



PHILIP MORRIS
INTERNATIONAL

Report

on sustainable development
activities affiliated
with companies
“Philip Morris International”





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PMI mission

A future without
cigarette smoke



PMI in the world



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71 000

employees



20 mln

IQOS users



67

countries where IQOS
is available



~1000

scientists and experts work in 2 research centers
of the PMI



23,5%

cigarette market share



3,5%

stick market share



AAA

CDP climate rating



30%

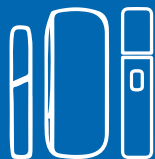
share of smokeless
products in total income



**Expanding
the portfolio**

nicotine-free products

Goals by 2025



40 mln

of smokers switched
to smokeless products



50%

share of smokeless products
in total income

PMI in Eastern Europe



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100 Cities have PMI offices



3500
employees



2
factories in Krasnodar
and Len. Areas



₽216 bln the amount of taxes paid to budgets of all levels in 2020



\$2 bln
investment volume



₽21 bln
investment in localization
of sticks for IQOS



4 mln
IQOS users



7,5%
stick market share



23,5%
cigarette market share



Lil Solid
product launch

Sustainable development

Expectations from us beyond harm reduction innovations



Combating illicit
trafficking
of tobacco products



Contribution
to the fight against
smoking among
minors



Contribution
to the solution
of significant social
issues



Contribution
to the fight against
climate change



ESG principles are a key component of the overall business strategy in PMI

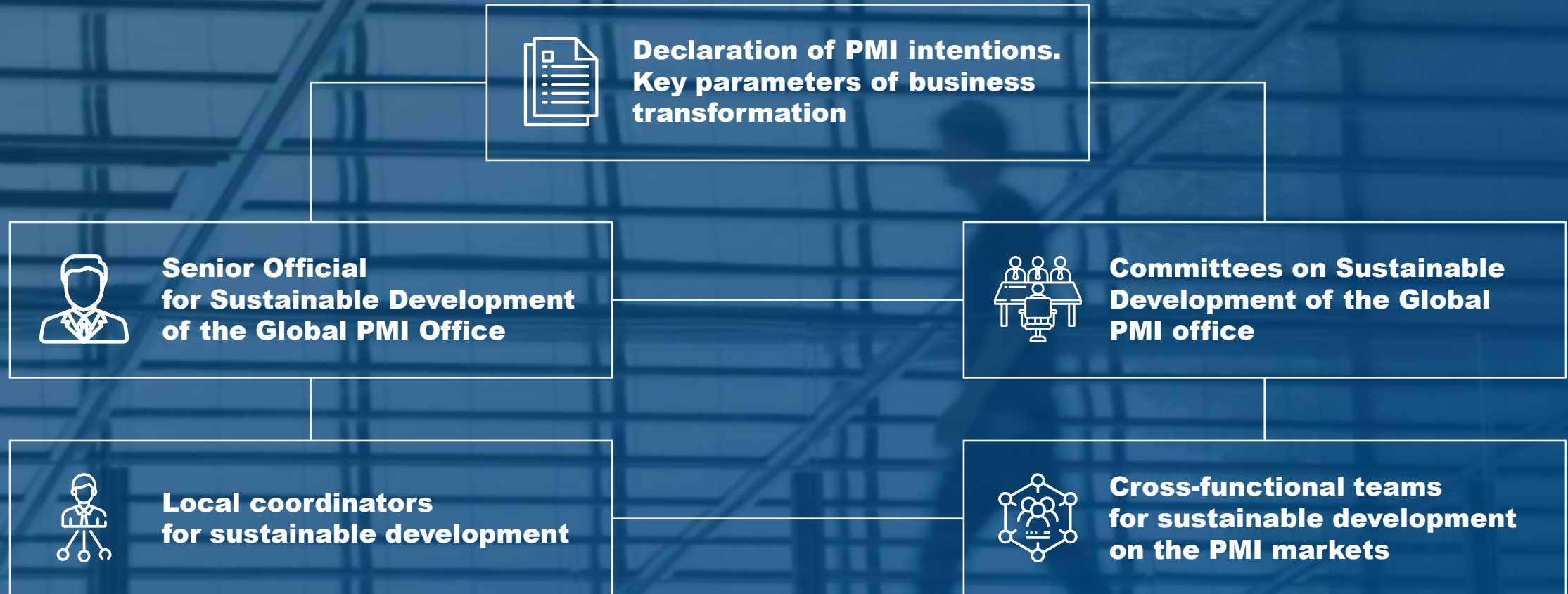


PMI RESEARCH & DEVELOPMENT

Corporate governance



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Contribution to the UN Sustainable Development Goals



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13 goals,
within which
the company
can promote
positive change

3 goals,
to which we can make the greatest contribution



Comprehensive and multi-level scientific approach



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Product development

Confirmation of a reduced level of formation of harmful substances



Clinical evaluation

- Confirmation of reducing the harmful effects on the smoker's body
- Confirmation of reducing the risk of developing diseases in a smoker



Long-term evaluation

- The prevalence of products
- Security monitoring



Toxicological estimation

Confirmation of a reduced level of toxicity and risk in the laboratory



Perception and behavior

- Assessment of product perception and behavior of smokers, non-smokers and former smokers
- Impact modeling per population

Business ethics and anti-corruption



Responsible
marketing



The Code of Legality
and Integrity



Class A1 in the RUIE
Anti-Corruption Rating



We are guided by the principles of **honesty,**
impartiality and respect

Creating a sustainable supply chain



67%

Share of local suppliers



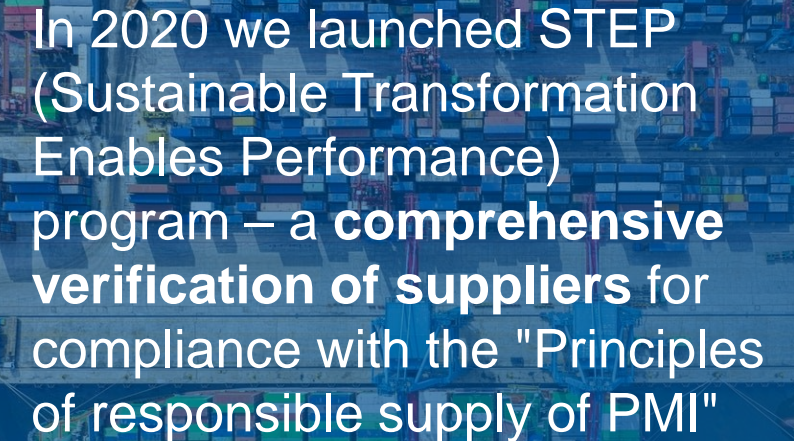
>1300

Total number of local suppliers



>50 initiatives

Partnerships in new formats



In 2020 we launched STEP (Sustainable Transformation Enables Performance) program – a **comprehensive verification of suppliers** for compliance with the "Principles of responsible supply of PMI"

Our nominations and winners



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Outstanding Cooperation

Action

BTG Consult

Antey

Basque



Breakthrough of the Year

Haight creative agency

Everland



Sustainable Development

RSVP



WOW Effect

Jet Set



Eurika

ICNX

HTEC



Stronger Together

Azbuka Vkusa

MSK Production

Prof-
medicine



For the Will to Win

Elements

iLevel

El Paco



Person of the year

Tamara Gelyaeva (Pistachios)

Lyudmila Bochkareva (Transit)

Valya Petrikovskaya
and Polina Shashkova (Seven)

V. Petrikovskaya
& P. Shashkova (Seven)

Protection of human rights in the entrepreneurial aspect



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3500
employees



Career Management
and human resources



Support and further
development of an inclusive
environment



Employee
development



Ensuring equal conditions
for women and men



Performance
management



Achieving a work-life
balance



Ensuring
employee
engagement



Concern for the well-being
of employees

2020 initiatives



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Employee support

- Additional paid parental Leave
- Vacation Incentive Program
- Safe office



Engagement and training

- Club "What? Where? When?"
- Challenges
- Me2U sessions
- Guest talks and webinars
- Innovation Week
- Online trainings



Communication

- Webcasts
- News Digest
- Virtual coffee with the Management Team
- Online conferences



Inclusivity

- Business School for people with disabilities



Awards and online parties

- Reward for caring during the pandemic
- New Year's Light Online

Occupational safety and employees' well-being



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0 Cases of severe injuries in 2020

13 Years without injury with loss of working time at the Philip Morris Kuban factory



Employee vaccination program

Mission Zero Concept:
zero workplace injuries



The reporting includes all the people on the factory premises, employees, contractors and guests

Protecting the environment

99,9%

of industrial waste
is recycled



Factories in Eastern Europe have passed a certification audit for compliance with the requirements of the water use standard Alliance for Responsible Water Use



Project of transitioning the FM Izhora factory to carbon neutrality



PMI charity programs in Eastern Europe



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Innovative Business Navigator

EMBA and business consulting for managers of small and medium-sized enterprises



Foundation for the Support of the Deafblind

Support for the Deafblind and contribution to scientific research on vision and hearing



Educational program

Professional educational courses for the elderly and for women with children



Institute of Science and Technology

Program to support Advanced Research in the Field of Systematic Biology



Clean Volga project

Improving the ecological state of the Volga River

Corporate volunteering



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НАЦИОНАЛЬНЫЙ СОВЕТ
ПО КОРПОРАТИВНОМУ
ВОЛОНТЕРСТВУ

20 events
across the country
with 1000 of employees
participating





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