

## Market Research Guidelines for Tobacco Products

### Scope

These guidelines relate to any market research conducted with consumers in relation to tobacco products, undertaken by or on behalf of any BAT group company. This includes any research in relation to product, packaging or communication materials and research in relation to adult smokers' needs and behaviours. Research is not advertising and is not about promoting BAT's products in any way.

All market research projects must be conducted in accordance with relevant industry codes, local legislation and other local requirements. In addition, we expect all BAT group companies and any third party providing market research services to any BAT group company to apply these guidelines.

### Rationale

British American Tobacco aims to satisfy adult smoker moments with world-beating tobacco products. To be able to do that, we need to gain insights about adult smokers' needs and their opinions of our products.

Legal, regulatory and reputational risks may arise when undertaking market research in relation to tobacco products and therefore these Guidelines should act as a guide to help identify, assess and mitigate potential risks. If you have any questions about the interpretation or application of these Guidelines, please contact Marketing Counsel – Insights in Globe House.

### Definitions

"adult"	A person who is at least 18 years old, except where local legal requirements specify a higher minimum age for the lawful sale, purchase, possession or consumption of tobacco products, in which case "adult" means a person of at least that minimum age.
"advertising"	Any consumer communication, promotional activity, event or use of branding which aims to encourage consumers to select one tobacco brand over another.
"IMP"	British American Tobacco's International Marketing Principles.
"research participant" or "participant"	A regular adult tobacco user who has voluntarily chosen to take part in a research project.
"tobacco products"	Manufactured cigarettes, cigars, cigarillos, pipe tobacco, fine cut tobacco, shisha, pre-formed tobacco rolls, smokeless tobacco products and any other tobacco products.

## Governance

1. All documents relating to any market research project should be reviewed by Legal, before they are shared widely internally and before they are shared with the agency or any other external party. The Project Brief (clearly setting out the objectives of the project) must be reviewed by Legal and CORA prior to the project commencing. Where Legal deems it necessary the other documents should also be reviewed by CORA.

Other documents to be reviewed include, without limitation:

- a. Recruitment Screener (to include, among other things, enough information about the next stage of the research to allow the participant to make an informed decision about whether or not to participate);
- b. Questionnaires and Discussion Guides;
- c. All research stimulus;
- d. Consent forms and/or Confidentiality Agreement to be signed by consumers;
- e. Draft research report;
- f. Research summaries to be uploaded to the Research Knowledge Portal; and
- g. Any research documents to be uploaded to Interact or otherwise shared with a global audience.

Almost all research is conducted according to standard methodology and a number of the documents used are similar across projects, however, it is important to ensure the documents are reviewed for each project because tobacco regulation, the general environment and the company's own views change over time and previously approved activities may no longer be permissible or appropriate.

2. Prior to review all documents should be marked as "DRAFT. Subject to legal and CORA approval." Until such approval has been sought (at all relevant levels ie Global and/or Regional and/or End Market depending on the project) distribution should be limited to those individuals within Marketing and Marketing Insights who strictly need to see it.

## General Principles

### A. Recruitment

1. It must be made clear to potential participants that the research is being conducted by the agency on behalf of a tobacco product manufacturer.
2. All participants must be current adult tobacco product users. For the avoidance of doubt, ex-tobacco product users must not be included in any research.
3. The minimum age for participants is 18 years and 7 months, or 7 months above the legal age where the legal age in the market in which the research is being conducted is over 18.
4. Participants should be regular tobacco product users who smoke at least 30 cigarettes, or the equivalent of fine cut tobacco or other products, per calendar month.
5. For all research, other than tracking surveys like GCS, all participants must have used tobacco products for at least 6 months prior to taking part in the research.



## **B. Age Verification**

1. Sufficient robust age verification checks must be undertaken to ensure that all research participants are adults. Face to face age verification is preferred, however, when that is not possible you should agree with your local Legal and CORA team what is considered sufficient age verification in your market.
2. Age verification must, obviously, take place before the participant takes part in the research.
3. Throughout any research it needs to be made clear we are only interested in the participant's tobacco product use behaviour after the legal age of purchase or consumption of tobacco products.

## **C. Stimulus Materials**

1. All materials used in research are for research purposes only. No promotional language should be used in market research documents other than that language which is being tested with consumers as part of the research.
2. Research projects do not constitute advertising and therefore IMP does not apply directly. However, any stimulus materials and other documentation relating to the research should still be compliant with IMP.
3. Any research stimulus that shows or refers to tobacco products should include a clearly visible, legible health warning. The health warning should use wording specified under local law to be applied to communication materials, or, if no such warning is specified, the wording required to be used on packs. The warning should take up at least 10% of the total area of the stimulus material.

## **D. Product Testing**

1. Where tobacco product sampling is permitted as part of consumer research, the following should be applied:
  - a. Participants should only be provided with an amount of product roughly equivalent to his or her stated average daily consumption;
  - b. Participants should only be provided with a similar variant to the variant they state they normally smoke;
  - c. The packaging of any product should feature health warnings and any other required pack markings currently in place in the market in which the research is taking place;
  - d. All product provided to participants must comply with all relevant local requirements in the market in which the research will take place, e.g. maximum yield requirements, ingredients restrictions etc.;
  - e. All unused product must be retrieved by the agency at the end of the research and returned to BAT;
  - f. All "business as usual" product stewardship policies and procedures (i.e. AMGP approval) must be completed prior to any product that is not currently in commercial production being provided to participants;

- g. For longer term product testing, participants must provide frequently, and at least every 2-3 months, renewed confirmation of their status as regular smokers and their willingness to continue to take part in the research; and
- h. Participants should also agree that if at any time they form an intention to quit or cut down on their smoking, they will immediately inform the researchers and terminate their participation in the research.

#### **E. Consent**

1. All research participants must consent to take part in the research prior to commencement of the research. Such consent should be in writing, other than where that is not practicable, in which case you must agree with local Legal how consent is to be provided. Appropriate records of consent must be maintained.
2. A detailed description of the nature of the research and how the responses will be used must be provided prior to seeking the participant's consent. Any consent should include, without limitation:
  - a. confirmation that participation is voluntary and that the participant is free to leave the research project at any stage;
  - b. confirmation that the participant understands that the research project is confidential and that the participant is under an obligation of confidentiality;
  - c. acknowledgment, if applicable, that the research will be video or audio recorded and consent to the use of such video or audio recording as explained to the participant;
  - d. a declaration from the participant that he or she meets the minimum age requirements set out above and is a regular tobacco product user; and
  - e. an acknowledgment that the participant understands the risks associated with using tobacco products.
3. The participant should keep a copy of the consent form and the agency should keep a copy, in accordance with any applicable data protection requirements.

#### **F. Research Reports**

1. The research report should include representative information, relevant to the research objectives, collected during the research whether it is advantageous or disadvantageous to BAT. Where information is disadvantageous it should be presented as such in the market research report. In such cases SP&I together with Legal and, as the case may be, CORA, shall consider the findings and where necessary take appropriate corrective measures.
2. Where research participant's comments are quoted in the research report the quotations should be the market research participant's actual words and should not be used in a misleading manner by omitting or adding words that would alter the meaning of the quotation. On the other hand the narrative and analysis by BAT should use wording appropriate for tobacco product communications.



3. Occasionally insights collected as part of research may indicate some level of misperception about our products. BAT has a duty not to create or compound misperceptions about the risks associated with the consumption of our products. To the extent that unexpected misperceptions, which do not arise from anything said or done by British American Tobacco, are flagged up by research reports they should be treated judiciously, and in particular:
  - a. any further distribution or use of the information contained in the report within BAT should clearly flag the risk of the potential misunderstanding identified in the research and direct that the positioning and communication of the product within the brand portfolio should avoid any support of the misperception, and where necessary should include information which will negate such misperceptions; and
  - b. any classification applied by the agency to the misperception should be carefully checked so where appropriate it is made clear that the misperception is a negative for the purposes of evaluating any future offer.
4. The research report prepared by the agency must be marked 'DRAFT' until approved by Legal and CORA.
5. The report should include the following notices. Other notices may also be appropriate and should be used as directed by local Legal.

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*ASU30 and ATUU30 are acronyms for Adult Smoker Under 30 and Adult Tobacco User Under 30 (likewise references to other age such as 25 or 35). The term 'adult' is defined by local law, but shall in no circumstances refer to any person under the age of 18. Likewise, consistent with BAT's International Marketing Principles, terms such as 'consumer', 'target consumer', 'smoker', or 'target audience' refer only to smokers whom are adults.*

*The material contained in this document may present executions and themes that are not legally permissible or acceptable in some markets. Likewise, because tobacco regulation and the company's own views on socially responsible marketing change over*

*time, previously approved activities may no longer be permissible. Therefore, you must obtain local legal and CORA approval before proceeding with any activity in your market.*

*This document does not represent the views or intentions of British American Tobacco PLC (or any of its group companies). It contains references to conversations and comments made by a small number of consumers who took part in research interviews in [Insert place] in [insert month/year]. Information or attributions may have been incorrectly noted or inadvertently attributed.*

*In addition, these comments are not necessarily a representative sample of all the comments made, nor may any assumptions be made as to whether the same or similar views would be held by a broader group of people or by the population generally. They are used only in the context of research and to inform discussions about the subject area.*

#### **G. Data Protection**

All applicable data protection legislation must be complied with when dealing with a participant's data. Personal information collected by any agency will only be collected for research purposes and BAT will not receive any personal data in relation to any research participant. The research agency is required to comply with all applicable data protection law.

#### **H. Telephone Research**

1. Where research is carried out by phone, where legally required, participants must have given prior consent to be contacted by phone.
2. Best endeavours must be used to ensure age and regular tobacco user status is robustly verified, as agreed with local Legal and CORA teams.

#### **I. Online Research**

1. Unsolicited e-mails should not be used to recruit participants for research.
2. Where research is carried out online, best endeavours must be used to ensure age and regular tobacco user status is robustly verified, as agreed with local Legal and CORA teams.
3. Following age and tobacco user verification, access to the online research site must be strictly limited to accredited participants by allocation of a password or other secure means as agreed with your local Legal team.