



Overview of marketing principles for combustible products

What we do

Our Guidebook for Success (Code of Conduct) and internal Practices and Policies, including the PMI Marketing Code, reflect our commitment to market our products responsibly, in compliance with applicable laws, only to adult smokers, and providing accurate information. This is a summary of those standards, as they are set forth on different internal documents. Our brands are among the most valuable in the world. We put our creativity and innovation into developing and maintaining brand value. At the same time we know that tobacco products create health risks to consumers. This is why it is so important to market our products responsibly and only to adult smokers. At PMI we have to ensure that our employees and agents only engage in responsible sales and marketing practices.

How we do it

The Marketing Code contains our minimum global standards that apply to all sales and marketing activities of PMI relating to Combustible Tobacco Products. We apply these standards voluntarily when there is no applicable law or when the applicable law is less strict. As Combustible Tobacco Products represent the largest part of our business today, the Marketing Code provides a solid foundation for responsibly selling and communicating these products.

The top priority for PMI is to develop and market smoke-free products that are a better choice for smokers than continued smoking and have the potential to reduce the risks of smoking-related diseases.

These innovative smoke-free products, like heat-not-burn, are subject to different marketing and sales rules, namely the “Good Conversion Practices”.

While we are moving with speed to make our vision of a smoke-free world a reality, we must acknowledge that the majority of our business today is traditional combustible cigarettes. At PMI, we operate under Responsible Marketing Principles. These principles, as defined below, embody our Company’s commitment to engage in responsible marketing directed only to Adult Smokers.

Responsible marketing principles

1. We market and sell our combustible tobacco products to adult smokers only

What do we mean?

We sell Combustible Tobacco Products and compete for market share among Adult Smokers who have chosen to smoke. We do not seek to influence any adult consumer’s decision about whether or not to smoke.

Our standards:

- We must not use images that have particular appeal to minors, including youth-oriented celebrities or cartoons. We must not use models who are or who clearly appear to be under the age of 25.
- We must only place Advertising in media channels, venues or events that are not directed to minors and whose audience is reasonably estimated to be at least 75% adults. Advertising on television, in radio broadcasts, or in cinemas should only appear in the later evening hours.
- We must not place Advertising on the front or back cover of a printed publication for general circulation or general circulation to the trade.
- We must not use outdoor Advertising that exceeds 35 square meters in total size, either individually or in deliberate combination with other Advertising, unless we can do so responsibly in light of existing local circumstances (e.g., where most of the billboards available for placement of Advertising exceed 35 square meters in size).
- We must not place outdoor Advertising where the Advertising is readable from facilities attended or frequented primarily by minors. Outdoor Advertising should not be placed within 100 meters of such facilities.
- Company activities involving engagement and interaction with consumers, whether offline or online via digital media, such as events or Direct Communication, must be directed only to age-verified Adult Smokers, subject to specific age verification process.
- Premiums must be designed for adults and must not have particular appeal to minors. We may brand smoking-related premiums such as ashtrays and lighters. If premiums are not smoking-related, the branding, if any, must not be visible to others when the premium is used.
- We may sell and deliver Combustible Tobacco Products directly only to age-verified Adult Smokers residing in the country of intended sale.



- We may offer free Combustible Tobacco Products in limited quantities (typically no more than one pack) only to age-verified Adult Smokers as part of product trial, switch-selling or swapping activities. We must not engage in switch-selling until after the initial purchase has occurred.

2. We warn consumers about the health effects of our combustible tobacco products

What do we mean?

Smoking causes serious disease and is addictive. We warn consumers about the health effects of smoking.

Our standards:

- All Advertising and Consumer Packaging must have health warnings, even if the law does not require these warnings. If the law does not require or specify health warning content and appearance, we must ensure that health warnings are clear and conspicuous.
- If there is a legal requirement to print yields, we may voluntarily print tar, nicotine and/or CO yield numbers on Advertising and on Consumer Packaging in addition to yield labeling required by law, as long as we also print the following statement in a clearly legible typeface and size: "The amount of tar, nicotine and/or CO you inhale will vary depending on how you smoke the cigarette."

3. Our marketing must be honest, accurate and transparent

What do we mean?

All of our marketing and sales activities must respect applicable laws, global standards of decency, and the local culture and practices prevailing in the country where the activities will be implemented.

Our standards:

- Product or brand-related statements must be accurate and not misleading, including about the health risks of smoking. All product-related claims require adequate substantiation.
- PMI employees or contractors who interact with consumers, including in the context of Unbranded platforms or campaigns, must make it clear that they are working for a tobacco company.
- We must not pay to include the use of Combustible Tobacco Products, a Combustible Tobacco Product brand name or items bearing a Combustible Tobacco Product brand name in movies, entertainment programs or theatrical productions, on television or radio, on the Internet or in any other production (e.g., video games).
- Standard brand presentation (i.e., brand name, trademark and/or logo) must predominate in all Consumer Packaging designs. We must not use Advertising visuals on Consumer Packaging. Any text placed on the external part of Consumer Packaging must be factual, brand-related and/or product-specific, and not Advertising copy.

4. We respect the law and also ensure that:

- All persons, such as hosts, hostesses, brand ambassadors and trend experts, acting on behalf of the Company to engage with Adult Smokers must be of legal age to purchase Combustible Tobacco Products and at least 19 years old. We must ensure that it is clear to Adult Smokers that these persons are acting on behalf of the Company. We must also adequately monitor their activities for compliance with these principles and practices.
- All written communications with Trade Partners must clearly state "For Trade Only. Not for Distribution to Consumers." Advertisements in publications intended for general circulation to the trade must have health warnings in black text on a white background, occupying no less than 10% of the total area of the advertisement.

5. Implementation

We have a robust process for ensuring that our Marketing Code is implemented at the market level. The Affiliate Head is accountable for compliance with these principles and practices, and must ensure that the affiliate uses a robust and substantive review and approval process, such as a Brand Marketing Review. All activities subject to these principles and practices must be (i) approved by the Affiliate Head and the Affiliate Head of Marketing and/or Sales and (ii) reviewed by the Affiliate Law and Corporate Affairs Departments. All decisions taken during the review process must be documented.

6. Training

All Company employees who are directly involved in marketing and sales activities must receive training on these principles and practices. All third parties who are substantively involved in marketing and sales activities on behalf of the Company must be trained on the parts of these principles and practices that are relevant to their activities. The Affiliate Heads, the Regional



Marketing & Sales Heads and the Marketing Code Program Owner are accountable to implement these trainings for all employees in and third-parties contracted by their respective organizations.

Definitions

Advertising – any branded commercial communication aimed at promoting a PMI Combustible Tobacco Product to Adult Smokers, regardless of the medium.

Adult Smoker – a consumer of Combustible Tobacco Products who is of legal age to purchase such products and is at least 18 years old.

Company or PMI – Philip Morris International Inc. and its direct and indirect subsidiaries.

Consumer Packaging – packaging, wrapping, bundles or any materials in which Combustible Tobacco Products are offered for sale to Adult Smokers.

Combustible Tobacco Products – cigarettes and other combustible tobacco products, such as “roll your own”, “make your own”, pipe tobacco, cigars, cigarillos, and cigarillos.

Direct Communications – Company communications to an Adult Smoker that are not intended for the general public, including communications via one-to-one consumer engagement, direct mail, electronic mail, telephone, short-messaging, and Company consumer websites.

PMI Marketing Council – the PMI Senior Vice President Marketing and Sales, the Senior Vice President Corporate Affairs and the Vice President & Associate General Counsel responsible for Brand Building.

Smoke-Free Products or Reduced Risk Products (RRPs) – products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking. We have a range of RRP's in various stages of development, scientific assessment and commercialization. These products are not Combustible Tobacco Products and because they do not burn tobacco, they produce far lower quantities of harmful and potentially harmful compounds than found in cigarette smoke.

Trade Partner – any representative of a retail outlet, legal age meeting point (LAMP), or other business that is involved in the sale of Combustible Tobacco Products.

Unbranded – without a name, trademark, logo or indicia of a Combustible Tobacco Product brand.

Who must follow the marketing code

This Marketing Code applies to Philip Morris International Inc. and its direct and indirect subsidiaries, collectively referred to as Philip Morris International, PMI, or the company. Compliance with the Marketing Code is mandatory for all PMI employees and anyone doing business on behalf of PMI.