

SASB content index 2022

This summary cross-references our reporting to the material issues identified by the Sustainability Accountability Standards Board (SASB). It refers to four 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. (PMI) [Form 10-K for the year ended December 31, 2022](#), PMI [Integrated Report 2022](#), and additional sustainability-related communications available on www.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	Innovation in wellness and healthcare; Product health impact	PMI 2022 Form 10-K (pg. 26)	We currently present total revenues, including and excluding excise taxes. We also present revenues (net of excise taxes) by product category as follows: <ul style="list-style-type: none"> • Combustible products³ • Smoke-free products⁴ We currently do not present non-tobacco nicotine products and heated tobacco products revenues on a disaggregated basis.
FB-TB-260a.2	Discussion on the process to assess risks and opportunities associated with “tobacco harm reduction” products	Product health impact	PMI 2022 Form 10-K (pgs. 8-9, 44-51) Integrated Report 2022 (pgs. 53-55)	

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 [Integrated Report 2022](#) is shaped by a formal [sustainability materiality assessment](#), refreshed in 2021. PMI [Integrated Report 2022](#) provides information on context, relevance, management approach, targets, and performance for each priority ESG topic. Additional details and case studies are available on www.pmi.com/sustainability.

³ Net revenues related to combustible tobacco 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 PMI’s cigarettes and other tobacco products that are combusted. Other tobacco products primarily include roll-your-own and make-your-own cigarettes, pipe tobacco, cigars and cigarillos and do not include smoke-free products.

⁴ Net revenues related to 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, if applicable. These net revenue amounts consist of the sale of all of PMI’s products that are not combustible tobacco products, such as heat-not-burn, e-vapor, and oral nicotine, also including wellness and healthcare products, as well as consumer accessories such as lighters and matches. Following the Swedish Match acquisition and a review of PMI and Swedish Match’s combined product portfolio, PMI reclassified certain of its own products previously reported under its combustible tobacco product category to the newly created smoke-free product category to better reflect the characteristics of these products.



Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
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	Sales, marketing, and consumer communications	PMI 2022 Form 10-K (pgs. 117-130)	We publicly disclose material legal proceedings in PMI's periodic filings before the U.S. Securities and Exchange Commission, including forms 10-K and 10-Q, as mandated by U.S. Securities Laws and related regulations. The contingencies note in these disclosures do not, however, disclose "monetary losses as a result of legal proceedings" in direct alignment with this standard. We report on the number of violations of the PMI Marketing Codes resulting in substantiated cases of misconduct in PMI Integrated Report 2022 (pg. 64).
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)	Sales, marketing, and consumer communications	PMI 2022 Form 10-K (pgs. 40-51) Integrated Report 2022 (pgs. 17, 53, 63-68)	

Code	Topics & Accounting Metrics	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 2022 Form 10-K (pg. 34)	We currently present PMI shipment volumes on a total basis and also separated as follows: <ul style="list-style-type: none"> • Cigarettes • Heated tobacco units⁵ We currently do not present product sales volume on a disaggregated basis with the level of detail set out in the standard
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 2022 Form 10-K (pg. 34)	

⁵ "Heated tobacco units," or "HTUs," is the term PMI uses to refer to heated tobacco consumables, which include the company's BLENDS, HEETS, HEETS Creations, HEETS Dimensions, HEETS Marlboro and HEETS FROM MARLBORO (defined collectively as HEETS), Marlboro Dimensions, Marlboro HeatSticks, Parliament HeatSticks, SENTIA and TERE, as well as the KT&G-licensed brands, Fiit and Miix (outside of South Korea)

Agricultural Product 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	Integrated Report 2022 (pg. 197)	
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	Integrated Report 2022 (pgs. 134-143) PMI's Low-Carbon Transition Plan	
FB-AG-110a.3	Fleet fuel consumed, percentage renewable	Climate	Integrated Report 2022 (pg. 197)	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.

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ENERGY MANAGEMENT				
FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Climate	Integrated Report 2022 (pg. 197)	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.

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
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	Integrated Report 2022 (pgs. 158, 198)	
FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water	Integrated Report 2022 (pgs. 151, 158-161)	
FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Water	Integrated Report 2022 (pg. 199) CDP Water Security 2022 (pg. 12)	We report on the annual number and amount of environmental fines that exceed USD 10,000 (including water-related issues) in our Integrated Report and water-specific violations in our annual CDP Water Security disclosures.

⁶ 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 sustaining product reliability on pages 172-173 of PMI's [Integrated Report 2022](#).



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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 and safety at work	Integrated Report 2022 (pg. 193)	We currently do not report on near miss frequency rate.

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
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	Socioeconomic well-being of tobacco-farming communities; Sustainable supply chain management	Integrated Report 2022 (pg. 196)	PMI assesses conformity to its Good Agricultural Practices (GAP) and Agricultural Labor Practices (ALP) Code through farm-by-farm monitoring, external assessments by Control Union, and external verifications by local experts.
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	Socioeconomic well-being of tobacco-farming communities; Sustainable supply chain management	Integrated Report 2022 (pgs. 196, 201)	Our approach to managing environmental and social impacts in our tobacco supply chain is described on pgs. 119-130 and 182-183 of PMI Integrated Report 2022 . Key metrics (such as coverage of monitoring, number and breakdown of prompt actions recorded and resolved, or number of contracts terminated) are available on pg. 196 of PMI Integrated Report 2022 .
FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Socioeconomic well-being of tobacco-farming communities; Sustainable supply chain management	PMI 2022 Form 10-K (pgs. 4-5, 12) Integrated Report 2022 (pgs. 118-133, 183-187)	Beyond tobacco, our work is grounded on PMI's Responsible Sourcing Principles and our supplier due diligence platforms (EcoVadis and Responsible Business Alliance Validated Assessment Program). We describe our approach and report on performance on pgs. 130-133 and 179-181 of PMI Integrated Report 2022 . This work is complemented by broader human rights impact assessments conducted in high-risk countries and related action plans, as described on pgs. 177-178 of PMI Integrated Report 2022 .

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GMO MANAGEMENT				
FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Biodiversity	Integrated Report 2022 (pg. 154)	

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
INGREDIENT SOURCING				
FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	Climate, Biodiversity	Integrated Report 2022 (pgs. 134-135) TCFD Report 2022	Our most recent climate change risk and opportunities assessment was conducted in 2022 and will be reported on in our inaugural PMI TCFD Report 2022 , expected to be published in April, 2023.
FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Water	Integrated Report 2022 (pg. 158)	

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Code	Topics & Accounting Metrics	Reference in published materials	Additional comments
ACTIVITY METRICS			
FB-AG-000.A	Production by principal crop	Integrated Report 2022 (pg. 183)	
FB-AG-000.B	Number of processing facilities	PMI 2022 Form 10-K (pg. 18)	We report on total number of PMI-owned manufacturing facilities.
FB-AG-000.C	Total land area under active production	Integrated Report 2022 (pg. 155)	
FB-AG-000.D	Cost of agricultural products sourced externally	Integrated Report 2022 (pg. 180)	



Hardware Standard (2018)

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	Diversity and inclusion	Integrated Report 2022 (pgs. 111, 193-195)	We report top nationalities represented in our workforce and their representation at different managerial levels on pg. 111 of PMI Integrated Report 2022 . We report gender breakdown by various management levels, STEM positions, and overall workforce on pgs. 193-195 of PMI Integrated Report 2022 .

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
PRODUCT LIFECYCLE MANAGEMENT				
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Materials and product eco-design	Integrated Report 2022 (pg. 192)	We adopted a centralized approach to the end-of-life of our smoke-free electronic devices by establishing CIRCLE (Central Inspection and Recycling) hubs that inspect, process, and separate materials for recycling. We report on the recycling rate of IQOS devices returned to our centralized recycling hubs (weighted-average percentage of each device that is recycled), as well as total volume of materials recycled at the CIRCLE hubs.

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
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 2022 (pg. 201)	Electronic smoke-free devices are manufactured by third-party manufacturers. We describe our approach to managing our electronics supply chain on pgs. 179-182 of PMI Integrated Report 2022 . We joined the RBA as an Affiliate Member in early 2021.
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		

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
MATERIALS SOURCING				
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Sustainable supply chain management	PMI 2022 Form 10-K (pg. 16) Integrated Report 2022 (pg. 182)	We describe our approach to managing our electronics supply chain and discuss conflict minerals and cobalt sourcing on pgs. 179-183 of PMI Integrated Report 2022 . Our yearly conflict minerals submissions to the U.S. Securities and Exchange Commission are available on PMI.com .



Code	Topics & Accounting Metrics	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 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. First, the products must need to be legally available for sale in their countries. Then we need to improve 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, including affordability aspects, in PMI [Integrated Report 2022](#) (pgs. 56-63).
- **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 2022](#) (pgs. 53-55, 166-167). The U.S. Food and Drug Administration (FDA) has authorized the marketing of versions of PMI's IQOS Platform 1 devices and consumables as Modified Risk Tobacco Products (MRTPs), finding that exposure modification orders for these products are appropriate to promote the public health."
- **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) in PMI [Integrated Report 2022](#) (pgs. 173-175).

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