



Greenhouse Gas Verification Statement Number: CCP24032023/1/PMI/S3/060624

The Reconciled Scope 3 Greenhouse Gas emissions in calendar year 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:

**4,340,588 tonnes of CO₂e total Scope 3 emissions
comprising:**

1,193,857 tonnes of CO₂e total Scope 3 FLAG emissions

3,146,731 tonnes of CO₂e total Scope 3 Industrial emissions

For the following activities:

Scope 3 Emissions

- Category 1, Purchased goods and services
- Category 2, Capital goods
- Category 3, Fuel, and energy related activities
- Category 4, Upstream transportation, and distribution
- Category 5, Waste generated in operations
- Category 6, Business travel
- Category 7, Employee commuting (including home-working)
- Category 9, Downstream transportation, and distribution
- Category 11, Use of sold products
- Category 12, End of life treatment of sold products
- Category 13, Downstream Leased Assets

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: CCP24032023/1/PMI/S3/090224

Brief Description of Verification Process

SGS has been commissioned by Philip Morris Products S.A for the verification of their reconciled calendar year 2023 Scope 3 Greenhouse Gas Emissions Model (v183) against World Resources Institute/World Business Council for Sustainable Development Corporate Value Chain (Scope 3) Accounting and Reporting Standard 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 in 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 Scope 3 GHG Model for the period 01 January 2023, to 31 December 2023.

Objectives and Criteria

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

- Whether the GHG emissions are as declared by the organization's Scope 3 GHG Model.
- The data reported are accurate, complete, consistent, transparent, relevant and free of material error or omission and compiled in accordance with World Resources Institute/World Business Council for Sustainable Development Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Materiality

The verifier materiality level applied was 10% for scope 3 emissions.

Level of Assurance

SGS undertook the verification assessment with the aim to provide a limited level of assurance for scope 3 emissions.

Scope

Emissions sources verified were from CO₂e arising from Philip Morris Products S.A operations throughout the value chain. 2023 data included emissions from Swedish Match (acquisition).

Scope 3 Emissions:

- Category 1, Purchased goods and services
- Category 2, Capital goods
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- Category 9, Downstream transportation, and distribution
- Category 11, Use of sold products
- Category 12, End of life treatment of sold products
- Category 13, Downstream Leased Assets (Swedish Match only)

Calculation of emissions was based on a combination of historical data, estimation methodologies and data extrapolation.



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 2023 Scope 3 GHG Model disclosing GHG emissions of 4,340,588 metric tonnes of CO₂ equivalent in scope 3 are verified by SGS, consistent with the agreed verification scope, objectives, and criteria. The methodology applied is World Resources Institute/World Business Council for Sustainable Development Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Note that for the category Purchased Goods & Services, the methodology applied is not consistent with the WRI GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for practical reasons. This is not considered to result in a material misstatement of emissions.

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 limited assurance that there is no evidence to suggest that:

- The Scope 3 GHG Model methodology applied is not sound and valid
- The reported annual emissions are not accurate, complete, consistent, transparent, and free of material error or omission in relation to the requirements of the calculation methodologies employed.

We planned and performed our work to obtain the information, explanations, and evidence that we considered necessary to provide a limited level of assurance that the CO₂ equivalent emissions for the period 01 January 2023, to 31 December 2023, are fairly stated.

This statement shall be interpreted with the Scope 3 GHG Model 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 Scope 3 GHG Model 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.