

JTI successfully launches digital labelling of its innovative production at Petro factory

Saint Petersburg, November 18, 2021 – JTI, a leading FMCG company in Russia by sales value, announces about successful launch of production lines at the Petro factory in St. Petersburg as part of a pilot project for digital labelling of innovative products – heated tobacco sticks. This is a result of delivering the company's investment commitments within the agreement between JTI and the government of St Petersburg signed in June at SPIEF'21, on modernization of Petro factory and installation of sticks production lines for Ploom heated tobacco system with a total investment of 7 billion rubles.

The project, implemented as part of the government's digital labelling and traceability strategy under the auspices of the Ministry of Industry and Trade, allows to set up and test in real time a traceability system from the production line to the point of sale for innovative products - a category that is in growing consumer demand in Russia. The mandatory traceability system will kick off nationwide in March 2022. Technological equipment and IT systems for launching a pilot project on sticks digital labelling were installed on time and integrated into the “Honest Sign” system already operating in Russia.

JTI has been consistently developing its business in Russia – the company's investment in the country has exceeded \$ 4.6 billion since it entered the Russian market in 1999.

“Being the industry leader, JTI considers development of reduced risk products* portfolio as its strategic goal and essential element of the company's sustainability strategy. Our top priority is to provide consumers with the high-quality products. The digital labelling allows both regulators and consumers to identify the products originality in a simple and reliable way, and to set a barrier on the inflow of illegal, counterfeit products. The Pilot project that is being successfully completed at Petro factory, makes it possible to prepare efficiently for the introduction of mandatory digital labelling of heated tobacco stick from March 2022, in accordance with the approved plans,” – says Tom Osborne, General manager JTI Russia.

(*) Products with the potential to reduce the risks associated with smoking.

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About JTI

JTI is a leading international tobacco and vaping company with operations in more than 130 countries. Headquartered in Geneva, Switzerland, JTI employs over 40,000 people. JTI is a member of the Japan Tobacco Group of Companies, with its headquarters in Tokyo, Japan.

JTI Russia is a leading FMCG company by sales value and the largest tobacco producer in Russia with market share of 40%. In Russia, JTI portfolio includes the international brands such as Winston, LD, Mevius, Camel, Sobranie, as well as Russian brands Donskoy Tabak, Kiss, Play, Petr I, Troyka, and others. JTI is also a major player in the international vaping market with its heated tobacco brand, Ploom, and e-cigarette brand, Logic. The company employs over 4,500 people in Russia. In 2021, JTI was awarded Global Top Employer for the seventh consecutive year and the best employer in Russia by the Top Employers Institute for the outstanding working conditions and people development. For more information, visit www.jti.com.