

A photograph of construction workers at a site. In the foreground, two workers wearing white hard hats and high-visibility yellow vests are seen from behind, pointing their right index fingers towards a large American flag hanging on a building facade. The flag is illuminated by a bright light source, creating a lens flare effect. Other workers in various attire are visible in the background, some looking towards the flag. The scene is set against a modern building with large glass windows.

PMI | U.S. U.S. Businesses
of Philip Morris International

PRAGMATIC PHILANTHROPY

A New Imperative of Corporate Citizenship

WHITE PAPER

Summer 2025



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INTRODUCTION

The concept of corporate social responsibility has been around for quite some time, picking up steam with the publication of Howard R. Bowen's *Social Responsibilities of the Businessman* in 1953. This new business imperative gained significant traction in the 1990s, as large companies competed to curry favor among consumers by boasting of their adherence to the so-called "triple bottom line"—a practice in which businesses consider social and environmental impacts alongside financial ones.

As we enter the second quarter of the 21st century, the ground is shifting once more. Americans are fed up with inflated mission statements and empty gestures. Rather than write one-off checks and issue self-congratulatory statements, they want U.S. companies to lead with purpose and embed themselves within communities to solve real problems in real time.

How do we know? Philip Morris International's U.S. affiliates (PMI U.S.) believe that good citizenship begins with **listening to learn**. And so, in April 2025, we commissioned a survey of a cross-section of adults nationwide to find out how businesses such as ours can contribute most meaningfully to the greater good.¹ We discovered that Americans are eager for a refreshed approach to corporate philanthropy. They want practical action to help solve the problems they see every day: people in need of work, chronic homelessness and the housing crisis, economic inequity, and the devastation caused by natural disasters, among other issues.

Americans expect corporations to be a positive force within society. That starts with listening, caring, investing locally, and showing up consistently. Our survey results also reveal that respondents value corporations that hire within their communities and support local businesses.

Additionally, leadership matters. It is not sufficient for CEOs to say they want to help. They must take a sincere interest in the communities where their employees and customers live and work, and empower people to contribute to solutions. If a CEO puts themselves, their profit and loss statement, or their politics ahead of the community's needs, that CEO isn't leading the way people expect.

Americans want more. They want companies to take the time to understand community needs and invest in long-term solutions that work. In short, Americans want **pragmatic philanthropy**.

¹ The PMI U.S. Philanthropy 2025 Benchmark Survey was fielded by 3W Insights between April 22 and 27, 2025, among 1,000 U.S. adults 21 and older. The survey was conducted online using opt-in panel participants. The sample is representative of the U.S. population, based on known Census demographics and geographics. The margin of error is +/- 3.1 percent, with higher margins of error for subgroups. Statistical testing was conducted at a 95 percent confidence level, and subgroup findings in this analysis are statistically significant at 95 percent confidence.

Americans want companies to take the time to understand community needs and invest in long-term solutions that work. In short, Americans want pragmatic philanthropy.

Pragmatic philanthropy refers to a practical, results-oriented approach to charitable giving that emphasizes measurable impact, data-driven decisions, and strategic alignment with both donor values and real-world needs. Unlike idealistic or purely altruistic models, this approach combines compassion with accountability, seeking to solve problems efficiently through partnerships, innovation, and continuous evaluation.

For U.S. corporations, this means approaching charitable giving as a business investment. It requires a company to identify where it can make a significant positive impact, deploy funds in trial efforts, and then scale up the initiatives that work best.

This paper aims to help corporations contribute to societal progress by outlining what Americans expect from corporate philanthropy today and how U.S. companies can deliver against these expectations.





WHAT AMERICANS EXPECT FROM U.S. CORPORATIONS IN 2025

The PMI U.S. Philanthropy 2025 Benchmark Survey paints a picture of an American public that holds corporations to a high standard of social responsibility. Respondents expect companies not only to conduct business ethically and profitably, but also to actively contribute to solving community and societal problems.

Americans' robust expectations of companies and their CEOs may reflect a global trust deficit regarding policymakers and the democratic process. The world's citizens want corporations to step in where governments are falling short. The 2025 Edelman Trust Barometer found that trust declined in 11 of 13 countries that held elections or changed leaders in the past year.²

11

2 https://www.edelman.com/sites/g/files/aatuss191/files/2025-01/2025percent20Edelmanpercent20Trust-percent20Barometerpercent20Globalpercent20Report_01.23.25.pdf

It appears that across the world, those who historically have been expected to solve major problems—elected officials—are now less trusted to act in the best interest of their constituents.

Media credibility is also at near record lows in the U.S., with 36 percent of Americans reporting they have “no trust” in the mass media, according to a Gallup poll.³ This lack of trust is even more stark when compared with historical data. In 1972, 68 percent of U.S. adults expressed a “great deal” or “fair amount” of trust in mass media; by 2024, this trust metric had fallen to 31 percent.⁴

When people lose trust in the individuals and institutions on which they once relied, they look elsewhere for meaningful change. Many of the findings in this paper build on what third-party researchers have uncovered about how Americans regard corporations. In general, people trust corporations and their leaders to do the right thing, to execute efficiently, and to solve problems.⁵ Our survey results reveal a deeper set of expectations that Americans have, providing a blueprint for companies and their CEOs to follow as they seek to build trust with the communities in which they operate and address the pressing problems Americans want solved.

3 <https://news.gallup.com/poll/651977/americans-trust-media-remains-trend-low.aspx>

4 Ibid.

5 <https://www.pewresearch.org/politics/2024/06/24/public-trust-in-government-1958-2024/>, <https://www.usnews.com/news/leaders/articles/2023-12-12/americans-disappointed-in-societys-leaders-survey-finds>, <https://www.pewresearch.org/politics/2023/09/19/americans-dismal-views-of-the-nations-politics/>

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EXPECTATION 1: EMBRACE A CIVIC ROLE

Americans want corporations to be active participants in civil society. This runs counter to the once widely held view that corporations should focus primarily or even solely on making money for their shareholders.⁶

→ **84 percent** of Americans surveyed believe big companies have an ethical responsibility to support the communities where they operate.

- › This statement received heavy support from both liberals and conservatives, as well as women and men. In fact, not a single demographic group disagreed with this statement in meaningful numbers.⁷

6 <https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html>

7 PMI U.S. survey (table 32-2)

In the past, companies could focus on their profit margins, shareholder expectations, and enhancing their brand loyalty to increase sales. Today, this is no longer enough.

- **72 percent** said corporations should help solve major systemic issues such as climate change and economic inequality. Levels of agreement rose with education level and income.⁸
- Sentiment is shifting toward greater corporate involvement, with **53 percent** of respondents stating that, compared with six months prior, they now believe companies should be more involved in local communities. The primary drivers of this increased expectation are the growing need for community services (cited by 61 percent of those wanting more involvement) and a perception that corporations aren't contributing their fair share (47 percent).⁹

The numbers behind this data are important. Across the sexes, younger Americans, aged 21 to 44, ranked “local investment” as a very high priority for companies. This preference was twice as high among the younger demographic as it was among respondents aged 45 and older, pointing to a generational shift.¹⁰ And while those respondents who identified as liberal placed greater emphasis on local investment than did those who identified as conservative, conservatives still rated local investment as very important.

Survey respondents were also asked whether companies should prioritize local, national, or global social challenges. While 42 percent said “a mix of these,” 28 percent said “local,” compared with 21 percent who said “national,” and only 9 percent who said “global.”¹¹ There is a striking preference for companies addressing local over global issues among Americans 45 and older, as well as among conservatives.¹²

8 PMI U.S. survey (table 33-2,3)

9 PMI U.S. survey (table 79-1)

10 PMI U.S. survey (table 25-1)

11 PMI U.S. survey (table 30-1)

12 PMI U.S. survey (table 30-2)

In the past, companies could focus on their profit margins, shareholder expectations, and enhancing their brand loyalty to increase sales. Today, this is no longer enough. Americans believe that companies have an ethical responsibility to help address societal issues and act in the best interests of the public. And they need to start at the community level.

This calls for a new approach to philanthropy.



**PEOPLE
BEFORE
PROFIT**



EXPECTATION 2: STAND TALL WHERE GOVERNMENTS FALL SHORT

Americans expect companies to put profits first, but they don't believe profits should be the only metric that matters. Our survey—and others¹³—shows that Americans broadly support the idea of stakeholder capitalism, the principle that companies must serve not only their shareholders, but also their employees, consumers, communities, and others who depend on their products and services.

The rationale is clear: Some challenges are so big that Americans don't believe anyone but the most powerful corporations can solve them.

→ **59 percent** believe corporations may be better equipped than the government to tackle society's most pressing problems. Agreement rose to 70 percent among self-described “very” conservative Americans.

Over the past decade, Americans have seen evidence of how companies can marshal their resources and supply chains to deliver critical items in times of crisis, whether that involves a natural disaster or a global pandemic.¹⁴ When companies focus their research, resources, and innovation capacity on addressing a specific challenge, they can achieve remarkable results—and often at a lower cost than when governments are involved. For example, the cost of launching payloads such as satellites into space is lower for private companies than for NASA by a factor of 20.¹⁵

When a natural disaster strikes, a retail company with an established logistics operation and supply chain can rapidly provide a community with essential supplies, such as bottled water, food, and clothing. Other organizations and government agencies are essential, but none can match the capability and speed a corporation can deliver in the first several days after a disaster.

This is not to argue that private sector companies should replace government and public charitable action. Rather, it suggests that corporations have the unique ability to solve problems and innovate more quickly and effectively than the public sector in certain areas.

An additional advantage corporations have is their ability to choose where to focus based on their assets and strengths. Experts in charitable action say the most effective corporate civic engagement leverages a company's core capabilities.¹⁶ For instance, during the pandemic, a technology company was able to deploy its proprietary two-way video technology on behalf of indigenous communities that live far from educational and mental wellness resources.¹⁷ Another illustration involves a global consumer packaged goods company that put its water filtration systems to work on behalf of rural villages

14 <https://www.washingtonpost.com/business/2024/09/30/helene-supplies-recovery-businesses/>

15 <https://ntrs.nasa.gov/citations/20200001093>

16 <https://hbr.org/2002/12/the-competitive-advantage-of-corporate-philanthropy>

17 https://ssir.org/articles/entry/four_ways_corporations_can_achieve_authentic_social_impact

Some challenges are
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in Africa.¹⁸ We've also seen finance and management consultancies empower their employees to serve as pro bono advisers to nonprofits struggling to solve specific business problems.¹⁹ Importantly, this type of employee engagement benefits both the company and those it assists. Research shows that civic engagement supports the recruitment and retention of the best talent.²⁰ A company's self-interest is well-served when it is actively working to benefit the community at large.

These examples demonstrate that Americans' faith in companies to solve problems is well-placed when the interests of the corporation and the community align. The ability to innovate, focus, and deliver support to communities in need can be a company's superpower.

18 <https://www.coca-cola.com/xen/media-center/water-stewardship-initiative>

19 https://ssir.org/articles/entry/building_social_sector_capacity_through_a_day_of_skilled_service

20 <https://www.ibm.com/downloads/documents/us-en/10a99803f92fda61>; <https://www.salesforce.com/news/stories/state-of-work-stats-2023/>

**HELP
WANTED**

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EXPECTATION 3: JOBS, JOBS, JOBS

Americans want companies to focus on creating and keeping jobs within the U.S. and will reward those that are active on the issues that matter most to them.

→ **86 percent** of Americans surveyed said well-paying, stable jobs are the best form of community support.

- › The level of support for this statement—strongly or somewhat agree—was significant and uniform across all demographic categories. Notably, support was as high among high-earners (\$100K+) as low earners (<\$50K) and cut across political viewpoints.²¹

→ When asked to rank the issues a company should prioritize, **36 percent** of respondents selected “fair wages and a focus on

employee well-being”—a higher ranking than any other priority listed.²² This, too, cut across every demographic, including gender, age, socioeconomic status, education, race or ethnicity, geography, and political affiliation.

- When it comes to charitable contributions, Americans show a strong preference (76 percent agreed) for giving a “hand up” (e.g., job training) rather than a “handout” (e.g., food donations).

Hiring locally can create a strong bond between a company and its community. When employees live where they work, they’re more likely to engage in community events, volunteer efforts, and local decision-making. This helps the company maintain an active, visible, and positive local presence. While job opportunities tangibly help a community, local recruitment also benefits the corporation, fostering goodwill, brand loyalty, and long-term trust among residents, who are more likely to view the business as a partner rather than just a presence.

Some companies give their employees a direct say in and even control over how charitable dollars are spent in the community—an approach called “democratic philanthropy.”²³ Others create employee councils that have an important voice in these and related issues.²⁴ These programs have direct and positive outcomes: According to Firefly, companies report an average increase of 35 percent in employee satisfaction scores and sustained employee support for charities they had a role in choosing.²⁵

Rather than assume what a community needs, PMI U.S. advocates a listening-to-learn strategy whereby local nonprofits are invited

22 PMI U.S. survey (table 27-1)

23 <https://www.fireflygiving.com/blog/employee-directed-giving-the-new-wave-of-corporate-philanthropy/>

24 <https://www.greatplacetowork.com/best-workplaces/companies-that-care/2024>

25 <https://www.fireflygiving.com/blog/employee-directed-giving-the-new-wave-of-corporate-philanthropy/>

to discuss their challenges, methods, and purposes. Bringing organizations together for candid conversations fosters a deeper understanding of the challenges a community faces and creates opportunities for connection and collaboration. In turn, these convenings offer community members a chance to learn about a business's mission, culture, and benefits, encouraging them to act as local advocates, amplifying the company's reach and recruiting others for open positions.

A robust local employee base also helps to bring community issues into the workplace, sparking discussions and potentially contributing to solutions. In 2022, nearly one in two Americans reported volunteering their time to a nonreligious charity in the year prior.²⁶ This suggests that in any given workplace, half of the workforce is already giving their time to social causes. If a company can harness that time, energy, and sense of purpose to address a specific set of goals, it can build a small army of philanthropic actors.

That, in turn, is good for business. Emily Heisley Stoeckel of the Heico Companies, in a panel discussion on civic engagement, commented:

“Many of our businesses are major employers in the communities where they’re headquartered or where their operations reside, and we’re very interested in having our employee base engaged. [...] [T]hey spend the majority of their time at work, and we want them to be proud of the fact that they’re associated with our businesses. So to the extent that we can do some sort of community outreach as a group [...] they’re giving of their time and talent, and we support those initiatives.”²⁷

²⁶ <https://news.gallup.com/poll/388574/charitable-donations-rebound-volunteering-down.aspx>
²⁷ <https://www.chicagobooth.edu/review/what-do-companies-owe-their-communities>

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For a corporate civic engagement program to be effective and sustainable, employees must be at its heart. Helping them put their ideas, passions, and skill sets to use for a cause that resonates with them can help to build a culture that every company wants: one that is engaged, responsive, and tuned in to colleagues, customers, and the community.



EXPECTATION 4: BE A TEAM PLAYER

Too often, companies that want to invest in helping to solve a particular problem in a community come in with the expectation that they will run the show. That's a mistake, for several reasons: It risks alienating the very people the initiative is intended to help, which could harm both the cause and the company's reputation. It approaches the problem without a comprehensive understanding of the issue and its various contributing factors. It ignores the good work already underway and the potential for productive partnerships with local organizations that are deeply committed to the cause and beginning to make headway. It risks duplicating existing efforts without advancing progress.

Coming in with a fully formed plan and the expectation that community members will welcome the company's directives is precisely the wrong way to "help." Instead, the first step must always be to **ask questions and listen to learn**. Companies that collaborate with local leaders, policymakers, activists, interested community members, and other stakeholders are far more likely to understand what needs

must be addressed most urgently and where corporate resources can be best utilized.

- **83 percent** of Americans surveyed agree it's important for companies to work closely with local government leaders when establishing community initiatives.
 - › The level of agreement was especially high among high-income respondents (89 percent), those identifying as liberal (87 percent), and those with a college degree (89 percent).²⁸
- Asked to identify the biggest missteps a company can make when trying to help a community, respondents were most apt to select “acting without community input (failing to listen)” (28 percent), followed by “using charitable donations and activities as a PR move” (22 percent), “assuming money alone will fix complex problems” (20 percent), and “making short-term or one-time gestures” (20 percent).
- While cynics might argue that corporate charitable activity is primarily intended to enhance a corporate brand rather than solve a problem, most Americans do not share this view.
 - › 78 percent say they're more likely to buy from a brand that listens to them and shares their values.
- When asked what enhances loyalty most, participants were most likely to choose responses centered on ethical actions and positive impact, with the following options receiving the highest support: “providing ethical products that improve lives” (42 percent), “protecting/restoring the environment” (39 percent), and “offering customers ways to do good while enjoying themselves” (37 percent).

Done right, community involvement contributes to a sense of pride and purpose that can help to build a stronger and more profitable workplace.



Americans want to support companies that are viewed as acting in good faith. This requires that a corporation earn trust.

One guidepost every company should follow when opening a discussion focused on philanthropy is to ask: Where and how can we make a meaningful difference? The answer will take into account not only the most urgent needs of the community but also the company's capabilities, values, and mission, as well as the priorities of its employees.

Identifying a problem or issue a company is uniquely suited to address, rather than focusing first on reputational benefits, best positions a company to engage in worthwhile projects to which it can contribute in meaningful ways. The local relationships established through this work will benefit both the community and the corporation. For example, companies that collaborate with universities to promote job training and work preparation programs develop deeper ties in their communities—and a broader pipeline of talent.²⁹ In addition, these types of programs offer what Americans most want from corporations: the provision of stable jobs.

Engaging employees in causes that matter to them yields tremendous benefits that extend beyond the issue being addressed. According to Gallup's meta-analysis, organizations with highly engaged employees—those who are enthusiastic and involved at work—see 18 percent gains in productivity, 23 percent gains in profitability, 78 percent declines in absenteeism, and 21 percent declines in turnover.³⁰ What's clear: Done right, community involvement contributes to a sense of pride and purpose that can help to build a stronger and more profitable workplace.

²⁹ <https://advancenc.com/>

³⁰ <https://www.gallup.com/workplace/229424/employee-engagement.aspx>



EXPECTATION 5: INVEST FOR THE LONG HAUL

Corporate generosity tends to garner headlines and attention, but the impact of one-time donations is fleeting. What matters most is making a long-term commitment that is felt over time within communities. **The American public expects consistent action, sustained giving, and accountability.**

When a company announces its intention to solve a problem, it should make clear how it will do so and what will demonstrate success. It should commit to being in it for the duration. Writing a check is not when the company's work ends; it's when it begins.

- When asked what actions impress them most regarding a corporation's efforts to help the community, "hiring locally and supporting small businesses" (26 percent) came in first. "Having a consistent community presence" (23 percent) was a close second.

Americans have learned to distrust one-off, splashy gifts that have no follow-through. This may be partially due to the broader cynicism and distrust our society is experiencing.³¹ It has certainly been exacerbated by publicity surrounding accusations of corporate “greenwashing” and other practices in which companies are perceived as deceptively promoting themselves as socially responsible and caring without demonstrating a genuine commitment or taking substantial action to back up their proclamations.

There is an additional benefit to taking a long-term investment approach: By and large, corporations are trusted to run a tight ship, and their oversight of spending programs can heighten public trust in a partner charity. Roughly one-third of Americans don’t trust charities to spend their funds well, and more than 60 percent of people globally don’t have faith that nonprofits will accomplish their missions.³² But when charities adopt a strategic approach to transparency—meeting higher standards of accountability for their mission, overhead, and other costs—they enjoy an average gain of 53 percent in donations a year later.³³

Companies and charities both benefit from sustained partnerships in which they work together to solve problems over many years and are transparent about their successes and challenges. This is true even with initiatives that deliver mixed results. Releasing annual “impact reports” with honest assessments—not just feel-good stories—builds long-term trust. Testimonials, statistics (including historical comparisons), and other critical data should provide a detailed illustration of a company’s civic engagement function and its results.

In 2023, nearly every company on the S&P 500 index published a corporate social responsibility (CSR) report. This is up from just

31 <https://www.nytimes.com/2019/11/18/us/polls-media-fake-news.html>

32 <https://www.fastcompany.com/40469133/what-do-people-want-when-they-give-to-nonprofits>

33 <https://www.globalpolicyjournal.com/blog/09/02/2021/why-charities-must-embrace-transparency>



Done right, community involvement contributes to a sense of pride and purpose that can help to build a stronger and more profitable workplace.

20 percent in 2011.³⁴ An increasing number of Americans, including 41 percent of young investors, will research a company's role in improving society and the environment before deciding to invest.³⁵

Reporting on one's charitable giving and social investment programs is a given in today's market. What matters is the quality of that reporting and a company's willingness to be transparent even when it's neither easy nor flattering, such as when charitable goals are unmet. Some of the most potent examples of effective corporate philanthropic and civic engagement programs involve companies adopting a long-term approach to achieving incremental gains.³⁶

34 <https://www.ga-institute.com/storage/press-releases/article/ga-institutes-research-shows-2023-sustainability-reporting-at-record-levels-as-us-public-compani/>; <https://online.hbs.edu/blog/post/corporate-social-responsibility-statistics>

35 <https://investors.aflac.com/press-releases/press-release-details/2019/Aflac-Survey-Says-Majority-of-Consumers-Want-Companies-to-Take-a-Stand/default.aspx>

36 <https://bcorporation.eu/resources/case-studies/>



EXPECTATION 6: CEOS SHOULD PARTNER, NOT POSTURE

Americans expect corporations to have a clear mission, and **they want corporate leaders to be thinking about a higher social purpose.** In these divided times, Americans are wary of CEOs being overly political, but they do value leaders who are actively engaged in causes and communities.

Of critical importance, perceptions of a CEO impact perceptions of the company they lead. And when a CEO doesn't behave or communicate in a way people expect or want, it can diminish trust in the corporation and its ability to make good choices. CEOs who lead with purpose and empower their people to take action will be seen as problem-solvers—and reliable partners.

From our survey:

- **81 percent** of Americans surveyed would be more likely to buy from a company whose CEO is a positive force in their community.
- **64 percent** believe CEOs have an obligation to act in society's best interest, while 36 percent believe a CEO's only obligation is to shareholders, the business, and employees.
- **68 percent** (78 percent of self-described liberals vs. 57 percent of self-described conservatives) say it's important for CEOs to take a public stance on vital issues.
- **58 percent**—including 67 percent of self-described conservatives—say they prefer not to know a CEO's political leanings.

There appears to be a contradiction in how Americans perceive CEOs and their involvement in public issues. For the most part, they want CEOs to take public stands on key issues, but they don't want these business executives to reveal their political leanings. CEOs must somehow manage to take public stands while avoiding the appearance of partisanship.

It is a difficult line to navigate. The key is how a chief executive chooses to engage. A CEO would fare best by participating in public discussions about important issues of the day by listening, providing fact-based insights, and deploying corporate resources to address broadly felt challenges. Americans welcome such leadership. In contrast, if a CEO simply opines on an issue and uses it for political leverage, Americans will resist. **Bottom line: When a CEO shares their personal commitment to addressing a significant issue and offers to partner with anyone who wants to help, that is welcomed. Posturing and politics, on the other hand, are not.**

CEOs will find it easier to navigate issues outside their core business when they enjoy a strong level of public trust. Research routinely reveals that a CEO's public reputation has a direct impact on the company's market valuation—contributing to a corporate reputation that, by some estimates, is worth 44 percent of an average company's value.³⁷ CEO reputations have other impacts, as well: They are critical in crisis response, talent recruitment, and can even tilt a corporate takeover one way or another.³⁸

37 <https://cms.webershandwick.com/wp-content/uploads/2023/02/ceo-reputation-premium-executive-summary-3.pdf>

38 Ibid.



PMI U.S.: COMMITTED TO PRAGMATIC PHILANTHROPY AND LEADING WITH PURPOSE

PMI U.S. is invested in America. Through our purpose, science and scientific integrity, and responsible innovations, we aim to drive progress that benefits people, communities, and the nation.

In a time of economic anxiety, political volatility, and rising skepticism, we are moving forward with clarity, credibility, and a clear purpose, and we are investing for the long term.

As of June 2025, PMI's U.S. affiliates employed approximately 2,500 individuals across America. And we're expanding, creating even more jobs and opportunities. Since 2024, the U.S. business has committed to investing more than \$832 million in new and expanded manufacturing facilities in America that provide well-paying jobs.

We are proud of our leadership—purposeful, open, responsible, ethical, civic-minded, and active on issues that matter. We are in the U.S. to make a difference, and we are firmly committed to American values and America's future.

PMI's Journey to Become a Smoke-Free Business

With over \$14 billion invested in smoke-free innovation since 2008, Philip Morris International, including its international family of companies (PMI), is redefining what performance looks like in a purpose-driven world. Globally, PMI is leading the evolution away from combustible products toward a science-led, better future. This is not only the right thing to do, it's the smart thing to do—and the company's success is proof positive that responsible business can be profitable *and* principled.

A decade ago, virtually none of PMI's global revenue came from smoke-free products. As of year-end 2024, 40 percent of it does. PMI's ambition is for at least two-thirds of its global net revenue to come from smoke-free alternatives by 2030. The company is well on its way to becoming a smoke-free business.

Note: PMI has never sold cigarettes in the United States and is on a mission to move America's ~30 million adult smokers away from cigarettes by offering science-based, FDA-authorized better alternatives. While not risk-free and containing nicotine, which is addictive, these smoke-free products are a far better choice than continuing to smoke.

In our pursuit of pragmatic philanthropy, our affiliates have invested more than \$25 million in worthy causes since 2022, prioritizing military veterans and their families, economic empowerment, and disaster preparedness and relief.

Invested in Communities

Via our global headquarters in Stamford, Connecticut, and other locations nationwide, we contribute leadership, jobs, investment, and innovation on U.S. soil.

Across the country—from Owensboro, Kentucky, to Richmond, Virginia, and Aurora, Colorado—PMI U.S. is creating high-skill jobs that support a smoke-free future (a future free of cigarettes). These are not just jobs—they are a reflection of our commitment to health-focused innovation, high-quality manufacturing, and regional revitalization.

In July 2024, PMI U.S. affiliates announced an investment of \$600 million to build a nicotine pouch facility in Aurora, Colorado.³⁹ This was followed in August 2024 by the announcement of a \$232 million investment to expand the Swedish Match manufacturing facility in Owensboro, Kentucky. The latter investment is forecast to have a \$277 million annual economic impact on the Bluegrass State.⁴⁰

Invested In Civic Engagement

We believe that good corporate citizens embody generosity. In 2024, PMI U.S. donated more than \$10 million to 327 charitable organizations in 35 states.⁴¹

From economic empowerment initiatives and our ongoing veterans' support to matched giving programs and entrepreneurship initiatives, we're proud to partner with and invest in organizations that improve communities across America.

We focus on three pillars of charitable action and investment: military and veterans support, economic empowerment, and disaster preparedness and relief.

39 <https://www.pmi.com/media-center/press-releases/press-details?newsId=27881>

40 <https://www.pmi.com/media-center/press-releases/press-details?newsId=27991>

41 https://www.pmi.com/resources/docs/default-source/us-website/2805_pmi_cs_end-of-year-giving-report_10feb25_digital-%281%29.pdf?sfvrsn=b7d34cc8_2#:~:text=&%20Underage%20Prevention%20Officer,these%20and%2029%20additional%20states.



What Good Corporate Citizenship Looks Like Today

Stacey Kennedy, CEO of PMI's U.S. Business

At PMI U.S., we're reshaping an industry and public health—guided by science, powered by purpose, and grounded in the belief that progress is only meaningful when shared. At a time when society is straining under the weight of polarization, massive technological disruption, mistrust, and fatigue, we must assert a different kind of leadership. Not louder. Smarter. More honest. Deeply human.

We do this by:

Acting as guardians of facts: We are relentless in our commitment to scientific evidence. We communicate openly—even when the truth is complex or inconvenient. We know trust must be earned, especially in an industry like ours.

Respecting consumer choice and encouraging empowered participation: We support legal-age consumer autonomy and civic engagement. That includes voting, volunteering, and being thoughtful citizens.

Fostering open conversation, not conformity: Our employees hold diverse views, and we welcome them. We create space for respectful disagreement. We ask questions. We listen. That's how real transformation happens.

Investing in people, not just products: From providing employees opportunities for growth to community investment, we treat good citizenship as a supply chain that begins with dignity and culminates in progress.

Leading with humility and ambition: We know the road ahead won't be easy. But we are committed to change; not to performative gestures, but to meaningful, measurable, and enduring outcomes.

We are not perfect. But we are serious. Serious about change. Serious about good citizenship. Serious about earning trust where little existed before.

We are here to prove that even in difficult climates, progress is possible—provided you have the courage to face facts, communicate transparently, behave responsibly, and lead with conviction.

A PMI U.S. Case Study of Pragmatic Philanthropy: Legal Clinics for Veterans

In our civic engagement efforts, we have placed special emphasis on supporting and expanding pro bono legal clinics to better serve veterans and their families. Here's what sets our approach apart.

Listening

We knew we wanted to serve active military personnel, veterans, and their families, so we started by convening a nationwide series of listening sessions. We asked active military personnel, veterans, and those who care about them about the challenges of military service and the long-term issues they face. We learned from these sessions about areas of unmet opportunity. One was the need for legal services. Many veteran households need help accessing the government benefits they've earned—an experienced lawyer can make all the difference.

Learning

We dug deeper and learned about the issues created by “bad paper”—discharge documents that leave a veteran short of receiving their full benefits. We also learned about unscrupulous agents who promise to get benefits for veterans but often fail to deliver or, worse, siphon funds the veterans have earned. And we learned about pro bono clinics that do great work and could do even more with our support.

Staying Local

We invest in communities where we have a meaningful presence—in the case of legal clinics, this has meant Florida, Colorado, and Arizona. We also sought to invest in clinics that already had a track record of success and service and enjoyed the trust of the local military and veterans community. We ensured that whatever we invested, it would have a measurable impact.

Focus and Collaboration

To expand our impact, we decided not only to invest in clinics but to bring them together to create connections and share best practices. In May 2025, PMI U.S. hosted experts from the University of Florida Levin College of Law, the Rocky Mountain Veterans Advocacy Project in Colorado, and the University of Arizona James E. Rogers College of Law, enabling them to share their practice experiences, case studies, and policy recommendations to better address common challenges military families face.

Scaling Best Practices

When we apply this level of focus, we achieve more. For example, the insights from a case in Florida led to new national policies, practices, and legislative proposals. We have learned how Colorado veterans can receive improved access to benefits through legal and mental health evaluations. And in Arizona, we saw how critical it is to increase access and legal assistance for veterans who live in “legal deserts” in rural and Tribal areas.

Achieving Practical Outcomes

One clinic has already reported two successes due to PMI U.S.’s funding: After years of delays, a post-9/11 veteran finally obtained support for health conditions caused by her military service as well as a discharge upgrade. A veteran of the first Gulf War had come to the clinic “riddled with debilitating conditions from exposure to the burn pits that forced him to retire prematurely.” Through the clinic’s work, this veteran is now 100 percent service-connected and receives special monthly compensation.⁴²

42 Shared by Judy Clausen, Director, University of Florida Veterans and Servicemembers Legal Clinic at the Levin College of Law



CLOSING THOUGHTS

The challenges of the 21st century are immense. Solving them will require the active and focused participation of all parties, including governments, academic institutions, NGOs, community groups, citizens, and corporations. No single group can achieve the necessary change on their own, but it is clear that as corporations have grown more powerful, their involvement has become increasingly critical.

At PMI U.S., we take great pride in the extent to which we are invested in America—and the nature of that investment. This investment will grow. Although it has long been an American company, PMI didn't sell products in the United States until it acquired Swedish Match in late 2022. Now, its U.S. affiliates are all in on their investment in America's better future, determined to contribute to solutions and effectuate positive change.

We hope the insights in this paper will prove useful to other organizations similarly committed to having a measurable impact. Together, by embracing the principles of pragmatic philanthropy, we can accelerate progress and meet the high expectations Americans have set for us.



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