



Our Guiding
**PRINCIPLES
AND BELIEFS**

Reynolds American is a U.S. corporation whose operating companies manufacture and market a full range of cigarette and smoke-free tobacco products for adult tobacco consumers. We operate our business in a responsible manner that best balances the desires of our many stakeholders. Our Guiding Principles and Beliefs seek to reflect the interests of shareholders, consumers, employees and other stakeholders. In particular, RAI and its operating companies are committed to addressing the issues regarding the use of and harm associated with tobacco products in an open and objective manner.

Here's what we and our operating companies believe:

TOBACCO USE & HEALTH

**TOBACCO REGULATION
& COMMUNICATION**

TOBACCO CONSUMERS

HARM REDUCTION



OUR GUIDING PRINCIPLES AND BELIEFS

TOBACCO USE & HEALTH

- Cigarette smoking is a leading cause of preventable deaths in the United States. Cigarette smoking significantly increases the risk of developing lung cancer, heart disease, chronic bronchitis, emphysema and other serious diseases and adverse health conditions.
- The risk for serious diseases is significantly affected by the type of tobacco product and the frequency, duration and manner of use.
- No tobacco product has been shown to be safe and without risks. The health risks associated with cigarettes are significantly greater than those associated with the use of smoke-free tobacco and nicotine products.
- Nicotine in tobacco products is addictive but is not considered a significant threat to health.
- It is the smoke inhaled from burning tobacco which poses the most significant risk of serious diseases.
- Quitting cigarette smoking significantly reduces the risk for serious diseases.
- Adult tobacco consumers have a right to be fully and accurately informed about the risks of serious diseases, the significant differences in the comparative risks of different tobacco and nicotine-based products, and the benefits of quitting. This information should be based on sound science.
- Governments, public health officials, tobacco manufacturers and others share a responsibility to provide adult tobacco consumers with accurate information about the various health risks and comparative risks associated with the use of different tobacco and nicotine products. ■

TOBACCO REGULATION & COMMUNICATION

- Tobacco products should be regulated in a manner that is designed to achieve significant and measurable reductions in the risks and adverse health effects associated with cigarette use. Regulations should enhance the information available to adult consumers to permit them to make informed choices, and encourage the development of tobacco and nicotine products with lower risks than existing cigarettes.
- The degree of regulation should be based on the risks and comparative risks of tobacco and nicotine products and their respective product categories. Preferential treatment (taxation, marketing, consumer communication, labeling, etc.) should be given to tobacco and nicotine products or product categories that are less harmful than cigarettes.
- Communication and interaction with adult tobacco users regarding their brand choices is essential for effective competition.
- Public policy should allow communication of the comparative risks of tobacco products and encourage tobacco users to switch to lower-risk products.

- The regulation of marketing of tobacco products should be consistent with constitutional protections and enhance an adult consumer's ability to make an informed choice by providing accurate information on the risks and comparative risks of tobacco products.
- The marketing of tobacco products should not be targeted to minors and non-tobacco users.
- The prohibition of tobacco products is neither practical nor desirable. ■

TOBACCO CONSUMERS

- Individuals should consider the conclusions of the U.S. Surgeon General, the Centers for Disease Control and other public health and medical officials when making decisions regarding smoking.
- The best course of action for tobacco users concerned about their health is to quit. Adults who continue to use tobacco products should consider the reductions of risks for serious diseases associated with moving from cigarettes to the use of smoke-free tobacco or nicotine products.
- Minors should never use tobacco products and adults who do not use or have quit using tobacco products should not start.
- Adults who smoke should avoid exposing minors to secondhand smoke, and adult smokers should comply with rules and regulations designed to respect the rights of other adults. ■

HARM REDUCTION

- Reducing the diseases and deaths associated with the use of cigarettes serves public health goals and is in the best interest of consumers, manufacturers and society. Harm reduction should be the critical element of any comprehensive public policy surrounding the health consequences of tobacco use.
- Significant reductions in the harm associated with the use of cigarettes can be achieved by providing accurate information regarding the comparative risks of tobacco products to adult tobacco consumers, thereby encouraging smokers to migrate to the use of smoke-free tobacco and nicotine products, and by developing new smoke-free tobacco and nicotine products and other actions.
- Governments, public health officials, manufacturers, tobacco producers and consumers should support the development, production, and commercial introduction of tobacco leaf, and tobacco and nicotine-based products that are scientifically shown to reduce the risks associated with the use of existing tobacco products, particularly cigarettes.
- Adult tobacco consumers should have access to a range of commercially viable tobacco and nicotine-based products. ■

For more details on these and other issues, visit
www.reynoldsamerican.com