

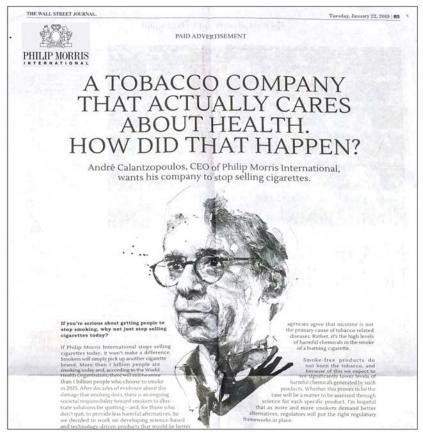
# Propaganda Crusades by Philip Morris International & Altria: "Smoke-Free Future" & "Moving Beyond Smoke" Campaigns

Exposing the Hypocrisy of the Claim:
"A Tobacco Company That Actually Cares About Health"

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Publication Date March 2, 2022 (release #2)



PMI Advertorial The Wall Street Journal January 22, 2019

### **Purpose:**

To analyze the strategy and tactics employed by Philip Morris International's (PMI) "Smoke-Free Future" and Altria's (Philip Morris USA) "Moving Beyond Smoking" public relations campaigns.

### **Table of Contents:**

- **I.** Executive Summary
- II. Introduction: Tobacco Company Public Relations & Advertorials
- III. Tobacco Advertorials: Historical Perspective
- IV. Philip Morris International's (PMI) Campaign for a "Smoke-Free Future"
- V. The Illogic of Tobacco Advertorials Being Carried by Leading Newspapers
  That Prohibit Tobacco Advertising
- **VI.** PMI's Promotion of its Cigarette Brands While Claiming to be "Moving Away From Cigarettes."
- **VII.** PMI's Unsupported Claims That Its Heated Tobacco Product IQOS Is Highly Effective in Smoking Cessation And "Smoke-Free."
- VIII. Altria's (Philip Morris USA) Campaign For "Moving Beyond Smoking."
- IX. Tobacco Public Relations Campaigns Similar to PMI's "Smoke-Free Future:"
  British American Tobacco Company & Japan Tobacco International.
- **X.** Vanity Awards: Honors Commissioned for Public Relations Purposes
- **XI.** Data On US Media Spending by PMI & Altria
- **XII.** PMI & Altria: A Long History of Empty Promises
- XIII. Supplemental References
- **XIV.** Appendix Additional PMI Advertorial Examples



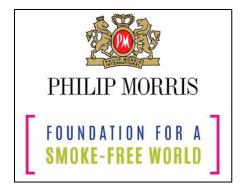


Marketing of Heated Tobacco System: Principal goal of PMI's "Smoke-Free Future" Campaign

### **Key Findings:**

- In a full-page ad placed in newspapers throughout the United States, the 1954 "Frank Statement to Cigarette Smokers" sought to dispute the smoking-cancer link and falsely position tobacco companies as concerned about public health. Since then, dozens of similar public relations campaigns by tobacco companies have sought to influence the public and policy makers.
- Tobacco companies have long engaged in public relations campaigns to portray their corporation as changing, reformed in its ways, and now committed to being part of the solution.
- Over the last few years, public relations campaigns by Philip Morris International (PMI) and Altria (parent company of Philip Morris USA) follow the same pattern – making the bold claims that they are public health advocates seeking to create a "smoke-free future" and "move beyond smoking" by "giving up cigarettes."
- Faced with steadily declining cigarette sales, PMI & Altria are promoting novel "smoke-free" nicotine delivery systems designed to sustain nicotine addiction among their customers and to recruit new users. At the same time, they continue to aggressively market cigarettes and oppose public health policies to reduce smoking.
- Examination of the historical record shows that PMI & Altria's campaigns are linear descendants of the decades-long tobacco industry effort to obfuscate the health consequences of tobacco use.
- To remediate poor corporate reputations, PMI & Altria strive to burnish their tarnished image by implanting the notion that they are responsible corporate citizens worthy of being viewed as credible, trustworthy, and driven by the noble goal of enhancing the health of their customers.
- PMI & Altria target their propaganda campaigns to influence key opinion leaders, including regulators and legislators, to adopt permissive policies favorable to their business interests.
- PMI & Altria claim that they are "giving up cigarettes" while intensively promoting their combustible brands, including Marlboro, the #1 selling cigarette worldwide.
- As part of their effort to remake their image as health companies, PMI is acquiring pharmaceutical companies which market treatments for respiratory and oral diseases while Altria is expanding into medical marijuana.
- The health emphasis of PMI public relations communications contrasts markedly from its messages to investors, notably in their emphasis upon sustaining the profitability of their cigarette brands.
- PMI & Altria's "smoke-free" campaigns seek to undermine fact-based science by creating dubious counternarratives based upon biased and misleading claims.
- PMI is untruthful in its marketing claims that its heated tobacco product (IQOS) is effective in smoking cessation and deceptive in its claims that it is "smoke-free."

- PMI created a supposedly independent "Foundation for a Smoke-Free World," but it is the sole funder, and the company uses its charitable entity to further its "Smoke-Free Future" public relations campaign.
- PMI's "Smoke-Free Future" campaign falls squarely into the category of propaganda: a deliberate and systematic effort to persuade via psychological manipulation. Its "Unsmoke Your Mind" slogan is evocative of an Orwellian-style propaganda designed to implant false ideas in the viewer's brain.
- The pervasiveness of these campaigns across print, web, and social media seeks to "gaslight" its viewers, by copious repetition of untruths, into doubting well-established scientific truths.
- Prestigious newspapers such as The New York Times, The Washington Post, The Wall Street
  Journal, and The Boston Globe, which have long banned tobacco advertising, carry tobacco
  advertorials which are thinly veiled brand promotions and convey deceptive, factually
  inaccurate, messaging.
- Appearing in leading newspapers lends tobacco advertorials credibility, conveys authority, implies endorsement, and bolsters believability to a company's sponsored message.
- In effect, PMI & Altria are using advertorials to circumvent advertising bans to promote their newly introduced products, especially their IQOS heated tobacco brand.
- The traditional wall in journalism, which separates newspaper editorial and marketing departments, may have enabled acceptance of tobacco advertorials as a rich revenue source while keeping those who responsible for maintaining high journalistic standards at arm's length.
- Our hope is that editors, editorial boards, and publishers whose newspapers have long banned tobacco advertising will recognize the illogic and policy incongruity of carrying advertorials that have become a backdoor means of resuming tobacco promotion in their pages.





### I. Executive Summary:

In recent years, the tobacco companies Philip Morris International (PMI) and Altria (parent company of Philip Morris USA) launched major public relations efforts and accompanying advertising campaigns declaring that they are creating a "smoke-free future" and "moving beyond smoking." As this paper details, these campaigns are the latest in a decadeslong history of rebranding efforts. For at least 70 years, tobacco companies have made empty promises of change.

PMI and Altria's actions follow decades of similar campaigns launched by tobacco companies that expressed their concerns for the public's well-being and promoted their contributions to society, with the goal of mollifying critics and getting "a seat at the table" for any deliberation that might obstruct their profits. A survey of the policy, regulatory, and legal pressures on their business, and the shifting societal attitudes towards smoking, show why tobacco companies felt the need to develop these campaigns. As the federal government launched investigations into the companies, studies proved the links between smoking, disease, and death, states and individuals filed lawsuits, and the public became more skeptical of companies' intent, tobacco companies scrambled to develop ways to fix their corporate image. This paper examines dozens of advertising and public relations efforts by the tobacco companies to address critics, influence policy makers, and fend off new laws and regulations that might place limitations on their business practices.

In the 1950s, as research linking smoking with lung cancer reached the mainstream media, tobacco industry executives and the public relations firm Hill & Knowlton established a plan to create a counter narrative and reassure the public and policy makers. One of the first actions was to issue "A Frank Statement to Cigarette Smokers" in the form of an advertisement in hundreds of newspapers across the United States. In the statement, the tobacco companies questioned the research findings and denied that their products caused harm, but also said the suspicions were a "matter of deep concern" and pledged to establish a group of scientists called the "Tobacco Industry Research Committee (TIRC)" to study the issue. The Federal Judge in the court case that in 2006 found the tobacco companies guilty of racketeering called the TIRC a "sophisticated public relations vehicle — based on the premise of conducting independent scientific research — to deny the harms of smoking and reassure the public."

In the decades following the Frank Statement, the tobacco companies took a similar approach to address new challenges. Other examples detailed in the report include campaigns in the 1980s to reverse the growing public sentiment that smoking is socially unacceptable, campaigns in the 1990s to address proposed actions by the federal government to address high levels of youth smoking, and Philip Morris's campaign in the early 2000s saying that it was a "responsible company in a changing world." The Philip Morris Companies, then comprised of Philip Morris USA and Philip Morris International, went so far as to change its name to Altria Group in January 2003. Internal tobacco industry documents showed goals behind the campaigns, such as to "focus attention/regulation away from marketing restrictions as the

answer" and "neutralize the demonization of the company and improve success in legal and regulatory areas."

Today, campaigns by PMI, Altria and other tobacco companies follow this same pattern. PMI's "Smoke-Free Future" (SFF) public relations campaign launched in September 2017 and Altria started its "Moving Beyond Smoking" in 2020. Both campaigns have been heavily promoted online, on social media, through sponsored events, and via advertisements and advertorials in major newspapers. Motivation for the campaigns is the desire to minimize regulation so that these companies can hold on to customers and recruit new ones, thereby sustaining profitability in the face of declining cigarette sales. Permeating PMI's SFF public relations is promotion of its heated tobacco brand IQOS, which it introduced in 2014 and intensely markets worldwide.<sup>1</sup>

The primary audience of the PMI SFF campaign is regulators and policymakers, and the campaign is designed first and foremost to influence them to adopt rules favorable to the company's business interests. In the United Kingdom, for example, SFF advertisements, dressed up as a public health campaign, surrounded the Houses of Parliament. PMI's lobbying effort succeeded in recruiting a number of Members of Parliament (MPs) to endorse their SFF campaign and champion it among their constituents.

The central messages of the SFF campaign are: PMI cares about the health of smokers; IQOS is a disruptive innovation providing nicotine without "smoke"; PMI science is trustworthy and accurate while the science of its critics is misinformation; regulators and legislators should clear a path for PMI to promote its emerging nicotine products; and we all should admire and be grateful for the great work PMI is doing to enhance the public health. Variations of the SFF themes include: "Unsmoke Your World," "Hold My Light," the Orwellian "Unsmoke Your Mind," and a regulator/legislator targeted theme "It's Time." PMI uses these messages to burnish its image, sound like a reasonable stakeholder in public health even though it's the one perpetrating damage, and minimize policies that would otherwise interfere with its profitability.

PMI and Altria's hypocrisy in claiming "We're Trying To Give Up Cigarettes" is made obvious by study of their annual reports and communications to investors, which consistently emphasize the need to sustain and further the profitability of their cigarette brands, under the guise of funding their smoke-free efforts. Despite what they say about getting out of the combustibles business, these companies' flagship cigarette brand Marlboro remains the leading cigarette brand both worldwide and in the US, where it is #1 among both men and women as well as among teenage starter smokers (Altria sells Marlboro in the U.S., while PMI sells the brand outside the U.S.). If PMI and Altria were serious about giving up cigarettes, then they would stop marketing their cigarette products. In addition, if PMI and Altria were truly serious

<sup>&</sup>lt;sup>1</sup> Jackler RK, Ramamurthi D, Axelrod AK, Jung JK, Louis-Ferdinand NG, Reidel JE, Yu AWY, Jackler LM, Chau. Global Marketing of IQOS: The Philip Morris Campaign to Popularize "Heat-Not-Burn" Tobacco. SRITA White Paper (313 pages) Stanford University. (https://tobacco-img.stanford.edu/wp-content/uploads/2021/07/21231822/IQOS\_Paper\_2-21-2020F.pdf)

about ending cigarette use, then they would halt their extensive political lobbying aimed at undermining policies intended to reduce smoking – their purported goal.

The PMI SFF campaign is riddled with biased and misleading claims that distort facts and thereby undermine the veracity of scientific realities. While PMI advertorials characterize their critics as purveyors of *misinformation*, a number of PMI's scientific statements rise to the level of disinformation as they are deliberately deceptive. For example, SFF claims that IQOS is highly effective (>70%) in helping smokers quit cigarettes entirely, while multiple studies independent of PMI sponsorship show that it is not an effective cessation tool as the great majority of users continue to smoke cigarettes. Indeed, even PMI's own modified risk tobacco product application for its IQOS 2.4 heated tobacco product to the U.S. Food and Drug Administration (FDA) cited a cigarette cessation rate that was a tiny fraction of that cited in their promotional materials. For most smokers, IQOS is complimentary to their cigarettes rather than a replacement for them.

In seeking to overcome its deeply tarnished corporate reputation, PMI is striving to rehabilitate its image while simultaneously undermining its critics. By saturating multiple media channels with SFF messages, PMI is attempting to gaslight the public by seeking to implant an altered reality via repetitiously putting forward false narratives. The SFF campaign falls squarely into the category of propaganda: a deliberate and systematic effort to persuade via psychological manipulation.

A major element of the campaigns are advertorials in prestigious US newspapers such as The New York Times, The Washington Post, The Wall Street Journal, and The Boston Globe, among many others. As a matter of policy, these major publications do not run advertisements for cigarettes, yet they have run numerous advertorials from PMI.

Marketers refer to advertorials as "native advertising," as they appear in the style of an editorial or objective journalistic article often emulating the appearance (e.g. font) and feel of the host publication. PMI's advertorials effectively co-brand the company and its product with the newspaper. Appearing in prestigious newspapers lends credibility, conveys authority, implies endorsement, and bolsters believability to a company's sponsored message. These particular publications are also highly visible among reputable among policymakers.

There is nothing inherently wrong with advertorials as many companies, charities, and governments employ them to communicate responsible opinions and perspective they wish to share with the public. However, many advertorials are brand advertisements dressed up as opinion pieces. As gatekeepers of information, major newspapers take pride that their content is subject to rigorous publication standards. Many maintain policies requiring veracity in the advertising that they carry in their pages. Publishing disinformation campaigns, such as PMI's SFF, is incongruent with their tradition of journalistic excellence.

That an advertorial may be promotional in nature is made clear by newspaper marketing departments. The Washington Post describes its advertorial services as: "A platform which connects advertisers with its readers" and "Creating smart, engaging experiences on behalf of your brand." The Wall Street journal describes the goal of its advertorials as to: "deploy sophisticated story telling techniques in order to help brands create content-driven connections

with audiences." According to the Boston Globe, its advertorials are intended to "encourage brand loyalty," "add value to your brand," "communicate a brand's ideals," and "elevate a consumer's perspective of your brand, resulting in increased awareness and loyalty." Clearly the material published via these programs are forms of brand advertising that, in PMI's case, is a device it has exploited to get marketing material into major newspapers that ban tobacco advertising.

A number of measures are available to counter such tobacco industry tactics. Inside newspapers, advertorials are the province of marketing departments whose understandable goal is to maximize advertising revenue. Editorial boards and publishers are charged with overseeing publication ethics and alignment with sustaining a newspaper's journalistic standards. One would hope that once editorial boards become informed concerning the nature of tobacco company advertorials, they would act to discontinue the practice. Given the brand enhancing focus of advertorials, it is illogical to accept them from tobacco companies while maintaining a no tobacco advertising policy.

In reality, tobacco advertorials comprise only a modest corner of newspaper advertorial business, thus eliminating them ought not to have an excessively burdensome financial impact. Editors may wish to reflect upon the drivers of their original tobacco advertising ban, most often adopted in the 1990s, based upon the reality that tobacco use is the leading preventable cause of death and the industry's lengthy history of deception. In those newspapers which choose to continue accepting tobacco advertorials, publishers should consider providing space for public health critiques to appear adjacent to them, much as was mandated by the Federal Communications Commission (FCC) in the last few years that tobacco advertisements appeared on American TV and radio, preceding their removal in 1970. A straight-forward policy solution would be for newspaper leadership to direct their marketing arms to decline advertorials from companies promoting brands for which advertising would not be accepted by the newspaper.

In 2006, a U.S. Federal court found that major tobacco companies, including Philip Morris, violated the Racketeer Influenced and Corrupt Organization (RICO) Act: "By coordinating their public relations, research, and marketing efforts in order to advance their scheme to defraud by denying the adverse health effects of smoking." The judgement goes on to conclude: "Defendants attempted to and, at times, did prevent/stop ongoing research, hide existing research, and destroy sensitive documents in order to protect their public positions on smoking and health, avoid or limit liability for smoking and health related claims in litigation, and prevent regulatory limitations on the cigarette industry." PMI and Altria's latest campaigns make it clear that they have not yet abandoned their deceptive practices.





### II. Introduction: Tobacco Company Public Relations and Advertorials

### **Tobacco Company Public Relations:**

One goal of this study is to analyze Philip Morris International's (PMI) Smoke-Free Future (SFF) campaign in the context of its historical antecedents. Faced with innumerable critics, tobacco companies have long used public relations to defend their business interests, primarily via generating often dubious, emotionally resonant counternarratives. As much of this activity has been deceptive and disingenuous, it falls into the category of propaganda. The Oxford English Dictionary defines propaganda as: "The systematic dissemination of information, especially in a biased or misleading way, in order to promote a political cause or point of view."<sup>2</sup>

A number of public relations methods have been used by tobacco companies.<sup>3 4 5 6 7</sup> One common strategy has been to emphasize alternative ways of looking at facts by cherry-picking those supporting their counternarrative, often via "research" sponsored by the companies for that explicit purpose. Another technique is to align their arguments with emotional triggers such as threats to individual freedom, fear of government intrusiveness, or by asserting their commitment to noble goals such as protecting youth from smoking or helping smokers to stop. Yet another method is to portray the company as a responsible corporate citizen via philanthropy in support of art, music, race/ethnic advocacy, and other charitable organizations coupled with promoting these activities via paid and earned media.

### **Tobacco Company Advertorials:**

PMI's SFF campaign uses numerous digital publicity channels including websites<sup>8</sup> and social media (e.g., Twitter,<sup>9</sup> YouTube<sup>10</sup>). A primary publicity channel is the newspaper, in which PMI places advertorials. An advertorial is a paid promotional article formatted to emulate the editorial style of the host publication. In the advertising industry, advertorials and their cousins infomercials (marketing TV Programs) are forms of "native advertising" defined as paid promotional material that matches the look and feel of the media in which they appear. The ability of an advertorial to influence readers is strongly impacted by the credibility of the source, hence the choice of prestigious national publications to which readers ascribe a greater degree

<sup>&</sup>lt;sup>2</sup> Oxford English Dictionary. (https://www.oed.com/search?searchType=dictionary&q=propaganda& searchBtn=Search)

<sup>&</sup>lt;sup>3</sup> Sweda EL Jr, Daynard RA. Tobacco industry tactics. Br Med Bull. 1996 Jan;52(1):183-92. doi: 10.1093/oxfordjournals.bmb.a011525. PMID: 8746306.

<sup>&</sup>lt;sup>4</sup> Friedman LC, Cheyne A, Givelber D, Gottlieb MA, Daynard RA. Tobacco industry use of personal responsibility rhetoric in public relations and litigation: disguising freedom to blame as freedom of choice. Am J Public Health. 2015 Feb;105(2):250-60. doi: 10.2105/AJPH.2014.302226. PMID: 25521876; PMCID: PMC4318333.

<sup>&</sup>lt;sup>5</sup> Hirschhorn N. Corporate social responsibility and the tobacco industry: hope or hype? Tob Control. 2004 Dec;13(4):447-53. doi: 10.1136/tc.2003.006676. PMID: 15564636; PMCID: PMC1747956.

<sup>&</sup>lt;sup>6</sup> Fooks GJ, Gilmore AB, Smith KE, Collin J, Holden C, Lee K. Corporate social responsibility and access to policy élites: an analysis of tobacco industry documents. PLoS Med. 2011 Aug;8(8):e1001076. doi: 10.1371/journal.pmed.1001076. Epub 2011 Aug 23. PMID: 21886485; PMCID: PMC3160341.

<sup>&</sup>lt;sup>7</sup> Dorfman L, Cheyne A, Friedman LC, Wadud A, Gottlieb M. Soda and tobacco industry corporate social responsibility campaigns: how do they compare? PLoS Med. 2012;9(6):e1001241. doi: 10.1371/journal.pmed.1001241. Epub 2012 Jun 19. PMID: 22723745; PMCID: PMC3378589.

<sup>8</sup> PMI SFF Website: https://www.smokefreeworld.org

<sup>&</sup>lt;sup>9</sup> PMI SFF Twitter Channel: https://twitter.com/smokefreefdn

<sup>&</sup>lt;sup>10</sup> PMI SFF YouTube Channel: https://www.youtube.com/channel/UCuwjD\_-hEac5XxYMXRc\_R5Q

of believability. By blurring the boundaries between editorial and corporate public relations, companies seek to lend credibility to their message with its association to the reputation and trustworthiness of newspapers such as The New York Times, The Washington Post, and The Wall Street Journal. Many advertorials emulate the font format of the host publication, and sometimes the notation that the article is a paid advertisement is either absent or minimized. Doing so also downplays or conceals the role of companies in buying the content, which is important since studies show that recognizing that the "editorial" has corporate sponsorship reduces message persuasiveness. Studies have shown that advertising formatted as an editorial is five times more influential than advertising.

Industries with tarnished reputations often will sponsor advertorials to burnish their image. In their textbook Marketing Management, Kotler and Keller describe three categories of marketing public relations: Defending products that have encountered public problems; Building the corporate image in a way that reflects favorably on its products; and Influencing specific target groups. In the case of heavily regulated products, such as tobacco, a key goal is persuading regulators, legislators, and citizens with an influence over government policies.

Companies may value advertorials above typical digital ads (e.g., banners and popups) because they are not impeded by ad blocking software. Advertorials are also appealing options for publications: The New York Times senior VP of marketing explained that they could charge "a lot more" for advertorials than for standard digital advertising formations.<sup>13</sup> Many of the paid posts produced by the Times had more engagement than the newspaper's own editorial content.<sup>14</sup>

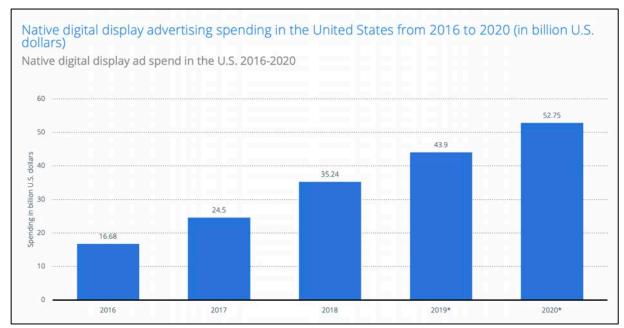
<sup>&</sup>lt;sup>11</sup> Wojdynski, B. W., & Evans, N. J. (2016). Going native: Effects of disclosure position and language on the recognition and evaluation of online native advertising. Journal of Advertising, 45, 157-168.

<sup>&</sup>lt;sup>12</sup> Kotler P, Keller KL. Marketing Management. Pearson Boston. 15<sup>th</sup> Edition. 2016.

<sup>&</sup>lt;sup>13</sup> O'Reilly L. We spoke to the two New York Times execs whose job is to double digital revenue to \$800 million. Business insider. October 15, 2015. (https://www.businessinsider.com/new-york-times-on-importance-of-branded-content-and-international-ad-sales-2015-10)

<sup>&</sup>lt;sup>14</sup> Wegert T. Why The New York Times' Sponsored Content Is Going Toe-to-Toe With Its Editorial. Contently. March 27, 2015. (https://contently.com/2015/03/27/why-the-new-york-times-sponsored-content-is-going-toe-to-toe-with-its-editorial/)

"Native advertisements," a category which includes advertorials, are paid ads that match the look, feel and function of the media format in which they appear. Spending on native advertisements has increased rapidly in recent years, reaching an estimated \$52.75 billion in the US in 2020.<sup>15</sup>



Native digital display advertising spending in the United States from 2016 to 2020. Statista. (https://www.statista.com/statistics/369886/native-ad-spend-usa/)

Company-sponsored advertorials emerged in the early 20th century by major corporations, such as AT&T, which used advertorials to try to justify its telephone monopoly. Advertorials later in the century were predominantly sponsored by petroleum, energy, and chemical industries. <sup>16</sup> In a review of advertorials appearing in The New York Times between 1985 and 1998, two broad forms were recognized: image advertorials intended to create a favorable climate of opinion and advocacy advertorials intended to win support for an interest's viewpoint on controversial issues. <sup>17</sup>

While excluded from television and radio by Federal law since 1970, tobacco advertising remains legal in US newspapers and magazines. The European Union, United Kingdom, Australia, and Canada and many other countries have banned tobacco advertising in most

<sup>&</sup>lt;sup>15</sup> Statista, Native digital display advertising spending in the United States from 2016 to 2020. March 2019. (https://www.statista.com/statistics/369886/native-ad-spend-usa/).

<sup>&</sup>lt;sup>16</sup> Marchand R. The Fitful Career of Advocacy Advertising: Political Protection, Client Cultivation, and Corporate Morale. California Management Review. 1987; 29: 128-156.

<sup>&</sup>lt;sup>17</sup> Brown C, Waltzer H, Waltzer MB. Daring to be heard: Advertorials by organized interests on the Op-Ed page of the New York Times, 1985-1998. Political Communication, 18(1), 23-50.

<sup>&</sup>lt;sup>18</sup> Public Health Cigarette Smoking Act. Public Law 91-222. April 1, 1970. (https://www.govinfo.gov/content/pkg/STATUTE-84/pdf/STATUTE-84-Pg87-2.pdf)

media.<sup>19 20 21 22</sup> In the mid-1980s, as a ban on cigarette advertisements loomed, advertorials began in the British press.<sup>23</sup> Tobacco advertorials typically relate less to their products, at least not overtly, and instead seek to influence ideas, perspectives, and attitudes – especially among opinion leaders – with the true target being legislators and regulators. In attempting to create a more favorable corporate brand identity, tobacco companies hope to gain a "seat at the table" to influence policies impacting their products.

As we shall discuss, the tobacco industry's paid advertorials have a long and disreputable history and have largely focused on seeking to undermine the ever more compelling scientific evidence that smoking causes cancer and blocking actions to restrict their business. Disturbingly, the last few years have witnessed a resurgence of deceptive tobacco advertorials driven by PMI "Smoke-Free Future" (SFF) campaign, with the same goals of blurring the science on their new products and influencing policy.

Our purpose in creating this white paper is to analyze PMI's motivation and methods used in its SFF campaign and, through historical perspective, how it typifies the disingenuous messaging of tobacco industry public relations over the past century.

<sup>&</sup>lt;sup>19</sup> Canadian Tobacco Products Control Act (C-51). 1988. (https://publications.gc.ca/Collection-R/LoPBdP/modules/prb98-8-tobacco/legislation.htm)

<sup>&</sup>lt;sup>20</sup> United Kingdom Tobacco Advertising and Promotion Act 2002. (https://www.legislation.gov.uk/ukpga/2002/36/contents)

<sup>&</sup>lt;sup>21</sup> European Union Directive 2003/33/EC: Advertising and sponsorship of tobacco products. (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003L0033)

<sup>&</sup>lt;sup>22</sup> Australian Tobacco Advertising Prohibition Act 1992. (https://www.legislation.gov.au/Series/C2004A04509)

<sup>&</sup>lt;sup>23</sup> Amos A. Tobacco "Advertorials." The Lancet August 10, 1985.

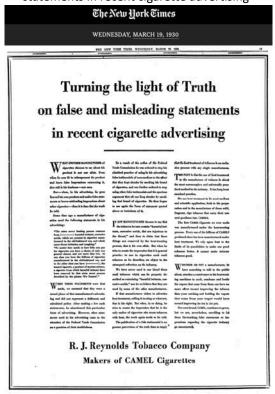
### **III. Tobacco Advertorials: Historical Perspective**

### 1930s to 1950s

Research linking smoking with disease and premature death appeared in the 1930s and 1940s, but it wasn't until the 1950s that the mainstream media – and thus the public – began to pay attention.<sup>24</sup> The first studies finding that smoking caused lung cancer were published in 1950.<sup>25</sup> Publications such as Reader's Digest and Life magazine released stories on these studies.<sup>26</sup>

### RJ Reynolds: The Earliest Tobacco Advertorial in SRITA Collection (1930)

"Turning the light of truth on false and misleading statements in recent cigarette advertising"



March 19, 1930 (https://www.industrydocuments.ucsf.edu/tobacco/docs/ #id=jgxw0099)

(https://tobacco.stanford.edu/cigarettes/propagandaetc/industry-propaganda/#collection-41)



(https://tobacco.stanford.edu/cigarettes/for-yourthroat/your-adams-apple/#collection-5)

When American Tobacco Company's flagship brand Lucky Strikes saw rapid growth in the

<sup>&</sup>lt;sup>24</sup> U.S. V. Philip Morris USA, Inc., et al. No. 99-CV-02496GK (U.S. Dist. Ct., D.C.). Final Opinion. August 17, 2006. ("Kessler Opinion"). pp. 16-17.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

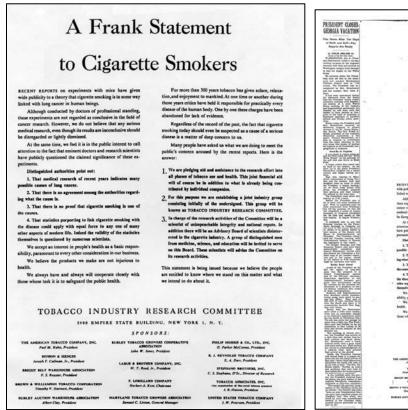
<sup>&</sup>lt;sup>25</sup> Di Cicco ME, Ragazzo V, Jacinto T. Mortality in relation to smoking: the British Doctors Study. *Breathe* 2016; 12: 275–276. (https://breathe.ersjournals.com/content/breathe/12/3/275.full.pdf)

<sup>&</sup>lt;sup>26</sup> Kessler Opinion, p. 17.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

late 1920s with the heath reassurance campaign, "It's Toasted," RJ Reynolds responded to the declining sales of its flagship Camel brand with an advertorial. Pointing out that the Federal Trade Commission had rebuked American Tobacco for its advertising practices, RJ Reynolds complained: "The publication of fake testimonial is not greater perversion of the truth than to imply that heat treatment of tobaccos is an exclusive process of any single manufacturer." "Our own brand, CAMEL, continues to grow, but we are, nevertheless, unwilling to let these farreaching false statements or impressions regarding the cigarette industry go uncorrected." In the month of March 1930 alone, American Tobacco spent \$300,000 (equivalent to \$4.5 million in 2021) on newspaper advertising alone.<sup>27</sup>

### Tobacco Industry Research Committee's A Frank Statement to Cigarette Smokers. The Most Notorious Tobacco Advertorial (1953)





New York Times, January 4, 1954 (https://tobacco.stanford.edu/cigarettes/propaganda-etc/industry-propaganda/)

With medical research increasingly associating smoking with a surge in lung cancer, and animal studies confirming tobacco's carcinogenic potential, in 1953, tobacco industry executives met with the public relations firm Hill & Knowlton in the Plaza Hotel to develop a public relations campaign, part of which was to form the Tobacco Industry Research Committee (TIRC) to produce public relations counter narratives. The development of TIRC would be launched "as news and in advertisements."28

<sup>&</sup>lt;sup>27</sup> Brandt AM. Cigarette century: the rise, fall and deadly persistence of the product that defined America. Basic Books, New York (2007)

<sup>&</sup>lt;sup>28</sup> Kessler Opinion, p. 21.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

On January 4, 1954, the "Frank Statement to Cigarette Smokers" was placed as a full-page advertisement in 448 newspapers in 258 cities across the country, reaching an estimated 43 million Americans at the at a cost of \$257,276 (equivalent to \$2.7 million in 2021 dollars). The "Frank Statement" questioned recent research findings linking smoking with cancer and claimed that "eminent doctors and research scientists have publicly questioned the claimed significance of these experiments."

### Distinguished authorities point out:

- That medical research of recent years indicates many possible causes of lung cancer.
- 2. That there is no agreement among the authorities regarding what the cause is.
- That there is no proof that cigarette smoking is one of the causes.
- 4. That statistics purporting to link eigarette smoking with the disease could apply with equal force to any one of many other aspects of modern life. Indeed the validity of the statistics themselves is questioned by numerous scientists.

From the 1954 TIRC "Frank Statement"

As Judge Gladys Kessler stated in the landmark court case that found the major tobacco companies guilty of racketeering, "The issuance of the "Frank Statement to Cigarette Smokers," was an effective public relations step. By promising the public that the industry was absolutely committed to its good health, the Frank Statement allayed the public's concerns about smoking and health, reassured smokers, and provided them with an effective rationale for continuing to smoke." <sup>31</sup>

Judge Kessler also stated, "With the creation of TIRC in January 1954, the Defendants established a sophisticated public relations vehicle -- based on the premise of conducting independent scientific research -- to deny the harms of smoking and reassure the public. That essential strand of their long-range strategy was developed and implemented in 1953-54, and guided their activities for more than forty years." In fact, the concept of using their own science to counter independent science has continued today. Judge Kessler noted that in 1953, "Hill & Knowlton also recommended that the companies fund objective research by scientists who were independent of the tobacco industry, and that an advisory board be established composed of a group of distinguished scientists from the fields of medicine, research and education 'whose integrity is beyond question."" PMI and Altria's actions today echo those words.

<sup>&</sup>lt;sup>29</sup> Tobacco Industry Research Committee. A Frank Statement to Cigarette Smokers. 1954;4:86017454

<sup>(</sup>https://wwwindustrydocumentslibraryucsfedu/tobacco/docs/zkph0129)

<sup>(</sup>https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=ltln0082)

<sup>&</sup>lt;sup>30</sup> Pollay RW. Propaganda, puffing and the public interest: the scientific smoke screen for cigarettes. Public Relations Review1990;16:27–42.

<sup>31</sup> Kessler Opinion, p. 26.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

<sup>32</sup> Kessler Opinion, p. 26.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

<sup>&</sup>lt;sup>33</sup> Kessler Opinion, p. 21.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

### 1980s

Criticism for the tobacco industry and smoking grew in the 1980s, with public campaigns such as First Lady Nancy Reagan's "Just Say No" and D.A.R.E. that were meant to deter youth from smoking. In addition, tobacco companies were also facing more and more lawsuits from smokers.

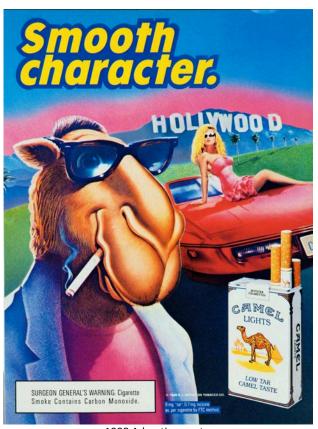
### RJ Reynolds Advertorial (1984)

"We don't advertise to children" (1984-1994)

Joe Camel campaign (1987-1997)



(https://tobacco.stanford.edu/cigarettes/propagandaetc/industry-propaganda/#collection-2)



1988 Advertisement.
(https://tobacco.stanford.edu/cigarettes/cartoons/joe-camel-cartoons/)

RJ Reynolds (RJR) placed its "We Don't Advertise to Children" advertorial initially in June 1984 in the New York Times, Washington Post, Wall Street Journal, Los Angeles Times, Chicago Tribune as well as Time, Newsweek, and People Magazine.<sup>34</sup> The advertorial ran repeatedly between 1984 and 1994. During this era, RJR also ran its notoriously youth appealing Joe Camel Campaign (1987-1997). Data showed that 86% of 10- to 17-year-olds surveyed recognized Joe Camel. Joe Camel was identified correctly as advertising cigarettes by 95% of the 10- to 17-year-olds who claimed awareness of the Joe Camel character. This percentage was higher than the percentage of children who knew that Ronald McDonald advertised McDonald's fast food and within one percent of the number of children who knew that the Keebler elves advertised cookies. The top two responses of 10- to 17-year-olds to the open-ended question of "How would you describe Joe Camel?" were (a) "he smokes," and (b) he is "really cool/acts cool/things he's

<sup>&</sup>lt;sup>34</sup> "We Don't Advertise to Children" (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=fgfy0013)

cool."<sup>35</sup> An early 1990s survey of children ages 3 to 6 showed that by age 6, recognition of the Joe Camel logo was equal to that of Disney's Mickey Mouse, with over 90% matching Joe to a pack of Camel cigarettes.<sup>36</sup>

### Philip Morris Advertorials: "Campaign with the Columnist" (1985)

A series of 1985 advertorials were part of the Philip Morris "Campaign with the Columnist." The principal objectives were described as:

To engage in a program which will reverse the growing acceptance by segments of the public that smoking is socially unacceptable.

Via balanced logic it can neutralize the irascibility of the zealots and appeal to the more balanced judgement of the public at large.

These issues can be effectively engaged through the use of third party voices; respected, intelligent, humorous, articulate writers who are speaking for themselves, not a cigarette manufacturer.

The campaign focused upon supposed discrimination against smokers and, by implication, against the company itself: "... discrimination is discrimination no matter what it is based upon." This claim appeared as an Op Ed in The New York Times on December 29, 1984, authored by a Philip Morris Vice President of Corporate Affairs Stanley Scott, under the heading "Smokers get a Raw Deal." Another discrimination-themed advertorial was written by James Hargrove, a New York City police officer representing the National Black Police Association, who claimed "Antismoking laws discriminate against blacks and minorities." Hargrove was under contract to Philip Morris for \$1000 per month, <sup>38 39</sup> and Philip Morris identified "minorities, especially blacks" as an "important Philip Morris constituency" "to reach." The company also commissioned Yale Law School Assistant Dean Bernard Dushman to contribute an advertorial in Newsweek Magazine (January 13, 1985) which focused on job discrimination: "This time the victims are not blacks, Jews, or Orientals. Today's new targets are smokers." He went on to call employers considering smoking habits of job applicants as: "perverse, counterproductive, and dumb." Dushman followed up with interviews on the Phil Donohue Show and both ABC and NBC news. <sup>40</sup>

Another column titled, "In defense of smoking" by James Brady, to whom Philip Morris referred as a "chronicler of the upper reaches of society," described: "...smoking has always been and remains, an acceptable enjoyment of the best people in the very best places." Another piece

<sup>&</sup>lt;sup>35</sup> Roper Starch Company. Advertising Character and Slogan Survey . November 1993. (Conducted for the RJR Reynolds Tobacco Company) (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=nmbb0035)

<sup>&</sup>lt;sup>36</sup> DiFranza JR, Richards JW, Paulman PM, Wolf-Gillespie N, Fletcher C, Jaffe RD, Murray D. RJR Nabisco's cartoon camel promotes camel cigarettes to children. JAMA. 1991 Dec 11;266(22):3149-53. Erratum in: JAMA 1992 Oct 21;268(15):2034.

 $<sup>^{37}\</sup> Campaign\ with\ the\ Columnists.\ (https://www.industrydocuments.ucsf.edu/tobacco/docs/\#id=klky0144)$ 

<sup>&</sup>lt;sup>38</sup> McCandless PM, Yerger VB, Malone RE. Quid pro quo: tobacco companies and the black press. Am J Public Health. 2012 Apr;102(4):739-50. doi: 10.2105/AJPH.2011.300180. Epub 2011 Nov 28. PMID: 21852652; PMCID: PMC3362199.

<sup>&</sup>lt;sup>39</sup> PHILIP MORRIS; MILLER,A. JIMMY HARGROVE OF THE NATIONAL BLACK POLICE ASSOCIATION (NBPA). 1985 April 23. Philip Morris Records; Master Settlement Agreement. Unknown. (https://www.industrydocuments.ucsf.edu/docs/mmbn0108)

<sup>&</sup>lt;sup>40</sup> CORY,C; RICKE,T. 'NEWSWEEK' COLUMN FOLLOWUP. 1986 January 14. Philip Morris Records; Master Settlement Agreement. Unknown. (https://www.industrydocuments.ucsf.edu/docs/lfgy0111)

by Boston Globe columnist Diane White opined that a restaurant sign "Thank you for not smoking" possessed a "manipulative and self-righteous tone." She went on the say: "sixty years ago they tried Prohibition. It didn't work. Maybe next we'll have speakeasies where the wicked can smoke."37

1985

1984

### Anti-Smoking Laws Discriminate Against Blacks and Minorities.

### OPINION

### By James Hargrove

While making charges concerning health and well being, there are a number of antismosting ordinances being pushed in many parts of the country that will generally impact more heavily and negatively on minorities and the poor than on other Americans.

History has shown that these nuisance laws are very hard to enforce and that they also take police officers away from other police duties.

In addition, since they require "selective" enforcement, that is the enforcement against a certain group of people—smokers in this instance—these laws also tend to generate disrepect for police.

I am compelled to speak out on these matters as a 20 year veteran of the New York City Police Department, a former president of the Guardians Association.

Association.

former chairperson of the National Black Police
Association.
Some of the most dramatic proof of the harm done
by anti-smoking laws has come out of the experiences
of the highly publicized and subsequently discredited
"Smokers' Court" in Chicago.
"Smokers' Court" in Chicago.
"Smokers' Court" in Chicago
the Court of the Court of the Court of the Court
conveyances from smoking, the police actually used
the court as a pretext to make countless searches of
citizens and to arrest persons they called "suspects"
for a variety of crimes.
A survey of arrests during a one month period
showed that blacks made up more than 90 percent of
the persons arrested and brought before the
Smokers' Court. The study showed that of the 279
persons arrested for smoking, 255 were black, 12
were white, 7 Latin Americans and 5 were listed as
"others".

"others" I refuse to believe that only blacks broke the law by smoking on public conveyances in Chicago. The truth is obvious. It was mostly blacks who were arrested and brought before the judge. A Chicago-based NAACP leader, Frank J. Williams, said at the time that the analysis of the ar-

rests showed there is "a lot of validity to the charge that blacks were picked on more by the police" when such a law exists.

And a Minneapolis newspaper columnist. Will Jones, wrote: "the suspicion is strong that Chicago's Smokers' Court has absolutely nothing to do with promoting clean public air. The enforcement campaign does provide the law-and-order boys, however, with a good excuse to arrest a suspect on an innocent smoking charge and then conduct a search for drugs, weapons, stolen goods, or whatever."

While the Smokers' Court, as such, has been abandoned, the problem it dramatized is still with us and has grown in seriousness.

Many well-intentioned community activists are now attempting to pass a plethora of anti-smoking ordinances and are insisting that the police be used in conforce them.

inforce them.

They are, apparently, not fully aware of the conse-uences and especially not aware that this kind of older activity tends to generate disrepect for law en-procement officers.

polles activity tends to generate disrepect for law enforcement officers.

During recent years, police departments attionwide have put a considerable amount of time, money and effort into community relations, into winning friends and supporters for good, honest law enforcement. It seems a real shame that such efforts could be blunted by their selective enforcement of anti-smoking ordinances.

Many persons among the anti-smoking forces apparently believe that the police departments have an excess number of officers and each of these officers has a considerable amount of free time.

This is not the case.

Most departments are short-staffed and the individual police officer is time is quite valuable to the community he serves, whether he walks a beat of popeates a computer. He or she has been duly authorized by the community to protect people and property from a variety of criminal offeness of the police officer of the police officer of the community, the police officer of the community of the community of the police of the community of the community of the police of the community of the community of the police of the community of the community of the police of the community of the commun

what does not.

There are more than enough real offenses committed on any given day to keep the police busy. To take officers away from the real job of keeping the peace and force him or her to become, essentially, a dissident's advocate in a continuing debate, amounts to a monumental misuse of the time of some of our most valuable and highly motivated public servants.

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## "discrimination is discrimination, nomatter whatitisbasedon?9

### Smokers Get a Raw Deal

By Stanley S. Scott

The civil rights act, the voting rights act and a host of antidiscriming the standard of the standard standa

Zealots. stop maltreating cigarette

Presented in the public interest by Philip Morris Incorporated

(https://tobacco.stanford.edu/cigarettes/propaganda-etc/industry-propaganda/#collection-46)

### The New Hork Times

SATURDAY, DECEMBER 29, 1984

# Smokers Get a Raw Deal

By Stanley S. Scott

The civil rights act, the voting rights act and a host of antidiscrimination laws notwithstanding, millions of Americans are still forced to sit in the back of planes, trains and buses. Many more are subject to segrega-tion in public places. Some are even denied housing and employment: vic-tims of an alarming — yet socially ac-ceptable — public hostility.

This new form of discrimination is based on smoking behavior.

If you happen to enjoy a cigarette, you are the potential target of violent antismokers and overzealous public enforcers determined to force their beliefs on the rest of society.

Ever since people began smoking, able to live with one another using common courtesy and common sense. Not anymore. Today, smokers must put up with virtually unenforceable laws regulating when and where they can smoke — laws intended as much to discourage smoking itself as to protect the rights of nonsmokers. Much worse, supposedly responsible organizations devoted to the "public interest" are encouraging the har-

Stanley S. Scott is vice president and director of corporate affairs of Philip director of a

assment of those who smoke. This year, for example, the American Cancer Society is promoting programs that encourage people to attack smokers with cannisters of gas. to blast them with horns, to squirt them with oversized water guns and burn them in effigy.

Zealots, stop maltreating cigarette users

Harmless fun? Not quite. Consider

Harmless fun? Not quite. Consider the incidents that are appearing on police blotters across America:

In a New York restaurant, a young man celebrating with friends was zapped in the face by a man with an aerosol spray can. His offense: lighting a cigarette. The aggressor was the head of a militant antismoker organization whose goal is to mobilize an army of two million zealots to spray smokers in the face.

spray smokers in the face.

• In a suburban Seattle drug store,

a man puffing on a cigarette while he waited for a prescription to be filled was ordered to stop by an elderly cus-tomer who pulled a gun on him.

A 23-year-old lit up a cigarette on a Los Angeles bus. A passenger objected. When the smoker objected to the objection, he was fatally stabbed.

• A transit policeman, using his re-serve gun, shot and fatally wounded a man on a subway train in the Bronx in a shootout over smoking a cigarette.

The basic freedoms of more than 50 million American smokers are at risk today. Tomorrow, who knows what personal behavior will become so-cially unacceptable, subject to restrictive laws and public ridicule? Could travel by private car make the social engineers' hit list because it is less safe than public transit? Could ice cream, cake and cookies become socially unacceptable because their consumption causes obesity? What about sky diving, mountain climbing, skiing and contact sports? How far will we allow this to spread? The basic freedoms of more than 50

skiing and contact sports? How far will we allow this to spread?

The question all Americans must ask themselves is: can a nation that has struggled so valiantly to eliminate bias based on race, religion and sex afford to allow a fresh set of categories to encourage new forms of hostility between large groups of citi-

After all, discrimination is discrimination, no matter what it is based on.

Placement of Philip Morris Special Columnist Advertorials 1985.<sup>37</sup>

	SCOTT			BRADY 1			1	WHITE			ŀ	HARGROVE			;	BRADY 2		
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WALL ST. JRNL.(EAST)	; x ;		1	X	;		1	X	1		!	X	ŀ		i	X	1	
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ATLANTIC		X	1	X	;		1	X	1		1	X	1		1	X	1	
HARPERS	1	X	1		1	X	1		1	X	1		1	Χ	1		1	X
SATURDAY REVIEW	; ;	Х	1	X	1		;	X	1		1	Х	E		;	X	:	
COLUMBIA JOURNALISM	: :	X	1	X	;		1	X	1		1	Х	;		1	X	!	
COMMENTARY	; ;	Х	;	X	1		1	X	;		1	X	;		:	X	;	
NATIONAL REVIEW	; ;	X	;	X	1		1	X	1		1	X	;		:	X	;	
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BLACK ENTERPRISE	: :	X	1 1	X	1		;	X	;		1	X	1		!	Χ	1	
FOCUS		X	1		1	X	1		1	X	1		ł	X	;		1	X
	;		1		1		1		;		1		1		;		1	
PLANT CITY NEWSPAPERS	X		;	X	1		1	Х	;		!	Х	1		1	X	1	
TRADE	х		1	х	!		;	X	!		1	х	!		:	Х	!	

The 1985 Philip Morris columnists campaign also included seven editorial style cartoons in addition to the series of commissioned "editorials."<sup>41</sup> <sup>42</sup> <sup>43</sup> These blended in seamlessly with other cartoons included in the publications, making it difficult for readers to distinguish between paid or commissioned content and content from the publication.







<sup>&</sup>lt;sup>41</sup> New Yorker August 12, 1985. (https://www.industrydocuments.ucsf.edu/docs/gyly0144)

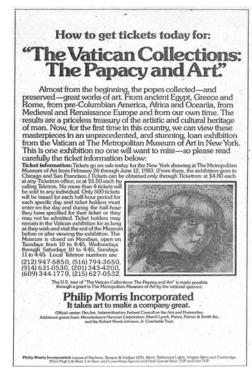
 $<sup>^{42}\,</sup> To bacco\,\, Observer\, February\,\, 1985.\,\, (https://www.industrydocuments.ucsf.edu/docs/myly0144)$ 

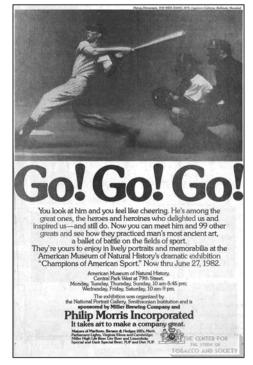
<sup>&</sup>lt;sup>43</sup> CTNYMS (https://www.industrydocuments.ucsf.edu/docs/lyly0144)

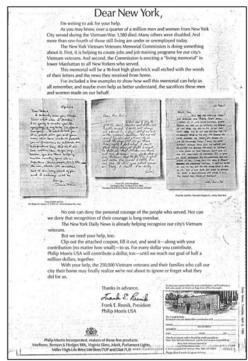
### Philip Morris Public Relations Via Cultural Sponsorship

In the 1980s, Philip Morris also sought to elevate its reputation through advertisements touting its sponsorship of New York museum exhibits at the Metropolitan Museum of Art, the Bronx Museum of Art, the American Museum of Natural history. On the lower right is an appeal for donation to a New York Vietnam War Memorial. Each of these ads mention Marlboro, Virginia Slims, and other company brands.









### **Early 1990s**

As more evidence about the harms of smoking came out in the 1990s, actions to curb tobacco companies' practices intensified. Smokers continued to file lawsuits against tobacco companies, media outlets reported on companies' actions and cigarette manipulation, FDA took actions to regulate tobacco products, Congress and the Department of Justice begin to look more closely at the tobacco companies in hearings and criminal investigations, and states filed lawsuits against the companies to recoup Medicaid costs.

In 1995 and 1996, a series of actions at the federal level put the tobacco industry's public relations gears in action. In August 1995, the U.S. Food and Drug Administration (FDA) issued proposed "Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco Products to Protect Children and Adolescents," which included a minimum sale age of 18 years, age verification requirements at the point of sale, a ban on brand-name event sponsorships, limitations on advertisements, and a ban on branded non-tobacco items. It would also establish a national public education campaign aimed at children and youth. At the same time, FDA asserted jurisdiction over cigarettes and smokeless tobacco products "to reduce the death and disease caused by tobacco products" and maintained that "this regulation focuses on preventing future generations from developing an addiction to nicotine-containing tobacco products."44 In January 1996, the U.S. Department of Health and Human Services (HHS) issued final rules on the sale and distribution of tobacco products, meant to complement FDA's proposed rules. 45 FDA issued its final rule in August 1996,46 but the major tobacco companies including Philip Morris sued to stop FDA from regulating tobacco products, along with the proposed marketing restrictions. In 2000, the U.S. Supreme Court ruled that Congress had not given FDA the authority to regulate tobacco products.<sup>47</sup>

The major cigarette companies recognized that youth smoking issue was being used against them to limit their marketing and distribution and in response, devised strategies to minimize these regulations. Rather than take actions proven to reduce youth smoking, they chose to launch a series of multi-million-dollar public relations campaigns to sow distrust in the government and improve their corporate image. A 1991 "discussion paper" from the Tobacco Institute<sup>48</sup> stated:

<sup>44 60</sup> Fed. Reg. 41314, (https://www.govinfo.gov/content/pkg/FR-1995-08-11/pdf/95-20051.pdf)

<sup>&</sup>lt;sup>45</sup> 61 Fed. Reg. 1492, (https://www.govinfo.gov/content/pkg/FR-1996-01-19/pdf/96-467.pdf)

<sup>&</sup>lt;sup>46</sup> 61 Fed. Reg. 44396, (https://www.govinfo.gov/content/pkg/FR-1996-08-28/pdf/X96-10828.pdf)

<sup>&</sup>lt;sup>47</sup> FDA V. Brown & Williamson Tobacco Corp. (98-1152) 529 U.S. 120 (2000). (https://www.law.cornell.edu/supct/pdf/98-1152P.ZS)

<sup>&</sup>lt;sup>48</sup> Stuntz, Susan. re: Youth Initiative Program. 1991 January 29. Ness Motley Law Firm Documents. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=pjyw0040). See also, Coombs, J, et al., "'Below the Line': The tobacco industry and youth smoking," Australas Med J 4(12):655-673, 2011, (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3413965/pdf/AMJ-04-655.pdf)

The youth program and its individual parts support The Institute's objective of discouraging unfair and counterproductive federal, state and local restrictions on cigarette advertising, by:

- o Providing on-going and persuasive <u>evidence</u> that the industry is actively discouraging youth smoking and independent <u>verification</u> that the industry's efforts are valid.
- Reinforcing the belief that peer pressure -- not advertising
   is the cause of youth smoking.
- o Seizing the political center and forcing the anti-smokers to an extreme (as happened when the antis attacked the industry at the time of the launch.)

Similarly, related to one of Philip Morris's early youth prevention campaigns, the company's issues director Joshua Slavitt stated in a 1991 memo, "As we discussed, the ultimate means for determining the success of this program will be: 1) A reduction in legislation introduced and passed restricting or banning our sales and marketing activities; 2) Passage of legislation favorable to the industry; 3) greater support from business, parent and teacher groups."<sup>49</sup>

Industry campaigns during this time included:

- RJ Reynolds' Project Breakthrough (1994-5)
- Philip Morris' Action Against Access (1994 onwards)
- Philip Morris in the 21<sup>st</sup> Century (PM 21) (1999 onwards)

### RJ Reynolds Advertorials Project Breakthrough (1994-5)

In 1994-5, RJ Reynolds undertook an extensive public relations campaign, Project Breakthrough, with widespread placement of advertorial described as "common sense ads" with a strong anti-government theme with an emphasis upon associating anti-smoking advocacy with support for prohibition. According to the 1995 Project Breakthrough briefing manual: "[i]n 1994 RJR's External Relations Department orchestrated a massive, unprecedented public relations blitz designed to counter several fronts of the anti-tobacco movement. Part of this strategy involved publicizing controversial messages in newspapers and magazines around the country. These messages focused upon presenting Tobacco Industries' position on various topics, including second hand smoke, spiking allegations, government intrusion and others. Working Together to Work It Out was the common theme of these messages."51

Project Breakthrough advertorials appeared in 34 daily newspapers including the New York Times, Washington Post, and Wall Street Journal as well as Time and US News magazines. RJR claimed that the advertorials were viewed "by almost 50% of the US population." According

<sup>&</sup>lt;sup>49</sup> PMUSA, PHILIP MORRIS USA; SLAVITT, JJ. TI YOUTH INITIATIVE. 1991 February 12. Philip Morris Records; Master Settlement Agreement. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=lhwc0110)

<sup>&</sup>lt;sup>50</sup> Project Breakthrough Planning. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=pyhc0003)

Project Breakthrough advertorials phase I (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=yyxw0224)
Project Breakthrough advertorials phase II (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=sfvx0078)
Project Breakthrough advertorials phase III planning

<sup>(</sup>https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=ypff0089)

<sup>&</sup>lt;sup>51</sup> Project Breakthrough Briefing Manual. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=pmkm0099)

<sup>&</sup>lt;sup>52</sup> Update on Project breakthrough. August 23, 1994. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=nkpm0227)

to RJR's internal documents, Project Breakthrough was highly effective in influencing policy makers. For example, it generated more than 60,000 responses to OSHA in opposition to indoor air regulation and 40,000 to Congress opposing tobacco bans.<sup>53</sup> As part of the Project, extensive efforts were made to seed favorable media commentary.<sup>54</sup>

In a December 1994 interview with RJR Vice President of External Relations Tom Griscom he opined: "With Project Breakthrough, I think we were very effective in bringing the tobacco issues to the public and putting what I would call "real faces" on tobacco issues."<sup>55</sup> By 1995, Reynolds considered this project successful: "Prior to the campaign, the Tobacco Industry was facing many challenges. These challenges were effectively diminished by External Relations and the successful maneuvering of Project Breakthrough throughout the United States."<sup>56</sup>

	Project Breakthrough Advertis	sing ful
Phase I	Phase II	Phase III
Offense/Defense	Freedom v. Prohibition	Solutions
Second Hand	July 11	Accommodation
EPA	Personal Freedoms	People with
Spike	Smokers Speak Out	People
45 Million	Labor Day	& .
Free Society	TV	Gov't
Today Cigarettes	0020 (0	
Going Too Far	October 10 Prohibition	

(https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=xqdv0087)

(https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=ghxy0089)

<sup>&</sup>lt;sup>53</sup> Update on Project breakthrough. October 5, 1994. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=tppm0227)

<sup>&</sup>lt;sup>54</sup> Activity report. RJR Tobacco Project Breakthrough. August 1994.

<sup>&</sup>lt;sup>55</sup> What did RJR accomplish with Project Breakthrough. Interview with RJR Vice President of External Relations Tom Griscom. Caravan. December 1994. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=ktym0027)

<sup>&</sup>lt;sup>56</sup> Project Breakthrough Briefing Manual. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=pmkm0099)

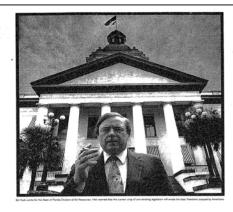
### Examples of 1994-5 Project Breakthrough RJ Reynolds Advertorials:



### "COME OUT SLOWLY SIR, WITH YOUR CIGARETTE ABOVE YOUR HEAD."

The situation above may seem implausible at forst. But right now, the Government is trying to compare (gravites to herois and occarine. They are also proposing to entirely prohibit smoking in public places, company cars, trucks and any place to business sentend by ten or more people a week. These same proposits could also affect your private home as you could be fortiden to smoke systime a workman or repairman visits. In addition, a cignette tax increase of 200% to being considered.

This is nothing less than an attempt at tobacco prohibition, termstifting that will have serious probabilition, termstifting that will have serious forced to rothing less than an attempt at tobacco prohibition. Administrating that will have serious forced to rothing the serious probabilition, termstifting that will have serious forced to rothing the serious of the complete to the serious of the common and the serious than expension and the visible to recommonable and the



### "IF THE GOVERNMENT GETS ITS WAY, THE PURSUIT OF HAPPINESS WILL NO LONGER BE MY INALIENABLE RIGHT."

"The Government is considering a substantial "We can't begin to enforce the rules and regulations increase in excise taxes as a deterrent to smoking. They're also trying to pass regulations to prohibit or smoking in any working entered by 10 or may people a week. And retricting smoking in your own home in additional conformation."

The Before we had all these regulations smokers and all ounder review.

There in't any reason why reasonable people can't .

won't have any choices left to do anything. I don't continue to do so."

won't have any choices left to do anything. I don't contrave to do so."

strain any reason here cart use a similar largement about outser products such as meat, cheese or anything they were should normer. When they start registers they carely know when to intop.

"When you ende sepoit's rights with legistion interestable expression, not just anckers. I think the coverts administration has tost sight of the reason of contract administration has tost sight of the reason of contract administration has tost sight of the reason of contract administration has tost sight of the reason of contraction of the coverty in to remain feet, the people have to fight against the idea of social reform at the expense of constitutionality.





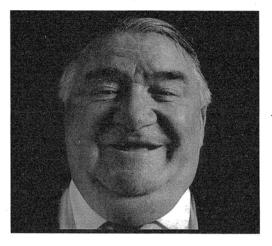


### TODAY IT'S CIGARETTES. TOMORROW?

The Government, through the FDA, the Department of Libor and some Congressmen, is attempting to prohibit smaking in America. They've proposed a substantial tax increase that will make cigarettes soo expansive for people to afford. They've introduced regulations that could lead to a total smoking ban in public as well as private places in some circumstances. For example, the proposed and the property of the process are given from the process are given from the method. Prohibition solves nothing. Never mind that freedom we enjoy in our society.

Let's understand exactly what they've trying to do. They're pursuing a new are of prohibition, and in the process are ignoring the individual rights of not just the 45 million Americans who amoke, but all other Americans as well.

But the most threatening aspect of their program is their intention to force their views on the whole country.



### WHO SHOULD BE RESPONSIBLE FOR YOUR CHILDREN. A BUREAUCRAT OR YOU?

Right now, the Federal bureaucracy wants to tell you and your children how to behave. In short, they want to become responsible for teaching your children about important lifestyle decisions and the state of the s

TOGETHER, WE CAN WORK IT OUT

### Project Breakthrough RJ Reynolds Advertorials: Anti-Government Themes (1994-5)









#### WE HAVE NEVER SMOKED. BUT IT WAS OUR CHOICE, NOT THE GOVERNMENT'S

Right non, the Government is trying to compare opportes to herein and coates They are too permeting proposed to will entirely persiste modified in public areas. Compare on the will entirely persiste modified in public areas. Compare on the control persistence of the desire control for the control persistence of the desire control for the control persistence of the desire control for the control persistence as well as the control persistence of the control persistence of the control persistence as well as the control persistence of the control persistence of the control persistence as well as the control persistence of the control pers



### EVERYWHERE WE GO. AMERICANS ARE TELLING US THEY WANT THE GOVERNMENT OFF THEIR BACKS.

These days, the Government is making more and more of \_\_\_\_\_ week. Your right to smoke in your own home could also be the decisions that should rightfully be left so the individual. affected, as you could be forbidden to smoke anytime a work-More than 125,000 Government employees are involved in man or repairman visits.<sup>2</sup> regulating the American people, working on more than 5,000 regulations at any given time, at an estimated cost to the tax-payer of more than \$500 billion.\(^1\) And from Savannah to themselves whether or not to smoke.\(^1\) Souttle. Americans have told us they've had enough.

thousands of ordinary Americans, smolers and non-smokers.

discussion, we can agree on solutions without resorting to They've talked to our video cameras. Signed petitions.

Government intervention.

the control of the co

However, a recent poll confirms that 9 out of 10

We believe the solution to most smoking issues can be "On The Road for Rights" has made more than 125 stops in found in accommodation, in findings ways where smokers and crises, towns and villages across 15 states. We've spoken to non-smokers can co-exist peacefully. Through dialogue and

Exerywhere we've been, we've heard the same heartick cry.

This copinions are brought to you in the interest of an "It's time to get the Government off our bucks"

Among the major rights at state is the freedom of adults

For further information please call 1-800-366-841.

Congression Record, October 14: 1931. Cetters Against Government Wester, October 1993. 2 Dags of Leader GOFA Doddet No. 11: 122, Indicor Air Quality Proportions of Representations 30: No.3191. 3 Roger Sorth, June 1994.



#### "THE SMELL OF CIGARETTE SMOKE ANNOYS ME. BUT NOT NEARLY AS MUCH AS THE GOVERNMENT TELLING ME WHAT TO DO."



### PROPOSED ANTI-SMOKING LEGISLATION WILL AFFECT YOUR BOTTOM LINE.

A recent study, reporting on a number of towns regulatory attention next? Alcohol, high fat foods even throughout the US where total smoking bans have calleine could be off the menu. been introduced into restaurants, reveals that already significant decline in business. In fact the average that's the bottom line. decline was \$23,336 per month. One out of five owners reported laying off employees.\*

smoking legislation offers bar and restaurant owners a to most smoking issues can be found in choice. Either prohibit smoking completely or install accommodation, in finding ways where smokers and expensive ventilation equipment immediately.

business could be severe. America's 45 million solve the issues without resorting to Government smokers are an economic force to be reckoned with.

But perhaps the biggest concern is that the 1-800-366 8441. Government is telling you how to run your business, intervening in an area which is rightfully the choice of the individual. Who knows where they'll turn their

a third of the restaurant owners are reporting a customers, not the wishes of the Government. And

an informed debate by the R.J.Reynolds Tobacco The Federal Government's proposed anti- Company. We believe that the solution non-smokers can co-exist peacefully. And If you choose to ban smoking, the effect on your — we encourage dialogue and discussion that will help intervention. For further information, please call us on

TOGETHER, WE CAN WORK IT OUT

This series of Reynolds advertorials takes hyperbole to new levels. An advertorial titled, "Come out slowly sir, with your cigarette above your head," commented on place of smoking regulations and tobacco taxation and opined: "This is nothing less than an attempt at tobacco prohibition, something that will have serious implications for Americans." "Despite government denials, the proposed tax increases and the avalanche of other anti-tobacco legislation are all simply forms of backdoor prohibition." In another advertorial titled, "Today it's Cigarettes. Tomorrow?," Reynolds exploited the slippery slope argument, a common ploy by those seeking to oppose needed change. The imagery suggests that if the government can restrict cigarettes, your beer, coffee, and even hamburgers will be next. The text read: "If they are successful in their bid to abolish cigarettes will they then pursue other targets? Will alcohol be next? Will caffeine and cholesterol 'addicts' need to be protected from themselves? Will books, movies, and music be next? Who knows where this will end?" It is incredulous to suggest that secondhand smoke protection of non-smokers and tobacco taxation would lead to censorship of books, movies, and music, despite their constitutional protections (1st amendment).

Another advertorial implied: "If the government gets its way, the pursuit of happiness will no longer be my inalienable right." It is pretty extreme to suggest that regulating tobacco will take away rights articulated in the Declaration of Independence: "Life, liberty, and the pursuit of happiness." An advertorial titled, "We have never smoked, but it was our choice, not the government's," alleged that "Right now, the government is trying to compare cigarettes to heroin and cocaine."

Another slant on the anti-government theme, "Who should be responsible for your children, a bureaucrat or you?" had as its central message, "Right now, the Federal bureaucracy wants to tell you and your children how to behave. In short, they want to become responsible for teaching your children about important lifestyle decisions and values." This rationale means that the government ought to have no role regulating alcohol, drugs, or guns either.

In an advertorial titled, "The smell of cigarette smoke annoys me. But not nearly as much as the government telling me what to do," Reynolds implored smokers and non-smokers to "co-exist peacefully." It admonished non-smokers: "If you don't smoke, it is ill-mannered to go up and tell somebody that what they're doing is disgusting." In an advertorial titled, "Proposed anti-smoking legislation will affect your bottom line," Reynolds stated that: "Bars and restaurants should be serving customers, not the wishes of the government. And that's the bottom line." Of course, these establishments should be "serving the wishes" of both their smoking and non-smoking customers.

Via overstatements, exaggeration, and crass hyperbole, these 1994-5 RJ Reynolds Project Breakthrough advertorials set a very low standard for tobacco industry. However, they were not an aberration. While other tobacco advertorial campaigns may appear more temperate in tone, the underlying message content is similar to this especially repugnant campaign.

### Philip Morris Action Against Access Program (1995)

Philip Morris advertorial (1996)

"Be Marlboro" Campaign (2011-2015), "You Decide" Campaign (2016-)



(https://tobacco.stanford.edu/cigarettes/propagandaetc/industry-propaganda/#collection-43)







(https://tobacco.stanford.edu/cigarettes/modernstrategies/marlboro-modern/)

Marlboro, made by Philip Morris (now called Altria in the US), is the world's leading cigarette brand. In the US, it is most popular brand among men, women, and teenage starter smokers. <sup>57 58</sup> For years, Marlboro has been the #1 brand among American middle and high school students. <sup>59</sup> Examination of internal industry documents reveals that Philip Morris undertook extensive market research, which helped them to calibrate Marlboro global marketing to youth. <sup>60</sup>

When FDA's proposed rules were released in 1995, Philip Morris USA issued a statement calling FDA's actions "illegal efforts to bypass the Congress and promulgate a rule under the guise

<sup>&</sup>lt;sup>57</sup> Substance Abuse and Mental Health Services Administration (SAMHSA)'s public online data analysis system (PDAS). National Survey on Drug Use and Health, 2020. (https://pdas.samhsa.gov/#/survey/NSDUH-2020-DS0001/crosstab/?row=CIG30BR2&column=CATAG2&control=IRSEX&weight=ANALWTQ1Q4\_C&run\_chisq=false&filt er=CIG30BR2!%3D9993%2C9991&results received=true)

<sup>58</sup> SAMHSA's public online data analysis system (PDAS). National Survey on Drug Use and Health,
2020. (https://pdas.samhsa.gov/#/survey/NSDUH-2020DS0001/crosstab/?row=CIG30BR2&column=CATAG2&weight=ANALWTQ1Q4\_C&run\_chisq=false&filter=CIG30BR2!%
3D9993%2C9991&results\_received=true)

<sup>&</sup>lt;sup>59</sup> Perks SN, Armour B, Agaku IT. Cigarette Brand Preference and Pro-Tobacco Advertising Among Middle and High School Students - United States, 2012-2016. MMWR Morb Mortal Wkly Rep. 2018 Feb 2;67(4):119-124. doi: 10.15585/mmwr.mm6704a3.

<sup>&</sup>lt;sup>60</sup> Hafez N, Ling PM. How Philip Morris built Marlboro into a global brand for young adults: implications for international tobacco control. Tob Control. 2005 Aug;14(4):262-71. doi: 10.1136/tc.2005.011189.

of curbing youth smoking that is really designed to ultimately ban the sale of tobacco products to adults."<sup>61</sup>

Philip Morris launched its "Action Against Access" (AAA) in 1995. Senior Vice President of Corporate Affairs, Ellen Merlo, stated in a September 1995 press release announcing the programs, "What these programs have in common...is that they embody reasonable positions and solutions that provide a stark contrast to the extreme views held by our opponents." This messaging followed the strategy of placing its company at the center and positioning the tobacco control movement at the fringe, as initially outlined by the Tobacco Institute in 1991. 63

Industry documents show the true intent of the industry's youth programs was to prevent government intervention with their business and, specifically, stop or minimize marketing regulations.

- A presentation for discussions on the issue of youth use ultimately leading to the development of the program stated, "...to use the program's success to counter the anti's use [of] this issue in seeking government restrictions." 64 65
- A draft of a speech from February 1995 included: "We can and must seize the moral high ground on this issue. If we don't the government and the anti-smoking activists, who are already beginning to use the youth access issue to drive new legislation and restrictions, will take the initiative away from us and make it their issue." And "If we can frame proactive legislation or other kids of actions on the Youth Access issue, if we can get out in front on this issue now, if we can seize the moral high ground, we will not only be doing the right thing, we will be protecting our industry on into the future." 66
- In March 1996, PM consultant Jim Lindheim bluntly described AAA as "an effort, as you know, to focus attention/regulation away from marketing restrictions as the answer." 67

As part of AAA, Philip Morris placed the "Kids Should Not Smoke" advertorial in numerous periodicals to influence politicians, thought leaders, and the general public, specifically in that order. In September 1995, Merlo's talking points for AAA included, "At Philip Morris, we've dedicated ourselves to getting the facts out on a number of smoking-related issues that are of interest to the general public as well as key opinion leaders. We've made our positions available

<sup>61</sup> Philip Morris USA, Philip Morris USA's Statement in Response to HHS Rules Implementing Congress' Decision to have States Curb Tobacco Sales to Minors," January 18, 1996, https://www.industrydocuments.ucsf.edu/docs/#id=mxlc0112.

<sup>62</sup> PM, PHILIP MORRIS. ACTION AGAINST ACCESS AND THE ACCOMODATION PROGRAM ADDRESS TWO CRITICAL INDUSTRY ISSUES. 1995 September 29. Philip Morris Records; Master Settlement Agreement. (https://www.industrydocuments.ucsf.edu/docs/#id=mpcp0002)

<sup>63</sup> Stuntz, Susan. re: Youth Initiative Program. 1991 January 29. Ness Motley Law Firm Documents. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=pjyw0040. See also, Coombs, J, et al., "'Below the Line': The tobacco industry and youth smoking," Australas Med J 4(12):655-673, 2011, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3413965/pdf/AMJ-04-655.pdf.

<sup>&</sup>lt;sup>64</sup> Unknown. TASK FORCE MISSION. 1994 December. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=nhjn0119.

<sup>&</sup>lt;sup>65</sup> Coombs, J, et al., "'Below the Line': The tobacco industry and youth smoking," Australas Med J 4(12):655-673, 2011, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3413965/pdf/AMJ-04-655.pdf.

<sup>&</sup>lt;sup>66</sup> Philip Morris, JJM to PM Invitational – Importance of Youth Issue, February 10, 1995, https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=tqjm0106.

<sup>67</sup> JLINDHEIM + CO; LINDHEIM, J. YOUTH SMOKING. 1996 March 03. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=tnmc0118.

<sup>&</sup>lt;sup>68</sup> Copy Rotation Flowchart. (Media placement of Philip Morris) "Kid's Should Not Smoke" advertorial campaign. (https://www.industrydocuments.ucsf.edu/docs/hpkh0124)

for all to see in national advertisements in an effort to communicate the seriousness of the issues and to present our side of the story on the issues which is often not reported in the media." <sup>69</sup> This focus on "key opinion leaders" directed the placement of advertorials and similar ads in publications most likely to be seen by that target audience. This advertorial appeared multiple times.

Despite their claims in the past, PMI's recent campaigns for Marlboro in various countries, including Be Marlboro 2011-4 ("Don't be a Maybe. Be Marlboro") and You Decide (since 2016), remain notably youth-oriented.<sup>70</sup> 71

### Late 1990s to 2000s

In the late 1990s, the tobacco companies continued to battle regulatory threats. Senator John McCain introduced a bill in Congress to give FDA authority to regulate tobacco products and the Department of Justice began its Racketeering lawsuit against the major tobacco companies.

In 1998, the major tobacco companies including Philip Morris signed a historic settlement agreement, known as the Master Settlement Agreement (MSA), with 46 state attorneys general, and separate agreements with four other state attorneys general, as a result of lawsuits brought by attorneys general seeking compensation for treating illnesses due to smoking.<sup>72</sup> The agreements placed marketing and sales restrictions on the settling companies, required the companies to make annual payments to states, and banned certain company practices, among other restrictions.

### Philip Morris 21<sup>st</sup> Century Public Relations Campaigns (PM21) (1998 – 2003)

By 1998, Philip Morris sought to improve its deeply tarnished corporate image via a series of public image campaigns to portray the company as a good corporate citizen.<sup>73 74 75</sup> Its in-house research showed:

All evidence suggests that the image of Philip Morris Companies has never been lower. Philip Morris is almost singularly associated with cigarettes and the tobacco industry. These strong, negative associations have distorted perceptions of who we are and how we behave as a company and as individuals. ... As our current situation reveals, negative perceptions and attitudes color the behavior of key audiences and impact all dimensions of our business, including consumer attitudes towards our products, customer and trade relations, employee recruitment and

<sup>&</sup>lt;sup>69</sup> Key Message Points Ellen Merlo, September 25, 1995, https://www.industrydocuments.ucsf.edu/docs/#id=sxlc0112.

<sup>&</sup>lt;sup>70</sup> SRITA Modern Marlboro advertising ("Be Marlboro" and "You Decide" campaigns) collection: (https://tobacco.stanford.edu/cigarettes/modern-strategies/marlboro-modern/)

<sup>&</sup>lt;sup>71</sup> Lagasse LP, Minosa MKR, Moran MB, Cohen JE. "Decide Now, Buy Marlboro": Examining the influence and appeal of Marlboro's new brand architecture among Filipino adolescents. Int J Adolesc Med Health. 2018 Oct 2;33(2). doi: 10.1515/ijamh-2018-0117. PMID: 30281513.

<sup>72</sup> National Association of Attorneys General. (https://www.naag.org/issues/tobacco/)

<sup>&</sup>lt;sup>73</sup> Hirschhorn N. Corporate social responsibility and the tobacco industry: hope or hype? Tob Control. 2004 Dec;13(4):447-53. doi: 10.1136/tc.2003.006676. PMID: 15564636; PMCID: PMC1747956.

<sup>&</sup>lt;sup>74</sup> McDaniel PA, Malone RE. "What Is Our Story?" Philip Morris's Changing Corporate Narrative. Am J Public Health. 2015 Oct;105(10):e68-75. doi: 10.2105/AJPH.2015.302767. Epub 2015 Aug 13. PMID: 26270280; PMCID: PMC4566529.

<sup>75</sup> McDaniel PA, Malone RE. "The Big WHY": Philip Morris's failed search for corporate social value. Am J Public Health. 2012 Oct;102(10):1942-50. doi: 10.2105/AJPH.2011.300619. Epub 2012 Aug 16. PMID: 22897536; PMCID: PMC3442143.

retention, litigation, divestment, regulation and financial community valuation of the company.<sup>76</sup>

However, its research also showed that these beliefs could be improved with certain messaging. Findings from focus groups also indicated that Philip Morris needed to "come clean" about the health risks of smoking to be seen as responsible. Results from one focus group showed that a "tobacco company must be 'honest' about its 'knowledge' about the health impacts of tobacco. ... They felt a responsible tobacco company must 'acknowledge' both the 'health effects' and 'the addictiveness' of their products. ... These perceptions are deeply ingrained and, in the groups' view, must be reversed before any tobacco company can be seen as responsible." The second company can be seen as responsible.

To counter negative perceptions and beliefs about the company among the public in general and among PM21 target audiences, Philip Morris launched an image building campaign, called "PM21" (Philip Morris 21<sup>st</sup> Century) in late 1998. The campaign ran through 2003 and was conducted via print, television, and online. It included the following sub-campaigns:

- Working to make a difference: the People of Philip Morris
- Youth Smoking Prevention (YSP)
- Philanthropy Advertising
- Public Relations Via Cultural Sponsorship

Company documents reveal that a key intention of the campaign was to cloak the company in a mantle of corporate responsibility. The goals of PM21 were to "Neutralize the demonization of the company and improve success in legal and regulatory areas."<sup>79</sup>

They put heavy emphasis on paid media: "Paid media is the most important single element of the strategic communication plan."<sup>80</sup> The main communication themes of the campaign were that Philip Morris was more than just a tobacco company, contributed to the economy and communities through charitable contributions, and the company was responding to health concerns by working to reduce youth smoking and developing technological solutions to accommodate smokers.<sup>81</sup> In addition, it took this opportunity to change its public stance on the health risks of smoking and addictiveness of nicotine.<sup>82</sup>

In terms of target audiences, the plan emphasized "opinion leaders" such as political, financial, and community elites. 83 Aside from influencing legislators and regulators, the company sought to influence the general public, especially potential jury pools. The company had recently

<sup>76</sup> Unknown. PROJECT PROPOSAL & GUIDELINES: CORPORATE POSITIONING TEST MARKETS. 1998 July 22. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=lpbl0006.

<sup>77</sup> HOLM GROUP. PHILIP MORRIS RESPONSIBLE MANUFACTURER FOCUS GROUPS. 1998 May. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=xhbh0053.

<sup>&</sup>lt;sup>78</sup> Yang, JS & Malone, RE, "'Working to shape what society's expectations of us should be': Philip Morris' societal alignment strategy," *Tobacco Control* 17:391-398, 2008.

<sup>&</sup>lt;sup>79</sup> PM21 Overview: People Products Principles. November 9, 1998. Philip Morris. http://legacy.library.ucsf.edu/tid/gyd16c00.

<sup>&</sup>lt;sup>80</sup> Unknown. PM 21 BACKGROUND. 1998 December. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=glnc0175.

<sup>&</sup>lt;sup>81</sup> Unknown. PM 21 BACKGROUND. 1998 December. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=glnc0175.

<sup>82</sup> Meier, B, "Philip Morris Admits Evidence Shows Smoking Causes Cancer," *The New York Times*, October 13, 1999, https://www.nytimes.com/1999/10/13/us/philip-morris-admits-evidence-shows-smoking-causes-cancer.html.

<sup>&</sup>lt;sup>83</sup> Unknown. PM 21 BACKGROUND. 1998 December. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=glnc0175.

paid large sums in class action lawsuits, notably the flight attendants and Florida Engle cases. A particular target of PM 21 was termed "active moms," defined as women with children at home under age 18 who were "socially and politically outgoing and have an influential voice in their community."<sup>84</sup> <sup>85</sup> The plan also explained its multifaceted approach: "No single message moves opinion; layered themes and messages about the reality of PM are needed to shift opinion in a positive direction." Szczypka et al. contributed an excellent review of these campaigns.<sup>86</sup>

Ultimately, the goal of the campaign was to burnish its image so that the company would have credibility to influence decisions that would affect their businesses. Philip Morris consistently positioned itself as "reasonable" and "responsible," and highlighted its charitable works to distract and mislead the public while it looked for ways to protect and expand its tobacco business. As one of their documents stated, taking "aggressive steps to breakthrough the negative stereotypes the public has of PM, its executives and employees" would enable it to "gain a 'seat at the table." This concept that the PM 21 campaign was meant "to get a seat at the table" was echoed a year later, as Philip Morris began discussing changing its corporate name. 88

Similarly, in a memo to employees explaining changes to the company website acknowledging the company's agreement that smoking caused various diseases, PM USA CEO Mike Szymanczyk stated, "We have come to understand that we should pay close attention to the concerns and criticisms of public health authorities -- and that we must be responsive to those concerns. The public expects that from us. ... And we feel it is important for people to know our views so that we may fully participate in future important policy discussions dealing with the regulation of cigarettes, including what would constitute a reduced risk product." 89 90

A survey commissioned to evaluate the PM 21 campaign two years later showed its success at improving public attitudes about the company, with the most change occurring when PM 21 ads ran alongside Philip Morris' ads about the MSA.<sup>91</sup>

In addition, the impact of PM's actions during this time "improve[d] the social acceptability of smoking and perception of tobacco companies, reversing the strides made by tobacco control advocates to deformalize both. This suggests that the 'alignment' was primarily intended to move social norms back into a comfort zone within which tobacco companies could continue business as usual."92

<sup>84</sup> McDaniel PA, Malone RE. Creating the "desired mindset": Philip Morris's efforts to improve its corporate image among women. Women Health. 2009 Jul-Aug;49(5):441-74. doi: 10.1080/03630240903238800. PMID: 19851947; PMCID: PMC2791497.

<sup>85</sup> Rosen J. PM21 advertising media update. February 24, 2000. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=ppkf0049

<sup>86</sup> Szczypka G, Wakefield MA, Emery S, Terry-McElrath YM, Flay BR, Chaloupka FJ. Working to make an image: an analysis of three Philip Morris corporate image media campaigns. Tob Control. 2007;16(5):344-350. doi:10.1136/tc.2007.020412

<sup>87</sup> Unknown. PM21 OVERVIEW. 1998 November 09. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=hzjl0025.

<sup>&</sup>lt;sup>88</sup> JLINDHEIM; LINDHEIM,J. NAME CHANGE. 2000 August 29. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=znnk0057.

<sup>&</sup>lt;sup>89</sup> PMUSA, PHILIP MORRIS USA; SZYMANCZYK,ME. PHILIP MORRIS USA WEBSITE. 2000 October 11. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=qrnk0074.

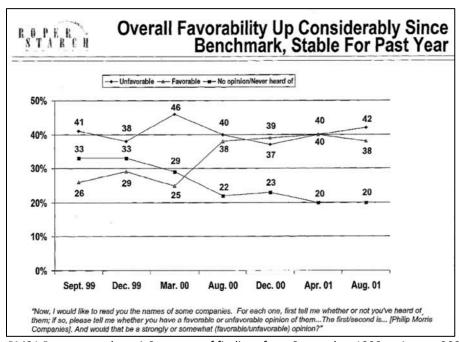
<sup>&</sup>lt;sup>90</sup> Yang, JS & Malone, RE, "'Working to shape what society's expectations of us should be': Philip Morris' societal alignment strategy," *Tobacco Control* 17:391-398, 2008.

<sup>&</sup>lt;sup>91</sup> PM21: Progress to Date A Summary of Survey Findings From September 1999 to August 2001. Roper Starch. 2001 October. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=qhfx0045.

<sup>&</sup>lt;sup>92</sup> Yang, JS & Malone, RE, "'Working to shape what society's expectations of us should be': Philip Morris' societal alignment strategy," *Tobacco Control* 17:391-398, 2008.

While the campaign helped to grow favorability ratings of the company among the general public, the results were not as pronounced among one of the key target groups – opinion leaders – who held a slightly less favorable view of Philip Morris by August 2001.<sup>93</sup> These findings encouraged the company to run ads for the PM 21 campaign simultaneously with another campaign addressing Philip Morris' "responsible actions" on "tobacco marketing and manufacturing."<sup>94</sup>

- Since PM21 inception, PMC has made great strides improving its favorability rating among the general public--from 26% to 38%-and key demographic populations.
- Favorability grew most dramatically between March 2000 and August 2000 waves, a period when both PM21 and MSA ads were running, and the settlement was widely reported. Favorability has generally remained stable since.



Roper Starch PM21 Progress to date. A Summary of findings from September 1999 to August 2001. October 2001. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=qhfx0045

<sup>93</sup> PM21: Progress to Date A Summary of Survey Findings From September 1999 to August 2001. 2001 October. Marketing to Women MSA Collection. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=qhfx0045.

<sup>94</sup> Philip Morris Management Corp. Advertising Agency Brief PM 21: Responsible Tobacco Issues and Messages. 2001 June 11. Marketing to Women MSA Collection. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=ghfx0045.

TARCI	PMC Favorability Up Over Past Two Year Competition Remains at Same								
	Sept. 1999	Dec.	March 2000		Dec. 2000	Apr. 2001	Aug. 2001		
	%	%	%	%	%	%	%		
PMC									
Favorable	26	29	25	38	39	40	38		
Jnfavorable	41	38	46	40	37	40	42		
RJ Reynolds									
Favorable	38	36	36	38	35	38	36		
Unfavorable	27	27	31	30	30	28	30		
Brown & Williamson	G						to the		
Favorable	14	12	11	15	12	14	13		
Unfavorable	34	36	36	33	31	31	31		

Roper Starch PM21 Progress to date. A Summary of findings from September 1999 to August 2001. October 2001. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=qhfx0045

### "Working to Make a Difference: the People of Philip Morris"

Advertisements with the tagline, "Working to make a difference: the People of Philip Morris" ran from October 1999 to December 2001. The campaign included 19 different television commercials, that the average viewer saw approximately six per month. At the time, the company website described: "We're proud of what the 144,000 people of Philip Morris are doing around the world to fight hunger, provide humanitarian assistance, aid victims of domestic abuse and help curb youth smoking. Our advertising helps raise awareness about these important issues and gives people an opportunity to get involved themselves." 95



1999 Philip Morris television public relations advertisement (https://archive.org/details/tobacco\_mdc77c00)

<sup>95</sup> Meltzer MS. Responding to the legitimacy problems of big tobacco: Analysis of the People of Philip Morris image campaign. Responding to the legitimacy problems of big tobacco: An analysis of the "people of Philip Morris" image advertising campaign, Communication Quarterly, 2001; 49:4, 366-381, DOI: 10.1080/01463370109385636









(https://archive.org/details/tobacco\_mdc77c00)

Philip Morris also invested energy in getting their own employees on board with PM 21,<sup>96</sup> but even so, the employees greeted the campaign with skepticism.<sup>97</sup>

### Philip Morris "Franchise Advertisements" published under the title "Tobacco Today"

In the wake of the 1998 Master Settlement Agreement, Philip Morris launched a series of advertorials in 2000 that it termed internally as "franchise advertisements" intended to shape public opinion on issues related to the settlement. A February 16, 2000 press release stated: "These ads are part of our company's ongoing commitment to communicate more openly, honestly and directly with the American people about tobacco-related issues." It went on to say: "The ads will run on a regular basis in a number of daily newspapers around the country including the New York Times, Wall Street Journal, Washington Post and USA Today, as well as dailies in other major cities around the country."

<sup>96</sup> https://archive.org/details/tobacco\_mdc77c00, https://www.youtube.com/watch?v=d7ccpkpTbU8

<sup>97</sup> McDaniel PA, Malone RE. "What Is Our Story?" Philip Morris's Changing Corporate Narrative. Am J Public Health. 2015 Oct;105(10):e68-75. doi: 10.2105/AJPH.2015.302767. Epub 2015 Aug 13. PMID: 26270280; PMCID: PMC4566529.

<sup>98</sup> Merlo,E. FRANCHISE ADS. 2000 February 04. Philip Morris Records; https://www.industrydocuments.ucsf.edu/docs/ykvk0054

<sup>&</sup>lt;sup>99</sup> PHILIP MORRIS U.S.A LAUNCHES NEWSPAPER ADVERTISING COMPANY SEEKS OPEN DIALOGUE WITH AMERICAN PEOPLE. 2000 February 16. https://www.industrydocuments.ucsf.edu/docs/jgwj0172

Below are four examples of Philip Morris's 2000 "Tobacco Today" Campaign. 100 101 102 103 Two advertorials, "A Closer Look @ The Tobacco Agreement" and "Change Tobacco," addressed the provisions of the 1998 Master Settlement Agreement, evidently countering criticism that the company was not adhering to its provisions. In them, Philip Morris claimed its intention: "... to demonstrate our commitment to following it in letter and spirit" and that it is a: "responsible company in a changing world."

In "Smoke in Public Places," it opined: "There are some who would like to prohibit all public place smoking. But we believe that most people seek constructive answers in ways that respect everyone's choices and preferences." In "Kids and Tobacco," it opined: "At Philip Morris, USA we are committed to dealing responsibly with the complex problem of underage smoking. There is no single, simple answer to this issue." Two decades later, Altria's Marlboro remains the #1 youth initiation cigarette in the US.

<sup>&</sup>lt;sup>100</sup> SMOKE & PUBLIC PLACES. 2000 February. Philip Morris Records; Master Settlement Agreement. Unknown. https://www.industrydocuments.ucsf.edu/docs/lkvk0054

<sup>&</sup>lt;sup>101</sup> A CLOSER LOOK AT THE TOBACCO AGREEMENT. 2000 February. Philip Morris Records; Master Settlement Agreement. Unknown. https://www.industrydocuments.ucsf.edu/docs/kkvk0054

<sup>&</sup>lt;sup>102</sup> KIDS & TOBACCO. 2000 February. Philip Morris Records; Master Settlement Agreement. Unknown. https://www.industrydocuments.ucsf.edu/docs/jkvk0054

<sup>103</sup> CHANGE & TOBACCO. 2000 February. Philip Morris Records; Master Settlement Agreement. Unknown. https://www.industrydocuments.ucsf.edu/docs/mkvk0054

## SMOKE

## PUBLIC PLACES

One of the controversial issues concerning tobacco has been the problem of cigarette smoke in public places.

We know that environmental tobacco smoke (often referred to as "secondhand smoke," "passive smoke" or "ETS") can be unpleasant and annoying, and that many people believe that it presents a health risk to non-smokers. That is why we strongly support—through a variety of actions and programs—options designed to minimize unwanted ETS, while still providing adults with pleasant and comfortable places to smoke.

We have a national initiative called OPTIONS, which helps balled OPTIONS, which helps business owners create comfortable environments by providing information about ventilation, floor plan design and other improvements. Business owners can consult with experts free of charge to help find the option that can best work for them and all their customers.



The resources offered by OPTIONS have been helpful to many restaurants, airports and other hospitality establishments. Just one example is Sam & Harry's, a steak house in Tyson's Corner, Virginia, where ventilation improvements allow the restaurant to accommodate both non-smoking and smoking customers.

Other examples, which can be found throughout the country, help make the point that there are approaches that can provide comfortable environments for everyone.

There are some who would like to prohibit all publicplace smoking. But we believe that most people seek constructive answers in ways that respect everyone's choices and preferences.

For more information about our OPTIONS initiative, please visit our Web site at www.philipmorrisusa.com or call 1-800-929-1414.

TOBACCO TODAY one in a series

Philip Morris USA

2000 Philip Marris Inc

# KIDS

## TOBACCO

Kids should not smoke. Nor should they have access to tobacco products. We believe there is broad agreement on this important issue.

At Philip Morris USA, we are committed to dealing responsibly with the complex problem of underage smoking. There is no single, easy answer to this issue. Many experts suggest the best way to address underage smoking is through broad-based, integrated appreaches that include communications, education, community involvement and access prevention.

As part of our commitment to play a role in reducing underage smoking, we have created a Youth Smoking Prevention Department whose sole purpose is to develop and support programs to help reduce the incidence of youth smoking. We've dedicated significant resources—over \$100 million last year—toward initiative based on the year—toward initiative based on the initiative significant these initiative significant these initiatives in the program of the progr

Our effort includes support for school-based programs, one of which has been recognized for prevention excellence by the National Centers for Olsease Control and Prevention and other national organizations. We're also running national advertising campaigns: one that encourages kids not to smoke, and one that urges parents to talk to their kids about not smoking.

To help prevent minors' access to tobacco products, we support and help tind the Coalition for Responsible Tobacco Retailing's nationwide "We Card" retailer education and training program. This effort has helped train one 500,000 retail store employees to reject attempted purchases by minors.

Working to help prevent youth smoking is important and It's the right thing to do for our company and for our employees. It's also the right thing to do on behalf of our shareholders and our adult customers. Everyone has a stake in solving the problem of underage smoking. At Philip Morris USA, we are working to help find answers.

For more information about our youth smoking prevention efforts, visit our Web site at www.philipmorrisusa.com. If you don't have Internet access, please call 1-877-PMUSAWEB.

TOBACCO
TODAY
one in a series

Philip Morris USA

brood Philly Morris (in

# CHANGE

## TOBACCO

At the end of 1998, Philip Morris USA, along with other major tobacco companies, reached an unprecedented agreement that fundamentally changed how tobacco is marketed, promoted and advertised in the United States.

Among other things, the agreement imposes numerous restrictions identified by the public health community as measures that are aimed at reducing the use of tobacco products by minors.

The changes brought about by the agreement are consistent with our goal to responsibly market our products to adults who choose to smoke. You've probably noticed some of the more visible changes, like the removal of our tobacco advertising on bill-boards; but there have also been other significant changes.

That is why we're here, in this space, in this publication: to share with you in the coming months the changes that have taken place, and the things



TOBACCO TODAY one in a series Philip Morris USA is doing to address tobacco-related issues.

Our purpose is not to debate, but instead to open a dialogue. For instance, we want to help address the problem of underage smoking and the issue of cigarette smoke in public places.

We believe we have a role to play as society addresses tobacco-related issues, and we'd like to let you know what our company is doing.

One thing is clear: the changes brought about by the Master Settlement Apprenent—as well as other initiatives we are undertaking that go beyond the agreement—provide us with an opportunity to move forward and resolve tobacco-related issues.

We believe opening this dialogue will help bring us more in accord with public expectations of a responsible company in a changing world. For more information, visit our Web site at www.philipmorrisusa.com. If you don't have internet access, please call 1-977-PMUSAWEB.

Philip Morris USA

# A CLOSER LOOK



THE TOBACCO AGREEMENT

It has been more than a year since Philip Morris USA and the other major tobacco companies entered into the Master Settlement Agreement (MSA) with the states' attorneys general, an agreement that deals with many of the lases surremption schances.

Issues surrounding tobacco.

We believe that it is important for the public to understand how—in addition to addressing a number of other hours—this historic agreement changed the way tobacco is marketed, advertised and promoted in this country.

moted in this country.

Philaps the most visible change is the removal of tobacco advertising from billboards in the United States. The goal of this provision is to limit the exposure of sich to tobacco advertising, a step defined by the public health community as a way to help

reduce the incidence of youth smoking.
At Philip Morris USA, we have worked hard to implement the many provisions of the agreement and to demonstrate our commitment to following it in letter and spirit. We continue to do so.

We realize there are some who question our correlitment. All we ask is that we be judged by our actions.

Our goal is to be the most responsible and respected developer, manufacturer and mainketer of tobacco products for adults who choose to smoke. We are supporting positive youth development programs and producing advertising designed to flelp prevent youth smoking.



And now that the states are beginning to receive the proceeds of the settlement, we are actively working to encourage state legislators to spend a significant portion on programs that will help prevent youth smoking.

The MSA dictates many changes,

some of which are highlighted below. At Philip Morris USA, we fully support this agreement, its objectives and the rising changes it brings to our industry. We will continue to work to fulfill (is purpose.

For more information about our programs and marketing standards, please visit our Web site at www.philipmorrisusa.com.

If you don't have Internet access please call 1-877-PMUSAWEB.

#### MSA HIGHLIGHTS

- Bans all transit and billboard advertising of tobacco products.
- Bans the distribution of apparel and other non-tobacco merchandise with brand names or logos: caps, T-shirts, buckpacks and more
- Prohibits brand-name sponsorship of concerts and events with a significant youth audience
- Bans payments for the use of tobac co products in movies, televisio shows and theater productions
- Restricts the distribution of free samples
- Provides for payments of billions of dollars to the states over the next 25 years

TODAY
one in a series

Philip Morris USA

TOBACCO

www.philipmor

07000 Paine Morris Inc

## Publication List for the "Tobacco Today" campaign, 2000.

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
Week of	14-Feb	21-Feb	28-Feb	6-Mar	13-Mar	20-Mar
Publication						
(Weekly Magazines)		T				<u> </u>
Congressional Quarterly	X	Change	YSP	Closer Look	Public Places	Change
The Hill	Х	Change	Closer Look	YSP	Change	Closer Look
National Journal	X	Change	YSP	Closer Look	YSP	Public Place
Roll Call	X	Change	Closer Look	YSP	Public Places	YSP
(National Newspapers)		<u> </u>				
USA Today	Change	YSP	Closer Look	Change	Public Places	YSP
Washington Times	Change	Closer Look	YSP	Closer Look	Change	Public Place
Wall Street Journal	Change	YSP	Closer Look	YSP	Public Places	Change
New York Times	Change	Closer Look	YSP	Change	YSP	Public Place
(Top 10 Markets)						
New York Post	Change	YSP	Closer Look	YSP	Public Places	Closer Look
Washington Post	Change	Closer Look	YSP	Change	Public Places	Change
Los Angeles Times	Change	YSP	Closer Look	YSP	Change	Public Place
Chicago Tribune	Change	Closer Look	YSP	Change	Closer Look	YSP
Philadelphia Inquirer	Change	YSP	Closer Look	YSP	Public Places	Change
San Fransisco Chronicle	Change	Closer Look	YSP	Change	Closer Look	Public Place
Boston Globe	Change	YSP	Closer Look	YSP	Change	Closer Look
Dallas Morning News	Change	Closer Look	YSP	Closer Look	Public Places	YSP
Detroit Free Press	Change	YSP	Closer Look	Change	YSP	Public Place
Atlanta Journal & Constitution	Change	Closer Look	YSP	Closer Look	Change	YSP
(Other Markets)						
Phoenix Republic	Change	YSP	Closer Look	Change	Public Places	YSP
Sacramento Bee	Change	X	YSP	X	Closer Look	X
Denver Post	Change	X	Closer Look	X	YSP	X
Monitor (Concord, NH)	Change	X	YSP	X	Closer Look	X
Trentonian	Change	X	Closer Look	X	YSP	X
Albany Times Union	Change	Closer Look	YSP	Change	Public Places	Closer Look

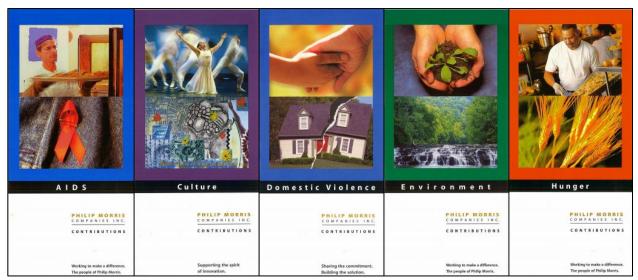
(https://www.industrydocuments.ucsf.edu/docs/nkvk0054)

#### Philanthropy Advertising of Philip Morris

Philip Morris ran "philanthropy advertisements" from 1998 to 2001 intended to burnish their tarnished corporate image by announcing its generosity and concern for various (nontobacco) causes. Ironically, the company spent more on the advertising of the philanthropy than on the philanthropy itself. A promotional video trumpeting Philip Morris philanthropy, indicative of the campaign's themes is available. Commenting upon the numerous contributions of the Sackler family, notorious for its central role in the opioid crisis, in his book, Empire of Pain: The Secret History of the Sackler Family, Patrick Keefe describes: "Philanthropy was not charity, it was a business deal." Similarly, for Philip Morris its gifts were an investment with an anticipated return of considerable value.

As Szczypka et al. described: "The ads emphasize Philip Morris's support for community organizations through monetary and volunteer contributions. The ads portray Philip Morris as a corporate hero, feeding the elderly, providing shelter for battered women, keeping kids from buying cigarettes, delivering water to hurricane survivors and providing food to war refugees. By prominently featuring Philip Morris and associating the company with good corporate works, the ads appear to counter the public perception of Philip Morris as an evil doer." 106

A retrospective review of the impact of the PM 21 campaign, based upon internal company documents, showed that the corporate philanthropy, and its media promotion, "favorably influenced perceptions and paid legislative dividends." <sup>107</sup>



Big Tobacco in the Big Apple. The University of Alabama Center for the Study of Tobacco and Society. (https://csts.ua.edu/btba/philanthropy/pm-cos/)

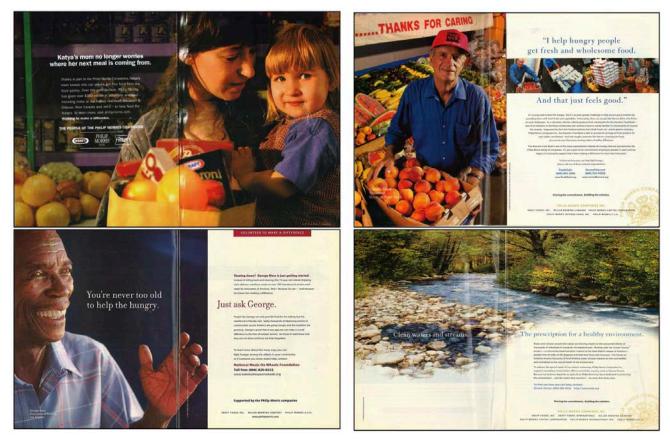
<sup>105</sup> Keefe P. Empire of Pain: The Secret History of the Sackler Family. Doubleday New York 2021.

<sup>104 (</sup>https://www.youtube.com/watch?v=d7ccpkpTbU8)

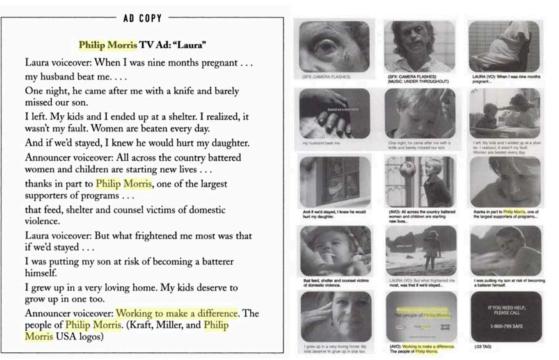
<sup>&</sup>lt;sup>106</sup> Szczypka G, Wakefield MA, Emery S, Terry-McElrath YM, Flay BR, Chaloupka FJ. Working to make an image: an analysis of three Philip Morris corporate image media campaigns. Tob Control. 2007;16(5):344-350. doi:10.1136/tc.2007.020412

<sup>&</sup>lt;sup>107</sup> Tesler LE, Malone RE. Corporate philanthropy, lobbying, and public health policy. Am J Public Health. 2008 Dec;98(12):2123-33. doi: 10.2105/AJPH.2007.128231. Epub 2008 Oct 15. PMID: 18923118; PMCID: PMC2636524.

#### Examples of Philip Morris corporate philanthropy advertisements



Storyboard for Philip Morris "Laura" victim of domestic violence television advertisement (October 1999) – part of corporate philanthropy public relations advertising



(https://www.industrydocuments.ucsf.edu/docs/fsxd0074)

#### Philip Morris Youth Smoking Prevention (YSP) campaign (1999-2003)

In attempt to appear proactive in stopping youth smoking, Philip Morris developed a Youth Smoking Prevention (YSP) campaign, which combined public relations advertisements and the youth-targeted "antismoking" advertisements. Its youth ads have been heavily criticized as they do not spell out the serious consequences of smoking. None of the Philip Morris youth tobacco education advertisements mention either addiction or serious health impacts.

The company was well aware of the intentional limitations of its program. In testimony in 1998, Carolyn Levy, Philip Morris's Director of Youth Smoking Programs revealed that its youth prevention messaging was not actually meant to prevent smoking, but rather delay smoking initiation until 18.<sup>109</sup> Ultimately, the YSP program was found to have no impact on youth smoking, and its messaging supposedly aimed at parents was actually associated with stronger intentions to smoke in the future among youth, particularly older teens.<sup>110</sup>



(https://www.youtube.com/watch?v=d7ccpkpTbU8)

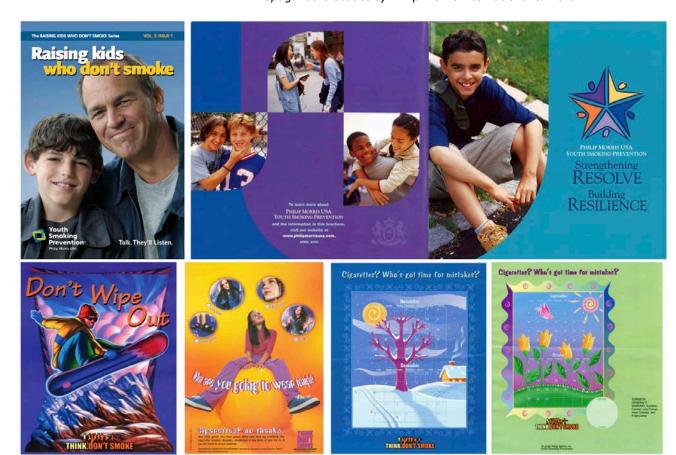


(https://www.youtube.com/watch?v=M6PSaZEchNo)

<sup>&</sup>lt;sup>108</sup> Biener L. Anti-tobacco advertisements by Massachusetts and Philip Morris: what teenagers think. Tob Control. 2002 Jun;11 Suppl 2(Suppl 2):ii43-6. doi: 10.1136/tc.11.suppl 2.ii43. PMID: 12034981; PMCID: PMC1766071

<sup>&</sup>lt;sup>109</sup> Wakefield, M, McLeod, K, & Perry, C, "'Stay away from them until you're old enough to make a decision': tobacco company testimony about youth smoking initiation," *Tobacco Control* 15(Suppl IV):iv44–iv53, 2006.

<sup>&</sup>lt;sup>110</sup> Wakefield, E, et al., "Effect of Televised, Tobacco Company–Funded Smoking Prevention Advertising on Youth Smoking-Related Beliefs, Intentions, and Behavior," American Journal of Public Health 96:2154–2160, 2006.



(https://tobacco.stanford.edu/antismoking/industry-sponsored/philip-morris/)



Note that the cool-looking snowboarder in sunglasses rides a board that looks like a match on a background of billowing smoke and bundles of leaves which look like tobacco. Laden with subliminal messages, this illustrates why tobacco companies should never have a role in youth education.

In a 2001 segment on Philip Morris' youth prevention advertisements, CBS News mentioned that these book covers were "part of 26 million produced last year for the cigarette maker and sent free to 43,000 schools nationwide," and students and teachers complained about them.<sup>111</sup>

<sup>111</sup> Cigarette Maker Under Fire. CBS News. January 4, 2001 https://www.cbsnews.com/news/cigarette-maker-under-fire/

#### IV. Philip Morris International's Campaign for a "Smoke-Free Future" (2017-Date)

#### **Key Messages in PMI SFF Campaign:**

- PMI cares about the health of smokers
- PMI is investing a huge amount of money in developing and promoting innovative nicotine products
- PMI's heated tobacco product (IQOS) is a disruptive innovation
- PMI science is trustworthy and accurate, while the science of its critics is misinformation
- Regulators and legislators should clear a path for PMI to promote its emerging nicotine products.
- The public should admire and be grateful for the great work PMI is doing to enhance the public health

#### **PMI SFF Campaign Methods for Undermining Science:**

In a 2017 paper, Moodie categorized "Unhealthy Industry Tactics" in undermining science which was heavily influenced by Oreskes and Conway's 2010 book Merchants of Doubt. 112 113 The categories aptly describe PMI's approach used in its SFF campaign.

- Attack legitimate science
- Manufacture false debate and insist on balance
- Frame key issues in highly creative ways
- Fund industry disinformation campaigns
- Create arms-length front organizations
- Influence the political agenda

#### **Timeline for PMI Public Relations Campaigns 2017 to 2021:**

2014	PMI year 10 Year Corporate Affairs Objectives and Strategies lays out the goals
2017 September	"Foundation for a Smoke-Free World" launched
2018 January	PMI announces its goal to "Give up cigarettes."
2018 October	"Hold My Light" campaign (UK)
2019 April	"Unsmoke Your World" campaign
2019 December	"It's Time" campaign
2020 January	"Unsmoke Your Mind" campaign

#### "Foundation for a Smoke-Free World"

In September 2017, PMI launched what it dubbed the "Foundation for a Smoke-Free

<sup>112</sup> Moodie AR. What public health practitioners need to know about unhealthy industry tactics. Am J Public Health 2017; 107:

<sup>&</sup>lt;sup>113</sup> Oreskes N, Conway EM. Merchants of Doubt. New York, NY: Bloomsbury Press; 2010.

World" (FSFW). 114 115 116 117 118 Though it is set up as a foundation to provide funding for various research aims and activities, it has acted more like a public relations platform that allows the company to filter certain messaging through them. The core messaging consists of "We're giving up cigarettes" and "A tobacco company that actually cares about health." The company pledged to spend \$1 billion over 12 years, \$80 million per year, purportedly to support tobacco harm reduction by accelerating research into alternatives to cigarettes. The press release announcing its launch in 2017 asserted, "The Foundation for a Smoke-Free World is an independent, non-profit organization dedicated to accelerating global efforts to reduce deaths and harm from smoking, with the ultimate goal of eliminating smoking worldwide." 119 The term "independent" is inaccurate as its sole funder is PMI and its communications and activities all support the company's corporate public relations narrative in support of PMI's business interests. 120



The Foundation for a Smoke-Free World, Inc. (FSFW or the Foundation) is an independent, nonprofit, tax-exempt, private foundation committed to reducing deaths and diseases caused by smoking. Our mission is to end smoking in this generation. To achieve this goal on a truly global scale, we strive to identify and address the unique needs of the developing world as they relate to tobacco cessation and harm reduction.

https://www.smokefreeworld.org/press-room/

PMI hired Derek Yach, former executive director of the World Health Organization (WHO) as the President of the FSFW. While at the WHO, Yach had led development of its first treaty, the Framework Convention on Tobacco Control. According to FSFW IRS form 990, Yach received

<sup>114</sup> https://www.smokefreeworld.org

<sup>&</sup>lt;sup>115</sup> Global foundation launches to accelerate and end to smoking. Philip Morris International. September 13, 2017. (https://www.smokefreeworld.org/newsroom/global-foundation-launches-accelerate-end-smoking/)

<sup>&</sup>lt;sup>116</sup> Media Advisory: Foundation forming to eliminate smoking worldwide. PMI. September 25, 2017. (https://web.archive.org/web/20170925125451/https://www.smoke-freeworld.org/newsroom/media-advisory-foundation-forming-eliminate-smoking-worldwide)

<sup>&</sup>lt;sup>117</sup> Jackler RK, Ramamurthi D, Axelrod AK, Jung JK, Louis-Ferdinand NG, Reidel JE, Yu AWY, Jackler LM, Chau "Global Marketing of IQOS: The Philip Morris Campaign to Popularize "Heat-Not-Burn" Tobacco." SRITA White Paper (313 pages) Stanford University.

<sup>(</sup>https://tobacco-img.stanford.edu/wp-content/uploads/2021/07/21231822/IQOS\_Paper\_2-21-2020F.pdf)

Myers ML, Kovak R. Commentary: Philip Morris Says It Wants to Quit Cigarettes. But It's Just Blowing Smoke. Fortune.
 January 5 2018. (https://fortune.com/2018/01/05/philip-morris-international-quit-smoking-cigarettes-tobacco/)
 Global Foundation Launches To Accelerate An End To Smoking. September 13, 2017.

<sup>(</sup>https://www.smokefreeworld.org/newsroom/global-foundation-launches-accelerate-end-smoking/)

<sup>&</sup>lt;sup>120</sup> Cohen JE, Gilmore AB, Legg T, et al. Editorial: The Foundation for a Smoke-Free World—even less independent from its tobacco company funder. Lancet. August 10, 2021.

compensation totaling \$985,134 in 2019, an uncommonly high level of compensation for a not-for-profit charitable foundation. In October 2021, the Foundation Board announced Yach's departure. It is revealing that Yach's interim replacement as foundation leader will be the organization's General Counsel and Chief Financial Officer, rather than a public health expert. In a 2017 editorial in an issue of Lancet containing articles critical of PMI FSFW, Yach defended the Foundation, explaining: "Our intent is to fund and support outstanding scientists and research, and then convene and support consensus-building on the policy implications of the science." 124

Sixteen years earlier, in 2001, as an official of the WHO, Yach wrote a strongly worded article in the prestigious American Journal of Public Health titled, "Junking Science to Promote Tobacco," in which he opined: "The goal of the tobacco industry's 'scientific strategy' was not to reveal the truth but to protect the industry from loss of revenue and to prevent governments from establishing effective tobacco control measures." <sup>125</sup> Yach commented that the tobacco industry maintains a: "…list of people who could write op-ed pieces on 'junk science,' defending the industry's views." Once a steadfast critic of tobacco-sponsored science, Yach came to lead a large-budget, tobacco-sponsored research program with attributes he so roundly criticized earlier in his career. The quotation below from Yach's 2001 regarding the industry funding "front groups" is especially ironic.

"In addition to creating front groups and contributing funds to groups that have a mission broad enough to carry some of the tobacco industry's goals, the tobacco companies also use publications by allegedly independent think tanks. . ."

"There are many groups and consultants who were funded by the industry, both directly and through subsidiary companies, and who provided the tobacco industry with ample material, in the form of testimony, reports, and other publications, to fight tobacco policy and regulations."

An April 2021 article in the British Medical Journal titled, "Paying lip service to publication ethics: scientific publishing practices and the Foundation for a Smoke-Free World," described breaches in publication ethics, notably lack of transparency regarding conflicts of interest, on the part of PMI's SFW leadership and its researchers, in their attempts to publish their company commissioned reports. 126 It concludes that: "FSFW and its grantees have resorted to repeated obfuscation when publishing their science. FSFW staff have failed to act transparently and arguably have sought control over editorial processes (at times facilitated by PR firm, Ruder Finn)."

<sup>121</sup> FOUNDATION FOR A SMOKE-FREE WORLD, INC. 2020 FORM 990-PF. (https://www.smokefreeworld.org/wp-content/uploads/2021/05/FSFW 2020-FINAL-Form-990-PF Public-Inspection-Copy.pdf)

<sup>&</sup>lt;sup>122</sup> McGrady M. Derek Yach Leaves PMI-Funded Foundation for a Smoke-Free World. Vaping Post November 12, 2021.

<sup>(</sup>https://www.vapingpost.com/2021/11/12/derek-yach-leaves-pmi-funded-foundation-for-a-smoke-free-world/) <sup>123</sup> Foundation for a Smoke-Free World. Foundation for a Smoke-Free World Announces Leadership Transition. October 25.

<sup>&</sup>lt;sup>123</sup> Foundation for a Smoke-Free World. Foundation for a Smoke-Free World Announces Leadership Transition. October 25, 2021. (https://www.smokefreeworld.org/newsroom/leadership-transition/)

<sup>124</sup> Yach D. Foundation for a smoke-free world. Lancet, 390 (2017), pp. 1807-1810

<sup>125</sup> Yach D, Bialous SA. Junking science to promote tobacco. Am J Public Health 2001;91:1745-8.

Legg T, Legendre M, Gilmore AB. Paying lip service to publication ethics: scientific publishing practices and the Foundation for a Smoke-Free World. Tob Control. 2021 Apr 28:tobaccocontrol-2020-056003. doi: 10.1136/tobaccocontrol-2020-056003. Epub ahead of print. PMID: 33911028.

PMI's creation of its FSFW is hardly a new phenomenon. The tobacco industry has a long history of setting up purportedly independent, third-party research organizations to produce "research" narratives in support of their business interests. A particularly well-known example is the ignominious Tobacco Industry Research Committee (TIRC), formed by a consortium of leading tobacco companies in 1954, which was managed by the public relations firm Hill & Knowlton. One of its first acts was to publish its "Frank Statement to Cigarette Smokers," which systematically denied the adverse health consequences of smoking (see Section III). As Brandt succinctly put it: "Hill & Knowlton had successfully produced uncertainty in the face of a powerful scientific consensus" and "Had turned tobacco science into yet one more political controversy on which people could differ." Other examples include the Tobacco Institute (founded 1958) and the Center for Indoor Air Research (CIAR) (founded 1988). 129 130 131 132 The 1998 MSA required dissolution of these entities.

In her 2006 final opinion for the RICO case against the major tobacco companies, Judge Kessler described a brochure from the Tobacco Institute: "In or about 1987, a Tobacco Institute brochure called "Tobacco Smoke and The Nonsmoker: Scientific Integrity at The Crossroads" which asserted: "The tobacco industry is therefore devoting substantial resources to the investigation of indoor air quality generally and to the ways in which particular constituents of indoor air -- including tobacco smoke -- may affect human health." 2025364951-5007 at 4954 (US 22173)." But then concluded: "These public promises were intended to deceive the American public into believing that there was no risk associated with passive smoking and that Defendants would fund objective research to find definitive answers. Instead, over the decades that followed, Defendants took steps to undermine independent research, to fund research designed and controlled to generate industry favorable results, and to suppress adverse research results." Her words are still relevant today.

Cohen, Zeller, and co-workers suggested a series of criteria for ethical acceptance of tobacco industry funding of research including: Governance separate from the funder, transparency and independence, competitive funding process, protection against conflicts of interest, and inhibition of industry public relations. While the FSFW put out a press release claiming that they met all of these criteria, the Foundation's practices make it clear that it has

<sup>&</sup>lt;sup>127</sup> Proctor RN. Golden Holocaust: Origins of the cigarette catastrophe and the case for abolition. 2011. Berkeley: University of California Press.

<sup>&</sup>lt;sup>128</sup> Brandt AM. Inventing conflicts of interest: A history of tobacco industry tactics. AJPH 2012, 102, 63-71.

Difranza JR, McAfee T. The Tobacco Institute Helping Youth Say Yes to Tobacco J Fam Pract. 1992 June;34(6) https://cdn.mdedge.com/files/s3fs-public/jfp-archived-issues/1992-volume\_35/June%201992/JFP\_1992-06\_v34\_i6\_the-tobacco-institute-helping-youth-say.pdf

<sup>&</sup>lt;sup>130</sup> Bazell RJ. Smoking dogs: tobacco institute tries to discount cancer studies. Science. 1970 Oct 30;170(3957):515. doi: 10.1126/science.170.3957.515. PMID: 5507202.

<sup>131</sup> Tobacco Control Research Group. Center for Indoor Air Research (CIAR): University of Bath, 2020. https://tobaccotactics.org/wiki/center-for-indoor-air-research-ciar/

<sup>&</sup>lt;sup>132</sup> Barnes DE, Bero LA. Industry-funded research and conflict of interest: an analysis of research sponsored by the tobacco industry through the Center for Indoor Air Research. J Health Polit Policy Law. 1996 Fall;21(3):515-42. doi: 10.1215/03616878-21-3-515. PMID: 8784687.

<sup>&</sup>lt;sup>133</sup> Kessler Opinion, pp. 1265-1266.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf) <sup>134</sup> Kessler Opinion, p. 1266.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

135 Cohen JE, Zeller M, Eissenberg T, et al. Criteria for evaluating tobacco control research funding programs and their

application to models that include financial support from the tobacco industry. Tob Control 2009; 18: 228–34.

not met any of the core criteria. 136

A series of critical analyses of the practices of the FSFW have been published. A review of the Foundation's 2018 tax filing showed that in that year it spent some \$6M on two public relations firms. The fact that the FSFW spent more on PR than science supports the widespread criticism that the Foundation was intended as a conduit for PMI PR rather than scientific inquiry. A 2021 review of the FSFW's research funding found that FSFW's researchers repeatedly failed to disclose their ties to the tobacco industry. In addition, FSFW sought to fund entire journal issues in order to find pliant vehicles to publish its commissioned research, with the content under the control of the Foundation and without disclosing the tobacco industry connections to the journal Editor. According to Legg: "There are situations where Philip Morris International's funding flows down through different layers; grantees of grantees of grantees. We cannot expect editors to spend inordinate amounts of time trying to establish who is associated with the tobacco industry and who is not." 136

Globally, hundreds of public health organizations have taken a clear stance rejecting collaboration with the FSFW. It seems clear that PMI's SFF campaign is not focused upon smoking cessation, but rather legitimizing and promoting alternative nicotine delivery systems, such as its IQOS heated tobacco and their e-cigarette brands VEEV and STEEM. The WHO put out this statement on FSFW: This decades-long history means that research and advocacy funded by tobacco companies and their front groups cannot be accepted at face value. When it comes to the Foundation for a Smoke-Free World, there are a number of clear conflicts of interest involved with a tobacco company funding a purported health foundation, particularly if it promotes sale of tobacco and other products found in that company's brand portfolio. WHO will not partner with the Foundation. Governments should not partner with the Foundation and the public health community should follow this lead." 143

As PMI remains active in undermining policies intended to reduce cigarette use, many public health advocates believe that the company created the Foundation as a public relations measure to burnish its image while promoting IQOS. If PMI were serious about achieving a "smoke-free world," it would halt its aggressive worldwide marketing of Marlboro cigarettes and its other major combustible tobacco brands, and curtail its generously funded political lobbying efforts to suppress research-driven governmental actions proven to protect public health.

<sup>&</sup>lt;sup>136</sup> Foundation for a Smoke-Free World. Eight criteria from Cohen, et al. for accepting tobacco industry funding, compared to the governance of the Foundation for a Smoke-Free World 2020.

https://www.smokefreeworld.org/sites/default/files/uploads/careers/fsfw\_cohen\_criteria\_061118\_v1.2.pdf

137 Legg T, Peeters S, Chamberlain P, Gilmore AB. The Philip Morris-funded Foundation for a Smoke-Free World: tax return
sheds light on funding activities. Lancet. 2019 Jun 22;393(10190):2487-2488. doi: 10.1016/S0140-6736(19)31347-9.
Epub 2019 Jun 6. PMID: 31178156.

<sup>&</sup>lt;sup>138</sup> Legg T, Legendre M, Gilmore AB. Paying lip service to publication ethics: scientific publishing practices and the Foundation for a Smoke-Free World. Tobacco Control 2021;30:e65-e72.

<sup>&</sup>lt;sup>139</sup> Burki TK. Conflicts of interest in tobacco industry-funded research. Lancet Oncology 22: 758.

<sup>&</sup>lt;sup>140</sup> Tobacco Tactics: Foundation for a Smoke-Free World. (https://tobaccotactics.org/wiki/foundation-for-a-smoke-free-world/)

<sup>141</sup> Addiction at any cost. Philip Morris International uncovered. (https://exposetobacco.org/wp-content/uploads/STOP\_Report\_Addiction-At-Any-Cost.pdf)

<sup>&</sup>lt;sup>142</sup> Tobacco Free Kids: Philip Morris funded Foundation for a Smoke-Free World. (https://www.tobaccofreekids.org/what-we-do/industry-watch/pmi-foundation)

<sup>143</sup> WHO Statement on Philip Morris funded Foundation for a Smoke-Free World. September 28, 2017. https://www.who.int/news/item/28-09-2017-who-statement-on-philip-morris-funded-foundation-for-a-smoke-free-world

#### PMI's Long-Term Planning for its Public Relations Campaign

A 2014 PMI internal 10-year Corporate Affairs Objectives and Strategies document laid out the plan for its public relations campaign. While the "Smoke-Free Future" campaign would superficially appear to undermine the products that account for the vast majority of its profitability (i.e., cigarettes), its ultimate goal would be to "maximize commercial opportunities and grow market share." While this focus should be expected for a for-profit corporation, the method of doing so is derived directly from the tobacco industry 20<sup>th</sup> century propaganda playbook. The key focus of the anticipated campaign was to normalize nicotine addiction, undermine legitimate science, and to create false narrative designed to rehabilitate PMI into a credible and trusted corporation.

#### PMI's 10-year Corporate Affairs Objectives and Strategies (2014):

"Establish a purpose statement for PMI that's forward looking, motivational and credible"

"Establish PMI as a trusted and indispensable partner"

"Make 'Normalization' a PMI priority and imbed this mindset into the organization"

"Expose double standards of anti-tobacco opponents"

"Correct the record and misinformation"

"Amplify voices of "harm reduction" supporters vs. "prohibitionists"

"Reshape the regulatory environment to allow brand differentiation in order to maximize commercial opportunities and grow market share"

"Be "for" something: Establish a positive and proactive platform from which to define PM and our purpose as a company"

Philip Morris International: 10 year Corporate Affairs Objectives and Strategies: 2014 (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=flpp0230)

#### PMI Smoke-Free Future Advertorials:

PMI's advertorials have carried at least four major themes: "Smoke-Free Future," "Unsmoke," "It's Time," and "Hold My Light." Considering both its proliferative newspaper advertising and extensive web and social media presence, PMI's SFF campaign has almost certainly become the most prolific advertorials campaign of all time, eclipsing even the numerous RJ Reynolds Project Breakthrough Advertorials of 1994-5.

Below is a thematically organized list of some PMI advertorial titles (2017-2021) run in major newspapers such as the New York Times, Washington Post, Wall Street Journal, and Boston Globe in both their print and digital forms. In this section, representative examples will be analyzed in detail while other samples are placed in an appendix to this white paper.

#### **Giving Up Cigarettes:**

- A tobacco company that actually cares about health. How did that happen?
- We're moving away from cigarettes. What about you?
- Our New Year's resolution we're trying to give up cigarettes
- #It's time to Unsmoke
- Collaboration is needed to end smoking
- We're delivering better choices
- It has taken us twenty years, but a smoke-free future looks like it's becoming a smoke-free reality.

#### Innovation:

- Let's talk: Disruptive innovation and science can create a Smoke-free world
- Innovation driving progress to a smoke-free future
- Inclusion and innovation drive real progress

#### Science:

- Embracing science for better: If not now, when
- Uniting through science
- Transparency is the gateway to a better future
- Let's talk: Disruptive innovation and science can create a smoke-free world.

#### Misinformation: Fact vs. fiction:

- Deciphering fact from fiction to solve today's most pressing issues
- Lost amid misinformation: Real people, real science, real progress

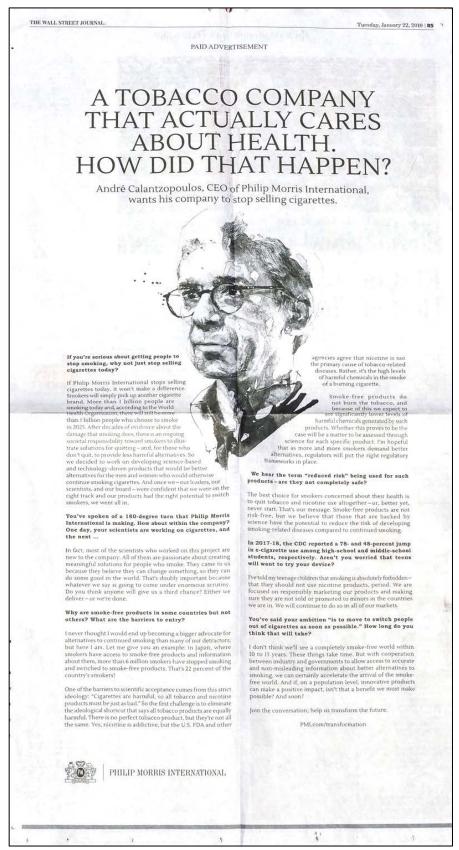
#### **Inclusion & Diversity:**

Inclusion and diversity strategies aren't about ticking boxes – here's why

#### Hate:

Disarm Hate, embrace dialog

#### A tobacco company that actually cares about health. How did that happen?



André Calantzopoulos, PMI CEO. Wall Street Journal. January 22, 2019

#### Analysis of select statements:

"A tobacco company that actually cares about health. How did that happen?"

Comment:

Simple answer – it never happened. Both PMI and Altria continue to heavily promote their traditional combustible cigarette brands, including its #1 worldwide brand Marlboro. 145

"PMI's 180 degree turn"

Comment:

With consumers turning away from traditional cigarettes, it is their customers who are gradually executing a turn away from cigarettes and PMI is merely seeking to retain its customers via novel nicotine addiction perpetuating products, notably IQOS. Rather than leading a noble revolution as it implies, PMI is merely adapting to changes in its marketplace in an effort to sustain revenues. The magnitude of PMI's "turn" is a minor increment at most, not a fundamental reversal as it claims. In 2020, PMI reported a worldwide decline in cigarette sales of 11.1% for all of its cigarette brands with 11.3% decline by Marlboro. 146 In 2020, the steady decline in sales of its cigarettes in the US, sustained annually for two decades, halted with a rise likely driven by the COVID pandemic. 147 In the US, 2020 Altria's sales of Marlboro went up by 4.2% in the fourth quarter and 0.4% for the full year. 148

"I've told teenage children that smoking is absolutely forbidden – that they should not use nicotine products."

Comment:

This point implies that the responsibility lies with parents to stop their children from using tobacco products, a common message used by tobacco companies and its allies to deflect the blame from their marketing strategies and oppose regulations. In fact, no responsible parent would encourage their teenagers to smoke. Teens smoke precisely because they are not permitted to do so by adults, part of teenage rebellion. Public health educators know that use of authoritative language such as "absolutely forbidden" to adolescents is a suboptimal approach and may indeed be counterproductive.

"We are focused on responsibly marketing our products and making sure that they are not sold or promoted to minors in the countries we are in."

Comment:

Marlboro remains by far the #1 cigarette brand used by America teenagers. PMI's global

<sup>&</sup>lt;sup>145</sup> Philip Morris Health Campaign Rebuffed by World Health Organization. Bloomberg/Fortune. February 6, 2019. (https://fortune.com/2019/02/06/philip-morris-world-health-organisation/)

<sup>&</sup>lt;sup>146</sup> Marlboro maker Altria said cigarette industry shipments flattened in 2020 after years of declines. CNBC January 28, 2021. (https://www.cnbc.com/2021/01/28/altria-said-cigarette-industry-shipments-flattened-in-2020.html)

<sup>&</sup>lt;sup>147</sup> Federal Trade Commission Cigarette Report for 2020. October 26, 2021

<sup>(</sup>https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2020-smokeless-tobacco-report-2020/p114508fy20cigarette-report.pdf)

<sup>&</sup>lt;sup>148</sup> Altria Reports 2020 Fourth-Quarter and Full-Year Results; Provides 2021 Full-Year Earnings Guidance.

https://investor.altria.com/press-releases/news-details/2021/Altria-Reports-2020-Fourth-Quarter-and-Full-Year-Results-Provides-2021-Full-Year-Earnings-Guidance-Announces-New-2-Billion-Share-Repurchase-Program/default.aspx

advertising campaigns "Be Marlboro" and "You Decide" are patently youth-oriented and Marlboro brand imagery is featured in popular video games and auto racing. $^{149}$   $^{150}$   $^{151}$ 

"I don't think we'll see a completely smoke-free world within 10-15 years. These things take time."

Comment:

On October 2017, Calantzopoulos was quoted in the Wall Street Journal: Cigarettes "still represent the bulk of our income." When asked in the same interview how long before his smokefree world becomes a reality, he responded, "First, I don't think it's 40 years we're talking about here. It's much longer." An August 2021 press release claimed that PMI's ambition was that at least 40 million PMI cigarette smokers who would otherwise continue to smoke will have switched to smoke-free products by 2025. To put this in perspective, this represents only a tiny fraction of the world's estimated 1.1 billion smokers. Especially so as PMI's 40 million by 2025 prediction is notably optimistic. Data on smokers' use of PMI's heated tobacco product IQOS (introduced in June 2014) shows that the vast majority are dual users of cigarettes & IQOS). (see Section VII) PMI's own data shows progress towards its stated goal is notably unimpressive. In addition, patent disputes (e.g. British American Tobacco (BAT) have led to IQOS's removal from the US market. See the same progress towards its stated goal is notably unimpressive.

<sup>149</sup> SRITA Modern Marlboro advertising ("Be Marlboro" and "You Decide" campaigns) collection: (https://tobacco.stanford.edu/cigarettes/modern-strategies/marlboro-modern/)

Lagasse LP, Minosa MKR, Moran MB, Cohen JE. "Decide Now, Buy Marlboro": Examining the influence and appeal of Marlboro's new brand architecture among Filipino adolescents. Int J Adolesc Med Health. 2018 Oct 2;33(2). doi: 10.1515/ijamh-2018-0117. PMID: 30281513.

<sup>&</sup>lt;sup>151</sup> Forsyth S, McDaniel PA. 'Cease and desist?' The persistence of Marlboro brand imagery in racing video games. Tob Control. 2020 Dec;29(e1):e31-e40. doi: 10.1136/tobaccocontrol-2019-055300. Epub 2020 Feb 5. PMID: 32024771.

<sup>&</sup>lt;sup>152</sup> Philip Morris's big smokeless bet. Wall Street Journal. October 29, 2017. (https://www.wsj.com/articles/philip-morriss-big-smokeless-bet-1509329400?mg=prod/accounts-wsj)

<sup>153</sup> Investor press release. Philip Morris International Launches New IQOS ILUMA. August 17, 2021. (https://www.pmi.com/investor-relations/press-releases-and-events/press-releases-overview/press-releasedetails?newsId=24261)

<sup>&</sup>lt;sup>154</sup> Lucas A. Philip Morris, Altria banned from importing or selling Iqos tobacco device in the U.S. CNBC September 30, 2021. (https://www.cnbc.com/2021/09/30/philip-morris-altria-banned-from-selling-iqos-tobacco-device-in-the-us.html)

Our New Year's Resolution: We're trying to give up cigarettes

# OUR NEW YEAR'S RESOLUTION WE'RE TRYING TO GIVE UP CIGARETTES

Philip Morris is known for cigarettes. Every year, many smokers give them up. **Now it's our turn.** 

Our ambition is to stop selling cigarettes in the UK. It won't be easy.

But we are determined to turn our vision into reality. There are 7.6 million adults in the UK who smoke. The best action they can take is to quit smoking. Many will succeed.

But many will continue to smoke. That's why we want to replace cigarettes with products such as e-cigarettes and heated tobacco, which are a better choice for the millions of men and women in the UK who would otherwise not stop smoking.

So far, we have invested £2.5bn on research and development. And it's making a difference. **We've introduced new products in many countries** and millions of adult smokers have abandoned cigarettes and switched to better options.

No cigarette company has done anything like this before. You might wonder if we really mean it. We do – and we're therefore making these commitments for 2018:

- Launch a website and campaign to provide smokers with information on quitting and on alternatives to cigarettes;
- Offer to support Local Authority cessation services where smoking rates are highest;
- Seek Government approval to insert, directly into our cigarette packs, information on quitting and on switching;
- Expand the availability of new, alternative products in the UK.

Never starting or quitting is always best. For those who would not otherwise stop, there are better alternatives than continuing to smoke. You can find out more about quitting and about alternatives to smoking at www.smokefreefuture.co.uk





PHILIP MORRIS INTERNATIONAL

January 2018 Advertorial appeared in major UK newspapers (e.g. The Sun) (https://www.pmi.com/markets/united-kingdom/en/news/detail/philip-morris-gives-new-year%27s-resolution-we%27re-trying-to-give-up-cigarettes)

#### Analysis of select statements:

"Our ambition is to stop selling cigarettes. It won't be easy."  $^{155}$   $^{156}$ 

Comment:

An open letter to Philip Morris International from 123 health groups summarized the issue with clarity: "The front page of PMI's own website depicts a video of employees 'Designing a Smoke-Free Future.' Your rationale includes 'because...society expects us to act responsibly.' If, by your own logic, acting responsibly requires you to stop selling cigarettes, by what ethical rubric can you continue to sell them? The only possible explanation is that you feel you can still profit from doing so. That decision – to continue a business model that you have admitted is irresponsible – is unacceptable. And to continue profiting from a product that you know will kill a significant proportion of your customers when used as intended is monstrous. PMI, its shareholders, and you personally have been enriched while knowingly killing your customers. You have it in your immediate power to change the fate of millions of people, perhaps hundreds of millions. Do the right thing by immediately ceasing the production, marketing and sale of cigarettes." <sup>157</sup>

"No cigarette company has done anything like this before. You might wonder if we really mean it. We do . . . "

#### Comment:

Philip Morris senior leaders have been making such promises routinely for decades:

- In 1954, Philip Morris Vice President George Weissman stated: "[i]f we had any thought or knowledge that in any way we were selling a product harmful to consumers, we would stop business tomorrow." 158
- In 1972, Philip Morris Vice President James Bowling stated: "if our product is harmful, we'll stop making it." 159
- In 1997, Philip Morris CEO Geoffrey Bible was asked "what he would do with his manufacturing plants if scientists proved that cigarettes were a cause of cancer," to which he replied, he would "shut it down instantly." <sup>160</sup>

As the Presidents of the Campaign for Tobacco-Free Kids and The Truth Initiative wrote in a January 2018 editorial in Fortune: "These ads should have run on April Fools' Day instead"; "It is the height of hypocrisy for PMI to proclaim that it is helping solve the tobacco problem while it aggressively markets cigarettes"; and "This advertising campaign should be seen for what it is: an effort to divert attention from the fact that PMI remains a primary cause of the smoking problem, not the solution." <sup>161</sup>

<sup>155</sup> Hawkes N. Big tobacco's new year's resolution to quit smoking. BMJ. 2018 Jan 5;360:k79. doi: 10.1136/bmj.k79. PMID: 29305417.

Hodgson, C. The maker of Marlboro took out a full-page ad saying its New Year's resolution is to 'give up cigarettes. Business Insider. January 8, 2018. (https://www.businessinsider.com/philip-morris-international-give-up-cigarettes-advert-2018-1)
 Open letter to Philip Morris International from 123 health groups.

<sup>(</sup>https://unfairtobacco.org/wpcontent/uploads/2017/09/Open\_Letter\_to\_Philip\_Morris\_International\_123\_Signatories.pdf) <sup>158</sup> Weissman, George, Philip Morris Inc. Public relations and cigarette marketing. March 30, 1954. Bates 1002366398-1002366402.

<sup>&</sup>lt;sup>159</sup> Kwitny Jonathan. Defending the Weed: How Embattled Group Uses Tact, Calculation to Blunt Its Opposition. The Wall Street Journal. January 24, 1972. Bates 500324162-500324164.

<sup>&</sup>lt;sup>160</sup> Cerriden M. Tobacco exec stuns observers. Dallas Morning News. August 22, 1997. Bates 86329862-86329865.

<sup>&</sup>lt;sup>161</sup> Myers ML, Kovak R. Commentary: Philip Morris Says It Wants to Quit Cigarettes. But It's Just Blowing Smoke. Fortune. January 5 2018. (https://fortune.com/2018/01/05/philip-morris-international-quit-smoking-cigarettes-tobacco/)

#### We're moving away from cigarettes. What about you? (May 2018)





#### Analysis of select statements:

"We've invested over \$4.5 billion in creating better alternatives to smoking."

"More than 400 world-class scientists, engineers, and technicians are helping make it happen."

"So far, 5 million adult smokers have switched away from cigarettes to our alternative products.

That's almost 10,000 men and women converting every day"

#### Comment:

These quotes seek to glorify PMI's investment in new technology tobacco products, specifically IQOS. The assertion that 5 million adult smokers have quit smoking using PMI's alternative products (in 2018) is merely an unsupported marketing claim without basis in scientific evidence.

"We made the decision to build our future without cigarettes."

"Ultimately, we want to be in a position to stop selling cigarettes altogether"

#### Comment.

PMI continues to heavily market its cigarette products and reports that they remain the primary driver of the company's profitability. (see Section VI)

#### We're Delivering Better Choices



## CHOICES.

CAMPAIGNERS CALLED FOR US TO DEVELOP BETTER ALTERNATIVES TO CONTINUED SMOKING - AND WE HAVE.

By André Calantzopoulos, CEO, Philip Morris International



Build better, do better, be better. As individuals or as a society, the path to progress is paved with continuous improvement. It's the foundation upon which public health in particular is built, from better understanding to better science to better outcomes.

Globally, reducing the harm associated with smoking is one the most pressing challenges for governments and the public health community. The health risks are well known, but less well known is the fact that better alternatives, backed by science, are real, and they have the potential to deliver a huge public health opportunity.

Many voices have long called on tobacco companies, including mine, to develop better. I'm proud to say that we have done just that. For over a decade, Philip Morris International has been developing smoke-free alternatives that are a better choice than continued smoking, and they now make up almost a quarter of our net revenue.

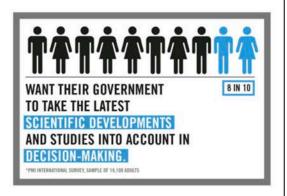
> SCIENCE SHAPES OUR WORLD. IT SHOULD ALSO SHAPE POLICY.

Put simply: better alternatives are at the heart of our commitment to a smoke-free future, and our goal is they will replace cigarettes for good.

Informed choice is critical. If adults who smoke are unable to get accurate information about or access to these products, their promise will not be realized. Yet inexplicably, many still ideologically oppose the idea that adult smokers should have access to better alternatives. Their dogma dictates that smoke-free should stay in the shadows.

It is clear that the best choice for anyone is to quit altogether —or never start-using tobacco and nicotine products. We cannot ignore, however, that despite the ongoing efforts to discourage cigarette use, there are more than a billion smokers globally.

Encouragingly, the U.S. Food and Drug Administration recognizes that tobacco products exist on a continuum of risk, and that adult smokers who don't quit should be incentivized to completely switch from cigarettes—the most harmful form of tobacco use-to better alternatives. Moreover, an online survey this year by the independent research firm Povaddo and commissioned by PMI showed that 84% of adults want their regulators to take the latest science into account when deciding policy.



Source: Philip Morris International White Paper "In Support of the Primacy of Science", September 2020

Such policies have the potential to promote better choices and dramatically accelerate the reduction of cigarette use. Surely this is a goal we should all

To those committed to misleading adult smokers about smoke-free products, I ask: Who will take responsibility for denying adults their right to accurate information about, and access to, scientifically substantiated better alternatives to cigarettes? Who benefits when those men and women who might otherwise be persuaded to switch to better alternatives continue

We were challenged to create better alternatives to cigarettes. We have delivered. Our mission now is to embrace this opportunity to deliver a smoke-free future.

André Calantzopoulos

CEO, Philip Morris International

By André Calantzopoulos, CEO, Philip Morris International. New York Times Ran November 18, 2020 at the height of the COVID pandemic. (https://www.nytimes.com/paidpost/philip-morris-international/were-delivering-better-choices.html)

(https://www.washingtonpost.com/brand-studio/wp/2020/11/18/were-delivering-better-choices/)

Analysis of select statements:

"Campaigners called for us to develop better alternatives to continued smoking – and we have."

Comment:

Many more "campaigners" have urged PMI to halt its aggressive marketing of Marlboro and its other cigarette brands, but these "calls" have fallen upon deaf ears. The first priority of "campaigners" is that PMI stop marketing Marlboro to teenagers (see "Be Marlboro" and "You Decide" campaigns<sup>162</sup>) and halt its social media blitz for its IQOS brand. In its marketing, PMI's use of influencers, brand ambassadors, celebrities, and coaches should stop.

"Build better, do better, be better. As individuals or as a society, the path to progress is paved with continuous improvement."

#### Comment:

Then why does PMI vigorously oppose evidence-based smokefree regulations, tax increases, and other legislation proven to protect youth, while generously funding legislators who support its corporate agenda?

According to the CDC: "Cigarette smoking is responsible for more than 480,000 deaths per year in the United States, including more than 41,000 deaths resulting from secondhand smoke exposure. This is about one in five deaths annually, or 1,300 deaths every day. On average, smokers die 10 years earlier than nonsmokers." According to the WHO the annual global death toll is some 8 million smokers.

The claim that the PMI, as the world's largest tobacco company by revenue (\$144.8 billion), strives to "do better, be better" is hard to swallow. Its products account for a sizable fraction of this carnage, but this has not stopped the company from expending hundreds of millions of dollars annually to promote its cigarette brands.

"Philip Morris International has been developing smoke-free alternatives that are a better choice than continued smoking, and they now make up almost a quarter of our net revenue."

#### Comment:

The "better choice" is to quit smoking and break the cycle of nicotine addiction. But PMI does not want that, despite rhetoric to the contrary, because cessation is a poor business model. Sustained addiction drives revenue over time. The majority of smokers who use IQOS are dual users – deepening their addiction. IQOS has not been shown to be effective in cigarette cessation.

"Informed choice is critical. If adults who smoke are unable to get accurate information about or access to these products, their promise will not be realized. Yet inexplicably, many still ideologically oppose the idea that adult smokers should have access to better alternatives. Their dogma dictates that smoke-free should stay in the shadows."

#### Comment

"Informed choice" is a tobacco industry trope which implies that adult smokers have free will, despite the fact that they are in the clutches of nicotine addiction that, in the vast majority

<sup>&</sup>lt;sup>162</sup> SRITA collection of Modern Marlboro advertisements. (https://tobacco.stanford.edu/cigarettes/modern-strategies/marlboro-modern/)

<sup>163</sup> Center for Disease Control. Smoking & Tobacco use – Fast facts. (https://www.cdc.gov/tobacco/data\_statistics/fact\_sheets/fast\_facts/index.htm)

of cases, originated when they were underage teens. PMI has vigorously opposed a wide array of governmental efforts to regulate cigarettes, including opposition to graphic warning labels for cigarettes, an important element of "informed choice." Indeed, tobacco companies routinely defend themselves in court by claiming that warning labels have already adequately informed smokers of the dangers, effectively shifting the blame to smokers for their own illness. The text-only warnings in the US have minimal impact on consumer behavior whereas graphic warnings would have greater impact. A 2017 four-part investigative report by Reuters revealed the scope and scale of PMI's effort to suppress governmental effort to reduce cigarette smoking.

"Accurate information" is no doubt essential. Among many other inaccuracies, PMI promotes IQOS as having strong efficacy in transitioning from smoking cigarettes while the finds of researchers independent from the company find otherwise. PMI promotion of IQOS uses social media, influencers and celebrities, event sponsorships, branded fashion accessories, free samples, brand ambassadors, among other strategies. 166 167 It also employs slogans understood by consumers to imply smoking cessation such as: "Alternative," "Switch," and "This changes everything" while not authorized by the FDA to promote IQOS as a smoking cessation product.

"Who will take responsibility for denying adults their right to accurate information...?"

#### Comment:

Who are they accusing of suppressing scientifically accurate information? This is a public relations trope intended to undermine legitimate criticism from experts who disagree with the validity of PMI's corporate scientific narrative. Indeed, PMI has a long history of disseminating false and misleading information.

"Encouragingly, the U.S. Food and Drug Administration recognizes that tobacco products exist on a continuum of risk, and that adult smokers who don't quit should be incentivized to completely switch from cigarettes—the most harmful form of tobacco use—to better alternatives."

#### Comment:

This statement, along with the previous "Philip Morris International has been developing smoke-free alternatives that are a better choice than continued smoking" implies that PMI's products (i.e., IQOS) are the "reduced risk" products that smokers need. In fact, the IQOS products accepted for sale on the US market received a marketing order from FDA to use statements about reduced exposure, while the agency denied PMI's use of risk reduction claims for lack of evidence. 168

<sup>&</sup>lt;sup>164</sup> Francis DB, Mason N, Ross JC, Noar SM. Impact of tobacco-pack pictorial warnings on youth and young adults: A systematic review of experimental studies. Tob Induc Dis. 2019 May 15;17:41. doi: 10.18332/tid/108614

<sup>&</sup>lt;sup>165</sup> Karla A et al. Inside Philip Morris' campaign to subvert the global anti-smoking treaty. July 13, 2017. Reuters. (https://www.reuters.com/investigates/section/pmi/

<sup>&</sup>lt;sup>166</sup> Jackler RK, Ramamurthi D, Axelrod AK, Jung JK, Louis-Ferdinand NG, Reidel JE, Yu AWY, Jackler LM, Chau "Global Marketing of IQOS: The Philip Morris Campaign to Popularize "Heat-Not-Burn" Tobacco." SRITA White Paper (313 pages) Stanford University.

<sup>(</sup>http://tobacco.stanford.edu/tobacco\_main/publications/IQOS\_Paper\_2-21-2020F.pdf)

<sup>167</sup> Kirkham C. Inside the Philip Morris campaign to 'normalize' a tobacco device. Reuters February 21, 2020. https://www.reuters.com/article/us-philipmorris-international-iqos-insig/inside-the-philip-morris-campaign-to-normalize-a-tobacco-device-idUSKBN20F1Q7

<sup>168</sup> FDA. FDA Authorizes Marketing of IQOS Tobacco Heating System with 'Reduced Exposure' Information. July 7, 2020. (https://www.fda.gov/news-events/press-announcements/fda-authorizes-marketing-iqos-tobacco-heating-system-reduced-exposure-information)

"Moreover, an online survey this year by the independent research firm Povaddo and commissioned by PMI showed that 84% of adults want their regulators to take the latest science into account when deciding policy."

#### Comment:

The survey result on face value has nothing whatsoever to do with PMI's products. If PMI believed in this statistic, then then it should also push regulators to pass policies such as tobacco tax increases, smoke-free laws, and graphic health warning labels that research has proven work to reduce smoking. Instead, PMI misuses the statistic to imply that 84% of adults support regulators using PMI's science for its "reduced risk" products.

#### Embracing Science for Better If Not Now, When?



# Embracing Science for Better: If Not Now, When?

By Dr. Moira Gilchrist, Vice President Strategic & Scientific Communications, Philip Morris International



Photo: Dr. Moira Gilchrist, Vice President Strategic & Scientific Communications, Philip Morris International

Science shapes so many aspects of everyday life, sometimes in ways that go unnoticed. The packaged food we buy, the fabric of our clothes, the cars we drive—all are available to us today because of decades of scientific progress. At the core of this progress lies the desire to increase our knowledge about the world; it is the same curiosity that enabled us to split atoms, understand the universe, discover the polio vaccine. There is no doubt that science permeates all corners of humanity, so why is society yet to embrace its fullest potential?

As a scientist, I've seen first-hand the incredible possibilities of science. I know that if we do a better job at putting science front and center in policymaking, business, and everyday life, we can make significant strides in our collective efforts to address our world's most pressing problems. Yet, I am concerned with the opportunity and time we have lost—and are losing—by not doing so consistently.

The conditions to further elevate science and scientific knowledge as a reliable force for good are ripe. The latest findings from an international survey—published by Philip Morris International (PMI) in a white paper entitled "In Support of the Primacy of Science"—confirm that people around the world value science and scientific information. An emphatic majority, 77 percent of the people surveyed in 19 countries and territories around the world, are hopeful that advances in science can deliver solutions to society's biggest problems, while most of the respondents stated that they would be influenced by science in how to go about their everyday life, particularly as it concerns physical distance—and transportation-related decisions in the face of COVID-19.



77% of people are hopeful that advances in science can deliver solutions to society's biggest problems

Source: Philip Morris International White Paper "In Support of the Primacy of Science", September 2020. What's holding us back?

First, there is a notable disconnect between the importance people ascribe to science and how science is perceived and leveraged by broader society. What is particularly telling is the gap between the widespread support for bringing science into policymaking (84 percent) and the bare majority of 51 percent who rated their government as doing a good job of ensuring that science and scientific evidence are included in decision-making processes. Regulators can and should do more to meet society's expectations by leveraging facts and the totality of available evidence to inform their policies. It is equally important that policymakers debate the data openly and transparently, so that people see and understand how science is shaping their decisions.

Regulatory frameworks that put science and evidence at the heart of decision-making already exist. One such example is the <u>U.S. FDA Modified Risk Tobacco Product Application</u> process, which sets a clear pathway for the assessment of and communication about nicotine-containing products that can be a better choice for adults who would otherwise continue to smoke. To be clear, these products are not risk-free and the best choice for smokers is to quit tobacco and nicotine altogether. But for people who continue to smoke, this framework shows how governments can regulate smoke-free alternatives to differentiate them from cigarettes in order to promote the public health—an approach that I hope to see considered in other countries beyond the U.S.

Challenges around people's access to reliable scientific information create more impediments to the primacy of science today. In our survey results, despite the significant interest in scientific information, most respondents (nearly half of the total sample) indicated that they find it difficult to access reliable information about scientific developments and relevant studies. This finding should concern us. When reliable scientific information is in short supply, people may be more susceptible to misinformation, wild guesses, and hearsay—all of which hinder their ability to make informed decisions.

The absence of accurate scientific information creates the conditions for "junk" or bad science to gain prominence. Poorly executed scientific studies, skewed results shaped by bias, media headlines that misrepresent findings are common examples, and they certainly should remain the exception rather than the rule. But even exceptional cases constitute a major threat, not only because they can misinform the public, but also because they weaken people's trust in science. As a case in point: In the U.S., an August 2020 Gallup poll showed that one in three Americans would not get the COVID vaccine if available today, a finding that should ring the alarm that a growing number of Americans have lost trust because of perceived politicization of the debate around vaccines and the science supporting them.

The prospect is gloomy. But with my scientific background and experience with scientific progress in the private sector—first in the pharmaceutical sector and today in PMI with our work to deliver a smoke-free future—I will not lose hope. I've seen that science prevails and that facts and evidence ultimately become too difficult to ignore. After all, science and the scientific community have an incredible ability to self-correct. Peer reviews, independent verification, crowdsourcing, open and continued dialogue are just some of the ways our community examines the evidence and ultimately advances knowledge.

This approach can be leveraged more broadly, beyond the scientific community. More people can become actively involved in creating, implementing, and supporting better science-based policies, whether as policymakers, opinion leaders, or simply as citizens. We have great challenges ahead of us—climate change and the novel coronavirus pandemic, to name just two—so ensuring science takes precedence over ideology, politics, and unsubstantiated beliefs is of pressing importance. We can only make breakthrough progress if we remain curious and are willing to change our mind in the face of new evidence.

Just as the scientific mindset requires.

The news and editorial staffs of the New York Times had no role in this advertisement's creation

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#### Analysis of select statements:

"The latest findings from an international survey—published by Philip Morris International (PMI) in a white paper entitled "In Support of the Primacy of Science"—confirm that people around the world value science and scientific information."

#### Comment:

PMI's white paper referenced in this advertorial seeks to equate PMI's science with the discovery of the structure of DNA, the author of the Hippocratic Oath taken by all doctors, the Librarian of Congress, and a leading futurist author. The 37-page manuscript reports on a PMI-commissioned survey of individuals' perception of the role of science and concludes that "Faith in science is high" and "The vast majority of those surveyed (84 percent) want their governments to take the latest scientific evidence into account when making policy decisions." This attitudinal survey is generic and has nothing to do with PMI science. As mentioned previously, this 84% statistic could be used to encourage policymakers to pass evidence-based policies such as tobacco tax increases or graphic health warnings, given the decades of science supporting such measures, but that is not the messaging that PMI intends.



In support of the primacy of science. Philip Morris International White Paper. Fall 2020. (https://www.pmi.com/media-center/news/in-support-of-the-primacy-of-science)

PMI advocacy for the "primacy of science" is more than a bit ironic. The tobacco industry, and specifically PMI and its US partner Altria, have a many decades-long history of undermining science by funding research which, in each and every case, supports the business interest of the sponsoring tobacco firm. Most of corporate paid studies reach conclusions contrary to research conducted by academic and government independent from the company. The methodology of tobacco industry-funded research is often faulty – contorted to arrive at the result desired by the company's marketing department.

The advertorial links to a post by PMI CEO Jacek Olczak in which he states: "One also needs to think like a scientist. That means putting aside one's prior beliefs and present preferences to evaluate the accumulated evidence objectively. Importantly, one needs to be aware of bias, which

can operate like a virus, with many mutations and seemingly asymptomatic carriers. Confirmation bias is especially pernicious."





(https://www.linkedin.com/pulse/you-thinking-like-scientist-jacek-olczak/)

#### Comment:

With noteworthy hubris, the PMI CEO failed to even mention Philip Morris's long history of debasing scientific research. Urging that those viewing today's PMI sponsored research should engage in "putting aside one's prior beliefs" suggests that true scientists need not be informed by the weight of accumulated scientific knowledge or consider the credibility of newly emerging studies with a lengthy history of research misconduct.

Several books and numerous articles have enumerated the long history of undermining science by the tobacco industry. <sup>169</sup> <sup>170</sup> <sup>171</sup> <sup>172</sup> <sup>173</sup> <sup>174</sup> <sup>175</sup> <sup>176</sup> <sup>177</sup> As it focused on Philip Morris, Richard Kruger's <u>America's Hundred-Year Cigarette War, the Public Health, and the Unabashed Triumph</u> of Philip Morris, which won the 2007 Pulitzer Prize, is of special note. <sup>178</sup>

In 2006, US District Court found that major tobacco companies, including Philip Morris, violated the Racketeer Influenced and Corrupt Organization (RICO) Act: "By coordinating their public relations, research, and marketing efforts in order to advance their scheme to defraud by denying the adverse health effects of smoking." The judgement went on to conclude: "Defendants attempted to and, at times, did prevent/stop ongoing research, hide existing

<sup>&</sup>lt;sup>169</sup> Proctor RN. Golden Holocaust. University of California Press. 2012

<sup>&</sup>lt;sup>170</sup> Brandt AM. Cigarette century: the rise, fall and deadly persistence of the product that defined America. Basic Books, New York (2007)

<sup>&</sup>lt;sup>171</sup> Smith P, Bansal-Travers M, O'Connor R, Brown A, Banthin C, Guardino-Colket S, Cummings KM. Correcting over 50 years of tobacco industry misinformation. Am J Prev Med. 2011 Jun;40(6):690-8. doi: 10.1016/j.amepre.2011.01.020. PMID: 21565663.

<sup>&</sup>lt;sup>172</sup> Pollay RW. Propaganda, puffing and the public interest: the scientific smoke screen for cigarettes. Public Relations Review 1990;16:27–42.

<sup>&</sup>lt;sup>173</sup> Grüning T, Gilmore AB, McKee M. Tobacco industry influence on science and scientists in Germany. Am J Public Health. 2006 Jan;96(1):20-32. doi: 10.2105/AJPH.2004.061507. Epub 2005 Nov 29. PMID: 16317203; PMCID: PMC1470431.

<sup>&</sup>lt;sup>174</sup> De Camargo KR Jr. How to identify science being bent: the tobacco industry's fight to deny second-hand smoking health hazards as an example. Soc Sci Med. 2012 Oct;75(7):1230-5. doi: 10.1016/j.socscimed.2012.03.057. Epub 2012 Jun 15. PMID: 22726621.

<sup>&</sup>lt;sup>175</sup> Ong EK, Glantz SA. Constructing "sound science" and "good epidemiology": tobacco, lawyers, and public relations firms. Am J Public Health. 2001 Nov;91(11):1749-57. doi: 10.2105/ajph.91.11.1749. PMID: 11684593; PMCID: PMC1446868.

<sup>&</sup>lt;sup>176</sup> Landman A, Glantz SA. Tobacco industry efforts to undermine policy-relevant research. Am J Public Health. 2009 Jan;99(1):45-58. doi: 10.2105/AJPH.2007.130740. Epub 2008 Nov 13. PMID: 19008508; PMCID: PMC2600597.

<sup>&</sup>lt;sup>177</sup> Brandt AM. Inventing conflicts of interest: a history of tobacco industry tactics. Am J Public Health. 2012 Jan;102(1):63-71. doi: 10.2105/AJPH.2011.300292. Epub 2011 Nov 28. PMID: 22095331; PMCID: PMC3490543.

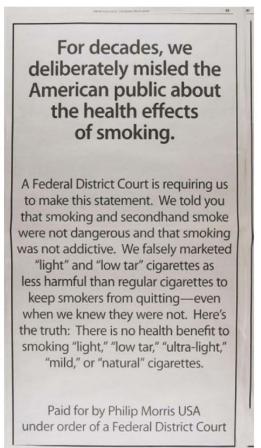
<sup>&</sup>lt;sup>178</sup> Kruger R. Ashes to Ashes: America's Hundred-Year Cigarette War, the Public Health, and the Unabashed Triumph of Philip Morris . Alfred A. Knopf 1996. (winner of the 1997 Pulitzer Prize)

<sup>&</sup>lt;sup>179</sup> U.S. District Court DC. U.S. v. Philip Morris USA, Inc., et al. No. 99-CV-02496GK (Final Opinion). 2006.

research, and destroy sensitive documents in order to protect their public positions on smoking and health, avoid or limit liability for smoking and health related claims in litigation, and prevent regulatory limitations on the cigarette industry." After lengthy delaying tactics by the industry, "corrective statements" were issued in 2017. 180

Philip Morris USA "Corrective Statements" admitting prior misdeeds issued in November 2017 as required by the 2006 RICO judgement

A Federal Court has ordered R.J. Reynolds Tobacco, Philip Morris USA, Altria, and Lorillard to make this statement about the health effects of smoking. Smoking kills, on average, 1,200 Americans. Every day. · More people die every year from smoking than from murder, AIDS, suicide, drugs, car crashes, and alcohol, combined. Smoking causes heart disease, emphysema, acute myeloid leukemia, and cancer of the mouth, esophagus, larynx, lung, stomach, kidney, bladder. and pancreas. · Smoking also causes reduced fertility, low birth weight in newborns, and cancer of the cervix.



These ads ran in 50 Sunday newspapers, on television, and online. These appeared 2 months after the Launch of the PMI Smoke-Free World campaign.

(https://www.tobaccofreekids.org/media/2017/corrective-statements)

"Challenges around people's access to reliable scientific information create more impediments to the primacy of science today."

#### Comment:

Implies there is a dark conspiracy to hide the supposed scientific truths that justify PMI's business strategy. The goal of this narrative is to denigrate scientifically based opinions of outside experts who study PMI's products' adverse health impacts and deceptive marketing methods.

<sup>&</sup>lt;sup>180</sup> Matheny JD, Stevens EM, Chen S, Christiansen BA, Kowitt SD, Osman A, Vidrine DJ. The RICO Verdict and Corrective Statements: Catalysts for Policy Change? Tob Regul Sci. 2019 May;5(3):206-228. doi: 10.18001/trs.5.3.1. PMID: 32095491; PMCID: PMC7039654.

"When reliable scientific information is in short supply, people may be more susceptible to misinformation, wild guesses, and hearsay—all of which hinder their ability to make informed decisions."

#### Comment:

The tobacco industry has a long history of defending itself by manufacturing doubt about issues for which convincing scientific evidence exists. Tobacco companies seek to undermine carefully done scientific studies with findings that run contrary to their business interests. As PMI resorts to intentional disinformation, its description of its critics as dispensing misinformation is a case of the pot calling the kettle black.

"The absence of accurate scientific information creates the conditions for 'junk' or bad science to gain prominence. Poorly executed scientific studies, skewed results shaped by bias, media headlines that misrepresent findings are common examples, and they certainly should remain the exception rather than the rule."

#### Comment:

PMI conveys the erroneous message that the company's science and its scientific narratives are accurate, while its critics create junk science. Without a doubt, rather than outside expert conclusions, it is PMI's own commissioned "research" that is best described as "skewed results shaped by bias."

"As a case in point: In the U.S., an August 2020 Gallup poll showed that one in three Americans would not get the COVID vaccine if available today, a finding that should ring the alarm that a growing number of Americans have lost trust because of perceived politicization of the debate around vaccines and the science supporting them."

#### Comment:

Hypocritical – PMI's SFF campaign is not only to sway public opinion, but also legislators and regulators. Indeed, it is PMI's public relations campaign that seeks to bypass scientific truths by politicizing their corporate narrative. A relevant point is that scientific research shows that smokers are at higher risk of severe illness from COVID.<sup>181</sup>

"We have great challenges ahead of us—climate change and the novel coronavirus pandemic, to name just two—so ensuring science takes precedence over ideology, politics, and unsubstantiated beliefs is of pressing importance."

#### Comment:

Rather than aligning with responsible scientific opinion, PMI-sponsored research is more akin to climate deniers and anti-vaccine advocates. Indeed, according to the WHO, tobacco use is the leading cause of preventable deaths, causing some 8 million deaths per year. The two years of the COVID-19 pandemic has caused over 5.4 million deaths globally as of January 2022, averaging 2.2 million per year. Over recent decades, hundreds of millions have died prematurely due the tobacco pandemic, with Philip Morris products causative in a great many cases.

<sup>&</sup>lt;sup>181</sup> CDC. Science Brief: Evidence Used to Update the List of Underlying Medical Conditions Associated with Higher Risk for Severe COVID-19. Updated October 14, 2021. (https://www.cdc.gov/coronavirus/2019-ncov/science/science-briefs/underlying-evidence-table.html)

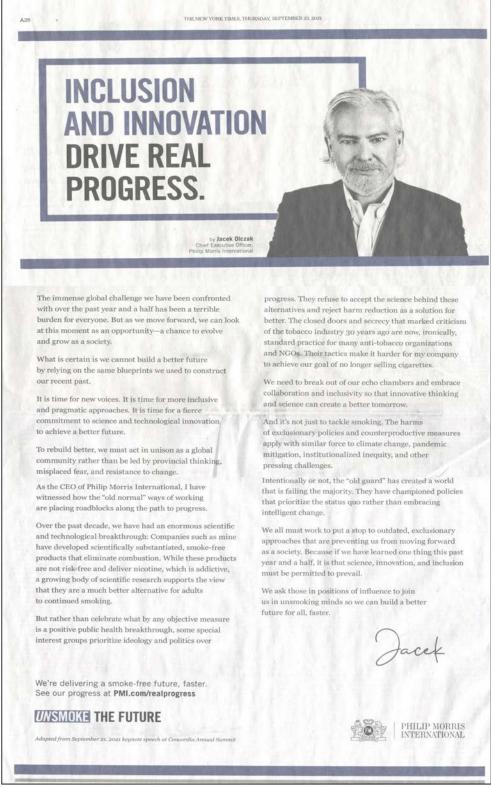
"But with my scientific background and experience with scientific progress in the private sector—first in the pharmaceutical sector and today in PMI with our work to deliver a smoke-free future—I will not lose hope."

#### Comment:

Her biography from PMI's website shows that Dr. Gilchrist, with PMI since 2006, serves as Vice President Reduced Risk Products Corporate Affairs since January 2017. Of note, her responsibilities include not only research and development of new products, but also their commercialization – the later an unusual role for a PhD trained pharmacologist. Given her prominence in PMI's advertorials, her job clearly involves marketing as well.

 $<sup>^{182}</sup>$  https://archive.gfn.events/selected-bio?sid=gilchrist-moira&ml=1  $\,$ 

#### **Inclusion and Innovation Drive Real Progress**



PMI CEO Jacek Olczak. September 23, 2021 New York Times (https://www.nytimes.com/paidpost/philip-morris-usa/inclusion-and-innovation-drive-real-progress.html?partner=IFTTT-solve-todays-most-pressing-issues)

#### Analysis of select statements:

"Inclusion and innovation Drive Real Progress."

#### Comment:

This advertorial emphasizes "inclusion" and "inclusivity." In contemporary usage, these terms imply overcoming discrimination against gender and racial/ethnic participation (i.e., equity, diversity, and inclusion). PMI uses the term "inclusion" as a buzz word, but in doing so, twists its meaning to imply that the company's biased and distorted scientific narrative is somehow being discriminated against.

"What is certain is we cannot build a better future by relying on the same blueprints we used to construct our recent past."

#### Comment:

PMI's past "blueprints" included aggressive marketing of both cigarettes and nicotine addiction, distorting the science, and lobbying in opposition of effective tobacco control policies. In fact, they are the ones still adhering to the same practices today.

"To rebuild better, we must act in unison as a global community rather than be led by provincial thinking, misplaced fear, and resistance to change."

#### Comment:

Implies that PMI's critics are "provincial" thinkers (i.e., old-fashioned and out of touch), who oppose PMI out of "fear" rather than legitimate and well-justified concern over the company's behavior. PMI implies its critics are irrationally resisting the company's actions. In reality, the great weight of criticism leveled against PMI is responsible and scientifically based, in stark contrast to the company's claims.

"But rather than celebrate what by any objective measure is a positive public health breakthrough, some special interest groups prioritize ideology and politics over progress."

#### Comment:

In this sentence, PMI claims that it has contributed a "positive public health breakthrough." The self-congratulatory tone is not warranted by the facts. Regarding the purported "politics" of its critics, PMI maintains an army of lobbyists, generously makes contributions to influence politicians, and comprehensively opposes legislation designed to curtail tobacco use. In addition, while PMI applauds its "positive public health breakthrough," it is still selling billions of cigarettes that cause more negative public health consequences worldwide.

"The closed doors and secrecy that marked criticism of the tobacco industry 30 years ago are now, ironically, standard practice for many anti-tobacco organizations and NGOs. Their tactics make it harder for my company to achieve our goal of no longer selling cigarettes."

#### Comment:

PMI implies there is a dark and secretive cabal persecuting them while the company is a paragon of transparency. It accuses its critics within the public health community of "closed doors and secrecy," which is nonsense given the volumes of secret research conducted by Philip Morris that has only been revealed through the litigation process.

"We need to break out of our echo chambers and embrace collaboration and inclusivity so that innovative thinking and science can create a better tomorrow."

#### Comment:

This implies that anyone who does not agree with giving at least equal weight to "PMI Science" is a Luddite holding back progress. Once again, PMI uses the buzz word "inclusivity" to imply it is a persecuted company being victimized by discrimination, an implication hard to fathom for a company doing business in 180 countries with an annual \$76 billion in revenue and \$8 billion in profitability (2020).<sup>183</sup>

"And it's not just to tackle smoking. The harms of exclusionary policies and counterproductive measures apply with similar force to climate change, pandemic mitigation, institutionalized inequity, and other pressing challenges."

#### Comment:

PMI seeks to equate its supposed campaign to reduce smoking caused death and disease with overcoming climate change and the COVID-19 pandemic. As the world's largest tobacco company, and marketer of the world's leading cigarette brand, PMI has long been, and continues to be, the leading driver of the tobacco epidemic. The comment regarding "institutionalized inequity" is ironic as the tobacco industry in America took root via slave labor, has always been dominated by white men, and has long exploited African American farm workers, not to mention the targeted marketing of menthol cigarettes to African Americans.

PMI's use of the term "exclusionary" further reinforces its supposed victimization. Recognizing the fundamental and irreconcilable conflict of interest between the goals of tobacco control and those of the tobacco industry, the WHO Framework on Tobacco Control (WHO FCTC) requires Parties to protect their public health policies from commercial and other vested interests of the tobacco industry, especially given the tobacco industry's longstanding actions to subvert effective tobacco control policies.<sup>184</sup>

"Intentionally or not, the "old guard" has created a world that is failing the majority. They have championed policies that prioritize the status quo rather than embracing intelligent change."

#### Comment:

Erroneously describes PMI critics as the "old guard" who want to sustain the status quo. The last thing the public health community advocates for is the status quo - it has long championed reduction and eventual elimination of tobacco use.

<sup>&</sup>lt;sup>183</sup> Finances of Philip Morris International. https://en.wikipedia.org/wiki/Philip\_Morris\_International#Finances

<sup>184</sup> WHO Framework Convention on Tobacco Control. https://www.who.int/fctc/text\_download/en/

#### **Uniting Through Science**



PMI Chief Executive Officer André Calantzopoulos September 28, 2020 Wall Street Journal (https://www.washingtonpost.com/creativegroup/sponsor/philipmorrisinternational/)

#### Analysis of select statements:

"Uniting through science Tackling polarization, hyperpartisanship, and dogma."

#### Comment:

PMI seeks to implant the erroneous perception that those who criticize PMI business practices are hyperpartisan and dogmatic while in reality, when compared with PMI "science," they are rational and fact-based. The term "polarization" implies that there are two equal sides to the arguments – that biased PMI commissioned research is of equal weight to the much larger body of research undertaken by independent academicians and government scientists.

"At a time when the world so desperately needs to pull together, how is it that we have allowed such divisive concepts to pervade societies across the globe? Rather than respecting and relying on established facts, we see people insisting on their right to determine the 'truth.'"

#### Comment:

In yet another effort to censor its critics, PMI seeks to characterize those who criticize tobacco company practices as promoting "divisive concepts." Contrary to this assertion, it is PMI that seeks to undermine scientifically "established facts" and define its own "truth" regardless of the strong body of evidence to the contrary.

"Rather than working in unison to solve our most pressing challenges, people and organizations are doubling down on entrenched biases, exclusionary behaviors, and "us vs. them" ideologies. In the best of times, we pay a high price when we allow divisiveness to hinder progress."

#### Comment:

When the facts are not on your side, it is a duplicitous tactic to accuse your opponents as possessing "entrenched biases," "exclusionary behaviors," and "us vs. them ideologies." Rather than argue the relative merits of the evidence, as should be expected if it intends to debate the scientific issues, PMI issues unsupported and sweepingly broad allegations.

"In the case of COVID-19 and climate change, it should be as simple as agreeing to "follow the science" and watching as progress unfolds. We know all too well, though, that science is being weaponized to suit narrow agendas. "Truth" is being held hostage by politics, and we all suffer as a result. Absent a commitment to scientific objectivity, we risk the very real and terrifying prospect of vaccine nationalism and an inability to tackle climate change at scale. As CEO of a multinational tobacco company committed to delivering a smoke-free future—a world without cigarettes—I have seen firsthand what happens when polarization and entrenched prejudices are allowed to overrule science."

#### Comment:

This section equates COVID-19 misinformation with what PMI identifies as scientific "misinformation" only because it contradicts PMI's business interests. In reality, it is PMI's own commissioned research that is misinformation. The claim that "science is being weaponized to suit narrow agendas" is an instance of PMI casting aspersions upon others for a fault it possesses itself.

"At present, our progress is at cross-purposes with political agendas and ideologies that are intentionally keeping the world's smokers in the dark. While a growing number of public health organizations recognize the critical public health benefits of smoke-free alternatives, some

organizations are putting dogma before data, allowing disinformation to supplant legitimate science."

#### Comment:

PMI accuses its critics in public health of "disinformation" rather than its more often used term "misinformation." This amounts to an unfounded accusation of intentional deception on the part of academic and governmental researchers who arrive at conclusions contrary to the company's business interests.

"Whether we are talking about vaccines, carbon emissions, or tobacco harm reduction, we need science, not rhetoric, to inform policies and regulations."

#### Comment:

PMI seeks to equate the illogic of vaccine opposition and climate change denial with those who criticize its business practices. PMI seeks to undermine legitimate science by implying that those who criticize it are unscientific because they are inaccurate, and not fact-based. The message PMI seeks to convey is that the company's arguments are the only messages that should be trusted and believed.

Tobacco tactics have been widely emulated by interests seeking to weaken acceptance of convincing scientific evidence. For example, fossil fuel companies that oppose legislation to ameliorate climate change because it threatens their business model, have adopted Big Tobacco's playbook to undermine convincing scientific results. 185 186 Indeed, as shown in the 2011 book Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Climate Change, tobacco industry originated methods of "manufacturing doubt" have been utilized in a number of commercial sectors. 187

Oddly, PMI implies equivalence between those who are vaccine hesitant and those who criticize its corporate scientific narrative. Of course, in science there ought to be but one narrative, that based on the weight of the evidence flowing from scientifically sound investigations. The obvious irony of PMI's associating its critics with anti-vaxxers is that smokers are more likely to be COVID-19 vaccine hesitant and, not surprisingly, suffer more serious illness from COVID-19. 188 189

<sup>&</sup>lt;sup>185</sup> Hukac B. Tobacco and Oil Industries Used Same Researchers to Sway Public. Scientific America. July 20, 2016. https://www.scientificamerican.com/article/tobacco-and-oil-industries-used-same-researchers-to-sway-public1/

<sup>&</sup>lt;sup>186</sup> Egan M. Exxon uses Big Tobacco's playbook to downplay the climate crisis, Harvard study finds. CNN Business. May 25, 2021. https://www.cnn.com/2021/05/13/business/exxon-climate-change-harvard/index.html

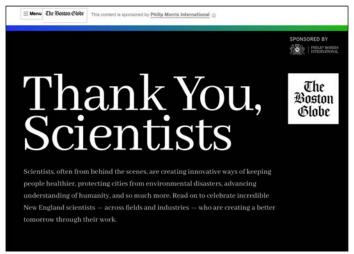
<sup>187</sup> Oreskes N, Conway EM. Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Climate Change. Bloomsbury Press, New York. 2011

<sup>&</sup>lt;sup>188</sup> Jackson SE, Paul E, Brown J, Steptoe A, Fancourt D. Negative Vaccine Attitudes and Intentions to Vaccinate Against Covid-19 in Relation to Smoking Status: A Population Survey of UK Adults. Nicotine Tob Res. 2021 Aug 18;23(9):1623-1628. doi: 10.1093/ntr/ntab039. PMID: 33751125; PMCID: PMC7989175.

<sup>&</sup>lt;sup>189</sup> Reddy RK, Charles WN, Sklavounos A, Dutt A, Seed PT, Khajuria A. The effect of smoking on COVID-19 severity: A systematic review and meta-analysis. J Med Virol. 2021 Feb;93(2):1045-1056. doi: 10.1002/jmv.26389. Epub 2020 Aug 13. PMID: 32749705; PMCID: PMC7436545.

#### Thank You, Scientists

This January 2022 Boston Globe PMI Advertorial displays a diverse group of scientists as though they were trophies endorsing PMI's Smoke-Free mission. It is not clear if these scientists receive funding from PMI, or merely permitted PMI to exploit their stories and university affiliation to lend their prestige and credibility to "PMI science." Three are from Boston University and one each from Yale, Brown, and the Universities of Massachusetts, New Hampshire, and Connecticut. In a 2018 article in Science Magazine on PMI's FSFW, Boston University tobacco researcher Michael Siegel was quoted as saying: "accepting tobacco money makes researchers 'pawns' in a public relations strategy. He calls the foundation 'a scam."" 190







This content was produced by Boston Globe Media's <u>BG BrandLab</u> in collaboration with the advertiser. The news and editorial departments of The Boston Globe had no role in its production or display.

(http://sponsored.bostonglobe.com/pmi/thank-you-scientists/)

<sup>&</sup>lt;sup>190</sup> Big tobacco's offer: \$1 billion for research. Should scientists take it? Philip Morris's new Foundation for a Smoke-Free World triggers calls for a boycott. Science February 8, 2018. https://www.science.org/content/article/big-tobacco-s-offer-1-billion-research-should-scientists-take-it

#### **PMI Australian Advertorials**



Content produced in partnership with Philip Morris International

he myth of the efficacy of seat belts laws has become deeply embedded." -- Emeritus Professor John Adams University College London, 2009.

Since Adams wrote those words, road fatalities have declined by 23 per cent in Australia. Between 2008 and the present, deaths to drivers in vehicular crashes have reduced by 18.5 per cent, deaths to passengers by 40 per cent.

In Australia, approximately 20% of drivers and passengers killed in crashes (where seat belt use is known) had not been wearing seat belts. On average around 150 people die nationally per year from this cause.

In the event of a car accident, the safest place a person can be is in their car with a seat belt attached. If thrown from their vehicle in a collision, a person is 25 times more likely to die.

In 1970, Victoria became one of the first jurisdictions in the world to make the wearing of seat belts compulsory for drivers and passengers sitting at front. There was an immediate decline in motor vehicle fatalities in Victoria. The rest of Australia quickly followed suit.

The technology had been developed by Volvo. The first car to be equipped with three-point seatbelts in the front was a Volvo P544 in 1959. In the ensuing decade, attitudes to the wearing of seat belts around the world were mixed. Many people believed the myths that seat belts might cause more serious injury or that people might become trapped in their vehicles.

But by the time the Victorian Government introduced seat belt laws, attitudes had changed. People understood the science.

Seat belts merely ushered in the development of manufacturing technologies which made cars safer for drivers and passengers.

Air bags have reduced concussion and impact injuries by more than half. Anti-lock brakes (ABS) bring cars to a standstill quicker and straighter. Traction and stability control prevent cars from spinning out of control. Cars are now manufactured with crumple zones, designed to absorb and redistribute the force of collision away from the driver and passengers inside the vehicle.

It is just the beginning, of course but the motor vehicle is safer to drive now than ever before.

This is proof if it were needed of the willingness of individuals and companies to innovate and drive technological change. Likewise, people embrace science and technology knowing they will solve seemingly intractable problems.

Advances in motor vehicle manufacturing technology haven't merely added to convenience and comfort, they save lives.

Some may still cling to bizarre theories in defiance of evidence but for the rest of us the science is in and it is unequivocal.

Recently released research by Philip Morris International (PMI) shows that public faith in science is high, with 80 percent of people surveyed in Australia hopeful that advances in science will solve many of society's biggest problems.

The insights also reveal that 87 percent of Australians want governments to ensure the latest scientific developments and studies are considered in policy making.

The importance of embracing science and technology is particularly relevant for Australia in light of the current debate about the regulation of smoke-free alternatives to cigarettes.

While the best thing any smoker can do is quit tobacco and nicotine altogether, the reality is that many adult smokers in Australia will continue to smoke cigarettes – one of the most harmful ways to consume nicotine – unless the government rethinks its tobacco control policy.

Yet, our politicians still choose to defy evidence and shun technology which can lead to better outcomes.

With the right regulatory encouragement and support from civil society, cigarette sales can end, meaning that a smoke-free future is attainable for the current generation of adult smokers. The benefits it can bring to the people who would otherwise continue to smoke, and hence to global public health, are enormous. We should not waste this opportunity to change the laws in this country for the better.

It's time for the policy makers, regulators and health authorities in Australia to look at the science and support common sense, science-based regulations for smoke-free alternatives that can help smokers leave cigarettes behind.

(https://www.theaustralian.com.au/sponsored/XnRHF734GFop1Po4N6rt/even-car-safety-copped-a-belting/)

A series of PMI Advertorials appeared recently in Australian newspapers, a nation with a strict prohibition against print, radio, and television tobacco advertising since 1992. Following

<sup>&</sup>lt;sup>191</sup> Tobacco Advertising Prohibition Act 1992. Australian Government. https://www.legislation.gov.au/Details/C2021C00448

the ban in the early 2000s, PMI sought to evade the advertising ban via affinity marketing using youth-oriented fashion brands and event sponsorships such as dance parties. 192

The Guardian published an article regarding the Australian advertorial series on November 18, 2020, "Philip Morris-sponsored articles in the Australian could breach tobacco advertising laws." <sup>193</sup> The author stated, "The articles are framed around initial skepticism towards scientific and technological breakthroughs such as the invention of cars, seatbelts, aeroplanes and computers, to argue that science has shown that vaping is a safer alternative, but governments are not listening to the science."

The Guardian article is especially noteworthy in that it elicited justification comments from a PMI official. According to the PMI spokesperson regarding its Australian Advertorials:

"Tobacco advertising laws in Australia permit the discussion of issues that relate to political matters – in this situation, the content relates to the ongoing political debate in Australia as to whether smoke-free products should be legally available and properly regulated for adult smokers who would otherwise continue to smoke."

"A spokesman for Philip Morris Australia said the articles were within the laws of Australia."

"Philip Morris Australia uses a variety of communications outlets to communicate the important message that it's time policy makers, regulators and health authorities in Australia support common sense, science-based regulations that can help smokers leave cigarettes behind."

"This is not tobacco advertising."

"The Philip Morris campaign does not, and was never intended to, promote smoking, cigarettes or vaping. All content is clearly branded as being presented to consumers by Philip Morris, paid for by Philip Morris and is focused solely on effective regulation around e-cigarettes."

These advertorials are part of PMI's comprehensive, multi-year lobbying effort to obtain permission to market IQOS in Australia.<sup>194</sup> The comment that PMI "does not, and was never intended to, promote smoking, cigarettes or vaping" is deceptive as the entire purpose of the advertorial was to gain entry of its heated tobacco product line into Australia's market. The seat belt-themed advertorial sounds generic, but it's clear that there is one specific product in mind: "…our politicians continue to defy evidence and shun technology which can lead to better outcomes." Ultimately, Australia denied IQOS authorization in June 2020. <sup>195</sup>

 $<sup>^{192}</sup>$  Harper T. Marketing life after advertising bans Tobacco Control 2001;  $\bf 10:196-198.$ 

<sup>&</sup>lt;sup>193</sup> Philip Morris-sponsored articles in the Australian could breach tobacco advertising laws. The Guardian. November 18, 2020. https://www.theguardian.com/media/2020/nov/19/philip-morris-sponsored-articles-in-the-australian-could-breach-tobacco-advertising-laws.

<sup>&</sup>lt;sup>194</sup> Watts C, Burton S, Freeman B. Creating a market for IQOS: analysis of Philip Morris' strategy to introduce heated tobacco products to the Australian consumer market. Tobacco Control Published Online First: 15 November 2020. doi:10.1136/tobaccocontrol-2020-056057

<sup>&</sup>lt;sup>195</sup> Bamford M. Tobacco giant blocked from selling heated cigarette substitute in Australia. ABC Radio Sydney. June 10, 2020.

## Is nicotine really the primary cause of smoking related disease?



Nicotine is addictive and not risk-free, but – contrary to what many believe – experts agree that nicotine itself is not the primary cause of smoking-related diseases. It is the chronic exposure to the toxic chemicals in cigarette smoke that are generated when tobacco is burned that cause disease.

When a cigarette is lit, the tobacco combusts (burns), generating smoke that contains thousands of chemicals, many of which are toxic and known to cause disease. Once the tobacco is ignited, the combustion is a self-sustaining process that will continue as long as there is tobacco (fuel) and oxygen available.

Public health authorities have classified these toxins in the smoke as the primary cause of smoking-related diseases, such as lung cancer, heart disease, and emphysema.

Despite being aware of the evident health risks, many smokers continue to smoke cigarettes. Currently, there are over one billion smokers worldwide, and almost eleven million in South Africa, while it is estimated that this number will not change significantly in the coming years.

Quitting smoking – or better yet, never starting – is, without doubt, the best option to reduce the risk of smoke-related diseases. However, the inclusion of a third strategy which complements these measures is required, namely tobacco harm reduction – that adults who would otherwise continue smoking should have access to and accurate information about less harmful alternatives, such as heated tobacco products and e-cigarettes.

This approach considers the rights and needs of this population and is a means of reducing smoking rates faster. Tremendous progress has already been made in moving towards a smoke-free future.

Since 2008, Philip Morris International (PMI) has invested over \$8billion in the science and research of developing and accessing smoke-free products, while not risk-free, they are a much better choice than continuing to smoke cigarettes. In 2020, 76 percent of PMI's commercial efforts and 98 percent of its R&D expenditures were dedicated to smoke-free products.

PMI aims to ensure that its smoke-free products meet adult consumer preferences and rigorous regulatory requirements.

# Dr Gizelle S Baker, Vice-President of Global Scientific Engagement at PMI

Dr Gizelle S Baker, Vice-President of Global Scientific Engagement at PMI, explains, "This is a transformation that is happening within each country. We need researchers, healthcare professionals, policy experts, governments, the industry and media to work together to ensure adult smokers have access to accurate information about different products so they can make informed decisions about their health, relative to continued smoking."

She adds: "We need to find ways to encourage and incentivise innovation in the development and scientific assessment of less harmful products. It is also important to implement regulatory frameworks that recognise that not all tobacco products are the same.

"This would maximise the number of adult smokers who switch to better alternatives and stop smoking, and at the same time minimise the number of youth and non-smokers exposed to nicotine-containing products."

Today, a future in which cigarettes are obsolete is within reach. In fact, with the right regulatory encouragement and support from civil society, cigarette sales could even end within 10 to 15 years in many countries. Effective policies and regulation should allow smokers access to scientifically substantiated smoke-free products. They should also enable smokers to make informed choices based on accurate information about these products.

To learn more, head to the Unsmoke South Africa homepage.

The Citizen, South Africa. December 21, 2021

(https://www.citizen.co.za/lifestyle/health-lifestyle/2946930/is-nicotine-primary-cause-of-smoking-related-disease/)

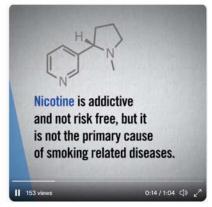
In December 2021, PMI placed an advertorial in the South African publication, The Citizen,

that questioned the role of nicotine in causing tobacco-related diseases. Most of the advertorial contained PMI's usual language regarding its "\$8 billion" investment in "harm reduction." A second South African advertorial published during the same month was titled: "This is Harm Reduction." 196

It is clear by the advertorial title – "Is nicotine really the primary cause of smoking related disease?" – that making nicotine addiction seem innocuous is another focus of PMI's Unsmoke Campaign. Because PMI's heavily promoted harm reduction products deliver high concentrations of nicotine, similar to or even greater than combustible cigarettes, PMI seeks to implant the idea that nicotine addiction is benign.







(https://twitter.com/InsidePMI)

However, nicotine is anything but a benign chemical. First and foremost, nicotine addiction is very difficult to break as evidenced by the fact that there are still billions of smokers and tobacco users around the world despite the known health risks. To satisfy its irresistible urges, addicts take nicotine into their bodies in many forms, almost all of which possess adverse health effects beyond the nicotine itself. The most concerning aspect of nicotine addiction is it effects upon youth. Over 90% of nicotine addiction begins during adolescence, as part of teen rebellion.<sup>197</sup> It is well known that nicotine can harm the maturing brain, inducing long-term negative impacts, especially affecting behavior.<sup>198</sup> It can also prime the teen brain for subsequent addiction.<sup>199</sup> Most adult drug abusers ascribe their initial addiction was to nicotine as a teenager. Nicotine has also been shown to harm the developing fetus.<sup>200</sup>

Over the past century, tobacco advertisements have juxtaposed cigarettes and coffee as a means of portraying smoking as both pleasurable and integral part of daily life. More recently, e-cigarettes and heated tobacco (e.g., PMI's IQOS) couple coffee with their devices to imply an

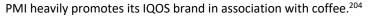
<sup>&</sup>lt;sup>196</sup> "This is Harm Reduction" The Citizen. December 23, 2021. https://www.citizen.co.za/lifestyle/health-lifestyle/2946938/what-is-harm-reduction/

 <sup>197</sup> G.A Giovino, J.E Henningfield, S.L Tomar, et al. Epidemiology of tobacco use and dependence Epidemiol Rev 1995; 17: 48-65
 198 Leslie FM. Unique, long-term effects of nicotine on adolescent brain. Pharmacol Biochem Behav. 2020 Oct;197:173010. doi: 10.1016/j.pbb.2020.173010. Epub 2020 Jul 30. PMID: 32738256; PMCID: PMC7484459.

<sup>&</sup>lt;sup>199</sup> Ren M, Lotfipour S. Nicotine Gateway Effects on Adolescent Substance Use. West J Emerg Med. 2019 Aug 20;20(5):696-709. doi: 10.5811/westjem.2019.7.41661. PMID: 31539325; PMCID: PMC6754186.

<sup>&</sup>lt;sup>200</sup> McGrath-Morrow SA, Gorzkowski J, Groner JA, Rule AM, Wilson K, Tanski SE, Collaco JM, Klein JD. The Effects of Nicotine on Development. Pediatrics. 2020 Mar;145(3):e20191346. doi: 10.1542/peds.2019-1346. Epub 2020 Feb 11. PMID: 32047098; PMCID: PMC7049940.

equivalence between caffeine and nicotine.<sup>201</sup> This narrative is promoted by trade organizations such as the Smoke-Free Alternatives Trade Association (SFATA) which describes: "Nicotine is not an intoxicant, does not affect other employees who do not use it at all, and is a naturally occurring and relatively harmless substance that has roughly the equivalent danger to the individual's health as caffeine."<sup>202</sup> A 2020 review of the health implications of caffeine in the New England Journal of Medicine concluded: "A large body of evidence suggests that consumption of caffeinated coffee, the main source of caffeine intake in adults in the United States, does not increase the risk of cardiovascular diseases and cancers. In fact, consumption of 3 to 5 standard cups of coffee daily has been consistently associated with a reduced risk of several chronic diseases."<sup>203</sup> Clearly, the implication that nicotine and caffeine addiction are equivalent in their health impacts is not valid.





<sup>&</sup>lt;sup>201</sup> Becker R. Why big tobacco and big vape love comparing nicotine to caffeine.. The Verge April 26, 2019 https://www.theverge.com/2019/4/26/18513312/vape-tobacco-big-companies-nicotine-caffeine-comparison-drugs-chemicals

<sup>&</sup>lt;sup>202</sup> Smoke-Free Alternatives Trade Association (SFATA).

https://www.sfata.org/content.aspx?page\_id=22&club\_id=89995&module\_id=255511

<sup>&</sup>lt;sup>203</sup> van Dam RM, Hu FB, Willett WC. Coffee, Caffeine, and Health. N Engl J Med. 2020 Jul 23;383(4):369-378. doi: 10.1056/NEJMra1816604. PMID: 32706535.

<sup>&</sup>lt;sup>204</sup> https://tobacco.stanford.edu/heats/iqos/

PMI mentions the two "best options" – "quitting smoking" and "never starting" – yet does not mention the evidence-based policies that have been proven to drive those actions. The fact that PMI continues to put so much money and effort into opposing such policies shows that what it says about wanting smokers to quit is not reflected by its actions.

By suggesting "access to…less harmful alternatives, such as heated tobacco products and e-cigarettes" as a "third strategy" "to reduce the risk of smoke-related diseases," PMI is implying that these products are reduced risk products. However, in evaluating PMI's MRTP application for IQOS 2.4, FDA concluded, "After reviewing the available scientific evidence, public comments and recommendations from the Tobacco Products Scientific Advisory Committee, the FDA determined that the evidence did not support issuing risk modification orders at this time." <sup>205</sup> In other words, there was not enough evidence showing that using IQOS 2.4 would reduce the health risk of smokers even if they switched completely.

The "nicotine" advertorial does slip in one noteworthy word into its text – rights: "...adults who would otherwise continue smoking should have access to and accurate information about less harmful alternatives, such as heated tobacco products and e-cigarettes. This approach considers the <u>rights</u> and needs of this population and is a means of reducing smoking rates faster." (emphasis added) The rights theme echoes the messaging in old advertorials from the 1990s and PMI's long history of "astroturfing" – creating and funding supposedly citizenoriginated grassroots organizations to oppose regulation and legislation contrary to its business interests. These corporately funded advocacy organizations, such as PMI's "The National Smokers Alliance," prominently promote the concept of "smoker's rights." 206 207 A central political goal was "[t]o demonstrate smokers ability to raise the stakes for any politician who enters the fray." Philip Morris' "smoker's rights groups" astroturfing activities were administered via the public relations firm Burson-Marsteller. Altria's sponsored consumer group is called "Citizens for Tobacco Rights." 210

<sup>&</sup>lt;sup>205</sup> FDA. FDA Authorizes Marketing of IQOS Tobacco Heating System with 'Reduced Exposure' Information. July 7, 2020. (https://www.fda.gov/news-events/press-announcements/fda-authorizes-marketing-iqos-tobacco-heating-system-reduced-exposure-information)

<sup>&</sup>lt;sup>206</sup> Gartrell A. Exposed: big tobacco's behind-the-scenes 'astroturf' campaign to change vaping laws. The Sydney Morning Herald. July 12, 2017. https://www.smh.com.au/politics/federal/exposed-big-tobaccos-behindthescenes-astroturf-campaign-to-change-vaping-laws-20170712-gx9lsl.html

<sup>&</sup>lt;sup>207</sup> National Smokers alliance exposed. A report on the activities of Philip Morris #1 front group. https://no-smoke.org/wp-content/uploads/pdf/nsa\_exposed.pdf

<sup>&</sup>lt;sup>208</sup> National Smokers Alliance Overview. 1993 October 07. Philip Morris Records; Master Settlement Agreement.. https://www.industrydocuments.ucsf.edu/docs/lkdm0127

<sup>&</sup>lt;sup>209</sup> Burson-Marsteller, Philip Morris. Philip Morris and Burson-Marsteller: A partnership. Report. August 1986. Philip Morris. Bates no. 2046875317/5351. Available at: http://legacy.library.ucsf.edu/tid/nus92e00.

<sup>&</sup>lt;sup>210</sup> Citizens for Tobacco Rights (https://tobaccorights.com/)

Brochure of the National Smoker's Alliance (Philip Morris astroturfing initiative – founded 1993)

#### The National Smokers Alliance

We represent the voices of over fifty million American smokers and the voices of many non-smokers, as well. For too long, these voices have been silent or shouted down in the din of anti smoker rhetoric...rhetoric which has resulted in a cascade of legislation that has compromised and abridged the rights of millions of American citizens. Rhetoric which is creating a new form of preiudlice in our society.

Ironically, people who smoke are enjoying a legal product which is taxed for the benefit of society. For making this choice, too many smokers have been scorned and abused, treated like social outcasts and labeled second class citizens by a growing number of anti-smoking zealots who advocate "politically correct" solutions to society's problems.

At the NSA, we believe this is wrong.

And like most fair-minded Americans, we believe people who smoke have the same rights as everyone else...rights which our customs and laws say should be respected and honored. Through formal Accommodation Programs, which show how we can respect the rights of smokers and nonsmokers equally in enclosed environments, we believe there is a workable and happy solution to a debate which is careening out of control and out of all proportion.

At the NSA, we do not promote smoking or infringing on the rights of nonsmokers. On the contrary, our main mission is defending the right of people who smoke to make that informed choice - freely and without societal backlash.

Freedom of Choice is one of America's basic tenets and a cornerstone of our society. We believe this important freedom should be preserved and defended. Today, it's more important than ever that we hear the voices of reason raised against prejudice.

#### The National Smokers Alliance

The Voice of Reason

## The Anti Smoking Movement: Promoting and Sanctioning Prejudice

The idea of telling others how they should live their lives has become an increasingly pervasive feature of life in America today. And in the tradition of American custom and law, it is also something most Americans loathe.

In the case of smoking, a well-organized and militant anti-smoking minority has pushed public opinion to the point where it's now acceptable to ostracize citizens who choose to smoke. It's even permissible to deny people who smoke employment: "Help Wanted" ads openly say, "Non Smokers Only" recalling the worst and ugliest memories of America's immigrant heritage ("Irish/Italian need not apply"). And this prejudicial treatment is reinforced by an ever-growing list of legislated and overly restrictive smoking bans: in California, there are towns and cities where it is illegal to smoke outdoors.

The Anti-Smoking Movement did not start this way. In large part, it was an educational effort designed to provide Americans with information about the possible health risks of smoking. However, at the NSA, we believe this worthy effort has degenerated into an aggressive offensive which has two key and worrisome characteristics:

- 1) The designation of smokers as less important citizens in
- 2) The institutionalizing of this concept through legislation

What we're seeing is the segregation of America, but not by nationality or background. Instead, Americans are increasingly being segregated based on the "choices" they make. The real danger comes in trying to discern which choices are "wrong" and which are "right" -- because then we've started down the tricky path of compromising people's Freedom to Choose. Where does this lead; and once started, where does it stop?

Nearly all fair minded Americans would unflinchingly say this is wrong. But in the case of smoking, many fair minded Americans, particularly nonsmokers, haven't yet realized it's wrong here, 100.

At the NSA, we fight the spread of sanctioned prejudice towards people who smoke. And we believe this issue is important enough for all Americans to join us.

(http://tobaccodocuments.org/pm/2023342411-2414.html)

Altria (Philip Morris USA) "Citizens for Tobacco Rights" astroturfing initiative (founded 2011)



(https://tobaccorights.com)

Extracts from Philip Morris' 1989 "NEWSFLOW Strategic Overview" reveal the comprehensive span of its public relations efforts to "Balance the Beliefs." The last sentence describes — "we will speak as the smoker" — the tactic PMI employs today in its astroturfing activities. While customer testimonials, sometimes fabricated by the company, are commonly used in marketing, it is unusual for a company to promote its products in its own voice posing as a customer.

Serious scientific study, once confined to scientists and academics in lecture rooms and learned journals, is out on the street.

It is, undoubtedly, the dream ticket for anyone with a cause. Reduced to headline-size chunks of information, selected broad scientific fact can be used to raise questions over everything from pesticides and nappy cleansers to smoking and a packet of crisps.

The overriding strategy of the Philip Morris news bureau operation, then, is to fill that gap; to take the raw material of scientific fact, opinion and commentary from across Europe and re-package it into a range of targeted communications products that articulate the "other side" of the debate.

Credibility for this core message is wholly dependent on source, and in addition to creating communications channels such as media events, seminars and conferences, we will need to talk in a variety of voices if what we want to say is to be heard, understood and acted upon.

At times, we will speak as Philip Morris; sometimes we will need to speak as independent scientists, scientific groups and businessmen; at other times we will talk as the industry; and, finally, we will speak as the smoker.

(underlining added)

<sup>&</sup>lt;sup>211</sup> NEWSFLOW Strategic Overview. 1989 January. Philip Morris Records; Master Settlement Agreement.. https://www.industrydocuments.ucsf.edu/docs/xqpf0117

<sup>&</sup>lt;sup>212</sup> Burson-Marsteller. THE E.T.S. BATTLE THE 890000 PROGRAMME FOR BALANCING THE BELIEFS. 1989 January. Philip Morris Records; Master Settlement Agreement.. https://www.industrydocuments.ucsf.edu/docs/hqpf0117

#### Hate is in the Air

Described in the media as "the most hated company on earth," PMI does indeed have a very low reputation for ethical integrity – a circumstance even PMI leadership acknowledges. <sup>213</sup> <sup>214</sup> In a November 12, 2021 advertorial in the New York Times titled, "Hate is in the Air," PMI Senior VP Global Communications Marian Salzman stated, "Working in an industry that has long been reviled for its product, I experience firsthand how hate and exclusion stand in the path of change." <sup>215</sup> Following the advertorial's publication, a newspaper editorial described its message succinctly: "Philip Morris boldly decries 'hate speech' that criticizes ... Philip Morris." <sup>216</sup>



(https://www.pmi.com/letstalk/the-rise-of-hateism)

<sup>213</sup> Why You Should Buy the Most Hated Company on the Planet. Yahoo News. August 8, 2018. https://www.yahoo.com/news/why-buy-most-hated-company-171139877.html

<sup>&</sup>lt;sup>214</sup> Philip Morris International Inc. (PM): The 'Most Hated Company On Earth' That I'd Like To Own 'Forever' NASDAQ. June 28, 2013. https://www.nasdaq.com/articles/most-hated-company-earth-id-own-forever-2013-06-2

<sup>&</sup>lt;sup>215</sup> Hate is in the Air https://mariansalzman.com/hate-is-in-the-air-fall-2021/

Philip Morris boldly decries 'hate speech' that criticizes ... Philip Morris. Editorial. Saint Louis Today. November 14, 2021. https://www.stltoday.com/opinion/editorial/editorial-philip-morris-boldly-decries-hate-speech-that-criticizes-philip-morris/article\_077feb83-d1ca-5db7-8708-78052c6d3b09.html

# Disarm hate. Embrace dialogue

20 Oct 2021 - 5 min read

From climate change to tobacco harm reduction, the world faces threats requiring collaboration and innovation. If we are to progress, we cannot allow division to overshadow opportunity. We must open our minds to alternative perspectives and work together to find solutions.





"We build too many walls and not enough bridges."

Sir Isaac Newton's assessment of the state of humankind four centuries ago continues to ring true. Worse, division and dissent are increasingly apt to turn into hate—an emotion that blinds us to the merits of opposing arguments and stops us from finding common ground on which to hall distincts.

Globally, hate is on the rise. Most respondents (70 percent) to a new international survey commissioned by Philip Morris International (PMI) reported that the level of hate and hate speech in their countries has increased in the past two years. And 4 in 10 respondents said they encounter hateful speech, either online or in person, at least once a week.



While alarming, this trend should not surprise us. Our modern culture of news consumption too often cages us within echo chambers self-constructed to affirm our beliefs and push out conflicting data and perspectives. Misinformation and disinformation abound, stoking hate and aggression toward those deemed unlike us. Within a context of declining trust in institutions, it is hardly surprising that society is caught up in a vicious spiral of hate.

Beyond its destabilizing effects on individuals and communities, hate is being manifested through exclusionary practices and mindsets. And that is a problem for us all. By impeding diversity of thought and constructive dialogue, **hate stalls progress** at a time when the world urgently needs solutions.

Working in an industry that has long been reviled for its product, I experience firsthand how hate and exclusion stand in the path of change, I'm a never-smoker but I am fully committed to PMI's future. A future that we are achieving today thanks to science-based, better alternatives to cigarettes and our mission to ensure these alternatives completely replace cigarettes for those adults who would otherwise continue smoking. The problem? Instead of engaging in a factual, evidence-based conversation on the potential these innovative products represent for smokers and public health, some special interest groups are rejecting any solution coming from the industry—dismissing science and discounting measurable progress.

From the pandemic and climate change to tobacco harm reduction, the world faces threats requiring collaboration and innovation, not policies based on exclusion and age-old enmities. An overwhelming majority of our survey respondents (77 percent) believe that society's biggest challenges will never be solved if we continue to demonize and exclude those with whom we disagree. If we are to progress, we cannot allow bias and preconceived beliefs to overshadow opportunity. We cannot afford to retreat into long-established camps and close our minds to solutions offered by the "other side."



Our world faces potentially cataclysmic challenges on several fronts. Let's stop fighting one another and focus instead on the advances we so desperately need. Society expects—and deserves—better.

(https://www.pmi.com/letstalk/the-rise-of-hateism)

## Analysis of select statements:

"Globally, hate is on the rise. Most respondents (70 percent) to a new international survey commissioned by Philip Morris International (PMI) reported that the level of hate and hate speech in their countries has increased in the past two years."

#### Comment:

It is intriguing that a tobacco company would undertake a survey of public perception of hate and hate speech. The clear intention of this advertorial is to implant the idea that PMI is a victim of unjustified hatred and deserves sympathy for being wounded by hate speech.

"Our modern culture of news consumption too often cages us within echo chambers self-constructed to affirm our beliefs and push out conflicting data and perspectives."

#### Comment:

PMI seeks to undermine the validity of scientists and public health professionals who make criticisms of its products, marketing, and lobbying practices, as caged in self-constructed echo chamber. But if PMI is trying to silence scientists who criticize it, isn't it also putting itself in a self-congratulatory echo chamber?

"Misinformation and disinformation abound, stoking hate and aggression toward those deemed unlike us. Within a context of declining trust in institutions, it is hardly surprising that society is caught up in a vicious spiral of hate, skepticism, and division."

#### Comment:

Once again, PMI accuses its critics of misinformation and disinformation. Implicit is that its corporate scientific narrative is truthful and the company is unjustly and viciously being attacked. In other words, PMI is a victim of unjustified hatred.

"Beyond its destabilizing effects on individuals and communities, hate is being manifested through exclusionary practices and mindsets. And that is a problem for us all. By impeding diversity of thought and constructive dialogue, hate stalls progress at a time when the world urgently needs solutions."

### Comment:

"Diversity of thought" and "constructive dialog" seeks to legitimize PMI's manifestly biased sponsored research, which it touts to support marketing claims. The intention is to create a climate of equivalency as though it were discourse among differing, but equally valid, points of view.

"Instead of engaging in a factual, evidence-based conversation on the potential these innovative products represent for smokers and public health, some special interest groups are rejecting any solution coming from the industry—dismissing science and discounting measurable progress."

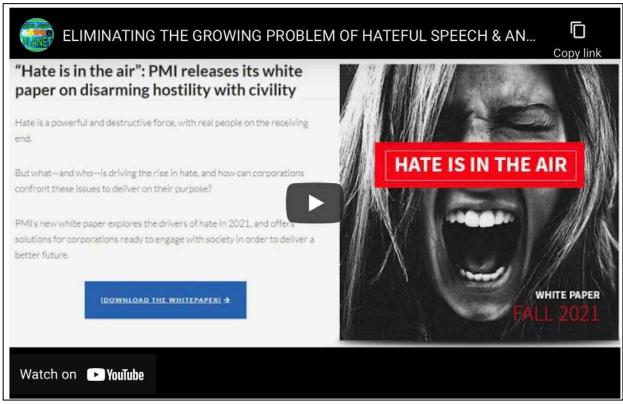
#### Comment:

In science, when the data is clear and convincing, equivalence does not exist for opposing viewpoints, especially when emanating from those with obvious conflicts of interest.

"From the pandemic and climate change to tobacco harm reduction, the world faces threats requiring collaboration and innovation, not policies based on exclusion and age-old enmities."

### Comment:

Few of us would disagree that finding solutions to the COVID pandemic, climate change, and the enormous burden of tobacco caused sickness and deaths are societal priorities. However, it takes astonishing hubris for PMI to equate anti-vaxxers and climate change deniers with those in science and policy who oppose PMI's illegitimate claims.



YouTube Video. ELIMINATING THE GROWING PROBLEM OF HATEFUL SPEECH & ANTISOCIAL BEHAVIOR IN SOCIETY (https://www.youtube.com/watch?v=tWH4GkKqqSs)

## "Trust" White Paper

In a 29-page white paper issued on December 15, 2020, PMI chronicles the role of trust in society, as well as business, in considerable detail. The core message is transparent – you may not have trusted us before, but you should trust us now. Positioning itself as virtuous in its effort to achieve a smoke-free future, PMI speaks in the abstract while its meaning is clearly self-referential: "'Virtue is its own reward' may be a tough sell to the company board, let alone to shareholders. But doing the right thing consistently over the long term is how companies earn trust among consumers, media, and public authorities." It goes on to say: "... an organization that wants to be trusted must commit to being trustworthy — not just because the rules demand it, not just because it is good for business, but also because it is the right thing to do."





TRUST AND THE TOBACCO INDUSTRY Rather than expect implicit trust, we ask that While our focus remains on hard science, we are We understand that many people trust neither Philip Morris International (PMI) nor the people examine the scientific evidence and keen to understand the foundation of trust given its tobacco industry in general. Therefore, even as objectively judge us on our actions instead of reverberations within the broader societal debate we transform our business to deliver a smokefree future—one in which those adults around encourage everyone—the scientific community, our for men and women who currently smoke. customers, health authorities, and others-to draw the world who would otherwise continue to conclusions based on open and transparent data smoke instead switch to the better, smoke-free related to our smoke-free alternatives. This is why alternatives science and innovation have made we have published clear business transformation available-we accept that earning trust will take metrics and consistently communicate our progress time. toward achieving these objectives.

https://www.pmi.com/our-transformation/trust-in-covid-world-white-paper

The academic literature shows that the public, especially smokers and minorities, tend to misplace their trust in messages emanating from tobacco industry sources. <sup>217</sup> <sup>218</sup> <sup>219</sup> <sup>220</sup> Once again, this paper uses misdirection to narrow the focus only on the areas the company wants the public to see – its funding of science and broader corporate social responsibility actions – and not its continuing sale and marketing of deadly cigarettes.

<sup>&</sup>lt;sup>217</sup> Vereen RN, Westmaas JL, Bontemps-Jones J, Jackson K, Alcaraz KI. Trust of Information about Tobacco and E-Cigarettes from Health Professionals versus Tobacco or Electronic Cigarette Companies: Differences by Subgroups and Implications for Tobacco Messaging. Health Commun. 2020 Jan;35(1):89-95. doi: 10.1080/10410236.2018.1544875. Epub 2018 Nov 13. PMID: 30422690.

<sup>&</sup>lt;sup>218</sup> Alcalá HE, Shimoga SV. It Is About Trust: Trust in Sources of Tobacco Health Information, Perceptions of Harm, and Use of E-Cigarettes. Nicotine Tob Res. 2020 Apr 21;22(5):822-826. doi: 10.1093/ntr/ntz004. PMID: 30715455.

<sup>&</sup>lt;sup>219</sup> Case KR, Lazard AJ, Mackert MS, Perry CL. Source Credibility and E-Cigarette Attitudes: Implications for Tobacco Communication. Health Commun. 2018 Sep;33(9):1059-1067. doi: 10.1080/10410236.2017.1331190. Epub 2017 Jun 16. PMID: 28622021; PMCID: PMC5732895.

<sup>&</sup>lt;sup>220</sup> Alcalá HE, Sharif MZ, Morey BN. Misplaced Trust: Racial Differences in Use of Tobacco Products and Trust in Sources of Tobacco Health Information. Nicotine Tob Res. 2017;19(10):1199-1208. doi:10.1093/ntr/ntx080

An examination of some of the ideas PMI poses in its white paper demonstrate this strategy.

"Rather than expect implicit trust, we ask that people examine the scientific evidence and objectively judge us on our actions instead of on any preconceived notions they may have. We encourage everyone—the scientific community, our customers, health authorities, and others—to draw conclusions based on open and transparent data related to our smoke-free alternatives. This is why we have published clear business transformation metrics and consistently communicate our progress toward achieving these objectives."

### Comment:

This statement makes clear that PMI only seeks to gain trust in its "objectives" to create science defending its "smoke-free alternatives," not reduce smoking. However, it is not the investment in science for which PMI receives the most criticism and mistrust. Scientific evidence shows that PMI markets its cigarettes in ways that appeal to youth around the world. Scientific evidence shows that this marketing causes youth smoking. <sup>221</sup> <sup>222</sup> <sup>223</sup> <sup>224</sup> Scientific evidence shows that PMI spends heavily to stop policies that would curb its cigarette business. <sup>225</sup> <sup>226</sup> <sup>227</sup> These are notably absent from PMI's white paper and are the actions on which people should be judging the company. Surely the world would trust when PMI says it will reduce cigarettes if it actually took actions to reduce cigarettes and smoking.

"Businesses and their leaders can help restore public trust through the actions they take to mitigate the impact of the pandemic and to address other pressing societal concerns. But this will require that they act as a genuinely beneficial force, with competence and integrity, to create positive impact beyond their usual activities and value chains."

### Comment:

PMI is trying to distract from the fact that its products are detrimental to public health by talking more broadly about how it can benefit society and taking action on completely unrelated areas – environmental sustainability, for instance. This is a common strategy of corporate social responsibility (CSR) practices, which companies use philanthropy to cleanse its reputation. But

<sup>&</sup>lt;sup>221</sup> U.S. Department of Health and Human Services (HHS). Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2012. (https://www.cdc.gov/tobacco/data\_statistics/sgr/2012/index.htm)

HHS. The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General. Atlanta, GA: U.S.

Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. 2014.

(https://www.cdc.gov/tobacco/data\_statistics/sgr/50th-anniversary/index.htm)

<sup>&</sup>lt;sup>223</sup> National Cancer Institute (NCI). *The Role of the Media in Promoting and Reducing Tobacco Use,* Smoking and Tobacco Control Monograph No. 19, NIH Pub. No. 07-6242. June 2008.

(http://cancercontrol.cancer.gov/tcrb/monographs/19/m19 complete.pdf)

<sup>&</sup>lt;sup>224</sup> NCI. *Changing Adolescent Smoking Prevalence,* Smoking and Tobacco Control Monograph No.14, NIH Pub. No. 02-5086. November 2001. (http://cancercontrol.cancer.gov/tcrb/monographs/14/index.html)

<sup>&</sup>lt;sup>225</sup> Saloojee Y & Dagli E. Tobacco industry tactics for resisting public policy on health. Bulletin of the World Health Organization, 2000, 78(7):902-910.

<sup>&</sup>lt;sup>226</sup> Balwicki Ł, Stokłosa M, Balwicka-Szczyrba M, et al. Tobacco industry interference with tobacco control policies in Poland: legal aspects and industry practices. Tobacco Control 2016;25:521-526.

<sup>&</sup>lt;sup>227</sup> Egbe CO, Bialous SA, Glantz SA. Avoiding "A Massive Spin-Off Effect in West Africa and Beyond": The Tobacco Industry Stymies Tobacco Control in Nigeria. Nicotine Tob Res. 2017 Jul 1;19(7):877-887. doi: 10.1093/ntr/ntx037. PMID: 28199720; PMCID: PMC6075084.

only a tobacco company can stop selling deadly tobacco products.

A chart listing the top responses to "Measures Companies Should Undertake" in today's society including, "Continually research and innovate their products in the interest of public health," "Reduce their environmental impact," and "Develop science-based solutions to some of the biggest problems facing society today."

#### Comment:

Considering PMI commissioned this poll, it is no surprise that the top responses conveniently align with PMI's current actions. However, that does not mean that the public also does not want PMI to stop selling cigarettes. Because only a few answers were released, it is unknown if "stop selling deadly products that" was even an option for respondents to select, nor is it known if the respondents knew that a tobacco company funded the poll.

## "Hold My Light" Campaign – United Kingdom:

"Hold My Light" is UK-based PMI program aimed at smokers becoming "Smoke-free with a little help from your friends" by adopting "A new way to smoke." This program is clearly a thinly veiled IQOS promotion. "Hold my Light" was designed by Lisa Taylor. In 2018, the UK newspaper Daily Mirror maintained a series of advertorials with titles such as, "Trying to give up cigarettes? Here two smokers reveal what is working for them," which included the claim cited to PMI, "in a country where heated tobacco is established, nearly 70% of users fully convert to the category," and a testimonial from a smoker, "The transition from smoking cigarettes to a heated tobacco product was seamless. It was really easy for me to switch. Ultimately, in another half a year, a year, I might give up altogether." A high-polish video, "Hold My Light," rich with laser beams themed on an art gallery heist inspired by the likes of the movie "Oceans 11," garnered over two million views. Cancer Research UK characterized this campaign as "a staggering hypocrisy." Cancer Research UK characterized this campaign as "a staggering hypocrisy."

<sup>&</sup>lt;sup>228</sup> https://smokefreefuture.co.uk/hold-mylight/#introduction (no longer active in January 2022)

<sup>&</sup>lt;sup>229</sup> https://creativebylisa.com/Hold-My-Light

<sup>&</sup>lt;sup>230</sup> https://www.mirror.co.uk/all-about/hold-my-light-campaign

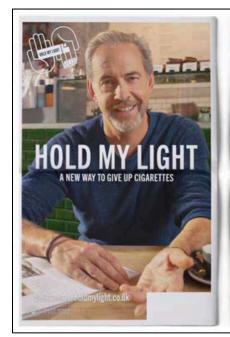
Masters D. Trying to give up cigarettes? Here two smokers reveal what is working for them. November 21, 2018. (https://www.mirror.co.uk/lifestyle/health/how-to-quit-smoking-tip-13612687)

<sup>&</sup>lt;sup>232</sup> https://www.creativehumans.com/video/5dcb0f022000512c9e080231

<sup>&</sup>lt;sup>233</sup> Gwynn S. Philip Morris spoofs Mission Impossible with £2m campaign calling on smokers to quit. Campaign. October 28, 2018. https://www.campaignlive.co.uk/article/philip-morris-spoofs-mission-impossible-2m-campaign-calling-smokers-quit/1496777

<sup>&</sup>lt;sup>234</sup> Philip Morris stop-smoking campaign attacked as PR stunt. Reuters. October 22, 2018. (https://www.reuters.com/article/uk-pmi-advert-idUKKCN1MW1H3)

<sup>&</sup>lt;sup>235</sup> Hope K. Philip Morris accused of hypocrisy over anti-smoking ad. BBC October 8, 2018. https://www.bbc.com/news/business-45932048





Philip Morris "Hold My Light" IQOS Promotion

October 2018 Wrap around Daily Mirror UK







The slogan, "stop smoking with a little help from your friends," implies that PMI is the smoker's friend. PMI makes the claim that 7 out of 10 users of IQOS "Stop smoking completely"

while independent research shows that most IQOS users continue to smoke cigarettes.<sup>236</sup> <sup>237</sup>

A number of YouTube testimonial "Hold My Light" videos of feature smokers claiming to have quit.





(https://www.youtube.com/watch?v=dQSPjj2qySA, https://www.youtube.com/watch?v=Kscsy0vNZRA https://www.youtube.com/watch?v=tEJVW9w887w, https://www.youtube.com/watch?v=TwN\_tUWkYP0, https://www.youtube.com/watch?v=Nco9D4FT8fE)

This campaign may have looked like it was aimed at smokers, but it was used as a smokescreen to open avenues to reach policymakers, frame the company as part of the solution, and most importantly, mitigate policies that would hurt its business. A Bureau of Investigative Journalism report found that PMI used this campaign to contact local councils and "offer to support stop smoking services" by providing "unsuccessful quitters with discounted or loan devices of smoke-free products through Philip Morris's 'switching programme." The report also found "leaked internal emails that show Philip Morris attempted to use its offer of local funding as a way to leverage weaker rules on advertising heated tobacco products." In the end, most local councils rejected the company's attempts, with one council official stating, "Local authorities will not be fooled by Philip Morris's attempts to paint itself as a public health partner. The tobacco industry has constantly attempted to whitewash its role in spreading death and serious illness around the UK. This is just another example of Philip Morris trying to disguise its financially motivated strategies as a moral choice." <sup>238</sup>

<sup>&</sup>lt;sup>236</sup> Hwang JH, Ryu DH, Park SW. Heated tobacco products: Cigarette complements, not substitutes. Drug Alcohol Depend. 2019 Nov 1;204:107576. doi: 10.1016/j.drugalcdep.2019.107576. Epub 2019 Sep 21. Erratum in: Drug Alcohol Depend. 2020 Mar 1;208:107872. PMID: 31586808.

<sup>&</sup>lt;sup>237</sup> Kim J, Lee S, Kimm H, Lee JA, Lee CM, Cho HJ. Heated tobacco product use and its relationship to quitting combustible cigarettes in Korean adults. PLoS One. 2021 May 7;16(5):e0251243. doi: 10.1371/journal.pone.0251243. PMID: 33961641; PMCID: PMC8104442.

<sup>238</sup> PMI sidesteps global health treaty. The Bureau of Investigative Journalism. March 20, 2020 https://www.thebureauinvestigates.com/stories/2020-03-20/philip-morris-sidesteps-who-treaty-to-lobby-local-councils



The Bureau of Investigative Journalism report showed this mock-up of a "Quit or Switch" van that PMI offered to local councils and described the company's efforts as a "covert lobbying offensive by Philip Morris International to create a market for Igos." 239

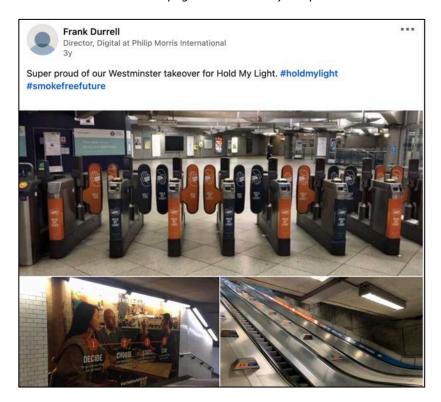
As a Party of the WHO Framework Convention on Tobacco Control (FCTC), the UK has committed "to protect these policies from commercial and other vested interests of the tobacco industry." This didn't prevent PMI from delivering its messaging to Parliament, however. The company plastered "Hold My Light" advertising in the Westminster London Tube Station, which is strategically located next to the Houses of Parliament. A PMI executive expressed being "super proud of our Westminster takeover." In addition, several MPs hosted events on behalf of PMI.

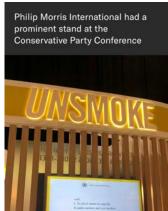
<sup>&</sup>lt;sup>239</sup> PMI sidesteps global health treaty. The Bureau of Investigative Journalism. March 20, 2020 https://www.thebureauinvestigates.com/stories/2020-03-20/philip-morris-sidesteps-who-treaty-to-lobby-local-councils

<sup>&</sup>lt;sup>240</sup> https://www.who.int/fctc/guidelines/article 5 3.pdf

<sup>&</sup>lt;sup>241</sup> PMI sidesteps global health treaty. The Bureau of Investigative Journalism. March 20, 2020 https://www.thebureauinvestigates.com/stories/2020-03-20/philip-morris-sidesteps-who-treaty-to-lobby-local-councils

<sup>&</sup>lt;sup>242</sup> PMI sidesteps global health treaty. The Bureau of Investigative Journalism. March 20, 2020 https://www.thebureauinvestigates.com/stories/2020-03-20/philip-morris-sidesteps-who-treaty-to-lobby-local-councils







(https://www.thebureauinvestigates.com/stories/2020-03-20/philip-morris-sidesteps-who-treaty-to-lobby-local-councils)

Three MP endorsers who tweeted that they hosted events for on behalf of PMI







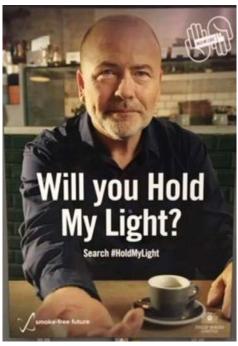
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## Member of the UK Parliament Sir Peter Bottomley endorsing PMI's Hold My Light Campaign (2018)



(https://www.facebook.com/sirpeterbottomleyofficial/photos/970605609729948)

## Poster in a UK Subway (2018)



(https://www.facebook.com/SocialJohnny-457361648124800/photos/pcb.469926510201647/46992642 0201656/)

## Philip Morris political influence display at the Conservative Party Conference



(https://www.babymilkaction.org/archives/14713)



(https://twitter.com/philipmorrisuk/status/1046781174033641472)

## "Unsmoke" Campaign

Unsmoke is part of PMI's Smoke-Free Future public relations effort. PMI announced on April 8, 2019 that it was kicking off its "Year of Unsmoke." 1243 Its use of "no smoke" rather than "no tobacco" makes it clear that the intention is not to encourage its customers to stop tobacco use altogether, but to preserve their nicotine addiction with other nicotine delivery systems in the company's product line, such as IQOS. At the May 1, 2019 Annual Shareholder's Meeting PMI's then-CEO André Calantzopoulos stated, "Our combustible tobacco portfolio remains the foundation of our business." 1244 The public premise of the Unsmoke campaign is that combustion-based tobacco products (e.g., cigarettes) are more dangerous and that PMI would be giving them up. Meanwhile, PMI continues to aggressively market Marlboro and its other cigarette brands that lead the world in sales. In 2020, PMI shipped 628 billion cigarettes and Marlboro continued to be "the world's best-selling international cigarette," according to the company's annual report. 1245

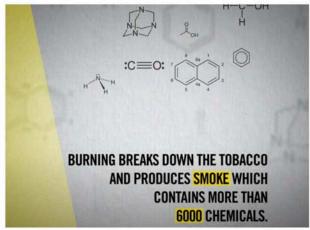
<sup>&</sup>lt;sup>243</sup> Unsmoke is a Joke: A 12-Month Look at the Campaign from Philip Morris International. STOP. A global tobacco industry watchdog. April 2, 2020. (https://exposetobacco.org/news/unsmoke-is-a-joke/)

<sup>&</sup>lt;sup>244</sup> PMI Annual Shareholder's Meeting (May 1, 2019)

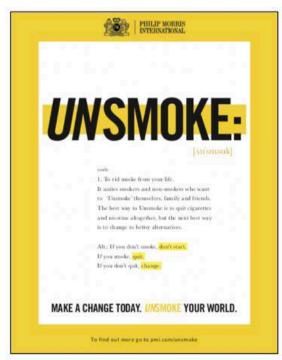
<sup>(</sup>https://web.archive.org/web/20191205114129/https:/philipmorrisinternational.gcs-web.com/static-files/980a8bc2-fbd5-40af-ae2e-99828c0c9335)

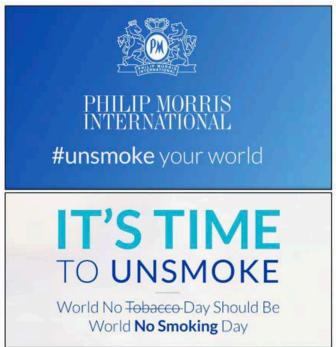
<sup>&</sup>lt;sup>245</sup> PMI 2020 Annual Report. March 12, 2021. (https://pmidotcom3-prd.s3.amazonaws.com/docs/default-source/investor\_relation/pmi\_2020\_annualreport.pdf?sfvrsn=402b8eb4\_4)





(https://www.unsmokeyourworld.com/en/ways-to-unsmoke/learn-the-science/)





(https://tobacco.stanford.edu/heats/iqos/smoke-free-world/)













(https://tobacco.stanford.edu/heats/iqos/smoke-free-world/)



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(https://www.unsmokeyourworld.com/en/features/?page=1)







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(https://tobacco.stanford.edu/heats/igos/smoke-free-world/)











(https://www.unsmokeyourworld.com/en/ways-to-unsmoke/be-inspired/)

## "Unsmoke Your Mind"

The "Unsmoke Your Mind" slogan is evocative of Orwellian-style propaganda designed to manipulate the viewer's brain. The proliferation of the SFF campaign across print, web, and social media may be considered an effort by PMI to "gaslight" regulators, legislators, and the public at large. The term as "gaslighting" is derived from a 1944 movie, "Gas Light," in which an individual is fed false information so frequently that they come to doubt what they know to be true. <sup>246</sup> The

<sup>&</sup>lt;sup>246</sup> Lancer D. How to Know If You're a Victim of Gaslighting. Psychology Today. January 13, 2018. https://www.psychologytoday.com/us/blog/toxic-relationships/201801/how-know-if-youre-victim-gaslighting

term was originally used to describe interpersonal relationships, but more recently it has become applied to politics and even marketing.<sup>247</sup>

The concept behind this campaign is to inject the idea that the public has been under the spell of false information from the tobacco control community, and PMI is trying to "clear the smoke" and free everyone's minds with real science. This also plays into PMI's consistent claim that the public needs to be better informed about nicotine and the continuum of risk in order to make their choice.<sup>248</sup>

In reality, the tobacco industry has a long history of funding scientific research to manufacture doubt and make foregone conclusions seem like a still-debated topic. On the issue of secondhand smoke (also called environmental tobacco smoke, ETS), Judge Kessler determined:

Defendants Undertook Joint Efforts to Undermine and Discredit the Scientific Consensus That ETS Causes Disease.<sup>249</sup>

Significantly, Defendants were well aware of, and worried about, this issue [secondhand smoke] as early as 1961 when a Philip Morris scientist presented a paper showing that 84% of cigarette smoke was composed of sidestream smoke, and that sidestream smoke contained carcinogens. ... Despite the fact that Defendants' own scientists were increasingly persuaded of the strength of the research showing the dangers of ETS to nonsmokers, Defendants mounted a comprehensive, coordinated, international effort to undermine and discredit this research.<sup>250</sup>

Beginning in the 1970s, Defendants crafted and carried out an "open question" strategy, derived from the public relations strategy they employed successfully to discredit research related to active smoking, to address the issue of passive smoking. They carried out this strategy through a comprehensive plan, and the expenditure of an extraordinary amount of money, to develop a worldwide network of consultants involved in a public relations offensive to undermine the growing scientific consensus that ETS causes lung cancer, as well as other serious diseases.<sup>251</sup>

These are, of course, the same tactics PMI is employing today, by releasing a flood of research meant to obscure and distract from true research.

(https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf) <sup>250</sup> Kessler Opinion, pp. 1406-7.

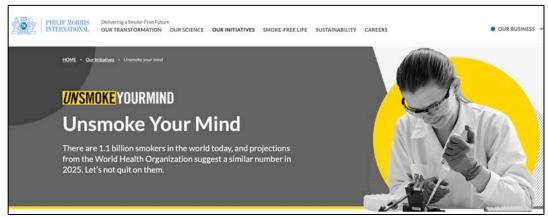
<sup>&</sup>lt;sup>247</sup> Bragg H. Bragg Media Marketing. Gaslighting in marketing will damage your business. December 8, 2018 https://braggmedia.com/gaslighting-in-marketing/

<sup>&</sup>lt;sup>248</sup> Accessed January 12, 2022, https://www.pmi.com/media-center/news/misinformation-a-major-threat-to-smoke-free-progress

<sup>&</sup>lt;sup>249</sup> Kessler Opinion, p. 1266.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf) <sup>251</sup> Kessler Opinion, p. 1524.

<sup>(</sup>https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)



https://www.pmi.com/our-initiatives/unsmoke-your-mind



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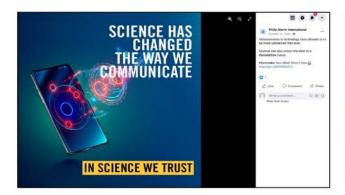
(https://twitter.com/InsidePMI)





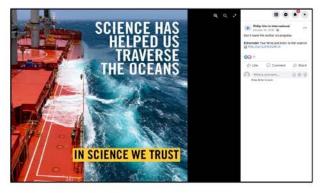
https://twitter.com/search?q=philip%20morris%20international&src=typed\_query

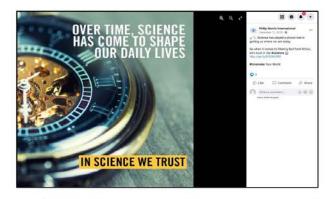
Part of PMI's "#Unsmoke Your Mind" campaign utilized the slogan: "In Science We Trust"

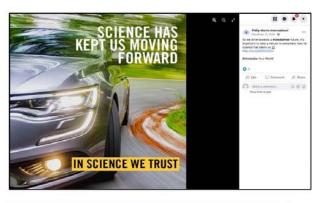
















(https://www.pmi.com/our-initiatives/unsmoke-your-mind)

## "It's Time" to Unsmoke

PMI's "It's Time" campaign was a direct attempt to influence regulator and legislators using its Unsmoke theme. "It's Time" was launched on May 21, 2019 at Wall Street Journal's Future of Everything annual event. PMI's "It's Time" web page states: "It's time for PMI, authorities and regulators to have an open conversation and come up with a meaningful solution on how we can Unsmoke the world. The only way we can accelerate change, is by providing access to and information about alternatives and, crucially, by working together. Let's not wait for tomorrow. The problem exists here and now. That's why It's Time to act now. It's Time to Unsmoke." [254]

In reality, offering more types of nicotine products is by no means the "only way" of "accelerating change." Indeed, it remains an unproven means of curtailing tobacco use (see section VII). Decades of research prove that policy solutions including higher tobacco taxes, graphic warning labels, comprehensive smoke-free laws effectively and efficiently reduce tobacco use – those same solutions that tobacco companies including PMI repeatedly block from passing. <sup>255</sup> <sup>256</sup> <sup>257</sup> The fact that PMI invests so much to stop those policies shows that they are effective. Ignoring these policy solutions does not mean that PMI's products are "the only way."





(https://www.pmi.com/our-transformation/how-businesses-and-states-can-drive-innovation)

<sup>&</sup>lt;sup>252</sup> https://www.pmi.com/our-initiatives/itstime

<sup>&</sup>lt;sup>253</sup> Dangers of the Unsmoke campaign. Global Center for Good Governance in Tobacco Control https://landing.ggtc.world/dmdocuments/Dangers%20of%20Unsmoke%20Campaign Final%20Version.pdf

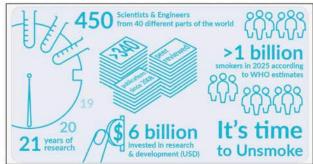
<sup>&</sup>lt;sup>254</sup> Accessed January 12, 2022, https://www.pmi.com/our-initiatives/itstime/its-time-to-unsmoke---why-now

Noar SM, Francis DB, Bridges C, Sontag JM, Ribisl KM, Brewer NT. The impact of strengthening cigarette pack warnings: Systematic review of longitudinal observational studies. Soc Sci Med. 2016 Sep;164:118-129. doi: 10.1016/j.socscimed.2016.06.011. Epub 2016 Jul 13. PMID: 27423739; PMCID: PMC5026824.

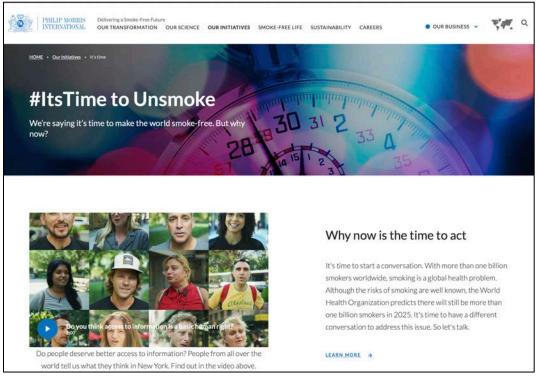
<sup>&</sup>lt;sup>256</sup> Chaloupka FJ, Yurekli A, Fong GT. Tobacco taxes as a tobacco control strategy. Tob Control. 2012 Mar;21(2):172-80. doi: 10.1136/tobaccocontrol-2011-050417. Erratum in: Tob Control. 2012 May;21(3):329. PMID: 22345242.

<sup>&</sup>lt;sup>257</sup> Goodman PG, Haw S, Kabir Z, Clancy L. Are there health benefits associated with comprehensive smoke-free laws. Int J Public Health. 2009;54(6):367-78. doi: 10.1007/s00038-009-0089-8. Epub 2009 Oct 31. PMID: 19882106.





(https://twitter.com/i/events/1131569656307830784?lang=bg)



(https://www.pmi.com/our-initiatives/itstime/its-time-to-unsmoke---why-now)



"It's Time" to Unsmoke glossy PR video. Wall Street Journal (https://partners.wsj.com/pmi/itstime/itstime-to-unsmoke/)

## It's Time to Unsmoke



New York Times, May 19, 2019 https://tobacco.stanford.edu/heats/igos/smoke-free-world/#collection-14

## **Key Quotes:**

"It has taken us twenty years, but a smoke-free future looks like it's becoming a smoke-free reality."

"It has taken hundreds of scientists, thousands of tests, and billions of dollars to invent alternatives without cigarette smoke."

"By encouraging men and women who don't quit to completely adopt smoke free alternatives."

"We strongly believe that we can be a plant free of cigarette smoke."

#### Comment:

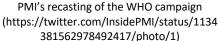
This advertorial makes it crystal-clear that the SFF campaign is intended to popularize its heated tobacco product IQOS, which PMI spent "billions of dollars to invent." In fact, IQOS smolders shredded tobacco leaf and emanates products of combustion, which means that it is

not "smoke-free," as PMI professes. (See Section VII)

## PMI's effort to redefine the WHO's "World No Tobacco Day" as "No Smoking Day"

In 2019, PMI engaged in an effort to rebrand "World No Tobacco Day" as "World No Smoking Day" instead. While it is understood that combustible tobacco products are the most dangerous tobacco products, some commonly used smokeless tobacco products used in Asia carry high risks for oral cancer.<sup>258</sup> Indeed, PMI also acknowledges that its "smoke-free" products are also "not risk-free."<sup>259</sup> PMI's suggested messaging falsely frames the problem as only combustible tobacco products. It certainly would not serve the world's population to ignore these other harmful forms of tobacco products.







WHO's World No Tobacco Day Campaign

## PMI's Defense to WHO's Criticism of Its Foundation for a Smoke-Free World

In July 2019, the World Health Organization (WHO) released a report entitled, WHO Report on the Global Tobacco Epidemic: Offer Help to Quit Tobacco Use.<sup>260</sup> In that report, WHO criticized FSFW primarily by identifying the Foundation as "a clear attempt to breach the WHO FCTC by interfering in public policy."<sup>261</sup>

National Cancer Institute and Centers for Disease Control and Prevention. Smokeless Tobacco and Public Health: A Global Perspective. Bethesda, MD: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention and National Institutes of Health, National Cancer Institute. NIH Publication No. 14-7983; 2014. (https://cancercontrol.cancer.gov/sites/default/files/2020-06/smokelesstobaccoandpublichealth.pdf)

<sup>&</sup>lt;sup>259</sup> Accessed January 12, 2022, https://www.pmi.com/faq-section/smoke-free-products

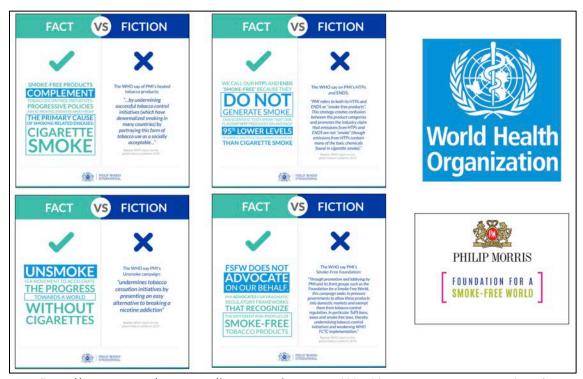
<sup>&</sup>lt;sup>260</sup> WHO report on the global tobacco epidemic 2019: offer help to quit tobacco use. World Health Organization. July 25, 2019. https://www.who.int/publications/i/item/9789241516204

<sup>&</sup>lt;sup>261</sup> WHO report on the global tobacco epidemic 2019: offer help to quit tobacco use. World Health Organization. July 25, 2019. https://www.who.int/publications/i/item/9789241516204



From WHO Report on the Global Tobacco Epidemic 2019: Offer Help to Quit Tobacco Use. (https://www.who.int/publications/i/item/9789241516204)

In August 2019, PMI undertook a public relations campaign to undermine the WHO report's conclusions: "World Health Organization report on tobacco: Fact versus Fiction." This is part of PMI's comprehensive efforts to undermine the legitimacy of responsible science-based opinions and follows similar types of activities Judge Kessler identified that tobacco companies engaged in decades before when she concluded, "They conducted a mammoth national and international public relations campaign to criticize and trivialize scientific reports demonstrating the health hazards of ETS to nonsmokers and smokers." <sup>262</sup>



(https://www.pmi.com/our-science/facts-versus-fiction---world-health-organization-report-on-tobacco) (https://twitter.com/insidepmi/status/1159102597749530624)

(https://www.tobaccofreekids.org/assets/content/what\_we\_do/industry\_watch/doj/FinalOpinion.pdf)

<sup>&</sup>lt;sup>262</sup> Kessler Opinion, pp. 1406-1407.

# V. The Illogic of Tobacco Advertorials Being Carried by Leading Newspapers That Prohibit Tobacco Advertising

PMI SFF advertorials have run in prestigious newspapers such as the New York Times, Washington Post, The Wall Street Journal, and Boston Globe, among many others. Marketers refer to advertorials as "native advertising," as they appear in the style of an editorial or objective journalistic article often executed emulating the appearance (e.g., font) and feel of the host publication. They effectively co-brand the company and its products with the newspaper. Appearing in a prestigious newspaper lends credibility, conveys authority, and bolsters believability to a company's sponsored message. As gatekeepers of information, major newspapers take pride that their content is subject to rigorous publication standards.

There is nothing inherently wrong with advertorials as many companies, charities, and governments employ them to communicate responsible opinions and perspective they wish to share with the public. However, many advertorials are brand advertisements dressed up as opinion pieces. That an advertorial may be promotional in nature is made clear by newspaper marketing departments.

Description of the Advertorial Features of Leading US Newspapers: A Clear Focus on Brand Advertising Rather Than Editorial Opinions

## The Washington Post

"A platform which connects advertisers with its readers"

"Creating smart, engaging experiences on behalf of your brand."

## THE WALL STREET JOURNAL

"deploy sophisticated story telling techniques in order to help brands create content-driven connections with audiences."

## The Boston Globe

"encourage brand loyalty," "add value to your brand," "communicate a brand's ideals,"
"elevate a consumer's perspective of your brand, resulting in increased awareness and loyalty."

Clearly the material published via these programs are forms of brand advertising which, in PMI's case, is a medium it has exploited to slip marketing material into major newspapers that ban tobacco advertising.

## The New York Times

The New York Times has a long history of leadership in its tobacco advertising policies. Because of its preeminence, the policies it adopts are influential across the publishing industry. In 1969, in response to the Times adopting modest restrictions on cigarette advertising, the American Tobacco Company ran an advertorial that made the preposterous claim: "Sure there are statistics associating lung cancer and cigarettes. There are statistics associating lung cancer with divorce, and even lack of sleep. But no scientist has produced clinical or biological proof that cigarettes cause the diseases they are accused of causing." The company protested: "We believe that the anticigarette theory is a bum rap." "Anti-cigarette crusaders (like the New York Times) — we are not going to knuckle under to the Times or anybody else who tries to force us to accept a theory which, in the opinion of men who should know, is half-baked." The advertorial ran in the New York Times, Wall Street Journal, Chicago Tribune, Philadelphia Inquirer, Boston Globe, Time Magazine and many other periodicals at a cost of \$155,702 (\$1,142,432 in 2021). The same content of the triangle of the produced clinical across the publishing industry.

After taking criticism for a number of years, the Times became one of the first US newspapers to ban tobacco advertising from its pages, in April 1999.<sup>265</sup> Arthur O. Sulzberger Jr., then-publisher of The Times, opined that he "did not consider cigarette advertising a free-speech issue" and "The First Amendment gives the press the right to publish what it chooses to." <sup>266</sup>



(https://www.nytimes.com/1999/04/28/business/the-new-york-times-bans-cigarette-ads.html)

(https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=qyvb0020)

<sup>&</sup>lt;sup>263</sup> Why We're Dropping The New York Times. (https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=jgyp0046)

<sup>&</sup>lt;sup>264</sup> List of periodicals. Why We're Dropping The New York Times.

<sup>&</sup>lt;sup>265</sup> Gitlitz G. Cigarette advertising and the New York Times: An ethical issue that's unfit to print. New York J Med 1983; 83:1284-1291.

<sup>&</sup>lt;sup>266</sup> Carvajal D. The New York Times Bans Cigarette Ads. The New York Times. April 28, 1999. (https://www.nytimes.com/1999/04/28/business/the-new-york-times-bans-cigarette-ads.html)

# Why we're dropping The New York Times

Last week the Times said it would accept cigarette ads only if they contain (1) a health caution notice, and (2) "tar" and nicotine figures. We don't go along with this.

We offered to take our ads off TV and radio because of the claim that those media unavoidably reach large numbers of children.

We did not take that action because we agree with anticigarette crusaders (including The New York Times) who would like to blame cigarettes for the thousand and one ills that flesh is heir to.

Sure there are statistics associating lung cancer and cigarettes. There are statistics associating lung cancer with divorce, and even with lack of sleep. But no scientist has produced clinical or biological proof that cigarettes cause the diseases they are accused of causing. After fifteen years of trying, nobody has induced lung cancer in animals with cigarette smoke.

We believe the anticigarette theory is a bum rap. And each time the Congress of the United States has held Hearings on the cigarette controversy, distinguished, independent scientists have gone to Washington to say so.

Therefore, we are not going to knuckle under to the Times or anybody else who tries to force us to accept a theory which, in the opinion of men who should know, is half-baked.

In 1884, the New York Times said:

"The decadence of Spain began when the Spaniards adopted cigarettes and if this pernicious practice obtains among adult Americans the ruin of the Republic is close at hand..."

We think the New York Times was wrong in 1884. We think it is wrong in 1969.



(https://tobacco.stanford.edu/cigarettes/propaganda-etc/industry-propaganda/#collection-3)

In 2014, the New York Times launched its "T Brand" Studio, which has become the vehicle for PMI's advertorials. The advertising arm describes itself: "Inspired by the journalism and innovation of The New York Times, T Brand crafts stories that help brands make an impact in the world. We create stories that live across The New York Times Advertising platform and guarantee reach via a mix of Times channels. This work can be crafted to continue on in a brand's social channels, as out of home placements, or anywhere your story should be told for the best





(https://blog.nativeadvertisinginstitute.com/the-new-york-times-makes-some-of-the-best-native-advertising-and-here-is-why)

Excerpts from the New York Times' "Ad Acceptability Guidelines" in Their Media Kit: 268

"Our mission at The New York Times is to seek the truth and help people understand the world."

"Our commitment to a quality news experience that supports our mission means we cannot and do not accept them all."

"This means maintaining a standard for advertising acceptance that it both industry leading and consistently applied."

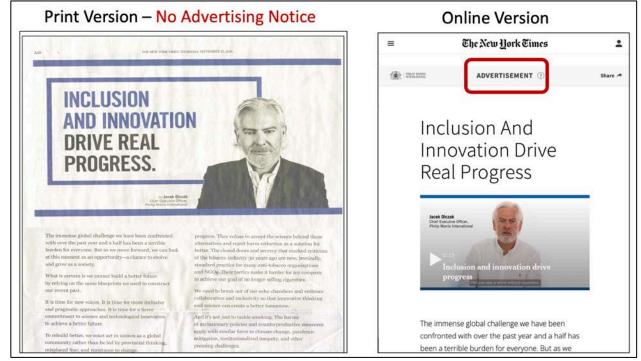
"Advertisers may be required to provide evidence to support an ad's claim."

"We aim to keep out ads that . . . Are deemed to be intentionally misleading, inaccurate or fraudulent."

<sup>&</sup>lt;sup>267</sup> https://www.tbrandstudio.com

<sup>&</sup>lt;sup>268</sup> New York Times "Ad Acceptability Guidelines" in Their Media Kit (https://nytmediakit.com/general-resources?id=adacceptability-guidelines)

The Times digital edition clearly marketed PMI's September 2021 advertorial as an advertisement while its print edition did not. (red lettering and box added)



New York Times, September 21, 2021

(https://www.nytimes.com/paidpost/philip-morris-usa/inclusion-and-innovation-drive-real-progress.html?partner=IFTTT)

It would appear that the lack of a sponsorship disclosure on the full-page print advertisement contravenes The Times Ad Acceptability Guidelines which states: "All print advertisements must include a legible disclosure on the top and bottom of the ad." Additionally, the guidelines state: "The Times reserves the right to label an advertisement as needed to make clear the distinction between advertising and our journalism." <sup>270</sup>

# The Boston Globe

The Boston Globe carried two series of PMI-sponsored articles around the themes of misinformation and technology that are "paid for by the advertiser." <sup>269</sup> <sup>270</sup> The misinformation campaign was an admixture of invited academic opinion pieces, including one from an MIT professor, together with PMI propaganda. A video of "Globe Events" includes a technology theme mixed a series of articles on Biotech in Boston with PMI propaganda. <sup>271</sup>

<sup>&</sup>lt;sup>269</sup> Biotech in Boston Series: (http://sponsored.bostonglobe.com/pmi/biotech-in-boston/)

<sup>&</sup>lt;sup>270</sup> Misinformation series: (http://sponsored.bostonglobe.com/pmi/misinformation-explored/)

<sup>&</sup>lt;sup>271</sup> Technology: The Source of Misinformation — and the Solution? Boston Globe Event. https://vimeo.com/610765821



your brand by aligning it with the right message and encouraging positive

associations and heightened brand loyalty.

### what does this mean for your brand?

Hitting this sweet spot between engaging storytelling and brand alignment allows us to communicate a brand's ideals without using hard sells or explicit messaging. We focus on bright ideas and subjects that elevate a consumer's perspective of your brand, resulting in increased awareness and loyalty.

(https://www.bostonglobemedia.com/studiob-branded-content)

BG BrandLab is indeed designed for brand promotion, not paid opinion pieces, using a device the paper calls "engaging storytelling." According to the Boston Globe, it is intended to "encourage brand loyalty," "add value to your brand," "communicate a brand's ideals," and "elevate a consumer's perspective of your brand, resulting in increased awareness and loyalty." Clearly the material published via this program are a form of advertising and, in PMI's case, a device to get marketing material into a major newspaper that has banned tobacco advertising since 1999.

Boston Globe appears to be the most prolific vehicle for PMI advertorials.



This content was produced by Boston Globe Media's <u>BG BrandLab</u> and paid for by the advertiser. The news and editorial departments of The Boston Globe had no role in its production or display.

(http://sponsored.bostonglobe.com/category/pmi/?p1=SC\_Article\_ReadMore\_Section)

# The Washington Post wp GREAT GROU



The Washington Post "Creative Group" was founded in April 2021, replacing its "WP BrandStudio." The program is described as: "WP Creative Group effectively marries together The Washington Post and brand partner's equity to authentically engage consumers and drive businesses forward," and "delivering messages to the right audiences, and creating omnichannel experiences that connect and deepen relationships with consumers."272 It is clearly intended to be a tool for use by brand marketers: "Washington Post Creative Group is a platform which connects advertisers with its readers" and "Creating smart, engaging experiences on behalf of your brand." As the national capital's leading newspaper, the Post understandably markets its advertorial product as a means of reaching politicians and regulators: "Influencing the influencers requires rich, immersive content with value and a point of view."273

> WP Creative Group is a platform that connects advertisers with The Washington Post audience. The Washington Post Newsroom is not involved in the creation of this content. Deciphering fact from fiction to solve today's most pressing issues At the core of democracy is the duty of policymakers to consider the public's voice. More than ever, people are demanding to be involved with issues that affect them-from climate change to rebuilding after the pandemic. As world leaders convene for the 76th United Nations General Assembly, no longer can experts say: "This is [...] **Lost Amid Misinformation: Real** People, Real Science, Real **Progress** We often think that misinformation and disinformation are online phenomena, with fake news and conspiracy theories only occasionally spilling over into real life. The reality is that these threats to progress are not confined to online peddlers of the unreal; they have real-world consequences that hurt real people. As a scientist working for Philip Morris [...] We're delivering better choices. Campaigners called for us to develop better alternatives to continued smoking - and we have. (Partner Content) **Uniting Through Science** We need science, not rhetoric, to inform policies and regulations. (Partner Content)

(https://www.washingtonpost.com/creativegroup/archive/?itid=sf brand-studio-wp/tag/philipmorrisinternational)

<sup>&</sup>lt;sup>272</sup> Washington Post Creative Group: https://www.washingtonpost.com/pr/2021/04/09/introducing-washington-post-creativegroup/).

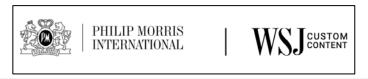
<sup>&</sup>lt;sup>273</sup> https://www.washingtonpost.com/creativegroup/archive/

# THE WALL STREET JOURNAL



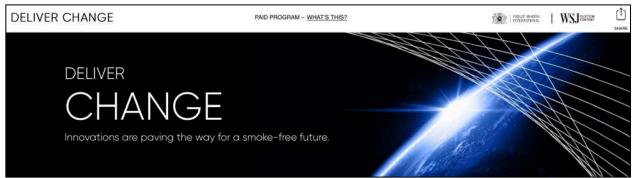
(https://twitter.com/WSJCustom)

The Wall Street Journal launched its Creative studios in 2014, announcing: "We are pleased to launch an innovative, intelligent and flexible suite of capabilities that will help market-leading brands develop even deeper relationships with their clients and our readers, the world's most important decision makers." It describes its services as: "Custom Studios content solutions products is Narratives, the brand's first native advertising offering. Narratives will deploy sophisticated story telling techniques in order to help brands create content-driven connections with audiences." <sup>274</sup>



WALL STREET JOURNAL CUSTOM CONTENT IS A UNIT OF THE WALL STREET JOURNAL ADVERTISING DEPARTMENT.

THE WALL STREET JOURNAL NEWS ORGANIZATION WAS NOT INVOLVED IN THE CREATION OF THIS CONTENT.



(https://partners.wsj.com/pmi/deliver-change/)

<sup>&</sup>lt;sup>274</sup> The Wall Street Journal Launches WSJ. Custom Studios. New Spectrum of Content Products Includes Narratives By WSJ. Custom Studios, The Brand's First Native Offering. Dow Jones Press Release. March 10, 2014. (https://www.dowjones.com/press-room/wall-street-journal-launches-wsj-custom-studios-marks-significant-advancement-content-partnership-capabilities/)



(https://partners.wsj.com/pmi/itstime/lets-talk-disruptive-innovation-and-science-can-create-a-smoke-free-world/)

# The Rise of Advertorials May Be in Response to Stressed Newspaper Economics

A major factor in leading newspapers decision to carry advertorials is likely the financial challenges faced by the industry as a result of the digital transformation.<sup>275</sup> A second major factor is decreasing advertising revenue due to migration of advertising to social media platforms. According to Pew research, US newspaper advertising revenue declined precipitously from a peak of \$49 billion in 2006 to an estimated \$8.8 billion in 2020.<sup>276</sup>



(https://www.pewresearch.org/journalism/fact-sheet/newspapers/)

<sup>&</sup>lt;sup>275</sup> Kolo C. Strategic challenges of newspaper publishing in an international perspective. Newspaper Research Journal. 2019;40(3):275-298. doi:10.1177/0739532919862367

<sup>&</sup>lt;sup>276</sup> Newspaper fact sheet. Pew Research. June 29, 2021. (https://www.pewresearch.org/journalism/fact-sheet/newspapers/)

# **Newspapers Should Stop Carrying Tobacco Advertorials**

Inside newspapers, advertorials are the province of marketing departments whose understandable goal is to maximize advertising revenue. The editorial board and publishers are charged with overseeing publication ethics and alignment with sustaining a newspaper's journalistic standards. One would hope that once newspaper editorial boards become informed concerning the nature of tobacco company advertorials, they would act to discontinue the practice. The NYT Ad Acceptability Guidelines state: "Moreover, the newsroom does not have a say in the advertising department decisions, and the advertising department does not have a say in or have any influence over newsroom decisions. While newsroom and advertising employees may properly confer on matters such as the layout of the paper or timing of special sections, the departments operate independently with the clear understanding that neither will try to influence the other." This strict separation between editorial and marketing aspects may serve to loosen the reigns on those seeking to maximize flow of advertising dollars.

While most newspaper and magazine publishers claim that they maintain a wall between their editorial and advertising functions, in 2015 media corporation Condé Nast formed "23 Stories by Condé Nast" in which the journal's editorial staff wrote content for the advertisers. This included Time Magazine, which in October 2021, ran a SFF-themed, full-page advertorial from PMI titled, "Deciphering Fact From Fiction To Solve Today's Most Pressing Issues," for which the magazine received \$278,400. [See Section XI.] Media critics have characterized it as "A breach in the traditional editorial separation of church and state." [279]

Given the brand enhancing focus of advertorials, it is illogical to accept them from tobacco companies while maintaining a no-tobacco advertising policy. In reality, tobacco advertorials comprise only a modest corner of newspaper advertorial business, thus eliminating them ought not to have an excessively burdensome financial impact. Editors may wish to reflect upon the drivers of their original tobacco advertising ban, most often adopted in the 1990s, based upon the reality that tobacco use continues to be the leading preventable cause of death and the industry has continued its lengthy history of deception. In those newspapers that choose to continue accepting tobacco advertorials, publishers should consider providing space for public health critiques to appear adjacent to them, as was mandated by the Federal Communications Commission (FCC)'s Fairness Doctrine, which required broadcast stations to air anti-smoking messages if they aired cigarette commercials, in the last few years tobacco advertisements appeared on American TV and radio preceding their removal in 1970.

A straight-forward policy solution would be for newspapers to direct their marketing arms to decline advertorials from companies promoting brands for which advertising would not be accepted by the newspaper.

<sup>&</sup>lt;sup>277</sup> Chapin A. Condé Nast Editors Will Start Writing Advertorial Content Racked. January 26, 2015. https://www.racked.com/2015/1/26/7997803/conde-nast-editors-will-start-writing-advertorial-content

<sup>&</sup>lt;sup>278</sup> Chapin A. Time Inc. Editors Must Write Advertorial Content, Too No more firewall at Time Inc. between business and editorial. Racked. February 12, 2015. https://www.racked.com/2015/2/12/8028455/time-inc-editors-advertorial-content

<sup>&</sup>lt;sup>279</sup> Biron B. Conde Nast positions 23 Stories as a 100-person creative agency. DigiDay October 3, 2017. https://digiday.com/media/conde-nast-positions-23-stories-100-person-creative-agency/

# VI. PMI & Altria's Promotion of its Cigarette Brands While Claiming to be "Moving Away From Cigarettes."

In advertisements and interviews, PMI & Altria executives continually claim that their goal is to stop selling cigarettes. However, the reality is that cigarettes continue to be a highly profitable business on which the company relies.

- 1. Their cigarette business remains lucrative, and accounts for the vast majority of their profits.
- 2. Their reasons for not immediately stopping cigarette sales have evolved from needing to stay competitive and build brand loyalty to drive smokers to their "smoke-free" products to needing the profits from their combustibles business to fund their plans for a smoke-free future. But both of those excuses means that their future is highly dependent on the very products they're trying to stop selling.
- 3. A sizable portion of PMI's goal to derive 50% of its revenue from non-combustibles is being achieved through diversification into non-tobacco businesses rather than ramping down its cigarette sales.
- 4. PMI's Smoke-Free Future campaign is only for some countries and is being achieved at the expense of poorer countries.<sup>280</sup>
- 5. PMI continues to oppose evidence-based policies that would drive down cigarette sales and smoking.

Communications to investors regarding business strategies diverge notably from their public relations messaging.



"Maximize income from our core tobacco businesses over the long term."

Investor presentation - Consumer Analyst Group of New York February 22, 2017 (CAGNY) (https://s25.q4cdn.com/409251670/files/doc\_events/2017/02/1/Presentation.pdf)

<sup>&</sup>lt;sup>280</sup> Herzog B, Kanada P, Reid S, Kulkarni A. Philip Morris International Inc. (PM): iQOS momentum builds, supporting accelerating growth & margins - Reiterate Buy. Goldman Sachs Equity Research. December 2, 2021. ("PM has seen particularly good performance in combustibles in Indonesia, Mexico, Turkey, the Ukraine and Australia.")



"Why we're quitting cigarettes"

PMI CEO André Calantzopoulos, 2018
(https://nypost.com/dispatch/why-were-quitting-cigarettes/)



"Somebody has to supply them"

PMI CEO André Calantzopoulos (BBC News, August 22, 2019)
(https://twitter.com/BBCHARDtalk/status/1164182215787536384)

Quotes from Philip Morris International and Altria reveal that far from abandoning cigarettes, both corporations derive the lion's share of their profits from them and are keenly focused upon their continued profitability.

"The smokeable segment remains large and highly profitable and, despite the long-term secular decline in cigarette volume, has continued to grow income year over year." <sup>281</sup>

"So we believe PM USA is well positioned to maintain the company's leadership in the cigarette category." <sup>282</sup>

"Marlboro anchors our smokeable products segment, and PM USA continues to invest in Marlboro to maintain its vibrant franchise." <sup>283</sup>

"These businesses [core tobacco businesses, i.e., smokeable and smokeless] have relatively low capital needs while generating strong profit, cash flow and margin growth over time. We're maximizing the value of these businesses over the long term to return cash to shareholders and to invest in our future."<sup>284</sup>

Philip Morris International CEO André Calantzopoulos (October 29, 2017)

Cigarettes "still represent the bulk of our income." When asked in the same interview how long before his smoke-free world becomes a reality, he responded, "First, I don't think it's 40 years we're talking about here. It's much longer." <sup>285</sup>

"In our core tobacco businesses, our most valuable asset is Philip Morris USA Inc.'s (PM USA) terrific Marlboro brand. Thanks to vision, innovation and careful stewardship, Marlboro has been the leading U.S. cigarette brand for 40 years. In fact, Marlboro has been on the top 10 list of the world's most valuable global brands in each of the past 10 years." <sup>286</sup>

"Change is an essential part of a healthy business, we needed to learn to unlearn and learn again fast. The journey was not easy but the price of not changing would have been huge." <sup>287</sup>

While they claim to be seeking an end to cigarettes, PMI & Altria's flagship cigarette brand Marlboro dominates the marketplace globally:

<sup>&</sup>lt;sup>281</sup> PMI. 2017 Investor Day. November 2, 2017.

<sup>&</sup>lt;sup>282</sup> Consumer Analyst Group of New York (CAGNY). February 22, 2017.

<sup>(</sup>https://s25.q4cdn.com/409251670/files/doc\_events/2017/02/1/Presentation.pdf)

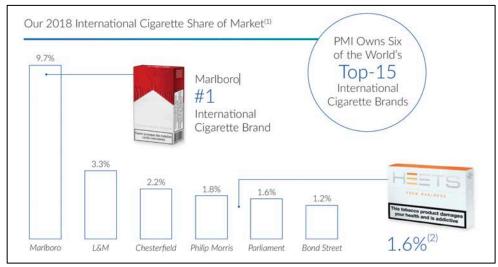
<sup>&</sup>lt;sup>283</sup> CAGNY. February 22, 2017. (https://s25.q4cdn.com/409251670/files/doc\_events/2017/02/1/Presentation.pdf)

<sup>&</sup>lt;sup>284</sup> CAGNY. February 22, 2017. (https://s25.q4cdn.com/409251670/files/doc\_events/2017/02/1/Presentation.pdf)

<sup>&</sup>lt;sup>285</sup> Chaudhuri S. Philip Morris Big Smokeless Bet. Wall Street Journal. October 27, 2017. https://www.wsj.com/articles/philip-morriss-big-smokeless-bet-1509329400?mg=prod/accounts-wsj

<sup>&</sup>lt;sup>286</sup> PMI. Q3 2016 Results Earnings Call. October 27, 2016.

<sup>&</sup>lt;sup>287</sup> Banker S. Philip Morris International's Pivot To Smoke-Free Products Complicates Their Supply Chain. February 8, 2021. https://www.forbes.com/sites/stevebanker/2021/02/08/philip-morris-internationals-pivot-to-smoke-free-products-complicates-their-supply-chain/?sh=f5b8d0931e43

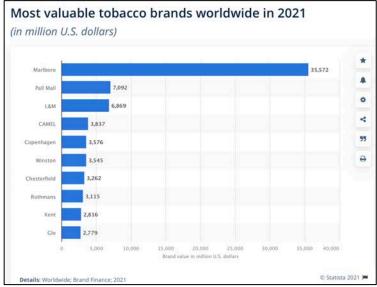


(https://www.pmi.com/investor-relations/reports-filings)

"In 2019, we owned six of the world's top 15 international cigarette brands, with international cigarette market shares as follows: Marlboro, 10.0%; L&M, 3.5%; Chesterfield, 2.2%; Philip Morris, 1.9%; Parliament, 1.5%; and Bond Street, 1.1%."

"Cigarette share for Marlboro increased by 0.3 percentage points to reach 10.0% – an all-time high."

"Our portfolio comprises both international and local brands and is led by Marlboro, the world's best-selling international cigarette, which accounted for approximately 37% of our total 2019 cigarette shipment volume." <sup>288</sup>



PMI flagship Marlboro brand is the sales leader worldwide

(https://www.statista.com/statistics/399133/most-valuable-tobacco-brands-worldwide/)

<sup>&</sup>lt;sup>288</sup> Philip Morris International Annual Report 2019. https://philipmorrisinternational.gcs-web.com/static-files/b475ffd3-ee87-4b22-9724-181510d16b1a

In 2021, PMIs cigarette business increased by 2.4% in the fourth quarter while decreasing 0,6% for the full year. Sales of its flagship brand Marlboro increased by 8.9% in the fourth quarter and by 2.9% for the full year. PMI's heated tobacco product sales (IQOS) surged by 24.8%in 2021. PMI operating income in 2021 increased by 11.2%. <sup>289</sup>

Fourth-Quarter			Full-Year		
2021	2020	Change	2021	2020	Change
62,619	57,521	8.9 %	239,905	233,158	2.9 %
20,314	21,883	(7.2)%	84,342	91,098	(7.4)%
15,780	12,864	22.7 %	58,800	52,139	12.8 %
10,514	10,822	(2.8)%	42,395	45,645	(7.1)%
11,085	9,162	21.0 %	41,621	34,737	19.8 %
10,214	9,061	12.7 %	37,815	32,862	15.1 %
5,983	6,410	(6.7)%	22,627	24,754	(8.6)%
3,636	3,429	6.0 %	15,487	15,489	— %
1,975	5,632	(64.9)%	14,175	24,113	(41.2)%
2,292	2,277	0.7 %	8,849	8,980	(1.5)%
13,970	15,616	(10.5)%	58,859	65,543	(10.2)%
158,382	154,677	2.4 %	624,875	628,518	(0.6)%
25,397	21,709	17.0 %	94,976	76,111	24.8 %
183,779	176,386	4.2 %	719,851	704,629	2.2 %
	2021 62,619 20,314 15,780 10,514 11,085 10,214 5,983 3,636 1,975 2,292 13,970 158,382 25,397	2021         2020           62,619         57,521           20,314         21,883           15,780         12,864           10,514         10,822           11,085         9,162           10,214         9,061           5,983         6,410           3,636         3,429           1,975         5,632           2,292         2,277           13,970         15,616           158,382         154,677           25,397         21,709	2021         2020         Change           62,619         57,521         8.9 %           20,314         21,883         (7.2)%           15,780         12,864         22.7 %           10,514         10,822         (2.8)%           11,085         9,162         21.0 %           10,214         9,061         12.7 %           5,983         6,410         (6.7)%           3,636         3,429         6.0 %           1,975         5,632         (64.9)%           2,292         2,277         0.7 %           13,970         15,616         (10.5)%           158,382         154,677         2.4 %           25,397         21,709         17.0 %	2021         2020         Change         2021           62,619         57,521         8.9 %         239,905           20,314         21,883         (7.2)%         84,342           15,780         12,864         22.7 %         58,800           10,514         10,822         (2.8)%         42,395           11,085         9,162         21.0 %         41,621           10,214         9,061         12.7 %         37,815           5,983         6,410         (6.7)%         22,627           3,636         3,429         6.0 %         15,487           1,975         5,632         (64.9)%         14,175           2,292         2,277         0.7 %         8,849           13,970         15,616         (10.5)%         58,859           158,382         154,677         2.4 %         624,875           25,397         21,709         17.0 %         94,976	2021         2020         Change         2021         2020           62,619         57,521         8.9 %         239,905         233,158           20,314         21,883         (7.2)%         84,342         91,098           15,780         12,864         22.7 %         58,800         52,139           10,514         10,822         (2.8)%         42,395         45,645           11,085         9,162         21.0 %         41,621         34,737           10,214         9,061         12.7 %         37,815         32,862           5,983         6,410         (6.7)%         22,627         24,754           3,636         3,429         6.0 %         15,487         15,489           1,975         5,632         (64.9)%         14,175         24,113           2,292         2,277         0.7 %         8,849         8,980           13,970         15,616         (10.5)%         58,859         65,543           158,382         154,677         2.4 %         624,875         628,518           25,397         21,709         17.0 %         94,976         76,111

PMI Shipment Volume by Region (million units)	Fourth-Quarter			Full-Year		
	2021	2020	Change	2021	2020	Change
Cigarettes						
European Union	37,605	37,278	0.9 %	157,843	163,420	(3.4)%
Eastern Europe	20,927	22,725	(7.9)%	88,698	93,462	(5.1)%
Middle East & Africa	34,756	29,912	16.2 %	127,911	117,999	8.4 %
South & Southeast Asia	36,136	36,609	(1.3)%	141,923	144,788	(2.0)%
East Asia & Australia	10,463	9,946	5.2 %	43,913	45,100	(2.6)%
Americas	18,495	18,207	1.6 %	64,587	63,749	1.3 %
Total PMI	158,382	154,677	2.4 %	624,875	628,518	(0.6)%
Heated Tobacco Units						
European Union	7,803	5,773	35.2 %	28,208	19,842	42.2 %
Eastern Europe	7,056	6,524	8.2 %	25,650	20,898	22.7 %
Middle East & Africa	655	188	+100%	2,140	1,022	+100%
South & Southeast Asia	89	26	+100%	240	36	+100%
East Asia & Australia	9,684	9,063	6.9 %	38,162	33,862	12.7 %
Americas	110	135	(18.5)%	576	451	27.7 %
Total PMI	25,397	21,709	17.0 %	94,976	76,111	24.8 %

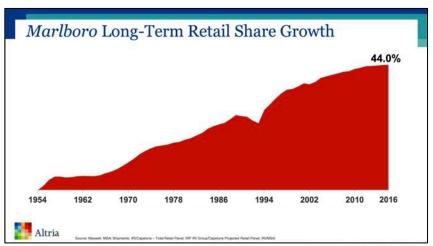
 $<sup>^{289} \ \</sup> Philip\ Morris\ International\ 2021\ full\ year.\ \ https://philipmorrisinternational.gcs-web.com/static-files/d78e5efd-ecdf-4bc6-b370-33d33863361f.$ 

Altria is proud that Marlboro is the sales leader in all 50 US states



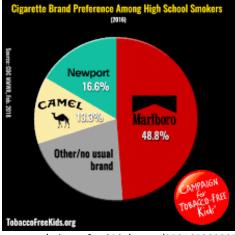
Consumer Analyst Group of New York February 22, 2017 (CAGNY) (https://s25.q4cdn.com/409251670/files/doc\_events/2017/02/1/Presentation.pdf)

Altria is proud that Marlboro US market share has steadily grown



Consumer Analyst Group of New York February 22, 2017 (CAGNY) (https://s25.q4cdn.com/409251670/files/doc\_events/2017/02/1/Presentation.pdf)

Marlboro is the leading cigarette brand among US high school students



(https://twitter.com/tobaccofreekids/status/959165889995210752)

When confronted about why it can't immediately stop selling cigarettes, PMI's reasons have changed over time, but the gist remains the same – it can't actually stop selling cigarettes because the profits are too good.

In a 2019 post on PMI's website, VP Moira Gilchrist stated, "If we, as a single company, were to withdraw our cigarettes from the market, the only thing that would happen is that adult smokers would buy other brands of cigarettes instead." <sup>290</sup> In other words, the company claims it is afraid of losing brand share to other companies, thus it needs to keep selling cigarettes so smokers wouldn't just keep smoking, but they would smoke PMI's brands.

In its 2021 Investor Day, PMI insists that it needs to retain its smoking customers in order to communicate with them about switching to its "smoke-free" products: "And the fact that we're selling and continue selling the cigarette gives us every-day-access to smokers. ... So we're using our brands also for so-called bridging type of a program, which is nothing else than wave the communications to the Marlboro smokers on the pack, within the pack, et cetera, all through our brands reinserting information about the alternatives because I believe also our duty that the smokers should know that the better alternatives do exist. And should they seriously consider either quitting, obviously, remember our philosophy or switching because these alternatives exist to RRPs product." <sup>291</sup> This amounts to reprehensible circular logic: to maintain that it wants to eliminate cigarettes, while claiming that it can only achieve this by marketing its "smoke-free" products in its cigarette packs. Indeed, the company hubristically claims it is "their duty" to keep selling Marlboro as a means of promoting "better alternatives." Given PMI's potent marketing of Marlboro via a wide array of media channels, it has many methods of marketing its alternative products, meaning that this rationale for continuing to sell Marlboro amounts to a lame excuse.

Finally, PMI tries to justify its continued cigarette sales as funding sources for its smokefree future:

"We will continue leveraging our leadership in combustibles to accelerate the smoke-free transition." <sup>292</sup>

"We will continue leveraging, obviously, a leadership in combustibles so that we can support the smoke-free expansion. And obviously, smoke-free products don't need financing from combustibles, but still access to smokers and infrastructure, especially for new markets, is important." <sup>293</sup>

Altria has made similar statements.

<sup>&</sup>lt;sup>290</sup> "In science we trust; Q&A with Dr Moira Gilchrist, PMI's VP of Strategic and Scientific Communications." Sept 29, 2019. (https://www.pmi.com/media-center/news/in-science-we-trust)

<sup>&</sup>lt;sup>291</sup> PMI 2021 Virtual Investor Day. Feb 10, 2021. (https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d)

<sup>&</sup>lt;sup>292</sup> Virtual Annual Meeting of Shareholders, May 5, 2021, https://philipmorrisinternational.gcs-web.com/static-files/56ae4d00-5df8-4f56-be65-86dd5bf314ba

<sup>&</sup>lt;sup>293</sup> PMI 2021 Virtual Investor Day. Feb 10, 2021. (https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d)

"The Smokeable Products segment continued to deliver on its strategy of maximizing profitability and combustibles, while appropriately balancing investments in Marlboro, with funding the growth of smoke-free products." <sup>294</sup>

"Our smokeable products segment is the engine that enables investments behind our non-combustible portfolio and rewards our shareholders with a strong dividend." <sup>295</sup>

"The smokeable products segment continues to be the engine that powers our Vision, generating significant cash that can be invested in non-combustible products and returned to shareholders. Our smokeable products strategy is to maximize the profitability of our combustible products while appropriately balancing investments in Marlboro with funding growth of our non-combustible portfolio." <sup>296</sup>

These three arguments were succinctly expressed in PMI's "Business Transformation-Linked Financing Framework," which stated:<sup>297</sup>

In support of our transformation, we have reallocated a significant proportion of our commercial spending from cigarettes to smokefree products and have streamlined our cigarette portfolio to focus on fewer brands and variants. Nevertheless, maintaining our competitive position in the cigarette market while we transition to our smoke-free future is critical, as it best positions us to significantly accelerate our smoke-free journey. The extensive commercial and distribution infrastructure of our traditional tobacco business provides an effective platform from which to launch our smoke-free products at scale."

"Furthermore, maintaining leadership within the cigarette segment during the transition period enables us to engage more smokers regarding the benefits of switching, especially where we can communicate directly with our consumers. While seeking to remain competitive in the cigarette segment, we carefully consider the commercial activities needed to do so.

But ultimately, it is all about the profits. Jacek Olczak, PMI's then-COO and subsequently its CEO, stated it very plainly: "So obviously, I don't want to remind everyone the economics of the combustible cigarettes. And as much as we are extremely happy with 25% of the revenue coming from RRP [reduced risk products], 75% of our revenues are coming from a combustible business at the very attractive margins, a very high cash conversion, the benefits of the category." The first point being made is that combustibles contribute a far higher fraction of

<sup>&</sup>lt;sup>294</sup> Q2 2021 Earnings Call, July 28, 2021, https://seekingalpha.com/article/4442721-altria-group-inc-s-mo-ceo-billy-gifford-on-q2-2021-results-earnings-call-transcript

<sup>&</sup>lt;sup>295</sup> 2021 Annual Meeting of Shareholders remarks, May 20, 2021,

https://s25.q4cdn.com/409251670/files/doc\_downloads/2021/05/Remarks.pdf

<sup>&</sup>lt;sup>296</sup> Consumer Analyst Group of New York February 22, 2017 (CAGNY)

https://s25.q4cdn.com/409251670/files/doc\_events/2017/02/1/Presentation.pdf

<sup>297</sup> PMI Business Transformation-Linked Financing Framework. August 2021. (https://www.pmi.com/docs/default-source/investor\_relation/financing-framework.pdf)

<sup>&</sup>lt;sup>298</sup> PMI 2021 Virtual Investor Day. Feb 10, 2021. (https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d)

their margin (i.e., profit) than their 75% revenue share. The second point is that reduced risk products contribute proportionately much lower profits.

Olczak's comments makes clear that at least under current economics, marketing IQOS to it cigarette smokers makes business sense only if: 1. its Marlboro customers use cigarettes along with IQOS, 2. IQOS does not excessively cannibalize Marlboros sales by customers moving entirely to IQOS, 3. PMI recruits customers of non-PMI cigarette brands to switch to IQOS, and 4. IQOS retains cigarette smokers as customers who would otherwise have quit and perhaps even reclaims a fraction of lapsed smokers.

PMI's Smoke-Free Future campaign is about marketing IQOS and its other emerging nicotine delivery systems.



(http://www.smokefreefuture.co.uk/about/)

From a post on its website predicting when the UK will be smoke-free:<sup>299</sup>

# About Smoke-Free Future

Philip Morris has made a commitment to develop, market and sell smoke-free alternatives, and encourage adult smokers to switch to these alternatives, as quickly as possible around the world.

(https://www.pmi.com/markets/united-kingdom/en/news/detail/last-smoke-won-t-happen-until-after-2050-new-research-predicts)

From a business point of view, profits are maximized when reduced risk products sustain, and even deepen, nicotine addiction among smoking customers. This is why a preponderance of dual users (cigarettes and non-combustible alternatives) is the desired outcome from a profitability perspective rather than full transition to non-combustibles. Financially, it makes sense then that PMI's Smoke-Free Future campaign is about sustaining nicotine addiction, and its robust profitability, rather than freeing smokers from nicotine addiction.

Because they are a consumer product company, PMI does not want to lose its buyers – it does not want smokers to stop using all tobacco products. When it says it wants smokers to stop smoking, it means it wants smokers to buy PMI's other nicotine delivery devices, like IQOS, to maintain their nicotine addiction. In its February 2021 virtual Investor Day event, CEO Andre Calantzopoulos stated, "We believe that over time, consumers need to be offered different products. There will be predominant of one, say, heat-not-burn. And we believe heat-not-burn for the foreseeable future is going to be the product that can switch consumers more successfully out of cigarettes. But clearly, consumers will use two or three products...So we need to enlarge the offering, but we'll use this offering to the extent feasible and logical under IQOS umbrella for premium. And clearly, we may need a second brand in the time for the lower end of the market."<sup>300</sup>

While PMI publicly claims high rates of transition from cigarettes to IQOS to satisfy regulatory requirements for market access as a reduced risk product, its own data, obscured by

<sup>&</sup>lt;sup>299</sup> "Last smoke" won't happen until after 2050, new research predicts. Sept 10 2018. (https://www.pmi.com/markets/united-kingdom/en/news/detail/last-smoke-won-t-happen-until-after-2050-new-research-predicts)

<sup>&</sup>lt;sup>300</sup> PMI 2021 Virtual Investor Day. Feb 10, 2021. (https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d)

millions of pages of other research that it has released, actually show high rates of dual use between IQOS and cigarettes,<sup>301</sup> a finding confirmed by other independent research.<sup>302</sup> Thus any range of tobacco products with which the company hopes to provide consumers realistically would include cigarettes.

# PMI's estimates that combustible cigarettes will not be obsolete within one decade or for more than three.





(https://www.pmi.com/markets/united-kingdom/en/news/detail/last-smoke-won-t-happen-until-after-2050-new-research-predicts)

(https://twitter.com/insidepmi/status/1309214927945596929)

# Rather than reducing cigarette sales, PMI plans to achieve its goal of 50% revenue from smoke-free business from acquiring non-tobacco businesses.

In its February 2021 Investor Day presentation, PMI announced, "we aim to reach over 50% of net revenues from smoke-free products or noncombustible products by 2025."<sup>303</sup> Its CEO then went through and showed calculations of how estimated growth in IQOS sales would achieve that goal. But at the same time, PMI is pushing into health care sphere through a rash of acquisitions.

<sup>&</sup>lt;sup>301</sup> PMI 2021 Virtual Investor Day. Feb 10, 2021. (https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d)

<sup>&</sup>lt;sup>302</sup> IQOS Use, "Switching" and "Quitting": The Evidence. TobaccoTactics. University of Bath. May 25, 2021. (https://tobaccotactics.org/wiki/iqos-use-evidence/)

<sup>&</sup>lt;sup>303</sup> PMI 2021 Virtual Investor Day. Feb 10, 2021. (https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d)

### PMI's entry into the health care products market

As part of their effort to remake their image as health companies, PMI is acquiring pharmaceutical companies which market treatments for respiratory and oral diseases and Altria is expanding into medical marijuana. In its 2021 annual report, PMI stated: "With a strong foundation and significant expertise in life sciences, in February 2021 PMI announced its ambition to expand into wellness and healthcare areas and deliver innovative products and solutions that aim to address unmet patient and consumer needs."304 Between in July and August 2021, it acquired three pharmaceutical companies: Vectura inhaled therapeutics (\$1.5 billion), Fertin Pharma oral delivery systems (\$820M), and OtiTopic respiratory drug development products (undisclosed sum). 305 306 307 In discussing the OtiTopic acquisition, PMI CEO Olczak described: "We have world-class expertise in the research, development, and commercialization of aerosolization and inhalable devices to help speed the delivery of this exciting product to the market." There is moral duplicity in selling products that are the primary cause of lung disease and simultaneously its treatments, much as there is in promoting both harm (cigarettes) and harm reduction. Interestingly, Altria has taken a different tack in diversifying its portfolio with the 2019 \$1.8M investment in the Canadian cannabis company Cronos.308

The sales of these non-tobacco products will still contribute to PMI's bottom line, which means PMI may not need to accelerate declines in cigarette sales in order to achieve its revenue goal. The statement on the closing of the acquisition of Fertin Pharma included, "The addition of Fertin Pharma's promising technologies, strong capabilities and skilled workforce—including around 200 R&D professionals—will provide PMI with speed and scale in differentiated and innovative oral delivery products to support its 2025 goals of generating more than 50% of its total net revenues from smoke-free products and at least USD 1 billion in net revenues from products beyond nicotine." 309

<sup>&</sup>lt;sup>304</sup> Philip Morris International 2021 full year. https://philipmorrisinternational.gcs-web.com/static-files/d78e5efd-ecdf-4bc6-b370-33d33863361f.

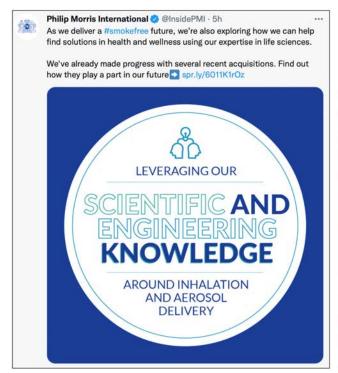
<sup>305</sup> Sweney M. Philip Morris International makes £1bn offer for UK pharma firm Vectura. The Guardian. July 9, 2021 https://www.theguardian.com/business/2021/jul/09/philip-morris-international-makes-1bn-offer-for-pharma-firm-vectura-covid-19

<sup>306</sup> Philip Morris International Announces Agreement to Acquire Fertin Pharma. Business Wire July 1 2021. https://www.businesswire.com/news/home/20210701005313/en/Philip-Morris-International-Announces-Agreement-to-Acquire-Fertin-Pharma

<sup>&</sup>lt;sup>307</sup> Philip Morris International acquires another inhaled-drug pharma. August 10, 2021. Outsourcing Pharma.com. https://www.outsourcing-pharma.com/Article/2021/08/10/Philip-Morris-acquires-another-inhaled-drug-pharma-firm

<sup>&</sup>lt;sup>308</sup> Williams S. Cronos Group's \$1.8 Billion Investment From Altria Has Closed. Now What? The Motley Fool. April 13, 2019. https://www.fool.com/investing/2019/03/17/cronos-groups-18-billion-investment-from-altria-ha.aspx

<sup>&</sup>lt;sup>309</sup> "Philip Morris International Announces Closing of Fertin Pharma Acquisition; Advances PMI's Goal of Becoming a Majority Smoke-Free Business by 2025 and Creates Growth Opportunities Beyond Nicotine." Sept 15, 2021. (https://www.pmi.com/media-center/press-releases/press-details/?newsld=24346)





(https://twitter.com/InsidePMI/status/1488445349018677248) (https://www.pmi.com/our-transformation/evolving-pmi-s-business-to-deliver-value-in-the-long-term)

"Philip Morris International is moving beyond combustible and smoke-free products to deliver inhaled therapeutics and selfcare wellness solutions." <sup>310</sup>

### Inhaled therapeutics and selfcare wellness

PMI is harnessing these disciplines to deliver new innovations in many fields, but has identified opportunities in two key growth areas:

- Inhaled therapeutics Developing these products utilizes our expertise in the delivery
  and scientific assessment of aerosols, as well as our experience in device technology for
  medical application.
- Selfcare wellness Moving into selfcare wellness products—including botanicals—will
  enable us to address benefit areas such as energy, sleep, calm, and focus, applying our
  expertise in oral delivery, inhalation science, and technologies, as well as plant
  substrates.

(https://www.pmi.com/our-transformation/evolving-pmi-s-business-to-deliver-value-in-the-long term)

Health and medical groups protested PMI's acquisition of Vectura. In a joint statement issued in January 2022 by The European Respiratory Society, The American Thoracic Society, International Union Against Tuberculosis and Lung Diseases, Asian Pacific Society of Respirology, Asociación Latino Americana De Tórax, and the Global Initiative for Asthma, the organizations

<sup>&</sup>lt;sup>310</sup> Evolving PMI's business to deliver value in the long-term (https://www.pmi.com/our-transformation/evolving-pmi-s-business-to-deliver-value-in-the-long term)

stated, "We are especially alarmed that technology currently used to deliver drugs to treat respiratory diseases will now be used to more efficiently deliver tobacco companies' harmful and addictive products that cause such diseases. … Tobacco products remain the leading cause of preventable death and disease worldwide. The profits, practices and power of the tobacco industry remain the biggest barriers to change. Past scientific misconduct by the industry has sown justifiable mistrust on the part of respiratory researchers and clinicians." They outlined the following guidelines to ensure separation from tobacco companies:311

- "Employees of tobacco-owned companies will not be permitted to publish papers in our journals or present at future meetings.
- No products of tobacco-owned companies will be promoted at future events, including educational and scientific meetings, and or at any conferences we cosponsor or endorse.
- We oppose the use of lung health care technology for addictive and harmful tobacco and nicotine products.
- We reiterate our refusal to engage in partnerships or accept financial support from tobacco companies.
- We urge governments to enact legislation in accordance with Article 5.3 of the World Health Organization's Framework Convention on Tobacco Control, to protect public interest, and prevent this tobacco tactic from happening again.
- Furthermore, we reaffirm the fundamental principle that physicians must act in the patients' best interests, including prescribing the most effective medication for the patient's health condition.
- We recommend that, provided it is appropriate and safe, health care professionals and patients do not use products newly developed by companies owned by the tobacco industry.
- Patients requesting to move away from current products of tobacco-owned companies should be given alternatives if appropriate and safe to do so, by their health care professionals."

PMI's pronouncements about a smoke-free future and promoting smoke-free products is at the expense of the low-income countries where the company continues to heavily market its products.

PMI plans to end cigarette sales within 10 years only in the UK,<sup>312</sup> yet it has not made any such claims in developing countries, the source of a large part of its cigarette business. Its statements about using the profits generated from selling cigarettes to fund the promotion of so-called less harmful products essentially means that the company is taking money from low-income countries and investing them in higher-income countries. It is attempting to generate goodwill in some places while still proactively selling deadly products in other places that get less attention.

<sup>&</sup>lt;sup>311</sup> Joint statement on the implications of Philip Morris International's acquisition of Vectura. January 14, 2022. (https://www.firsnet.org/resources/position-statements/position-statements-article/170-joint-statement-on-the-implications-of-philip-morris-international-s-acquisition-of-vectura)

<sup>312</sup> Wood, Z. "Tobacco firm Philip Morris calls for ban on cigarettes within decade." The Guardian. July 25, 2021. (https://www.theguardian.com/business/2021/jul/25/tobacco-firm-philip-morris-calls-for-ban-on-cigarettes-within-decade)

PMI's recent actions shows that it is still investing in cigarette sales in low-income countries. It continues to spend billions of dollars to market its cigarettes in low-income countries, using many strategies that attract youth.<sup>313</sup> The company continues to spend heavily to oppose evidence-based policies that would reduce tobacco use in those countries. It has opened new cigarette factories in Tanzania<sup>314</sup> and Uzbekistan,<sup>315</sup> and it bid for a new factory license in Egypt as recently as August 2021.<sup>316</sup> These are not actions of a company planning to end cigarette sales in those countries any time soon.

Of note, financial analysts from the investment company Goldman Sachs were "encouraged" by confirmatory statements made by PMI CFO Emmanuel Babeau indicating "continued resilience across PM's combustible cig[arette] business with market share to be the same, if not slightly higher in Q4 [2021]." The report continued, "In recent months, PM has seen particularly good performance in combustibles in Indonesia, Mexico, Turkey, the Ukraine and Australia."<sup>317</sup>

In January 2022, Cambridge Design Partnership, a company that designs electronic nicotine delivery devices or parts for them, released a report funded by FSFW titled, "Impediments to tobacco harm reduction in LMICs [low- and middle-income countries]." The report analyzed qualitative data from India, Indonesia, China, and Russia for the very narrow issue of smoker receptivity and barriers to e-cigarettes and alternative tobacco products. Not surprisingly, the report argues that taxation and restrictive regulation are substantial impediments to adoption of reduced risk products in LMIC countries. Aside from an array of cultural issues, the report echoes PMI tropes such as the belief that nicotine is the least harmful element of smoking. The goal this report appears to be arguing that the population of these countries are being deprived of the benefits of reduced risk products (read: IQOS) due to excessive regulation and over taxation. It does not examine the true barriers to smokers reducing their harm – the tobacco companies that continue to supply them with attractive and addictive products, while blocking evidence-based policies that would motivate them to quit.

<sup>&</sup>lt;sup>313</sup> See TakeAPart campaign website, https://www.takeapart.org/campaigns/.

<sup>&</sup>lt;sup>314</sup> "Tanzania Inaugurates USD 29 Million Cigarette Factory." Tanzania Invest. March 19, 2018.

<sup>(</sup>https://www.tanzaniainvest.com/industry/new-philip-morris-cigarette-factory)

<sup>&</sup>lt;sup>315</sup> "Tashkent Tobacco начинает лицензионное производство международных брендов. Бюджет страны за один год получит свыше 130 млрд сумов" (Google translation: "Tashkent Tobacco starts licensed production of international brands. The country's budget will receive over 130 billion soums in one year"). Aloqada.com. Oct 12, 2019. (http://www.aloqada.com/News/2019/12/10/Tashkent-Tobacco-nachinaet-licenzionnoe-proizvodstvo-mezhdunarodnykh-brendov-byudzhet-strany-za-odin-god-poluchit-svyshe-130-mlrd-sumov)

<sup>&</sup>lt;sup>316</sup> "Philip Morris bids for new cigarette factory license in Egypt." Mubasher. Aug 2, 2021.

<sup>(</sup>https://english.mubasher.info/news/3836357/Philip-Morris-bids-for-new-cigarette-factory-license-in-Egypt/)

<sup>&</sup>lt;sup>317</sup> Goldman Sachs. Philip Morris International Inc. (PM): iQOS momentum builds, supporting accelerating growth & margins - Reiterate Buy. Dec 2, 2021.



(https://twitter.com/SmokeFreeFdn/status/1483439049675317261)

PMI leans into the unproven idea that having more options on the market will encourage smokers to switch to less harmful products. However, in the more than ten years that these newer "alternative" products have been on the market, all this has done is expand the pool of people who use multiple products, one of which is almost always a combustible cigarette. Today's cigarettes, as intentionally designed by tobacco companies including PMI, continue to show that they are the most effectively addictive nicotine delivery devices on the market.

LMICs – Low and Middle income countries.



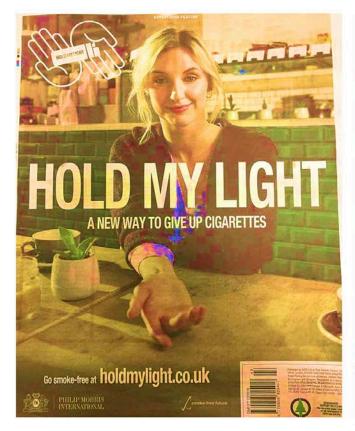
(https://www.cambridge-design.com/wp-content/uploads/2021/12/Whitepaper-Impediments-to-tobacco-harm-reduction-in-LMICs-CDP.pdf)

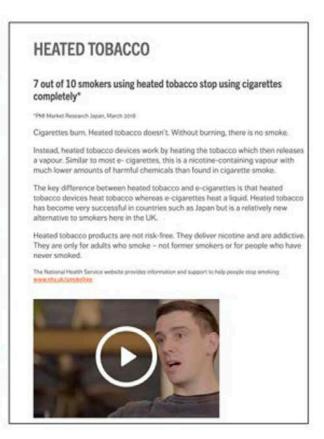
# Despite what it says about ending cigarette sales, PMI's actions to oppose proven tobacco control policies shows it still wants to protect its cigarette business.

As has been stated several times in this report, if PMI were serious about ending cigarette sales, it would embrace, not oppose, evidence-based policies that would reduce cigarette smoking. These policies would apply across the board to all cigarettes, so any protests by PMI that it needs to protect its brand share does not make sense. In fact, while PMI CEO Jacek Olczak has called for the UK to ban cigarettes by 2030 and claims PMI will be prepared to stop selling cigarettes in the UK 10 years, 318 the company still spends millions of dollars to strongly oppose tobacco control policies elsewhere. 319 320

# VII. PMI's Unsupported Claims that its Heated Tobacco Product IQOS is Highly Effective in Smoking Cessation and "Smoke-Free."

# Is IQOS Effective in Smoking Cessation?





In March 2018, PMI claimed IQOS was "A new way to give up cigarettes" and "7 out of 10

<sup>318</sup> Wood, Z. "Tobacco firm Philip Morris calls for ban on cigarettes within decade." The Guardian. July 25, 2021. (https://www.theguardian.com/business/2021/jul/25/tobacco-firm-philip-morris-calls-for-ban-on-cigarettes-within-decade)

<sup>&</sup>lt;sup>319</sup> Kalra, A, Bansal, P, Wilson D, Lasseter, T. Inside Philip Morris' campaign to subvert the global anti-smoking treaty. Reuters. July 13, 2017. (https://www.reuters.com/investigates/special-report/pmi-who-fctc/)

<sup>&</sup>lt;sup>320</sup> Kalra, A, Bansal, P, Lasseter, T, Wilson D. Philip Morris takes aim at young people in India, and health officials are fuming. Reuters. July 18, 2017. (https://www.reuters.com/investigates/special-report/pmi-india/)

users of heated tobacco stop smoking completely." IQOS advertising uses implicit terms for smoking cessation such as "switch" and "alternative," the meaning of which is clear to consumers. PMI claims over 70% of IQOS users stopped smoking in 2021,<sup>321</sup> but its own data actually show high rates of dual use.<sup>322</sup>

PMI's September 2021 claim that 14.9 million smokers have quit smoking using IQOS is dubious

# 14.9 million\* The number of adult smokers who have switched to our IQOS HTP and stopped smoking.



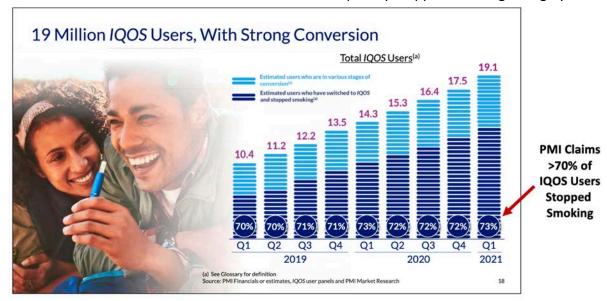
\*Estimate as of September 20, 2021, based on the following PMI methodology: For markets where IQOS is the only heated tobacco product, daily individual consumption of PMI heated tobacco units represents the totality of their daily tobacco consumption in the past seven days. For markets where IQOS is one among other heated tobacco products, daily individual consumption of heated tobacco units represents the totality of their daily tobacco consumption in the past seven days, of which at least 70 percent are PMI heated tobacco units.

(https://www.pmi.com/smoke-free-products)

PMI claims that as of September 20, 2021, 14.9 million smokers switched to IQOS and completely stopped smoking. Its stated methodology (described above) to make its "estimate" lacks validity and does not support that claim. The assumption that "daily individual consumption of PMI heated tobacco units" represents the "totality of this daily tobacco consumption" ignores the high rate of dual use.

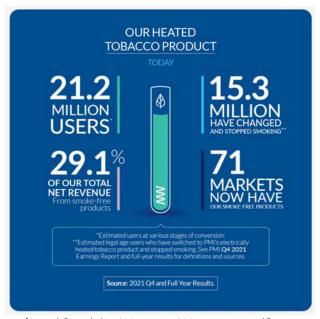
First Quarter Results. April 20, 2021. (https://www.pmi.com/investor-relations/overview/event-details/?eventId=23081)
 PMI 2021 Virtual Investor Day. Feb 10, 2021. (https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d)

PMI's Q1 2021 claim that 73% of IQOS users have completely stopped smoking is hugely inflated.



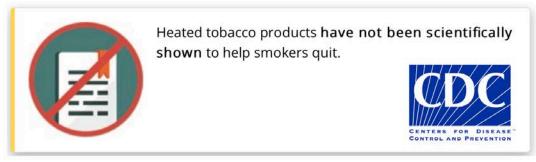
(https://philipmorrisinternational.gcs-web.com/static-files/b246f099-e234-4026-9164-833f1cbbe422) (red arrow and comment added)

Continuing its inflated estimates of obscure methodology, PMI'a 2021 Annual Report (released February 2022), PMI reported high rates of smoking cessation among its IQOS users of 73% (15.3M quitters/21.2Musers).



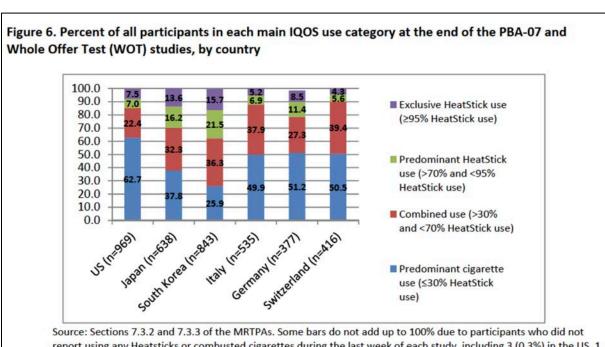
https://twitter.com/search?q=philip%20morris%20international&src=recent\_search\_click
Philip Morris International 2021 full year. https://philipmorrisinternational.gcs-web.com/static-files/d78e5efd-ecdf-4bc6-b370-33d33863361f

In stark contrast to PMI claims of smoking cessation efficacy for IQOS, the CDC's position is clear that heated tobacco products have not been shown to help smokers quit.



(https://www.cdc.gov/tobacco/basic\_information/heated-tobacco-products/index.html)

PMI's own data, in contrast to its marketing claims, agrees with the CDC. The figure below, from the Scientific Review of PMI's Modified Risk Tobacco Product (MRTP) Application to the FDA for its IQOS 2.4 heated tobacco product, shows the fraction using IQOS Heatsticks exclusively (defined as 95% or more Heatstick use) was 4.3% to 15.7% depending on the country, much lower than the >70% claimed in the brand's marketing material. The great majority continued to smoke cigarettes, even a fraction of those with "exclusive" use of IQOS as defined by PMI.<sup>323</sup> Further, those studies submitted by PMI as evidence of IQOS smoking cessation efficacy have been criticized as deficient and misleading because they suffered from serious design flaws.<sup>324</sup>



Source: Sections 7.3.2 and 7.3.3 of the MRTPAs. Some bars do not add up to 100% due to participants who did not report using any Heatsticks or combusted cigarettes during the last week of each study, including 3 (0.3%) in the US, 1 (0.2%) in Japan, 6 (0.7%) in South Korea, 6 (1.6%) in Germany, and 1 (0.2%) in Switzerland. All participants in Italy reported using at least one Heatstick or cigarette during the last week of the study.

<sup>&</sup>lt;sup>323</sup> FDA. Scientific Review of Modified Risk Tobacco Product Application (MRTPA) Under Section 911(d) of the FD&C Act - Technical Project Lead. July 7, 2020. (https://www.fda.gov/media/139796/download)

<sup>324</sup> McKelvey K, Popova L, Kim M, et al. IQOS labelling will mislead consumers Tobacco Control 2018;27:s48-s54.

Below is the legend from the figure above from PMI's Modified Risk Tobacco Product (MRTP) Application to the FDA for its IQOS brand. The fraction of IQOS users who quit cigarettes is far lower than the 73% cigarette claimed quit rate in PMI's promotional material. The vast majority of IQOS HeatStick users continued smoking cigarettes.

Figure 6 presents the main IQOS use categories for all participants, regardless of whether they initiated IQOS use, during the last week of the observational period in the actual use study (U.S.) and WOT studies (non-U.S. countries). In the U.S., the majority of participants (62.7%) were classified as predominant combusted cigarette users in the last week and another 22% were considered combined users (Heatstick use comprised 30-70% of their total consumption). The applicant reported that 7.5% were "exclusive" Heatstick users (>=95% of total consumption), compared to 14-16% in Japan and South Korea. During the TPSAC meeting in January 2018, the applicant reported that 5.8% of participants in the U.S. actual use study were using Heatsticks 100% of the time during the last week of the observational period.

In addition, a series of independent research studies shows that few IQOS users successfully quit cigarettes. PMI's unsupported claims and the differing finds of independent reviews are thoroughly reviewed by the University of Bath.<sup>325</sup>

A study from South Korea found that heated tobacco products were "cigarette compliments, not substitutes." A mong current users of heated tobacco products, 96.25% also used cigarettes. A second study from South Korea concluded: "Exclusive heated tobacco product (IQOS, Glo, Lil) and e-cigarette users were approximately 40% and 20% less likely to quit the product they used than exclusive cigarette smokers, respectively." The study showed that use of IQOS was associated with an increase in quit attempts, but IQOS users were less likely to be successful than those who did not. The odds of being a former smoker were much lower among dual users. A third study from South Korea found that most heated tobacco users also used cigarettes and that use of a heated tobacco product made quitting less likely. In a study of Korean youth, ages 13-18 years, 81.3% ever users of heated tobacco products triply used heated tobacco, electronic cigarettes, and cigarettes.

A study from Japan found that: "use was associated with relapse/initiation of combustible cigarette smoking after 1 year." <sup>330</sup>

A study from Hong Kong on IQOS use and smoking cessation concluded: "In a community-based cohort of daily cigarette smokers intended to guit or reduce smoking, HTP use at baseline

<sup>&</sup>lt;sup>325</sup> IQOS Use, "Switching" and "Quitting": The Evidence. TobaccoTactics. University of Bath. May 25, 2021. (https://tobaccotactics.org/wiki/iqos-use-evidence/)

Nov 1;204:107576. doi: 10.1016/j.drugalcdep.2019.107576. Epub 2019 Sep 21. Erratum in: Drug Alcohol Depend. 2019 Mar 1;208:107872. PMID: 31586808.

<sup>327</sup> Lee CM, Kim CY, Lee K, Kim S. Are Heated Tobacco Product Users Less Likely to Quit than Cigarette Smokers? Findings from THINK (Tobacco and Health IN Korea) Study. Int J Environ Res Public Health. 2020 Nov 20;17(22):8622. doi: 10.3390/ijerph17228622. PMID: 33233606; PMCID: PMC7699694.

<sup>328</sup> Kim J, Lee S, Kimm H, Lee JA, Lee CM, Cho HJ. Heated tobacco product use and its relationship to quitting combustible cigarettes in Korean adults. PLoS One. 2021 May 7;16(5):e0251243. doi: 10.1371/journal.pone.0251243. PMID: 33961641; PMCID: PMC8104442.

<sup>&</sup>lt;sup>329</sup> Kang SY, Lee S, Cho H. Prevalence and predictors of heated tobacco product use and its relationship with attempts to quit cigarette smoking among Korean adolescents Tobacco Control 2021;30:192-198.

<sup>&</sup>lt;sup>330</sup> Matsuyama Y, Tabuchi T. Heated tobacco product use and combustible cigarette smoking relapse/initiation among former/never smokers in Japan: the JASTIS 2019 study with 1-year follow-up. Tob Control. 2021 Jan 6:tobaccocontrol-2020-056168. doi: 10.1136/tobaccocontrol-2020-056168. Epub ahead of print. PMID: 33408121

and up to 3-month follow-up was not associated with cigarette abstinence at 6 months. In contrast, use of established smoking cessation services at 3 months strongly predicted cigarette abstinence at 6 months."<sup>331</sup> Another Hong Kong-based study found that: "Youth heated tobacco products users were less likely to abstain from tobacco use than their non-HTP-using counterparts. These results suggest that HTPs should not be promoted as smoking cessation or reduction aids among the youth population."<sup>332</sup>

A 2022 Cochrane review of heated tobacco products for smoking cessation concluded, "No studies reported on the use of heated tobacco for cigarette smoking cessation, so their effectiveness for this purpose remains uncertain." Notably, the authors were only able to use research funded by the tobacco industry in its overall review, yet none of those studies addressed smoking cessation. For a company that wants to claim its heated tobacco products help smokers switch, it is curious that it has not conducted studies to demonstrate that. The authors of the Cochrane review called for independent studies to fill this gap.<sup>333</sup>

There are two types of MRTP orders the FDA may issue: a "risk modification" order allowing companies to make claims about reduced risk of their products compared to others, or an "exposure modification" order that allows companies only to state that their products reduce users' exposure to certain chemicals. In July 2020, the FDA authorized PMI to market IQOS under its exposure modification provision, but the agency determined that the evidence did not support issuing risk modification.<sup>334</sup>

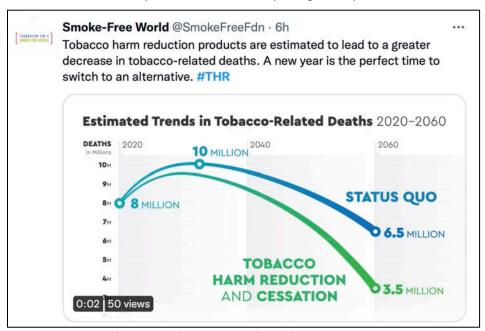
<sup>&</sup>lt;sup>331</sup> Luk TT, Weng X, Wu YS, Chan HL, Lau CY, Kwong AC, Lai VW, Lam TH, Wang MP. Association of heated tobacco product use with smoking cessation in Chinese cigarette smokers in Hong Kong: a prospective study. Tob Control. 2021 Nov;30(6):653-659. doi: 10.1136/tobaccocontrol-2020-055857. Epub 2020 Sep 10. PMID: 32912861.

<sup>332</sup> Xia W, Li WHC, Luo YH, Liang TN, Ho LLK, Cheung AT, Song P. The association between heated tobacco product use and cigarette cessation outcomes among youth smokers: A prospective cohort study. J Subst Abuse Treat. 2021 Aug 15:108599. doi: 10.1016/j.jsat.2021.108599. Epub ahead of print. PMID: 34419325.

<sup>&</sup>lt;sup>333</sup> Tattan-Birch H, Hartmann-Boyce J, Kock L, Simonavicius E, Brose L, Jackson S, Shahab L, Brown J. Heated tobacco products for smoking cessation and reducing smoking prevalence. Cochrane Database of Systematic Reviews 2022, Issue 1. Art. No.: CD013790. DOI: 10.1002/14651858.CD013790.pub2.

<sup>(</sup>https://www.cochranelibrary.com/cdsr/doi/10.1002/14651858.CD013790.pub2/epdf/full)

<sup>334</sup> FDA Authorizes Marketing of IQOS Tobacco Heating System with 'Reduced Exposure' Information. July 7, 2020. (https://www.fda.gov/news-events/press-announcements/fda-authorizes-marketing-iqos-tobacco-heating-system-reduced-exposure-information)



### PMI FSFW public relations Twitter posting January 3, 2022

(https://twitter.com/SmokeFreeFdn/status/1478003217690554370)

This PMI FSFW chart has superficial appeal to those who fail to thoroughly analyze its intended message as well as the validity of its data assumptions. The methodology is not specified, but as with all PMI public relations claims, it is essential to review with a critical eye. As it is difficult to predict the trajectory of tobacco-related death trends over the short term, such a long-term depiction is highly speculative. No methodology is described by PMI for generating the data estimates underlying these curves – the posts appear to be a public relations product rather than a scientific analysis.

Of note, the "status quo" line shows a decline of 3.5 million deaths (from 10 million around 2030 to 6.5 million in 2060) but is labelled as the "status quo." Clearly, the "status quo" assumes a strong trend of cigarette cessation. The graphic message is certainly not as reassuring as it appears. Were cigarettes obsoleted in 2025-2030 as the company describes, the death from tobacco use 30 years later would certainly be lower than shown. While a reduction of 3 million deaths sounds like a big win, few would view it as an acceptable goal that 40 years from now to still have 3.5 million deaths per year due to tobacco use.

Regarding the harm reduction component, PMI's own data shows that its IQOS brand has a poor track record of cigarette cessation while independent research indicates that it deepens addition, has a high relapse rate, and overall may reduce the likelihood of cigarette cessation. The most effective means of reducing adult smoking rates is to keep adolescents from becoming nicotine addicted in the first place. Unfortunately, high tech innovative nicotine delivery systems have proven attractive to youth.

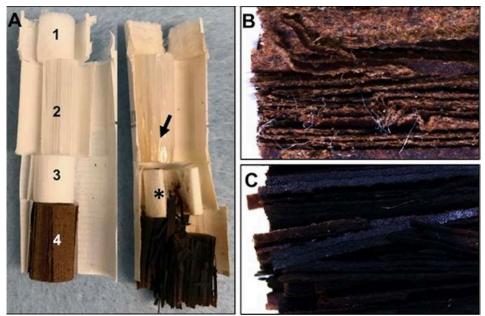
### **Does IQOS Produce Smoke or not?**

First, a few definitions are needed. Tobacco smoke is composed of tiny particles of unburnt carbon, liquid droplets of tar, and gas. Smoke may be produced by either combustion or pyrolysis. Pyrolysis is process of thermal decomposition of organic materials at elevated

temperatures. Combustion and pyrolysis are both thermochemical degradation reactions. While pyrolysis is driven by externally applied heat, combustion is exothermic, meaning it produces additional heat. The threshold for pyrolysis is lower than that of combustion. Char is the solid material that remains after light gases and tar have been driven out or released from a carbonaceous material during the initial stage of combustion, which is known as carbonization, charring, devolatilization, or pyrolysis. A common experience of char is the black residue on burned toast. IQOS produces a char from its heated tobacco leaf without initiation of combustion (i.e., flames). IQOS instructions include a method of cleaning out the accumulated char between uses with a special tool provided with the device. IQOS heats the tobacco to a maximum of 350° Celsius (660° Fahrenheit).

Auer and colleagues, in studying IQOS emanations, pointed out that there can be smoke without fire. Their study concluded that: "smoke released by IQOS contains elements from pyrolysis and thermogenic degradation that are the same harmful constituents of conventional tobacco cigarette smoke." The authors stated: "IQOS aerosol should be called "smoke."

Davis and colleagues found that IQOS caused charring in the tobacco plug due to pyrolysis and also melting of the polymer-film filter with release of the carcinogen formaldehyde cyanohydrin.<sup>336</sup> They pointed out that the volatile and semivolatile harmful constituents of tobacco smoke tend to have boiling points that range from 70°C to 300°C and thus were aerosolized by IQOS's heating element.



Tobacco and plastic filter in IQOS before and after use. The tobacco is deeply blacked from char formation.

The plastic filter has melted from heat exposure releasing degradation products.

(From: Davis B, Williams M, Talbot P. iQOS: evidence of pyrolysis and release of a toxicant from plastic. Tob Control. 2019

Jan;28(1):34-41. doi: 10.1136/tobaccocontrol-2017-054104. Epub 2018 Mar 13. PMID: 29535257.)

In response to criticism from independent chemical/toxicological studies in 2020, PMI released a 58-page report titled, "Scientific substantiation of the absence of combustion in the

<sup>335</sup> Auer R, Concha-Lozano N, Jacot-Sadowski I, Cornuz J, Berthet A. Heat-Not-Burn Tobacco Cigarettes: Smoke by Any Other Name. JAMA Intern Med. 2017;177(7):1050-1052. doi:10.1001/jamainternmed.2017.1419

<sup>&</sup>lt;sup>336</sup> Davis B, Williams M, Talbot P. iQOS: evidence of pyrolysis and release of a toxicant from plastic. Tob Control. 2019 Jan;28(1):34-41. doi: 10.1136/tobaccocontrol-2017-054104. Epub 2018 Mar 13. PMID: 29535257.

Electrically Heated Tobacco Product (EHTP)," to defend its marketing claims (e.g., Smoke-Free, Unsmoke). 337 Not surprising, in contrast to independent studies, PMI's employees concluded that the aerosol emitted by IQOS is not "smoke." The report claimed that IQOS, which electrically heats to tobacco to 320°C, falls below the threshold for ignition of combustion, which they described as 400°C. It went on to describe: "The mere presence of low amounts of pyrolysates in an aerosol does not imply that the aerosol is smoke" and "The presence of low levels of gaseous compounds in the EHTS aerosol, such as carbon monoxide, carbon dioxide, nitrogen oxides, etc. (usually associated with combustion), is not evidence that combustion has occurred."

The WHO Framework Convention of Tobacco Control (FCTC)'s Convention Secretariat's report, Challenges posed by and classification of novel and emerging tobacco products, released in July 2021, included a discussion on the classification of the aerosol released by heated tobacco products such as IQOS.<sup>338</sup> It concluded:

# Can the aerosols of novel and emerging tobacco products qualify as "tobacco smoke"?

- 11. Yes. In general, smoke is produced whenever substances are heated beyond a temperature at which pyrolysis occurs, whether such temperatures are achieved through combustion or other means. ...
- 12. Novel and emerging tobacco products, particularly HTPs, emit pyrolysis products such as volatile aldehydes; therefore, these aerosols are clearly within the scientific definition of "smoke", and any smoke emitted by HTPs is unambiguously "tobacco smoke."

PMI is so strongly opposed to calling the aerosol emitted from its IQOS "smoke" because it wants them to be categorized separately from cigarettes and subject to less restrictive regulations – or in some cases, no regulations. For instance, not releasing smoke means that these products would not be subject to clean indoor air laws if those laws only refer specifically to "smoke." In marketing IQOS globally, PMI has created a program called "IQOS Friendly Places" in which IQOS may be used, but not cigarettes, in bars, cafes, restaurants, clubs, and even beaches. The goal of the "IQOS Friendly Places" program is to undermine regulations which forbid indoor smoking. In addition, the company understands that the negative connotations of the term "smoke" could drive away potential users.

<sup>&</sup>lt;sup>337</sup> Norlund M et al. Scientific substantiation of the absence of combustion in the Electrically Heated Tobacco Product (EHTP) and that the aerosol emitted is not smoke. Philip Morris International.

<sup>(</sup>https://www.pmiscience.com/resources/docs/default-source/news-

 $documents/scientific\_substantiation\_of\_the\_absence\_of\_combustion\_in\_the\_ehtp\_and\_that\_the\_aerosol\_emitted\_is\_not\_smoke.pdf?)$ 

<sup>&</sup>lt;sup>338</sup> FCTC/COP/9/10 Challenges posed by and classification of novel and emerging tobacco products. July 29, 2021. (https://untobaccocontrol.org/downloads/cop9/main-documents/FCTC COP9 10 EN.pdf)

<sup>&</sup>lt;sup>339</sup> Jackler RK, Ramamurthi D, Axelrod AK, Jung JK, Louis-Ferdinand NG, Reidel JE, Yu AWY, Jackler LM, Chau "Global Marketing of IQOS: The Philip Morris Campaign to Popularize "Heat-Not-Burn" Tobacco." SRITA White Paper (313 pages) Stanford University. (http://tobacco.stanford.edu/tobacco\_main/publications/IQOS\_Paper\_2-21-2020F.pdf)

# VIII. Altria (Philip Morris USA) "Moving Beyond Smoking"

Philip Morris, the maker of Marlboro cigarettes, was renamed as Altria in 2003. In 2008, Philip Morris International was spun off, with Altria marketing the corporation's tobacco brands in the US and PMI marketing the same brands globally. Recently, PMI's global "Smoke-Free Future" campaign (launched 2017) has been emulated by Altria's US-focused "Moving Beyond Smoking" campaign (launched 2020).

# Origins of Altria: Philip Morris Changed its Name to Altria in 2003

Philip Morris changed its name to the Altria Group on January 27, 2003 in an effort to "reposition" its corporate image and divert attention from its continued cigarette business. Industry documents indicate that the possibility of a name change, necessitated by the adverse public perception of the Philip Morris, was under discussion since 1989 and the change was initially announced in November 2001. The change was ostensibly to relieve confusion about the various businesses under Philip Morris Companies, which at that time included Kraft Foods and Miller Beer, but the "blank slate" of a completely unrelated name was also helpful to dispel preexisting negative perceptions of the company. Using the place holder name "NewCo," an internal presentation showed that the communications objectives for "government/regulators" was to "view NewCo as open, reasonable, and responsible" and "view NewCo brand platform favorably." 341

The process involved multiple public relations firms and repeated surveys. The corporation claimed that Altria, a name with no connotation to the company's product lines, stemmed from the Latin "altus," meaning "high," representing the company's desire to "reach higher." Polling to learn about reactions to the proposed new name showed that "data confirms the hypothesis that Altria, as a name and logo, is better received than PM. Consistently, Altria is rated higher versus PM..." Further, "Not surprisingly, PM has many negative open-ended associations with their name that infer smoking, alcoholism, lawsuits, teen smoking, cancer, dishonesty, etc. Altria, on the other hand, does not have one single comment in any of those areas in spite of the fact that respondents were told Altria might be a new name for PM." 342

The public relations plan surrounding adoption of Altria had the wider goal of creating the perception of a deeper change than merely the name. Smith and Malone summarized it succinctly: "Altria, rather than clarifying, is intended to obscure the fact that Philip Morris's main source of profits is still tobacco." Altria described itself as a "consumer packed goods company." It used this phase to obscure its tobacco focus, even in recruiting employees: "Are you a hardworking specialist in quality and compliance, looking to drive quality at a leading consumer packaged goods company? If so, then we have an opportunity for you!" 343

However, it was defensive about looking like the name change was only superficial. In materials to announce the name change to the Board, employees, shareholders, and the public,

<sup>&</sup>lt;sup>340</sup> Smith EA, Malone RE. Altria means tobacco: Philip Morris's identity crisis. Am J Public Health. 2003 Apr;93(4):553-6. doi: 10.2105/ajph.93.4.553. PMID: 12660196; PMCID: PMC1447789.

<sup>&</sup>lt;sup>341</sup> Unknown. NEWCO WORLD'S GREATEST BRANDS. 2001. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=qznn0178.

<sup>&</sup>lt;sup>342</sup> CONNELL + ASSOCIATES; CONNELL,SP. CAPRICORN TEST RESULTS. 2001 September 12. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=rryn0178.

<sup>343 (</sup>https://careers.altria.com/jobs/4260?lang=en-us)

management prepared responses to defend their actions as not as a PR move:<sup>344</sup>

### Questions About Motives Behind a Name Change

### Isn't a name change really about running from the past?

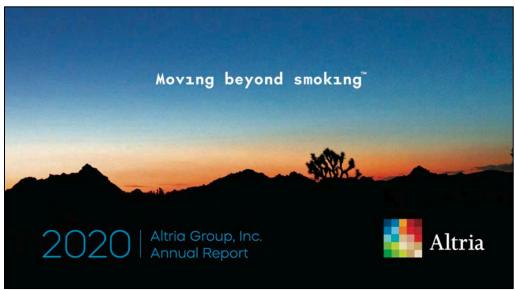
No, it's about clarifying the distinction between our corporate parent and the tobacco companies it owns.

### Are you changing your name to run from your tobacco business?

No, we remain committed to our tobacco operations. In fact, our tobacco operating companies intend to keep the same names: Philip Morris USA and Philip Morris International

# Altria's "Moving Beyond Smoking" Campaign

Altria's "Moving Beyond Smoking" campaign was trademarked in July 2020 and first appeared on Altria's Twitter feed and the campaign's Twitter hashtag in December 2020.<sup>345</sup> <sup>346</sup> It was also featured on the cover of Altria's 2020 Annual Report.<sup>347</sup> Interestingly, a search of Altria's lengthy press release library revealed no announcement of the new campaign.<sup>348</sup>



(https://www.altria.com/en/moving-beyond-smoking)
(https://s25.q4cdn.com/409251670/files/doc\_financials/2020/ar/Altria-2020-Annual-Report.pdf)
(https://www.altria.com/moving-beyond-smoking/reduce-the-harm-of-tobacco-products)

Altria uses the tagline, "From a tobacco company - To tobacco harm reduction company." The fact is, with the top cigarette, cigar, and moist snuff brands in the U.S., Altria is still very much a tobacco company making products inflicting the most harm. "Smokeable products," a category

347 https://investor.altria.com/annual-report-proxy-statement-annual-meeting/default.aspx

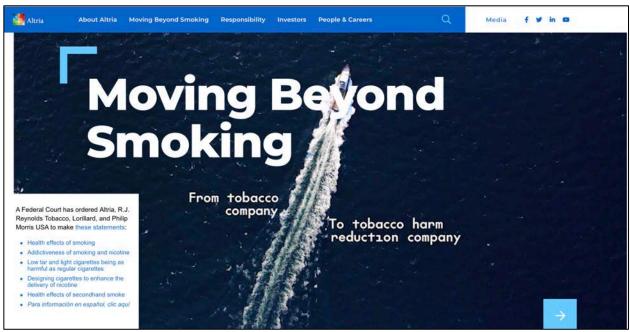
<sup>&</sup>lt;sup>344</sup> Unknown. QUESTIONS ABOUT MOTIVES BEHIND A NAME CHANGE. 2001 November. Philip Morris Records; Master Settlement Agreement. https://www.industrydocuments.ucsf.edu/tobacco/docs/#id=zpjw0055.

<sup>345</sup> https://tmsearch.uspto.gov/bin/showfield?f=doc&state=4808:6nd3ie.2.1

<sup>346 #</sup>MovingBeyondSmoking

<sup>348</sup> https://investor.altria.com/press-releases/default.aspx

that includes cigarettes and cigars, make up 88 percent of Altria's total net revenues across all of its fully-held subsidiaries, and within that "smokeable products" category, cigarettes make up 98% of shipment volume. If Altria wanted to "move beyond smoking," it would have already halted its aggressive marketing of its cigarette brands, led by US #1 selling brand Marlboro.



(https://www.altria.com/en)

Over the years since they split from the parent company in 2008, the daughter companies of the legacy Philip Morris, PMI and Altria, have negotiated reciprocal agreements to address intellectual property licensing, regulatory engagement and contract manufacturing around emerging technologies. In a 2013 agreement, Altria provided PMI with an exclusive license to commercialize Altria's e-vapor products internationally. In a reciprocal agreement, PMI provided Altria the right to market PMI's heated tobacco products (i.e., IQOS) in the United States on an exclusive basis. In 2015, PMI and Altria extended their relationship to encompass joint research, development, and technology-sharing. The expanded relationship specifies exclusive technology, cross-licenses, and collaboration in addressing regulatory matters. In recent times PMI and Altria were in discussions exploring the possibility of a re-merger of the companies, although this has not yet moved forward.<sup>350</sup>

PMI-Altria reciprocal agreements from the Altria Annual report for 2018

<sup>&</sup>lt;sup>349</sup> Altria Group, Inc. Altria Reports 2021 Fourth-Quarter and Full-Year Results; Provides 2022 Full-Year Earnings Guidance. January 27, 2022. (https://s25.q4cdn.com/409251670/files/doc\_financials/2021/q4/Press-Release.pdf)

<sup>&</sup>lt;sup>350</sup> Blackwell JR. Report: Philip Morris International will not pursue merger with Henrico-based Altria Group. Richmond Times-Dispatch. November 10, 2021.





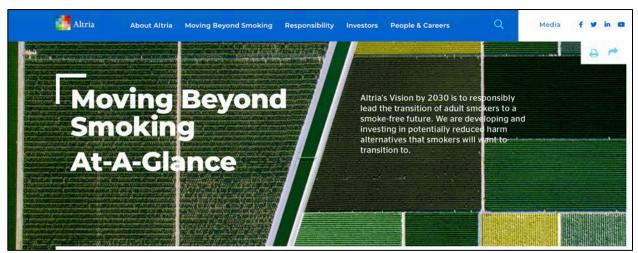
### Altria Annual report 2018

In **December 2013**, Altria Group, Inc.'s subsidiaries entered into a series of agreements with Philip Morris International Inc. ("PMI") pursuant to which Altria Group, Inc.'s subsidiaries provide an exclusive license to PMI to sell Nu Mark's e-vapor products outside the United States, and PMI's subsidiaries provide an exclusive license to Altria Group, Inc.'s subsidiaries to sell two of PMI's heated tobacco product platforms in the United States.

Further, in July 2015, Altria Group, Inc. announced the expansion of its strategic framework with PMI to include a joint research, development and technology-sharing agreement. Under this agreement, Altria Group, Inc.'s subsidiaries and PMI will collaborate to develop e-vapor products for commercialization in the United States by Altria Group, Inc.'s subsidiaries and in markets outside the United States by PMI. This agreement also provides for exclusive technology cross licenses, technical information sharing and cooperation on scientific assessment, regulatory engagement and approval related to e-vapor products.

(http://www.altria.com/AnnualReport/2018/index.html)

Altria's website touts its vision for 2030: "responsibly lead the transition adult smokers to a smoke-free future." Note the direct adaptation of PMI's "Smoke-Free Future" public relations slogan – for which PMI owns the trademark.<sup>351</sup> This is yet another example of the close coordination between PMI and Altria.



(https://www.altria.com/en/moving-beyond-smoking)

Altria's CEO William Gifford spoke at the 2021 Global Tobacco & Nicotine Forum in London, accompanied by illustrations of the thematics of the "Moving Beyond Smoke" campaign.<sup>352</sup> This event is funded by the tobacco industry.<sup>353</sup>

<sup>351</sup> Smoke-free future United Kingdom Trademark Information (https://www.trademarkelite.com/uk/trademark/trademark-detail/UK00917971076/smoke-free-future)

<sup>352</sup> Tobacco Reporter. November 2, 2021. https://tobaccoreporter.com/2021/11/02/william-gifford/

<sup>&</sup>lt;sup>353</sup> University of Bath Tobacco Tactics. Global Tobacco and Nicotine Forum. Accessed January 14, 2022. (https://tobaccotactics.org/wiki/global-tobacco-and-nicotine-forum/)



### Altria's Descriptions of its "Moving Beyond Smoking" Campaign"354

"Our Vision is to responsibly lead the transition of adult smokers to a smoke-free future.

The actions we are taking will create a different Altria – and a different landscape that we believe will benefit today's adult tobacco consumers, our business and the thousands we employ."

"Building on our long history of industry leadership, our Vision is to responsibly lead the transition of adult smokers to a non-combustible future. Altria is Moving Beyond Smoking and leading the way by taking actions to transition millions to potentially less harmful choices — a substantial opportunity for adult tobacco consumers 21+, Altria's businesses, and society."

"That's why we're focused on Moving Beyond Smoking by providing more potentially reduced harm alternatives."

"First, we must work to correct the deeply held nicotine misperceptions among smokers and key stakeholders. Nicotine, while not benign, is not the primary cause of disease and death from smoking. It's the combustion of the tobacco."

"A top priority for Altria is remaining vigilant that harm reduction is an off-ramp for adult cigarette smokers and not an on-ramp for underage tobacco use."

<sup>354</sup> Reduced harm and Preventing Underage Use 2020-2021.Moving Beyond Smoking. Altria https://www.altria.com/-/media/Project/Altria/Altria/responsibility/corporate-responsibility-reports/reducing-harm-and-preventing-underage-use-2020-2021.pdf?src=reducing-the-harm-of-tobacco-products

We believe reducing harm for adult smokers can only be successful if these consumers find potentially reduced-risk products "satisfying" – a term with a wide-ranging definition based on the diversity of adult smokers' interests. Our strategy is to deliver a compelling portfolio of smoke-free products that offer a range of satisfying product choices for adult smokers and to responsibly lead them to these alternatives.

(https://www.altria.com/-/media/Project/Altria/Altria/responsibility/corporate-responsibility-reports/reducing-harm-and-preventing-underage-use-2020-2021.pdf)

Along with its progress report of Altria's "Moving Beyond Smoking Campaign," the company's May 2021 Investor Presentation showed a robust 10.2% increase of the profitability of smokeable products for 2020.<sup>355</sup> Altria's Marlboro cigarettes have been the #1 selling brands in the US for 45 consecutive years.



(https://s25.q4cdn.com/409251670/files/doc\_downloads/2021/05/Presentation.pdf)

### Strong Traditional Tobacco Businesses

Altria's traditional tobacco businesses delivered strong business performance in 2020. The smokeable products segment grew adjusted operating companies income (OCI) by 10.2%, with continued strength of Marlboro and Black & Mild.

The oral tobacco products segment grew adjusted OCI by 7.3%. Segment volume growth was driven by on!, and Copenhagen remains the leading oral tobacco brand and once again delivered strong volume and profit performance.





<sup>355 2021</sup> Annual Meeting of Shareholders remarks, May 20, 2021, https://s25.q4cdn.com/409251670/files/doc\_downloads/2021/05/Remarks.pdf

(https://s25.q4cdn.com/409251670/files/doc\_downloads/2021/05/Presentation.pdf) (https://www.altria.com/about-altria/our-voice-and-actions/igos-and-the-itc-decision)



Altria display at NACS Show Las Vegas, October 1-4, 2021 Convenience Store Decisions Advertisement https://cstoredecisions.com/2021/10/01/october-2021-issue-creating-chestnut-market/



Altria theater, Richmond, Virginia https://news.yahoo.com/iconic-performers-altria-theaters-upcoming-011315872.html

### Altria's Sponsorship of Health-Related Articles in The Hill: Targeting Politicians

The Hill (TheHill.com) is a newspaper and digital media company based in Washington D.C. It is widely distributed for free in print among both Congressional and Executive branches of government. In 2021, Altria sponsored numerous features on the Hill including: Equilibrium/Sustainability, The Hill's Morning Report, The Hill's 12:30 Report, and most noteworthy its Overnight Health Care feature. Between September 29 and November 24, 2021

alone, Altria's sponsorship ("Presented by Altria") was featured in large, bold typeface in banner headlines in 30 The Hill articles that were widely distributed among legislators, regulators, and lobbyists. Most troubling were the large number of health care-themed articles prominently carrying Altria's brand name. Altria paid The Hill \$18,723 to sponsor this content.











In another effort to influence Washington politicians via media sponsorship, Altria paid Politico, another publication aimed at political elites, \$679,593 for ads placed in October 2021. (see Section XI.)

### PMI's Sponsorship of Health-Related Articles in DC-Focused Publications: Targeting Politicians

PMI also invested heavily in the Washington politics-focused periodicals including The Hill,

<sup>356</sup> https://thehill.com/policy/healthcare/579033-health-care, https://thehill.com/policy/healthcare/578372-health-care, https://thehill.com/policy/healthcare/578830-health-care, https://thehill.com/policy/healthcare/578830-health-care, https://thehill.com/policy/healthcare/578609-health-care

Politico, and The Washington Post. The PMI's sponsorship of health care themed articles in the Hill concentrated in the first quarter of 2020. In 2020, PMI spent \$899,428 promoting its messages in The Hill. (see Section XI). In the single month of October 2021 alone, PMI spent \$103,222 in the Washington Post and \$74,642 in The Hill. In digital media partner spending during the full year of 2020, PMI spent liberally in the Washington Post (\$1,294,618) and The Hill (\$899,428).

Health-themed news articles in The Hill (January – March, 2020) prominently labeled: "Presented by Philip Morris International." 1857



Overnight Health Care — Presented by Philip Morris International — Trump to deliver Oval Office statement on coronavirus | WHO declares pandemic | States impose drastic measures | Dems jam GOP with economic package





Overnight Health Care — Presented by Philip Morris International — Trump officials to allow Medicaid block grants | WHO declares emergency over coronavirus | CDC reports first coronavirus case that spread in US





Overnight Health Care — Presented by Philip Morris International — Trump officials to allow Medicaid block grants | WHO declares emergency over coronavirus | CDC reports first coronavirus case that spread in US



Overnight Health Care — Presented by Philip Morris International — Trump, Congress struggle for economic deal amid coronavirus threat | Pelosi rejects calls to shutter Capitol | Coronavirus emerges as 2020 flashpoint



Overnight Health Care — Presented by Philip Morris International — Dems warn Trump against Medicaid block grants | Sanders under pressure on how to pay for 'Medicare for All' | China to allow in US health officials to study coronavirus

<sup>357</sup> https://thehill.com/policy/healthcare/overnights/463087-overnight-health-care-juul-ceo-steps-down-amid-public-outrage https://thehill.com/policy/healthcare/overnights/480192-overnight-health-care-cdc-state-department-warn-against-any https://thehill.com/policy/healthcare/overnights/480588-overnight-health-care-dems-warn-against-medicaid-block-grants https://thehill.com/policy/healthcare/overnights/480785-overnight-health-care-trump-administration-to-allow-medicaid https://thehill.com/policy/healthcare/overnights/480960-overnight-health-us-declares-public-health-emergency-over https://thehill.com/policy/healthcare/overnights/486909-overnight-health-care-trump-congress-struggle-for-economic-deal https://thehill.com/policy/healthcare/overnights/487130-overnight-health-care-who-declares-coronavirus-a-pandemic https://thehill.com/policy/healthcare/overnights/487351-overnight-health-care-why-canceling-events-makes-sense-in-the

# IX. Tobacco Public Relations Campaigns Similar to PMI's "Smoke-Free World": British American Tobacco Company and Japan Tobacco International.

All three major players in the heated tobacco market PMI (IQOS), British American Tobacco (BAT, marketing Glo), and Japan Tobacco International (JTI, marketing Ploom) have undertaken public relation campaigns to promote their reduced harm claims for their new product lines. BAT and JTI's campaigns echo those of PMI but appear to be much less developed.

Philip Morris International: "Smoke-Free World"

Altria "Moving Beyond Smoking"

British American Tobacco: "Building A Better Tomorrow"

Japan Tobacco International: "Building a Brighter Future"

Imperial Tobacco "Let's Clear the Smoke"



### **British American Tobacco "Building A Better Tomorrow"**



(https://www.bat.com/strategy)
(https://www.bat.com/group/sites/uk\_\_9d9kcy.nsf/vwPagesWebLive/DO8GSFQT)
(https://www.bat.com/group/sites/UK\_\_9D9KCY.nsf/vwPagesWebLive/DOC56HHG#)

BAT's line of products it identifies as reduced risk:

Glo – heated tobacco, Vuse – e-cigarette, Velo – pouches<sup>358</sup>

Launched 2020 (main messages – emphasis added):

"We have a clear purpose to build A Better Tomorrow™ by reducing the health impact of our business."

<sup>358</sup> British American Tobacco. Reduced risk products.
https://www.bat.com/group/sites/uk 9d9kcy.nsf/vwPagesWebLive/DOAWUGND

"By stimulating the senses of new adult generations, our purpose is to create A Better Tomorrow™ for all our stakeholders."

"By responsibly offering enjoyable and stimulating choices for every mood and every moment, today and tomorrow."

"Encouraging those who otherwise continue to smoke, to switch completely to scientifically-substantiated, reduced-risk alternatives."

"We have evolved our strategy to put a sharper focus on our New Category products, **fuelled by** investment from the continued delivery of our traditional tobacco business."



### Japan Tobacco International: "Building a brighter future"





(https://www.jti.com/sr/node/4299)

"WITH THE EMERGENCE OF REDUCED-RISK PRODUCTS, THERE COMES A NEW AREA FOR GROWTH. ONE THAT GIVES AN OPPORTUNITY TO REALLY PROVIDE FOR A WIDER RANGE OF CONSUMERS."

EDDY PIRARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER

(https://www.jti.com/news-views/building-brighter-future) (https://www.jti.com/news-views/reduced-risk-products-how-do-they-fit-future-jti)

JTI's line of products it identifies as reduced risk:

Ploom – heated tobacco, Logic – e-cigarette, Nordic Spirit – pouches

Main messages:359 360

"Our long-term success as a business will be defined in part by our ability to embrace the products and technologies of the future, while staying true to the qualities that have defined our products for decades." "Ensuring long-term success for our business means recognizing the changing needs of our planet and the people on it."

"At JTI, we are embracing the consumer freedoms that vaping products bring and we're unlocking their true potential in what is still the early stages of their development. Already a growing number of consumers around the world are enjoying the wider social acceptance that vaping products offer over combustible tobacco products."

"We have always recognized the important role that startups and SMEs can play in the vaping products space. However, we also firmly believe that the experience, expertise and resources of traditional tobacco manufacturers are invaluable when it comes to creating truly future proof Reduced-Risk products success stories."

"Our strategy for expanding our portfolio does not involve pushing consumers in a specific direction or dictating their needs. Rather, we plan, innovate and manufacture a wide range of quality products to choose from."

"It's true that vaping products are starting to compete with combustible products for market share. We see this as a positive, central part of our consumer choice-focused approach, and for this reason we see combustible products and vaping products coexisting for many years to come."

"A big part of this can be seen in our continued commitment to the combustible products that remain at the heart of our business."

(https://www.jti.com/news-views/reduced-risk-products-how-do-they-fit-future-jti)



On February 14, 2022, Imperial Tobacco Canada announced the formations of its "Clear the Smoke" campaign.<sup>361</sup> Its stated goal is to: "promote and embed tobacco harm reduction as a public health strategy." This new Imperial Campaign, together with its 2020 "Facts Not Fear" campaign, are very similar to PMI's SFF campaign and may well have been inspired by it.

<sup>&</sup>lt;sup>359</sup> JTI website. Reduced-Risk Products: How Do They Fit in the Future of JTI? Accessed January 14, 2022. (https://www.jti.com/news-views/reduced-risk-products-how-do-they-fit-future-jti)

<sup>&</sup>lt;sup>360</sup> JTI website. Building a Brighter Future. Accessed January 14, 2022. (https://www.jti.com/news-views/building-brighter-future)

<sup>&</sup>lt;sup>361</sup> VAPING: LET'S CLEAR THE SMOKE. Imperial Tobacco. Newswire. February 14, 2022. https://www.newswire.ca/news-releases/vaping-let-s-clear-the-smoke-877305660.html



https://smoke-free-canada.blogspot.com/2022/02/imperial-tobaccos-clear-smoke-campaign.html

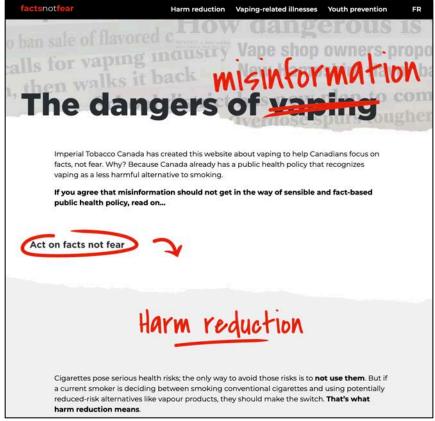
According to Imperial Tobacco's press release: "There is a lack of understanding out there about vapour products, especially when it comes to the positive role they can play in tobacco harm reduction," said Ralf Wittenberg, President and CEO of Imperial Tobacco Canada. "I think this misunderstanding is due to the fact that the vast majority of people don't have access to accurate, credible and independent information." "This campaign is to educate Canadians on the facts about vapour products by providing access to credible, factual, and independent information."

As described by Physician's for a Smoke-Free Canada: 362

The company's strategy is to be seen as aligned with government and as 'part of the solution'. The main tactic in this campaign is the use of credible health authorities as third party validators. The advertising copy is direct quotes from researchers, governments and public health agencies. Health Canada's views are given high profile: "Switching from tobacco cigarettes to vaping will reduce your exposure to many toxic and cancer causing chemicals." "Vaping products and e-cigarettes deliver nicotine in a less harmful way that smoking cigarettes." "Vaping is less harmful than smoking." Other Canadian health voices are also present, including the Heart and Stroke Foundation, and researchers at the University of Waterloo.

<sup>362</sup> Physicians for a Smoke-Free Canada. February 24, 2022. 'Clear the Smoke': Imperial Tobacco launches an illegal health-reassurance ad campaign. https://smoke-free-canada.blogspot.com/2022/02/imperial-tobaccos-clear-smoke-campaign.html

In 2020, Imperial ran a "Facts Not Fear" Campaign. The focus on "misinformation" is identical to that of PMI's SFF campaign.



https://factsnotfear.ca

### Tobacco Companies' Justification for Continued Selling of Cigarettes while becoming "Smoke-Free"

As discussed earlier, other tobacco companies also justify their necessity to continue selling combustible products (i.e., cigarettes) to fund "smoke-free" innovations. The paradoxical rationale can be summarized as: "We need to keep selling our cigarettes to smokers to enable us to improve the health of our smokers."

### **British American Tobacco:**

"We have evolved our strategy to put a sharper focus on our New Category products, fuelled by investment from the continued delivery of our traditional tobacco business." <sup>363</sup>

<sup>363</sup> Building A Better Tomorrow™ Our Transformation Journey. British American Tobacco (https://www.bat.com/group/sites/UK\_9D9KCY.nsf/vwPagesWebLive/DOC56HHG)

### Japan Tobacco international

"We believe that every new step cannot only be about minimizing risks in the products themselves – we have to ensure we're balancing risks in the strategies and models we apply as well. A big part of this can be seen in our continued commitment to the combustible products that remain at the heart of our business." 364

### **Philip Morris International:**

"We will continue leveraging our leadership in combustibles to accelerate the smoke-free transition." <sup>365</sup>

### Altria:

"The smokeable products segment continues to be the engine that powers our Vision, generating significant cash that can be invested in non-combustible products and returned to shareholders. Our smokeable products strategy is to maximize the profitability of our combustible products while appropriately balancing investments in Marlboro with funding growth of our non-combustible portfolio." 366

<sup>&</sup>lt;sup>364</sup> REDUCED-RISK PRODUCTS: HOW DO THEY FIT IN THE FUTURE OF JTI? Japan Tobacco International. https://www.jti.com/news-views/reduced-risk-products-how-do-they-fit-future-jti

<sup>&</sup>lt;sup>365</sup> Virtual Annual Meeting of Shareholders, May 5, 2021, https://philipmorrisinternational.gcs-web.com/static-files/56ae4d00-5df8-4f56-be65-86dd5bf314ba

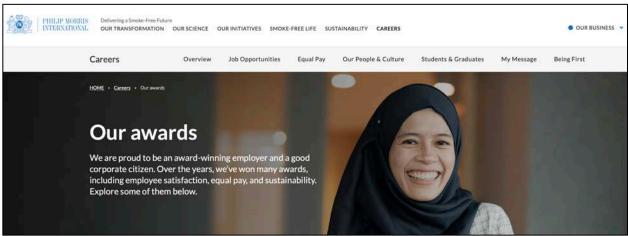
<sup>&</sup>lt;sup>366</sup> CAGNY, February 17, 2021, https://s25.q4cdn.com/409251670/files/doc\_downloads/2021/02/2021-CAGNY-Remarks-and-Reconciliations-Final-2.16.21-for-posting.pdf

## X. PMI & Altria Vanity Awards – Honors Commissioned for Public Relations Purposes

As part of their public relations efforts, tobacco companies buy so-called "vanity awards" with supposed "honors" purchased from companies whose business is to issue fee-based awards designed to burnish the reputation of their clients. The public relations team at PMI and Altria make frequent use of "awards" announcements to make them sound like good corporate citizens. The Better Business Bureau warns that there are "a lot of vanity awards . . available in virtually every industry and for every profession. For some, you fill out a form and pay a fee to enter the 'competition.'" 369

### **PMI Vanity Awards**

PMI promotes its awards on its website: https://www.pmi.com/careers/our-awards.



(https://www.pmi.com/careers/our-awards)

PMI has had a particular focus on environmental "awards" (e.g., 50 Climate Leaders, One Planet Award, CDP). PMI maintains a website promoting its environmental programs. (https://www.pmi.com/sustainability). It is ironic that PMI touts is corporate sustainability practices when the highest-selling products that it manufactures, cigarettes, deliver concentrated chemical-polluted smoke into the environment and directly into the lungs of millions of their customers, and discarded cigarette butts are the second most littered item around the world.<sup>370</sup>

Sampling of environmental "awards" received by PMI.

<sup>&</sup>lt;sup>367</sup> Dee J. Why most business "awards" are a scam, preying on pride. https://medium.com/@jimdee/why-most-business-awards-are-a-scam-preying-on-pride-bb6a7bb2d383

<sup>&</sup>lt;sup>368</sup> Barrett T. Beware of fake awards. Blue Sky PRhttps://www.bluesky-pr.com/blog/recruitment-hr-and-talent-management/beware-fake-awards

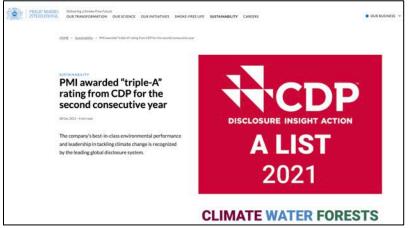
<sup>&</sup>lt;sup>369</sup> BBB Tip: Vanity Awards. https://www.bbb.org/article/news-releases/21031-bbb-tip-vanity-awards

<sup>&</sup>lt;sup>370</sup> Truth Initiative. Tobacco and the environment. (https://truthinitiative.org/research-resources/harmful-effects-tobacco/tobacco-and-environment)



(https://www.businesswire.com/news/home/20200116005278/en/Philip-Morris-International-Recognized-Sustainability-Action-Ambition)

(https://www.businesswire.com/news/home/20200117005168/en/Philip-Morris-International-Recognized-Business-Excellence-4th) (https://www.businesswire.com/news/home/20190123005404/en/PMI-Elite-Group-Companies-Score-Climate-Change)



CDP: Environmental performance and leadership award

(https://www.pmi.com/sustainability/pmi-awarded-triple-a-rating-from-cdp-for-the-second-consecutive-year)

PMI paid to be part of a documentary series touting its sustainable practices, and then issued a press release that implied that it was being "recognized" for its actions.<sup>371</sup> The "50 Sustainability and Climate Leaders Project" appears to be a promotional campaign driven by

<sup>&</sup>lt;sup>371</sup> https://www.businesswire.com/news/home/20200116005278/en/Philip-Morris-International-Recognized-Sustainability-Action-Ambition

corporate businesses, created by the TBD Media Group,<sup>372</sup> a company that offers "Solutions-Based Video Journalism." Its website describes its goal of: "BRINGING BRAND STORIES TO LIFE — Our aim is always to connect brands with their customers via a beautiful piece of content. Brands have great stories to tell, we simply bring them to life as their storytellers. Combining over 30 years of experience in marketing, content creation, video production and publishing." PMI also used this platform to advance its "smoke-free future" marketing campaign, posting on the "50 Sustainability and Climate Leaders Project" website an article titled, "Leading a transformation in the tobacco industry to create a smoke-free future and ultimately replace cigarettes with better alternatives." <sup>373</sup>



(https://www.50climateleaders.com/pmi-leading-a-transformation-in-the-tobacco-industry-to-create-a-smoke-free-future-and-ultimately-replace-cigarettes-with-better-alternatives/)

One Planet Awards, now Globee Business Awards, is a for-profit venture that offers a wide array of awards to businesses willing to pay for them.<sup>374</sup> On January 17, 2020, PMI trumpeted its One Planet Award purportedly for its "achievements in delivering a smoke-free future." Globee Business Awards markets its awards as a "cost-effective way to build your brand by recognizing and keeping your executives, employees, clients, and business partners motivated." "As a Globee Awards winner you will get complimentary access to tools and resources to promote your recognitions including winner logos, press release templates, 1:1 industry written interviews, and social media visibility opportunities." "The SVUS Awards trophy is one of the world's most impressive trophies which will amaze your executives, employees, clients, and business partners."<sup>375</sup>

<sup>372 (</sup>https://tbdmediagroup.com/)

<sup>373</sup> https://www.50climateleaders.com/pmi-leading-a-transformation-in-the-tobacco-industry-to-create-a-smoke-free-future-and-ultimately-replace-cigarettes-with-better-alternatives/

<sup>374 (</sup>https://svusawards.com)

<sup>&</sup>lt;sup>375</sup> Globee Awards. Why Awards are Important. Accessed January 14, 2022. (https://globeeawards.com/about/why-awards-are-important/)

# One Planet® Awards - Order Original Trophies, Plaques, Miniature Trophies, Medallions, Certificates, & Key Chains By submitting this form, I confirm that the information filled is correct and truthful to the best of my knowledge. Please note that orders once placed cannot be refunded. Electronic submission of this form is taken to mean that the terms and conditions of this form are fully accepted.\* One Planet Awards original items Check all the One Planet Awards items below for which you are placing order \* Trophies Plaques Medallions Certificates Keychains, Backpack, & Microfiber Custom Orders

(https://globeeawards.com/store/merchandise-details/)

PMI also issues press releases about other types of corporate awards, such as the January 2020 "BIG Innovation Award" from the Business Intelligence Group.<sup>376</sup> The BIG company offers a series of awards with their associated trophies for a fee. As usual, the PMI BIG Award PR announcement features a promotional paragraph for IQOS.



(https://www.businesswire.com/news/home/20200122005526/en/Philip-Morris-International-Wins-2020-BIG-Innovation)

<sup>376 (</sup>https://www.bintelligence.com/)

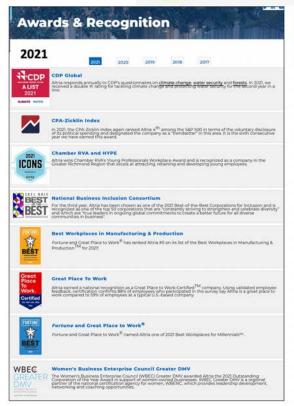


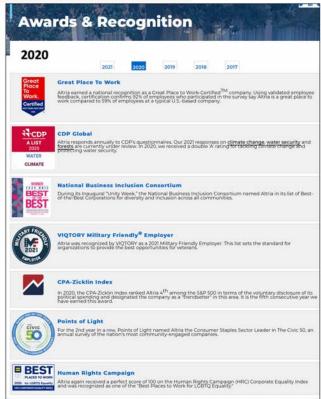
(https://www.pmi.com/media-center/news/pmi-wins-2020-big-innovation-award)

### **Altria Vanity Awards**

Altria also maintains a website promoting its "Awards & Recognition."







(https://www.altria.com/en/about-altria/awards-and-recognition)

Similar to PMI, Altria features environmental responsibility awards and mentions them in its investor relations website. Altria also maintains a page dedicated to climate change on its website.<sup>377</sup>



(https://www.businesswire.com/news/home/20211207005786/en/Altria-Once-Again-Achieved-a-Double-A-Rating-in-Climate-and-Water-Protection)

(https://investor.altria.com/press-releases/news-details/2020/Altria-Recognized-with-Double-A-Score-for-Global-Climate-and-Water-Stewardship/default.aspx)

SBTi environmental awards have an application fee of \$4,950.378





# **ABOUT US**

The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets.

(https://www.nasdaq.com/press-release/altria-recognized-for-environmental-leadership-2020-07-09)

<sup>&</sup>lt;sup>377</sup> (https://www.altria.com/responsibility/protect-the-environment/climate-change)

<sup>&</sup>lt;sup>378</sup> https://sciencebasedtargets.org/faqs#how-long-does-the-sbti-process-take-how-much-does-it-cost

It is noteworthy that both PMI and Altria promote LGBTQ equality awards. This may be motivated by the fact that smoking prevalence is higher among LGBTQ populations than among heterosexuals.<sup>379</sup> LGBTQ individuals have been reported to have greater exposure to tobacco marketing and that the industry has specifically targeted them as a market segment.<sup>380</sup>



(https://www.bloomberg.com/press-releases/2021-02-01/altria-group-recognized-for-its-commitment-to-lgbtq-equality)



(https://www.bloomberg.com/press-releases/2021-01-27/philip-morris-international-named-to-the-2021-bloomberg-gender-equality-index-recognizing-company-s-commitment-to-advancing)

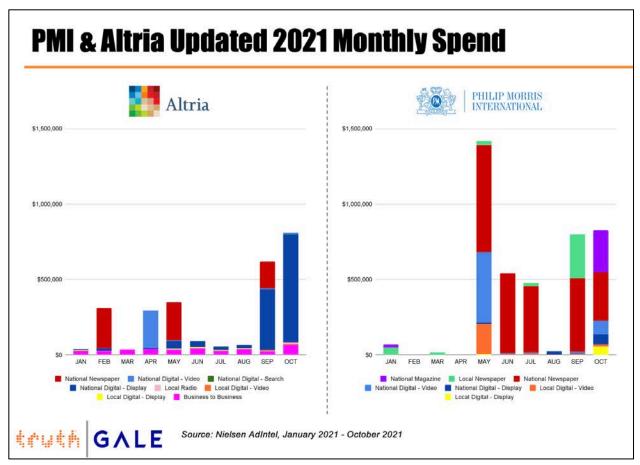
<sup>&</sup>lt;sup>379</sup> McCabe SE, Matthews AK, Lee JGL, Veliz P, Hughes TL, Boyd CJ. Tobacco Use and Sexual Orientation in a National Cross-sectional Study: Age, Race/Ethnicity, and Sexual Identity-Attraction Differences. Am J Prev Med. 2018 Jun;54(6):736-745. doi: 10.1016/j.amepre.2018.03.009. Epub 2018 Apr 12. PMID: 29656916; PMCID: PMC5962411.

<sup>&</sup>lt;sup>380</sup> Dilley JA, Spigner C, Boysun MJ, Dent CW, Pizacani BA. Does tobacco industry marketing excessively impact lesbian, gay and bisexual communities? Tob Control. 2008 Dec;17(6):385-90. doi: 10.1136/tc.2007.024216. Epub 2008 Aug 22. PMID: 18723561.

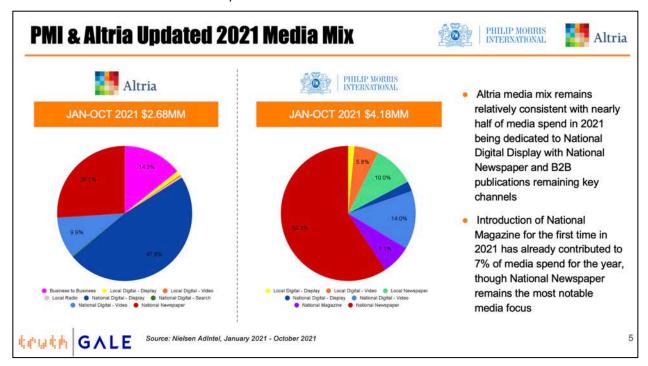
### XI. US Media Spending by PMI & Altria

In its analysis of spending data between January 2020 and October 2021 from Nielsen Adintel, the Truth Initiative found that PMI and Altria spent large amounts of money on advertising print and digital media in the latter part of the study period. In October 2021, PMI (\$827,000) and Altria (\$809,000) advertising spend in the US was relatively equal. PMI's October media mix leaned heavily toward print with ads in national newspapers and magazines. It ran its SFF themed, full-page advertorial "Deciphering Fact From Fiction To Solve Today's Most Pressing Issues" in both Time Magazine (\$278,400) and the Wall Street Journal (\$322,969) that month. Altria's October media mix was almost entirely digital display (Politico \$679,593). In digital communications, PMI spent the most in the Washington Post (\$103,322), indicating a focus upon policymakers.





### January to October 2021 Altria & PMI Media Mix



### October 2021 Altria & PMI Print Media Spending

# **PMI & Altria October Print Partners**

OCTOBER 2021 PRINT INVESTMENT				
Advertiser	Media Type	Distributor	Spend	
Altria	B2B	Convenience Store Decisions	\$32,000	
		Convenience Store News	\$8,364	
		CSP Daily News	\$20,320	
		NACS Magazine	\$4,257	
ALTRIA PRINT TOTAL			\$64,941	
PRILIP MORIE	Nat'l Magazine	TIME	\$278,400	
	Nat'l Newspaper	Wall Street Journal	\$322,969	
PMI PRINT TOTAL			\$601,369	

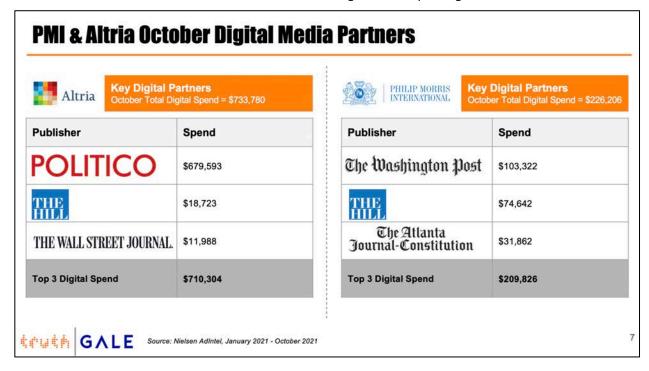
- October print investment for both brands had a national focus
- Altria continues to run monthly insertions in convenience store trade publications in premium placements.
  - B2B creative continues to surround "Moving Beyond Smoking" but introduces new imagery and messaging that promoted their booth at a convenience store convention
- PMI ran one insertion in TIME magazine designed to look like editorial and speaking to policymakers and encouraging them to "decipher fact from fiction to solve today's most pressing issues"; They also ran 2x in WSJ

truth GALE

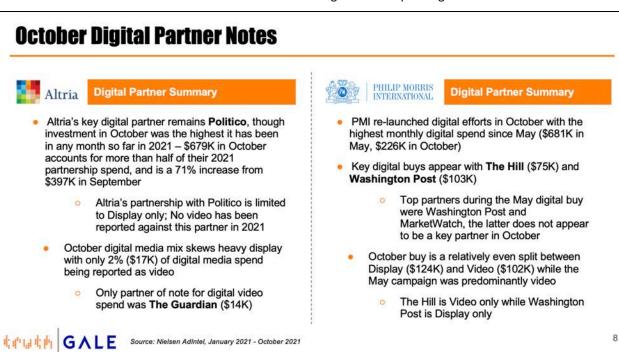
Source: Nielsen AdIntel, January 2021 - October 2021

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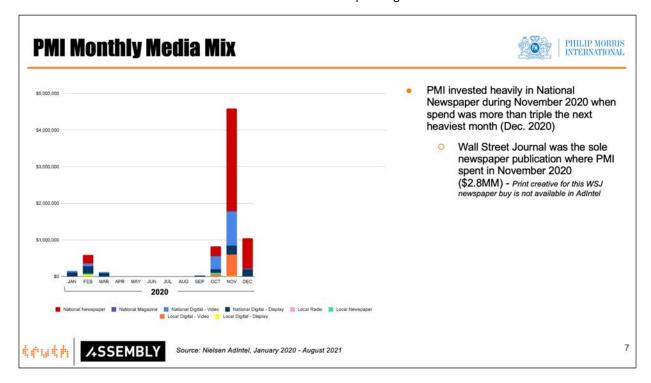
October 2021 Altria & PMI Digital Media Spending



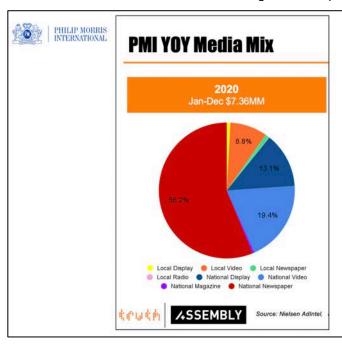
October 2021 Altria & PMI Digital Media Spending



### 2020 PMI Media Spending



### PMI Digital Media Spending in 2020

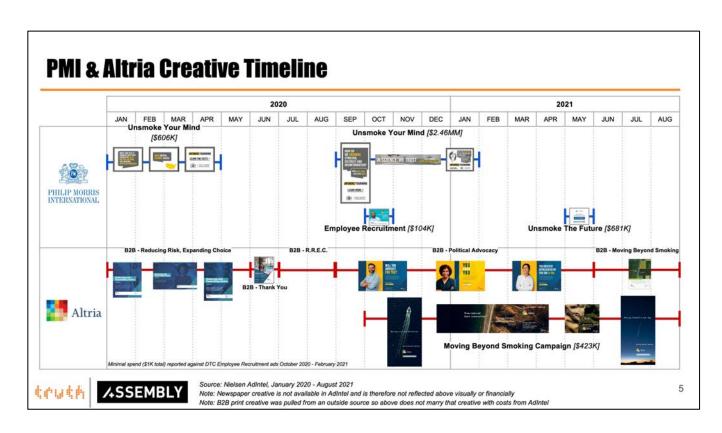




In 2020, PMI spent \$4,137,624 promoting is corporate narrative in the Wall Street Journal.

PMI Print Media Spending in 2020

Medium	Publisher	2020 \$
	Boston Globe	
Local Newspaper	Denver Post	
	Kansas City Star	
	New York Post	\$32,981
	Raleigh News Observer	
	Washington Post	\$40,557
	Local Newspaper Total	\$73,538
National Magazine	Politico	\$32,200
National Newspaper	Wall Street Journal	\$4,137,624



# XII. Altria and Philip Morris International: Company Quotes Demonstrating the Long History of Empty Promises

- "[i]f we had any thought or knowledge that in any way we were selling a product harmful to consumers, we would stop business tomorrow." Philip Morris Vice President George Weissman, 1954<sup>381</sup>
- "We always have and always will cooperate closely with those whose task it is to safeguard the public health. ... We are pledging aid and assistance to the research effort into all phases of tobacco use and health. ... For this purpose we are establishing a joint industry group consisting of the undersigned. This group will be known as the TOBACCO INDUSTRY RESEARCH COMMITTEE. In charge of the research activities will be a scientist of unimpeachable integrity and national repute." A Frank Statement to Cigarette Smokers, 1954<sup>382</sup>
- "if our product is harmful, we'll stop making it." Philip Morris Vice President James Bowling, 1972<sup>383</sup>
- "from our standpoint, if anyone ever identified any ingredient in tobacco smoke as being hazardous to human health or being something that shouldn't be there, we could eliminate it. But no one ever has." – Philip Morris Vice President James Bowling, 1972<sup>384</sup>
- Asked "what he would do with his manufacturing plants if scientists proved that cigarettes were a cause of cancer," to which he replied, he would "shut it down instantly." – Philip Morris CEO Geoffrey Bible, 1997<sup>385</sup>
- "there is an overwhelming medical and scientific consensus that cigarette smoking causes lung cancer, heart disease, emphysema and other serious disease in smokers" – Philip Morris CEO Geoffrey Bible, 1997<sup>386</sup>
- "I believe there will come a moment in time where I would say we have sufficient adoption of these alternative products ... to start envisaging, together with governments, a phase-out period for cigarettes. ... I hope this time will come soon." – Philip Morris International CEO André Calantzopoulos, 2016<sup>387</sup>
- "We have four principle responsibility focus areas. To reduce the harm of tobacco products, to market responsibly, to manage our supply chain responsibly and to develop our employees and our culture. ... Our long-term goal is to achieve a leadership position in innovative tobacco products including those with the potential to reduce harm." Altria Group CEO Marty Barrington, 2017<sup>388</sup>
- "We're optimistic about the future as we work to progressively transition PMI's existing cigarette business to potentially less harmful alternatives. There is tremendous

https://en.wikipedia.org/wiki/A\_Frank\_Statement#/media/File:A\_Frank\_Statement.png.

<sup>&</sup>lt;sup>381</sup> Weissman, George, Philip Morris Inc. Public relations and cigarette marketing. March 30, 1954. Bates 1002366398-1002366402.

<sup>&</sup>lt;sup>382</sup> "A Frank Statement to Smokers," January 4, 1954,

<sup>&</sup>lt;sup>383</sup> Kwitny Jonathan. Defending the Weed: How Embattled Group Uses Tact, Calculation to Blunt Its Opposition. The Wall Street Journal. January 24, 1972. Bates 500324162-500324164.

<sup>&</sup>lt;sup>384</sup> Bowling, James C. and Peter Taylor. This week: Philip Morris: Mr. James C. Bowling, vice president, Philip Morris Inc. being interviewed by Mr. Peter Taylor, Thames Broadcasting Co., London. August 16, 1976. Bates 1002410318-1002410351.

<sup>385</sup> Cerriden M. Tobacco exec stuns observers. Dallas Morning News. August 22, 1997. Bates 86329862-86329865.

<sup>&</sup>lt;sup>386</sup> Cerriden M. Tobacco exec stuns observers. Dallas Morning News. August 22, 1997. Bates 86329862-86329865.

 $<sup>^{387}\</sup> https://www.reuters.com/article/pmi-iqos-uk/philip-morris-ceo-looks-towards-phasing-out-cigarettes-bbc-idUSL9N12F01L$ 

<sup>388</sup> Shareholder Meeting Transcript 5/18/17

opportunity to positively impact public health with the availability of better choices than continued smoking, and we can't do it alone. Contributions from public-health experts, the scientific community and regulators will greatly accelerate switching from cigarettes to smoke-free products." – Philip Morris International Vice President Tony Snyder, 2017<sup>389</sup>

- "Philip Morris is known for cigarettes. Every year, many smokers give them up. Now it's our turn. Our ambition is to stop selling cigarettes in the UK. It won't be easy." – Philip Morris International newspaper ad, 2018<sup>390</sup>
- "The harm caused by smoking is well known. Our view on the future is clear. We believe people should stop smoking and we support measures to dissuade people from starting."
   Philip Morris International on World No Tobacco Day, 2018<sup>391</sup>
- "Why we're quitting cigarettes" Philip Morris International CEO André Calantzopoulos, 2018<sup>392</sup>
- "That's why at PMI we are committed to creating a smoke-free future. It's a transformative vision, one that will change society: A future that does not include cigarettes. And we want to get there as quickly as possible." Philip Morris International CEO André Calantzopoulos, 2019<sup>393</sup>
- "A future in which cigarettes are obsolete is within reach. In fact, with the right regulatory encouragement and support from civil society, we believe cigarette sales can end within 10 to 15 years in many countries. Yes, that's right: an end to cigarettes within 10 to 15 years in many countries." Philip Morris International CEO André Calantzopoulos, 2020<sup>394</sup>
- "Our 10-Year Vision is to responsibly lead the transition of adult smokers to a noncombustible future." – Altria Group CEO Billy Gifford, 2020<sup>395</sup>
- "I want to allow this company to leave smoking behind. I think in the U.K., 10 years from now maximum, you can completely solve the problem of smoking." – PMI CEO Jacek Olczak, 2021<sup>396</sup>
- "Our objective is to fully leave cigarettes behind to one day become a smoke-free company." – PMI CEO Jacek Olczak, 2021<sup>397</sup>

<sup>&</sup>lt;sup>389</sup> Tony Snyder, PMI Vice President, "Philip Morris International Looks Toward A Smoke-Free Future," January 25, 2017, https://www.pmi.com/media-center/press-releases/press-details/?newsId=12056.

<sup>&</sup>lt;sup>390</sup> Full-page ad from PMI in UK newspapers, 2018, https://www.businessinsider.com/philip-morris-international-give-up-cigarettes-advert-2018-1

<sup>391</sup> https://www.moodiedavittreport.com/we-believe-people-should-stop-smoking-philip-morris-international-marks-world-no-tobacco-day-with-clarion-call-for-alternatives-to-traditional-cigarettes/

<sup>392</sup> https://nypost.com/dispatch/why-were-quitting-cigarettes/

<sup>393</sup> https://www.politico.eu/sponsored-content/open-letter-from-philip-morris-international-ceo/

<sup>&</sup>lt;sup>394</sup> André Calantzopoulos, PMI CEO, "Science, Data, and Facts Should Unite Decision-Making, Says PMI CEO in Speech at Concordia Summit," September 24, 2020, https://www.pmi.com/investor-relations/press-releases-and-events/press-releases-overview/press-release-details/?newsId=22816.

<sup>&</sup>lt;sup>395</sup> Billy Gifford, Altria Group CEO, https://www.altria.com/moving-beyond-smoking,

<sup>&</sup>lt;sup>396</sup> Dunkley, E, "Tobacco giant Philip Morris will stop selling cigarettes in Britain within the next ten years marking the end of the Marlboro brand on UK shelves after a century - as it looks to push less harmful 'modern alternatives,'" The Mail on Sunday, July 24, 2021, https://www.dailymail.co.uk/news/article-9822189/Tobacco-giant-Philip-Morris-stop-selling-cigarettes-Britain-ten-years.html.

<sup>&</sup>lt;sup>397</sup> Dunkley, E, "Tobacco giant Philip Morris will stop selling cigarettes in Britain within the next ten years marking the end of the Marlboro brand on UK shelves after a century - as it looks to push less harmful 'modern alternatives,'" The Mail on Sunday, July 24, 2021, https://www.dailymail.co.uk/news/article-9822189/Tobacco-giant-Philip-Morris-stop-selling-cigarettes-Britain-ten-years.html.

### **Continuing Commitment to Combustibles**

- "In our core tobacco businesses, our most valuable asset is Philip Morris USA Inc.'s (PM USA) terrific Marlboro brand. Thanks to vision, innovation and careful stewardship, Marlboro has been the leading U.S. cigarette brand for 40 years. In fact, Marlboro has been on the top 10 list of the world's most valuable global brands in each of the past 10 years." (2016)<sup>398</sup>
- "Our history is that this is a company that owned a lot of different businesses over time, food businesses and other businesses. And I think what we learned over time was that while we have terrific people and lots of resources, we're very, very good at the tobacco business and we know how to run it. That doesn't mean that it's the only business we could run, but you have to be disciplined about what you have to bring to the party so that you can run a business better than somebody else can run the business." (2016)<sup>399</sup>
- PMI: Cigarettes "still represent the bulk of our income." When asked in the same interview how long before his smoke-free world becomes a reality, he responded, "First, I don't think it's 40 years we're talking about here. It's much longer." (2017)<sup>400</sup>
- "These businesses [core tobacco businesses, i.e., smokeable and smokeless] have relatively low capital needs while generating strong profit, cash flow and margin growth over time. We're maximizing the value of these businesses over the long term to return cash to shareholders and to invest in our future." (2017)<sup>401</sup>
- "So we believe PM USA is well positioned to maintain the company's leadership in the cigarette category." (2017)<sup>402</sup>
- "Marlboro anchors our smokeable products segment, and PM USA continues to invest in Marlboro to maintain its vibrant franchise." (2017)<sup>403</sup>
- "The smokeable segment remains large and highly profitable and, despite the long-term secular decline in cigarette volume, has continued to grow income year over year." (2017)<sup>404</sup>
- "That *Marlboro*, at more than 43 retail share points, is by far the largest and most profitable brand in the cigarette category; that it's been the leading brand in the category for over 40 years. And that *Marlboro* is the share leader in all 50 states." (2017)<sup>405</sup>
- "we are very pleased with the performance across our portfolio in the cigarette category. And I think that we feel that our investments have generated quite nice outcomes this year." (2018)<sup>406</sup>
- "PM USA stabilized Marlboro and strengthened our combustible business." (2019)<sup>407</sup>
- "We're extremely proud of our long history of leadership within the cigarette, cigar and MST categories. And we believe we're well-positioned to continue our success into the future with our iconic brands, world-class manufacturing facilities and talented employee

<sup>398 2016</sup> CAGNY presentation 2/17/16

<sup>&</sup>lt;sup>399</sup> Earnings Call Transcript 10/27/16 – Q3 2016 Results

<sup>400</sup> https://www.wsj.com/articles/philip-morriss-big-smokeless-bet-1509329400?mg=prod/accounts-wsj

<sup>&</sup>lt;sup>401</sup> 2017 CAGNY Conference 2/22/17

<sup>&</sup>lt;sup>402</sup> 2017 CAGNY Conference 2/22/17

<sup>&</sup>lt;sup>403</sup> 2017 CAGNY Conference 2/22/17

<sup>404 2017</sup> Investor Day Transcript 11/2/17

<sup>405 2017</sup> Investor Day Transcript 11/2/17

 $<sup>^{406}</sup>$  Earnings Call Transcript 10/25/18 – Q3 2018 Results

<sup>&</sup>lt;sup>407</sup> Earnings Call Transcript 1/31/19 – Q4 2018 Results

base. Our core businesses have a critical role to play in achieving our new vision, and we believe that they will continue to deliver outstanding results." (2020)<sup>408</sup>

### Revenue from combustibles needed to support new products

- PMI: "We will continue leveraging our leadership in combustibles to accelerate the smoke-free transition." (2021)<sup>409</sup>
- PMI: "We will continue leveraging, obviously, a leadership in combustibles so that we can support the smoke-free expansion. And obviously, smoke-free products don't need financing from combustibles, but still access to smokers and infrastructure, especially for new markets, is important." (2021)<sup>410</sup>
- Altria: "The Smokeable Products segment continued to deliver on its strategy of maximizing profitability and combustibles, while appropriately balancing investments in Marlboro, with funding the growth of smoke-free products." (2021)<sup>411</sup>
- Altria: "Our smokeable products segment is the engine that enables investments behind our non-combustible portfolio and rewards our shareholders with a strong dividend." (2021)<sup>412</sup>
- Altria: "The smokeable products segment continues to be the engine that powers our Vision, generating significant cash that can be invested in non-combustible products and returned to shareholders. Our smokeable products strategy is to maximize the profitability of our combustible products while appropriately balancing investments in Marlboro with funding growth of our non-combustible portfolio." (2021)<sup>413</sup>

<sup>408 2020</sup> CAGNY Presentation 2/19/20

<sup>&</sup>lt;sup>409</sup> Virtual Annual Meeting of Shareholders, May 5, 2021, https://philipmorrisinternational.gcs-web.com/static-files/56ae4d00-5df8-4f56-be65-86dd5bf314ba

<sup>&</sup>lt;sup>410</sup> 2021 Virtual Investor Day, February 10, 2021, https://philipmorrisinternational.gcs-web.com/static-files/21b7b3e0-49c2-4fc5-8c3c-b0f48220a53d

<sup>&</sup>lt;sup>411</sup> Q2 2021 Earnings Call, July 28, 2021, https://seekingalpha.com/article/4442721-altria-group-inc-s-mo-ceo-billy-gifford-on-q2-2021-results-earnings-call-transcript

<sup>412 2021</sup> Annual Meeting of Shareholders remarks, May 20, 2021,

https://s25.q4cdn.com/409251670/files/doc\_downloads/2021/05/Remarks.pdf

<sup>&</sup>lt;sup>413</sup> CAGNY, February 17, 2021, https://s25.q4cdn.com/409251670/files/doc\_downloads/2021/02/2021-CAGNY-Remarks-and-Reconciliations-Final-2.16.21-for-posting.pdf

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- PMI sidesteps global health treaty to lobby councils https://www.thebureauinvestigates.com/stories/2020-03-20/philip-morris-sidesteps-who-treaty-to-lobby-local-councils
- "Since Iqos's UK launch in late 2016, Philip Morris has hired lobbyists with strong links to the Conservative party, sought to build a network of allies in cash-strapped local council and NHS services, and spent millions of pounds on public relations campaigns urging smokers to quit or switch to alternatives such as Iqos."
- Why Did Philip Morris Spend More Than Anyone Else Lobbying The E.U.? https://www.forbes.com/sites/greatspeculations/2014/10/03/why-did-philip-morris-spend-more-than-anyone-else-lobbying-the-e-u/?sh=432ca8cb2963
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# XIV. APPENDIX: Additional Philip Morris International Smoke-Free World Campaign Advertorials

# LOST AMID MISINFORMATION: REAL PEOPLE, REAL SCIENCE, REAL PROGRESS



By Dr. Moira Gilchrist, Vice President, Strategic & Scientific Communications, Philip Morris International

We often think that misinformation and disinformation are online phenomena, with fake news and conspiracy theories only occasionally spilling over into real life. The reality is that these threats to progress are not confined to online peddlers of the unreal; they have real-world consequences that hurt real people.

As a scientist working for Philip Morris International (PMI), I see the spread of misinformation nearly every day—from poorly executed scientific studies and results skewed by bias to misleading headlines. I personally have been subjected to intimidation tactics grounded in misinformation that, unfortunately, have achieved their intended effect of shutting down debate and stifling free and open discussion. Too often and too easily, reason and fact are drowned out by skewed and hyperbolic voices.

The confluence of misinformation and the stifling of speech can have a devastating impact. This is certainly the case in tobacco harm reduction. Around the world in 2021, hundreds of millions of adults continue to smoke and many now find themselves confused hesitant to switch to a better choice because of misinformation.

It need not be that way. We know that the best thing anyone can do for their health in terms of tobacco and nicotine consumption is to quit smoking—or, better yet, never start. That's clear. But most adults who smoke do not quit. It is for these men and women that scientifically substantiated smoke-free alternatives are intended. Though not risk-free, these products have been shown to be a far better choice than continued smoking. And the public wants smokers to have access to them. Indeed, 73 percent of adults surveyed globally agree that governments should consider the role that smoke-free products can play in reducing cisarette use.

What's the holdup? While adults who currently smoke want new approaches and better choices, too many are unaware such innovations exist, can't access them, or are confused by disinformation campaigns that muddy the truth.

This is not an accident. So-called philanthropic organizations and individuals are so focused on ridding the world of cigarettes that they have completely dismissed the potential of these smoke-free products—those that remove combustion. (At PMI, we too want to move adults away from cigarettes but recognize that for those who do not want to quit, we can help by enabling switching to better alternatives.) Unfortunately, those who see only one path forward often bombard the public with a mix of fact and fiction—a dangerous combination that lumps together all tobacco and nicotine products and leaves smokers confused—and ostracize anyone who does not resolutely and absolutely adopt their single—minded agenda.

What's at stake is a public health breakthrough of enormous import. PMI is on a path to completely replace eigarettes with scientifically substantiated alternatives for those adults who would otherwise continue to smoke. With the right regulatory and public support, we are convinced we can achieve this in many countries in which we operate in as soon as 10 to 15 years.

To achieve this, we need to ensure that science and facts outweigh personal opinions in decision-making. And as in so many other areas of our society, we need to engage and hear from all perspectives, including industry and adults who smoke. Bottom line: Inclusivity, transparency, and a respect for scientific evidence should be the norm in discussions of tobacco harm reduction rather than the exception.

I recognize that not everyone will agree on how best to reduce the harm caused by cigarettes. That should not prevent us from coming together to talk about solutions. As a scientist, I have a strong belief that facts and evidence ultimately become too difficult to ignore. But we can achieve so much more—so much faster—if we make a conscious effort to eliminate misinformation and overcome stigma. Scientific evidence and transparency remain our strongest tools in enabling the men and women who smoke to make informed decisions. They deserve nothing less.

### PMI.COM/BETTER

### **UNSMOKE YOURMIND**



Dr. Moira Gilchrist, PMI Vice President Strategic and Scientific Communications. May 25, 2021 Washington Post https://www.washingtonpost.com/brand-studio/wp/2021/05/25/lost-amid-misinformation-real-people-real-science-real-progress/

https://www.washingtonpost.com/creativegroup/sponsor/philipmorrisinternational/

# Innovation driving progress to a smoke-free future



BY DR. MOIRA GILCHRIST, VICE PRESIDENT, STRATEGIC & SCIENTIFIC COMMUNICATIONS, PHILIP MORRIS INTERNATIONAL

For all the incredible developments that the human mind has made possible, the biggest impediment to progress sometimes remains our own way of thinking. Our biases can make us resist change and keep us from searching for better solutions.

Fortunately, the speed and frequency of innovation today leaves little room for inertia. Most people expect science and technology to drive change and help solve our most pressing challenges. In fact, more than 85% of adults believe that governments have a responsibility to embrace the latest scientific and technological developments, with similar expectations expressed for businesses, too, according to a recent international survey of more than 22,500 people, which was conducted by research firm Povaddo and commissioned by Philip Morris International (PMI).



r. Moira Gilchrist

As a scientist working for PMI, I am comforted to see that people's belief in the promise of science extends to the integration of innovation within our industry. Reducing smoking rates remains a tremendously important public health issue, with three in four respondents (76 percent) believing it is important for governments to dedicate time and resources to achieving this goal.

By a nearly identical margin (77 percent), the public agrees that adult smokers should have access to, and accurate information about, smoke-free alternatives that have been scientifically substantiated to be a better choice than continued smoking.

But for real progress to be achieved, our policies and regulations need to continuously adapt and keep pace with innovation in order to leverage its full potential. Where policymaking lags behind, society misses opportunities for progress. Science can, and does, make the impossible possible. But until governments, the public health community, and industry come together, so many solutions will remain out of reach.

In my experience, the biggest hurdle remains a lack of consensus that in decision-making, science and facts must weigh more heavily than politics and personal opinions. This is the situation we are facing at PMI: As we push to deliver a smoke-free future — one where we no longer sell cigarettes in the international markets where our company operates—we face obstruction of real progress due to confusion, misinformation, and those who simply lump all tobacco products and companies together.

The facts are simple: There now exist science-based, smoke-free products that can replace cigarettes and make a profound difference for those men and women who would otherwise continue to smoke. Scientific knowledge has progressed, and it is now widely accepted that the primary cause of smoking-related disease is not nicotine or the tobacco leaf itself, but the smoke that is generated when tobacco is burned.



Moreover, substantial scientific research—by the industry and independent bodies—has established that nicotine-containing products that do not burn tobacco, while not risk-free, have the potential to produce significantly lower levels of harmful chemicals compared with cigarettes.

These new products have the potential to deliver a significant positive impact on public health. And yet in many places, we still lack updated, science-driven

regulation that will encourage adult smokers to switch to better alternatives rather than continue to use cigarettes. Policymakers and the public health community can change this. They can accelerate progress by insisting on an objective and rigorous assessment of the scientific findings. And they can put forward risk-proportionate regulations to ensure adult smokers have access to and accurate information about these alternatives.

As a scientist, I know that progress demands rigor, intellectual honesty, and a willingness to remain open to new evidence. As with many of the global challenges we face, the innovations needed to address the issue of smoking are already available.

The question is no longer whether we can replace cigarettes, but how fast we can get there by ensuring that these innovations reach and benefit adults who smoke. Regulators, public health experts, and companies such as ours can all effect change by acting now to put science at the front and center of this conversation.



Dr. Moira Gilchrist, PMI Vice President Strategic and Scientific Communications. (http://sponsored.bostonglobe.com/pmi/innovation-smoke-free-future/)



# Misinformation: An American conundrum



BY DEEPAK MISHRA, PRESIDENT, AMERICAS REGION, PHILIP MORRIS INTERNATIONAL

Philip Morris International (PMI) is the world's largest publicly traded tobacco company and an organization undergoing one of the most profound transformations in corporate history. We have committed to a smoke-free future, embarking on a path to completely replace combusted cigarettes with alternatives that are scientifically substantiated to be a better choice for those adults who would otherwise continue to smoke.

We are progressing rapidly toward our goal. In 2025, we intend to be a majority smoke-free company, with more than 50% of our net revenues from smoke-free products — and as of today, nearly 30% of our net revenues come from these products. In some of the international markets where we operate, with the right regulations — and support from the public health



Deepak Mishra, President, Americas Region, Philip Morris International

community — we are convinced we can end cigarette sales within 10 to 15 years.

Our transformation will also take us into new territories. We are evolving beyond tobacco and nicotine, moving into other areas in which we have expertise; for example, inhalation technology for medical applications.

Our U.S. operations are critical to the better future we envision, which is why I have relocated here to take up the newly created position of President of PMI's Americas Region. PMI recognizes that this country is home to unparalleled scientific expertise, including in the greater Boston area — a hub of innovation that drives solutions to global challenges.

As innovative as the United States is, we cannot help but recognize a potent force that impedes progress: misinformation and a lack of consensus over what constitutes "fact."

Across the nation, falsehoods have insidiously woven their way into the public conscience, blocking progress on issues as critical as COVID-19 mitigation and better choices to continued smoking.

It is easy to say, "Follow the science." It is far more difficult to help people actually do so.

For the public, science-based evidence can be overwhelming, overly technical, and lacking in clear statements of what progress looks like. We need to find ways to make facts more accessible and, therefore, more difficult to distort and abuse.

For policymakers, the challenge is to separate fact from fiction and serve the best interests of the public. It is a heavy responsibility. Stray too far from what constituents believe, and lawmakers can swiftly find themselves out of office.



Misinformation is an obstacle like few others. And let's be realistic: There are no simple solutions. Objective fact-checking mechanisms – furnished by governments, multilateral bodies, news organizations,

technology companies, and industry — are a must. PMI is doing its part by embracing openness, welcoming scrutiny, and encouraging evidence-based dialogue. As we transform our business to deliver a smoke-free future, we invite all interested parties to review and verify our scientific findings and draw their own conclusions. It is an example I believe others must follow.

What is crystal clear is that we cannot allow misinformation to further complicate already onerous global challenges. The status quo is too convenient, too easy, and — in some cases — too profitable for too many. Those of us who prize science and fact must act — quickly and together. A resolute commitment to confront misinformation wherever it resides, fast-track the sharing of facts and science, and dig relentlessly into motivations is a good place to start.

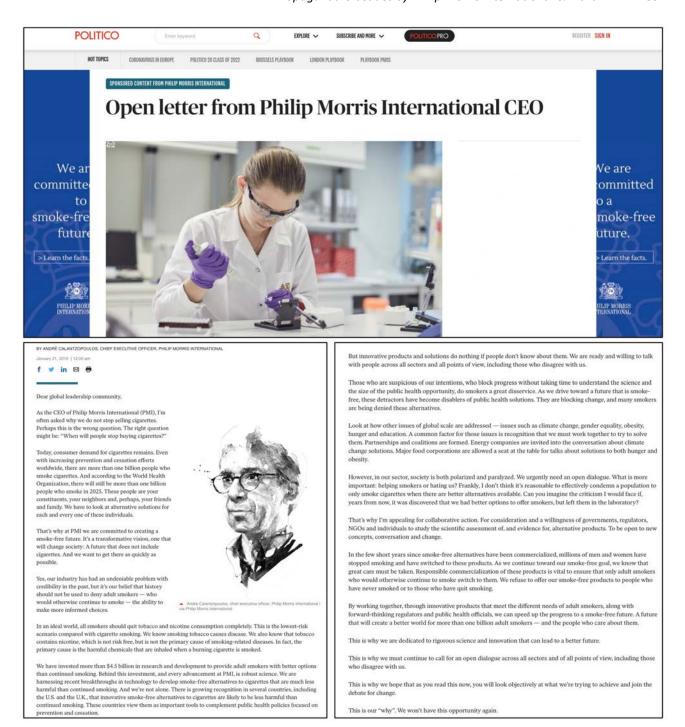
Deepak Mishra President Americas Region Philip Morris International. Boston Globe (http://sponsored.bostonglobe.com/pmi/misinformation-american-conundrum/)



Grégoire Verdeaux, Senior Vice-President, External Affairs, Philip Morris International September 16, 2021.

Washington Post. Also published in Time Magazine.

(https://www.washingtonpost.com/brand-studio/wp)



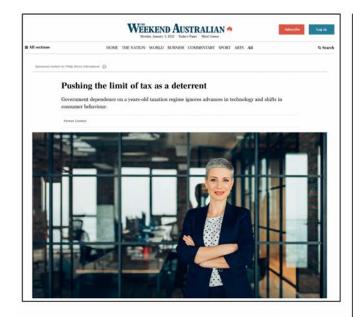
Politico EU January 21,2019

https://www.politico.eu/sponsored-content/open-letter-from-philip-morris-international-ceo/





Politico EU June 23, 2019 https://www.politico.eu/sponsored-content/eu-smokers-deserve-pragmatism-not-dogma/



The point is not to rail about tobacco excises but to show there are limits to what taxation can achieve. A dependence on a years-old taxation regime does not take into account advances in technology and shifts in consumer behaviour. It can't magically deliver desired outcomes.

What is needed is a new regulatory framework on products that have embraced tobacco harm reduction. These are complex matters for regulators and lawmakers but surely the abiding principle is to encourage less harmful practices and products while making more harmful goods harder to obtain.

And this is happening all around the world.

In the United Kingdom, for example, the Royal College of Physicians advises doctors to recommend e-cigarettes and nicotine vaping "as widely as possible as a substitute for smoking".

"The hazard to health arising from long-term vapour inhalation from the e-cigarettes available today is unlikely to exceed five per cent of the harm from smoking tobacco," the College says.

But Australian law does not presently permit the sale of smoke-free products such as e-cigarettes and nicotine vaping products in Australia, so people purchase their products online from overseas suppliers.

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ustralia is famous for being tough on tobacco. We have the highest cigarette prices in the world.

Nicotine is an addictive substance. We all know that. But has the government now grown captive to revenues from tobacco?

In 2010, the federal government increased the taxes on tobacco by 25%. Both Labor and Coalition governments have implemented annual 12.5% increases.

The successive tobacco tax hikes mean the government now rakes in more than \$15 billion from smokers every year. The excise increases were explained as a harm minimisation tactic, a deterrent by tax.

The argument may have been sustained some years ago but more recently, the evidence shows that smoking rates aren't declining as quickly as the government would like, with figures showing there are still around three million smokers in Australia.

Smoking rates have been on a downward trajectory for much of the last forty years. But the number of smokers has fallen only marginally since 2014-5 and well short of government targets.

The sharp increase in tobacco excise has brought other problems. A recent KMPG Report on illicit tobacco in Australia finds that illicit trade now accounts for around 20.7% of total tobacco consumption, a massive jump from 14.1% the year before.

The more the excise rises, the more the Commonwealth must spend on policing an increasingly sophisticated and flourishing black market. While the best thing any smoker can do is quit tobacco and nicotine altogether, the reality is that many adult smokers in Australia will continue to smoke cigarettes – one of the most harmful ways to consume nicotine – unless the government rethinks its tobacco control policy.

Numerous studies show that products that do not generate smoke, while not risk-free, can be an alternative for adult smokers who would otherwise continue to smoke.

Recently released research by Philip Morris International (PMI) shows that public faith in science is high, with 80 percent of people surveyed in Australia hopeful that advances in science will solve many of our biggest problems.

The observations, published as part of a white paper "In Support of the Primacy of Science", reveal Australians place faith in scientific method. People believe science can solve problems that continue to confound us, provided governments and regulators are prepared to listen.

Despite these positive attitudes, 51 per cent of respondents believe that science and technology are not given proper emphasis when important decisions are made.

The fact is that government policy continues to make it harder for Australia's three million smokers to access alternatives.

It's time for policy makers, regulators and health authorities in Australia to be guided by facts and evidence, to support science-based alternatives and to create laws that lead to better public health outcomes.

There are limits to what taxation can achieve.



It changed the way we worked, ushering in the forty-hour week, enabling people to enjoy leisure time, sport and recreation.

It drove construction of vast networks of roads, highways and freeways facilitating the movement of people and goods.

It stoked the fire under a great boiling pot of innovation across the world, helping to shape other technological developments in everything from agriculture to tourism.

The lesson is to embrace innovation and technology.

The same rules apply in the 21st Century.

In the modern context, the willingness of individuals and companies to innovate and drive technological change, and the community to continue to embrace science-led innovation to solve seemingly overwhelming problems, continue its march forward.

Whether it is overcoming the tyranny of distance through advances in technology or addressing significant public health challenges such as slowdeclining smoking rates, innovation influences almost every facet of our daily lives.

The same diffidence to change remains. Not all innovation is treated equally, and just as any new sector or product needs to overcome the technological or scientific barriers to advance human progress, so it is that government and regulators also need to be open-minded and ensure that we have legislative, regulatory and other appropriate legal settings to ensure that new technology can be deployed in order to do its intended job – generate positive changes.

Unless prodded into action, governments are by nature slow and ponderous. There is often a disconnect between them and the people they serve.

Content produced in partnership with Philip Morris International

n life the only constant is change. Yet history is littered with failed assumptions based on a sense the status quo must always prevail.

"The horse is here to stay but the automobile is only a novelty - a fad".

So spoke the President of the Michigan Savings Bank to Henry Ford's lawyer, Horace Rackham when advising against investing in the Ford Motor Company in 1903.

The banker was one of many at the time who believed the motor car was little more than an amusement, a rich man's toy.

The Ford Motor Company pushed passed the nay-sayers. It had the courage to pursue its objectives based on evidence, on science and technology.

Driven by innovation, the Ford Motor Company did not just put the motor car within reach of working people.

It changed everything.

It unleashed efficient production models on the manufacturing world, driving down the price of consumer goods to a world hungry to grasp technology and change.

It changed the way our towns and cities were planned and built. It opened up great swathes of land on city fringes, decentralised cities swollen with people, creating suburban life and lifestyles. Recently released research by Philip Morris International (PMI) shows that public faith in science is high, with 80 per cent of people surveyed in Australia hopeful that advances in science will solve many of society's biggest problems.

The importance of embracing science is particularly relevant for Australia in light of the current debate about the regulation of alternatives to cigarettes.

The best thing any smoker can do is quit tobacco and nicotine altogether. The reality is that many adult smokers in Australia will continue to smoke cigarettes – one of the most harmful ways to consume nicotine – unless the government rethinks its tobacco control policy.

However, the government continues to make it harder for Australia's three million smokers and vapers to access alternatives.

This is despite numerous studies showing that scientifically substantiated products that do not generate smoke, while not risk-free, can be an alternative for adult smokers.

The Australian government's regulatory stance on alternative products is increasingly at odds with other countries, including the UK, US, New Zealand and in the European Union where alternatives like e-cigarettes are legally available.

It's time for the policy makers, regulators and health authorities in Australia to look at the science and support common sense, science-based regulations for alternatives that can help smokers leave cigarettes behind.

With the right regulatory encouragement and support from civil society, cigarette sales can end, meaning that a smoke-free future is attainable for the current generation of adult smokers. The benefits it can bring to the people who would otherwise continue to smoke, and hence to global public health, are enormous. We should not waste this opportunity to change the laws in this country for the better.



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homas Watson was the Bill Gates of his day, President of IBM from 1914 to 1956, one of the world's wealthiest men and a corporate visionary.

It's a shame his most notable words have been misquoted and Watson subject to ridicule.

It all goes back to 1943, when Watson addressed a shareholder's meeting. He was referring to a large main frame computer IBM had recently developed. Watson said he believed there was a market for "maybe five computers" of this type around the world.

Today there are more than two billion computers in the world -- desktops, servers, laptops. There are 3.5 billion smart phones in circulation across the globe. And every single one of these devices has more computing power, greater access to information and greater connectivity than Watson could have dreamed.

More than sixty years later, that selective quoting in absence of the facts, have made Watson a figure of derision.

This is what happens when facts and evidence are ignored.

Watson was an advocate of science and the power of technology. He was, like we are, subject to the limits of technology of the time.

But it is not the just the limits of technology that hold us back. Our policy makers often fail to plan adequately for the future. Science and technology are misunderstood. Facts and evidence ignored.

In the first decade of the millennium technology had advanced beyond this country's capacity to deliver it. Telecommunications infrastructure was below par.

It was more than an inconvenience. It came at a cost to commerce, it restrained productivity in the workplace. It limited access to education and health.

Australians place great faith in science and technology to improve our lives

Recently released research by Philip Morris International (PMI) shows that public faith in science is high, with 80 per cent of people surveyed in Australia hopeful that advances in science will solve many of our biggest problems.

The observations, published as part of a white paper "In Support of the Primacy of Science", reveal Australians place faith in scientific method. People believe science can solve problems that continue to confound us, provided governments and regulators are prepared to listen.

Despite these positive attitudes, 51 per cent of respondents believe that science and technology are not given proper emphasis when important decisions are made.

The importance of embracing science is particularly relevant for Australia in light of the current debate about the regulation of alternatives to cigarettes.

There are three million smokers in Australia. Government objectives in reducing the number of smokers as a percentage of the population are not being met.

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It's time for the policy makers, regulators and health authorities in Australia to be guided by facts and evidence and support science-based alternatives that can help smokers leave cigarettes behind.



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eavier-than-air flying machines are impossible" - Lord Kelvin, President, Royal Society, 1895.

Lord Kelvin was a mathematical physicist and engineer. As president of the Royal Society his words carried great weight - funding was denied to early aviators in Great Britain. While the pioneers of heavier-than-air aircraft sprang up in the US, France, Australia and New Zealand, Kelvin's attitude meant the UK fell behind.

Just eight years later, William and Orville Wright took their first controlled, sustained flight of a powered, heavier-than-air aircraft in North Carolina.

The evidence was in. Lord Kelvin was wrong.

The history of aviation is pock-marked with poor guesses from people who should have known better.

Even as commercial aviation began opening the world up to travellers, the nay-sayers predicted doom for journeys into space. The prevailing view was that rockets could not leave Earth's atmosphere. Space travel was a fool's errand destined to fail.

American inventor, Dr Lee De Forest, a pioneer in the development of sound-on motion picture technology, declared, "Man will never reach the moon regardless of all future scientific advances," just twelve years before Neil Armstrong set foot on the lunar surface.

Despite the doomed prophesies, heavier-than-air flights led to the development of the jet engine, rocket technology, manned flights into space and the advent of satellites orbiting above the world's atmosphere.

It has liberated human endeavour and created a sense that if minds are open to advances in science, nothing is beyond us.

Clearly, the answer is never say never.

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The Australian government's regulatory stance on alternative products is increasingly at odds with other countries, including the UK, US, New Zealand and in the European Union where alternatives like e-cigarettes are legally available.

We should not let this become another tale driven by mindsets trapped in the present, captive to conventional wisdom and an unwillingness to recognise the potential of science and evidence to solve great problems.

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Let's Talk: Disruptive Innovation and Science Can Create a Smoke-free World

### WALL STREET JOURNAL

A problem shared is a problem halved, so the saving goes.

Smoking causes disease and is addictive. According to the World Health Organization (WHO), there will still be more than one billion smokers by 2025.

Yet, the issue is not being shared. In fact, it's being tackled with an alarming lack of combined, pragmatic, proactive effort

Philip Morris International (PMI) is driven to defy the status quo and dramatically accelerate the rate at which adult smokers abandon cigarettes because they quit smoking and nicotine altogether—which remains the best option or, if they don't, switch to better alternatives to continued smoking.

It's an ambition many wouldn't expect from a tobacco multinational, but we are impassioned in our commitment. We are rapidly transforming into a diverse tech- and science-driven organization determined to secure a smokefree future.

We've listened to concerns and are moving forward with a real-world, practical approach.

Adults who smoke and those who care about them deserve better options. This is what prompted our operational reinvention. We have invested over \$6 billion in research and development to refocus efforts on pioneering smokefree products for adult smokers who don't quit.

Ideally, smokers should quit cigarettes and nicotine altogether—but the reality is that a large population of existing adult smokers will not, so there's an urgency to provide smoke-free alternatives to the millions of adult smokers who would otherwise continue smoking.

To bring a change of this stature to fruition demands leadership. It demands disruptive innovation. It demands putting heads above parapets. This is where we stand. We're on the frontline, embracing our pursuit of a technology- and science-drivine public health revolution.

#### It's time to disru

Think of any industry that has undergone a seismic shift and you'll find disruptive innovation at the source.

It's the reason car manufacturers have embraced electric vehicles, streaming has replaced video rentals, and music's moved from CDs to digital downloads.

PMI is following suit, rapidly morphing into a technological and scientific hub of innovation.

The vast resources we're committing to research and development is opening the gateway to disruptive change in the tobacco industry.

We've enlisted top international technology and scientific talent to the cause from around the world, including from the pharmaceutical, food, and automobile industries.

However, for all the advances we're making, we can achieve a smoke-free future faster if other companies, governments, regulators, NGOs, public health, and all those who have a voice in the discussion embrace positive change and drive it forward.

#### Proven results

Just look at Japan, where 22 percent of the country's adult smokers have abandoned cigarettes and switched to smoke-free alternatives in just four years. This translates to a decrease of cigarette sales on average five times faster when smoke-free products were introduced.

Globally, around 8 million people have now abandoned cigarettes and switched to our heated tobacco alternative in the 48 markets where it is available.

This demonstrates that smoke-free alternatives are an effective tool in combating rates of cigarette smoking.

Governments and regulators should take inspiration from these figures, but too many are turning a blind eye.

#### Adults smokers deserve to know

While some countries are welcoming the onset of smoke-free products to their tobacco control strategies, others are implementing tough laws and restrictions to keep them out of reach. This keeps adult smokers in the dark about smoke-free alternatives, leaving those who won't quit smoking and nicotine altogether with scant choice but to stick to combustible cigarettes.

Adult smokers deserve access to better alternatives as well as comprehensive information on them. It senseless to block these pathways.

Let's also be clear, smoke-free products are not risk-free and are addictive. Quitting altogether remains the best

However, there is growing scientific evidence and recognition by health authorities around the world that better products exist and can play a role in tobacco control policies.

With a combination of stringent but sensible regulation, rigorous assessment, greater awareness, and policed marketing, smoke-free products can play a pivotal role in moving adult smokers away from cigarettes.

Open-mindedness, collaboration and support is what PMI is calling for on its mission to unsmoke the world.

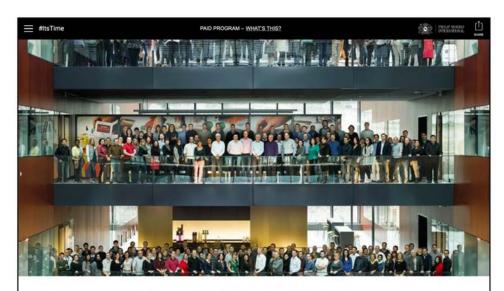
We are ready to start conversations, resolve differences, and reach agreements. It's surely better for everyone if industry, governments, regulators, and NGOs work together to bring about meaningful change.

We don't profess to have all the answers. Experts in other fields have the skills and knowledge to fill the voids that exist outside our remit, which is precisely why a full collaborative effort is essential.

By uniting as one collective force for good, we can create a smoke-free world together. We can change the future together. We can make history together.

### Wall Street Journal

https://partners.wsj.com/pmi/itstime/lets-talk-disruptive-innovation-and-science-can-create-a-smoke-free-world/



### Collaboration Is Needed to End Smoking

Good decisions are not made behind closed doors.

#### Good decisions are not made behind closed doors.

Collaboration is needed to resolve global challenges such as climate change, poverty and hunger. Why then, is it avoided in one of the leading causes of non-communicable diseases: smoking?

The World Health Organization's (WHO) director-general, in his 2017 vision statement, promised that the WHO "will take a science-led and innovation-based approach that ... maximizes inclusive partnerships." Yet the division of the WHO focused on smoking and health—the Framework Convention for Tobacco Control—refuses to look beyond the decades-old measures that provide a binary option to smokers: quit or continue smoking. This would not be acceptable in any other sector.

Today, in 2019, it's time to talk about pragmatic solutions.

**\$6 billion USD**—that's what we've invested since 2008 in our transformational journey toward creating scientifically substantiated, better alternatives.

Our critics label our work as "lip service" to discredit our transformation, but they do so based on a long-standing ideological feud and not through a critical analysis of science. They are failing smokers who don't quit.

**Independent studies and reviews broadly support PMI's data.** Conforming to the highest academic standards, our scientific studies have been published in over 340 academic journals, papers and books. And there have been 73 independent studies and reviews on our products, which are generally in line with our own data.

**Eight million smokers have switched to our smoke-free alternatives.** In Japan alone, 22 percent of the country's adult smokers have abandoned cigarettes and switched to smoke-free alternatives in just four years.

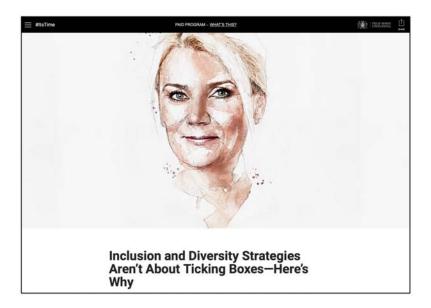
More than two-thirds of smokers surveyed would consider switching to something better. In a recent international survey, 68 percent of smokers said they would be more likely to consider switching to alternative products like e-cigarettes and heat-not-burn tobacco products if they had clarity on how these products differ from cigarettes.

It's time to move past ideology and, instead, start an inclusive dialogue. Twenty years ago, the UN Focal Point on Tobacco or Health issued a call to action to reduce the toxicity of existing tobacco products. Today, we challenge them: look at the science behind smoke-free alternatives and let facts inform the debate. **The world's 1.1 billion smokers deserve better.** 

#ItsTime to Unsmoke. Visit PMI.com/ItsTime

Wall Street Journal

https://partners.wsj.com/pmi/itstime/collaboration-is-needed-to-end-smoking/



Many have joined today's calls for a better, fairer, and more equal world. But realizing this vision can be a challenge when faced with those who see equality and diversity in the workplace as mere "box-ticking" exercises.

It's time we challenged that belief. The truth is, creating a more inclusive, diverse and gender-balanced work environment—reflective of society—is not only the right thing to do, it also makes business sense and improves the bottom line.

A 2019 report by the global consulting firm, Korn Ferry, shows that companies which increased their female representation in corporate leadership roles by up to a third also grew their profitability by as much as 15 percent. And last year's Global Leadership Forecast by DDI, a global leadership consultancy firm, highlighted that companies with at least 30 percent gender diversity overall—and more than 20 percent at senior level outperformed their less-diverse peers in key leadership and business outcomes.

What does this tell us? Simply put. The link between gender diversity and better results today is undeniable. Yet this speed with which organizations are embracing this trend shaping leadership is far from uniform. For instance, in parts of Asia, some people view inclusion and diversity (18:0) efforts as a Western concept. Yet research conducted in the region by consultancy firm, Mercer, found that employees who are thriving at work are seven times more likely to work for a company committed to gender pay equity and equal opportunities.

Women make up half of the world's intelligence and university graduates, and they influence 60-70 percent of today's consumer spend. Tapping into this takent pool to better respond to your customer base is, then, a business no-brainer.

It's also important not to see diversity simply as "women's rights" or "minority rights". It's about business productivity, understanding that diversity sparks creativity and innovation so employees can succeed and help drive long-term business growth.

Unilever, one of the global leaders on inclusion and diversity, where 49 percent of its managers are female, has understood this. They found that improving their diversity helped them to recruit and retain staff more easily. What's more, they also know that Millennials want to work in a more inclusive workplace that promotes equality or this presents not only a win-win for both employer and employee, but also helps to attract talent.

Many businesses are now focusing on embedding I&D in the workplace with increased vigor, seeing the opportunity it presents and turning it to their advantage. And, as former CEO of Unilever, Paul Poliman, puts it: "Companies that have a more inclusive environment are [those] that also perform better financially. It's cause and effect. It's not by coincidence."

At PMI, we agree. That's why we are prioritizing I&D as a key enabler for our business transformation. To succeed and accomplish our vision to rid the world of cigarettes, we need to build a more inclusive work environment where everyone feels valued and that their voice is heard—whether in the boardroom or outside it. Only then can we unlock the full power of our diversity. Here, we're concentrating our efforts on the area where we can have the biggest impact first closing our gender gap.

Our goal is to increase the representation of women in management roles across the company to at least 40 percent by 2022. And we're making good progress: Today, women hold 35.5 percent of management roles at PMI, up six percentage points since 2014. But there's still more work to do.

And it's not simply down to employing more women: It's also about changing attitudes and the workplace culturedemonstrating a commitment to equality and equal opportunity and normalizing flexible work arrangements so employees can achieve a better balance, supporting them to be great professionals and effectively manage other commitments.

At PMI, we wanted to confirm the baseline standard of equality by walking the talk on equal pay. That's why we decided to undergo a rigorous equal pay certification backed up by third-party proof.

We work with the independent not-for-profit, EQUAL-SALARY Foundation, to confirm that we pay women and men equally for equal work everywhere we operate all over the world. Despite the name, the EQUAL-SALARY certification process involves much more than a simple comparison of pay practices. It also means in-depth audits conducted by the Foundation's accredited auditors, PWC, who interviewed management teams in our affiliates across the globe and held focus groups with hundreds of female employees to understand their perception of management commitment to gender pay equity and equality. These rigorous steps, coupled with a review of PMI's HR policies and practices, helped identify any potential blind spots that may hinder women's advancement in the organization, and where identified, corrective steps to improve were put in place. The 18-month-long process was a lot of hard work—but it was worth it. In March this year, PMI became the first company to be globally EQUAL-SALARY certified, something were incredibly proud of.

This important first step—an essential milestone on equality—presents an important building block as we continu to push forward on gender balance at PMI. And, to succeed in transforming our company from a cigarette manufacturer into a science and technology-driven leader in smoke-free products that offer better choices than cigarettes for the world's 1.1 billion adult smokers, we also know that we need to nurture a more inclusive culture to enable diversity of thought and creative ideas to flourish. That's why I&D is a central part of our business strategy.

We hope more companies will foliow this path to ensure that inclusion and diversity become corporate norms, not exceptions. Inclusion and diversity should be seen as a pathway to drive innovation and positive change in the

### Wall Street Journal

https://partners.wsj.com/pmi/itstime/inclusion-and-diversity-strategies-arent-about-ticking-boxes-heres-why/

DELIVER CHANGE

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### Why the Transformation Gene Gives Companies an Advantage

True change doesn't happen overnight. It springs from a proactive vision of what the future looks like.

A transformation doesn't just happen to you one gray morning, like some enforced change of platform met with begrudging acceptance. A transformation springs from radical thinking, from innovation, and is a proactive vision of what the future could look like—complete with an instruction manual.

As the "temperate" industrial 20th century transitioned into the "tropical" digital 21st, the evolutionary pressures on business to go beyond mere *change* ramped up. Industrial giants were rocked by innovative startups with customer-driven business models. The imperative was clear: Transform and flourish, or freeze and fade away. Some businesses grasped the opportunity and adapted to the new reality, setting out on journeys of transformation to become more consumer-centric, adaptable and fast-movina.

Now, six months into the pandemic, businesses that have started their transformations are able to accelerate them, while those that assumed society would remain static are facing an uncertain present and a dubious future. Change is now being forced on them, but is reluctant change enough?

All sectors are affected. In transit and travel, tinkering options are limited. The risk of infection will accelerate the trend for app-driven self-service, with touchless check-ins, border controls and baggage reclaim. But on the planes? Some airlines have filled empty passenger capacity with cargo-great agility, but no transformation.

Many companies that had already positioned their products in the eco-friendly sector are seeing exponential growth, as the pandemic forces those needing public transport to rethink their daily commute as offices open up again. E-scooters, e-skateboards and electric bikes are also seeing rapid expansion, while electric cars are not only having a beneficial impact on pollution, they're also an example of innovating before you're forced to change.



And over the past six months, many of us have had to change, too. Millions have experienced working from home for the first time, with videoconferencing transforming our 9-5 and the outlook for community gup for grabs. Companies have had an enforced apportunity to review their prime office space in central locations and look again at the expense of business travel.

The pandemic has given cities an incentive to reduce stress and pollution by becoming less dependent on long-distance commuting. Even before 2020, cities such as Paris were preparing to transform themselves by encouraging "15-minute neighborhoods," where work, schools and the necessities of life are within easy walking distance. Coming out of lockdown, but living with the virus for the foreseeable future, the capital of France is now in a position to lead a transformation in urban living that is inspiring many other cities.

"Decoupling" is another shift that's shaping the yet-to-emerge business environment, as political tensions continue to pull China and the United States apart—tensions exacerbated by the pandemic itself. For companies with global supply chains, the pandemic has reinforced the lessons of the past in dealing with extreme circumstances—be dynamic, beware of becoming too lean and too reliant on for-flung suppliers.

In a turbulent world, building in fast-moving customer-centric adaptability and resilience is vital, with deglobalizing and reshoring part of the change that businesses must embrace.

Our vision of a smoke-free future has been driving our transformation for more than a decade. It's also what drives our employees, and we remain committed to achieving it as soon as possible. Like all businesses, we have been affected by this pandemic, and we don't claim to have all the answers, but we believe the ability to transform in response to challenges is vital. If both individuals and society are able to do this, there are countless apportunities to create a better future for everyone.

### Wall Street Journal

https://partners.wsj.com/pmi/deliver-change/why-the-transformation-gene-gives-companies-an-advantage/

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## What Does "Transformation"

How does seismic change appear when viewed from the inside? Here, members of PMI's senior leadership team explain the ambition of PMI's transformation into a company delivering a smoke-free future, and why it needs to be demystified.

"I think we had to review the way we operate, not having transformation as an objective per se," says Frederic de Wilde, PMI's President of European Union Region. In delivering a smokefree future, societal efforts to discourage initiation and encourage cessation must continue but, for those who don't quit, de Wilde says PMI's goal is "to make sure that we convert as many adult smokers as we can to better alternatives to continued smoking."



I think we had to review the way we operate, not having transformation as an objective per se.

The best choice is always to quit tobacco and nicotine products altogether. But adult smokers who would otherwise continue smoking deserve to know about better smoke-free alternatives. Governments and other societal stakeholders can play a key role in accelerating the pace of change by adopting and implementing policy decisions that offer adult smokers a sensible plan.

That sense of purpose has permeated the company, says Mario Masseroli, president of Latin America and Canada region. He points out that not all tobacco companies are the same, and says of PMI that "now we're becoming a very big part of the solution."

Werner Barth, senior vice president, commercial, adds: "Transformation is a journey, but a journey with stops, where we know when we've achieved something. We should take a moment on those."

Does the public understand what transformation means?

"It's a word full of maybe a little too much mystery," says Martin King, CEO, PMI America. "The reality is that we are going through a period of accelerated chang



I think we've become part of the ongoing dialogue around harm reduction, around companies that can change, around workforces that are changing [that are] more inclusive and diverse.

For Marian Salzman, senior vice president, global communications, that change means an entirely new culture. She says, "We've opened up the windows, we've opened up the doors, we've let the outside world in. We've taken some bruises, but more often than not, we've come out better for the fact that we've engaged with this bigger, broader world. And I think we've become part of the ongoing dialogue around harm reduction, around companies that can change, around workforces that are changing [that are] more inclusive and

"It's a unique challenge," adds Michael Voegele, chief technology officer. "I don't think there are many opportunities in life where you can be part of such a transformation, and with such a big purpose. That's what made me join, and is what I'm really engaged in."

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### PMI: Delivering a Smoke-Free Future to Accelerate Change

You might know Philip Morris International (PMI) as a cigarette company. But it has taken a dramatic step. PMI is transforming to focus its business on smoke-free products that will replace cigarettes as soon as possible.



Why is it doing this? Because it's the right thing to do. More than one billion people worldwide smoke cigarettes and, according to the World Health Organization, there will still be more than one billion smokers in 2025. Their best choice is to quit tobacco and nicotine altogether. But many don't, and PMI wants to provide these men and women with better options than continuing to smoke.

Why is it doing this? Because it's the right thing to do. More than one billion people worldwide smoke cigarettes and, according to the World Health Organization, there will still be more than one billion smokers in 2025. Their best choice is to quit tobacco and nicotine altogether. But many don't, and PMI wants to provide these men and women with better options than continuing to smoke.

This commitment is no passing whim, but the result of many years of careful deliberation backed up by a substantial R&D program. Since 2008, PMI has spent more than USD 72 billion on the research and development of smoke-free products.

### Acting now for a smoke-free future

The billion-plus smokers worldwide aren't just numbers. They might be your friends, family or neighbors. Measures to deter initiation and encourage cessation are fundamental and must continue. There is no disagreement there. The best option is to quit tobacco and nicotine altogether or even better-not to start. But for the large population of existing adult. smokers who'd otherwise continue smoking, there has to be a sensible plan.

In a world where smoking is a fact of life, one cannot simply ignore the compelling scientific evidence: science-backed smoke-free alternatives are now available to adult smokers who otherwise would continue smoking.

The science behind PMI's smoke-free products: How aerosol is different from smoke

There is no debate that smoking is harmful or that nicotine is addictive. What matters is what the consumer is inhaling. There is a huge difference between smoke from a burning cigarette and the aerosol from a non-combustible product. It's the burning process that creates the vast majority of the harmful and potentially harmful chemicals which are the primary causes of smoking-related diseases.

If science validates there is a difference between cigarettes and these innovative products, shouldn't the smoke-free alternatives be treated differently? And shouldn't the millions of men and women now smoking cigarettes know about those differences? What would be the criticism if—at some point in the future—it was discovered that PMI had better alternatives to continued smoking to offer adult smokers, but had left them in the laboratory?

#### Transformation can't happen without conversation

While PMI's commitment to a smoke-free future is unwavering, and it has robust science on its side, the company cannot make this journey alone. For too long, the debate around smoking has been polarized, which has led in turn to paralysis. Without a willingness by world leaders, governments, regulators and NGOs to look dispassionately at the scientific evidence in favor of smoke-free alternatives compared to continued smoking, transformative change will not come quickly.

There is a growing acknowledgment from many independent experts, including some governmental health authorities around the world, that the availability of smoke-free alternatives to algarettes can complement existing regulatory and health policies focused on prevention and cessation.

Those who are still in opposition should be aware that they are becoming disablers of public health solutions. They are blocking change, potentially denying adult smokers who would otherwise continue to smoke access to, and accurate information about, these smoke-free alternatives.

It's time to recognize this opportunity to accelerate the pace at which smoking prevalence is being reduced—and to work together to make it happen. The emotional rhetoric against the industry—which ignores the science—is not helping the world's estimated one billion—plus smokers. It's time to have a more open-minded debate to make a smoke-free future a reality.

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### Tension Can Lead to Progress

To turn tension into an opportunity, we must start with an open

By Jacek Olczak, CEO at Philip Morris International

Our world has been experiencing geopolitical, societal and economic tensions since long before COVID-19 was on our radar. And now, this crisis is exacerbating many of them. From the more complex situations involving international relationships (U.S.-China is a recurring topic these days) to racial injustice, the refugee crisis and the issues migrant workers are facing in Europe and elsewhere, there is no shortage of mounting tensions and conflicting

In every setting-our personal relationships, within organizations and in society-tensions inevitably occur, and, when they do, they make us uncomfortable, too often laying bare the negative traits of human nature: bigotry, hate and selfishness, to name a few. But tensions can also accelerate progress.

With no intention to sugarcoat any of the ugliness we are seeing today, I genuinely believe that tensions can create opportunities for individuals and entire systems to move forward. Tension is necessary for change because without challenges to the status quo-and their resulting frictions—new ideas wouldn't exist.

This positive potential is more easily understood in the context of business and organizational growth. When team members are asked to challenge the "traditional" way of doing things and put forward new ideas to improve a product, a process or the organization as a whole, tension and conflict may arise. But if those tensions are anticipated and welcomed as part of the process, sound decision-making and innovation can ensue. In fact, research has shown that, managed properly, conflict can be a reliable driver of performance in the context of an organization's innovation processes.



Central to leveraging tension as a force for progress is a willingness to engage in conversation. Equally important is an open mind. We can only discover new truthsespecially truths that conflict with our most dearly held assumptions—when we are open to listening to and working to understand disparate perspectives. Expressing reservations and conflicting opinions during this process is OK-even beneficial. Working through disagreements is part of the process. What is not acceptable is avoiding looking at the facts or rejecting out of hand whatever does not align with your entrenched beliefs (or interests). We see this far too often in the tobacco harm reduction space, where untold opportunity is lost when some public health advocates and organizations refuse to objectively assess the evidence surrounding smoke-free products, ignoring the potential these better alternatives to cigarettes may represent for men and women who would

When new data or other evidence arise, or when the context changes, opinions should be expected to change. Consider seat belts: a standard feature in cars today and probably one of the most common safety devices in modern history. And yet, when the mandatory use of seat belts first was proposed, the law was fiercely contested by segments of the population in the U.S., despite the scientific research affirming the benefits. At the time, opponents raised several claims, including that seat belts were ineffective, inconvenient and

Besides the obvious analogies between the opposition to seat belts and the absurd tensions we are witnessing today with anti-vaxxers and, more recently, anti-maskers, these examples also illustrate that seldom does change come without resistance, even if, in retrospect, it is clear which choice is better.

Resisting this instinct to ignore the obvious when it conflicts with our preconceived beliefsin other words, resisting bias-is a must for leaders in business and beyond. To turn tension into an opportunity, we must ensure diversity of opinions and perspectives and be willing to listen to all sides, all the while insisting on respect for science and facts over conjecture and lazy thinking. Excluding from the debate the voices and evidence with which we disagree ultimately will preclude us from making the best decisions.

Adopting a positive approach to reconciling differences can promote growth in individuals, relationships, organizations and society at large. It takes humility to recognize that we may not always know all the facts, empathy to understand why others may see things differently and an open mind to seek common ground and benefit from a broader perspective. Perhaps most important is recognizing that it is better not to have an immutable opinion; to take in new information, change our minds and adapt to evolving circumstances is a sign not of weakness but progress.

Wall Street Journal

https://partners.wsj.com/pmi/deliver-change/tension-can-lead-to-progress/

Tue 11 Jan 202

### An industry in transformation

Many companies had notably been moving away from their traditional business models and into new areas of growth and coinciding with advances related to Industry 4.0



Tommaso Di Giovanni, VP Market Activation & Support, Philip Morris International

The key to a successful business environment is continuous innovation. Believing that outdated business models and processes can be ignored is a recipe for future generations of disruptive companies to steal market share from established brands. For a cautionary tale, on only need look at the demise of the video rental market since the advent of online video streaming services.

Of course, many industries go through major changes in their working practices and operations over time to improve the way they introduce and develop new products and services for society. As a result, consumers will start to demand better alternatives to traditional products and services. With greater access to education on social, environmental and health issues, among others, industries evolve often leading to a switch from old products like diesel cars and non-renewable energy, to better alternatives such as electric vehicles and sustainable power for their homes and businesses.

Even prior to the Covid-19 pandemic, many companies had notably been moving away from their traditional business models and into new areas of growth and coinciding with advances related to Industry 4.0. This has allowed them to become more strategic and accountable for their actions. Fundamentally, the tobacco industry is no different from other industries in its own sense of welcome transformation. At PMI, our goal is to replace all cigarettes with smoke free products as soon as possible.

As a 174-year-old institution, undoubtedly, it is as bold a move as any company can make to disrupt its business model and make a core product obsolete. While critics will point out that smoke-free products are more harmful than quitting smoking all together, a point PMI agrees with, smoke-free alternatives have the potential to significantly reduce the average levels of harmful chemicals compared to cigarettes, so represent a better choice for adults compared to continued smoking. This pragmatic approach is being increasingly welcomed not just by adult smokers but an increasing number of general public and health authorities around the

Backed by and recognising the value of science and innovation, public health bodies in the UK and New Zealand actively integrate innovation, science and product-related approaches into their strategies. For example, the former Public Health England, an executive agency of the UK's Department of Health, also ran month-long campaigns called "Stoptober", which encouraged those who do not quit completely to use potentially less harmful alternatives such as e-cigarettes.

While the industry is in transformation, ultimately innovations that are backed by scientifically substantiated evidence need to be recognised, and adult smokers should be informed so that if they do not quit — which remains the best option for their health — they can choose better alternatives to cigarettes like smoke-free products. As of June 30, 2021, it is estimated there were nearly 20.1 million total IQOS users, PMI's leading smoke-free product. We further estimate that 73 percent of the total—or 14.7 million IQOS users—have switched to IQOS and stopped smoking, with the balance in various stages of conversion.

However, one of the biggest barriers to achieving a smoke-free future is misinformation. This is especially true when it comes to scientific evidence that shows that smoke-free alternatives are a better alternative than continued smoking. Unfortunately, adult smokers are still left confused by false or misleading information that prevents them from making an informed choice, as the results of a new international survey by Povaddo suggests.

According to the survey, commissioned by PMI, there continues to be a high-level of confusion among adult audience on this subject. Eighty-one percent of adult participates of the survey in the UAE agree that adult smokers who would otherwise continue smoking cigarettes should have access to, and accurate information about smoke-free alternatives. This is supported by 90 percent of current adult smokers. Furthermore, 96 percent of those who in the UAE have switched to better alternatives and stopped smoking, confirmed that accurate information about how these products differ from cigarettes was an important factor in their decision to switch.

The key takeaway is that accurate information on smoke-free alternatives plays a decisive role in enabling smokers to move away from cigarettes. As a matter of public health, adult smokers also deserve accurate and current information to make their own informed choices.

We applaud the fact that the UAE was the first country in the GCC to regulate smoke-free products, such as heated tobacco products, electronic cigarettes, and devices to be used with them. These smoke-free products were subsequently regulated in Saudi Arabia and Kuwait.

These developments regarding smoke-free products in the GCC countries are encouraging. Our message remains very clear: quitting tobacco and nicotine is the best option for all smokers, and those who don't smoke or use nicotine products should not start. However, smoke-free products substantiated by robust scientific assessment, while not risk-free, present a much better choice for existing adult smokers than cigarettes.

As with many other industries going through fundamental change, the journey towards a smokefree future is far from over. But the speed of change is increasing all the time. With wider societal support for smoke-free alternatives, the move away from cigarettes can be achieved faster and to the benefit of adult smokers and wider public health everywhere.



In a world reeling from the **Covid-19** pandemic, the role of science has been brought into sharp focus. Chief scientific advisors, epidemiologists and infectious disease experts have become household names around the world; all hopes pinned on pioneers of modern medicine to provide the escape route: a vaccine. We are guzzling up information with newfound gusto, hungry for the facts of science over the disorientation of hearsay, rumor and rhetoric.

Yet, this spotlight on science is more an anomaly than a normality in the wider context. Society still isn't embracing the full potential of science. Opportunities built on the foundations of scientific understanding to advance humanity are being missed.

Unlike questions raised over policies, laws, and opinion, science only ever speaks in evidence and data. Used well it can cut through the minefield of opinions and lay the groundwork for forward-thinking decisions. More urgently than ever, it's time for decision-makers to put their trust in the opportunities science and technology present to lead us into a better future.

Prioritizing science in this way not only makes sense, it echoes the calls of public opinion. A new Philip Morris International (PMI) white paper, "In Support of the Primacy of Science," revealed that 84 percent of people polled across 19 countries want their governments to take recent findings into account when crafting policy. However, just 51 percent of those individuals believe their leaders are doing so.

### The Public Wants Action From Lawmakers and Businesses Leaders

PMI's white paper also revealed that 77 percent of respondents believe that scientific advancements can solve the world's most pressing issues. However, those surveyed aren't convinced that society recognizes the importance of science in our lives. While industry experts and researchers espouse science's value, just 45 percent of the PMI survey sample thought the public held it in equal regard (although 47 percent disagreed).

However, there was consensus among respondents that businesses should place as much emphasis on the capabilities of science as lawmakers. PMI found that 90 percent consider it "important" for companies to consistently invest in science to refine their products.

Organizations that have embraced science to steer and shape their business were seen in a more favorable light by 87 percent of respondents.

#### **Leveraging Science To Improve Industry and Society**

When harnessed effectively, science has the power to overhaul and benefit individuals and populations. Without these disciplines, we wouldn't have the vaccines that prevent disease, the clothes we wear today, the food we eat, or the seat belts that reduce our risk of serious injury on the road when driving. The list of examples, of course, is endless – ranging from quality of life to protecting life.

For instance, in transportation, as the population increases and infrastructure ages, cities must adapt how they safely shuttle people around roads, walkways, and train lines. Scientific data on human flow dynamics is used to predict spatial capacity and guide urban planners.

The financial sector continuously uses science to gauge performance and provide key insights. Advancements in technology such as AI now help protect customers from online fraud. Meanwhile, companies can use data to determine which products best suit their customers individual needs.

One of the most critical advancing sectors is climate science. Over the years, researchers have used an evolving tech suite to track the changing climate and its impact. Today, they can monitor shifts across the planet, taking note of each change in real time, and through scientific modeling provide world leaders and businesses with initiatives and evidence on how to turn the tide of climate change and environmental damage.

Yet in PMI's White Paper there was a particularly telling gap between the widespread support for bringing science into policymaking (84 percent) and the bare majority of 51 percent who rated their government as doing a good job of ensuring that science and scientific evidence are included in decision-making processes. Regulators can and should do more to meet society's expectations by leveraging facts and the totality of available evidence to inform their policies. It is equally important that policymakers debate the data openly and transparently, so that people see and understand how science is shaping their decisions.

Regulatory frameworks that put science and evidence at the heart of decision-making already exist. For instance, the U.S. FDA Modified Risk Tobacco Product Application process, which sets a clear pathway for the assessment of and communication about nicotine-containing products that can be a better choice for adults who would otherwise continue to smoke. To be clear, these products are not risk-free and the best choice for smokers is to quit tobacco and nicotine altogether. But for people who continue to smoke, this framework shows how governments can differentiate smoke-free alternatives from combustible cigarettes in order to promote the public health.

#### Failure Isn't An Option

PMI's white paper reveals a widespread public appetite for policymakers and leaders to use trusted science when crafting legislation. Doing so is the best way to ensure the public's best interests are being served and their calls for progress answered. When the evidence is ignored, incorrect decisions are likely made. This will only impede progress for years to come. However, by using science and its findings, decision-makers and business leaders can play a crucial role in changing the face of industry and government — to the rich benefit of society.

As Covid-19 demonstrates, there is no telling what lies in wait around the corner. But if there's one certainty, it's that only through science and technology can we overcome many of the world's great challenges and deliver a better future.

In This Article: brandedcontent, covid-19, PMI2020, PMI2020A3

Rolling Stone Magazine. October 14, 2020 https://www.rollingstone.com/culture/culture-news/trust-science-white-paper-1060692/



Despite all the warnings, an estimated 1.1 billion people smoke cigarettes, according to the World Health Organization. While staggering, keep in mind that this figure is likely to stay stagnant despite ongoing efforts to reduce cigarette consumption. Put simply, estimates suggest there will still be around 1 billion smokers in the world by 2025.

In trying to reduce smoking around the globe, it's clear that a more nuanced approach is needed that complements traditional measures aimed at preventing people from starting to smoke, especially youth, and getting adult smokers to stop altogether.

With 1.1 billion smokers in the world, there's more that can, and should, be done, and it would be a mistake to assume that there is a one-size-fits-all solution. In any given year, more than nine out of 10 smokers will continue to smoke. Now there's growing support among scientists, public health experts, and governments that scientifically substantiated smoke-free alternatives can play a role in helping decrease smoking prevalence. For this to happen though, smokers across the world need access to and information about these alternatives.

Key to this? Understanding that not all tobacco and nicotine-containing products are the same—despite what some organizations suggest. While smoke-free products are not risk-free and contain nicotine, which is addictive, it's the burning that's the main problem. The high temperatures reached when a cigarette burns creates thousands of chemicals, over 100 of which have been classified by public health experts as harmful or potentially harmful. By eliminating the burning—as is the case with products such as snus, e-cigarettes, and heated tobacco—the levels of harmful chemicals generated can be significantly reduced compared to cigarette smoke.

While this has to be scientifically assessed for each product, it's the reason why many experts and a growing number of governments believe that tobacco and nicotine-containing products should be regulated according to their risk profile.

Let's take Sweden as an example. It's often seen as one of the most socially progressive, generous, and advanced countries in the world. Those Nordic folks are also a fan of snus, a form of oral tobacco that's placed behind a person's lip to release flavors and nicotine. In Sweden, it's replaced cigarettes as the main tobacco product. In 2017, only 5 percent of Swedish men smoked, according to the European Commission, while 18 percent used snus. Many suggest this is the reason Sweden now has the lowest death rate attributable to smoking-related diseases of any European country.

Moreover, in the U.S., eight varieties of one particular snus product have become the first to be authorized to be sold as modified risk tobacco products by the U.S. FDA—meaning the FDA determined, among other things, that the products, as they are actually used by consumers, will benefit the health of the population as a whole.

In Japan, a different type of smoke-free alternative is also having an impact. The country is seeing significant decreases in cigarette sales, likely as a result of the introduction of heated tobacco. These products heat tobacco without burning it.

Between 2011 and 2015, cigarette sales in Japan generally declined at a slow but steady pace. Since the introduction of heated tobacco in 2015, cigarette sales have been falling five times faster than the 2011-2015 period, according to a key study published by researchers from the American Cancer Society. The authors conclude it was the introduction of heated tobacco that's "likely reduced cigarette sales in Japan."

Then there's also vaping. Among U.S. vape consumers surveyed in a 2018 National Health Interview survey, 25.2 percent of current vapers had quit cigarettes within the last year, according to a U.S. Centers for Disease Control and Prevention (CDC) study. Furthermore, the CDC's findings revealed that, within the sample population tested, 17.3 percent of adult e-cigarette users had given up cigarettes within the last one to four years. The report also noted that only 1.1 percent of current e-cigarette users in the sampled population had never smoked cigarettes.

Smoke-free alternatives should only be marketed to adult smokers who would otherwise continue to smoke or use nicotine products. It will always be best for one's overall health to quit tobacco and nicotine products altogether, but for the hundreds of millions of adult smokers who would otherwise continue to smoke, evidence from Sweden, the U.S., and Japan suggests that, where scientifically substantiated alternatives are available, they may help reduce overall smoking rates.

It's time for major players in the space to take the lead. Philip Morris International (PMI) is doing just that. Most surprising perhaps is their goal: PMI claims they're committed to stop selling cigarettes as quickly as possible.

The company even believes that, with the right regulatory encouragement and support from civil society, cigarette sales can end within 10 to 15 years in many countries. No more cigarettes? It may seem like a fantasy, but that may just be what the future holds.

In This Article: brandedcontent, PMI2020, PMI2020A2

Rolling Stone Magazine. September 9, 2020 https://www.rollingstone.com/culture/culture-features/is-a-smoke-free-society-within-our-grasp-1015227/

### **Acknowledgements** - the author expresses gratitude to:

Peer review and editing:
Divya Ramamurthi (SRITA)
Ann Boonn Director of Research at the Campaign for Tobacco Free Kids

Technical support Cindy Chau (SRITA)

Truth Initiative for providing Nielsen sales data

### **Disclosure**

Competing interests RKJ serves as an expert witness in JUUL Labs litigation. Altria has a major equity stake in JUUL