

## SASB content index 2023

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.<sup>1</sup>

This summary should be read in conjunction with the Philip Morris International Inc. (PMI) [Form 10-K for the year ended December 31, 2023](#), PMI [Integrated Report 2023](#), and additional sustainability-related communications available on [www.pmi.com/sustainability](http://www.pmi.com/sustainability).<sup>2</sup> We will publish our 2024 CDP submissions later in 2024. Current and future responses are made available on [PMI.com](http://PMI.com).

### Tobacco Industry Standard Version 2023-12

Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>PUBLIC HEALTH</b>				
<b>FB-TB-260a.1</b>	(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 <a href="#">2023 Form 10-K</a> (pg. 27)	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"> <li>• Combustible products<sup>3</sup></li> <li>• Smoke-free products<sup>4</sup></li> </ul> We currently do not present non-tobacco nicotine products and heated tobacco products revenues on a disaggregated basis.
<b>FB-TB-260a.2</b>	Discussion on the process to assess risks and opportunities associated with “tobacco harm reduction” products	Product health impact	PMI <a href="#">2023 Form 10-K</a> (pgs. 8-9, 46-53) <a href="#">Integrated Report 2023</a> (pgs. 44-48)	

<sup>1</sup> 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” In December 2023, the ISSB amended the SASB Standards in connection with the International Applicability of SASB Standards project.

<sup>2</sup> The content of PMI [Integrated Report 2023](#) is shaped by a formal [sustainability materiality assessment](#), refreshed in 2021. PMI [Integrated Report 2023](#) 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](http://www.pmi.com/sustainability).

<sup>3</sup> 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.

<sup>4</sup> 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.



Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>MARKETING PRACTICES</b>				
<b>FB-TB-270a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with marketing, labeling, or advertising practices	Sales, marketing, and consumer communications	PMI <a href="#">2023 Form 10-K</a> (pgs. 127-141)	We publicly disclose material legal proceedings in PMI's periodic filings with the U.S. Securities and Exchange Commission, including on forms 10-K and 10-Q, as mandated by U.S. Securities Laws and related regulations. These filings are available to the public on the U.S. Securities and Exchange Commission's website. 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 <a href="#">Integrated Report 2023</a> (pg. 58).
<b>FB-TB-270a.2</b>	Description of the entity'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 <a href="#">2023 Form 10-K</a> (pgs. 41-53) <a href="#">Integrated Report 2023</a> (pgs. 14, 45, 57-61)	

Code	Metric	Reference in published materials	Additional comments
<b>ACTIVITY METRICS</b>			
<b>FB-TB-000.A</b>	Combustible tobacco product sales volume: (1) cigarette, (2) cigar, and (3) other smoked tobacco products	PMI <a href="#">2023 Form 10-K</a> (pg. 36)	We currently present PMI shipment volumes on a total basis and also separated as follows: <ul style="list-style-type: none"> <li>• Cigarettes</li> <li>• Heated tobacco units<sup>5</sup></li> </ul> We currently do not present product sales volume on a disaggregated basis with the level of detail set out in the standard
<b>FB-TB-000.B</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 <a href="#">2023 Form 10-K</a> (pg. 36)	

<sup>5</sup> "Heated tobacco units," or "HTUs," is the term PMI uses to refer to heated tobacco consumables, which include the company's BLENDS, DELIA, HEETS, HEETS Creations, HEETS Dimensions (defined collectively as HEETS), Marlboro HeatSticks, SENTIA, TERA, TERA CRAFTED, and TERA Dimensions, as well as the KT&G-licensed brands, Fiit and Miix (outside of South Korea). HTUs also include zero tobacco heat-not-burn consumables (LEVIA).

## Agricultural Product Industry Standard Version 2023-12<sup>6</sup>

Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>GREENHOUSE GAS EMISSIONS</b>				
FB-AG-110a.1	Gross global Scope 1 emissions	Climate	<a href="#">Integrated Report 2023</a> (pg. 196)	
FB-AG-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate	<a href="#">Integrated Report 2023</a> (pgs. 131-136) <a href="#">PMI's Low-Carbon Transition Plan</a>	
FB-AG-110a.3	Fleet fuel consumed, percentage renewable	Climate	<a href="#">Integrated Report 2023</a> (pg. 196)	We report on CO <sub>2</sub> 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.

Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>ENERGY MANAGEMENT</b>				
FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, and (3) percentage renewable	Climate	<a href="#">Integrated Report 2023</a> (pg. 196)	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	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>WATER MANAGEMENT</b>				
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	<a href="#">Integrated Report 2023</a> (pgs. 153, 198)	
FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water	<a href="#">Integrated Report 2023</a> (pgs. 142-143, 152-157)	
FB-AG-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Water	<a href="#">Integrated Report 2023</a> (pg. 199) <a href="#">PMI CDP Water Security Questionnaire 2023</a>	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.

<sup>6</sup> 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 167-168 of PMI's [Integrated Report 2023](#).



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Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>WORKFORCE HEALTH &amp; SAFETY</b>				
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) contract employees	Health and safety at work	<a href="#">Integrated Report 2023</a> (pg. 192)	We currently do not report on near miss frequency rate.

Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>ENVIRONMENTAL &amp; SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN</b>				
FB-AG-430a.1	(1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard, and (2) percentages by standard	Socioeconomic well-being of tobacco-farming communities; Sustainable supply chain management	<a href="#">Integrated Report 2023</a> (pg. 202)	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	<a href="#">Integrated Report 2023</a> (pgs. 201)	Our approach to managing environmental and social impacts in our tobacco supply chain is described on pgs. 110-125, 174-181 of PMI <a href="#">Integrated Report 2023</a> . Key metrics (such as coverage of monitoring, number and breakdown of prompt actions recorded and resolved, or number of contracts terminated) are available on pgs. 201-202 of PMI <a href="#">Integrated Report 2023</a> .
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 <a href="#">2023 Form 10-K</a> (pgs. 4, 13) <a href="#">Integrated Report 2023</a> (pgs. 110-125, 174-181)	Beyond tobacco, our work is grounded in 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. 110-125, 174-181 of PMI <a href="#">Integrated Report 2023</a> . This work is complemented by broader human rights impact assessments conducted in high-risk countries and related action plans, as described on pgs. 171-173 of PMI <a href="#">Integrated Report 2023</a> .

Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>GMO MANAGEMENT</b>				
FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Biodiversity	<a href="#">Integrated Report 2023</a> (pg. 147)	

Code	Metric	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>INGREDIENT SOURCING</b>				
FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	Climate, Biodiversity	<a href="#">Integrated Report 2023</a> (pgs. 126-127) <a href="#">TCFD Report 2022</a>	
FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Water	<a href="#">Integrated Report 2023</a> (pg. 153)	



<i>Code</i>	<i>Metric</i>	<i>Reference in published materials</i>	<i>Additional comments</i>
<b>ACTIVITY METRICS</b>			
<b>FB-AG-000.A</b>	Production by principal crop	<a href="#">Integrated Report 2023</a> (pg. 180)	
<b>FB-AG-000.B</b>	Number of processing facilities	PMI <a href="#">2023 Form 10-K</a> (pg. 21)	We report on total number of PMI-owned manufacturing facilities.
<b>FB-AG-000.C</b>	Total land area under active production	<a href="#">Integrated Report 2023</a> (pg. 150)	
<b>FB-AG-000.D</b>	Cost of agricultural products sourced externally	<a href="#">Integrated Report 2023</a> (pg. 176)	

## Hardware Industry Standard Version 2023-12

Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>PRODUCT SECURITY</b>				
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Privacy	PMI <a href="#">2023 Form 10-K</a> (pgs. 19-20)	
<b>EMPLOYEE DIVERSITY &amp; INCLUSION</b>				
TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (2) non-executive management, (c) technical employees, and (d) all other employees	Diversity and inclusion	<a href="#">Integrated Report 2023</a> (pgs. 104, 192-193)	We report top nationalities represented in our workforce and their representation at different managerial levels on pg. 104 of PMI <a href="#">Integrated Report 2023</a> . We report gender breakdown by various management levels, STEM positions, and overall workforce on pgs. 192-193 of PMI <a href="#">Integrated Report 2023</a> .
<b>PRODUCT LIFECYCLE MANAGEMENT</b>				
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Materials and product eco-design	<a href="#">Integrated Report 2023</a> (pg. 191)	We adopted a centralized approach to the end-of-life of our smoke-free electronic devices by establishing CIRCLE 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.
<b>SUPPLY CHAIN MANAGEMENT</b>				
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	<a href="#">Integrated Report 2023</a> (pg. 201)	Electronic smoke-free devices are manufactured by third-party manufacturers. We describe our approach to managing our electronics supply chain on pgs. 174-179 of PMI <a href="#">Integrated Report 2023</a> . 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		



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Code	Topics & Accounting Metrics	Relevant PMI sustainability topics	Reference in published materials	Additional comments
<b>MATERIALS SOURCING</b>				
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Sustainable supply chain management	PMI <a href="#">2023 Form 10-K</a> (pg. 17) <a href="#">Integrated Report 2023</a> (pg. 179)	We describe our approach to managing our electronics supply chain and discuss conflict minerals and cobalt sourcing on pg. 179 of PMI <a href="#">Integrated Report 2023</a> . Our yearly conflict minerals submissions to the U.S. Securities and Exchange Commission are available on <a href="#">PMI.com</a> .

Code	Topics & Accounting Metrics	Reference in published materials	Additional comments
<b>ACTIVITY METRICS</b>			
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 Industry Standard Version 2023-12

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 2023](#) (pgs. 44-63).
- **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 2023](#) (pgs. 44-63, 165-166). 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 2023](#) (pgs. 169-170).
- For the activity metric "Number of units sold by product category": Please see summary cross-referencing our reporting to the SASB Tobacco Standard.