

kpmg

1. Don't behave
2. Really identify holes - effective sanctions
3. Appoint mediators now
4. Engage with occup.
5. Deal with fraud + addiction
6. New connectivity platform required
7. Admission of guilt before rebuilding image
8. Issue of whether we want people to smoke
↳ for some the benefits outweigh the risks

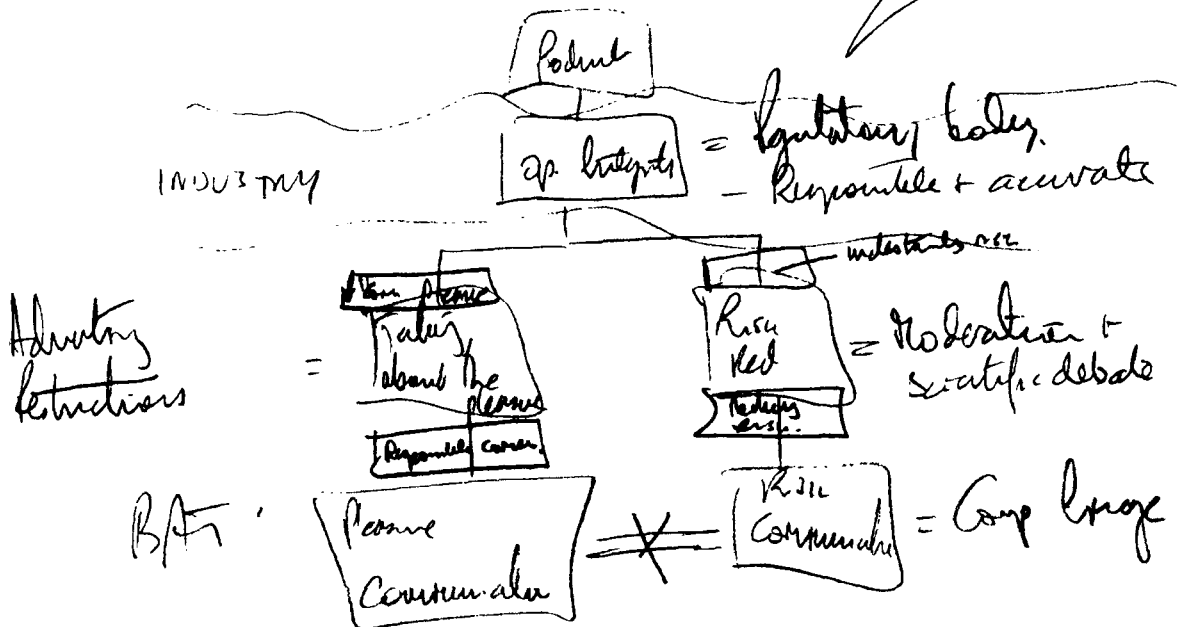
BAT



Need to describe the future

The Project
The way forward
15 November 1999

we are campaigning v. who
we are reg. body v. lawyers
v. many state



KPMG

This report contains 18 pages

1b/364

Action Plan
to advance
on all fronts.

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1 Executive summary

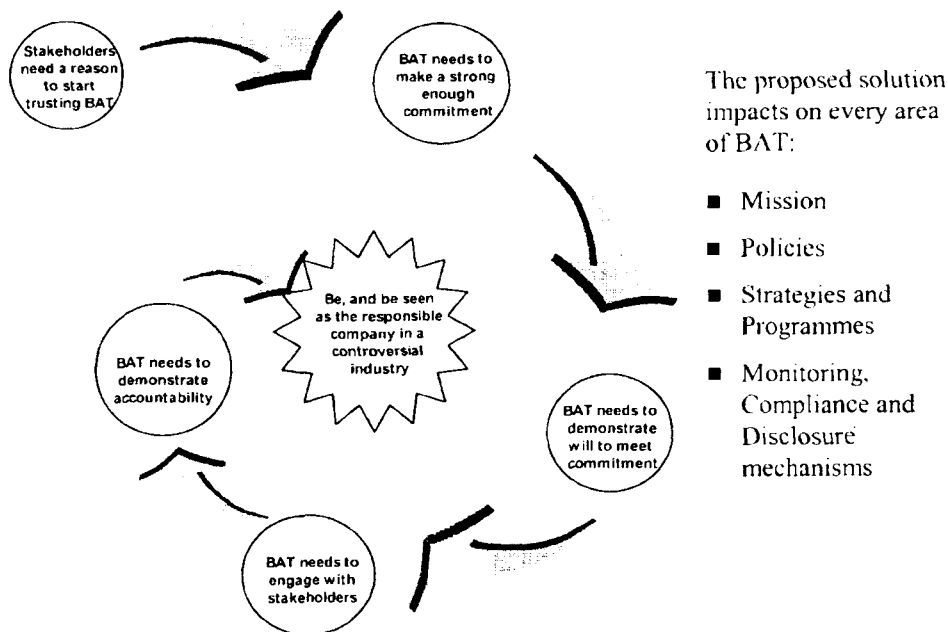
1.1 Defining the goal

Important issues concerning the future of the tobacco industry are being discussed and decisions made without effective representation from the industry itself. This is largely due to historical behaviour which has led to distrust between stakeholders and BAT.

As a result, BAT's over-riding objective is now to regain control of its own destiny by re-establishing dialogue with key stakeholder groups. To do this, it must be seen to be a truly responsible global organisation, redefining itself from its present situation to *the responsible company within a controversial industry*.

In shifting this perception, BAT will begin to regain influence and control of its future. This shift will not be easy. It will require a root and branch review of the whole organisation.

The following diagram illustrates the steps that need to be taken:



1.2 The guiding principles

In order to achieve its vision of becoming a truly responsible global company and *the responsible company in a controversial industry*, we recommend that BAT follows three guiding principles. These principles have led us to the strategy and plan outlined in this document. These are:

- The adoption of a globally consistent, truly ethical and transparent approach on all issues, which is proactive and truly accountable to all stakeholders. This will include introducing codes, standards and controls, which take into account BAT's social, economic and environmental responsibilities consistent with stakeholder expectations.
- The reduction and control of the health impact of the product in all markets and with all consumers, demonstrating a long-term commitment to the development of the safest possible cigarettes.
- A genuine commitment to fully informed "free choice" for all consumers and potential consumers "A commitment never to exploit the vulnerable in any market, but rather to protect them".

1.3 The proposed strategy

The proposed solution is the adoption of a three-pronged strategic approach:

One

BAT will demonstrate a new and ethical business approach which is transparent, proactive and truly accountable to all key stakeholder groups. To achieve this BAT will:

- communicate and commit to a new ethical code, detailing global standards and guidance for conducting its business and submit to independent audits of this code. BAT will consult key stakeholders as to the content of the code and with regard to related implementation priorities and timeframes;
- take a pro-active leadership stance in the industry, working together with key stakeholders for appropriate legislation and change;
- declare global moratorium on marketing and promotional activities which might exploit "vulnerable" customers;
- withdraw from the slow-moving and historically defensive TMA, as a demonstration of commitment to a new way forward. This withdrawal must coincide with the launch of BAT's new commitments;
- develop responsible plans for reinvestment and development in economies dependent on tobacco farming.

Two

BAT will demonstrate a genuine long-term commitment to “making smoking safer” and to minimising the health risks. To achieve this BAT will:

- create and communicate a vision and plan to develop a safer cigarette through significantly increased investment in research and development. BAT will also commit to communicating progress openly with stakeholders;
- establish a multi-stakeholder panel to jointly supervise commonly agreed research and development programmes. This panel should include representatives from the relevant medical and health communities as well as representatives from lobby groups and governments;
- manage the existing health impact of smoking by investment in helping smokers quit and a genuine commitment to combat the effects of addiction;
- work with key stakeholders to increase legislation around child smoking (ie. increasing the smoking age limit and restricting distribution). BAT will adopt the most stringent possible product safety standards and will implement these on a global basis.

Three

BAT will demonstrate a genuine commitment to fully informed free choice for all consumers and potential consumers. To achieve this BAT will:

- commit to providing maximum clarity and availability of information to consumers wherever they may live in the world, whatever language they may speak, and whatever their level of literacy (eg health warnings and ingredients labelling on packs in local languages).
- commit to major scientific research with regard to passive smoking and smoking.
- commit to major market research into the causes of smoking, and especially into understanding the relevance of different marketing, advertising and social factors. BAT will then commit to introducing an advertising and marketing code in line with the results of the study.

1.4 **This report**

This report is intended for the use of BAT management and the Board. We hope that our proposals will inform the internal debate on how BAT could become the leader in an increasingly controversial industry by taking bold steps to gain credibility and trust from critical key stakeholders.

The structure of the report mirrors the logical flow of our core proposition:

1. We highlight BAT’s perception in the public.
2. We identify reasons why these perceptions have come about.
3. We identify issues which must be addressed as a prerequisite to overturning those perceptions.

4. We set out a strategy and plan on each of these issues that we believe will be acceptable to rational critics.

It is the communication of point 4 which will give BAT the chance to win trust and engage with stakeholders, provide a means of demonstrating accountability, and ultimately to move into a responsible leadership position.

This discussion document will be refined in the week beginning 15 November 1999 to take account of BAT's concerns. A final Phase One report will then be delivered to BAT by 19 November.

2 Background

2.1 The Project

2.1.1 *Rationale*

- i. Smoking is a legal activity and adults should have the freedom to choose whether to smoke or not.
- ii. The tobacco industry needs to be effectively regulated due to its significant impact in society.

On these two basic facts, BAT and the UK government are in agreement

BAT is keen to engage with its stakeholders, who include governments and regulators, to facilitate the development of fair regulation. But engagement has proved difficult because of the level of distrust of BAT and the tobacco industry. However, BAT believes that it can contribute proactively to the debate on regulation through a demonstration of willingness for a responsible level of self-regulation. It has therefore embarked on a process of reviewing its strategies and policies in relation to the way in which it interacts with its stakeholders.

Five project teams have been set up under the auspices of a steering committee, itself a subset of the main BAT Board, to review current strategies and practices in the light of the difficult trading circumstances BAT now faces, and to make recommendations to the Board. We understand that these recommendations will form the basis for BAT's Code of Conduct and cover the following functional areas:

- marketing;
- labelling;
- testing;
- trade; and
- agriculture.

2.1.2 *KPMG's role*

KPMG has been asked to present an independent external view of what these recommendations should look like. We believe our input will help BAT find a sustainable position, which is both workable and socially acceptable. Our approach has been to adopt the stance of rational critics in order to outline how far BAT needs to go in order to demonstrate its commitment to responsible practices.

3 BAT's Current Position

3.1 Analysis of the situation

Reality	Perceptions	Threat
<p>The core problem is the nature of the product.</p> <ul style="list-style-type: none"> ■ Tobacco products kill people. ■ They also cause serious illness and imposes an unreasonable burden on health facilities worldwide. ■ Tobacco products are addictive. 	<p>This is made worse when the tobacco industry is seen to act in an unethical and obstructive manner.</p> <ul style="list-style-type: none"> ■ Aggressive entry strategies and growth plans (especially for emerging markets) which do not provide the consumer with informed free choice are seen as irresponsibly adding to the death toll. ■ Inconsistent operating practices in different global markets demonstrate a lack of a responsible company vision. ■ Resisting legislation initiatives on advertising and promotional activity, as well as in other areas, signals irresponsibility and a lack of concern for the issues. - "Getting away with the bare minimum" rather than taking a reasonable position and following that through consistently. ■ Being seen to evade reasonable questions, using statistics and research to obscure the facts rather than to illuminate them is perceived as one demonstration of an obstructive and unconstructive culture. This creates distrust among all key stakeholders. 	<p>As a result, the environment is increasingly hostile.</p> <ul style="list-style-type: none"> ■ Business options are increasingly limited by regulation and legislation in all areas and by the growing threat of nationalisation. ■ Influence and control on key issues is eroded as the industry is increasingly excluded from input into legislation and codes of practice. ■ Ethical and financial liability and exposure are greater as product liability is proven in law and the media, with increasing frequency.

The above table demonstrates that the Code needs to tackle core areas in a thoroughly convincing manner:

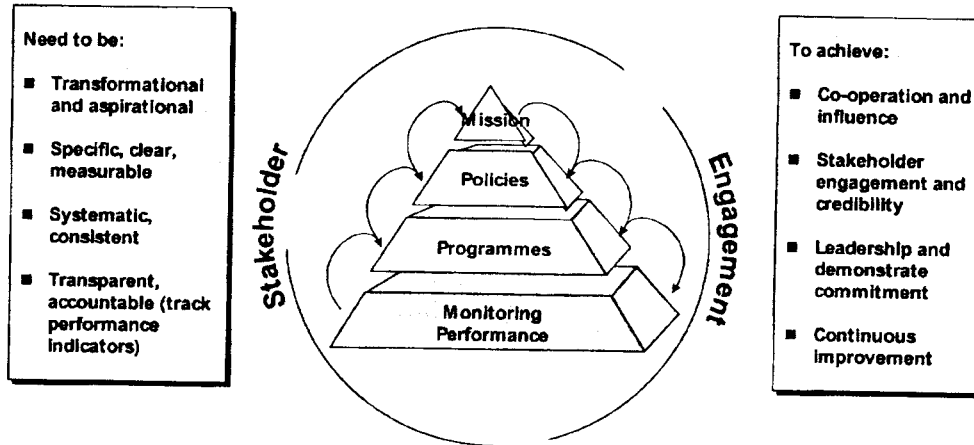
1. It needs to address the intrinsic product issue.
2. It needs to demonstrate BAT's commitment to a new level of ethical conduct in its business practices.

The tables in section 3.2 set out how BAT can tackle issues in each of these areas. We believe this externally-focussed issues-based approach, rather than an internally-focussed functional approach, will lead to a Code which is coherent and effective, and which tackles issues based on true empathy with stakeholder concerns and ensures that these issues are identified comprehensively. In the final Phase One report, we will translate these recommendations into functional proposals in line with *The Project*.

Taken individually, each recommended activity, or sub-issue, leads to a proposition for the Code or for future public commitments. These activities cannot in themselves be enough to propel BAT into 'the responsible company' leadership position it aims to achieve. Collectively however, they present an innovative and significant offering to stakeholders and critics and a formidable challenge to competitors.

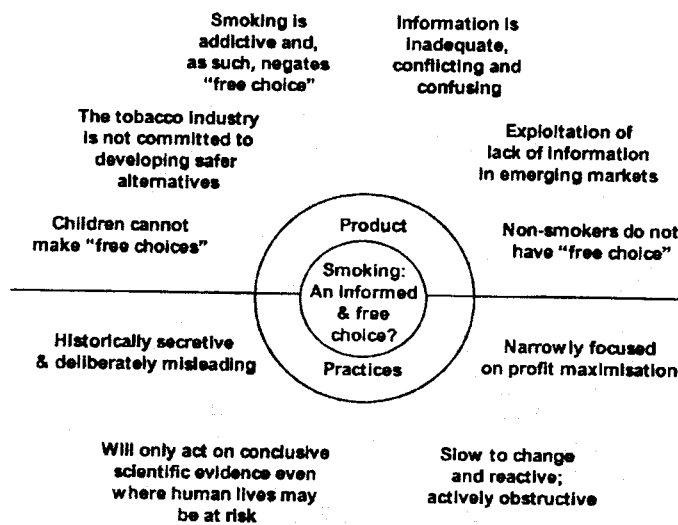
We must stress that the Code must cover ALL areas of the business as illustrated below:

Towards an effective Code



The following diagram summarises the issues which are associated with the two core areas identified above. These issues are addressed in detail in section 3.2.

Product and Practice Issue: Stakeholder Perceptions of the Tobacco Industry



3.2 Formulating solutions

3.2.1 *The product issue*

Tobacco kills and is addictive, but rational critics also recognise the industry's view that adults should have the free choice to smoke as long as the choice is an informed one, and that it is truly free. The table below highlights instances when choice is neither free nor informed (the counter argument), and maps out strategies for strengthening the 'free and informed choice' position. (BAT stance on specific issues is highlighted in the 'counter argument' column where this is known.)

Counter argument / BAT's view	What BAT needs to be perceived to be doing to neutralise disagreement	Plan for action	Key measures of success - Examples
<p>Children cannot make free and informed decisions - they need to be protected from a life threatening addiction.</p> <p>BAT supports this view and asserts that it does not encourage children to smoke and that smoking is an adult choice. It wants to work to eliminate underage smoking and supports moves to raise the legal age of smoking from 16 to 18.</p>	<p>BAT will communicate a long-term vision of zero smoking among children, and will commit to working with governments, health and non-governmental organisations to significantly reduce the number of children smoking within a specified timeframe and on a global basis.</p> <p>It will do this by taking a consistent proactive stance against underage smoking in all global markets and in all areas of its promotional and operational activities. This is to include extensive research into youth smoking, proactive withdrawal of marketing and distribution initiatives that are perceived to be targeting children. Working with others to educate children on the dangers of smoking.</p>	<p>BAT will proactively work with governments, both in UK and internationally, to guide legislation on cigarette smoking with regard to minors. Suggested issues include increasing the minimum age to 18; and legislating to increase penalties for the mis-selling of cigarettes to minors, as well as increasing regulation on distribution and availability (corner shops, vending machines, the web etc which are easy purchase opportunities for children).</p> <p>BAT will aggressively tackle availability of 'entry priced cigarettes' in all markets - Not only by stopping production of small packs (packs of 10), but also by actively co-operating with governments / Customs and Excise to clamp down bootlegging and diversion which increase availability of low-priced product.</p> <p>Declare global moratorium on marketing and promotional activities which might affect underage smoking, pending research results (see Precautionary</p>	<p>Incorporate child smoking statistics as a key performance indicator in performance monitoring.</p> <p>Introduction of legislation on higher age limit in different countries.</p> <p>Increased control of availability of cigarettes via distribution channels easily accessible by minors.</p> <p>Discontinuation of packs of 10 from product lines globally.</p> <p>Reduced volumes of bootlegged and contraband products based on Customs and Excise statistics. Report on co-</p>

	<p>Principle point below).</p> <p>Conduct joint research with critical stakeholders into causes of child-smoking (research panel; for further details see below). Commit to publication of the results, as well as to follow-up action within a specified time-period.</p> <p>Work with governments to increase education on the dangers of addiction. Give children all the facts on how harmful smoking can be before they first encounter the product. Develop awareness raising and information packs and initiatives for inclusion in school curricula; actively offer these to educational authorities.</p> <p>Set up a complaints phone-line and/or website to encourage the public to report back on any observations of infringements of the marketing policy relating to underage smoking (or any other objections).</p>	
<p>operative initiatives with governments and other proactive programmes.</p>		
<p>The number (to be specified) of awareness raising packs developed; establish other measurables on awareness raising (e.g. investment into development of initiatives etc.).</p>		
<p>Report on number and details of complaints. Action taken by BAT.</p>		

Counter argument / BAT's view	What BAT needs to be perceived to be doing to neutralise disagreement	Plan for action	Key measures of success - Examples
<p>Information is inadequate, conflicting and confusing. Even in the most developed markets, consumers lack the necessary information with which to make this critical choice.</p> <p>Research findings are seen to be communicated in a way which obscures rather than illuminates the issues. It is difficult to judge what information is objective.</p> <p>This has lead to mistrust amongst stakeholder groups.</p> <p>BAT says that it has been open about the research it commissions and supports, and that papers are published and publicly available. There will always be commercially sensitive, proprietary research however which, as in any other industry, will have to be kept confidential.</p>	<p>BAT will ensure maximum clarity and availability of information to enable consumers to make an informed and reasonable free choice.</p>	<p>BAT will take a leadership position in the industry committing to a new openness and transparency in its communications with all key stakeholders.</p> <p>BAT will commit to major research undertakings designed to obtain the objective facts on smoking with regard to passive smoking, smoking, and the causes of youth smoking.</p> <p>BAT will take the initiative to assemble a multi-stakeholder supervisory research panel to collectively agree research priorities and programmes, commission research, debate the implications of findings and disseminate the results. The supervisory panel will consist of relevant representatives of the medical/health research community, civil servants, lobby groups and BAT.</p> <p>The research programme needs to embrace issues relating to marketing activities. Specifically it will seek to understand the casual relationship between different marketing activities (advertising, sponsorship, public relations) and smoking amongst different age groups. Importantly, BAT will commit to responsible action based on the results.</p>	<p>Publication of research results; acceptance of research findings by key critical stakeholders; demonstration of research findings being built into BAT decision making and affecting policy and decision making.</p>

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Counter argument / BAT's view	What BAT needs to be perceived to be doing to neutralise disagreement	Plan for action	Key measures of success - Examples
<p>Smoking is addictive, and as such, negates free choice.</p> <p>7 in 10 smokers want to stop smoking but find it difficult to do so.</p> <p>BAT says that given the right motivation, there is nothing unique about tobacco that makes the habit hard to quit.</p>	<p>BAT will actively work with health services and other relevant organisations to help those wanting to stop smoking. They will do this by first acknowledging publicly the difficulty of giving up the habit, and then by offering proactive advice and tangible assistance to those wanting to stop.</p>	<p>Launch Millennium campaign to reduce the number of people smoking - provide free counselling, patches and gum for a set period of time.</p> <p>QUIT line phone number on cigarette packets, and QUIT advice offered on web sites</p> <p>Direct mailings to regular smokers should include an annual offer of help in quitting, alongside promotional messages.</p>	<p>Actively informing smokers of available support; report on initiatives that have been undertaken and establish relevant measurables (e.g. investment, deliverables)</p> <p>Number of calls taken / web hits.</p>
<p>Non-smokers have a right to a smoke-free environment.</p> <p>Passive smoking is not a free choice. As long as smokers have a right to smoke in public places, non-smokers will continue to suffer.</p> <p>BAT says that US has not been proven to be a health risk. It is a social issue best resolved through mutual understanding and co-operation.</p>	<p>BAT will commit to joint research into the true health risks of passive smoking and will commit to publication and action within a specified time frame.</p> <p>BAT will actively work with retailers and the UK government on the implementation of the "Clean Air" charter.</p> <p>BAT can engage with and work alongside regulators in the US who have enacted legislation restricting public smoking.</p>	<p>Work with UK government on new signage system to help customers identify smoking policies in hotels, restaurants and pubs. Work with operators of public establishments to improve ventilation.</p>	<p>Publication of research results; acceptance of research findings by key critical stakeholders; demonstration of research findings being built into BAT decision making and affecting company policy and practice.</p>

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Counter argument / BAT's view	What BAT needs to be perceived to be doing to neutralise disagreement	Plan for action	Key measures of success - Examples
<p>The industry is perceived to be exploiting the lack of information and legislation in emerging markets to achieve market growth.</p> <p>Economically marginalised consumers have less access to relevant information and cannot therefore make informed decisions. This particular stakeholder group embraces those in developed societies and those in emerging markets, where less stringent regulations apply.</p> <p>BAT believes information on smoking has been widely available for many decades now and all adults should be aware of the risks associated with smoking.</p> <p>BAT complies with local laws and regulations of the markets in which it operates.</p> <p>BAT is against labelling cigarettes as addictive, because this makes quitting harder for smokers who want to quit. Furthermore, if nicotine is labelled as such, then why not caffeine in tea?</p>	<p>BAT will adopt the most stringent regulatory and product standards and implement these globally.</p> <p>BAT will ensure maximum clarity and availability of information to enable consumers to make an informed and reasonable free choice wherever they may live in the world, whatever language they may speak, and whatever their level of literacy.</p>	<p>BAT will proactively educate consumers in developing markets on the dangers of smoking.</p> <p>BAT will agree to a global trading charter which sets minimum standards of product safety and global principles for marketing, advertising and communications (ie. No advertising or promotional activity targeted at children).</p> <p>These might include such things as audience-appropriate health warnings on packaging and in the media, self-regulated marketing standards which go beyond local country legislation.</p> <p>BAT might also consider reinvesting in the social infrastructure of countries where they plan to grow their business, as well as assessing and communicating the socio-economic impact of smoking on such countries.</p>	<p>Demonstration of compliance with the charter.</p>

Counter argument / BAT's view	What BAT needs to be perceived to be	Plan for action	Key measures of success -
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	doing to neutralise disagreement		Examples
<p>The industry is not seen to be genuinely committed to developing a safer/alternative product for smokers.</p> <p>Irrespective of the individual freedom of choice issue, BAT should commit fully to reducing and eliminating the health risks associated with smoking via development of a safer/alternative product.</p> <p>BAT asserts that it has worked to develop safer alternatives for many decades and that critics do not recognise the technical and marketability hurdles.</p>	<p>BAT will formulate and communicate its vision of a safer/alternative product which maximises the pleasure for the smoker whilst minimising (if not eliminating) the health risk.</p> <p>BAT will commit to an increased, long-term investment in research and development of a safe alternative.</p> <p>In the interim, BAT will commit to tackling health issues by launching a research initiative to benchmark the relative health risks of different brands. This will enable consumers to make brand choices based on reliable health information.</p>	<p>BAT will embark on a longer term programme to actively work with stakeholder supervisory research panel to research, test and develop safer alternatives.</p> <p>In the interim, BAT will commit to expanding ingredient listings on existing product packages. BAT should strive towards full ingredients listings similar to those required for e.g. cosmetic products and food stuffs.</p> <p>BAT will commit to developing a new coding system for existing brands to categorise products by health risks consistently. The development of this code will be based on research supervised by the stakeholder research panel.</p>	<p>Publication of new vision; reporting on level of financial and intellectual investment into research and development of safer alternative product; communication of progress to stakeholders.</p> <p>Ingredient listing on existing brands expanded.</p> <p>New coding system developed and implemented on existing brands.</p>

3.2.2 **The way we do business**

Irrespective of product and health issues, the tobacco industry's approach weakens BAT's position further: The industry is seen to act in an unethical and obstructive manner. These perceptions can be changed.

How is the industry perceived?	What does BAT need to do to demonstrate that it is different from the industry?	How can BAT achieve this ?	Key measures of success - Examples
<p>The industry has historically been seen to be secretive and deliberately misleading.</p> <p>This has lead to mistrust amongst many stakeholder groups.</p>	<p>BAT needs to demonstrate honesty, openness and transparency in everything it does.</p> <p>BAT needs to establish and nurture dialogue with stakeholders.</p>	<p>BAT must commit to a new ethical code laying out global standards and guidance for conducting its business. BAT will do business with the same ethical and product standards in all markets in which they operate. In drafting the Code, BAT will convene a separate panel of stakeholder representatives to consult their views on the overall content of the Code and to establish consensus on implementation priorities and reasonable timeframes.</p>	<p>Code agreed; communicated to key stakeholders; implementation plan in place.</p> <p>The implementation of, and compliance with, the Code will be independently verified. Audit results will be communicated to all key stakeholders.</p>

How is the industry perceived?	What does BAT need to do to demonstrate that it is different from the industry?	How can BAT achieve this ?	Key measures of success - Examples
<p>The industry is perceived to be narrowly focused on profit maximisation and the short-term interests of shareholders.</p>	<p>BAT needs to commit to accountability to all stakeholders, and pro-activity in dealing with their issues and concerns.</p> <p>BAT needs to adopt a longer-term focus on its business, taking account of its sustainability - economic, social and environmental - in the context of the stakeholder environment.</p>	<p>BAT must consider key stakeholder concerns, and reflect these in all activities undertaken. This will have implications for everything from the overall company mission and strategy down to individual local programmes and initiatives.</p> <p>An example of these implications can be seen through BAT's supply chain. BAT's strategies and policies will need to address the environmental and societal issues which affect the tobacco leaf farmers. There are 33 million people dependent on tobacco production, whose needs and concerns must be addressed. BAT must also assess and manage the environmental impacts - desertification, deforestation and erosion - within its supply chain.</p> <p>Having made an initial commitment to accountability and transparency, BAT will then be in a position to convene a stakeholder panel to oversee the research and product development programmes of the organisation (with the exception of proprietary competitive research).</p> <p>Having established a dialogue with stakeholders, BAT should position itself to proactively and collaboratively work with global governments on legislation around smoking issues in line with stakeholder interests.</p>	<p>The implementation of, and compliance with, the Code will be independently verified. Audit results will be communicated to all key stakeholders.</p> <p>Information on BAT's work on smoking legislation.</p>

How is the industry perceived?	What does BAT need to do to demonstrate that it is different from the industry?	How can BAT achieve this?	Key measures of success - Examples
<p>At best, the industry is perceived to be slow to change and reactive.</p> <p>At worst, the industry is actively obstructive.</p> <p>Examples:</p> <ul style="list-style-type: none"> ■ BAT has consistently resisted the government's proposed legislation on advertising. It claims that there is no proven link between advertising and consumption in the category. This is a view rejected by many stakeholders. ■ A new EU directive on cigarette packaging is being drawn up. Recommendations on increasing the prominence of health warnings have been rapidly criticised by tobacco manufacturers, who say increased labelling requirements will confuse consumers. 	<p>Dynamism, pro-activity and a genuine desire to co-operate with stakeholders to bring about necessary changes.</p>	<p>This new leadership stance for BAT is inconsistent with the defensive line traditionally adopted by the TMA - BAT should withdraw from the TMA in the light of its new commitment to openness and proactive reform and distance itself from the slow moving industry association that no longer serves BAT's best interests. This would have a significant and positive impact on how BAT is perceived by stakeholders and assist BAT to start stakeholder engagement.</p> <p>BAT should take a proactive stance on key stakeholder issues wherever possible. As above, co-operation on legislation might be a key part of this. BAT should develop and implement a minimum advertising and promotional code of ethics to apply worldwide. Additionally, BAT should recognise public concern and withdraw from advertising and promotional activities ahead of legal deadlines in the US and the UK. It should also ensure clear ingredient labelling and health warnings on all products. BAT should then seek alternative marketing and communications activities to target adult smokers in line with the new ethical code (eg. Direct mail to users, password-protected web sites, and adult-only activities - Jazz concerts, eighteen certificate movies etc.)</p> <p>Communicate and commit to a future vision for the organisation, including a commitment to and investment in developing a safer alternative for smokers.</p>	<p>Track results and communicate progress openly to all key stakeholders.</p>

How is the industry perceived?	What does BAT needs to demonstrate that it is different from the industry?	How can BAT achieve this ?	Key measures of success - Examples
The industry only acts on conclusive scientific evidence even where human lives may be at risk.	Adoption of the precautionary principle, which is a willingness to act on a reasonable body of information. E.g. BP Amoco was the first major oil company to acknowledged the dangers of climate change based on persuasive evidence, even though this evidence is not scientifically conclusive, and has publicly committed to managing and auditing its Greenhouse Gas emissions.	The precautionary principle should be embedded into the values of the company, and guide all strategic, policy and decision-making.	How BAT acts on the findings of the research panel.

3.2.3 **Benefits to BAT of adopting the above recommendations**

As a result of these measures, BAT will regain a significant voice in the smoking debate. It will find itself in a stronger position with all key stakeholders, and begin engaging in debate on key issues.

Some specific advantages might be as follows:

- By dissociating from the TMA, BAT would demonstrate a fresh forward-looking commitment to change. This would cause key stakeholders and critics to open their minds to a possible re-evaluation of BAT. By simultaneously adopting and communicating a new tone, and committing to a new vision of the future, BAT will demonstrate its new leadership stance in the industry.
- A new ethical code for BAT, backed up by a commitment to transparency, will cause all key stakeholders to reassess their existing perceptions of the company. A strong commitment to complying with this code will demonstrate a break from the past and invite stakeholder engagement.

4 Next steps

- The issues-based tables in this document translate into concrete proposals in each of the five functional areas of *The Project* as defined by BAT. We will want to discuss the messages coming out of the tables with you before we proceed with our functional proposals.
- Simon Millson to meet with KPMG on the November 17, 1999 at 4pm to discuss this document and to identify areas of commonality and differences with BAT's own view.
- KPMG to finalise "The way forward" to reflect BAT's concerns. In this document, we will outline the sequence of events and likely order of priorities to enable BAT to convene necessary stakeholder panels.
- BAT finalises its own proposals, taking account of the final document.
- KPMG prepares for Phase Two.