

PHILIP MORRIS INTERNATIONAL (PMI)

Rewilding Nature, Reimagining the Future

Philip Morris International (PMI) is a global company committed to sustainability and innovation. With a diverse and dedicated team, PMI focusses on creating a positive impact through various initiatives and partnerships aimed at fostering a better future. The company's ongoing efforts are directed towards reducing its environmental footprint and promoting responsible business practices worldwide.

PMI's sustainability efforts have a significant impact, including preventing deforestation through its Zero Deforestation Manifesto. Recognised with CDP's A rating, PMI effectively protects ecosystems and supports social responsibility.

SUSTAINABILITY STRATEGY

PMI has a sustainability strategy guided by a comprehensive materiality assessment. The company views sustainability as a core business aspect, fostering innovation, growth, and long-term value. PMI's 2025 Roadmap includes eight specific strategies and 11 goals addressing priority areas and other material ESG topics, ensuring meaningful contributions to societal challenges and driving long-term success.

PMI sets and tracks the achievement of sustainability targets using a Market Sustainability Scorecard, which evaluates global programme alignment, local governance, and stakeholder engagement to guide local strategies and ensure global alignment.

Sustainability is integrated into executive compensation and preparing for external verification and regulatory requirements. This ensures transparency and consistency in reporting. The key performance indicators are refined based on stakeholder feedback and evolving standards to enhance data robustness and align with global sustainability trends.

Diversity and Sustainable Workplace Practices

Sustainability is deeply embedded in PMI's corporate culture, fostering equitable employment and well-being. PMI's commitment to diversity is reflected in 41.8% of management positions being held by women, surpassing its 40% target.

By investing in professional development, ensuring a safe work environment, and aligning practices with sustainability goals, PMI aims to positively impact both the organisation and society, creating a supportive and empowering workplace.

Sustainability Leadership and Employee Education

PMI's 2025 Roadmap is led by a Chief Sustainability Officer, who defines and coordinates corporate sustainability strategy, programme implementation, and performance reporting. Each market and region has a reporting line to the Chief Sustainability Officer.

There are online training programmes on sustainability practices available and supported by PMI. These programmes help employees understand their role in achieving sustainability goals. The local team in Singapore, together with local teams in Hong Kong and China, jointly organises briefings and lunch-and-learn sessions on biodiversity and sustainability, which are published on the company's intranet for employee engagement.

INVENTORY MANAGEMENT TECHNOLOGY

As part of continuous innovation, PMI Singapore has recently introduced a digital tool that enables retailers to easily check product freshness of their existing stocks of the products.

The tool was deployed to retailers to help them efficiently manage their stocks by First-In-First-Out (FIFO) practices so that they can ensure stock freshness.

The tool has been implemented with a user guide provided to all retailers. PMI also measures the tool's usage and gathers feedback from retailers to further enhance the tool.

VALUE CHAIN SUSTAINABILITY STRATEGY

PMI upholds responsible business practices throughout its value chain, extending to the supply chain with a focus on human rights and environmental considerations. PMI's supply chain sustainability strategy is grounded in its Responsible Sourcing Principles (RSP), which align with the UN Guiding Principles on Business and Human Rights (UNGPs), the Ten Principles of the UN Global Compact, and International Labour Organization (ILO) Conventions.

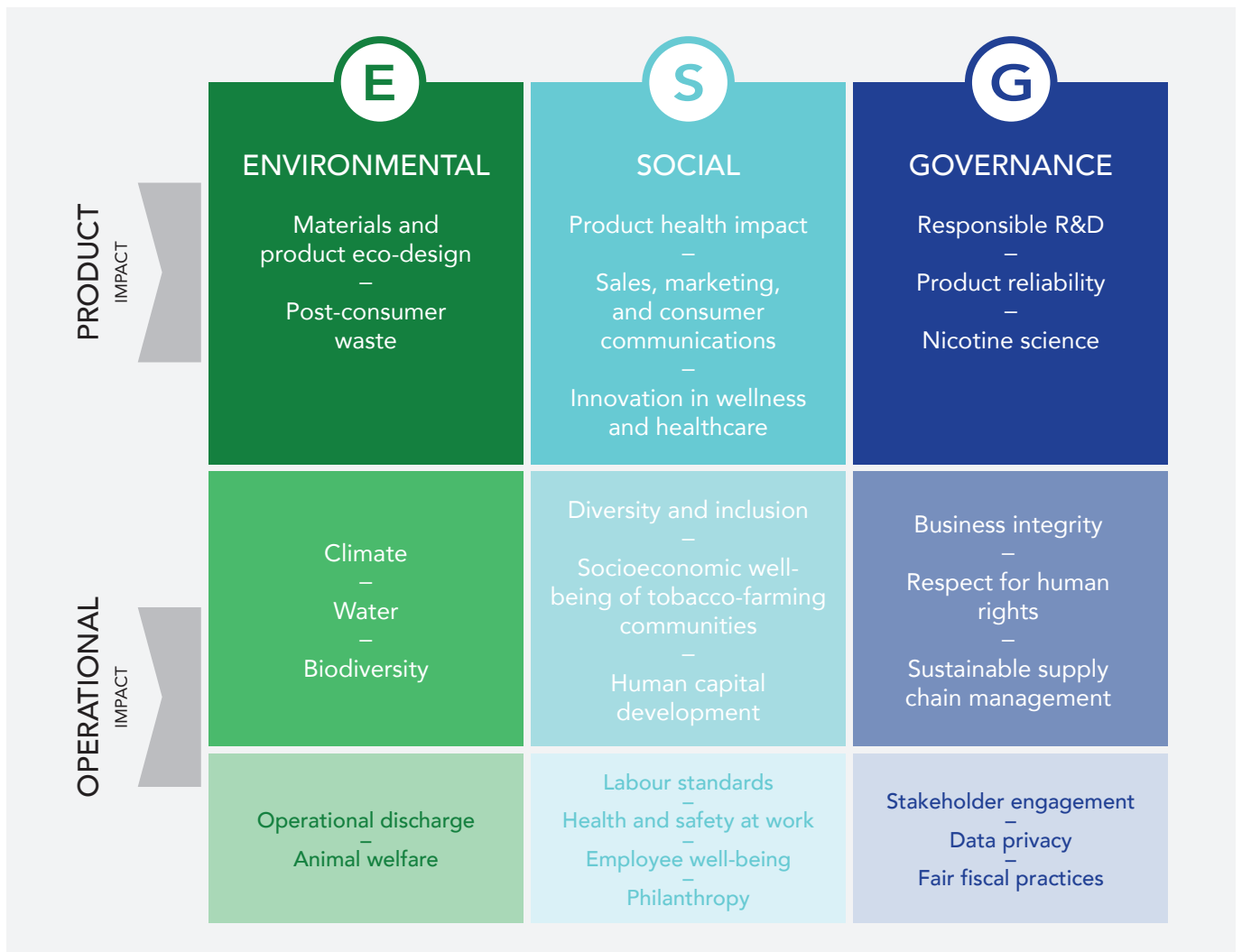
PMI's supply chain sustainability strategy details PMI's ambitions to set process and performance standards for its suppliers and stakeholders across tiers within the supply chain. Built into PMI's contractual agreements, PMI expects all its suppliers to demonstrate high sustainability performance and compliance with its RSP and Good Agricultural Practices (GAP). PMI also continues to monitor the activities of its critical suppliers through a suite of tools, including third-party assessments, on-site audits, and field visits.

PMI's collaboration with value chain partners enhances labour conditions and environmental practices, mitigating risks and strengthening its reputation.

TANGIBLE SUSTAINABILITY INITIATIVES ALIGNED WITH SINGAPORE'S GREEN PLAN

PMI Singapore's main sustainability initiative focusses on preserving nature with a deeper appreciation for biodiversity. This initiative is crucial given the rapid urban expansion in Singapore, which has led to the clearing of primary forests and natural vegetation. Its efforts aim to counteract these impacts through meaningful partnerships with external stakeholders, that involve key activities include a rewilding project with Nature Society along the rail corridor to restore local biodiversity, nature walks organised by

SUSTAINABILITY STRATEGY



the employees, and participation in global events such as World Clean Up Day.

PMI’s focus on preserving nature and biodiversity complements the Green Plan’s targets for enhancing green spaces and increasing tree planting. By engaging in rewilding projects and tree planting, PMI contributes to the Green Plan’s goal of expanding green areas and improving urban biodiversity.

Efforts to reduce post-consumer waste through initiatives such as transitioning to e-invoicing and using sustainable packaging also align with the Green Plan’s targets for waste reduction and sustainable living. These initiatives not only support the Green Plan’s objectives but also integrate sustainability deeply into its operations and practices.

PMI’s local programmes focus also on reducing waste and promoting circularity aligned with the Green Plan’s waste management and sustainable living objectives. By aligning sustainability efforts with the Green Plan’s targets and engaging in collaborative projects, PMI contributes to Singapore’s broader environmental goals and demonstrates its commitment to advancing sustainability in the region.