



## **Assurance Statement Number: CCP 267918/PMI/2023/12/22**

### **NATURE AND SCOPE OF THE ASSURANCE ENGAGEMENT**

SGS United Kingdom Limited was commissioned to provide independent assurance of Environmental, Health and Safety (EHS) data and Key Performance Indicators (KPI's) for the calendar year 2023 for:

Philip Morris International SA (PMI)  
Av. de Rhodanie 50  
1007 Lausanne  
Switzerland

The scope of the engagement included assessment of the Environmental, Health and Safety, Key Performance Indicators and underlying data shown in the tables below.

The management of PMI is responsible for the selection, preparation and reporting of information included in its 2023 EHS KPI report. It is SGS' responsibility to express an independent opinion on the reported data within the scope of assurance.

The objective of the engagement was to provide assurance to PMI stakeholders (with the exception of scope 3 emissions) to a reasonable level of assurance that the reported indicators are:

- Accurate and free from material misstatement (5% materiality level applied)
- Reported in accordance with the principles of transparency accuracy, consistency, relevance and completeness and in accordance with a PMI defined methodology

For Scope 3 emissions to a limited level of assurance that the reported data are:

- Accurate and free from material misstatement (10% materiality level applied)
- Reported in accordance with the principles of transparency accuracy, consistency, relevance and completeness and in accordance with a PMI defined methodology

The engagement was based on the scope, objectives and criteria as agreed between Philip Morris International SA and SGS United Kingdom Limited in September 2023.

The engagement was combined with the verification of greenhouse gas emissions (GHG), and the assurance methodology employed by SGS was based upon internationally recognized standards and guidance meeting the requirements of ISAE 3000 (revised): *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The engagement comprised a combination of desk-based review and interviews with relevant employees and review of evidence during site audits, remotely undertaken for the following facilities/areas: Turkey Markets; Swedish Match - Owensboro Factory (USA), Poland (Krakow), South Africa (Leonard Dingler) and Canada (RBH Quebec).

The environmental information provided was based on a combination of historical data, estimation methodologies and data extrapolation considered representative of calendar year 2023. Data is actual for January to September 2023 and estimated for October to December 2023, with the exception of markets environmental data which is actual for January to June 2023 and estimated for July to December 2023.

### **STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is a world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS United Kingdom Limited affirm our independence from PMI, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders. The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, including experience in the assurance of environmental and health and safety data.

### **CONCLUSION**

SGS' approach is risk-based, drawing on an understanding of the risks associated with determination of EHS information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of the data in the tables below:

Topic	Indicator	Units	Scope	2023	Company
Water	Total amount of water consumed (withdrawn minus discharged)	'000 m3	Manufacturing	1,534	PMI
Water	Total water consumption from all areas with water stress in megaliters (withdrawn minus discharged)	'000 m3	Manufacturing	1,081	PMI
Water	Total amount of water withdrawn	'000 m3	Manufacturing	3,194	PMI
Water	Total amount of freshwater water withdrawn (from Municipal)	'000 m3	Manufacturing	2,196	PMI
Water	Percentage of total direct factory water withdrawal from water stressed area	%	Manufacturing	64%	PMI
Water	Total amount of water discharged	'000 m3	Manufacturing	1,660	PMI
Water	Total amount of water discharged to areas with water stress	'000 m3	Manufacturing	968	PMI
Water	Manufacturing water use	m3/ mio. Cig. Eq produced	Manufacturing	3.81	PMI
Waste	Total amount of waste generated	Metric tons	Manufacturing	127,493	PMI
Waste	Proportion of operational waste to landfill (scope for zero waste to landfill target which excludes mandated waste to landfill)	%	Manufacturing	0.10%	PMI
Waste	Tons of operational waste to landfill (scope for zero waste to landfill target which excludes mandated waste to landfill)	Metric tons	Manufacturing	130.2	PMI
Waste	Proportion of total waste generated that is disposed to landfill	%	Manufacturing	0.97%	PMI
Waste	Proportion of total waste generated that is incinerated with energy recovery	%	Manufacturing	13.3%	PMI
Waste	Proportion of total waste generated that is incinerated without energy recovery	%	Manufacturing	0.8%	PMI
Waste	Proportion of total waste generated that is recycled	%	Manufacturing	84.9%	PMI
Waste	Proportion of factories with <1% of waste to landfill (virtually zero)	%	Manufacturing	97.6%	PMI
Waste	Amount of hazardous waste generated	Metric tons	Manufacturing	2,228	PMI
Waste	Percentage of hazardous waste generated	%	Manufacturing	1.7%	PMI
Waste	Proportion of hazardous waste generated that is disposed to landfill	%	Manufacturing	1.5%	PMI
Waste	Proportion of hazardous waste generated that is incinerated with energy recovery	%	Manufacturing	49.9%	PMI
Waste	Proportion of hazardous waste generated that is incinerated without energy recovery	%	Manufacturing	29.5%	PMI
Waste	Proportion of hazardous waste generated that is recycled	%	Manufacturing	19.1%	PMI
Energy	Total energy consumption	GJ	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	7,978,824	PMI

Topic	Indicator	Units	Scope	2023	Company
Energy	Total energy consumption	GJ	Manufacturing	6,428,127	PMI
Energy	Total energy consumption	GJ	Fleet & Jet	1,216,497	PMI
Energy	Manufacturing energy use	GJ / mio cig.eq. Produced	Manufacturing	7.67	PMI
Energy	Fleet energy consumption	MJ per km Driven	Fleet	2.68	PMI
OHS/Emissions	PMI Total km driven	km	Fleet	443,577,282	PMI
Energy	Total energy consumption from renewable sources	GJ	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	2,923,565	PMI
Energy	Total energy consumption from renewable sources	GJ	Manufacturing	2,784,225	PMI
Energy	Proportion of energy consumption (electricity & fuel) from renewable sources	%	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	37%	PMI
Energy	Proportion of energy consumption (electricity & fuel) from renewable sources	%	Manufacturing	43%	PMI
Energy	Proportion of electricity consumed at our factories that came from self-generated sources	%	Manufacturing	4%	PMI
Energy	Total electricity consumed	MWh	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	884,927	PMI
Energy	Total electricity consumed	MWh	Manufacturing	817,073	PMI
Energy	Total electricity consumed that is from renewable sources	MWh	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	789,480	PMI
Energy	Total electricity consumed that is from renewable sources	MWh	Manufacturing	753,328	PMI
Energy	Proportion of electricity used and purchased that is from renewable sources (total electricity consumed from renewables/total electricity consumed)	%	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	89%	PMI
Energy	Proportion of electricity used and purchased that is from renewable sources (total electricity consumed from renewables/total electricity consumed)	%	Manufacturing	92%	PMI
Energy	Proportion of electricity purchased from renewables (total electricity purchased from renewables/total electricity purchased)	%	Manufacturing	94%	PMI
Energy	Fuel consumption from non-renewable sources	GJ	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	4,703,623	PMI
Energy	Fuel consumption from non-renewable sources	GJ	Manufacturing	3,446,018	PMI
Energy	Fuel consumption from renewable sources	GJ	Manufacturing, Fleet, Office,	81,277	PMI

Topic	Indicator	Units	Scope	2023	Company
			Warehouse, Other, Retail, Aircraft		
Energy	Fuel consumption from renewable sources	GJ	Manufacturing	72,152	PMI
Energy	Proportion of renewable fuel consumed by fleet	%	Fleet	1%	PMI
Emissions	CO2e scope 1	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	302,325	PMI
Emissions	CO2e scope 1 absolute reduction vs previous year - metric tons	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	-4,723	PMI
Emissions	CO2e scope 1 absolute reduction vs previous year - %	%	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	-2%	PMI
Emissions	CO2e scope 1 from fleet: absolute reduction vs. 2019 baseline	%	Fleet & Jet	28%	PMI
Emissions	CO2e scope 1 biogenic emissions	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	7,673	PMI
Emissions	CO2e scope 1 from fleet	Metric tons	Fleet & Jet	80,699	PMI
Emissions	CO2e emissions from vehicles (g CO2e per km driven)	gCO2e/km driven	Fleet	177.25	PMI
Emissions	CO2e scope 2 (market based)	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	34,449	PMI
Emissions	CO2e scope 2 (market based) absolute reduction vs previous year - metric tons	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	8,033	PMI
Emissions	CO2e scope 2 (market based) absolute reduction vs previous year - %	%	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	18.9%	PMI
Emissions	CO2e scope 1+2 (market based)	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	336,774	PMI
Emissions	CO2e scope 1+2 (market based) absolute reduction versus 2019 baseline	%	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	39.4%	PMI
Emissions	Carbon off-setting certificates*	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	71,256	PMI
Emissions	Net CO2e scope 1+2 **	Metric tons	Manufacturing, Fleet, Office, Warehouse, Other, Retail, Aircraft	265,518	PMI
Emissions	CO2e scope 1+2 (market based) emissions - manufacturing	Metric tons	Manufacturing	238,358	PMI

Topic	Indicator	Units	Scope	2023	Company
Emissions	CO2e scope 1+2 (market based) from offices	Metric tons	Offices	13,583	PMI
Emissions	CO2e scope 1+2 (market based) from warehouses	Metric tons	Warehouses	2,798	PMI
Emissions	CO2e scope 1+2 (market based) from Other	Metric tons	Other	1,077	PMI
Emissions	CO2e scope 1+2 (market based) from retail stores	Metric tons	Retail stores	260	PMI
Emissions	CO2e Scope 1+2 (market based) absolute reductions in manufacturing versus previous year	Metric tons	Manufacturing	4,035	PMI
Emissions	Number of carbon-neutral factories (production centres)	#	Manufacturing	18	PMI
Emissions	CO2e scope 3	Metric tons	Total PMI excluding SWMA	4,107,296	PMI
Emissions	CO2e scope 3 biogenic emissions	Metric tons	Total PMI excluding SWMA	2,333,464	PMI
Emissions	CO2e emissions from our tobacco supply chain	Metric tons	Total PMI excluding SWMA	860,377	PMI
Emissions	Manufacturing CO2e emissions (scope 1+2) intensity	kg CO2e / mio. cig eq. produced	Manufacturing	284.46	PMI
Emissions	CO2e emissions from DM supply chain (excluding Leaf)	Metric tons	Total PMI excluding SWMA	1,596,182	PMI
Emissions	CO2e emissions from tobacco curing	Metric tons	Total PMI excluding SWMA	223,887	PMI
Emissions	CO2e emissions from Fertilizer	Metric tons	Total PMI excluding SWMA	372,839	PMI
Emissions	CO2e scope 1	Metric tons	PMI+SWMA	316,652	PMI+SWMA***
Emissions	CO2e scope 2 (market based)	Metric tons	PMI+SWMA	56,582	PMI+SWMA
Emissions	Net CO2e scope 1+2 **	Metric tons	PMI+SWMA	301,978	PMI+SWMA
Emissions	CO2e scope 3	Metric tons	PMI+SWMA	4,327,556	PMI+SWMA
Energy	Fuel consumption from non-renewable sources	GJ	PMI+SWMA	4,910,506	PMI+SWMA
Energy	Fuel consumption from renewable sources	GJ	PMI+SWMA	272,403	PMI+SWMA
Energy	Proportion of Energy Consumption (electricity & fuel) from renewable sources	%	PMI+SWMA	37%	PMI+SWMA
Energy	Total electricity consumed	MWh	PMI+SWMA	971,647	PMI+SWMA
Energy	Total energy consumption	GJ	PMI+SWMA	8,733,393	PMI+SWMA
Emissions	Absolute CO2e scope 3 FLAG ('000 metric tons)	Metric tons	PMI+SWMA	1,170,241	PMI+SWMA
Emissions	Absolute CO2e scope 3 Industrial ('000 metric tons)	Metric tons	PMI+SWMA	3,157,315	PMI+SWMA
OHS	Exposure Hours - PMI and contracted employees and contractors	# of Exposure Hours	Total PMI excluding SWMA	187,610,404	PMI
OHS	Exposure Hours - PMI and contracted employees	# of Exposure Hours	Total PMI excluding SWMA	140,607,901	PMI

Topic	Indicator	Units	Scope	2023	Company
OHS	Exposure Hours - PMI employees	# of Exposure Hours	Total PMI excluding SWMA	131,832,347	PMI
OHS	Exposure Hours - contracted employees	# of Exposure Hours	Total PMI excluding SWMA	8,775,554	PMI
OHS	Exposure Hours - contractors	# of Exposure Hours	Total PMI excluding SWMA	47,002,504	PMI
OHS	Exposure Hours - PMI and contracted employees and contractors MANUFACTURING	# of Exposure Hours	Manufacturing	96,067,478	PMI
OHS	Exposure Hours - PMI and contracted employees - MANUFACTURING	# of Exposure Hours	Manufacturing	66,714,617	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees and contractors	LTI per 200,000 Exposure Hours	Total PMI excluding SWMA	0.08	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees	LTI per 200,000 Exposure Hours	Total PMI excluding SWMA	0.05	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI employees	LTI per 200,000 Exposure Hours	Total PMI excluding SWMA	0.05	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - contracted employees	LTI per 200,000 Exposure Hours	Total PMI excluding SWMA	0.12	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - contractors	LTI per 200,000 Exposure Hours	Total PMI excluding SWMA	0.17	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees and contractors- MANUFACTURING	LTI per 200,000 Exposure Hours	Manufacturing	0.08	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees - MANUFACTURING	LTI per 200,000 Exposure Hours	Manufacturing	0.06	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees and contractors	TRI per 200,000 exposure hours	Total PMI excluding SWMA	0.11	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees	TRI per 200,000 exposure hours	Total PMI excluding SWMA	0.08	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI employees	TRI per 200,000 exposure hours	Total PMI excluding SWMA	0.07	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - contracted employees	TRI per 200,000 exposure hours	Total PMI excluding SWMA	0.12	PMI

Topic	Indicator	Units	Scope	2023	Company
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - contractors	TRI per 200,000 exposure hours	Total PMI excluding SWMA	0.20	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees and contractors - MANUFACTURING	TRI per 200,000 exposure hours	Manufacturing	0.11	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees - MANUFACTURING	TRI per 200,000 exposure hours	Manufacturing	0.08	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - contractors employees - MANUFACTURING	TRI per 200,000 exposure hours	Manufacturing	0.18	PMI
OHS	Number of fatalities - PMI and contracted employees	# of Fatalities	Total PMI excluding SWMA	0	PMI
OHS	Number of fatalities - PMI employees	# of Fatalities	Total PMI excluding SWMA	0	PMI
OHS	Number of fatalities - contracted employees	# of Fatalities	Total PMI excluding SWMA	0	PMI
OHS	Number of fatalities - contractors	# of Fatalities	Total PMI excluding SWMA	0	PMI
OHS	Number of fatalities - members of the public	# of Fatalities	Total PMI excluding SWMA	3	PMI
OHS	Occupational Illness Rate (OIR) per 200,000 hours worked - PMI and contracted employees	OI per 200,000 exposure hours	Total PMI excluding SWMA	0.00	PMI
OHS	Occupational Illness Rate (OIR) per 200,000 hours worked - PMI employees	OI per 200,000 exposure hours	Total PMI excluding SWMA	0.00	PMI
OHS	Occupational Illness Rate (OIR) per 200,000 hours worked - contracted employees	OI per 200,000 exposure hours	Total PMI excluding SWMA	0.00	PMI
OHS	Occupational Illness Rate (OIR) per 200,000 hours worked - PMI and contracted employees - MANUFACTURING	OI per 200,000 exposure hours	Manufacturing	0.00	PMI
OHS	PMI Total km driven	km	Fleet	443,577,282	PMI
OHS	Exposure Hours - PMI and contracted employees and contractors MARKETS	No of exposure hours	Market	91,542,926	PMI
OHS	Exposure Hours - PMI and contracted employees - MARKETS	No of exposure hours	Market	73,893,284	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees and contractors- MARKETS & FLEET	LTI per 200,000 exposure hours	Markets & Fleet	0.12	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees - MARKETS & FLEET	LTI per 200,000 exposure hours	Markets & Fleet	0.10	PMI

Topic	Indicator	Units	Scope	2023	Company
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees and contractors- MARKETS (non fleet)	LTI per 200,000 exposure hours	markets (non fleet)	0.08	PMI
OHS	Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees - MARKETS (non - fleet)	LTI per 200,000 exposure hours	markets (non fleet)	0.05	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees and contractors -MARKETS & FLEET	TRI per 200,000 exposure hours	Markets & Fleet	0.142	PMI
OHS	Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees - MARKETS & FLEET	TRI per 200,000 exposure hours	Markets & Fleet	0.122	PMI
OHS	Collision rate within PMI's fleet of vehicles per year (collisions per million km driven)	No of collisions per million km driven	Fleet	0.40	PMI
OHS	Fleet crash rate	No of crashes per million km driven	Fleet	5.12	PMI
OHS	Fleet Lost Time Incident (LTI) Rate per million km driven - PMI and contracted employees	No of fleet LTIs per million km driven	Fleet	0.05	PMI
OHS	Occupational Illness Rate (OIR) per 200,000 hours worked - PMI and contracted employees - MARKET	OIs per 200,000 exposure hours	Market & Fleet	0.00	PMI

\* Refers to the retroactive compensation of a year's residual Scope 1 and Scope 2 emissions (i.e., 2022) through the cancellation of carbon credits during the reporting year (i.e. 2023).

\*\* Net Scope 1 and Scope 2 emissions equals gross emissions during the reporting the reporting year (i.e., 2023) minus the retroactive compensation of the previous year's emissions (i.e., 2022).

\*\*\* Swedish Match (SWMA) subsidiary data is included for limited indicators only as identified above.

Based on the data and information provided by Phillip Morris International SA and the processes and procedures conducted, SGS concludes that:

- The KPI assessment methodology applied is sound and valid
- The KPIs in the table above are accurate, complete, consistent, transparent and free of material error or omission in relation to the PMI defined methodology.

Signed:



For and on behalf of SGS United Kingdom Limited  
Pamela Chadwick, Business Manager  
Camberley, 22nd December 2023  
SGS United Kingdom Limited  
Inward Way, Rossmore Business Park  
Ellesmere Port  
Cheshire  
United Kingdom  
CH65 3EN

Note: This Statement is issued, on behalf of Client, by SGS United Kingdom Limited ("SGS") under its General Conditions for Greenhouse Gas Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting KPI Report may be consulted at Philip Morris International.