



Water Stewardship Policy

For PMI, sustainability means creating long-term value for our shareholders and for society, while actively reducing the negative externalities associated with our products, operations and value chain.

The scale of our business means that we can have significant impacts on water resources, even if the tobacco sector is not particularly water intensive in comparison with other industries. Water is used in our factories, in the manufacture of raw materials such as filters, paper and packaging materials, and in tobacco agriculture. In addition, we also need to address the problem of litter that can impact watercourses, lakes and oceans.

In alignment with our [Environmental Commitment](#), our vision is to preserve water resources and respect the natural cycle of water wherever relevant to our business and in cooperation with our stakeholders.

To achieve this, we will:

- Assess water use and water risks across our entire value chain and understand how to use water without negatively impacting the quality or quantity of water resources;
- Identify, implement and share best water stewardship practices across our operations and encourage our suppliers to do the same;
- Ensure access to safe Water, Sanitation and Hygiene (WASH) in all our facilities and provide access to WASH services on farms and communities in our tobacco supply chain;
- Join multi-stakeholder initiatives and seek partnerships to improve our water management practices;
- Continuously improve water-related farming practices in our tobacco supply chain, especially by working with tobacco suppliers; and
- Report on our progress, notably in our annual Sustainability Report and third-party programs such as CDP Water Security.

Specifically, we are committed to:

Optimize water consumption across our operations, reduce the water footprint of our products and implement appropriate wastewater treatment in our factories to protect water habitats.

Implement the Alliance for Water Stewardship (AWS) standard in 100% of our factories by 2025 and work with stakeholders in the watersheds of our factories to achieve the five outcomes of the AWS standard (good water governance, sustainable water balance, good water quality status, important water-related areas, and safe water, sanitation and hygiene for all (WASH)).

Implement Good Agricultural Practices by all contracted farmers in our tobacco supply chain to preserve local and global water resources, by safeguarding both water quantity and quality; support growing practices that enable the tobacco crop to be resilient to changing water scenarios.

Roll-out anti-littering campaigns in cooperation with local stakeholders to reduce the amount of cigarette butts reaching waterways and the oceans.

This Water Stewardship policy complements our Environmental Commitment and specifies water-related aspects. Within PMI, the Sustainability Coordination Group and the Sustainability Committee are responsible for the coordination of Water Stewardship programs under the oversight of the Nominating and Corporate Governance Committee of the Board of Directors.

As Chief Executive Officer, I am asking everyone at PMI and all our business partners to uphold this Water Stewardship Policy. - André Calantzopoulos, CEO, Philip Morris International.