

EU Stakeholder Dialogues
2006

Final Report - Summary of
Expectations of BAT

Research report prepared for
British American Tobacco plc



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Summary of Expectations of BAT

Harm reduction and public place smoking are the priority areas for most stakeholders at the EU level. In the area of harm reduction, there is clearly a limit to the progress that can be achieved by BAT alone, and the influence of several other parties is discussed. Nevertheless, stakeholders would like the company to:

- Engage in harm reduction issues on a long-term basis and use the company's expertise to help develop solutions.
- Use plain speaking when expressing company positions.
- Continue to co-operate with independent researchers, which will often depend on demonstrating shared harm reduction objectives.
- Collaborate more with industry associations and other tobacco companies, and engage on a collective basis where possible.
- Engage more widely, not just including people with extreme opinions, or those working within the tobacco field. There is some disagreement on whether it is appropriate for BAT to proactively set the agenda.
- Pursue the development and promotion of non-combustible tobacco products such as snus – for some this is the harm reduction priority:
 - Continue to develop non-EU markets for snus products, expand the range of smokeless tobacco products to appeal more widely.
 - Communicate the reduced health risks of snus, help to publicise the experience of countries such as Sweden, and support further research into the impact of snus on smokers' behaviour and health.
 - Explore the potential to reduce TSNA's in snus, and the potential health risks of nicotine in snus.
- Include an examination of consumer behaviour in any research to develop conventional/modified reduced risk products, and focus on products with consumer appeal:
 - Stakeholders suggest various techniques such as filter analysis, smoker panels, epidemiological studies and whole smoke analysis. Reservations are expressed on the use of biomarkers.
 - Explore further the harm reduction potential of lower delivery products and other ways of smoking, such as water pipes.
 - Take the lead in encouraging the reduction of hazardous substances in cigarettes across the board (rather than brand differentiation).
- Continue to show leadership in the public disclosure of information and encourage the meaningful disclosure of research findings to consumers.
- There is some concern over the future funding of research, and tobacco industry proposals on this would be welcome
- One stakeholder would like to see support of smoking cessation projects.

Stakeholders also have clear expectations of BAT relating to both public place smoking and anti-illicit trade (these are somewhat more specific for AIT). A few stakeholders also comment directly on the dialogue and reporting process. On public place smoking, stakeholders would like BAT to:

- Take a less defensive position on PPS, commit to being part of the solution and focus on the opportunities for positive action and engagement.
- Add links to relevant and balanced scientific research to its website (while some share BAT's views and some advise it to avoid focusing on arguments about the health impacts of ETS, several stakeholders want the company to accept their view that there are health risks in exposure to ETS).
- Actively engage in the debate on the green paper on Smoke Free Environments.
- Influence industry associations to lobby in line with BAT's position on PPS.
- Make all information relevant to the PPS debate publicly available. Some think BAT should take a broader view of the economic, social and employment impacts of smoking bans.
- Support efforts to introduce a standard framework for collecting data on the impact of PPS.
- Help define air quality standards and invest in initiatives to improve it.

On anti-illicit trade and counterfeit, stakeholders would like BAT to:

- Engage more in the issue of illicit trade – counterfeit is particularly high on the agenda at EU level. More CEO-level involvement would be welcomed.
- Collaborate more (both within the tobacco industry and outside it). Philip Morris' ATT activities are currently more visible than BAT's, and some stakeholders want BAT to follow its lead.
- Demonstrate action on track and trace – widen availability of readers of anti-counterfeit markers and invest in new product tracking technology.
- Show that effective procedures are in place to avoid over-supplying markets.
- Co-operate more effectively with customs – share information on the transport of legitimate products, contribute to training on identifying counterfeit product and give financial/material support where possible.
- Contribute to EU dialogues with countries such as Russia and the Ukraine on the issue of border controls, make specific cases available to UNICE.
- Help prevent manufacturing equipment becoming available to counterfeiters and press for its destruction when counterfeiters are apprehended.
- Contribute to cross-industry efforts to educate consumers on the risks of counterfeit, and help to engage the media on this issue

On the dialogue process and reporting, stakeholders would like BAT to:

- Encourage the participation of stakeholders less favourable to tobacco, and consider inviting trade unions.
- Communicate next steps and resulting actions to stakeholders.
- Some would like an opportunity to discuss wider responsibility issues.
- Produce a more concise report focused on targets