



Maximize the benefits of smoke-free products

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Proportion of shipment volume covered by markets with youth access prevention programs in place in indirect retail channels

KPI description

PMI implements a comprehensive set of measures aimed to guard against youth access to PMI products. Among them is our global youth access prevention (YAP) program for indirect retail channels defined by a fundamental requirement that a consumers' age must be verified before they can purchase our products, ensuring that they are of legal age to purchase or at least 18 years old (in markets without a minimum legal age). The program sets robust requirements for our affiliates to work with our trade partners and the indirect retail universe to guard against the sale of our products to youth, complementing local regulations for youth access prevention.

By targeting indirect retail channels, which account for the vast majority of retail outlets selling our products and which we do not own and do not control, the impact of the program can reach a wider scope than those covered by the requirements of our Marketing Codes. PMI implements the program in all markets where PMI commercializes its products and can directly or indirectly, through trade partners, deploy it.

To be considered as having the YAP program in place, a market must deploy the program's three mandatory pillars as outlined in Definitions. The required number of indirect points of sale (POS) to be covered by each pillar, referred to as "reachable coverage," varies for the different activities (e.g., some require a physical visit to the POS, while other activities can be deployed digitally).

Definitions

Digital trade engagement tool PMI's global platform or any other digital tool used to communicate and engage with trade partners.

Field force automation systems Systems that support field force daily operations.

Point of sale (POS) An indirect retail point of sale where PMI products are sold to end consumers.

Point of sale materials (POSM) Such as stickers and other materials, containing youth access prevention information, which are placed at the point of sale in a visible place.

Selling universe Estimated number of indirect retail POS within a market in which PMI products are sold.

Total shipment volume Includes PMI's combined combustible tobacco products shipment volume and smoke-free product consumables shipment volume.

Regular markets Are those where PMI can deploy the program directly (has an affiliate) or through third parties (e.g., distributors, or other trade partners).

White Space Market (WSM) A market where PMI products are sold but PMI has limited or no capacity to ensure the YAP program's deployment and to obtain necessary Proof of Performance. WSMs are divided into two clusters:

- **WSM Cluster 1:** Markets where PMI operates through third parties that agree to deploy the YAP program.
- **WSM Cluster 2:** Markets where PMI has minimal or no influence on trade partners on implementation of trade activities, and where there is no infrastructure or resources to deploy the YAP program.

Pillars of PMI's YAP program in indirect retail channels

Pillar	Description	Reachable coverage
YAP Trade communication	YAP letter from PMI affiliate to POS owner or operator	All POS for which PMI has either a physical or email address
YAP Trade education	Online or physical training sessions to POS/retailers' staff	All POS that can be reached digitally via digital trade engagement tool or by field force
YAP Point of sale materials placement	YAP posters, banners, or stickers placed in POS in a visible place	All POS that can be reached by field force



Scope

Included All indirect retail channels, consisting of third party physical points of sale that sell tobacco and nicotine containing products. All markets in which PMI commercializes combustible or smoke-free products are included in scope, whether PMI-developed products or third-party products that PMI sells through license agreement.

Excluded PMI Global Travel Retail market (duty free points of sale).

Calculation methodology

Proportion of shipment volume covered by markets with the YAP program in place in indirect retail channels is calculated as:

$$= \left(\frac{\text{Full-year shipment volume (billion stick equiv.) of combusted and smoke-free products for markets which have a YAP program "in place"}}{\text{Total PMI full-year shipment volume (billion stick equiv.)}} \right) \times 100\%$$

Estimates and assumptions For each of the three pillars, markets are required to quantify the number of reachable POS. The reachable POS defined by the markets represents a portion of the total selling universe, which, due to various geographic, distribution model, and logistic reasons, differs market by market.

If markets have deployed the program and have met at least 90 percent of the reachable coverage for each pillar in accordance with the program requirements set out in the program's standards, the shipment volume of such markets for the full calendar year, January 1 through December 31, is considered as being covered by the YAP program.

Data management

Data on shipment volumes, by market, are extracted from PMI's financial reporting systems. Data on POS is maintained in the following systems:

Pillar 1: PMI affiliates or PMI third-party trade partners have local databases in which the physical or email addresses of the POS in their markets are maintained.

Pillar 2: PMI maintains a Global Digital Trade Engagement platform, and markets utilize this global platform or their local ones for the YAP educational content. The lists of POS in scope for the YAP training coverage are maintained in the local field force automation systems.

Pillar 3: The lists of POS in scope of PMI or third-party field force coverage are maintained in local field force automation systems.

For each market, the YAP program plans and deployment results are reviewed and approved by the regional and central teams on an annual basis. The regional teams consolidate results of each market and together with the central governance team determine the total PMI shipment volume for markets that have indirect retail YAP programs in place; the central team consolidates global results.

Data verification The KPI, as published in [PMI's Value Report 2025](#), has been assured by PwC (limited assurance).

[See the independent practitioner's limited assurance report](#)