



**BRITISH AMERICAN  
TOBACCO**  
NIGERIA

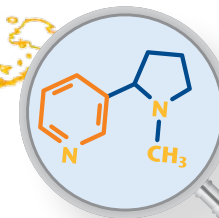


Shared planet  
**Shared solutions**

A report to our  
stakeholders 2012–2013

# We are one of the world's most international businesses, with brands sold in around 200 markets.

We take our business and our impact very seriously. We know the tobacco industry is a controversial one, so it's important we act responsibly, from the crop right through to the consumer.

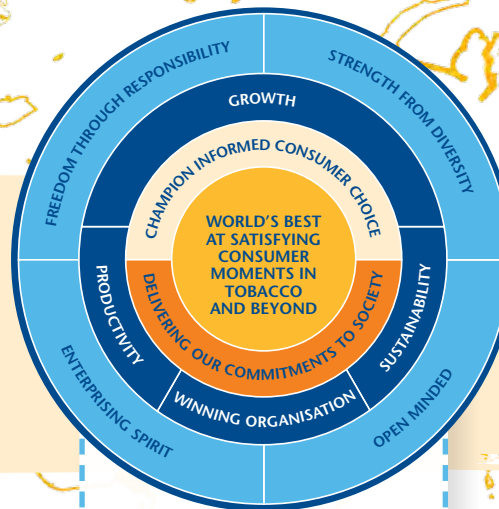


87%

our score in the Dow Jones Sustainability Index, 2013/2014

46

cigarette factories in 41 countries



More than **57,000** people employed worldwide

Supplying over **200** markets with 676 billion cigarettes

## Group strategy

This Group strategy, with sustainability as one of its key pillars, demonstrates our continued commitment to building shared value for our shareholders and society.





# Shared planet Shared solutions

A report to our  
stakeholders 2012–2013

We recognise that an important part of running our business sustainably involves engaging with stakeholders on matters of material importance. This Report covers our Leaf operations and addresses concerns raised by various stakeholders around how we source our tobacco.

We remain committed to operating a responsible leaf growing operation based on the principles of sustainable agriculture, and will continue to work hard to mitigate the social, environmental and economic impacts associated with tobacco growing.

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# More than a century of **BAT Nigeria**





## A message from our **Area Director**

In 1951, the Nigerian Tobacco Company (NTC) was established, with British American Tobacco as the majority shareholder. In 2000, nearly 50 years later, the BAT Group fully acquired NTC. In the period since then, we have consistently measured our performance in a number of ways, including how we've met the obligations we committed to in the Memorandum of Understanding (MoU) signed in 2001 with the Federal Government of Nigeria. I've highlighted a few of those obligations on the next page.

“

We have a tradition of engaging with our stakeholders by listening attentively to what they say and using their feedback to shape our business practices. This Report covers stakeholder feedback and our responses to the social and economic factors affecting tobacco farmers in Nigeria.”



## A message from our Area Director

### Socio-economic contributions

Teaching the principles of sustainable agriculture to farmers in our leaf growing areas is just one of the elements of our socio-economic development programme. We provide our leaf suppliers with the training, tools and support they need. This helps them modernise their approach to farming and apply the principles of sustainability not just to tobacco, but also to the food and other cash crops they cultivate.

Tobacco farming, like any other form of agriculture, comes with its challenges. We've put a lot of work into addressing these challenges and have collaborated with various local organisations and partners to find solutions. Our interactions give us an opportunity to hear from stakeholders from different sectors. They let us know how we've done so far, and where they think we can improve.

We can also take great pride in our Foundation. Over the last couple of years, various stakeholders asked the BATN Foundation to consolidate the four pillars of our corporate social investment into one main focal point. By focusing our efforts, they believed we would make a greater impact.

In response to this feedback, the Foundation has moved from implementing projects in four different areas – environmental protection, provision of potable water, vocational skills development and agriculture development – into just one: sustainable agriculture.

We think this is a sensible approach that allows us to tap into our agro-based industry expertise. It is an approach that will also have a greater impact on more people, as agriculture provides Nigeria with opportunities to lift rural, low-income farmers out of poverty.

### Operations

Our factory in Ibadan is the manufacturing hub for our export operations in West Africa, from where we currently export to 12 countries. We will continue to improve our manufacturing processes to ensure we implement international standards in everything we do, from product quality and occupational health and safety to waste, emissions and other manufacturing performance metrics.

### Regulation

Regulation is extremely important to us as a company and we believe the tobacco industry, like any other sector, should be regulated. However, we have always promoted balanced regulation based on evidence. We believe that for regulation to be effective and for it to meet its objectives, great care must be taken not to drive the legal tobacco industry underground, as this could open the door to the illegal tobacco trade.

As part of our MoU obligations, we have supported several regulatory agencies involved in Nigeria's tobacco industry. Today, we have strengthened standardisation and achieved a level of compliance with regulations that was non-existent when we began operations in the country. Looking ahead, we hope to see a balanced Tobacco Control Bill passed in Nigeria.

We remain committed to working with our stakeholders and other relevant parties to achieve a regulatory environment that is balanced, inclusive and enforceable.

### Keith Gretton

Managing Director,  
British American Tobacco Nigeria  
Area Director, West Africa



# 8

## rounds of dialogue

with stakeholders held to date



# 12

## countries

in West Africa we export to



# 100+

## BATN Foundation

projects completed

# Our operations in Nigeria

We run our business in Nigeria with the same standards of responsibility and integrity expected of every BAT market.

## Our links to farming

**Sustainable agriculture:** Our aim is to help turn subsistence farmers in rural parts of Nigeria into agro-entrepreneurs through the BATN Foundation's sustainable agriculture projects.

**Technical support for tobacco farmers:** Our team of agricultural experts combine their technical expertise with the farmers' experience of growing to produce high-quality local tobacco. Our agronomists also work to ensure BAT Group policies around human rights issues on farms are complied with as far as possible and the impact of tobacco growing on the environment is minimised.

## Our fiscal contributions

Taxes paid in 2013: **₦27 billion**

Total taxes paid in the last 10 years (2003–2013): **₦213 billion**

Export revenue generated in 2013: **₦16.18 billion**

## Our Foundation

Ten years spent implementing charitable community development projects in 36 states

Currently focused on sustainable agriculture as a way of reducing poverty in rural parts of Nigeria

## Exports

**2006:** Started export operations

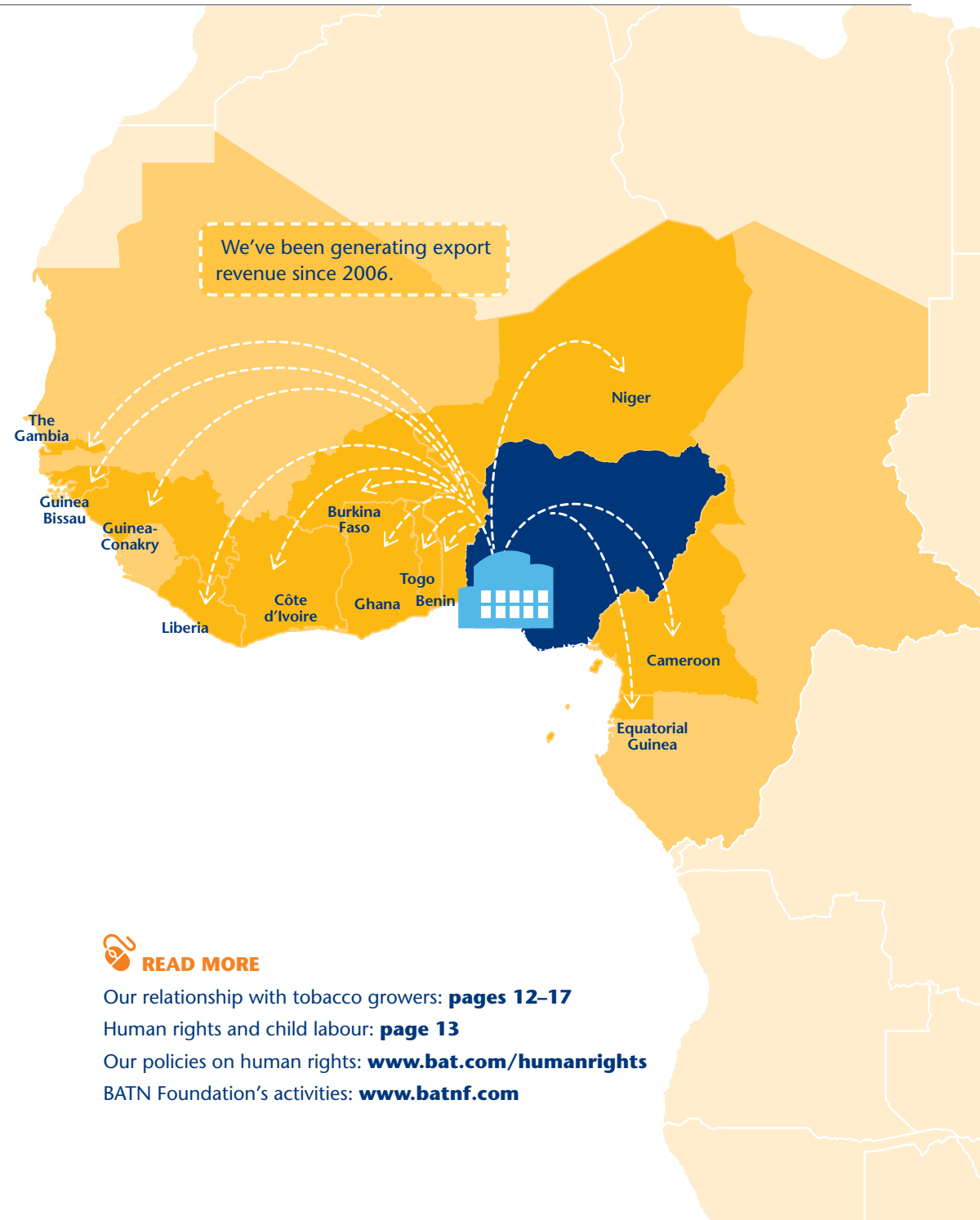
**12:** Countries we export to in West Africa

**44:** Brands produced for export

**16:** Brands produced for the domestic market

## Employment

Our business supports the livelihoods of many Nigerians, from the employees in our factories, offices and supply chain to the workforces of our contractors, suppliers and national distributor.



## READ MORE

Our relationship with tobacco growers: **pages 12–17**

Human rights and child labour: **page 13**

Our policies on human rights: **[www.bat.com/humanrights](http://www.bat.com/humanrights)**

BATN Foundation's activities: **[www.batnf.com](http://www.batnf.com)**

# Our sustainability agenda

Doing the right thing makes good business sense. This is why conducting our business responsibly and actively addressing the impacts of our products and operations remain an integral part of our sustainability strategy.

Our sustainability agenda drives all our business activities and is focused on five goals that represent our commitment to addressing the ways our business affects the world around us.

Taking action to address our social, environmental and economic impacts today creates shareholder value and prepares our business for a sustainable future.







# Stakeholder engagement

We connect with our stakeholders in various ways, formally and informally, through one-on-one engagement and facilitated consultations. By engaging, we become aware of our stakeholders' views on our performance. We welcome their diverse perspectives and consider their expectations when making business decisions.

## A history of dialogue in Nigeria

Dialogue sessions are facilitated consultations where we seek the views of a cross-section of stakeholders. We use the internationally recognised AA1000 AccountAbility Principles as a guide to structuring our conversations, to ensure inclusivity and materiality.

## Who are our stakeholders?

Stakeholders are individuals or groups who are impacted by, or who can impact upon, our business operations. These include regulators, consumers, the scientific and public health communities, employees, local communities, trade customers, suppliers, NGOs and the media.

## How we identified relevant stakeholders

To achieve inclusivity, we followed the stakeholder identification approach set out in the AA1000 Stakeholder Engagement Standard, which provides guidance on selecting relevant stakeholders.

Our dialogue sessions give a range of stakeholders the opportunity to engage with us in constructive discussions and be a part of developing workable solutions to critical issues. We aim to be fair and inclusive, and welcome discourse with even our harshest critics, making considerable effort to invite them to our consultation sessions so we achieve the right balance of stakeholders.

## How we identified key issues

We conducted materiality tests to ensure that, in line with the principle of materiality, issues up for discussion were relevant, of concern to our stakeholders and have a significant impact on our business.

**Stage 1:** We collated feedback from engagement sessions and media coverage to produce a list of hot topics raised in the period 2012–2013.

**Stage 2:** We mapped out the hot topics, ranking them according to their level of concern to stakeholders and current or potential impact on the company.

**Stage 3:** We identified alternative cropping for tobacco growers and the environmental impact of operations as the two most material issues of current concern to our business and stakeholders.

# Our tobacco supply

## Training and technical support

Our dedicated extension workers keep our business connected to contracted farmers around the world, developing a close working relationship with them and offering expert advice on crop rotation, water use, pest management and techniques to help preserve the environment. Our extension service also provides access to farming technologies.

## Growing tobacco in a socially responsible way

Our Social Responsibility in Tobacco Production (SRTP) programme sets out guidance for implementing best practice in our leaf supply chain. It is a global programme that applies to all our suppliers across the world, direct and indirect, and outlines our expectations of Good Agricultural Practice on the farms we purchase from. The SRTP programme also details our approach to safer tobacco leaf processing and other social and economic issues such as labour and living standards, and human rights.

 **READ MORE**

More details about our Social Responsibility in Tobacco Production programme can be found on [www.bat.com/srtp](http://www.bat.com/srtp)

Our **GLOBAL** tobacco supply

Tobacco grows in **100 countries**

We have been in partnership with farmers around the world for over **100 years**

Our extension workers support contracted farmers in **20 countries**



Approximately **400,000 tonnes** of tobacco leaf purchased each year by the BAT Group

Around the world, we contract over **100,000 independent farmers**

**Millions of trees** planted by contracted farmers in our successful global afforestation schemes

**Two leaf research centres** run in Brazil and the UK, in addition to various research and development partnerships around the world



## Our contracted farmers

In 2013, we had 734 farmers registered with us as contracted growers. We consider a wide range of factors before registering a farmer, the most basic being:

### Legal considerations:

- Is the tobacco farmer underage?
- Are there restrictions on growing tobacco in the area?
- Can the farmer comply with existing guidelines?

### The farm:

- Security;
- Accessibility and proximity to other farms;
- Acceptability of tobacco growing to other residents in the area; and
- Problems with the soil or water source.

### Available resources:

- The source and quality of available water;
- Availability of appropriate skilled labour and a sustainable source of energy for curing;
- Access to resources such as telephones and electricity;
- Suitability of the land for growing tobacco; and
- The land's potential for also cultivating food for the farmers and their families.

### The farmer's profile:

- Tobacco growing experience;
- Ambitions, motivation and expectations;
- Level of education;
- Level of awareness and concern about environmental issues;
- The general condition of other crops cultivated on the farm; and
- Whether the farmer has a bank account or is ready to open one.



Our  
**LOCAL**  
tobacco supply

**2,517 tonnes**

of tobacco leaf purchased in 2013

**50,000**

average number of trees planted by our farmers each year

**₦684.4m**

of tobacco purchased in 2013  
(US\$5.7m)

We have been purchasing tobacco grown in Nigeria for

**50 years**





Our  
**LOCAL**  
tobacco supply  
continued

## Human rights issues – child labour

Child labour appears to be a common issue in agricultural communities – particularly in poorer rural areas – and is just as prevalent in the cultivation of other crops, including food crops.

The problem is assumed to be largely cultural. In many communities, family members of all ages work on the family farm in some capacity. Our field extension workers play a key role in working to change the farming communities' cultural attitudes towards farm work, by regularly engaging with the farmers with whom they work closely. We also emphasise the importance of education, with our scholarship scheme providing an incentive for the farmers' children to pursue higher education.

## What we're doing about it

In February 2014, we collaborated with an NGO, CSR in Action, to organise workshops for farmers, explaining key points about the law on child labour. The workshops also gave the farmers an opportunity to interact with government officials from the Federal Ministry of Labour & Productivity and the Oyo State Ministry of Agriculture, Natural Resources & Rural Development.

## About the child labour workshop

- Held in five locations within our planting area;
- 226 farmers attended;
- Government officials explained the law on child labour and the punitive measures for offenders; and
- Assessed the farmers' new-found understanding of labour laws

## Our position on child labour

As a Group, BAT is committed to the principles and conventions of the International Labour Organization (ILO) protecting children from labour exploitation. We believe children must never be exploited, exposed to danger or denied an education. We do not employ children in any of our operations and make it clear to our contracted farmers that exploitative child labour is not acceptable. BAT complies with all relevant local and international labour regulations, treaties, conventions and principles relating to child protection, welfare, and health and safety.

\*The Role of Tobacco Growing in Rural Livelihoods, DD International, February 2012. This research was commissioned by BAT.

## The farmers' productivity awards

### Recognition and rewards

Each year, we recognise and reward farmers who display genuine commitment to growth, productivity and sustainable agriculture at our annual productivity event. We consider:

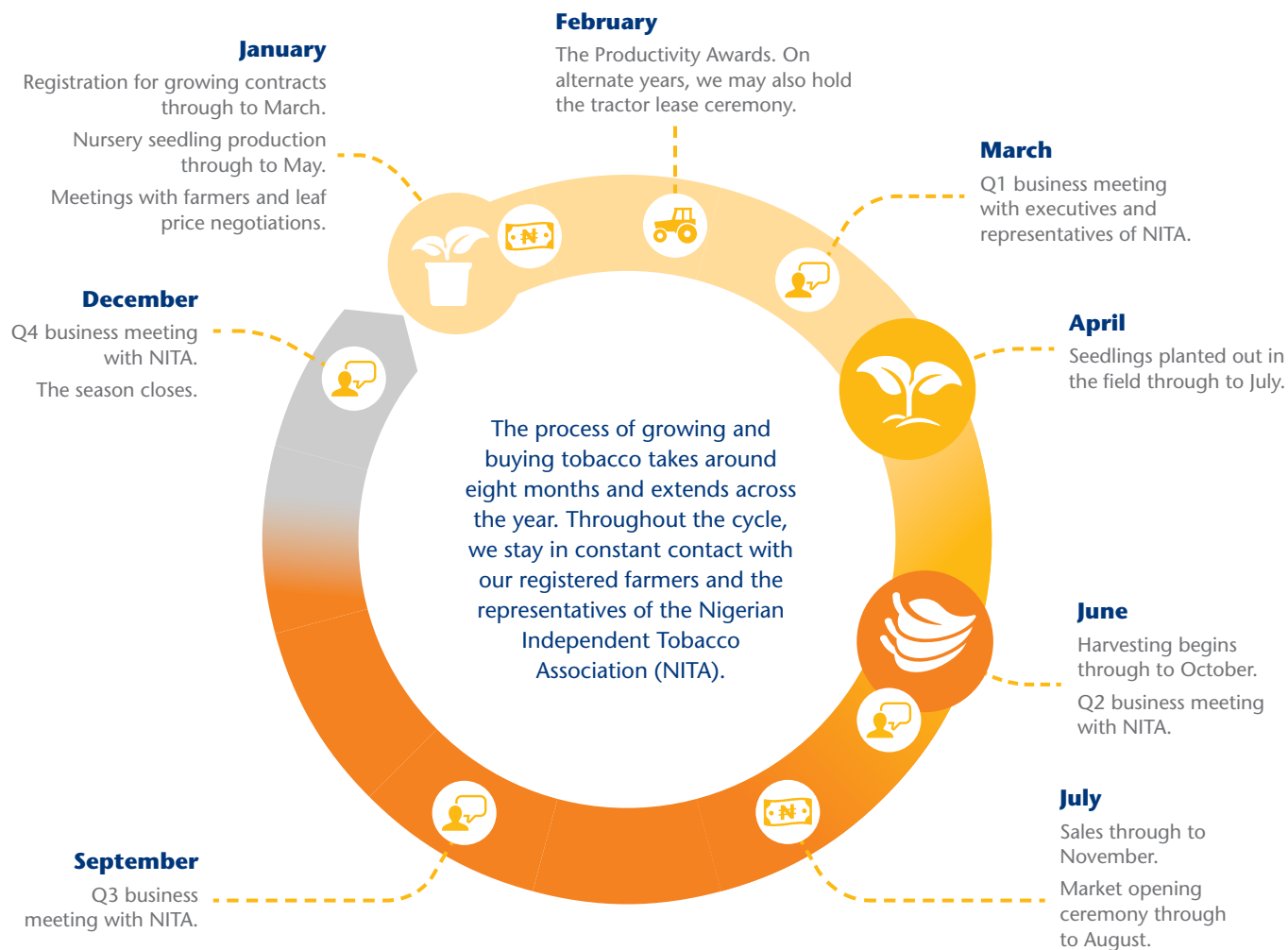
- Good agricultural practices: compliance with recommended guidelines on the use of natural resources, including tree planting; sourcing wood for tobacco from renewable sources; the safe and sustainable use of water and agrochemicals; and the protection of local plant and animal life
- Growth and productivity: improvement in overall yield and average yield per hectare of cultivated land
- Repayment of agricultural loans in line with agreements.

Over the years, deserving farmers have been awarded prizes such as motorbikes – which are popular for use on rural roads – water pumps, water tanks, knapsack sprayers and power generators.





# The growing and buying cycle





### Price negotiations – who's involved

- Farmers' representatives – including officials from NITA, drawn from tobacco growing areas.
- External observers – including community leaders and representatives from the state Ministry of Agriculture. In 2013, observers included representatives from Kwara and Oyo State Agricultural Development Programme (ADP).
- Independent assurance – representative of the international auditing firm EY.
- Representatives of BAT Iseyin Agronomy management.
- An independent facilitator.

### The stages

Following a survey in which we determine the production costs used for agreeing leaf prices, we start pre-negotiation engagement with farmers' representatives.

With all parties in attendance, the negotiations over the actual cost of production involve:

- Discussing crop input prices and the cost of production per hectare;
- The independent facilitator assisting with price offers, counter offers and agreements between BAT and farmers' representatives;
- The independent assurance representative observing the proceedings and gathering evidence; and
- Deciding final leaf grade prices for the crop season.

# Teaching our tobacco growers sustainable farming practices

As global environmental concerns increase, so does the importance of eco-friendly agricultural practices. While discussions around the impacts of tobacco growing are ongoing, we're working to mitigate any negative effects of tobacco cultivation by teaching our contracted farmers the key principles of sustainable agriculture, not just for use with tobacco, but also with the other crops they produce.

## Global vision, local mission

The BAT Group advocates a sustainable and responsible approach to agriculture in all its leaf growing areas, an approach we have embraced in Nigeria.

### The Group's best practice

### What we do in Nigeria

#### Support for farmers

Providing farmers with methods and technologies that might otherwise be beyond their reach.

- ✓ Our agronomists in Iseyin, Oyo State, have been providing one-on-one extension support to our registered farmers for over a decade.

#### Social Responsibility in Tobacco Production (SRTP) programme

Setting standards for our leaf growers in agricultural practices, biodiversity management, health and safety, and human rights.

- ✓ BAT Nigeria scored highly in our two SRTP assessments, reflecting our commitment to the maintenance of the Group's global standards in Nigeria.

#### Preserving forests

Reducing the use of wood fuel for curing, finding alternative fuels and replenishing forests.

- ✓ We run an annual tree-planting programme with our farmers, planting an average of 50,000 tree seedlings a year. We've also introduced more efficient curing barns that use less wood fuel.

#### Protecting biodiversity

Identifying potential issues and impacts, using the Biodiversity Risks and Opportunities Assessment (BROA) we developed with three major international conservation NGOs – Flora & Fauna International, the Earthwatch Institute and the Tropical Biology Association.

- ✓ The Nigerian Conservation Foundation (NCF) conducted our first Biodiversity Risks and Opportunities Assessment (BROA) in 2010, and will be conducting our second BROA in 2014. The NCF also carried out a tree audit in our leaf growing areas, and works with us in other ways to improve our impact on local biodiversity.

#### Addressing exploitative child labour

- ✓ We are working with an NGO, CSR in Action, to address the issue of minors involved in agriculture. Another NGO, Rights Initiative for All (RIFA), monitored child labour in our leaf growing areas. We have also been invited by the International Labour Organization (ILO) to partner with them, and the Ministries of Agriculture and Labour and Productivity, in their attempts to eliminate child labour.

#### Addressing green tobacco sickness (GTS)

Raising awareness of GTS and providing personal protective equipment (PPE).

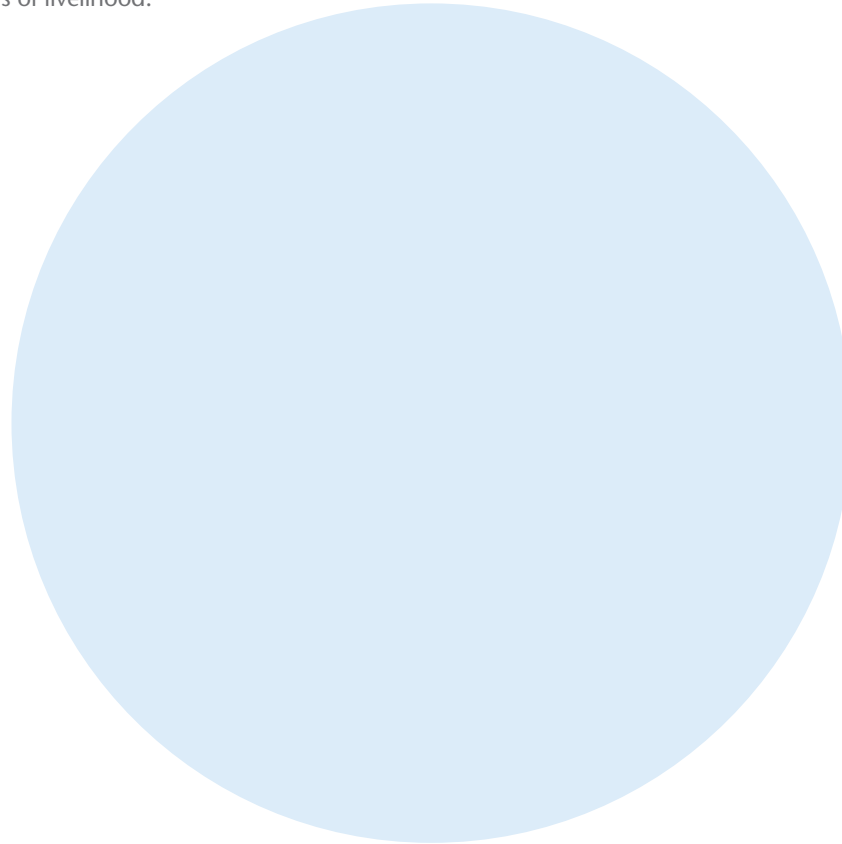
- ✓ We provide our registered farmers with protective clothing and regularly reinforce the need to use it.



# Debating the future of tobacco production

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Some critics advocate a phase-out of tobacco farmers from tobacco growing. We don't believe such an approach is necessary and in our view, tobacco farmers have the right to farm the crops they choose. We're confident our close relationship with our farmers makes it possible to successfully transfer sustainable agricultural practices to tobacco production, making it a safer and more sustainable means of livelihood.



# Seeking constructive feedback

In 2013, we held our eighth dialogue with stakeholders, to discuss ways of making our leaf operations sustainable in a way that would benefit tobacco farmers, the environment and our business. We believe constructive feedback from stakeholders will make our business more responsible and sustainable.



## The 2012–2013 dialogue session

*When:* July 2013

*Where:* Ibadan, Oyo State

*What we discussed:*  
**Sustainability in leaf operations**

*Attendees:*

- Government agencies;
- Regulators;
- Tobacco farmers;
- Academics; and
- Non-governmental organisations (NGOs).

*Invited stakeholders:* 38

*Number of attendees:* 33

*Attendance:* 87%

Anti-tobacco lobby groups declined our invitation to attend this dialogue session.





Seeking constructive feedback

## The environment

*Discussion point:*  
The impact of  
agriculture on the  
environment



### What are the effects?

- Deforestation and land degradation associated with intensive land use;
- Climate change;
- Loss of soil fertility and soil management challenges;
- Pest management; and
- Loss of biodiversity

### Are these effects peculiar to tobacco farming?

**A stakeholder said:** “More scientific evidence and analysis is required to substantiate the perception that soil and water pollution are more peculiar to tobacco.”

### Stakeholder recommendations

- Develop natural forest plantations.
- Introduce more energy-efficient curing technology.
- Push for full compliance with existing environmental laws and standards.





Seeking constructive feedback

## Incomes and standards of living

*Discussion point:* The low incomes associated with agriculture in Nigeria



### Contributing factors

- Smallholding;
- An ageing farming population;
- Limited use of high-yield seedlings; and
- Variable weather as a result of climate change.

### Are these factors peculiar to tobacco farming?

**We say:** “These factors apply to agriculture as a whole, regardless of the crop.”

### Stakeholder recommendations

Some ways the impacts can be addressed:

- Increase mixed cropping practices to provide supplementary income and food for farmers’ households.
- Government schemes to encourage young people into farming.



Seeking constructive feedback

## Productivity

*Discussion point: Supporting farmers to improve their productivity through agricultural development*



### Factors affecting farmers' productivity in agriculture

- Poor input to output ratio;
- High levels of post-harvest wastage and losses;
- Low levels of mechanisation;
- Shortage of labour;
- Poor funding and financing; and
- Variable weather as a result of climate change.

### Stakeholder recommendations

- Increased private-sector involvement in the agricultural value chain.
- Agricultural insurance services.

# Update on our commitments

## Commitments to stakeholders made in our 2010–2011 Report

Structure the BATN Foundation's activities to greater reflect relevant national and global best practice



✓ *Completed*

A group of experts was involved in the repositioning of the BATN Foundation. The Foundation's sole focus is now on sustainable agriculture, which is a national priority that supports poverty alleviation.

Advocate for more private sector organisations to include the Millennium Development Goals' (MDG) project implementation and assessment methodology in their social investment projects



➔ *On track*

We organised a conference to mark the 10th anniversary of the BATN Foundation with the theme 'The Role of the Private Sector in Poverty Reduction'. The conference was designed to encourage greater private sector participation in social development and we are still working on improving participation.

Adopt a 'best practice' approach to reporting and impact assessments



➔ *On track*

We are currently planning dialogue sessions and have enhanced the reporting methodology and impact assessment.

Expand the coverage of the Youth Smoking Prevention (YSP) educational campaign

✓ *Completed*

We have expanded the scope of the educational anti-smoking campaign to more schools in Lagos and Cross River States and so far, more than 17,000 students have been reached. Some of these students are expected to act as peer educators and extend the anti-smoking message to their peers.



Track the execution of our YSP campaigns and apply what we have learnt to future YSP campaigns and programmes

✓ *Completed*

We commissioned a reputable NGO, the Nedola Initiative, to monitor and evaluate the effect of our educational campaign on YSP. A key recommendation was for us to secure greater involvement and support from the Ministry of Education. We are working on this for future campaigns.

Continue to partner with our trade members on YSP campaigns

➔ *On track*

We have been running a consumer-facing YSP campaign since 2006 and have produced and distributed posters, stickers and point of sale materials designed to discourage sales to minors. All direct and distributor-linked retailers have been engaged by the campaign – that's about 20,000 outlets across Nigeria in total. Quarterly briefings are also held with trade partners and we commit to continued interventions by the trade team.

# Frequently asked questions





# Assurance

## Independent assurance statement to British American Tobacco Nigeria Management

The British American Tobacco Nigeria Limited 2012/2013 Stakeholder Report Process (“the Report”) has been prepared by the management of British American Tobacco Nigeria Limited (“BATN”), which is responsible for the collection and presentation of information therein. Management is also responsible for maintaining adequate records and internal controls that are designed to support the reporting process.

### Scope of work:

Our responsibility, in accordance with management’s instructions, is to carry out the following activities:

Provide a Type 2 ‘limited level’ assurance on the:

- Report’s content with respect to AA1000AS assurance principles of Inclusivity, Materiality and Responsiveness;
- Completeness and accuracy on the information presented in the Report; and
- Information presented in the Report on the stakeholder dialogue sessions held in Ibadan.

Our responsibility in performing our assurance activities is to the management of British American Tobacco Nigeria only and in accordance with the terms of reference agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

## Methodology:

### What did we do to form our conclusions?

Our assurance engagement has been planned and performed in accordance with ISAE 3000 meeting the requirements of a Type 2 assurance engagement as defined by AA1000AS (2008). The AA1000AS (2008) assurance principles of inclusivity, materiality and responsiveness have been used as criteria against which to evaluate the Report.

In order to form our conclusions on the Report we undertook the steps outlined below:

1. Reviewed British American Tobacco Nigeria’s approach to stakeholder engagement through review of associated documentation.
2. Reviewed British American Tobacco’s processes for determining material issues to be included in the Report.
3. Attended an independently facilitated stakeholder dialogue session in Ibadan on July 10, 2013.
4. Reviewed the independent facilitator’s minutes of the dialogue sessions to form conclusions that they provide a fair representation of the issues raised and the British American Tobacco Nigeria’s response.
5. Reviewed the stakeholders’ dialogue report to check material topics and performance issues, identified during the performance of our engagement, to form conclusions that it is an accurate and balanced summary.
6. Reviewed the key performance indicators such as inclusivity, materiality and responsiveness, by testing the process used to collect, consolidate and report the indicators at British American Tobacco Nigeria headquarters as well as random samples of data related to these key performance indicators.

## Limitations of our review

Our scope of work covered the hard copy Stakeholder Report 2012/2013 process. Our engagement with stakeholders was limited to those who attended the stakeholder dialogue sessions held by British American Tobacco Nigeria referred to above.

Our review of data samples and processes was limited to the key performance indicators stated on pages 10 and 24 in relation to British American Tobacco Nigeria’s operations.

We have not reviewed and consequently do not provide assurance on historical data.

## Level of assurance

Our evidence gathering procedures have been designed to obtain a limited level of assurance on which to base our conclusions for the whole of the Report. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided. Our attendance at the independently facilitated stakeholder dialogue sessions and our review of the outputs of these sessions has provided sufficient evidence for us to provide a reasonable level of assurance on the summary of these engagement activities provided in the Report.

## Our conclusions

Based on the scope of our review, our conclusion is included below.

## Inclusivity

### Has British American Tobacco Nigeria been engaged with Stakeholders across the business to develop its approach to Stakeholders Engagement?

We are not aware of any key stakeholder groups which have been excluded from engagement. However, we are aware of stakeholder groups who are most critical of the tobacco industry and who have not accepted invitations to engage.

We are not aware of any matters that would lead us to conclude that British American Tobacco Nigeria has not applied the inclusivity principles in developing its approach to Stakeholder.

## Materiality

### Has British American Tobacco Nigeria provided a balanced representation of material issues concerning its stakeholders' performance?

Based on our review we are not aware of any contents gap or material aspects concerning British American Tobacco Nigeria's stakeholders' performance that have been excluded from the Report.

Nothing has come to our attention that causes us to believe that British American Tobacco Nigeria management has not applied its processes for determining material issues to be included in the Report, as described on pages 10 to 24.

## Responsiveness

### How has British American Tobacco Nigeria responded to stakeholder concerns?

Based on our review:

- We are not aware of any additional issues of stakeholder interest raised during the dialogue session that are not currently included in the Report's scope and content.

## Completeness and accuracy of Performance Information

### Does BATN have complete information on which to base a judgement of what is material for inclusion in the Report?

Based on our review:

- We are not aware of any material issues excluded from British American Tobacco Nigeria's judgements on the content of the Report; and
- We have reviewed information or explanations on the statements on British American Tobacco Nigeria's stakeholders' reporting process activities presented in the Report and we are not aware of any misstatements in the assertions made.

### Has British American Tobacco Nigeria provided a fair presentation of issues raised and response to the Ibadan held stakeholders engagement session?

Text in the Report regarding the independently facilitated stakeholder dialogue session held in Ibadan provides a fair summary of the engagement at this session and the actions agreed by British American Tobacco Nigeria.

Key performance indicators:

- We are not aware of any material reporting units that have been excluded from the key performance indicators.
- Nothing has come to our attention that causes us to believe that key performance indicator data has not been properly collated from information reported at the Ibadan location.
- We are not aware of any errors that would materially affect the key performance indicators.

## Our independence, competence and experience

The firm and all professional personnel involved in this engagement are independent of British American Tobacco Nigeria and our team has not performed any other work for British American Tobacco Nigeria, which may conflict with our ability to express independent assurance over this Report. Our team is drawn from our Governance and Sustainability Advisory unit and has the required competencies and experience for this engagement.

Ernst & Young

**Disclaimer**

This Report contains forward-looking statements, which are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the country and markets in which the Company operates. The expectations reflected in these statements are reasonable, but they are affected by a wide range of variables that can cause actual results to differ materially from those currently anticipated.

**About this Report**

This is the British American Tobacco Nigeria Stakeholder Report for the period 2012–2013. References to ‘BATN’, ‘we’, ‘us’ and ‘our’ when denoting opinion refer to British American Tobacco Nigeria only.

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