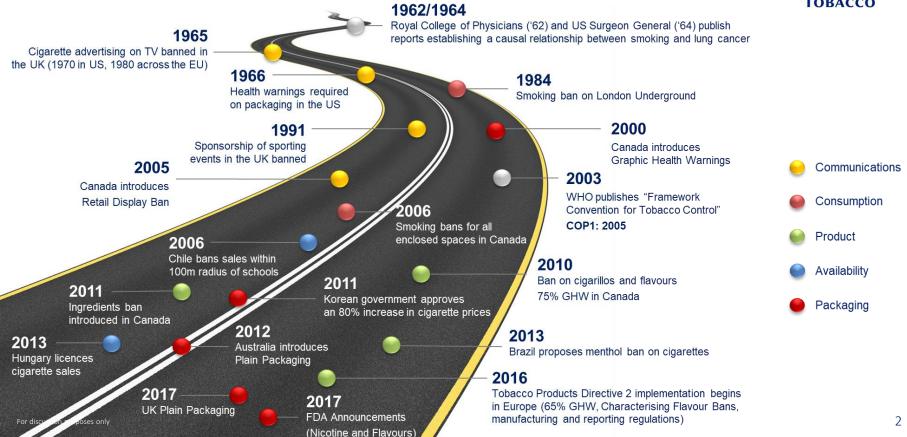


The regulatory framework impacting the tobacco-nicotine world

Giovanni Carucci
Vice President, Head of EU Affairs
British American Tobacco

Tobacco regulation is accelerating





Plain Packaging is progressing...



Countries with laws passed

assed

Australia	France	New
UK	Ireland	Zealand
Norway	Slovenia	Hungary
		Georgia

Countries with draft bills

8

Canada	Chile	South
Brazil	Singapore	Africa
East Timor	Tonga	Uruguay

14

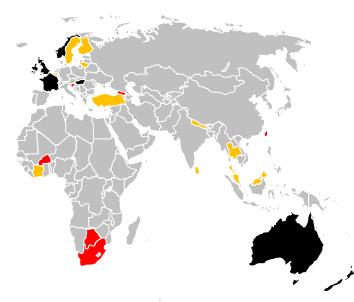
Countries with draft bills

Venezuela

Belgium Nepal Sri Ecuador Ghana Lith Finland Gambia Rus Thailand Malaysia Bot

Sri Lanka Lithuania Russia Botswana





For discussion purposes only

Turkey

TPD is not over...





- Track & Trace implementation
- Security Feature implementation



- TNCO and other
- Priority lists
- Additives
- Characterising Flavours

ľ

More countries commit to tobacco end-game...





New Zealand End-game 2025

- Plain Packaging
- Retail licensing
- Reducing license numbers
- Reducing nicotine
- Licensing smokers
- Maximum daily purchases



United Kingdom End-game 2030

- Plain Packaging
- Retail Display Ban

- Total Public Place-Smoking bans
- 75% excise



Finland End-game 2040

- Plain Packaging
- High-fee retail licensing
- Limiting retail numbers
- Retail Display Ban

- Removing flavours
- Raising taxes



Malaysia End-game 2045

- Plain Packaging
- Retail licensing
- Retail Display Ban

- 2009+ No Smoking
- Total Public Place-Smoking bans
- 75% excise

The Anti-Tobacco Agenda is well populated...



Large, multi-year excise increases

GHW > 75%

Retail licensing

Pack dimensions

Digital

advertising ban

Capsules ban

Additives ban

E-commerce ban

Retail display ban

Menthol ban

Plain Packaging

Characterising Flavours Ban

Duty-free ban

Regulation spreading (current)

Regulation on verge (<2 years)

Spread possible or likely (2-4 years)

Emissions disclosure beyond TNCO

Product design (slims)

Retail radius restrictions

Global solidarity tobacco levy

Retail density restrictions

Nicotine reduction

Restrict sales by year born

Dissuasive sticks

Toxicant ceilings

Tax on repatriated profits

No regulation but research ongoing (5-10 years)

'Unattractive' cigarettes (taste)

Prescription to purchase

Smoker licensing

State takeover of companies

Fringe issue (+10 years)

And there is the Plastics Directive



Consumption reduction

50% by 2025 80% by 2030 Marketing requirements

= Plain Packs

EPR schemes

Independent organisations EPR

Consumer







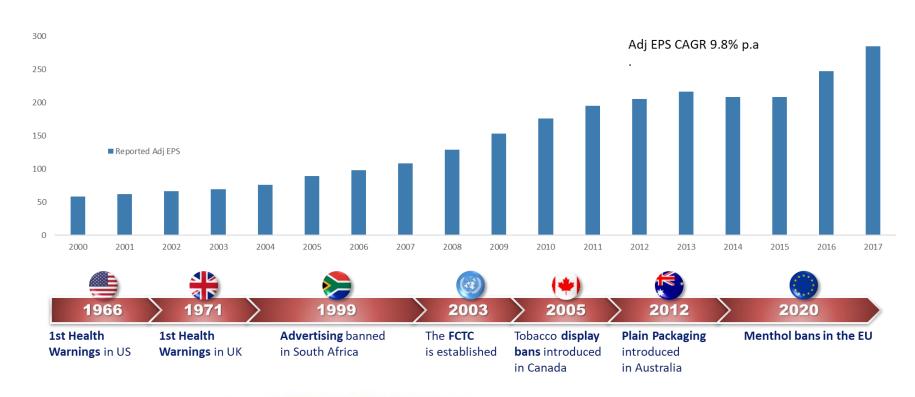


Article 5.3



The end of the industry has been foretold many times but...





And our world was changed – our ecosystem in 2010





A

And our world was changed – our ecosystem today



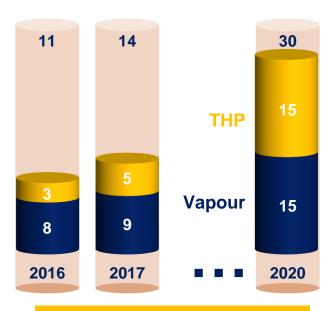




Consumer interests turn into opportunities



2020 NGP Industry CPTO (£bn)



vs. Cigarette NTO est. £300bn



And we adapt our leaf strategy for the emerging challenges













12

In conclusion



- We believe the combustibles business will remain a fundamental component of our Industry.
- However, we must offer a wide range of choices to consumers. New Generation Products (NGP) will gain space.
- We do not expect NGP to impact farmers for a number of reasons:
 - Our tobacco heating products use high-quality processed tobacco leaf
 - Vapour products rely on extractions of nicotine from tobacco plants



Thank you