

# Environmental, Health and Safety Policy

**RAI and its subsidiaries are committed to continually driving their environmental, health and safety (EHS) programs in accordance with these guiding principles:**

## **EHS Guiding Principles**

- Conducting business operations in a responsible manner that protects the occupational health and safety of employees, ensures compliance with applicable government regulations and continuously explores ways to improve workplace safety and environmental performance beyond compliance.
- Ensuring employees in all operating companies are knowledgeable about and properly trained on workplace occupational hazards and their role in impacting the environment.
- Actively engaging our supply chain partners to benchmark, to share best practices and to identify, reduce and eliminate environmental and safety impacts through cost effective measures. We will use our influence to encourage our partners to seek improvement in all areas of EHS and to drive sustainability throughout their supply chains.

**R.J. Reynolds Tobacco Company Operations department will provide overall strategy and oversight to RAI's operating companies through service agreements. Each operating company is required to:**

- Establish annual measurable goals to continually improve safety and environmental performance, which includes:
  - 1) A safety performance measure to proactively reduce workplace accidents and improve safety performance.
  - 2) Metrics to monitor aspects of environmental impact, including, but not limited to:
    - a. Energy and Emissions;
    - b. Water; and
    - c. Waste.
  - 3) Opportunities to reduce impact on the environment.
- Develop plans as process improvements are made to address or integrate environmental impacts and safety performance with continuous improvement goals.
- Include the principles of ESG in the development of new products, emphasizing sustainability and waste minimization at all stages, as well as reducing the environmental footprint and improving recyclability where possible.
- Conduct environmental and safety compliance audits and take proactive measures as identified and as appropriate. Each RAI operating company shall follow an audit schedule that includes:
  - a. Performing in-house inspections at minimum each quarter;
  - b. Auditing by EHS managers from other RAI operating companies on a biennial basis; and
  - c. Utilizing independent third-party auditors every three years.

- Ensure written environmental and safety programs and procedures are posted online, reviewed and readily available to all employees.
- Support third-party-stakeholder environmental and safety reporting.
- Ensure that on-premises contractors are aware of RAI requirements and comply with all applicable EHS regulations, programs and policies. Communicate RAI's expectations that the supply chain partners, including non-managed operations, joint ventures, third party manufacturers and outsourcing partners, comply with EHS regulations, programs and policies that are applicable to their operations.
- Report progress in these areas annually to R.J. Reynolds Tobacco Company Operations.
- Continue to evaluate sustainability initiatives in product/material distribution to reduce environmental impacts of owned and contracted logistics.
- Practice sound environmental and sustainability principles in site planning and performing engineering and maintenance activities.

**Each RAI operating company must use these guidelines as a benchmark in updating its current written environmental, health and safety programs and procedures. All operating companies are encouraged to develop an operating culture that drives EHS, strives for continuous improvement and encourages innovative approaches to environmental, health and safety issues.**

## **Governance**

The executive vice president (EVP) of operations for R.J. Reynolds Tobacco Company and EVP of public affairs for Reynolds American Inc. (RAI) are responsible for this policy and establish and oversee organization-wide long-term environmental and safety goals, and guidelines through which initiatives are reviewed and approved.

Each operating company identifies and selects its own strategies to drive return on investment and environmental impact for the targets they control. Progress is continually reviewed, and results are consolidated and reported to the Board of Directors annually.

## **Related Policies**

- Supplier's Guide to Doing Business, Reynolds American Inc. and its subsidiaries
- California Supply Chain Transparency Act Compliance Statement

