



Tobacco Investments in the Pharmaceutical Sector: Countering the Narrative and Anticipating Other Issues

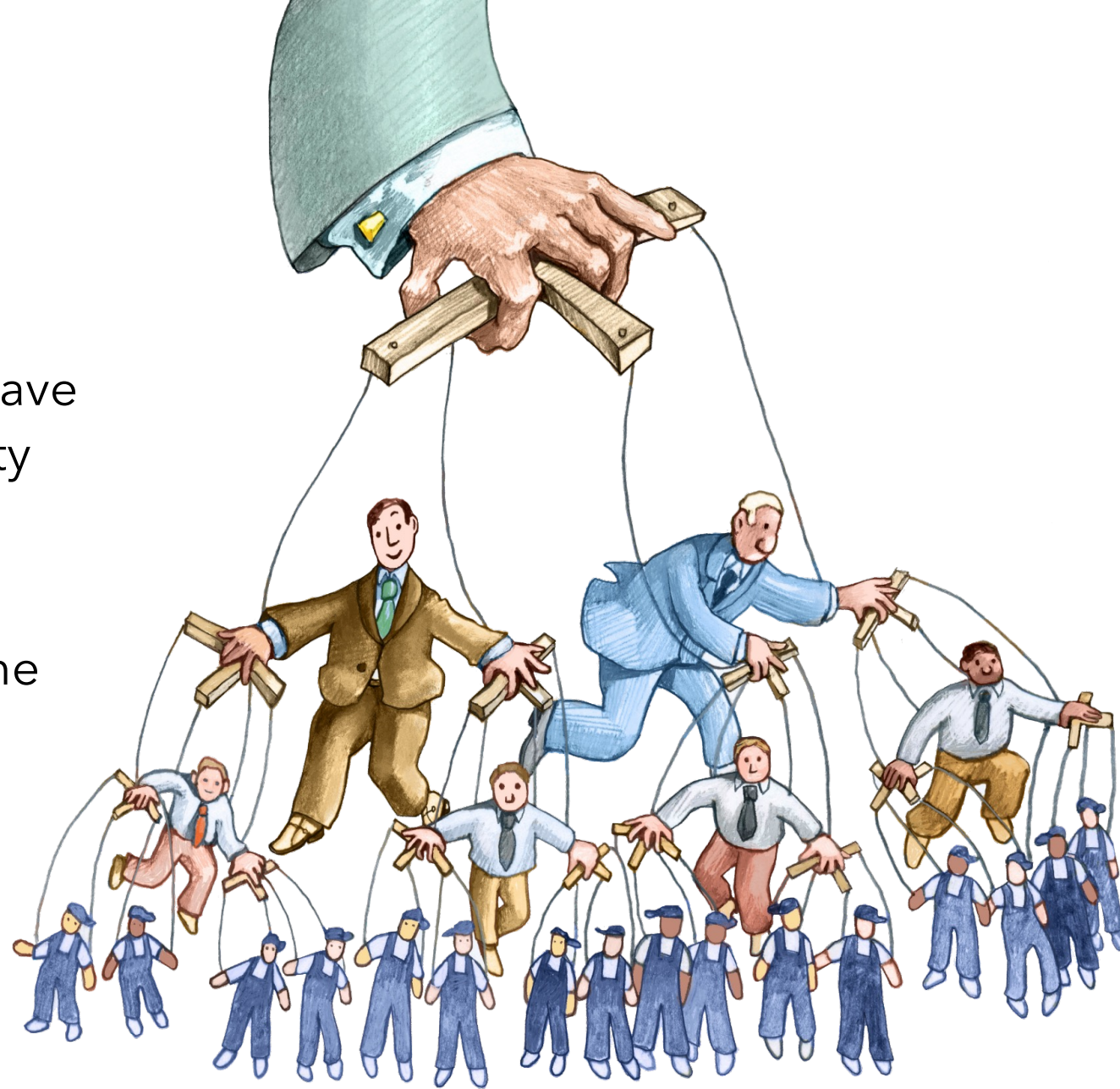
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Former Director, Prevention of Noncommunicable Diseases

Senior Advisor to the Director General, World Health Organization

The Redemption Narrative

- Emphasis must be on countering this wave of fake “redemption” rhetoric and empty gestures
- We must also continue preventing the industry from wielding influence over the institutions and actors of global and national governance for health



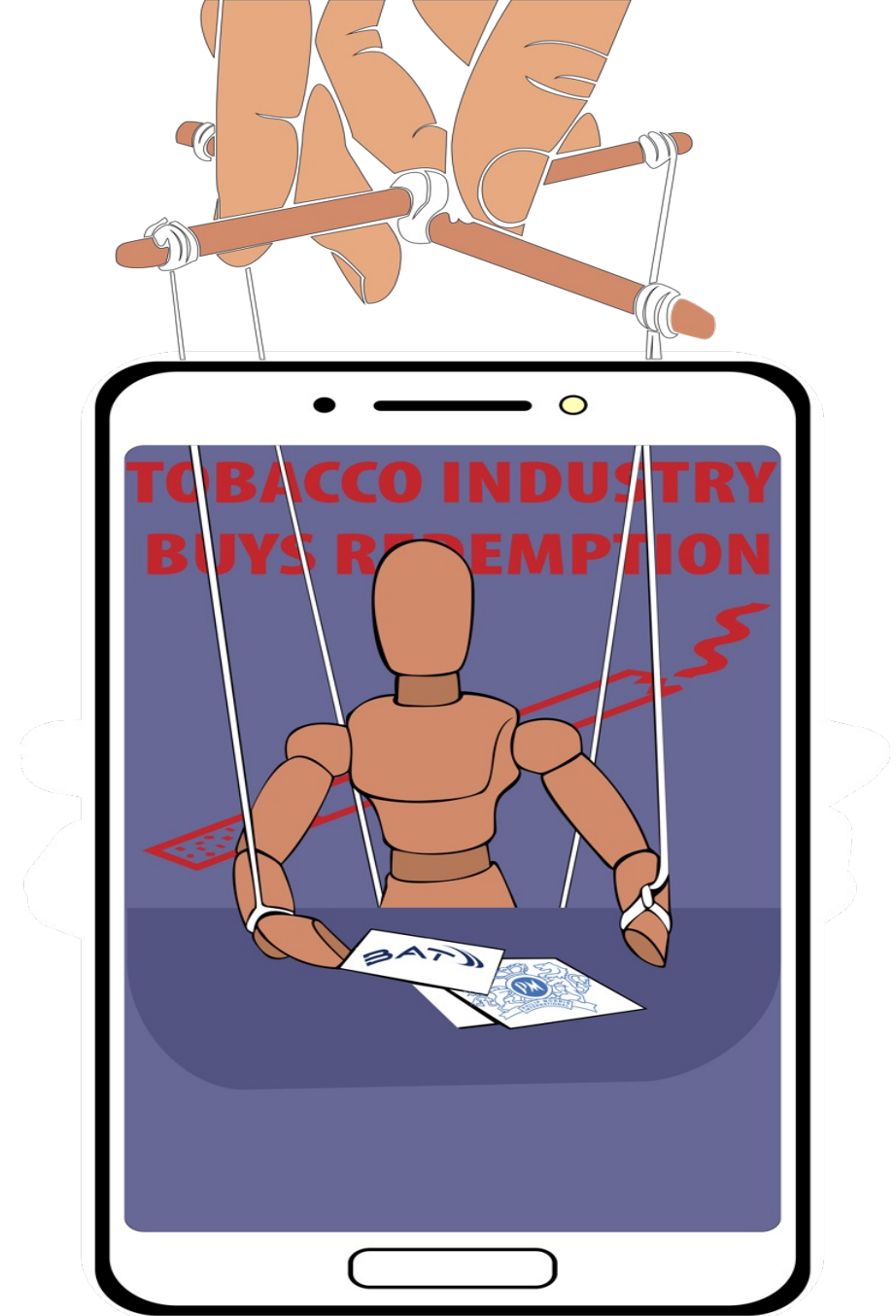
**"It's like someone
breaking your
knees and then
selling you the
crutches," – Ruth
Tal-Singer, COPD
Foundation**



The Tobacco Industry's Redemption Narrative: Investing in Health Technologies

The Pro-Health Redemption Narrative

An underappreciated part of the redemption narrative is their opportunistic investment in and acquisition of health technology companies



An Example: PMI Buying Out a Medicine Producer

- In 2021, PMI acquired Fertin Pharma
- Its range includes nicotine gums, but it also makes gums, tablets, pouch powders and other solid oral systems for pharmaceutical and nutraceutical applications

September 15, 2021

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

DOWNLOAD ↓

NEW YORK--(BUSINESS WIRE)--Sep. 15, 2021-- Regulatory News:

Philip Morris International Inc. (PMI) (NYSE: PM) today announced the closing of its [acquisition of Fertin Pharma A/S](#) ("Fertin Pharma"), a leading developer and manufacturer of innovative pharmaceutical and well-being products based on oral and intra-oral delivery systems, for an enterprise value of DKK 5.1 billion (approximately USD 820 million¹).

"As we build our pipeline of smoke-free products with the goal of phasing out cigarettes and expand our business for the long-term toward areas outside of tobacco and nicotine, such as selfcare wellness, we welcome the contributions that Fertin Pharma, its management and its employees will bring to PMI," said Jacek Olczak, Chief Executive Officer. "PMI's future is centered on health, science, technology and sustainable business practices to deliver innovative products and solutions that aim to improve people's lives and create a net positive impact on society. The world-class expertise of Fertin aligns perfectly with this vision and will be an important part of our future."

"We are excited to join PMI and start this new chapter for Fertin Pharma," said Peter Halling, the company's Chief

Buying out Health Tech: Another Example of the Tobacco Industry Buying “Redemption”

- PMI acquired Vectura which makes products for those suffering from diseases caused by tobacco
- This an example that fits into the industry’s broader strategy of pretending to the public and governments they have moved beyond tobacco



VECTURA

“We are very excited about the critical role Vectura will play in our Beyond Nicotine strategy...”
Jacek Olczak, PMI CEO

"It just screams, 'Huge conflict of interest,' ... Tobacco companies – there is no way they can be trusted."

Michelle Eakin, Associate Professor, Johns Hopkins University School of Medicine

Business

Philip Morris International cigarettes can cause lung disease. Now the company wants to sell medicine to treat it.

World's largest cigarette maker is making acquisitions as it pursues a 'smoke-free' future. Many scientists are doubtful.



(Daniel Stolle/For The Washington Post)

By [Todd C. Frankel](#)

September 2, 2021 at 9:29 a.m. EDT

From Day One the Vectura Deal Was Being Used to Undermine the Exclusion of Tobacco Industry

- Even on the same day the Vectura acquisition was announced, PMI reached out to a Minister in the United Kingdom's government to seek to open a dialogue on the matter—contrary to Article 5.3 of the WHO FCTC

Tobacco giant is accused of lobbying over Vectura

Philip Morris says letter to business secretary 'entirely appropriate'



Philip Morris International, which wrote to the business secretary about its plans for Vectura, has been accused of trying to undermine the World Health Organisation's framework convention on tobacco control

FABRICE COFFRINI/AFP/GETTY IMAGES

Concerns have increased that Philip Morris International will use its £1 billion takeover of Vectura to legitimise the tobacco industry's participation in public health after its chief executive was accused of lobbying the government over the deal.

The Civil Society and Public Health Pushback on the Vectura Deal

- Civil Society working in tandem with media and public health authorities pushed back on the deal and its visceral hypocrisy
- For example, six respiratory societies issued a statement opposing the takeover and banning researchers working with this and similar industry owned business from publishing with them or participating in their conferences



Redemption Narrative Example: BAT's Vaccine Investments

- BAT has been involved in vaccine development through a subsidiary, KBP—later folded into a standalone “biotech company”, KBio
- This work included supposedly developing a vaccine for Ebola and then joining, in December 2020, the race to develop a COVID-19 vaccine



News Release

BAT progresses COVID-19 candidate vaccine into Phase I human clinical trials

16 December 2020

- Investigational New Drug application approved by the FDA for COVID-19 candidate vaccine, allowing BAT to progress into a Phase I clinical trial in adult volunteers
- Vaccine candidate created using innovative plant-based technology
- Vaccines manufactured using BAT's vaccine platform have the potential to be stable at room temperature which could offer significant advantages
- Study demonstrates BAT's commitment to delivering science and innovation that build *A Better Tomorrow*



A worker inspects vaccine-containing tobacco plants at Medicago greenhouse in Quebec City.
PHOTOGRAPH BY MATHIEU BELANGER, REUTERS

SCIENCE | CORONAVIRUS COVERAGE

Your next vaccine could be grown in a tobacco plant

BAT's Spin: "This is part of our ongoing commitment to innovation and science, which are fundamental to our business. As a company committed to building A Better Tomorrow, we are proud to play our part in the global fight against this virus."

Redemption Narrative Example: PMI's Vaccine Investments

- PMI collaborated with Mitsubishi Chemical and the Canadian government to develop a COVID-19 vaccine—exploiting a global emergency to serve its redemption narrative
- But PMI had not counted on the fierce response of the civil society, journalists, and the public health community

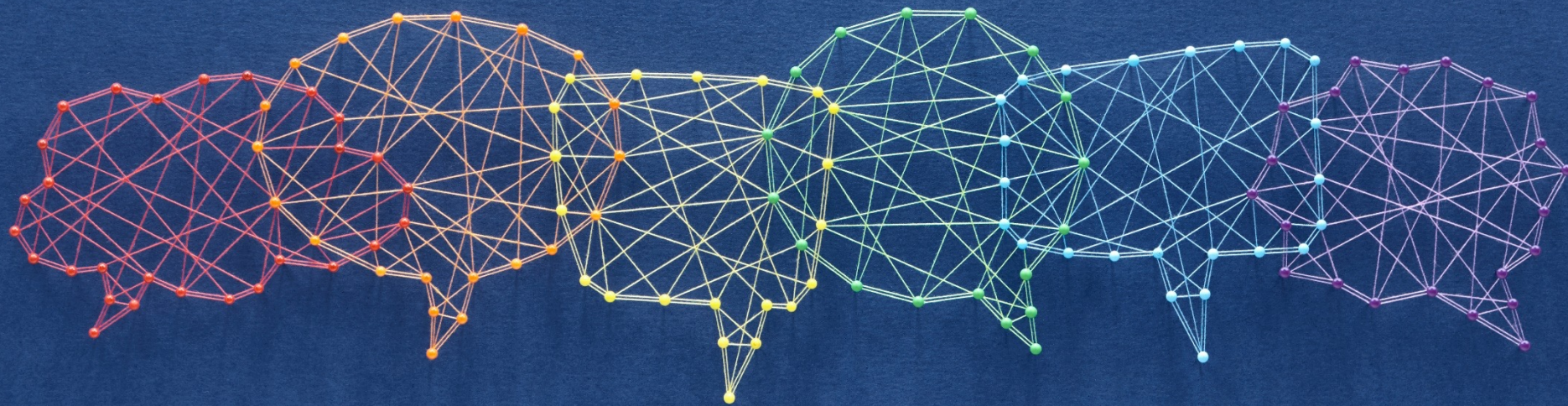


PMI: “It’s an example of how rapidly science and innovation can achieve positive results for society, regardless of who is funding it.””

Public Health and Article 5.3 Strikes Back at PMI and the Redemption Narrative

- WHO rejected Medicago's application for global approval of its vaccine, due to PMI's involvement
- After this, PMI was ejected from the collaboration and Mitsubishi Chemical absorbed PMI and became the sole shareholder of Medicago
- Eventually, Mitsubishi announced it was dissolving Medicago immediately and withdrawing the vaccine
- Due to production problems, Medicago did not ship a single commercial dose of the vaccine





**Supporting the Tobacco Industry's
Redemption Narrative:
Positioning itself as Pro-Health and a Health
Industry with Fraudulent "Harm Reduction"**

Redemption Narrative Example: Tobacco Industry Led “Harm Reduction”

- Tying into their move into health technologies, the tobacco industry and related actors are trying to position themselves as leaders in tobacco cessation.
- The tobacco industry is still reaping the lion share of its profit from smoked tobacco products
- This deceitful strategy cannot disguise the reality that the tobacco industry is the vector for one of human history’s most deadly epidemics—and not its solution

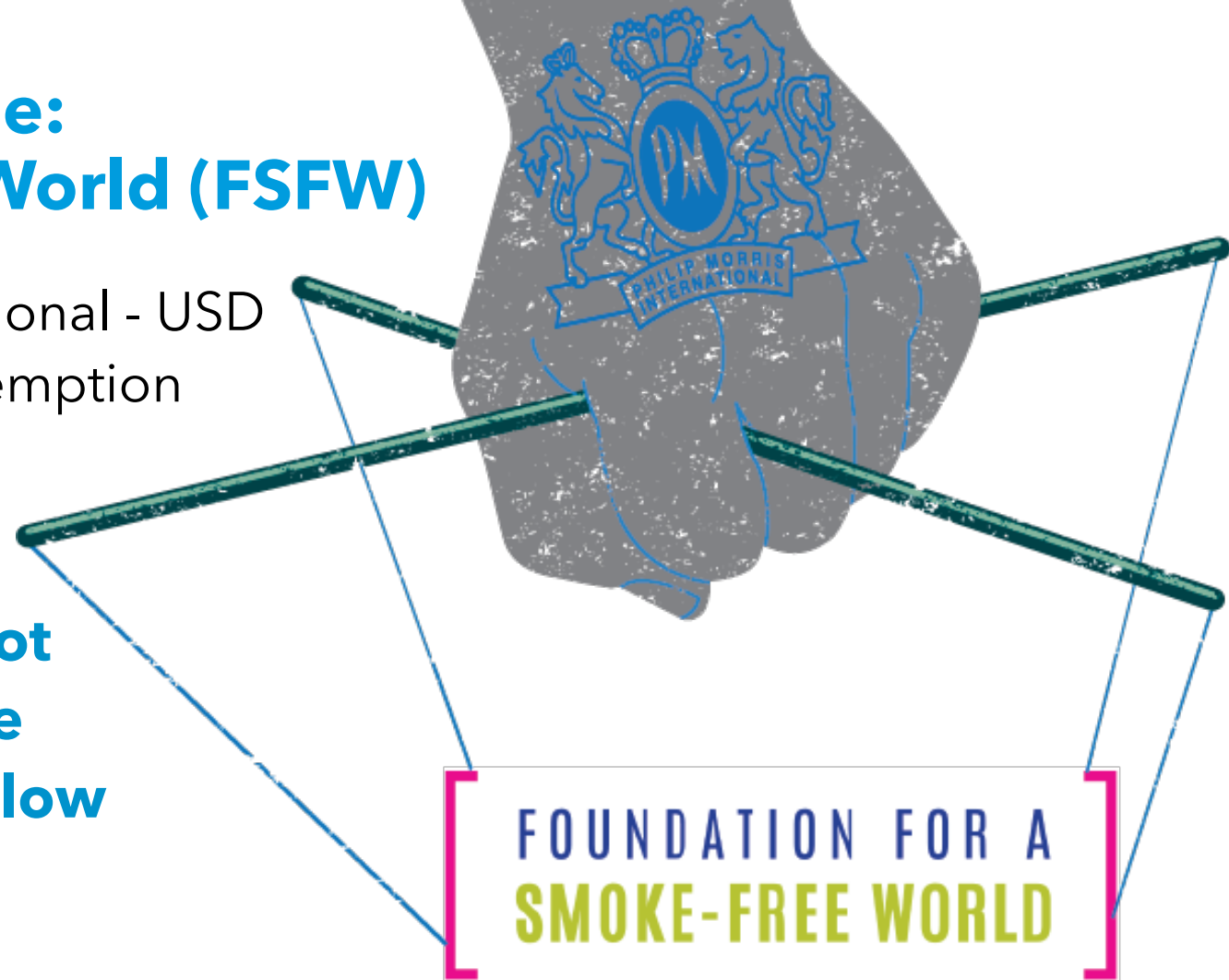


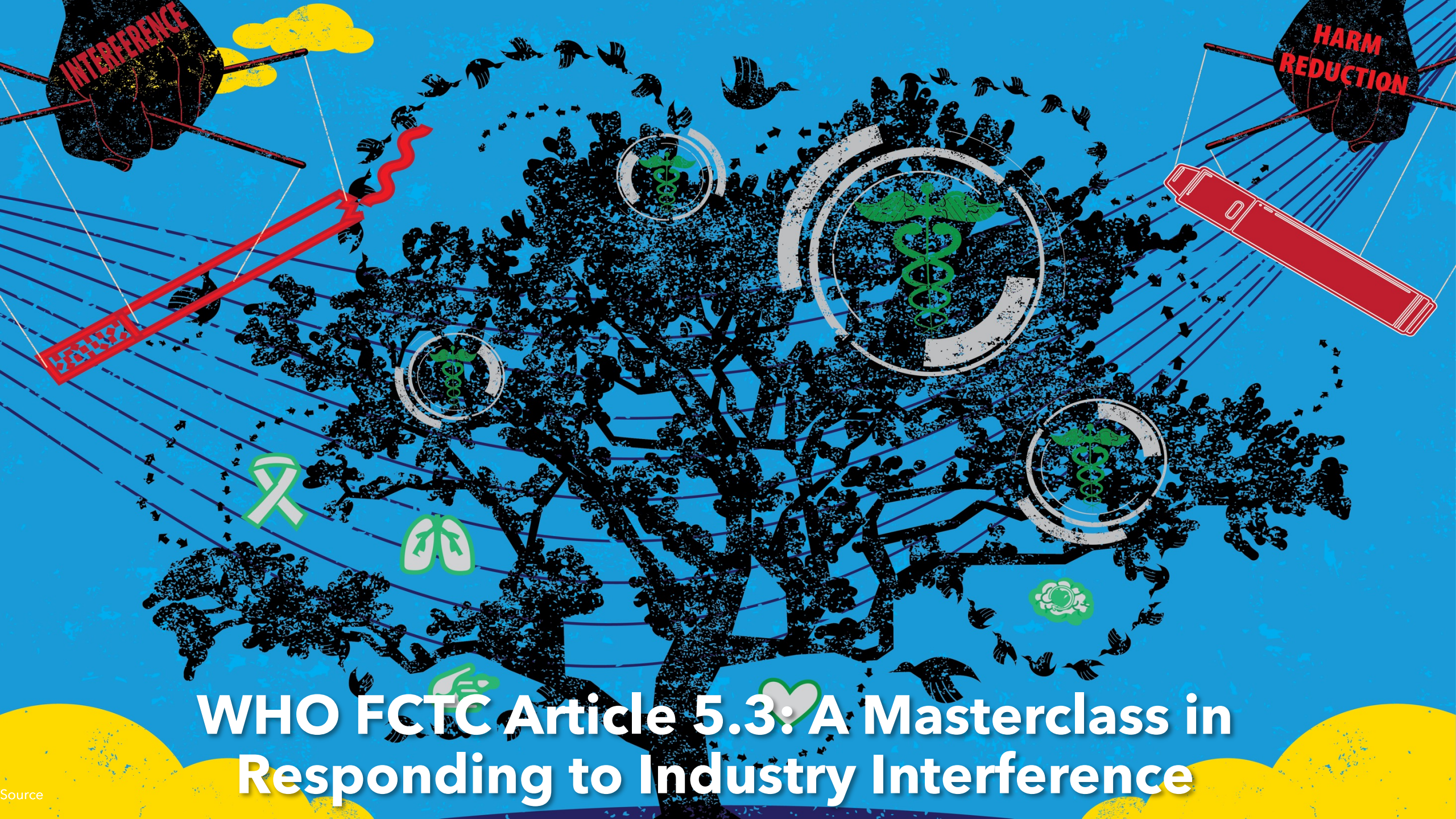
Redemption Narrative Example: Foundation for a Smoke Free World (FSFW)

- Funded solely by Philip Morris International - USD 1 billion over 10 years to push the redemption narrative and attack public health

“WHO will not partner with the Foundation. Governments should not partner with the Foundation and the public health community should follow this lead.” - WHO Media Statement

“The Convention Secretariat regards this tobacco industry-funded initiative as a clear attempt to breach the WHO FCTC by interfering in public policy”- FCTC Convention Secretariat Statement





WHO FCTC Article 5.3: A Masterclass in Responding to Industry Interference

Back to Basics: Legislating for Article 5.3

- Article 5.3 needs to be incorporated into national legislation to provide policymakers more and better tools for responding to novel tactics.

Industry Healthcare Investments

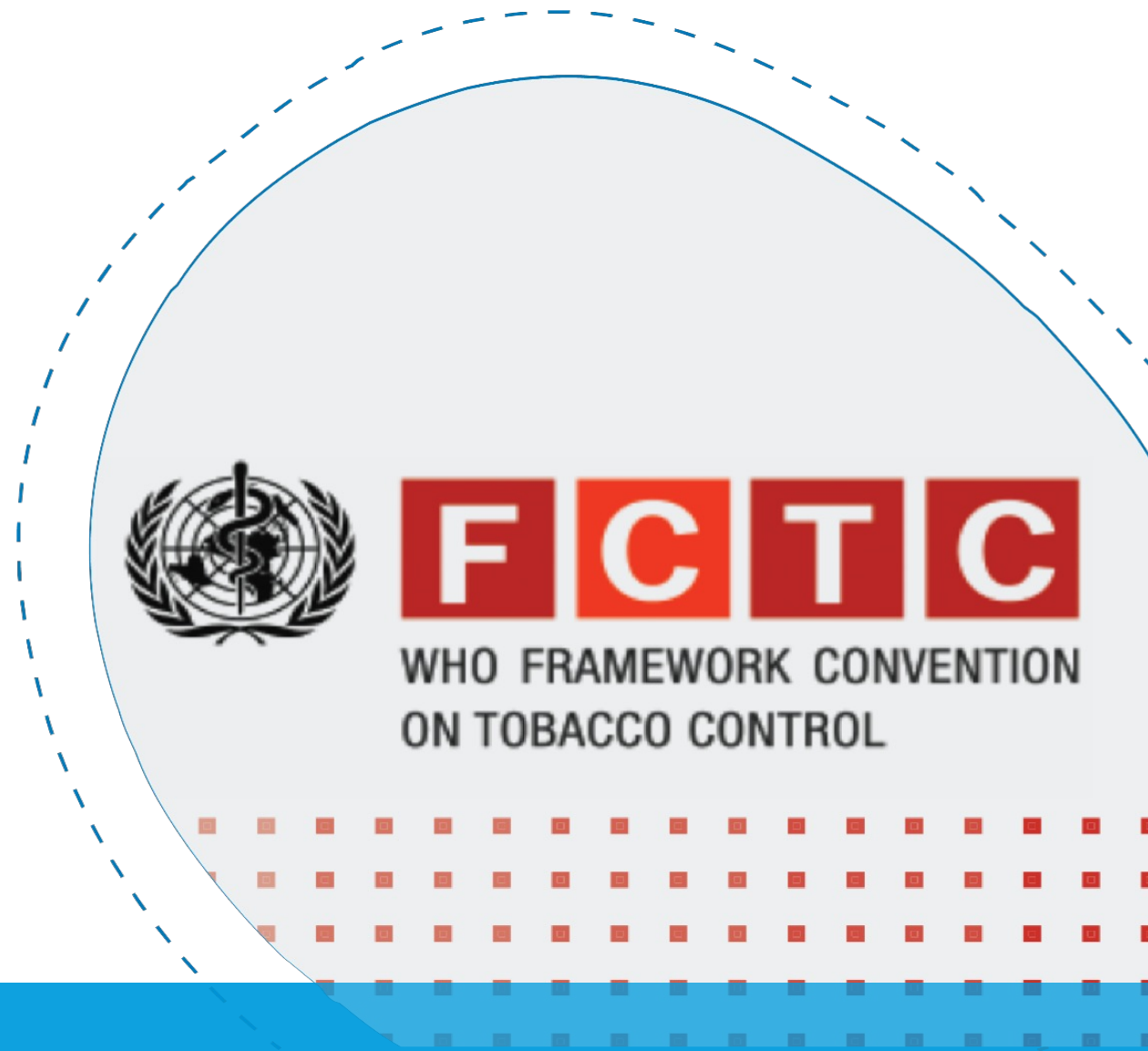
- Industry CSR initiatives such as investment in the health sector have to be isolated from public health governance and policy arrangements.



Back to Basics: Research, Surveillance and Exchange of Information

WHO FCTC:

- **Article 20:** Parties shall, subject to national law, **promote and facilitate the exchange** of publicly available scientific, technical, socioeconomic, commercial and legal information, as well as **information regarding practices of the tobacco industry and the cultivation of tobacco**



Civil Society is Leading the Way

- The Global Centre for Good Governance in tobacco Control (GGTC) has developed a **tobacco industry interference** index which is an invaluable tool for impelling and measuring implementation.
- **The STOP network** brings together CSOs involved in **exposing industry tactics**

Bloomberg
Philanthropies



The Union



Vital
Strategies

STOP.

A GLOBAL
TOBACCO
INDUSTRY
WATCHDOG

Key Messages

- WHO FCTC is a pathfinder for monitoring and countering negative tobacco industry tactics
- Pharmaceutical investment is part of tobacco industry redemption narrative that needs to be tracked, exposed and countered at every turn
- Article 5.3 needs to be fully implemented by all Parties and legislated for when appropriate.
- The continued work of the STOP partnership will ensure the world will not lose sight of the need to counter industry tactics.





Thank You!