

# TECHNOVATION

Smoke-free by PMI

## OP-ED: WHY INNOVATION IS KEY FOR THE PUBLIC GOOD

By local PMI spokesperson or Tommaso Di Giovanni  
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The idea that we can be better and do better—as people, as organizations, as industries—is the underlying principle of innovation. Harm reduction is an approach that's been around for centuries; in fact, it's been the inspiration for a great deal of innovation that has moved us forward and improved safety and living conditions for countless people over the years.

That is to say: Innovation and harm reduction go hand in hand. Advances in science and technology—often driven by manufacturers—make harm reduction possible, creating more choices for people that can make their lives better. In many cases, these choices have become so engrained into our daily lives that we may not even recognize them anymore.

Let's look at an innovation that has become standard in most parts of the world to the point that we view it a vital modern convenience: the refrigerator. Even though most of us use one every day, we may not consider the fact that this innovation is one that has had a major impact on public health. Of course, it provides us with access to fresh foods year-round, but it also slows the growth of bacteria that can cause intestinal diseases that still plague less developed regions where refrigeration isn't available.

Another innovation that we may take for granted is the seatbelt. When this unassuming product was introduced in the late 1800s, it was in the form of simple lap belts to secure pilots to gliders. But then engineer Nils Bohlin innovated on this basic design; he invented the V-type three-point safety belt.

In many countries, regulations were enacted when safety testing—initiated in the automobile industry itself—clearly demonstrated the life-saving benefits of these innovated products. Now, not only are seatbelts commonly used by consumers (and often legally required), but they are also a standard feature in virtually every mechanical mode of transportation available. When is the last time you rode in a car or on a plane without strapping in?

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There are numerous examples of industry-led innovative solutions; there are even many that have occurred in our lifetime. But when these solutions come from within the affected industries, it isn't uncommon to see skepticism and pushback as par for the course.

To name one, we are now seeing great leaps being made in clean-energy technology. Even given that progress, clean energy solutions tend to be received better when they come from somewhere other than oil and gas giants. Another example: A campaign that has now been adopted across much of the EU—the Belgian Bob designated driver campaign—was initially met with skepticism because of alcohol industry involvement. Additionally, it can't be emphasized often enough that having government regulations that allow for and encourage rather than stifle innovative solutions is a necessary piece of the puzzle.

At PMI, our efforts to affect an unprecedented positive impact on public health by developing and commercializing technologically innovative products that are a far better choice than continued smoking have been met with skepticism at almost every turn.

All we can do to counter that skepticism is to transparently share our science, targets, and progress. We have been doing and will continue to do this through for example, our website, our annual integrated report, media engagement, and open science events.

With the most critical players aligned on the common goal of putting an end to cigarettes, there is no reason that we cannot make today's smokers the last generation to use cigarettes. That's not wishful thinking. Turning scientific innovation into a global public health breakthrough is within our grasp.

Innovation, science, and technology are moving ever faster, allowing us to design, scientifically assess, launch, and refine products that meet the preferences of the broadest possible group of adults who would otherwise continue to smoke.

However, tobacco harm reduction is just the start of PMI's science- and technology-fueled journey toward better. We have worked over the years to develop and substantiate better alternatives to continued smoking—in the process expanding our scientific and technological expertise and intellectual capital, and positioning ourselves to advance further. Today we are the undisputed multi-category leader in smoke-free innovation but there is more to do.

We aren't satisfied anymore with merely achieving a value proposition centered on doing less harm. We are striving to become a company that has a net positive impact on society. What will that look like? PMI is

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now actively working to expand its purpose and evolve in the long term, into a broader lifestyle, consumer wellness, and healthcare company. Our ambitions rest on two key areas of growth.

## 1. **Wellness products.**

We aim to develop science-based consumer health products and solutions that address benefit areas such as energy, sleep, calm, and focus, applying our expertise in oral delivery, inhalation science, and technologies.

## 2. **Healthcare products.**

PMI has already committed resources to its development pipeline of over-the-counter and prescription products including inhaled therapeutics to address unmet patient needs.

By 2025, our ambitions include the aspiration to generate at least 1 billion dollars in annual net revenues from wellness and healthcare products, and for smoke-free products to account for more than 50% of total net revenues. Our goals are ambitious and we are on track to deliver on those goals. By looking beyond our current portfolio, we can achieve a business transformation unlike any other—and help to deliver a better, more sustainable future for all of society.