

Food Insecurity and Tobacco Use 2011 – Philip Morris International

WHEREAS PMI's profits come mainly from people who cannot afford our core product: those who are poor. Smoking has become the second biggest cause of death in the world and, if present trends continue, by 2020, the World Health Organization estimates that the global burden of smoking-related deaths will surpass 9 million annually—with 7 million in developing nations.

Tobacco not only impoverishes those who use it, it puts an enormous financial burden on countries. The costs of tobacco use at the national level encompass increased health-care costs, lost productivity due to illness and early death, foreign exchange losses, and environmental damage. The tobacco industry's attempts to stave off sensible regulations on tobacco have included overstating the employment and trade benefits of tobacco to developing countries and raising the spectre of massive job losses if governments move to protect public health. Yet, according to a World Bank study, these arguments and the data on which they are used greatly misrepresent the effects of tobacco control policies (Chaloupka: Curing the epidemic: Governments and the Economics of Tobacco Control, 1999).

The future success of PMI rests in getting new recruits to our brands, especially in such developing nations. In developing nations where PMI is expanding rapidly, such as Indonesia, India and China, peoples' tobacco expenditures often are crowding out expenditures for food, health care and education (Tobacco Control 10.3 [2001])

As in the U.S.A. hunger and malnutrition are exacerbated by tobacco use. Families in developing nations with low income, in general, are more likely to experience food insecurity, spend less on food, and spend a larger percentage of available money on tobacco compared with more affluent families (Archives of Pediatrics and Adolescent Medicine 162.11 [November, 2008], 1056).

Such studies also show that, because many such people are not stopping smoking, their own health and that of their housemates are compromised by direct and sidestream tobacco smoke. The primary reason they do not quit is because of their addiction to the nicotine in cigarettes. In its incontrovertible that, in many cases, such people buy our cigarettes rather than feed their children.

A major supplier of PMI's tobacco comes from Malawi. However PMUSA has stated: "In addition to high levels of poverty and low life expectancy, Malawi faces problems that directly threaten food security . . . "

RESOLVED: that shareholders recommend that the Board of Directors commission an independent study and issue a resulting report on the affect of our company's marketing on the purchasing practices of poor people and what might be done to mitigate the harm to innocent children, such as food insecurity, of such poor people who smoke, including reducing the nicotine in cigarettes to non-addictive levels. Shareholders ask that such a report include recommendations as to whether our Company should continue marketing its products in any nation having over 50% of its citizens living in poverty. Barring competitive information, this report shall be made available to requesting shareholders within six months of the Company's annual meeting.