

WHEREAS:

In 2016, Philip Morris International (“PMI”) stated a commitment ‘to deliver a smoke-free future’, and that it is “actively accelerating the decline of cigarette smoking beyond what can be achieved by traditional tobacco control measures alone.”¹

PMI states on its website that “smoking is harmful. Cigarette smoking causes diseases and is addictive.”²

PMI sells the world’s best-selling cigarette brand in Marlboro and sold over 620 billion cigarettes worldwide in 2020 – many in low- and middle-income countries where 80 percent of the world’s smokers live.

In July 2021, PMI said that it will stop selling cigarettes in the United Kingdom within the next decade.³

In August 2021 PMI CEO Jacek Olczak told the London Daily Mail that he had discussed selling PMI’s Marlboro business “but decided to keep the business to help finance its growth in ‘wellness’ products.”⁴

In September 2021, PMI acquired Vectura Group Plc at a cost of \$1.9 billion. Vectura Group is a U.K.-based manufacturer of respiratory therapy devices such as inhalers and nebulizers that help people with asthma and lung diseases to breathe.

When PMI announced in July 2021 its intention to acquire Vectura, the presidents of the American Lung Association and American Thoracic Association issued a joint statement which said in part:
*“We are deeply concerned that PMI will use the inhalation services technologies developed by Vectura to make their tobacco products more addictive. We are also deeply troubled that this company could further profit from the disease their products have caused by now selling therapies to the same people who were sickened by smoking PMI cigarettes. We also note, the proposed acquisition of Vectura by PMI creates a complex entanglement of conflicts of interest throughout the respiratory medicine supply chain that could undermine public confidence in essential medical products. It is clear this acquisition is not in the best interest of the public and lung disease patients, or even the medical drug and device industry.”*⁵

After Vectura shareholders approved the acquisition Cancer Research UK's chief executive Michelle Mitchell said, "It's ironic that a tobacco company wants to invest in the lung health industry when their products are the biggest preventable cause of cancer, including lung cancer. If PMI really wanted to help, they could stop aggressively promoting and selling their products altogether.”⁶

RESOLVED: Shareholders request the Board of Directors initiate steps to phase out all production of PMI’s health-hazardous and addictive products by 2025.

SUPPORTING STATEMENT: The Company states on its website that it is “focused on our mission to one day stop selling cigarettes.” Yet it lists as risk factors in its 2020 10-K actions to reduce smoking rates, such as restrictions on package design and smoking in public places. We believe PMI needs to decide what kind of company it wants to be, and set a timeline to end the production, promotion and sale of all its tobacco products.

¹ <https://www.pmi.com/statement-of-purpose>

² <https://www.pmi.com/faq-section/faq/is-smoking-harmful>

³ <https://www.cnbc.com/2021/07/26/philip-morris-says-it-could-stop-selling-cigarettes-in-britain.html>

⁴ <https://tobaccoreporter.com/2021/08/30/daily-mail-pmi-considered-selling-marlboro-business/>

⁵ <https://www.lung.org/media/press-releases/american-lung-association-and-american-thoracic>

⁶ <https://tobaccoreporter.com/2021/07/11/critics-astonished-by-pmi-takeover-of-pharma-business/>

