

JCBG Consulting

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
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Advisor(s): Dr. Marilú Marcillo

Topic: From Tobacco to Hemp: Building a New Market in Indonesia

Audience: Philip Morris International Board of Directors

Sustainable Development Goal

SDG Goal #3: Ensuring healthy lives and promote well-being for all at all ages.

Executive Summary

Each year, approximately a quarter-million Indonesians are killed by tobacco-caused illnesses. This high number can be traced back to the population's large percentage of smokers. While 34% of the population smokes, the remaining, including Indonesia's children, are exposed to secondhand smoke at home and in public places. The local tobacco production and the lack of governmental control made the country an ideal place for large tobacco corporations. Thus, making Indonesia the largest consumer of cigarettes in the Asia Pacific region. Philip Morris International (PMI), and its subsidiary PT HM Sampoerna, are some of the biggest tobacco companies operating in Indonesia. Previously, PMI was known for controversies such as the United States v. Philip Morris Department of Justice Lawsuit, misleading the public about the risks of smoking.

In the past decade, PMI has made significant strides in rebranding the company with investments in the Foundation for a Smoke-Free World and transforming from solely a cigarette company to striving for a smoke-free future. Forgoing this transition, critics raise concerns about the paradox that is a cigarette company planning to create a smoke-free society. We believe that PMI can effectively achieve its mission statement of delivering a smoke-free future with the promising future of hemp cigarettes. With studies of IQOS, the new e-cigarette, showing no detectable differences between conventional cigarettes; there is a greater initiative now to develop an alternative to ensure the future of a smoke-free environment.