



Greenhouse Gas Verification Statement Number: CCP 267918/1/PMI/2019/03/20

The inventory of Greenhouse Gas emissions in 2019 for:

Philip Morris International SA

Av. de Rhodanie 50

1007 Lausanne

Switzerland

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

**555,882 tonnes of CO₂ Scope 1 & Scope 2 (CO₂e)
(Market Based)**

**844,532 tonnes of CO₂ Scope 1 & Scope 2 (CO₂e)
(Location Based)**

For the following activities

Scope 1 Emissions

- Combustion of fuels in Philip Morris International owned and operated facilities
- Combustion of fuels in Philip Morris International owned and operated mobile sources
- Direct process emissions

Scope 2 Emissions:

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

Lead Assessor: Clare Robertson

Technical Reviewer: Peter Simmonds

Authorised by:

Pamela Chadwick, Business Manager

Verification Statement Date: March 20th 2020

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

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**Schedule Accompanying Greenhouse Gas Verification Statement Number:
CCP 267918/1/PMI/2019/03/20**

Brief Description of Verification Process

SGS has been commissioned by Philip Morris International SA for the verification of their calendar year 2019 direct and indirect Greenhouse Gas Emissions assertion against a GHG Inventory methodology defined by Philip Morris International SA 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 International SA and SGS on 01.11.2019

Roles and responsibilities

The management of Philip Morris International SA 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 International SA Assertion for the period January 1, 2019 to December 31, 2019.

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 International SA 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 International SA operations throughout the supply chain including:

Scope 1 Emissions

- Combustion of fuels in Philip Morris International SA owned and operated facilities
- Combustion of fuels in Philip Morris International SA owned and operated mobile sources
- Direct CO₂ and VOC emissions.

Scope 2 Emissions:

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

Calculation of emissions was based on a combination of historical data representative of the calendar year 2019 for manufacturing facilities and mobile combustion and a combination of historical data, estimation methodologies and data extrapolation for emissions in non-manufacturing facilities.

Types of GHGs included: CO₂, CH₄, N₂O



GHG information for the following period was verified: January 1, 2019 to December 31, 2019.
Intended user of the Verification Statement: for Philip Morris International internal use and external publication as required.

Conclusion

The Philip Morris International SA 2019 GHG inventory disclosing GHG emissions of 555,882 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 International SA and the processes and procedures conducted, SGS concludes with reasonable assurance GHG emissions of 555,882 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:	397,210 tonnes CO ₂ e
Scope 2 (Market Based):	158,672 tonnes CO ₂ e
Scope 2 (Location Based):	447,322 tonnes CO ₂ e

This statement shall be interpreted with the GHG assertion of the 2019 GHG inventory for Philip Morris International SA as a whole

KPI Data Assurance

In addition to the GHG data verification detailed above the following data have also been verified:

- Water Consumption for Manufacturing, including Water In and Water Out
- Waste Generation for Manufacturing, including total waste breakdown by waste type and disposal type
- Health & Safety indicators for Manufacturing, Market & Fleet. Including number of crashes, Lost Time Injuries (LTIs), Lost Work Days (LWDs) and other recordable incidents
- Production Volumes

For data assurance of these other KPIs, data sampling was conducted on a number of indicators based on strategic review and risk assessment.

Based on the data and information provided by Phillip Morris International SA and the processes and procedures conducted, SGS concludes that:

- The KPI assessment methodology applied is sound and valid
- The KPIs are accurate, complete, consistent, transparent and free of material error or omission in relation to the requirements of the methodologies employed.

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 International SA, 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.