Tobacco Industry Efforts To Reduce Nicotine

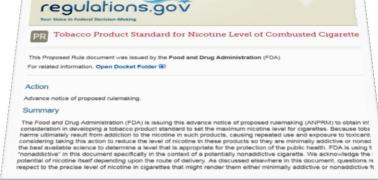
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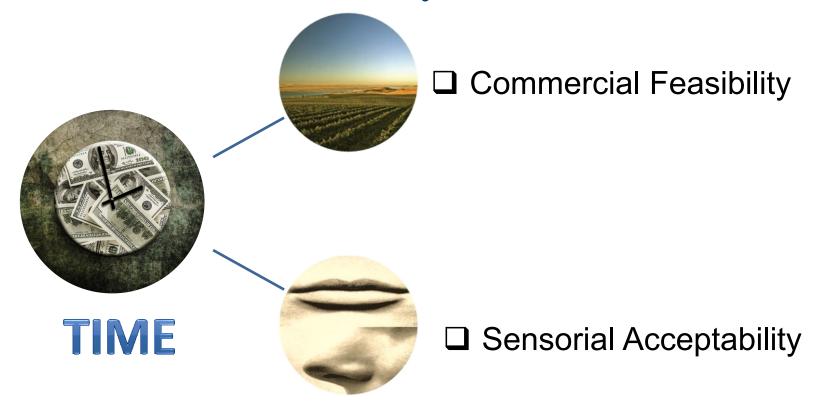
Background

- FDA issued the ANPRM for a "Tobacco Product Standard for Nicotine Level of Combusted Cigarettes" on March 16, 2018.
- FDA has expressed interest in reducing nicotine levels to 0.3, 0.4, or 0.5 mg/g in filler; about a 98% reduction from current levels.
- FDA has suggested that such levels are technically achievable by employing and/or combining several potential technical solutions





Technical Achievability Considerations





FDA Proposed Solutions

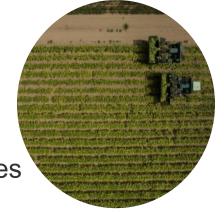


Agronomic Practices

- Seedling selection
 - Impractical and inaccurate
- Increased plant population
 - Adverse effects on quality and production practices
- Eliminate topping of tobacco
 - Adverse effects on quality and production practices
- Add chemicals to influence nicotine synthesis
 - Requires USDA and EPA approval
- Tobacco treatment with biologics
 - Questionable results may not replicate at commercial scale

None of these practices approach nicotine levels of 0.3-0.5 mg/g





Tobacco Blending and Curing

- Replace "nicotine-rich" species with lower nicotine species
 - Nicotiana rustica vs Nicotiana tabacum
- Utilize lower nicotine tobacco types
 - Replacing Burley and Bright with Oriental
- Blend tobacco leaf from lower stalk positions
 - Impractical and unsustainable
- Tobacco curing
 - No significant reduction of nicotine



None of these practices approach nicotine levels of 0.3-0.5 mg/g

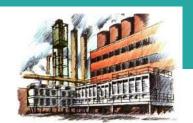


Chemical Extraction

- Water-based extraction (1950's)
 - Lab experiments reported up to 95% nicotine reduction
 - Abandoned due to resultant sensorial issues
- Solvent-based extractions (1960's)
 - Lab experiments reported up to 90% nicotine reduction
 - Abandoned due to resultant sensorial issues
- Steam distillation (1970's)
 - Lab experiments reported up to 90% nicotine reduction
 - Abandoned due to resultant sensorial issues

None of these practices achieve nicotine levels of 0.3-0.5 mg/g





Chemical Extraction

- Super Critical Fluid Extraction (SCFE) (1970's 1990's)
 - Non-selective removal of multiple compounds (nicotine and flavor)
- PM USA launched 'Next' and other brands using SCFE tobacco in early 1990's and discontinued marketing in 1992
 - 1988-1989: Consumer studies
 - Feedback: bad taste, bad aftertaste, and lack of strength
 - 1990-1992: Test Market
 - Also marketed as B&H® and Merit®
 - 1993: SCFE commercial production equipment was dismantled



Product sales were discontinued due to consumer rejection



Combining Solutions



Combination is not a plausible assumption

- No data currently available to prove commercial achievability
- Potential complicating factors
 - Unknown sensory impact
 - Unknown HPHC profile



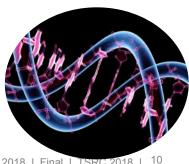
Genetic Engineering

- Genetic engineering conceptually appears to be the most promising candidate among existing technologies
- Currently, there are no publically available tobacco varieties that meet FDA's suggested nicotine levels

Reported Nicotine Levels for Research Tobaccos

- Conventional Breeding: 2.0 2.5 mg/g (Legg and Collins, Can J Genet Cytol, 1971, R.S. Lewis, Nicotine & Tobacco Research, 2018)
- Genetic Engineering: 0.6 8.3 mg/g (R.S. Lewis, Nicotine & Tobacco Research, 2018)





Genetic Engineering Concerns

- Poor leaf quality
- Intellectual property rights
- Genetically modified tobacco varieties (GMO) may require USDA deregulation
- Segregation of GMO tobaccos from conventional tobaccos
- State Minimum Standard Programs may need to adjust requirements for commercial production approval
- Time required for investigation and validation



GMO Tobacco - Vector 21-41

- Commercial scale production has not been validated
- Vector 21-41 is believed to be a major component of SPECTRUM® cigarettes
- Available research indicates poor taste negatively influences adult smoking perception and behavior (S. Dolan et.al., SRNT abstract, 2018)
- Nardone et.al., reported 78% non-compliance in clinical studies (Nardone N et.al., Addiction, 2016)
- Impact of Vector 21-41 on HPHCs in conventional cigarettes has not been determined



Conclusion

- A product standard of 0.3-0.5 mg nicotine/g filler is currently not technically achievable
 - Commercial feasibility and sensorial acceptability
- Combination of different solutions is not yet proven to meet the FDA's suggested nicotine levels
- GMO tobaccos could be a possible solution, but require validation at commercial scale
- Impacts of GMO tobaccos on sensory and constituents profiles are unknown
- Even if achievable, significant development time would be required to meet the FDA's suggested nicotine levels



• Further data and details:

ALCS's comments to the FDA's ANPRM on a Tobacco Product Standard for Nicotine Level of Certain Tobacco Products.

http://www.altria.com/About-Altria/Federal-Regulation-of-Tobacco/Regulatory-Filing

