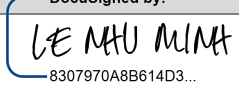


Qualifying Explanatory Statement

(As per PAS 2060)


Document Preparation		
Function/Designation	Name	Signature <small>DocuSigned by:</small>
Environment Health and Safety	Le Nhu Minh	 <small>8307970A8B614D3...</small>

Version Control	
Change	Date
First report (period Dec 2021 to Nov 2022)	16 Mar 2023
Change Refrigerant & Fire Extinguishers to direct emission in A.2 Edited information in B1,B2, C3,C4 Add 2022 KPMG report in appendix D	23 Mar 2023
Second report (period Dec 2022 to Nov 2023) Update data of new period follow template for all Annex Add 2023 KPMG report in appendix D	17 Apr 2024

Carbon Neutrality Statement according to PAS 2060: 2014

“Qualifying Explanatory Statement”

“Carbon Neutrality for the industrial/ services / logistics activities of 2023, BAT-Vinataba (JV) at Dong Nai Province Vietnam, declared in accordance with standard PAS 2060: 2014 on 18 April 2023, for the period from December 1st, 2022 to November 30th 2023, certified by the Totum Institute.”

Name of the Senior Representative	Signature of the Senior Representative
<p style="text-align: center;">Mr. Jason Hew General Director</p>	
<p style="text-align: center;">Date: 17 April 2024</p>	

Company: BAT-Vinataba (JV)

Issue Date: 17 April, 2024

Assurance Authority: Totum Institute

Verification Report: IT-38-2024

Neutrality Report: December 1st, 2022 - November 30th, 2023

Previous Certifications Obtained: IT-08-2023

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 *BAT-Vinataba (JV)* has achieved carbon neutrality for its managed directly by 2023, aligned to the guidelines of PAS 2060: 2014, in the period from December 1st, 2022 to November 30th, 2023.


PAS 2060 Requirement	Explanation
Entity Responsible for the Declaration	BAT-Vinataba (JV)
Object of Declaration	Declaration of carbon neutrality with Scope I & Scope II calculated at BAT-Vinataba (JV)
Object Description	Demonstrate that BAT-Vinataba (JV) has achieved carbon neutrality for its managed directly by 2023
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 (BAT), CR360 reporting other than fugitive emissions. The fugitive emissions were accounted as per ISO 15848-1 standards.
Type of Assurance	Emission inventory have been assured at limited level by KPMG.
Period of obtaining Carbon Neutrality	December 1st, 2022 – November 30 th , 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 1st, 2022 to November 30th, 2023.
Total emissions (location-based method) of the object in the period from December 1 st , 2022 to November 30th, 2023.	Total of 3,604 tCO ₂ e (based in CR360) Scope 1: 604tCO ₂ e Scope 2: 3,000 tCO ₂ e
Total emissions (market-based method) of the object in the period from December 1st, 2022to November 30th, 2023.	1,108 tCO ₂ e (Based in CR360)
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 industrial/ services / logistics / activities of 2023, BAT-Vinatoba (JV) at Dong Nai Province- Viet Nam, declared in accordance with standard PAS 2060:2014 on Feb-2024, for the period from December 1st, 2022 to November 30th 2023, certified by the Totum Institute.”

Name of the Senior Representative	Signature of the Senior Representative
Mr. Jason Hew General Director	
Date: 17 April 2024	

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

A.1. Object Description

BAT-VINATABA (JV) is registered under the law of Viet Nam and licensed to the manufacturing of Cut Rag Tobacco (CRT). BAT-VINATABA (JV) is a member of British American Tobacco (BAT) Group.

Quantitative data of the certified unit (Production)

PRODUCTION

Month	Dec'22	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
Tones	1,418	341	1,067	1,240	1,096	796	197	1,486	1,296	1,186	1,145	1,525	12,793

The organizational boundary was Primary Manufacturing Department factory. Therefore, it was not covering the Green Leaf Threshing factory (GLT), rental warehousing operation located in Hoa Viet GLT factory. The Primary Manufacturing Department Factory, in Dong Nai has been considered as one of key areas of focus in this report.

A.2. Carbon Footprint Summary

Total emission source and by gas type

(the electricity is zero emission because we have onsite solar system and purchased IREC)

Emission Source	CR360 - BAT Environment Report System		
	Direct	Indirect	BATV(JV) Overall
Site – Biomass	√		504
Site – LPG	√		09
Site - Diesel Oil	√		500
Site - Grid connected electricity			-
Fleet Vehicles – Fuel		√	14
Refrigerant & Fire Extinguishers	√		1
Total			1108

GHG Emission separately by scope and by unit.

Scope	Source of emission	2018	2019	2020	2021	2022	2023
Scope 1	DO & LPG	806	634	624	613	596	509
Scope 1	Fleet Vehicles - Fuel	95	93	95	68	100	14
Scope 1	Refrigerant & Fire Extinguishers	N/A	N/A	N/A	N/A	397	1
Scope 2	Steam by external provider	631	463	467	460	541	504
Scope 2	Purchased Electricity	2,034	2,290	1,765	2,285	0	0

A.3. Standards and Methodologies Used

A.3.1 Reporting Period Covered and Frequency of Internal Reporting

This report has been prepared base on guideline of BAT global environmental manual report. This report has captured the data for a period of twelve months, in which BAT-VINATABA (JV) considered as its based year for GHG emission reduction journey with the ultimate objective of becoming carbon neutral.

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 of its subsidiaries shall adhere to same when conducting their environmental reporting on quarterly basis.

The tCO₂e emissions quantified separately for each source, in tons of CO₂e based on BAT specified factors mentioned in below table.

Direct - Stationery Sources		
Fuel type	Unit	2023
Diesel oil	tCO ₂ e per tone	3.2088
Petroleum/gasoline	tCO ₂ e per tone	2.90308
LPG	tCO ₂ e per tone	2.9393
Steam by external provider	tCO ₂ e per GJ	0.0474

Direct Mobile sources to tCO₂e and GJ conversion factors:

Direct – Fugitive Sources		
Gas Type	Unit	GWP
Refrigerant - R407C	kgCO ₂ e	1774
Refrigerant - R410A	kgCO ₂ e	2088
Refrigerant - R134/HFC134A	kgCO ₂ e	1430
Refrigerant - R22	kgCO ₂ e	675
Refrigerant - R141B/HFC141B	kgCO ₂ e	2088
Acetylene Consumption	kgCO ₂ e	3.385
CH ₄ Emission Estimation from ETP	kgCO ₂ e	25
CO ₂	kgCO ₂ e	1

Indirect Imported Energy to tCO₂e and GJ conversion factors

Indirect – Imported Energy		
Fuel type	Unit	2023
Fleet vehicles – Diesel	tCO ₂ e per litter	0.0027055
Fleet vehicles - Petrol/Gasoline	tCO ₂ e per litter	0.0023397
Fleet Vehicles – LPG	tCO ₂ e per litter	0.0015571

As defined in the BAT global environment report manual, greenhouse gases are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆). The applicable emissions from our operating scope will be considered in this GHG inventory report considering the nature of industry and what is assessed and reported based on British American Tobacco environmental reporting guidelines.

The GHG emissions within the operating boundaries are comprised with both the categories as direct and indirect based on the nature of activity and the nature of emission that is generated from its source. As per the reporting principles and guidelines followed, the emissions are accounted in to reporting entities of BAT-VINATABA (JV)

Direct emissions – (Direct emissions from operational activities)

- Stationery Emissions- Site & office emission coming from burning of Diesel, petrol, LPG and Biomass steam
- Mobile Emissions - Emission for fleet vehicles operating under long term (rent or lease)
- Emissions from fugitive sources
- The emissions from purchased energy (grid electricity)

Other indirect sources – The emissions from the business-related operations in which BAT-VINATABA (JV) has no direct responsibility or control. The emissions from these sources will be excluded in the verification assessment.

- Fuel transportation
- Emission from finished good
- Employee business air

The data inventories maintained by BAT-VINATABA (JV) 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 direct and indirect categories.



GHG Calculation Approach and Steps

The emission related data collection is carried out monthly basis covering all the sites and operations. The data collected is fallen under one of the two scopes illustrated in figure 02, but only emissions from grid electricity will be accounted as indirect source of energy in the GHG report. The factors are used in converting the raw use of energy sources to energy and CO₂ emissions have been obtained from BAT referred international standard.

A.3.3 Selection of Quantification Approach

GHG Emissions Quantification

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.

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

B1. History of Greenhouse Gas Emissions (GHG)

Striving towards our purpose of creating A Better Tomorrow, BATV(JV) has also declared the organizational intention and commitment of driving a sustainable business agenda through its sustainable policy statement signed-off by the executive committee.

The sustainability strategy of BATV(JV) has been the path laid down to achieve the sustainability goals and set targets. The specific KPIs have been set at various levels to ensure the company is headed towards right direction by its sustainability strategy.

The sustainability strategy is comprised with five key components as;

- Regular monitoring and continuous interventions,
- Efficiency improvements focus on current setup,
- Reporting of performance and monitoring against KPIs,
- Sustainability culture and individual ownership and
- Sustainable intervention through investments and new projects.

B2. Description of GHG Emissions Reduction in Reference Year

Year	2018	2019	2020	2021	2022	2023
Actual Co2e (tons)	3,566	3,481	2,951	3,427	1,634	1,108
Project to	+Reduce air compressor pressure to save electric + Replace gas forklift by electrical forklifts	+ Automated On-Off central airconditioner. + Operation mode optimization for Burner (HXD machine) + Solar hot water for canteen.	+ Install Inverter for Dust machine +100% Usage L.E.D for factory	+ Combine dust machine +Supply biomass steam for production	+ Replace Air conditioner for Admin office + Install onsite solar power 1 Mwp + Install Solar for waking lighting + Purchase 100% IREC for remain electric	+ Install mini air compressor + Change motor with IE high + Purchase 100% IREC for remain electric

B2.1 Reduction through Regular Monitoring and Continuous Interventions

Regular monitoring involves the monitoring of daily consumptions of key energy centres, to understand any abnormalities occurs in their operations. The energy consumption monitoring starts from obtaining the daily reading from energy meters through centralized and de-

centralized metering systems and networks. The readings are collated and discussed in daily management meeting against the set KPIs and necessary investigations are carried out against any abnormalities to understand the immediate and root causes. The actions are set to avoid the recurrence of similar incidents which help to control the energy waste in day-to-day operations through continuous interventions.

Energy Metering & Daily Data Reading

Date	Electric Consumption																				Other Energy											
	Production Process				Air Compressors				Central Air Cond.						Bio Mass Boiler		Admin Office		Diesel Oil IGD			Steam			Compressed Air			Solar				
	SB-A		SB-B		SB-FMS		SB-FIBEX		SB-ARS		SB-ARU2		Cont-Fran		AD- Main SB						Oil Meter			Compressed Air			Solar					
	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Meter figure	Cons.	Day tank	Cons.	Meter figure	Cons.	Meter figure	Cons.	ISI	Cons.	ISI			
9-Jan-24	90,484	75	126,147	319	123,274	726	51,802	74	1,194	77,867	372	38,393	1,043	38,848	1,021	166,307	3,331	5,395	11,641	48	27,487	851	4,659,350	1,300	0	2,126,927	0	3,155,960	1,176	975,458	2,640	965,005
10-Jan-24																																
11-Jan-24																																
12-Jan-24																																
13-Jan-24																																
14-Jan-24	90,987	503	127,096	949	124,170	896	51,876	76	2,424	78,864	997	39,637	1,244	40,821	1,073	171,798	5,458	8,676	11,826	188	28,781	1,204	4,659,350	1,300	0	2,130,160	3,333	3,158,596	2,606	980,817	5,158	970,343
15-Jan-24	83,368	2,381	129,652	2,556	126,575	2,405	53,473	1,595	8,937	80,004	2,040	40,252	615	41,296	475	175,597	3,831	4,921	12,150	321	29,105	404	4,660,280	1,350	880	2,163,357	33,197	3,169,611	10,445	982,159	1,512	971,846
16-Jan-24	96,191	2,623	133,638	3,986	130,402	3,627	55,151	1,678	12,314	83,258	2,354	40,857	605	41,849	553	180,958	5,361	6,519	12,511	361	29,529	424	4,662,160	1,600	1,630	2,210,921	47,964	3,183,475	14,464	983,906	1,737	973,705
17-Jan-24																																
18-Jan-24																																
19-Jan-24	98,300	2,109	136,062	3,024	132,669	2,284	56,831	1,680	9,097	85,367	2,109	42,075	1,219	43,139	1,286	188,216	7,258	9,786	12,772	281	30,710	1,181	4,662,870	1,300	1,010	2,236,100	25,179	3,194,616	11,141	987,615	3,709	977,617
20-Jan-24																																
21-Jan-24	98,721	421	137,196	537	133,430	744	57,211	386	2,062	85,762	395	43,971	996	44,400	1,261	192,761	4,545	6,802	12,677	105	31,388	678	4,662,870	1,300	0	2,237,238	1,138	3,195,627	411	991,709	4,094	981,641
22-Jan-24	101,490	2,769	140,805	3,600	137,219	3,789	58,994	1,783	11,947	88,134	2,372	43,624	553	44,900	596	197,271	4,511	5,370	13,248	371	31,805	417	4,664,270	1,500	1,500	2,287,428	50,190	3,208,680	13,666	993,583	1,874	983,813
23-Jan-24	104,398	2,908	144,879	4,074	141,265	4,046	60,727	1,733	12,751	90,908	2,774	44,219	595	45,378	472	202,634	3,362	6,429	13,600	302	32,215	410	4,666,240	1,600	1,570	2,333,348	45,900	3,222,921	14,228	995,418	1,835	985,730
24-Jan-24	107,208	2,810	148,893	4,014	145,002	3,737	62,398	1,671	12,232	93,593	2,685	44,818	599	45,887	509	208,038	5,404	6,512	13,932	332	32,614	399	4,667,730	1,500	1,590	2,375,887	42,539	3,236,355	13,434	997,201	1,783	987,600
25-Jan-24																																
26-Jan-24																																
27-Jan-24																																
28-Jan-24																																
29-Jan-24	109,199	1,991	152,036	3,143	147,896	2,894	64,400	2,002	10,930	95,996	2,403	46,685	1,867	48,405	2,518	218,557	10,519	14,904	14,219	287	33,952	1,338	4,668,450	1,290	960	2,450,539	24,652	3,247,348	10,893	1,003,640	6,430	994,348
30-Jan-24																																
31-Jan-24	109,804	605	152,300	324	148,634	738	65,133	733	2,400	98,837	841	47,756	1,071	49,576	1,171	223,533	4,976	7,218	14,282	83	34,968	956	4,668,450	1,200	60	2,450,539	0	3,250,611	2,783	1,007,278	3,638	998,072
1-Feb-24	110,020	216	152,514	154	149,027	393	65,203	70	833	97,182	345	48,273	517	50,100	534	225,951	2,418	3,459	14,303	21	35,485	557	4,668,450	1,200	0	2,450,539	0	3,251,844	1,033	1,008,938	1,660	999,721
2-Feb-24	110,092	42	152,678	164	149,400	373	65,210	7	586	97,182	0	48,863	590	50,645	545	228,758	2,807	3,942	14,314	11	36,000	535	4,668,450	1,200	0	2,450,539	0	3,251,298	254	1,010,806	1,868	1,001,654
3-Feb-24																																
4-Feb-24																																
5-Feb-24	110,090	34	153,104	426	149,034	534	65,211	1	996	97,228	46	49,984	1,121	52,400	1,755	234,408	5,648	8,304	14,370	56	36,772	773	4,668,450	1,300	0	2,450,539	0	3,251,298	0	1,015,030	4,214	1,005,890
6-Feb-24	110,134	36	153,268	164	150,295	322	65,212	1	525	97,285	57	50,511	527	52,825	425	236,981	2,875	3,527	14,378	8	37,166	384	4,668,450	1,200	0	2,450,539	0	3,251,298	0	1,016,586	1,596	1,007,486
7-Feb-24																																

Energy Daily Meeting Dashboard

ENGINEERING UTILITIES DASH BOARD

KPI	UOM	TARGETS	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu
			17-Apr	18-Apr	19-Apr	20-Apr	21-Apr	22-Apr	23-Apr	24-Apr	25-Apr	26-Apr	27-Apr
PRODUCTION													
Production Process	Kwh/MCE	160	2,261	1,326	648	1,090	1,438	1,271	585	169	105	137	76
Air Compressors	Kwh/MCE	35	702	741	221	588	610	389	75	47	28	34	24
Central Air Cond.	Kwh/day	6800	9,687	3,274	3,554	3,777	4,116	3,016	5,102	5,859	6,418	7,415	3,678
Bio Mass Boiler	Kwh/MCE	4	55	60	75	85	82	47	75	5	3	3	2
Solar ID1	Kwh/day	2000	3,889	1,845	1,600	1,771	1,952	1,620	2,658	2,351	2,429	2,879	2,050
Solar ID2	Kwh/day	2000	3,847	1,817	1,572	1,752	1,903	1,599	2,652	2,272	2,365	2,779	2,009
Admin Office	Kwh/day	500	918	460	525	452	575	415	378	497	571	732	489
OTHERS ENERGY													
Diesel Oil	Tonne/MCE	17	-	-	-	-	-	-	-	24.3	12.0	16.1	4.7
Steam	Tonne/MCE	0.42	-	-	-	-	2.66	0.63	0.19	0.63	0.34	0.48	0.22
Compressed Air	Nm3/MCE	220	2,908	2,810	845	2,642	3,040	1,994	686	248	163	191	129

Noted:

	Less than target
	Equal then target
	Over then target

Monthly Tracking KPI's

EHS PILLAR - KPI TRACKING															
BUSINESS RESULTS/ MEASURES	Key Pillar	Target 2023	YTD	Dec-22	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Energy (GJ/MCE)	SUS	2.86	2.85	2.67	4.10	2.68	2.68	2.79	3.13	7.85	2.45	2.81	3.01	2.76	2.59
Carbon Emission Scope 1&2 (Tons)	SUS	1237	1103	121	35	90	104	94	80	41	111	112	106	89	118
Carbon Emission Scope 1&2 reduction BL (2020) (%)	SUS	57%	67%	57%	88%	68%	63%	66%	71%	85%	60%	60%	62%	68%	58%
EHS PILLAR - ENERCON DMS															
BUSINESS RESULTS/ MEASURES	Key Pillar	Target 2023	YTD	Dec-22	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Steam (Tons/MCE)	SUS	0.42	0.41	0.41	0.43	0.42	0.41	0.40	0.47	0.80	0.38	0.43	0.44	0.37	0.37
Electricity (Kwh/MCE)	SUS	342	342	311	613	331	325	340	374	1174	290	340	345	310	288
LPG (kg/MCE)	SUS	0.28	0.25	0.25	0.53	0.17	0.29	0.16	0.45	1.37	0.18	0.21	0.23	0.24	0.18
DO (Kg/MCE)	SUS	12.9	12.2	12.3	13.7	11.7	11.8	12.6	14.1	28.1	10.2	12.2	12.9	11.0	11.3

B2.2 Reduction from Efficiency Improvement Focus

No.	Scope1 emission - Reduction from Efficiency Improvement Focus	Total saving (tCo2e/Year)
1	Replace York chiller by Smart chiller – Y2015 (eliminate risk of fugitive leaked)	N/A
2	Change LPG forklift by electric forklift – Y2018	12
3	Operation mode optimization for Burner (HXD machine) – Y2019	77
TOTAL		89

No.	Scope2 emission - Reduction from Efficiency Improvement Focus	Total reduction (tCo2e/Year)
1	Replace York chiller by Smart chiller – Y2015 (eliminate risk of fugitive leaked)	612
2	Optimize electric by reducing compressed air supply for machine– Y2018	85
3	Automated ON - OFF running time of central air conditioner – Y2019	139
4	Install Solar for hot water system for canteen – Y2019	4
5	Install Inverter for Dust machine – Y2020	25
6	100% Usage L.E.D for factory – Y2020	74
7	Combine dust machine – Y2021	42
8	Supply biomass steam for production –Y2021	-
9	Replace Air conditioner for Admin office – Y2022	22
10	Install Solar for waking lighting – Y2022	5
11	Install Rooftop Solar power supply to factory – Y2022	565
12	Change motor with IE high – Y2023	3
13	Install mini air compressor for small scale production	25
TOTAL		1,601

B3. Description of Renewable Energy Tracking Instruments

BAT-VINATABA (JV) striving towards achieving carbon neutrality at the beginning of 2021 and “Plan A” project has been launched with the objective of expediting the journey towards carbon neutrality. The Plan A project focuses on key initiatives to reduce the using energy of the site, then increase the renewable energy via Biomass boiler (2021), Proof top solar project (2022) and IREC purchase 2023 and 2023 achieve 100% renewable electric and 50% reduction in Scope I & II tCO₂ (as per old definition) emissions from BAT-VINATABA (JV) in total.

Activity data for electricity purchased from the national grid has been obtained based on monthly utility bills from the local utility company. Daily we have monitoring thought Enercon DMS and data recording via flow meter.

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)

Please refer B3 above for detail.

C 2. Description of Offsetting Instruments - Carbon Credits

Project buy IREC CERTIFICATE For ELECTRIC Y2023

TOTAL QUALITY: 3,895 Mwh

An I-REC Certificate issued by the relevant I-REC issuing body (Issuer) under the Electricity Scheme of the I-REC Code in the Country of Production

C3. Use of Carbon Neutrality Instruments

Scope	Emission Source	Points of use
Scope 1	DO	HXD Machine, Genset, Fire Fighting pump
Scope 1	LPG	Canteen for cooker
Scope 1	Fleet Vehicles - Fuel	Car for business
Scope 1	Refrigerant & Fire Extinguishers	AC system and fire fighting
Scope 2	Grid connected electricity	Machine and electrical equipment
Scope 2	Steam by External provider	Production

C4. Quality Criteria for Clearing Instruments

Remain Co2e (after IREC purchased for 100% electricity in 2023)	Off set purchase amount	Note
1,108 tons	Purchase 1,600 tons and retired 1,108 tons	Off set purchase certificate & IREC purchased are attached in appendix E

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

KPMG report to update by Feb 2024



2023 BAT - KPMG -
assurance statement

@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)	159
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

ANNEX E - RETIREMENT STATEMENTS FOR ENERGY ORIGIN GUARANTEE INSTRUMENTS (I-RECS) & CARBON OFFSET – PERIOD 2022-2023

E 1. Renewable Energy Traceability Instruments (I-REC)

2022 Retirement Certificate:

THE INTERNATIONAL REC STANDARD

This Redemption Statement has been produced for
BRITISH AMERICAN TOBACCO-VINATABA (JV)
 by
VERTIS ENVIRONMENTAL FINANCE LTD
 confirming the Redemption of
3 850
 I-REC Certificates, representing 3 850 MWh of electricity generated from renewable sources
 This Statement relates to electricity consumption located at or in
VietNam
 in respect of the reporting period
2022-01-01 to 2022-12-31
 The stated Redemption Purpose is
 Retired on behalf of British American Tobacco-Vinatoba (JV), representing 100% of 2022 consumption by the facilities in Viet Nam.

Evident

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 0 7 3 2 5 5
<https://evident.app/public/certificates/en/21a1gphlpj9b3a3hplm4t283cczccabm1mab1ee>

THE INTERNATIONAL REC STANDARD

This Redemption Statement has been produced for
BRITISH AMERICAN TOBACCO-VINATABA (JV)
 by
VERTIS ENVIRONMENTAL FINANCE LTD
 confirming the Redemption of
350
 I-REC Certificates, representing 350 MWh of electricity generated from renewable sources
 This Statement relates to electricity consumption located at or in
VietNam
 in respect of the reporting period
2021-12-01 to 2021-12-31
 The stated Redemption Purpose is
 Retired on behalf of British American Tobacco-Vinatoba (JV), representing 100% of electricity consumption in December 2021 by the facilities in Viet Nam.

Evident

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
6 1 2 3 5 7 4 4
<https://evident.app/public/certificates/en/21a1gphlpj9b3a3hplm4t283cczccabm1mab1ee>

2023 Retirement Certificate:

THE INTERNATIONAL REC STANDARD

This Redemption Statement has been produced for
BRITISH AMERICAN TOBACCO-VINATABA(JV)
 by
STX COMMODITIES BV
 confirming the Redemption of
3 895.000000
 I-REC Certificates, representing 3 895.000000 MWh of electricity generated from renewable sources
 This Statement relates to electricity consumption located at or in
Area 8, Long Binh Ward, Dong Nai Province VietNam
 in respect of the reporting period
2022-12-01 to 2023-11-30
 The stated Redemption Purpose is
 Certificates were retired on behalf of British American Tobacco-Vinatoba(JV) for electricity consumption in the indicated period.

Ev. STX

QR Code Verification
 Verify the status of this Redemption Statement by scanning the QR code on the left and entering in the Verification Key below
Verification Key
3 2 0 0 3 6 0 1
<https://api-internal.evident.app/public/certificates/en/QLfo8n6O68vDNT1wkXPzXzPCTuVcRg9lyrept1QtoxxDEtAC3tq3koGL5NSsCA>

E 2. Carbon Offsetting Certificate – Period 2022-2023

2022 Retirement Certificate:



2023 Retirement Certificate:



ANNEX F – MANAGEMENT DECLARATION

BAT-Vinataba (JV)

No.8 Long Binh Ward, Bien Hoa City, Dong Nai Province, Viet Nam

GPS: 10⁰57'37.3"N, 106⁰55'52.3"E

