



BRITISH-AMERICAN TOBACCO COMPANY LIMITED

TO: BATCo Operating Company public affairs managers

CC: BATCo Board
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FROM: Chris Proctor

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SUBJECT: Ingredients disclosures

Following last weeks disclosure in Australia of ingredients information that had been given to the New Zealand government in confidence, I gather that a similar incidence of disclosure of information thought to be held in confidence has occurred today in the United States.

While we are yet to receive complete information on this matter, it is quite possible that this story will become news over this weekend.

In order to assist with communications on ingredient issues, I have attached to this alert a series of questions and answers on some of the more general points. Again, as we mentioned when we alerted you about the Australian incident, some caution should be applied to making very specific responses on ingredients issues because of the commercial sensitivities involved.

We will keep you informed if this news develops further.

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INGREDIENTS IN TOBACCO PRODUCTS: QUESTION AND ANSWER BRIEF

Why do you add chemicals to the tobacco?

The distinct blend of each tobacco product has been developed over many years in response to consumer tastes and demands. To achieve the desired characteristics, the blender selects from a range of ingredients, which are generally approved by the authorities in various European countries for use in manufactured foods and tobacco. Flavours, such as menthol, contribute to the overall impression of the product through their effect on the taste of the smoke and the aroma. Sugars and honey can be added to smooth the taste, while substances called humectants help to keep the tobacco moist.

How can you justify the use of harmful chemicals in your products?

The ingredients which are added to our tobacco products are generally approved by the authorities in various European countries for use in manufactured foods and tobacco. A range of these ingredients can be used in the manufacturing process to enhance flavour and to differentiate our product blends. Any non-tobacco ingredients which are added in substantial amounts usually are, or are identical to, naturally occurring compounds such as sugar, honey, and cocoa. Many ingredients which are used in tobacco products are also currently being used in a variety of consumer products, including foods and beverages.

A list of tobacco ingredients released recently in Australia includes chemicals which are said to cause cancer. How can you say these are not harmful to health?

Ingredients used in tobacco products have been independently evaluated and they are generally approved by the authorities in various European countries for use in manufactured foods and tobacco. There is a misperception that all of the substances which appear on the list are in all tobacco products. In fact, in developing a product, the blender will generally select only a proportion of the approved chemicals.

Why do tobacco products contain so many different chemicals?

It is merely an assumption that tobacco products contain many ingredients. In general, only a proportion of the total number of approved ingredients is used in any particular product. The blend of each product has been developed over many years in response to consumer tastes and demand, and the blender selects from a range of ingredients, which are generally approved by the authorities in various European countries for use in manufactured foods and tobacco.

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Why do tobacco products contain such a large quantity of added chemicals?

The use of total weight of ingredients is meaningless. This total includes substances added to the tobacco which are lost during manufacture, such as volatile compounds, which remain only in trace quantities in the finished product. Many of the same ingredients are used in the processed food industry and are agreed as ingredients for tobacco by the authorities in various European countries.

Why do cigarette and pipe tobaccos contain such large quantities of ingredients compared to cigarettes?

Ingredients are used in the manufacture of cigarettes and tobacco to improve taste and flavour, and provide the characteristics of the product which the consumer desires. The amount used will therefore vary between products and will depend also on the particular blend of tobacco. For instance, the traditional Virginia cigarette may contain only minimal amounts of flavouring ingredients or no ingredients at all, while pipe tobaccos generally have more distinctive flavours and aromas.

What are the chemicals you put in your tobacco products?

Over 99% by weight of the ingredients added to tobacco are made up of casings such as sugar and honey, and substances called humectants which keep the tobacco moist. Flavouring ingredients are added to tobacco only in small amounts. We are of course unable to disclose exactly which ingredients are used in our products because these recipes are closely guarded trade-secrets.

Why don't you want smokers to know about the chemicals that are added to cigarettes?

We are not trying to hide anything from smokers - this is a question of commercial confidence. The specific blend of each brand of cigarette is unique and, in the hands of our competitors, this information could be commercially damaging to our company. We aim simply to preserve the commercial confidentiality of product formulae and recipes, as would for instance Coca Cola, which seeks to preserve the confidentiality of the recipe for its soft drinks. There is nothing underhand or sinister in the fact that the list is not publicly available.

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Other products, such as certain foods, provide lists of their ingredients on the packaging. Why should tobacco be different?

Some products carry lists of general ingredient categories on their packages. However, this use of general terms, such as flavourings or permitted colourings, does not reveal the individual ingredients and so does not disclose the recipe of the product. No manufacturer would be willing to reveal to their competitors the specific ingredients used in their products. This is why we only supply such information to governments on the understanding that it will be treated in commercial confidence.

Why don't all governments require companies to declare their ingredients?

You would need to put that question to the relevant government. Only a minority of countries, such as New Zealand and the United States require disclosure of ingredient information. In fact, when the issue was considered a few years ago by the US Congress, the position taken by the pertinent US government health official was that the whole ingredients issue was 'peripheral' or 'inconsequential'. Nevertheless, BAT reviews evaluations in other countries regarding tobacco ingredients and makes every effort to comply with international guidelines in all its markets.

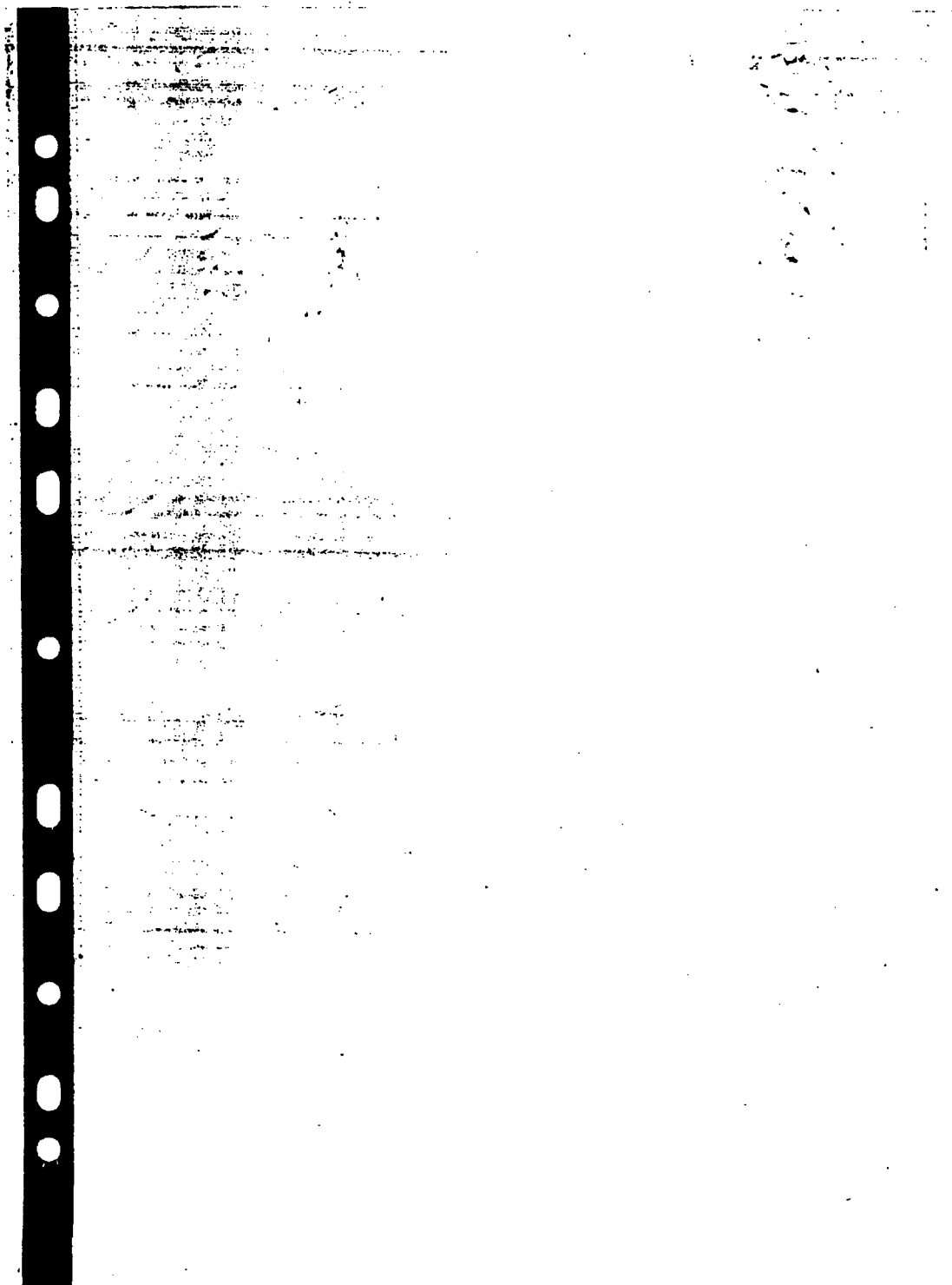
Surely, if governments were aware of what tobacco manufacturers were putting into their products, they would ban the use of these ingredients.

Several governments have, in confidence, considered the lists of ingredients which are approved for use in the manufacture of tobacco products. None, including in the recent case of a submission to the New Zealand government, have acted to restrict the list of possible ingredients over and above what is considered generally acceptable.

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