Qualifying Explanatory Statement

(As per PAS 2060)

Document Preparation		
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Ceylon Tobacco Company PLC

Carbon Neutrality Statement according to PAS 2060: 2014

"Qualifying Explanatory Statement"

"Carbon Neutrality for the industrial activities of Leaf & GLTP, Colombo Manufacturing Plant and Trade Marketing & Distribution of Ceylon Tobacco Company PLC (CTC), declared in accordance with standard PAS 2060: 2014 on December 15th, 2021, 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
Richard Taylor –Director, Operations	
01/04/2024	

Company: Ceylon Tobacco Company PLC

Issue Date: 01/04/2024

Assurance Authority: Totum Institute

Verification Report No: IT-37-2024

Neutrality Report: December 1st, 2022, to November 30th, 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 Ceylon Tobacco Company PLC (CTC) has achieved carbon neutrality for its end-to-end operations (Leaf & GLTP, Colombo Manufacturing Plant and Trade Marketing & Distribution) managed directly by CTC, 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	Ceylon Tobacco Company PLC
Object of Declaration	Operational activities of CTC's Leaf & GLTP, Colombo Manufacturing Plant and Trade Marketing & Distribution.
Object Description	Ceylon Tobacco Company PLC
Object Limits	CO2e emissions are reported in line with WBCSD Greenhouse Gas (GHG) Protocol Corporate Standard and supporting GHG Protocol Scope 2 Guidance, 2015. Emissions are reported based on Operational Control approach. **Emission calculation:** **Scope I** • DEFRA Greenhouse Gas Reporting: Conversion Factors are used to convert raw data to CO2e. DEFRA used GWPs with reference to AR4 • 2021 DEFRA emissions factors set is applied for 2022 reporting year. Factors used by BAT are updated annually. **Fugitive Emissions** • Refrigeration and Air Conditioning Equipment (HVAC) and Fire Extinguishers methodology refers to GHG Protocol and allows to select from Life Cycle stage, Mass Balance and Screening approach • Emissions from water and wastewater treatment are based on IPCC approach • Non-Kyoto gases have been considered to the scope • GWPs for most of the gases are as per AR4. Wherever GWP for a gas is not available in AR4, GWP from AR5 is applied Scope II Emissions • Scope 2 includes indirect emissions associated with the purchase of electricity. • Market-based Scope 2 CO2e emissions are calculated using International Energy Agency

	2021 country specific emission factors. Factors are reviewed annually. • The renewable energy certificate purchase as renewable electricity from a local project. The market-based emissions factor has been considered as zero • Scope 2 Market-based CO2e emissions are calculated from supplier-specific emissions factors. To ensure reported Market-based CO2e emissions meet the 'Good quality criteria' as per GHG Protocol Scope 2 Guidance, we specify market-based factors only when these are supported by contractual instruments.
Type of Assurance	The emission data limited assurance was performed at BAT group level by KPMG. The third-party verification is carried out by Totum Institute as per PAS 2060:2014 Certification - Specification for the demonstration of carbon neutrality for the process of being Carbon Neutral for the period starting from 1st Dec 2021 to 30th Nov 2022. (https://www.institutototum.com.br/)
Period of obtaining Carbon Neutrality	December 1st, 2022 – November 30th, 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 1st, 2022 to November 30th, 2023.	3954 tCO2e
Total emissions (market-based method) of the object in the period from December 1st, 2022 to November 30th, 2023.	1555 tCO2e
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

"Carbon Neutrality for the industrial activities of Leaf & GLTP, Colombo Manufacturing Plant and Trade Marketing & Distribution of Ceylon Tobacco Company PLC (CTC), declared in accordance with standard PAS 2060: 2014 on December 15th, 2021, for the period from December 1st, 2022 to November 30th, 2023, certified by Totum Institute."

Name of the Senior Representative	**Signature of the Senior Representative**
Richard Taylor	
01/04/2024	

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

A.1. Object Description

Ceylon Tobacco Company PLC (CTC) is registered under the Companies Act No. 07 of 2007 of Sri Lanka and engaged in the manufacturing of cigarettes. CTC is a member of British American Tobacco Plc (BAT), Group. CTC is one of the largest companies to trade on the Colombo Stock Exchange, with a history spanning over 116 years.

CTC prides itself on being a responsible business that operates with integrity. CTC recognizes the paramount importance of protecting the environment through driving an outstanding sustainability agenda while maintaining positive social impact.
CTC has following operating entities under its Operational Control:

- Leaf Depot & Green Leaf Threshing Operation
- Manufacturing Plant & Head Office in Colombo
- Trade Marketing & Distribution

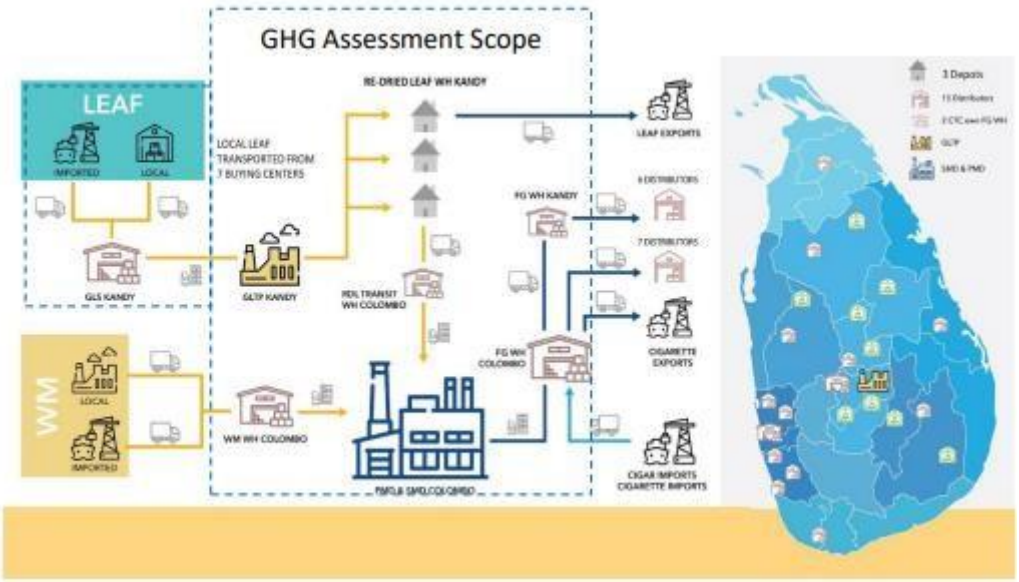


Figure 01: CTC Operating Footprint

The initial operational process commences at depot level by purchasing tobacco leaf from contracted tobacco farmers. Then, the Green Leaf Threshing Plant (GLTP) located in Kandy receives tobacco leaf from 9 of the depots located in several growing areas, as highlighted in figure 1. The tobacco leaf is then threshed and separated into two parts as stem and lamina at GLTP. These two types of outputs are thereafter packed as boxes and stored at the same site before dispatching for further processing.

The tobacco stored in bale form at Kandy site are transferred to PMD (Primary Manufacturing Department) in Colombo based on production requirements. Goods transportation from Depots to GLPT, and Kandy site to Colombo sites are managed by a third-party logistics service provider.

The main production process is made up of the Primary Process and the Secondary Process. In the Primary Process, the tobacco is moistened with steam so that it can then be cut. The different kinds of tobacco are then blended to form the final blend for each Brand. In the Secondary Process, 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. The factory has an installed production capacity of 3 billion cigarettes / year.

A.2. Carbon Footprint Summary

Considering the three reporting units and each source of emissions which fall under scopes I & II, the fugitive sources have been calculated. The assured figures by BAT group level verification are given below.

CTC GLTP & LEAF GHG EMISSION INVENTORY- Dec 2022 to Nov 2023			
Emission Source	***Emission Type***	***GHG Emission tCO2e- Location Based***	***GHG Emission tCO2e- Market Based***
Site and Office - Diesel	Scope I	44	44
Boiler - Furnace Oil	Scope I	248	248
Site & Office - Petrol	Scope I	1	1
Site & Office - Biomass	Scope I	1	1
Site & Office - LPG	Scope I	19	19
Fleet Vehicles - Diesel	Scope I	136	136
Fleet Vehicles - Petrol	Scope I	26	26
Fugitive Emissions	Scope I	104	104
Site & Office - Electricity	Scope II	314	0.00
Total Emission		**895**	***581***

Table 01: Scope I & II emissions of Leaf & GLTP

CTC COLOMBO FACTORY GHG EMISSION INVENTORY- Dec 2022 to Nov 2023			
Emission Source	***Emission Type***	***GHG Emission tCO2e Location Based***	***GHG Emission tCO2e Market Based***
Site and Office - Diesel	Scope I	74	74
Boiler - Furnace Oil	Scope I	363	363
Site & Office - Petrol	Scope I	0	0
Site & Office - Biomass	Scope I	0	0
Site & Office - LPG	Scope I	44	44
Fleet Vehicles - Diesel	Scope I	7	7
Fleet Vehicles - Petrol	Scope I	19	19
Fugitive Emissions	Scope I	108	108

Site & Office - Electricity	Scope II	1721	0.00
Total Emission		***2337***	***616***

Table 02: Scope I & II Emissions from Colombo Factory

CTC TM&D GHG EMISSION INVENTORY- Dec 2022 to Nov 2023			
Emission Source	***Emission Type***	***GHG Emission tCO2e Location Based***	***GHG Emission tCO2e Market Based***
Site and Office - Diesel	Scope I	15	15
Boiler - Furnace Oil	Scope I	0	0.00
Site & Office - Petrol	Scope I	0	0.00
Site & Office -Biomass	Scope I	0	0.00
Site & Office - LPG	Scope I	0	0.00
Fleet Vehicles - Diesel	Scope I	48	48
Fleet Vehicles - Petrol	Scope I	266	266
Fugitive Emissions	Scope I	28	28
Site & Office - Electricity	Scope II	364	0.00
Total Emission		***722***	***358***

Table 03: Scope I & II Emissions from TM&D

CTC OVERALL GHG EMISSION INVENTORY- Dec 2022 to Nov 2023			
Emission Source	***Emission Type***	***GHG Emission tCO2e Location Based***	***GHG Emission tCO2e Market Based***
Site and Office - Diesel	Scope I	134	134
Boiler - Furnace Oil	Scope I	611	611
Site & Office - Petrol	Scope I	1	1
Site & Office - Biomass	Scope I	1	1
Site & Office - LPG	Scope I	63	63
Fleet Vehicles - Diesel	Scope I	192	192
Fleet Vehicles - Petrol	Scope I	312	312
Fugitive Emissions	Scope I	240	240
Site & Office - Electricity	Scope II	2399	0.00
Total Emission		***3954***	***1555***

Table 04: Total Emissions form CTC

In relation to scopes I and II emissions, the summarized overall emission of CTC, can be mentioned as given in table 05. The tCO2e quantities given will be used as the basis to offset and declare carbon neutral status.

Method	Emission Type		
	Scope I	Scope II	tCO2e
Location based	√		*1555*
Location based		√	2399
Market based	√		*1555*
Market based*		√	0

Table 05: CTC Overall Emission tCO2e Summery

* 100% net-off with I-RECs.

A.3. Standards and Methodologies Used

A.3.1 Reporting Period Covered and Frequency of Internal Reporting

BAT annual environment reporting (in CR360) considers the period from December previous year to November current year. Accordingly, the base period considered for emissions inventory and carbon neutrality verification is from December 1st, 2022 to November 30th, 2023. The internal reporting of environmental parameters is carried out on monthly basis.

A.3.2 Report Standards and Scope

The site subject to PAS 2060 verification is part of BAT Group, thus uses the methodology which is unified for Scope 1 and 2 emissions accounting across Ceylon Tobacco Company PLC reporting units of Leaf Depots & Green Leaf Threshing Plant (GLTP), Colombo Factory & Trade Marketing and Distribution (TM&D).
CO2e emissions are reported in line with WBCSD Greenhouse Gas (GHG) Protocol Corporate Standard and supporting GHG Protocol Scope 2 Guidance, 2015. Emissions are reported based on Operational Control approach.

CTC has defined its organizational boundary for GHG reporting as 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 CTC does not have a direct control of, although the emissions may be created in its own interest. The organizational boundary starts from Leaf operations where the depots and buying centers are located to facilitate leaf cultivation and purchasing activities. Further, it covers the Green Leaf Threshing Plant and warehousing operation located in Kandy. Moreover, the manufacturing, warehousing and administrative functions located in Colombo has been considered as one of the key areas of focus in this report. Finally, the Trade Marketing & Distribution operation carried by CTC has also been included.

The GHG emissions within the operating boundaries are comprised with two categories as scopes I and II, based on the type of activity and the nature of emission that is generated from its source. As per the reporting principles and guidelines followed, the emissions are categorized in to three main reporting entities of CTC as; GLTP & Leaf, Colombo Manufacturing Plant and Trade Marketing &Distribution, and applicability of each type of emissions has been described under this section of the report for better understanding.

- Scope I emissions – (direct emissions from operational activities)

- Stationery Emissions- Site & office emission from burning of Diesel, Heavy Fuel, LPG and Biomass.
- Mobile Emissions - Emission for fleet vehicles operating under long term rent or lease.
- Emissions from fugitive sources.

- Scope II emissions – (indirect emissions from imported sources)
  - The emissions from imported energy (grid electricity)

- Other indirect sources – The emissions from business-related operations in which CTC has no direct responsibility or control. The emissions from these sources have been excluded in the verification assessment as they fall into scope III as per BAT reporting guidelines.
  - Fuel transportation
  - Chemical and Fertilizer transportation
  - Packing Material transportation
  - Raw Material / Semi-Finished Goods transportation
  - Chemical and Fertilizer transportation
  - Emission from Finished Goods transportation
  - Emission from Client and Visitor transportation
  - Employee Commuting
  - Employee Business air travels
  - Waste Recycling
  - Waste transport and disposal
  - Municipal Water Consumption
  - Sea Freight
  - Air Freight

A.3.3 Selection of Quantification Approach

The data inventories maintained by CTC on GHG emission sources and standard conversion factors derived as per BAT referred international reporting standards are used in modelling the CO_2 quantities emitted from each source that are considered as direct and indirect categories.

Figure 02: GHG Calculation Approach and Steps

The emission related data collection is carried out on monthly basis covering all Sites and operations falling under the three reporting entities of GLTP & leaf, Colombo Manufacturing Plant & head Office and Trade Marketing & Distribution. The data collected is categorized under one of the two scopes illustrated in figure 02, in which the direct emissions are reported under Scope I and indirect imported energy as electricity is reported under scope II.

GHG Emissions Quantification

The tCO2e emissions quantified separately for each source, in tonnes of CO_2e based on BAT specified factors mentioned in below table.

Direct – Stationery Sources (DEFRA / BEIS 2023 v 1.0)				
Fuel type	**Unit**	**2023**	**Unit**	**2023**
Diesel oil	tCO2e per tonne	3.20876	GJ per tonne	42.88034
Petroleum/gasoline	tCO2e per tonne	2.90308	GJ per tonne	43.61708
Heavy fuel oil (fuel oil #4, 5 and 6)	tCO2e per tonne	3.22920	GJ per tonne	40.75272
LPG	tCO2e per tonne	2.93929	GJ per tonne	45.94435
Other biomass fuels (renewable)	tCO2e per tonne	0.04805	GJ per tonne	13.38800
Direct – Fugitive Sources (DEFRA / BEIS 2023 v 1.0)				
Gas Type	**Unit**	**GWP – IPCC Assessment Reports (AR4/AR5)**		
Refrigerant - R407C	kgCO2e	1774		
Refrigerant - R410A	kgCO2e	2088		
Refrigerant - R134/HFC134A	kgCO2e	1430		
Refrigerant - R22	kgCO2e	1810		
Refrigerant - R22	kgCO2e	675		
Refrigerant - R141B/HFC141B	kgCO2e	725		
Acetylene Consumption	kgCO2e	3.385		
CH4 Emission Estimation from ETP	kgCO2e	25		
CO2	kgCO2e	01		

Table 06: Direct stationery source to tCO2e and GJ conversion factors

Direct – Mobile Sources (DEFRA / BEIS 2023 v 1.0)				
Fuel type	**Unit**	**2023**	**Unit**	**2023**
Fleet vehicles - Diesel	tCO2e per liter	0.0026988	GJ per liter	0.0360655
Fleet vehicles - Petrol/Gasoline	tCO2e per liter	0.0023397	GJ per liter	0.0331246

Table 07: Direct Mobile sources to tCO2e and GJ conversion factors

Indirect – Imported Energy (OECD/IEA 2023)				
Country	**Conversion to g CO2e**	**2023**	**Conversion to GJ**	**2023**
Sri Lanka	gCO2e/kwh	608.7	GJ/kwh	0.0036

Table 08: Indirect Imported Energy to tCO2e and GJ conversion factors

The usage data of all relevant energy sources are collected from the sources as per below table from different sites on a monthly basis. These data are uploaded in the BAT CR360 system and amalgamation with the above-mentioned conversion factors where the tCO2e emissions are calculated. Other data not reported in the CR 360 system and relevant emissions are calculated manually using the conversation factors obtained referring to the same standards.

Fuel Type/Emission Source	Data Collection Sources
Diesel – site & office	Consumption records/Purchase bills
Heavy fuel	Consumption records
Fleet vehicle fuel	Journey reports/Purchase bills
Other biomass	Consumption records
Refrigerant	Records of refilled or replaced refrigerant gases of air conditioners

Workshop Acetylene	Records of Acetylene gas used in workshop welding
Effluent Treatment Plant	Treated water quantities and testing records
Fire Extinguishers	Refilling or replacement records of CO_2 extinguishers
Sample Testing	Records of cigarette sample testing for quality assurance using smoking machine
Electricity	Purchase bills

Table 09: Fuel consumption data collection sources

All the identified inventory of emissions are not applicable in all three reporting units. The applicability has been illustrated in the table 10 below.

Source of Emission	Applicability		
	Leaf & GLTP	Colombo Factory	TM&D
Site and office diesel	√	√	X
Boiler furnace fuel	√	√	X
Site and office petrol	√	X	X
Site and office biomass	√	√	X
Site and office LPG	√	√	X
Fleet vehicle diesel	√	X	√
Fleet and office petrol	√	√	√
Refrigerant	√	√	X
Fire extinguishers	√	√	X
ETP water treatment	√	√	X
Electricity consumption	√	√	X

Table 10: Stationary & Direct Emission Activities

A.4. Information Assurance Level

The independent limited assurance of GHG emissions inventory has been conducted at BAT group level by KPMG and the assurance statement is attached in Annex D.

- Materiality Factor Considered During BAT Group Level verification Process < 1%.
- Materiality Factor Considered During the Compensation Process < 1%.

The third-party verification is carried out by Totum Institute as per PAS 2060:2014 Certification - Specification for the demonstration of carbon neutrality for the process of being Carbon Neutral for the period starting from 1st Dec 2022 to 30th Nov 2023.

A5. Site Level tCO2e

The categorization of GHG emissions under each reporting entity in the scopes of direct and indirect can be illustrated as below.

CTC OVERALL GHG EMISSION INVENTORY- Dec 2022 to Nov 2023			
Emission Source	***Emission Type***	***GHG Emission tCO2e Location Based***	***GHG Emission tCO2e Market Based***
Site and Office - Diesel	Scope I	134	134
Boiler - Furnace Oil	Scope I	611	611
Site & Office - Petrol	Scope I	1	1
Site & Office - Biomass	Scope I	1	1
Site & Office - LPG	Scope I	63	63
Fleet Vehicles - Diesel	Scope I	192	192
Fleet Vehicles - Petrol	Scope I	312	312
Fugitive Emissions	Scope I	240	240
Site & Office - Electricity	Scope II	2399	0.00
Total Emission		***3954***	***1555***

Table 12: CTC Energy Sources and tCO2e emissions

Method	**Emission Type**		
	Scope I	**Scope II**	**tCO2e**
Location based	√		*1555*
Location based		√	2399
Market based	√		*1555*
Market based*		√	0

Table 13: Site Wise tCO2e Emission Summery

* 100% net-off with IRECS

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

B1. History of Greenhouse Gas Emissions (GHG)

CTC has been tracking and reporting its energy consumptions over many years, with continuous efforts to improve its reporting standards and quality of data reported. At the initial phase of reporting, the data was uploaded to CR360 system annually, which changed to half year reporting and quarterly later. The reporting is now carried-out on monthly basis, with better tracking of related issues to ensure improved reporting quality. From 2021 onwards, post capturing the depot level emission to the inventory, the reporting requirements in including end-to-end operations under CTC's responsibility, was revised. In addition, the fugitive emissions were measured and started reporting from Dec 2020 onwards.

The reporting period remained as same as from 1st December previous year to 30th November current year. The last updated emission factor provided by BAT from credible sources was used in calculating the tCO2e. BAT considers 2020 as the base year for emission reduction and to define targets drive energy and emission reduction initiatives and carbon neutral agenda. The emission related performance comparison against the base year has been illustrated in the figure 03 given below.

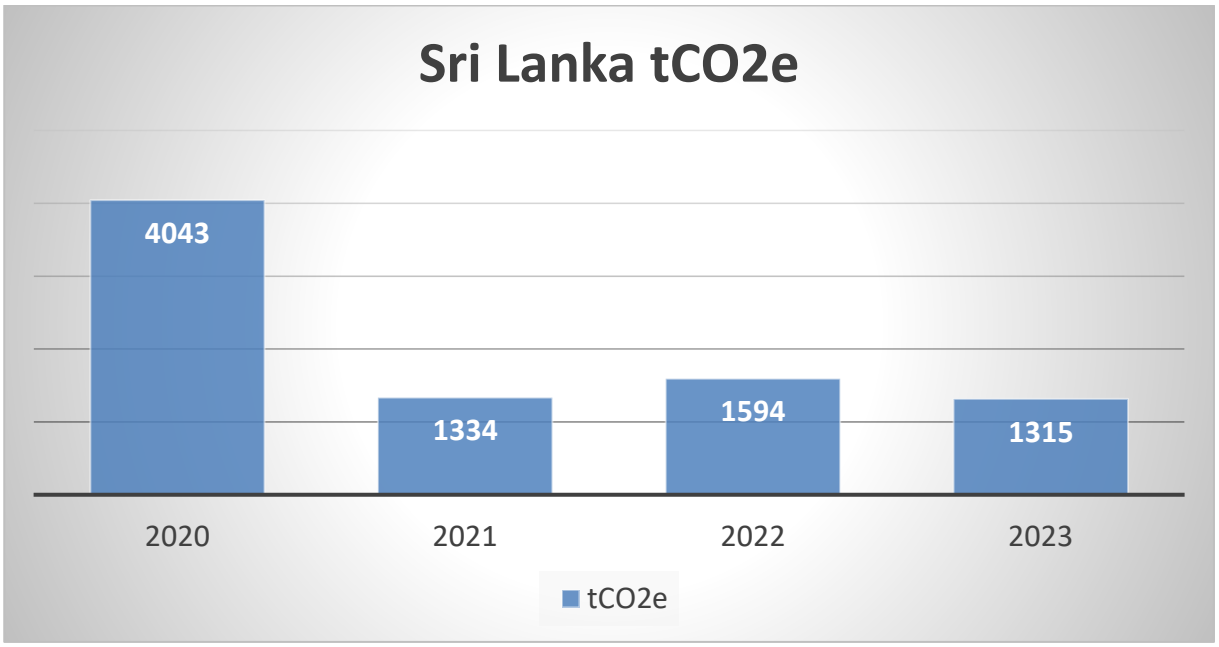


Figure 03: CTC tCO2e Vs Base Year (without fugitive)

The evolution of emission under each reporting entities are include in section B2 of this report.

B2. Description of GHG Emissions Reduction in Reference Year

Striving towards our purpose of creating A Better Tomorrow™, CTC has declared the organizational commitment of driving a sustainable business agenda through its environmental policy statement signed-off by the executive committee. The policy statement clearly sets the aims and key focus areas of CTC sustainable agenda.

The sustainability strategy of CTC has been laid down to achieve the sustainability goals and set targets. The specific KPIs have been set at functional levels to ensure the Company is headed in the right direction by implementing the strategy.

The sustainability strategy is comprised of 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.

Energy efficiency improvements project-based initiatives was a key focus area of implementation over the period of consideration, whilst assuring the continuous focus on the other areas listed. Example implementation of projects initiatives are mentioned below.

High-Capacity Motor Conversion

Inverter AC Installation

LED Lighting

Inverter Installation for machineries

1 MW Solar system installation at GLTP Kandy connected to grid

Installation of VSD compressor for PMD

1.8 MW Solar system installation at Colombo site - to be connected

Figure 04: Energy Efficiency Improvement Projects

B2.1 Entity Wise Performances

CTC has been able to maintain its tCO2e reduction at 67.5% in 2023 reporting year compared to 2020 aligning to the globaltargets of > 50%. A 17.5% decrease of tCO2 emission was also observed in 2023 versus the year 2022.

B2.1.1 Leaf & GLTP Performances

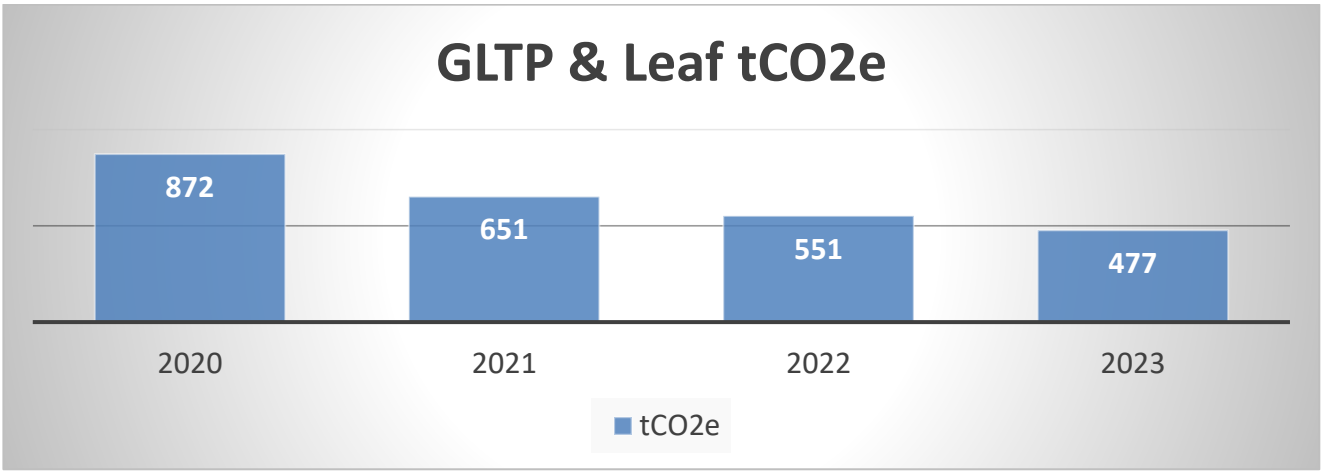


Figure 05: tCO2e Emission Evolution of LEAF & GLTP (without fugitive)

The GLTP emissions are showing a reduction mainly due to decrease in production volumes and positive contributions of energy efficiency projects. The source wise variation of emissions can beshown as below.

Sri Lanka - Kandy GLT				
Source	***UOM***	***2021***	***2022***	***2023***
Diesel oil (site & office)	*tonne*	17.72	19.72	13.81
Heavy fuel oil (fuel oil #4, 5 and 6)	*tonne*	127.63	94.92	76.81
LPG (site & office)	*tonne*	6.28	5.69	6.47
Petroleum/gasoline (site & office)	*tonne*	0.44	0.38	0.38
Other biomass fuels (site & office)	*tonne*	23.83	35.96	23.67
Other diesel (Vehicle)	*litre*	50,422	52,334	39222
Other petrol/gasoline (Vehicle)	*litre*	11,406	8,683	11280
Production (million cigarette equivalent)	*Million cig*	3514	2012	1559

Table 14: Leaf & GLTP Source Wise Emission Variation

Explanations

- Increase in petrol consumption compared to 2022 is mainly due to the reduction of vehicle movement in 2022 due to the fuel crisis in the country. But overall considering the other year of normal operation petrol consumption has decreased.

B2.1.2 Colombo Factory Performances

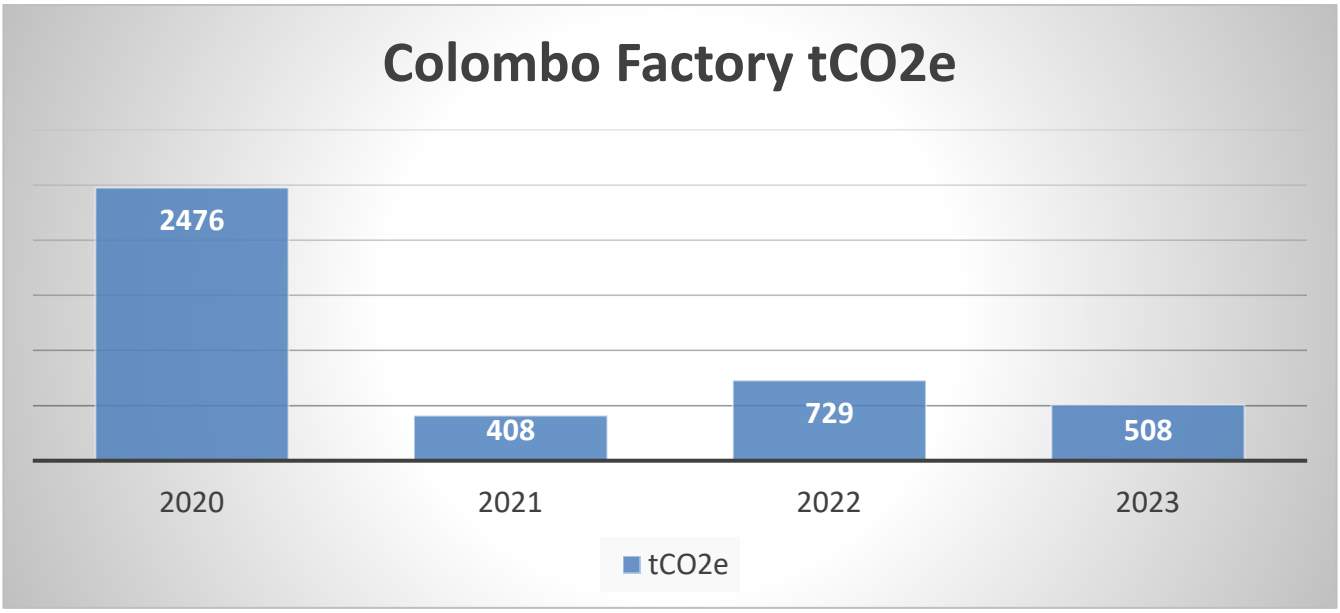


Figure 06: tCO2 Emission Evolution of Colombo factory (without fugitive)

The emissions from Colombo factory operations are showing a decrease in 2023 versus 2022 and the reasons for variations are explained below.

Sri Lanka – Colombo Factory				
Emission Source	***UOM***	***2021***	***2022***	***2023***
Diesel oil (site & office)	*tonne*	5.94	61.33	23.13
Heavy fuel oil (fuel oil #4, 5 and 6)	*tonne*	100.11	143.37	112.52
LPG (site & office)	*tonne*	14.93	17.20	15.08
Other diesel (Vehicle)	*litre*	0	950	652
Other petrol/gasoline (Vehicle)	*litre*	9,930	6,719	8156
Production	*Million Cig*	2253	2922	2303

Table 14: Colombo Factory Source Wise Emission Variation

Explanations

- Petrol/ gasoline vehicle consumption has increased compared to 2022 mainly due to the reduction of vehicle movement in 2022 due to the fuel crisis in the country. But overall considering the other year of normal operation petrol consumption has decreased.

B2.1.2 TM&D Performances

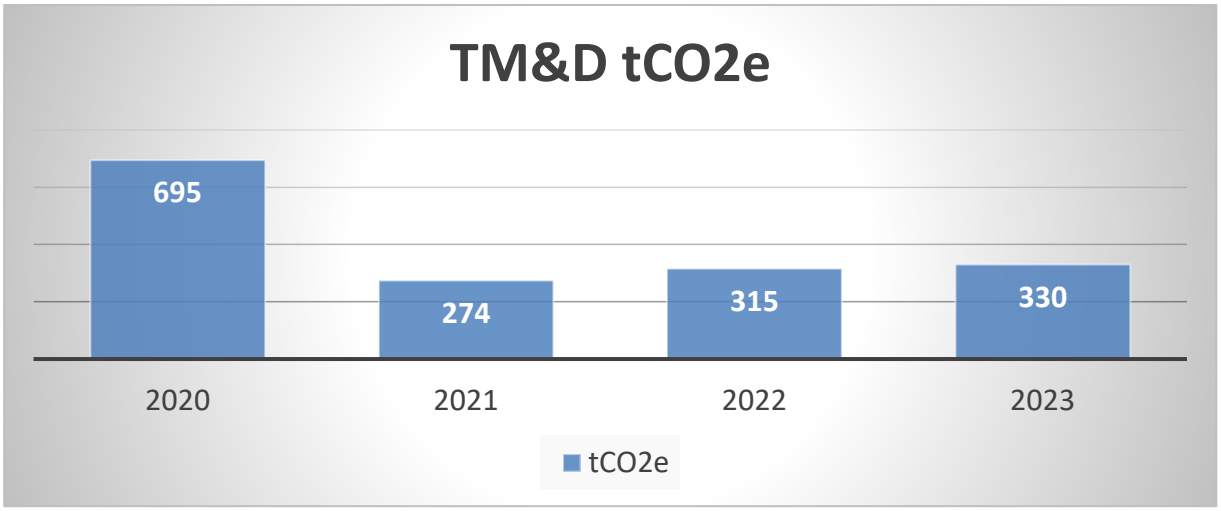


Figure 07: tCO2 Emission Evolution of TM&D (without fugitive)

The emissions from TM&D operations are showing an increase in 2023 versus 2022 and the reasons for variations are explained below.

Sri Lanka - TM&D				
Emission Source	***UOM***	***2021***	***2022***	***2023***
Diesel oil (site & office)	*tonne*	0.00	8.52	4.77
Other petrol/gasoline (Vehicle)	*litre*	20,991	23,019	6927
Fleet vehicles - diesel	*litre*	14,082	14,406	14126
Fleet vehicles - petrol/gasoline	*litre*	81,087	83,068	113524
Sales	*Million Cig*	2255	2816	2349.8

Table 15: TM&D Source Wise Emission Variation

Explanations

- Fleet vehicle – petrol/ gasoline consumption has increased mainly due to decrease in demand hence TM&D having to travel regularly to conduct initiatives to increase sales.

B3. Description of Renewable Energy Tracking Instruments

According to the emissions inventory verified by the independent verifier, the total electricity consumption and tCO2e in respect of each reporting unit is described table.

Electrical Energy	*UOM*	Sri Lanka - Colombo	Sri Lanka - Kandy GLT	Sri Lanka - TM&D	Total
Purchased Electricity Dec 2022	*kWh*	308,654	123,240	50,246	482,140
Purchased Electricity Jan to Nov 2023	*kWh*	3,092,850	497,381	669,151	4,259,382
Total from Dec 2022 to Nov 2023	*kWh*	3,401,504	620,621	719,397	4,741,522

Table 16: Electricity Consumption Data

All three reporting units acquired Renewable Energy Certificates (I-RECs) to guarantee the renewable origin of energy and to reduce total scope II emissions.

The purchase of 4781 I-RECs was demonstrated through a retirement declaration issued by the international platform 'I-REC Standard'. The sale of the I-RECs was made by Climate & Conservation Consortium (Private) Limited, on behalf of CTC, and the verification process by Totum Institute confirmed the exclusive use of the 4781 I-RECs for the three reporting units of CTC,in addition to the evidence of the self-declaration issued by the Company, as included in ANNEX F.

The total scope II tCO2e electricity consumption of all three units were net-off by allocating the total quantity of I-REC purchased as per table number 14.

Entity	MWh Dec 2022	I-REC Allocation	MWh Jan – Nov 2023	I-REC Allocation
GLTP & Leaf	123.24	123.5	497.381	498
Colombo Factory	308.654	309	3092.85	3093
TM&D	50.246	50.5	669.151	670
Overall CTC	482.14	483	4259.382	4261

Table 17: I-REC allocation

Accordingly, all imported energy consumption in the period was net-off through I-RECs, and therefore it can be said that the total scope II emissions are zero, according to the market-based methodology.

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

C1. Description of Renewable Energy Traceability Instruments (I-REC)

The renewable energy traceability instruments for calculating scope II emissions by the market-based method is detailed in item B.3 of this report.

C2. Description of Offsetting Instruments - Carbon Credits

Carbon credits were acquired in accordance with the residual emissions contained in the emissions inventory audited by Sri Lanka Climate Fund.

A total of 3900 credits were purchased from 2 projects as per details mentioned in below table.

Project Name	CC Quantity	Serial Number	Retired Date
Reforestation of degraded land by MTPL India	2400	12909-460027999-460030398-VCS-VCU-1507-VER-IN-14-2404-25062001-24062011-0	13th Feb 2022
Bukaleba Forest Project	1500	8081-453304296-453305795-VCU-006-APX-UG-14-799-21072011-30112016-0	09TH Dec 2022

Table 18: Carbon Credit Quantities

The total 1315 of carbon credits purchased were retired to offset scope I tCO2e emissions and allocation of carbon credits among each reporting entity is mentioned in below table.

Entity	Scope I tCO2e	CC Quantity Allocation	Project
Leaf & GLTP	477	477	Reforestation of degraded land by MTPL in India (ID 2404) Bukaleba Forest Project
Colombo Manufacturing Plant	508	508	
Trade Marketing & Distribution	330	330	

Table 19: Carbon Credit Allocation

The total of 240 carbon credits were retired to offset fugitive emissions and allocation of carbon credits among each reporting entity is mentioned in the below table.

Entity	Fugitive emissions	CC Quantity Allocation	Project
Leaf & GLTP	104	104	Reforestation of degraded land by MTPL in India (ID 2404) Bukaleba Forest Project
Colombo Manufacturing Plant	108	108	
Trade Marketing & Distribution	28	28	

The reference to the retirements made for each quantum of caron credits purchased can be validated from the details given in figure 08 of this document.

The links to each project are given below.

- Link to the project- Verra Search Page
- Link to the registry and public declaration of offset Verra Registry

In addition, as noted by the independent verification provided by Totum Institute, as the Carbon Credit Retirement Declaration has its beneficiary named as Ceylon Tobacco Company PLC instead of the specific name of the reporting units (Objects), a letter signed by Senior Management of the Company has been included to affirm that the aforementioned retired carbon credits have been used and will only be used for the three reporting units of Leaf & GLTP, Colombo Manufacturing Plant and Trade Marketing & Distribution, as per attached ANNEX F.

The I-RECs and the Carbon Offsets were acquired in accordance with the results of the information in the Green House Gas Emission Inventory Reported in BAT CR360 environment reporting system. Verified Carbon Standard was the reference standards for carbon offset instrument purchase.

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 13 Feb 2023, 2,400 Verified Carbon Units (VCUs) were retired on behalf of:

Ceylon Tobacco Company PLC

Project Name

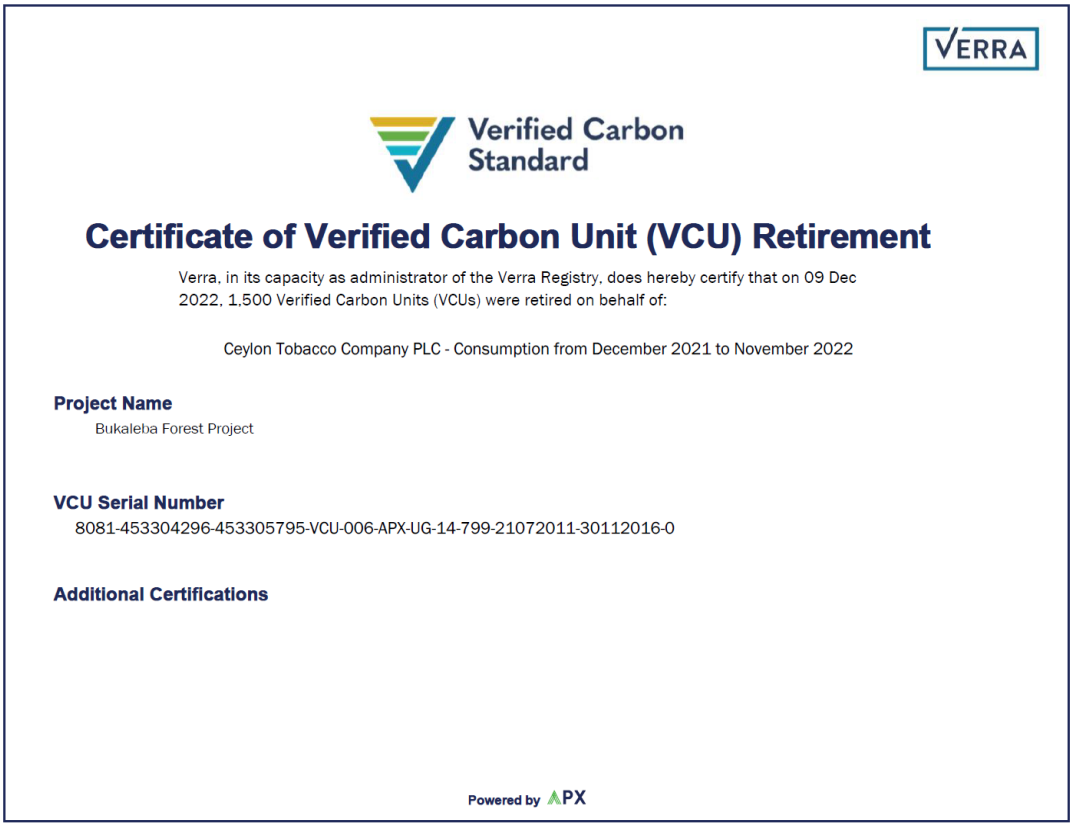
Reforestation of degraded land by MTPL in India

VCU Serial Number

12909-460027999-460030398-VCS-VCU-1507-VER-IN-14-2404-25062001-24062011-0

Additional Certifications

Powered by APX



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 09 Dec 2022, 1,500 Verified Carbon Units (VCUs) were retired on behalf of:

Ceylon Tobacco Company PLC - Consumption from December 2021 to November 2022

Project Name

Bukaleba Forest Project

VCU Serial Number

8081-453304296-453305795-VCU-006-APX-UG-14-799-21072011-30112016-0

Additional Certifications

Powered by APX

*Although the consumption period mention on the certificate is from December 2021 to November 2022, the actual consumption period is Dec 1st 2022 to 30th Nov 2023 and these carbon credits has not been allocated for CTC during the previous years.

Figure 08: Carbon Offset Instrument Certificate

C3. Use of Carbon Neutrality Instruments

Scope I residual emissions, verified at BAT group level assurance conducted by KPMG, add up to 1315 tons of CO2e. Scope II of residual emissions were assured similarly and, considered as zero as per market-based method with netting-off using I-RECs (according to item B3).

2169 units carbon credits acquired are intended to offset the emissions of 1315 tCO2e related to Scope I and 240 tCO2e related to fugitive emissions thus, all three reporting units (Leaf & GLTP, Colombo Manufacturing Plant and Trade Marketing & Distribution) of CTC are concluded as carbon neutral. The balance units of carbon credits will carry forward to 2024.

The 1555 carbon credits required to offset the scope 1 and fugitive emission of all 3 reporting units are as follows.

Project Name	Serial Number	Retired Date	Quantity of carbon credits allocated
Reforestation of degraded land by MTPL India	12909-460027999-460030398-VCS-VCU-1507-VER-IN-14-2404-25062001-24062011-0	13th Feb 2022	669
Bukaleba Forest Project	8081-453304296-453305795-VCU-006-APX-UG-14-799-21072011-30112016-0	09TH Dec 2022	886

The remaining of the carbon credits will be carried forward to next year.

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 (VCS2404 - Mangalam Timber Products Limited/ Agriculture Forestry and Other Land Use).

- Projects originating from carbon credits meet the criteria of additionality, permanence and do not have double counting risks (VCS2404 - Mangalam Timber Products Limited/ Agriculture Forestry and Other Land Use).

- Carbon credits were verified by an independent third party and the respective details are given in below table.

Project	Verifier	Link
ID - 799	Det Norske Veritas Climate Change Services AS (DNV)	https://registry.verra.org/app/projectDetail/VCS/799
ID 2404	TUV SUD South Asia Private Limited	https://registry.verra.org/app/projectDetail/VCS/2404

Table 20: Carbon Credit Verifier Details

- Carbon credits were retired prior to completion of the 12-month period from the date of the declaration of neutrality (February 13th, 2023).
- 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.
    - https://verra.org/project/vcs-quality-assurance-principles and on the public platform (Verra registry)
    - Verra Search Page

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

The verification assurance statement issued by KPMG, post completion of GHG inventory verification at BAT Group level is attached below.

©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_2e emissions (thousand tonnes)	267
Scope 1 CO_2e emissions including fugitive emissions (thousand tonnes)	299
Scope 2 CO_2e emissions (market based) (thousand tonnes)	96
Scope 2 CO_2e emissions (location based) (thousand tonnes)	342
Scope 1 and Scope 2 CO_2e emissions intensity ratio (tonnes per £m revenue)	13.3
Scope 1 and Scope 2 CO_2e emissions intensity ratio (tonnes per EUR m revenue)	11.6
Total Scope 3 CO_2e emissions (thousand tonnes) ^ - for 2022, Scope 3 GHG emissions are reported one year later	6,045
Total energy consumption (GWh)	2,182
Energy consumption intensity (GWh per million £ revenue)	0.08
Energy consumption intensity (GWh per million EUR revenue)	0.07
Renewable energy consumption (GWh)	832
Non-Renewable energy consumption (GWh)	1,350
Total waste generated (thousand tonnes)	114.94
Hazardous waste and radioactive waste generated (thousand tonnes)	1.59
Total waste recycled (thousand tonnes)	100.7
Total water withdrawn (million m^3)	3.16
Total water recycled (million m^3)	1.02
Total water discharged (million m^3)	1.53
Emissions to water: – 80% 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 ^	0.16
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 60% 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@	56.8

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_2e emissions which is for the year ended 31 December 2022.

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

Reporting Criteria

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

Inherent Limitations

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

Directors' Responsibilities

The Board of Directors of BAT are responsible for:

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

Our Responsibilities

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

Assurance Standards Applied

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

Independence, Professional Standards and Quality Management

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

Summary of Work Performed

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

The procedures performed included:

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

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

For the Selected Information marked with a ^ symbol on page 119, our procedures did not include physical visits to the farms which provided the source data for the Leaf Data and Human Rights Selected Information and testing the accuracy of the sales volumes in BAT's Procurement IT system which were used in calculating Scope 3 CO_2e emissions (thousand tonnes) including the Scope 3 supply chain CO_2e 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.

Figure 09: GHG Verification Assurance Statement

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

- **Reference to I-REC purchased by Ceylon Tobacco Company PLC**

THE INTERNATIONAL REC STANDARD

This Redemption Statement has been produced for

CEYLON TOBACCO COMPANY PLC

by

CLIMATE & CONSERVATION CONSORTIUM (PRIVATE) LIMITED

confirming the Redemption of

4 298.000000

I-REC Certificates, representing 4 298.000000 MWh of electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

No. 178, Srimath Ramanathan Mawatha, Colombo 15. Sri Lanka

in respect of the reporting period

2023-01-01 to 2023-11-30

The stated Redemption Purpose is

To net off the Organisational Electricity-related Emissions of CTC for Jan-Nov 2023

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

2 7 8 5 1 3 3 0

https://api-internal.evident.app/public/certificates/en/sepf3OQyS52dqzdwGpfg7oX7jAUmkD2oFDvMa1cZcEUKVJNQfOQaVUJJUkRpK51t

Redeemed Certificates

Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO_2 / MWh)
Mawanana Mini Hydro Power Project	Sri Lanka	Hydro-electric	Run of river	No	2016-08-16	0.000000

Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0218-4916-4998.254000	0000-0218-4916-8688.858999	3 690.605000	Incl	2023-01-01 - 2023-10-31	The Green Certificate Company (Central Issuer)
From Certificate ID	**To Certificate ID**	**Number of Certificates**	**Offset Attributes**	**Period of Production**	**Issuer**
0000-0218-7291-8072.000000	0000-0218-7291-8679.394999	607.395000	Incl	2023-11-01 - 2023-11-30	The Green Certificate Company (Central Issuer)

Auditor Notes

This statement is proof of the secure and unique redemption of the I-RECs stated above for the named beneficiary to be reported against consumption in the country during the reporting year stated. I-RECs are assigned to a beneficiary at redemption and cannot be further assigned to a third party. No other use of these I-RECs is valid under the I-REC Standard.

Where offset attributes are 'inc' the device registrant, who exclusively holds the environmental attribute rights, has undertaken never to release carbon offsets in association with these MWh; 'excl' means carbon offsets relating to these MWh may be traded independently at some point in the future.

For labelling scheme information please refer to the scheme's website. Labelling scheme listing may not be exhaustive.

Thermal plant emit carbon as part of the combustion process. Whilst this is not zero carbon, it is generally recognised as carbon neutral where the source is recent biomass.

THE INTERNATIONAL REC STANDARD

This Redemption Statement has been produced for

CEYLON TOBACCO COMPANY PLC

by

CLIMATE & CONSERVATION CONSORTIUM (PRIVATE) LIMITED

confirming the Redemption of

483.000000

I-REC Certificates, representing 483.000000 MWh of electricity generated from renewable sources

This Statement relates to electricity consumption located at or in

No. 178, Srimath Ramanathan Mawatha, Colombo 15. Sri Lanka

in respect of the reporting period

2022-12-01 to 2022-12-31

The stated Redemption Purpose is

To net-off the Organisational Electricity-related Emissions of CTC for December 2022

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

3 6 1 8 6 5 2 1

https://api-internal.evident.app/public/certificates/en/QzYf9r3kJfp4I4SffsFRqmHy2xqMoU9iD0mtLiOTg6ARLG5oQKRP7Rcyld6rGGg7

Redeemed Certificates

Production Device Details

Device	Country of Origin	Energy Source	Technology	Supported	Commissioning Date	Carbon (CO_2 / MWh)
Mawanana Mini Hydro Power Project	Sri Lanka	Hydro-electric	Run of river	No	2016-08-16	0.000000

Redeemed Certificates

From Certificate ID	To Certificate ID	Number of Certificates	Offset Attributes	Period of Production	Issuer
0000-0217-6372-8674.000000	0000-0217-6372-9156.999999	483.000000	Incl	2022-12-01 - 2022-12-31	The Green Certificate Company (Central Issuer)

Auditor Notes

This statement is proof of the secure and unique redemption of the I-RECs stated above for the named beneficiary to be reported against consumption in the country during the reporting year stated. I-RECs are assigned to a beneficiary at redemption and cannot be further assigned to a third party. No other use of these I-RECs is valid under the I-REC Standard.

Where offset attributes are 'inc' the device registrant, who exclusively holds the environmental attribute rights, has undertaken never to release carbon offsets in association with these MWh; 'excl' means carbon offsets relating to these MWh may be traded independently at some point in the future.

For labelling scheme information please refer to the scheme's website. Labelling scheme listing may not be exhaustive.

Thermal plant emit carbon as part of the combustion process. Whilst this is not zero carbon, it is generally recognised as carbon neutral where the source is recent biomass.

Reference to Carbon Credits Purchased by Ceylon Tobacco Company PLC

- Reforestation of Degraded Landy by MTPL in India - Verra Search Page

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 13 Feb 2023, 2,400 Verified Carbon Units (VCUs) were retired on behalf of:

Ceylon Tobacco Company PLC

Project Name
Reforestation of degraded land by MTPL in India

VCU Serial Number
12909-460027999-460030398-VCS-VCU-1507-VER-IN-14-2404-25062001-24062011-0

Additional Certifications

Powered by APX

- Bukaleba Forest Project - Verra Search Page

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 09 Dec 2022, 1,500 Verified Carbon Units (VCUs) were retired on behalf of:

Ceylon Tobacco Company PLC - Consumption from December 2021 to November 2022

Project Name
Bukaleba Forest Project

VCU Serial Number
8081-453304296-453305795-VCU-006-APX-UG-14-799-21072011-30112016-0

Additional Certifications

Powered by APX

*Although the consumption period mention on the certificate is from December 2021 to November 2022, the actual consumption period is Dec 1st 2022 to 30th Nov 2023 and these carbon credits has not been allocated for CTC during the previous years.

ANNEX F – CTC PLC MANAGEMENT DECLARATION

Ceylon Tobacco Company PLC

CTC PLC Management Statement

Reference Objects: Leaf & GLTP | Colombo Factory | Trade Marketing & Distribution

To:

Tatiane Oliveira Futo
Totum Institute

Here by we request your expert interventions to verify and declare the Carbon Neutral Status of the reference objects of Ceylon Tobacco Company PLC listed below, aligned to PAS 2060 verification standards.

Object	Sub Objects	Coordinates	Business Address
Leaf & GLTP	GLTP	7.323992747968982, 80.64206356040303	Dutugamunu Mawatha, Kandy, Sri Lanka Zip Code - 20000
	Leaf Depot – Galewela	7.7842571186845095, 80.59211698129	Silvetgama, Sri Lanka Zip code - 21200
	Leaf Depot – Mahiyanganaya	7.338254975404844, 80.98962210457995	Mahiyanganaya, Sri Lanka Zip code - 90700
	Leaf Depot – Polonnaruwa	8.006897942790152, 80.91297590032798	Hingurakgoda, Sri Lanka Zip code - 51000
	Leaf Buying Centre – Buttala	6.75352455578481, 81.22350429293022	Buttala, Sri Lanka Zip code - 91100
	Leaf Buying Centre - Nildandahinne	7.076935790216276, 80.89116833526134	Nildandahinna Rd, Nildandhahinna, Sri Lanka Zip code - 22270
	Leaf Buying Centre - Hali-Ela	6.955332218041873, 81.0281586542972	Ketawala-Haliela Road, Hali-ela, Sri Lanka Zip code - 90060
	Leaf Buying Centre - Teldeniya	7.264989940047019, 80.81531298923808	Wendaruwa, Sri Lanka Zip code - 20900
	Kowilmada, Ududumbara	7.328582551162996, 80.89010932602505	Kowilmada, Ududumbara, Sri Lanka Zip cose - 20950
Colombo Factory	Colombo Factory	6.951561498107078, 79.8592491375121	178, Srimath Ramanathan Mawatha Colombo 15, Sri Lanka Zip code - 01500

TM&D/Head Office	TM&D/Head Office	6.951561498107078, 79.8592491375121	178, Srimath Ramanathan Mawatha Colombo 15, Sri Lanka Zip code - 01500

I-REC and Carbon Offset certificates were required to grantee the net-off and off-set the Scope II and Scope I emission of respective objects (listed above) of CTC PLC for the period of consideration – 1st December 2022 to 30th November 2023.

The allocation of each instruments among the objects based on the quantity of tCO2e emissions are described in below tables.

Allocation of I-RECs

Total I-REC Quantity Purchased CTC PLC			
Period	**Supplier**	**Volume (MWh)**	**From Certificate**
01/12/ 2022 – 31/12/ 2022	Climate & Conservation Consortium (Pvt) Ltd	483	0000-0217-6372-8674.000000 to 0000-0217-6372-9156.999999
01/01/2023 – 31/10/2023	Climate & Conservation Consortium (Pvt) Ltd	3690.605	0000-0218-4916-4998.254000 to 0000-0218-4916-8688.858999
01/11/2023 – 30/11/2023	Climate & Conservation Consortium (Pvt) Ltd	607.395	0000-0218-7291-8072.000000 to 0000-0218-7291-8679.394999

Allocation of I-RECs for Reporting units				
Entity	**MWh Dec 2022**	**I-REC Allocation**	**MWh Jan – Nov 2023**	**I-REC Allocation**
GLTP & Leaf	123.24	123.5	497.381	498
Colombo Factory	308.654	309	3092.85	3093
TM&D	50.246	50.5	669.151	670
Overall CTC	482.14	483	4259.382	4261

Allocation of Carbon Credits

CTC GLTP & LEAF GHG EMISSION INVENTORY- Dec 2021 to Nov 2022			
Emission Source	***Emission Type***	***GHG Emission tCO2e- Market Based***	***Allocation of carbon credits***
Site and Office - Diesel	Scope I	44	Reforestation of degraded land byMTPL in India (ID 2404) Bukaleba Forest Project
Boiler - Furnace Oil	Scope I	248	
Site & Office - Petrol	Scope I	1	
Site & Office - Biomass	Scope I	1	
Site & Office - LPG	Scope I	19	
Fleet Vehicles - Diesel	Scope I	136	

Fleet Vehicles - Petrol	Scope I	26	
Fugitive Emissions	Scope I	104	
Total Emission		***581***	

CTC COLOMBO FACTORY GHG EMISSION INVENTORY- Dec 2021 to Nov 2022			
Emission Source	***Emission Type***	***GHG Emission tCO2e Market Based***	***Allocation of carbon credits***
Site and Office - Diesel	Scope I	74	
Boiler - Furnace Oil	Scope I	363	
Site & Office - Petrol	Scope I	0	Reforestation of degraded land byMTPL in India (ID 2404)
Site & Office - Biomass	Scope I	0	
Site & Office - LPG	Scope I	44	
Fleet Vehicles - Diesel	Scope I	7	Bukaleba Forest Project
Fleet Vehicles - Petrol	Scope I	19	
Fugitive Emissions	Scope I	108	
Total Emissions		**616**	

CTC TM&D GHG EMISSION INVENTORY- Dec 2020 to Nov 2021			
Emission Source	***Emission Type***	***GHG Emission tCO2e Market Based***	***Allocation of carbon credits***
Site and Office - Diesel	Scope I	15	
Boiler - Furnace Oil	Scope I	0.00	
Site & Office - Petrol	Scope I	0.00	Reforestation of degraded land byMTPL in India (ID 2404)
Site & Office -Biomass	Scope I	0.00	
Site & Office - LPG	Scope I	0.00	
Fleet Vehicles - Diesel	Scope I	48	Bukaleba Forest Project
Fleet Vehicles - Petrol	Scope I	266	
Fugitive Emissions	Scope I	28	
Total Emission		***358***	

As per the explanations given above in tables, the scope I and Scope II tCO2e emission generated from 1st December 2022 to 30th November 2023 are off-set and net-off respectively by using the instruments purchased as Carbon Credits and I-RECs which guaranteed the carbon neutrality status of reference objects – Leaf & GLTP, Colombo Factory and TM&D of CTC PLC.

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 CTC PLC and validated for the PAS 2060 verification.

Being what depended on us for the moment, we subscribed,

Sincerely,

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Richard Taylor
Operations Director
Ceylon Tobacco Company PLC.