

Sustainable Development Goals (SDGs) index

The 2030 Agenda for Sustainable Development is a universal call for action to address global challenges. At PMI, we are committed to doing our part to make the UN SDGs a reality. In this index, we have mapped our reporting with the SDGs and their respective targets, referencing where supporting information on our contribution can be found. Accounting for the SDGs into our reporting helps bring context to our own sustainability ambitions.

This summary should be read in conjunction with PMI's Integrated Report 2020, and the additional sustainability-related communications available at www.pmi.com/sustainability.¹



¹ The content of PMI's Integrated Report 2020 content is shaped by a formal <u>sustainability materiality assessment</u>, refreshed in 2019. We have structured our sustainability topics around four strategic pillars of action and two tiers. PMI's Integrated Report 2020 provides information on context, relevance, management approach, targets, and performance for each tier 1 topic. Details about our management and performance on tier 2 topics, as well as case studies that shed light on our work at country level, are available on www.PMI.com/sustainability. In this summary and in related communications, the term "materiality," "material," and similar terms, when used in the context of economic, environmental and social topics, are defined in the referenced sustainability standards, and are not meant to correspond to the concept of materiality under the U.S. securities laws and/or disclosures required by the U.S. Securities and Exchange Commission.



SDGs and related targets

References in <u>PMI 2020 Integrated Report</u> (for tier 1 topics) and on <u>PMI.com</u> (for tier 2 topics)

Additional PMI disclosures

1255	Goal 1 – End poverty in all its forms everywhere	We aim to contribute to reducing poverty and strengthening the welfare of the countries in whic seek to improve the livelihoods of the farmers who supply us with tobacco and other agricultural communities. Enhancing their socioeconomic well-being is fundamental to prevent child labor an tobacco supply chain.	products, their workers and
1.1.	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	<u>Socioeconomic well-being of tobacco farming communities</u> (Contributing to alleviating poverty; Minimum wages for workers; Case study: Advancing income levels of farmers and	
1.2	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	farmworkers in Argentina) Sustainable supply chain management (Sourcing tobacco responsibly) Respect for human rights (Assessing human rights impacts in our tobacco supply chain in Mozambique) Fair working conditions (Living wage)	Agricultural Labor Practices (ALP) Code Good Agricultural Practices
1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	Socioeconomic well-being of tobacco farming communities (Contributing to alleviating poverty; Empowering women in tobacco farming) Sustainable supply chain management (Sourcing tobacco responsibly) Respect for human rights (Case study: Assessing human rights impacts in our tobacco supply chain in Mozambique)	(GAP) ALP Quarterly Progress Updates Human Rights Commitment Responsible Sourcing Principles (& Implementation Guidance) 2020 List of Social Contributions
1.5	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	 Climate protection (Driving carbon reduction in our tobacco supply chain) Sustainable supply chain management (Sourcing tobacco responsibly) Forest conservation (Protecting forests in our tobacco supply chain) Community support (Charitable contributions: Addressing local needs of global problems) 	
2 5007	Goal 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Our efforts to sustainably manage our supply chain and promote good agricultural practices can and food security of the farmers who supply us with tobacco and other agricultural products.	nelp improve the livelihood
2.1	By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	<u>Socioeconomic well-being of tobacco farming communities</u> (Contributing to alleviating poverty)	Agricultural Labor Practices (ALP) Code



2.3	By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	Socioeconomic well-being of tobacco farming communities (Contributing to alleviating poverty; Empowering women in tobacco farming) Sustainable supply chain management (Sourcing tobacco responsibly)	Good Agricultural Practices (GAP) ALP Quarterly Progress Updates Zero Deforestation Manifesto
2.4	By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	Socioeconomic well-being of tobacco farming communities Sustainable supply chain management (Sourcing tobacco responsibly) Climate protection (Driving carbon reduction in our tobacco supply chain) Forest conservation Biodiversity Water stewardship	Water stewardship Policy Environmental Commitment Responsible Sourcing Principles (& Implementation Guidance)
3 reconstitution and the state of the state	Goal 3 – Ensure healthy lives and promote well- being for all at all ages	Cigarette smoking causes serious disease. We believe that product innovation has the potential t wouldn't otherwise quit and consequently have a positive impact on public health. We aim to de scientifically substantiated better alternatives to cigarettes, provide broad access to adult smoke to ensure these products ultimately replace cigarettes. We are also committed to the health, safe 70,000 employees.	velop and commercialize rs who will not quit, and work
3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	 Product health impacts Access to smoke-free productsv Case study: Can innovative products like IQOS accelerate the decline of smoking? Transforming our business Health, safety, and well-being at work (Employee well-being) 	PMIscience.com PMI's Statement of Purpose
3.6	By 2020, halve the number of global deaths and injuries from road traffic accidents	Health, safety, and well-being at work (Focus on fleet safety)	
3.9	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	Socioeconomic well-being of tobacco farming communities (Enhancing access to water sanitation and hygiene) Water stewardship (Water quality)	Water stewardship Policy Good Agricultural Practices (GAP)
3.a	Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate	 Transforming our business Product health impacts Access to smoke-free products Case study: Can innovative products like IQOS accelerate the decline of smoking? Responsible marketing and sales practices (Our commitment to youth access prevention) Business environment (Regulation and taxation) 	Our views and standards



4 mm (Goal 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Attracting, retaining, and developing employees is increasingly important in a time of demograph world of work, and business transformation. We are providing PMI's employees with opportuniti contribute to great results while at the same time adapting to employees' changing expectations	es to learn, grow, and
4.1	By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Socioeconomic well-being of tobacco farming communities (Child labor) Community support	Agricultural Labor Practices (ALP) Code
4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Talent attraction, retention, and employability (Employee development, Employability—Fit for the future) Responsible and transparent R&D (PMI's fellowship program) Community support	
5 (MIR 5 (MIR)	Goal 5 – Achieve gender equality and empower all women and girls	We aim to promote an inclusive and diverse working environment, where equality, equity, and fawe expect our suppliers to do the same. In our tobacco supply chain, we support initiatives to emof change We also strive to empower women in our tobacco supply chain, taking into account the improving household economic conditions, while also addressing child labor and other social chains.	npower women, as key agents eir instrumental role in
5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	 Our global footprint: PMI's workforce diversity at a glance Diverse and inclusive working environment (Focus on gender) Governance and management 	
5.a	Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws	Socioeconomic well-being of tobacco farming communities (Empowering women in tobacco farming)	ALP Step Change Q1 2020 ALP Progress Update
6 LUAN NEET 6 AND SANGER	Goal 6 – Ensure availability and sustainable management of water and sanitation for all		
6.1	By 2030, achieve universal and equitable access to safe and affordable drinking water for all	Socioeconomic well-being of tobacco farming communities (Enhancing access to water, sanitation, and hygiene)	Good Agricultural Practices (GAP)
6.2	By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	Socioeconomic well-being of tobacco farming communities (Enhancing access to water, sanitation, and hygiene)	Q3 2020 ALP Progress Update PMI's 2020 submission to CDP Water Security



6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	Water stewardship (Water stewardship in our tobacco supply chain, Water efficiency in manufacturing) Biodiversity (Protection through integrated pest management)	Water Stewardship Policy Good Agricultural Practices (GAP) PMI's 2020 submission to CDP Water Security
6.4	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Water stewardship (Water stewardship in our tobacco supply chain, Water efficiency in manufacturing)	
6.5	By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	<u>Water stewardship</u> (Water stewardship in our tobacco supply chain, Water efficiency in manufacturing, Alliance for Water Stewardship)	Water Stewardship Policy PMI's 2020 submission to CDP Water Security
6.6	By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	Water stewardship (Water stewardship in our tobacco supply chain)	
6.b	Support and strengthen the participation of local communities in improving water and sanitation management	Socioeconomic well-being of tobacco farming communities (Enhancing access to water, sanitation, and hygiene) Water stewardship (Alliance for water stewardship)	Water Stewardship Policy Good Agricultural Practices (GAP) Q3 2020 ALP Progress Update PMI's 2020 submission to CDP Water Security
7 altrament and automotive	Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all	Promoting the switch to renewable energy is a key element of our strategy to decarbonize our operations and value chain.	
7.2	By 2030, increase substantially the share of renewable energy in the global energy mix	Thinate protection (Decarbonizing our operations, Driving carbon reduction in our tobacco	PMI's 2020 submission to CDP
7.3	By 2030, double the global rate of improvement in energy efficiency		Climate Change



SDG con	tent index 2020		
8 NOTE AND THE STATE OF THE STA	Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We strive to provide good working conditions for all our employees and expect our suppliers to do over 1 million workers throughout our value chain.	o the same for the benefit of
8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	Socioeconomic well-being of tobacco farming communities (Contributing to alleviating poverty) Sustainable supply chain management (PMI's Good Agricultural Practices Program) Climate protection (Driving carbon reduction in our tobacco supply chain) Internal transformation: A new organization and value chain	Good Agricultural Practices (GAP)
8.4	Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	Climate protection Forest conservation Product eco-design and circularity Sustainable supply chain management	Good Agricultural Practices (GAP) Responsible Sourcing Principles (& Implementation Guidance) Zero Deforestation Manifesto PMI's submissions to CDP Climate Change, Water Security, and Forest
8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Fair working conditions (Labor relations) Talent attraction, retention, and employability (Rewarding employees, Employee development, Employability—Fit for the future) Diverse and inclusive working environment (Focusing on gender, Advancing disability inclusion) Socioeconomic well-being of tobacco farming communities (Empowering women in tobacco growing)	Our Guidebook for Success (PMI's Code of Conduct) ALP Step Change Inclusion & Diversity
8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Socioeconomic well-being of tobacco farming communities (Promoting PMI's Agricultural Labor Practices, Child labor)	Agricultural Labor Practices (ALP) Code
8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Fair working conditions (Labor relations) Socioeconomic well-being of tobacco farming communities (Promoting PMI's Agricultural Labor Practices, Safe work environment) Health, safety, and well-being at work Sustainable supply chain management	Agricultural Labor Practices (ALP) Code Responsible Sourcing Principles (& Implementation Guidance)

• Sustainable supply chain management



9 MONTH AND THE	Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	We are in a position to be a vector for growth, promoting sustainable industrialization fostering natural resource efficiency.	
9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Climate protection (Decarbonizing our operations, Driving carbon reduction in our tobacco supply chain) Forest conservation (Sustainable curing fuel in tobacco production) Water stewardship (Irrigation in agriculture, Water efficiency in manufacturing, Zero-loss mindset)	PMI's submissions to CDP Climate Change, Water Security, and Forest Zero Deforestation Manifesto Good Agricultural Practices (GAP) Water Stewardship Policy
9.5	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	Responsible and transparent R&D	
10 MILLION (10 PM)	Goal 10 – Reduce inequality within and among countries	We pay our employees equally for equal work, and we aim to provide them with equal opportun identity, country of origin, age, or other personal characteristics. Our efforts to address income in chain, as we aim for the farmers from whom we source tobacco to make a living income	
10.1	By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	<u>Socioeconomic well-being of tobacco farming communities</u> (Contributing to alleviating poverty)	Our Guidebook for Success
10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Socioeconomic well-being of tobacco farming communities Diverse and inclusive working environment	(PMI's Code of Conduct) ALP Step Change Agricultural Labor Practices (ALP) Code
10.3	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	Diverse and inclusive working environment Business integrity	Inclusion & Diversity
11 SERVINORS	Goal 11 – Make cities and human settlements inclusive, safe, resilient and sustainable	We aim to enhance the living and working conditions for farmers supplying tobacco to PMI and t Agricultural Labor Practices (ALP) Code, when a farmer provides a worker with accommodation, safe, and meet basic standards.	



11.1	By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Socioeconomic well-being of tobacco farming communities (Promoting a safe working environment)	ALP Step Change Agricultural Labor Practices (ALP) Code
12 Harmoni Displayed (Helmington	Goal 12 – Ensure sustainable consumption and production patterns	We seek to use the natural resources necessary to produce our products efficiently, and to sou	rce them sustainably.
12.2	By 2030, achieve the sustainable management and efficient use of natural resources	Sustainable supply chain management Product eco-design and circularity Forest conservation Water stewardship	Responsible Sourcing Principles (& Implementation Guidance) Good Agricultural Practices (GAP) Zero Deforestation Manifesto Water Stewardship Policy PMI's Environmental Commitment
12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	Waste reduction Product eco-design and circularity (Circularity) Biodiversity (Protection through integrated pest management)	PMI's Environmental Commitment Good Agricultural Practices (GAP)
12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Waste reduction Product eco-design and circularity (Circularity) Littering prevention	PMI's Environmental Commitment
12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	PMI Integrated Report 2020 (as well as previous reports and additional resources and communications, available on PMI.com)	PMI 2019 Sustainability Materiality Report
12.7	Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Sustainable supply chain management	Responsible Sourcing Principles (& Implementation Guidance)
13 277	Goal 13 – Take urgent action to combat climate change and its impacts	Climate change is among the greatest threat society faces. As a business with a multinational e to play a role in contributing to addressing this crisis. Our climate strategy aims to address pert build resilience while seizing opportunities presented by a low-carbon future.	

8



13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Climate protection	PMI's Environmental Commitment Zero Deforestation Manifesto PMI's submissions to CDP
13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	 <u>Biodiversity</u> <u>Sustainable supply chain management</u> <u>Case study</u>: An integrated approach to our environmental impacts in Malawi 	Climate Change, Water Security, and Forest Good Agricultural Practices (GAP) Responsible Sourcing Principles (& Implementation Guidance)
14 ************************************	Goal 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Littering spoils the environment and pollutes the land and the waters. While many consumers di sadly still too much waste ends up in the environment. We seek to help change behavior to prev to encourage proper waste disposal.	
14.1	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	 <u>Littering prevention</u> <u>Product eco-design and circularity</u> (Circularity, Consumables, Packaging) 	PMI's Anti-Littering Policy
15 ************************************	Goal 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	A significant portion of our environmental management efforts is devoted to protecting forests. To PMI, this means preventing deforestation linked to our operations and sourcing activities. To accomplish this, we seek to use sustainable and traceable curing fuels in our tobacco supply chain and responsibly source paper and pulp-based products.	
15.1	By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	Forest conservation Climate protection Biodiversity Water stewardship	Good Agricultural Practices (GAP) Responsible Sourcing Principles (& Implementation Guidance) PMI's Environmental Commitment Zero Deforestation Manifesto
15.3	By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world	<u>Case study</u> : An integrated approach to our environmental impacts in Malawi	PMI's submissions to CDP Climate Change, Water Security, and Forest
15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species		Water Stewardship Policy PMI's Anti-Littering Policy



16 its assu- interior	Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Responsible business practices, such as preventing labor abuses, combating illicit trade and promoting sound business integrity, are critical to PMI's long-term success.	
16.2	End abuse, exploitation, trafficking and all forms of violence against and torture of children	Socioeconomic well-being of tobacco-farming communities (Eliminating child labor, Minimum wages for workers) Sustainable supply chain management Illicit tobacco trade prevention	ALP Step Change Agricultural Labor Practices (ALP) Code Responsible Sourcing Principles (& Implementation Guidance) PMI IMPACT
16.4	By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime	Illicit tobacco trade prevention	PMI IMPACT
16.5	Substantially reduce corruption and bribery in all their forms	Business integrity Responsible engagement Illicit tobacco trade prevention	Our Guidebook for Success (PMI's Code of Conduct) Overview of engagement principles Transparency PMI IMPACT
16.b	Promote and enforce non-discriminatory laws and policies for sustainable development	Fair working conditions (Workplace integrity) Diverse and inclusive working environment	Our Guidebook for Success (PMI's Code of Conduct)
17 Managar	Goal 17 – Strengthen the means of implementation and revitalize the global partnership for sustainable development	From best practices and information exchanges to close partnerships, engaging with others can help inform our strategy, define our priorities, and advance sustainable solutions to common challenges.	
17.16	Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	 External transformation: Changing the way we engage with stakeholders Throughout PMI Integrated Report 2020 and additional communications available on PMI.com, we provide examples describing how we: Contribute to debates on policy issues that affect our business and stakeholders, and being transparent about our approach and progress Partner with others to implement projects across our sustainability topics, and participate in multistakeholder initiatives, organizations, and/ or programs to further advance the achievement of the SDGs, overall collective goals Support external voluntary codes and initiatives that promote sustainable business practices (e.g., UN Guiding Principles on Business and Human Rights, International Labour Organization Declaration on Fundamental Principles and Rights at work, Transparency International, CDP submissions, Science-Based Targets initiative, The Valuable 500, etc.) Join calls for action that support policy development that contribute towards the achievement of the SDGs 	
17.17	17.17 Encourage and promote effective public, public- private and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability		