DELIVERING A SMOKE-FREE FUTURE



Sustainability Report 2021



PILLAR 1:

INNOVATING FOR BETTER PRODUCTS

PILLAR 2:

PROTECTING
THE
ENVIRONMENT

PILLAR 3:

OPERATING WITH EXCELLENCE

PILLAR 4:

CARING FOR THE PEOPLE WE WORK WITH Sustainability Report 2021 | Philip Morris (Malaysia) Sdn Bhd SECTION 1 | • • • • • • • •

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INNOVATING FOR BETTER PRODUCTS

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Scan here to get more information

ABOUT THIS REPORT



We are proud to present Philip Morris Malaysia's (PMM) first standalone sustainability report. This report communicates our sustainability efforts from 2020-2021.

PMM's Sustainability Report 2020-2021 Reporting **Scope and Frameworks**

This report covers Philip Morris Malaysia's (PMM) sustainability activities across our operations in Malaysia over the past two years (1 January 2020 to 31 December 2021). The report presents what we have achieved so far as well as what we expect to achieve in the future and is aligned with Philip Morris International's (PMI) global strategy and the UN Sustainable Development Goals (SDG). This report references selected disclosures in the Global Reporting Initiative (GRI) Standards, namely Disclosures 102-41,102-17 from GRI 102: General Disclosures 2016, Disclosures 403-9(a)(iii), 403-9(b)(iii), 403-9(e), 403-9(f) from GRI 403 Occupational Health and Safety 2018, Disclosures 305-1(a) and 305-2(a) from GRI 305: Emissions 2016 and aim to enhance and expand our reporting in future reports. The report also contains extracts from the PMI Integrated Report on selected topics.

Policy for seeking external assurance

PMM is committing to transparent reporting and ensuring our information and data is accurate and true. We want to provide the highest confidence to our stakeholders on the integrity of our report.

As such, we have engaged PricewaterhouseCoopers PLT Malaysia to provide limited assurance on 6 Key Performance Index (KPI) from 1 January 2021 to 31 December 2021 ("year ended 31 December 2021"): Scope 1 and 2 Greenhouse Gas Emissions ("GHG emissions"), Lost time incident (LTI) rate per 200,000 hours worked - PMM employees and contractors at the Seremban factory, Total number of PMM employees who participated in at least one Marketing Codes-training session, Proportion of new employees who participated in training session pertaining to PMI's Guidebook for Success, Proportion of employees covered by Collective Labor Agreement, and Total number of cigarette butt canisters installed.

The Independent Limited Assurance Report can be found on page 50-52.

MESSAGE FROM OUR MANAGING DIRECTOR

PMM 2021

PMM's vision of a smoke-free future

Access to smoke-free products:

What impact does innovative smoke free products have?

pg Please refer to page 10.

pg Please refer to page 15.

As we enter the third year of the Covid-19 pandemic, the concept of public health and the impact of individual choices on the wider community has become a key discussion topic. This is no different to the conversations around smoking. The choices an individual makes has consequences on others.

At PMM, our focus has remained on how we can create a smoke-free world. We maintain that it is best if you never start smoking, and if you do smoke, you should stop. If you don't stop, you should consider switching to alternatives that pose a lower health risk. As a company we work closely with all stakeholders to achieve our vision of a smoke-free world and also help existing smokers shift towards less harmful alternatives. For example, our new smoke-free IQOS product has been demonstrated to reduce exposure to harmful chemicals associate with tobacco products. In Malaysia, we have over 30 IQOS Authorized Centers that provide a touchpoint for existing adult smokers to learn more about using less harmful products.

We have also worked over the year to tackle the illicit trade of cigarettes which continues to be a barrier in achieving our vision of a smoke-free world. With the introduction of enhanced anti-illicit measures by the Malaysian government this year, we have a seen a reduction in illicit trade and continue to work closely with the government to ensure effective management.

PMM has also been cognizant of key global issues around climate change, sustainability and mental health. Sustainability at PMM is about creating a culture-change – to focus on the purpose of the company and its ability to create lasting impact. We do this through our interactions with our employees – this year we focused on mental wellbeing and investment in trainings and developments of our employees to ensure they remain highly engaged.



Around environmental protection, PMM is working with Reef Check Malaysia to address cigarette butt littering by installing cannisters across the country. This project is different in that it will result in a map of Malaysia showing the locations with the highest littering rates so that further action can be taken.

For our communities, 2021 continued to be a difficult year with the impacts of the pandemic and the devastating effects of the floods in December. PMM stepped up our efforts and invested over RM 1 million in relief efforts to provide food, Covid-19 test kits, PPE and mobile clinics to help the affected communities.

As we begin the new year, I would like to thank all PMM employees for overcoming all the challenges of the past 2 years and continuing to strive for the best. We are hopeful for a better 2022 where we will be able to once again meet with all our stakeholders to engage in meaningful discussions. In the meantime I invite you to dive into our 2021 Sustainability Report and look forward to your feedback.

Alany.

NAEEM SHAHAB KHAN Managing Director

PMI'S GOALS & STRATEGIES SMOKE-FREE | TRANSITION | REGULATION | SUSTAINABILITY | TALENT | TRANSPARENCY | GROWTH



Our approach to sustainability is structured around four pillars of action and two tiers of topics. It provides the framework through which we respond to sustainability challenges and opportunities.

To become a sustainable company, we must make every effort to replace cigarettes completely with better, smoke-free alternatives. Innovating for better products is therefore at the core of our strategy. Our other strategic pillars include effective management of operational topics, social issues, and environmental matters.



For more information, please scan the QR code attached or visit our website.

TRANSFORMING FOR A SUSTAINABLE SMOKE-FREE FUTURE

People who don't smoke should not start. Those who start should guit, and those adult smokers who otherwise would not guit should switch to one of the better alternatives. We believe it is our responsibility in guiding adult smokers to make a fundamental change in behaviour by switching from combustible products to smoke-free alternatives.

TIER 1 TOPICS

- Product health impacts
- · Access to smoke-free products

TIER 2 TOPICS

- Product addictiveness
- Product reliability

smoke-free future

sustainable

Ø for

Transforming

For more information on our **Pillar 1**, please refer to page 8 - 21.

OPERATING WITH EXCELLENCE



We strive for excellence in all we do. This includes ensuring our products are commercialized responsibly, in line with regulations and societal expectations. The programs and rules we have established help us to meet the high standards we have set for our marketing and sales activities.

- Responsible marketing and sales practices
- Sustainable supply chain management
- Respect for human rights
- Responsible and transparent R&D
- Data privacy and protection
- Business integrity illicit tobacco trade prevention
- Responsible advocacy
- Fair fiscal practices

pg For more information on our **Pillar 2**, please refer to page 22

CARING FOR THE PEOPLE WE WORK WITH



Continuously improving our social impact within and beyond our operations is essential to PMI's long-term success.

TIER 1 TOPICS

- · Socioeconomic wellbeing of tobacco-farming communities
- · Health, safety, and wellbeing at workCaring

TIER 2 TOPICS

- Fair working conditions
- Community support
- Diverse and inclusive working environment
- Talent attraction, retention, and employability

For more information on our Pillar 3, please refer to page 30 - 39.



PROTECTING THE ENVIRONMENT

Committed to continually improving our business activities to achieve the highest standards of sustainability, in line with our Environmental Commitment.

TIER 1 TOPICS

- Climate protection
- Littering prevention
- · Product eco-design and circularity
- **TIER 2 TOPICS** • Forest conservation Biodiversity
- Water stewardship
- Waste reduction

For more information on our **Pillar 4**, please refer to page 40 - 47.

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ABOUT PHILIP MORRIS INTERNATIONAL

Philip Morris International (PMI) is leading a transformation in the tobacco industry to create a smoke-free future and ultimately replace cigarettes with smoke-free products to the benefit of adults who would otherwise continue to smoke.

PMI is a leading international tobacco company engaged in the manufacture and sale of cigarettes, as well as smoke-free products, associated electronic devices and accessories, and other nicotine-containing products in markets outside the U.S. In addition, PMI ships versions of its IOOS Platform 1 device and consumables to Altria Group, Inc. for sale under license in the U.S., where these products have received marketing authorizations from the U.S. Food and Drug Administration (FDA) under the premarket tobacco product application (PMTA) pathway; the FDA has also authorized the marketing of a version of IQOS and its consumables as a Modified Risk Tobacco Product (MRTP), finding that an exposure modification order for these products is appropriate to promote the public health.

PMI is building a future on a new category of smoke-free products that, while not risk-free, are a much better choice than continuing to smoke. Through multidisciplinary capabilities in product development, state-ofthe-art facilities and scientific substantiation, PMI aims to ensure that its smoke-free products meet adult consumer preferences and rigorous regulatory requirements. PMI's smoke-free product portfolio includes heatnot-burn and nicotine-containing vapor products. As of year-end 2021, IQOS was available for sale in 68 markets in key cities or nationwide, and PMI estimates that approximately 15.3 million adults around the world have already switched to IQOS and stopped smoking.

>175

Markets where our products are sold

68

Markets where our heat-not-burn product IQOS is available for sale

>68,500

Employees worldwide, of whom 41.7 percent are women

40%

PMI-owned manufacturing facilities, of which 8 are partially or fully dedicated to the production of smoke-free products

>250.000

Contracted farmers supplying tobacco to PMI. located in 21 countries

Philip Morris Malaysia Sustainable Development Goals

Cigarette smoking contributes to the development of serious diseases. Replacing cigarette with less harmful alternatives that exclude combustion, we can significantly reduce the negative





We are implementing environmental responsibility programs based on global standards at all stages of our production and sales.

Helping those in need at the community level allows us to create shared values in all countries of the world where we conduct our business. The support we provide at the local level depends on the need of local communities, Our programs in Kazakhstan include access to quality education, vocational training, and the expansion of economic opprtunities, mainly in rural areas.



Cigarettes are one of the most popular types of illegal products



We ensure good working conditions for all of our employees and expect our suppliers to do the same for the benefit of over one million workers throughout our value chain.

in the world. It ostracizes the development of the country's economy and business, including ours. This is why we actively work with states and non-state partners to solve the problem.



Transforming our Business

Latin America & Canda

(incl. the U.S.)

New York, US

In 2016, we set a new course for the company-staking our future on replacing cigarettes with scientifically substantiated, less harmful alternatives. Since five years announcing our new vision, reaffirmed by our Board last year in our **Statement** of Purpose, we remain committed to accelerate the end of smoking. This means not only transforming our company to deliver on our purpose, but also inspiring the industry to follow our lead. We aim to create a sustainable positive impact that benefits our company, shareholders, consumers, and society.

More than one billion people worldwide smoked cigarettes or other combustible tobacco products in 2020, and, according to the World Health Organization (WHO), around the same number will smoke in 2025. At PMI, we want to provide better, science-based alternatives for those adults who otherwise would continue to smoke. Our commitment is backed by a substantial R&D program, significant sustained investments in manufacturing, commercial and human capabilities human

capabilities, and infrastructure needed to bring these alternatives to market.

European Union

South & South

East Asia

Operations Center

Lausanne, Switzerland

Middle East & Africa, and Duty Free

Eastern Europe

To date, we are the only company within the traditional international tobacco industry to have committed to going completely smokefree by encouraging full switch of adult smokers to better alternatives than continued smoking. And we have already built a leading position in the smoke-free category globally.

Delivering on our purpose requires ambitious goals and targeted decision-making. Transforming from a cigarette company into a world-leading smoke-free business is about more than replacing one product with another. It requires a holistic review and overhaul of our entire business model and value proposition, including extensive changes within our operations and value chain and in the ways we interact with

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INNOVATING FOR BETTER PRODUCTS

PERFORMANCE HIGHLIGHTS

Total adult users of PMI's smokefree products.

21.7 million

15.3 million

adult users have switched and stopped smoking

29.1%

of adjusted net revenues derived from smoke-free products, available for sale in 71 markets worldwide

USD 9.2 billion

cumulative investments behind smoke-free products since 2008

46 countries

where PMI deploys cigarette butt anti-littering campaigns focusing on driving behavioral change



Contribution to the **UNSDGs**





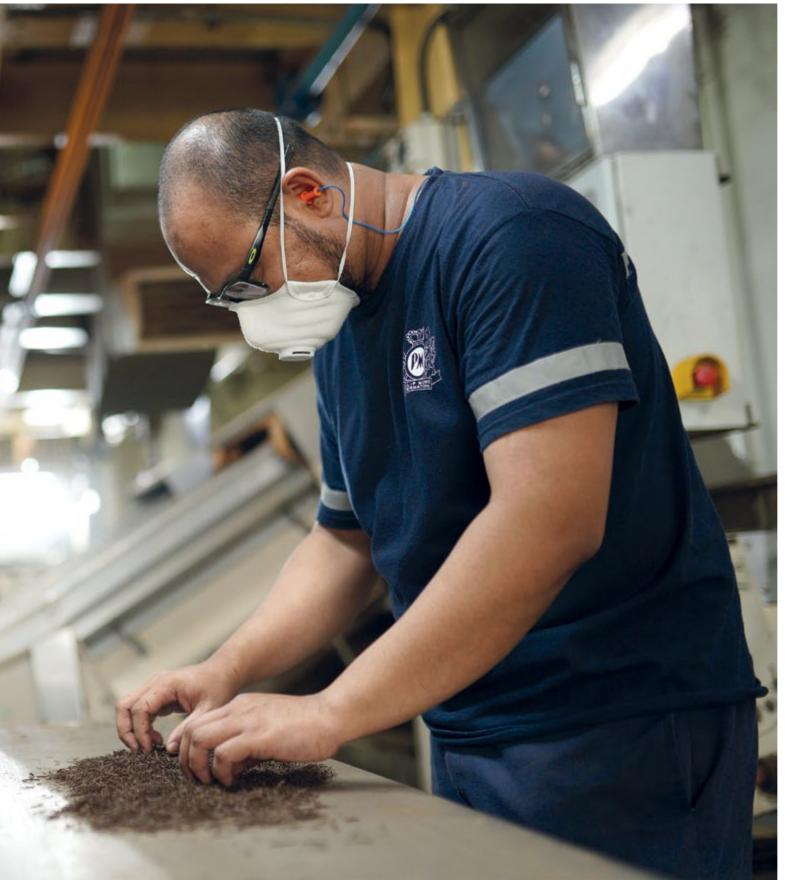












Public health authorities, the scientific community, and regulatory bodies, agree that the primary cause of smoking-related disease is not nicotine but the inhalation of harmful and potentially harmful constituents, which vast majority are emitted as a result of burning (combusting) tobacco. Therefore, we have developed, and will continue to refine, a portfolio of products that deliver nicotine without combustion, which are our smoke-free products. While these products are not risk-free, but they are a far better choice than continuing to smoke.

Cigarette smoking is the most dangerous form of tobacco use. It is the leading cause of preventable diseases, including cardiovascular disease, lung cancer, and chronic obstructive pulmonary disease. The best way to avoid the harm of smoking is never to start, but for those who do smoke, to guit. However, many smokers do not quit. According to World Health Organization (WHO) forecasts, there will still be more than one billion smokers by the year 2025. For these people, access to alternative products that significantly reduce the risk of disease compared with continued smoking is critical. When appropriately regulated, these products can complement and help accelerate existing efforts to reduce smoking prevalence.

The future of the nicotine industry is unarguably in smoke-free products, which are experiencing rapid growth. Through our early and sustained investment in R&D, and consequent leadership in technology and innovation, we have built a very strong position. As of year-end 2020, our R&D work and its associated innovations have resulted in 1,770 patents granted for smoke-free technologies by the five largest intellectual property offices in the world (IP5); moreover, excluding China and the U.S. Heated tobacco consumables also have higher revenues and gross unit margins per pack compared with cigarettes, and as scale increases we are also driving significant operating income margin expansion as we generate operational leverage on our ongoing development, device, and commercial infrastructure costs, and realize digital efficiencies. Through growing this business as fast as possible, and adult smokers fully switching to our smoke-free products, we aim to capture more overall market share at superior margins and deliver strong organic growth in net revenues and adjusted diluted earnings per share (EPS). This provides attractive returns on our significant upfront and ongoing investments in developing the category, with USD 9.2 billion cumulative investments behind smoke-free products since 2008 in the development of scientifically substantiated, commercially viable smoke-free products such as IQOS.

The principal source of smoking-related diseases is known: The burning of tobacco emits the vast majority of the harmful chemicals that are found in cigarette smoke. By avoiding combustion, we reduce or eliminate the formation of harmful and potentially harmful constituents (HPHCs). Through substantial investment in R&D, we have developed products that provide the enjoyable experience of consuming nicotine and flavors without burning tobacco.

INNOVATING FOR BETTER PRODUCTS

PRODUCT HEALTH IMPACTS

Two fundamental principles guide the scientific assessment of smoke-free products:



Epidemiological

Smoking-related harm and disease are caused by long-term exposure to the toxicants found in cigarette smoke. The best way to avoid these harms is never to start smoking. For men and women who do smoke, cessation is the best way to reduce harm and the risk of tobacco-related disease by eliminating exposure to the toxicants in cigarette smoke. Complete, long-term cessation offers the maximum risk reduction a smoker can achieve and hence is the "optimum standard" for the assessment of smoke-free products.

Toxicological

The level and duration of exposure to toxicants determines the nature and extent of adverse health effects. For exposure to take place, toxicants must be present—meaning that they are emitted by the product or process of use. A product with significantly lower toxic emissions compared with cigarettes has the potential to significantly reduce exposure to toxicants, which in turn leads to a reduction in adverse health effects. In line with those two principles, our assessment program aims to compare health outcomes of switching to smoke-free products with both ongoing smoking and cessation.

In line with those two principles, our assessment program aims to compare health outcomes of switching to smoke-free products with both ongoing smoking and cessation.

We implemented a rigorous scientific assessment program aligned with the U.S. FDA's draft guidance on modified risk tobacco products (learn more about how we conduct our

R&D on PMI.com and PMIscience.com). In addition to aerosol chemistry, non-clinical, and clinical studies, our assessment program includes consumer behavior studies in order to minimize the use of our smoke-free products by unintended audiences, such as former smokers, never smokers, and youth. In addition, following market launch, we continuously monitor the safety profile of our smoke-free products to ensure that any new or different health risks associated with their use can be identified in a timely fashion, if they occur, and can be managed appropriately. We do this by improving our products and updating user information. We also produce and share with regulators—including the U.S. FDA—annual safety update reports, which include notifications received directly from consumers.

Our two main R&D centers, located in Switzerland and Singapore, employ hundreds of scientists, engineers, and other experts working to develop and assess smoke-free products. This work is headed by our Chief Life Sciences Officer, Chief Product Officer, and Chief Consumer Officer, who are members of PMI's Company Management.

In 2021, PMI allocated 99 percent of its R&D budget to its portfolio of smoke-free products. This includes costs related to clinical studies, the development of machineries and prototypes, and product acceptability testing. The remaining 1 percent of our expenditure is largely related to regulatory compliance requirements for our combustible tobacco

Our heat-not-burn product, IQOS

What is it, and how does it work?

Our main smoke-free product, *IQOS*, is a battery-powered, heat-not-burn product that heats tobacco to produce a nicotine-containing aerosol that the user inhales. There is no combustion of the tobacco. Our base model comprises three main components: a tobacco unit, a holder, and a charger. The tobacco unit is a novel product designed specifically and exclusively for use with the holder (the heating device). It contains two filter sections and specially processed tobacco designed to be heated but not burned. Tobacco leaves are ground and reconstituted into tobacco sheets, called "cast-leaf." These sheets are then crimped and made into a tobacco plug. The user inserts the tobacco unit into the holder. Once activated, the holder heats the tobacco via an electronically controlled heating blade. Each tobacco unit provides a maximum of 14 puffs or around six minutes of consumption, whichever comes first. The holder contains a small battery, which can be recharged by inserting it into the charger; the charger, in turn, can be recharged using a household power socket. We continue to enhance our IQOS product portfolio which is driven by consumer insights and scientific findings.

The different parts of an IQOS 3 device



INNOVATING FOR BETTER PRODUCTS

What scientific evidence have we gathered to date?

IQOS is the most thoroughly assessed of our smoke-free platforms. We have accumulated extensive clinical and non-clinical data to support its potential to reduce the risk of developing smoking-related diseases compared with continued cigarette smoking.

In our assessment program, we compared the chemical composition of the aerosol produced by IQOS with the smoke from a reference cigarette, using standardized and validated analytical methods to quantify the most extensive established list of HPHCs (the FDA-93) which includes carcinogens, respiratory, and cardiovascular toxicants. We found that these HPHCs are reduced on average by 90 to 95 percent compared with the reference cigarette's smoke. In addition, we conducted extensive chemical characterization of the IQOS aerosol. Our untargeted screening was used to identify all constituents above 100 ng/stick and resulted in the characterization of 99.8 percent of the aerosol mass. These analyses have shown that there are approximately 10 times fewer constituents in IQOS aerosol than reference cigarette smoke. As the U.S. FDA put it when it authorized a version of IOOS for sale in the US. "these chemicals are present in very low levels and potential effects are outweighed by the substantial decrease in the number and levels of HPHCs found in combusted cigarettes." We also conducted indoor air chemistry and quality studies, which demonstrated that the use of IQOS does not negatively impact indoor air quality.

We conducted toxicological studies for *IQOS*, both in vitro and in vivo, to determine whether the reduced formation of HPHCs in the aerosol lead to reduced toxicity. Results from the in vitro studies show that the *IQOS* aerosol is significantly less cytotoxic and genotoxic than the smoke from cigarettes. The in vivo studies found that, compared with cigarette smoke, the reduced exposure to toxicants results in significantly reduced lung inflammation and respiratory toxicity. In the following stage, we conducted several systems toxicology studies to assess the disease-relevant biological mechanisms affected by exposure to toxicants, using humanderived in vitro cell cultures and organotypic tissue cultures.



These studies showed that, compared with the reference cigarette smoke, the IQOS aerosol has a significantly reduced impact on key mechanisms involved in the development of respiratory and cardiovascular diseases. In a systems toxicology study conducted in an animal disease model (Apoe-/-), we observed that switching to the IQOS aerosol following two months of cigarette smoke exposure reduces the development of both atherosclerosis and emphysema in a manner similar to smoking cessation. We also completed an in vivo study to assess the potential of the IQOS aerosol to reduce the risk of lung inflammation, emphysema, and lung cancer compared with cigarette smoke. The results of this study show that, in contrast to cigarette smoke, the aerosol of IQOS does not increase the incidence and number of lung tumors. The study also confirmed the significantly reduced effect of IQOS aerosol on lung inflammation and emphysema observed in the study mentioned above.

>99% of adjusted R&D expenditure was allocated to our smoke-free

business.

8 out of 38

factories partially or fully dedicated to manufacturing smoke-free products

62,000Electronic smoke-free devices refreshed or repaired



Our 14 clinical studies on *IQOS* have involved thousands of participants and up to 12 months of exposure. For example, we conducted four clinical studies—each involving 160 participants and an exposure period lasting five days to three months—to assess subjects' relative exposure to toxicants when using *IQOS* compared with continuing to smoke cigarettes. The first two studies—incorporating a five-day exposure, in confinement—were conducted in Europe and Japan. The subsequent two studies extended over three months—a five-day confined exposure period followed by an ambulatory period of 85 days—and were conducted using a menthol version of heated tobacco units in Japan and the U.S. The ambulatory study period was intended to assess whether reductions in exposure observed in a confined setting were sustained under "real world" conditions, where factors such as environment, diet, or passive smoking could influence exposure to HPHCs. All four studies showed a significant reduction (ranging from 47 to 96 percent relative to continued cigarette smoking) in the 15 biomarkers of exposure in adult smokers who switched to *IQOS*. Complete switching to *IQOS* achieved a 95 percent reduction in exposure from smoking abstinence.

We also conducted an exposure-response study to measure clinical risk markers when adult smokers switch to *IQOS* for six months. The results of this study show that six months after switching to *IQOS* all eight co-primary biomarkers of potential harm displayed favorable changes (i.e., changes in the same direction as cessation) and that for five of the eight markers the favorable changes were statistically significant compared with continued smoking. We completed a six-month extension of the six-month exposure response study to understand what the same markers look like 12 months after switching. The study showed that in smokers who switched to *IQOS* the favorable changes observed at six months were maintained.

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INNOVATING FOR BETTER PRODUCTS

Heated tobacco units and e-liquids are manufactured using ingredients compliant with all applicable regulatory requirements and with industry and PMI standards. The tobacco used in our heated tobacco products is tested for the presence of crop protection agent residues to ensure it does not exceed permissible levels per industry guidelines. Nicotine and nicotine salts used in e-liquids must satisfy U.S. or European pharmacopoeia specifications. All other ingredients (with the exception of flavoring extracts from tobacco) are either food grade or satisfy U.S. or European pharmacopoeia specifications. We do not use any ingredients classified as carcinogens, mutagens, or reproductive toxicants. All consumable ingredients — and also nonsubstrate material, such as the plastic and other components of cartridges that house the e-liquid and the paper and other components that house the tobacco mixture — are subject to rigorous toxicological risk assessment.

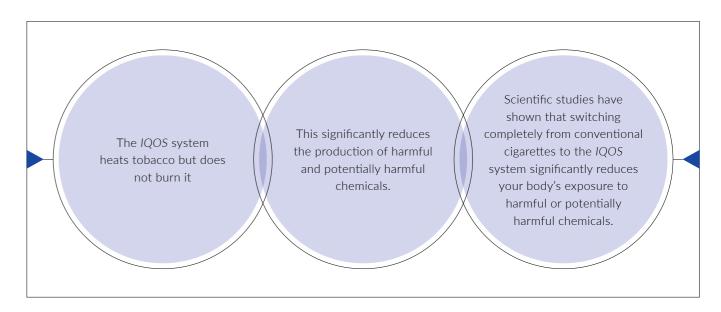


What are the external findings to date?

Our scientific results are supported by a growing body of independent research. Several government agencies have already reviewed the available evidence or conducted research of their own. In addition to studies on aerosol chemistry and toxicology, the first independent clinical and post-market studies have started to emerge. In general, these studies confirm PMI's results, although some have contradictory interpretations of the data (e.g., using fresh air as the comparator instead of cigarette smoke), methodological differences (e.g., enrolled populations, studies that do not follow OECD guidelines), or overstated conclusions.

The list of independent studies (over 160 in total) published around PMI's smoke-free products and/or our methods and results as of April 29, 2021 is available on PMIscience.com

In 2019, a version of our heat-not-burn product IQOS became the first innovative electronic alternative to cigarettes to be authorized by the FDA for sale in the U.S. (read the decision summary here). On July 7, 2020, the FDA went one step further, authorizing IQOS to be marketed as a modified risk tobacco product with the following "reduced exposure" information:



This decision followed a multi-year review of the scientific evidence PMI had submitted to the FDA in December 2016. The agency found that the use of reduced-exposure claims would be "appropriate to promote the public health and is expected to benefit the health of the population as a whole." The FDA also concluded that the totality of evidence international survey data reviewed by the agency found no presented suggests that a measurable and substantial reduction in morbidity or mortality among individual tobacco users is reasonably likely to be established in subsequent studies. The order letter as well as the decision summary are available on the FDA's website.

On December 7, 2020, the FDA authorized for sale in the U.S. the IQOS 3 device, which contains a number of technological advances compared with a previously authorized version of the IQOS device, including longer battery life and a quicker recharge between uses. In its decision, the FDA noted that evidence of increased uptake of IQOS by youth or young adults, while use patterns available for a previously authorized version of IQOS within the U.S. have not raised new concerns regarding product use in youth and young adults.

INNOVATING FOR BETTER PRODUCTS

OUR SPOTLIGHT

SPOTLIGHT ON THE SCIENCE BEHIND OUR PRODUCTS WITH DR YVONNE KHOO, MANAGER, SCIENTIFIC ENGAGEMENT



What is the difference between burning and heating?

Decades of scientific research show that the primary cause of smoking-related disease is the high levels of harmful and potentially harmful constituents (HPHCs) in smoke formed during the combustion (burning) of tobacco.

Smoke is a result of combustion. For combustion to occur, three things need to be present: a fuel to be burned, a source of oxygen and a source of heat. During the puff of a cigarette, the temperature increases to more than 800°C at the tip. The combustion of tobacco results in the formation of ash, heat and light (energy), and smoke.

Heating, on the other hand, does not exceed the temperature threshold of burning which is 400° C. Our tobacco heating system (Platform 1 - Tobacco Heating System) operates at a temperature not exceeding 350°C. Platform 1 does not burn tobacco, thus does not produce ash or smoke.



What scientific evidence have we gathered to date with regards to our smoke-free alternatives?

Platform 1 (tobacco heating system) is the most thoroughly assessed of our smoke-free platforms. We have accumulated extensive clinical and nonclinical data to support its potential to reduce the risk of developing smoking-related diseases compared with continued



cigarette smoking. Our main findings so far:

- There is no burning in Platform 1
- Reduced emission of harmful chemicals
- No adverse effect on the overall indoor air quality
- Positive impact on smokers' health due to reduced exposure



Detailed information can be found in our PMI Science

https://www.pmiscience.com/docs/default-source/default-document-library/pmiscience-booklet-2022.pdf

Q

What are the external findings to date on our product health impacts?

Over the last few years, numerous independent studies have already confirmed different elements of our research on Platform 1. Many government bodies all around the world have conducted literature reviews or performed research on scientifically substantiated heated tobacco products, finding that they expose users to significantly lower levels of harmful chemicals.

- In 2017, the U.K. Committee on Toxicity conducted a review of available evidence on two heated tobacco products, one of which is Platform 1, and concluded that these products "are likely to reduce risks for smokers."
- The Public Health England (PHE)'s 2018 review of the evidence on e-cigarettes and heated tobacco products stated that heated tobacco products likely reduce users' and bystanders' exposure to harmful compounds compared to cigarettes. The review also stated that available evidence suggests that heated tobacco products may be considerably less harmful than tobacco cigarettes and more harmful than e-cigarettes.
- In 2020, the U.S. FDA issued decisions on PMI's Modified Risk Tobacco Product (MRTP) applications for our Platform 1 product. In doing so, the agency found that the issuance of the modified risk tobacco product orders with reduced exposure claims would be "appropriate to promote the public health and is expected to benefit the health of the population as a whole."

In addition, over 50 studies from independent laboratories have results that are in line with our findings on Platform 1.

- Research by cardiologist and leading e-cigarette researcher Dr. K.
 Farsalinos on Platform 1 was published in the journal Addiction
 in 2018, showing that IQOS emits lower levels of carbonyls than
 a commercial cigarette, but higher levels than an e-cigarette.
- P. Caponnetto et al. published the first independent study on carbon monoxide levels in exhaled breath (eCO) in Respiratory Research in 2018. The study found no eCO elevations during inhalational testing with HTPs under investigation in any of the study participants.

SPOTLIGHT ON THE SCIENCE BEHIND OUR PRODUCTS WITH DR YVONNE KHOO, MANAGER, SCIENTIFIC ENGAGEMENT (continued)





Can innovative products like IQOS accelerate the decline of smoking?

PMI conducted a study of heated tobacco products in Japan, which has the highest market share of heated tobacco products (approaching 30% by the end of 2020). Based on this study, it showed that since the national roll-out of *IQOS* in 2016, there has been an accelerating decline in cigarette sales. In 2019, the prevalence of smoking by adults declined to 13.1%, while the overall tobacco use prevalence reached an all-time low of 16.7%. Importantly, the survey also showed that over 70% of heated tobacco product users were no longer smoking. As such, the insights from this study has shown promising trends in how innovative products can help accelerate the decline of smoking.

ACCESS TO SMOKE-FREE PRODUCTS

Our sustained investments in R&D, commercial capabilities, and the IQOS brand have created a competitive advantage, allowing our smoke-free products to lead the new category of better alternatives to cigarettes. By focusing the vast majority of our commercial deployment efforts on making sure that smokers who do not guit, fully switch to better alternatives. We aim to reach as many adult smokers as possible in all markets; this includes the estimated 130 million PMI cigarette smokers and more than 800 million smokers who are using other competitive brands. This is not only the right thing to do, but the business case is clear: Our smoke-free product consumables drive higher net revenues and profitability per pack than cigarettes, with significant operating income margin benefits from increased scale as we start to generate attractive returns on our significant upfront and ongoing investments in developing the category. We are also gaining share of the total tobacco market, thereby increasing our current and future revenue base from which to generate income. Any delay in providing cigarette smokers access to smoke-free products means lower revenues and earnings per share for PMI.

It is our long-standing ambition that by 2025 at least 40 million smokers will have switch to PMI's smoke-free products and stop smoking, including at least 20 million smokers in non-OECD countries. This number can be much higher if more regulators make tobacco harm reduction an integral part of their tobacco control strategies, in addition to preventing initiation and encouraging cessation.

We have made good progress toward our targets. As of the end of 2021, 21.7 million adults were using our smoke-free products, of whom we estimate that 15.3 million had switched to these products and stopped smoking, a total of 12.7 million smokers—including 4.3 million smokers in non-OECD countries—had switched to *IQOS* and stopped smoking cigarettes.

PRODUCT ADDICTIVENESS

Youth Access Prevention in Malaysia

Youth should not smoke or use any products containing nicotine. We have always been clear about this and are committed to ensuring that they do not have access to such products. We fully support all laws and regulations that prohibit the sale of tobacco products and nicotine-containing products to minors. As we move towards our goal of being the world's leading smoke-free business, we want to ensure that any of our existing products are only for adult smokers or adults who would otherwise continue to smoke or use other nicotine products. This includes electronic devices such as the *IQOS* and related accessories that may not yet be covered by minimum age laws.

At PMM, our actions in this area are guided by our Good Conversion Practices and the PMI Marketing Code. The Code ensures that we practice responsible marketing and do not direct any marketing or sales activities to minors or non-smokers and that all marketing must be honest, accurate and transparent.

We are also committed to include health warnings for all advertizing and consumer packaging even if the law does not require these warnings. The placement of marketing and sales materials are controlled to ensure that it complies with the relevant laws and that none of the advertizing channels are directed to minors. In addition, the images or content used must also not appeal to minors. We also implement website age-gating where all visitors to our website are required to declare their birth date before they are allowed to enter our website. If they are below the legal age, they will be redirected from the website. For any online purchases from our platforms, there is a hardage gate where customers are required to submit a photo-ID (i.e. NRIC) in order to complete the purchase. All IDs are verified by our staff in real-time to ensure that they are of legal age.

INNOVATING FOR BETTER PRODUCTS

Product information

At PMI, we seek to provide adult consumers with accurate and non-misleading information about our smoke-free products so that people who would otherwise continue to smoke can choose to switch. We have internal processes in place to ensure that our consumer messages meet this standard. We have also developed a program of perception and behavior assessment studies to understand how our smoke-free products are perceived and how users will behave with the products.

A cross-functional team of scientists, market researchers, lawyers, communication experts, and marketers review consumer messages about our product features and benefits. To establish whether a statement is accurate (substantiated), the team verifies it against available information on product design and characteristics or scientific evidence available either from the literature or directly from our scientific studies or consumer research. To confirm a message is clear and non-misleading, particularly for reduced risk messages, we conduct comprehension research in various markets and carefully analyze the results before allowing the message to be released.

The team also works directly with markets to ensure proper deployment of centrally developed consumer communication and that locally developed marketing materials meet our standards and local law requirements.

Perception and behavior assessment studies help us evaluate risk perceptions of smoke-free products among various adult consumer groups. The results of our studies to date show that the adult consumer groups tested have a very good understanding that *IQOS* presents less risk than cigarettes but is not risk-free and that it is riskier than smoking cessation. Additionally, when assessed in the context of specific communication materials, more than 90 percent of participants in consumer studies understood that *IQOS* is not intended for nonsmokers, and more than 80 percent comprehended that quitting the use of all tobacco is the best way to reduce the risk of tobacco-related disease.

We do not conduct studies on individuals under the legal age to purchase tobacco. We have conducted studies of our heat-not-burn product *IQOS* among young adult never smokers (age 18-25) and these tests indicate a very low or no intention to use or try *IQOS* among these young adult never smokers. However, our FDA MRTP exposure modification

order required that we submit a post-market surveillance and studies plan, which had to be approved by the Agency. As part of that plan, our commercialization partner in the United States, Altria, will conduct a secondary analysis of Altria's existing Underage Tobacco Use Survey (UTUS), which is nationally representative survey of U.S. household-dwelling individuals 13-20 years of age. *IQOS* specific questions were added to the UTUS and will be used to estimate awareness and use of *IQOS* among underage individuals. This information is part of FDA's ongoing post-market surveillance efforts related to *IQOS*, which were deemed necessary to grant the MRTP exposure modification order.

Our premarket and post-market studies guide all our consumer-facing activities and communication, including the internal assessment of consumer messages.

The opinions expressed about smoke-free products by public health organizations, regulatory bodies, and NGOs have a big impact on individual smokers' decisions, so it is critical that these organizations avoid contributing to category confusion or misinformation. To illustrate existing misconceptions: A study found that "the proportion of U.S. adults who perceived e-cigarettes as less harmful [than cigarettes] declined from 39.4% in 2012 to 33.9% in 2017" and that "during the same period, the proportion of adults who perceived e-cigarettes as equally harmful as cigarettes more than tripled from 11.5% in 2012 to 36.4% in 2017." Another study also found that "the proportion of U.S. adults who correctly perceived e-cigarettes as less harmful than cigarettes decreased each year from 41.1% in 2013-2014, 31.5% 2014-2015 and 25.3% in 2015–2016." It is of paramount importance that science and facts prevail for the 1.1 billion smokers worldwide.

 \blacksquare

Expanding the geographic availability of our smokefree products to ensure they are conveniently accessible to adult consumers requires that we leverage a variety of retail channels, including:

- Direct retail channels such as brand retail locations (e.g., IQOS stores) and e-commerce websites (where permitted)
- Indirect retail channels such as tobacconists, convenience stores, gas stations, consumer electronics stores or vape stores, and online channels

Consumer Engagement at Retail

To help smokers transition to smoke-free products, we are shifting from a business-to-business to consumer-centric model. This is a highly complex and resource-intensive undertaking. In the table below, we illustrate some of the dimensions of this change in our business model, showcasing the complexity and scale of the change. This transformation requires significant changes to our internal processes, skill set, and mindset. It also requires a substantial and long-term investment in infrastructure, systems, and capability building. Therefore, we have to maintain a careful pace while scaling things up.

Purchasing and trying a smokefree product is only one step along the conversion journey of adult smokers who seek to switch to a less harmful alternative to cigarettes. It is essential that we have the right infrastructure in place to support adult smokers along every step of this journey.



Purchasing and trying a smoke-free product is only one step along the conversion journey of an adult smoker who switches to a less harmful alternative. It is essential that we set in place the right infrastructure to support smokers along every leg of this journey. As of year-end 2021, we had 36 consumer call centers, where adult users can contact us if they have questions about the product or its use, as well as thousands of own or indirect retail touchpoints worldwide. These retail outlets offer personalized support to adult consumers, ranging from explaining how the product should be used and how to clean it to offering more details about heated tobacco technology and its benefits. These retail outlets offer personalized support to adult consumers, starting with explaining how the product should be used and how to clean it and its benefits, then communicate with our staff to try

out the product. Our *IQOS* coaches are trained on our Good Conversion Practices and are required to interact with adult smokers exclusively.

In addition to the *IQOS* stores, there are premium resellers—selected stores in which we provide information about our smoke-free products to adult smokers, offering them an opportunity to have a session with trained staff to learn about the products and its benefits. Additionally, these locations offer *IQOS* users with access to related services such as device cleaning and replacement (in the case of defects). These sites also permit current users to experience and access new device ranges and accessories with which to personalize their *IQOS* products.

INNOVATING FOR BETTER PRODUCTS

PRODUCT ACCEPTABILITY

Smokers will only stop smoking and switch to better alternatives if they prefer these products over cigarettes.

An important indicator of whether our heat-not-burn product meets consumer preferences is the full switching rate, which is the percentage of IQOS users who stopped smoking versus total IQOS users. We constantly monitor reports to identify safety concerns and health-related adverse events potentially associated with the use of our smokefree products. Further, we conduct post-market studies to understand how IQOS is used and by whom, helping us measure the extent to which adult smokers switch to the product. By conducting repeated studies in 53 countries among adult IQOS users, involving in total about 70,000 participants, we have been able to measure IQOS use patterns among adult users over time. Overall, the data from these studies confirm that IQOS is reaching the intended audience of adult smokers (with a significant proportion of individuals who purchase the product switching fully to it and stopping smoking) and is of very limited interest to adults who have never used nicotine products or who had already stopped using tobacco. The perfect full-switching rate is 100 percent, which is our goal as we continue to develop and improve our products as part of the journey to make cigarettes truly obsolete. IQOS is a new product with different characteristics as compared to cigarettes. During the switching journey, users go through an adaption process where dual use may occur. Our goal is to support consumers to make this adaptation process as short as possible. It is only by switching completely, and eliminating cigarettes, that the full benefits of smoke-free products like IQOS can be realized. We designed our smoke-free products to reduce disease risk compared with smoking while replicating as much as possible the taste, nicotine delivery, and ritual characteristics of cigarettes so that adults who will not quit are willing to switch to these alternative products. The likelihood that adult smokers will consider a smokefree product a viable alternative to cigarettes is dependent on the overall sensory experience, nicotine delivery and clarity on potential health benefits. With regard to nicotine, the FDA stated in its 2019 premarket tobacco application decision: "IQOS delivers nicotine in levels close to combustible cigarettes suggesting a likelihood that IQOS users may be able to completely transition away from combustible cigarettes and use IQOS exclusively." We discuss in more detail the role of nicotine in our smokefree products on PMIscience.com and PMI.com



To cater to a variety of tastes and maximize the probability of adult smokers considering switching instead of continuing to smoke, we make our smoke-free consumables available in a wide range of taste variants (more than 40 for our IQOS HTUs as of year-end 2021). Flavors are essential to encourage adult smokers to switch, and their use should be preserved; however, certain flavors, such as candy- or dessert-like, could be particularly appealing to youth and should not be used. In all circumstances, heated tobacco units, as any tobacco or nicotine products, should be regulated, including the way they are marketed, to ensure they do not particularly appeal to youth. At PMI, we have implemented a central governance system, under which new flavored heated tobacco products and e-vapor products are assessed and by which those product variants are subject to a specific assessment framework that requires data and checkpoints in the process to demonstrate premarket that a new flavored product proposition is not particularly appealing to minors or other unintended audiences. As part of the assessment, we review literature and market data and we also conduct behavior research assessment by "online" consumer testing on a case-by-case basis. Only once this review and validation process is done, new flavored heated tobacco or e-vapor products are commercialized. To confirm premarket findings, we also conduct post-market studies to verify that flavored tobacco and nicotine products commercialized by PMI are not particularly appealing to unintended audiences, including youth.

From concept design to commercialization at scale, our efforts to continuously enhance the experience of our smoke-free products are guided by consumer insights. We regularly incorporate product updates and new features designed to address consumer pain points to help adult smokers switch from cigarettes more seamlessly. In recent years, we have broadened our portfolio of *IQOS* heat-not-burn devices, and we are currently commercializing four models. In 2021, we launched a new heating technology that addresses consumer pain points related to the need for regular device cleaning and the risk of breaking the heating blade.

SPOTLIGHT ON ACCESS TO PRODUCTS WITH STEPHEN RAJASIGAMANY, DIRECTOR, CONSUMER EXPERIENCE





What does 'access to smoke-free products' mean for PMM?

The first component of our access strategy is raising awareness and understanding. This means awareness by consumers of what causes morbidity and mortality, and raising understanding of the benefits of smoke-free products among adults who smoke and will continue smoking. We want these smokers to understand the differences of our smoke-free products in comparison with combustible cigarettes, while also ensuring they understand that smoke-free products are addictive and not risk-free. In our awareness-raising efforts, we are cautious to guard against use by unintended audiences such as never smokers, former smokers, and minors. At PMI, we seek to provide legal age smokers with accurate and non-misleading information about our smoke-free products so that people who would otherwise continue to smoke can choose to switch. We have internal processes in place to ensure that our consumer messages meet this standard. We have also developed a program of perception and behavior assessment studies to understand how our smoke-free products are perceived and how users will behave with the products.



Q

What does it mean to shift from a businessto-business to consumer-centric model in your consumer engagement?

Purchasing and trying a smoke-free product is only one step along the conversion journey of an adult smoker who switches to a less harmful alternative. To be consumercentric, it is essential that we set in place the right infrastructure (both online and offline) to support our target audience along every leg of this journey; from Learning about the product, to Trying it, to Buying it and ultimately to Living with it. This infrastructure operates 2 ways; with us reaching out and also being contacted. For example, we currently have 30 IQOS Authorized Centers and a Call Center toll-free number (1800-88-3858) where we can be contacted to address any questions about our product or its use. Insights we receive are fed back to our teams to address. Through these touchpoints, we offer personalized support to adult consumers, starting with the benefits of heated tobacco technology and explanations & demonstrations on how our products should be used, cleaned and charged.

Q

Can you shed more light on your Youth Access Prevention measures?

We require that a consumer's age is verified across all channels before providing them with access to information on our products or our products itself. For example, in our IQOS Authorized Centers, our Retail Consultants are trained to ensure that minors do not access information on tobacco or nicotine nor access tobacco or nicotine products in any form. Our smoke-free products are only for legal age smokers who would otherwise continue to smoke or use other nicotine products. We do not offer PMI's smoke-free products to people who have never used tobacco or nicotine products or who have guit using tobacco and nicotine products. Our smoke-free products are not an alternative to guitting and are not designed as cessation aids. PMI's smoke-free products are not riskfree and contain nicotine, which is addictive. Switching to a smoke-free product is however, a better choice than continuing to smoke. We inform consumers of all relevant safety information about our smoke-free products.

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OPERATING WITH EXCELLENCE

PERFORMANCE HIGHLIGHTS

In 2021.

8 of our 38

factories were dedicated either partially or fully, to the manufacture of our smoke-free products

We conducted

12 studies

of our heat-notburn (IQOS) and e-vapor (IQOS VEEV) products in six markets in 2020-21, including interviews with more than 23,000 adults who were not consumers of tobacco or nicotine products.

We have set the ambition to generate at least

50%

of our adjusted net revenues from smoke-free products by 2025-just 10 years after our first full IQOS launches.















We strive for excellence in all we do. This includes ensuring our products are commercialized responsibly, in line with regulations and societal expectations. The programs and rules we have established help us meet the high standards we have set for our marketing and sales activities.

At PMM, we support regulations that supports tobacco harm reduction, as well as measures to discourage initiation, encourage cessation, and encourage smokers who do not intend to quit to switch to less harmful non-combusted alternatives instead of cigarettes.

The responsible commercialization of tobacco and nicotine-containing products is of profound interest to society. Cigarette smoking is one of the leading causes of preventable mortality and morbidity in the world. While smoking rates, including among youth, have declined in most countries, smoking continues to be a public health issue. There are also legitimate concerns on youth uptake of nicotinecontaining smoke-free products, notably exacerbated by youth use of e-vapor products in the U.S. We take this risk extremely seriously, and while our smoke-free portfolio has no evidence of any significant use by youth, we must place strong focus on continuing to minimize use by unintended audiences as we expand to more categories and geographies.

There are still an estimated one billion plus people who smoke in the world, and hundreds of millions of people who would otherwise continue to smoke are looking for better alternatives to cigarettes. The availability of innovative smokefree products offers significant opportunity for adult smokers to move away from cigarettes, as well as benefit public health.

Responsible marketing and sales practices are fundamental to minimizing unintended use of our products and reputational damage to our brand equity. Driving sustainable organic growth in net revenues and earnings per share relies on a continued license to operate with regulations which allow us to communicate with and market to adult smokers. Maintaining and growing strong brand equity for our smoke-free products is also critical to growing our market share and delivering an attractive financial performance. Concerns that our products, marketing, and sales could discourage cessation, encourage initiation, or particularly appeal to minors can undermine our credibility, harm our reputation, and even trigger adverse regulation, threatening our ability to engage or jeopardizing product categories. How we market and sell our products can either enhance or undermine our credibility and trust, especially for smoke-free products, where meaningful dialogue is indispensable for achieving our purpose of accelerating the end of smoking. Enforcing the most responsible marketing practice allows us to lead by example.

OPERATING WITH EXCELLENCE

Multiple studies suggest youth initiation of heated tobacco products is low

Independent research from Japan, Switzerland, and Germany, provides insight on youth uptake of these products. In any given year, 9 out of 10 smokers will continue smoking. These men and women deserve scientifically substantiated better alternatives—which now exist, thanks to developments in science and technology. However, the commercialization of smokefree products should not come at the expense of youth.

We are clear: Youth should not use any tobacco or nicotine products. This is something we take very seriously at PMI.

Setting our own high marketing standards

Tobacco marketing is subject to extensive restrictions, including outright bans, throughout the world. But in countries where tobacco regulation is more lenient, and would allow more freedom in terms of marketing, we stick to our strict marketing practices.

All our commercialization activities across the world are guided by a set of core principles:



consumer products.







In addition to these four core principles, our **Good Conversion Practices** govern the marketing and sale of our smoke-free products. Our goal is to convert adults who would otherwise continue to smoke to scientifically substantiated smoke-free products.

We aim to market and sell our products responsibly to adult consumers of tobacco and nicotine-containing products. Fundamental to achieving this objective is providing clear and meaningful information about our products, including about the risks of consumption, through our marketing and sales activities.

Our marketing and sales principles and practices are codified in separate Marketing Codes for combusted tobacco products and non-combusted alternatives (smoke-free products). Until 2021, PMI's (only) Marketing Code focused exclusively on combusted tobacco products—which, together with national laws, set the standards for the marketing and sale of our combusted tobacco products. In parallel, our Good Conversion Practices (GCP) articulated the rules governing the marketing and sale of our smoke-free products.

In early 2021, PMI released internally an updated Marketing Code for combusted tobacco products and a new, separate

Marketing Code for non-combusted alternatives that codifies and elaborates on the principles contained in the GCP. The new Marketing Codes establish a robust governance process to ensure that all commercial programs, campaigns, and initiatives comply with all relevant laws and the principles in the Codes. Everyone involved in PMI's commercialization activities—including employees and third parties acting on our behalf—must be trained on the Codes and follow them.

We also have policies that set standards and requirements for conducting market research regarding combusted tobacco products and non-combusted alternatives. Research is restricted to adults who smoke or use other nicotine-containing products, and all employees and third parties involved in market research activities must be formally trained and are contractually bound to comply with the policies.

In addition, we seek to leverage technology and closely monitor emerging solutions with potential to increase the accuracy of age verification and minimize the scope for human error. Preventing unintended use of smoke-free products is fundamental to building a sustainable business. Cooperation with external stakeholders, especially technology companies, is key in that regard to accelerate the pace of progress and help us meet our goals.

Independent studies on youth initiation of heated tobacco products

Except if required by the relevant regulation, we don't conduct research involving participants under the legal age for tobacco use, so we rely on the data and conclusions reported by the global scientific community to understand whether youth are using heated tobacco products.



SWITZERLAND

In 2019, Addiction Switzerland, a national center of competence in addictions research, published its **analysis of the Swiss data** gathered by the international Health Behavior in School-Aged Children study.

In 2018, 11,121 students in Switzerland aged 11–15 participated in the survey, which records the health behaviors and substance use of young people.

Less than two percent of 15-yearolds reported having used a heated tobacco product at least once in their lives. Of those, almost all had also smoked traditional cigarettes.



GERMANY

In 2020, The Federal Center for Health Education in Germany published the **2019 Drug Affinity Study**.

Based on a nationwide survey of 7,000 adolescents and young adults between 12 and 25 in 2019, the report noted that 7.2 percent of those aged between 12 and 17 smoke, but only 0.5 percent had ever used a heated tobacco product.



JAPAN

In 2020, Kuwabara et al.
published results from the 2017
Lifestyle Survey of Adolescents
in Japan on the prevalence of the
use of cigarettes and alternative
tobacco products.

The study found that the use of heated tobacco products was lower than both traditional and electronic cigarettes in both junior high and high schools.

In total, 1.1 percent of those in junior high school and 2.2 percent in high school had experienced heated tobacco at least once.

Monthly usage stood at 0.5 percent for junior high school and 0.9 percent for high school, while 0.1 percent were daily users of heated tobacco in both junior high school and high school.

Preventing youth initiation

We support regulation aimed at preventing youth use of tobacco or other nicotine-containing products, and strict enforcement of minimum-age laws.

Whilst these case studies show that youth uptake of heated tobacco products is low, one minor using any product containing tobacco and/or nicotine is one too many.

We are committed to guarding against youth initiation and youth use of nicotine-containing products. All of our markets have been tasked to further enforce and modernize youth

access prevention programs. And it is our target to ensure that our full portfolio of electronic smoke-free devices will be equipped with age-verification technology by 2023.

As part of the modified risk tobacco product (MRTP) orders granted by the U.S. Food and Drug Administration (FDA) in its authorization of our heated tobacco product in July 2020, we are required to monitor and report who is using the product in the U.S., including whether it is used by youth and young adults.

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SPOTLIGHT ON YOUTH ACCESS PREVENTION MEASURES WITH STEPHEN RAJASIGAMANY, DIRECTOR, CONSUMER EXPERIENCE





Can you shed more light on your Youth Access **Prevention measures?**

We require that a consumer's age is verified across all channels before providing them with access to information on our products or our products itself. For example, in our IQOS Authorized Centers, our Retail Consultants are trained to ensure that minors do not access information on tobacco or nicotine nor access tobacco or nicotine products in any form. Our smoke-free products are only for adults who would otherwise continue to smoke or use other nicotine products. We do not offer PMI's smokefree products to people who have never used tobacco or nicotine products or who have quit using tobacco and nicotine products. Our smoke-free products are not an alternative to quitting and are not designed as cessation aids. PMI's smoke-free products are not risk-free and contain nicotine, which is addictive. Switching to a smokefree product is however, a better choice than continuing to smoke. We inform consumers of all relevant safety information about our smoke-free products.



Respect for Human Rights

Respect for human rights is embedded in our corporate culture and guides the way we interact with our employees, suppliers, business partners, consumers and communities. As a global company, it is especially important that we protect and promote the rights of our stakeholders and minimize any potential legal and financial risks that could affect us negatively. Our Human Rights commitment and strategy is aligned with the United Nations Guiding Principles on Business and Human Rights and we address this issue across our value chain.

We equip our employees with the necessary training to understand human rights issues and identify any forms of discrimination. Compliance training related to our expect and require to abide by our human rights commitment.

Guidebook for Success includes human rights topics that are covered under our employment policy and health, safety and environment policies. It is also a key component of our corporate training programs, some of which help to equip supervisors with appropriate management skills or to sensitize talent acquisition teams to discrimination. By creating an environment founded on the principles of respecting human rights, combined with a positive, inclusive culture and sound management, it provides the space and opportunity for our employees to thrive and create value.

Our commitment to respect human rights extends to our business partners, including our suppliers, of whom we

Data Privacy and Protection:

Our core values are centered around trust, collaboration and integrity and we are committed to ensure we embody this through all our interactions. Our global privacy framework covers our commitment to managing personal data and information responsibility. It sets out how we govern and manage privacy compliance. In addition, we have designed and developed specific programs to protect our data and information from attacks and improper use.

SPOTLIGHT ON HUMAN RIGHTS, ANDREW LEE, SENIOR COUNSEL MALAYSIA





How is PMM addressing United Nations Guiding Principles on Business and Human Rights?

Respect for human rights are embedded in PMI's corporate culture. shaping the way we work and guiding interactions with employees, suppliers, business partners, consumers, and communities. At PMI, respecting human rights is fundamental to sound risk management and value creation and are aligned with the UN Guiding Principles on Business and Human Rights. Through our Environment, Health, Safety and Security Policy (PMI 8-C), PMM is required to conduct robust human rights due diligence. This includes conducting human rights impact assessments in its highest risk countries with the objective to identify and address social and environmental risks resulting from its operations and value chain.



SPOTLIGHT ON DATA PRIVACY, ANDREW LEE, SENIOR **COUNSEL MALAYSIA**



Why is protecting personal data important for an organization?

In today's data-driven world, data protection is key and PMM takes data privacy seriously. Key pieces of personal data that are commonly stored by PMM, be that employee records, customer details, loyalty schemes, transactions, or data collection, need to be protected by PMM. This is to prevent that data from being misused by third parties for fraud, such as phishing scams and identity theft.

Together with the Guidebook for Success, specific internal policies and guidelines govern our activities. They provide the company with clear guidelines on how to tackle our everyday work the right way. In particular, PMI's Personal Data Protection Policy (PMI 3-C) on data privacy mandates practices regarding data privacy governance and accountability. PMI has a Global Privacy Program (GPP) that sets out standards for data privacy across all our markets and functions. PMI's GPP governs the collection, handling, sharing, storing and security of the personal data handled by PMI affiliates. Our privacy team at PMM regularly report on adherence to the GPP to PMI's Corporate Risk Governance Committee.

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OPERATING WITH EXCELLENCE

Illicit Trade Prevention

it is imperative that we ensure our products are not made available to adults illegally. Illicit trade of cigarettes continue to be one of the most common illegally traded goods in the world, which presents an obstacle in our fight against smoking. At PMI, we leverage technology to deter illicit trade and secure our supply chain.

As we progress towards our vision of a smoke-free future, Our global initiative, PMI Impact, also continues to support organizations in reducing or preventing illegal trade and counter its negative consequences. In 2021 we launched our third funding round for PMI Impact to support projects around capacity building, networking and international cooperation and border control.

> OUR **SPOTLIGHT**

SPOTLIGHT ON ILLICIT TRADE PREVENTION WITH LAU VEE YONG, EXTERNAL AFFAIRS



Why is illicit tobacco trade prevention part and parcel of Sustainability?

It is the right thing to do. In PMI, our approach to sustainability is structured around four pillars of action and illicit tobacco trade falls under one of the key pillars – operating with excellence.

Illicit trade creates an impediment to sustainable development with the loss of government revenue and furthermore, illicit tobacco trade-fueled by corruptionis part of a wider system of illegal activities, threatening human rights and damaging the environment. Preventing illicit trade is, therefore, an integral part of our efforts to drive operational excellence and build a sustainable future.



In Malaysia, close to 12 billion illicit cigarettes were consumed in 2020. This means six out of every 10 cigarettes is illegal, resulting in RM5 billion excise loss per year. In 2021, the Malaysian government introduced anti-illicit measures which has helped reduce the amount of illegal cigarettes being sold. The latest Illicit Cigarettes Study (ICS) showed that illicit cigarettes fell from 64.1% in December 2020 to 57.9% in 2021 - a reduction of 6.2%. This is the first time the incidence of illicit cigarettes decreased since 2015 and shows the importance and need for cooperation between private and public parties to advance the global fight against illicit trade.

Malaysia has launched its smoke-free alternatives in 2018, does this change the game for the illicit trade in Malaysia?

In order to deliver a smoke-free Malaysia, illicit trade prevention plays an important role in safeguarding the Company's reputation by proactively protecting the outflow of illicit Reduced Risk Products (RRPs) from Malaysia. Prior to the commercialization of smoke-free products, we worked closely with various key functions to build a comprehensive Anti-Diversion (AD) plan in order to prevent diversion of RRPs.

At the same time, COVID-19 has changed the modus operandi of illicit trading. While the supply of illicit tobacco products were not hindered, syndicates shifted business operations to e-hailing platforms, courier services, e-commerce and cross-border coordination for continued supply of illicit tobacco products. As the new threat grows, PMM proactively works with relevant key stakeholders in removing the listings - approximately 85% of PMM's tobacco product listings have been removed online.

Responsible Engagement

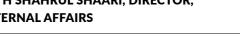
Fair and transparent engagement is crucial to achieve our vision of a smoke-free future. The success of our business depends on our ability to interact with external stakeholders in a fair, honest and respectful manner. Apart from managing risk and reputation, good advocacy helps to create opportunities for dialogue and partnership building to find solutions to current and future global challenges. We do this by ensuring all our employees are trained on our Code of Conduct, External Communications and Engagement and Anti-Bribery policies. We conduct sustainability materiality assessments regularly, to help us understand our core issues so that we can better focus our efforts. Our anti-corruption policies and processes include principles on responsible lobbying and across all our engagements, we ensure we comply with our standards and applicable laws.

Responsible and transparent R&D

At PMI, R&D forms the foundation of our business and is key to achieving our vision of a smoke-free future. The scientific work that is conducted to discovering smoke-free alternatives and studying the toxicity of products helps to advance the debate on public health and tobacco harm reduction. We strive for integrity, rigor and transparency in line with international standards and have a zero tolerance for compromising our methods or execution.

SPOTLIGHT ON RESPONSIBLE ENGAGEMENT WITH SHAHRUL SHAARI, DIRECTOR.

EXTERNAL AFFAIRS



Is it important for PMM to regulate your interaction with competitors?

OUR

SPOTLIGHT

Competition laws are the rules of the game for business, much like the rules for competitive sports. It might be easier to win in the short run by bending or breaking the rules, but then if you are not competing fairly, you are basically cheating. That is not what consumers (or spectators) want nor deserve. And it is certainly not how we do business at PMM. PMM thrives in a fair, competitive market. We compete vigorously and fairly based on product quality, consumer insights, process innovation and other means that competition laws encourage. Thus, we act independently of our competitors; always use good judgement in adhering to the rules; and consciously seek legal advice in case of doubt. The law expects competing companies to act independently of each other. Contact with competitors might be appropriate and necessary on certain matters, but you must always be cognizant of the parameters and stay clear of any anticompetitive behavior. A healthy competitive market is good for business, good for consumers and makes us as a company become even better.



Do you have any policies governing your engagements with government officials or external stakeholders?

The success of our business, especially as we strive towards a smoke-free future, depends largely on our ability to interact with external parties, including government officials, within the boundaries of the law and to avoid interactions that are not fit and proper. We strictly do not condone to any improper behavior or dealings that result in any unfair advantage, therefore we have clear internal policies and guidelines governing all our interactions. All professionals - in business and in government – are expected to perform their duties objectively. We do not accept anything of value that might affect our objectivity in doing our job. Every employee should exercise good judgement to ensure that our interactions with government officials and

private individuals earn and maintain the public's trust and respect, and do not negatively affect the company's reputation. The Company's books and records must accurately and fairly reflect all transactions, including expenses incurred in connection with gifts, entertainment, contributions and industry memberships, and payments to third parties engaged to interact on our behalf.



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CARING FOR THE PEOPLE WE WORK WITH

PERFORMANCE HIGHLIGHTS

0

on-site COVID-19 infections at Seremban factory

Half-day

Every Friday for employees

Allocation

for employees who wish to work from home

3 days

employees can choose to come to work since the implementation of Smart Work post COVID-19















Continuously improving our social impact within and beyond our operations is essential to PMI's long-term success.

Promoting a safe and healthy working environment is vital. In our factories, offices, laboratories, retail outlets, and for our sales teams in the field, we aim for a safe and secure work environment populated by a healthy and motivated workforce.

Health and Safety at work

Our response to COVID-19

A key focus of our health and safety program in 2021 continued to be our response to the COVID-19 pandemic. In Malaysia, the government imposed a number of Movement Control Orders (MCO) in the first half of the year and a total lockdown in June in attempts to stem the rising number of cases across the country. Needless to say, this impacted our operations and production lines as Malaysian ports were overloaded and roadblocks halted our distribution nationwide. Our employees were heavily impacted as they experienced difficulties in travelling to work and faced potential exposure to COVID-19 in the office.

For the health and safety of our employees, PMM conducted an internal risk assessment or our safety policies to ensure that COVID-19 hazards and risks were adequately addressed and that control measures were put in place. In addition, we made it mandatory for all our operations to adhere to company guidelines on top of local authority guidelines to ensure that all possible precautions were being taken.

For the majority of our employees who were office-based, we provided a flexible working arrangement and encouraged employees to work from home (WFH). To ensure that employees had a comfortable and ergonomic workspace at home, we provided RM500 to each employee for them to buy furniture and computer monitors. We also had regular mental health webinars to maintain a positive mental state among our employees and information sharing sessions on available vaccines and other COVID-19 information.

In our factories, PMM enhanced our health and safety protocols and implemented strict measures to maintain safety. As part of government regulations, all factory workers had their temperature checked at the entrance and had to wear PPE and masks at all times. Floor markers for social distancing and hand sanitizing stations were also established, as was a reduced capacity in meeting rooms to 50%. All meetings had to be pre-booked, PPEs were made available at all meeting rooms and after one hour, the room lights were automatically switched off to encourage employees to leave the room. We implemented a staggered lunch and break time to reduce the risk of spread as well as mandating hand sanitizing before and after eating at the canteen. All workers also had to submit a self-assessed declaration on their current health status and check-in to the national contact tracing app.

Additional measures that were put in place by PMM include enhanced sanitization where it was recommended that all workspaces be sanitized in the morning, after lunch and after face-to-face meetings. A behavioral observation system (on whether employees adhered to SOPs), limited conversation time and a maximum return capacity was also implemented to reduce potential exposure.

CARING FOR THE PEOPLE WE WORK WITH

OUR SPOTLIGHT

SPOTLIGHT ON CAST LEAF SAFETY PROTOCOLS WITH SUBASHNI THAMOTHAREM, MANAGER. CAST LEAF



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With Cast Leaf having zero infections on-site, what measures were placed to ensure the continued functionality of cast leaf during COVID-19 restrictions?

We were proud during the height of COVID-19 to have stricter restrictions than that of local regulators. We went above and beyond here. All factory workers had their temperatures checked thoroughly and were encouraged to wear PPE masks at all times. We installed floor markers for social distancing whilst on the floor and all meeting rooms were reduced to 50% capacity with imposed time limits. We even ensured automatic room lights to shut off to encourage faster meetings. At lunch, employees were instructed to eat at different times to avoid contact.

Safe and healthy working environment

An environment that keeps everyone safe and protects the well-being of all is a prerequisite for productive work. We are committed to providing a safe and secure working environment for all employees, contractors, and visitors. Our responsibility doesn't stop at the factory gate; we expect our suppliers and tobacco growers to keep their workers safe, too. By ensuring that all people who work with us enjoy a safe and healthy work environment, and by paying attention to their physical and mental well-being, we can positively impact their lives beyond their time spent at work. In addition to the benefits that provides to our company and our people, it helps to lessen demands on national healthcare systems. Maintaining a happy, safe, and healthy workplace isn't just good for employees, it is also good for our business; happy

workers are more engaged, more productive, and more likely to stay at the company. Promoting a safe and healthy working environment is therefore key for PMI and our business. Making sure that our employees are mentally well, socially stimulated, and physically safe is every bit as important as looking after their financial security. It help to manage operational costs and foster a culture that attracts and retains great people. In short, implementing strong health, safety, and well-being management creates and protects value. It boosts morale, fosters teamwork, increases productivity, reduces absenteeism, increases job satisfaction, and strengthens engagement. A highly motivated, dedicated, and productive workforce is the key enabler of PMI's business transformation.

SPOTLIGHT ON SAFETY WITH ZULEHA KALITHU, MANAGER, SECURITY, SAFETY AND ADMINISTRATION





Q

What measures have you implemented to safeguard employees during COVID-19?

Our department was responsible for ensuring the workplace was Covid-safe and put in place a stringent cleaning schedule which involved sanitizing common touch areas four times a day, conducting a deep clean every Friday and doing a full sanitizing wash of the toilets once a week. All cleaners were sent for special training on how to handle cleaning chemicals and how to conduct proper sanitization of surfaces. We provided PPE to all employees, which included 3-ply masks, a box of gloves, anti-bacterial wipes and hand sanitizer bottles. New SOPs were developed and implemented to ensure social distancing and these were communicated to employees so that they were aware of the measures put in place.



Do you provide training for employees during fire emergencies?

Regular fire emergency drills were conducted in the previous office. However, due to the pandemic and workfrom-home measures, we have been unable to conduct any fire drill training at 1 Powerhouse. Emergency plans have been drafted though and a formal fire drill will be conducted in 2022 where the Fire Department will participate as well. In addition, PMM Fire Marshalls will be provided First Aid, AED and escape route training.

CARING FOR THE PEOPLE WE WORK WITH

We believe how an office is designed can promote greater inclusivity and better productivity. At our new headquarters, this approach of leveraging physical design to shape work behaviors has led to the adoption of an open desk policy, a departure from the norm of designated desks. Every employee is encouraged to sit wherever they please and the layout has been designed to promote inclusion and create more opportunities for colleagues to have conversations. This also means that employees at various levels in management can easily converse and share ideas freely, providing more opportunities for projects, consultations, and work collaborations. We have seen improved social interaction and rapport between colleagues as well as enhanced productivity at work.

On the heels of hot-desking, is the 'clean-desk' policy which essentially means keeping your desk clutter-free. Employees are required to clean up the workspace used at the end of the day to ensure that the office environment remains clutter-free, freeing up more time to focus on completing tasks for the day. Research has clearly indicated that clutter slows down productivity and increases stress levels. As such, it is important to have a clean desk to have better concentration at work. This has also encouraged us to move towards further digitalization to help enhance productivity and cultivate ecofriendly initiatives by using less paper.

<u>Diverse and inclusive working environment + Talent attraction, employability</u>

We believe diverse and inclusive workforces make businesses and society stronger, boosting innovation, creativity, responsiveness to change, performance, employee motivation, engagement, and well-being. PMI's goal is to uphold an inclusive environment in which all employees feel respected, supported, and engaged—and thus able to perform at their best. We are committed to improving the workplace by fostering an inclusive culture and enhancing our diversity. For PMI, talent management includes two primary areas of focus: Providing a workplace that is attractive to prospective employees in which current employees can grow personally and professionally, and develop careers that satisfy and engage them; and responsibly addressing the future of work by considering the potential impacts of automation, digitalization, and business transformation.



During such challenging times, we also want to ensure our employees continue to be engaged with their colleagues and the company. We held a number of employee engagement activities this year which also had a sustainability theme to raise awareness about our environment. One of the activities included a tree planting competition which was held in partnership with Free Tree Society. Employees were grouped into different cross-functional teams and were all given a seed to plant. Free Tree Society organized a webinar to teach employees the correct way to plant a tree and the proper soil that is required. The team with the best overall trees planted won vouchers and gifts from The Hive.

We also organized a clean-up competition, with a twist, in conjunction with World Clean-Up Day. Due to restrictions, big cleanup events were not allowed so the cleanup was focused in each employee's home instead. Spark Joy & Flow (a Marie Condo association) conducted a webinar to teach employees the most effective methods for cleaning their homes, including organizing their closets and even their wallets. A representative from Spark Joy & Flow helped to judge the competition and presented awards to five employees for the most cleaned-up space.

SPOTLIGHT ON EQUAL SALARY CERTIFICATION WITH SWATI CHAWLA, DIRECTOR, PEOPLE & CULTURE MALAYSIA





What does it mean to be Equal Salary Certified?

Equal Salary Certified implies that PMM pays men and woman equally for work of equal value. The Equal Salary Certification process was developed by the EQUAL-SALARY Foundation (ESF), an independent, non-profit organization based in Switzerland established in 2010. The EQUAL-SALARY Certification (ESC) is conducted by the ESF and verifies that organizations have sustainable policies and practices to ensure that they pay their male and female employees equally for equal work. The certification comprises a comprehensive quantitative comparison of our salary data and a qualitative audit of our management's commitment to gender equality, talent management and development policies and practices, and of employee perceptions of gender equality. The qualitative analysis in particular helps to uncover potential gender blind spots that could hinder equal opportunities for women to progress and is an important building block on the road to creating a more inclusive, gender-balanced workplace.

The certification is a strong display of our commitment to equality and gender balance and we feel very proud to be one of the first companies in Malaysia to be equal salary certified.



Q

How has it impacted future recruitment?

ESC strengthens PMM's attractiveness as a fair employer that pays men and women equally for work of equal value. It instills a lot of pride and confidence in the recruiters and the hiring managers to be able to be bias free in selecting the best fit candidate for the job irrespective of their demographic.

With the certification, candidates who apply to PMM are also assured that they would be joining a progressive and fair organization that is inclusive and celebrates diversity to successfully transform the business to help create a smoke-free world. Recruitment practices at PMM is governed by the ESC which ensures that the offer made to the candidate is equitable and free of bias based on gender, nationality, race or other dimensions.



Why does PMM provide 4.5 day work weeks?

PMM introduced the option of 4.5 day work weeks to enable employees to strike a better balance between their personal life and work schedules. In addition to only working half the day on Fridays, employees are also offered the flexibility to choose the specific hours they work (outside of a few core hours) based on their availability, preference of our customers, traffic conditions, needs of the family etc.

The policy was co-created based on employee feedback collected through numerous focus group discussions. Employees at different life stages and career stages participated in these discussions to ensure that we captured everyone's opinions and needs. The policy has helped us all to better organize our lives and maximize our job satisfaction.

CARING FOR THE PEOPLE WE WORK WITH

OUR SPOTLIGHT

SPOTLIGHT ON EQUAL SALARY CERTIFICATION WITH SWATI CHAWLA, DIRECTOR, PEOPLE & CULTURE MALAYSIA (continued)



Why did PMM focus on being Equal Salary Certified?

We know from multiple studies that organizations with diverse teams and an inclusive and fair culture are more innovative and successful. As we work towards our goal to create a smoke-free world, it is equally important to ensure we address the risks and issues we face today. We need to create a more diverse, talented and fair workplace to achieve a smoke-free world.

Paying men and women equally for equal work is the very minimum standard of equality. It is a basic human right and it is why we have focused on being Equal Salary Certified. PMI aspires to be the first globally ESC multi-national organization and as part of the certification process, our affiliates in 58 markets around the world will be subject to the qualitative audit.

Further, the qualitative part of the ESC process helps to identify improvement opportunities in our efforts to address the broader challenge of closing our gender talent gap – whether that's challenging subjectivity and stereotypes in the way we assess performance and potential or accommodating more flexible attitudes to where and when work is done.



SPOTLIGHT

OUR

SPOTLIGHT ON EMPLOYEE ENGAGEMENT WITH SARA KANG, ASSOCIATE MANAGER, PEOPLE & CULTURE MALAYSIA



What is PMM doing in terms of continuous learning?

As learning is a lifelong process, we offer our employees the option of various continuous learning platforms to improve existing skills or learn new ones pertaining to their jobs. This includes external training for soft skills or technical skills as long as it is required in the job scope of the employee in question. Employees can take short courses such as those in project management, management, or leadership courses in universities, or even Master courses which can be partially funded with a bond. Also, those who wish to create their own development plan can do so based on skill sets they want to develop for short- or long-term development.



What innovative methods do you employ to have employees learn about subjects they are unfamiliar with?

PMM strives to ensure all employees regardless of level have access to continuous learning platforms. Some of the methods we employ include:

FUSE - Personal Discovery

We have a learning platform (FUSE) that includes various learning journeys for personal discovery covering mental, physical, workplace, social and financial wellbeing. The learning on FUSE also covers materials on Leadership and it is categorised into managing one's self, teams and leading with impact sections. All the learning on FUSE are bite-sized learning content and self-paced so that employees can learn according to their own time and schedule.

Language - Rosetta Stone Learning Academy

Employees are also given access to learn a different language via the Rosetta Stone Learning Academy. They can select a language to learn that is available on both mobile and desktop. The intention is to use the multicultural network at PMI to practice and perfect their language of choice.

Digital Skills - Digital Campus

For those who are looking to improve their digital skills, we have a Digital campus available. It offers more technical or mandatory learning related to employee specific development or in closing their skill gaps—where monitored learning plans are provided. Some of the topics that have been covered are Knowing the Audience, Social for Business, Digital Media, CRM Fundamentals, Data Analytics, Search Engine Optimization, E-Commerce, User Experience and Omnichannel Engagement.

Learning Nuggets - Centrical

Learning nuggets are also disseminated weekly via our gamified learning platform – Centrical. Content on Centrical covers various topics that include business relevant content and non-business content such as fun facts, celebrations, wellbeing, and mental health. It can be accessed via the mobile app or desktop.

Interactive Puzzles/Quizzes

Content is pushed via interactive quizzes daily and employees can complete the quizzes. Some content could be totally new to them or designed to refresh their memory. After completing the quiz/puzzle, they can claim points which can be exchanged for gifts at the virtual gift store.

Yoga sessions helmed by external and internal employees. Hybrid sessions were conducted for these sessions and employees had the option to join virtually or physically (with proper SOPs in place).

Our aim for the year ahead is to ensure our employees continue to be healthy, engaged and productive. In 2022, we launched our new wellness branding "mywellbeing@ PMM" aimed at establishing a holistic approach to employee wellness in the areas of mental, physical, workplace and financial wellness. Employee engagement and wellbeing continue to be our highest priority and with an evolved holistic approach to it, we hope to be able to equip our teams to better manage work-life balance. We are also aiming to launch SmartWork, a holistic wellness calendar with activities comprising physical, mental, workplace and financial wellbeing, renewal of benefits and many more.

Holistic wellbeing at work is an ongoing process, and we will continue to engage with our employees to gain feedback on what they would like to see implemented within PMM and continue to evolve to ensure our employees remain motivated.



What is PMM doing in terms of employee wellness, especially amidst challenges during Covid-19?

At PMM, our employees are our top priority. In 2021, we focused heavily on mental wellbeing and conducted a series of mental health webinars focusing on understanding one's wellbeing, signs to look out for when one is stressed, practical tips to avoid burnout and how to bring out our best selves at work and at home. We also had talks from esteemed specialists in the medical field regarding Covid-19, ways to practice proper SOPs and how to keep ourselves and our loved ones safe. We also engaged dieticians to share tips on healthy eating habits and how we can dine healthily. When we started to return to the office towards the end of the year, we encouraged physical wellness with a focus on Zumba and



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CARING FOR THE PEOPLE WE WORK WITH

OUR **SPOTLIGHT**

SPOTLIGHT ON THE PARENTS CONNECT PROGRAM, NELLIE HATTA, MANAGER, TALENT **MANAGEMENT, LEARNING & I&D**



What is the Parents Connect Program?

Parents Connect was created in 2021 to help working parents in PMM to have an informal avenue for discussing issues around being a professional employee as well as a parent. Parents are free to share their worries or advice through bimonthly virtual meetings or Whatsapp groups on how to meet the growing demands of raising children and keeping the family together. The program was created in an effort to drive employee engagement and retention in PMM.



What are the emerging parental themes from the program?

We conducted a survey among the parents and the key topics that parents wanted to know more about included ideas for fun family activities, tips for taking care of babies, carving out 'me' time for adults and simple cooking ideas.



How has it assisted employees' wellbeing during the Covid-19 period?

The program has helped parents to feel more connected with others at PMM and remind them that they are not facing these challenges alone. It has become an alternative source for parents to seek information or resources on parenting skills and navigating the challenges it entails and a platform where parents can reach out to one another for advice on issues such as baby care, meal planning, managing older kids, or simple tips on family-friendly restaurants and schools. In addition, invitations for parenting skills webinars were open to all employees, not just parents, as well as their spouses and family members.

What have been the biggest take-aways from such program?

Parents who work in PMM have a sense of belonging in Parents Connect, as they can share their parenting journey with others who are facing similar challenges. Many new parents also found the program helpful in their quest for parenting advice and building healthy parenting skills.

Community Support

Supporting the communities in which we operate primarily means contributing to local development through community investments, charitable donations, and employee volunteerism. PMM focuses on external initiatives of capacity building and disaster relief.

OUR SPOTLIGHT

SPOTLIGHT ON CORPORATE SOCIAL RESPONSIBILITY WITH LAU VEE YONG



What was the key focus of CSR during the in Malaysia?

PMM is strongly committed to the development and growth of local communities via CSR and Sustainability Initiatives. Globally. PMM adheres to very strict guidelines in our contributions with rigorous assessments and due diligence in place to ensure unbiased/neutral improvement for a nation/community.

COVID-19 has significantly challenged Malaysia's security, economy, and the livelihoods of communities. PMM strives to support these communities through this endemic across all spectrums (i.e. B40 alleviation, upskilling, etc.) benefitting 102,190 individuals in Malaysia over the past two years. The contributions included providing the B40 income group with essential food items and groceries, supporting vaccination programs and provision of PPEs to medical frontliners.

In December 2021, Malaysia experienced one of its worst **COVID-19 Pandemic and recent flood disaster** flooding in years. As a key investor in Malaysia, PMM worked closely with an existing CSR partner to provide much needed aid to flood victims - self-test Covid-19 kits to flood victims, ready to-eat meals to affected areas, employee's donation drive and mobilization of mobile clinics at temporary evacuation centers. Over RM 1 million was spent on these CSR initiatives.



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PROTECTING OUR ENVIRONMENT

PERFORMANCE HIGHLIGHTS

Close to **152** cigarette butt canisters installed across Malaysia

Nationwide

mapping of hot-spot littering locations

Tourist beaches such as Mantanani, Tioman provided with

anti-cigarette

butt littering canisters

All employees provided with

reusable masks

tested by HQ

Continuous

employee engagement on planting and eating sustainably















Effective environmental management across our operations and value chain goes beyond compliance with applicable laws and regulations. We are committed to continually improving our business activities to achieve the highest standards of sustainability, in line with our **Environmental Commitment.**

While improving the environmental performance of our manufacturing operations is vital, most of our ecological impacts arise elsewhere in our value chain - in particular, tobacco growing and curing, as well as consumer waste. Working collaboratively with tobacco growers, suppliers, retailers, NGOs, and government bodies is critical to achieve our environmental targets.

We also recognize the growing importance of climate change and the effect that greenhouse gas emissions have in exacerbating the issue. With significant manufacturing operations, PMM understands our responsibility in reducing our emissions to contribute to climate change mitigation. We prioritize energy-saving projects and other initiatives such as switching to low-carbon fuel which aim to reduce carbon emissions.

Littering Prevention and Waste Reduction Initiatives

Cigarette-filter litter

This year, we began a nine-month pilot project in partnership with Reef Check Malaysia to address cigarette butt littering. We are working with them to install 200 cigarette-butt canisters in strategic, high littering locations across Malaysia to reduce the amount of cigarette butt litter. Every month, Reef Check and PMM will collect the litter from these canisters and dispose of the butts in a secure manner. Malaysia. As an estimate, we expect to The weight of each canister will be recorded and this information will be used to provide monthly data on the a month. This will result in significant amount of cigarette butts collected at each location. We have engaged with members of Parliament (MPs) in the environment and water sources.

relevant constituencies to obtain their approval and help spread the message of anti-littering. The Mayor of Kuala Lumpur and local councils are also supportive of this initiative.

Upon completion of the project, the data will be compiled into a first-ofits-kind detailed project report about the amount of cigarette butt litter in collect 10,000kg of cigarette litter as each cannister can hold 10kg of litter amounts of cellulose acetate, fine paper and smoke residue averted from the

PROTECTING OUR ENVIRONMENT

Reusable masks

PMM is working with Batik Boutique to design reusable masks and pouches for affiliate employees on an ongoing basis. Batik Boutique is a social enterprise who works with rural and urban batik artisans across Malaysia to create the batik textiles that are used to create its products. This helps keep the industry alive whilst supporting marginalized communities; this project alone supported the employment of 30 mothers from urban poor communities in Kuala Lumpur. The masks themselves were tested for their breathability and safety in our R&D Centers in The Cube at Neuchatel in Neuchâtel, Switzerland to ensure that it was safe for our employees. This year alone, we provided 900 reusable masks to our employees. With a conservative assumption that each mask was only worn 10 times, we estimated that we have prevented the disposal of 60,000 single-use masks and any impact to the environment that it would have had.

Recycled clothes

PMM is working in partnership with Kloth Cares to help collect and recycle old clothes. Through company-wide donation drives, we managed to collect over 300kg of donated clothes from the PMM HQ alone. Kloth Care will clean, re-knit and sell these clothes, which contributes to their aim of diverting 2 million kilograms of unwanted fabrics from ending up in landfills.



PMM plans to further expand our Kloth Cares collaboration annually by collecting more unwanted fabrics and/or clothes to ensure our employees do not contribute to the filling up of landfills.

OUR SPOTLIGHT

SPOTLIGHT ON ENERGY EFFICIENCY WITH SUBASHNI THAMOTHAREM, MANAGER, CAST LEAF



As Manager of Cast Leaf, what is PMM doing systemically in terms of energy efficiency efforts?

Accurate measurement and transparent reporting of our footprint enables us to shape our strategy, set targets, and measure progress. As a global company, we calculate our Greenhouse Gas (GHG) footprint annually, following guidance from the Greenhouse Gas Protocol and accounting for all emissions generated across our value chain. In Malaysia, we identify key energy channels in natural gas, petrol consumption and electricity. For natural gas, we systematically monitor meter readings. For electricity, we periodically keep a record of our meter readings. Both are measured on a regular basis by our third party contractor and logged into a central data point. For petrol consumption, we monitor this through our purchase order's, reported when there is purchase. All these channels and information are then reported monthly through the PMI system to calculate our emissions.



What habits are you teaching your employees towards energy efficiency?

Individually as a company, we are ensuring that our employees are well versed in understanding our carbon footprint. In employee SOPs and taught habits, employees are regularly informed to be mindful of their energy usage and efficient travel.



SPOTLIGHT ON RECYCLING WITH ZULEHA KALITHU, MANAGER, SECURITY, SAFETY AND ADMINISTRATION





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Can you tell us about what PMM is doing in terms of recycling? How is trash separated at the source?

PMM works with a network of recycling companies that sort and collect recyclables from our waste collection area. Plastic food containers and other recyclables are placed in a big waste bin and is further sorted by a company that takes what they need for their recycling activities. For newspapers and paper trash, our cleaners collect and

store these separately for recycling by another company. To encourage good recycling practices, any money that is collected from selling the paper for recycling is channeled back to our cleaners who keep a pool of money for Employee engagements.



How is your office energy efficient?

1 Powerhouse is our new green office that we moved into in 2021. Our office areas are fitted with motion sensor lights which ensure the lights only turn on when there are people in the area. We have also invested in timer for certain areas so that the lights switch off automatically after hours. We collaborate closely with the building management to optimize our energy use depending on occupancy. Due to the various lockdowns and overall push to work from home, the occupancy rate in the office has been much lower. As such, we work with the building management to only power certain quadrants of our office in order to reduce energy consumption.

In addition, we have also upgraded our printing facilities in the new office with new energy saving printers. These printers don't turn on until a print request has been sent and printing is only activated when an employee presents their ID. This not only saves energy but also saves a lot of paper.



PROTECTING OUR ENVIRONMENT

By integrating sustainability considerations into our products—from development to end-of-use—we can lower their environmental and social impacts and associated costs. Potential benefits include energy savings, reduced consumption of natural resources, waste minimization, and a longer product life span. Minimizing the negative environmental and social impacts of products commercialized at scale can help safeguard the interests of future generations.

Product Recycling- Reuse

For PMI, contributing to the circular economy means developing more environmentally friendly products—devices, consumables, accessories, and packaging—by improving their recyclability, efficiency, life span, and repairability, and reusing our own materials again.

Natural and social capital costs of non-renewable resource extraction and disposal, impact the cost of doing business. Commodity and raw material prices will continue to remain volatile as changes in the climate, demographics and technological innovation will impact resource supply and demand. In addition, regulatory requirements, including landfill closures, material bans, and extended producer responsibility policies, are proliferating globally. The concept of the ecodesign and circularity makes business sense as it represents a remarkable economic opportunity, while simultaneously delivering environmental and social benefits. This increases speed and reduces cost across different electronic products due to common components. It also reduces costs of returns, obsolescence, and disposal, which can otherwise be significant. We further believe that investing in eco-design and circularity may accelerate growth by spurring innovation of new products and reducing operating costs. Moreover, it can prevent reputational challenges by strengthening relationships with customers and employees.

We aim to have all our new electronic devices commercialized as of end 2025 certified to validated standards for ecodesign. We are also working toward the meaningful inclusion of recycled content in all devices by 2025. To those ends, we are pursuing improvements in areas such as durability, design for repair and recycling, and energy efficiency.



In 2020, we started commercializing an improved version of our e-vapor product in New Zealand under the IQOS VEEV brand name. Due to efforts to minimize the size of both the device and the e-liquid cartridge, this product represents a significant enhancement in sustainability over the previous IQOS MESH product, which we commercialized in the U.K. Our design innovations decreased the product's CO2 emissions and material consumption while providing a better consumer experience.

Another focus this year was changing the battery technology within our IQOS charging units. Our new battery chemistry offers the same performance but with a reduced carbon footprint versus our previous version. This change was incorporated in the IQOS 2.4+ and IQOS 3 DUO chargers, resulting in a 9 percent reduction in the product's CO2 footprint.



We standardized our global guidelines, setting consistent criteria and procedures across all markets where our smoke-free products are commercialized. These guidelines are the norm for our verified returns procedures, as well as the conditions which grant a replacement under warranty or specific loyalty programs. We trained our retail and call center teams on how to assess potential product issues faced by the consumer. We strived to ensure a diagnosis is made before replacing a device, as some issues may be resolved without a replacement and hindering the consumer experience—for instance, by deep cleaning the device or ensuring the software is up to date directly at our brand retail store. We also launched in certain markets a mobile application for IQOS users, which provides tips on how to use and clean the device, as well as basic troubleshooting instructions.

At PMI, we are committed to understand and manage environmental as well as social impacts across out entire value chain, including the life cycle of our products. Focusing on their sustainability is particularly important as we continue to deliver technologically advanced products that are at the heart of our transition to a smokefree future.

Over **5,000** trees committed to planting in Sabah, Malaysia

Prevented the disposal

60,000

single-use masks during Covid-19

PROTECTING OUR ENVIRONMENT

With respect to our smoke-free products, our 2025 eco-design and circularity ambitions, which extend to electronic devices, accessories, and consumables, are as follows:

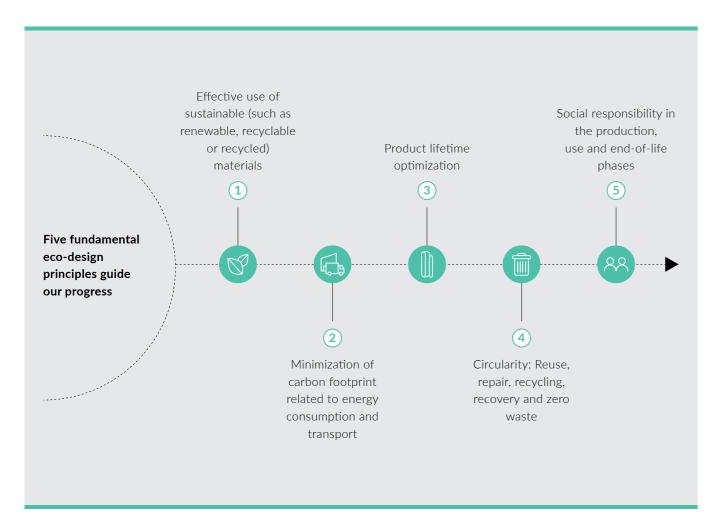
Provide access to collection and recovery for the device and its consumables to all IQOS users

Continue to reduce the carbon footprint of our smoke-free products in line with our science-based targets

Achieve eco-certification for all our PMI smoke-free electronic devices introduced on the market as of the end 2025

Meeting these goals relies on a systematic approach whereby sustainability is considered from the start of the product development process. Our work is guided by our sustainable product design strategies, which account for impacts related to materials selection and sourcing, components production and product manufacturing, distribution, use, and end-of-life.

Our sustainable design guidelines, developed in 2019, support decision-making and help to integrate sustainability throughout our innovation process. We have now fully embedded these guidelines into our innovation stage-gate processes and continually reinforce our requirements and principles at each stage. In 2020, we continued to advance this program by incorporating sustainability into our predevelopment processes, recognizing that the exploration of new technologies will play a critical role in the sustainability performance of our future product portfolio. Our five eco-design principles are applied to various degrees across PMI's product innovation, with an eye to achieve the highest sustainability impact. Each product generation we launch incorporates improvements in, for example, quality, functionality, ease of use, or robustness.



SPOTLIGHT ON IQOS DEVICE RECYCLING PROGRAM WITH REENA CHANDRA BOSE, HEAD OF PORTFOLIO & DEVICE MANAGEMENT





Q

Can you tell us about your device refresh program? What was the objective?

The Device Refresh initiative is a project within the umbrella initiative of a wider PMI Device Sustainability program. The aim of the Device Refresh initiative is to offer a second-life to devices and recycle them back into the economy.

Malaysia was one the pilot markets that participated in the Device Refresh initiative in 2021. Products that have been returned by users through our Lending, Warranty and Trade-in programs are refreshed, and in Malaysia we sell these devices directly to consumers. We offer the same device care services on our refreshed devices as with our new devices, and the reception from consumers have been really good.



Can you take us through the process. How was it done? Were there difficulties?

Devices that have been used once (up to a maximum of 14 days) in the Lending program in Japan are sent into the Refresh facility for processing. The Refresh process involves inspecting and sorting devices by quality grades, checking and charging the battery, cleaning the devices and upgrading to the latest firmware. The devices are then packed with brand new accessories and sealed. We worked together with the Department of Environment of Malaysia to ensure that all the necessary parameters are complied with before we offer the refreshed devices for sale.

PERFORMANCE METRICS



We are pleased to share our 2021 Philip Morris Malaysia (PMM) Sustainability Report. This report describes PMM's progress in delivering on its purpose.

As our Chief Executive Officer has said: "Transforming our business means venturing into a number of uncharted territories, each bringing unique challenges. I say this with pride in what we have already achieved, yet with a deep recognition of the immense work ahead. We will always have critics, and we remain committed to engaging with them honestly and transparently, pointing out the actions we are taking to address their concerns and welcoming feedback on how we can do better.

Our actions — grounded in data, science, and facts — speak louder than words. That said, our societal interactions, especially when it comes to our company's transformation, bring an emotional component that can carry a heavy weight.

Consequently, we will work to promote constructive dialogue and address our stakeholders' legitimate concerns appropriately. We cannot make cigarettes obsolete in the absence of collaboration and coalition.

While PMI is widely known as a cigarette company, in 2016 it announced its new purpose: to deliver a smoke-free future by focusing its resources on developing, scientifically substantiating, and responsibly commercializing smoke-free products that are less harmful than smoking, with the aim of completely replacing cigarettes as soon as possible. These innovative alternative products do not burn tobacco or create smoke, and therefore emit significantly lower levels of carcinogens and other toxic substances than cigarettes.

INDICATORS



Percentage of total employees at the Seremban factory covered by Collective Labor Agreement[^]

71%*

^ Number of employees covered by Collective Labor Agreement divided by total employees at the Seremban factory

GHG emissions **CO₂ Scope 1** (tCO²e) **7.908***

Emission Factors November 2021, published by International Energy Agency (IEA).

CO₂ Scope 2 (tCO²e)

PMM measures its emissions based on the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) methodology. The emission factors are derived from "Fuel Conversion and GHG

Anti-littering:

Total number of cigarette butt canisters installed

152*

^ Cigarette butt canisters are cigarette-filter litter as explained page 41 under the heading Littering Prevention and Waste Reduction Initiatives

Lost time incident (LTI) rate^ per 200,000 hours worked - PMM employees and contractors at the Seremban factory

1.23*

 LTI rate is computed based on number of recordable work-related injuries divided by number of hours worked, which is then multiplied by 200,000 hours





Total number of PMM employees^ who participated in at least one Marketing Code - training session

360*

- ^ Total number of PMM employees refers to individuals who are in an employment relationship with PMM at at 31 December 2021
- PMI Marketing Code:
 https://www.pmi.com/our-views-and-standards/standards/marketing-standards

Proportion of new employees^ who participated in training session pertaining to PMI's Guidebook for Success

52%*

- New employees are employees who joined PMM as full-time employees between 1 January to 31 December 2021.
- PMI's Guidebook for Success: https://www.pmi.com/resources/docs/default-source/ our_company/code-of-conduct/english_code_of_conduct_ external_online_180116.pdf?sfvrsn=f5c386b5_8

^{*} This data has been externally assured. Kindly refer to the Independent Limited Assurance Report on page 50-52.

ASSURANCE REPORT FY2021



Independent Limited Assurance Report on Selected Sustainability Information in Philip Morris (Malaysia) Sdn Bhd's Sustainability Report 2021

To the Board of Directors of Philip Morris (Malaysia) Sdn Bhd

We have been engaged by Philip Morris (Malaysia) Sdn Bhd ("PMM" or "the Company") to perform an independent limited assurance engagement on selected sustainability information, comprising the information set out in the Subject Matter (hereinafter referred to as "Selected Information") for the financial year ended 31 December 2021 as reported by PMM in its Sustainability Report 2021.

Subject Matter

The Selected Information as set out on page 49 in the PMM's Sustainability Report 2021 and marked with asterisks (*), on which we provide limited assurance, consists of:

Subject matter	GRI Standards 305-1(a) and 305-2(a)	
Greenhouse Gas ("GHG") emissions - Scope 1 & Scope 2 emissions		
Percentage of total employees at the Seremban factory covered by Collective Labor Agreement	102-41	
Anti-littering: Total number of cigarette butt canisters installed	Non-GRI^	
Lost time incident (LTI) rate per 200,000 hours worked – PMM employees and contractors at the Seremban factory	403-9(a)(iii), 403-9(b)(iii), 403-9(e),	
Total number of PMM employees who participated in at least one Marketing Code – training session	Non-GRI^	
Proportion of new employees who participated in training session pertaining to PMI's Guidebook for Success	Non-GRI^	

[^]Refer to page 49 of the PMM Sustainability Report 2021 for the reporting criteria applied for these subject matter

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the PMM's Sustainability Report 2021 and, therefore, do not express any conclusion thereon.

Criteria

The Selected Information needs to be read and understood together with the reporting criteria, which PMM is solely responsible for selecting and applying.

The reporting criteria used for the reporting of the Selected Information are as follows:

- PMM's internal sustainability reporting guidelines and procedures by which the Selected Information is gathered, collated and aggregated internally; and
- The Global Reporting Initiative's Sustainability Reporting Standards ("GRI standards") for disclosures (collectively referred to as the "Criteria").

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities.

Management's Responsibility

Management of PMM is responsible for the preparation of the Selected Information included in the PMM's Sustainability Report 2021 in accordance with PMM's internal sustainability reporting guidelines and procedures.

This responsibility includes the selection and application of appropriate methods to prepare the Selected Information reported in the PMM's Sustainability Report 2021 as well as the design, implementation and maintenance of internal control relevant for the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by PMM which are reasonable in the circumstances.

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Independent Limited Assurance Report on Selected Sustainability Information in Philip Morris (Malaysia) Sdn Bhd's Sustainability Report 2021 (continued)

Independence and Quality Control

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements", and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Selected Information is free from material misstatement.

The accuracy of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our limited assurance report should therefore be read in conjunction with the Criteria.

A limited assurance engagement involves assessing the suitability in the circumstances of PMM's use of the Criteria as the basis for the preparation of the Subject Matter, assessing the risks of material misstatement of the Selected Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Main Assurance Procedures

Our work, which involved no independent examination of any of the underlying financial information, included the following procedures:

- Inquired personnel responsible for data collection, collation and reporting of the Selected Information at the corporate and operating unit level, regarding the processes to prepare the said report and the underlying controls over those processes;
- Performed limited substantive testing, on a sampling basis, on activity data or transactions on which the Selected Information is based, by inspecting the underlying documents, reports, spreadsheets and invoices supporting the data;
- Checked the formulas and inputs used in the Selected Information against PMM's internal sustainability reporting guidelines and procedures;
- Considered the appropriateness of the disclosures and presentation of the Selected Information based on the Criteria.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that, in all material respects, the Selected Information in the Subject Matter has not been fairly stated in accordance with the Criteria.

Sustainability Report 2021 | Philip Morris (Malaysia) Sdn Bhd SECTION 10 | O O O O O O O O

ASSURANCE REPORT FY2021



Independent Limited Assurance Report on Selected Sustainability Information in Philip Morris (Malaysia) Sdn Bhd's Sustainability Report 2021 (continued)

Restriction on use

This report, including our conclusions, has been prepared solely for the Board of Directors of PMM in accordance with the agreement between us, in connection with the performance of an independent limited assurance on the Selected Information as reported by PMM in its PMM's Sustainability Report 2021. Accordingly, this report should not be used or relied upon for any other purposes. We consent to the inclusion of this report in the PMM's Sustainability Report 2021 to be disclosed in the website of PMM at www.pmi.com, in respect of the year ended 31 December 2021, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Information in connection with the preparation of PMM's Sustainability Report 2021. As a result, we will not accept any liability or assume responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

Yours faithfully,

PRICEWATERHOUSECOOPERS PLT LLP0014401-LCA & AF 1146 Chartered Accountants

Kuala Lumpur 14 October 2022

Enclosure: PMM's Sustainability Report 2021, page 49 (extract)



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