

ENVIRONMENTAL POLICY STATEMENT FOR BATCO AND ITS SUBSIDIARIES

British-American Tobacco Company (BATCo) and its subsidiaries aim to apply the best international standards of practice in all aspects of their operations which relate to the conservation of the environment.

The company believes that it has a responsibility, both as a major international manufacturer and as a good corporate citizen, to pay due regard to any impact which its activities might have on the environment and that, in the long term, this approach is in the interest of both the company and the community.

BATCo policy is to ensure that its operating companies comply with all applicable laws and regulations appropriate to their business activities and that these laws are regarded as minimum standards. In addition, the company reviews the potential environmental impact of its activities on a regular basis and continually seeks to identify proactive and cost-effective measures which it can take to safeguard the environment. This is a commitment which the company applies to all aspects of its business, ranging from the need to set high standards of agricultural practice in tobacco growing, to the design and development of products and the selection of packaging materials.

At the centre, BATCo's Operations Director has Group responsibility for health and safety and environmental issues. Within each subsidiary operating company, the General Manager has overall responsibility for environmental issues, assisted by a co-ordinating Director who ensures that each function monitors its own activities and takes the appropriate action.

Also at the centre, BATCo has established an Environmental Policy Committee, which reports to the Operations Director. The role of the Committee is as follows:

- to identify the key environmental issues which are relevant to the company's activities and co-ordinate the Group response to these
- to ensure that operating companies receive appropriate guidelines on environmental issues, and that these are updated when necessary
- to audit and review the activities of operating companies in response to these guidelines as part of the company planning process
- to ensure that the company's position on environmental issues is communicated to the relevant audiences

The Group's approach to environmental issues is reviewed by the BATCo Board when necessary and at least once a year.

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