

Anti-Littering Policy

For PMI, sustainability means creating long-term value for our shareholders and for society by actively reducing the negative externalities of our products, operations and value chain.

Litter is an issue of concern to society in many parts of the world, it impacts locations as diverse as city parks and the ocean. Cigarette butts are among the most frequently littered items and PMI recognizes that it has a role to play in the reduction of littering, in cooperation with stakeholders. Our main role is to encourage and enable smokers to dispose of their cigarette butts properly. PMI believes that the most environmentally conscious and economically efficient way to dispose of cigarette butts after stubbing is in the general waste bin, to be treated with general waste. While cigarette filters are made of a cellulose-based bioplastic that degrades over time, we aim to act at the source of the problem and avoid littering in the first place.

Changing the habit of littering requires action across three main areas: consumer awareness, disposal infrastructure and social enforcement. We are ready to work with authorities, anti-littering organizations and all other relevant stakeholders to achieve the greatest impact.

In alignment with our <u>Environmental Commitment</u>, we commit to reduce cigarette butt littering through ambitious anti-littering campaigns in every country where we operate. Our goal is to make tangible and measurable improvements to the problem of cigarette butt littering, be accepted as part of the solution to littering, and be recognized as a reliable and committed partner in delivering successful anti-littering campaigns. Our target is to reduce the plastic litter from our products by 50% by 2025 vs a baseline to be established in 2021.

To achieve this, we will:

- Support general awareness campaigns aimed at reducing overall litter and develop bespoke cigarette butts anti-littering campaigns, highlighting the specific issues and solutions for cigarette butts, in the countries where we operate
- Include anti-littering messages on our products, while respecting existing regulatory frameworks
- Develop innovative designs of portable ashtrays and car ashtrays that provide a real on-the-go solution for smokers, and help in making them available, affordable and acceptable
- Develop and share a monitoring tool to allow the identification of cigarette butt littering hotspots for better litter management and reduction
- Develop metrics, set long-term targets, assess the progress and impact of our initiatives, and report on our progress
- Contribute to public policy development by sharing insights into the environmental, social and economic aspects of anti-littering approaches
- Support industry-wide Extended Producer Responsibility schemes which reduce cigarette butt littering by encouraging proper disposal in an ecologically and economically efficient manner
- Continue researching better filter alternatives to reduce the impact of cigarette butts that end up as litter despite our best efforts
- Contribute to the reduction of cigarette butt litter through the deployment of our smoke-free alternatives which are less likely to be littered

This Anti-Littering Policy complements our Environmental Commitment. Within PMI, the Nominating and Corporate Governance Committee of the Board of Directors and the Sustainability Committee are responsible for the oversight of the Anti-Littering Policy.

As Chief Executive Officer, I am asking everyone at PMI and all our business partners to uphold this Anti-Littering Policy - André Calantzopoulos, CEO, Philip Morris International.