



PHILIP MORRIS PRODUCTS S.A.

Christian Heller  
Value Balancing Alliance  
e.V.  
Attention: VBA  
Executive Committee

19.06.2023, Lausanne

Object: Resignation from the Value Balancing Alliance e.V. as of 31 December 2023

Dear Mr. Heller,

As a founding member of the Value Balancing Alliance (VBA), we believe in the importance of business coming together to develop an objective way to measure the impact companies can have on society and the environment. Over the years, under the VBA umbrella, we have piloted the robustness, feasibility and relevance of methodologies that translate environmental and social impacts into comparable financial data.

We believe that a concept of performance that excludes corporations' environmental, social, or product impact creates poor outcomes. Our financial system needs to redefine performance to include environmental and societal considerations. Doing so requires financial and non-financial reporting and disclosures that investors consider decision-making relevant, because they are reliable and comparable.

Philip Morris International (PMI) has, accordingly, welcomed recent developments, led by the IFRS-ISSB, as well as by EU/EFRAG's (with CSRD) to advance the setup of clear and harmonized principles and standards to set a global baseline for financially material sustainability-related disclosures and has engaged these stakeholders with constructive feedback. We are a leading international tobacco company working to deliver a smoke-free future and evolving our portfolio for the long-term to include products outside of the tobacco and nicotine sector. Consistent, reliable, and comparable disclosures can provide our current and future investors with the tools to assess the effectiveness of our strategy and the progress we are making on our targets, goals, and plans. It also allows all our employees, including management, as well as the company's Board, shareholders, and other stakeholders to understand how our financial and non-financial performance are interrelated and do not follow separate paths.

During this critical period, when these standards and frameworks are being developed, we believe it is our responsibility to be fully engaged and support, in any way we can, the creation of sustainable standards that can not only resist the test of time, but also create a path for a better economic system. Because of this, we unfortunately no longer have resources that allow us to continue actively supporting the research of impact valuation methodologies. While we strongly believe in the importance of this work, as

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