

<p><b>OUR PRINCIPLES &amp; PRACTICES</b></p>	 <p><b>PHILIP MORRIS INTERNATIONAL</b></p>
<p><b>PMI 04-C</b></p>	<p><b>Design, Marketing &amp; Sale of Combusted Tobacco Products</b></p>
<p>Issued:</p>	<p>15.03.2021</p>
<p>Effective:</p>	<p>15.05.2021</p>
<p>Next review:</p>	<p>15.05.2023</p>
<p>Owner:</p>	<p>Senior Vice President Commercial, PMI</p>
<p>Approved by:</p>	<p>Chief Executive Officer, PMI</p>

## Key Points to Remember

- The Code for Design, Marketing & Sales of Combusted Tobacco Products and its Implementation Guidelines establishes the core principles, practices, and governance processes to follow when developing, designing, marketing, engaging with Adult Consumers about, and selling PMI's Combusted Tobacco Products. A separate code governs Non-Combusted Alternatives.
- Smoking Combusted Tobacco Products causes serious diseases and is addictive. PMI's Combusted Tobacco Products, Marketing, direct engagement, and sales activities are solely for Adult Smokers who choose to continue smoking, and our activities are solely focused on enabling Adult Smokers to make brand choices.
- We do not encourage people to start smoking, nor do we discourage cessation. We do not want minors to use any PMI Product and we do not market to minors. We warn and remind Adult Smokers of the health effects of smoking and encourage Adult Smokers who would otherwise continue to smoke to consider switching to Non-Combusted Alternatives.
- The Code for Design, Sales & Marketing of Combusted Tobacco Products helps ensure we market our Combusted Tobacco Products responsibly by providing clear rules (Sections 1-6), establishing a pre-deployment review process (Section 7), requiring training for our employees and third party partners (Section 8), self-assessment and certification (Section 9), and, of course, following all applicable laws (Section 10).
- Following the law is essential. In some places, provisions in the relevant laws may exceed requirements of this Code – and of course, you must follow those. In other areas, the Code may impose greater requirements than the law – and you must follow the Code as well as the law. In all cases, you are accountable and must apply sound judgment. Following the law and the principles, practices, and processes required by this Code is not only the right thing to do but also helps us to ensure our products and activities build our brands responsibly.

## Principles

**We are delivering a smoke-free world.** Smoking Combusted Tobacco Products causes serious disease. Our mission is to design, substantiate, market, and sell Non-Combusted Alternatives that are much better alternatives for Adult Consumers who would otherwise continue smoking.

**Our Combusted Tobacco Products are solely for Adult Smokers.** We sell Combusted Tobacco Products and compete for market share among Adult Smokers. We do not develop or market Combusted Tobacco Products in ways that particularly appeal to minors. We do not encourage people to start smoking, and we do not discourage people from quitting or interfere with quit attempts.

**We warn consumers about the health effects of PMI Products.** Smoking Combusted Tobacco Products causes serious diseases and is addictive. All Advertising and Consumable Packaging must have health warnings, even if the law does not require them.

**We communicate about PMI Products to enable Adult Smokers to make choices.** We communicate about our Combusted Tobacco Product brands so that Adult Smokers can find and select the products they prefer. We encourage Adult Smokers who would otherwise continue to smoke to switch to Non-Combusted Alternatives.

**We market truthfully and transparently.** Our communications and product claims must be accurate and non-misleading. When we contract with third party promotional staff or coaches to help us market or commercialize our products, they must make clear they are working for us.

**We develop, design, and deploy Combusted Tobacco Products in ways that are consistent with our smoke-free mission.** We are proud of our leadership in Combusted Tobacco Products, and we intend to continue to responsibly sell cigarettes as long as there is a significant legitimate demand. Our focus, however, remains on making Non-Combusted Alternatives available for the hundreds of millions of Adult Smokers who would otherwise continue to smoke; encouraging them to fully switch to better products; and leading the transformation of the industry. We will maintain our leadership in Combusted Tobacco Products by focusing on more impactful initiatives for Adult Smokers and using that leadership to help Adult Smokers switch to Non-Combusted Alternatives.

## Why it is Important for PMI

Consumer-centric product design, marketing, sales, and direct engagement drive our commercial success and can propel our Smoke-free vision.

They also have a significant impact on how consumers, business partners, stakeholders, and regulators view us and treat us and our products. Their role in encouraging rapid positive change is key, and responsible marketing practices allow us to lead by example.

Concerns that our products, marketing, and sales could discourage cessation,

encourage initiation, or particularly appeal to minors can undermine our credibility, harm our reputation, and even trigger adverse regulation, threatening our ability to engage or jeopardizing product categories. How we market and sell Combusted Tobacco Products can either enhance or undermine our credibility – and trust and meaningful dialogue are indispensable for achieving our smoke-free vision.

This Code embodies the Company's commitment to responsible product development, design, marketing, consumer engagement, and sales. By honoring these principles and practices, you safeguard the Company's reputation, preserve important channels for us to engage with Adult Consumers, and enable our business success.

## Who Must Follow these Principles & Practices

All PMI employees directly involved in developing or deploying Adult Consumer-focused product, packaging, Advertising, Marketing, consumer engagement, and Sales initiatives for Combusted Tobacco Products must follow this Code and the Implementation Guidelines that accompany it.

All third parties contracted or engaged by the Company to conduct those activities must also follow the portions of this Code and the Implementation Guidelines that relate to the role they perform.

## Definitions

**Accessories** – Items PMI intends to be used with PMI Products – for example, in the case of Combusted Tobacco Products, a cigarette lighter or an ashtray.

**Advertising** – Any Branded commercial communication by which We promote a PMI Combusted Tobacco Product to Adult Smokers, regardless of the medium.

**Adult** – A person who is of legal age to purchase tobacco products or, where no such age is defined in applicable law, is at least 18 years old.

**Adult Smoker** – An Adult who is a consumer of Combusted Tobacco Products.

**Adult Non-Combusted Alternative Consumer** – An Adult who is a consumer of Non-Combusted Alternatives.

**Adult Consumer** – An Adult who is a consumer of Combusted Tobacco Products and/or Non-Combusted Alternatives.

**Brand (Branding, Branded)** – Containing a name, trademark, logo, or other element that could easily identify a brand of a Combusted Tobacco Product made or sold by or on behalf of PMI.

**Company (or PMI, or We)** – Philip Morris International Inc. and its direct and indirect subsidiaries and/or affiliates.

**Consumable Packaging** – Packaging, wrapping, bundles, or any other materials in which Combusted Tobacco Products are offered for sale to Adult Smokers. (For clarity,

inserts and onserts are not Consumable Packaging for the purposes of this Code.)

**Combusted Tobacco Product** – A manufactured consumable product that combusts tobacco and/or generates smoke inhaled directly by the user when it is used as intended. Combusted tobacco products include, for example, cigarettes, cigarillos, cigars, “Roll Your Own”, “Make Your Own”, and pipe tobacco.

**Implementation Guidelines** – The mandatory Guidelines listed in Section 11 below.

**Marketing** – The set of commercial initiatives and communications by which We promote, offer, and sell PMI or third party business partners’ products to Adult Consumers. Marketing includes Advertising.

**Non-Combusted Alternative (or NCA)** – A manufactured consumable product (whether made from tobacco or not) that provides a nicotine-containing aerosol without combusting tobacco and that does not generate smoke inhaled directly by the user when it is used as intended. NCAs include any NCA Device necessary for the consumption of the tobacco or nicotine-containing substance.

**PMI Marketing Review Council** – a group comprising the Chief Consumer Officer, Senior Vice President Commercial, Senior Vice President Global Communications, Senior Vice President & General Counsel, and Senior Vice President External Affairs (or their designees) that is responsible for providing input and guidance to affiliate Deployment Review Groups and deciding on questions, issues, or exceptions requested by Affiliates.

**PMI Product** – A Combusted Tobacco Product, Non-Combusted Alternative Consumable, or Non-Combusted Alternative Device made or sold by or on behalf of PMI.

**Premium** – A value added offer, service, or other reward sold or otherwise provided to an Adult Consumer, including loyalty recognitions provided, for example, as part of loyalty program, that is not a Non-Combusted Alternative or Accessory.

**Sales** – The commercial initiatives by which We provide PMI Products to Adult Consumers in exchange for monetary value or other consideration, as a result of which an Adult Consumer has access to a PMI Product.

**Trade Partner** – Any representative of a retail outlet, legal age meeting point (LAMP), or other business or individual that is engaged by an Affiliate for the retail sale of PMI Combusted Tobacco Products.

## PMI Mandatory Practices

### 1. Products and packaging.

*1.1 Product and packaging development and design.* PMI Combusted Tobacco Product Branding and Consumable Packaging features and attributes must clearly reflect our intention that they are for Adult Smokers and not for non-smokers. They must not have particular appeal for minors.

*1.2 Product branding.* Branding is used on Consumable Packaging in order to help

Adult Smokers learn about, understand, select, and find the PMI Combusted Tobacco Product they prefer. Branding must be designed and intended for Adult Smokers and must not have particular appeal to minors.

**1.3 No Advertising on Consumable Packaging.** Standard brand presentation (*i.e.*, brand name, trademark and/or logo) must predominate in all Consumable Packaging designs. Advertising visuals must not be used on Consumable Packaging. Any text placed on the external part of such packaging must be factual, brand-related and/or product specific, and not Advertising.

**1.4 Accessories and Premiums.** Accessories and Premiums must be for Adult Smokers and must not have particular appeal to minors.

*Accessories.* Combusted Tobacco Product Branding may be used on or in Accessories, such as cigarette lighters or ashtrays.

*Premiums.* Combusted Tobacco Product Branding may not be used on Premiums (including Value Added Offers or Rewards).

## **2. Marketing.**

**2.1 Marketing content.** Marketing content must reflect our intended focus on Adult Smokers. Detailed requirements are contained in PMI 04-C G1 *Sales & Marketing of Combusted Tobacco Products*.

Marketing must not make express or implied health claims about PMI Combusted Tobacco Products.

Marketing must be respectful and, in our best judgment, must not perpetuate negative gender, ethnic, or cultural stereotypes.

**2.2 No product placement.** You must not pay or give anything of value to include the use of Combusted Tobacco Products, a Combusted Tobacco Product brand name, or items bearing a PMI Combusted Tobacco Product brand name in entertainment programs, films, or theatrical productions in or on the Internet, cinema, television, radio, video game, or any other program that is intended for or disseminated to the general public.

**2.3 No use of social media.** PMI does not use social media for Marketing, Advertising, or any other promotional communications related to Combusted Tobacco Products. In other words, you must not use social media, as defined in PMI 18-C *Using Computer Technology*, to advertise or promote PMI Combusted Tobacco Products, events, or promotional activities, or engage with Adult Smokers. This applies to all Marketing, direct engagement, campaigns, or activities, whether they are Branded or not. You must not create and deploy any Marketing content for the purpose of generating or prompting social media posts about PMI Combusted Tobacco Products. The same rule applies to third parties contracted by or acting on behalf of PMI, including agencies, sales experts, promotional, front line and event staff.

**2.4 Location and execution of Marketing.** Advertising, Marketing, and Sales materials must be placed where they are likely to reach Adult Smokers and not in places or channels frequented primarily by minors.

Advertising and Marketing materials may only be placed in media channels (including digital channels), venues, events, or locations that are not directed to minors and whose audience is reasonably estimated to be at least 75% Adults. For details on location and execution of Advertising, including digital channels, observe PMI 04-C G1 *Guidelines for Marketing and Sales of Combusted Tobacco Products* and PMI 04-C G4 *Digital Communications With Consumers*.

**2.5 Trade communications.** All written promotional communications intended for Trade Partners must clearly state “*For Trade Only. Not for Distribution to Consumers.*” Advertisements and Marketing materials 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.

### **3. Direct engagement.**

**3.1 General.** We (and third parties we contract) engage *directly* with Adult Smokers (“Direct Communication”) in a variety of ways, including in person; via a range of technologies including direct mail, consumer websites or apps, e-mail, and text messages; and through online and offline sales channels, among others. We engage with Adult Smokers as a group (“Consumer Engagement”) through Consumable Packaging and inserts; pack scanning technologies; and websites and events, among others.

All Company activities involving Direct Communications with Adult Consumers about Combusted Tobacco Products must follow the practices contained in PMI 04-C G1 *Marketing and Sale of Combusted Tobacco Products* and the age control processes set out in PMI 04-C G3 *Omnichannel Youth Access Prevention*.

**3.2 Supporting better choices.** You may only engage about Combusted Tobacco Products with Adult Smokers who do not also use Non-Combusted Alternatives. Do not engage with Adult Non-Combusted Alternative Consumers about Combusted Tobacco Products.

**3.3 Third parties.** All promotional and event staff who are not Company employees but are contracted by and acting on behalf of the Company to engage in Direct Communications with Adult Smokers must be of legal age to purchase PMI Combusted Tobacco Products and at least 21 years old and shall be required by contract not to post about PMI Products or related events on social media.

**3.4 Transparency.** PMI employees or contractors who engage in Direct Communications with Adult Smokers, including in the context of Advertising and Marketing platforms or campaigns, must make it clear that they are working for or acting on behalf of PMI.

### **4. Sales.**

**4.1 Sale and delivery.** PMI Combusted Tobacco Products, Accessories, or Premiums may only be sold (or provided) and delivered directly only to age-verified Adult Smokers. For more details on those measures, follow PMI 04-C G3 *Omnichannel Youth Access Prevention*.

**4.2 Product samples.** Subject to applicable laws, PMI Combusted Tobacco Products may be offered free in limited quantities (typically no more than one pack) to age-

verified Adult Smokers as part of product trial.

**4.3 *Switch-selling.*** Subject to applicable laws, PMI may offer to an Adult Smoker to switch or swap a PMI Combusted Tobacco Product for a competitive Combusted Tobacco Product they have already purchased.

**4.4 *Not for Adult Non-Combusted Alternative Consumers.*** Combusted Tobacco Products may not be offered as samples, swapped, or switch-sold to an Adult Non-Combusted Alternative Consumer.

## **5. Risk and product communication.**

**5.1 *Health warnings.*** All Consumable Packaging, Advertising and Marketing materials for Combusted Tobacco Products must have health warnings. If the law does not require or specify health warning content and appearance, observe PMI 04-C G1 *Marketing and Sales of Combusted Tobacco Products*.

**5.2 *Substantiation.*** All statements in Advertising Marketing materials, on Consumable Packaging, and in engagements with Adult Smokers and Trade Partners must be accurate and not misleading, including about the health risks of smoking. All product-related claims must be adequately substantiated.

***Bridging communication.*** When communicating with Adult Smokers about Non-Combusted Alternatives through inserts in PMI Combusted Tobacco Products, consumer websites, communication for Trade Partners or otherwise, use statements and messages that are approved by the Substantiation Task Force Governance Board. Any local adaptations must remain accurate and not misleading and true to the essence of the original statements approved by PMI Substantiation Task Force Governance Board.

**5.3 *No reduced-risk communication.*** You must not claim or suggest that any Combusted Tobacco Product is less hazardous or reduces risk compared to any other Combusted Tobacco Product.

**5.4 *Tar, Nicotine and/or CO disclaimer.*** If there is a legal requirement to print tar, nicotine or CO yields on Consumable Packaging or Advertising, you may voluntarily print tar, nicotine and/or CO yield numbers on Advertising and on Consumable Packaging in addition to those required by law, as long as you 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.*"

## **6. Third parties and Trade Partners.**

**6.1 *Third parties.*** Third parties that are contracted by and acting on behalf of PMI to design, develop, Advertise, Market, or Sell PMI Combusted Tobacco Products must comply with this Code and Implementation Guidelines, as applicable to their activities. They must be adequately trained and required in writing (.e.g. by contract) to comply with this Code.

**6.2 *Trade partners.*** Trade Partners that are not contracted by or acting on behalf of PMI should be encouraged to abide by this Code. For example, consider encouraging their efforts to prevent unauthorized youth purchase of Combusted Tobacco Products and providing them assistance, training, tools, and/or incentives to support actions and behavior consistent with this Code.

## 7. Governance: Pre-deployment review.

**7.1 Governance process.** Each PMI Affiliate must have in place a Deployment Review Group (“DRG”) that provides a robust process for reviewing and approving new product, packaging, consumer facing programs, campaigns, or initiatives before they are deployed. The DRG must include the Affiliate heads (or their designees) of the Consumer, Commercial, Marketing, Sales, Law, Global Communications, and External Affairs functions (or the Affiliate equivalents of those functions). Programs, campaigns, or initiatives that are included in centrally-developed “toolboxes” may be subject to an abbreviated procedure but must at a minimum be reviewed by representatives of the Affiliate Law, External Affairs and Global Communications functions (or the Affiliate equivalent of those functions).

**7.2** If you propose deploying a program, campaign, or initiative, you are responsible for assessing

- that the proposal responds to Adult Smokers’ needs and makes sound commercial sense;
- its conformity with relevant laws;
- its consistency with this Code and Guidelines, and in particular the risk that it could be perceived as focusing on non-smokers, encouraging initiation, discouraging cessation, or particularly appealing to minors, and ways to resolve or mitigate those concerns; and
- the risks the proposal may present to PMI’s smoke free mission, corporate reputation, and interactions with key stakeholders.

Empirical data help inform decisions but are not always available. You can also rely upon input and assessments from the PMI Marketing Review Council; experience from other countries that deployed the initiative; market observation and analysis; input from colleagues in Law, External Affairs, and Global Communications; and your best judgment

### **7.3 Making decisions.**

***New Combusted Tobacco Products.*** A new Combusted Tobacco Product or product feature should be deployed only if (1) it meets (or is designed to meet) a significant Adult Smoker need or preference, based on consumer insights or market observation; and (2) data, analysis, market factors (for example, if Non-Combusted Alternatives are available or banned), and/or planned actions provide a good faith basis that deployment would not encourage Non-Combusted Alternative users to revert to Combusted Tobacco Products or undermine PMI’s regulatory strategies.

***Opportunities to bridge to Non-Combusted Alternatives.*** We should do our utmost to encourage Adult Smokers to fully switch to Non-Combusted Alternatives where they are available. Therefore, for launches of new Combusted Tobacco Products you should consider appropriate ways of raising awareness of, and informing Adult Smokers about, PMI Non-Combusted Alternatives and the benefits of switching versus continued smoking.

**7.4 Documentation.** As described in PMI 04-C G1 *Marketing and Sales of Combusted Tobacco Products* and in accordance with PMI 01-C *Managing Company Information*,



each Affiliate must keep a record of the proposals considered by the Deployment Review Group and the decisions taken.

**7.5 Escalation, clarification, or exceptions.** Questions, clarifications, or requests for interpretation of this Code may be referred to the PMI Marketing Review Council. Any exceptions to PMI 04-C must be submitted in writing to PMI Marketing Review Council and approved by the Senior Vice President Commercial.

## **8. Training.**

8.1 All PMI employees directly involved in developing or deploying Adult Consumer-focused product, packaging, Advertising, Marketing, consumer engagement, and Sales initiatives for Combusted Tobacco Products must receive training on this Code and related Implementation Guidelines.

8.2 All third parties contracted that are contracted by and acting on behalf of PMI to develop or deploy Adult Consumer-focused product, packaging, Advertising, Marketing, consumer engagement, and Sales initiatives for Combusted Tobacco Products (including agencies, brand ambassadors and other promotional staff, coaches, sales experts, call center agents, front line staff, event staff, and shop assistants) must be trained on the parts of the Code and related Implementation Guidelines that are relevant to their activities.

8.3 The Affiliate Heads, the Regional functional heads responsible for Combusted Tobacco Products, and the Senior Vice President Commercial or her or his delegates are accountable for implementing these trainings for all employees in, and third parties contracted by, their respective organizations. Trainings must be repeated at least every two years.

## **9. Implementation and certification.**

9.1 On at least an annual basis, each Affiliate DRG must perform a self-assessment to determine if the practices required in this Code and its associated Guidelines are implemented across all relevant channels and operating adequately and trainings required by Section 8 were conducted.

Members of the DRG and the Head of the Affiliate must certify that the proposals approved by the DRG, as executed, complied with the Code and Mandatory Guidelines or, where discrepancies are noted, that they were investigated, resolved, and/or rectified, as applicable.

Results and actions resulting from the self-assessment are to be documented in accordance with PMI 04-C G1 *Marketing and Sale of Combusted Tobacco Products* and shared with the relevant Regional Vice President Commercial.

9.2 Each Regional Vice President Commercial must attest and report on an annual basis to the Senior Vice President Commercial a summary and a conclusion on the effectiveness of the systems implemented and operated in the applicable markets covered within their region. The attestation should consolidate and outline the results of the self-assessment activities performed by the markets in their region.

9.3 In addition to Affiliate and Regional reporting and certification, the Senior Vice President Commercial or her or his delegates will consider Adult Consumer, stakeholder, and media reaction to affiliate Marketing and sales initiatives when they are deployed. If PMI has reason to believe activities are inconsistent with this Code or

undermine PMI's reputation, the Senior Vice President Commercial or her or his delegates will investigate and act in conjunction with the relevant Affiliate to address those concerns.

## **10. Compliance with all applicable laws.**

In addition to the requirements of this Code, PMI Products, packaging, and Marketing and Sales activities must follow applicable laws, meet standards of decency, and be acceptable within the culture and norms of the country where they will be implemented. This Code's requirements are minimum standards. While applicable laws always prevail, these standards and the requirements to apply sound judgment apply when there are no applicable laws or when stricter than the applicable laws.

## **Exception Handling**

Requests for exceptions to *PMI 04-C Design, Marketing & Sale of Combusted Tobacco Products*, must be submitted in writing to PMI Marketing Review Council and approved by the Senior Vice President Commercial.

## **Learn More**

### **Related Principles & Practices**

PMI 04A-C *Design, Marketing & Sale of Non-Combusted Alternatives*

PMI 31-C *External Communications and Engagement*

PMI 40-C *Market Research for Combusted Tobacco Products*

PMI 41-C *Market Research for Reduced Risk Products*

## **Ask Questions and Give Feedback**

If you have any questions regarding the content or the interpretation of *PMI 04-C Design, Marketing & Sale of Combusted Tobacco Products*, please contact your Affiliate/Regional functional heads responsible for Combusted Tobacco Products or Senior Vice President Commercial.

### **Speaking Up**

Compliance policies, such as this one, express principles and mandatory practices the Company expects all employees to follow, so we may keep our promise to do business ethically and legally.

That is why it is so important that you don't wait to speak up if you suspect a violation of this policy. Speaking-up is a key part of our jobs. It is expected and always welcomed.

If you have a concern, contact someone more senior in your organization. Most people talk to their supervisors, but there are other options, including department heads, your affiliate or function leadership, and the Ethics & Compliance, Law, Risk & Controls and P&C departments.

Ethics & Compliance maintains a confidential email address, [PMI.EthicsandCompliance@pmi.com](mailto:PMI.EthicsandCompliance@pmi.com), for speaking up.

A third party operated Ethics & Compliance phone and online Helpline is available 24 hours a day with operators available in all languages spoken at PMI. Call its global phone line at +1-303.623.0588 or use a local toll-free number listed on the intranet or available from your management. Its online address is [www.compliance-speakup.pmi.com](http://www.compliance-speakup.pmi.com).

You can also speak up anonymously using the Ethics & Compliance Helpline, [PMI.EthicsandCompliance@pmi.com](mailto:PMI.EthicsandCompliance@pmi.com), or other methods of your choice.

The Company takes seriously all good faith reports of suspected violations of this policy, whoever is involved, and investigates all compliance allegations following established standards and guidelines.

The Company does not tolerate retaliation against employees who speak up in good faith about a suspected compliance violation or cooperate with an investigation.

Violations of this and other C-policies may carry disciplinary action against those involved, up to and including termination of employment. However, the primary objective of an investigation is to understand what happened and, if necessary, to correct the situation and prevent it from happening again.

If you believe you may have violated this policy, you should still speak up promptly. Doing so demonstrates good intentions and the Company will consider this as a mitigating factor. In most cases, speaking up about your own misconduct reduces the severity of disciplinary measures, and in some cases can result in the avoidance of disciplinary measures altogether.

See [PMI P&P 16-C Speaking Up](#) for more information.

<p style="text-align: center;"><b>OUR GUIDELINES</b></p>	<div data-bbox="684 109 896 237" data-label="Image"> </div> <div data-bbox="970 129 1342 219" data-label="Text"> <p><b>PHILIP MORRIS INTERNATIONAL</b></p> </div>
<p><b>PMI 04-CG1</b></p>	<p><b>Sales and Marketing of Combusted Tobacco Products</b></p>
<p>Issued:</p>	<p>15.03.2021</p>
<p>Owner:</p>	<p>VP Global Marketing CC</p>
<p>Approved by:</p>	<p>Senior Vice President Commercial</p>

## Implementation Guidance

### Definitions

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**Adult** – A person who is of legal age to purchase tobacco products or, where no such age is defined in applicable law, is at least 18 years old.

**Adult Smoker** – An Adult who is a consumer of Combusted Tobacco Products.

**Adult Consumer** – An Adult who is a consumer of Combusted Tobacco Products and/or Non-Combusted Alternatives.

**Advertising** – Any Branded commercial communication by which We promote a PMI Combusted Tobacco Product to Adult Smokers, regardless of the medium.

**Affiliate** – Philip Morris International Inc. and each of its direct and indirect subsidiaries which conduct, or engage third parties to conduct, Marketing.

**Brand (Branding, Branded)** – Containing a name, trademark, logo, or other element that could easily identify a brand of a Combusted Tobacco Product made or sold by or on behalf of PMI.

**Combusted Tobacco Product** – A manufactured consumable product that combusts tobacco and/or generates smoke inhaled directly by the user when it is used as intended. Combusted tobacco products include, for example, cigarettes, cigarillos, cigars, “Roll Your Own”, “Make Your Own”, and pipe tobacco.

**Company (or PMI, or We)** – Philip Morris International Inc. and its direct and indirect subsidiaries and/or Affiliates.

**Consumable Packaging** – Packaging, wrapping, bundles, or any other materials in which Combusted Tobacco Products are offered for sale to Adult Smokers. Consumable Packaging does not include boxes and packages for delivery purposes, or inserts and onserts.

**Consumer Engagement** - Any interaction with Adult Smokers about Combusted Tobacco Products by or on behalf of PMI that is not intended for the general public, such as one-to-one communication by phone, video call, email, sms or private messenger, activities at events, loyalty programs, Adult Smoker websites, pack scanning codes, and apps.

**Creative Materials** - Any images, copylines, text, audio, video, and any other sensory materials for Marketing purposes.

**Home Country** - The country where an Adult Smoker tells us he/she resides.

**Marketing** – The set of commercial initiatives and communications by which We promote, offer and sell PMI or third party business partners' products to Adult Smokers. Marketing includes Advertising.

**Non-Combusted Alternative (or NCA)** – A manufactured consumable product (whether made from tobacco or not) that provides a nicotine-containing aerosol without combusting tobacco and that does not generate smoke inhaled directly by the user when it is used as intended. NCAs include any NCA Device necessary for the consumption of the tobacco or nicotine-containing substance.

**PMI Marketing Review Council** – a group comprising the Chief Consumer Officer, Senior Vice President Commercial, Senior Vice President Global Communications, Senior Vice President & General Counsel, and Senior Vice President External Affairs (or their designees) that is responsible for providing input and guidance to Affiliate Deployment Review Groups and deciding on questions, issues, or exceptions requested by Affiliates.

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**Premium** – A value added offer, service, or other reward sold or otherwise provided to an Adult Consumer, including loyalty recognitions provided, for example, as part of loyalty program, that is not a Non-Combusted Alternative or Accessory.

**Sales** – The commercial initiatives by which We provide PMI Products to Adult Consumers in exchange for monetary value or other consideration, as a result of which an Adult Consumer has access to a PMI Product.

**Trade Partner** – Any representative of a retail outlet, legal age meeting point (LAMP), or other business or individual that is engaged by an Affiliate for the retail sale of PMI Combusted Tobacco Products.

## **1. Packaging**

### ***Health Warnings on Consumable Packaging***

If no legislated health warning exists for Consumable Packaging, you must place a clearly visible health warning, using black text on a white background, in the official or predominant local language of the country of sale.

Health warnings are not required on transparent cartons, bundles or overwrap, as long as the health warnings on the packs, pouches or other Consumable Packaging are clearly visible through the outer wrapping.

Branding on Consumable Packaging, including descriptors, must not particularly appeal to

minors. Always submit potential Branding for Consumable Packaging for an IP Check in accordance with PMI-06 C Intellectual Property Rights.

## **2. Marketing**

### **2.1 Health Warnings on Advertising**

In most markets, the law specifies health warnings we must place on Advertising. If the law does not require these warnings, you must place health warnings as described below and ensure that health warnings are clear and conspicuous.

- (i) The health warning must be in black text on a white background and occupy no less than 10% of the total area of the advertisement.
- (ii) The following additional rules apply for specific types of materials and channels:
  - a. Multi-paged materials. You must place one health warning on the front page.
  - b. Branded websites. A health warning must appear permanently (*i.e.*, not as a pop-up message) on the home page of all Branded Company Adult Smoker or trade websites.
  - c. Point of sale material (POSM) smaller than 250 square centimeters. No health warning is required, as long as a larger POSM that bears a health warning is prominently placed and clearly visible elsewhere in the same point of sale.
  - d. Electronic displays at point of sale. Whenever Advertising appears on an electronic display, a permanently visible health warning must also appear.
  - e. Accessories. Branded Combusted Tobacco Product Accessories used with those products such as cigarette lighters or ashtrays must carry a health warning wherever Branding exceeds 25 square centimeters.
  - f. LAMPs (Legal Age Meeting Point) and promotional events. You must place one health warning in each area (*e.g.*, hall, room, booth or bar) of a LAMP or other promotional event venue where multiple Branded images, signage, posters and/or fixtures are also displayed. This health warning must be prominently displayed and clearly visible. You must ensure that LAMPs are not located next to facilities attended primarily by minors if Advertising can be visible from the outside.
  - g. Cinema and television commercials. A health warning must be prominently displayed, in black text on a white background, for a sufficient period of time at the end of the commercial to be legible under normal viewing conditions.
  - h. Radio or audio program commercials. An audible health warning must be delivered at the end of the commercial.
  - i. Branded videos and games accessed by Adult Smokers after age verification on Company Adult Smoker websites or apps. A health warning must be prominently displayed, in black text on a white background, for a sufficient period of time at the beginning of the video or the game intended for Adult Smokers to be legible under normal viewing conditions (unless a permanent health warning is displayed). For multi-level games, a health warning must be placed at the beginning of each new level.
  - j. Branding on host/hostess and sales force uniforms. Branding on uniforms must not exceed 25 square centimeters in total and therefore no health warning is required.

- (iii) Consumable Packaging shown in Advertising materials or any other Branded content must carry appropriate health warnings.

## **2.2. Creative Materials**

Creative Materials must be developed and deployed in line with local law, *PMI 04-C Design, Marketing & Sale of Combusted Tobacco Products*, and as described below:

- (i) Creative Materials must not suggest that consumption of Combusted Tobacco Products or Brands improves exercise capacity or helps achieve fitness goals. Combusted
- (ii) Creative Materials must not have any content that appeals particularly to minors. By way of example, Creative Materials must not:
  - a. contain images of models who are, or appear to be, under the age of 25;
  - b. contain images of youth-oriented celebrities;
  - c. contain characters from children's TV, cartoons, films, other online video or audio programs, books or nursery rhymes;
  - d. contain brands, toys or other content or merchandise which are primarily for minors or primarily used by minors.
- (iii) Creative Materials must respect the valid intellectual property rights of third parties. Submit Creative Materials for an IP Check when it is required in accordance with the PMI-06 C Intellectual Property Rights.
- (iv) When developing or using Creative Materials, always consider potential reputational harm and avoid association with other brands or using any political or religious content. Creative Materials must not have inappropriate content, e.g., obscene, profane, lewd, crude or vulgar images or language.
- (v) Creative Materials should not contain any disparaging comments or implications about our competitors or their products.
- (vi) Creative Materials must not contain third parties' confidential or non-public information.
- (vii) To respect individual's privacy, Creative Materials must not contain names, images, voices or other likenesses of individuals unless done in accordance with PMI-03 C Personal Data Protection, including having an appropriate legal basis to do so (e.g., consent of the individual to be portrayed in the content in accordance with a contract with the individual or individuals).

## **2.3. Printed publication**

You may place Advertising in a printed publication for general circulation provided this printed publication has an audience base that is reasonably estimated to be at least 75% adults in the intended market of circulation.

Advertising must not be placed on the front or back cover of a printed publication for general circulation or general circulation to the trade.

## **2.4. Advertising on television, radio and in cinema**

You may Advertise Combusted Tobacco Products on television, in radio broadcasts, or in

cinema only when the audience is reasonably estimated to be at least 75% adults and only in the late evening hours.

## **2.5 Advertising on the Internet websites**

**2.5.1** In countries where Advertising on the Internet websites is not prohibited, you may place Advertising on websites that are accessible to the general public, so long as:

- (i) the Advertising is accessible only in that particular country;
- (ii) the website has a user base that is reasonably estimated to be at least 75% adults;
- (iii) the Advertising is not placed on or next to features and content that are directed or particularly appealing to minors or fall into any areas mentioned in section 2.5.2 (ii) below;
- (iv) the Advertising consists of content, including banners, that, for example, announce promotions or provide a link to a Company Adult Smoker website; and
- (v) the Advertising is not interactive, e.g., the Advertising banners do not include such features as augmented or virtual reality, quizzes, games, responding to questions, QR codes, “play now” button activating additional content, and other features allowing for direct interaction and engagement with the website visitors;
- (vi) the website where Advertising is placed is not blacklisted according to section 2.5.2 below;
- (vii) the Advertising contains a statement “Only For Adult Smokers”;
- (viii) the targeted Advertising is in line with sections 2.5.3 and 2.5.4 below.

**2.5.2** Blacklisting. You must develop and apply a “blacklist” of (a) websites that must not be used for Advertising, and (b) types of content that Advertising cannot be placed next to on the website.

- (i) Ensure that you regularly check and update a list of the blacklisted websites;
- (ii) At a minimum, blacklist the websites and type of content that cannot be placed next to Advertising if they fall into any of the following areas:
  - a. minors;
  - b. pregnancy;
  - c. smoking harm and cessation;
  - d. health, wellness and sport;
  - e. PMI's Non-Combusted Alternatives.
- (iii) For the avoidance of doubt, an Advertising banner may combine communication about PMI's Combusted Tobacco Products and PMI's Non-Combusted Alternatives only if the Advertising banner's sole aim is to encourage Adult Smokers who would otherwise continue to smoke to switch to PMI's Non-Combusted Alternatives PMI's Non-Combusted Alternatives.



**2.5.3 Targeted Advertising.** To reduce the likelihood of individuals who are not Adult Smokers being exposed to targeted Advertising, you must use available targeting criteria, including data on the behaviors and interests of the Internet users. In particular, you must:

- (i) select areas of interest which are not associated with minors, e.g., such as car insurance, credit cards, loans, mortgages, marriage, professional qualification, etc.;
- (ii) proactively deselect any areas of interest which are associated with, directed to, or particularly appealing to minors, e.g., such as video games, schools, colleges, tuition, etc. For more examples of such content, see section 2.2 (ii) above;
- (iii) where available, select as targeted audience Adult Smokers who are 3 years older than the legal age to purchase Combusted Tobacco Products in a country; in countries where no such age is defined in applicable law, select 21 years' old as the minimum age for targeting;
- (iv) when selecting areas of interest that have a potentially broad appeal, combine them with additional areas of interest that are likely to have the effect of excluding minors and non-smokers from the targeted audience;
- (v) where available, use behavioral data which indicates that the audience consists of Adult Smokers, and not those who, for example, intend to quit.

**2.5.4 No retargeting.** The users of websites that have already been targeted with Advertising must not be re-targeted with this Advertising.

## **2.6 Outdoor Advertising**

Outdoor Advertising should not exceed 35 square meters in total size, either individually or in deliberate combination with other Advertising, unless appropriate in light of existing local circumstances (e.g., where most of the billboards available for placement of Advertising exceed 35 square meters in size). Outdoor Advertising must not be placed where it is visible from facilities attended or frequented primarily by minors. You must also exercise diligence to ensure that outdoor Advertising is not placed within 100 meters of such facilities.

## **2.7 Engagement of celebrities**

You may only engage for Marketing celebrities who do not have a particular appeal to minors and are at least 25 years old. You may not engage sport or wellness celebrities.

Engagement of any celebrities for Marketing is subject to pre-deployment review in accordance with *PMI 04-C Design, Marketing & Sale of Combusted Tobacco Products*.

## **3. Consumer Engagement**

### **3.1 Age verification**

You may engage only with age-verified Adults who confirm they are Smokers. Here are the means to verify age you must use depending on the circumstances:

- (i) Offline Adult Smoker Consumer Engagement activities, participation in events, and free distribution of Combusted Tobacco Products.

To age verify Adult Smokers for offline Consumer Engagement activities, participation in

events, and free distribution of Combusted Tobacco Products, someone acting on behalf of the Company must look at the person to see if he/she is over 18 years old (or older if applicable law specifies a higher minimum legal age to smoke). If there is any doubt, the person acting on behalf of the Company must check an official photo ID, such as a passport, driver's license, or government-issued ID card.

(ii) Online Consumer Engagement or other one-to-one Direct Communications not intended for the general public (those include direct mail, electronic mail, telephone calls, short messages, online events, Company Adult Smoker websites and apps).

To provide access to Company Adult Smoker database or app and their content for Consumer Engagement and Direct Communications, one of the following age verification methods must be used:

- a. A face and age recognition technology tested, proven to be reliable, and validated by Commercial Group in OC confirms that the Adult Smoker subject to the technology is at least of legal age (minimum 18 years old) or higher as per the face recognition/ethnicity algorithm applicable for each market; or
- b. A reliable technology that allows age verification via scanning ID; or
- c. Someone acting on behalf of the Company conducts a face-to-face age check by (i) looking at the Adult Smoker's official photo ID and (ii) confirming in writing on a Company device, for subsequent transmission to a Company database, that he/she has checked the age and that the person has confirmed he/she is an Adult Smoker; or
- d. A reliable third party, such as a bank, credit institution, mobile phone operators or public body responsible for population data verifies the accuracy of the age provided by the Adult Smoker in writing or electronically.

### **3.2. Events & Promotions**

#### ***Participation in promotional activities and events***

Offline and online Company promotional activities and Company consumer events must be directed to Adult Smokers. Only Adult Smokers may participate in promotional activities, such as games, contests or lotteries, or be offered Accessories, Premiums or prizes. You may permit an Adult Smoker to bring adult guests to Company Adult Smoker events so long as you do not direct any marketing or sales activities to non-smokers.

#### ***Third-party events***

You may only sponsor third-party offline or online events whose audience has been reasonably estimated to be at least 75% adults (based on attendance data from the venue manager or event organizer, or a research agency survey), that do not have particular appeal to minors (see examples of content in section 2.2 (ii) above), and whose performers are at least 21 years old. In venues for offline events where there is no age control, you must not place Branded images, signage, fixtures and/or posters on stage or in other prominent locations.

A plug-in offline event with Branded signage at a third-party event may be organized in a segregated area and all its participants must be age verified before entering the event area as described in section 3.1 (i) above.

**Performers at events for Adult Smokers**

For Company offline or online events for Adult Smokers, you may only engage music artists and other performers who do not have a particular appeal to minors and are at least 21 years old. You should always obtain the performer's personal written consent to participate in the event. The consent of the performer's agent is not sufficient.

**Safety**

You must always apply the highest standards of safety when organizing and executing a promotional or Adult Smoker engagement event. You must use good judgment and common sense when choosing activities available at promotional or Adult Smoker engagement events, including by assessing the potential risk of injury to participants and following the Company security protocols as applicable. You may not charter a non-commercial aircraft, such as airplanes or helicopters, as part of a promotional event or activity.

**Alcohol at events**

In events or programs in LAMPs where alcohol is usually served, you must use good judgment and common sense if you offer drink vouchers to Adult Smokers. Adult Smokers should always have the choice between an alcoholic and a non-alcoholic drink.

**3.3. Company Adult Smoker websites, apps, and databases****3.3.1 Company Adult Smoker websites and apps**

Company websites and apps for Adult Smokers must be constructed as secure, private, access-controlled sites that are accessible only to residents of a particular country.

Follow these standards when developing websites and apps to communicate with Adult Smokers:

**(i) Websites for Adult Smokers**

**Landing page.** The URL for any Company Adult Smoker website must open a non-Branded landing page. The landing page and its content shall only aim at driving Adult Smokers to register and shall not be used as a promotional tool. You must always use sound judgment when designing and reviewing a landing page. The landing page must state clearly that the site is *only* for Adult Smokers who reside in the relevant country.

**Access to a Company website.** Access to a Company Adult Smoker website requires full registration (including creation of user ID and password) following the age-verification process described in section 3.1(ii) above.

**Temporary access.** Until the age-verification technology mentioned in section 3.1(ii) above is operational in your market, and if relevant you may allow access to a Company Adult Smoker website for no more than seven consecutive days, starting when the Adult Smoker receives temporary log-in details for the website, while age verification is in process, so long as:

- a. the consumer confirms in writing or electronically that he/she is an Adult Smoker residing in the relevant country and provides, either in writing or electronically, name, birthdate, and address, phone number or email address; and

- b. before age verification, the Adult Smoker is not eligible to claim any promotional prizes or other benefits.

If age verification has not occurred within seven consecutive days, you must block the Adult Smoker's access to all Company Adult Smoker websites until the age verification process is completed.

Homepage. The following must appear on the homepage of each Company Adult Smoker website:

- a. the health warning required under PMI *04-C Design, Marketing and Sales of Combusted Tobacco Products*, and
- b. a prominently displayed link to the Company's corporate website page addressing tobacco and health.

Confirmation of registration. Once the registration process is complete, the Company should send an e-mail message or other form of written communication to the user reminding him/her that (i) the site is intended only for registered Adult Smokers, and (ii) he/she may, at any time, opt out of receiving Direct Communications or ask to be removed from the database.

Access anomalies. You must deny access to users of the website whenever access anomalies occur (e.g., parallel attempts to enter from different locations, or five incorrect entries of the password). You must put in place controls to notify both the Company and the user whenever such anomalies occur.

Search engines. The Company may pay to have its Adult Smoker websites given priority in search engines, but the results from the search engine can *only* display the name of the site and must state clearly, "access is limited to adult smokers residing in [name of country]."

### ***(ii) Apps and other technologies for Adult Smokers***

Apps or other technologies such as Scanpack may be used to provide information, experience or other content in a secured manner to Adult Smokers after scanning their Consumable Packaging or using an URL provided on Consumable Packaging.

We must not use such apps or technologies in markets where there is no minimum age law prohibiting sale of Combusted Tobacco Products to consumers under (minimum) 18 years old.

### **Landing page and access to Branded content of Combusted Tobacco Products**

The URL or QR code or other technology used for accessing Branded content of Combusted Tobacco Products through an app must open a non-Branded landing page(s). The landing page(s) and their content shall only aim at driving Adult Smokers to pass age verification described in section 3.1 (ii) above to access Branded content and/or register to a Company Adult Smoker website or database and shall not be used as a promotional tool. You must always use sound judgment when designing and reviewing landing page(s).

The following must appear on the app page(s) before Adult Smoker can access any Branded content of Combusted Tobacco Products:

- a. the site is *only* for Adult Smokers who reside in the relevant country;
- b. Smoking Combusted Tobacco Products causes serious disease and is addictive; and
- c. a prominently displayed link to the Company's corporate website page addressing tobacco and health.

Prior to accessing Branded content of Combusted Tobacco Products, the consumer also must confirm electronically that he/she is an Adult Smoker.

Landing page and access to bridging Branded content of Non-Combusted Alternatives

The URL or QR code used for accessing bridging Branded content of Non-Combusted Alternatives through an app must open a non-Branded landing page for a consumer to self-declare that he/she is an Adult Smoker and insert his/her date of birth (month and year at a minimum) in accordance with PMI *04-C G4 Digital Communications for NCA with Consumers*.

Bridging content about Non-Combusted Alternatives must comply with PMI *04A-C Design, Marketing & Sale of Non-Combusted Alternatives*, PMI *04AC G4 Digital Communications for NCA with Consumers* and statements and messages approved by the Substantiation Task Force Governance Board. Any local adaptations must remain accurate and not misleading and true to the essence of the original statements approved by PMI Substantiation Task Force Governance Board.

### **3.3.2 Company Adult Smoker databases**

An Affiliate must ensure and record the following:

- (i) Company Adult Smoker databases must be limited to Adult Smokers who have been age verified as described in section 3.1 (ii) above and confirmed that they are a smoker.
- (ii) Where Adult Smokers enter themselves into a Company Adult Smoker database, an Affiliate must provide them with the Company's consumer privacy notice. (If this happens in an electronic context, this can be done by, for example, providing a URL to the privacy notice.) Once an Adult Smoker has been entered into a Company Adult Smoker database, they must be sent a communication (using the contact information they have provided) giving them access to the Company's privacy notice within no more than 30 days (such as by providing a link to the privacy notice in the welcome email sent to the Adult Smoker), informing them how they can update their details and preferences, offering them the opportunity to opt out, and telling them where their rights are described (i.e. in the privacy notice).
- (iii) Where an Adult Smoker is in a Company Adult Smoker database but is inactive (i.e., the Company has not identified an interaction with the Adult Smoker and logged the interaction in a technology system) for a period of up to 36 months, information about that Adult Smoker must be deleted (or any information about them must be anonymized). Prior to removing or anonymizing inactive Adult Smokers in a Company Adult Smoker database, an Affiliate may notify them of the removal or anonymization and provide them with the opportunity to confirm that they want to stay in the Company Adult Smoker database.

### **3.4. Opt-out**

The Company Adult Smoker databases, websites and other digital Consumer Engagement programs must make it easy for Adult Smokers to opt out of receiving Direct Communications or to ask to be removed from the Company Adult Smoker database, website or program. Whenever the Company receives such a request, it must comply promptly.

### **3.5. No generating or prompting social media posts**

Consumer Engagement activities must not include any arrangements that are intended or likely to generate or prompt social media posts about Brands and Combusted Tobacco Products by Adult Smokers, for example, placing a frame for taking selfie pictures next to Branded signage at a promotional event.

You must also include in your promotional event invitations for Adult Smokers an express requirement not to share on any social media any posts (including images and texts) or hashtags related to Brands and Combusted Tobacco Products. The same requirement applies to any other Consumer Engagement activities or Direct Communications that have potential to generate or prompt social media posts about Brands and Combusted Tobacco Products by Adult Smokers.

## **4. Social Media listening**

You may use social media in the exceptional circumstances as described below and always in compliance with PMI 18-CG2 Social Media.

Social Media listening. You may engage in social media listening to effectively monitor compliance with PMI Principles and Practices and to identify, track and respond to any issues or incidents related to our Combusted Tobacco Products that have the potential to significantly impact PMI's business and/or reputation and escalate into a crisis. Markets using social media for these purposes are responsible to coordinate with the Social Media Channels team.

## **5. Trade**

Company trade websites and apps must be secure, private, access-controlled sites accessible only to Trade Partners.

The URL for any Company trade websites must open a non-Branded landing page. The landing page must state clearly that access to the site is *only* for Trade Partners residing in the relevant country.

## **6. Governance**



In line with PMI *04-C Design, Marketing & Sale of Combusted Tobacco Products*, all deployment proposals considered and decided by the Affiliate Deployment Review Group must be documented.

These Guidelines' requirements are minimum standards. While applicable laws always prevail, these Guidelines apply when there are no applicable laws or when they are stricter than the applicable laws.

Questions, clarifications, or requests for interpretation of these Guidelines may be referred to the PMI Marketing Review Council. Any exceptions to these Guidelines must be submitted in writing to PMI Marketing Review Council and approved by Senior Vice President Commercial.

## **Ask Questions and Give Feedback**

If you have any questions regarding the content or the interpretation of *PMI 04-C G1 Guidelines on Sales & Marketing of Combusted Tobacco Products*, please contact VP Global Marketing CC.

OUR GUIDELINES	 
PMI 04-CG3	<b>Omnichannel Youth Access Prevention Guidelines</b>
Issued:	15.03.2021
Owner:	Chief Consumer Officer and Senior Vice President Commercial
Approved by:	Chief Consumer Officer and Senior Vice President Commercial

## Implementation Guidance

### 1. INTRODUCTION

At PMI, we have a clear and unambiguous position: Youth must not have Access to tobacco, or to nicotine products, in any form.

As a leading manufacturer of tobacco and nicotine products, we have a key role to play in guarding against youth Access to tobacco and nicotine products. This is a role we take seriously.

There are various channels through which an Adult Consumer can obtain Access to PMI Products. They range from PMI-owned and operated e-commerce platforms, to third-party online marketplaces; and from PMI owned and operated boutiques, to third-party retailers. While the level of control we have over these different channels varies, it is critically important that, even in those channels where our influence is limited, we use our best efforts to guard against youth Access to PMI Products. These omnichannel guidelines (“**Guidelines**”) crystalize our commitment to do just that and set out measures designed to help prevent youth from Accessing PMI Products.

Channel by channel, in these Guidelines we have identified the minimum age control measures an Affiliate must implement, applying the following key principles:

- All Adult Consumers must be Age Verified before an Affiliate provides Access to PMI Products.
- Self-declaration of age is not Age Verification and is not enough by itself to permit Access to PMI Products.
- Our systems must allow us to validate that Age Verification has taken place. This requires reliable record keeping and regular monitoring.

Age control technologies will change, and new technologies will become available. To stay contemporary and benefit from technological innovations, we will continually investigate new and emerging age control technologies.

**Who must follow these Guidelines:** All Company employees and third-parties engaged by the Company, who provide Adult Consumers with Access to PMI Products.



## 2. DEFINITIONS

**Access:** Sales and sales-related activities, such as lending or guided trials, through which Adult Consumers are allowed to use PMI Products.

**Accessories:** Items intended to be used with or accompanying PMI Products – for example, in the case of PMI Non-Combusted Alternatives, a cover designed for a Non-Combusted Alternative Device.

**Adult:** A person who is of legal age to purchase tobacco or nicotine products or, where no such age is defined in applicable law, is at least 18 years old.

**Adult Smoker:** An Adult who is a consumer of Combusted Tobacco Products.

**Adult Consumer:** An Adult who is a consumer of Combusted Tobacco Products and/or Non-Combusted Alternatives.

**Additional Contractual Requirements for Couriers:** The additional contractual requirements for Couriers set out in paragraph 2 of Appendix 1.

**Affiliate:** Philip Morris International Inc. and each of its direct and indirect subsidiaries which provide, or engage third parties to provide, Adult Consumers with Access to PMI Products.

**Age Verified:** A person who has been verified as meeting the minimum age requirements for an Adult Consumer by any method set out in these Guidelines. “**Verification**” and “**Verified**” should be understood accordingly.

**Brand Retail:** A physical store where Adult Consumers are allowed Access to PMI Products, and which is operated by an Affiliate, or on its behalf, or by a third party engaged by an Affiliate to manage or operate the store.

**Combusted Tobacco Product:** A manufactured consumable product that combusts tobacco and/or generates smoke inhaled directly by the user when it is used as intended. Combusted tobacco products include, for example, cigarettes, cigarillos, cigars, “Roll Your Own”, “Make Your Own”, and pipe tobacco.

**Company (or PMI, or We):** Philip Morris International Inc. and its direct and indirect Affiliates.

**Company Consumer Digital Platform:** Any website or app which is intended for Adult Consumers and which is operated by an Affiliate, or on its behalf, or by a third-party (such as a logistics service provider or distributor) engaged by an Affiliate to manage or operate a website or app. Corporate digital platforms such as (such as [www.PMI.com](http://www.PMI.com), [www.PMIScience.com](http://www.PMIScience.com), [www.missionwinnow.com](http://www.missionwinnow.com), [www.unsmokeyourworld.com](http://www.unsmokeyourworld.com)) are not Company Consumer Digital Platforms.

**Company E-Commerce:** A Company Consumer Digital Platform which provides Access to PMI Products for Adult Consumers.

**Contact Center:** A contact center operated by an Affiliate, or on its behalf, or by a third-party engaged by an Affiliate, to provide support services directly to Adult Consumers.

**Courier:** A courier who delivers PMI Products (including at pickup points).

**Crowd-Sourced Courier:** A Courier company that engages self-employed people to deliver packages on an ad-hoc or assignment basis.

**Due Diligence:** The process of gathering and evaluating key information relating to a third-party which is engaged by the Company, as further detailed in paragraph 13.

**Face-to-Face Age Verification:** The verification of a person as an Adult either visually or if there is any doubt that the person is an Adult by checking an official government issued ID or equivalent (such as a passport, a driving license, or a health insurance card) of the person to confirm they are an Adult.

**ID Upload Age Verification:** The process where: (a) a person uploads or has scanned or copied an official government issued ID or equivalent (such as a passport, a driving license, or a health insurance card); and (b) using available technology to perform an anti-fraud check, the ID is authenticated; and (c) the person identified on the ID is confirmed to be an Adult.

**Market:** A country or territory where Adult Consumers are provided with Access to PMI Products by or on behalf of an Affiliate.

**Minimum Contractual Requirements:** The requirements set out in paragraph 1 of Appendix 1.

**Minimum Coverage Threshold:** At least 70% of the total Adult population in a Market.

**Non-Combusted Alternative to Cigarettes (or NCA):** A manufactured product, made or not from tobacco, that provides a nicotine-containing aerosol without combustion of the substrate. NCAs include any NCA Device necessary for the consumption of the tobacco or nicotine-containing substance.

**Non-Combusted Alternative Consumable (or NCA Consumable):** A manufactured consumable product, made or not from tobacco, that provides a nicotine-containing aerosol without combusting tobacco and that does not generate smoke inhaled directly by the user when it is used as intended.

**Non-Combusted Alternative Device (or NCA Device):** The component(s) of an NCA that generates a nicotine-containing aerosol from the NCA Consumable without combustion.

**Online Age Verification:** Age Verification using any of the following online methods: Third Party Database Age Verification, ID Upload Age Verification, Virtual Face-to-Face Age Verification.

**PMI Product:** A Combusted Tobacco Product, Non-Combusted Alternative Consumable, or Non-Combusted Alternative Device made or sold by or on behalf of PMI.

**Premium:** A value added offer, service, or other reward sold or otherwise provided to an Adult Consumer, including loyalty recognitions provided, for example, as part of loyalty program, that is not a Non-Combusted Alternative or Accessory.

**Qualifying Third-Party Database Age Verification Provider:** A third party which can perform Third Party Database Age Verification in a Market and meets the Minimum Coverage Threshold.

**Retailer:** A third-party selling PMI Products directly to Adult Consumers, either online or offline.

**Salesperson:** Any employee or other person (such as a coach, a contact center agent, a sales expert, a front liner, an event staff member, or a shop assistant) who is employed or engaged by an Affiliate (or by a third-party an Affiliate has engaged, such as a Retailer or a

Contact Center operator) and who provides Adult Consumers with Access to PMI Products.

**Third-Party Database Age Verification:** The process where an Affiliate provides personal information sufficient to identify them (such as name, date of birth, and address)) to a reliable and credible third-party, which in turn is able to identify the person as being an Adult using a reliable database (such as a database operated by a government department, a telephone network operator, a bank, or a credit reference agency).

**Trained Salesperson:** A Salesperson who has undergone Training.

**Training:** Training (including online training) provided by an Affiliate or a third-party acting on its behalf on Age Verifying Adult Consumers in accordance with the relevant parts of these Guidelines.

**Virtual Face-to-Face Age Verification:** Face-to-Face Age Verification which is performed virtually (using for example video call technology) by a Trained Salesperson.

### 3. ACCESSORIES AND PREMIUMS

These Guidelines apply to all Accessories and Premiums. Unless otherwise stated, any reference to PMI Products in these Guidelines should be interpreted as a reference to PMI Products, Accessories, and Premiums.

### 4. COMPANY E-COMMERCE

#### *Age Verification & Company E-Commerce:*

- As the primary method of Age Verification on a Company E-Commerce, an Affiliate must implement one of the options for Online Age Verification where (i) the Market has implemented DCE 2.0, and (ii) there is a Qualifying Third-Party Database Age Verification Provider.
- Where an Adult Consumer cannot be Age Verified by a Qualifying Third Party Database Age Verification Provider (for Markets which have implemented Third-Party Database Age Verification as the primary method of Age Verification), the Affiliate may offer to the Adult Consumer any of the following options as an alternative method of Age Verification:
  - Virtual Face-to-Face Age Verification; or
  - ID Upload Age Verification; or
  - Face-to-Face Age Verification on delivery by a Courier or at collection.
- Affiliates in Markets which either (i) have not implemented DCE 2.0, or (ii) have no access to a Qualifying Third-Party Database Age Verification Provider, may, in addition to Online Age Verification, implement Face-to-Face Age Verification by a Courier on delivery or at collection. Once DCE 2.0 is implemented in a Market, the Affiliate must implement PMI's preferred approach to Age Verification (which is set out in the foregoing paragraphs) unless there is no Qualifying Third-Party Database Age Verification Provider. In this case the Affiliate for that Market may rely on Face-to-Face Age Verification by a Courier on delivery or at collection. These Affiliates must continually monitor the availability of Third-Party Database Age Verification providers and report their findings as part of the annual self-assessment (as further detailed in paragraph 17) and switch to PMI's preferred approach to Age Verification (which is set out in the foregoing paragraphs) as soon as a Qualifying Third-Party

Database Age Verification Provider in that Market is available. Affiliates in Markets which have not implemented DCE 2.0 but have implemented PMI's preferred approach to Age Verification (which is set out in the foregoing paragraphs) at the date these Guidelines are effective must continue with this approach.

- Any Adult Consumer that has been Online Age Verified does not need to be Age Verified again on delivery. If the Courier leaves any PMI Products with a person on delivery, the Courier must ensure that person is an Adult.

**Click and collect:** Adult Consumers ordering PMI Products via a Company E-Commerce and collecting them at a pickup point (such as Brand Retail) must be either Online Age Verified or Face-to-Face Age Verified by a Trained Salesperson.

**Adults Buying Non-Combusted Alternatives for Adult Consumers:** An Adult may purchase Non-Combusted Alternatives and related Accessories and Premiums for another Adult Consumer via a Company E-Commerce if (i) the purchaser is Age Verified and (ii) where delivery is to the Adult Consumer, Face-to-Face Age Verification is performed by a Trained Salesperson at a pickup point (such as Brand Retail) or by a Courier on delivery or at collection.

## 5. OTHER ONLINE CHANNELS (SUCH AS MARKETPLACES AND ONLINE RETAILERS)

**Selling PMI Products (other than Accessories and Premiums) using other online channels:** Each Affiliate must require either Online Age Verification or, if this is not possible, Face-to-Face Age Verification for the following:

- Online sales of PMI Products (other than Accessories and Premiums) directly to Adult Consumers by an Affiliate using an online third-party channel (such as an online marketplace).
- Indirect online sales (such as a key account using its own e-commerce) of PMI Products (other than Accessories and Premiums) via a Retailer which an Affiliate engages.
- An Affiliate engaging a third-party to facilitate online Access to PMI Products (other than Accessories or Premiums) to Adult Consumers (such as a marketplace providing an online platform to Retailers to sell PMI Products).

**Selling Accessories and Premiums using other online channels:** The Affiliate must send a communication at least annually to the relevant online third-party channel owners and Retailers it engages in the form set out in Appendix 2. , the Affiliate must require the Retailer is not required to include the Minimum Contractual Requirements in any contract it may have with these online third-party channel owners and Retailers.

**Affiliate engages a Retailer but not to sell online:** If an Affiliate engages a Retailer for reasons unrelated to the online sale of PMI Products, but the Retailer sells PMI Products online to Adult Consumers on its own account (for example either in its own e-commerce or on a marketplace) and the Affiliate becomes aware of it, the Affiliate must request that the Retailer implements Online Age Verification or Face-to-Face Age Verification by sending a communication to that Retailer in the form set out in Appendix 2. If the Affiliate becomes aware that the Retailer is not performing Age Verification in relation to its online sales, the Affiliate must require the Retailer to discontinue online sales of PMI Products.

**Existing Age Verified Adult Consumers:** If an Adult Consumer is already marked as Age

Verified in a Company consumer database and an Affiliate provides that information to the Retailer, the Retailer does not need to Age Verify that Adult Consumer again.

## 6. BRAND RETAIL AND TRAINED SALESPERSONS

Before any Adult Consumer is provided with Access to any PMI Products in a Brand Retail or by a Trained Salesperson the Adult Consumer must be Face-to-Face Age Verified by a Trained Salesperson.

If a Trained Salesperson is not able to Face-to-Face Age Verify an Adult Consumer (because, for example, the Trained Salesperson is speaking to the Adult Consumer on the phone and ordering PMI Products on their behalf), the Affiliate must implement Face-to-Face Age Verification by the Courier on delivery or at collection.

## 7. OFFLINE RETAILERS YOU ENGAGE

Where an Affiliate engages a Retailer to sell PMI Products offline to Adult Consumers, the Affiliate must (i) require Retailers which are key accounts to ensure that each Adult Consumer is Face-to-Face Age Verified and (ii) request in writing (using either online or offline channels) that all other Retailers ensure each Adult Consumer is Face-to-Face Age Verified.

## 8. CONTACT CENTERS

**Online Age Verification:** Before an Adult Consumer is provided with Access to PMI Products via a Contact Center, they must be Online Age Verified. Any Adult Consumer that has been Online Age Verified does not need to be Age Verified again on delivery. If the Courier leaves any PMI Products with a person on delivery, the Courier must ensure that person is an Adult.

**Face-to-Face Age Verification:** Where it is not possible to implement Online Age Verification due to, for example, the lack of suitable technology or a Market not having access to a Qualifying Third-Party Database Age Verification Provider in that Market, the Affiliate must implement Face-to-Face Age Verification by the Courier on delivery or at collection.

**Order and collect:** Adult Consumers ordering PMI Products via a Contact Center and collecting them at a pickup point (such as Brand Retail) must be either Online Age Verified or Face-to-Face Age Verified by a Trained Salesperson.

**Adults Buying Non-Combusted Alternatives for Adult Consumers:** An Adult may purchase Non-Combusted Alternatives and related Accessories and Premiums for another Adult Consumer via a E-Commerce if (i) the purchaser is Age Verified and (ii) where delivery is to the Adult Consumer, Face-to-Face Age Verification is performed by a Trained Salesperson at a pickup point (such as Brand Retail) or by a Courier on delivery or at collection.

## 9. LIMIT ON SALES

An Affiliate must ensure that no more than 5 of the same platform of a Non-Combusted Alternative Device are sold to the same Adult Consumer in any single transaction via a Company E-Commerce, a Contact Center, Brand Retail, and (if technically possible) a third party online channel where an Affiliate is selling PMI Products to Adult Consumers.

## 10. CROWD-SOURCED COURIERS

Where an Affiliate engages a Courier and is relying on the Courier to perform Face-to-Face Age Verification on delivery or at collection (such as where an Affiliate sells PMI Products directly to Adult Consumers using an online third-party channel), the Affiliate must not engage a

Crowd-Sourced Courier unless its contract with that Crowd-Sourced Courier contains the Additional Contractual Requirements for Couriers. In accordance with paragraph 12, contracts with all other Couriers engaged by an Affiliate must contain the Minimum Contractual Requirements.

## 11. TRAINING

Each Affiliate must ensure Training is provided as follows:

- Annually to each Salesperson an Affiliate engages (such as a coach).
- Annually to each Salesperson engaged by a third-party to work in Brand Retail or in a Contact Center.
- Annually to the designated point(s) of contact of each key account engaged by an Affiliate so that the key account can provide Training to its Salespersons.

This Training must be provided for the first time before the Salesperson provides any Adult Consumer with Access to PMI Products.

## 12. MINIMUM CONTRACTUAL REQUIREMENTS

Subject to the exception set out in paragraph 5 (*Selling Accessories and Premiums Using Other Online Channels*), Affiliates must ensure that the relevant Minimum Contractual Requirements are included in all contracts with its distributors, logistics service providers, wholesalers and other third parties it engages which provide to Adult Consumers with Access to PMI Products (such as online or offline Retailers, online marketplace platform operators, Couriers, Salespersons, and third-party Brand Retail operators).

## 13. DUE DILIGENCE

Before an Affiliate engages any third-party to perform Age Verification, the Affiliate must conduct additional Due Diligence to confirm that the third-party is a reliable partner the Affiliate can trust to perform Age Verification. At a minimum, an Affiliate must obtain the following before deciding whether to engage the third party for this purpose:

- Details confirming that the third party is a legitimate business with the ability to lawfully provide Adult Consumers with Access to PMI Products.
- Any relevant reports identifying where they have failed to perform Age Verification previously or calling into question their willingness or ability to perform Age Verification as required by these Guidelines.
- In relation to Couriers: i) an assessment of their Face-to-Face Age Verification measures (and whether they offer a process to make sure Couriers are alerted on delivery to perform a Face-to-Face Age Verification), and ii) whether they deliver other age restricted products.

## 14. IDENTIFIED FAILURES TO AGE VERIFY

If an Affiliate identifies any failure to Age Verify an Adult either by the Affiliate or a third party the Affiliate engages (an “**Age Verification Incident**”), the severity of the Age Verification Incident will determine the most appropriate course of action.

Where the Age Verification Incident is caused by a third-party engaged by an Affiliate, the Affiliate must work with the third-party so that they i) understand the importance of ensuring that PMI Products cannot be Accessed by youth, and ii) implement a program of improvement

measures to reduce the risk of an Age Verification Incident reoccurring.

In the event of an Age Verification Incident, an Affiliate should consider whether any of the following are necessary:

- Increasing the manner and extent to which an Affiliate monitors compliance with these Guidelines.
- Providing further and enhanced training on Age Verification.
- Suspending its engagement with the relevant third-party during the period in which they implement any agreed program of improvement measures.
- Terminating an Affiliate's engagement with the relevant third-party if, for example, the Affiliate cannot agree a program of improvement measures to be implemented, or if this is not the first time an Age Verification Incident has occurred.

The Affiliate's Regional Vice President Commercial and Regional Head of Risk & Controls should be informed of i) any Age Verification Incident, and ii) the measures the Affiliate is implementing to reduce the risk of an Age Verification Incident reoccurring, using the templates set out in Appendix 3.

## 15. COMPANY CONSUMER DATABASES

**Adult Smokers:** Each Adult Smoker in a Company consumer database must be Age Verified and have confirmed that they are a smoker of Combusted Tobacco Products.

**Adult Consumers of Non-Combusted Alternatives:** Each Adult Consumer in a Company consumer database must have self-declared that they are an Adult smoker or user of Non-Combusted Alternatives in accordance with the requirements of *PMI 04C-G4 Digital Communications for NCA with Consumers*. These Adult Consumers must not be marked in a Company consumer database as Age Verified unless:

- they have been Online Age Verified; or
- they have been Face-to-Face Age Verified by a Trained Salesperson; or
- they have been Face-to-Face Age Verified by a Courier which has a contract with an Affiliate and that contract contains both the Minimum Contractual Requirements and the Additional Contractual Requirements for Couriers.

Where an Affiliate's Company consumer database does not distinguish between Age Verified Adult Consumers and those Adult Consumers who have self-declared as being Adult, no Adult Consumer should be marked as Age Verified unless:

- they were originally Online Age Verified; or
- they were originally entered into a Company consumer database following a face-to-face interaction with a Salesperson or Courier; or
- they were originally entered into a Company consumer database following an identity check and Age Verification by a Courier.

**Adult Consumers:** If an Adult Consumer is already marked as Age Verified in a Company consumer database, an Affiliate does not need to Age Verify that Adult Consumer again. If an Adult Consumer is marked in a Company consumer database as Age Verified as a result of an Age Verification performed in one Market, Age Verification does not need to be performed again in another Market unless the legal age in that country is higher.

## 16. COMMUNICATIONS TO THIRD PARTIES

Affiliates must send the relevant communication set out in Appendix 2 at least annually to the third parties the Affiliate engages to provide Adult Consumers with Access to PMI Products (such as Retailers (either offline or online), online marketplace platform operators, Courier companies, companies engaging Salespersons, and third-party Brand Retail operators).

## 17. RECORD KEEPING AND MONITORING

**Record keeping:** Each Affiliate must document the Age Verification measures which have been implemented for each activity or channel where Adult Consumers are provided with Access to PMI Products. For each Adult Consumer in a Company consumer database marked as Age Verified, the Affiliate must retain a record which confirms i) that the Age Verification of an Adult Consumer took place, including the date, ii) the result of the Age Verification, and iii) the method of Age Verification used (in accordance with the following):

- for Third Party Database Age Verification: a unique transaction identifier which refers to the underlying data used to Age Verify the Adult Consumer (e.g. name and address), and the database against which this data was checked.
- for ID Upload Age Verification: a unique transaction identifier which refers to the underlying documentation used to Age Verify the Adult Consumer (e.g. driving license). There is no requirement to retain copies of any IDs provided to an Affiliate by any Adult Consumer under these Guidelines.
- for Face-to-Face Age Verification (including Virtual Face-to-Face Age Verification): a unique transaction identifier which details that a Face-to-Face Age Verification was performed and who (or on what point of sale or terminal) performed it (e.g. Face-to-Face Age Verification by a Trained Salesperson, including unique ID relating to that Trained Salesperson).

**Record keeping by Couriers engaged by an Affiliate:** Each Courier engaged by an Affiliate which has agreed to the Additional Contractual Requirements for Couriers must retain a record that they have Face-to-Face Age Verified the Adult Consumer. This record must identify (as a minimum) the name or identifier of the person who performed the Age Verification together with the date it was performed. The Courier must keep this information for at least 12 months and provide it to an Affiliate at its reasonable request. Alternatively, if the Courier does not want to keep this information for 12 months, they must provide it to the Affiliate before deleting it so that the Affiliate can keep it for at least 12 months.

**Monitoring:** The following sets out the minimum monitoring activities to be performed:

### **Annual self-assessment (at Affiliate level):**

- Each Affiliate must perform at least annually a self-assessment to determine if the age control requirements of these Guidelines are implemented across all activities and channels, and record the results using the forms set out in Appendix 4.
- The self-assessment must consist of a sample-based assessment of Adult Consumer interactions to ensure that Age Verification was performed in accordance with these Guidelines, and appropriate records were created.
- Data analysis procedures must be performed as part of the self-assessment across the entire population of Adult Consumers recorded in a Company consumer database to identify, follow-up, and determine, the root cause of:
  - Adult Consumers with missing Age Verification status; and



- Adult Consumers where the Age Verification status was determined after they were provided with Access to PMI Products; and
  - any other failures to adhere to these Guidelines.
- Results and actions resulting from the self-assessment are to be documented and shared with an Affiliate's Regional VP Commercial and Regional Head of Risk & Controls.
  - The documented self-assessment activities must enable (internal or external) assurance functions to re-perform the activities if deemed necessary and reach a similar conclusion.

### ***Annual reporting to Chief Consumer Officer and Senior Vice President Commercial***

- Each Regional Vice President Commercial must report annually to Chief Consumer Officer and Senior Vice President Commercial a summary of the results of each Affiliates' annual self-assessment using the form set out in Appendix 5.
- The report must consolidate and outline the results of the self-assessment activities performed by the Affiliates in their region. An overview of the open outstanding action items must be included including an analysis and conclusion on the significance of findings and observations from both the self-assessment and mystery shopper program. The overall conclusion must stipulate the residual risk exposure within the region in relation to its age control practices.

### ***Periodic mystery shopper program (at global level)***

- At least annually for all Markets providing Adult Consumers with Access to Non-Combusted Alternatives, the Consumer function will conduct a mystery shopper program to determine if the age control practices are being implemented in accordance with these Guidelines across the following channels:
  - Company E-Commerce
  - Brand Retail and Trained Salespersons
  - Contact Centers
- The results of the mystery shopper program must be shared with the Affiliate responsible for the 'impacted' Market, and actions required to be taken by the Affiliate responsible for the 'impacted' Market must be documented and implemented.
- The results of the mystery shopper program must be shared with each Regional VP Commercial and Regional Head of Risk & Controls by the mystery shopper program manager. The actions resulting from the mystery shopper program must be summarized by each Regional VP Commercial for their respective region and shared with Chief Consumer Officer and Senior Vice President Commercial.

## **18. ESCALATION**

If an Affiliate cannot meet the requirements set out in these Guidelines, the Affiliate must submit a request to deviate from these Guidelines for approval by Chief Consumer Officer and Senior Vice President Commercial. The Affiliate's request must explain: (i) the reasons why it cannot meet the requirements set out in these Guidelines, and (ii) what the Affiliate plans to implement to prevent youth Access to PMI Products. The responsibility for implementation of any approved deviation to these Guidelines is with the Managing Director or General Manager in the Market.

## Frequently Asked Questions

1. ***Does the Courier have to hand over the PMI Product only to the Adult Consumer who ordered it?*** No, not if the Adult Consumer who ordered the PMI Product has been Age Verified prior to delivery or collection in accordance with these Guidelines. The Courier may leave the PMI Product with an Adult or at the delivery location (for example in a mailbox). Equally, where a Courier is performing Face-to-Face Age Verification and the Affiliate's contract with the Courier contains the Minimum Contractual Requirements, and ID check is not required. An ID check is required only where the Affiliate requires the Courier to perform Age Verification in line with the Additional Contractual Requirements.
2. ***If the purchase is made by an Age-Verified Adult Consumer, are they allowed to pick up their purchase from a self-service box (without personnel)?*** Yes, if the Adult Consumer who ordered the PMI Product has Age Verified prior to collection in accordance with the requirements of these Guidelines.
3. ***If currently there is no distinction in a Company consumer database between Adult Non-Combusted Alternative Consumers who have self-declared their age and those that have been Age Verified, can we consider all of the Adult Non-Combusted Alternative Consumers as Age Verified if they bought PMI Products from Brand Retail?*** Yes, such Adult Consumers are considered as Face-to-Face Age Verified by a Trained Salesperson.
4. ***Can we use chat bots in messengers for the Adult Consumers to order PMI Products?*** Yes, but you then must follow the same requirements as set forth for the Company E-Commerce (if the chat bot is operating on a Company E-Commerce).
5. ***Do these Guidelines apply to an Adult Consumers' access to marketing and product information?*** No. Access to marketing and product information is governed by *PMI 4C-G2 Marketing and Sale of Non-Combusted Alternatives* and *PMI 4C-G4 Digital Communication for NCA with Consumers*.
6. ***For ID Upload Age Verification, are there any specific requirements we need to comply with when implementing available technology to perform an anti-fraud check?*** There are no specific requirements for the anti-fraud check, as ultimately what can be implemented is subject to what technology is available to be used in your Market. In some Markets, this technology may not be available at all. In other Markets, the available technology may only be able to compare visual look of an ID with a legitimate ID. In some cases, each Affiliate may be able to implement technology which can perform a more comprehensive check (such as for example validating holograms).
7. ***Do the record keeping requirements in paragraph 17 (Record Keeping & Monitoring) apply only to Adult Consumers added to a Company consumer database following the implementation of these Guidelines?*** Yes
8. ***Where we engage a third party (in many cases a distributor) to, either on an Affiliate's behalf or on its own account, operate a Company E-Commerce, to operate a Brand Retail and engage Salespersons (such as coaches), or to operate a Company Contact Center, should that third party be required to comply with the relevant sections of these Guidelines in the same way that would apply to an Affiliate if its providing Adult Consumers with Access to PMI Products?*** Yes. These Guidelines apply to all Company employees and third parties engaged by an Affiliate who provide Adult Consumers with Access to PMI Products.

**9. In the Markets where we engage our trade partners to sell online, but the deal is ultimately made offline (as for example a matter of local law), should we ask our trade partners to comply with our age control requirements for online channels?**

No, where the purchase transaction is to be made offline by virtue of local law (e.g. the Adult Consumer has to appear in person before a Trained Salesperson who performs Face-to-Face Age Verification), you don't need to ask such trade partner to comply with our Online Age Verification requirements. However, such trade partner must implement Face-to-Face Age Verification.

**10. In 2019, we changed the trade contracts with all of our trade partners to incorporate the 'Youth Access Prevention' clauses into our contracts. Following the implementation of these Guidelines, do we need to revise all our contracts again to introduce the Contractual Requirements set out in Appendix 1?** No. Where your contracts already have the 'Youth Access Prevention' clauses, you don't need to amend the contracts again, provided that you don't engage the trade partner to provide certain services, such as online sales, where specific contractual provisions are required as set out in Appendix 1.

**11. Where we engage a trade partner to operate a virtual shop where the Adult Consumer interacts with our sales personnel virtually, without a physical meeting, would the Virtual Face-to-Face Age Verification be enough to consider the Adult Consumer Age Verified?** Yes, Virtual Face-to-Face Age Verification is a valid method of Age Verification. You can arrange for Adult Consumers to buy PMI Products in a virtual shop if they are Virtually Face-to-Face Age Verified.

**12. Do the Guidelines require distributors to cascade the Youth Access Prevention clauses down to the retailer who sells PMI Products to Adult Consumers?** Yes. The Guidelines require that the distributor cascade the relevant contractual clauses to its customers (see section 1.5 (Clauses for contracts with distributors and wholesalers) of Appendix 1). Although the distributor does not directly interact with Adult Consumers, it should be committed to our core principle that youth must not have Access to tobacco, or to nicotine products, in any form.

**13. Can a third-party (such as a Retailer or Courier) Online Age Verify an Adult Consumer by performing a Third-Party Database Age Verification using a Company consumer database?** Yes

**14. The Guidelines use the term "engage" in the context of an Affiliate "engaging" a third party. What does this mean? And in a scenario where an Affiliate sells PMI Products to a distributor, and a distributor in turn sells those products to a Retailer, is an Affiliate "engaging" the Retailer?** The term "engage" in this context means the existence of a relationship between the Affiliate and a third party which provides Adult Consumers with Access to PMI Products. It also includes those distributors, logistics service providers, and wholesalers to which the Affiliate sells PMI Products. This relationship could be either direct or indirect (i.e. through another third party). In many cases the existence of a contract between the Affiliate and the third-party will formalize the relationship. Where an Affiliate sells PMI Products to a distributor, and a distributor in turn sells those products to a Retailer, the Affiliate is not to be construed as "engaging" the Retailer (subject to FAQ 8), as the Affiliate's relationship is not with the Retailer, and the Affiliate is likely to have little influence over the age control measures implemented by the Retailer. Affiliates should not however seek to indirectly engage third parties in order to circumvent the age control requirements set out in these Guidelines.

**15. In paragraph 5, where an Adult Consumer is being provided with Access to Accessories or Premiums, the Affiliate is required to send a communication to the relevant Retailer or third-party. Do we also need to include the Minimum Contractual Requirements in our contract (if one exists) with that Retailer of third-party?** No.

**16. Paragraph 11 of the Guidelines requires that Salespersons engaged by (i) an Affiliate and (ii) a third party to work on Brand Retail or in Contact Center, must receive training every year. What are the requirements for Training in terms of format and record keeping?** The Guidelines do not prescribe a specific format for Training. Trainings can be conducted both online (e.g. using PMI's digital trade engagement platform or any replacement trade engagement system) or offline. The Affiliate and relevant parties engaged by the Affiliate must keep a record of any Trainings provided to Salespersons.

**17. What third parties are covered by the Due Diligence requirements?** The Due Diligence requirement applies to all third parties engaged by the Affiliate to perform Age Verification, whether online or offline. The Affiliates are not required to perform Due Diligence on those third parties which were engaged before these Guidelines were implemented. However, any Age Verification Failures should be identified as part of the ongoing monitoring obligations set out in these Guidelines. The Due Diligence should be proportionate, depending on the nature of the engagement.

**18. For Adult Consumers who are Online Age Verified and seeking to purchase PMI Products via a Company e-Commerce, should the Affiliate technically ensure that the name of the Age Verified person is the same as the name of the account holder in the Company consumer database, and the recipient of the PMI products?** Yes, an Affiliate should technically ensure that the name of the account holder in the Company consumer database is the same as the name of the person who provided details when being Online Age Verified (i.e. a person should not be able to create a registered account using one name, yet use a different name for the purposes of Age verification). That name should also be the same as the person to which the PMI Products are being delivered, unless an Adult is buying PMI Products for another Adult Consumer in accordance with the requirement of these Guidelines.

## Templates

[APPENDIX 1 MINIMUM CONTRACTUAL REQUIREMENTS](#)

[APPENDIX 2 YOUTH ACCESS PREVENTION COMMUNICATION](#)

[APPENDIX 3 AGE VERIFICATION INCIDENT TEMPLATE](#)

[APPENDIX 4 AFFILIATE SELF-ASSESSMENT](#)

[APPENDIX 5 REGIONAL REPORT](#)

## **Ask Questions and Give Feedback**

If you have any questions regarding the content or the interpretation of PMI 04-C G3 , please contact Chief Consumer Officer and Senior Vice President Commercial or their delegates.