

MEDIA INFORMATION

For immediate release



Mapping a sustainable future: conflict or common ground? *Suzanne Wise speaks at GTNF conference in London*

London, September 13, 2018 – Today, at the Global Tobacco and Nicotine Forum (GTNF), Suzanne Wise, Senior Vice President, Corporate Development, talks about the future of the tobacco industry, the evolution of vaping products and the ever-growing importance of listening to consumers.

On vaping products, consumers and innovation:

“Alternative smoking concepts trialed in 1980s and 90s were largely ignored. Now, the agenda of this event tells a very different story. Unprecedented billions of dollars are being invested in radically different product concepts. New approaches to delivering the ‘moments of pleasure’ our consumers have traditionally enjoyed. An industry that was casual about change is now in a big hurry to move on with good reason.”

“A forum such as this encourages us to step back, re-examine goals, and focus on what is realistically achievable. Ten years ago, such events didn’t exist. For me this is exciting progress.”

“We firmly believe that consumers decide and are the ultimate catalyst for change. Our corporate objective is to serve four constituencies in a balanced way: our consumers, our shareholders, our employees, and society in general. But there’s no question that consumers head the list. Industry innovates, and consumers accept or reject the outcome. This can take time as history shows.”

“We believe that the role of innovators is to provide consumers with new and better choices, to educate them to the extent we’re allowed, and to be clear and transparent about product benefits and risks. It’s not to direct or dictate consumer choice. When they’re ready, when they accept that something is truly better, they’ll move on, and not before. And we’d be wise to bear in mind that timescales of acceptance can vary hugely by region and country, reflecting a mix of social, cultural and economic market considerations.”

“The common factor across the non-combustible category is reduced risk potential, but this is not the only driver. JTI is also responding to consumer concerns about social acceptability, convenience, affordability, and taste satisfaction considerations that vary considerably country by country. While much depends on regulatory and taxation developments, I can assure you that we are 100% committed and bullish about the future of this sector. And I believe the industry has the dollars, the talent and the motivation to support long-term transformation.”

“Our positive growth outlook in the non-combustible category is additional to the strength and sustainability of our traditional business and that we expect both to evolve in parallel over next 15-20 years.”

On sustainability:

“Is the industry business model sustainable? The answer is definitely ‘yes’ in the environmental and corporate citizenship sense. Speaking for JTI, we’ve made huge progress in reducing our ecological footprint and positively contributing to societies we’re part of. We set some targets in 2009:

- 20% reduction in greenhouse gas emissions by 2020 was met three years ahead of schedule.
- Back in 2009, renewables accounted for 3% of our energy consumption. The figure is 32% today and rising fast.
- Our waste rate has been described as ‘world class’, just 2% of the materials used at all of our factories.
- We’ve invested almost 200 million dollars in community projects in the last five years.

My answer is also ‘yes’ in the broader context of sustainability as a license to continue to do business. But with an important proviso, we must have access to the things any industry sector needs to maintain its viability and vitality.”

Conclusion:

“Far from being the dying industry some might wish, I believe we’re on the verge of a remarkable transformation, but one that will be progressive. The pace of change will be determined in part by the unprecedented levels of R&D investment we see today. But it will ultimately be defined by consumer acceptance, and that takes time. We need to do everything possible to accelerate fact-based outcomes to the challenges of change. We have a voice, reasoning and reasonable, and must use it to good effect.

We do have a sustainable future, and it is within our grasp. It is inextricably linked to a less confrontational future being a productive part of those 'coalitions of the willing'¹. And I believe that is a more realistic prospect today than at any time in the last twenty years.

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JTI is a leading international tobacco company with operations in more than 130 countries. It is the global owner of both Winston, the number two cigarette brand in the world, and Camel, outside the USA and has the largest share in sales for both brands. Other global brands include Mevius and LD. With its internationally recognized brand Logic, JTI is also a major player in the e-cigarette market and has, since 2011, been present in the heated tobacco category with Ploom. Headquartered in Geneva, Switzerland, JTI employs close to 40,000 people and was awarded Global Top Employer for four consecutive years. JTI is a member of the Japan Tobacco Group of Companies. For more information, visit www.jti.com.

¹ Clive Bates: <https://www.tobaccoreporter.com/2018/06/the-duty-of-curiosity/>