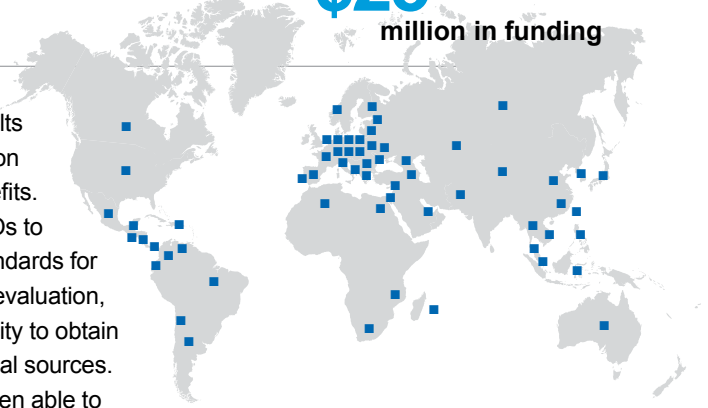


Corporate Social Responsibility

61 countries **298** initiatives **\$25** million in funding



Philip Morris International Inc. (PMI) supports charitable giving programs that improve living conditions in places our employees reside and work, as well as in the farming communities where we source our tobacco. We have identified five areas for giving that we focus on: hunger and extreme poverty, education, environmental sustainability/living conditions in rural communities, domestic violence, and disaster relief. These areas parallel many of the UN Millennium Development Goals, and we have chosen to focus on them because they are among the most critical issues affecting the countries in which we operate.

We select and manage our programs working directly with local non-governmental organizations (NGOs). The process starts with the recommendations of our employees, who we feel are best placed to recognize their communities' needs. Of course, it would be easier to write a check and let an international charity take care of the details. We prefer to know where the money is

going and to follow the results on the ground. This hands-on involvement has other benefits. We expect our partner NGOs to meet strict international standards for grant requests and project evaluation, thereby building their capacity to obtain funds from other international sources. Also, our employees are often able to volunteer on projects and help improve the well being of their communities. A few of our employee volunteer programs in 2010 are illustrated in this section.

During 2010, PMI provided \$25 million in funding to support 298 charitable contribution initiatives in 61 countries. In total, more than three million people benefited from PMI grants covering the areas of hunger and poverty, education, domestic violence, environmental sustainability/living conditions in rural communities and disaster relief. As a result of PMI's funding:

- Approximately 500,000 people are receiving access to clean water and sanitation;

- 270,000 students and teachers are receiving educational support, including improved teaching methodologies, scholarships, refurbished classrooms, books and supplies;
- More than 300,000 people in need are receiving food and/or medical assistance;
- Approximately 900,000 people are benefiting from new homes, shelters and community centers;
- More than 17,000 victims of domestic violence are receiving shelter, counseling and/or financial aid;
- More than 19,000 people have been given the skills to start new jobs; and
- As part of an ongoing program, 10 million trees were planted.

A Day of Kindness in Russia

Russians universally recognize veterans of the Second World War as heroes, but government officials and citizens alike are troubled by the fact that so many of these war heroes now find themselves impoverished.

To assist this group, PMI funds multiple programs where our offices and factories are located. These programs provide basic food and household appliances to nearly 19,000 World War II veterans. Many of PMI's employees and their families participate in these programs by visiting veterans to deliver these donations personally.

Philip Morris Izhora employee, Alexander Vinokur (right), congratulates Lyudmila Nikolaevna Kulakova (center) and Yevgenia Nikolayevna Mikhasenko (left) during the annual Day of Kindness. The event marks the anniversary of the lifting of the siege of Leningrad on January 27, 1944, which both ladies survived as young children.



Employee Volunteer Programs

PMI's employees participated in charitable programs in 31 countries in 2010. Here are four examples from around the world.

Environmental Sustainability >

In support of International Coastal Clean-Up Day, more than 50 volunteers from our Philippine affiliate, including the management team, helped to clean a polluted beach 20 kilometers south of Manila alongside other volunteers and representatives from the Department of Environment and Natural Resources.



Philippines

Hunger and Poverty >

The Goodwill Network, a group of employee volunteers from PMI's Portuguese affiliate, Tabaqueira, is dedicated to promoting equal opportunities for disabled members of the local community. Here Tabaqueira volunteers plant seeds to support the Center for the Education of Disabled People of Mira Sintra. Fifty-seven people, including 42 with disabilities, now work at the Center for Protected Employment, some of them at two greenhouses constructed in the area around our local factory with PMI financial support.



Portugal

Rural Living Conditions >

PMI is helping to stop the destruction of Indonesia's mangrove forests by financing a program that is protecting 871 hectares of these forests in the eastern region of Surabaya. The program is also providing sustainable livelihoods for 300 mangrove farmers, fishermen, and fish farmers, and benefiting more than 30,000 people living in the vicinity of the protected area.



Indonesia

Disaster Relief >

Following a volcanic eruption and flooding in May 2010, PMI funded the construction of 125 houses for disaster victims in and around Guatemala City. More than 200 employees spent two days building homes.



Guatemala