



Good morning. My name is Peter Luongo and I'm the Managing Director of one of Canada's leading tobacco companies, Rothmans Benson & Hedges.

And while I'm here to talk to you about Bill S-5, I think what I'm about to say may surprise you.

Recently, the Government of Canada set a goal of reducing smoking incidence to 5 per cent by the year 2035. But this goal is not only achievable... it's not good enough.

I believe we can do better... and achieve that goal faster...

Indeed, our vision is to one day stop selling cigarettes. But the question is how to get there.

Health experts recognize that the primary cause of smoking related disease isn't the mere presence of tobacco... and it's not the nicotine either, it's the combustion... it's the thousands of chemicals which are created in the smoke when tobacco is burned.

If you eliminate the combustion and smoke in a product that is still satisfying to adult smokers – that's where we'll see a truly impactful reduction in smoking incidence here in Canada.

So, let me tell you a little bit about our newly-launched smoke-free product, IQOS. IQOS is an electronic device that heats tobacco at controlled temperatures to release nicotine while dramatically reducing the level of harmful chemicals a user is exposed to compared to continued smoking.



IQOS was developed following years of research and billions of dollars of investment.

And based on all of the research that has been conducted, and scientific evidence compiled to date, including clinical trials and peer reviewed studies relating to aerosol chemistry and toxicology, we are confident in saying that, if you smoke cigarettes and you plan on continuing to smoke, switching completely to IQOS is a better choice and is likely to present less risk of harm.

In fact, over two million pages of scientific research, including the results of clinical trials on IQOS, were submitted to the US FDA to support this assessment.

Now, we understand that there may be some skepticism regarding these conclusions and we would wholeheartedly welcome you, the Government or any outside experts to conduct their own research and testing on IQOS to validate these findings. Ultimately, we believe the facts and science will speak for themselves.

And fundamentally, we can achieve the Government's objectives of the "5 by 35" goal faster by encouraging Canadian smokers who do not quit to switch to potentially reduced risk products like electronic cigarettes and heated tobacco products.

So why do we believe we can do this in Canada?

Well, for one reason, there is good evidence from elsewhere in the world that this is achievable. For instance, last year Japan saw total cigarette volumes decline nearly triple the 1.6% decline in Canada... primarily due to the fact that over a million Japanese consumers made the switch from smoking to IQOS.



In total, worldwide, more than 1.4 million adult smokers have successfully quit combustible cigarettes and have fully switched to IQOS.

We know there is a unique opportunity here— we can offer our customers a better choice... we can do what's right and... we can leverage the strength of our business to help achieve the goal of one day eliminating cigarettes altogether.

In doing so, we can help implement Health Canada's objectives in preventing and reducing health risks, promoting healthier lifestyles and providing information to help Canadians make informed decisions.

However, to do this, we need to be able to tell Canadian smokers that these products exist... to show them how they work... let them know where they can purchase them... and provide them with scientifically substantiated information so they can make informed decisions about their personal well-being.

But unfortunately, Bill S-5 would not allow any individual – anyone - to make a comparison between two tobacco products or even between a tobacco and vaping product – even if there is a scientifically substantiated difference between the products.

So for example, under Bill S-5 as currently drafted, I couldn't tell you that this product, or any alternative tobacco or vaping product, is a better choice than smoking cigarettes, I couldn't tell you that it produces no smoke.

I couldn't tell you that switching completely to this product from cigarettes presents less risk of harm than continued cigarette smoking.



Fundamentally, under Bill S-5 it would be illegal for us to provide consumers with any comparative information about the products that could imply a difference in health risks.

Now, I want to be very clear, we're not saying that IQOS or other smoke-free alternatives are risk-free, the best thing anyone can do is quit, but switching completely to IQOS is a better choice than continuing to smoke and I believe that the 4 million Canadians who smoke should have this information and more importantly – that they have the fundamental right to know this information.

...and there is one scenario that we should all be very concerned about...

Can you imagine a situation where there is a product, whether it is IQOS or any other smoke-free product sold by us or anyone else, that is in fact less risky than cigarettes? And now picture a scenario where someone continues to smoke cigarettes because they don't know that that product exists? Or they are not properly informed of the differences between the products? I think that would be a terrible situation and an enormous missed opportunity for public health.

So, in conclusion... I would like to recommend this Committee consider amendments to Bill S-5 that will allow for the communication of factual, scientifically substantiated information regarding the relative levels of harm of smoke-free products compared to smoking. I believe that smokers have the right to this information and I strongly believe they would agree with this assessment.



I would also recommend the Committee consider amending the Bill to better differentiate between conventional tobacco products, such as cigarettes, and heated tobacco products such as IQOS, with a view to permitting the latter to be categorized as a vaping product so that Canadians will understand the difference between the two.

I'd just like to add that I sincerely hope that you will let us work with you to achieve a smoke-free Canada.

Thank you for the opportunity to speak with you on this important matter. I would be happy to take your questions.