



PMI and the Ethics of Organizational Change: About This White Paper

In 2016, Philip Morris International (PMI) announced an ambitious mission: Harnessing advances in science and technology, the company would deliver a “smoke-free future”—a future in which, in the interest of public health, cigarettes are no longer manufactured or sold. (Note: PMI has never sold cigarettes in the United States and has no intention of doing so.)

This was a monumental shift. Given our history, skeptics were quick to cast doubt on our intentions to put cigarettes—by far the most harmful form of nicotine consumption—behind us. In the years since, we have addressed these doubts with irrefutable evidence of our progress:

- In 2015, PMI’s smoke-free products accounted for virtually none of the company’s net revenues. As of Q2 2024, they account for nearly 40 percent—and we are on track to have more than two-thirds of revenues derive from these better alternatives by 2030.
- This shift is changing lives for the better: As of year-end 2023, some 28.6 million adults in 84 markets worldwide were using our leading heated tobacco product. Vivaly, nearly three-quarters of those users (73 percent) had switched completely to the product and stopped smoking. That product is now PMI’s leading brand.

Our aim is to see an end to cigarettes—not in some far-off future but within the next 10 to 15 years in many markets. In 2024, we are fully entering the U.S. market for the first time, on a quest to provide better options to the nearly 30 million American adults who continue to smoke.

Now comes the truly difficult part: helping people to recognize that a company with historic ties to “Big Tobacco” can contribute meaningfully to tobacco harm reduction and lead a movement to end cigarettes once and for all. And beyond that, to recognize that organizations with complicated histories can genuinely embark on what we at PMI call a “path to better.” In our case, a path that will allow us to have a net positive societal impact in all the markets in which we operate.

As we grappled with the disconnect between our new corporate reality and outdated public perceptions, we reached out to Professor David W. Miller, a specialist in ethics and Director of the Princeton Faith & Work Initiative. We wanted to learn from him how organizations such as ours can rebuild trust, bring allies to our cause, and demonstrate that actions back our words.

This white paper is Professor Miller’s response. We hope other organizations forging a better future benefit from its insights—and that we all can find ways to identify and support those entities working in good faith to create a better future.

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