



Greenhouse Gas Verification Statement Number: CCP267917/1/PMI/2023/090224V2

The reconciled inventory of Greenhouse Gas emissions in 2023 for:

Philip Morris Products S.A
Av. de Rhodanie 50
1007 Lausanne
Switzerland

has been verified by SGS according to ISO 14064-3:2019, to represent a total amount of:

354,823 tonnes of CO₂ Scope 1 & Scope 2 (CO₂e) (Market Based)

704,028 tonnes of CO₂ Scope 1 & Scope 2 (CO₂e) (Location Based)

For the following activities:

Scope 1 Emissions

- Combustion of fuels in Philip Morris Products S.A. owned and operated facilities
- Combustion of fuels in Philip Morris Products S.A. owned and operated mobile sources
- Direct process emissions

Scope 2 Emissions:

- Indirect emissions associated with purchased electricity, heat and steam in Philip Morris Products S.A. owned and operated facilities.

Lead Assessor: Lisa Gibson

Technical Reviewer: Andrew James Collins

Authorised by:

Pamela Chadwick, Business Manager

Verification Statement Date: 06 June 2024

This Statement is not valid without the full verification scope, objectives, criteria and findings available on pages 2 to 3 of this Statement.



Schedule Accompanying Greenhouse Gas Verification Statement Number: CCP267917/1/PMI/2023/090224V2

Brief Description of Verification Process

SGS has been commissioned by Philip Morris Products S.A. for the verification of their calendar year 2023 direct and indirect Greenhouse Gas Emissions, against a reporting methodology defined by Philip Morris Products S.A and the principles of completeness, transparency, accuracy, consistency, and relevance.

The verification was based on the verification scope, objectives and criteria as agreed between Philip Morris Products S.A and SGS during September 2023.

Roles and Responsibilities

The management of Philip Morris Products S.A is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS' responsibility to express an independent verification opinion on the GHG emissions as provided in the Philip Morris Products S.A Assertion for the period 01 January 2023 to 31 December 2023. As independent auditors to Philip Morris Products S.A. our work was conducted based on current best practice in independent verification and in accordance with SGS policies regarding impartiality and independence. SGS has no conflict of interest in relation to providing these services to Philip Morris Products S.A.

Objectives and Criteria

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG assertion.
- The data reported are accurate, complete, consistent, transparent, relevant, and free of material error or omission and compiled in accordance with Philip Morris Products S.A methodology

Materiality

The materiality level applied was 5% for scope 1 & 2 emissions.

Level of Assurance

SGS undertook the verification assessment with the aim to provide a reasonable level of assurance for scope 1 & 2 emissions.

Scope

Emissions sources verified were from CO₂e arising from Philip Morris Products S.A operations throughout the supply chain including:

Scope 1 Emissions

- Combustion of fuels in Philip Morris Products S.A owned and operated facilities
- Combustion of fuels in Philip Morris Products S.A owned and operated mobile sources
- Direct CO₂ emissions.

Scope 2 Emissions:

- Indirect emissions associated with purchased electricity, heat and steam in Philip Morris Products S.A owned and operated facilities.

Calculation of emissions was based on a combination of historical data representative of the calendar year 2023 for manufacturing facilities and mobile combustion and a combination of historical data, estimation methodologies and data extrapolation for emissions in non-manufacturing facilities. For 2023, Swedish Match facilities were included in the reported data following acquisition.

Types of GHGs included: CO₂, CH₄, N₂O

GHG information for the following period was verified: 01 January 2023 to 31 December 2023.

Intended user of the Verification Statement: for Philip Morris Products S.A internal use and external publication as required.

Conclusion

The Philip Morris Products S.A reconciled 2023 GHG inventory disclosing GHG emissions of 354,823 metric tonnes of CO₂ equivalent in scope 1 & scope 2, based upon the market-based approach, are verified by SGS, consistent with the agreed verification scope, objectives, and criteria.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modeling GHG emission 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 emissions information.

Based on the data and information provided by Phillip Morris Products S.A and the processes and procedures conducted, SGS concludes with reasonable assurance GHG emissions of 354,823 metric tonnes of CO₂ equivalent in scope 1 & scope 2, based upon the market-based approach:

- The GHG inventory methodology applied is sound and valid
- The reported annual emissions are accurate, complete, consistent, transparent and free of material error or omission in relation to the requirements of the calculation methodologies employed.

Scope 1:	305,382 tonnes CO ₂ e
Scope 2 (Market-Based):	49,441 tonnes CO ₂ e
Scope 2 (Location-Based)	398,646 tonnes CO ₂ e

This statement shall be interpreted with the GHG assertion of the 2023 GHG inventory for Philip Morris Products S.A as a whole.

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 Products S.A, 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.