Philip Morris Brasil AND WATER
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human</strong></td>
<td><strong>77,400</strong> Employees</td>
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<tr>
<td></td>
<td><strong>42.1%</strong> Women employees</td>
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<tr>
<td></td>
<td><strong>&gt;100</strong> Employee nationalities</td>
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<td></td>
<td><strong>&gt;350,000</strong> Farmers contracted by PMI</td>
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<tr>
<td><strong>Intellectual</strong></td>
<td><strong>$303m</strong> Total R&amp;D expenditure</td>
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<tr>
<td></td>
<td><strong>92%</strong> Of total R&amp;D expenditure related to smoke-free products</td>
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<tr>
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<td><strong>2</strong> R&amp;D centers</td>
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<tr>
<td></td>
<td><strong>&gt;400</strong> Scientists, engineers, and technicians</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td><strong>44</strong> Owned manufacturing facilities</td>
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<tr>
<td></td>
<td><strong>26</strong> Third-party manufacturers</td>
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<tr>
<td></td>
<td><strong>7</strong> Of PMI-owned manufacturing facilities producing smoke-free products</td>
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<tr>
<td></td>
<td><strong>$1.4bn</strong> Capital expenditure</td>
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<tr>
<td><strong>Natural</strong></td>
<td><strong>&gt;330,000 tons</strong> Packed tobacco sourced</td>
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<td></td>
<td><strong>9.1m</strong> Gigajoules energy consumed in PMI facilities</td>
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<tr>
<td></td>
<td><strong>4.4m</strong> Water use (in m³)</td>
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<td></td>
<td><strong>3</strong> Most significant direct materials purchased: printed paper board used in packaging, acetate tow used in filter making and fine paper</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td><strong>$10bn</strong> Annual spend on supply chain beyond tobacco</td>
</tr>
<tr>
<td></td>
<td><strong>A</strong> Long-term credit rating by Standard &amp; Poors, Fitch, and A2 by Moody’s</td>
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<tr>
<td></td>
<td><strong>$31.8bn</strong> Total debt</td>
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<tr>
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<td><strong>1st</strong> Largest publicly traded tobacco company by market capitalization</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td><strong>&gt;36,000</strong> Suppliers</td>
</tr>
<tr>
<td></td>
<td><strong>5.9m</strong> Retailers selling PMI products</td>
</tr>
<tr>
<td></td>
<td><strong>&gt;230</strong> Partners implementing our charitable contributions programs</td>
</tr>
<tr>
<td></td>
<td><strong>16</strong> PMI IMPACT projects selected</td>
</tr>
</tbody>
</table>
SMOKE-FREE FUTURE

Transforming our business
- Product health impacts
- Access to smoke-free products
- Product addictiveness
- Responsible R&D

Driving operational excellence
- Responsible commercialization
- Other human rights
- Economic performance
- Raw materials and other supplies
- Data privacy
- Fiscal practices
- Illicit tobacco trade
- Policy influence
- Bribery, corruption, and anti-competition

Managing our social impact
- Child labor eradication
- Fair working conditions
- Health, safety, and well-being
- Diversity and inclusion
- Community engagement
- Talent attraction and retention

Reducing our environmental footprint
- Emissions and energy
- Biodiversity and deforestation
- Waste and littering
- Water
REDUCING OUR ENVIRONMENTAL FOOTPRINT

- water
  - decision pillar
  - generate positive impact

- opportunity and risk diagnostics
IMPACT OF WATER MANAGEMENT

Actions leading to certification

INDUSTRY
PMB

AGRICULTURE
Farmers

LOCAL COMMUNITY
Watershed Committee

WATER GUARDIAN
PROGRAM

NATIONAL WATER AGENCY
A.N.A.

UNIVERSITY
VALIDATION
UNISC

MULTI STAKEHOLDER APPROACH BEYOND MANUFACTURING FACILITY
AWS CERTIFICATION
RESOURCES

FACTORY
USD ,000*
2018 ............. 49.6
2019 .............. 19.1

FARMERS
USD ,000*
2018 ............... 190
2019 ................ 192

VERA CRUZ
25,000 HABITANTS
USD ,000*

City water treatment ............. 46.3 / year savings
Water catchment project ............ 165 / 3 years
Duration of farm payments for environmental services

Manufacturing heated tobacco requires more water than cigarettes

Collaborate between teams to certify all PMI factories by 2025

Scale up AWS Standard across our value chain
A **key learning** from the broad approach that the AWS Standard requires is that water issues are always more complex than anticipated, but that **engagement with stakeholders** can help to resolve problems that individually may be viewed as insurmountable.