

The Telegraph

**People who want PMI to stop selling cigarettes are now criticising us for trying to do just that
Jacek Olczak, Chief Executive Officer, Philip Morris International
August 20, 2021**

Philip Morris International (PMI) is in the midst of a major transformation. It's been much in the news of late in the United Kingdom. In case you missed it, the gist is this: PMI is committed to a future without cigarettes, and our recent offer to acquire Vectura Group plc, a U.K.-based developer of innovative inhaled drug delivery solutions, is a key part of our broader change. These actions have been met with scepticism; we're not surprised by that, in fact we welcome constructive conversation about our change.

However, when scepticism morphs into opposition with no regard to actions or consequences, it can be an impediment towards outcomes global society needs.

PMI's commitment is unalterable. The aim is simple: Step one, move adults who would otherwise continue to smoke away from cigarettes to scientifically substantiated smoke-free products that are better alternatives to continued smoking. Step two, evolve beyond nicotine by moving into areas where we have expertise—for example, inhalation technology.

Some may say this is just convenient-speak, but the evidence of our efforts is undeniable. Today, 30% of PMI's revenues are from smoke-free products, up from essentially zero in 2015 and continuing to grow -- our goal to be a majority smoke-free company by 2025. We are also building a Beyond Nicotine framework and our plan to acquire Vectura is one our first steps in this effort to leverage company expertise to enter new business areas.

So, it is puzzling that those who call on us to stop selling cigarettes are criticizing us for making efforts to ... stop selling cigarettes. Would they rather we do nothing? It's becoming clearer that's exactly what many of our critics want. The irony: Those who oppose us are, in effect, opposing our efforts to change.

This is the fundamental debate, and it can be viewed as a referendum on every single company embracing change. All companies, not just tobacco companies, need to make decisions to address the evolving dynamics of the world we share. It's a debate on which companies are allowed to change, on what terms, and who gets to decide. How these questions are answered can either accelerate radical business change or simply extend the status quo.

The logic of preventing those changes is dangerously flawed.

If we allow vocal groups of critics—critics not interested in progress, but rather in settling old scores—to prevail, then we run the risk that efforts around corporate change, sustainable investing, and ESG all become hollow havens for irrationality.

It is entirely legitimate to question what is real and what is merely corporate talking points, but those questions should be part of an effort to enable change by examining the facts, rewarding action, and offering constructive solutions from both shareholders and stakeholders.

Over the next decades, people will live differently than they do now, we will all make new choices. Naturally, companies of all shapes and sizes must respond to these trends. Some—like PMI—will completely transform and leave their legacy businesses behind. It is in the best interests of our evolving planet that positive change is enabled, allowed and encouraged.