

Philip Morris International

Lausanne, Switzerland

Independent practitioner's limited assurance report
on Management's governance and preparation of
the 2022-2024 Sustainability Index

to the Board of Directors



Independent practitioner's limited assurance report

on the preparation and governance of Philip Morris International's Sustainability Index to the Board of Directors of Philip Morris International
Lausanne, Switzerland

We have been engaged by Board of Directors to perform assurance procedures to provide limited assurance on Philip Morris International's (PMI) description of the governance over and preparation process of the 2022-2024 Sustainability Index and suitability of the design of the related controls implemented by PMI as described in PMI's Sustainability Key Performance Indicators Protocol 2025 (hereafter the "Subject Matter") as per 31 December 2024.

The Subject Matter was prepared by the Management of PMI based on the following criteria (the "suitable Criteria") and as presented in PMI's Sustainability Key Performance Indicators Protocol 2025 disclosed on PMI's website*:

- The controls related to the control objectives stated in the description of the Subject Matter and in Appendix A
- Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework, Version 2013 as adapted and described by you in PMI's Sustainability Index Key Performance Indicator Protocol 2024

Inherent limitations

Control procedures designed to address specified control objectives are subject to inherent limitations and accordingly, errors or irregularities may occur and not be detected. Such control procedures and our work related to those control procedures cannot guarantee protection against (among other things) fraudulent collusion especially on the part of those holding positions of authority or trust.

Management's description presents the Philip Morris International's controls as per 31 December 2024, and thus our assurance report will be based on historical information. Any projection of such information or our conclusion thereon to future periods is subject to the risk that changes may occur after the assurance report and may no longer accurately portray the organisation's system of internal control.

For these reasons, such projection of information in the assurance report to future periods would be inappropriate. The relative effectiveness and significance of specific controls at the Philip Morris International and their effect on assessed control risk is dependent on the controls' interaction with the controls and other factors present at Philip Morris International.

Management's responsibility

The Management of Philip Morris International is responsible for preparing the Subject Matter in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the Subject Matter that are free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for the selection and application of the suitable Criteria.

Independence and quality management

We are independent of the Philip Morris International in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the Subject Matter. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information.' That standard requires that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the Subject Matter was not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures, among others:

- Conducted interviews with management and staff responsible for the preparation and review of the Subject Matter as well as the underlying subject matter information;
- Reviewed evidence supporting the design, implementation, and occurrence of the controls described in the Subject Matter including policy documents, board meeting and committee minutes, and underlying supporting calculations;
- Obtained and independently recalculated the results of the Sustainability Index based on underlying figures reported by management;
- Reviewed the suitability of your description to validate they are prepared in accordance with the suitable Criteria.

Notwithstanding other existing assurance engagements, we specifically note that we have not assured the underlying Sustainability Index Key Performance Indicators, rather the preparation and governance of the 2022-2024 Sustainability Index as a whole.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that management's description of the governance and preparation process of the 2022-2024 Sustainability Index of Philip Morris International established in PMI's Sustainability Key Performance Indicator Protocol as per 31 December 2024 is not prepared, in all material respects, in accordance with the suitable Criteria.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of Philip Morris International, and solely for the purpose of reporting to them on management's description of the governance and preparation process of the 2022-2024 Sustainability Index and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over management's description of the governance and preparation process 2022-2024 Sustainability Index, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Philip Morris International for our work or this report.

PricewaterhouseCoopers SA

Guillaume Nayet

Brendon Dawson

Lausanne, 14 February 2025

**The maintenance and integrity of Philip Morris International's website and its content are the responsibility of Philip Morris International; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Philip Morris International's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Subject Matter or suitable Criteria since they were initially presented on the website.*

Appendix A – List of Controls

The following list of controls describes the title and control objective for each item. Together these controls constitute the suitable criteria.

No.	Control Activity	Control Objective
Entity level Controls / Governance		
001	<p><i>Review and approval of Sustainability Index Structure</i></p> <p>Level: Governance Frequency: Once per every new Performance Share Unit (PSU) cycle – done on annual basis</p>	To ensure that the Sustainability Index and each of the KPIs included in the Index are in line with PMI's Materiality Assessment, linked to the Sustainability Strategy and current Sustainability Roadmap.
002	<p><i>Review and approval of the Sustainability Index performance ranges</i></p> <p>Level: Governance Frequency: Once per every new PSU cycle – done on annual basis</p>	To ensure that the PSU award performance ranges of the Sustainability Index are specific, measurable, achievable and owned by the organization.
003	<p><i>Establishing Sustainability Index KPI ownership</i></p> <p>Level: Governance Frequency: Annual</p>	To ensure that each Sustainability Index KPI is overseen by a senior leader and that the organization commits the necessary attention and resources. This ensures that sustainability goals are prioritized and effectively integrated into the organization's strategic agenda.
004	<p><i>Establishing and reviewing Sustainability Index KPI definitions as part of KPI Standards</i></p> <p>Level: Governance Frequency: As changes made, annually</p>	Establishing well-defined and systematic rules for Sustainability Index KPIs including key definitions, scope, calculation methodology, and data management to ensure consistency and reliability in measuring KPI performance.
Process Level of Controls		
005	<p><i>Sustainability KPI projections are reviewed on a regular basis for completeness and accuracy</i></p> <p>Level: Preparation Frequency: at least 2 times per year</p>	Ongoing monitoring and review is critical to a successful reporting process. This control ensures that Sustainability Index KPI projection are regularly monitored throughout the reporting period and escalated in case of deviations.
006	<p><i>Individual Sustainability Index KPI Values Calculation and Approval</i></p> <p>Level: Preparation/Process Frequency: Annual</p>	Ensure that the KPI values accurately reflect the performance and progress towards targets. Standardized calculation methods provide consistency and reliability, while approval by the KPI owner ensures alignment with organizational objectives and accountability.
007	<p><i>KPI values submission and validation as part of the Integrated Report submission process</i></p> <p>Level: Preparation/Control Frequency: Annual</p>	Ensure data consistency by leveraging on a standard Integrated Report data submission, approval, and validation processes.
008	<p><i>Sustainability Index calculation and validation for applicable PSU vesting years</i></p> <p>Level: Preparation Frequency: Annual</p>	Ensure Sustainability Index calculation consistency by using a standard Sustainability Index results calculation method.
009	<p><i>Sustainability Index Result Publication for applicable PSU vesting years</i></p> <p>Level: Preparation Frequency: Annual</p>	Provide transparency to external stakeholders regarding the Sustainability Index results and the link to the PSU awards.