APPENDIX F

BRITISH AMERICAN TOBACCO MANUFACTURERS' FEEDBACK

BRITISH AMERICAN TOBACCO
MANUFACTURERS
SOUTH AFRICA

1 Prinsloo Street, Heidelberg, 1441
P.O. Box 506, Heidelberg, 1438
Telephone +27 16 341 5141
Telefax +27 16 341 6613
www.batsa.co.za

10 February 2004

Mr PJ de Beer
Environmental Engineering Group
Department of Chemical Engineering
University of Pretoria
Pretoria
0002

Dear Mr de Beer

EEGECOST Model Case Study

As a responsible company, manufacturing and distributing a controversial product in a free market environment, and being committed to continuous improvement in the areas of economic performance, social upliftment, and environmental sustainability, British American Tobacco Manufacturers welcomes the opportunity to participate in this case study illustrating the application of the EEGECOST model to some of the manufacturing activities of its Heidelberg site, and to deliver comment on its functionality and usefulness as an environmental accounting management tool.

Due to both time constraints and that it was not possible to synchronize this exercise with actual company planning cycles, the future scenarios presented in the case study are few in number and, although based on identified aspects of our operations, are largely hypothetical in content and timing. It is also important to note that inclusion of aspects pertaining to product lifecycle beyond the boundaries of the manufacturing process would of necessity require the inclusion of comprehensive data pertaining to a very much broader scope of activities including research and development, product design, materials selection and sourcing, agricultural sustainability, marketing, and corporate social investment on a global company scale.

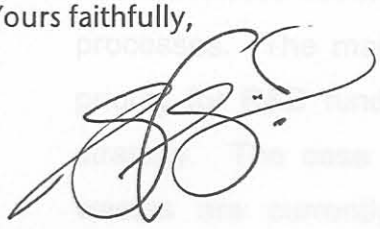
Notwithstanding the above, the exercise has illustrated both the application of the model in providing a more complete picture of environmental costs and liabilities, and by including a routine that allows automatic ordering of defined issues according to user selected probability and consequence parameters, its use as a management decision making tool.

Further development of the model with respect to providing a clearer distinction between costs involving actual expenditure, provisions for contingency, and external costs or virtual expenditure, as well as between income/expenditure items reflecting business performance and balance sheet items reflecting business condition, will considerably enhance its functionality.

Multiple case studies addressing a wider variety of industrial or manufacturing activities as well as the application of the model during actual company planning and performance measuring cycles will also result in a more comprehensive test of its usefulness and reliability as an environmental accounting management tool.

In conclusion, the overall view is that the exercise has been worthwhile and that there is definite benefit to be derived from further research and development of the EEGECOST model.

Yours faithfully,



BA Buissinne
EHS Manager : Africa and Middle East Region