

SASB content index

This summary cross-references our reporting to the material issues identified by the Sustainability Accountability Standards Board (SASB). It refers to 4 of the 77 Industry Standards developed by SASB. It seeks to align with the standards developed for Food & Beverage for the industries of **Tobacco** and **Agricultural Products**. In addition, as a result of our business transformation, it also cross-references our reporting to most aspects of the standards defined for Technology & Communications, more concretely the **Hardware** Standard, and it also describes alignment with some aspects of the standards developed for the Health Care industry, specifically the **Medical Equipment and Supplies** Standard.¹

This summary should be read in conjunction with the [Philip Morris International Inc. Form 10-K](#) for the year ended 2020, [PMI's Integrated Report 2020](#), and the additional sustainability-related communications available on PMI.com/sustainability.²

Tobacco Standard (2018)

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
PUBLIC HEALTH				
FB-TB-260a.1	(1) Gross revenue and (2) revenue net of excise taxes from (a) non-tobacco nicotine products and (b) heated tobacco products	Access to smoke-free products	PMI 2020 Form 10-K , pages 16 and 20; Integrated Report 2020 , pages 15, 129, 130	We currently present total revenues, including and excluding excise taxes. We also present revenues (net of excise taxes) by product category as follows: - Combustible products ³ and - Reduced-Risk Products (RRPs) ⁴ We currently do not present non-tobacco nicotine products and heated tobacco products revenues on a disaggregated basis.

¹ The Tobacco Standard is intended for companies that “Manufacture tobacco products including cigarettes, cigars, and smokeless tobacco products.” The Agricultural Products Standard is intended for companies “engaged in processing, trading, and distributing vegetables and fruits, and producing and milling agricultural commodities such as grains, sugar, consumable oils, maize, soybeans, and animal feed.” The Hardware Standard is intended for companies that “design and sell technology hardware products, including computers, consumer electronics, communications equipment, storage devices, components, and peripherals.” The Medical Equipment and Supplies Standard is intended for companies that “research, develop, and produce medical, surgical, dental, ophthalmic, and veterinary instruments and devices”

² The content of PMI's [Integrated Report 2020](#) content is shaped by a formal [sustainability materiality assessment](#), refreshed in 2019. We have structured our sustainability topics around four strategic pillars of action and two tiers. PMI's [Integrated Report 2020](#) provides information on context, relevance, management approach, targets, and performance for each tier 1 topic. Details about our management and performance on tier 2 topics, as well as case studies that shed light on our work at country level, are available on www.PMI.com/sustainability. In this summary and in related communications, the term “materiality,” “material,” and similar terms, when used in the context of economic, environmental and social topics, are defined in the referenced sustainability standards, and are not meant to correspond to the concept of materiality under the U.S. securities laws and/or disclosures required by the U.S. Securities and Exchange Commission.

³ Net revenues related to combustible products refer to the operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. These net revenue amounts consist of the sale of our cigarettes and other tobacco products combined. Other tobacco products primarily include roll-your-own and make-your-own cigarettes, pipe tobacco, cigars and cigarillos and do not include reduced-risk products

⁴ Net revenues related to reduced-risk products (or “smoke-free products”) refer to the operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. These net revenue amounts consist of the sale of our heated tobacco units, IQOS devices and related accessories, and other nicotine-containing products, which primarily include our e-vapor products.



FB-TB-260a.2	Discussion on the process to assess risks and opportunities associated with “tobacco harm reduction” products	Product health impacts, and Access to smoke-free products	PMI 2020 Form 10-K , pages 11, 36-42; Integrated Report 2020 , pages 9-10, 18, 33-49	
MARKETING PRACTICES				
FB-TB-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing, labeling, and/or advertising practices	Responsible marketing and sales practices		We disclose certain legal proceedings in PMI 2020 Form 10-K , as required by U.S. Securities Laws and related regulations. We currently do not present the level of detail set out in the standard. We report on the number of violations of the PMI Marketing Code or Good Conversion Practices (GCP) resulting in substantiated cases of misconduct in Integrated Report 2020 (pages 55 and 131).
FB-TB-270a.2	Description of the company’s marketing policy and relevant positions on Articles 11 and 13 of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC)	Access to smoke-free products, and Responsible marketing and sales practices	PMI 2020 Form 10-K , pages 33-42; Integrated Report 2020 , pages 18, and 52-58	

Code	Category	Reference in published materials	Additional comments
ACTIVITY METRICS			
FB-TB-000.A	Combustible tobacco product sales volume: (1) cigarette, (2) cigar, and (3) other smoked tobacco products	PMI 2020 Form 10-K , pages 16 and 20; Integrated Report 2020 , pages 15 and 130	We currently present PMI shipment volumes on a total basis and also separated as follows: - Combustible Products ⁵ - Reduced-Risk Products ⁶
FB-TB-000.B	Non-combustible product sales volume: (1) traditional smokeless tobacco, (2) non-tobacco nicotine products, (3) heated tobacco products, and (4) nicotine replacement therapy products	PMI 2020 Form 10-K , pages 14, 16 and 22; Integrated Report 2020 , pages 15 and 130	We currently do not present noncombustible product sales volume on a disaggregated basis with the level of detail set out in the standard

⁵ Net revenues related to combustible products refer to the operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. These net revenue amounts consist of the sale of our cigarettes and other tobacco products combined. Other tobacco products primarily include roll-your-own and make-your-own cigarettes, pipe tobacco, cigars and cigarillos and do not include reduced-risk products

⁶ Net revenues related to reduced-risk products (or “smoke-free products”) refer to the operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. These net revenue amounts consist of the sale of our heated tobacco units, IQOS devices and related accessories, and other nicotine-containing products, which primarily include our e-vapor products.

Agricultural Products Standard (2018)⁷

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
GREENHOUSE GAS EMISSIONS				
FB-AG-110a.1	Gross global Scope 1 emissions	Climate protection	Integrated Report 2020 , pages 99-111 and 139-140	We describe our carbon footprint as well as methodology to calculate greenhouse gas emissions, which follows the Greenhouse Gas Protocol, in Integrated Report 2020 (p. 102-104).
FB-AG-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate protection	Integrated Report 2020 , pages 100-106	
FB-AG-110a.3	Fleet fuel consumed, percentage renewable	Climate protection	Integrated Report 2020 , page 106 and 139-140	We report on CO ₂ e emissions in our fleet and on fuel consumption from renewable and nonrenewable sources in PMI factories, offices, and fleet. We do not report separately on fuel consumption in our fleet.
ENERGY MANAGEMENT				
FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Climate protection	Integrated Report 2020 , pages 105-106 and 139-140	We report on total energy consumption, proportion of total energy consumed that is from renewable sources, fuel consumption from renewable and nonrenewable sources, and electricity consumed that is from renewable sources in PMI factories, offices, and fleet.
WATER MANAGEMENT				
FB-AG-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water stewardship	Integrated Report 2020 , page 142; Corporate website: Water stewardship	
FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water stewardship	Corporate website: Water stewardship	

⁷ The topic and accounting metrics related to “Food safety” in the Agricultural Products Standard was excluded from this summary due to the nature of our business. We describe our approach to [Product reliability](#) on pmi.com.

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Water stewardship	Integrated Report 2020 , page 142; Corporate website: Water stewardship	
WORKFORCE HEALTH & SAFETY				
FB-AG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees	Health, safety, and well-being at work	Integrated Report 2020 , pages 91-96, and 135	For metrics relating to occupational health and safety across our business, please see p. 135 of our Integrated Report 2020 . We currently do not report on near miss frequency rate. We also report on metrics relating to safe working environment in our tobacco supply chain: please see p. 89 and 134 of our Integrated Report 2020 .
ENVIRONMENTAL & SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN				
FB-AG-430a.1	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard	Sustainable supply chain management, and Socioeconomic well-being of tobacco-farming communities	Integrated Report 2020 , pages 59-68, 78-90, 131-132, and 134	
FB-AG-430a.2	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Sustainable supply chain management, and Socioeconomic well-being of tobacco-farming communities	Integrated Report 2020 , pages 59-68, 69-75, 78-90, 131, 132, and 134	Our approach to managing environmental and social impacts in our tobacco supply chain is described on pages 65-68 and 78-90 of our Integrated Report 2020 . Key metrics (such as coverage of monitoring, number and breakdown of prompt actions recorded and

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Sustainable supply chain management, and Socioeconomic well-being of tobacco-farming communities	Integrated Report 2020 , 59-68, 69-75, 78-90, 131, 132, and 134 PMI 2020 Form 10-K , pages 3-5 and 8-10	resolved, or number of contracts terminated) are available on page 134 of our Integrated Report 2020 . Beyond tobacco, our work is grounded on PMI's Responsible Sourcing Principles and our supplier due diligence platform (STEP). We describe our approach and report on performance on page 60-64 and page 131-132 of our Integrated Report 2020. This work is complemented by broader human rights impact assessments conducted in high-risk countries and related action plans, as described on pages 73-74 of our Integrated Report 2020 .
GMO MANAGEMENT				
FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Biodiversity	Corporate website: Biodiversity	
INGREDIENT SOURCING				
FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	Climate protection Forest conservation Biodiversity	Integrated Report 2020 , pages 99-111; Corporate website: Forest conservation and Biodiversity	Our most recent climate change risk and opportunities assessment was conducted in 2019 and reported on in our Integrated Report 2020 as well as in our annual submission to the CDP available on PMI.com .
FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Water stewardship Socioeconomic well-being of tobacco-farming communities	Integrated Report 2020 , pages 78-90; Corporate website: Water stewardship	

Code	Category	Reference in published materials	Additional comments
ACTIVITY METRICS			
FB-AG-000.A	Production by principal crop	Integrated Report 2020 , pages 29, 59-68	
FB-AG-000.B	Number of processing facilities	Integrated Report 2020 , pages 8 and 29	
FB-AG-000.C	Total land area under active production	Corporate website: Forest conservation	



Code	Category	Reference in published materials	Additional comments
FB-AG-000.D	Cost of agricultural products sourced externally	Integrated Report 2020 , page 60	

Hardware Standard (2018)⁸

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
EMPLOYEE DIVERSITY & INCLUSION				
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Diverse and inclusive working environment	Integrated Report 2020 , page 8 and 136; Corporate website: Diverse and inclusive working environment	We report on gender breakdown as well as top nationalities at different managerial levels on page 8 of PMI Integrated Report 2020 . Further detail on our efforts to foster an inclusive and diverse working environment are available on PMI.com . We do not report on technical staff separately.
PRODUCT LIFECYCLE MANAGEMENT				
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Product eco-design and circularity	Integrated Report 2020 , pages 116-125 and 141	We adopted a centralized approach to the end-of-life of our smoke-free electronic devices by establishing two CIRCLE (Central Inspection and Recycling for a Closed Loop Economy) hubs that inspect, process, and separate materials for recycling. We report on recycling rate of our heat-not-burn IQOS devices, as well as total volume of materials recycled at the CIRCLE hubs.
SUPPLY CHAIN MANAGEMENT				
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Sustainable supply chain management	Integrated Report 2020 , pages 59-68	Electronic smoke-free devices are manufactured by third-party manufacturers. We describe our approach to managing our electronics supply chain on page 64 of PMI Integrated Report 2020 . During 2020, we further enhanced our collaboration with the Responsible Business Alliance (RBA) and we joined the RBA as an Affiliate Member in early 2021, as described on page 64 of PMI Integrated Report 2020 . This membership will help PMI to step-change the quality and impact of our supplier sustainability program in our electronics supply base.
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Sustainable supply chain management		
MATERIALS SOURCING				
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Sustainable supply chain management	Integrated Report 2020 , pages 59-68; PMI 2020 Form 10-K , page 38	We describe our approach to managing our electronics supply chain and discuss conflict minerals and cobalt sourcing on pages 64 of PMI Integrated Report 2020 . Our yearly conflict

⁸ Notes:

- The topic and accounting metrics related to "Product Security" in the Hardware Standard was excluded from this summary due to the nature of our business. However, in the context of our efforts to safeguard against youth access and use of our products, we piloted in 2020 age-verification technology on our e-vapor device, IQOS VEEV, in New Zealand, and we aim to equip all smoke-free devices we introduce as of 2023 with age-verification technology.
- Certain accounting metrics related to "Product lifecycle management" in the Hardware Standard were excluded from this summary due to the nature of our business.

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
				minerals submissions to the U.S. Securities and Exchange Commission are available on PMI.com .

Code	Category	Reference in published materials	Additional comments
ACTIVITY METRICS			
TC-HW-000.A	Number of units produced by product category		Electronic smoke-free devices are manufactured by third-party manufacturers. We currently do not report on these activity metrics.
TC-HW-000.B	Area of manufacturing facilities		
TC-HW-000.C	Percentage of production from owned facilities		

Medical Equipment & Supplies Standard (2018)

The topics and accounting metrics in the Medical equipment & Supplies Standard do not directly apply to our company, due to the nature of our business. However, they cover areas that are relevant to us, as we pursue our purpose of delivering a smoke-free future by focusing our resources on the research, development, and commercialization of less harmful alternatives to cigarettes, with the aim of completely replacing cigarettes as soon as possible. More specifically:

- **Affordability & Pricing:** In order to successfully reduce harm at the individual and population level, adult smokers who will not quit must be motivated to switch to less harmful alternatives than continued cigarette smoking. To succeed in making the world smoke-free, we need all adult smokers to have access to our smoke-free products, which means improving consumer awareness, as well as acceptability, availability, and affordability of these products. We describe our approach to providing access to PMI's smoke free products to those adult smokers who will not quit, including affordability aspects, in PMI [Integrated Report 2020](#), pages 41-49.
- **Product Safety:** We are researching and developing smoke-free products, whose reduced-risk profile is scientifically substantiated, employing a step-by-step program derived from practices followed by the pharmaceutical industry. We describe our approach to addressing product health impacts, including our scientific assessment program, the scientific evidence gathered to date, and post-market monitoring in PMI [Integrated Report 2020](#), pages 34-40. In 2019, a version of our heat-not-burn product *IQOS* became the first innovative electronic alternative to cigarettes to be authorized by the Food and Drug Administration (FDA) for sale in the U.S. On July 7, 2020, the FDA authorized a *IQOS* to be marketed as a Modified Risk Tobacco Product with “reduced exposure” information. This decision followed a multi-year review of the scientific evidence PMI submitted to the FDA in December 2016. We also report on [Product reliability](#) and [Responsible and transparent R&D](#) on PMI.com.
- **Ethical Marketing:** Please see summary cross-referencing our reporting to the SASB Tobacco Standard (“Marketing Practices” topic).
- **Product Design & Lifecycle Management:** Please see summary cross-referencing our reporting to the SASB Hardware Standard (“Product Lifecycle Management” topic).
- **Supply Chain Management:** Please see summary cross-referencing our reporting to the SASB Agricultural Products and Hardware Standards (“Environmental & Social Impacts of Ingredients Supply Chain”, “Supply Chain Management”, and “Materials sourcing” topics).
- **Business Ethics:** We describe our approach to business integrity and report on related metrics (such as reports of misconducts and employee training), as well as on engagement practices on our corporate website: [Business integrity](#) and [Responsible engagement](#).

For the activity metric “Number of units sold by product category”: Please see summary cross-referencing our reporting to the SASB Tobacco Standard.