



Assurance Statement Number: CCP 267918/PMI/2021/03/22E

NATURE AND SCOPE OF THE ASSURANCE ENGAGEMENT

SGS United Kingdom Limited was commissioned to provide independent assurance of Environmental, Health and Safety data and KPI's for the calendar year 2021 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 (EHS) 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 2021 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 a reasonable level of assurance to PMI stakeholders 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.

The engagement was based on the scope, objectives and criteria as agreed between Philip Morris International SA and SGS on 1/10/2021

The engagement was combined with the verification of greenhouse gas emissions, 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: Indonesia (Sukorejo), Serbia (RS DIN), Czech Republic (Kutna Hora), Italy (PM MTB RRP GF) and Korea (Yangsan).

The environmental information provided was based on a combination of historical data representative of the calendar year 2021 for manufacturing facilities and fleet and a combination of historical data, estimation methodologies and data extrapolation for data in non-manufacturing facilities. Health and safety data was based on historical information.

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:

KPI	Units	Scope	2021 Value
Manufacturing CO ₂ e emissions (scope 1+2) intensity	kg CO ₂ e / mio. cig eq. produced	Manufacturing	335.88
Biogenic CO ₂ emissions from biofuels	t GHG	Manufacturing, Fleet, Office, Warehouse, Aircraft	11,615
Fleet CO ₂ e Emissions - intensity	g CO ₂ e per km Driven	Fleet	200
Fleet energy consumption - intensity	MJ per km Driven	Fleet	2.87
Manufacturing energy use	GJ / mio cig.eq. Produced	Manufacturing	7.81
Manufacturing water use	m ³ / mio. Cig. Eq produced	Manufacturing	3.91
Total amount of water withdrawn	'000 m ³	Manufacturing	3,120
Total amount of water consumed (withdrawn minus discharged)	'000 m ³	Manufacturing	1,481
Total amount of waste generated	(metric tons)	Manufacturing	114,043
Proportion of total waste generated that is recycled	%	Manufacturing	87%
Proportion of total waste generated that is incinerated with energy recovery	%	Manufacturing	11%
Proportion of total waste generated that is disposed to landfill	%	Manufacturing	1.08%
Proportion of factories with <1% of waste to landfill	%	Manufacturing	83%
Proportion of total waste generated that is incinerated without energy recovery	%	Manufacturing	0.3%
Amount of hazardous waste generated (metric tons)	(metric tons)	Manufacturing	1,057
Proportion of hazardous waste generated that is recycled	%	Manufacturing	21%
Proportion of hazardous waste generated that is incinerated with energy recovery	%	Manufacturing	57%
Proportion of hazardous waste generated that is disposed to landfill	%	Manufacturing	8%
Proportion of hazardous waste generated that is incinerated without energy recovery	%	Manufacturing	14%
Total energy consumption	GJ	Manufacturing, Fleet, Office, Warehouse, Aircraft	7,721,166
Total energy consumption	GJ	Manufacturing	6,228,237
Total energy consumption from renewable sources	GJ	Manufacturing, Fleet, Office, Warehouse, Aircraft	2,553,993
Total energy consumption from renewable sources	GJ	Manufacturing	2,439,972
Proportion of energy consumption from renewable sources	%	Manufacturing, Fleet, Office, Warehouse, Aircraft	33%

Proportion of energy consumption from renewable sources	%	Manufacturing	39%
Fuel consumption from non- renewable sources	GJ	Manufacturing, Fleet, Office, Warehouse, Aircraft	4,541,721
Fuel consumption from renewable sources	GJ	Manufacturing, Fleet, Office, Warehouse, Aircraft	123,033
Fuel consumption from non- renewable sources	GJ	Manufacturing	3,364,184
Fuel consumption from renewable sources	GJ	Manufacturing	109,859
Total electricity consumed	MWh	Manufacturing, Office, Warehouse	865,166
Total electricity consumed	MWh	Manufacturing	796,719
Total electricity consumed from renewable sources	MWh	Manufacturing, Office, Warehouse	674,903
Total electricity consumed from renewable sources	MWh	Manufacturing	647,220
Proportion of electricity used and purchased from renewable sources	%	Manufacturing, Office, Warehouse	78%
Proportion of electricity used and purchased from renewable sources	%	Manufacturing	81%
Proportion of electricity consumed at our factories that came from self-generated sources	%	Manufacturing	7%
Total energy consumption	GJ	Fleet	1,102,557
Exposure Hours - PMI and contracted employees and contractors	No of exposure hours	Group	179,499,954
Exposure Hours - PMI and contracted employees	No of exposure hours	Group	141,116,958
Exposure Hours - PMI employees	No of exposure hours	Group	124,119,096
Exposure Hours - contracted employees	No of exposure hours	Group	16,997,862
Exposure Hours - contractors	No of exposure hours	Group	38,382,996
Exposure Hours - PMI and contracted employees and contractors MANUFACTURING	No of exposure hours	Manufacturing	86,852,785
Exposure Hours - PMI and contracted employees - MANUFACTURING	No of exposure hours	Manufacturing	60,688,316
Exposure Hours - PMI and contracted employees and contractors MARKETS	No of exposure hours	Market	92,647,168
Exposure Hours - PMI and contracted employees - MARKETS	No of exposure hours	Market	80,428,642
Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees and contractors	LTI per 200,000 exposure hours	Group	0.05
Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees	LTI per 200,000 exposure hours	Group	0.06
Lost Time Incident (LTI) rate per 200,000 hours worked - PMI employees	LTI per 200,000 exposure hours	Group	0.05

Lost Time Incident (LTI) rate per 200,000 hours worked - contracted employees	LTI per 200,000 exposure hours	Group	0.06
Lost Time Incident (LTI) rate per 200,000 hours worked - contractors	LTI per 200,000 exposure hours	Group	0.05
Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees and contractors- MANUFACTURING	LTI per 200,000 exposure hours	Manufacturing	0.05
Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees - MANUFACTURING	LTI per 200,000 exposure hours	Manufacturing	0.05
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	0.06
Lost Time Incident (LTI) rate per 200,000 hours worked - PMI and contracted employees - MARKETS & FLEET	LTI per 200,000 exposure hours	Markets & Fleet	0.06
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)	0.04
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)	0.04
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees and contractors	TRI per 200,000 exposure hours	Group	0.09
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees	TRI per 200,000 exposure hours	Group	0.09
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI employees	TRI per 200,000 exposure hours	Group	0.09
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - contracted employees	TRI per 200,000 exposure hours	Group	0.07
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - contractors	TRI per 200,000 exposure hours	Group	0.10
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees and contractors - MANUFACTURING	TRI per 200,000 exposure hours	Manufacturing	0.10
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees - MANUFACTURING	TRI per 200,000 exposure hours	Manufacturing	0.10
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - contractors - MANUFACTURING	TRI per 200,000 exposure hours	Manufacturing	0.11
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	0.08
Total Recordable Incidents Rate (TRIR) per 200,000 hours worked - PMI and contracted employees - MARKETS & FLEET	TRI per 200,000 exposure hours	Markets & Fleet	0.08
Number of fatalities - PMI and contracted employees	No of fatalities	Group	1

Number of fatalities - PMI employees	No of fatalities	Group	1
Number of fatalities - contracted employees	No of fatalities	Group	0
Number of fatalities - contractors	No of fatalities	Group	0
Number of fatalities - members of the public	No of fatalities	Group	2
Total number of vehicles in PMI fleet	No of vehicles	Fleet	23,789
Collision rate within PMI's fleet of vehicles per year (collisions per million km driven)	No of collisions per million km driven	Fleet	0.44
PMI Total km driven	No of km driven	Fleet	383,628,462
Fleet crash rate	No of crashes per million km driven	Fleet	5.36
Fleet Lost Time Incident (LTI) Rate per million km driven - PMI and contracted employees	No of fleet LTIs per million km driven	Fleet	0.03
Occupational Illness Rate (OIR) per 200,000 hours worked - PMI and contracted employees	OIs per 200,000 exposure hours	Group	0.001
Occupational Illness Rate (OIR) per 200,000 hours worked - PMI employees	OIs per 200,000 exposure hours	Group	0.002
Occupational Illness Rate (OIR) per 200,000 hours worked - contracted employees	OIs per 200,000 exposure hours	Group	0.000
Occupational Illness Rate (OIR) per 200,000 hours worked - PMI and contracted employees - MANUFACTURING	OIs per 200,000 exposure hours	Manufacturing	0.003
Occupational Illness Rate (OIR) per 200,000 hours worked - PMI and contracted employees - MARKET	OIs per 200,000 exposure hours	Market & Fleet	0.000

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 requirements of the methodologies employed.

Signed:



For and on behalf of SGS United Kingdom Limited
Pamela Chadwick, Business Manager
Camberley, 15th March 2022
SGS United Kingdom Limited
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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 GHG Assertion may be consulted at Philip Morris International SA, Av. de Rhodanie 50, 1007 Lausanne Switzerland. This Statement does not relieve the Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.