

## Philip Morris International Inc. External Engagement Policy

Philip Morris International Inc. and its affiliates (also herein collectively referred to as “PMI,” the “Company,” “we” or “our”) are building a future on smoke-free products that, while not risk-free, are a far better choice than cigarette smoking. Indeed, our vision is that these products will one day replace cigarettes.

To achieve this vision, PMI engages with a diverse set of external stakeholders in the United States (also referred to herein as the “U.S.”) and in other countries to ensure that the interests of our businesses, adult consumers, trade partners, shareholders and employees are well represented at all levels of government in the countries that we do business or desire to do business. Our businesses and products are subject to government laws and regulations, which require us to engage with government officials, employees, and appointees (collectively “government officials”) from time to time. Further, we engage with other stakeholders (e.g., trade associations, public policy groups, public health entities and charitable organizations) in support of our vision.

More specifically, in the U.S., our external engagement activities may include, amongst other things:

- direct and indirect (“grassroots”) lobbying at all levels of government, federal, state, and local, as appropriate;
- corporate political contributions or contributions from a political action committee (“PAC”); and
- interaction with and financial support of third-party organizations that align with our vision.

All engagement activities are conducted by PMI in full compliance with the applicable laws and regulations and are performed in accordance with Company policies and values.

PMI’s External Affairs and Legal & Compliance Departments oversee the administration of this Policy. In addition, any lobbying activities, political contributions and contributions to business and trade associations and other non-profit organizations are reviewed by management, including PMI’s External Affairs and Legal & Compliance Departments. In addition, at least annually, management reports to the Nominating & Corporate Governance Committee of PMI’s Board of Directors on our external engagement activities, including lobbying, political contributions, and contributions to business and trade associations and other non-profit organizations.

### **LOBBYING**

PMI engages with government officials to help educate and encourage public policies and shape legislation that may have a direct impact on PMI and our pursuit of tobacco harm reduction (“THR”). Transparent and responsible engagement with government officials is critical to achieving our vision and maintaining our interests.

Our External Affairs function consists of a government affairs team that manages all lobbying activities with support from our Legal & Compliance Department. In addition to compliance with applicable laws and regulations, these activities are subject to Company policies, including anti-corruption, attestation, and external communications & engagement, and our Company's values.

As a multinational corporation, when engaging in lobbying activities in the U.S., we are required to follow processes and procedures to ensure compliance with the provisions of Federal Election Campaign Act ("FECA") and Foreign Agents Registration Act ("FARA") relating to foreign nationals. Per these Acts, foreign nationals are defined as:

- Individuals who are (i) not a citizen of the United States; and (ii) not lawfully admitted for permanent residence, as defined in 8 U.S.C. § 1101 (a)(20); or
- A foreign principal, as defined in 22 U.S.C. § 611 (b).

Our Company, its designated employees, and external consultants are registered to lobby and file lobbying activity reports where required by law. These reports often disclose lobbying compensation and related expenses, such as lobbying support or grassroots activities, reportable gifts to government officials, and the bills or issues lobbied on. PMI voluntarily discloses its recent U.S. federal lobbying reports along with providing access to its lobbying activities in the European Union.

PMI's lobbying activities are not made on behalf of any foreign government or foreign political party. Any request received or initiated by our External Affairs function to arrange meetings with government officials must be reviewed and approved by a senior member of the External Affairs team in the jurisdiction where the engagement was requested in advance to avoid any actual or inadvertent violation of our policies or government regulations, (e.g., such as FARA in the U.S.), or any applicable laws in the jurisdiction in which the request was received.

Our lobbying activities focus on existing or proposed laws, policies, and regulations that impact our businesses, which include:

- Policies in support of THR and accessibility of smoke-free products for adult smokers who would otherwise continue to smoke;
- Imposition of excise taxes and user fees on nicotine products;
- Enforcement regarding diversion of illicit tobacco products, including importation of counterfeit products;
- Appropriate restrictions on the advertising and marketing of nicotine products; and
- Policies that support efforts to prevent unintended (particularly underage) access to nicotine products.

## **POLITICAL CONTRIBUTIONS**

PMI believes that participation in the political process provides us with an opportunity to express our ideas openly and transparently.

In many countries, PMI, as a public corporation, is prohibited by law from making contributions to candidates or political parties. In the few countries where we make political contributions, we disclose both the amounts and the recipients. PMI's political contributions are governed by our Company policy which also describes how such expenditures are reviewed, approved, and reported. Prior to any direct or indirect political contribution being made, our policy requires that such contribution must be reviewed and approved by the External Affairs team with collaboration of management in the jurisdiction where such contribution may be made, and the Legal & Compliance Department.

### U.S. Corporate Political Contributions

In the U.S., PMI, as a public corporation, is prohibited by federal law from making contributions to candidates or political parties in federal elections. We, however, may make contributions at the state or local level, where permissible by law, through domestic revenue generated by our local affiliates. Payments related to influencing U.S. elections are not made with the participation of a foreign national.

### U.S. Political Action Committee ("PAC") Contributions

Swedish Match North America LLC established a PAC in 1987 that receives voluntary contributions from PAC-eligible employees to fund the PAC and fulfill its purpose, which is to support candidates for federal, state, or local office and other political committees. The PAC is registered with the Federal Election Commission and regularly files reports disclosing the PAC's receipts and expenditures.

In addition to applicable laws and regulations, the PAC is governed by a set of bylaws that gives authority to an executive committee of PAC-eligible employees who conduct its business and affairs. The bylaws include specific parameters disallowing direct or indirect involvement by foreign nationals in soliciting, directing, receiving, or making PAC contributions.

## **BUSINESS AND TRADE ASSOCIATION MEMBERSHIPS**

We belong to many carefully selected business and trade associations around the world. We work with these groups because they align with our interests, that of our industry, and the larger business community in policy discussions on issues where we have a common interest or objective.

Our support for these organizations and groups complies with applicable laws and our own policies, and we routinely evaluate our participation to ensure that the groups' objectives align with the long-term interests of PMI and its shareholders; and that their activities continue to reflect PMI's values and high standards of conduct. There are times when we may not agree with certain positions adopted by the organizations we support. In these instances, we may choose to withdraw our participation or support.

Advance approval by local management, including members of the Legal & Compliance and External Affairs Departments, is required before PMI or its affiliates become a member of, or renew a membership in, any organization that has a purpose or direct connection with government officials or political activity.

PMI's Legal & Compliance Department monitors, and our Risk & Assurance Department audits, compliance with our internal policies. In addition, our General Counsel and heads of our Compliance and Risk & Assurance Departments regularly report to the Audit & Risk Committee of PMI's Board of Directors on compliance matters.

PMI voluntarily discloses annually the organizations in which PMI has a membership and in which PMI employees serve on such organizations' Board of Directors or Executive Committee.

**AMENDMENT AND WAIVERS**

Management will periodically review this Policy and revise it based on any changes to the laws of the jurisdictions in which it operates, the activities upon which it engages and/or upon recommendations of the Board. Only the Legal & Compliance Department can approve any waivers of this Policy. Any waiver that involves corporate political contributions or expenditures may be approved only if designed to promote the interests of the Company and its shareholders, and without regards for the private political preferences of the Company's officers and directors. If a waiver from the Policy is approved, any contributions or expenditures made as a result of such waiver will be reported as described above.

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