



PHILIP MORRIS
INTERNATIONAL

PMI's Vision for a Smoke-Free Future

Factsheets



PMI's Vision for a Smoke-Free Future

We have a bold ambition: We are building PMI's future on smoke-free products that—while not risk-free—are a far better choice than continued smoking.

30 years of innovation, 10 years of progress

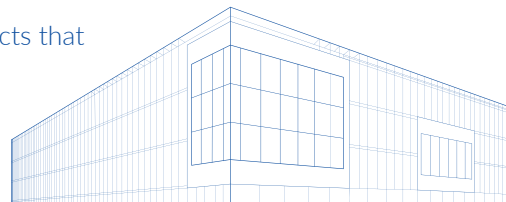


For more than 30 years, PMI has leveraged technology and science to develop and assess less harmful alternatives to cigarettes. We are disrupting our business to replace cigarettes with science-based smoke-free products as soon as possible—and shifting our resources and fundamentally changing both our purpose and our operations.

Our ambition is for smoke-free products to account for two-thirds of total net revenues by 2030. And we believe that with the right regulatory frameworks, dialogue and support from civil society, cigarette sales can end within 10 to 15 years in many countries.

To turn our ambition into reality, adults who smoke need real alternatives that help those who don't quit, switch completely to smoke-free products.

By leveraging science and technology, we can provide these people with products that have the potential to be far less harmful than continuing to smoke cigarettes. This is a commonsense solution we have embraced and is increasingly being supported by others – including in academia, public health, and governments.



Since 2008, PMI has invested over **\$16 billion** to develop, scientifically substantiate and commercialize innovative smoke-free products for legal age adults who would otherwise smoke or use other nicotine-containing consumer products, with the goal of completely ending the sale of cigarettes.¹



We employ more than **1600 R&D positions**, including scientists, engineers, technicians, and support staff, to continuously innovate and enhance our smoke-free portfolio.²



Since 2008, we have **published 551 papers** on smoke-free products and related science.³



In 2025, **77% of our commercial efforts and 99.7% of PMI's R&D expenditures** were dedicated to our smoke-free products.⁴



In 2014, PMI introduced IQOS, its first heat-not-burn platform in its smoke-free products portfolio, in Italy and Japan marking the start of PMI's smoke-free transformation.⁵



As of June 2026, PMI's smoke-free products were available for sale in **109 markets**.⁶



PMI estimates that more than **43 million** adults around the world use PMI's smoke-free products.⁷



The smoke-free business accounted for approximately **42% of PMI's second-quarter 2026 total net revenues**.⁸

1 - Q2 2026 Earnings Release | 2 - PMI Value Report 2025, page 30 | 3 - PMI Value Report 2025, page 30 | 4 - PMI Value Report 2025, page 16
5 - Philip Morris International - Key Milestones | 6 - PMI Q2 2026 Earnings Release | 7 - PMI Full-Year 2025 Earnings Release | 8 - PMI Q2 2026 Earnings Release

Important note: This information should be read in conjunction with the Philip Morris International Inc. earnings release dated July 22, 2026, as well as the accompanying glossary of key terms, definitions, explanatory notes, select financial information and reconciliations of non-GAAP financial measures, both of which are available on our Investor Relations page. "PMI," "we," "our," and "us" refer to the entire Philip Morris International family of companies



Smoke-free Products

The best choice for any smoker is to quit tobacco and nicotine altogether.

But many don't. These adults deserve a pragmatic approach that moves them away from cigarettes. Today, there are products that can help enable such approach. Burning (combusting) tobacco causes the production of the majority and high levels of harmful chemicals in cigarette smoke, which are the primary cause of smoking-related diseases. Products that eliminate combustion, such as e-cigarettes, heated tobacco products (HTPs), and oral smokeless products, if scientifically substantiated, are a much better alternative to continued smoking.

Smoke-free alternatives are just that—free of smoke

By not burning tobacco, smoke-free products don't create smoke. HTPs generate a nicotine-containing aerosol by heating tobacco to temperatures sufficient to release nicotine and flavors from the tobacco, but low enough to prevent the tobacco from burning. E-cigarettes (also known as vapes, e-vapor products or electronic nicotine delivery systems) heat a liquid solution containing nicotine and flavors to produce an aerosol, which some call a vapor. Oral smokeless products include nicotine pouches and snus. Nicotine pouches are made primarily of nicotine and flavors, while snus contains smokeless tobacco. Both are wrapped in a cellulose pouch, which is placed between the gum and the cheek or upper lip.

Heated Tobacco



- Heats tobacco
- Uses real tobacco
- Nicotine naturally present in tobacco
- No smoke and no ash

E-Cigarettes



- Vaporizes e-liquid
- No tobacco
- Nicotine derived from tobacco added in e-liquid
- No smoke and no ash

Snus



- Tobacco pouch designed for oral use
- Uses real tobacco
- Nicotine naturally present in tobacco
- No smoke and no ash

Nicotine Pouches



- Nicotine-containing pouch designed for oral use
- Does not contain tobacco leaf
- Nicotine derived from tobacco
- No smoke and no ash

The problem with burning

In a cigarette, combustion occurs when it is lit, generating smoke. The smoke formed contains more than 6,000 chemicals, around 100 of which have been classified by public health authorities as harmful or potentially harmful constituents (HPHCs). By eliminating the combustion or burning process—as is the case with smoke-free products—there is no smoke and the levels of harmful chemicals generated can be significantly reduced compared with cigarette smoke. Of course, the lack of combustion and the reduction in formation of harmful chemicals should be substantiated on a product-by-product basis.

Nicotine in smoke-free products

Most smoke-free products contain nicotine. The reason for this is because nicotine, alongside taste and ritual, plays an important role in switching adult smokers from cigarettes to smoke-free products. In order to switch completely, smokers need to find these products acceptable substitutes for cigarettes. Nicotine, while addictive and not risk-free, is not the primary cause of smoking-related diseases. This has been recognized by many experts and institutions. For example, the U.K. National Institute for Health and Care Excellence has stated that “it is primarily the toxins and carcinogens in tobacco smoke—not the nicotine—that cause illness and death”.

Science-backed, smoke-free alternatives can complement existing measures to help address the global health issue of smoking by providing an avenue for adults who don't quit tobacco and nicotine altogether to make a better choice than continued smoking. Coupled with the right regulatory encouragement and support from society, we can reach a smoke-free future, faster.



3 The problem with burning

Burning tobacco is what makes cigarettes so harmful. the main cause of smoking-related diseases is the high levels of harmful chemicals found in cigarette smoke.

Burning creates high levels of harmful chemicals

Cigarettes release nicotine by burning tobacco. At the same time, burning tobacco generates the vast majority of harmful chemicals found in cigarette smoke and associated with smoking-related diseases. Over 100 chemicals found in cigarette smoke have been classified by public health experts as harmful or potentially harmful. This makes cigarettes the most harmful way to consume nicotine.

It is possible to deliver nicotine without smoke

Smoke-free products are fundamentally different to cigarettes. They create a nicotine-containing smoke-free aerosol. By not burning tobacco, they can significantly reduce the levels of harmful chemicals compared to cigarette smoke. This has to be scientifically assessed on a product-by-product basis. Smoke-free products are a much better choice than continuing to smoke cigarettes. This does not mean they are risk-free, and they usually deliver nicotine which is addictive, but not the main cause of smoking related diseases. The main cause is the high levels of harmful chemicals in cigarette smoke.

A pragmatic approach to address the issue of smoking

The best thing smokers can do is to quit tobacco and nicotine products entirely. But the reality is that every year nine out of 10 smokers don't quit. For them, smoke-free products that do not burn tobacco are a better choice than continuing to smoke cigarettes.

When combined with existing strategies to prevent initiation and encourage cessation, smoke-free products can help more rapidly reduce the number of people who smoke cigarettes and improve public health.



4 IQOS a better option for adult smokers

What is IQOS?

IQOS is a tobacco heating system, or heated tobacco product (HTP) that gives the nearly 30 million¹ American adults who smoke cigarettes a better option than continued smoking. IQOS heats real tobacco but does not burn it, significantly reducing the production of harmful and potentially harmful chemicals compared with cigarettes.²

How is it used?

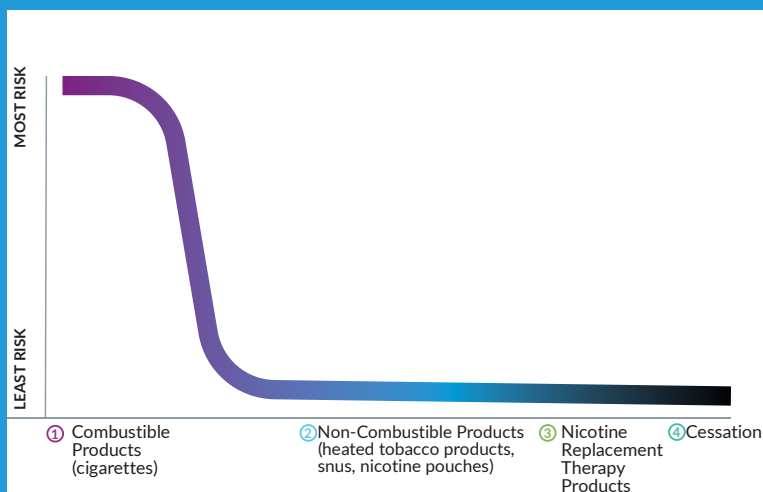
An electronic device, the IQOS Holder, heats specially designed tobacco sticks to a precise temperature, producing a smoke-free, nicotine-containing aerosol that the user inhales. IQOS is designed to mimic the flavor and experience of smoking a combustible cigarette without the smoke.

Is IQOS authorized by the FDA?

The IQOS System is authorized for marketing by the FDA as "appropriate for the protection of public health"³ and is the only heated tobacco product authorized as a Modified Risk Tobacco Product.²

These designations reflect rigorous scientific review that demonstrates IQOS, while not risk-free, is fundamentally different than a cigarette and gives legal-age adults who smoke a better choice.

COMBUSTION AND THE RISK CLIFF



Adapted from Nutt, et. al. Estimating the Harms of Nicotine-Containing Products Using the MCDA Approach. Eur. Addict Res 2014; 20:218-225.
Compared with cigarette smoke, IQOS aerosols contain fewer toxic chemicals.³

The bottom line:

IQOS is fundamentally different from a cigarette and a better option for adults who smoke.

That's why FDA concluded the sale of IQOS to adults who completely switch from cigarettes is "appropriate for the protection of public health".³

Government policies on tobacco and nicotine use should be based on science, risk levels and common sense to ensure legal-age adults who would otherwise continue to smoke cigarettes have access to better, scientifically substantiated options like IQOS.



2017

PMI submits IQOS premarket tobacco product application to FDA for review, which includes thousands of hours and millions of dollars spent performing scientific research.



2019

First, and only, HTP issued a Marketing Granted Order by FDA: FDA completes rigorous review and concludes the sale of IQOS to adults who smoke and completely switch is "appropriate for the protection of public health."



2020

First (and still only) HTP authorized by FDA as a Modified Risk Tobacco Product: This FDA designation recognized that adults who smoke cigarettes and switch completely to IQOS will have significantly reduced toxic exposures that will benefit the health of the population as a whole.

Information provided by PMI US Corporate Services Inc. on behalf of Philip Morris International and its family of companies (collectively referred to as "PMI", "we" or of PMI. This information is intended for policy and regulatory discussions. It is not for advertising or promotional purposes and not intended for a consumer audience."our")

1. CDC, Burden of Cigarette Use in the U.S., <https://tinyurl.com/4cxtf6w9>

2. FDA, FDA Authorizes Reduced Exposure Claim for IQOS 3 System Holder and Charger, <http://tinyurl.com/2tz7c7zx>.

3. FDA, FDA permits sale of IQOS Tobacco Heating System through premarket tobacco product application pathway, <http://tinyurl.com/3cv8k2vs>.



ZYN a better option for adult smokers

What is ZYN?

A small pouch made with plant-based fibers, ZYN contains pharmaceutical-grade nicotine derived from tobacco leaves, food-grade fillers and flavorings for a smoke-free, spit-free experience. ZYN products do not contain any tobacco leaf or stems.

How is it used?

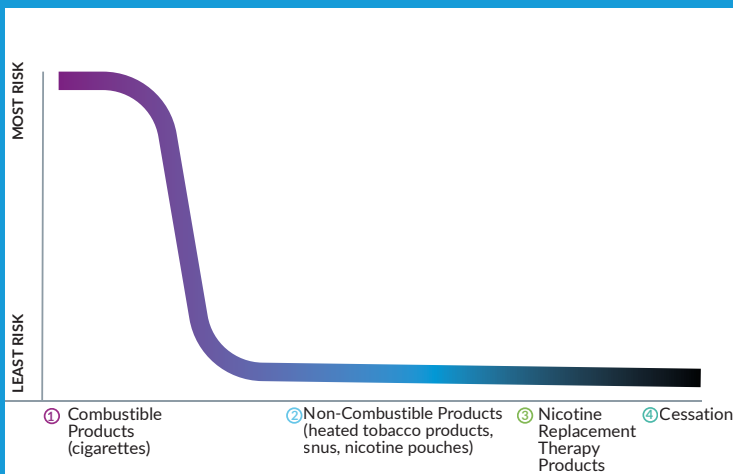
ZYN is placed between the upper lip and gum, allowing nicotine to be absorbed orally.

Is zyn authorized by the fda?

Following extensive scientific review, ZYN was the first in its category to be authorized for marketing by the U.S. Food and Drug Administration in January 2025. The FDA found that ZYN, available in 10 varieties and two nicotine concentrations, is "appropriate for the protection of public health" and may benefit adult smokers and users of smokeless tobacco products that completely switch.¹



COMBUSTION AND THE RISK CLIFF



Adapted from Nutt, et. al. Estimating the Harms of Nicotine-Containing Products Using the MCDA Approach. Eur. Addict Res 2014; 20:218-225.

EFFECTIVELY REDUCING HARM

- Smoking remains the leading preventable cause of death and disease in the United States. Nearly 30 million Americans continue to smoke combustible cigarettes and nearly 500,000 Americans will die each year from cigarette smoking.²
- As the graph indicates, nicotine, while addictive and not risk-free, is delivered on a spectrum with combustible products being the most harmful. For adults who smoke, quitting all tobacco products is always the best choice. But many won't quit. The FDA has recognized that completely switching to smoke-free nicotine products like ZYN offers a better option for adults 21+ who smoke than continuing to use cigarettes.³
- Government policies on tobacco and nicotine use should be based on science, risk level, and common sense to ensure legal-age adults who smoke have access to FDA-authorized smoke-free products.

"To receive marketing authorizations, the FDA must have sufficient evidence that the new products offer greater benefits to population health than risks. In this case, the data show that these nicotine pouch products meet that bar by benefiting adults who use cigarettes and/or smokeless tobacco products and completely switch to these products."

-Dr. Matthew Farrelly, director of the Office of Science in the FDA's Center for Tobacco Products⁴

Information provided by PMI US Corporate Services Inc., on behalf of Philip Morris International and its family of companies (collectively referred to as "PMI", "we" or "our"). "PMI U.S." refers to one or more of the U.S. businesses of PMI. This information is intended for policy and regulatory discussions. It is not for advertising or promotional purposes and not intended for a consumer audience.

1. FDA, Technical Project Lead (TPL) Review of PMTAs, <https://tinyurl.com/3kxnyfzy>

2. CDC, Burden of Cigarette Use in the U.S., <https://tinyurl.com/4cxf6w9>

3. FDA, The Relative Risks of Tobacco Products, <https://shorturl.at/AUmEf>

4. FDA, FDA Authorizes Marketing of 20 ZYN Nicotine Pouch Products after Extensive Scientific Review, <https://shorturl.at/5QNlr>



6 Dispelling the Myths: Facts About Nicotine

Key takeaway

- Nicotine is a naturally occurring substance found in tobacco—it is addictive and not risk-free, but it is not the primary cause of smoking-related diseases
- Health damage from smoking is principally a result of the high levels of many toxic chemicals created when tobacco is burned.
- Nicotine alternatives that don't burn tobacco can significantly reduce emission of these harmful chemicals and could lessen harm compared to smoking.¹
- Government risk-proportionate policies that support tobacco harm reduction are vital to shifting legal-age smokers to less harmful, smoke-free alternatives, as is access to smoke-free products (like those from PMI) that deliver nicotine with significantly lower levels of the harmful chemicals than found in tobacco smoke.²

Quick stats

- Inhalation of tobacco smoke is reported to be responsible for more than 7 million deaths annually.³
- Where better nicotine products are accessible, affordable, and appropriately regulated, smokers switch, and smoking rates drop. For example, Sweden has long embraced oral nicotine products and now has the EU's lowest smoking rate.⁴

Dispelling nicotine myths: a summary

Nicotine is a naturally occurring substance found in tobacco; it is addictive and one of the reasons that people smoke along with other factors such as taste, ritual and sensory experience. Nicotine also provides other transient physical and psychological effects: Many people who use nicotine products say they do so for reasons such as enjoyment, relaxation, and stress management.

About nicotine

The most common way to consume nicotine historically has been through burning tobacco and inhaling smoke (which is by far the most harmful way). Over time, other methods have been developed including nicotine replacement therapies (such as patches and gums) which are intended for smoking cessation treatment and considered safe and effective, or consumer products that deliver nicotine without combustion—e.g., via heated tobacco, vapes, nicotine pouches, and snus, all of which have the potential to be less harmful than smoking (albeit, addictive and not risk-free).

Several independent health organizations, including the Royal Society for Public Health (U.K.),⁵ the U.K.'s Office for Health Improvement and Disparities,⁶ and the U.S. Federal Drug Administration⁷ have confirmed that nicotine, while addictive, is not the main cause of smoking-related illnesses. Health damage from smoking is not because of the nicotine itself—it is a result of the high levels of many harmful chemicals created (such as carbon monoxide, benzene and formaldehyde)—when tobacco is burned.

Nicotine alternatives that do not burn tobacco can significantly reduce the number and levels of

Dispelling the Myths: Facts About Nicotine

these harmful chemicals, help adult smokers move away from cigarette smoking, and as a result, they represent a substantial opportunity to improve public health.^{8,9} They are addictive and they are not risk-free but have the potential to reduce individual and population harm compared to smoking.

Without adequate nicotine delivery, alternative products may fail to satisfy users, leading them to return to cigarettes. Where less harmful nicotine products are accessible, affordable, and appropriately regulated, smokers switch, and smoking rates drop. For example, Sweden has long embraced oral nicotine products and now has the EU's lowest smoking rate—dropping from 15% to around 5% over the last 15 years.¹⁰

Policies and regulations

Creating and promoting government policies that support tobacco harm reduction are vital to shifting legal-age smokers to better alternatives. For example, policymakers can revise public health policy by making a clear distinction between combustible and noncombustible nicotine products.

Appropriate regulation that enables availability of better alternatives to legal age adults can also guard against youth access, require minimum quality standards to ensure safety and generate revenues for the government. By supporting appropriate risk-proportionate policies, governments and public health bodies can help adult smokers who don't quit move to less harmful, smoke-free alternatives and accelerate the timeline to achieve a smoke-free generation.

Additional resources

PMI's Scientific Update: [here](#)

Article on nicotine on PMIScience.com: [here](#)

1 <https://www.pmisceince.com/en/smoke-free/nicotine/nicotine-health-harm-reduction/>

2 <https://www.pmisceince.com/en/smoke-free/combustion/>

3 <https://www.who.int/news-room/fact-sheets/detail/tobacco>

4 <https://nnalliance.org/snus-facts>

5 <https://www.rsph.org.uk/about-us/news/nicotine--no-more-harmful-to-health-than-caffeine-.html>

6 <https://www.gov.uk/government/publications/smoking-and-tobacco-applying-all-our-health/smoking-and-tobacco-applying-all-our-health>

7 <https://www.nejm.org/doi/full/10.1056/NEJMp1707409>

8 <https://www.pmisceince.com/en/smoke-free/nicotine/nicotine-health-harm-reduction/>

9 Ibid.

10 <https://nnalliance.org/snus-facts>



The Facts About Nicotine

Nicotine, while addictive and not risk free, is not the primary cause of smoking-related diseases. The high levels of harmful chemicals in cigarette smoke are.

What is nicotine?

Nicotine occurs naturally in the tobacco plant. When one consumes nicotine, it travels through the body into tissues and organs, including the brain. In the brain, nicotine binds to specific receptors and triggers the release of dopamine and other neurotransmitters. As a result, nicotine may stimulate and ultimately affect shortterm brain functions such as emotion, learning, and memory.¹ Nicotine also has pharmacological effects, including increasing heart rate and blood pressure. After repeated nicotine stimulation, the brain adapts to the presence of nicotine, a process that is reversible when a person stops using nicotine containing products.

It's not the nicotine, it's the smoke that makes smoking so harmful

Many mistakenly believe that nicotine is the main cause of smoking related diseases, while this is indeed not true. The main cause of smoking related diseases is the high levels of harmful chemicals in cigarette smoke, produced by burning tobacco. Nicotine is addictive and not risk-free. Certain people, such as those who don't smoke or use nicotine products or those with certain health conditions, should not use products that contain nicotine. Minors- should never use or have access to tobacco or nicotine containing products.

Nicotine in smoke-free products

Nicotine is one of the reasons why some adults smoke next to taste, ritual, and sensorial experience. It is also one of the characteristics that adult smokers look for in alternative products. Smoke-free alternatives, while not risk-free and deliver nicotine, are a better choice than continuing to smoke as they can significantly reduce the levels of harmful chemicals compared to cigarettes.

A pragmatic approach to address the issue of smoking

The best thing smokers can do is to quit tobacco and nicotine products entirely. But the reality is that every year nine out of 10 smokers don't quit. For them, smoke-free products are a better choice than continuing to smoke cigarettes, the most harmful way of consuming nicotine. When combined with existing strategies to prevent initiation and encourage cessation, smoke-free products can help to more rapidly reduce the number of people who smoke cigarettes and improve public health.

