – November 30 <sup>th</sup> , 2023

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

## DECLARATION OF OBTAINING CARBON NEUTRALITY

PAS 2060 Requirement	Explanation
Specify the period in which the Company has demonstrated carbon neutrality for the object	December 1 <sup>st</sup> ,2022 to November 30 <sup>th</sup> ,2023
Total emissions (location-based method) of the object in the period from December 1st, 2022, to November 30th, 2023.	680.4 tCO <sub>2</sub> e
Total emissions (market-based method) of the object in the period from December 1st, 2022, to November 30th, 2023.	15.705 tCO <sub>2</sub> e
Type of declaration of 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 the greenhouse gas emission reductions that provide the basis for the declaration.	Annex B
Description of the instruments for reducing the carbon footprint and for offsetting residue emissions.	Annex C
Independent third-party verification report of the GHG emissions inventory.	Annex D
Retirement statements for energy source assurance instruments (I-RECs) and carbon credits.	Annex E
BAT Management Statement for details of certified facilities	Annex F

*“Carbon Neutrality for the industrial/ services/ activities of British American Tobacco /Jordan PSC, declared in accordance with standard PAS 2060:2014 on March 12<sup>th</sup>, for the period from December 1<sup>st</sup>, 2022, to November 30<sup>th</sup> 2023, certified by the Totum Institute.”*

<b>Name of the Senior Representative</b>	<b>Signature of the Senior Representative</b>
Michel Aoun	
Date: 12/03/2024	

## ANNEX A - INVENTORY OF GREENHOUSE GAS EMISSIONS THAT PROVIDE BASIS FOR DECLARATION

### A.1. Object Description

BAT Jordan factory including its facilities and management offices is the objective of this PAS2060 certificate renewal for the period December 2022 to November 2023.

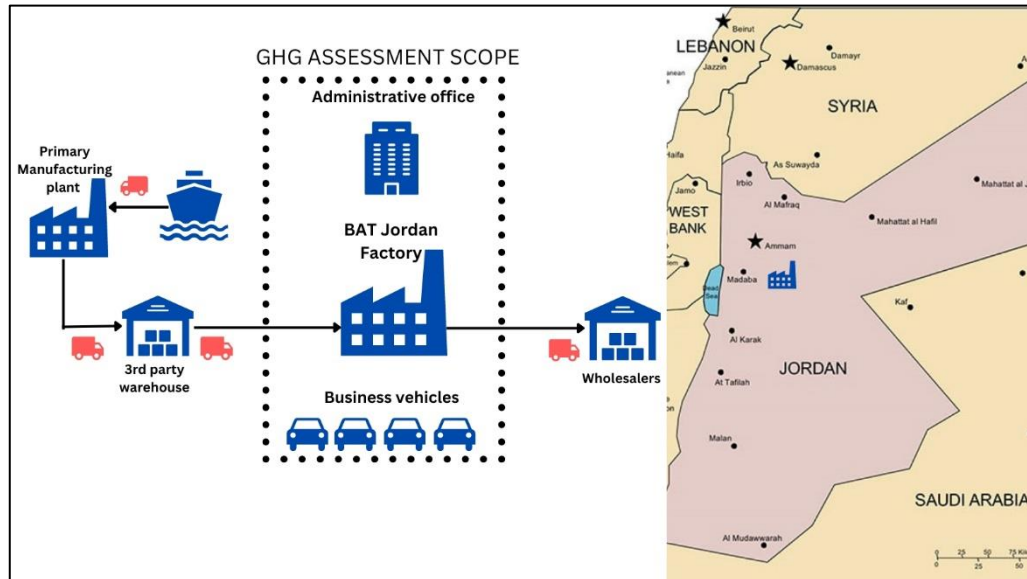


Figure 1: BAT Jordan operating footprint

The BAT Jordan Factory and management offices are located in one site, 32 KM south of Amman in Al-Qastal Industrial Area.

BAT Jordan factory, which is under the control and management of BAT, was opened in its current locations in 2015 after moving from a previous location in the same Al-Qastal Industrial area. Since making the move, the factory has benefitted from the improved building/hangar conditions to implement successive investments in infrastructure and technology have allowed the incorporation of high quality and progressively better energy and emissions management standards.

Manufacturing at BAT Jordan is made up of the Secondary Process, mainly combining wrapping materials and cut rag tobacco (CRT) to produce one type of finished goods, which is packaged cigarettes.

The cigarette itself is assembled and the product is inserted into the package for distribution. At this stage, the tobacco enters the cigarette production line: it is wrapped in paper, which, after being cut, receives the filter. Assembled units are bundled and inserted into cases, then sealed and packaged as the final product. Jordan's factory plant including all machinery and ancillaries, as well as management offices and vehicles owned and operated by BAT will be the main scope of this PAS2060 certificate.

## A.2. Carbon Footprint Summary

BAT Jordan, including the Secondary Manufacturing Department (SMD) and Trade Marketing & Distribution (TM&D), is considered as one operational unit.

The below tables summarize both scope 1 and scope 2 emissions for the reporting period December 2022 to November 2023:

Emission Source	Emission Type	Location Based Emissions (tCO <sub>2</sub> e)	Market Based Emissions (tCO <sub>2</sub> e)
Petrol/Gasoline – Vehicles	Scope 1 mobile combustion	5.18	5.18
AC/HVAC Units	Scope 1 stationary combustion	10.35	10.35
Diesel – Sites and Offices	Scope 1 stationary combustion	0.055	0.055
CO <sub>2</sub> extinguisher	Scope 1 stationary combustion	0.12	0.12
<b>Total Scope 1 Emissions (tCO<sub>2</sub>e)</b>		<b>15.705</b>	<b>15.705</b>

Table 1: BAT Jordan Scope 1 Emissions Summary

Emission Source	Emission Type	Location Based Emissions (tCO <sub>2</sub> e)	Market Based Emissions (tCO <sub>2</sub> e)
Grid Connected Electricity	Scope 2	680.4	0
<b>Total Scope 2 Emissions (tCO<sub>2</sub>e)</b>		<b>680.4</b>	<b>0</b>

Table 2: BAT Jordan Scope 2 Emissions Summary

## A.3. Standards and Methodologies Used

### A.3.1 Reporting Period Covered and Frequency of Internal Reporting

BAT Jordan follows the standards and guidelines of the GHG Protocol in terms of reporting. The data are collected through the reporting platform (CR360) on a monthly basis which considers the period from December previous year to November current year. Accordingly, the period considered for emissions inventory and carbon neutrality verification is from December 2022 to November 2023.

### A.3.2 Report Standards and Scope

This report has been prepared in accordance with 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 monthly basis.

The used Global Warming Potential factors in this report are per the Fifth Assessment Report (AR 5) in line with CR360 emissions factors.

BAT Jordan has defined its organizational boundary for GHG reporting as previously highlighted in figure 01 of this report, based on the operational control approach, where it has the site operations ownership, responsibility, and financial controls. Hence this report does not include any emissions which BAT Jordan does not have a direct control of, although the emissions may be created in its own interest. The organizational boundary includes the manufacturing of packaged cigarettes, warehousing and administrative functions located in Al-Qastal industrial Area.

The GHG emissions within the operating boundaries are comprised within two categories as scope 1 and 2, based on the type of activity and the nature of emission that is generated from its source.

The following table shows the reported categories for both scope 1 and scope 2 emissions, as well as scope 3 emissions which were not accounted for in this report:

Category	Scope	Included
Vehicles Gasoline/Petrol	Scope 1	Yes
Diesel Oil	Scope 1	Yes
Fugitive Emissions from AC/HVAC Units	Scope 1	Yes
Fugitive Emissions from CO2 Fire Extinguishers	Scope 1	Yes
Purchased Electricity	Scope 2	Yes
<ul style="list-style-type: none"> <li>• 3rd party articulated &amp; rigid truck used for transporting materials</li> <li>• 3rd party vans used for transporting materials</li> <li>• Employees commuting</li> <li>• Air freight</li> <li>• Sea freight</li> <li>• Business travel</li> <li>• Waste produced, transport and disposal</li> <li>• Municipal Water Consumption.</li> <li>• Wastewater transportation and treatment</li> </ul>	Scope 3	No

*Table 3: Emission Scopes & Sources*

Scope 1 and scope 2 CO2e emissions are accounted in tonnes, reporting by BAT Jordan is based on the standards and guidelines of the GHG Protocol. The data are collected through the reporting platform (Cr360), which allows the calculation of CO2e emissions from data entry by the respective Sustainability teams.

The methods used to quantify GHG emissions include the use of primary data, so that the calculation can be verified, and uncertainty reduced.

Emissions from electricity are calculated using International Energy Agency (IEA) data for standard electricity grid by country, however, since BAT Jordan has procured I-RECs to certify all electricity consumption is from renewable energy, we use the I-REC project specific emissions factor which is in our case zero.

For BAT Jordan, Scope 1 emissions cover the consumption of petrol fuel, AC/HVAC emissions, diesel used for an emergency generator and CO<sub>2</sub> emissions from refilling on site fire extinguishers.

Scope 2 covers purchased electricity which is all from renewable sources, Renewable Energy Certificates (I-RECs) are acquired to guarantee the renewable origin of energy.

Scope 3 emissions for the whole group are calculated at a global level. BAT Jordan is partially aware of their Scope 3 emissions which do not have a significant contribution to the whole group carbon footprint. Due to this, and the fact that Scope 3 emissions calculation was not technically viable or cost effective, these emissions were not taken into consideration and not calculated.



### A.3.3 Selection of Quantification Approach

#### GHG Emissions Quantification

The input data that have different units of measure (kWh, tons, litres) are converted into energy units (GJ) and emission units (tCO<sub>2</sub>e) using 2023 emissions factors as shown in the following table:

Emissions Source	Location Based Factor	Market Based Conversion Factor
Petrol/ Gasoline (tCO <sub>2</sub> e per litre)	0.0023397	0.0023397
Diesel Oil (tCO <sub>2</sub> e per tonne)	3.2088	3.2088
Electricity (gCO <sub>2</sub> e/kWh)	391.2	0

Table 4: CO<sub>2</sub>e Emission Factors

Scope 1 and 2 (market-based and location-based) emissions are tracked and compared monthly with reference to the overall year sum and compared to the same period last year.

#### Scope 1 Emissions

##### Vehicles (Mobile Combustion)

BAT Jordan factory replaced 5 business vehicles used for commercial, operations and security services with electric models in late November 2022 reflecting on this reporting period as part of BAT Jordan commitment in lowering its carbon emissions, this has helped in eliminating 40 tCO<sub>2</sub>e in this reporting period with a 71% reduction in total scope 1 emissions when compared to last reporting period. However, one petrol vehicle is still used as backup for long distances.

Calculation of CO<sub>2</sub> emissions resulting from business vehicles are shown in tables 5 and 6 below:

Vehicle	Distance travelled (Km)	Fuel QTY (L)
Vehicle #1 (Electric)	43,837	0
Vehicle #2 (Electric)	43,800	0
Vehicle #3 (Electric)	44,525	0
Vehicle #4 (Electric)	27,268	0
Vehicle #5 (Electric)	32,013	0
Vehicle #6 (Petrol)	33,763	2212.72
<b>Total</b>	<b>225,206</b>	<b>2212.72</b>

Table 5: BAT Jordan Fuel Consumption

Period start	Period end	Fuel type	Fuel QTY (L)	Emissions factor (tCO2e/L)	Total emissions (tCO2e)
01/12/2022	30/11/2023	Petrol/Gasoline	2212.72	0.0023397	<b>5.18</b>

Table 6: BAT Jordan Emissions from Mobile Consumption of Petrol/Gasoline

### Air-Conditioning and HVAC Fugitive Emissions

BAT Jordan has 53 AC units and three HVAC units distributed within the facility, gases used are either R22, R407C or R410A.

Based on “Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance” and using the Global Warming Potential (GWP) factors as per the Fifth Assessment Report (AR 5), the fugitive emissions resulting from AC & HVAC within BAT Jordan factory were calculated as in the following table:

Refrigerant	Fugitive emissions (Kg)	GWP (tCO2e/Kg)	Total emissions (tCO2)
R22	38.13	1.76	7.56
R407C	37.65	1.624	2.2
R410A	5.35	1.924	0.59
<b>Total emissions (tCO2e)</b>			<b>10.35</b>

Table 7: Refrigerant Emissions

### Emergency Diesel Generator

BAT Jordan has a diesel generator used for emergencies in case of power outages. The generator is tested monthly and only operated for short periods of time since power outages are not common within the factory’s area.



Figure 2: Diesel Generator Onsite

Fugitive emissions from operating the generator are calculated as in the table below:

Period start	Period end	Fuel type	Fuel QTY (L)	Conversion factor (Tone/L)	Emissions Factor (tCO2e/tonne)	Total emissions (tCO2e)
01/12/2022	30/11/2023	Diesel oil	20	0.00085	3.2088	<b>0.055</b>

Table 8: Stationary Fuel Consumption & Emissions

### CO2 Fire Extinguishers

BAT Jordan owns 20 on site CO2 fire extinguishers distributed within the facility, the total emissions are in the table below where each extinguisher is emptied on a yearly basis and refilled:

Extinguisher	Count	Weight (Kg)	Refill schedule	Total emissions (tCO2)
Class C, CO2 extinguisher	20	6 Kg	Yearly	<b>0.12</b>

Table 9: Emissions from CO2 Fire Extinguishers

### Scope 2 Emissions

The total electricity consumption during the period December 2022 to November 2023 in BAT Jordan was 1,739,270 KWh, resulting in total location based emission of 680.4 tCO2e.

To guarantee the renewable origin of energy, Renewable Energy Certificates (I-RECs) have been acquired. Therefore, scope 2 emissions are excluded and accounted for as zero.

1749 I-RECs were purchased through a retirement declaration issued by the international platform I-REC Standard.

BAT Jordan monthly electricity consumption for the period December 2022 to November 2023 is shown in the below table:

Month	QTY (kWh)	Location based emission factor (tCO2e/Kwh)	Market based emission factor (tCO2e/Kwh)	Location based emissions (tCO2e)	Market based emissions (tCO2e)
December 2022	155,490	0.0003912	0	72.10	0
January 2023	157,630	0.0003912	0	44.89	0
February 2023	167,180	0.0003912	0	45.52	0
March 2023	129,000	0.0003912	0	54.32	0
April 2023	83,570	0.0003912	0	88.40	0
May 2023	172,600	0.0003912	0	61.78	0

June 2023	150,370	0.0003912	0	80.16	0
July 2023	163,010	0.0003912	0	62.50	0
August 2023	170,930	0.0003912	0	72.18	0
September 2023	143,830	0.0003912	0	53.94	0
October 2023	124,840	0.0003912	0	70.63	0
November 2023	120,820	0.0003912	0	65.90	0
<b>Total</b>	<b>1,739,270</b>			<b>680.4</b>	<b>0</b>

Table 10: BAT Jordan Electricity Consumption and Emissions

#### A.4. Information Assurance Level

The independent assurance of GHG emissions inventory was completed with KPMG, with limited level of confidence. The documents are attached in Annex D.

As the verification of carbon neutrality process, the assurance work of Totum Institute was conducted with a limited level of assurance.

#### A5. Site Level tCO<sub>2</sub>e

Emission source	PAS 2060		tCO <sub>2</sub> e from December 2022 – November 2023 (Location based)
	Scope 1	Scope 2	
Petrol/Gasoline – Vehicles	✓		5.18
AC/HVAC Units	✓		10.35
Diesel – Sites and Offices	✓		0.055
CO <sub>2</sub> extinguisher	✓		0.12
<b>Total Scope I emissions</b>			<b>15.705</b>
Grid connected electricity		✓	680.4
<b>Total Scope II emissions</b>			<b>680.4</b>
<b>Total Site emissions</b>			<b>696.105</b>

Table 11: Energy sources & tCO<sub>2</sub>e emissions

Emission source	PAS 2060		tCO <sub>2</sub> e from December 2022 – November 2023 (Market based)
	Scope 1	Scope 2	
<b>Total Scope I emissions</b>	✓		<b>15.705</b>
<b>Total Scope II emissions</b>		✓	<b>0</b>
<b>Total Site emissions</b>			<b>15.705</b>

Table 12: Site wise tCO<sub>2</sub>e market-based method

## **ANNEX B - DESCRIPTION OF REDUCTIONS OF GREENHOUSE GAS EMISSIONS THAT PROVIDE BASIS FOR DECLARATION**

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

BAT Jordan has been tracking and reporting its energy consumptions over many years, with continuous efforts to improve its reporting standards and quality of data reported. Initially, the data was uploaded to CR360 system quarterly. The reporting is now carried out monthly, with better tracking of related issues to ensure improved reporting quality.

From 2021 onwards, the fugitive emissions were measured and reported.

The reporting period remained same as from 1<sup>st</sup> December previous year to 30<sup>th</sup> November current year.

### **B2. Description of GHG Emissions Reduction in Reference Year**

BAT Jordan plans to reduce both scope 1 and scope 2 carbon emissions through a combination of technological upgrades and process improvements. An evidence-based plan for the reduction of carbon emission was set through a full scope energy audit conducted in 2021 to identify improvement opportunities at the factory and set several projects to reduce its carbon footprint wherever applicable.

BAT Jordan achieved its first project in November 2022 through replacing its business cars with electric models as set to achieve in last year's QES. This has aided in eliminating 40 tCO<sub>2</sub>e from scope 1 emissions in this reporting period.



*Figure 3: BAT Jordan Business Vehicles*

## B2.1 Reduction through Regular Monitoring and Continuous Interventions

At BAT Jordan the emissions are tracked monthly and compared with the same period last year (SPLY) and the overall year to date (YTD) emissions per year to ensure that reduction goals are met. The reduction in emissions will be measured against the baseline year, 2020, represented by scope 1 and scope 2 emissions between Dec 1st 2019 and Nov 30th 2020.

Also, to improve our energy utilization and to highlight opportunities for further emissions reduction, 17 new energy submeters were installed and are operational as of August 2023 to monitor the consumption of our key energy centres which will enable the respective team to obtain daily readings from the energy meters, compare them with daily targets and carry out investigations whenever an abnormality has been observed.

## B2.2 Reduction from Efficiency Improvement Focus

Year on year, BAT Jordan has been able to reduce its total emissions compared to year 2020 (baseline) as shown in the below figure comparing 2020-2023 in terms of scope 1 and 2 emissions:

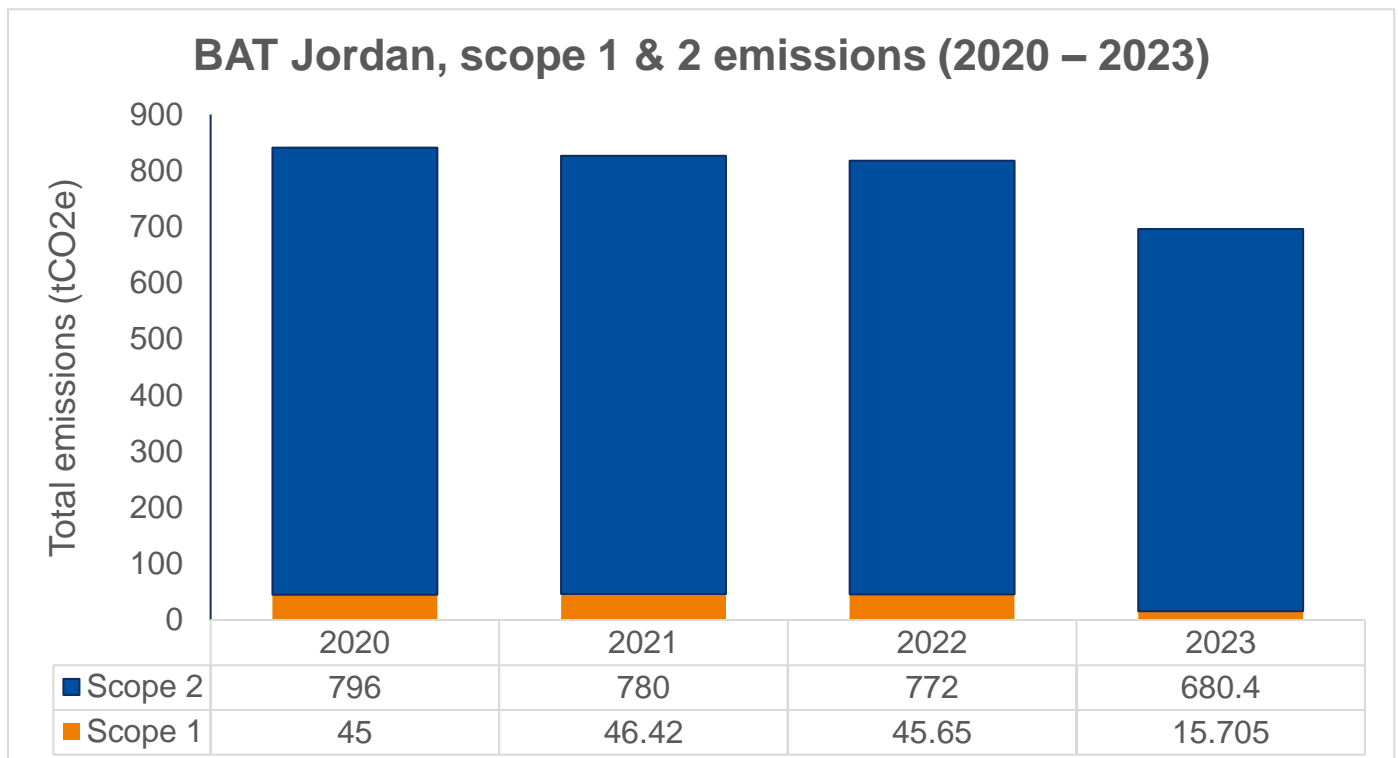


Figure 4: BAT Jordan total emissions

The figures below demonstrate our trend for both Scope 1 & Scope 2 emissions. Compared to 2020 (baseline), our Scope II emissions have decreased by around 105 tCO<sub>2</sub>e. While an increase in scope 1 emissions has been reported in 2021 & 2022, this

increase is mainly because fugitive emissions were only included in the emissions calculations 2021 onwards as shown in the below figure:

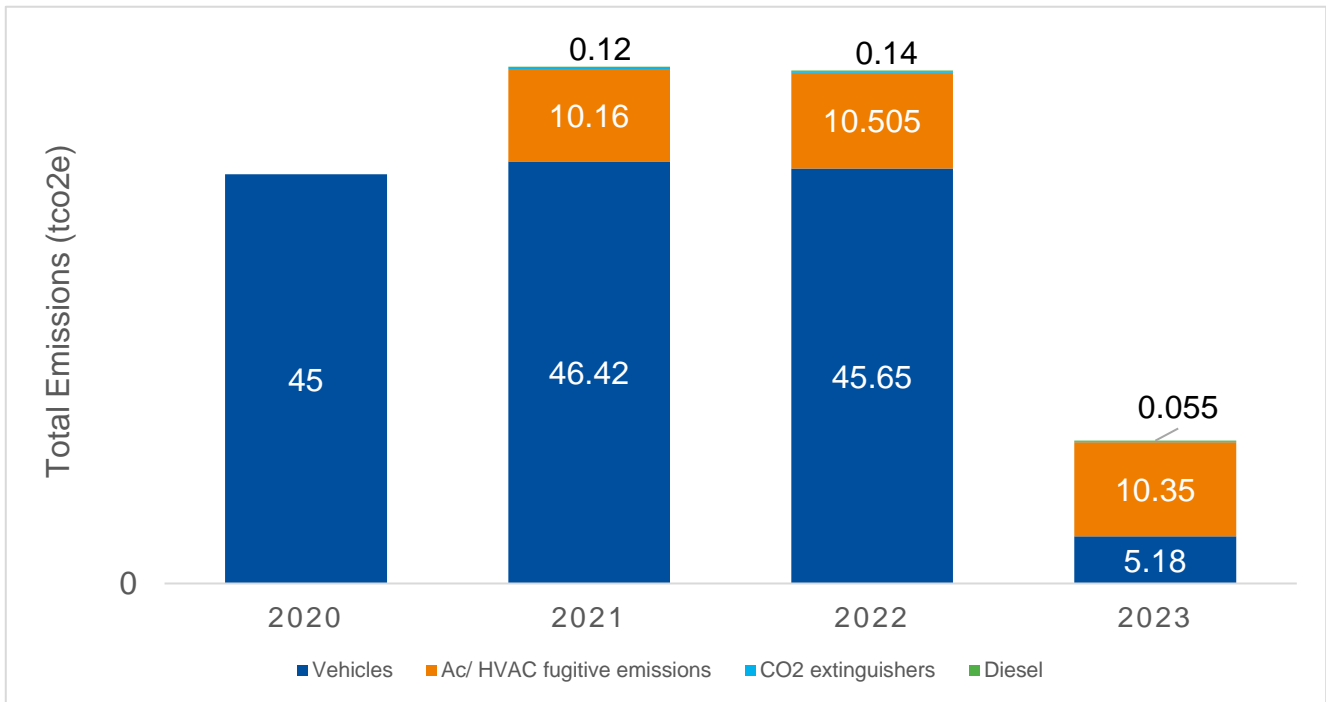


Figure 5: BAT Jordan Scope 1 emissions

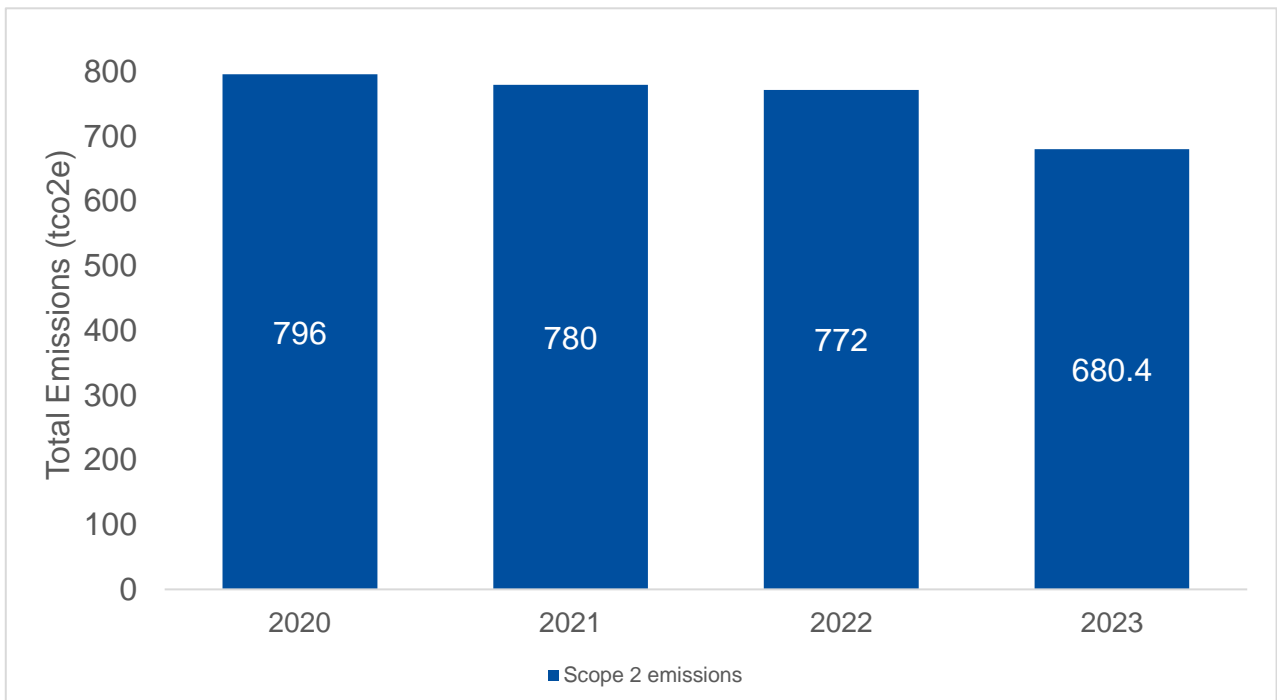


Figure 6: BAT Jordan Scope 2 emissions

BAT Jordan set several carbon abatement projects with a plan to reduce the emissions year on year, the below shows 2024 target reduction plan:

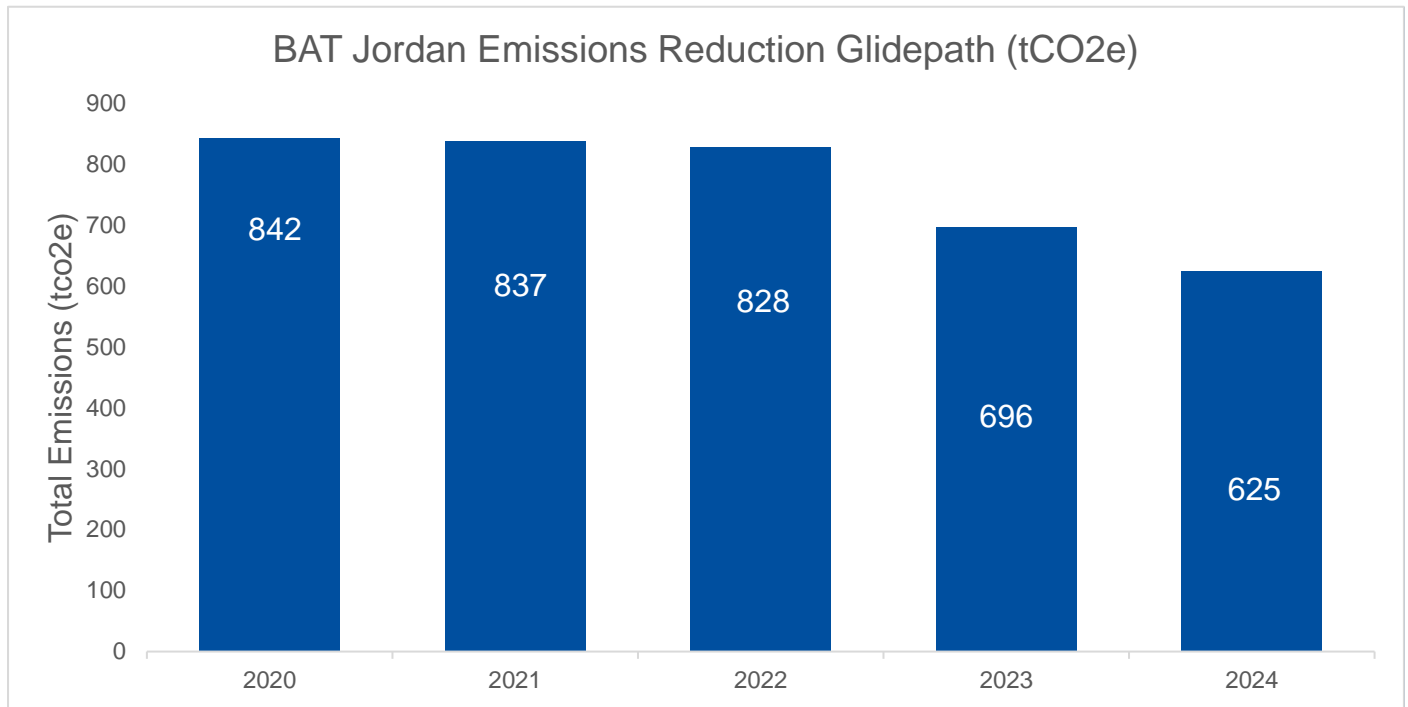


Figure 7: BAT Jordan 5-year emissions reduction glidepath

Energy saving (Kwh) and carbon abatement (tCO<sub>2</sub>e) in the table below are based on an energy audit conducted in 2021, the reduction from exchanging business cars was reported and reflected on this reporting period:

Carbon Abatement Project	Energy saving (Kwh)	Carbon Abatement tCO <sub>2</sub> e	Carbon Abatement %	Timeline	Status
Exchange business cars with electric models	NA	40	1.6%	November 2022	Completed
Replace the package unit supplying the production area by a VRF system	75,503	29.5	4.0%	December 2023	Completed
Exchange air compressors with more efficient models	142,779	55.8	7.5%	March 2024	Work in progress

Table 13: BAT Jordan Five-Year Plan for Carbon Abatement



In addition to the above, motion detectors have already been installed in two different locations within the facility, with a plan to install detectors wherever applicable within H1 of 2024 which will aid in lowering energy consumption.

Also, solar lighting panels have been installed around the facility to utilize solar energy as much as possible.



*Figure 8: Solar lighting onsite*

### **B3. Description of Renewable Energy Tracking Instruments**

According to the emissions inventory verified independently, the total electricity consumption was 1,739,270 kWh, resulting in a total emission (location-based method) of 680.4 tCO<sub>2</sub> eq.

BAT Jordan has acquired Renewable Energy Certificates (I-RECs) to guarantee the renewable origin of energy. As the emission factor for green energy is zero, the total Scope 2 emissions are zero, according to the market-based methodology.

The purchase of 1749 I-RECs was demonstrated through a retirement declaration issued by the international platform I-REC Standard.

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

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

The renewable energy traceability instruments for calculating scope 2 location-based and market-based emissions (tCO<sub>2</sub>e) are detailed in section B.3 of this report.

### **C 2. Description of Offsetting Instruments - Carbon Credits**

BAT Jordan has retired 20 Verified Carbon Units (VCU) to offset all remaining scope 1 emissions, which total to 15,705 tonnes used in Hubei Hongshan IFM Project in China, implemented on land within Hongshan County, Suizhou City. The retirement certificate is included in Annex E.

Carbon credits acquired by BAT Jordan represent Verified Emission Reduction (VER) which are in accordance with the Verified Carbon Standard (VCS) and demonstrate additionality according to the VCS project test or the CDM Additionality tool.

The implementation of the project activity conserves the trees to protected forest to reduce the GHG emissions for about 8,769,291 tCO<sub>2</sub>e in 30 years, with a total project area of 23,769 Hectares.

The average annual emission reduction is 292,309 tCO<sub>2</sub>e and Verified Carbon Units with buffer deduction is about 6,840,033 tCO<sub>2</sub>e in 30 years, the average annual VCUs with buffer deduction is 228,001 tCO<sub>2</sub>e. The project activity will contribute to the environment, thus contribute to sustainable development.

### **C3. Use of Carbon Neutrality Instruments**

Scope 1 residual emissions sum up to a total of 20 tCO<sub>2</sub>e, where VCU were retired as shown in Section C2 resulting in a total of zero for scope 1 emissions. Scope 2 market-based emissions were also considered as zero due to acquiring I-RECs. Thus, BAT Jordan is considered as carbon neutral in terms of both scope 1 emissions and scope 2 emissions.

### **C4. Quality Criteria for Clearing Instruments**

The carbon credits acquired, as mentioned in C2, meet all the quality criteria set out in Standard PAS 2060: 2014, namely:

- Acquired credits represent an emission reduction considered additional (VCS 1935) - Zhejiang Zhongzheng Forestry Development Co.,Ltd (Subsidiary Green Resources)/ Agriculture Forestry and Other Land Use.
- Projects originating from carbon credits meet the criteria of additionality, permanence and do not have double counting risks (VCS1935 - Busoga Forestry Co. Ltd (Subsidiary Green Resources)/ Agriculture Forestry and Other Land Use.
- The public platform Verra, which is an international standard and a platform that has Quality principles (Verra's Quality Assurance Principles including additionality, permanence, leakage and avoided double counting) contains all documentation of the Project from which the Carbon Credits were acquired.
  - [VCS Quality Assurance Principles - Verra](#)
  - [Verra Search Page](#)

# ANNEX D - REPORT ON THE VERIFICATION OF THIRD PART INDEPENDENT OF THE GHG EMISSIONS INVENTORY

BAT Annual Report and Form 20-F 2023

Strategic Report

Governance Report

Financial Statements

Other Information

## @ ESG 2023 Assured Metrics

KPMG have conducted independent, limited assurance in accordance with ISAE 3000 over the 2023 ESG 'Selected Information' listed below, as contained in this Annual Report. KPMG's Independent Limited Assurance Report is provided on page 120.

<sup>^</sup> Refer to KPMG Independent Limited Assurance Report on page 2 for details on selected information.

Underlying Selected Information	Selected Information
Consumers of non-combustible products (number of, in millions)	23.9
Scope 1 CO <sub>2</sub> e emissions (thousand tonnes)	267
Scope 1 CO <sub>2</sub> e emissions including fugitive emissions (thousand tonnes)	299
Scope 2 CO <sub>2</sub> e emissions (market based) (thousand tonnes)	95
Scope 2 CO <sub>2</sub> e emissions (location based) (thousand tonnes)	342
Scope 1 and Scope 2 CO <sub>2</sub> e emissions intensity ratio (tonnes per £m revenue)	13.3
Scope 1 and Scope 2 CO <sub>2</sub> e emissions intensity ratio (tonnes per EUR m revenue)	11.5
Total Scope 3 CO <sub>2</sub> e emissions (thousand tonnes) <sup>^</sup> - for 2022, Scope 3 GHG emissions are reported one year later	6,045
Total energy consumption (GWh)	2,182
Energy consumption intensity (GWh per million £ revenue)	0.08
Energy consumption intensity (GWh per million EUR revenue)	0.07
Renewable energy consumption (GWh)	832
Non-Renewable energy consumption (GWh)	1,350
Total waste generated (thousand tonnes)	114.94
Hazardous waste and radioactive waste generated (thousand tonnes)	1.59
Total waste recycled (thousand tonnes)	100.7
Total water withdrawn (million m <sup>3</sup> )	3.16
Total water recycled (million m <sup>3</sup> )	1.02
Total water discharged (million m <sup>3</sup> )	1.53
Emissions to water: - 60% of the facilities reported not using priority substances, and 74% reported not having them in storage - out of 48 priority substances, 44% are reported as not used, 44% are reported as not stored	
Number of operations sites in areas of high-water stress with and without water management policies	24/0
% of sources of wood used by our contracted farmers for curing fuels that are from sustainable sources <sup>*</sup>	99.99
% of tobacco hectares reported to have appropriate best practice soil and water management plans implemented <sup>*</sup>	81
% of tobacco farmers reported to grow other crops for food or as additional sources of income <sup>*</sup>	93.3
% of farms monitored for child labour <sup>*</sup>	100
% of farms with incidents of child labour identified <sup>*</sup>	0.15
Number of child labour incidents identified <sup>*</sup>	359
% of child labour incidents reported as resolved by end of the growing season <sup>*</sup>	100
% of farms monitored for grievance mechanisms <sup>*</sup>	100.0
% of farms reported to have sufficient PPE for agrochemical use <sup>*</sup>	99.99
% of farms reported to have sufficient PPE for tobacco harvesting <sup>*</sup>	99.7
H&S - Lost Time Incident Rate (LTIR)	0.17
H&S - Number of serious injuries (employees)	12
H&S - Number of serious injuries (contractors)	9
H&S - Number of fatalities (employees)	2
H&S - Number of fatalities (contractors)	2
H&S - Number of fatalities to members of public involving BAT vehicles	3
% female representation in Management roles	42
% female representation on Senior Leadership teams	33
% of key leadership teams with at least a 50% spread of distinct nationalities	100
Global unadjusted gender pay gap (average %)	14
Incidents of non-compliance with regulations resulting in fine or penalty	3
Incidents of non-compliance with regulations resulting in a regulatory warning	0
Number of established SoBC breaches	123
Number of disciplinary actions taken as a result of established SoBC breaches that resulted in people leaving BAT	79
Number of established SoBC breaches - relating to workplace and human rights	69
% of product materials and high-risk indirect service suppliers that have undergone at least one independent labour audit within a three-year cycle <sup>@</sup>	58.8

Sustainable Future

# @ESG Limited Assurance Report

## Independent Limited Assurance Report to British American Tobacco p.l.c.

KPMG LLP ("KPMG" or "we") were engaged by British American Tobacco p.l.c. ("BAT") to provide limited assurance over the Selected Information described below for the year ended 31 December 2023.

### Our Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

### Selected Information

The scope of our work includes only the information included within BAT's Combined Annual and Sustainability Report ("the Report") for the year ended 31 December 2023 on pages 11 and 115 marked with a \* and listed as "Assured" on page 119 ("the Selected Information"). The Selected Information is for the year ended 31 December 2023 except for Total Scope 3 CO<sub>2</sub>e emissions which is for the year ended 31 December 2022.

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed on BAT's website for the current year or for previous periods unless otherwise indicated.

### Reporting Criteria

The Reporting Criteria we used to form our judgements are British American Tobacco's Reporting Guidelines 2023 as set out at [www.bat.com/esgreport](http://www.bat.com/esgreport) ("the Reporting Criteria"). The Selected Information needs to be read together with the Reporting Criteria.

### Inherent Limitations

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria has been developed to assist BAT in reporting ESG information selected by BAT as key KPIs to measure the success of its sustainability strategy. As a result, the Selected Information may not be suitable for another purpose.

### Directors' Responsibilities

The Board of Directors of BAT are responsible for:

- The designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- The selection and/or development of objective Reporting Criteria;
- The measurement and reporting of the Selected Information in accordance with the Reporting Criteria; and
- The contents and statements contained within the Report and the Reporting Criteria.

### Our Responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria and to report to BAT in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

### Assurance Standards Applied

We conducted our work in accordance with International Standard on Assurance Engagements (UK) 3000 - 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE (UK) 3000) issued by the Financial Reporting Council and, in respect of the greenhouse gas emissions information included within the Selected Information, in accordance with International Standard on Assurance Engagements 3410 - 'Assurance Engagements on Greenhouse Gas Statements' (ISAE 3410), issued by the International Auditing and Assurance Standards Board. Those standards require that we obtain sufficient, appropriate evidence on which to base our conclusion.

### Independence, Professional Standards and Quality Management

We comply with the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; that are at least as demanding as the applicable provisions of the IESBA Code of Ethics. The firm applies International Standard on Quality Management 1 (UK) Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Summary of Work Performed

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to obtain a meaningful level of assurance over the Selected Information as a basis for our limited assurance conclusion. Planning the engagement involves assessing whether the Reporting Criteria are suitable for the purposes of our limited assurance engagement. The procedures selected depend on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- Conducting interviews with BAT management to obtain an understanding of the key processes, systems and controls in place over the preparation of the Selected Information;
- Performing risk assessment procedures over the aggregated Selected Information, including a comparison to the prior period's amounts having due regard to changes in business volume and the business portfolio
- Selected limited substantive testing, including agreeing a selection of the Selected Information to the corresponding supporting information;
- Considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- Reperforming a selection of the carbon conversion factor calculations and other unit conversion factor calculations; and
- Reading the narrative accompanying the Selected Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

For the Selected Information marked with a \* symbol on page 119, our procedures did not include physical visits to the farms which provided the source data for the Leaf Data and Human Rights Selected Information and testing the accuracy of the sales volumes in BAT's Procurement IT system which were used in calculating Scope 3 CO<sub>2</sub>e emissions (thousand tonnes) including the Scope 3 supply chain CO<sub>2</sub>e emissions (thousand tonnes) from purchased goods and services. Additionally, our procedures did not include physical visits to the operational sites which provided the source data for the Emissions to Water Selected Information.

### This Report's Intended Use

Our report has been prepared for BAT solely in accordance with the terms of our engagement. We have consented to the publication of our report on BAT's website for the purpose of BAT showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of BAT determined by BAT's needs at the time. Our report should therefore not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than BAT for any purpose or in any context. Any party other than BAT who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

### George Richards

for and on behalf of KPMG LLP  
Chartered Accountants  
15 Canada Square  
London E14 5GL  
07 February 2024

The maintenance and integrity of BAT's website is the responsibility of the Directors of BAT; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on BAT's website since the date of our report. @

## ANNEX E - RETIREMENT STATEMENTS FOR ENERGY ORIGIN GUARANTEE INSTRUMENTS (I-RECS) AND CARBON CREDITS



This Redemption Statement has been produced for  
**BRITISH AMERICAN TOBACCO COMPANY JORDAN**

by

**ACT COMMODITIES BV**

confirming the Redemption of

**1 179.000000**

I-REC Certificates, representing 1 179.000000 MWh of  
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**Jordan**

in respect of the reporting period

**2022-12-01 to 2023-07-31**

The stated Redemption Purpose is

**Retired on behalf of British American Tobacco Company Jordan**

# Ev.



### QR Code Verification

Verify the status of this Redemption Statement by scanning the QR code on the left and entering in the Verification Key below

Verification Key

**1 2 1 5 4 7 6 6**

<https://api.evident.app/public/certificates/en/>

[OdYS%2BGffX4FcKGUNAttaGTmFb0ZUSgzEHe82dF%2Fejd0pZ1RqaNvQMUIpnoH7DcRF](https://api.evident.app/public/certificates/en/OdYS%2BGffX4FcKGUNAttaGTmFb0ZUSgzEHe82dF%2Fejd0pZ1RqaNvQMUIpnoH7DcRF)



This Redemption Statement has been produced for  
**BRITISH AMERICAN TOBACCO JORDAN**

by

**ACT COMMODITIES BV**

confirming the Redemption of

**570.000000**

I-REC Certificates, representing 570.000000 MWh of  
electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

**Jordan**

in respect of the reporting period

**2023-08-01 to 2023-11-30**

The stated Redemption Purpose is

**Retired on behalf of British American Tobacco Jordan**

**Ev.**



**QR Code Verification**

Verify the status of this Redemption Statement by scanning the QR code on the left and entering in the Verification Key below

**Verification Key**

**1 4 0 8 6 3 8 9**

<https://api-internal.evident.app/public/certificates/ev/nGGmUFpXD4x05F7T8NRK4Gp0CqyrZemqhHu7%2FjwerfvqHmajiQ57hBjYjdBo79>

## Reference to Carbon Offsets Purchased by British American Tobacco / Jordan

Hubei Hongshan IFM Project: [Verra Search Page](#)



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

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 23 Jan 2024, 20 Verified Carbon Units (VCUs) were retired on behalf of:

British American Tobacco Jordan - December 2022 – November 2023

**Project Name**

Hubei Hongshan IFM (Conversion of Logged to Protected Forest) Project

**VCU Serial Number**

9921-159681740-159681759-VCS-VCU-324-VER-CN-14-1935-01012015-31122015-1

**Additional Certifications**

CCB-No Distinction

Powered by  APX



## ANNEX F – MANAGEMENT DECLARATION

British American Tobacco /Jordan PSC

Reference Objects: Jordan Factory

To: Totum Institute

Hereby we request your expert interventions to verify and declare the Carbon Neutral Status of the reference object of Jordan factory listed below, aligned to PAS 2060 verification standards.

Object	Longitude	Latitude
Jordan Factory	31.749	35.963

Table 14:BAT Jordan Coordinates

I-RECS and Carbon Offset certificates were required to guarantee the net-off and off-set the Scope II and Scope I emission of Jordan factory for the period of consideration 1<sup>st</sup> December 2022 to 30<sup>th</sup> November 2023.

### Total I-REC Quantity Purchased

Total IRECS Quantity purchased				
Period	Supplier	Volume	From certificate	To certificate
1 <sup>st</sup> Dec 2022-31 <sup>st</sup> Jul 2023	ACT Commodities	1179	0000-0217-4382-1278.000000	0000-0217-4382-2456.999999
1 <sup>st</sup> Aug 2023-30 <sup>th</sup> Nov 2023	ACT Commodities	570	0000-0217-4382-2457.000000	0000-0002-8627-6793.999999

### Allocation of IRECS

Object	Electricity consumption (kWh)	I-RECS Allocation
Jordan factory	1,739,270	1749

## Total Carbon Credits Quantity Purchased

Total Carbon Credits Quantity Purchased			
Project Name	CC Quantity	Serial number	Certificate retired date
Hubei Hongshan IFM Project	ACT Commodities	9921-159681740-159681759-VCS-VCU-324-VER-CN-14-1935-01012015-31122015-1	23 <sup>rd</sup> January 2024

## Allocation of carbon credits

Emission Source	Emission Type	Emissions (tCO <sub>2</sub> e)	Carbon Credit Quantity
Petrol/Gasoline – Vehicles	Scope 1 mobile combustion	5.18	20  Project ID 1935
AC/HVAC Units	Scope 1 stationary combustion	10.35	
Diesel – Sites and Offices	Scope 1 stationary combustion	0.055	
CO <sub>2</sub> extinguisher	Scope 1 stationary combustion	0.12	
<b>Total Scope 1 Emissions (tCO<sub>2</sub>e)</b>		<b>15.705</b>	

As per the explanations given above in tables, the scope I and Scope II tCO<sub>2</sub>e emission generated from 1<sup>st</sup> December 2022 to 30<sup>th</sup> November 2023 are off-set by using the instruments purchased as Carbon Credits and I-RECs which guaranteed the carbon neutrality status of BAT Jordan factory.

Finally, we request that this declaration be used as an instrument to ensure that the certifications attached to the Totum Institute System are considered as reference to the objects of BAT Jordan PSC and validated for the PAS 2060 verification.

Sincerely,



Michel Aoun

Operations Manager

British American Tobacco/ Jordan PSC