



PMI Leaf curing fuel monitoring framework

Monitoring, Verification, and Reporting (MVR) Framework for Sustainable Curing Fuels

Background

Our business activities rely on healthy ecosystems. The raw materials used in our products rely on fertile soil, stable climate conditions, and access to water. As a business with an agricultural supply chain, it is paramount that we take needed steps to protect and preserve the ecosystems where we operate.

Promoting the efficient use of natural resources and taking steps to protect and preserve them help manage risks and prepare us for the future by granting us license to operate and compliance with upcoming regulation.

Tracking and reporting on our progress is a critical component of success – which is why we are so focused on enhancing traceability across our supply chain.

Which is why, as part of our Forest Positive program, we seek to use sustainable and traceable curing fuels in our flue cured tobacco supply chain. PMI engages with key stakeholders in the tobacco supply chain with a strong focus on fuelwood traceability and the implementation of sustainable management practices to protect forests from deforestation risk.

Our Monitoring Framework for Sustainable Leaf Curing Fuel was launched in 2016 and since then it has been our main initiative to address deforestation risks in the tobacco supply chain. As part of this, we leverage our [Zero Deforestation Manifesto \(ZDM\)](#) and related sustainability programs to drive decisions at all levels to establish sustainability practices in our value chain.

Monitoring Principles for Sustainable Leaf Curing Fuel:

The monitoring principles for sustainable curing fuel are the basis for a harmonized and verifiable monitoring framework that PMI applies to all of its flue cured tobacco suppliers. The framework consists of four principles, each of which contains criteria, indicators, guidance on the indicators and underlying requirements to fulfill the principles:

1. Know Your Fuel:	To quantify fuel usage and source of all fuels used for tobacco curing.
2. Be Sustainable:	Ensure that all origins switch to use fuels of a demonstrated sustainable source such as biomass from waste agricultural residues or wood fuel from sources which are proven to be sustainably managed (in accordance with the PMI defined criteria of sustainable forest management). No coal should be used as a fuel to cure tobacco.
3. Be transparent and replicable:	Have a clear and accessible process and communication that facilitate coordination between PMI and tobacco suppliers to facilitate accomplishment of PMI’s objectives. Transparency of internal processes to enable auditing requirements and replicability to ensure that data collection and reporting is consistent locally and globally.
4. Include Stakeholders:	To include various Stakeholders involved in the flue cured tobacco curing process, to understand their specific characteristics and local context differences. This will allow to adjust monitoring activities according to the local situation to ensure proper implementation of activities and data collection.

Requirements and Indicators per Principle:

Principle	Requirement	Indicators	Supporting Documentations
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<p>1. Know Your Fuel</p>	<ul style="list-style-type: none"> • Measure Consumption • Monitor fuel sources 	<p>1.1. Total amount of purchased cured tobacco (Kg)</p> <p>1.2. Total fuel for curing tobacco purchased by fuel source (kg or m3)</p> <p>1.3. Number of curing barns used per barn type</p>	<ul style="list-style-type: none"> • Tobacco survey • Barn survey • Fuel- usage survey/Farmer survey
<p>2. Be Sustainable</p>	<ul style="list-style-type: none"> • Indicate percentage of verified sustainable fuel types • Zero gross deforestation • Zero net deforestation • No coal usage • Proof of self sufficiency 	<p>2.1. Amount of purchased tobacco cured with sustainable and unsustainable source of fuels supported by documentation</p> <p>2.2. Number of initiatives to reach self- sufficiency and quantity of firewood that is self-sufficient</p> <p>2.3. Curing fuel is fully traceable to the source supported by documentation</p> <p>2.4. Forest risk maps developed for countries using firewood</p> <p>2.5. Forest risk mitigation plan design and implemented by risk categories</p>	<ul style="list-style-type: none"> • Report sustainability of wood fuels • Report sustainability of agrofuels • Forest risk mitigation plan for Primary and Protected Forest
<p>3. Be transparent and replicable</p>	<ul style="list-style-type: none"> • Clear reporting • Knowledge sharing • Standardize processes • Quality assurance • Documentation 	<p>3.1 SOP developed for data reported in the monitoring framework</p>	<ul style="list-style-type: none"> • Standard Operating Procedure • Quality check process • Provision of documentation
<p>4. Include Stakeholders</p>	<ul style="list-style-type: none"> • Understand Stakeholders and local context • Engage Stakeholders in the process • Stakeholders' capacity building. • Improve awareness • Communicating 	<p>4.1 Stakeholder engagement plan implemented.</p> <p>4.2 Capacity building activities provided to Stakeholders.</p> <p>4.3 Communication strategy implemented.</p>	<ul style="list-style-type: none"> • Understand local context • Stakeholder engagement plan • Capacity building activities • Communication strategy

Supply Chain Types:

Different types of supply chains have different requirements in the Monitoring Framework. Reporting processes and documentation in the Monitoring Framework may vary according to the type of supply chain. PMI works with suppliers and directly with farmers in its vertically integrated operations for specific markets. The approach of the MVR changes based on the stakeholders to be engaged for on the ground compliance to be implemented.

Assurance Process:

Since 2016 PMI annually deploys its Monitoring Framework for Sustainable Curing Fuels across the entire tobacco flue-cured supply chain and covered by an external verification assurance process since 2018. The MVR requires wood fuel traceability to ensure it originates from sustainable sources and it fully embeds the requirements and ambitions of our ZDM which are communicated to our tobacco suppliers through a set of tailored implementation guidelines. Through the application of the Monitoring Framework for Sustainable Curing Fuel, we systematically monitor the sustainability of all fuel types used in our tobacco supply chain, including a requirement to maintain a full chain of custody for the wood-based fuels used in the curing process. Data gathered is verified by a third party annually, and onsite audits are carried out according to a three-year cycle to cover all our tobacco suppliers.

It is our aim that this Framework help to inspire the practices needed to halt deforestation and reduce emissions to address the climate challenge.