

Qualifying Explanatory Statement

(As per PAS 2060)



Document Preparation		
Function/Designation	Name	Signature
EHS Executive	Jeanette Nilsson	<div>DocuSigned by: <i>Jeanette Nilsson</i> 22-Mar-2023 3B8303353F8C488...</div>
Version Control		
Change		Date
V1.0 - Final		03/03/2023

Fiedler & Lundgren AB

Carbon Neutrality Statement according to PAS 2060: 2014

"Qualifying Explanatory Statement"

"Carbon Neutrality for the operational activities of Fiedler & Lundgren AB in Malmö, Sweden, declared in accordance with standard PAS 2060: 2014 on March 22nd, 2023, for the period from December 1st, 2021, to November 30th, 2022, certified by the Totum Institute."

Name of the Senior Representative	Signature of the Senior Representative
Michaela Brendel Plant Manager Sweden CEO, Fiedler & Lundgren AB Date: 22/03/2023	<div>DocuSigned by:</div> <div> 22-Mar-2023</div> <div>620DC88104B74F4...</div>
Dina Ansari Shad Senior Legal Counsel Board member, Fiedler & Lundgren AB Date: 22/03/2023	<div>DocuSigned by:</div> <div> 22-Mar-2023</div> <div>633B292C4240457...</div>

Company: Fiedler & Lundgren AB, Malmö, Sweden

Issue Date: March 22nd, 2023

Assurance Authority: Totum Institute

Verification Report: IT-03-2023

Neutrality Report: December 1st, 2021 to November 30th, 2022

Previous Certifications Obtained: 2021 (December 1st, 2020 to November 30th, 2021)

Note: the term "carbon" used throughout this document represents an abbreviation for the aggregate of greenhouse gases (GHG), reported as CO₂e (carbon dioxide equivalent)

INTRODUCTION

This document is the declaration of carbon neutrality to demonstrate that Fiedler & Lundgren AB has achieved carbon neutrality for its operations scope 1 and 2 emission, managed directly by carbon emission offset, aligned to the guidelines of PAS 2060: 2014, in the period from December 1st, 2021 to November 30th, 2022.

PAS 2060 Requirement	Explanation
Entity Responsible for the Declaration	<p>Fiedler & Lundgren AB</p> <p>Fiedler & Lundgren AB is part of British American Tobacco (BAT) Group. The company is registered in Malmö, Sweden, and operates an operational business unit in Malmö.</p> <p>The purpose of the company is the purchase, treatment, production, distribution and sales of oral tobacco and nicotine or related products.</p>
Object of Declaration	<p>Fiedler & Lundgren AB facilities in Malmö, Sweden.</p> <p>The definition of the subject remains unchanged through each and every stage of the methodology.</p>
Object Description	<p>Fiedler & Lundgren AB is the operational unit of BAT Group in Sweden. It operates a factory manufacturing oral nicotine products, such as tobacco and nicotine pouches.</p> <p>The tobacco pouches process includes reception of raw tobacco, milling, mixing, and preparing the tobacco for mechanized manufacturing of pouches by adding flavor, casing, and packing the pouches in cans. Manufactured products are then stored and dispatched.</p> <p>The nicotine pouches process includes reception of MCC, mixing and preparing the MCC for mechanized manufacturing by adding flavor, nicotine and packing the pouches into cans. Manufactured products are then stored and dispatched.</p> <p>The site consists of owned factory building, including warehouse facilities and offices for administration, such as Finance, IT and HR.</p>



Object Limits	The scope includes all Scopes I and II GHG emissions calculated as tCO ₂ e (CO ₂ , N ₂ O and CH ₄), according to the GHG protocol accounting standards. The emission quantifications have been aligned to British American Tobacco Plc (BAT) CR360 reporting other than fugitive emissions. The fugitive emissions were accounted as per BAT 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 (https://www.institutototum.com.br/).
Period of obtaining Carbon Neutrality	December 1 st , 2021 – November 30 th , 2022

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 st , 2021 – November 30 th , 2022
Total emissions (location-based method) of the object in the period from December 1 st , 2021 to November 30 th , 2022.	63t CO ₂ e
Total emissions (market-based method) of the object in the period from December 1 st , 2021 to November 30 th , 2022.	11t CO ₂ 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 residual 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 (if necessary)

"Carbon Neutrality for the operational activities of Fiedler & Lundgren AB in Malmö, Sweden, declared in accordance with standard PAS 2060: 2014 on March 22nd, 2023, for the period from December 1st, 2021, to November 30th, 2022, certified by the Totum Institute."

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Dina Ansari Shad Senior Legal Counsel Board member, Fiedler & Lundgren AB Date: 22/03/2023	<div>  <div> DocuSigned by: Dina Ansari Shad 22-Mar-2023 633B292C4240457... </div> </div>

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

A.1. Object Description

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

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

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

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

A.2. Carbon Footprint Summary

Fiedler & Lundgren AB's Scope 1 and 2 emissions inventory in absolutes [tCO₂e] for the reporting period is listed in the table below. These tCO₂e quantities have been used as the basis to offset and declare carbon neutrality.

Fiedler & Lundgren AB is purchasing 100% renewable electricity (GoO). Accordingly Scope 2 emissions on market-based approach is zero.

Total Scope 1 & 2 CO₂ equivalent emission for Fiedler & Lundgren AB is 11 tCO₂e.

Scope 1 tCO ₂ e	
Emissions from use of fuel	10.998
Fleet Vehicles - fuel	10.978
Management vehicles	10.978
Mgmt Bio-diesel	0.023
Bio-petrol	0.002
Diesel	7.473
Petrol/gasoline	3.480
Emissions from use on site	0.021
Biodiesel	0.021
Biogas - Renewable - Certified	0.000
Fugitive and Process emissions	0.000
Air Conditioning, refrigeration, fire fighting	0.000
Wastewater treatment on site	0.000

Scope 2 tCO₂e (Market based)	
Purchased energy - on site use – MB	0.000
Purchased Electricity – Renewable - MB	0.000
Scope 2 tCO₂e (Location based)	
Purchased energy - on site use - LB	52.084
Purchased Electricity – Renewable - LB	52.084

A.3. Standards and Methodologies Used

A.3.1 Reporting Period Covered and Frequency of Internal Reporting

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

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 quarterly basis.

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

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

These boundaries are a true and fair representation of the organization's GHG emissions (i.e. include all GHG emissions relating to core operations including subsidiaries owned and operated by the organization).

A.3.3 Selection of Quantification Approach

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

to scope 1 & 2 accordingly on monthly basis.

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 tCO₂e

Total scope 1 & 2 CO₂ equivalent emissions for Fiedler & Lundgren AB during the period December 1st, 2021, to November 30th, 2022, is 11 tCO₂e (market-based).

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

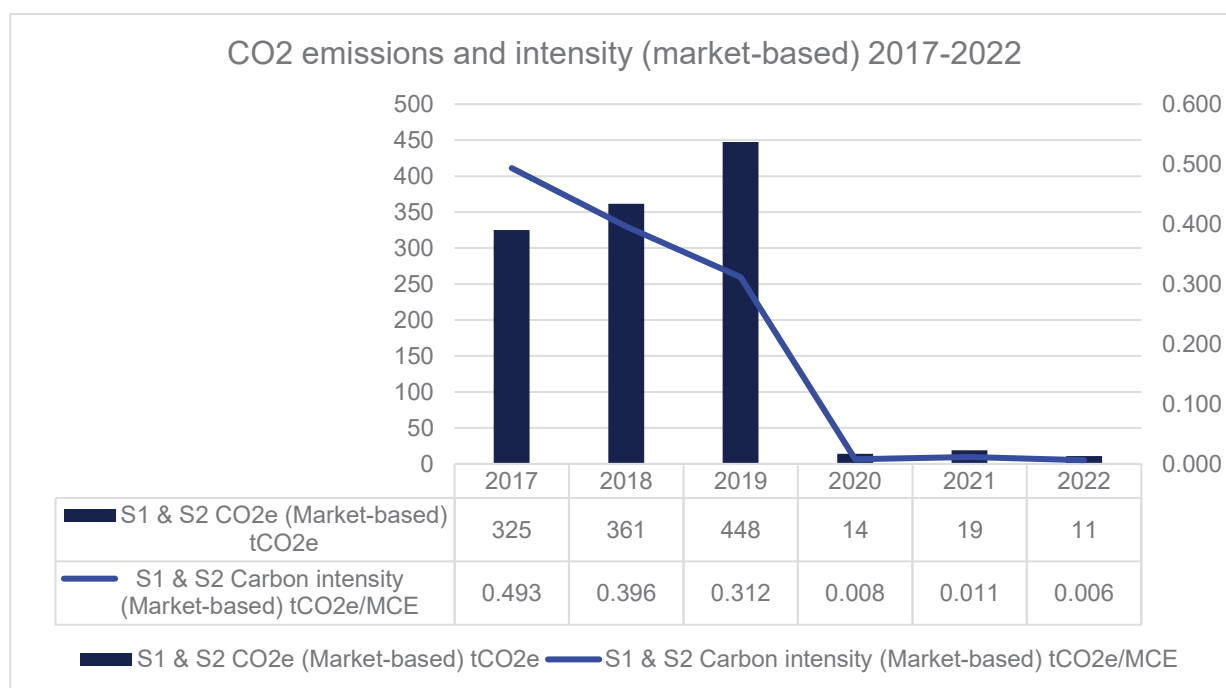
B1. History of Greenhouse Gas Emissions (GHG)

Fiedler & Lundgren AB has been tracking and reporting its energy consumptions over multiple years, with continuous efforts to improve its reporting standards and quality of data reported.

The longer-term positive development on CO₂e and carbon intensity for the site can be found in the graph below for the period 2017-2022. Most significant reductions achieved took place in 2020 period through transition to certified biogas and renewable electricity (GoO).

Fiedler & Lundgren's first carbon neutrality declaration in accordance with PAS2060 for the period 1st of December 2020 to 30th of November 2021, demonstrated reductions vs 2017 reference period.

For this second carbon neutrality declaration in accordance with PAS2060 for the period 1st of December 2021 to 30th of November 2022, the reference year is 2020.



B2. Description of GHG Emissions Reduction in Reference Year

Versus the 2020 baseline year, Fiedler & Lundgren's Scope 1 & 2 emissions were reduced by 3 tCO₂e or 0.002 tCO₂e/MCE, which represents about 22% reduction. The main contributor of achieving this reduction is in Scope 2 through the change to certified renewable electricity utilizing hydropower in January 2020.

Fiedler & Lundgren AB's continued investment into renewable energy, certified biogas and hydropower electricity (GoO), is a key pillar of the entity's Environmental policy statement.

B2.1 Reduction through Regular Monitoring and Continuous Interventions

Whilst Fiedler & Lundgren AB is using fully certified renewable energy sources since 2020, the entity has continued focus on driving improved insights into entity's energy use on more granular level to improve its energy efficiency. In order to achieve this, Fiedler & Lundgren AB in the end of 2021 has commenced submeter installations to achieve level 3 metering by Q1 2024, along with a technical system to consolidate and analyze the data received from submeters. The site has further started up Enercon meetings to assess the data and trigger interventions as required as well as to set longer-term actions and projects to increase energy efficiency.

B2.2 Reduction from Efficiency Improvement Focus

Fiedler & Lundgren AB's continued investment into renewable energy, certified biogas and hydropower electricity (GoO), is and remains the key pillar of the entity's continued commitment to sustainability.

The entity continues to focus on gradual exchange of obsolescent equipment with more energy-efficient equipment on site in line with long-term capital expenditure plan. Further the site's production effectiveness has increased considerably since 2020 leading to reduced amount of production shifts and hence reduced energy consumption.

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

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

B3. Description of Renewable Energy Tracking Instruments

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

Further Fiedler & Lundgren AB continues to invest into using certified biogas.

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 are described in B.3.

C 2. Description of Offsetting Instruments - Carbon Credits

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

Quantity of Retired VCU: 14

Serial Number: 9921-159781817-159781830-VCS-VCU-324-VER-CN-14-1935-01012015-31122015-1

Date of Retirement: Jan 10 2023 10:08AM

Beneficial Owner: Fiedler & Lundgren AB

Retirement Reason Details: Credits were retired on behalf of Fiedler & Lundgren AB as part of its climate strategy in the 2022 reporting period.

Public URL: <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=188645>

VCS VCU 1935: Hubei Hongshan IFM (Conversion of Logged to Protected Forest) Project

Project Type: Agriculture Forestry and Other Land Use

Project Country/Area: CN

C3. Use of Carbon Neutrality Instruments

To compensate for Scope 1 and 2 CO₂e emissions in 2022 reporting period, Fiedler & Lundgren AB retired carbon offsets for 14 tCO₂e.

These were part of overall 50 carbon credits purchased for previous year (2021) reporting period, of which 22 credits were already offset for the 2021 reporting period

C4. Quality Criteria for Clearing Instruments

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

a) Offsets generated or allowance credits surrendered represent genuine, additional GHG emission reductions elsewhere.

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

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

BAT Annual Report and Form 20-F 2022

Strategic Report

Governance Report

Financial Statements

Other Information

Strategic Management

ESG 2022 Assured Metrics

KPMG have conducted independent, limited assurance in accordance with ISAE 3000 over the 2022 ESG 'Selected Information' listed below, as contained in this Annual Report. KPMG's Independent Limited Assurance Report is provided on page 95.

[^] 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)	22.50
Scope 1 CO ₂ e emissions (thousand tonnes)	308
Scope 2 CO ₂ e emissions (market based) (thousand tonnes)	113
Scope 2 CO ₂ e emissions (location based) (thousand tonnes)	356
Scope 1 and Scope 2 CO ₂ e emissions intensity ratio (tonnes per £m revenue)	15.20
Scope 1 and Scope 2 CO ₂ e emissions intensity ratio (tonnes per EUR m revenue)	13.00
Total Scope 3 CO ₂ e emissions (thousand tonnes) [^] - for 2021, Scope 3 emissions are reported one year later	5,243
Total energy consumption (GWh)	2,344
Energy consumption intensity (GWh per million £ revenue)	0.08
Energy consumption intensity (GWh per million EUR revenue)	0.07
Renewable energy consumption (GWh)	771
Non-Renewable energy consumption (GWh)	1,574
Waste generated (tonnes)	125,686
Hazardous waste and radioactive waste generated (tonnes)	1,753
Total waste recycled (tonnes)	105,997
Total water withdrawn (million m ³)	3.50
Total water recycled (million m ³)	1.02
Total water discharged (million m ³)	1.66
% of operations sites reported no production process use of priority substances [^]	100
% operations sites not using priority substances in any on-site ancillary / support processes [^]	38
Number of operations sites in areas of high-water stress with and without water management policies	16 / 0
% of sources of wood used by our contracted farmers for curing fuels that are from sustainable sources [^]	99.9
% of all paper and pulp volume that is certified as sustainably sourced	94
% of tobacco hectares reported to have appropriate best practice soil and water management plans implemented [^]	82
% of tobacco farmers reported to grow other crops for food or as additional sources of income	92.8
% of farms monitored for child labour [^]	99.99
% of farms with incidents of child labour identified [^]	0.38
Number of child labour incidents identified [^]	942
% of child labour incidents reported as resolved by end of the growing season [^]	100
% of farms monitored for grievance mechanisms [^]	100
% of farms reported to have sufficient PPE for agrochemical use [^]	99.9
% of farms reported to have sufficient PPE for tobacco harvesting [^]	99.6
H&S - Lost Time Incident Rate (LTIR)	0.19
H&S - Number of serious injuries (employees)	22
H&S - Number of serious injuries (contractors)	11
H&S - Number of fatalities (employees)	1
H&S - Number of fatalities (contractors)	2
H&S - Number of fatalities to members of public involving BAT vehicles	1
% female representation in management roles	41
% female representation on senior leadership teams	30
% of key leadership teams with at least a 50% spread of distinct nationalities	100
Unadjusted gender pay gap (average %)	24
Incidents of non-compliance with regulations resulting in fine or penalty	3
Incidents of non-compliance with regulations resulting in a regulatory warning	2
Number of established SoBC breaches	84
Number of disciplinary actions taken as a result of established SoBC breaches that resulted in people leaving BAT	58
Number of established SoBC breaches - relating to workplace and human rights	33
% of product materials and high-risk indirect service suppliers that have undergone at least one independent labour audit within a three-year cycle	36.6

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 2022.

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 on pages ## and ## marked with a **◆** and listed as 'Assured' on page 1 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 on pages ## and ## marked with a **◆** and that listed as 'Assured' on page 1 (being together 'the Selected Information') within BAT's Combined Report ('the Report') 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.

Where Selected Information is calculated in arrears or includes periods outside of the year ended 31 December 2022, this is outlined within the reporting criteria.

Reporting Criteria

The Reporting Criteria we used to form our judgements are BAT's Reporting Guidelines 2022 as set out at www.bat.com/sustainabilityreporting ('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 ESG 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 overseeing:

- the designing, operating 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 process of selecting and/or developing 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 control

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'. We apply International Standard on Quality Control (UK) 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly we maintain a comprehensive system of quality control including documented policies and procedures 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;
- 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;
- performing analytical 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; 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 KPIs marked with a **◆** symbol on page 1, our procedures did not include physical visits to the farms which provided the source data for the Leaf Data and Human Rights KPIs 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 KPIs.

This report's intended use

This assurance report is made solely to BAT in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of BAT showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than BAT for our work, for this assurance report or for the conclusions we have reached.

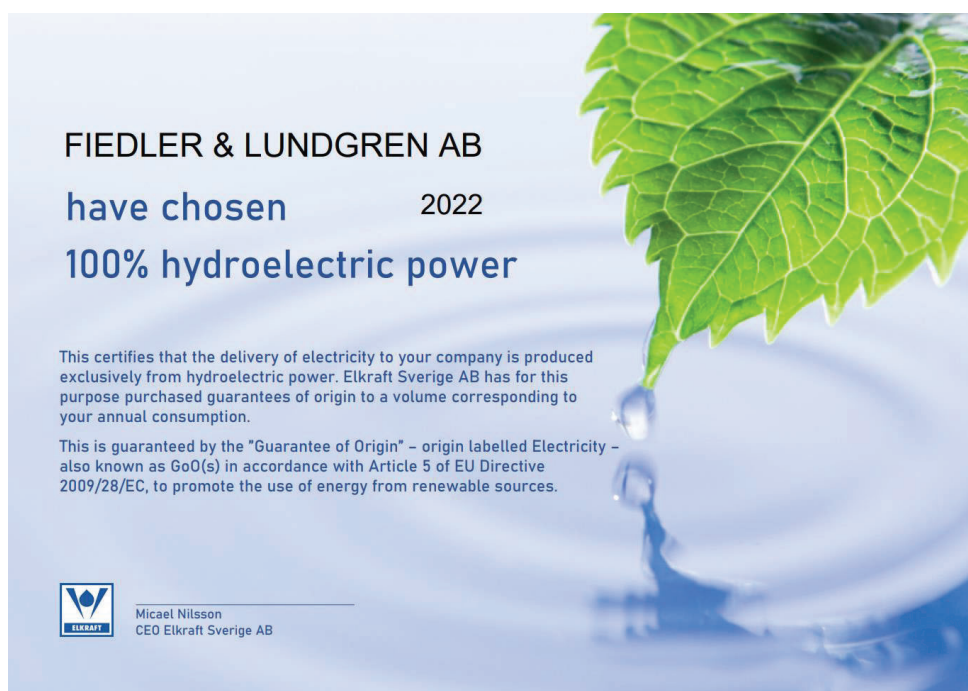
George Richards

for and on behalf of KPMG LLP
 Chartered Accountants
 15 Canada Square
 London E14 5GL
 08 February 2023


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

'Guarantee of Origin' for the supplied renewable electricity, specifically hydroelectric power, from supplier Elkraft Sweden AB to Fiedler & Lundgren AB site for contractual years 2021 and 2022.



Biogas certificates based on contracted supply of 100% biogas as renewable energy source from supplier E.ON to Fiedler & Lundgren AB site for contractual years 2021 and 2022.



Environmental certificate

Biogas

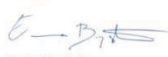
Fiedler & Lundgren AB

will purchase biogas during the contract period. Biogas is a renewable fuel that is formed when organic matter is broken down, and therefore produces no net increase in carbon dioxide during combustion. Carbon dioxide emissions are reduced by approximately 205 kg/MWh* in comparison with natural gas.

We guarantee that your annual consumption is produced in the form of biogas.



The certificate is valid for 20210101 - 211231

Best wishes,



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

*Based on average for year 2016.



Miljöintyg

Biogas

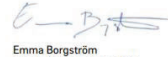
Fiedler & Lundgren AB

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

Vi garanterar att er årsförbrukning framställs i form av biogas.


Intyget gäller för 20220101 - 20221231

Bästa hälsningar

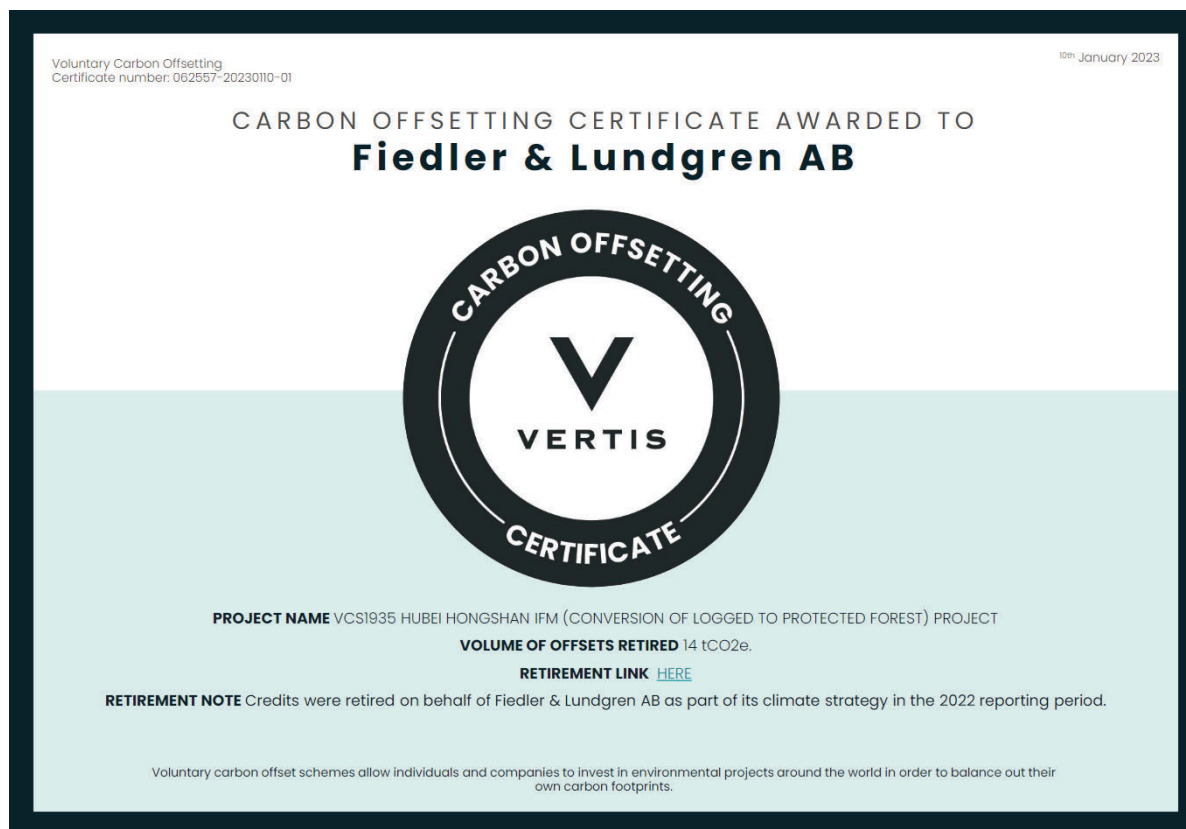


Emma Borgström
Head of Energy Sales B2B
E.ON Energiölsningar AB

*Baserat på genomsnitt för år 2016.



Carbon credits retired for Fiedler & Lundgren AB for verification period December 1st, 2021, to November 30th, 2022.



ANNEX F – MANAGEMENT DECLARATION

Fiedler & Lundgren AB
Stenåldersgatan 23
213 76 Malmö
Sweden

Longitude: 55.55454

Latitude: 13.06222

Independent Limited Assurance Declaration

Fiedler & Lundgren AB, Malmö, Sweden

Verification Period: January 09th 2023 to March 27th 2023

Process Code for PAS 2060:2014 Certification Process: IT-03-2023

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

Fiedler & Lundgren AB, Malmö, Sweden contracted Instituto Totum to conduct a limited assurance assessment regarding the Carbon Neutrality Declaration ("Qualifying Explanatory Statement" document) for the Unit – Sweden, for the period from December 1st 2021 to November 30th 2022.

Conclusion: Based on the procedures Instituto Totum has performed and the evidence obtained, nothing has come to verification team attention that causes it to believe that the Carbon Neutrality Declaration ("Qualifying Explanatory Statement", dated 22th March 2023) is not fairly stated and has not been prepared, in all material respects, in accordance with the Reference Standard. This conclusion relates only to the referenced Carbon Neutrality Declaration ("Qualifying Explanatory Statement"), and should be read in the context of this Independent Limited Assurance Report, particularly with regard to the details listed below.

Scope of Limited Assurance Work

The scope and limits of this work are restricted to the verification of the Carbon Neutrality Declaration referenced in this Report, in accordance with Standard PAS 2060:2014 - "Specification for the demonstration of carbon neutrality" (reference standard). The object for which compliance to the reference standard is claimed is the Sweden Unit, which belongs to Fiedler & Lundgren AB, Instituto Totum did not carry out any activity and did not express any conclusions that could be published outside the defined scope, for the period of compliance with the established reference standard. Annex to this Independent Limited Assurance Declaration is the checklist PAS 2060:2014 extracted from Totum Indicators Verification System – STVI.

Factual Basis of Conclusion

Instituto Totum planned and executed a limited assurance verification work, with the objective of minimizing the risks of not detecting material errors in relation to the reference standard, including, but not limited to:

- Allocation of qualified verification team with respect to the scope of work and reference standard;
- Conducting interviews with key personnel of the organization to obtain knowledge about the applied processes, systems and controls;
- Verification of data, information and documented records of the organization itself, preferably audited by an independent third party;
- Verification of documents from sources outside the company, traced back to their origin through consultation with public or private sources;
- Critical analysis of the evidence verified within the context of compliance with the reference standard;
- List of requested clarifications, observations and corrective actions that are attached to this statement.

Inherent Limitations

The verification process was based on sampling of existing data and information, not including the generation of additional data to those that were already available. The assurance of Instituto Totum is made on the premise that the data and information were provided by the client organization in good faith. There are inherent limitations to the limited verification process. The detection of contingencies, liabilities and data consolidation errors, when they exist, are subject to limitations imposed by their evidence and materiality, always subject to sampling. The process of generating information contained in the greenhouse gas inventory of the client organization was not part of the scope of this verification, and the Audit Report issued by a third party (other than the Instituto Totum) was considered as sufficient evidence of the reliability of greenhouse gas inventory data at a reasonable level. The list of observations and notes made in the verification process is not intended to be the complete list of discrepancies in relation to the reference standard in the audited scope. Eventual items considered "compliant" due to the sampling are not necessarily exempt from real or potential problems.

Independence

Instituto Totum has internal policies and guidelines to ensure that the certifier itself, its verification team and internal team are independent in relation to the client's activities. Instituto Totum does not have other contracts with the client that may signify a conflict of interest.

Instituto Totum is accredited by the General Accreditation Coordination of INMETRO Brazil (CGCRE) by the ABNT NBR ISO 14.065:2012 Standard.

The work performed on a verification with a limited confidence level varies in nature, timing and is less extensive and in-depth than work performed on a verification with a reasonable level of confidence. Instituto Totum planned and executed the work to obtain evidence considered sufficient to support his opinion, and the risk linked to this conclusion is reduced, but not reduced to the point of being very low. The report attests only to what was found within the analyzed sample. Instituto Totum expressly disclaims any responsibility for any decision by any person or organization based on this Independent Limited Assurance Report.